

INVER GROVE HEIGHTS CITY COUNCIL AGENDA

Monday, December 10, 2018

8150 BARBARA AVENUE

7:00 P.M.

1. CALL TO ORDER

2. ROLL CALL

3. PRESENTATIONS

4. CONSENT AGENDA – All items on the Consent Agenda are considered routine and have been made available to the City Council at least two days prior to the meeting; the items will be enacted in one motion. There will be no separate discussion of these items unless a Council member or citizen so requests, in which event the item will be removed from this Agenda and considered in normal sequence.

- A. i. Minutes of November 13, 2018 City Council Meeting Minutes
ii. Minutes of November 26, 2018 City Council Meeting Minutes
- B. Resolution Approving Disbursements for Period Ending December 5, 2018
- C. Consider Approval of 2019 Polling Location Designations
- D. Authorize an Increase in the Fire Relief Association Retirement Benefit
- E. Consider Pay Request #4 to Pember Companies Inc. for the Heritage Village Park Dog Park Improvements
- F. Request for Approval of Rental Housing License
- G. Consider a Resolution Authorizing the Submittal of the 2040 Comprehensive Plan to the Metropolitan Council
- H. Consider an Agreement relating to Removal of the Existing Home on Property located at 10371 Inver Grove Trail
- I. Approve Additional Official Depository for 2018
- J. Consider Resolution Adopting the Fourth Generation Inver Grove Heights' Water Resources Management Plan (WRMP)
- K. Consider a Resolution Authorizing the Mayor and City Clerk to Sign the Minnesota Public Facilities Authority Real Property Declaration for Project No. MPFA-PSIG-G-008-FY2018 (City Project No. 2016-01) Dated August 28, 2017
- L. Consider a Resolution Receiving Feasibility Report and Scheduling a Public Hearing for City Project No. 2018-09D – Atwater Path Reconstruction and Street Lighting
- M. Consider a Resolution Receiving Feasibility Report and Scheduling a Public Hearing for City Project No. 2018-09F – 55th Street Court and 55th Street Reconstruction
- N. Resolution Receiving Feasibility Study and Scheduling Public Hearing for City Project No. 2015-03 (65th Street Roadway and Drainage Improvements) and City Project No. 2018-03 (65th Street Trunk Watermain Improvements)
- O. Approve 2019 Advisory Commission Meeting Schedule
- P. Approve 2019 City Council Meeting Schedule

- Q. Consider Amending the Contract, dated November 13, 2017, Between the City and Five Bugles Design (Wendel), to Include an Amendment of Professional Services for Additional Stormwater and Utility Services for Project 2014-10 Fire Station #2 New Construction
- R. Consider Awarding the Replacement of the Carpeting at Fire Station #1 to Empire Today for the Amount of \$9,785
- S. Request Approval of the Authorized Change Order #1 for \$2,556.00 to Revise Footing Steps and Foundation Wall to Accommodate the Depth of Sanitary Sewer and Exterior Sanitary Structure for Project 2014-10 Fire Station #2 New Construction
- T. Consider Approval of 2019 Fee Schedule Changes – Police Department
- U. Consider Final Compensating Change Order No. 2, Engineer's Final Report, and Resolution Accepting Work for City Project No. 2018-04 – Arbor Pointe PUD Shared Street Light System Improvements for Street Light Removal (Phase 1) and Boulevard Restoration (Phase 3)
- V. Consider Pay Voucher No. 5 for City Project No. 2018-08 Fire Station No. 2 Sewer and Water Improvements and Conduit for City Project No. 2018-11 Fire Station No. 2 Fiber Optic Improvements
- W. Personnel Action

5. **PUBLIC COMMENT:** Public comment provides an opportunity for the public to address the Council on items that are not on the Agenda. Comments will be limited to three (3) minutes per person

6. **PUBLIC HEARING:**

- A. Conduct a Public Hearing and Consider Approval of Renewal Applications for Liquor Licenses for the 2019 Calendar Year
- B. Conduct Public Hearing to Consider the Approval of the Pawn America LLC dba Pawn America Application for the Renewal of a Pawnbroker's License for the Premises located at 5300 S. Robert Trail

7. **REGULAR AGENDA:**

Finance

- A. Adopt the 2019 Tax Levies and Budgets, Resolution Adopting the Final 2019 Budget, Resolution Adopting the Final Tax Levies for the Year 2018, Collectible in 2019, Resolution Adopting the Storm Water Special Taxing District Levies for the Year 2018, Collectible in 2019
- B. Approval of the 2019-2023 Capital Improvement Plan

- C. Resolution Awarding the Sale of General Obligation Capital Improvement Plan Bonds, Series 2018A, in the Original Aggregate Principal Amount of \$10,000,000; Fixing Their Form and Specifications; Directing Their Execution and Delivery; and Providing for Their Payment AND Resolution Awarding the Sale of General Obligation Capital Improvement Plan Bonds, Series 2019A, in the Original Aggregate Principal Amount of \$2,500,000; Fixing their Form and Specifications; Directing Their Execution and Delivery; and Providing for Their Payment
- D. Consider Third Reading of an Ordinance Amending City Code Title 3, Chapter 4, Sections 3-4-2-2 and 3-4-2-3 and 10-3-8 Adjusting Development Fees for 2019

Administration:

- E. CITY OF INVER GROVE HEIGHTS; Consider Third Reading of an Ordinance Amending Title 4 Chapter 7 Gambling

Community Development:

- F. Consideration of a Resolution adopting a modification to the Tax Increment Financing Plan for Tax Increment Financing District No. 4-1
- G. Consideration of a Resolution and authorization to execute a Tax Increment Financing Development Agreement with Dignicare Properties of Inver Grove Heights, LLC

Parks and Recreation:

- H. Discuss Potential Changes to Ordinances Related to Dogs
- I. Consider Approval of Parks and Recreation Department Organizational Structure

8. Consider Approval of Steve Her's Separation Agreement with the City of Inver Grove Heights

9. MAYOR & COUNCIL COMMENTS:

10. EXECUTIVE SESSION:

1. Pursuant to Minn. Stat. § 13D.05, Subd. 2(b), a closed executive session for preliminary consideration of allegations against City Administrator Joe Lynch
2. Hearing to consider imposition of discipline with respect to allegations against City Administrator Joe Lynch

11. ADJOURN:

This document is available upon 3 business day request in alternate formats such as Braille, large print, audio recording, etc. Please contact Michelle Tesser at 651.450.2513 or mtesser@invergroveheights.org

CITY OF INVER GROVE HEIGHTS

REQUEST FOR COUNCIL ACTION

Presentation of Certificate of Achievement for Excellence in Financial Reporting

Meeting Date: December 10, 2018
 Item Type: Presentation
 Contact: Kristi Smith 651-450-2521
 Prepared by: Kristi Smith, Finance Director
 Reviewed by: N/A

Fiscal/FTE Impact:

- | | |
|--|------------------------------------|
| ☒ | None |
| ☐ | Amount included in current budget |
| ☐ | Budget amendment requested |
| ☐ | FTE included in current complement |
| ☐ | New FTE requested – N/A |
| ☐ | Other |

PURPOSE/ACTION REQUESTED

Presentation of Certificate of Achievement for Excellence in Financial Reporting to Finance Director Kristi Smith on behalf of the Finance Department.

SUMMARY

The Certificate of Achievement for Excellence in Financial Reporting has been awarded to the City of Inver Grove Heights by the Government Finance Officers Association of the United States and Canada (GFOA) for its comprehensive annual financial report (CAFR). The Certificate of Achievement is the highest form of recognition in the area of governmental accounting and financial reporting, and its attainment represents a significant accomplishment by a government and its management.

The CAFR has been judged by an impartial panel to meet the high standards of the program including demonstrating a constructive “spirit of disclosure” to clearly communicate its financial story and motivate potential users and groups to read the CAFR.

The GFOA is a major professional association servicing the needs of nearly 19,000 appointed and elected local, state, and provincial-level government officials and other finance practitioners. It provides top quality publications, training programs, services, and products designed to enhance the skills and performance of those responsible for government finance policy and management. The association is headquartered in Chicago, Illinois, with offices in Washington, D.C.

This is the thirty-first (31st) consecutive year that the City has earned this prestigious award from the GFOA.



**The Government Finance Officers Association
of the United States and Canada**

presents this

AWARD OF FINANCIAL REPORTING ACHIEVEMENT

to

Kristi Smith

Finance Director

City of Inver Grove Heights, Minnesota



The award of Financial Reporting Achievement is presented by the Government Finance Officers Association to the individual(s) designated as instrumental in their government unit achieving a Certificate of Achievement for Excellence in Financial Reporting. A Certificate of Achievement is presented to those government units whose annual financial reports are judged to adhere to program standards and represents the highest award in government financial reporting.

Executive Director

Christopher P. Morill

Date November 8, 2018

**INVER GROVE HEIGHTS CITY COUNCIL MEETING
TUESDAY, NOVEMBER 13, 2018- 8150 BARBARA AVENUE**

1. CALL TO ORDER 2. ROLL CALL:

The City Council of Inver Grove Heights met in regular session on Tuesday, November 13, 2018, in the City Council Chambers. Mayor Tourville called the meeting to order at 7:00 p.m.

Present were: Councilmembers Piekarski Krech, Bartholomew, Hark, and Perry; City Attorney Kuntz, City Administrator Lynch, Public Works Director Thureen, Community Development Director Gundlach, Finance Director Smith, Parks and Recreation Director Carlson, Deputy Police Chief Folmar, and City Clerk Tesser.

Mayor Tourville reminded everyone that Veteran's Day was Sunday and observed on Monday. He thanked those that have served and currently serving. He stated that we have a large military group out of Inver Grove Heights with the Red Bulls who are in Kuwait. He hopes for a peaceful nine-month mission for them.

He commented that it was difficult to read and hear about the devastation resulting from the California fires and that thoughts and prayers go out to the families, citizens, firefighters, workers, and EMS working the area.

3. PRESENTATIONS:

A. Proclamation of Small Business Saturday, November 24, 2018.

Mayor Tourville stated that the City of Inver Grove Heights encourages residents to shop local and celebrate our small businesses and the contributions they make to our local economy and Community. He stated that the City of Inver Grove Heights supports our local businesses that create jobs, boosts our local economy, and preserves our neighborhoods. He stated that small businesses employ a high percentage of the working population in the United States. Advocacy groups as well as public and private organizations across the Country have endorsed the Saturday after Thanksgiving as Small Business Saturday. He stated that they are doing a Proclamation and to support small businesses.

Motion by Bartholomew second by Piekarski Krech to approve the Proclamation of Small Business Saturday, November 24, 2018.

Ayes: 5

Nays: 0 Motion carried.

4. CONSENT AGENDA:

A. i. Minutes of October 22, 2018 Work Session Meeting Minutes.

 ii. Minutes of September 4, 2018 Work Session Meeting Minutes.

B. Resolution 18-221 Approving Disbursements for Period Ending November 6, 2018.

C. Resolution 18-222 Amending the 2018 Budget.

D. Consider Inver Grove Heights CVB 2019 Work Plan and Budget.

E. Consider Approval of Legal Services Agreement Between the City of Inver Grove Heights and LeVander, Gillen, & Miller, P.A., for civil legal services and criminal prosecution services.

F. Consider Approval of Contract for Demolition of Properties Located at 4343 65th St; 4301 64th St; and 9250 Courthouse Blvd. **Resolution 18-223.**

G. Consider Approval of 2019 Park & Recreation Fees.

H. Consider Approval of Contract for Repair of Lap and Diving Pool Shell.

I. Consider Approval of Contract for North Valley Pickleball Court/Parking Lot Project.

J. Consider Pay Request #3 to Pember Companies Inc. for the Heritage Village Park Dog Park Improvements.

K. Approval of Rental License.

L. Acknowledge Release of the Quiet Zone Notice of Intent (Resubmittal) for Implementation of a Quiet Zone at 65th ST, 66th St, Upper 71st St, a private crossing, and 105th St.

M. Consider a **Resolution 18-224** Awarding a Contract for Demolition of 6639 Concord Avenue to Nitti Roll-Off Services Inc.

N. Consider Final Compensating Change Order No. 3, Final Pay Voucher No. 1, Engineer's Final Report and **Resolution 18-225** Accepting Work for City Project No. 2018-07 – Pedestrian Ramp Compliance.

O. Final Compensating Change Order No. 1, Final Pay Voucher No. 2, Engineer's Final Report, and **Resolution 18-226** Accepting Work for City Project No. 2018-09B – Sealcoat.

P. Approve Drainage and Utility Easement for 10581 Akron Ave (Lot 6, Block 1, Inver Hills Third Addition, Dakota County, Minnesota).

Q. Consider a **Resolution 18-227** Accepting a Proposal for Geotechnical Exploration Services for City Project No. 2018-15 – 64th Street Outfall Repair.

R. Consider New Lease – Sprint.

S. **Resolution** Establishing Utility Rates for 2019. **Resolution 18-228 Water. Resolution 18-229 Sewer. Resolution 18-230 Storm.**

T. Agreement for Technical Services for Conservation Projects with Dakota County Soil and Water Conservation District (DCSWCD) and a **Resolution 18-231** regarding Administration of the Wetland Conservation Act and Regulatory Assistance pertaining to the Wetlands Conservation Act. **Resolution JPA 18-232.**

U. **Resolution 18-233** for Dakota County's 2019-2023 Capital Improvement Program and for Dakota County's 2019-2023 Transportation Sales and Use Tax Capital Improvement Program.

V. Consider a **Resolution 18-234** Authorizing the City of Inver Grove Heights to Enter into a Master Partnership Contract with MnDOT for MnDOT Authorized Projects in the City.

W. Consider **Resolution 18-235** Seeking 2019 Municipal State Aid System (MSAS) Advancement of Funding for City Project No. 2016-08 – T.H. 3 Roundabout at 70th Street (SAP #178-020027) and City Project No. 2015-03 – 65th Street Construction (between T.H. 3 and Argenta Trail) (SAP #178-104-007).

X. Consider **Resolution 18-236** Approving the Dakota County 2019 Community Funding Application for Waste Abatement Activities.

Y. Personnel Action.

Councilmember Piekarski Krech pulled Agenda Item 4G to have it considered with Agenda Item 7B.

Motion by Bartholomew second by Perry to approve the Consent Agenda with the exception of Agenda Item 4G.

Ayes: 5

Nays: 0 **Motion carried.**

5. PUBLIC COMMENT:

There were no public comments.

6. PUBLIC HEARING:

A. Consider Second Reading of an Ordinance Amending City Code Title 3, Chapter 4, Sections 34-2-2 and 3-4-2-3 and 10-3-8 Adjusting Development Fees for 2019.

Finance Director Smith stated that this item is for Development Fees proposed for 2019. She stated that more information was requested at the First Reading regarding the scenarios and is included at the bottom of the memo. She stated that the First Reading was listed on the Website, Social Media, and the Chamber of Commerce. The Chamber of Commerce's feedback is included in the packet. There were no changes to the fees from the First Reading of the Ordinance.

Finance Director Smith responded that the water and sewer connection fees typically increase between 3.5% and 5% per year.

Motion by Piekarski Krech second by Perry to close the Public Hearing at 7:08PM.

Ayes: 5

Nays: 0 Motion carried.

Motion by Piekarski Krech second by Perry to approve to Consider Second Reading of an Ordinance Amending City Code Title 3, Chapter 4, Sections 34-2-2 and 3-4-2-3 and 10-3-8 Adjusting Development Fees for 2019.

Ayes: 5

Nays: 0 Motion carried.

7. REGULAR AGENDA:

COMMUNITY DEVELOPMENT:

A. MICHAEL PORTER; Consider application for Chicken License – 2004 67th Street East.

Community Development Director Gundlach stated that this item is regarding an objection to a chicken license per City Code. If there is an objection by a neighbor, the Council must determine whether or not to approve the license.

Mayor Tourville commented that the concern was regarding the care of the chickens and how the license was applied for. He was concerned about the condition of the backyard and coop.

Councilmember Piekarski Krech commented that she was concerned about the conditions of the coop and wanted to know the rationale behind raising the chickens.

Councilmember Bartholomew asked how soon the applicant could make another application if this were to be denied and if there was a waiting period. He commented that he was concerned with the ventilation. He commented that the Inspector said there was adequate ventilation.

City Administrator Lynch responded that he wasn't aware of a waiting period. He stated that if the Council denies this, they will have to give the applicant notification that they will have to remove the chickens from the property.

Councilmember Piekarski Krech commented that the Inspector states that it "appears to be ventilated through a large opening in the front". She commented if that door is closed at night for vermin, the ventilation decreases and there is no other place for airflow.

Councilmember Bartholomew referenced the report that states there is an opening on top that can be opened for additional ventilation.

Community Development Director Gundlach responded that the Code Compliance Official did the inspection and the report. Director Gundlach suggested they check to see if the owner could address the issues discussed this evening and bring it back to the next meeting.

City Attorney Kuntz noted that the application's signature page was undated. He commented that he was looking for a 60-day rule, but assumes they are within the 120-day rule. He stated that the Council could couple a Motion to table it along with an extension of that time. Councilmember Piekarski Krech asked if that rule applied on a license application.

City Attorney Kuntz responded that someone could argue that it is a zoning related matter.

Mayor Tourville suggested tabling this item and addressing the items of concern at the next regular meeting.

Motion by Piekarski Krech second by Perry to table the request to Consider application for Chicken License – 2004 67th Street East, to the next regular meeting and extend the 60-day period.

Mayor Tourville agreed that was the suggestion. He commented that if the applicant wants this to proceed, they should attend a council meeting.

Community Development Director Gundlach clarified the request stating that the applicant needs to address the junk in the backyard, better roof, secure fence, neatly stack the wood and that the applicant needs to be present at the meeting.

City Attorney Kuntz stated that before the next meeting we check the shelter and enclosure requirements, as it states that coops and runs can't be placed within any drainage or utility easement. He commented that there may be an easement along the common lot line that they may need to check into further.

Ayes: 5

Nays: 0 Motion carried.

PARKS AND RECREATION:

B. Consider First Reading of an Ordinance Changes Related to Dog Licensing, Dog Leashes, and Dangerous Dogs. TABLED. FIRST READING NOT APPROVED.

Parks and Recreation Director Carlson stated that at the October Work Session the Council reviewed the consideration of Amendments to the City Ordinance related to dog leashes. Currently there are portions of the Code that state a dog must be on a leash, and other parts that state under voice control. Staff recommends the Code be amended to require that dogs be on a leash at all times unless they are on the owner's property, within the owner's vehicle, or at the Heritage Village Dog Park. He stated the Ordinance states that dogs could be on any City Park, trail, or public sidewalk as long as they are on a leash that is six feet long or less. They are not allowed inside the athletic fields, soccer fields, or inside tennis courts or fenced athletic fields. He stated that owners of dogs in manufactured home parks must keep their dogs on a six-foot leash at all times the animal is outside.

Parks and Recreation Director Carlson discussed Dangerous Dogs and stated that the Police Department would continue to handle all dangerous dog situations. The proposed changes give the Police Chief or designee, clear identification of the Cities responsibility for animal control authority. He commented that this allows them to differentiate between the ownership and conditions of dogs deemed dangerous versus potentially dangerous. He stated are language has been amended to establish a third-party hearing officer to conduct a dangerous dog hearing and the establishment of a moderate hearing fee for a dangerous dog or potentially dangerous dog designation.

He continued with Dog Licensing and stated that is currently done at the front counter at City Hall and through the Police Department. They are recommending dog licensing be done through the Parks and Recreation Department Monday through Friday between 9:00 a.m. to 5:30 p.m. The license would be good for one year from the date of issue. He stated that they can be purchased online or in person with cash, check, debit, or credit card. If a dog is found to be unlicensed, they would be charged a double fee under the proposed Ordinance changes. Councilmember Hark asked if a 10-foot retractable leash would be a violation if left out six feet.

Director Carlson responded that the Ordinance change would require that dogs be on a six-foot leash or less.

Mayor Tourville asked what the Park and Recreation Commission recommends. Parks and Recreation Director Carlson responded that the Commission wanted dogs to be on a six-foot leash.

Councilmember Piekarski Krech commented that there have been discussions about the safety of retractable leashes. Obedience groups and rescue groups suggest a six-foot cloth or leather leash, not a retractable leash. She commented that she didn't have an opinion either way. She asked how the license fees were determined and commented that the increase tripled.

Parks and Recreation Director Carlson responded that for 2019 it is proposed to be \$20 for an unaltered dog and \$10 for an altered dog. The fees were determined based off staff time administering the license fees and also takes into consideration bank fees for credit cards.

Councilmember Piekarski Krech referenced an article in the Star Tribune newspaper about some Cities that are not going to require the licensing of dogs as they do not feel there is any value in licensing. She questioned if there was value in this and if this was a discussion the Council needed to have. She asked how many dogs were within the Community.

Parks and Recreation Director Carlson displayed a copy of the article that was in the Star Tribune. He stated that it was up to the City Council to decide on licensing. He responded that there is an estimated 8,000 dogs within the City and 600 are currently licensed.

Councilmember Piekarski Krech commented that there are only 600 that are obeying the law. She questioned if they needed to have an Ordinance that states in order to have a dog here you have to have the Rabies vaccinations, but don't require a license.

Mayor Tourville commented that the question would be asked to the Police Department. He stated that he has read complaints on social media that the City has dogs and cats running around and do nothing about it. He commented that some may not want to pay a higher fine to get their dog back.

Councilmember Piekarski Krech commented that they have an Ordinance that states if an unlicensed dog is picked up by the Police, they will receive a fine. Proof of a Rabies shot is required and then they pay the fine. She commented that when they get the dog park permit, people would have to show proof that the dog has had a Rabies shot.

Councilmember Hark commented that licensing enforces the rabies shots. He commented that if an event were to happen and the Police are involved, and you can't prove your dog had the Rabies vaccination, it should be more than a Petty Misdemeanor.

Deputy Police Chief Folmar stated that when they pick up a dog with tags they may attempt to go to the homeowners. If it doesn't have a tag or license, they take it to the South St. Paul Animal Hospital.

Councilmember Piekarski Krech asked if the Police Department has a chip reader.

Deputy Chief Folmar responded that they do not have a chip reader. There is one at the South St. Paul Animal Hospital. He stated that posting lost dogs on Social Media is helpful. The fees collected from licensing would help provide the Police Department web access from the squad car to the system to look up the dog's information on the system.

Councilmember Piekarski Krech commented that most of the dogs that are picked up probably do not have licenses which doesn't solve the problem. She suggested having a discussion on what the benefit of licensing is and how to maintain safety.

Deputy Chief Folmar stated that the Animal Hospital requires that they show proof of Rabies and Distemper or its required the dog must receive shots prior to their release.

Mayor Tourville commented that if the Animal Hospital has the dog for a few days and can't confirm the vaccinations, they give them the shots.

Councilmember Piekarski Krech commented that there isn't a consequence to those who do not have their dogs licensed and that we should have one. She suggested adding language to the Ordinance that states if your dog gets picked up without a license there's a fine. She didn't feel licensing was enough.

Deputy Chief Folmar commented that there is a fine if the dog is off leash.

Councilmember Bartholomew asked if there was a fine for the dog not having vaccinations. He commented that if there wasn't, there should be.

Deputy Chief Folmar responded that there is not a fine for not having vaccinations. He stated that the Ordinance may state "dog at large" versus "dog off leash" but they mean the same thing.

City Administrator Lynch stated that they do not have the statutory authority to establish a fine that is not in Statute. He commented that we cannot do administrative fines. He stated that there are Cities that can and have established that, but we are a statutory City and do not have that ability.

Councilmember Piekarski Krech asked how they can double the license fee. She asked how they fine an unleashed dog.

City Attorney Kuntz responded that they are premising that it costs staff extra time to process. He stated that unleashed dogs are charged with a violation of the Ordinance which then becomes a Petty Misdemeanor or a Misdemeanor and a fine is associated with that.

Mayor Tourville commented that a dog off leash has a consequence. The dog goes to South St. Paul Animal Hospital and they give it shots. Whether there is a fine or not, they are getting the shots.

City Administrator Lynch commented that one of the discussions they have had was operationally and if the Animal Hospitals can issue licenses on behalf of the City. When those situations arise, they do not get away without a license. Currently, they pay a vet fee and shots, but do not pay a license fee.

Councilmember Piekarski Krech commented that if a dog gets picked up, the owner goes to the Animal Hospital and pays the fee for keeping the animal there. That's all they pay. She commented that the owner still doesn't have a license, which is the problem today.

City Administrator Lynch stated that they don't have that allowance from an operational standpoint. They need to decide if they give the Animal Hospitals the ability to license on the city's behalf

Mayor Tourville questioned if they could ask the Animal Hospitals if they could offer an online license.

City Administrator Lynch responded that they do not currently offer them that way but could have those conversations. They are currently available at the City Hall but are proposing to move them to the Park and Recreation Office.

Mayor Tourville commented that as of right now the dog has a boarding fee, shots, and the off-leash fee. The animal hospital could administer license fee.

Councilmember Piekarski Krech stated that there are still an estimated 8,000 dogs that don't have dog licenses. She asked what the Council needs to do to provide for the health and safety of the Community and the good citizens who have already licensed their dogs.

Amy Hunting, 2645 96th Street East stated that she was before the City Council a couple of years ago to discuss the Dog Ordinance. She commented that they spoke about the exact same items under discussion tonight but wanted to reference some changes she noticed. She referenced that the proposed dog leash changes had several bullet points and speaks about the definition of "under restraint". She commented that the definition of that (listed as A-D) stated that they want to make it fair to all dog owners to make sure citizens and other dogs were safe. She commented that looking at what is being proposed for the definition of under restraint she felt they could eliminate a few items. They could eliminate "people having a dog under voice control". She asked if there was a way to rewrite letters A-D to allow people to be safe. She stated that she took the time to rewrite the under-restraint definition and passed out copies of that to all of the Councilmembers.

She commented that when she takes her smaller dog out on a walk, they have a retractable leash out 10-15 feet. When another dog approaches, they bring the dog in next to them on that leash. She commented that she would expect that of anyone and felt it is a common courtesy. Length of leash does not seem to matter to a dog that is out of control. She read the following definition of what she proposed as under restraint: "the animal is in such proximity to the person having custody of it that the person can effectively by voice or signal command, control the animal and the animal is obedient to that person's voice or signal command. When approaching another person or person with an animal, the animal is brought beside the person having custody of it and is obedient to that person's voice or signal command". She stated that the current definition, under "A" is written similarly, but doesn't say "when you approach another person, or a person with an animal, that you bring your dog next to you". She stated that "B" and "C" were the same. She recommended that the language be amended to "controlled by a chain or a leash of a maximum of six feet in length or a commercially manufactured retractable leash that is brought to six feet in length when approaching another person or person with an animal". She commented that for dogs that are very well trained and under voice command it wasn't fair to be on a leash and that the dog should be allowed to be off leash, as that is a privilege the person and dog have earned.

She referenced the dangerous dog Ordinance changes that are proposed and commented on 5-4-5; The Seizure and Impoundment of Animals. She stated that a change was proposed to that part of the Ordinance and it eliminated the part that says, "if the owner of the impounded animal is unknown that the City must post a written notice that the animal has been impounded and have that posted in the City for seven days". She commented that this was one-way people may be able to find the owner of the dog. She commented that she didn't want to see that portion go.

She commented on dog licensing and stated that her dog is not licensed because she does not see the benefit. Her dog wears a collar with a rabies tag and ID attached and is also micro chipped. She commented that a benefit to licensing could be that a portion of the money collected is donated to help animals. She commented that she didn't know about a licensing event, but suggested it be a bigger deal with posters, include demonstrations with a K-9, or even giveaways. She commented that she doesn't think licensing is the way to go. People that don't have dogs vaccinated will not get licenses, and out of control dogs will probably not be kept on six-foot leashes.

Mayor Tourville commented about item "A" and stated that the reason behind that was that without the leash people don't feel safe on the trails with dogs. Some have suggested in order to keep the trails safe, they should not allow dogs on them. He commented that he has heard several times about dogs that are on voice command, but still don't listen. Voice control works some of the time, but maybe not all of the time. He felt they needed to have more discussion.

Ms. Hunting stated that she has noticed dogs off leash that she would be scared of but felt those should be pulled by the owner's side upon approach. She commented that most people may not do that today

but that would make some feel safe. She commented that Code Enforcement cannot be everywhere and able to enforce every dog.

Councilmember Bartholomew commented that a dog on a leash has a better chance of being controlled than a dog that is on voice command. He stated that this is the First Reading of the Ordinance. He liked the idea of exploring and creating a mechanism to charge a fine for animals that are owned but not vaccinated.

Councilmember Perry stated that she has a child that is fearful of dogs. She appreciates the time that people put into voice command, but to some people that dog is still a threat. She commented that a lot of dogs that are microchipped do not always have updated owner information.

Mayor Tourville asked Deputy Chief Folmar what the Police Departments feelings were and if it would be easier to solve the issue or problem if the leash was required and only six feet in length. He also asked for his opinion on licensing versus not licensing. He asked if there would be another way for them to get the information, they needed other than having to come to the City office.

Deputy Chief Folmar responded that the leash issue would be easier if the ordinance language would be more definitive. There are two conflicting Ordinances it can be difficult. A six-foot leash would be something they could prove and measure. The same would be for being on the leash and off the leash. He responded that licensing didn't matter from a Police Department perspective but that they would be supportive of it. He responded that if the Park and Recreation Department took it over it would be easier as they have a web-based search mechanism that officers can search on laptops in the squad cars.

Mayor Tourville asked if they needed to do a better job of explaining the benefits to licensing. One of the benefits would be the information would be readily available to officers.

Councilmember Piekarski Krech asked if Officers pick up dogs at large.

Mayor Tourville stated that he heard a comment that the Police Department won't find out who the owners of aggressive dogs are.

Deputy Chief Folmar responded that they do pick up dogs at large. Even aggressive ones.

City Attorney Kuntz responded that the Section they are referring to is called the Seizure and Impoundment of Animals. He stated that the following sentence is crossed out and says "If the owner is unknown, the City must post a written notice within 24 hours of the impoundment of the animal at City Hall and the Inver Grove Heights Police Department describing the animal and stating where the animal is impounded. Said notice shall remain posted at City Hall in the Inver Grove Heights Police Department for at least seven days."

Councilmember Piekarski Krech commented that the Police Department posts items on Facebook.

Deputy Chief Folmar responded that they do put information on Facebook and on the City Website.

City Attorney Kuntz confirmed that the Council were requesting to leave the sentence in but re-word it to state where the information is posted, be it on the website versus City Hall.

The Council agreed to those terms.

Councilmember Bartholomew stated that the Council needs more information. He commented that he was not going to vote for the first reading the way it is drafted. He wanted more discussion on

vaccinations and if they can incorporate allowing them to monitor, cite, and fine those that don't have them.

Motion by Bartholomew second Piekarski Krech to table Consider First Reading of an Ordinance Changes Related to Dog Licensing, Dog Leashes, and Dangerous Dogs. TABLED.

Ayes: 5

Nays: 0 Motion carried.

Councilmember Piekarski Krech stated that she pulled Agenda Item 4G since it includes the fees pertaining to the dog park, which has been tabled. She commented that if they have to change the portion on the dog park fees, they could do that at a later time.

Motion by Piekarski Krech second by Perry to approve Agenda Item 4G to Consider Approval of 2019 Park & Recreation Fees.

Ayes: 5

Nays: 0 Motion carried.

C. Consider Approval of North and South Valley Park(s) Master Plan.

Parks and Recreation Director Carlson stated that in August the Council accepted a Grant from Dakota County for \$15,000.

For the North and South Valley Park process they did the following:

- Used HKGI to provide assistance
- Performed a walk audit of the park and the surrounding area
- Hosted a "Pop up Park" meeting to solicit feedback
- Met with schools, library, and Community groups
- Hosted a social pin point site "online"
- Host a neighborhood park meeting to review recommendations

The following is proposed for North Valley Park:

- Repurpose the four existing tennis courts into six new pickleball courts
- Increase parking near the new pickleball courts providing approximately 20-25 stalls
- Relocate four-disc golf holes from South Valley Park to North Valley Park

The following is proposed for South Valley Park:

- 20 Community Garden plots on top of the hill off Borman Avenue
- Lookout tower near the Community Gardens
- Increase parking near the well house providing approximately 60 stalls
- Remove the baseball field and create an open green area for recreation/fitness programming
- Replace the playground equipment with both traditional and nature-based playground facility
- Replace the building and shelter with a new larger shelter that could include a restroom core
- Add a natural surface trail around the pond
- Add a small archery range to the east of the well house
- Identify the natural trails in the park that will be maintained by the City

He stated the following timeline if approved:

- 2019:
- Work with the Disc Golf Community to relocate four-disc golf holes from South Valley to North Valley.
 - Begin to prepare the archery area. He commented that he needed to get the Council information about the safety of the archery range before they move forward with this item.
 - Construct additional parking and pickleball courts in North Valley Park.
- 2020:
- Complete the archery area.
 - Replace the playground equipment.
 - Replace the picnic shelter.

- 2021:
- Construct additional parking in South Valley Park.
 - Remove the baseball field.
 - Construct Community Garden.

He stated that they are asking for approval of the Master Plan and would begin what is planned for 2019.

Motion by Hark second by Perry to approve to Consider Approval of North and South Valley Park(s) Master Plan.

Parks and Recreation Director Carlson stated that for all of the improvements they propose to make they would let the neighborhood know of the Parks and Recreation Advisory meeting, so they could have an opportunity to comment in a public forum.

Councilmember Bartholomew stated that he would support this plan but would like more information on the archery range.

Councilmember Piekarski Krech stated that she would like to know about the ongoing costs.

Ayes: 5

Nays: 0 Motion carried.

FINANCE:

D. Resolution Providing for the Sale of \$10,000,000 General Obligation Capital Improvement Bonds, Series 2018A. Resolution 18-237.

E. Resolution Providing for the Sale of \$2,500,000 General Obligation Capital Improvement Bonds, Series 2019A. Resolution 18-238.

Finance Director Smith stated that the Capital Improvement Bonds would be split into two issues to remain bank qualified for 2018. They would bring back the bid results for Council action on December 10th. The first Bond would close at the end of December and the second one at the beginning of January.

Jessica Cook, Ehlers, stated that this was for financing Fire Station #2. Last year there was approval to finance up to \$12.5 million dollars of Bonds for the Fire Station. They looked at scenario's for doing one Bond issue or two. The reason to do two was that in any calendar year they keep debt issuances under \$10,000,000, the bond issue can be bank qualified and has a broader market of purchasers and the interest rate is lower. She stated that when they did the analysis the savings was over \$300,000 to split the bond issues into two. Both would be sold on December 10th, with one closing in January, making it a 2019 Bond issue. That leaves additional Bonding authority in 2019 if necessary. She stated that in September when they were before the Council, they spoke of a 20 versus 25-year term and received direction for a 20-year term. Between now and 2027 you can't call or refinance a bond, which is a provision that is placed on the Bonds when they take them for competitive sale. She stated that they are recommending a competitive sale because the City has a strong credit rating, and this is straightforward public purpose financing. She stated that they have received six bids and expect to see a competitive environment in December when they go to market.

Motion by Piekarski Krech second by Perry to approve the following items:

Resolution 18-237 Providing for the Sale of \$10,000,000 General Obligation Capital Improvement Bonds, Series 2018A.

Resolution 18-238 Providing for the Sale of \$2,500,000 General Obligation Capital Improvement Bonds, Series 2019A.

Ayes: 5

Nays: 0 Motion carried.

ADMINISTRATION:

F. Consider Approval of the 2019 Fee Schedule. Resolution 18-239.

City Clerk Tesser stated that this item is for a Resolution to adopt the 2019 Fee Schedule for license and permit fees for 2019. She states departments submit recommendations to the Council based on an internal review of actual costs and a comparative analysis. She commented that there are small amendments and corrections to the schedule which has been noted and read. She stated that the dog license fees were included. They can amend the fee schedule without the changes to the dog licensing and wait until the Ordinance is approved, or they can approve as submitted and then amend later.

Mayor Tourville suggested leaving out the dog licensing for now.

Councilmember Piekarski Krech asked if the rationale for increases were based on costs.

City Administrator Lynch responded in the affirmative.

Councilmember Piekarski Krech questioned the increased figures from the zoning letter and the construction plan.

Community Development Director Gundlach responded that the zoning letter fee is related to staff time as the letters take a lot of research from the Planners and the cost was increased for their time.

She responded about the construction plan and stated that there wasn't an actual increase, but if you were to look at a GIS fee earlier in the fee schedule as noted, the fee was not consistently under the Community Development section. It is the same thing. The updated fee schedule only lists the ones in red that were proposed to increase.

Councilmember Hark asked if they allow goose hunting, as it is still listed.

City Clerk Tesser responded that all departments reviewed the fee schedule and she was unaware of a change.

City Administrator Lynch responded that they were not going to have a hunt in 2018, but they did not do anything about the fee. He commented that they can remove it if that is what the Council wanted.

Deputy Chief Folmar stated that the Records Clerk was out when they were finalizing the list and that there were items they still need to add. He stated that when they have those items compiled, they will bring it back.

Motion by Bartholomew second by Hark to approve to Consider Approval of the 2019 Fee Schedule. Resolution 18-239.

Ayes: 5

Nays: 0 Motion carried.

G. Consider First Reading of an Ordinance Amending Title 4 Chapter 7 Gambling.

City Attorney Kuntz stated that this item relates to the City regulation of lawful gambling and is a review of the entire Ordinance with four Policy matters to address. He stated that by definition lawful gambling in the State is defined "as the operation, conduct, or sale of Bingo, raffles, paddle wheels, tip boards, and pull tabs". Those are the identified lawful gambling items that you can do. He stated that the second series of definitions is that the State of Minnesota regulates lawful gambling and for that to occur the State has to issue a license to an eligible organization and issue a premise permit for the location where the gambling will occur. The State will not issue a premise permit to the organization unless the local City approves of the premises permit. He stated that the third series of definitions deal with the proceeds from gambling called gross receipts, which is all monies received from gambling including interest that the

Organization earn receipts. He stated that gross profit is how much was collected in gambling minus the prizes given out. He stated that net profits are gross profits minus allowable expenses. He stated that in dealing with gross profits, money taken in minus prizes can only be used for allowable expenses and items identified as lawful purposes both are defined by Statute.

He stated that the Ordinance was considered at a Work Session and at that time the Council identified the following four issues they wanted to revisit:

1. The current Ordinance allows an organization to have two premises permits. Under our Ordinance, lawful gambling, not exempt, can only be conducted in the City at an intoxicating on-sale liquor licensed establishment. He stated that the new Ordinance for consideration removes this restriction and allows an organization to have an unlimited number of premises permits in the City.
2. The current Ordinance allows only one premise permit per liquor establishment. The Ordinance states a bar cannot have more than one organization at its site. He stated that the new Ordinance allows two premises permits per liquor establishment.
3. The current Ordinance requires that 60% of lawful purpose expenditures be made in the Trade Area. This requirement is the same in the new Ordinance. Minnesota Statutes Section 349.213 requires that the Trade Area include every City contiguous to Inver Grove Heights. The Trade Area is Inver Grove Heights, South St. Paul, Rosemount, Eagan, West St. Paul, Sunfish Lake, St. Paul Park, Newport, and Mendota Heights. He stated that the law defines what a Trade Area is. You have latitude on 60% of lawful expenditures that have to be used within that Trade Area. That expenditure is what is left after gross receipts, minus prizes, minus allowable expenses, and left is what the organization spends on things allowed by Statute.
4. The current Ordinance does not require any direct payment to the City. The Statute allows a City to require that each organization contribute 10% of net profits derived from lawful gambling in the City to a fund administered and regulated by the City without cost to the fund. He stated that the money gets paid to the City, goes into a special fund, then can only be used by the City "for charitable contributions as defined in certain sections of the Statute or for Police, Fire, and other emergency or public safety related services, equipment, and training, excluding pension obligations". He stated that if the City creates a fund, uses it and pays out of it, the City has to make a report every March 15th to the State Gambling Board that lists revenue and what you did with it. He stated that provision is in the draft of the new Ordinance.

He stated that there are other changes as noted in the memo.

Councilmember Piekarski Krech asked about the 10% and asked if it could be 5%.

City Attorney Kuntz responded that the language doesn't state up to 10%, it states that "by an Ordinance requirement that such organizations must contribute 10% per year".

Councilmember Bartholomew asked about the 10% proposed to the City and if it was from net profit.

City Attorney Kuntz responded that was 10% of their net profits derived from lawful gambling in the City. 10% of that would have to come to the City fund.

Councilmember Piekarski Krech commented that they have 50% to spend in the trade area.

City Attorney Kuntz stated that 60% is the net profits. If the City collected 10% of the net, when it goes to counting where they spent the net 60%. He stated that he would check further into it for the Council.

City Clerk Tesser commented that a two-week notice was e-mailed out to all gambling managers.

Gabriel Rojas Cardona, President of the Inver Grove Heights Heat Soccer Association, 9716 Benjamin Trail, thanked the Council for the notice and responding to his emails. He asked if he could get a red line version of the proposed new Ordinance, so he knows what is changing. He asked what prompted the

changing of the Amendment. He commented that this type of program generates money and funnels it back to the Association members to defray costs. He commented that he wanted to understand what the intent is and how it would directly benefit the Community that it is intended to help. He stated that the Association has gaming in one location and that they have tried to look at other locations inside and outside of the Community. All of the other Communities do not allow external entities to come in and do gaming in their Communities. He commented that Inver Grove Heights is different in that other entities from outside this City are allowed to come in and take up the larger establishments. He asked how the changes in the proposed Amendment will help remedy that. He asked how the 10% worked.

City Attorney Kuntz responded that the way it is drafted you have to spend 10% to the City of Inver Grove Heights.

Mayor Tourville commented that it counts towards the 60% in the Trade Area.

City Attorney Kuntz responded that was true, but that he will need to clarify that item.

Mayor Tourville asked if the City of Inver Grove Heights could say that you would have to be a charitable organization in the City of Inver Grove.

City Attorney Kuntz responded that there are other Cities that do that, and he has confirmed that with the Gambling Board

Gabriel Rojas Cardona commented that is what they are seeing with outside entities coming in and the money leaves the City. The organization he is with is trying to help the local Community and there is no room to move or to grow.

Mayor Tourville agreed with his statements. He stated that they are adding the 10% because of the 60% in the Trade Area, none is spent in Inver Grove Heights. He stated that they were told that they couldn't exempt anyone. He commented that they could pass an Ordinance that states that charitable organizations in the City of Inver Grove Heights.

City Clerk Tesser stated that there will be a Second and Third Reading of this item. They hope to have it approved by the first of the year.

James Grob, 1323 Sibley Memorial Highway, Mendota, MN 55150, stated that he runs the American Veterans at Drkulas and puts almost all the money back into the Community. He asked about the 10% rule and commented that other Cities that he deals with also have the 10% rule. He asked that they define the 10% rule, so they know how to pay it. He commented that other Cities do not include Bingo, they only do it with pull tabs. If the Bingo is left alone in Inver Grove Heights, he has \$12,000 that goes back into the Community off of the Bingo proceeds. The rest of the money goes to different places within the Community, two of which are in the Trade Area and also help the Community. He stated that the way the Ordinance reads, and according to his Accountant, he would have to drop groups he gives money to and instead write the check to the City.

Mayor Tourville asked how many Cities he was in.

Mr. Grob responded that he is in 12 or 13 different Cities. Each has the 10% rule and each is different. The City of St. Paul requests who they give the money to, Hastings requires a form every month that states how much was sent along with the tax documents. He stated that they put almost everything back into the Community. He referenced the payment due date of the 15th and commented that the City of St. Paul tried that, and it doesn't work because the State requires them to have the books done by the 20th of the following month, and he still has to process the checks. He asked that they have until the end of the following month for logistics.

Mr. Grob asked that instead of the City receiving the check, he would fill out a letter so he can state where the money was spent.

Mayor Tourville suggested they receive more information from City Attorney Kuntz about the 60% and the 10% and then get that information back for the Second and Third Reading of the Ordinance.

City Clerk Tesser commented that it states no later than 15 days after the end of the month.

Mr. Grob commented that the way it's written, they do their inventory at the end of the month and send it to the Accountants office. They have until the 20th of the month per State Statute to pay the taxes that are required for the previous month.

Mayor Tourville commented that it was a good suggestion.

Councilmember Piekarski Krech asked to clarify the 10% rule and if they need to collect the money and verify where it goes.

City Attorney Kuntz responded that you have to verify where it goes, collect it, put it in a City fund and write it out of a City fund. He wasn't sure if giving it directly to the recipients would work.

Mr. Grob stated that he does it that way with other Cities and he sends them a report.

Mayor Tourville stated that they will check further into the 10% and the 60% and see how it works out.

Mr. Grob commented that he didn't receive a notification. City Clerk Tesser stated that since they don't require annual registrations, contact information can be an issue. The contact she had must not have been the current contact. She stated that everyone else was notified.

Councilmember Bartholomew asked Mr. Grob if his Accountant gives a tax statement monthly.

City Clerk Tesser responded that it is mailed out quarterly. Contact information is not included on it.

Councilmember Bartholomew asked for clarification from Mr. Grob on what imposing the 10% fee would do. He asked if that leaves a smaller pool that is split up between sports groups and the Lion's Club.

Mr. Grob responded that when he took the proposal down to his Accountant, they listed the changes. The money that is currently given to all the groups from him, would now be given to the City and the City decides who gets the money. He was concerned that a group or two may get left off the list

Councilmember Bartholomew commented that if the Council were to impose the 10%, then the pool of who you give the money to would be less.

Mr. Grob responded that they would not give the same amount of money they would normally give them.

Mayor Tourville stated that he has spoken with other Cities with the 10% and they say it goes smoothly.

Councilmember Bartholomew commented about the differentiating between the two gambling revenue streams, Bingo and pull tabs, and asked for more information.

Mr. Grob responded that every City has Bingo taxed on a different level and treated differently with the State. He stated that with Drkula's having Bingo and the Meat Raffle, he assigns each month to a Youth Group and then at the end of the month that group receives a check.

Councilmember Bartholomew stated that you have a pot of money generated from Bingo and Pull Tabs.

Mr. Grob responded that according to his Accountant and the 10% rule, Bingo is not added. He commented that he could still give to the Youth Groups that he currently does.

He stated that the other issue he still wanted to address what the due date of the 15th. He commented that the books are not done at the time the City wants to get paid. He stated that he isn't opposed to the 10% rule but prefers to keep doing things the way he has been. But he would comply either way.

Mayor Tourville asked for Mr. Grob's opinion on multiple premise permits at the same liquor establishment.

Mr. Grob responded that it gets complicated and hasn't seen it done successfully.

John Wayne Barker, 4768 Hauge Circle, Eagan, MN 55122, is the CEO of Merrick Inc. which operates two sites in Inver Grove Heights. He stated that there are four interested stakeholders in charitable gambling operations. He listed them as follows:

1. The good works done in the Community by the dollars given back to the City and its Trade Area. They submit the reports to the City.
2. Non-profit. Merrick Inc. benefits from the activities and uses the funds that are not contributed back to the City for the non-profits purpose. That purpose is serving adults with intellectual and developmental disabilities and providing work and life enrichment activities that improve their quality of life.
3. 10% back to the City. He stated that he supports this and that they do this at a number of their sites and is a great use of funds to support local Police, Fire, and other safety measures within the Community.

Charitable gambling contributes to that effort in bringing in customers and additional revenue. He stated that lifting the Ordinance would be helpful so that bar owners can bring that into the bars as they feel that could help them as a business owner. He stated that he has worked in locations that have multiple licenses per premise without a problem.

Mayor Tourville asked Mr. Barker how many locations he has.

Mr. Barker responded that he has 18 locations. He commented that they should continue to explore this and make it workable for the bar owners. The City should get a portion.

Diane (Bess) Rasmussen, 3343 78th Street East, Inver Grove Heights stated that all of their money goes back into Inver Grove Heights. They donate to other local organizations as well. She stated that with the 10%, they are a small charity, the majority of the money goes to the State, what's left goes for salaries and expenses and into the Inver Grove Heights Community. She asked that if it is an Inver Grove Heights charity, that they consider a portion of the 10% goes back to the Inver Grove Charity that earned that money. She stated that she brought in the annual report summary for charitable organizations for the State of Minnesota and the report for her organization, Merrick's, and AmVets. She stated that it shows the net receipts, expenses, and what they contributed to charitable funds which is public information. She stated that she has worked in establishments alongside the Lion's Club and that it was lucrative for both organizations to be there at the same time and worked out fine. She stated that she would support closing the City to other outside organizations.

Mayor Tourville requested an excel spreadsheet for the Second Reading that would include the different groups, contacts, and amount of money.

Dennis Hosford, 2301 Anthony Street, South St. Paul, stated that his organization represents South St. Paul Youth Hockey at B52's and at another site in South St. Paul. His organization does things for youth and provides youth activities. He stated that not all Cities have the 10% rule; South St. Paul, West St.

Paul, Rosemount, and Woodbury do not. He stated that non-profits work hard to raise money and that fund raising is their lifeblood. He commented that charitable gambling is one of the tools that the organization uses to raise funds through various methods. He commented that 10% is actually being taken away from those programs, but they are using it for the same things. The difference is that the City determines what those things are. He suggested it would be easier to just ask for a donation.

He commented about the premises permit and stated that he has had situations where there are multiple organizations trying to get the same permit as locations are hard to come by. He commented that you don't want to get into a situation where you are pitting organizations against each other. Having more than one permit, the bar owner wins and the organizations lose as one organization may promise different things. He commented that in the case of wanting an organization that does something that another organization can't do, would be fine. Having two organizations do the same thing at the same time could be a problem.

Councilmember Perry asked when two organizations are at the same establishment, if the bar owner had the option of requesting who does what, or if the organization did.

Mr. Hosford responded that you sign a lease agreement with the bar. The lease specifies the types of services you will do there.

Mayor Tourville clarified the following organizations: Merrick, AmVets, Wrestling and Football, South St. Paul Hockey, and HEAT Soccer.

City Clerk Tesser added also the Moose Lodge.

City Attorney Kuntz recapped the following questions the Council wanted more information on:

- Does the 10% count toward the 60%.
- Could they have until the end of the following month to turn in their payment for the 10% rather than the 15th of the month.
- There was a question about whether the payments could be made directly to the City recipient, and not go through the City. (He stated that he thought the answer to this question was no).
- Why does the organization have to report to the State.
- Is Bingo treated differently than the rest of lawful gambling for the 10%.
- How to calculate the 10% based on net profit.

City Administrator Lynch asked if the City wanted to explore being closed to outside organizations.

Mayor Tourville asked that the City Attorney let them know whether they could do that.

Councilmember Piekarski Krech wanted to look at how much gambling is in the bars so that it doesn't get to be too much.

City Clerk Tesser asked City Attorney Kuntz if the Ordinance specifies that they could only have two premises permits per liquor establishment.

City Attorney Kuntz responded yes, the way it is drafted in the new Ordinance.

Motion by Piekarski Krech second by Perry to approve to the First Reading of an Ordinance Amending Title 4 Chapter 7 Gambling.

Ayes: 4

Nays: 1 (Bartholomew) Motion carried.

8. MAYOR & COUNCIL COMMENTS:**9. EXECUTIVE SESSION:**

A. Pursuant to attorney-client privilege and Minn. Stat. § 13D.05, Subd. 3(b), a closed session to discuss the pending lawsuit of City of Inver Grove Heights vs. GS Truck & Trailer Repair LLC and GS Transport Express LLC relating to property at 6840 Dixie Avenue, Inver Grove Heights, Minnesota.

City Attorney Kuntz stated that pursuant to the attorney-client privilege and Minn. Stat. § 13D.05, Subd. 3(b), a City Attorney may go into a closed-door session with the Council to discuss pending litigation. He stated that in this instance the Council is being asked to discuss the pending lawsuit of the City of Inver Grove Heights versus GS Truck & Trailer Repair LLC and GS Transport Express LLC relating to property at 6840 Dixie Avenue, Inver Grove Heights, Minnesota. He stated that the Council should make a Motion to go into a closed-door session to discuss pending litigation under the attorney-client privilege and the Minn. Stat. § 13D.05, Subd. 3(b).

Motion by Piekarski Krech second by Perry to go into a closed-door session Pursuant to attorney-client privilege and Minn. Stat. § 13D.05, Subd. 3(b), a closed session to discuss the pending lawsuit of City of Inver Grove Heights vs. GS Truck & Trailer Repair LLC and GS Transport Express LLC relating to property at 6840 Dixie Avenue, Inver Grove Heights, Minnesota.

Ayes: 5

Nays: 0 Motion carried.

City Attorney Kuntz stated that they will be coming out of the closed-door session and returning to the regular Agenda Item about the 2019 Budget.

Meeting ended at 9:51 p.m. to go into a closed-door session.

10. REGULAR AGENDA: (Continued).

Mayor Tourville called the meeting to order at 10:36 p.m.

ADMINISTRATION:**H. 2019 Budget.**

Finance Director Smith stated that there was a request to show the original list of additions for the General Fund and then what the final version looked like over the last several years. She stated that there is also a FAQ that will be placed on the website with information about the budget process and terms. She stated that preliminary tax statements have been mailed to property owners.

Finance Director Smith stated that when the preliminary budget was approved in September the levy was set at \$23.7 million which is an increase of 6.25% to the tax rate. This was an actual levy dollar increase of \$2.7 million or 12.93% from a levy dollar perspective. She stated that included \$632,827 of new department requests. At the Work Session on November 5th there was a revised list which included \$363,200 in additions which gave a tax rate of under 4.5%. She stated that they have a revised list that includes the three Fire Captains, the Fire Inspector, Firefighter wage increase, and the Financial Management Plan. The Police Code Compliance Abatement and the Fire Training are offset by revenues. The total additions list is \$423,200 and the levy impact is \$383,200. She stated that they removed the additional position that was proposed in the Technology Department and the space repurposing funds.

She stated that the pavement management funding is proposed to remain the same as the 2018 budget. The list of additions that are presented tonight gives a City-wide tax levy of \$23,231,294, which is an increase of 4.04% to the tax rate.

Councilmember Bartholomew asked what the dollar amount was for the removed Information Technology FTE position. He wanted to confirm that \$60,000 was the cost for the space refurbishment.

City Administrator Lynch responded that the IT position was \$120,000 with salary and benefits.

Finance Director Smith agreed that the amount for the space refurbishment was \$60,000. Councilmember Bartholomew stated that they have reduced the General Fund Budget by those amounts.

Finance Director Smith responded that the vast majority of it does impact the General Fund.

Councilmember Bartholomew asked about the 4.04% and if they will be receiving new budget statements to be able to track that information.

Finance Director Smith responded yes, if there are no changes this evening.

Councilmember Bartholomew asked for more information about the \$30,000 for the Financial Management Plan.

Finance Director Smith responded that it is a broader perspective than the Capital Improvement Plan. It incorporates all of the Cities funds. She commented that right now the Capital Improvement Plan doesn't speak of utilities and the impact of the northwest area. This shows the bigger picture of development fees that are reduced or forgiven and the impacts, it lists simple changes to the General Fund overall.

Councilmember Bartholomew asked who designs this and why we don't do this ourselves. He asked how many hours it would take to do something like this. He questioned if it could take about 80 hours.

Finance Director Smith responded that it is excel documents, and that Ehlers would prepare it. She responded that they lack staff time to be able to do it themselves. She responded that it would take just herself providing input to them, about 40 hours, so it would take much more than that. She commented that the proposal is about \$150.00 per hour for them, which is standard. The intent is to not go over \$30,000.

Mayor Tourville stated that it is an Excel sheet that is proprietary. They would work with us so we would be able to manage and continue it going forward.

Finance Director Smith responded that was correct. Once it is created, and as decisions are made, she can utilize that tool to show what the impacts might be.

Councilmember Bartholomew asked when this would be in front of them again.

Finance Director Smith responded that questions and a final review would take place at the December 3rd Work Session and then again for Council action on December 10th.

Councilmember Piekarski Krech asked if they would start working on 2020 for the items that did not get included in the 2019 Budget. She commented that they may need another plow truck and plow driver.

City Administrator Lynch responded that was correct. He stated that the intent with the Financial Management Plan is to have a conversation with the City Council and City Staff at the same time so there isn't a possible competition for those who get budget monies. He stated that the Council establishes multi-year priorities. They insert that information in the Financial Management Plan and see what the long-term

costs are. He stated that what they are currently doing is not economically sustainable for the City. They do have a limited-on priorities set and live within those limits. He stated that the plan will allow them to plan, proceed, and work off of it for multiple years. He suggested that before they begin the process, they meet in January or February to go through the budget numbers to come out with a clear understanding. He stated that the 2040 Comp Plan should be the driving document going into the future and that they can plan based on five-year segments leading up to that. He commented that this was a good approach to becoming economically sustainable for the City.

City Administrator Lynch stated that they will begin on the 2020/2025 budget and do some financial forecasting, planning, and establishment of priorities. He stated that it could mean the end of doing some items but would come with an explanation of why. For example, cross walks, trails, and sidewalks. He stated that several years ago, the City stated that they would take over the maintenance of them. That has caused them operational challenges from a budget standpoint. He stated that they look at what that costs them, the cost of the action, and the cost 20 years from now.

Councilmember Bartholomew commented that as a Councilmember, he has a judiciary responsibility to the people that elected them. He stated that in taking the position, you itemize priorities. He stated that his priorities would be public safety and infrastructure and that during budget times, he supports those items. He commented that he hoped it wasn't interpreted as pitting department against department, because it is not. He commented that the political drive is his first responsibility of the City and that would be public safety and infrastructure. He stated that every year they make cuts and have to balance that with what people can afford to pay, and what is left.

He commented that they have taken out \$250,000 for pavement management, and that he struggles with that amount.

City Administrator Lynch responded that the way the process has evolved, while not intentional, has created that appearance and they want to deal with that differently.

Mayor Tourville stated that the ultimate decision is still by City Council. Sustainability is extremely important. He stated that the important part is the dollar levy increase of 10.82. He questioned if other Cities craft a message that goes into the newspapers and that maybe they should consider doing the same thing.

City Administrator Lynch responded that he had spoken with the Communications Manager about that today.

Finance Director Smith stated that the last Insights article was about the actions taken in September. The article included details about what some of the additions were. She stated that an item will go out tomorrow about the tax statements. She commented that she could also include a bit about what the lists look like at the moment, so they can see a decrease.

Councilmember Hark stated that they could show where they started and where they are at.

City Administrator Lynch compared the figures and commented that they were really good numbers.

Councilmember Piekarski Krech stated that there were a lot of items she would still like to see. She commented that City Government has to provide public safety and infrastructure.

Finance Director Smith stated that she would craft the message based on the direction tonight and get them a full budget book once she gets the budget amendment changes in there.

City Administrator Lynch stated that this will be discussed on December 3rd, with the regular Council meeting taking place on December 10th.

11. ADJOURN:

Motion by Hark second by Perry to adjourn the meeting at 11:01 p.m.

Ayes: 5

Nays: 0 Motion carried.

Minutes prepared by Recording Clerk Sheri Yourczek

**INVER GROVE HEIGHTS CITY COUNCIL MEETING
MONDAY, NOVEMBER 26, 2018 - 8150 BARBARA AVENUE**

1. CALL TO ORDER 2. ROLL CALL:

The City Council of Inver Grove Heights met in regular session on Monday, November 26, 2018, in the City Council Chambers. Mayor Tourville called the meeting to order at 7:00 p.m.

Present were: Councilmembers Piekarski Krech, Bartholomew, Hark, and Perry; City Attorney Kuntz, City Administrator Lynch, Public Works Director Thureen, Community Development Director Gundlach, City Planner Hunting, and City Clerk Tesser.

3. PRESENTATIONS:

4. CONSENT AGENDA:

- A. i. Minutes of November 5, 2018 Work Session Meeting Minutes.
- ii. Minutes of November 9, 2018 Canvass Meeting Minutes.

B. Resolution 18-241 Approving Disbursements for Period Ending November 20, 2018.

C. Authorize Payments to Churches Used as Polling Locations for the 2018 Primary and General Elections. **Resolution 18-242.**

D. Request for Approval of Rental Housing.

E. Consider Pay Request No 3 – West Rink Floor – West Rink Renovation Project – City Project 2017-1722.

F. Approve a **Resolution 18-243** relating to the Development Agreement and related agreements for Holiday Station Stores.

G. Sandra Perez – Case No. 18-58C; Approve a Resolution for a Conditional Use Permit to operate a daycare facility in the lower level of River Heights Vineyard Church located at 6070 Cahill Avenue.

Resolution 18-244.

H. Consider Pay Voucher No. 4 for City Project Nos. 2015-03 – 65th Street Reconstruction, 2017-03 – Watermain Improvements 65th Street Loop, and 2017-24 – T.H. 3 Intersection Improvements for 65th Street.

I. Consider Pay Voucher No. 7 for City Project No. 2015-09D – Broderick Boulevard Reconstruction, City Project No. 2017-21 – VMCC/Golf Course Parking Lots, City Project No. 2018-08 – Fire Station No. 2 Sewer and Water Improvements, and City Project No. 2018-11 – Fire Station No. 2 Fiber Optic Improvements.

J. Consider Pay Voucher No. 8 for City Project No. 2015-09D – Broderick Boulevard Reconstruction, City Project no. 2017-21 – VMCC/Golf Course Parking Lots, City Project No. 2018-18 – Fire Station No. 2 Sewer and Water Improvements, and City Project No. 2018-11 – Fire Station No. 2 Fiber Optic Improvements.

K. Consider Change Order No. 5 for City Project No. 2015-09D – Broderick Boulevard Reconstruction, City Project No. 2017-21 – VMCC/Golf Course Parking Lots, City Project No. 2018-08 – Fire Station No. 2 Sewer and Water Improvements, and City Project No. 2018-11 – Fire Station No. 2 Fiber Optic Improvements.

L. Consider Change Order No. 3 and 4 and Pay Voucher No. 4 for City Project No. 2018-08 Fire Station No. 2 Sewer and Water Improvements and Conduit for City Project No. 2018-11 Fire Station No. 2 Fiber Optic Improvements.

M. Consider Final Compensating Change Order No. 1, Final Pay Voucher No. 1, Engineer's Final Report and **Resolution 18-245** Accepting Work for City Project No. 2018-14 – Raingarden Retrofit 2018.

N. Consider Final Pay Voucher No. 1, Engineer's Final Report, and **Resolution 18-246** Accepting Work for City Project No. 2016-15 – Five Million Gallon Babcock Trail Ground Storage Reservoir Exterior Rehabilitation.

O. Consider **Resolution 18-247** Receiving a Proposal for Televising Services on 55th Street Court/55th Street Reconstruction, City Project No. 2018-09F.

P. Consider Approval of Amendment to JPA With Dakota County for Founding of MRRT Trailhead Projects.

Q. Personnel Action.**Motion by Bartholomew second by Perry to approve the Consent Agenda.****Ayes: 5****Nays: 0 Motion carried.****5. PUBLIC COMMENT:**

There were no public comments.

6. PUBLIC HEARING:**7. REGULAR AGENDA:****COMMUNITY DEVELOPMENT:****A. Inver Grove Storage; Consider the following Resolutions for property located at 10125 Courthouse Boulevard:****a) A Conditional Use Permit Amendment to expand the outdoor storage area. Resolution 18-248.****b) A Variance from the front parking setback. TABLED.**

City Planner Allan Hunting displayed a map of the location at 10125 Courthouse Boulevard and stated that the Applicant is proposing to amend their existing Conditional Use Permit to expand their mini storage area. They want to utilize the existing front parking area that is currently approved for U-Haul storage. He stated that the storage area is screened with a six-foot high solid fence. Aerial photos were displayed to illustrate. Code requires some type of screening but does not specify height. He stated that the Applicant would like to install a four-foot high screened fence to allow visibility to the office building. Staff recommends a solid fence be required, but that they should continue to follow the six-foot line for a continual screening height.

He stated that the second request is for a Variance from the front parking setback. He displayed a diagram of the location and stated that this would be a 10-foot setback. The property line is where the edge of the pavement is and the Applicant would like to utilize the paved parking area and have a zero setback once vehicles are parked. Staff is recommending that a 10-foot setback be required. The original site plan showed a 10-foot setback. He stated that they could have the fence line be set at the 10-foot mark, or some type of curb stops inside of the fence. Staff recommends approval of the Conditional Use Permit with a six-foot solid fence, and the Planning Commission supports the request but felt a four-foot fence would be sufficient. For the Variance, both Staff and the Planning Commission recommend denial of the request as they both did not think a practical difficulty has been shown.

Councilmember Bartholomew asked about the setback with the existing fence being 10-feet.

City Planner Hunting responded that there is supposed to be a 10-foot setback for utilization of the parking area of the existing areas. He commented that it appears the pavement area is at the property line and aerial photos seem to show the existing fence is about/on the property line.

Councilmember Bartholomew asked for more clarification on the property line and fence. He asked if they have confirmed that the fence is on the property line.

City Planner Hunting responded that the fence appears to be at or near the property line. He stated that they haven't had a survey done on the property line, they are comparing from aerial photos. He commented that the diagram shown was from the initial site plan when the project was approved. They identified a fence line reflecting a 10-foot setback.

Councilmember Bartholomew commented that the diagram doesn't line up with where they believe the property line is. He stated the fence is on the property line.

City Planner Hunting agreed and responded that based off the aerial photos, the fence appears to be on or up to the property line.

Jerry Kotzenmacher, 9387 Tyne Lane stated that they wanted the shorter fence because when they have an auction sometimes people get angry and assaults can happen in a more enclosed space. They also wanted it for safety so that employees can look out and see who comes in. He commented that if it had to be fully enclosed with a six-foot fence versus a four-foot fence, they would probably not do the project. He commented about the Variance and said they have U-Hauls with trailers that come in that do U-turns in the parking lot. If they had to do the 10-feet they wouldn't park anything in front which would eliminate the property in front.

Mayor Tourville commented that they need to be careful about setbacks as there are other businesses along the highway. He stated that he doesn't see what the difficulty is. He asked if the fence was currently right on the property line.

Mr. Kotzenmacher responded that he was unsure as he never had a survey done.

Councilmember Bartholomew commented that it would be helpful to know where the existing fence is in relationship to the property line.

Mr. Kotzenmacher responded that he felt it was in more than the actual property line. He commented that he would not get it surveyed for just this reason alone.

Councilmembers Bartholomew and Piekarski Krech responded that the problem is that information isn't verified.

Mayor Tourville commented that the height of the fence for the storage area wasn't just for screening, but also for safety.

Councilmember Bartholomew commented that knowing the difference would be helpful, but agreed that Staff was correct in that they would have to go back ten feet from the existing fence line.

Mayor Tourville asked if it would be difficult to find out if the fence was on the property line or not. He asked if they would be losing turnaround if the fence was put in.

Mr. Kotzenmacher responded that it would be a \$2,000 survey and would not be worth it. He responded about the turnaround and stated that for snow they would leave a couple of spaces open. They would lose turnaround if they parked things in front without a Variance.

Councilmember Piekarski Krech asked if the four-foot fence would be the same material as the current fence and if there would be a gate.

Mr. Kotzenmacher responded that the material would be the same cedar and that there would be no gate.

Councilmember Piekarski Krech referenced the diagram and asked if the ten-foot was off the line all the way around, or if it was just in the front. She commented that the modular storage units and the vehicles are right up to the fence.

City Planner Hunting responded that it was along the entire front.

Councilmember Hark asked Mr. Kotzenmacher what he thought the practical difficulty was for the parking setback Variance request.

Mr. Kotzenmacher responded that without the ten-feet they wouldn't have U-turn area for U-Haul trucks or customers and they wouldn't be able to park anything larger as he had planned to put a 15 to 20-foot camper or vehicle there. Taking that away didn't leave much area left to park.

Councilmember Bartholomew asked City Planner Hunting about the existing fence line and the storage right behind the fence. He asked if storage is allowed in the area if it's just storage.

City Planner Hunting responded that the original plan had a 10-foot setback, whether it was storage or parking there should still be a buffer. They are considered the same.

Mayor Tourville asked if he didn't get the Variance, if the Conditional Use Permit was null.

Mr. Kotzenmacher responded that they could still park items along the back line and south edge.

Mayor Tourville commented that he was skeptical of doing the Variance as there are other facilities along the highway and could set a precedence.

Councilmember Bartholomew agreed with Mayor Tourville about the precedence and commented that he could support the Conditional Use Permit. The height of fence was the Applicant's decision.

Motion by Piekarski Krech second by Perry to approve Inver Grove Storage; to Consider the following Resolution for property located at 10125 Courthouse Boulevard:

a) A Conditional Use Permit Amendment to expand the outdoor storage area. Resolution 18-248.

City Planner Hunting stated that if you deny the variance, Staff recommends in the conditions for the Conditional Use Permit, Item #6 speaks about the four-foot tall solid fence. He stated that there should be language that requires that the fence be constructed at the ten-foot setback line or concrete curb stops be installed so that parking can be maintained.

Mr. Kotzenmacher asked if that had to take place even if they decide not to park anything there.

City Planner Hunting responded so they don't have confusion if the fence ends up on the property line they don't have any demarcation.

Councilmember Piekarski Krech asked if striping would work.

City Planner Hunting responded that could be an option.

Mr. Kotzenmacher responded that striping would work better than the concrete curbing for snow plow purposes.

Mayor Tourville suggesting adding Item #7 that states that a four-foot fence would be allowed and that additional parking will be striped.

Councilmember Piekarski Krech commented that if the fence was on the property line instead of set ten-foot back from the property line, the ten-feet in back of the fence has to be striped so that there is no parking ten-feet off the property line.

The Council was in agreement on the wording for Item #7.

City Attorney Tim Kuntz asked Planner Hunting how Item #7 relates to the other Resolution of denial of the Variance where it suggested language about where the fence or curb stop had to be.

City Planner Hunting responded that it makes it clear as something is in the minutes or denial Resolution that would never get carried forward to any CUP for any further future inspections. Staff is asking that it be added to the Conditional Use Permit.

City Attorney Kuntz stated that the Council is talking about a fence on the property line and striping ten-feet off of it. The Condition in the other Resolution states to install the fence at the ten-foot setback line. He asked if they could have the fence at the property line and have the striping ten-feet off it.

City Planner Hunting responded that the Council could alter that Resolution or that could be done as the City Attorney stated.

Mayor Tourville asked the Council if they understood Item #7.

The Council agreed they were clear on that item and the rest of the Conditional Use.

Ayes: 5

Nays: 0 Motion carried.

Motion by Piekarski Krech second by Perry to deny Inver Grove Storage Item (b); Consider the following Resolutions for property located at 10125 Courthouse Boulevard:

b) A Variance from the front parking setback.

City Planner Hunting clarified the point that City Attorney Kuntz was speaking about and stated that on the denial Resolution they have the points 1, 2, and 3 to deny. He stated that Council has just approved something where a fence could be on the property line and with striping show a ten-foot setback. He commented that if you are going to approve the denial Resolution that should be modified and letter "A" be stricken, otherwise there may be confusion.

Mayor Tourville clarified that what he was asking and stated that the denial of the Variance removes "A".

City Attorney Kuntz agreed that the confusion would be removed.

Mayor Tourville asked if the Motioner and seconder agreed.

Councilmember's Piekarski Krech and Perry both agreed. The remainder of the Council was also in agreement.

Ayes: 5

Nays: 0 Motion carried.

ADMINISTRATION:

B. CITY OF INVER GROVE HEIGHTS; Consider Second Reading of an Ordinance Amending Title 4 Chapter 7 Gambling.

City Attorney Kuntz stated that a memo addressed the changes to the Ordinance along with the questions raised at the November 13th Council meeting with the First Reading of the Ordinance. This is the Second Reading. He stated that the major changes were that under the current Ordinance an organization can only have up to two premises permits within the City. The amended Ordinance takes the limitation off and allows an unlimited number of premises permits per organization. He stated that the other change is that the current Ordinance allowed only one premises permit per on-sale liquor establishment, the revised Ordinance permits amends the language to go up to two premises permits per liquor establishment.

City Attorney Kuntz stated that both the new and current Ordinance has a requirement of spending 60% of net profits in the Trade Area. The Trade Area is the City of Inver Grove Heights and all Cities contiguous to it. That requirement continues. He stated that the amended Ordinance imposes a new requirement that 10% of net profits from lawful gambling have to be paid to the City of Inver Grove Heights into a special fund where the City can disperse the money per the requirements of the gambling Statute which allows disbursement only to certain charitable organizations and to other permitted uses per the Statute, which is a new requirement.

He stated that at the last meeting the following questions arose and he responded to them as follows:

- Whether the 10% net profit counted toward the 60%. He responded that after discussions with the Gambling Board it was determined that it could be drafted either way. The 60% could require all lawful purposes be in the Trade Area, or a portion of them, so you have flexibility in describing what pot of money you are using. He stated that the way the Ordinance is drafted tonight, the 10% paid to the City would count toward the 60% being used toward the Trade Area. He stated that could be changed. The way it is drafted the 10% counts toward the 60%.
- Another question was regarding the 60% and 10% and what pot of money they are using to compute what that is a percentage of. He responded that from discussions with the Gambling Board they determined it was administratively easier to describe the same pot of money, which would be net profits. This means gross profits less the amount expended for allowable expenses and paid in taxes on lawful gambling.
- When the 10% had to be paid. He stated that it was suggested to be the 15th of the month. He commented that they confirmed with the State that the gambling reports are due to the State on the 20th day of the month following the month by which the payment is due. He stated that they coincided the Ordinance to require the 20th date instead of the 15th.
- Another question was if the money was going to get paid to the City and if the City was refunneling that money to another charitable organization, could the gambling organization just pay the money directly to the charitable organization designated by the City. He stated that the answer to that was no. The money has to be paid to the City, under the control of the City, and the City gets to control where it goes.
- Whether Bingo was being treated differently for purposes of the Ordinance. He responded that with the 10% and the 60%, Bingo proceeds are not treated differently than pull-tab proceeds. He commented that what the speaker may have thought was that the taxes paid the State of Minnesota on gambling proceeds, has a fixed amount of 8.5% paid on Bingo net profits. The other amounts for pull tabs, tip boards, etc., have a progressive tax rate that can exceed that amount. Bingo is not being treated differently than the other forms of lawful gambling.
- He stated that it was mentioned that South St. Paul was a closed City and would only give a gambling premises permit to a local organization. He stated that they called South St. Paul and confirmed that was not correct. South St. Paul's Ordinance does not limit gambling organizations to local organizations. He stated that the only reference it has to local was if there were two organizations competing for the same premises permit. Preference is given to the local organization.
- He stated that they also discussed the ongoing controversy about whether gambling organizations can be limited to only local organizations. That discussion continues.

Councilmember Bartholomew asked for example, if they have an existing gambler and two more were to come in, one from Inver Grove Heights, the other is not. He asked if the owner would have to choose the one in Inver Grove Heights.

City Attorney Kuntz responded that you can have two premises permits per establishment. The location decides which organization it wants. He stated that if we find ourselves in a situation where there is just one open, the establishment states that it prefers one over the other, that is the lease they are making, they can choose.

Mayor Tourville stated that the City of Inver Grove Heights has never picked a Gambling License Holder before. The lease is done with the liquor establishment, not with the City.

Councilmember Bartholomew commented that they have reports from Merrick, AmVets, Inver Grove Heights Soccer, and the Spartan End Zone Club. He commented that when he looked at the Minnesota Gambling Control Board there are two other entities in the City, one is Climb Inc. and the other is the West St. Paul Commercial Club. He asked if they have received reports from Climb Inc. He stated that as of 2017 they have reported receipts of \$14 million, gross receipts for Climb Inc. Inver Grove Heights.

Mayor Tourville responded that Climb Inc. has items across the State, but not in Inver Grove. He stated that the individuals that have licenses in Inver Grove Heights are those who are holding licenses here.

City Clerk Michelle Tesser agreed with Mayor Tourville.

Mayor Tourville verified the following information regarding this Agenda Item:

- Can have multiple permits in the City.
- Establishment can have two different license holders.
- The 10% can be part of the 60%.
- The 10% has to be paid directly to the City.

He commented that it would be helpful to take a look at rent, labor, administration, and tax paid by the holder of the license.

Councilmember Bartholomew commented that in the packets they have a letter from the AmVets CPA. That letter states that if the tax was in place in 2017, which is tax on net receipts, the amount of money that the AmVets would have sent to charity in 2017 was \$29,000. He stated that would have been cut in half and the City of Inver Grove Heights would have received \$15,000 and the charity would have received \$14,000. He commented that these are volunteers who are working to earn money for their clubs and organizations and we are taking 10% from the net. He commented that if it was in place in 2017, \$15,200 would go to the City, and \$14,592 would go to the Trade Area charities.

Mayor Tourville questioned what percentage of the 10% is going to go to the City of Inver Grove Heights.

Councilmember Bartholomew stated that according to the report, \$29,000 went to charities from the AmVets organization. \$5,500 was to West St. Paul and Rosemount and \$24,000 went to the benefit of Inver Grove Heights citizens. He commented that now we are saying that the City is going to get \$15,000 and charities would get \$14,000 had this rule been in effect.

City Attorney Kuntz stated that the gross profit is gross receipts minus prizes. Net profit is gross profit, minus allowable expenses and expenditures for lawful purposes. He stated that the way the 10% is defined, it is 10% of net profits, net profits equals gross profits, minus allowable expenses, minus the taxes paid by the organization. This is what the Statute says. He commented that you are starting with the money that came in and subtracting out the prizes.

Councilmember Bartholomew referenced the letter from the AmVets, calendar year 2017 with January gross receipts of \$343,000, total prizes of \$296,000, net receipt of \$46,000, allowable expense of \$9,300, and then an allocation of tax with a net profit of \$25,419. He commented that is what they are calculating the 10% on.

City Attorney Kuntz responded that the definition of the calculation, receipts minus prizes equals \$476,000, subtract the \$182,970 of allowable expenses, and subtract out the allocation of taxes paid \$151,000. That leaves the \$142,000, which should be the number multiplied by 10%.

Councilmember Bartholomew stated that there were two periods that had a negative. That \$152,000 relates to the \$15,270 for the 10%.

City Attorney Kuntz responded that equals about \$14,000 to \$15,000.

Councilmember Bartholomew stated that their report states they had \$29,000 for charitable. If we are taking \$15,000 away from that, the pool moves down to \$14,592 with hopes that the City will send the money to the right charities.

City Attorney Kuntz questioned that if we are starting with \$142,000 and paid all expenses and taxes, and are paying the City 10% at \$15,000, wouldn't you have about \$90,000 left for lawful purposes.

Mayor Tourville stated that the report as it's given had more questions than answers but they are not saying that it's been done wrong. The one advantage out of the 10% is that it is spent in Inver Grove.

Councilmember Bartholomew commented that the CPA is telling us we are going to short this charity \$15,000 with this scenario and commented that we need clarification of that. He asked where the \$90,000 went and if that is allowable or not.

Councilmember Hark asked about the 10% fund and as the money goes into the fund, does that fund need to be emptied out annually, or if it is allowed to grow.

City Clerk Tesser responded that it is done annually according to the Ordinance.

Councilmember Hark asked where that information was stated. He commented that he would like to discuss whether or not they want the 10% fund as it makes no sense to him. He understands it's for spending the money locally, but felt it would be an administrative burden to the City. He stated that if he were to go and buy pull tabs, he doesn't want the City to take 10% of that away and re-direct it. He commented that he would like to see a policy that says that it goes to the Police or Fire Departments. He doesn't want to choose between allocating between different charities.

Councilmember Piekarski Krech stated she would be okay if all the organizations were local organizations as they get many from other areas. She commented that we needed to get something for having all of this in the Community. She commented that if it were up to her, she wouldn't have any gambling.

Councilmember Bartholomew stated when looking at the numbers from the CPA, the City would be getting the larger share. He expressed interest in hearing how they arrive at their numbers as that is how they are understanding the Ordinance. He stated that the premises owner should have the right to choose who they want in their location.

Councilmember Piekarski Krech agreed and stated that if these people are going to come in, the City should have something.

Councilmember Bartholomew stated that the ratings of those coming in by the Gambling Board is higher than what the State requires. The majority of the money went to the City of Inver Grove Heights.

Mayor Tourville stated that in looking back at the organizations, there are some that are making an honest attempt. He commented that he wishes it could be that 100% of the money you raise in that area goes back to the City of Inver Grove, but we can't do that. 99% is being spent in a Trade City, not in the City of Inver Grove Heights. He asked what the advantage to us would be.

James Grob, AmVets, stated that he uses a CPA as it is a complex math system. The biggest expense is the prize receipts going back out, second is the taxes. He commented that he pays 36% on every dollar that comes in. He stated that he spends and uses the Community to keep all the money right here. He

commented that the ones that are listed as outside of the Community should still benefit this City. He recommends calling his CPA if they have any questions.

Councilmember Bartholomew wanted to confirm that they could contact Mr. Grob's CPA and ask what the legal permitted expense requirement is and what makes up that difference. He commented that there is \$91,000 as the legal permitted expense, having more detail on that would be helpful.

Mr. Grob agreed that it was fine to contact his CPA with questions. He asked about the date that was moved from the 15th to the 20th and commented that he would like to see it moved to the 25th unless there is a way to electronically deposit the funds into the account.

City Attorney Kuntz asked what date he would prefer.

Mr. Grob responded that the 25th would work.

Mayor Tourville stated that they could make it the last day of the month.

Mayor Tourville asked for more information about the months that the report listed zeros.

Mr. Grob responded that was due to the summer months. He stated that the State of Minnesota's fiscal year is July 30th. He commented that he is sitting at 36%, sometimes, he may not make enough money come May or June to cover the 36% as they are going off of the numbers that they expect.

Mayor Tourville agreed that they should talk to the Accountant.

Councilmember Bartholomew commented that there is a legal allowable expense that is not being identified, and that they need to ask the CPA what that is.

Mr. Grob commented that Hastings has a program that requires a form be filled out monthly that states where the checks go so, they don't have to have the administrative portion.

Mayor Tourville stated that the Accountant does a great job with all of the other State requirements. He commented that he doesn't find this process troublesome.

City Clerk Tesser stated that this is defined by Section 4-7-14 Section B. It states that "The City use of the funds shall be determined at the time of the adoption of the City's annual budget".

Mayor Tourville stated that the final would be in December.

Councilmember Hark commented that he does not think the City should be involved in the business of the 10%. He suggested that if the majority goes with the 10% idea, they should earmark it for the Police or Fire Department.

Councilmember Bartholomew stated that he agreed with Councilmember Hark to some degree, but commented that the City has organizations that have complied with the gambling rules, laws, and all Ordinances. We are trying to get ahead of them and get the City portion and try to spend it in a more equitable manner with the charities. He doesn't believe they can do as good of a job as the charities are doing. He commented that he doesn't support the 10% and does not think the City has a right to step in and expect 10% of something. He wanted to understand how they arrived at the number they did.

Mayor Tourville stated that some of the expenses could be broken out to include rent, labor, and administration. Those items are not listed on this report.

Mr. Grob responded that if they want that information, they can request it from his CPA. He stated he will contact her and have that information ready for them.

Mayor Tourville asked the City Administrator to contact his CPA.

City Administrator Lynch responded that he would contact his CPA.

Councilmember Piekarski Krech asked if Mr. Grob knew what the number codes in the report meant.

Mr. Grob responded that he wasn't aware of what those were, but that his CPA would know.

Mayor Tourville stated that there is one additional meeting left this year. He asked if they would still count this as the Second Reading. He stated that they did not have an issue with having more than one or two permits in the City, and the establishment having more than two with the establishment making the decision. The 10%, if there, would be part of the 60%, but they are getting clarification from the Accountant in reference to expenses.

The Council agreed.

City Clerk Tesser stated that there would be another application from Merrick to have three premises permits in the future if approved.

Motion by Piekarski Krech second by Perry to approve to Consider Second Reading of an Ordinance Amending Title 4 Chapter 7 Gambling.

Mayor Tourville stated that they will need to get additional information from the Accountant.

Ayes: 3

Nays: 2 (Hark, Bartholomew) Motion carried.

8. MAYOR & COUNCIL COMMENTS:

City Administrator Lynch stated that he sent out information from the River Heights Chamber on a proposed meet and greet with the City of South St. Paul and that a date has been set for December 11th. Two Councilmembers are able to attend and Councilmember Elect Dietrich will be one of them. He stated that it will not be noticed that it is a quorum of the City Council unless that changes.

Mayor Tourville listed the following events taking place throughout the City:

- Tree Lighting on Thursday evening.
- Events at the Community Center are listed on the City Website.
- The Work Session will take place on Monday, December 3rd.
- The Truth and Taxation Budget will be on the Agenda on December 10th. He stated that there has been a lot of questions about why home values have gone up. He stated that is not a question for the City as the City does not set home values, the market value is set by the County. The County did an update for the City of Inver Grove Heights in 2018. He commented that for further information, the direction is going to be to the County and you can ask for it to be re-evaluated. He stated that they began at 6.25%, but that the actual will be 4.04%.
- The proposed budget is listed on the Website.

9. ADJOURN:

Motion by Perry second by Piekarski Krech to adjourn the meeting at 8:26 p.m.

Ayes: 5

Nays: 0 Motion carried.

Minutes prepared by Recording Clerk Sheri Yourczek.

CITY OF INVER GROVE HEIGHTS

REQUEST FOR COUNCIL ACTION

Meeting Date: December 10, 2018
 Item Type: Consent
 Contact: Kristi Smith 651-450-2521
 Prepared by: Bill Schroepfer, Accountant
 Reviewed by: N/A

Fiscal/FTE Impact:

☐	None
☒	Amount included in current budget
☐	Budget amendment requested
☐	FTE included in current complement
☐	New FTE requested – N/A
☐	Other

PURPOSE/ACTION REQUESTED

Approve the attached resolution approving disbursements for the period of November 21, 2018 to December 5, 2018.

SUMMARY

Shown below is a listing of the disbursements for the various funds for the period ending December 5, 2018. The detail of these disbursements is attached to this memo.

General & Special Revenue	\$635,245.29
Debt Service & Capital Projects	1,020,939.40
Enterprise & Internal Service	98,201.45
Escrows	19,486.98
Grand Total for All Funds	<u><u>\$1,773,873.12</u></u>

If you have any questions about any of the disbursements on the list, please call Kristi Smith, Finance Director at 651-450-2521.

Attached to this summary for your action is a resolution approving the disbursements for the period November 21, 2018 to December 5, 2018 and the listing of disbursements requested for approval.

DAKOTA COUNTY, MINNESOTA

RESOLUTION NO. _____

**RESOLUTION APPROVING DISBURSEMENTS FOR THE
PERIOD ENDING December 5, 2018**

WHEREAS, a list of disbursements for the period ending December 5, 2018 was presented to the City Council for approval;

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF INVER GROVE HEIGHTS: that payment of the list of disbursements of the following funds is approved:

General & Special Revenue	\$635,245.29
Debt Service & Capital Projects	1,020,939.40
Enterprise & Internal Service	98,201.45
Escrows	19,486.98
 Grand Total for All Funds	 <u><u>\$1,773,873.12</u></u>

Adopted by the City Council of Inver Grove Heights this 10th day of December, 2018.

Ayes:

Nays:

George Tourville, Mayor

ATTEST:

Michelle Tesser, City Clerk



City of Inver Grove Heights

Expense Approval Report

By Fund

Payment Dates 11/21/2018 - 12/05/2018

Vendor Name	Payable Number	Post Date	Description (Item)	Account Number	Amount
AFSCME COUNCIL 5	INV0081061	11/23/2018	UNION DUES (AFSCME FULL SHARE)	101.203.2031000	956.67
AFSCME COUNCIL 5	INV0081062	11/23/2018	UNION DUES (AFSCME FULL SHARE-PT)	101.203.2031000	73.60
AMAZING GRACE LUTHERN CHURCH	11/27/18	12/04/2018	2018 ELECTIONS	101.41.1200.414.40065	200.00
AMERICAN PLANNING ASSOCIATION	099679-18107	12/31/2018	099679	101.45.3200.419.50070	614.00
BARNA, GUZY, & STEFFEN LTD	194811	11/27/2018	50003-005	101.41.1100.413.30430	247.00
BARNA, GUZY, & STEFFEN LTD	194812	11/27/2018	50003-010	101.41.1100.413.30430	1,530.00
BETHESDA LUTHERAN CHURCH	11/27/18	12/04/2018	2018 ELECTIONS	101.41.1200.414.40065	200.00
BITUMINOUS ROADWAYS, INC.	27858	11/27/2018	35265	101.43.5200.443.60016	1,055.22
CENTURY LINK	11/19/18 651 455 9072 782	12/04/2018	9/5/18	101.42.4200.423.50020	40.04
CHURCH OF ST. PATRICK	11/27/18	12/04/2018	2018 ELECTIONS	101.41.1200.414.40065	200.00
CITY OF SAINT PAUL	IN00031828	11/27/2018	76	101.43.5200.443.60016	1,650.65
COLLINS ELECTRICAL CONST.	1832401.01	11/27/2018	11/7/18	101.43.5200.443.40046	299.63
COLLINS ELECTRICAL CONST.	1832891.01	11/27/2018	11/7/18	101.43.5200.443.40046	248.75
CROSSROADS CHURCH	11/27/18	12/04/2018	2018 ELECTIONS	101.41.1200.414.40065	200.00
DAKOTA CTY FINANCIAL SVCS	00031097	12/04/2018	P0001753	101.42.4000.421.70501	1,516.45
DAKOTA CTY FINANCIAL SVCS	00031097	12/04/2018	P0001753	101.42.4200.423.30700	1,703.09
DAKOTA CTY FINANCIAL SVCS	00031097	12/04/2018	P0001753	101.43.5200.443.30700	46.66
DAKOTA CTY PROPERTY RECORDS	11/7/18	12/04/2018	10/5/18-10/30/18	101.45.0000.3413000	2,320.00
DAKOTA ELECTRIC ASSN	1001141-5 11/18	11/23/2018	Electric	101.42.4200.423.40020	73.07
DAKOTA ELECTRIC ASSN	246837-9 11/18	11/23/2018	Electric	101.44.6000.451.40020	383.92
DAKOTA ELECTRIC ASSN	250165-8 11/18	11/23/2018	Electric	101.44.6000.451.40020	464.54
DAKOTA ELECTRIC ASSN	393563-2 11/18	11/23/2018	Electric	101.44.6000.451.40020	393.93
DAKOTA ELECTRIC ASSN	426713-4 11/18	11/23/2018	Electric	101.43.5400.445.40020	44.95
DAKOTA ELECTRIC ASSN	443054-2 11/18	11/23/2018	Electric	101.44.6000.451.40020	17.00
DAKOTA ELECTRIC ASSN	109394-7 11/18	11/23/2018	Electric	101.43.5400.445.40020	1,181.33
DATA FLOW	30130	11/27/2018	TAX FORMS	101.41.2000.415.50030	531.30
EFTPS	INV0081080	11/23/2018	FEDERAL WITHHOLDING	101.203.2030200	48,467.33
EFTPS	INV0081082	11/23/2018	MEDICARE WITHHOLDING	101.203.2030500	15,309.52
EFTPS	INV0081083	11/23/2018	SOCIAL SECURITY WITHHOLDING	101.203.2030400	46,562.44
EFTPS	INV0081124	11/27/2018	MEDICARE WITHHOLDING	101.203.2030500	8.08
EFTPS	INV0081125	11/27/2018	SOCIAL SECURITY WITHHOLDING	101.203.2030400	34.58
EMANUAL LUTHERN CHURCH	11/27/18	12/04/2018	2018 ELECTIONS	101.41.1200.414.40065	200.00
GENESIS EMPLOYEE BENEFITS ACH ONLY	INV0081065	11/23/2018	HSA ELECTION-FAMILY	101.203.2032500	2,952.01
GENESIS EMPLOYEE BENEFITS ACH ONLY	INV0081066	11/23/2018	HSA ELECTION-SINGLE	101.203.2032500	4,557.45
GENESIS EMPLOYEE BENEFITS, INC	IN1372264	11/27/2018	Payroll	101.41.1100.413.30550	39.12
GENESIS EMPLOYEE BENEFITS, INC	IN1372264	11/27/2018	Payroll	101.41.2000.415.30550	82.69
GENESIS EMPLOYEE BENEFITS, INC	IN1372264	11/27/2018	Payroll	101.42.4000.421.30550	284.64
GENESIS EMPLOYEE BENEFITS, INC	IN1372264	11/27/2018	Payroll	101.42.4200.423.30550	21.50
GENESIS EMPLOYEE BENEFITS, INC	IN1372264	11/27/2018	Payroll	101.43.5000.441.30550	12.75
GENESIS EMPLOYEE BENEFITS, INC	IN1372264	11/27/2018	Payroll	101.43.5100.442.30550	52.36
GENESIS EMPLOYEE BENEFITS, INC	IN1372264	11/27/2018	Payroll	101.43.5200.443.30550	39.00
GENESIS EMPLOYEE BENEFITS, INC	IN1372264	11/27/2018	Payroll	101.44.6000.451.30550	48.55
GENESIS EMPLOYEE BENEFITS, INC	IN1372264	11/27/2018	Payroll	101.45.3000.419.30550	10.15
GENESIS EMPLOYEE BENEFITS, INC	IN1372264	11/27/2018	Payroll	101.45.3200.419.30550	16.51
GENESIS EMPLOYEE BENEFITS, INC	IN1372264	11/27/2018	Payroll	101.45.3300.419.30550	36.50
GENESIS EMPLOYEE BENEFITS, INC	IN1391733	12/04/2018	10/1/18-10/31/18	101.42.4000.421.30550	42.29
GENESIS EMPLOYEE BENEFITS, INC	11/28/18	11/28/2018	HSA CONTRIBUTION	101.203.2032510	333.00
GENESIS EMPLOYEE BENEFITS, INC	11/30/18 FLEX COMP	11/30/2018	FLEX COMP DED PAY	101.203.2031500	8,850.18
GOOD SHEPHERD LUTHERAN CHURCH	11/27/18	12/04/2018	2018 ELECTIONS	101.41.1200.414.40065	200.00
HILLYARD INC	603228259	12/04/2018	274086	101.42.4200.423.60011	492.95
HOISINGTON KOEGLER GROUP INC.	018-028-5	12/04/2018	018-028	101.44.6000.451.30700	578.75
ICMA RETIREMENT TRUST - 457	INV0081060	11/23/2018	457 - ROTH AGE 50+	101.203.2031400	100.00
ICMA RETIREMENT TRUST - 457	INV0081067	11/23/2018	ICMA-AGE <49 %	101.203.2031400	6,940.78
ICMA RETIREMENT TRUST - 457	INV0081068	11/23/2018	ICMA-AGE <49	101.203.2031400	5,176.54
ICMA RETIREMENT TRUST - 457	INV0081069	11/23/2018	ICMA-AGE 50+ %	101.203.2031400	492.71
ICMA RETIREMENT TRUST - 457	INV0081070	11/23/2018	ICMA-AGE 50+	101.203.2031400	5,401.91
ICMA RETIREMENT TRUST - 457	INV0081071	11/23/2018	ICMA (EMPLOYER SHARE ADMIN)	101.203.2031400	88.57
ICMA RETIREMENT TRUST - 457	INV0081078	11/23/2018	ROTH IRA (AGE 49 & UNDER)	101.203.2032400	2,053.07
ICMA RETIREMENT TRUST - 457	INV0081079	11/23/2018	ROTH IRA (AGE 50 & OVER)	101.203.2032400	400.00
IH CHURCH	11/27/18	12/04/2018	2018 ELECTIONS	101.41.1200.414.40065	200.00
JOHNSON CONTROLS	20587011	11/27/2018	148288	101.42.4200.423.30700	697.24
LANGUAGE LINE SERVICES	4438084	12/04/2018	9020909043	101.42.4000.421.50020	99.94
LONE OAK GRAPHICS INC	39453	12/04/2018	8150	101.41.1000.413.60065	34.33
MADISON NATIONAL LIFE INSURANCE COMPANY	1321627	12/04/2018	DECEMBER 2018 GROUP #012439	101.203.2031700	2,685.72
MADISON NATIONAL LIFE INSURANCE COMPANY	1321627	12/04/2018	DECEMBER 2018 GROUP #012439	101.42.4000.421.20630	21.60
MINNESOTA DEPARTMENT OF HUMAN SERVICES	INV0081063	11/23/2018	JOEL JACKSON FEIN/TAXPAYER ID: 416005	101.203.2032100	294.18
MINNESOTA DEPARTMENT OF HUMAN SERVICES	INV0081064	11/23/2018	JOHN VERDEJA FEIN/TAXPAYER ID: 416005	101.203.2032100	158.74
MN DEPT OF REVENUE	INV0081081	11/23/2018	STATE WITHHOLDING	101.203.2030300	23,220.84
MN LIFE INSURANCE CO	DECEMBER 2018	12/04/2018	POLICY #0027324	101.203.2030900	3,342.57
MN NCPERS LIFE INSURANCE	DECEMBER 2018	12/04/2018	DECEMBER 2018	101.203.2031600	320.00
MOORE MEDICAL LLC	70092052	12/04/2018	21185816	101.42.4200.423.60065	357.57
OKER INVESTMENTS	000079	12/04/2018	11/8/18	101.45.3000.419.30700	549.00
PERA	INV0081072	11/23/2018	PERA COORDINATED PLAN	101.203.2030600	41,247.54
PERA	INV0081073	11/23/2018	EMPLOYER SHARE (EXTRA PERA)	101.203.2030600	3,172.93
PERA	INV0081074	11/23/2018	PERA DEFINED PLAN	101.203.2030600	69.23
PERA	INV0081075	11/23/2018	EMPLOYER SHARE (PERA DEFINED PLAN)	101.203.2030600	69.23
PERA	INV0081076	11/23/2018	PERA POLICE & FIRE PLAN	101.203.2030600	15,233.26
PERA	INV0081077	11/23/2018	EMPLOYER SHARE (POLICE & FIRE PLAN)	101.203.2030600	22,849.87
PERA	INV0081122	11/27/2018	PERA COORDINATED PLAN	101.203.2030600	36.26
PERA	INV0081123	11/27/2018	EMPLOYER SHARE (EXTRA PERA)	101.203.2030600	2.79

Vendor Name	Payable Number	Post Date	Description (Item)	Account Number	Amount
PETTY CASH - POLICE	12/4/18	12/04/2018	PETTY CASH REQUEST	101.42.4000.421.50030	20.00
PINE BEND PAVING, INC.	18-624	11/27/2018	11/1/18	101.43.5200.443.60016	133.28
PRAIRIE MOON NURSEY INC.	1831704100	11/27/2018	236535	101.43.5200.443.60016	224.70
RANGE SYSTEMS, INC.	10123	12/04/2018	10/8/18	101.42.4000.421.60065	1,800.00
RESCUEPAX, LLC	284	12/04/2018	11/19/18	101.42.4200.423.30700	3,000.00
RIVER HEIGHTS VINEYARD CHURCH	11/27/18	12/04/2018	2018 ELECTIONS	101.41.1200.414.40065	200.00
SAFE-FAST, INC.	INV207286	12/04/2018	INVERGRV01	101.44.6000.451.60065	509.40
SCHLOMKA SERVICES LLC	8248	11/27/2018	10/30/18	101.43.5200.443.40046	612.50
SHRED-IT	8126012249	11/27/2018	15212695	101.42.4000.421.30700	121.12
STREAMLINE DESIGN INC	38694	12/04/2018	11/27/18	101.42.4200.423.60045	394.56
T. A. SCHIFSKY & SONS, INC.	63828	11/27/2018	11/5/18	101.43.5200.443.60016	3,759.12
TARGETSOLUTIONS LEARNING	2019 RENEWAL	12/04/2018	11/18/18	101.42.4200.423.30700	5,729.60
UNIFIRST CORPORATION	090 0448670	11/27/2018	1051948	101.43.5200.443.60045	38.51
UNIFIRST CORPORATION	090 0448670	11/27/2018	1051948	101.44.6000.451.60045	30.19
UNIFIRST CORPORATION	090 0449812	11/27/2018	1051948	101.43.5200.443.60045	45.99
UNIFIRST CORPORATION	090 0449812	11/27/2018	1051948	101.44.6000.451.60045	30.19
Fund: 101 - GENERAL FUND					297,389.73
ROSEVILLE VISITORS ASSOCIATION	CARRIE'S BENCH - MN STATE F	12/04/2018	CARRIE'S BENCH - MN STATE FAIR	201.44.1600.465.50025	100.00
RUSS M. LOWTHIAN	1932	12/31/2018	9/6/18	201.44.1600.465.50025	3,600.00
ST PAUL ARENA COMPANY, LLC	SPAC0002752	12/04/2018	NOVEMBER 2018	201.44.1600.465.50025	200.00
STACY ANN BROOKS	195	12/04/2018	DECEMBER 2018	201.44.1600.465.50025	175.00
Fund: 201 - C.V.B. FUND					4,075.00
BURNSVILLE ATHLETIC CLUB	10/30/18	12/04/2018	IN-HOUSE SLOWPITCH SOFTBALL	204.44.6100.452.30700	284.39
BURNSVILLE ATHLETIC CLUB	10/30/18	12/04/2018	IN-HOUSE SLOWPITCH SOFTBALL	204.44.6100.452.60009	23.33
BURNSVILLE ATHLETIC CLUB	10/30/18	12/04/2018	IN-HOUSE SLOWPITCH SOFTBALL	204.44.6100.452.60045	16.33
GAVIN-BALLANGER, JOSEPH MARK	11/15/18	12/04/2018	ARCHERY FALL SESSION 2018	204.44.6100.452.30700	350.00
GENESIS EMPLOYEE BENEFITS, INC	IN1372264	11/27/2018	Payroll	204.44.6100.452.30550	15.17
MADELEINE CLARA PAULSEN	10/11/18	12/04/2018	PAINT YOUR OWN PET CLASS	204.44.6100.452.30700	960.00
Fund: 204 - RECREATION FUND					1,649.22
ANDREW L. SOLTVEDT	1099	12/04/2018	11/19/18	205.44.6200.453.30700	1,015.00
ANDREW L. SOLTVEDT	1100	12/04/2018	11/19/18	205.44.6200.453.30700	210.00
ANDREW L. SOLTVEDT	1101	12/04/2018	11/19/18	205.44.6200.453.30700	70.00
BURNSVILLE ATHLETIC CLUB	102418	12/04/2018	33 PARTICIPANTS TREASURE ISLAND CRUI	205.44.6200.453.50090	1,059.30
DIVERSIFIED CONSTRUCTION	18312	12/04/2018	11/19/18	205.44.6200.453.80200	172,726.00
DOYLE, AMANDA	11/8/18	12/04/2018	BIRTHDAY PARTY CANCELLATION	205.207.2070300	12.72
DOYLE, AMANDA	11/8/18	12/04/2018	BIRTHDAY PARTY CANCELLATION	205.44.0000.3492900	178.53
FIRST IMPRESSION GROUP, THE	86318-P	12/04/2018	11/14/18	205.44.6200.453.50035	2,520.00
GARTNER REFRIGERATION & MFG, INC	W10462	12/04/2018	SVETE01	205.44.6200.453.40040	8,875.00
GENESIS EMPLOYEE BENEFITS, INC	IN1372264	11/27/2018	Payroll	205.44.6200.453.30550	47.25
GENESIS EMPLOYEE BENEFITS, INC	IN1372264	11/27/2018	Payroll	205.44.6200.453.30550	11.00
GENESIS EMPLOYEE BENEFITS, INC	IN1372264	11/27/2018	Payroll	205.44.6200.453.30550	12.50
GENESIS EMPLOYEE BENEFITS, INC	IN1372264	11/27/2018	Payroll	205.44.6200.453.30550	12.50
GENESIS EMPLOYEE BENEFITS, INC	IN1372264	11/27/2018	Payroll	205.44.6200.453.30550	2.80
GENESIS EMPLOYEE BENEFITS, INC	IN1372264	11/27/2018	Payroll	205.44.6200.453.30550	3.50
HORIZON COMMERCIAL POOL SUPPLY	J181115111-D	12/04/2018	INV01	205.44.6200.453.80200	100,000.00
HUEBSCH SERVICES	4178078	12/04/2018	92965	205.44.6200.453.40040	66.44
HUEBSCH SERVICES	4178078	12/04/2018	92965	205.44.6200.453.40040	265.75
INSITUFORM TECHNOLOGIES USA, INC.	528419	12/04/2018	102509	205.44.6200.453.40040	31,816.45
MEDICINE LAKE TOURS	10/4/18	12/04/2018	IRVING BERLIN'S HOLIDAY INN" CHANHASS	205.44.6200.453.50090	2,550.00
NAC MECHANICAL & ELECTRICAL SERVICE	1460-01	12/04/2018	5333	205.44.6200.453.80300	10,355.25
RICHARD OR VERONICA KOEHNEN	11/8/18	12/04/2018	REFUND	205.44.0000.3493501	126.00
SCHAEFER, JESSICA	11/19/18	12/04/2018	REFUND LOW ENROLLMENT	205.44.0000.3493501	195.00
Fund: 205 - COMMUNITY CENTER					332,130.99
GENESIS EMPLOYEE BENEFITS, INC	IN1372264	11/27/2018	Payroll	290.45.3000.419.30550	0.35
Fund: 290 - EDA OPERATING					0.35
ACTION ROOFING & SIDING LLC	3311	12/04/2018	11/21/18	291.45.3000.419.30700	4,519.90
Fund: 291 - EDA ACQUISITIONS					4,519.90
COST, PLANNING AND MANAGEMENT INTERNATI	6995	11/27/2018	18208	434.42.4200.423.30700	2,275.00
Fund: 434 - 2014 IMPROVEMENT FUND					2,275.00
SHORT ELLIOTT HENDRICKSON, INC.	358903	11/27/2018	4340	436.50.5900.736.30300	2,496.17
WSB & ASSOCIATES, INC.	R-011626-000-9	12/04/2018	HVP DOG PARK DEVELOPMENT	436.44.5900.736.30700	10,909.75
WSB & ASSOCIATES, INC.	R-013050-000-1	12/04/2018	10/1/18-10/31/18	436.44.5900.736.30700	1,010.25
Fund: 436 - 2016 IMPROVEMENT FUND					14,416.17
FRANK J. ZAMBONI & CO., INC.	95473	12/04/2018	MNI04	437.44.5900.737.80800	136,510.00
MCNAMARA CONTRACTING INC	PAY VO. NO. 8	11/27/2018	CITY PROJECT 2015-09D, 2017-21, 2018-08, ;	437.44.5900.737.80300	404,418.76
MINNESOTA ICE LLC	PAY REQUEST NO. 3B	12/04/2018	CITY PROJECT 2017-1722	437.44.5900.737.80200	47,632.90
MINNESOTA ICE LLC	PAY REQUEST NO. 3	11/27/2018	CITY PROJECT NO. 2017-1722	437.44.5900.737.80200	30,451.57
Fund: 437 - 2017 IMPROVEMENT FUND					619,013.23
EJM PIPE SERVICES	PAY VO. NO. 4	11/27/2018	CITY PROJECT NO. 2018-08, 2018-11	438.42.4200.423.80300	11,719.20
EJM PIPE SERVICES	PAY VO. NO. 4	11/27/2018	CITY PROJECT NO. 2018-08, 2018-11	438.42.4200.423.80300	360,176.72
SHORT ELLIOTT HENDRICKSON, INC.	359504	12/04/2018	4340	438.73.5900.738.30300	824.01
Fund: 438 - 2018 IMPROVEMENT FUND					372,719.93
GENESIS EMPLOYEE BENEFITS, INC	IN1372264	11/27/2018	Payroll	441.74.5900.741.30550	3.75
Fund: 441 - STORM WATER MANAGEMENT					3.75
NORTHERN TECHNOLOGIES, LLC	29183	12/04/2018	18.MSP06799.000	444.74.5900.744.30700	3,600.00
Fund: 444 - PARK CAPITAL REPLACEMENT					3,600.00

Vendor Name	Payable Number	Post Date	Description (Item)	Account Number	Amount
CITY OF WEST ST. PAUL	20180299	11/27/2018	3RD QTR VOLUNTEER EXPENSES	451.75.5900.751.30700	3,198.92
GENESIS EMPLOYEE BENEFITS, INC	IN1372264	11/27/2018	Payroll	451.45.3000.419.30550	3.50
JOEL CARLSON	11/15/18	12/04/2018	DECEMBER 2018	451.75.5900.751.30700	1,000.00
Fund: 451 - HOST COMMUNITY FUND					4,202.42
JR'S APPLIANCE DISPOSAL	96514	11/27/2018	11/12/18	454.43.5500.446.40025	189.00
Fund: 454 - LANDFILL ABATEMENT					189.00
AUTOMATIC SYSTEMS CO.	32958	11/27/2018	INVE01	501.50.7100.512.40040	251.05
DAKOTA AGGREGATES, LLC.	A6107017	11/27/2018	9021	501.50.7100.512.60016	414.77
DAKOTA AGGREGATES, LLC.	A6107079	11/27/2018	9021	501.50.7100.512.60016	276.66
DAKOTA AGGREGATES, LLC.	A6107211	11/27/2018	9021	501.50.7100.512.60016	234.81
FLEXIBLE PIPE TOOL COMPANY	22951	11/27/2018	11/20/18	501.50.7100.512.40042	638.00
FLEXIBLE PIPE TOOL COMPANY	23146	11/27/2018	11/20/18	501.50.7100.512.40042	2,394.55
GENESIS EMPLOYEE BENEFITS, INC	IN1372264	11/27/2018	Payroll	501.50.7100.512.30550	49.64
MADISON NATIONAL LIFE INSURANCE COMPANY	1321627	12/04/2018	DECEMBER 2018 GROUP #012439	501.50.7100.512.20630	19.62
MAX STEININGER, INC.	11/27/18	12/04/2018	HYDRANT PERMIT REFUND #1808	501.207.2070300	(49.08)
MAX STEININGER, INC.	11/27/18	12/04/2018	HYDRANT PERMIT REFUND #1808	501.50.0000.3813000	(688.88)
MN DEPT OF HEALTH	10/1/18-12/31/18	11/27/2018	1190014	501.207.2070100	12,481.00
MN GLOVE & SAFETY, INC.	312261	11/27/2018	CTINVE	501.50.7100.512.60045	49.98
SHERWIN-WILLIAMS	3813-2	11/27/2018	6682-5453-5	501.50.7100.512.40040	111.37
STANTEC CONSULTING SERVICES INC.	1433507	12/04/2018	92607	501.50.7100.512.30300	2,199.00
Fund: 501 - WATER UTILITY FUND					18,382.49
AUTOMATIC SYSTEMS CO.	23986	11/27/2018	INVE01	502.51.7200.514.40043	282.30
GENESIS EMPLOYEE BENEFITS, INC	IN1372264	11/27/2018	Payroll	502.51.7200.514.30550	23.23
MN GLOVE & SAFETY, INC.	312260	11/27/2018	CTINVE	502.51.7200.514.60045	134.93
MN GLOVE & SAFETY, INC.	312262	11/27/2018	CTINVE	502.51.7200.514.60045	156.96
Fund: 502 - SEWER UTILITY FUND					597.42
DAKOTA ELECTRIC ASSN	201360-5 11/18	11/23/2018	Electric	503.52.8600.527.40020	208.85
DRAFT TECHNOLOGIES	11051806	12/04/2018	11/5/18	503.52.8300.524.40042	55.00
GENESIS EMPLOYEE BENEFITS, INC	IN1372264	11/27/2018	Payroll	503.52.8000.521.30550	11.00
GENESIS EMPLOYEE BENEFITS, INC	IN1372264	11/27/2018	Payroll	503.52.8500.526.30550	3.50
GENESIS EMPLOYEE BENEFITS, INC	IN1372264	11/27/2018	Payroll	503.52.8600.527.30550	25.50
NAC MECHANICAL & ELECTRICAL SERVICE	1460-01	12/04/2018	5333	503.52.8500.526.80300	31,065.75
Fund: 503 - INVER WOOD GOLF COURSE					31,369.60
GENESIS EMPLOYEE BENEFITS, INC	IN1372264	11/27/2018	Payroll	602.00.2100.415.30550	2.18
Fund: 602 - RISK MANAGEMENT					2.18
BAUER BUILT	180236134	12/04/2018	324259	603.00.5300.444.60014	2,190.65
ELECTRIC FIRE & SECURITY	C1440	11/27/2018	C1440	603.00.5300.444.40040	298.00
FACTORY MOTOR PARTS COMPANY	1-Z16483	11/27/2018	10799	603.140.1450050	120.43
FORCE AMERICA, INC.	IN001-1290767	11/27/2018	366100	603.140.1450050	1,256.08
GENESIS EMPLOYEE BENEFITS, INC	IN1372264	11/27/2018	Payroll	603.00.5300.444.30550	12.74
GRAINGER	9003722684	11/27/2018	806460150	603.00.5300.444.60012	132.50
H&L MESABI	02071	11/27/2018	9/19/18	603.00.5300.444.40041	481.60
INVER GROVE FORD	6271243/1	11/27/2018	10/30/18	603.00.5300.444.40041	119.99
INVER GROVE FORD	6271808/1	11/27/2018	11/6/18	603.00.5300.444.40041	501.01
INVER GROVE FORD	5261399	11/27/2018	11/7/18	603.00.5300.444.40041	42.17
INVER GROVE FORD	6271924/1	11/27/2018	11/7/18	603.00.5300.444.40041	285.64
KIMBALL MIDWEST	6705088	11/27/2018	222006	603.00.5300.444.60012	407.54
KIMBALL MIDWEST	6705088	11/27/2018	222006	603.140.1450050	93.00
KIMBALL MIDWEST	6723360	11/27/2018	222006	603.00.5300.444.60012	74.94
L.T.G. POWER EQUIPMENT	230411	11/27/2018	5656	603.00.5300.444.40041	82.32
MACQUEEN EQUIPMENT INC	P01560	11/27/2018	INVER003	603.00.5300.444.40041	(43.06)
MACQUEEN EQUIPMENT INC	P16100	11/27/2018	INVER002	603.00.5300.444.40041	446.63
MACQUEEN EQUIPMENT INC	P16116	11/27/2018	INVER002	603.00.5300.444.40041	414.46
MANSFIELD OIL COMPANY	240992	11/27/2018	23866-01-240992	603.140.1450060	6,002.33
MANSFIELD OIL COMPANY	240986	11/27/2018	23866-02-240986	603.140.1450060	10,287.75
MANSFIELD OIL COMPANY	243407	11/27/2018	23866-02-243407	603.140.1450060	192.86
METRO JANITORIAL SUPPLY INC	11014914	11/27/2018	10/11/18	603.00.5300.444.60011	4,425.93
MID CITY SERVICES, INC.	90708	11/27/2018	11/9/18	603.00.5300.444.40065	48.00
MN DEPT OF REVENUE	10/31/18	11/23/2018	OCT 2018 PETRO TAX	603.00.5300.444.60021	361.67
MN SUPPLY CO	Y86391 B	08/29/2018	39242	603.00.5300.444.60014	(1,053.14)
MN SUPPLY CO	Y86391 OFFSET	11/20/2018	39242	603.00.5300.444.40041	1,005.98
MN SUPPLY CO	C16683	11/27/2018	39242	603.00.5300.444.40041	971.36
MTI DISTRIBUTING CO	1194526-00	11/27/2018	91180	603.00.5300.444.40041	98.90
MTI DISTRIBUTING CO	1194573-00	11/27/2018	91180	603.00.5300.444.40041	67.36
MTI DISTRIBUTING CO	1194579-00	11/27/2018	91180	603.00.5300.444.40041	54.67
NUSS TRUCK AND EQUIPMENT	7121138P	11/27/2018	38679B	603.00.5300.444.40041	598.06
NUSS TRUCK AND EQUIPMENT	4010971	11/27/2018	38679B	603.00.5300.444.40041	1,121.91
O' REILLY AUTO PARTS	1767-363157	11/27/2018	1578028	603.00.5300.444.60012	35.14
O' REILLY AUTO PARTS	1767-363188	11/27/2018	1578028	603.00.5300.444.60012	14.20
O' REILLY AUTO PARTS	1767-363310	11/27/2018	1578028	603.00.5300.444.40041	43.67
O' REILLY AUTO PARTS	1767-364000	11/27/2018	1578028	603.00.5300.444.40041	97.98
O' REILLY AUTO PARTS	1767-364002	11/27/2018	1578028	603.00.5300.444.60012	17.80
O' REILLY AUTO PARTS	1767-364245	11/27/2018	1578028	603.00.5300.444.60012	39.44
O' REILLY AUTO PARTS	1767-364273	11/27/2018	1578028	603.00.5300.444.40041	36.60
O' REILLY AUTO PARTS	1767-364442	11/27/2018	1578028	603.00.5300.444.40041	37.96
O' REILLY AUTO PARTS	1767-364561	11/27/2018	1578028	603.00.5300.444.60012	27.82
O' REILLY AUTO PARTS	1767-364563	11/27/2018	1578028	603.00.5300.444.40041	21.12
O' REILLY AUTO PARTS	1767-364743	11/27/2018	1578028	603.140.1450050	352.00
O' REILLY AUTO PARTS	1767-365625	11/27/2018	1578028	603.140.1450050	168.18
O' REILLY AUTO PARTS	1767-365626	11/27/2018	1578028	603.00.5300.444.40041	59.09
O' REILLY AUTO PARTS	1767-365774	11/27/2018	1578028	603.00.5300.444.40041	6.99
O' REILLY AUTO PARTS	1767-365776	11/27/2018	1578028	603.140.1450050	15.48
O' REILLY AUTO PARTS	1767-365962	11/27/2018	1578028	603.140.1450050	44.88
O' REILLY AUTO PARTS	1767-366026	11/27/2018	1578028	603.140.1450050	4.91
POMP'S TIRE SERVICE, INC.	980053934	11/27/2018	4502557	603.00.5300.444.60014	2,209.68

Vendor Name	Payable Number	Post Date	Description (Item)	Account Number	Amount
POMP'S TIRE SERVICE, INC.	980053947	11/27/2018	4502557	603.00.5300.444.60014	248.00
POMP'S TIRE SERVICE, INC.	980054285	11/27/2018	4502557	603.00.5300.444.60014	420.00
POMP'S TIRE SERVICE, INC.	980054299	11/27/2018	4502557	603.00.5300.444.40041	90.00
POMP'S TIRE SERVICE, INC.	980054304	11/27/2018	4502557	603.00.5300.444.60014	3,239.82
TOWMASTER TRAILERS INC	409019	11/27/2018	2946	603.00.5300.444.40041	195.92
TOWMASTER TRAILERS INC	409606	11/27/2018	2946	603.00.5300.444.40041	393.97
UNIFIRST CORPORATION	090 0448670	11/27/2018	1051948	603.00.5300.444.40065	169.98
UNIFIRST CORPORATION	090 0448670	11/27/2018	1051948	603.00.5300.444.60045	33.50
UNIFIRST CORPORATION	090 0449812	11/27/2018	1051948	603.00.5300.444.40065	169.98
UNIFIRST CORPORATION	090 0449812	11/27/2018	1051948	603.00.5300.444.60045	33.50
WORLD FUEL SERVICES	37925736136-41801	11/27/2018	112741	603.140.1450050	1,389.67
Fund: 603 - CENTRAL EQUIPMENT					40,717.56
CULLIGAN	10/31/18 157-98503022-8	11/27/2018	157-98503022-8	605.00.7500.460.60011	69.05
GENESIS EMPLOYEE BENEFITS, INC	IN1372264	11/27/2018	Payroll	605.00.7500.460.30550	3.50
HUEBSCH SERVICES	4178077	12/04/2018	100075	605.00.7500.460.40065	120.52
HUEBSCH SERVICES	4186011	12/04/2018	11/1/18	605.00.7500.460.40065	120.52
J.H. LARSON COMPANY	S101877062.001	11/27/2018	29039	605.00.7500.460.60065	62.40
MN DEPT OF LABOR & INDUSTRY	ALR00900461	11/27/2018	0000161847	605.00.7500.460.40040	100.00
OVERHEAD DOOR CO OF THE NORTHLAND	107308	12/04/2018	11/15/18	605.00.7500.460.40040	677.00
Fund: 605 - CITY FACILITIES					1,152.99
CDW GOVERNMENT INC	PXQ9897	12/04/2018	2394832	606.00.1400.413.60041	1,625.95
CDW GOVERNMENT INC	PXR9718	12/04/2018	2394832	606.00.1400.413.60041	399.78
CDW GOVERNMENT INC	PXS1736	12/04/2018	2394832	606.00.1400.413.60041	1,075.58
CDW GOVERNMENT INC	PZZ6022	12/04/2018	2394832	606.00.1400.413.60041	451.24
CDW GOVERNMENT INC	QCN6960	12/04/2018	2394832	606.00.1400.413.60041	200.04
GENESIS EMPLOYEE BENEFITS, INC	IN1372264	11/27/2018	Payroll	606.00.1400.413.30550	30.12
IDEAL SYSTEM SOLUTIONS, INC.	68534	12/04/2018	11/21/18	606.00.1400.413.50070	1,537.50
OFFICE OF MN. IT SERVICES	DV18100486	12/04/2018	200B00171	606.00.1400.413.50070	310.00
TDS METROCOM	11/13/18	12/04/2018	651 457 7490	606.00.1400.413.50020	174.50
TDS METROCOM	651 457 7490	12/04/2018	651 457 7490	606.00.1400.413.50020	174.50
Fund: 606 - TECHNOLOGY FUND					5,979.21
BETH OR STEVE HOEPPNER	11/25/18	12/04/2018	ESCROW REFUND	702.229.2306402	1,479.87
CONTINUUM CONSTRUCTION	11/25/18	12/04/2018	ESCROW REFUND	702.229.2308702	2,979.87
CULLIGAN	10/31/18 157-98473242-8	11/27/2018	157-98473242-8	702.229.2286300	42.05
HENNEPIN COUNTY DISTRICT COURT	18423104	11/27/2018	SHARONNE MARTIN BOONE	702.229.2291000	78.00
MAX STEININGER, INC.	11/27/18	12/04/2018	HYDRANT PERMIT REFUND #1808	702.229.2294300	1,000.00
PETTY CASH - POLICE	12/4/18	12/04/2018	PETTY CASH REQUEST	702.229.2291000	167.25
PURDY, MICHAEL & JENNIFER	11/21/18	11/27/2018	ESCROW RELEASE 1563 86TH CT	702.229.2305302	403.20
SANTA ROB	12/8/18	12/04/2018	12/8/18	702.229.2307200	300.00
SHORT ELLIOTT HENDRICKSON, INC.	359607	12/04/2018	4340	702.229.2298602	2,634.74
TOLLBERG HOMES, LLC	11/21/18	11/27/2018	ESCROW RELEASE 3527 68TH ST	702.229.2305602	1,202.00
TOLLBERG HOMES, LLC	11/21/18 B	11/27/2018	ESCROW REDUCTION 3527 68TH ST	702.229.2306302	9,000.00
WASHINGTON COUNTY SHERIFF DEPT	103021338	11/27/2018	WILLIAMS EVANS	702.229.2291000	200.00
Fund: 702 - ESCROW FUND					19,486.98
Grand Total					1,773,873.12

CITY OF INVER GROVE HEIGHTS

REQUEST FOR COUNCIL ACTION

Designate 2019 Polling Locations for Elections

Meeting Date: December 10, 2018
 Item Type: Consent
 Contact: 651.450.2513
 Prepared by: Michelle Tesser
 Reviewed by: N/A

Fiscal/FTE Impact:

☒	None
☐	Amount included in current budget
☐	Budget amendment requested
☐	FTE included in current complement
☐	New FTE requested – N/A
☐	Other

PURPOSE/ACTION REQUESTED:

Consider Resolution Designating 2019 Polling Locations for Elections

SUMMARY:

Per the 2017 statute changes, M.S. 204B.16 subd. 1, it is required that the governing body of a municipality make the polling place designation by ordinance or resolution each year by December 31. The polling place designation remains in effect until the governing body makes a new designation. Changes cannot be made less than 90 days before the next election.

The City Clerk asks that the Council approve the resolution Designating Polling Locations for elections in 2019.

**CITY OF INVER GROVE HEIGHTS
DAKOTA COUNTY, MINNESOTA**

RESOLUTION NO. _____

**RESOLUTION DESIGNATING 2019 POLLING LOCATIONS FOR
STATE PRIMARY AND GENERAL ELECTION**

WHEREAS, The City Council of Inver Grove Heights on December 10, 2018, designate the 2019 Polling Locations within the City of Inver Grove Heights, and;

WHEREAS, pursuant to M.S. 204B.16 subd. 1, it is required that the governing body of a municipality each year make the polling place designation by ordinance or resolution, the designation of a polling place shall remain effective until the governing body makes a new designation and;

WHEREAS, the polling locations designations have been approved by the County Auditor and the polling locations comply with Election Law M.S. 144.414; 200.02 subd. 24, 204B.16 subd. 1. and;

NOW, THEREFORE BE IT RESOLVED that the polling place designations will be as follows:

- Precinct 1 – Amazing Grace Lutheran Church, 7160 South Robert Trail
- Precinct 2 – Inverhills Church, 8265 Babcock Trail
- Precinct 3 – National Guard Armory, 8076 Babcock Trail
- Precinct 4 – Inver Grove Heights City Hall, 8150 Barbara Ave.
- Precinct 5 – Emanuel Lutheran Church, 2075 70th St. E.
- Precinct 6 – Good Shepherd Lutheran Church, 7600 Cahill Ave E.
- Precinct 7 – St. Patrick's Catholic Church, 3535 72nd St. E.
- Precinct 8 – River Heights Vineyard Church, 6070 Cahill Ave. E.
- Precinct 9 – Crossroads Church, 5590 abcoc Trail
- Precinct 10 – Bethesda Lutheran Church, 2855 47th St. E.

Adopted by the City Council of the City of Inver Grove Heights on this 10th day of December 2018.

Ayes:

Nays:

George Tourville, Mayor

Attest:

Michelle Tesser, City Clerk

204B.16 POLLING PLACES; DESIGNATION.

Subdivision 1. **Authority; location.** By December 31 of each year, the governing body of each municipality and of each county with precincts in unorganized territory must designate by ordinance or resolution a polling place for each election precinct. The polling places designated in the ordinance or resolution are the polling places for the following calendar year, unless a change is made:

(1) pursuant to section 204B.175;

(2) because a polling place has become unavailable; or

(3) because a township designates one location for all state and federal elections and one location for all township only elections.

Polling places must be designated and ballots must be distributed so that no one is required to go to more than one polling place to vote in a school district and municipal election held on the same day. The polling place for a precinct in a city or in a school district located in whole or in part in the metropolitan area defined by section 200.02, subdivision 24, shall be located within the boundaries of the precinct or within one mile of one of those boundaries unless a single polling place is designated for a city pursuant to section 204B.14, subdivision 2, or a school district pursuant to section 205A.11. The polling place for a precinct in unorganized territory may be located outside the precinct at a place which is convenient to the voters of the precinct. If no suitable place is available within a town or within a school district located outside the metropolitan area defined by section 200.02, subdivision 24, then the polling place for a town or school district may be located outside the town or school district within five miles of one of the boundaries of the town or school district.

Subd. 1a. **Notice to voters.** If the location of a polling place has been changed, the governing body establishing the polling place shall send to every affected household with at least one registered voter in the precinct a nonforwardable mailed notice stating the location of the new polling place at least 25 days before the next election. The secretary of state shall prepare a sample of this notice. A notice that is returned as undeliverable must be forwarded immediately to the county auditor. This subdivision does not apply to a polling place location that is changed on election day under section 204B.175.

Subd. 2. [Repealed, 1994 c 607 s 7]

Subd. 3. **Designation effective until changed.** The designation of a polling place pursuant to this section shall remain effective until a different polling place is designated for that precinct. No designation of a new or different polling place shall become effective less than 90 days prior to an election, including school district elections or referenda, and no polling place changes may occur during the period between the state primary and the state general election, except that a new polling place may be designated to replace a polling place that has become unavailable for use.

Subd. 4. **Prohibited locations.** No polling place shall be designated in any place where intoxicating liquors or nonintoxicating malt beverages are served or in any adjoining room. No polling place shall be designated in any place in which substantial compliance with the requirements of this chapter cannot be attained.

Subd. 5. **Access by elderly and persons with disabilities.** Each polling place shall be accessible to and usable by elderly individuals and individuals with disabilities. A polling place is deemed to be accessible and usable if it complies with the standards in paragraphs (a) to (f).

(a) At least one set of doors must have a minimum width of 32 inches if the doors must be used to enter or leave the polling place.

(b) Any curb adjacent to the main entrance to a polling place must have curb cuts or temporary ramps. Where the main entrance is not the accessible entrance, any curb adjacent to the accessible entrance must also have curb cuts or temporary ramps.

(c) Where the main entrance is not the accessible entrance, a sign shall be posted at the main entrance giving directions to the accessible entrance.

(d) At least one set of stairs must have a temporary handrail and ramp if stairs must be used to enter or leave the polling place.

(e) No barrier in the polling place may impede the path of persons with disabilities to the voting booth.

(f) At least one parking space for persons with disabilities, which may be temporarily so designated by the municipality for the day of the election, must be available near the accessible entrance.

The doorway, handrails, ramps, and disabled parking provided pursuant to this subdivision must conform to the standards specified in the State Building Code for accessibility by persons with disabilities.

A governing body shall designate as polling places only those places which meet the standards prescribed in this subdivision unless no available place within a precinct is accessible or can be made accessible.

Subd. 6. Public facilities. Every statutory city, home rule charter city, county, town, school district, and other public agency, including the University of Minnesota and other public colleges and universities, shall make their facilities, including parking, available for the holding of city, county, school district, state, and federal elections, subject to the approval of the local election official. A charge for the use of the facilities may be imposed in an amount that does not exceed the lowest amount charged to any public or private group.

Subd. 7. Appropriate facilities. The facilities provided in accordance with subdivision 6 shall be sufficient in size to accommodate all election activities and the requirements of subdivision 5. The space must be separated from other activities within the building. The local election official may approve space in two connecting rooms for registration and balloting activities. Except in the event of an emergency making the approved space unusable, the public facility may not move the election from the space approved by the local election official without prior approval. In addition to the requirements of subdivision 5, the public facility must make remaining parking spaces not in use for regularly scheduled activities available for voters.

History: 1981 c 29 art 4 s 16; 1983 c 124 s 4; 1984 c 471 s 5; 1985 c 307 s 1; 1987 c 266 art 1 s 25; 1991 c 227 s 12,13; 1991 c 349 s 36,37; 1992 c 474 s 1; 1993 c 223 s 10; 1997 c 147 s 29,30; 2000 c 467 s 16; 2004 c 293 art 2 s 18; 2005 c 56 s 1; 2005 c 156 art 6 s 35,36; 2008 c 244 art 1 s 11; 2017 c 92 art 1 s 14; art 2 s 8

CITY OF INVER GROVE HEIGHTS

REQUEST FOR COUNCIL ACTION

Authorize an Increase in Fire Relief Association Retirement Benefit

Meeting Date: December 10, 2018
 Item Type: Consent
 Contact: Kristi Smith 651-450-2521
 Prepared by: Kristi Smith, Finance Director
 Reviewed by: Joe Lynch, City Administrator
 Judy Thill, Fire Chief

Fiscal/FTE Impact:	
☒	None
☐	Amount included in current budget
☐	Budget amendment requested
☐	FTE included in current complement
☐	New FTE requested – N/A
☐	Other

PURPOSE/ACTION REQUESTED

Authorize an Increase in the Fire Relief Association Retirement Benefit

SUMMARY

At a recent Inver Grove Heights Fire Relief Association membership meeting, the members passed a motion to raise the retirement benefit level from \$8,050 to \$8,100 per year of service, effective January 1, 2019. This amount is permitted per the funding formula provided by the State of Minnesota. Abdo, Eick & Meyers, LLP reviewed the proposed increase in conjunction with the proposed voluntary funding contributions by the City of Inver Grove Heights and found that no mandatory contribution is proposed over the next five years based on the current plan and assumptions used.

Council must also recommend approval of the increase before it becomes effective. Staff recommends approval of the increase.

CITY OF INVER GROVE HEIGHTS

REQUEST FOR COUNCIL ACTION

Consider Pay Request #4 to Pember Companies Inc. for the Heritage Village Park Dog Park Improvements

Meeting Date: December 10, 2018
Item Type: Consent Agenda
Contact: Eric Carlson – 651.450.2587
Prepared by: Eric Carlson
Reviewed by: Brian Swoboda

☐	Fiscal/FTE Impact:
☐	None
☒	Amount included in current budget
☐	Budget amendment requested
☐	FTE included in current complement
☐	New FTE requested – N/A
☐	Other

PURPOSE/ACTION REQUESTED

The Council is asked to approve Pay Request #4 to Pember Companies Inc. in the amount of \$191,516.94 for the Heritage Village Park Dog Park. The project is funded by two grants the City has received from the State of MN and the Park Acquisition and Development Fund (Fund 402).

SUMMARY

The City awarded a contract to Pember Companies Inc. on July 23, 2018 in the amount of \$843,017. The Council approved change order 1 which is a deduct to the contract for the deletion of base bid item #17, change order 2 which was the addition of a concrete apron, change order 3 included pressure reducing valves, and change order 4 was the tree removal along Doffing Ave.

The contract with Pember Companies Inc. is as follows:

Pember Companies	\$843,017
Change Order #1	(\$340.00)
Change Order #2	\$420.75
Change Order #3	\$688.26
Change Order #4	\$53,764.75
Total	<u>\$897,550.76</u>

The overall project costs are as follows:

WSB – Preparation of Plans & Specifications	\$55,000	Design and Engineering
Braun Intertec – Environmental Coordination	\$10,000	Environmental Engineering
WSB – Construction Observation and Administration (estimate at this time)	\$46,800	Construction observation and administration
Construction Contract with Pember Companies Inc.	\$843,017	Dog Park contract
Change Order #1	(\$340)	Deletion of Base Bid Item #17
Change Order #2	\$421	Concrete apron
Change Order #3	\$688	Pressure reducing valve
Change Order #4	\$53,765	Tree Removal on Doffing
10% Construction Contingency	\$136,891	Started at \$84,000, increased by \$54,000 on September 24th
Xcel Energy – Bury Overhead Utility Lines (estimate at this time)	\$42,108	Xcel bury lines
Century Link – Bury Overhead Utility Line (estimate at this time)	\$22,096	Century Link bury lines
Total	\$1,210,446	

REQUEST FOR PAYMENT

From: PEMBER COMPANIES, INC.
N4449 469th Street
Menomonie, WI 54751-5436

To: City of Inver Grove Heights
8150 Barbara Ave
Inver Grove Heights, MN 55077

Invoice: 10609
Draw: 695
Invoice date: 11/15/2018
Period ending date: 11/15/2018

Project: 18-0691-01 IGH, MN - HVP DOG PARK

REQUEST FOR PAYMENT:

Original Contract Amount:	\$843,017.00
Net Change Orders:	\$54,533.76
Revised Contract Amount:	\$897,550.76
Contract Completed to Date:	\$676,572.96
Retainage:	\$33,828.68
Less Previous Requests:	\$451,227.34
Current Request for Payment:	\$191,516.94
Remaining Contract to Bill:	\$254,806.48

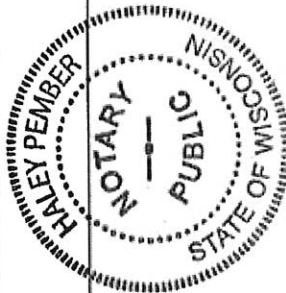
I hereby certify that the work performed and the materials supplied to date, as shown on the above represent the actual value of the accomplishment under the terms of the Contract (and all authorized changes thereof) between the undersigned and the City of Inver Grove Heights relating to the above referenced project. I also certify that the contractor has paid all amounts previously billed and paid by the owner.

CONTRACTOR: PEMBER COMPANIES, INC.

State Of Wisconsin County Of Dunn

Subscribed and sworn to before me this 15th day of November, 2018

By: [Signature]
Brent Pember, President
Date: November 15, 2018



Notary Public Haley Pember
My commission expires: March 13, 2022

PAYMENT RECOMMENDED:

PAYMENT APPROVED:

Engineer Signature
[Signature]
Printed Name and Title
Caroline Amborg, PLA
Date: 11-20-2018

Owner Signature
[Signature]
Printed Name and Title
[Signature]
Date: 12/3/18

Project: 18-0691-01 / IGH, MN - HVP DOG PARK Invoice: 10609 Draw: 695 Period Ending Date: 11/15/2018 Detail Page 2 of 6 Pages

[illegible]

REQUEST FOR PAYMENT DETAIL

Project: 18-0691-01 / IGH, MN - HVP DOG PARK Invoice: 10609 Draw: 695 Period Ending Date: 11/15/2018 Detail Page 3 of 6 Pages

Item ID	Description	Unit of Measure	CONTRACTED			CURRENT		TOTAL TO DATE		Units to Finish
			Bid Quantity	Unit Price	Amount	Quantity	Amount	Quantity	Amount	
10	MOBILIZATION	LS	1.00	33,550.00	33,550.00			0.50	16,775.00	0.50
20	CONSTRUCTION SURVEYING	LS	1.00	15,000.00	15,000.00	0.25	3,750.00	1.00	15,000.00	
30	CLEARING & GRUBBING TREES	EA	4.00	985.00	3,940.00			1.00	985.00	3.00
40	CLEARING VEGETATION	ACRE	3.00	1,300.00	3,900.00	3.00	3,900.00	3.00	3,900.00	
50	R&R BITUMINOUS PAVEMENT	SY	100.00	90.00	9,000.00			154.00	13,860.00	-54.00
60	REMOVE, RELOCATE BOULDERS	EA	23.00	335.00	7,705.00	23.00	7,705.00	23.00	7,705.00	
70	SITE EARTHWORK	LS	1.00	54,000.00	54,000.00	0.25	13,500.00	1.00	54,000.00	
80	EXPORT EXCESS SOIL (LV)	CY	1,100.00	9.00	9,900.00			1,100.00	9,900.00	
90	SELECT GRANULAR BORROW	CY	500.00	30.00	15,000.00			421.00	12,630.00	79.00
100	GEOTEXTILE FABRIC TYPE V	SY	1,500.00	1.95	2,925.00			1,581.00	3,082.95	-81.00
110	CLASS 5 AGGREGATE BASE	TON	760.00	23.25	17,670.00			645.00	14,996.25	115.00
120	CLASS 2 AGGREGATE BASE	TON	200.00	55.55	11,110.00	198.00	10,998.90	198.00	10,998.90	2.00
130	BITUMINOUS PARKING LOT	SY	1,200.00	26.35	31,620.00			1,204.00	31,725.40	-4.00
140	BITUMINOUS TRAIL	SY	550.00	33.15	18,232.50			600.00	19,890.00	-50.00
150	DRAINAGE STRUCTURE SPECIAL	EA	2.00	2,885.00	5,770.00			2.00	5,770.00	
160	SPLASH BLOCKS	EA	2.00	225.00	450.00	2.00	450.00	2.00	450.00	
170	12" PLASTIC APRON	EA	1.00	340.00	340.00			1.00	340.00	
180	IRRIGATION CONDUIT	LF	80.00	30.00	2,400.00	20.00	600.00	80.00	2,400.00	
190	12" SOLID HDPE PIPE SEWER	LF	91.00	50.00	4,550.00			90.00	4,500.00	1.00
200	4" PERFORATED HDPE PIPE	LF	600.00	20.00	12,000.00			500.00	10,000.00	100.00
210	4" PVC PIPE	LF	45.00	26.00	1,170.00			25.00	650.00	20.00
220	DRAINTILE CLEANOUT	EA	5.00	600.00	3,000.00			4.00	2,400.00	1.00
230	OUTLET CONTROL STRUCTURE	EA	1.00	2,750.00	2,750.00			1.00	2,750.00	
240	KNIFE GATE VALVE AND BOX	EA	1.00	700.00	700.00			1.00	700.00	
250	ELECTRICAL SERVICE	LS	1.00	117,700.00	117,700.00					1.00
260	LIGHT POLES, STEEL	EA	3.00	4,825.00	14,475.00	3.00	14,475.00	3.00	14,475.00	
270	LIGHT POLES, FIBERGLASS	EA	1.00	5,300.00	5,300.00	1.00	5,300.00	1.00	5,300.00	
280	ROCK EXCAVATION	CY	45.00	100.00	4,500.00			51.00	5,100.00	-6.00
290	TRAFFIC CONTROL	LS	1.00	2,500.00	2,500.00	0.25	625.00	1.00	2,500.00	
300	4" THICK CONCRETE PAVEMENT	SF	1,800.00	8.70	15,660.00			1,878.00	16,338.60	-78.00
310	6" THICK CONCRETE PAVEMENT	SF	200.00	10.25	2,050.00			380.00	3,895.00	-180.00
320	6" PEDESTRIAN RAMP & CURB	SF	130.00	18.75	2,437.50			130.00	2,437.50	
330	8" THICK CONCRETE APRON	SF	915.00	12.60	11,529.00			880.00	11,088.00	35.00

REQUEST FOR PAYMENT DETAIL

Project: 18-0691-01 / IGH, MN - HVP DOG PARK Invoice: 10609 Draw: 695 Period Ending Date: 11/15/2018 Detail Page 4 of 6 Pages

Item ID	Description	Unit of Measure	CONTRACTED			CURRENT			TOTAL TO DATE		Units to Finish
			Bid Quantity	Unit Price	Amount	Quantity	Amount	Quantity	Amount	Quantity	
340	24"CONC MAINTENANCE STRIP	LF	1,300.00	43.25	56,225.00			1,000.00	43,250.00		300.00
350	B612 CURB & GUTTER	LF	550.00	25.60	14,080.00			507.00	12,979.20		43.00
360	DETECTABLE WARNING PLATE	SF	16.00	59.50	952.00			16.00	952.00		
370	PARKING LOT STRIPING	LS	1.00	800.00	800.00	1.00	800.00	1.00	800.00		
380	ADA PARKING SIGN	EA	2.00	230.00	460.00	2.00	460.00	2.00	460.00		
390	BASIN SIGN	EA	4.00	230.00	920.00	3.00	690.00	3.00	690.00		1.00
400	DOG PARK SIGN - SMALL	EA	2.00	230.00	460.00						2.00
410	DOG PARK SIGN - RULES	EA	1.00	550.00	550.00						1.00
420	DOG PARK MESSAGE BOARD	EA	1.00	1,750.00	1,750.00						1.00
430	WOOD POST & WIRE FENCING	LF	3,900.00	11.05	43,095.00	342.00	3,779.10	3,842.00	42,454.10		58.00
440	WOOD POST & FENCE CORNERS	EA	22.00	345.00	7,590.00			22.00	7,590.00		
450	4" HIGH CHAINLINK FENCE	LF	1,450.00	27.00	39,150.00	886.00	23,922.00	1,386.00	37,422.00		64.00
460	CHAINLINK DBL ACCESS GATE	EA	3.00	1,260.00	3,780.00			2.00	2,520.00		1.00
470	CHAINLINK MAIN GATE	EA	4.00	1,715.00	6,860.00			4.00	6,860.00		
480	EROSION CONTROL BLANKET	SY	620.00	3.70	2,294.00	3,509.00	12,983.30	3,509.00	12,983.30		-2,889.00
490	HYDRAULIC SOIL STABILIZER	ACRE	2.60	4,210.00	10,946.00						2.60
500	FILTER LOG WOOD FIBER	LF	1,500.00	3.00	4,500.00	140.00	420.00	1,440.00	4,320.00		60.00
510	CONSTRUCTION ENTRANCE	EA	1.00	715.00	715.00	0.50	357.50	1.00	715.00		
520	EROSION CONTROL SILT FENCE	LF	800.00	2.00	1,600.00	240.00	480.00	670.00	1,340.00		130.00
530	TREE PROTECTION	LF	400.00	1.95	780.00			600.00	1,170.00		-200.00
540	INLET PROTECTION	EA	2.00	100.00	200.00			2.00	200.00		
550	ENGINEERED SOIL (LV)	CY	200.00	98.00	19,600.00			180.00	17,640.00		20.00
560	DECIDUOUS TREE 2.5" CAL B&B	EA	5.00	520.00	2,600.00	5.00	2,600.00	5.00	2,600.00		
570	DECIDUOUS TREE 1.5" CAL B&B	EA	3.00	425.00	1,275.00	3.00	1,275.00	3.00	1,275.00		
580	5-GALLON POTTED SHRUB	EA	10.00	73.50	735.00	10.00	735.00	10.00	735.00		
590	1-GALLON POTTED PERENNIAL	EA	50.00	22.80	1,140.00	50.00	1,140.00	50.00	1,140.00		
600	SHREDDED HARDWOOD MULCH	SY	100.00	91.00	9,100.00	100.00	9,100.00	100.00	9,100.00		
610	TURF SEED RESTORATION	ACRE	0.60	2,310.00	1,386.00	0.60	1,386.00	0.60	1,386.00		
620	TYPE 2 FESCUE TURF SEED	ACRE	2.00	1,800.00	3,600.00	2.00	3,600.00	2.00	3,600.00		
630	TYPE 3 BASIN SEED MIX	ACRE	0.10	2,650.00	265.00	0.10	265.00	0.10	265.00		
650	DRINKING FOUNTAIN	EA	2.00	10,100.00	20,200.00	2.00	20,200.00	2.00	20,200.00		
660	LIGHT POLES, FIBERGLASS	EA	17.00	3,300.00	56,100.00	17.00	56,100.00	17.00	56,100.00		
680	1.5" TYPE K COPPER PIPE	LF	350.00	50.00	17,500.00			353.00	17,650.00		-3.00

REQUEST FOR PAYMENT DETAIL

Project: 18-0691-01 / IGH, MN - HVP DOG PARK Invoice: 10609 Draw: 695 Period Ending Date: 11/15/2018 Detail Page 5 of 6 Pages

Item ID	Description	Unit of Measure	CONTRACTED			CURRENT		TOTAL TO DATE		Units to Finish
			Bid Quantity	Unit Price	Amount	Quantity	Amount	Quantity	Amount	
690	1.5" CURB STOP AND BOX	EA	1.00	600.00	600.00			1.00	600.00	
700	1.5" CORPORATION STOP	EA	1.00	500.00	500.00			1.00	500.00	
710	2" DUCTILE IRON PIPE CL 52	LF	50.00	70.00	3,500.00			45.00	3,150.00	5.00
720	2" CURB STOP AND BOX	EA	1.00	750.00	750.00			1.00	750.00	
730	2" CORPORATION STOP	EA	1.00	600.00	600.00			1.00	600.00	
740	BLOWOFF VALVE ASSEMBLY	EA	1.00	1,500.00	1,500.00			1.00	1,500.00	
760	COMMON TOPSOIL BORROW	CY	25.00	37.00	925.00					25.00
770	DISPOSE OF UNSUITABLE SOILS	CY	1,100.00	46.00	50,600.00					1,100.00
780	DEWATERING	LS	1.00	10,000.00	10,000.00					1.00
9000	MOBILIZATION	LS	1.00	0.00	0.00					1.00
9010	SUPERINTENDENT	LS	1.00	0.00	0.00					1.00
9020	WARRANTY COSTS	LS	1.00	0.00	0.00					1.00
9910	CHANGE ORDER NO 1		1.00	54,533.76	54,533.76			1.00	54,533.76	
Totals					897,550.76		201,596.80		676,572.96	

CITY OF INVER GROVE HEIGHTS

REQUEST FOR COUNCIL ACTION

REQUEST FOR APPROVAL OF RENTAL HOUSING LICENSE

Meeting Date: December 10, 2018
Item Type: Consent
Contact: Nicole Cook: 651-450-2491
Prepared by: Nicole Cook, Rental and Code
Compliance Coordinator
Reviewed by: Joshua Otis, Commander

Fiscal/FTE Impact:	
☒	None
☐	Amount included in current budget
☐	Budget amendment requested
☐	FTE included in current complement
☐	New FTE requested – N/A
☐	Other (Revenue)

PURPOSE/ACTION REQUESTED

The City Council is to consider approval of three (3) rental licenses.

BACKGROUND

The City Council adopted a rental licensing ordinance that requires all rental property owners to obtain a rental license every two years. The purpose of the ordinance is to assure proper maintenance of structures to preserve neighborhood stability, protect the quality of existing rental housing stock, and maintain property values. The ordinance provides for basic safety and living standards for rentals.

ANALYSIS

The following rental license applications have been submitted:

- SPECTRUM PROPERTY MANAGEMENT; DAVID SCHROEDER
5359 AUDOBON AVENUE; LAKE COVE VILLAGE APARTMENTS
- RODGER ESPESETH; 1181 80TH STREET; SURE LOCK APARTMENTS
- ANIL SODADASI, 6974 ARCHER COURT; TOWNHOUSE

The above applications have been found to be complete. The applications include the necessary fee payments and the BCA background checks. The Inver Grove Heights Police Chief/Designee has also reviewed the license application.

RECOMMENDATIONS

Staff and the Police Chief/Designee recommend approval of the licenses listed above.

CITY OF INVER GROVE HEIGHTS

REQUEST FOR COUNCIL ACTION

2040 Comprehensive Plan Update

Meeting Date: December 10, 2018
 Item Type: Consent Agenda
 Contact: Allan Hunting 651.450.2554
 Prepared by: Allan Hunting, City Planner
 Reviewed by: Janice Gundlach, Director 

Fiscal/FTE Impact:

☒	None
☐	Amount included in current budget
☐	Budget amendment requested
☐	FTE included in current complement
☐	Other

PURPOSE/ACTION REQUESTED

Consider a Resolution authorizing the submittal of the comprehensive plan update to the Metropolitan Council.

- Requires a 3/5th's vote.

SUMMARY

The City is required to submit the comprehensive plan to the Met Council by December 31, 2018. This action is only to authorize submittal to the Met Council for their review. Formal adoption of the comprehensive plan should occur in spring, 2019.

ANALYSIS

- The comprehensive plan update process began in 2017.
- Outreach to the public for comments and suggestions occurred with workshops, open house, electronic communication, print communication.
- The Planning Commission recommended forwarding the comprehensive plan as presented at their November 7, 2017 meeting with an additional action that a small area study be performed for the area known as "Pinkville".
- The City Council was briefed on the comp plan update at their December 3 work session.
- Council had no other comments with the plan.

RECOMMENDATION

Planning. Staff recommends submittal of the comprehensive plan update as presented to the Metropolitan Council.

Planning Commission. Also recommended submittal of the plan as presented (9-0).

Attachments: Resolution authorizing submittal to the Metropolitan Council
 Planning Commission Recommendation

**CITY OF INVER GROVE HEIGHTS
RESOLUTION NO. 18-____**

**A RESOLUTION AUTHORIZING THE SUBMITTAL OF THE INVER
GROVE HEIGHTS 2040 COMPREHENSIVE PLAN UPDATE DRAFT TO
METROPOLITAN COUNCIL AS REQUIRED BY MINNESOTA STATE
LAW (METROPOLITAN LAND PLANNING ACT)**

WHEREAS, Minnesota Statutes section 473.864 requires each local governmental unit to review and, if necessary, amend its entire comprehensive plan and its fiscal devices and official controls at least once every ten years to ensure its comprehensive plan conforms to metropolitan system plans and ensure its fiscal devices and official controls do not conflict with the comprehensive plan or permit activities that conflict with metropolitan system plans; and

WHEREAS, Minnesota Statutes sections 473.858 and 473.864 require local governmental units to complete their "decennial" reviews by December 31, 2018; and

WHEREAS, the City of Inver Grove Heights City Council, Planning Commission, and Staff have prepared a proposed Comprehensive Plan intended to meet the requirements of the Metropolitan Land Planning Act and Metropolitan Council guidelines and procedures; and

WHEREAS, pursuant to Minnesota Statutes section 473.858, the proposed Comprehensive Plan was submitted to adjacent governmental units and affected special districts and school districts for review and comment on June 27th, 2018, and the statutory six-month review and comment period will elapse on December 27th, 2018; and

WHEREAS, the Planning Commission has considered the proposed Comprehensive Plan and all comments received to date; and

WHEREAS, the Planning Commission conducted a public hearing on November 7th, 2018 relative to the adoption of the proposed Comprehensive Plan; and

WHEREAS, the City Council has reviewed the proposed Comprehensive Plan and those recommendations, public comments, and comments from adjacent jurisdictions and affected districts; and

WHEREAS, Minnesota Statutes section 473.858 requires a local governmental unit to submit its proposed comprehensive plan to the Metropolitan Council following recommendation by the planning commission and after consideration but before final approval by the governing body of the local governmental unit.

WHEREAS, based on its review of the proposed Comprehensive Plan and Planning Commission and staff recommendations, the City Council is ready to submit its proposed plan to the Metropolitan Council for review pursuant to Minnesota Statutes section 473.864; and

NOW, THEREFORE, BE IT RESOLVED, by the City Council of the City of Inver Grove Heights, Staff is directed to distribute said Comprehensive Plan to the Metropolitan Council by December 31, 2018 pursuant to Minnesota Statutes section 473.864.

Passed this 10th day of December, 2018.

AYES:

NAYS:

ATTEST:

George Tourville, Mayor

—

Michelle Tesser, City Clerk

**RECOMMENDATION TO
CITY OF INVER GROVE HEIGHTS**

TO: Mayor and City Council of Inver Grove Heights

FROM: Planning Commission

DATE: November 7, 2018

SUBJECT: **CITY OF INVER GROVE HEIGHTS – 2040 COMPREHENSIVE PLAN**

Reading of Notice

Commissioner Simon read the public hearing notice for the Planning Commission to receive comments from the public on the Draft 2040 Comprehensive Plan.

Presentation of Request

Allan Hunting, City Planner, explained that the Planning Commission is to hold a public hearing and then make a recommendation to the City Council to submit the draft comprehensive plan to the Metropolitan Council for their action and review. The City Council will then be updated on the comprehensive plan at their December 3 work session, and on December 10 they will take action to submit the plan to the Metropolitan Council. After Met Council review, City Council will hopefully adopt the plan in Spring 2019.

Brad Scheib, Hoisington Koegler, gave a brief presentation highlighting the process, why a comprehensive plan is necessary, the Metropolitan Council's role, and key proposed changes. He explained that the process began in early 2017 and included public engagement, as well as meetings with the Planning Commission, Park and Recreation Commission, Housing Committee, and the Economic Development Authority. City Council authorized distribution of the plan to adjacent communities and effected agencies in May 2018.

There are seven components of the comprehensive plan including vision/guiding principles, land use, community development, parks and recreation, transportation, water resources, and implementation.

He discussed the areas of change from the last comprehensive plan, including the Northwest Area, Pine Bluffs Area, Arbor Pointe and Concord, Cahill and 65th Street, 'Pinkville' in the southwest area of the City, the west side of Robert Trail, and I-494/Highway 52.

Commissioner Weber noted that a portion of Argenta Hills had been rezoned.

Mr. Hunting replied that the City Council conditionally approved a comprehensive plan amendment for a portion of Argenta Hills to allow an apartment building. That will not become effective; however, until a plan is approved.

Mr. Scheib explained that the area known as 'Pinkville' is an awkwardly platted small lot area that does not have sewer, water, or access. The ownership of these lots is hodgepodge, with the City owning a number of lots that they received through tax forfeiture. The 2030 comprehensive plan guided this area as Park; however, it is not a park and there are no plans to make it a park. Because there is no public use for these properties, they re-guided this area from Park to Rural Residential.

Recommendation to City Council

November 7, 2018

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The draft plan includes strategies for developing and maintaining housing diversity. In order to have more retail in the City, we need people that can work at those jobs and afford to live in the City.

An option for the City is to do a small area study. One possibility would be to do a small area study of 'Pinkville' to try to determine a resolution.

Chair Maggi asked Mr. Scheib if the proposed change in density moved mildly or significantly towards higher density across the City.

Mr. Scheib replied it would be mildly increased towards higher density because of the higher density assumptions within the mixed-use nodes.

Chair Maggi asked what the smallest ownership was of the 'Pinkville' lots acre-wise.

Mr. Hunting replied that all the lots were extremely small, perhaps 6,000-7,000 square feet in size.

Chair Maggi asked if the City could change the designation if the current lot structure does not fall within that designation.

Mr. Hunting replied in the affirmative.

Chair Maggi stated the question may be whether it made sense to.

Commissioner Robertson asked if the 'Pinkville' lots had owners on record that were still actively engaged in the ownership of those properties.

Mr. Hunting replied in the affirmative, stating they were owned individually by people on the tax rolls. The City acquired their lots through tax forfeiture.

Commissioner Robertson asked about the impact of the growth projections on the school district.

Mr. Scheib replied that they share the development projections with the school district so they can plan for enrollment projections.

Commissioner Robertson noted that portions of the City were served by the Eagan school district and questioned whether there were discussions about how they would maintain high-quality educational opportunities to keep the students in Inver Grove.

Mr. Scheib replied they can support quality education with guiding principles, including collaborating and working with the school district to help them achieve a great educational team, making sure that the park, trail, and roadway systems function well, and providing a diversity of land uses where people can live and grow in the community throughout their life cycle.

November 7, 2018

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Opening of Public Hearing

Jeff Mains, 11676 Aileron Court, advised that he lived just west of 'Pinkville' and would like to see some deliberation by the Planning Commission as to why the property should be changed to Rural Residential rather than retaining its Park designation. He recommended that a small area study be done of this area and that they consider not changing the land use designation until there was a strategy for this area. He added that he would be happy to be involved with the study.

Paul Mandell, 8320 Cleadis Avenue, advised that all the changes recommended by the Housing Committee have been incorporated into the draft comprehensive plan and therefore they recommend approval of the Housing Chapter of the 2040 Comprehensive Plan.

Chair Maggi closed the public hearing.

Planning Commission Discussion

Commissioner Niemioja agreed that a study of the 'Pinkville' area would be helpful, but she believed they could still move forward with changing the plan. She questioned how leaving the property guided as Park would affect the Parks Department.

Mr. Hunting replied that the proposed land use change would not have any impact on the Parks Department since it is not proposed as a park.

Chair Maggi asked what the benefit was of changing the land use designation to Rural Residential.

Mr. Hunting stated that changing the designation would make the property consistent with the park plan which does not envision a city park and therefore would allow for residential development. The current designation of Public Open Space does not allow for residential development.

Chair Maggi asked how long the properties had been under their current designation of Park Open Space.

Mr. Hunting replied he was not sure, but at least since the 2030 Comprehensive Plan.

Commissioner Weber asked what the minimum lot size was in Rural Density Residential.

Mr. Hunting replied 2.5 acres.

Commissioner Weber replied there was one landowner who had at least ten lots and could potentially qualify for a buildable lot if he were to get an easement agreement from the southern landowner.

Mr. Hunting replied that if someone were able to consolidate enough lots they would still have to deal with the issues of sewer, water, and road access. City review and action would also have to take place for any project in that location.

Commissioner Wippermann advised he would prefer to maintain the property as Park Open

Recommendation to City Council

November 7, 2018

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Space, stating it would be consistent with the guiding principles of the comprehensive plan regarding protecting and enhancing open space and natural features as a reflection of the communities' rural heritage. There is no cost consideration for the City to maintain these lots as is.

Chair Maggi asked if it would be unusual to have individual owners of Park designated land.

Mr. Hunting replied that typically open space park property is owned by a government agency as it would be for public purpose.

Commissioner Weber asked if the City could get in trouble with the landowners by not changing the designation to something that would allow them to develop and use their property.

Mr. Hunting gave the history of the lots, explaining that in the early 1970's a developer came to the City with this plat. The City denied the plat, but they got it recorded at the County anyway. If someone came forward with a plan to build on their lot, the City's argument would be that they never approved the plat in the first place.

Commissioner Weber asked if the City should contact the County and request that they contact the landowners and clear this up.

Chair Maggi stated Commissioner Weber's suggestion is something that would be done as part of a small area study.

Commissioner Wippermann did not see this as being different from somebody coming to the City with a request to change the land use designation for any other property in the City and he did not believe the City would incur any liability by leaving it designated as Park Open Space.

Chair Maggi questioned whether they should 1) leave the designation as is and request a study be done, 2) change the designation to Rural Residential and request a study be done, or 3) do one of those two things and not request a study.

Commissioner Lissarrague preferred to leave it as is and request a study.

Commissioner Niemioja was not opposed to changing the land use as recommended, but did not think it made sense to have multiple ownership.

Commissioner Robertson asked if the City as a property owner would be liable should someone get hurt on the land while riding a recreational vehicle, horse, etc.

Mr. Hunting replied he was not sure as that was beyond his expertise.

According to a hand vote, the majority of commissioners felt the property should remain as Park Open Space (5/4).

Commissioner Scales stated the property had limited use as a park as no one but the private land owners around that space had access to it. He would prefer changing the land use to Rural Density Residential; hopefully people familiar with developing could put together a plan if

Recommendation to City Council

November 7, 2018

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given the ability and tools to do so.

Commissioner Niemioja stated in her opinion changing the land use to Rural Density Residential would still comply with the guiding principles of open space.

Chair Maggi noted that according to Mr. Scheib the City is only slightly increasing the density of the City long-term. A concern is that the lack of density has been an issue in our city for the economic development that residents want. She felt that as a Commission they should acknowledge that they are recommending a plan to the City Council that is not truly addressing the density issue.

Commissioner Weber advised that in his opinion changing the property to Rural Density Residential provided more protection for the neighbors as it would kind of force a developer to come in through the south rather than through their neighborhood. Rural Density Residential required a 2.5 acre minimum, and currently there was only one individual that appeared as if they owned enough land to meet that requirement.

Commissioner Wippermann recommended that the two requests be voted on separately.

Planning Commission Recommendation

Motion by Commissioner Wippermann, second by Commissioner Lissarrague, to leave the area known as 'Pinkville' in its current designation as Park Open Space in the 2040 Comprehensive Plan.

Motion failed (3/6 – Weber, Niemioja, Robertson, Kramer, Scales, and Maggi)

Motion by Commissioner Niemioja, second by Commissioner Robertson, to recommend approval of the Draft 2040 Comprehensive Plan as presented with a recommendation that there be a study done for the 'Pinkville' area.

Commissioner Kramer asked what Commissioners were hoping to conclude from the study.

Commissioner Robertson replied that they are recommending a broad study to look at the current challenges and potential opportunities.

Mr. Scheib added that the study can also look at what the public benefit would be and whether the City would have any liability. The landowners can also be part of the process since they are stakeholders. He noted that any development proposal would include some type of City approval.

Commissioner Weber stated that doing a study would give the City the benefit of being able to notify the landowners that there is going to be a discussion about this property.

Chair Maggi stated it seemed to her that it would be irresponsible to not address the 'Pinkville' issue.

Motion carried (9/0). This item will go to the City Council on December 10, 2018.

CITY OF INVER GROVE HEIGHTS

REQUEST FOR COUNCIL ACTION

Meeting Date: December 10, 2018
Item Type: X Consent Agenda
Contact: X Heather Botten 651.450.2569
Prepared by: X Heather Botten, Associate Planner
Reviewed by: Janice Gundlach, Director JB

Fiscal/FTE Impact:

☒	None
☐	Amount included in current budget
☐	Budget amendment requested
☐	FTE included in current complement
☐	New FTE requested – N/A
☐	Other

PURPOSE/ACTION REQUESTED

Approve an Agreement relating to removal of existing home on property located at 10371 Inver Grove Trail.

SUMMARY

The above-mentioned property is zoned A, Agricultural. Agricultural districts are allowed one single family dwelling per lot. There is currently one home located on the property that was constructed in 1950. The owner would like to construct a new single-family dwelling on the property and demolish the existing home. The attached agreement would allow the owner to occupy the existing home until the new home is completed with the understanding the existing home would be removed within 30 days of occupancy of the new home.

RECOMMENDATION

City Staff: Staff recommends approval of the agreement as presented.

Attachments: Agreement related to removal of existing home on property

**AGREEMENT RELATED TO REMOVAL OF EXISTING HOME ON PROPERTY
LOCATED AT 10371 INVER GROVE TRAIL,
INVER GROVE HEIGHTS, MINNESOTA**

THIS AGREEMENT RELATED TO REMOVAL OF EXISTING HOME ON PROPERTY LOCATED AT 10371 INVER GROVE TRAIL (Agreement) is made this 10th day of December, 2018, between Kathleen M. Van Schooten, Trustee of the Kathleen M. Van Schooten Trust Agreement, U/D 8/6/02, hereafter defined as "Owner" and the City of Inver Grove Heights, a municipal corporation organized under the laws of the State of Minnesota, hereinafter referred to as the "City."

RECITALS

WHEREAS, the real property (hereafter referred to as "Property") referred to in this Agreement is located in Inver Grove Heights, Dakota County, Minnesota and is legally described on **Exhibit A** attached hereto.

WHEREAS, Owner owns the Property.

WHEREAS, there is currently a single-family dwelling located on the Property which was constructed in or around 1950 (hereafter referred to as "Existing Home").

WHEREAS, Owner has submitted building plans to the City and applied for a building permit to remove the Existing Home from the Property and construct a new single-family dwelling on the Property (hereafter referred to as "New Home").

WHEREAS, Owner has requested that the City allow Owner to continue occupying the Existing Home on the Property while constructing the New Home on the Property.

WHEREAS, the Property is zoned A-Agricultural.

WHEREAS, the Inver Grove Heights Zoning Code states that properties located in the A - Agricultural District are allowed one (1) single-family dwelling per lot.

WHEREAS, the City has agreed to allow Owner to occupy the Existing Home while the New Home is being constructed upon the condition that Owner remove the Existing Home from the Property within 30 days after a temporary certificate of occupancy or permanent certificate of occupancy has been issued by the City for the New Home, whichever occurs first.

WHEREAS, the City has agreed to issue a building permit to the Owner for the construction of the New Home upon Owner entering into this Agreement with the City.

NOW THEREFORE, in consideration of the City issuing a building permit for construction of the New Home and in consideration of the City allowing Owner to occupy the Existing Home in the course of constructing the New Home, Owner and the City hereby agree as follows:

SECTION 1. **OWNER'S COVENANTS**

- 1.1 Owner acknowledges and agrees that no building permit will be issued by the City for construction of the New Home on the Property until Owner executes this Agreement.
- 1.2 Owner acknowledges and agrees that a condition of the building permit is that Owner will be allowed to occupy the Existing Home while the New Home is being constructed upon the condition that Owner remove the Existing Home from the Property within 30 days after a temporary certificate of occupancy or permanent certificate of occupancy has been issued by the City for the New Home, whichever occurs first.
- 1.3 Owner will remove the Existing Home from the Property within 30 days after a temporary certificate of occupancy or permanent certificate of occupancy has been issued by the City for the New Home, whichever occurs first. As part of the removal of the Existing Home, Owner will comply with the rules and regulations relating to closure and abandonment of the septic system associated with the Existing Home; such septic system must be properly abandoned and closed within 30 days after a temporary certificate of occupancy or permanent certificate of occupancy has been issued by the City for the New Home, whichever occurs first.
- 1.4 The Owner shall deposit \$500 in cash with the City (hereafter "Escrow Amount") contemporaneously with execution of this Agreement. The Escrow Amount shall be used by the City to pay attorney expenses in drafting this Agreement and to reimburse the City for related staff review time at the City's standard rates charged for such tasks. Upon execution and recording of this Agreement, the City shall return to the Owner any remaining portion of the Escrow Amount not otherwise previously charged the Owner.

SECTION 2. **CITY'S COVENANTS**

- 2.1 The City agrees to issue a building permit to Owner for construction of the New Home on the Property upon Owner executing this Agreement.

- 2.2 The City agrees to allow Owner to occupy the Existing Home while the New Home is being constructed upon the condition that Owner remove the Existing Home from the Property within 30 days after a temporary certificate of occupancy or permanent certificate of occupancy has been issued by the City for the New Home, whichever occurs first.

SECTION 3. **CITY REMEDIES UPON OWNER DEFAULT**

3.1 **City Remedies.** If Owner defaults by not removing the Existing Home from the Property within 30 days after a temporary certificate of occupancy or permanent certificate of occupancy has been issued by the City for the New Home, then the City may avail itself of all remedies under law or in equity, including the remedy of mandatory injunctive relief and the remedy of specifically enforcing this Agreement.

SECTION 4. **MISCELLANEOUS**

4.1 **No Assumption of Obligations.** Nothing contained in this Agreement shall be considered an affirmative duty upon the City to perform any obligations of the Owner contained herein if Owner does not perform such obligations.

4.2 **No Third Party Recourse.** Third parties shall have no recourse against the City under this Agreement.

4.3 **Binding Agreement.** The parties mutually recognize and agree that all terms and conditions of this recordable Agreement shall run with the Property and shall be binding upon the heirs, successors, administrators and assigns of the parties.

4.4 **Amendment And Waiver.** The parties hereto may by mutual written agreement amend this Agreement in any respect. Any party hereto may extend the time for the performance of any of the obligations of another, waive any inaccuracies in representations by another contained in this Agreement or in any document delivered pursuant hereto which inaccuracies would otherwise constitute a breach of this Agreement, waive compliance by another with any of the covenants contained in this Agreement and performance of any obligations by the other or waive the fulfillment of any condition that is precedent to the performance by the party so waiving of any of its obligations under this Agreement. Any agreement on the part of any party for any such amendment, extension or waiver must be in writing. No waiver of any of the provisions of this Agreement shall be deemed, or shall constitute, a waiver of any other provisions, whether or not similar, nor shall any waiver constitute a continuing waiver.

4.5 **Governing Law.** This Agreement shall be governed by and construed in accord with the laws of the State of Minnesota.

4.6 **Counterparts.** This Agreement may be executed in any number of counterparts, each of which shall be deemed an original, but all of which shall constitute one and the same instrument.

4.7 Headings. The subject headings of the sections this Agreement are included for purposes of convenience only and shall not affect the construction of interpretation of any of its provisions.

[the remainder of this page has been intentionally left blank]

IN WITNESS WHEREOF, the parties have executed this Agreement the year and day first set forth above.

CITY OF INVER GROVE HEIGHTS

By: _____
George Tourville
Its: Mayor

ATTEST:

Michelle Tesser, City Clerk

STATE OF MINNESOTA)
) ss.
COUNTY OF DAKOTA)

On this 10th day of December, 2018, before me a Notary Public within and for said County, personally appeared George Tourville and Michelle Tesser to me personally known, who being each by me duly sworn, each did say that they are respectively the Mayor and City Clerk of the City of Inver Grove Heights, the municipality named in the foregoing instrument, and that the seal affixed to said instrument was signed and sealed on behalf of said municipality by authority of its City Council and said Mayor and City Clerk acknowledged said instrument to be the free act and deed of said municipality.

Notary Public

OWNER:

Kathleen M. Van Schooten
Kathleen M. Van Schooten,
as Trustee of the Kathleen M. Van Schooten
Trust Agreement, U/D 8/6/02

STATE OF MINNESOTA)
)
COUNTY OF DAKOTA) ss.

The foregoing instrument was acknowledged before me on 3rd day of December, 2018,
by Kathleen M. Van Schooten, as Trustee of the Kathleen M. Van Schooten Trust Agreement, U/D
8/6/02, on behalf of the Trust.



Kathleen J. Fischer
Notary Public

THIS INSTRUMENT DRAFTED BY:

Timothy J. Kuntz
LeVander, Gillen, & Miller, P.A.
633 South Concord Street
Suite 400
South St. Paul, MN 55075
(651) 451-1831

**AFTER RECORDING PLEASE
RETURN TO:**

Timothy J. Kuntz
LeVander, Gillen & Miller, P.A.
633 South Concord Street
Suite 400
South St. Paul, MN 55075
(651) 451-1831

EXHIBIT A
LEGAL DESCRIPTION OF PROPERTY

Real Property located in the City of Inver Grove Heights, Dakota County, Minnesota, described as follows:

All that part of the S $\frac{1}{2}$ NW $\frac{1}{4}$ of Section 27, T.27N., R.22W., Dakota County, Minnesota, described as follows:

Commencing at a point on the south line of said S $\frac{1}{2}$ NW $\frac{1}{4}$; said point being 925.0 feet east of the southwest corner of said S $\frac{1}{2}$ NW $\frac{1}{4}$; thence north at right angle to said south line 585.0 feet to the point of beginning of the parcel to be described; thence continue north along the last described course 617.04 feet more or less to the southeasterly R/W line of the Chicago & North Western Rwy; thence northeasterly along said R/W line to the north line of said S $\frac{1}{2}$ NW $\frac{1}{4}$; thence east along said north line to the westerly R/W line of STH No. 52-56; thence southeasterly along said R/W line to the centerline of the old STH No. 53; thence southwesterly along the centerline of the old STH No. 53 to a point which is 585.0 feet north of the south line of said S $\frac{1}{2}$ NW $\frac{1}{4}$ when measured perpendicular thereto; thence west parallel with said south line to the point of beginning, containing 6.18 acres more or less, subject to old STH No. 53 and any easements of record.

CITY OF INVER GROVE HEIGHTS

REQUEST FOR COUNCIL ACTION

Approve Additional Official Depository for 2018

Meeting Date: December 10, 2018
 Item Type: Consent Agenda
 Contact: Kristi Smith 651-450-2521
 Prepared by: Kristi Smith, Finance Director
 Reviewed by:

Fiscal/FTE Impact:

- | | |
|--|------------------------------------|
| ☒ | None |
| ☐ | Amount included in current budget |
| ☐ | Budget amendment requested |
| ☐ | FTE included in current complement |
| ☐ | New FTE requested – N/A |
| ☐ | Other |

PURPOSE/ACTION REQUESTED

Approve additional official depository for 2018.

SUMMARY

City Council annually designates banks, brokers and dealers which will be used during the calendar year.

The following institutions were authorized on January 8, 2018: Bremer Bank, N.A.; Wells Fargo Bank, N.A.; RBC Capital Markets, LLC; Wells Fargo Securities LLC; Morgan Stanley Smith Barney LLC; and Stifel Nicolaus & Co., Inc. On June 11, 2018 Moreton Capital Markets, LLC was added to the list of authorized institutions.

Ehlers Investment Partners may be used to invest the proceeds from the bond issuances for Fire Station #2. Ehlers Investment Partners was last utilized to invest bond proceeds in 2014 and 2015.

I recommend that the Council approve Ehlers Investment Partners as an additional official depository for 2018.

CITY OF INVER GROVE HEIGHTS

REQUEST FOR COUNCIL ACTION

Consider Resolution Adopting the Fourth Generation Inver Grove Heights' Water Resources Management Plan (WRMP)

Meeting Date: December 10, 2018
 Item Type: Consent
 Contact: Scott D. Thureen, 651.450.2571
 Prepared by: Steve W. Dodge, Asst. City Engineer
 Reviewed by: Scott D. Thureen, Public Works Director

Fiscal/FTE Impact:

☐	None
☒	Amount included in current budget
☐	Budget amendment requested
☐	FTE included in current complement
☐	New FTE requested – N/A
☐	Other: Storm Water Utility Fund

PURPOSE/ACTION REQUESTED

Consider a resolution adopting the Fourth Generation Inver Grove Heights' Water Resources Management Plan (WRMP).

SUMMARY

The City is required by Minnesota Statutes 103B.235 to prepare a local water management plan (our Water Resources Management Plan) and to update it per the requirements of Minnesota Rules 8410.0160. The City's Water Resources Management Plan (WRMP) must be approved by both Watershed Management Organizations (WMOs) that the City is part of, the Eagan-Inver Grove Heights Watershed Management Organization and the Lower Mississippi River Watershed Management Organization. The City is updating its plan as part of the 2040 Comprehensive Plan Amendment process.

The engineering consulting firm of Wenck was selected to prepare the Fourth Generation WRMP update. Staff has worked with the firm to prepare the WRMP update. The revised plan incorporating the WMO's comments was approved by E-IGHWMO on December 4, 2018 and will be considered for approval by the LMRWMO on December 12, 2018.

This update meets the minimum statutory requirements. The primary changes from the Third Generation WRMP are:

- Completion and incorporation into the Plan of updated hydrologic and hydraulic models for seven major drainage subwatersheds that encompass about 25 percent of land area of the City. These models use the latest Atlas 14 precipitation data and identified 63 potential high-water areas that will be reviewed during future high-intensity rain events.
 - Arbor Pointe
 - Babcock Trail
 - Eagan
 - Old Village
 - Simley Lake
 - Skyline Village
 - South Grove
- Addition of the Eagan-Inver Grove Heights WMO local water management plan requirements, which were formalized with the WMO's adoption of its first Watershed Management Plan in June 2016.

- Updated modeling, figures, tables and summary of the Eagan drainage basin.
- Updates to the "problems and issues" section to reflect the latest information, and most recent studies and models.
- Update of the Capital Improvement Program to remove projects or activities that had already been completed or which are no longer high priority, and to add new priorities and opportunities that have developed since the 3rd Generation Plan.
- Creation of a new "Potential Future Projects" list that includes projects not of immediate priority, but which may be considered if opportunities of funding become available. One of the reasons for creating such a list is that eligibility for many grant programs is limited to projects that are identified in Local Water Management Plans.
- Incorporation of the Comprehensive Plan 2040 Land Use figure into the plan.
- Minor housekeeping revisions to incorporate more recent information, such as lake water quality data, Impaired Waters listings and TMDLs, and education and outreach opportunities.
- Updated reference to Northwest Area Storm Water Standards and storm water treatment requirements upstream of regional basins.
- Updated reference studies, ordinance work and Comprehensive Plan changes that have occurred in the last four years (since the 3rd Generation WRMP update in 2014).
- Updated City design standards to be consistent with current ordinances and City requirements.

Staff recommends that the City Council approve the resolution adopting the Fourth Generation Inver Grove Heights' Water Resources Management Plan.

Attachments: Resolution
Eagan-Inver Grove Heights WMO letter notifying City of approval
Executive summary from Fourth Generation Water Resources Management Plan is located on the Inver Grove Heights Website at:
<https://www.ci.inver-grove-heights.mn.us/438/Water-Resources-Management-Plan/2018>
4th Generation Water Resources Management Plan

CITY OF INVER GROVE HEIGHTS
DAKOTA COUNTY, MINNESOTA

RESOLUTION NO. _____

RESOLUTION ADOPTING THE FOURTH GENERAL INVER GROVE HEIGHTS' WATER RESOURCES
MANAGEMENT PLAN

RESOLUTION NO. _____

WHEREAS, the City is required by Minnesota Statutes 103B.235 to prepare a local water management plan and to update it per the requirements of Minnesota Rules 8410.0160; and

WHEREAS, the latest local water management plan update, known as the Fourth Generation Water Resources Management Plan, was prepared; and

WHEREAS, the City Council authorized distribution of the plan update to the required entities for review and comment; and

WHEREAS, all comments received from the Watershed Management Organizations were addressed and an updated plan was provided to the WMOs for approval; and

WHEREAS, on December 4, 2018 the Eagan-Inver Grove heights Board of Managers approved the Plan update.

WHEREAS, the Lower Mississippi River Watershed Management Organization (LMRWMO) is scheduled to consider the plan for approval (as recommended by the WMO Administrator) on December 12, 2018; and

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF INVER GROVE HEIGHTS, MINNESOTA THAT: the City Council of Inver Grove Heights hereby adopts the Fourth Generation Water Resources Management Plan conditional on the LMRWMO Board of Manager's approval.

Adopted by the City Council of Inver Grove Heights this 10th day of December 2018

AYES:

NAYS:

George Tourville, Mayor

ATTEST:

Michelle Tesser, City Clerk



Eagan - Inver Grove Heights

Watershed Management Organization

December 4, 2018

Scott Thureen
City of Inver Grove Heights
8150 Barbara Avenue
Inver Grove Heights, MN 55077

Re: City of Inver Grove Heights Water Resources Management Plan

Dear Mr. Thureen,

The Eagan-Inver Grove Heights Watershed Management Organization (E-IGHWMO) has reviewed the City of Inver Grove Heights' response to E-IGHWMO comments and the revised Water Resources Management Plan (Plan), which were received on December 4, 2018. The revised Plan addresses all of the E-IGHWMO's comments and suggested modifications. Therefore, the E-IGHWMO Board of Managers approved the City of Inver Grove Heights Water Resources Management Plan on December 4, 2018 as compliant with the E-IGHWMO Watershed Management Plan and in accordance with Minnesota Statutes 103B.235 Subd. 3.

If you have any questions, please contact me at 651-480-7781 or ashley.gallagher@co.dakota.mn.us.

Sincerely,

Ashley Gallagher
Administrator, E-IGHWMO
Resource Conservationist, DCSWCD

1.0 Executive Summary

1.0 Location and History

The City of Inver Grove Heights (City) is located in northern Dakota County, about 10 miles south of downtown St. Paul. The City covers 19,205 acres, or 30 square miles, and has a current population of about 35,000. The City is expected to have a population of over 37,000 by 2020. **Figure 1 in Appendix A** shows the location of the City in the seven-county Twin Cities Metropolitan Area.

The City of Inver Grove Heights traces its beginnings to 1852, when pioneers staked claims in an area known as Inver Grove. Attracted by the area's access to the Mississippi River, these settlers from Ireland and Germany quickly established a community. Those of Irish decent clustered their farms along what is now known as Rich Valley Boulevard, which had been built by Captain William B. Dodd's military crews from Fort Snelling. Settlers from Germany laid claim to the wooded farmland in the northwest portion of the community, clearing and cultivating fields among the area lakes. Other settlers from France and England built homes along the Mississippi River.

By April of 1858, the Township of Inver Grove Heights was incorporated and the first Board of Supervisors was elected. From 1858 until 1880, hundreds of settlers were attracted to the township that was named after an Irish fishing village ("Inver") and commemorating the homeland of the German settlers ("Grove"). By 1880 the area consisted of more than 240 individual farms, four churches, and four school districts.

In 1886 the Chicago Great Western Railroad was built in the township adjacent to the river attracting hotels, taverns, butcher shops, and a railroad repair center; this area became known as the "Village." The Town Board built a town hall and jail and had jurisdiction over the schools in the area. The original town hall was replaced by a second village hall that was constructed on Doane Trail in the 1930s as part of a W.P.A. project. The current City Hall complex was constructed in the 1980s.

As commercial and industrial expansion took place in the late 1880s, people living in the one square mile area adjacent to the railroad separated themselves from the surrounding area by incorporating as the Village of Inver Grove in 1909. The two entities existed side by side for more than 56 years. After considerable debate, voters chose to create the City of Inver Grove Heights in 1965 by combining the village and the township into one government entity.

1.1 Purpose & Scope

The purpose of this Water Resources Management Plan (WRMP) is identical to the purpose given in Minnesota Statute 103B.201 for metropolitan water management programs. According to statute, the purposes of these water management programs are to:

- Protect, preserve, and use natural surface and groundwater storage and retention systems;
- Minimize public capital expenditures needed to correct flooding and water quality problems;
- Identify and plan for means to effectively protect and improve surface and groundwater quality;
- Establish more uniform local policies and official controls for surface and groundwater management;
- Prevent erosion of soil into surface water systems;
- Promote groundwater recharge;

- Protect and enhance fish and wildlife habitat and water recreational facilities; and
- Secure the other benefits associated with proper management of surface and ground water.

This WRMP will guide the City of Inver Grove Heights in protecting, preserving, and managing its surface water resources and stormwater system. This plan meets the requirements of Minnesota Statutes 103B.235, Minnesota Rules Chapter 8410, and the watershed organizations with jurisdiction in the City—the Lower Mississippi River Watershed Management Organization (LMRWMO) and the Eagan-Inver Grove Heights WMO. **Figure 1-2 in Appendix A** shows the coverage of the LMRWMO and the Eagan-Inver Grove Heights WMO in the City.

1.2 Water Resource Management Related Agreements

The City of Inver Grove Heights has entered into the following water resource management related agreements:

1. Joint Powers Agreement establishing the Lower Mississippi River Watershed Management Organization (LMRWMO)—the original joint powers agreement between the seven member cities (including Inver Grove Heights) went into effect in 1985. The revised and restated joint powers agreement was developed and signed in 2001, after LMRWMO adoption of the second generation watershed management plan. The 3rd Generation LMRWMO watershed management plan was completed in August of 2011 and subsequently amended in August of 2015. The joint powers agreement for the LMRWMO was amended in 2014 to include additional area in Mendota Heights.
2. Joint Powers Agreement establishing the Eagan-Inver Grove Heights Watershed Management Organization. This agreement went into effect on January 7, 2014. The WMO's first generation watershed management plan was adopted in June 2016.
3. Joint Powers Agreement with the City of Eagan regarding the Southern Lakes water tower, which includes discussions about storm sewers.

1.3 Plan Organization and Summary of Problems/Issues, Goals, and Potential Solutions

The Inver Grove Heights Water Resources Management Plan (WRMP) sets the course for the City's management of the water resources and stormwater within the City. The WRMP provides data and other background information, outlines the applicable regulations, assesses city-wide and specific issues, sets goals and policies for the City and its resources, and lists implementation tasks to achieve the goals. The WRMP also provides information regarding the funding of the implementation program. The WRMP is organized into six major sections, summarized as follows:

Section 1.0 Executive Summary

Section 1 provides information about the City's location and history, and summarizes the highlights of the WRMP, including the WRMP purpose and scope, goals, policies and implementation tasks.

Section 2.0 Land and Water Resource Inventory

Section 2 provides technical information describing the surface and subsurface conditions of the City. The first part of Section 2 (Section 2.0) presents the city-wide inventory, including land use, public utilities, climate and precipitation, topography, soils, geology, groundwater, MDNR public waters, wetlands, surface water resource monitoring information, water body classification,



floodplain information, unique features and scenic areas, pollutant sources, and major basins and overall drainage patterns. The second part of Section 2 (Section 2.1) presents an inventory of the 22 major drainage basins in the City, including information about watersheds, watershed area, land use, and other notable information. This information is presented in Sections 2.1.1 through 2.1.22:

2.1.1 110th Street Drainage Basin	2.1.12 Northwest Drainage Basin
2.1.2 Albavar Path Drainage Basin	2.1.13 Old Village Drainage Basin
2.1.3 Arbor Pointe Drainage Basin	2.1.14 Pine Bend Drainage Basin
2.1.4 Argenta Trail Drainage Basin	2.1.15 Rich Valley Drainage Basin
2.1.5 Babcock Trail Drainage Basin	2.1.16 Rosemount Drainage Basin
2.1.6 Barnes Avenue Drainage Basin	2.1.17 Simley Lake Drainage Basin
2.1.7 Eagan Drainage Basin	2.1.18 Skyline Village Drainage Basin
2.1.8 Highway 110-494 Drainage Basin	2.1.19 South Grove Drainage Basin
2.1.9 Inver Grove Trail Drainage Basin	2.1.20 South Marcott Lakes Drainage Basin
2.1.10 Jefferson Trail Drainage Basin	2.1.21 Sunfish Lake Drainage Basin
2.1.11 Mississippi River Drainage Basin	2.1.22 Valley Park Drainage Basin

Section 2 includes a number of maps, such as city-wide maps of land use, MDNR public waters, wetlands, and drainage basins, and maps showing the drainage patterns for each major drainage basin. This section also includes a number of tables, such as precipitation information, the City's lakes and their classification, water quality information, and tables for each drainage basin summarizing the watershed data and hydrologic modeling results.

Section 3.0 Goals and Policies

Section 3 presents the WRMP's purpose; background goals, policies, and other information from the City's 2030 Comprehensive Plan (completed March 2010), the Northwest Area Guiding Documents and Ordinances; the City's goals and policies; and the regulatory framework and agency responsibilities. The WRMP goals and policies are organized to cover nine major topics:

3.3.1 Water quality of lakes and ponds

Goal:

*Water bodies designated as lakes by the City (see **Table 2-8**) will be managed to meet the City's water quality criteria or for non-degradation of water quality, with allowance for natural variability.*

The WRMP includes policies that reference the City's lake classification system, which is presented in Section 2. Specific policies call for the City to: recruit volunteers to collect water quality data for the City lakes; use the monitoring data to determine appropriate lake management actions; address future total maximum daily load (TMDL) requirements; and to require or seek opportunities to provide pretreatment of stormwater runoff.

3.3.2 Stormwater runoff quality, rates, and volumes

Goal 1:

Operate, manage, and maintain the City's stormwater system to ensure proper functioning of the system and to meet the requirements of the City's NPDES Phase II MS4 Permit and other agency requirements.

Under this goal, the WRMP includes policies pertaining to the City's NPDES Phase II MS4 Permit and SWPPP.

Goal 2:

Improve the quality of stormwater runoff reaching the Mississippi River by reducing nonpoint source pollution (including sediment) carried as stormwater runoff.

Goal 3:

Minimize flood damage to residential, business, commercial and public structures and property, and protect against increased flooding caused by land disturbing activities and other projects.

Goal 4:

Reduce volumes of stormwater runoff and the amount of impervious surfaces in the developed parts of the City.

Goal 5:

In the Northwest Area—limit the rates and volumes, and increase the treatment of stormwater runoff, by managing stormwater runoff as close to its source as possible and mimicking the system's natural hydrology. Incorporate the "treatment train" approach to require that at least 50% of water quality treatment (that is, 50% of 85% TSS and 55% P removal) is provided by BMPs upstream of infiltration and filtration features.

Under these goals, the WRMP includes policies requiring implementation of best management practices (BMPs) to reduce total suspended solids and total phosphorus by 85% and 55%, respectively; requiring submittal of stormwater management plans for land alteration and development activities; requiring infiltration of the first 1 inch of runoff from new impervious surfaces; requiring implementation of low impact development techniques in the Northwest Area and considering their implementation in other parts of the City; requiring developers follow the City's stormwater guidance document for the Northwest Area; requiring the placement of skimming devices at pond outlets, requiring post-development peak discharge rates to not exceed existing discharge rates for the 2-year, 10-year, and 100-year events; requiring 10-year "level of service" and 100-year level of protection for the City's stormwater system; describing the City's response to citizen-identified drainage issues; and requiring WMO review and approval of projects with intercommunity impacts. There should be no increase in volume for the 5-year, 24 hour event. For additional information regarding Low Impact Development (LID) required design concepts please refer to the Northwest Area Stormwater Manual on the City's website.

3.3.3 Floodplain management

Goal:

Minimize flood damage to residential, business, commercial, and public structures and property, and protect against increased flooding caused by land disturbing activities and other projects.

Under this goal, the WRMP includes policies calling for the City to implement and enforce its ordinances to prevent/minimize flood damages, including lowest floor elevation requirements (with special requirements for landlocked basins); removal of structures in the Mississippi River floodplain in the Old Village/Concord Boulevard neighborhoods; and to consider recruiting volunteers to monitor water levels on City lakes.

3.3.4 Erosion and sediment control

Goal 1:

Prevent erosion and sedimentation to the greatest extent possible.

Goal 2:

Regulate land-disturbing activities to protect against erosion and sedimentation.

Goal 3:

Implement soil protection and sedimentation controls to maintain health, safety, and welfare.

Goal 4:

Enforce erosion and sediment controls consistent with ordinances, SWPPP, and MS4 Program.

Under these goals, the WRMP includes policies regarding the City's general requirements for preparation and submittal of erosion and sediment control plans, calling for City inspection of projects; and calling for the City to collect a cash surety. The City's existing Erosion Control Ordinances will be updated consistent with the SWPPP Application for Reauthorization.

3.3.5 Wetland management

Goal 1:

Preserve wetlands for water retention, recharge, soil conservation, wildlife habitat, aesthetics, and natural enhancement of water quality.

Goal 2:

Achieve no net loss of wetlands, in conformance with the Minnesota Wetland Conservation Act (WCA) and associated rules (Minnesota Rules 8420).

Under these goals, the WRMP includes policies regarding the City's role as the Local Government Unit (LGU) responsible for administering the Wetland Conservation Act; and calling for the City to complete a phased wetland inventory and assessment, implement wetland management standards in the Northwest Area and consider implementing such standards in other areas of the City, and finalize the development of the City's wetlands ordinance.

3.3.6 Recreation, habitat and shoreland management

Goal:

Protect and enhance fish and wildlife habitat and recreation opportunities, and maintain shoreland integrity.

Under this goal, the WRMP includes policies calling for the City to continue enforcing its shoreland ordinance and Critical Area Plan, implement natural resource management standards in the Northwest Area and consider implementing such standards in other areas of the City, maintain existing public access to City lakes and seek to obtain easements for passive access to



lakes where there is currently no access (i.e., during development or redevelopment), consider performing natural resource inventories, and consider identifying disturbed shoreland areas.

3.3.7 Education and public involvement

Goal 1:

Increase public support of the City's stormwater and water resource related efforts.

Goal 2:

Inform the public about the City's water resources and stormwater system, including their use, protection, and management.

Goal 3:

Raise public awareness regarding the steps they can take to reduce pollutants in stormwater runoff.

Goal 4:

Involve the public in stormwater management programs and decision-making.

Goal 5:

Perform public education and outreach, and invite public participation and involvement consistent with the City's NPDES Phase II MS4 Permit.

Under these goals, the WRMP includes policies calling for the City to implement the education and public involvement-related BMPs identified in the City's SWPPP for its NPDES Phase II MS4 permit, consider recruiting and training volunteers for monitoring and other activities, and to incorporate public involvement and public education efforts into all of the City's significant proposed projects.

3.3.8 Groundwater

Goal 1:

Protect the quality and quantity of the City's groundwater resources and aquifer recharge areas.

The City has a wellhead protection plan, approved in 2017). The City is implementing this document. This includes encouraging groundwater recharge and protection of groundwater recharge areas, and continued implementation of its SSTS ordinance.

Goal 2:

The City will continue to participate in the Southeast Metro Groundwater Group.

3.3.9 Funding

Goal 1:

Achieve appropriate funding level through the City's stormwater utility to fund the costs of the City's stormwater system.

The City established a Stormwater Utility Ordinance in 2007 without any fee structure adopted. In 2011, a fee schedule was approved and billings began in 2012. The fees remained unchanged until an increase was approved for 2012. The goal is to continue to raise the fees until all annual

operations and maintenance and any items in the Implementation Plan that are funded from utility funds are covered by the fees.

Adequate funding is essential for the City to implement its WRMP policies. Under this goal, the WRMP includes policies calling for the City to continue to review and update stormwater utility. As appropriate, the City will request cost sharing and/or grant assistance from the LMRWMO for intercommunity water resource projects; and seek LMRWMO assistance in determining cost allocations for intercommunity projects.

Goal 2:

Pursue grant funding to assist in funding stormwater improvement projects. This may include working with Dakota County Soil and Water Conservation District as well as other programs.

Section 4.0 Assessment of Problems and Issues

This section presents and discusses the status of problems and issues in the City, in the following topic areas: water quality, stormwater runoff rates and volumes, erosion and sediment control, and adequacy of existing programs. Within each topic area (except adequacy of existing programs), general issues are discussed first, followed by more specific issues. The unresolved or ongoing location-specific issues discussed in this section are shown on **Figure 4-1**.

Water quality

Under this topic, the WRMP discusses general stormwater runoff quality issues (e.g., nonpoint source runoff and phosphorus loadings), impaired waters and TMDL issues (e.g., reaches of the Mississippi River on the impaired waters list, and MPCA impaired waters listing criteria according to ecoregion), and specific water quality issues.

Stormwater runoff rates and volumes

Under this topic, the WRMP discusses general issues (e.g., impacts of land development on stormwater rates and volumes, landlocked basin issues, flooding damages, and floodplain management) and specific issues (e.g., intercommunity issues—Seidls Lake, Dawn Way and 59th Street, 1700 acre watershed to T-23 pond (MnDOT), Babcock Trail, Argenta Trail Drainage Basin, and Eagan Drainage Basin); and local city issues—Dixie Avenue/Dickman Trail Stormwater Improvements, 78th St/Concord Blvd Stormwater Improvements, 64th St/Doffing Ave Storm Sewer Improvements, Concord Blvd/77th St/Dickman Trail Storm Sewer Improvements, properties in the floodplain of the Mississippi River in the Old Village/Concord Boulevard neighborhoods, provision for future discharge from Babcock Trail and Valley Park drainage basins into the South Grove drainage basins, Marcott Lakes past observed high water levels, and citizen-identified drainage issues.

Erosion and sediment control

Under this topic, the WRMP discusses the general causes and impacts of erosion and sedimentation, specific examples of erosion and sedimentation problems in the City, the City's implementation and enforcement of its ordinances and approval processes pertaining to erosion and sediment control, and the NPDES construction permit.

Adequacy of existing programs

This section discusses the adequacy of the City's ordinances and official controls (including a description of the City's stormwater guidance document for the Northwest Area (*Inver Grove Heights Stormwater Manual Northwest Area (December 2006)*), the LMRWMO classification system, the City's education and public involvement program, maintenance of the City's

stormwater system, groundwater protection, and the City's capital improvement and implementation programs.

In 2014, the City and Barr Engineering initiated a Special Studies Report to review and update modeling, mapping, and subwatershed information to account for development and other changes.

The models for seven basins were updated by Wenck in 2018 using PC SWMM and Atlas 14. The City intends to continue to update the stormwater maps and modeling as development occurs (maintain a current, frequently updated model).

Section 5.0 Implementation Program

Section 5 describes the significant components of the City's WRMP implementation program, including its NPDES Phase II MS4 permit, operation and maintenance of its stormwater system, education and public involvement, funding, design standards, ordinance implementation and official controls, implementation priorities, and WRMP update and amendment procedures.

The implementation program is presented at the end of Section 5 in **Table 5-1**. The implementation program includes a project description, cost estimate, potential funding sources, and proposed year of implementation for every year from 2018-2028.

Section 6.0 References

Appendix A – Figures

Appendix B – Inver Grove Heights Storm Water Pollution Prevention Program (SWPPP) Application for Reauthorization and MS4 General Permit

Appendix C – Potential Future Projects List



CITY OF INVER GROVE HEIGHTS

REQUEST FOR COUNCIL ACTION

Consider a Resolution Authorizing the Mayor and City Clerk to Sign the Minnesota Public Facilities Authority Real Property Declaration for Project No. MPFA-PSIG-G-008-FY2018 (City Project No. 2016-01) Dated August 28, 2017

Meeting Date: December 10, 2018
 Item Type: Consent
 Contact: Thomas J. Kaldunski, 651-450-2572
 Prepared by: Thomas J. Kaldunski, City Engineer
 Reviewed by: Scott D. Thureen, Public Works Director



Fiscal/FTE Impact:

☒	None
☐	Amount included in current budget
☐	Budget amendment requested
☐	FTE included in current complement
☐	New FTE requested – N/A
☐	Other:

PURPOSE/ACTION REQUESTED

Consider a resolution authorizing the Mayor and City Clerk to sign the Minnesota Public Facilities Authority Real Property Declaration for Project No. MPFA-PSIG-G-008-FY2018 (City Project No. 2016-01) dated August 28, 2017.

SUMMARY

Council adopted Resolution No. 16-28 on February 8, 2016 approving a stormwater project plan with reference to City Project 2016-01 – Stormwater Treatment for Mississippi River Discharge. The resolution directed the City Engineer to seek funding for stormwater projects through Clean Water Revolving Funds and Point Source Implementation Grants (PSIG).

The MPCA's PSIG Program made Inver Grove Heights eligible for the grant in an amount up to \$296,000 for the subject project. The City completed the project in 2017 and the project is in the warranty period.

The MPCA has requested the City to sign the Minnesota Public Facilities Authority Real Property Declaration with its restrictions and encumbrances. Staff is requesting that Council adopt the resolution authorizing the Mayor and City Clerk the authority to sign the Real Property Declaration on behalf of the City of Inver Grove Heights.

TJK/kf

Attachments Resolution
 Real Property Declaration
 Warranty Deeds

**CITY OF INVER GROVE HEIGHTS
DAKOTA COUNTY, MINNESOTA**

**RESOLUTION AUTHORIZING THE MAYOR AND CITY CLERK TO SIGN THE MINNESOTA PUBLIC
FACILITIES AUTHORITY REAL PROPERTY DECLARATION FOR PROJECT NO.
MPFA-PSIG-G-008-FY2018 (CITY PROJECT NO. 2016-01) DATED AUGUST 28, 2017**

RESOLUTION NO. _____

WHEREAS, City Council adopted Resolution No. 16-28 on February 8, 2016 approving a stormwater project plan with reference to City Project No. 2016-01 – Stormwater Treatment for Mississippi River Discharge; and

WHEREAS, Resolution No. 16-28 directed the City Engineer to submit the approved stormwater project plan to the Minnesota Pollution Control Agency (MPCA) to seek funding; and

WHEREAS, the City Engineer received a grant from the MPCA for funding for the construction of 78th and Concord Stormwater Pond in 2017; and

WHEREAS, the MPCA conducted their one-year inspection on September 26, 2018.

WHEREAS, the MPCA has requested that City officials sign the Minnesota Public Facilities Authority Real Property Declaration.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE INVER GROVE HEIGHTS, MINNESOTA THAT:

1. The Mayor and City Clerk are hereby authorized to sign the Minnesota Public Facilities Authority Real Property Declaration for Project No. MPFA-PSIG-G-008-FY2018 (City Project No. 2016-01) dated August 28, 2017.

Adopted by the City Council of Inver Grove Heights, Minnesota this 10th day of December 2018

AYES:

NAYS:

George Tourville, Mayor

ATTEST:

Michelle Tesser, City Clerk

Minnesota Public Facilities Authority
Point Source Implementation Grant

FOR USE BY FILING OFFICER ONLY

**Minnesota Public Facilities Authority
REAL PROPERTY DECLARATION**

The undersigned has the following interest in the real property located in the County of **Dakota**, State of Minnesota, that is legally described in **Exhibit A** attached and all facilities situated thereon (collectively, the "Restricted Property"):

(Check the appropriate box.)

☒ a fee simple title

☐ a lease

☐ an easement,

and as owner of such fee title, lease or easement, does hereby declare that such interest in the Restricted Property is made subject to the following restrictions and encumbrances:

A. The Restricted Property is bond financed property within the meaning of Minn. Stat. Sec. 16A.695, is subject to the encumbrance created and requirements imposed by such statute, and cannot be sold, mortgaged, encumbered or otherwise disposed of without the approval of the Commissioner of Minnesota Management and Budget, which approval must be evidenced by a written statement signed by the said commissioner and attached to the deed, mortgage, encumbrance or instrument used to sell or otherwise dispose of the Restricted Property; and

B. The Restricted Property is subject to all of the terms, conditions, provisions, and limitations contained in that certain Agreement between the Minnesota Public Facilities Authority and **City of Inver Grove Heights** for Project No. **MPFA-PSIG-G-008-FY2018**, and dated **8/28/2017**;

The Restricted Property shall remain subject to this State of Minnesota General Obligation Bond Financed Declaration for 125% of the useful life of the Restricted Property or until the Restricted Property is sold with the written approval of the Commissioner of Minnesota Management and Budget, at which time it shall be released therefrom by way of a written release in recordable form signed by both the Chair of the Minnesota Public Facilities Authority and the Commissioner of Minnesota Management and Budget, and such written release is recorded in the real estate records relating to the Restricted Property. This Declaration may not be terminated, amended, or in any way modified without the specific written consent of the Commissioner of Minnesota Management and Budget.

CITY OF INVER GROVE HEIGHTS

By: _____

Title: _____

Dated: _____

By _____

Title: _____

Dated: _____

STATE OF MINNESOTA)
) ss.
COUNTY OF _____)

This forgoing instrument was acknowledged before me this ____ day of _____, 20__, by
_____ the _____[insert name and title of first signatory], and
_____, the _____[insert name ant title of second signatory],
respectively, of the City of Inver Grove Heights.

Notary Public

This Declaration was drafted by:
Thomas J. Kaldunski, PE
8150 Barbara Ave.
Inver Grove Heights, MN 55077

Exhibit A

LEGAL DESCRIPTION

That part of Lot 1, Block 1, APPELBAUM'S 2ND ADDITION described as follows:

Commencing at the Northeast Corner of said Lot 1; thence South 00° 18' 08" East (assumed bearing) along the east line of said Lot 1 a distance of 162.40 feet; thence North 61° 13' 19" West a distance of 166.06 feet; thence North 00° 20' 53" East a distance of 82.68 feet; thence South 89° 54' 29" East a distance of 144.19 feet to the point of beginning and there terminating.

That part of Lot 2, Block 1, APPELBAUM'S 2ND ADDITION described as follows:

Commencing at the Northeast Corner of said Lot 2; thence South 06° 33' 00" West (assumed bearing) along the east line of said Lot 2 a distance of 233.03 feet; thence North 61° 13' 19" West a distance of 144.06 feet; thence North 00° 18' 08" West a distance of 162.40 feet; thence South 89° 54' 29" East a distance of 153.71 feet to the point of beginning and there terminating.

Receipt#: 219944

ABSTRACT FEE
CONSERVATION
STATE DEED TAX\$46.00
\$5.00
\$105.60

2887668

Recorded on: 8/16/2012 12:00:01PM
By: DDW, Deputy

No delinquent taxes and transfer entered: Certificate of Real Estate Value (X) filed () not required
Certificate of Real Estate Value No. AUGUST 16, 2012
Joel T. Beckman
DAKOTA COUNTY TREASURER-AUDITOR
by D. Wagner Deputy

Return to:
DCA TITLE
1250 W HWY 55
HASTINGS, MN 55033Joel T. Beckman County Recorder
Dakota County, MN

(Top 3 inches reserved for recording data)

WARRANTY DEED

Individual(s) to Business Entity

DEED TAX DUE: \$105.60 ✓

DATE: August 7, 2012

FOR VALUABLE CONSIDERATION, Roger Davin and Merry Lynn Davin, f.k.a. Merry Lynn Bushey and Mary Lynn Bushey, husband and wife ("Grantor"), hereby conveys and warrants to City of Inver Grove Heights, a municipal corporation under the laws of Minnesota ("Grantee"), real property in Dakota County, Minnesota, legally described as follows:

See Exhibit A, which is attached hereto and made a part hereof.

Check here if all or part of the described real property is Registered (Torrens) ☐

together with all hereditaments and appurtenances belonging thereto, subject to the following exceptions:

Building and zoning laws, ordinances, state and federal regulations; Restrictions related to use or improvements of the property without effective forfeiture provisions; Reservations of any mineral rights by the State of Minnesota; Easements of record.

Check applicable box:

- ☒ The Seller certifies that the Seller does not know of any wells on the described real property.
- ☐ A well disclosure certificate accompanies this document or has been electronically filed. (If electronically filed, insert WDC number: [...])
- ☐ I am familiar with the property described in this instrument and I certify that the status and number of wells on the described real property have not changed since the last previously filed well disclosure certificate.

Grantor

RSN
Roger Davin

Merry Lynn Davin
Merry Lynn Davin, f.k.a. Merry Lynn Bushey and Mary Lynn Bushey

CERTIFIED TAXES PAID
AT THIS TIME PER
M.S. 272.121 SUB 1
DAKOTA COUNTY TREASURER-AUDITOR
PROPERTY IDENTIFICATION NUMBER

20-11701-01-021 8/13/12

DCA TITLE
File # 11-030135
Abstract K Torrens
No. 1 of 1

RECEIVED

AUG 13 2012

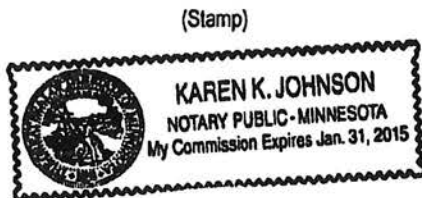
DAKOTA COUNTY
TAXATION & RECORDS

Page 2 of 3

WARRANTY DEED

State of Minnesota, County of **Dakota**

This instrument was acknowledged before me on **August 7, 2012**, by Roger Davin and Merry Lynn Davin, f.k.a. Merry Lynn Bushey and Mary Lynn Bushey, husband and wife.



A handwritten signature in black ink, appearing to read "Karen K. Johnson", written over a horizontal line.

(signature of notarial officer)

Title (and Rank): Notary Public

My commission expires: _____

(month/day/year)

THIS INSTRUMENT WAS DRAFTED BY:
Timothy J. Kuntz
LeVander, Gillen & Miller, P.A.
633 South Concord Street, Suite 400
South St. Paul, MN 55075
(651) 451-1831
Atty ID: 58993

TAX STATEMENTS FOR THE REAL PROPERTY DESCRIBED IN THIS
INSTRUMENT SHOULD BE SENT TO:
City of Inver Grove Heights
8150 Barbara Avenue
Inver Grove Heights, MN 55077

EXHIBIT A

That part of Lot 2, Block 1, APPELBAUM'S 2ND ADDITION described as follows:

Commencing at the Northeast Corner of said Lot 2; thence South 06° 33' 00" West (assumed bearing) along the east line of said Lot 2 a distance of 233.03 feet; thence North 61° 13' 19" West a distance of 144.06 feet; thence North 00° 18' 08" West a distance of 162.40 feet; thence South 89° 54' 29" East a distance of 153.71 feet to the point of beginning and there terminating.

Dakota County, Minnesota.

Receipt#: 219941

2887663

ABSTRACT FEE
CONSERVATION
STATE DEED TAX\$46.00
\$5.00
\$66.00Recorded on: 8/16/2012 12:00:01PM
By: DDW, Deputy

No delinquent taxes and transfer entered: Certificate of Real Estate Value (X) filed () not required
Certificate of Real Estate Value No. August 16, 2012
Joel T. Beckman
DAKOTA COUNTY TREASURER-AUDITOR
by D. Wagner
Deputy

Return to:
DCA TITLE
1250 W HWY 55
HASTINGS, MN 55033Joel T. Beckman County Recorder
Dakota County, MN

(Top 3 inches reserved for recording data)

WARRANTY DEED

Individual(s) to Business Entity

eCRN ID: 108974

DEED TAX DUE: \$66.00

DATE: August 8, 2012

FOR VALUABLE CONSIDERATION, Anthony Brinkman, a single person ("Grantor"), hereby conveys and warrants to City of Inver Grove Heights, a municipal corporation under the laws of Minnesota ("Grantee"), real property in Dakota County, Minnesota, legally described as follows:

See Exhibit A, which is attached hereto and made a part hereof.

Check here if all or part of the described real property is Registered (Torrens) ☐

together with all hereditaments and appurtenances belonging thereto, subject to the following exceptions:

Building and zoning laws, ordinances, state and federal regulations; Restrictions related to use or improvements of the property without effective forfeiture provisions; Reservations of any mineral rights by the State of Minnesota; Easements of record.

Check applicable box:

- ☒ The Seller certifies that the Seller does not know of any wells on the described real property.
☐ A well disclosure certificate accompanies this document or has been electronically filed. (If electronically filed, insert WDC number: [...].)
☐ I am familiar with the property described in this instrument and I certify that the status and number of wells on the described real property have not changed since the last previously filed well disclosure certificate.

Grantor

Anthony Brinkman

CERTIFIED TAXES PAID
AT THIS TIME PER
M.S. 272.121 SUB 1
DAKOTA COUNTY TREASURER-AUDITOR
PROPERTY IDENTIFICATION NUMBER

2011701-01-011 8/13/12
KA

DCA TITLE
File # 11-03013P
Abstract X Torrens
No. 1 of 1

RECEIVED

AUG 13 2012

DAKOTA COUNTY
TAXATION & RECORDS

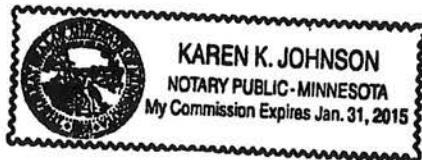
Page 2 of 3

WARRANTY DEED

State of Minnesota, County of Dakota

This instrument was acknowledged before me on **August 8, 2012**, by Anthony Brinkman, a single person.

(Stamp)




(signature of notarial officer)

Title (and Rank): Notary Public

My commission expires: _____
(month/day/year)

THIS INSTRUMENT WAS DRAFTED BY:
Timothy J. Kuntz
LeVander, Gillen & Miller, P.A.
633 South Concord Street, Suite 400
South St. Paul, MN 55075
(651) 451-1831
Atty ID: 58993

TAX STATEMENTS FOR THE REAL PROPERTY DESCRIBED IN THIS
INSTRUMENT SHOULD BE SENT TO:
City of Inver Grove Heights
8150 Barbara Avenue
Inver Grove Heights, MN 55077

EXHIBIT A

That part of Lot 1, Block 1, APPELBAUM'S 2ND ADDITION described as follows:

Commencing at the Northeast Corner of said Lot 1; thence South 00° 18' 08" East (assumed bearing) along the east line of said Lot 1 a distance of 162.40 feet; thence North 61° 13' 19" West a distance of 166.06 feet; thence North 00° 20' 53" East a distance of 82.68 feet; thence South 89° 54' 29" East a distance of 144.19 feet to the point of beginning and there terminating.

Dakota County, Minnesota.

④ Pt 11

CITY OF INVER GROVE HEIGHTS

REQUEST FOR COUNCIL ACTION

Consider a Resolution Receiving Feasibility Report and Scheduling a Public Hearing for City Project No. 2018-09D – Atwater Path Reconstruction

Meeting Date: December 10, 2018
 Item Type: Consent
 Contact: Thomas J. Kaldunski, 651-450-2572
 Prepared by: Steve W. Dodge, Assistant City Engineer
 Reviewed by: Scott D. Thureen, Public Works Director

Fiscal/FTE Impact:

☐	None
☐	Amount included in current budget
☐	Budget amendment requested
☐	FTE included in current complement
☐	New FTE requested – N/A
☒	Other: Pavement Management Fund, Special Assessments, Utility Funds

PURPOSE/ACTION REQUESTED

Consider a resolution receiving feasibility report and scheduling a public hearing for City Project No. 2018-09D - Atwater Path Reconstruction.

SUMMARY

On September 25, 2017, the City Council received a petition from the Atwater Path neighborhood and a feasibility report was ordered on May 14, 2018. On May 29, 2018 Council accepted a professional services proposal from Bolton & Menk, Inc. to prepare a feasibility study for City Project No. 2018-09D – Atwater Path Reconstruction. Bolton & Menk has completed the feasibility study (attached).

The total estimated project cost is \$1,227,512, with \$348,246 in estimated assessments for street and storm water improvements (28% of the project costs utilizing capped assessment values), for City Project No. 2018-09D – Atwater Path Reconstruction. A multi-faceted funding package has been prepared in the feasibility report which includes the pavement management fund, utility funds and special assessments.

Street lighting was petitioned for along with the street improvements. The estimated street lighting project cost is \$25,000, with 100% assessment among 23 benefitting properties for a total per parcel assessment of \$1,089. The street light assessments would be in addition to the proposed street and storm assessment and is not included in the assessment cap. Street lighting improvements will be decided independently of the street and storm improvements.

A preliminary assessment roll has been prepared per City policy. The per-policy assessment amount for a single-family parcel is \$14,693 for street and storm water facility improvements. The independent appraiser's special benefit analysis recommended an assessment cap of \$14,700 per single-family parcel for street and storm water improvements. The per-policy assessment amount for the Southview Country Club is \$73,580, which is above the appraiser's recommended special benefit of \$25,000. The proposed assessment is the lower amount between the per policy and assessment cap.

Resident input was initially gathered using a mailed questionnaire and that input was included in the feasibility report. Staff also held an informational meeting at City Hall on November 27, 2018, with affected property owners to present the project and the proposed preliminary assessments. The feedback from the informational meeting was also incorporated into the feasibility report.

I recommend passage of the resolution receiving the feasibility report and scheduling a public hearing on January 14, 2019 for City Project No. 2018-09D – Atwater Path Reconstruction.

SWD/kf

Attachments: Resolution
 Project Area Map
 Feasibility Report

**CITY OF INVER GROVE HEIGHTS
DAKOTA COUNTY, MINNESOTA**

**CONSIDER RESOLUTION RECEIVING FEASIBILITY REPORT AND SCHEDULING A PUBLIC HEARING FOR
CITY PROJECT NO. 2018-09D – ATWATER PATH RECONSTRUCTION**

RESOLUTION NO. _____

WHEREAS, On September 25, 2017 Council received a petition from the Atwater Path neighborhood;
and

WHEREAS, on May 14, 2018 Council ordered a feasibility study for City Project No. 2018-09D – Atwater Path Reconstruction; and

WHEREAS, on May 29, 2018 Council accepted a professional services proposal from Bolton & Menk, Inc. for City Project No. 2018-09D; and

WHEREAS, a feasibility report has been prepared by Bolton & Menk, Inc. for the Public Works Director with reference to City Project No. 2018-09D – Atwater Path Reconstruction.

<u>Project No.</u>	<u>Improvements</u>
2018-09D	Roadway improvements (bituminous removal, subgrade excavation/correction, grading, granular subgrade, geotextile fabric, daintile, aggregate base, bituminous pavement), milling, concrete curb and gutter removal and replacement, storm sewer, drainage improvements, slope and grading improvements, water quality improvements, sanitary sewer system repairs and adjustments, water main system repairs, new street light system, adjustments, appurtenances and restoration on the following streets: Atwater Path from Babcock Trail to its terminus.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF INVER GROVE HEIGHTS THAT:
Said report is hereby received by the City Council of the City of Inver Grove Heights on December 10, 2018.

1. The City Council will consider the above-mentioned improvements in accordance with the report and assess, or tax, the abutting properties for all or a portion of the cost of the improvements, pursuant to Chapter 429 of the Minnesota Statutes at an estimated cost of \$1,227,512.
2. A public hearing will be held on such improvements at 7:00 p.m. on Monday, January 14, 2019 in the City Council Chambers at 8150 Barbara Avenue and the City Clerk shall give mailed and published notice of such hearing and improvements as required by law.
3. The City Engineer and City Attorney are authorized to begin preparation of necessary easement acquisitions.

Adopted by the City Council of Inver Grove Heights this 10th day of December 2018

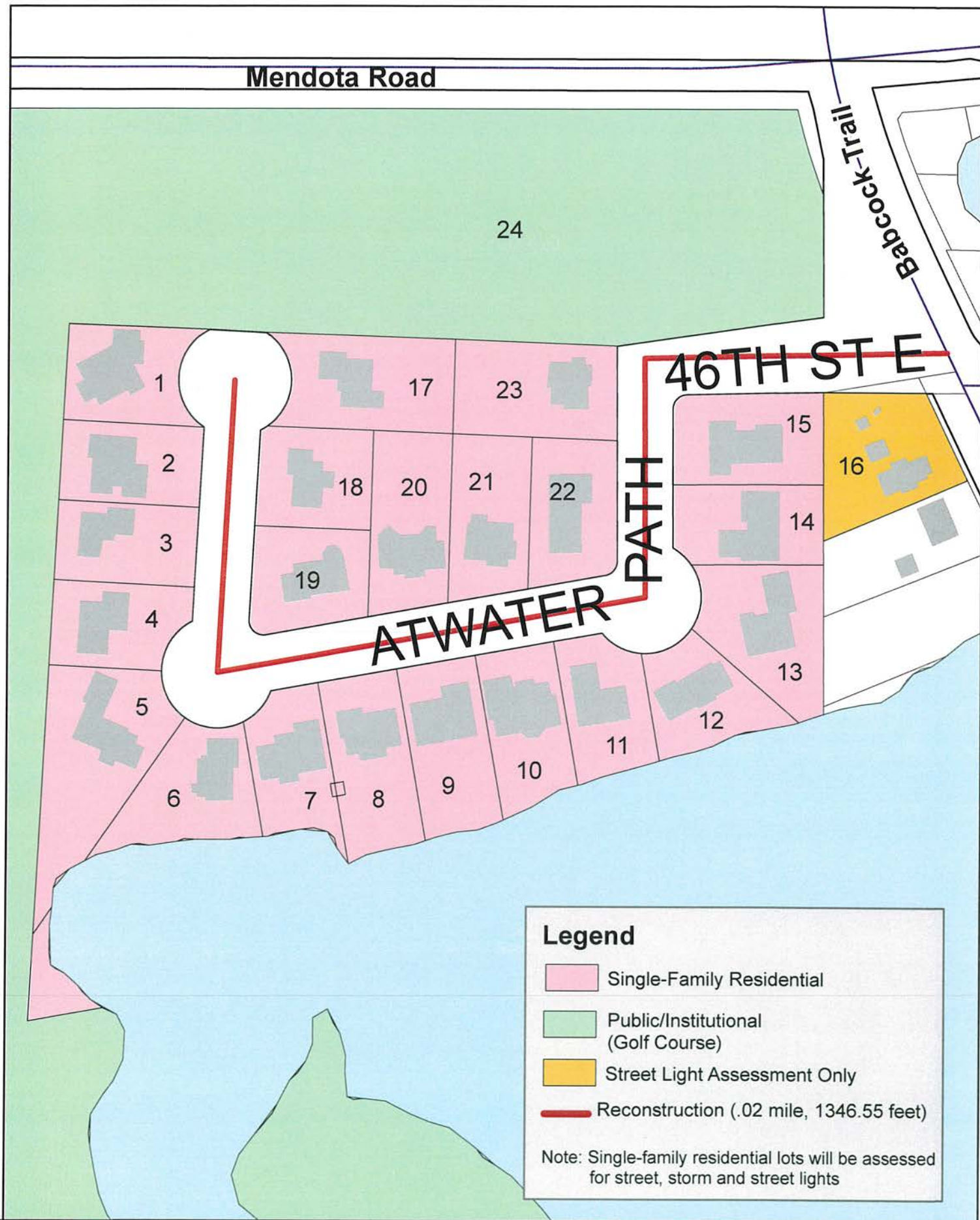
AYES:

NAYS:

George Tourville, Mayor

ATTEST:

Michelle Tesser, City Clerk



Legend

- Single-Family Residential
- Public/Institutional (Golf Course)
- Street Light Assessment Only
- Reconstruction (.02 mile, 1346.55 feet)

Note: Single-family residential lots will be assessed for street, storm and street lights



11/16/18

City Project No. 2018-09D Atwater Path Area Reconstruction Preliminary Assessment Map



THIS DRAWING IS NEITHER A LEGALLY RECORDED MAP NOR A SURVEY AND IS NOT INTENDED TO BE USED AS ONE. THIS DRAWING IS A COMPILATION OF RECORDS, INFORMATION AND DATA LOCATED IN VARIOUS CITY, COUNTY AND STATE OFFICES AND OTHER SOURCES AND IS TO BE USED FOR REFERENCE PURPOSES ONLY. THE CITY OF INVER GROVE HEIGHTS IS NOT RESPONSIBLE FOR ANY INACCURACIES HEREIN CONTAINED



**BOLTON
& MENK**

Real People. Real Solutions.

Feasibility Report For

Atwater Path Improvements

City of Inver Grove Heights, MN

December 10, 2018

Submitted by:

Bolton & Menk, Inc.
1960 Premier Drive
Mankato, MN 56001
P: 507-625-4171
F: 507-625-4177



Certification

Feasibility Report

For

Atwater Path Reconstruction and Street Lighting

City of Inver Grove Heights

City Projects 2018-09D

T18.116599

December 2018

I hereby certify that this plan, specification or report was prepared by me or under my direct supervision, and that I am a duly Licensed Professional Engineer under the laws of the State of Minnesota.

By: 
Eric Seaburg, P.E.
License No. 53712

Date: December 10, 2018

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Appendix A: Figures

Appendix B: Preliminary Cost Estimates

Appendix C: Preliminary Assessment Roll

Appendix D: Questionnaire Responses

Appendix E: Informational Meeting Summary

I. INTRODUCTION

The City of Inver Grove Heights is planning to reconstruct several residential streets during the 2019 construction season, in accordance with the Capital Improvement Plan. The City's 2019 work plan includes proposed street, utility, and lighting improvements for the Atwater Path neighborhood. This project has been petitioned by the residents and incorporated into the City's ongoing annual street improvement program.

This report focuses on neighborhood improvements that include full street reconstruction with replacement of curb & gutter, watermain improvements, storm and sanitary sewer improvements, replacement of existing driveway aprons, new street lighting, and other improvements in accordance with the City's Comprehensive Plan.

See Figure 1 in Appendix A for the proposed project location map and existing conditions.

This report will review the existing conditions in the project area and discuss, in detail, the proposed improvements. It will also provide preliminary cost estimates for the proposed improvements with financing for the project coming from a combination of assessments, the City's utility funds, and the City's pavement management funds.

An informational meeting was held with the Atwater Path property owners on November 27, 2018. The proposed project scope, costs, and funding sources were discussed at the meeting. Property owners had an opportunity to comment on the project and ask questions. Overall, those in attendance agreed that the road needs reconstruction. Residents in attendance were questioning the need for street lighting and would have appreciated having that improvement on a separate petition. City staff discussed the short and long-term benefits of reducing the street width. Residents in attendance were generally in favor of keeping the existing street widths. Additional neighborhood meetings will be held during the design process to allow for additional input from the property owners and again prior to the start of construction.

If the City decides to proceed with the proposed street, utility, and street lighting improvements described in this report, it is anticipated construction would begin in 2019 as shown in the project schedule found on Page 9.

II. ATWATER PATH RECONSTRUCTION

A. BACKGROUND

Atwater Path is an urban residential street located between Stark Lake (also known as Golf Course Pond), Babcock Trail, and Southview Country Club in the north part of the City. Annual Average Daily Traffic (AADT) data for this road is approximately less than 200 vehicles per day.

City records show that Atwater Path's street and utility infrastructure was constructed in 1979 as part of the Bisanz Southview Estates Development. Seal coat maintenance was performed on the street in 1991 and 1997. The utility infrastructure has been maintained on a routine basis since construction.

Neighborhood residents petitioned the City in 2017 to have the street reconstructed in 2019. The petition was received by the City Council at its September 25, 2017 City Council Meeting. On May 14, 2018 Council directed staff to have a Feasibility Report prepared. On May 28, 2018 Bolton & Menk's proposal for engineering services was accepted by Council.

B. EXISTING CONDITIONS

Atwater Path is a bituminous roadway that measures 36 feet wide as measured from face of curb to face of curb. The bituminous pavement within the study area shows significant wear and distress due mostly to age, as indicated by the pavement oxidation, cracking, raveling, and potholes.

A geotechnical investigation was performed by Braun Intertec which included 4 soil borings along Atwater Path. The associated report is not included with this Report but is available at City Hall. The soil borings indicated that the bituminous thickness ranges between 4.5 inches and 5.5 inches. The aggregate base thickness ranges between 6.5 inches and 11.5 inches. The subbase material is composed of clayey sands and silty sands.



Existing Pavement Condition

The existing watermain is 6-inch diameter ductile iron pipe. No watermain breaks have been documented in this neighborhood which indicates the pipe is generally in good condition. Based on the age of the watermain it is assumed that bolts on existing valves and fittings are not stainless steel.

The existing sanitary sewer is 8-inch diameter vitrified clay pipe and runs from the cul-de-sac, along the street centerline, to a manhole on the east side of Babcock Trail. The sanitary sewer was inspected by City maintenance personnel with televising equipment during the summer of 2018. The sanitary sewer system appeared to be in good condition. Two minor sags, root intrusion, and one cracked pipe were identified. Based on field review by staff the precast sanitary manholes are in good condition.

The existing storm sewer varies in size from 12-inch diameter to 21-inch diameter and is reinforced concrete pipe. Drainage from the project is conveyed via piping to a manhole near 1680 Atwater Path and then is conveyed south to Stark Lake. The storm sewer system was televised by City maintenance personnel with televising equipment during the summer of 2018. The storm sewer system appeared to be in good condition with only two minor sags. Maintenance personnel inspected the 21-inch diameter flared end at Stark Lake and discovered that the pipe was undermined from erosion over time. This is problematic in that it can lead to erosion of the adjacent earthen embankment over the pipe.

A questionnaire was mailed to residents in July 2018 to solicit feedback on existing conditions and infrastructure, including private facilities, that may be relevant to the project. City staff received 12 questionnaire responses. They have been transcribed and are included in Appendix D for reference.

There is an existing timber retaining wall built over the 21-inch diameter flared end at Stark Lake. The timber wall is generally built within a 20-foot wide utility easement between 1680 and 1690 Atwater Path. The wall was built in 1987 by City maintenance staff after significant erosion occurred on the slope. The wall was inspected by a Bolton & Menk, Inc. structural engineer in July of 2018. The following observations were made:

- The wall consists of 4 separate tiers of varying height, all constructed of landscape timbers or salvaged railroad ties. Based on discussions with the property owner, the wall was constructed approximately 25-30 years ago.
- A stormwater pipe and flared end section pass below the lowest course of timbers. The pipe projecting beyond the wall is currently undermined and should be supported. In the vicinity of the pipe, the wall has been undermined.
- Various segments of the timber wall are severely deteriorated due to rotting with minimal thickness remaining. Deterioration and failures of the wood, within the field of the wall, could lead to future soil loss from the embankment into the pond.
- The wall tiers are generally still plumb (vertical) but one end is beginning to show signs of lateral displacement.
- The soil being retained by the tiered wall is receiving run-off from the roof gutter system from each of the houses located on either side of the property line. One of the roof drains is being piped directly behind the wall. Concentrated flows of water will continue to cause deterioration and can increase the chance of a wall failure by scouring away the soil or piping the soil through, behind and under the wall.

The wall obstructs accessibility for maintenance equipment through the designated easement. The original development grading plan provided a 3:1 slope. The drainage apron and slope need consideration in order to restore access to the storm sewer system through the easement.



Flared End and Retaining Wall

C. STREET IMPROVEMENTS

Based on the pavement age, pavement distresses, and sub-soils, the proposed street improvement for Atwater Path is a full reconstruction. The limits and scope of proposed improvements are shown in Figure 2 in Appendix A.

The reconstruction will bring the street to City standard by installing geotextile fabric, 2 feet of select granular sub-base, 6 inches of Class 5 aggregate base, and 4 inches of bituminous pavement. The existing surmountable curb and gutter will be placed with barrier (B618) concrete curb and gutter.

Typically, it is City standard practice to maintain the existing street width during a reconstruction. In this case, it would be City standard to reconstruct Atwater Path at 36 feet wide. Section III of this report identifies the optional cost difference and special assessment impact of reconstructing Atwater Path at 28 feet wide. A 28-foot wide street would require restricted parking on one side of the road. The 28-foot wide option was presented at the

road, as shown in the Informational Meeting Summary in Appendix E. As such, this report recommends moving forward with a standard practice 36-foot wide street.

Subsurface drain tile will be installed at the bottom of the street section under the curb line to ensure the new roadway section will remain free draining, helping to reduce stress on pavement from freeze/thaw action. The existing concrete curb and gutter and driveway aprons will be removed and replaced with new concrete. All disturbed boulevard areas will be restored with 4" of new topsoil and established with turf.

Consistent with City policy, cul-de-sacs in the reconstruction area would be signed no-parking at the conclusion of construction.

D. WATER MAIN IMPROVEMENTS

The existing ductile iron watermain is in good condition and is proposed be left in place. Existing water services are also proposed to be left in place. However, the existing hydrants are not City standard and therefore will be replaced. Existing gate valves will receive new boxes, castings and stainless-steel bolts as required.

The existing watermain system is a long dead-end line fed from Babcock Trail. As such, this report examines the concept of looping the watermain through the Southview Country Club and connecting to an existing watermain running along Mendota Road. See Figure 3 in Appendix A for a depiction of the looping improvements. The costs for this improvement have been included in the costs outlined in Section III of this report. The looping improvement is not being recommended at this time. However, this improvement could be made at a later time with minimal impacts to the proposed street improvements.

E. STORM SEWER IMPROVEMENTS

Existing catch basins and catch basin leads are proposed to be replaced with this project. The storm sewer main is in good condition and will be left in place so long as hydraulic analysis during final design determines the storm main has adequate capacity to meet the current Atlas-14 precipitation frequency estimates.

The undermined flared end and associated retaining wall at Stark Lake are recommended to be improved as part of the street reconstruction effort. Costs to improve this area have been included in the preliminary project cost estimate. The existing retaining wall is an obstruction of the easement for access and maintenance of the storm sewer system. The scope may include removal of the retaining wall, a stabilized slope, and storm sewer improvements to reduce the velocity of stormwater discharge from the flared end. City staff will continue to work with abutting residents on access, obstructions, and long-term maintenance to make appropriate improvements.

F. SANITARY SEWER IMPROVEMENTS

The existing sanitary sewer is in good condition and will only require limited repairs. Specifically, there is a cracked pipe between NW83 and NW84 that will require cured-in-place pipe lining. This work is considered routine maintenance and will be completed by City maintenance staff outside of this project. Costs for those improvements will be from the City's utility maintenance fund. Other sanitary sewer improvements will include new manhole castings and adjusting rings.

G. WATER QUALITY IMPROVEMENTS

Street reconstruction introduces the opportunity to review the drainage area for possible water quality improvements and best management practices. When selecting a BMP, the final selection will depend on the characteristics of the resource to be protected, the feasibility of implementation, public demands, and governmental requirements.

With the majority of the Atwater Path street drainage being conveyed to Stark Lake, water

quality of the surface water runoff is a primary concern. As such, multiple best management practices were reviewed during the preliminary design of the project. Rain garden and hydrodynamic separator practices were reviewed as options. Upon further comparison, a hydrodynamic separator was selected as the preferred best management practice because it can cost-effectively treat the entire drainage area at a single location with the least amount of impact to private properties. The subgrade soils do not support infiltration practices as they are high in silt and clay content and therefore infiltration raingardens are not considered as a viable option for this project.

H. LIGHTING IMPROVEMENTS

The petition for street reconstruction received by the City Council included language requesting street lighting improvements. City staff has coordinated with Xcel Energy Outdoor Lighting to identify anticipated costs to provide the requested lighting. The cost to install outdoor lighting would include an up-front installation fee and an on-going quarterly operation and maintenance fee. These costs are outlined in Section III of this report.

The option to include street lighting and the associated costs were presented to residents at the neighborhood informational meeting. Generally, residents in attendance were questioning the need for street lighting. As such, street lighting improvements are in the feasibility and assessment roll as an option for the residents to consider at the public hearing and have a separate petition circulated.

I. PEDESTRIAN IMPROVEMENTS

Atwater Path is a dead-end street with no pedestrian destinations within or through the neighborhood. Therefore, no pedestrian improvements are being considered for Atwater Path. However, the City's draft 2040 Comprehensive Plan identifies a future trail along Babcock Trail. Considerations will be made during final design, as necessary, to accommodate the future trail if necessary.

III. ESTIMATED COSTS

The estimated project cost to complete the improvements proposed herein are presented below. These costs include estimated construction costs, a 15% contingency, and 28% LEAF cost (legal, engineering, administration, and finance).

These cost estimates are based upon public construction cost information. Since the consultant has no control over the cost of labor, materials, competitive bidding process, weather conditions, and other factors affecting the cost of construction, all cost estimates are opinions for general information of the client and no warranty or guarantee as to the accuracy of construction cost estimates is made. It is recommended that costs for project financing should be based upon actual, competitive bid prices with reasonable contingencies.

A. ATWATER PATH COST ESTIMATE

Table 1 – Estimated Cost Summary
Atwater Path – 36' Wide
(See Appendix B for Detailed Cost Estimate)

Item	Total Estimated Cost
Street ¹	\$947,129
Sanitary Sewer	\$13,248
Watermain	\$55,476
Storm Sewer	\$186,659
Street Lighting ²	\$25,000
Total	\$1,227,512

¹ – A 28' street was estimated at \$880,192

² – Street Lighting improvements would include a quarterly operation and maintenance fee of approximately \$5.03. This fee will appear on residents' quarterly utility bill.

This report also examines the option of looping the Atwater Path watermain system. The cost to loop the system is shown below in Table 2. The looping concept is not considered feasible and is not being recommended at this time.

Table 2 – Optional Watermain Looping Extension

Item	Total Estimated Cost
Watermain Improvements	\$52,044
Easements	\$47,400
Total	\$99,444

IV. FINANCING

All streets that are proposed to be rehabilitated are considered residential streets. The properties adjacent to the residential streets are a mix of single-family residential, private recreation and open space, and public right-of-way. Following is a discussion of the proposed assessment policy for the properties adjacent to the residential streets.

Street and Storm: The assessment policy is for 35% of the street and storm sewer costs to be assessed. It also requires 100% of the street lighting costs be assessed. Remaining street and storm sewer costs will be funded using the City's Pavement Management Fund.

Water and Sewer: This project includes only minor water and sanitary sewer repairs. As such, in accordance with the City's Special Assessment Policy, water and sanitary sewer improvements will not be assessed. Instead, they will be funded by the City's Water and Sewer Funds.

A. SPECIAL BENEFIT ANALYSIS

The City's Assessment Policy, discussed above, represents the City's desired special assessment on any given project. However, per Minnesota State Statute 429, the City is only able to levee a special assessment against a property that is equivalent to the special benefit received by the property. Therefore, prior to a project, the City hires an independent appraiser to determine the special benefit received, specific to the proposed project.

For this project, a Special Benefit Analysis was performed by Metzen Realty and Associates Co. to determine the special benefit to adjacent parcels as a result of the improvements outlined in this Report. The Special Benefit Analysis, dated August 14th, 2018 details the proposed improvements, reviews comparable properties, and reviews the neighborhood with respect to the local real estate market. The full analysis can be obtained at the Inver Grove Heights City Hall. The special benefit per parcel type, later referred to as the Assessment Cap, is shown below:

- Single Family Residential *\$14,700 per parcel*
- Southview County Club *\$25,000*

B. SPECIAL ASSESSMENT – STREET AND STORM

Per the City's current assessment policy, properties that have front yard frontage or private street/driveway access to a residential road being rehabilitated would be responsible for 35% of the street and storm sewer costs. Both residential and non-residential properties share in the responsibility of these costs. Single family residential parcels are assessed equally on a per parcel basis in accordance with their total street front footage. Non-residential properties are assessed at a per linear foot rate equal to two times that of residential front foot rates.

The per policy assessments for a 36' street and storm sewer are:

- Single Family Residential *\$14,693 per parcel*
- Southview County Club *\$73,580*

The City's recommendation for the assessment for a 36' street and storm system are the lower of the per policy amount or the special benefit cap:

- Single Family Residential¹ *\$14,693 per parcel*
- Southview County Club *\$25,000*

¹ – Note that a 28' street assessment would be \$13,826 for single family parcels

C. SPECIAL ASSESSMENT – LIGHTING

Per the City's Special Assessment Policy, residential properties receiving benefit from lighting improvements would be responsible for 100% of the associated costs. A breakdown of the per residential unit assessment is shown below in Table 3.

**Table 3 – Lighting
Pro-Rated Residential Assessment**

Item	Total
Lighting Assessable Project Costs ¹	\$25,000
Single Family Assessable Units	23
Per Unit Assessable Rate	\$1,087

¹ – Estimate, final assessment amount will be based on costs in agreement with private utility.

D. FINANCING SUMMARY

The financing summary shown below is based on the recommended 36' street width.

**Table 4 – Financing Summary
Atwater Path**

Location	Total Estimated Cost	Pavement Management Fund	Assessments	Water and Sewer Fund
Street & Storm Sewer	\$1,133,789	\$760,543	\$373,246	\$0
Sanitary Sewer	\$13,248	\$0	\$0	\$13,248
Watermain	\$55,476	\$0	\$0	\$55,476
Total	\$1,202,513	\$760,543	\$373,246	\$68,724

The proposed assessments of \$373,246 are approximately thirty-one (31) percent of the total project costs.

The financing summary shown below is based on a resident initiated street lighting improvement project.

**Table 5 – Street Lighting Project Financing
Atwater Path**

Location	Total Estimated Cost	Pavement Management Fund	Assessments	Water and Sewer Fund
Street Lighting	\$25,000	\$0	\$25,000	\$0
Total	\$25,000	\$0	\$25,000	\$0

V. PROJECT SCHEDULE

The proposed project schedule is shown below:

Feasibility Report Open House	November 27, 2018
Receive Feasibility Report, Schedule Improvement Hearing	December 10, 2018
Improvement Hearing Open House	January 2, 2019
Improvement Hearing, Order Project, Plans and Specifications.....	January 14, 2019
Approve Plans and Specifications, Authorize Bidding.....	January 28, 2019
Bid Opening	February 28, 2019
Receive Bids, Set Assessment Hearing.....	March 11, 2019
Assessment Hearing Open House	March 26, 2019
Assessment Hearing, Award Project.....	April 8, 2019
Begin Construction	May 2019
End Construction.....	September 2019

VI. EASEMENTS AND PERMITS

It is expected that all of the proposed improvements will be limited to the existing street right-of-way and easements. Additional easements may be necessary for construction and permanent access to storm sewer system and apron at Stark Lake.

Permits and approvals may be required from the following:

- Minnesota Pollution Control Agency (MPCA) – General Storm Water Permit for Construction Activities under the National Pollutant Elimination System (NPDES) program
- Dakota County – permit for work within right-of-way of Babcock Trail (County Road 73).
- DNR for work on storm sewer apron

VII. CONCLUSION

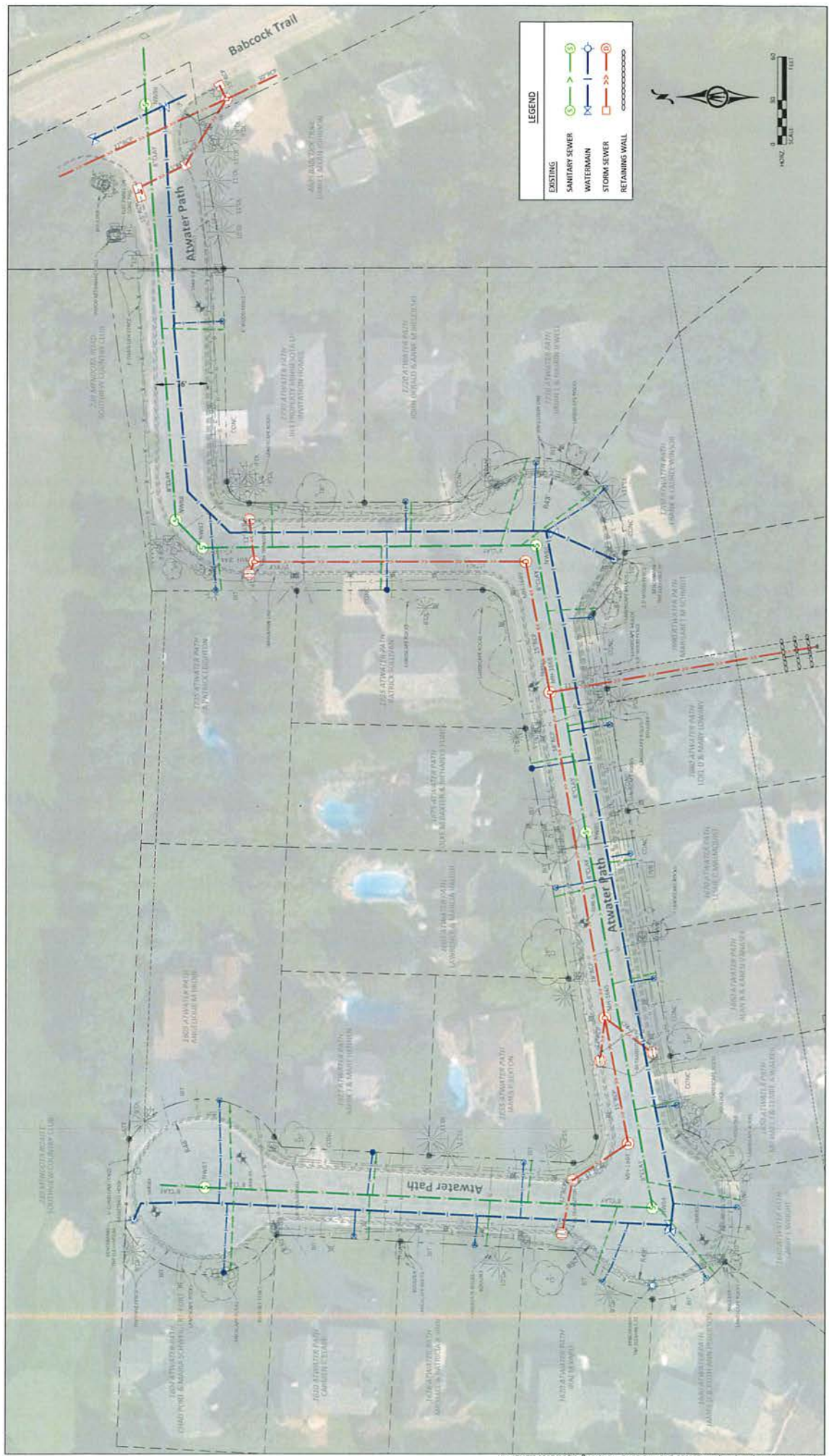
From an engineering standpoint, this project as proposed is feasible, cost effective, and necessary. It can best be accomplished by letting competitive bids for the work under one contract in order to complete the work in an orderly and efficient manner. The City, its financial staff, and the persons assessed will have to determine the economic feasibility of the proposed improvements.

Appendix A: Figures

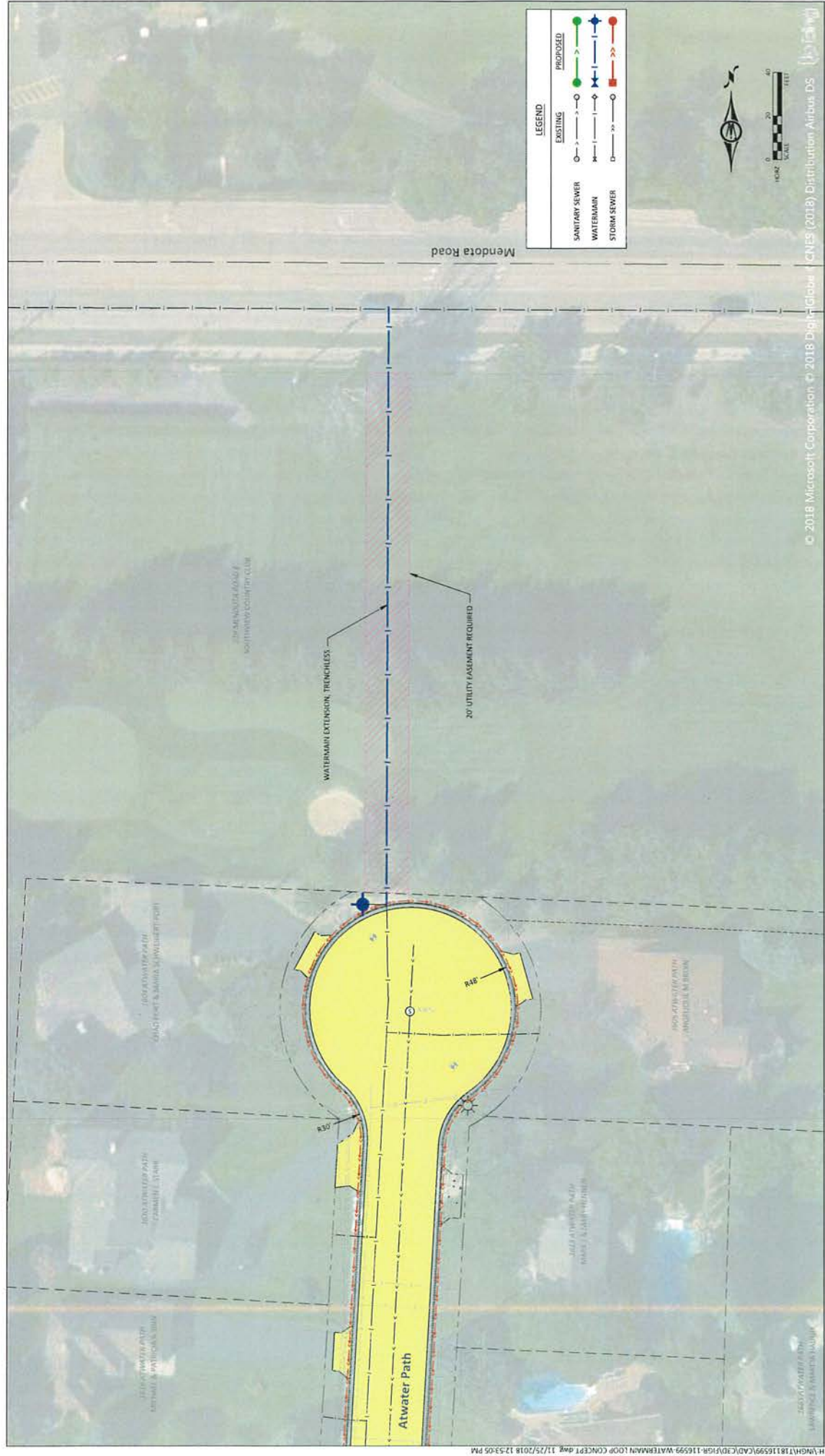


ATWATER PATH IMPROVEMENTS
INVER GROVE HEIGHTS

FIGURE 1: EXISTING CONDITIONS
NOVEMBER 2018







Appendix B: Preliminary Cost Estimates

CITY OF INVER GROVE HEIGHTS

Atwater Path Improvements

CITY PROJECT NO.: 2018-09D

BMI PROJECT NO. T18.116599

12/3/2018

ITEM NO.	MNDOT SPEC.NO	DESCRIPTION	UNIT	UNIT COST	INVER GROVE HEIGHTS			
					ATWATER PATH 36'		ATWATER PATH 28'	
					QUANTITY	AMOUNT	QUANTITY	AMOUNT
SHEDULE 1: STREETS								
1	2021.501	MOBILIZATION	LS	\$78,018	1	\$40,092	1	\$37,926
2	2101.524	CLEARING	TREE	\$195.89	3	\$588	0	\$0
3	2101.524	GRUBBING	TREE	\$203.84	3	\$612	0	\$0
4	2104.503	REMOVE CURB & GUTTER	LF	\$3.14	2731	\$8,575	2731	\$8,575
5	2104.503	SAWING CONCRETE PAVEMENT (FULL DEPTH)	LF	\$3.41	264	\$900	264	\$900
6	2104.503	SAWING BITUMINOUS PAVEMENT (FULL DEPTH)	LF	\$2.16	264	\$570	264	\$570
7	2104.503	REMOVE BITUMINOUS PAVEMENT	SY	\$2.00	5887	\$11,774	5887	\$11,774
8	2104.504	REMOVE CONCRETE DRIVEWAY PAVEMENT	SY	\$11.06	469	\$5,187	469	\$5,187
9	2104.504	REMOVE BITUMINOUS DRIVEWAY PAVEMENT	SY	\$6.00	469	\$2,814	469	\$2,814
10	2105.504	GEOTEXTILE FABRIC TYPE V	SY	\$1.11	7152	\$7,939	6451	\$7,161
11	2105.507	COMMON EXCAVATION	CY	\$17.00	6755	\$114,835	6092	\$103,564
12	2105.507	SUBGRADE EXCAVATION (CORRECTION)	CY	\$17.00	596	\$10,132	538	\$9,146
13	2105.509	STABILIZING AGGREGATE	TON	\$21.00	1180	\$24,780	1065	\$22,365
14	2105.602	EXCAVATION SPECIAL (POTHOLE EXISTING PRIVATE UTILITY)	EACH	\$538.57	2	\$1,077	2	\$1,077
15	2105.609	SELECT GRANULAR BORROW	TON	\$14.48	9441	\$136,706	8515	\$123,297
16	2211.509	AGGREGATE BASE CLASS 5	TON	\$12.24	2776	\$33,978	2504	\$30,649
17	2357.506	BITUMINOUS MATERIAL FOR TACK COAT	GAL	\$2.35	412	\$968	361	\$848
18	2360.504	BIT DWY	SY	\$3.35	469	\$1,571	469	\$1,571
19	2360.509	TYPE SP 12.5 WEARING COURSE MIXTURE (3,B)	TON	\$55.00	819	\$45,045	717	\$39,435
20	2360.509	TYPE SP 12.5 NON WEARING COURSE MIXTURE (3,B)	TON	\$55.00	819	\$45,045	717	\$39,435
21	2104.502	REMOVE SIGN	EACH	\$30.45	2	\$61	2	\$61
22	2502.503	4" PERF PVC PIPE DRAIN	LF	\$10.10	2580	\$26,058	2580	\$26,058
23	2506.602	ADJUST FRAME AND RING CASTING (STORM)	EACH	\$706.54	4	\$2,826	4	\$2,826
24	2531.503	CONCRETE CURB AND GUTTER DESIGN B618	LF	\$12.00	2731	\$32,772	2920	\$35,040
25	2531.504	6" CONCRETE DRIVEWAY PAVEMENT	SY	\$58.58	469	\$27,474	469	\$27,474
26	2563.601	TRAFFIC CONTROL	LS	\$46,317	1	\$15,722	1	\$14,873
27	2564.518	SIGN PANELS TYPE C	SF	\$41.12	52	\$2,138	52	\$2,138
28	2573.501	STABILIZED CONSTRUCTION EXIT	LS	\$1,680	1	\$1,680	1	\$1,680
29	2573.502	STORM DRAIN INLET PROTECTION	EACH	\$157.66	9	\$1,419	9	\$1,419
30	2573.503	SILT FENCE, TYPE MS	LF	\$3.56	500	\$1,780	500	\$1,780
31	2574.507	COMMON TOPSOIL BORROW, 4" THICK, CV	CY	\$30.00	501	\$15,030	501	\$15,030
32	2575.501	TURF ESTABLISHMENT	LS	\$5,000.00	1	\$5,000	1	\$5,000
33	2575.504	FUTERRA FIBER MAT	SY	\$3.50	4552	\$15,931	4552	\$15,931
34	2575.505	SEEDING (MIX 25-151)	AC	\$2,500.00	0.94	\$2,351	0.94	\$2,351
TOTAL SHEDULE 1: STREETS						\$643,430		\$597,957
SHEDULE 2: SANITARY SEWER								
35	2506.602	SANITARY SEWER CASTING (INCL. RINGS & UMBRELLA)	EACH	\$1,500.00	6	\$9,000	6	\$9,000
TOTAL SHEDULE 2: SANITARY SEWER						\$9,000		\$9,000
SHEDULE 3: WATERMAIN								
36	2104.502	REMOVE HYDRANT	EACH	\$210.00	3	\$630	3	\$630
37	2104.502	REMOVE GATE VALVE AND BOX	EACH	\$150.00	3	\$450	3	\$450
38	2104.503	REMOVE WATERMAIN	LF	\$8.00	15	\$120	15	\$120
39	2504.602	HYDRANT	EACH	\$4,500.00	3	\$13,500	3	\$13,500
40	2504.602	CONNECT TO EXISTING WATERMAIN	EACH	\$1,000.00	3	\$3,000	3	\$3,000
41	2504.602	6" GATE VALVE AND BOX	EACH	\$1,800.00	3	\$5,400	3	\$5,400
42	2504.602	ADJUST SERVICE STOP BOX	EACH	\$251.68	22	\$5,537	22	\$5,537
43	2504.602	ADJUST VALVE BOX	EACH	\$317.43	3	\$952	3	\$952
44	2504.602	REPLACE VALVE BOX	EACH	\$673.00	1	\$673	1	\$673
45	2504.602	REBOLT GATE VALVES	EACH	\$1,500.00	3	\$4,500	3	\$4,500
46	2504.603	6" WATERMAIN, DUCTILE IRON CL 52	LF	\$55.00	15	\$825	15	\$825
47	2504.608	DUCTILE IRON FITTINGS	POUND	\$7.00	300	\$2,100	300	\$2,100
TOTAL SHEDULE 3: WATERMAIN						\$37,687		\$37,687
SHEDULE 4: STORM SEWER								
48	2104.502	REMOVE DRAINAGE STRUCTURE	EACH	\$461.13	7	\$3,228	7	\$3,228
49	2104.503	REMOVE SEWER PIPE (STORM)	LF	\$12.50	212	\$2,651	212	\$2,651
50	2451.609	GRANULAR BACKFILL (STORM)	TON	\$13.77	50	\$689	50	\$689
51	2503.503	15" RC PIPE SEWER CLASS V	LF	\$52.47	212	\$11,124	212	\$11,124
52	2506.502	CONSTRUCT DRAINAGE STRUCTURE DESIGN SPECIAL (2'X3')	EACH	\$1,962.17	5	\$9,811	5	\$9,811
53	2506.502	CONSTRUCT DRAINAGE STRUCTURE DESIGN 48-4020	EACH	\$3,104.91	1	\$3,105	1	\$3,105
54	2506.502	CONSTRUCT DRAINAGE STRUCTURE DESIGN SPECIAL (STORMCEPTOR)	EACH	\$20,000.00	1	\$20,000	1	\$20,000
55	2511.509	RANDOM RIPRAP, CLASS III	CY	\$40.00	30	\$1,200	30	\$1,200
56	2411.601	SLOPE STABILIZATION, REMOVALS, AND RESTORATION	LS	\$60,000.00	1	\$60,000	1	\$60,000
57	-	EASEMENT ACQUISITION	LS	\$15,000.00	1	\$15,000	1	\$15,000
TOTAL SHEDULE 4: STORM SEWER						\$126,807		\$126,807
SHEDULE 5: LIGHTING								
58	2545.501	LIGHTING SYSTEM	LS	\$25,000.00	1	\$25,000	1	\$25,000
TOTAL SHEDULE 5: LIGHTING						\$25,000		\$25,000

CITY OF INVER GROVE HEIGHTS

Atwater Path Improvements

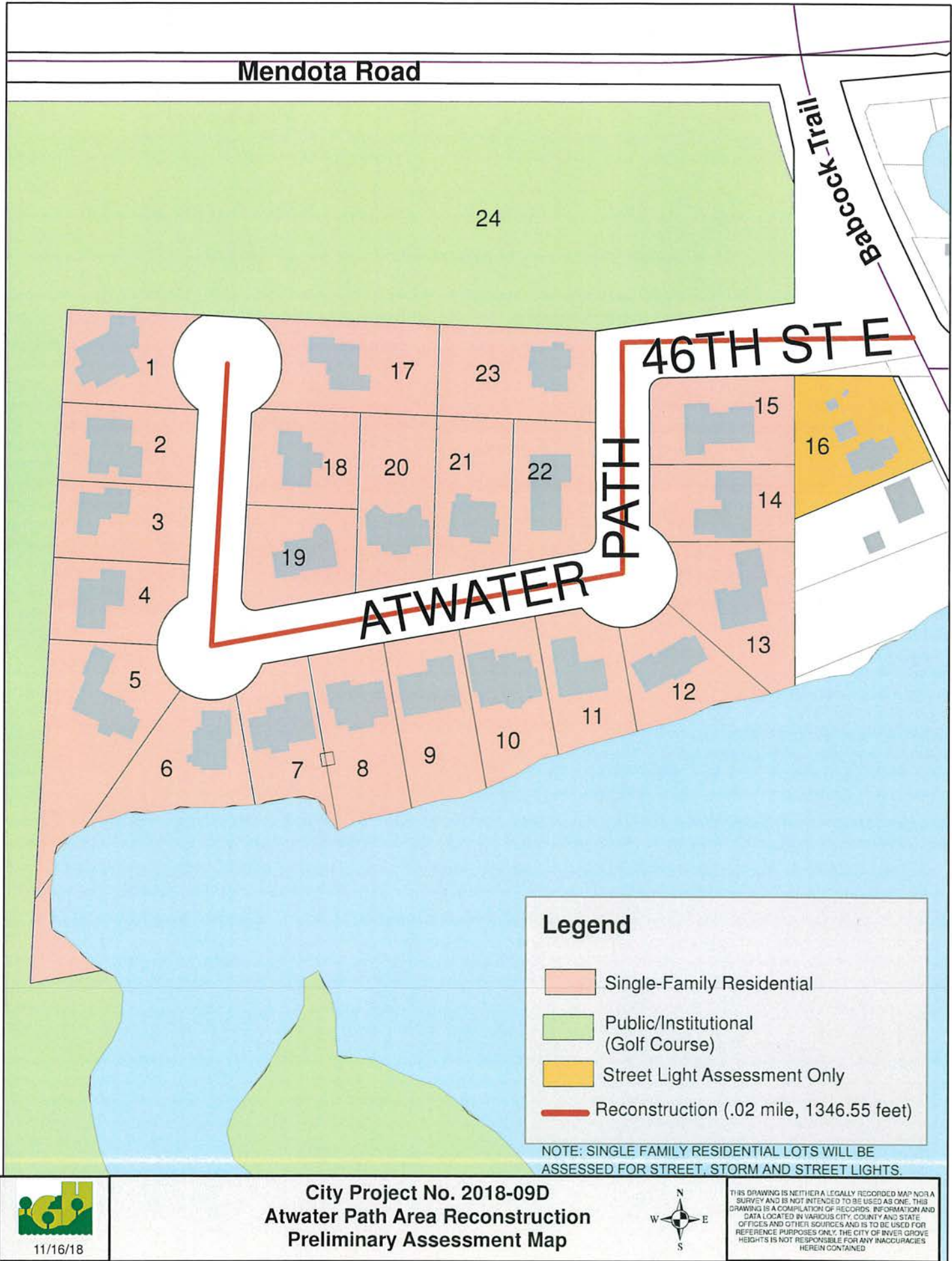
CITY PROJECT NO.: 2018-09D

BMI PROJECT NO. T18.116599

12/3/2018

ITEM NO.	MNDOT SPEC. NO	DESCRIPTION	UNIT	UNIT COST	INVER GROVE HEIGHTS			
					ATWATER PATH 36'		ATWATER PATH 28'	
					QUANTITY	AMOUNT	QUANTITY	AMOUNT
CONSTRUCTION SUBTOTALS								
SHEDULE 1: STREETS						\$643,430		\$597,957
SHEDULE 2: SANITARY SEWER						\$9,000		\$9,000
SHEDULE 3: WATERMAIN						\$37,687		\$37,687
SHEDULE 4: STORM SEWER						\$126,807		\$126,807
SHEDULE 5: LIGHTING						\$25,000		\$25,000
TOTAL						\$841,924		\$796,451
INCLUDING 15% CONTINGENCY								
SHEDULE 1: STREETS						\$739,945		\$687,650
SHEDULE 2: SANITARY SEWER						\$10,350		\$10,350
SHEDULE 3: WATERMAIN						\$43,340		\$43,340
SHEDULE 4: STORM SEWER						\$145,828		\$145,828
SHEDULE 5: LIGHTING (CONTINGENCY NOT APPLIED)						\$25,000		\$25,000
TOTAL						\$964,463		\$912,168
INCLUDING 15% CONTINGENCY AND 28% INDIRECT								
SHEDULE 1: STREETS						\$947,129		\$880,192
SHEDULE 2: SANITARY SEWER						\$13,248		\$13,248
SHEDULE 3: WATERMAIN						\$55,476		\$55,476
SHEDULE 4: STORM SEWER						\$186,659		\$186,659
SHEDULE 5: LIGHTING (INDIRECT NOT APPLIED)						\$25,000		\$25,000
PROJECT GRAND TOALS						\$1,227,512		\$1,160,575

Appendix C: Preliminary Assessment Roll



City Project No. 2018-09D - Atwater Path Reconstruction
(36-Foot-Wide Street and Street Lighting)
Preliminary Assessment Roll

Map No.	Property Type	PID No.	Owner	Site Address	Street & Storm			100% Street Lighting Assessment	Total Proposed Assessment
					Per Policy Assessment	Benefit CAP*	Proposed Assessment		
1	SF	201410002150	CHAD PORT	1604 ATWATER PATH	\$14,692.98	\$14,700.00	\$14,692.98	\$1,086.96	\$15,779.94
2	SF	201410002140	CARMEN C STARR	1610 ATWATER PATH	\$14,692.98	\$14,700.00	\$14,692.98	\$1,086.96	\$15,779.94
3	SF	201410002130	MICHAEL & PATRICIA A SINN	1616 ATWATER PATH	\$14,692.98	\$14,700.00	\$14,692.98	\$1,086.96	\$15,779.94
4	SF	201410002120	IRAJ M FARD	1620 ATWATER PATH	\$14,692.98	\$14,700.00	\$14,692.98	\$1,086.96	\$15,779.94
5	SF	201410002110	JAMES D & RUTH ANN PEDERSON	1630 ATWATER PATH	\$14,692.98	\$14,700.00	\$14,692.98	\$1,086.96	\$15,779.94
6	SF	201410002100	LARRY L WRIGHT	1640 ATWATER PATH	\$14,692.98	\$14,700.00	\$14,692.98	\$1,086.96	\$15,779.94
7	SF	201410002090	MICHAEL J & TERRIE A WALKER	1650 ATWATER PATH	\$14,692.98	\$14,700.00	\$14,692.98	\$1,086.96	\$15,779.94
8	SF	201410002080	ALAN R & KAREN VANASEK	1660 ATWATER PATH	\$14,692.98	\$14,700.00	\$14,692.98	\$1,086.96	\$15,779.94
9	SF	201410002070	LESLIE C MALMQUIST	1670 ATWATER PATH	\$14,692.98	\$14,700.00	\$14,692.98	\$1,086.96	\$15,779.94
10	SF	201410002060	LOEL D & MARY LOWARY	1680 ATWATER PATH	\$14,692.98	\$14,700.00	\$14,692.98	\$1,086.96	\$15,779.94
11	SF	201410002050	MARGARET M SCHMIDT	1690 ATWATER PATH	\$14,692.98	\$14,700.00	\$14,692.98	\$1,086.96	\$15,779.94
12	SF	201410002040	FRANK & LAUREL TSTEE WINSOR	1700 ATWATER PATH	\$14,692.98	\$14,700.00	\$14,692.98	\$1,086.96	\$15,779.94
13	SF	201410002030	BRIAN L & NASRIN JEWELL	1716 ATWATER PATH	\$14,692.98	\$14,700.00	\$14,692.98	\$1,086.96	\$15,779.94
14	SF	201410002020	JOHN GERALD & ANNE M BIELEJESKI	1720 ATWATER PATH	\$14,692.98	\$14,700.00	\$14,692.98	\$1,086.96	\$15,779.94
15	SF	201410002010	% INVITATION HOMES - TAX DEPT	1730 ATWATER PATH	\$14,692.98	\$14,700.00	\$14,692.98	\$1,086.96	\$15,779.94
16	SF	203110005010	DANIEL ALLAN JOHNSON	4605 BABCOCK TRAIL	\$0.00	\$14,700.00	\$0.00	\$1,086.96	\$1,086.96
17	SF	201410001020	ANGELIQUE M BROIN	1605 ATWATER PATH	\$14,692.98	\$14,700.00	\$14,692.98	\$1,086.96	\$15,779.94
18	SF	201410001030	MARK J & MARY HENNEN	1613 ATWATER PATH	\$14,692.98	\$14,700.00	\$14,692.98	\$1,086.96	\$15,779.94
19	SF	201410001040	JAMES P SEXTON	1655 ATWATER PATH	\$14,692.98	\$14,700.00	\$14,692.98	\$1,086.96	\$15,779.94
20	SF	201410001050	LAWRENCE TSTE HAUGH	1665 ATWATER PATH	\$14,692.98	\$14,700.00	\$14,692.98	\$1,086.96	\$15,779.94
21	SF	201410001060	FOLKE M BAXTER	1675 ATWATER PATH	\$14,692.98	\$14,700.00	\$14,692.98	\$1,086.96	\$15,779.94
22	SF	201410001070	PATRICK F SULLIVAN	1725 ATWATER PATH	\$14,692.98	\$14,700.00	\$14,692.98	\$1,086.96	\$15,779.94
23	SF	201410001010	A PATRICK LEIGHTON	1735 ATWATER PATH	\$14,692.98	\$14,700.00	\$14,692.98	\$1,086.96	\$15,779.94
24	Public/Institutional	200291081015	SOUTHVIEW COUNTRY CLUB	239 MENDOTA ROAD E	\$73,580.22	\$25,000.00	\$25,000.00	\$0.00	\$25,000.00
* Benefit Analysis CAP applies to street & storm assessment only.								\$348,245.56	\$373,245.56

Appendix D: Questionnaire Responses

Location	Sump Pump	Pump Runs	Drains to	Sump Basket	Exterior Drain Tiles	French Drains	Water seepage	Explain the seepage	Private underground facility	Drainage Issues	Drainage Issue Comments	More Information on roadside rain garden	Additional comments
1650 Atwater Path	No				No	No	No		Irrigation system	No		Yes	
1725 Atwater Path	No				Yes	Yes	Yes	water seeps through the north side foundation wall of the garage	Irrigation system	No			
1655 Atwater Path	Yes	Rarely	West side of yard	No	Yes		No		Irrigation system	No		No	
1610 Atwater Path	No			No	No	No	No		Irrigation system & invisible fence	No		Yes	
1616 Atwater Path	No				No	No	No		Irrigation system	No		Yes	
1716 Atwater Path	Yes	After rainfall	East side of yard	No			No		Irrigation system	No		Yes	
1700 Atwater Path	No				No	No	No		Irrigation system	No		Yes	
1640 Atwater Path	Yes	Seasonally	West side of yard	No	No	No	No		None	No			
											When we remodeled in 2013 we added a rock drainage area to the pond (runs along the east side of the house). As water comes down the cul-de-sac it goes into rock drain to pond.		
1630 Atwater Path	No			No	Yes	Yes	No		Irrigation system	Yes		Yes	
1670 Atwater Path	No				Yes (Back of home)	Yes	No		Irrigation system	No		No	
1605 Atwater Path	Yes	Regularly	Back yard	Yes	Yes			New owners 11/2017	Irrigation system		New owners 11/2017	Yes	
1735 Atwater Path	Yes	After rainfall	North side of yard	Yes			Yes	After heavy rains we have upgraded drainage and gutters	Irrigation system, Electric wiring, case	Yes	Water drains onto our property from higher areas to the west and north	Yes	We have installed a dry creek bed which drains to the east.

Appendix E: Informational Meeting Summary

Open House Summary of Major Comments
Atwater Path Feasibility Information Meeting
November 27, 2018

- There were 6 people in attendance from 5 households.
- One resident was against the street reconstruction project
- Couple residents were strongly against street lights. Staff explained it is the neighborhoods choice as a group. Since the petition was for street lights and reconstruction, that is what staff has evaluated and included in the report and costs. The residents may consider passing another petition to address the street light only position of the residents. Staff suggested visiting new residential developments (Argenta Hills) or recent reconstruction project areas (Bancroft Way) in the City.
- Resident of 1680 Atwater Path explained the 1987 there was an event that caused storm sewer and erosion slope damage. City Staff responded by stabilizing the slope with a wooden retaining wall. The property owner noted that there was another storm water blow-out after 1990 that affected his private wall and he made repairs.
- Staff had a discussion with the residents on the pros and cons of 36-foot width vs 28-foot width street. There general support to keep the existing 36-foot width due to steep driveways and multiple corners on the dead-end road.
- Residents were notified that there will be NO PARKING posted in the end cul-de-sac.
- Residents present had no issues with there sewer and water services.
- Resident at 1630 Atwater stated that he constructed a rock swale where water had been topping the curb and flowing down his lot line to the lake.
- General discuss was had about stormwater improvements to include the addition of a water quality manhole to treat water prior to Starke Lake (i.e. Golf Course Pond). No raingardens are being offered due to the bad subgrade soils.
- Residents were made aware that all private ROW encroachments such as irrigation, invisible fence and landscaping are owner's responsibility. During construction, limits of will be staked to identify the extent of disturbance by the contractor.
- driveway reconstruction program and sump basket program were explained by staff, clarifying that both were owner choice to opt in
- Discussion was had over Southview Country Club assessment. Capped at \$25,000 and the City intends on working out options with the golf course through our City Attorney.
- Staff verified that the \$14,700 assessment cap would be followed if project is built in 2019. City wouldn't be raising assessments over the appraiser's recommendation for special benefit. This does not include the 100% assessment for street lights if they get kept with the project.
- Residents were interested in driveway access, mail and garbage service during construction. Staff explained that resident access would be maintained by the contractor, along with accommodations for mail and garbage service. Limited access during the working hours 7 am to 7 pm, Monday through Saturday. Full access to property during the non-working hours. Staff stated that longer driveway access delays would occur during curb placement and concrete driveway curing times when they can't drive over the concrete.

CITY OF INVER GROVE HEIGHTS

REQUEST FOR COUNCIL ACTION

Consider a Resolution Receiving Feasibility Report and Scheduling a Public Hearing for City Project No. 2018-09F – 55th Street Court and 55th Street Reconstruction

Meeting Date: December 10, 2018

Item Type: Consent

Contact: Thomas J. Kaldunski, 651-450-2572 *SWD*

Prepared by: Steve W. Dodge, Assistant City Engineer

Reviewed by: Scott D. Thureen, Public Works Director *SWD***Fiscal/FTE Impact:**

☐	None
☐	Amount included in current budget
☐	Budget amendment requested
☐	FTE included in current complement
☐	New FTE requested – N/A
☒	Other: Pavement Management Fund, Special Assessments, Utility Funds

PURPOSE/ACTION REQUESTED

Consider a resolution receiving Feasibility Report and scheduling a public hearing for City Project No. 2018-09F - 55th Street Court and 55th Street Reconstruction.

SUMMARY

On September 24, 2018 Council received a petition requesting street reconstruction for 55th Street Court and initiated the preparation of a feasibility study for City Project No. 2018-09F - 55th Street Court and 55th Street Reconstruction. Council also accepted a professional services proposal from Bolton & Menk, Inc. to prepare a feasibility study for the project. Bolton & Menk has completed the feasibility study (attached).

The total estimated project cost is \$1,147,232, with \$276,122 in estimated assessments (24% of the project costs), for City Project No. 2018-09F - 55th Street Court and 55th Street Reconstruction. A multi-faceted funding package has been prepared in the feasibility report which includes the pavement management fund, utility funds and special assessments.

A preliminary assessment roll has been prepared per City policy. The per-policy assessment amount for a single-family or twin-home parcel is \$9,814 for street and storm water facility reconstruction. The independent appraiser's special benefit analysis recommended an assessment cap of \$6,562 per single-family, twin-home or vacant parcels for street and storm reconstruction. The per-policy assessment amount for a duplex/multi-family parcel is \$19,627, which is above the appraiser's recommended special benefit of \$13,124. The per-policy assessment amount for the Lake Cove Village Apartments is \$68,262, which is above the appraiser's recommended special benefit of \$63,996. The per-policy assessment amount for the gas station parcel is \$41,514, which is below the appraiser's recommended special benefit of \$43,569. The proposed assessment is the lower amount between the per-policy and assessment cap.

Initial resident input was gathered using a questionnaire. Staff also held an informational meeting on November 28, 2018, with affected property owners to present the project, proposed preliminary assessments and receive feedback.

I recommend passage of the resolution receiving the feasibility report and scheduling a public hearing on January 14, 2019 for City Project No. 2018-09F - 55th Street Court and 55th Street Reconstruction.

SWD/kf

Attachments: Resolution
Project Area Map
Feasibility Report

**CITY OF INVER GROVE HEIGHTS
DAKOTA COUNTY, MINNESOTA**

RESOLUTION NO. _____

**CONSIDER RESOLUTION RECEIVING FEASIBILITY REPORT AND SCHEDULING A PUBLIC
HEARING FOR CITY PROJECT NO. 2018-09F - 55TH STREET COURT AND 55TH STREET
RECONSTRUCTION**

WHEREAS, On September 24, 2018 Council received a petition requesting street reconstruction for 55th Street Court and initiated the preparation of a feasibility study for City Project No. 2018-09F - 55th Street Court and 55th Street Reconstruction; and

WHEREAS, On September 24, 2018 Council accepted a professional services proposal from Bolton & Menk, Inc. to prepare a feasibility study for City Project No. 2018-09F - 55th Street Court and 55th Street Reconstruction; and

WHEREAS, a feasibility report has been prepared by Bolton & Menk, Inc. for the Public Works Director with reference to City Project No. 2018-09F - 55th Street Court and 55th Street Reconstruction.

<u>Project No.</u>	<u>Improvements</u>
2018-09F	Roadway improvements (bituminous removal, subgrade excavation/correction, grading, granular subgrade, geotextile fabric, daintile, aggregate base, bituminous pavement), milling, concrete curb and gutter removal and replacement, new sidewalk, storm sewer system replacement and additions as needed, drainage improvements, water quality improvements, sanitary sewer system repairs and adjustments, water main system repairs and adjustments, appurtenances and restoration on the following streets: 55 th Street from Babcock Trail to its terminus and 55 th Street Court from 55 th Street to its terminus.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF INVER GROVE HEIGHTS THAT: Said report is hereby received by the City Council of the City of Inver Grove Heights on December 10, 2018.

1. The City Council will consider the above-mentioned improvements in accordance with the report and assess, or tax, the abutting properties for all or a portion of the cost of the improvements, pursuant to Chapter 429 of the Minnesota Statutes at an estimated cost of \$1,147,232.
2. A public hearing will be held on such improvements at 7:00 p.m. on Monday, January 14, 2019 in the City Council Chambers at 8150 Barbara Avenue and the City Clerk shall give mailed and published notice of such hearing and improvements as required by law.
3. The City Engineer and City Attorney are authorized to begin preparation of necessary easement acquisitions.

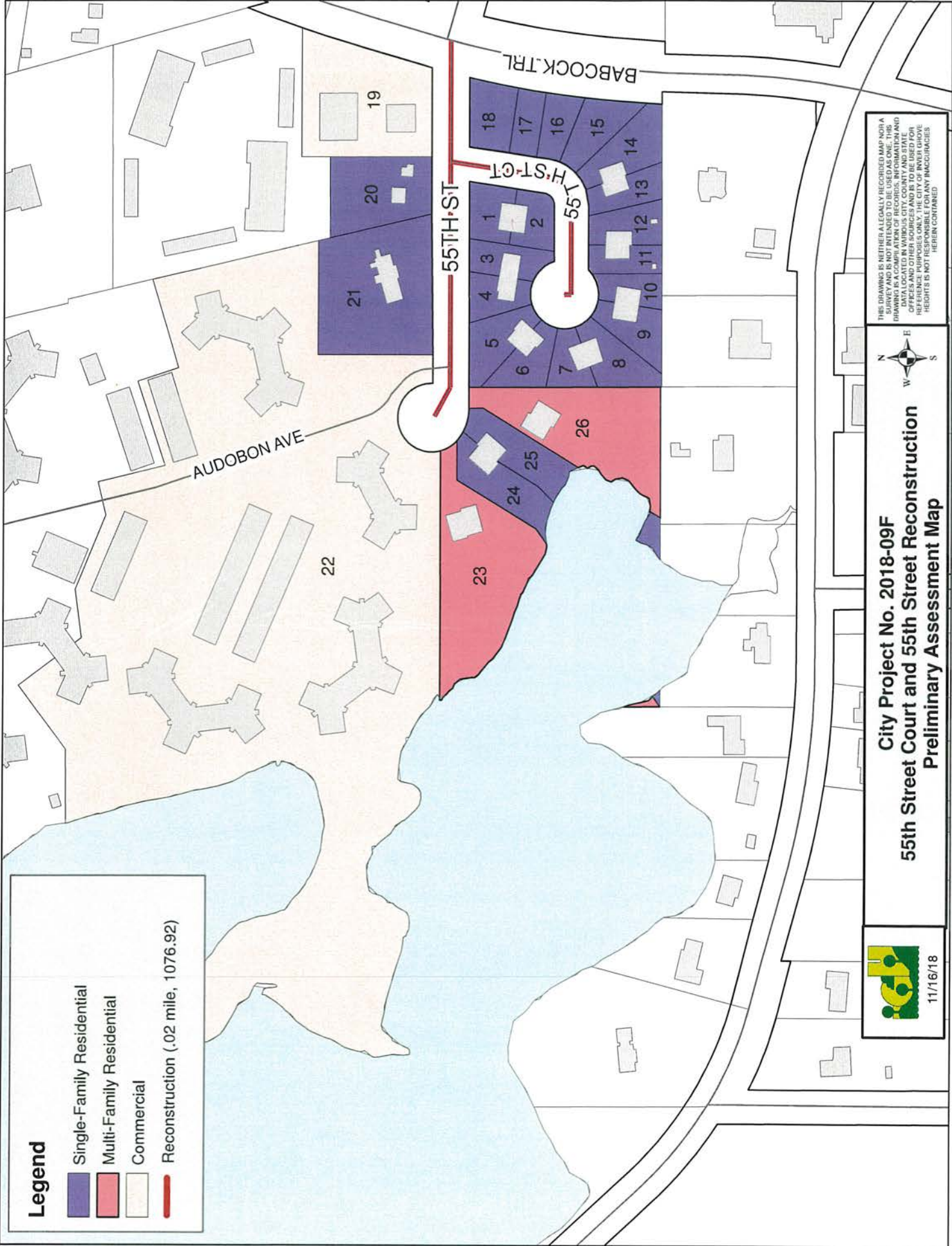
Adopted by the City Council of Inver Grove Heights this 10th day of December 2018

AYES:
NAYS:

George Tourville, Mayor

ATTEST:

Michelle Tesser, City Clerk



THIS DRAWING IS NEITHER A LEGALLY RECORDED MAP NOR A SURVEY AND IS NOT INTENDED TO BE USED AS ONE. THIS DRAWING IS A COMPILATION OF RECORDS, INFORMATION AND DATA LOCATED IN VARIOUS CITY, COUNTY AND STATE OFFICES. THE CITY OF RICH GROVE REFLECTS THE BEST AVAILABLE INFORMATION AND MAKES NO REPRESENTATION OR WARRANTY AS TO THE ACCURACY OF THE INFORMATION HEREIN CONTAINED.



City Project No. 2018-09F
55th Street Court and 55th Street Reconstruction
Preliminary Assessment Map



11/16/18



**BOLTON
& MENK**

Real People. Real Solutions.

Feasibility Report For

55th Street & 55th Street Court City of Inver Grove Heights, MN

December 10, 2018

Submitted by:

Bolton & Menk, Inc.
12224 Nicollet Avenue
Burnsville, MN 55337
P: 952-890-0509
F: 952-890-8065



Certification

Feasibility Report

For

55th Street & 55th Street Court Reconstruction

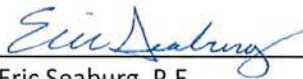
City of Inver Grove Heights

City Projects 2018-09F

T18.117400

December 2018

I hereby certify that this plan, specification or report was prepared by me or under my direct supervision, and that I am a duly Licensed Professional Engineer under the laws of the State of Minnesota.

By: 
Eric Seaburg, P.E.
License No. 53712

Date: December 10, 2018

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I. INTRODUCTION

The City of Inver Grove Heights is planning to reconstruct several residential streets during the 2019 construction season, in accordance with the Capital Improvement Plan. The City's 2019 work plan includes proposed street and utility improvements for the 55th Street & 55th Street Court neighborhood. 55th Street Court was petitioned by the residents. On September 24, 2018 55th Street East and 55th Street Court East were initiated by City Council action authorizing the preparation of this Feasibility Report.

This report focuses on neighborhood improvements that include full street reconstruction with replacement of curb & gutter, watermain improvements, storm and sanitary sewer improvements, water quality improvements, replacement of existing driveway aprons, replacement of street lighting as necessary, and other improvements in accordance with the City's Comprehensive Plan.

See Figure 1 in Appendix A for the proposed project location map and existing conditions.

This report will review the existing conditions in the project area and discuss, in detail, the proposed improvements. It will also provide preliminary cost estimates for the proposed improvements with financing for the project coming from a combination of assessments, the City's utility funds, and the City's pavement management fund.

A neighborhood meeting was held with the 55th Street & 55th Street Court owners on November 28, 2018. The proposed project scope, costs, and funding sources were discussed at the meetings. Property owners had an opportunity to comment on the project and ask questions. Overall, those in attendance understood the need for pavement reconstruction. Those in attendance were most concerned with the presence of on-street parking. Specifically, the on-street parking is a result of overflow parking from the Lake Cove Village Apartments, which can cause dangerous sight-line deficiencies. Additional neighborhood meetings will be held during the design process to allow for additional input from the property owners prior to the start of construction.

If the City decides to proceed with the proposed street and utility improvements described in this report, it is anticipated construction would begin in 2019 as shown in the project schedule found on Page 9.

II. 55TH STREET AND 55TH STREET COURT RECONSTRUCTION

A. BACKGROUND

55th Street and 55th Street Court are urban residential streets located west of Babcock Trail between Upper 55th Street East and 52nd Street East.

City records show that 55th Street's street and utility infrastructure was constructed in 1975, shortly after the platting of Lake Cove Village in 1973. There is a combination of platted and unplatted properties along the roadway. Seal coat maintenance was performed on the street in 1990 and 1997. The City's utility maintenance staff has performed routine maintenance on the utility infrastructure since construction.

City records show that 55th Street Court's street and utility infrastructure was constructed in 1980 as part of the Dupont Stevens Addition. Seal coat maintenance was performed in 1990 and 1997. The City's utility maintenance staff has performed routine maintenance on the utility infrastructure since construction.

Neighborhood residents petitioned the City in May 2018 to have the street reviewed for street improvements. The petition was received by the City Council at its September 24, 2018 City Council Meeting at which point City staff was directed to have this Feasibility Report prepared. *It is noted that the petition did not meet the requirements of Minnesota Statute 429. Therefore, the project has been advanced as a council-initiated project.*

B. EXISTING CONDITIONS

55th Street and 55th Street Court are bituminous roadways that measure 40 to 46 feet wide and 36 feet wide as measured from face of curb to face of curb, respectively. The bituminous pavement within the study area shows significant wear and distress due mostly to age, as indicated by the pavement oxidation, cracking, raveling, and potholes.

Two different types of curb and gutter are found in the neighborhood. 55th Street has barrier curb and gutter and 55th Street Court has surmountable curb and gutter.

No sidewalks or trails exist along either of the roadways. However, a dirt path has developed on the north side of 55th Street from Lake Cove Village Apartments to the gas station. A bituminous trail connection exists east of Babcock Trail along the north side of Cenex Drive.

A geotechnical investigation was performed by American Engineering Testing which included 4 soil borings in the study area. The associated report is not included in this Report but is available at City Hall.

The soil borings indicated that the bituminous thickness ranges between 4.5 inches and 10 inches.

The aggregate base thickness ranges between 0

inches and 10 inches. The subbase material is composed of clayey sands and lean clays.

A Phase I Environmental Site Assessment was performed along the project boundary to identify properties that may pose a risk of contaminated soils to the project. The Assessment, dated November 30, 2018 is not included in this Report but is available at City Hall. The Assessment identified two properties that posed low risks to the project which will not be described in greater detail in this Report. The Assessment also identified one property, the



Dirt walking path on north side of 55th Street

gas station at the intersection of 55th Street and Babcock, that posed a high risk to the project. Specifically, the Assessment notes that gasoline range organics (GRO) were discovered in the on-site soils and were further studied in 2012. The Assessment recommends that the project team develop a Construction Contingency Plan (CCP) which should describe the means and methods to manage impacted soils that are exposed during construction. This usually includes the removal of contaminated material in accordance with Minnesota Pollution Control Agency guidelines. Provisions have been included in the construction cost estimate discussed later in this Report to account for the possible contaminated soil removal.

The existing 55th Street watermain is 8-inch diameter of unknown material. The existing 55th Street Court watermain is 6-inch diameter ductile iron pipe. No watermain breaks have been documented in this neighborhood which indicates the pipes are generally in good condition. Based on the age of the watermain it is assumed that bolts on existing valves and fittings are not stainless steel.

The existing sanitary sewer ranges in size from 8-inch diameter to 15-inch diameter vitrified clay pipe. The sewer on 55th Street Court flows south and west through the cul-de-sac into a backyard manhole. It then flows north to 55th Street where it flows east to a manhole on Babcock Trail. The sanitary sewer along 55th Street Court was televised by City maintenance staff in 2018. The pipe was in very good condition with very few deficiencies. The 55th Street trunk sanitary sewer is still in the process of being televised at the time of this Report. Sanitary sewer manholes were inspected by City engineering staff and were found to be precast and in good condition.

The existing storm sewer varies in size from 12-inch diameter to 24-inch diameter and is reinforced concrete pipe (RCP). Two catchment areas exist within the project area. Drainage along 55th Street is conveyed west via piping to Schmidt Lake. Stormwater on 55th Street Court is collected near 1926 55th Street Court. The stormwater is piped to a manhole to the south and then west to Schmidt Lake. The storm sewer lines are still in the process of being televised at the time of this Report. Storm sewer manholes were inspected by City engineering staff and were found to be both block built and precast in varying condition levels.

C. STREET IMPROVEMENTS

Based on the pavement age, pavement distresses, and sub-soils, the proposed street improvement for 55th Street and 55th Street Court is a full reconstruction. The limits and scope of proposed improvements are shown in Figure 2 in Appendix A.

The reconstruction will bring the street to City standard by installing geotextile fabric, 2 feet of select granular sub-base, daintile, 6 inches of Class 5 aggregate base, and 4 inches of bituminous pavement. B618 concrete curb and gutter will replace the barrier curb on 55th Street and the surmountable curb on 55th Street Court.

The extent and level of contaminated soil that will be encountered is unknown. An environmental specialist will be onsite to determine which soils are contaminated. All of the contaminated soil that is encountered within the proposed street section will be hauled offsite and disposed of at a Minnesota permitted solid waste facility. A plastic film will be used as a barrier to prevent seepage of the contaminated soil into the street section. Coordination with the MPCA will occur early in the design process to ensure environmental guidelines are followed.

The City standard practice is to maintain the existing street width during a reconstruction. In this case, it would be standard to reconstruct 55th Street at 40 to 46 feet wide and 55th Street Court at 36 feet wide. Section III of this report identifies the optional cost difference and special assessment impact of reconstructing 55th Street at 38' wide and 55th Street Court at 28 feet wide. A 28-foot wide street would require restricted parking on one side of the road. The

reduced street width options were presented at the neighborhood meeting for consideration by and feedback from the residents. Generally, those in attendance were not in favor of reducing street widths because they did not come with a reduced assessment amount since the assessment cap prevails (as shown in Section III). As such, this report recommends moving forward with a standard-practice 36-foot wide street.

It was presented at the open house meeting that no parking will be posted in the 55th Street and 55th Street Court cul-de-sacs.

Subsurface drain tile will be installed at the bottom of the street section under the curb line to ensure the new roadway section will remain free draining, helping to reduce stress on pavement from freeze/thaw action. The existing driveway aprons will be removed and replaced with new material matching the existing material. All disturbed boulevard areas will be restored with 4" of new topsoil and established with turf.

On-street parking was discussed in length at the November 28, 2018 informational meeting. Residents in attendance from 1915 55th Street cited safety concerns and previous accidents because of the on-street parking and restricted sight-lines. It was explained by staff that items such as permit parking, curb painting, and speed bumps are not permissible in Inver Grove Heights. Designating a section of the north side of 55th Street as no-parking was a suggested solution by City staff. However, the residents wanted to maintain the ability to park in front of their property. At this time, parking restrictions on the north side of 55th Street are not being considered and would need to be petitioned by the property owner(s). However, City staff should continue to work with the Lake Cove Village Apartments management company and abutting property owners on parking-related issues for available solutions.

D. WATER MAIN IMPROVEMENTS

The existing watermain is in good condition and is proposed to be left in place. Existing water services are also proposed to be left in place. However, the existing hydrants do not meet City standard and therefore will be replaced. Existing gate valves will receive new boxes, castings and stainless steel bolts as required.

E. SANITARY SEWER IMPROVEMENTS

The existing sanitary sewer main that has been televised is in good condition and will require minimal repairs. Other segments of sanitary sewer are being televised at the time of this Report. The remaining sanitary sewer system video will be reviewed during final design and improvements will be incorporated as necessary. Other sanitary sewer improvements will include manhole casting and adjustment ring replacements.

F. STORM SEWER IMPROVEMENTS

The existing storm sewer main that has been televised is in good condition and will require minimal repairs. Other segments of storm sewer are being televised at the time of this Report. The remaining storm sewer system video will be reviewed during final design and improvements will be incorporated as necessary.

There is an existing surge basin located approximately 200 feet west of the 55th Street cul-de-sac on the shared property line between the Lake Cove Village Apartments and 1826 55th Street. The surge basin has filled in with sediment and does not function properly. The basin will be evaluated for improvements during final design. If possible, the storm sewer will be extended to Schmidt Lake with a flared end and riprap, to prevent future erosion and sediment buildup.

Hydraulic analysis will be done during final design to ensure the piping has adequate capacity to meet the current Atlas-14 precipitation frequency estimates.

G. WATER QUALITY IMPROVEMENTS

Street reconstruction introduces the opportunity to review the drainage area for possible water quality improvements and best management practices. When selecting a BMP, the final selection will depend on the characteristics of the resource to be protected, the feasibility of implementation, public demands, and governmental requirements.

With the majority of the 55th Street and 55th Street Court street drainage being conveyed to Schmidt Lake, water quality of the surface water runoff is a primary concern. As such, multiple best management practices were reviewed during the preliminary design of the project. Rain gardens and hydrodynamic separator practices were considered. Upon further comparison, a hydrodynamic separator was selected as the preferred best management practice because it can cost-effectively treat each drainage areas at a single location and have the least amount of impact to private properties. The subgrade soils do not support infiltration practices as they are high in silt and clay content and therefore infiltration raingardens are not considered as a viable option for this project.

H. LIGHTING IMPROVEMENTS

There are existing street lights on 55th Street at the intersection of Babcock Trail and at the intersection of 55th Street Court. The private utility company has stated that any lighting upgrade of existing street lights would be at no additional costs to the benefitting parcels.

I. PEDESTRIAN IMPROVEMENTS

Concrete sidewalk is proposed to be installed along the north side of 55th Street from Lake Cove Village Apartments to Babcock Trail. The walk will be 6 feet wide and provide a connection to the trail on the east side of Babcock Trail. It will also include a 6' wide boulevard to allow for snow storage and maintenance of the sidewalk.

The single-family lots on the north side of 55th Street are by meets and bounds descriptive. The City Attorney's office has the proposed sidewalk land area under review and will provide guidance on the City's ownership and rights in the area in question.

III. ESTIMATED COSTS

The estimated project cost to complete the improvements proposed herein are presented below. These costs include estimated construction costs, a 15% contingency, and 28% LEAF cost (legal, engineering, administration, and finance).

These cost estimates are based upon public construction cost information. Since the consultant has no control over the cost of labor, materials, competitive bidding process, weather conditions, and other factors affecting the cost of construction, all cost estimates are opinions for general information of the client and no warranty or guarantee as to the accuracy of construction cost estimates is made. It is recommended that costs for project financing should be based upon actual, competitive bid prices with reasonable contingencies.

A. 55TH STREET & 55TH STREET COURT COST ESTIMATE

Table 1 – Estimated Cost Summary
(See Appendix B for Detailed Cost Estimate)

Item	Total Estimated Cost
Street	\$927,716
Sanitary Sewer	\$15,456
Watermain	\$89,121
Storm Sewer	\$114,940
Total	\$1,147,232

IV. FINANCING

All streets that are proposed to be rehabilitated are considered residential streets. The properties adjacent to the residential streets are a mix of R-1 single-family residential, R-2 two-family, R-7 greater than 7 family, and B-1 limited business. Following is a discussion of the proposed assessment policy for the properties adjacent to the reconstructed streets.

Street and Storm: The assessment policy is for 35% of the street and storm sewer costs to be assessed. Remaining street and storm sewer costs will be funded using the City's Pavement Management Fund and Storm Sewer Fund.

Water and Sewer: This project includes only minor water and sanitary sewer repairs. As such, in accordance with the City's Special Assessment Policy, water and sanitary sewer improvements will not be assessed. Instead, they will be funded by the City's Water and Sewer Funds.

A. SPECIAL BENEFIT ANALYSIS

The City's Assessment Policy, discussed above, represents the City's desired special assessment on any given project. However, per Minnesota State Statute 429, the City is only able to levee a special assessment against a property that is equivalent to the special benefit received by the property. Therefore, prior to a project, the City hires an independent appraiser to determine the special benefit received, specific to the proposed project.

For this project, a Special Benefit Analysis was performed by Metzen Realty and Associates Co. to determine the special benefit to adjacent parcels as a result of the improvements outlined in this Report. The Special Benefit Analysis, dated November 14th, 2018 details the proposed improvements, reviews comparable properties, and reviews the neighborhood with respect to the local real estate market. The full analysis can be obtained at the Inver Grove Heights City Hall. The special benefit per parcel type, later referred to as the Assessment Cap, is shown below:

• Twin Homes	<i>\$6,562 per parcel</i>
• Single Family Homes	<i>\$6,562 per parcel</i>
• Duplexes	<i>\$13,124 per parcel</i>
• Vacant Lots	<i>\$6,562 per parcel</i>
• Lake Cove Village Apartments	<i>\$63,996 (based on frontage)</i>
• Loon of MN (Commercial)	<i>1.00 per square foot</i>

B. SPECIAL ASSESSMENT – STREET AND STORM

Per the City's current assessment policy, properties that have front yard frontage or private street/driveway access to a residential road being rehabilitated would be responsible for 35% of the street and storm sewer costs. Both residential and non-residential properties share in the responsibility of these costs. Single family residential parcels are assessed equally on a per parcel basis in accordance with their total street front footage. Non-residential properties are assessed at a per linear foot rate equal to two times that of residential properties.

The per policy assessments for existing street widths and storm sewer are:

- Twin Homes¹ *\$9,814 per parcel*
- Single Family Homes¹ *\$9,814 per parcel*
- Duplexes² *\$19,627 per parcel*
- Vacant Lots (approved for twin homes)¹ *\$9,814 per parcel*
- Lake Cove Village Apartments *\$68,262 (based on frontage)*
- Loon of MN (Commercial) *\$41,514 (\$ 0.95 per square foot)*

¹ – Note that a reduced street width assessment would be \$9,218 for single family parcels

² – Note that a reduced street width assessment would be \$18,437 for duplex parcels

The City's recommendation for the assessment for existing street widths and storm system are the lower of the per policy amount or the special benefit cap:

- Twin Home *\$6,562 per parcel*
- Single Family Homes *\$6,562 per parcel*
- Duplexes *\$13,124 per parcel*
- Vacant Lots *\$6,562 per parcel*
- Lake Cove Village Apartments *\$63,996 (based on frontage)*
- Loon of MN (Commercial) *\$41,514 (\$ 0.95 per square foot)*

C. FINANCING SUMMARY

The financing summary shown below is based on the recommended existing street widths.

**Table 2 – Financing Summary
55th Street & 55th Street Court**

Location	Total Estimated Cost	Pavement Management Fund	Assessments	Water and Sewer Fund
Street & Storm Sewer	\$1,042,655	\$766,533	\$276,122	\$0
Sanitary Sewer	\$15,456	\$0	\$0	\$15,456
Watermain	\$89,121	\$0	\$0	\$89,121
Total	\$1,147,232	\$766,533	\$276,122	\$104,577

The proposed assessments of \$276,122 are approximately twenty-four (24) percent of the total project costs.

V. PROJECT SCHEDULE

The proposed project schedule is shown below:

Feasibility Report Open House	November 28, 2018
Receive Feasibility Report, Schedule Improvement Hearing	December 10, 2018
Improvement Hearing Open House	January 3, 2019
Improvement Hearing, Order Project, Plans and Specifications.....	January 14, 2019
Approve Plans and Specifications, Authorize Bidding.....	January 28, 2019
Bid Opening	February 28, 2019
Receive Bids, Set Assessment Hearing.....	March 11, 2019
Assessment Hearing Open House	March 27, 2019
Assessment Hearing, Award Project.....	April 8, 2019
Begin Construction	May 2019
End Construction.....	September 2019

VI. EASEMENTS AND PERMITS

It is expected that all of the proposed improvements will be limited to the existing street right-of-way and easements. Additional right-of-way or easements may be needed for the proposed sidewalk on the north side of 55th Street, depending on the City Attorney's review and guidance. Additional easement may be necessary to access the storm system potential improvements at Schmidt Lake from 55th Street Court and 55th Street.

Permits and approvals may be required from the following:

- Minnesota Pollution Control Agency (MPCA) – General Storm Water Permit for Construction Activities under the National Pollutant Elimination System (NPDES) program
- Dakota County – permit for work within right-of-way of Babcock Trail (County Road 73).
- DNR permit for potential work near Schmidt Lake

VII. CONCLUSION

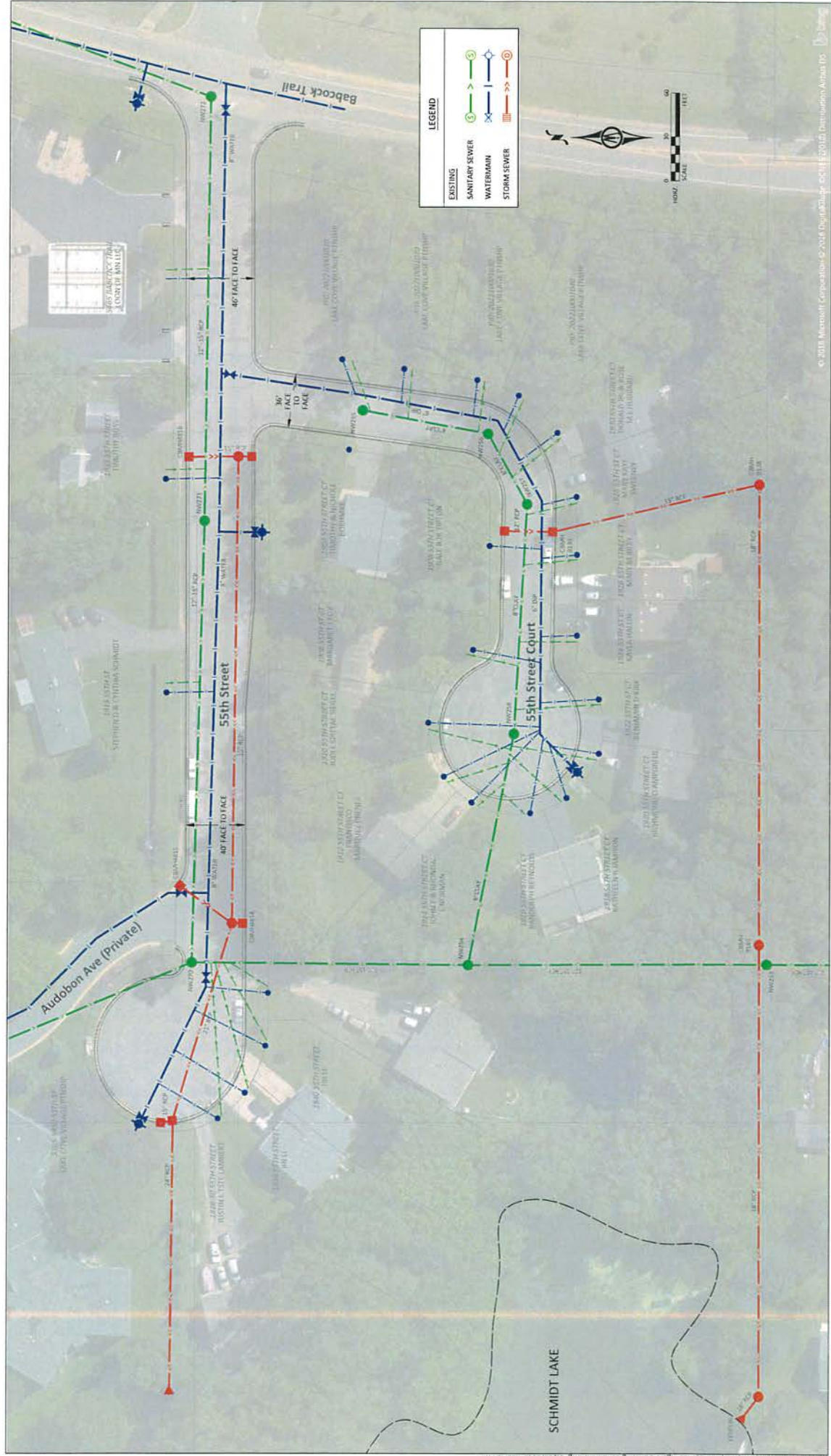
From an engineering standpoint, this project as proposed is feasible, cost effective, and necessary. It can best be accomplished by letting competitive bids for the work under one contract in order to complete the work in an orderly and efficient manner. The City, its financial staff, and the persons assessed will have to determine the economic feasibility of the proposed improvements.

Appendix A: Figures



55TH STREET - 55TH STREET COURT
INVER GROVE HEIGHTS

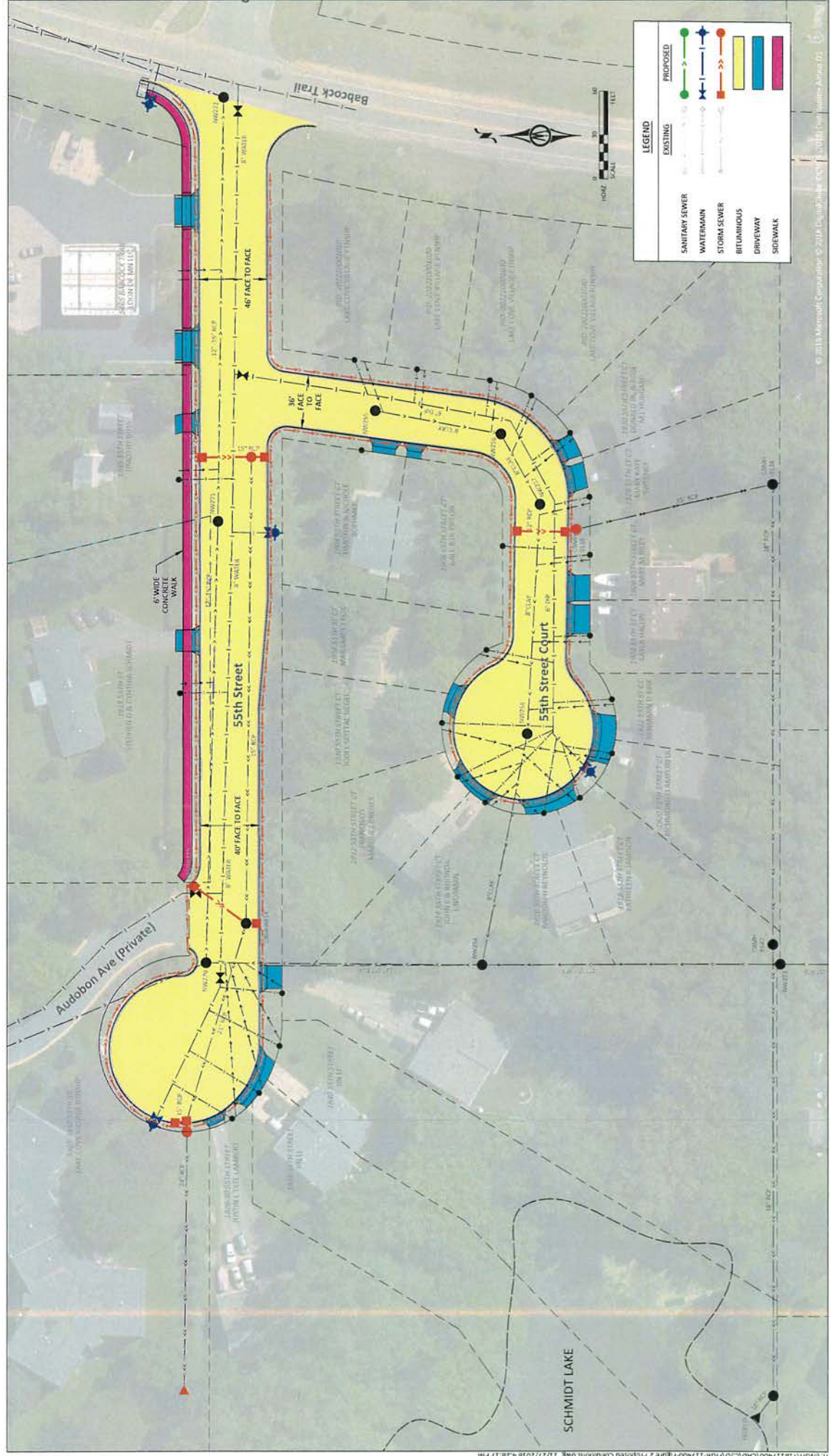
FIGURE 1 - EXISTING CONDITIONS
NOVEMBER 2018





55TH STREET - 55TH STREET COURT
INVER GROVE HEIGHTS

FIGURE 2 - PROPOSED IMPROVEMENTS
NOVEMBER 2018



Appendix B: Preliminary Cost Estimates

CITY OF INVER GROVE HEIGHTS

55TH STREET - 55TH COURT

CITY PROJECT NO.: 2018-09F

BMI PROJECT NO. T18.117400

12/4/2018

ITEM NO.	MNDOT SPEC. NO.	DESCRIPTION	UNIT	UNIT COST	INVER GROVE HEIGHTS			
					55TH STREET, 55TH COURT		55TH STREET, 55TH COURT	
					SAME WIDTHS		REDUCED WIDTHS	
					QUANTITY	AMOUNT	QUANTITY	AMOUNT
SCHEDULE 1: STREETS								
1	2021.501	MOBILIZATION	LS	\$37,113	1	\$37,113	1	\$35,067
2	2101.524	CLEARING	TREE	\$195.89	3	\$588	3	\$588
3	2101.524	GRUBBING	TREE	\$203.84	3	\$612	3	\$612
4	2104.502	REMOVE SIGN	EACH	\$30.45	3	\$91	3	\$91
5	2104.503	REMOVE CURB & GUTTER	LF	\$3.14	2387	\$7,495	2387	\$7,495
6	2104.503	SAWING CONCRETE PAVEMENT (FULL DEPTH)	LF	\$3.41	74	\$252	74	\$252
7	2104.503	SAWING BITUMINOUS PAVEMENT (FULL DEPTH)	LF	\$2.16	460	\$994	460	\$994
8	2104.504	REMOVE CONCRETE WALK	SY	\$7.84	0	\$0	0	\$0
9	2104.504	REMOVE CONCRETE DRIVEWAY PAVEMENT	SY	\$11.06	156	\$1,725	156	\$1,725
10	2104.504	REMOVE BITUMINOUS DRIVEWAY PAVEMENT	SY	\$6.00	800	\$4,800	800	\$4,800
11	2105.504	GEOTEXTILE FABRIC TYPE V	SY	\$1.11	6819	\$7,569	6107	\$6,779
12	2105.507	COMMON EXCAVATION	CY	\$17.00	6440	\$109,480	5768	\$98,056
13	2105.501	COMMON EXCAVATION - CONTAMINATED MATERIAL	LS	\$30,000.00	1	\$30,000	1	\$30,000
14	2105.507	SUBGRADE EXCAVATION (CORRECTION)	CY	\$17.00	568	\$9,656	509	\$8,653
15	2105.509	STABILIZING AGGREGATE	TON	\$21.00	1125	\$23,625	1008	\$21,168
16	2105.602	EXCAVATION SPECIAL (POTHOLE EXISTING PRIVATE UTILITY)	EACH	\$538.57	2	\$1,077	2	\$1,077
17	2105.609	SELECT GRANULAR BORROW	TON	\$14.48	9001	\$130,334	8062	\$116,738
18	2211.509	AGGREGATE BASE CLASS 5	TON	\$12.24	2647	\$32,399	2370	\$29,009
19	2211.509	AGGREGATE BASE CLASS 5 - SIDEWALK	TON	\$12.24	131	\$1,603	133	\$1,628
20	2357.506	BITUMINOUS MATERIAL FOR TACK COAT	GAL	\$2.35	400	\$940	350	\$823
21	2360.504	BITUMINOUS DRIVEWAY PATCHING	TON	\$200.00	42	\$8,400	55	\$11,000
22	2360.509	TYPE SP 12.5 WEARING COURSE MIXTURE (3,B)	TON	\$55.00	796	\$43,780	695	\$38,225
23	2360.509	TYPE SP 12.5 NON WEARING COURSE MIXTURE (3,B)	TON	\$55.00	796	\$43,780	695	\$38,225
24	2502.503	4" PERF PVC PIPE DRAIN	LF	\$10.10	2339	\$23,624	2339	\$23,624
25	2506.602	ADJUST FRAME AND RING CASTING	EACH	\$706.54	1	\$707	1	\$707
26	2521.518	4" CONCRETE WALK	SF	\$6.50	3042	\$19,773	3042	\$19,773
27	2531.503	CONCRETE CURB AND GUTTER DESIGN B618	LF	\$12.00	2387	\$28,644	2389	\$28,668
28	2531.504	6" CONCRETE DRIVEWAY PAVEMENT	SY	\$58.58	282	\$16,520	282	\$16,520
29	2563.601	TRAFFIC CONTROL	LS	\$14,554	1	\$14,554	1	\$13,752
30	2564.518	SIGN PANELS TYPE C	SF	\$41.12	58	\$2,385	58	\$2,385
31	2573.501	STABILIZED CONSTRUCTION EXIT	LS	\$1,680	1	\$1,680	1	\$1,680
32	2573.502	STORM DRAIN INLET PROTECTION	EACH	\$157.66	10	\$1,577	10	\$1,577
33	2573.503	SILT FENCE, TYPE MS	LF	\$3.56	500	\$1,780	500	\$1,780
34	2574.507	COMMON TOPSOIL BORROW, 4" THICK, CV	CY	\$30.00	222	\$6,660	222	\$6,660
35	2575.501	TURF ESTABLISHMENT	LS	\$5,000.00	1	\$5,000	1	\$5,000
36	2575.504	FUTERRA FIBER MAT	SY	\$3.50	2663	\$9,321	2663	\$9,321
37	2575.505	SEEDING	AC	\$2,500.00	0.55	\$1,376	1.00	\$2,500
38	2582.503	12" SOLID LINE EPOXY	LF	\$4.70	70	\$329	70	\$329
TOTAL SCHEDULE 1: STREETS						\$630,242		\$587,277
SCHEDULE 2: SANITARY SEWER								
39	2506.502	SANITARY SEWER CASTING (INC. RINGS & UMBRELLA)	EACH	\$1,500.00	7	\$10,500	7	\$10,500
TOTAL SCHEDULE 2: SANITARY SEWER						\$10,500		\$10,500
SCHEDULE 3: WATERMAIN								
40	2104.502	REMOVE HYDRANT	EACH	\$210.00	4	\$840	4	\$840
41	2104.502	REMOVE GATE VALVE AND BOX	EACH	\$150.00	8	\$1,200	8	\$1,200
42	2104.503	REMOVE WATERMAIN	LF	\$8.00	20	\$160	20	\$160
43	2504.602	HYDRANT	EACH	\$4,500.00	4	\$18,000	4	\$18,000
44	2504.602	CONNECT TO EXISTING WATERMAIN	EACH	\$1,000.00	4	\$4,000	4	\$4,000
45	2504.602	6" GATE VALVE AND BOX	EACH	\$1,800.00	8	\$14,400	8	\$14,400
46	2504.602	ADJUST SERVICE STOP BOX	EACH	\$251.68	25	\$6,292	25	\$6,292
47	2504.602	ADJUST VALVE BOX	EACH	\$317.43	5	\$1,587	5	\$1,587
48	2504.602	REPLACE VALVE BOX	EACH	\$673.00	5	\$3,365	5	\$3,365
49	2504.602	REBOLT GATE VALVES	EACH	\$1,500.00	5	\$7,500	5	\$7,500
50	2504.603	6" WATERMAIN, DUCTILE IRON CL 52	LF	\$55.00	20	\$1,100	20	\$1,100
51	2504.608	DUCTILE IRON FITTINGS	POUND	\$7.00	300	\$2,100	300	\$2,100
TOTAL SCHEDULE 3: WATERMAIN						\$60,544		\$60,544
SCHEDULE 4: STORM SEWER								
52	2104.502	REMOVE DRAINAGE STRUCTURE	EACH	\$461.13	10	\$4,611	10	\$4,611
53	2104.503	REMOVE SEWER PIPE (STORM)	LF	\$12.50	150	\$1,876	150	\$1,876
54	2451.609	GRANULAR BACKFILL (STORM)	TON	\$13.77	50	\$689	50	\$689
55	2503.503	15" RC PIPE SEWER CLASS V	LF	\$52.47	150	\$7,871	150	\$7,871
56	2506.502	CONSTRUCT DRAINAGE STRUCTURE DESIGN SPECIAL (2'X3')	EACH	\$1,962.17	6	\$11,773	6	\$11,773
57	2506.502	CONSTRUCT DRAINAGE STRUCTURE DESIGN 48-4020	EACH	\$3,104.91	2	\$6,210	2	\$6,210
58	2506.502	CONSTRUCT DRAINAGE STRUCTURE DESIGN 60-4020	EACH	\$5,055.28	1	\$5,055	1	\$5,055
59	2506.502	CONSTRUCT DRAINAGE STRUCTURE DESIGN SPECIAL (STORMCEPTOR)	EACH	\$20,000.00	2	\$40,000	2	\$40,000
TOTAL SCHEDULE 4: STORM SEWER						\$78,084		\$78,084

CITY OF INVER GROVE HEIGHTS

55TH STREET - 55TH COURT

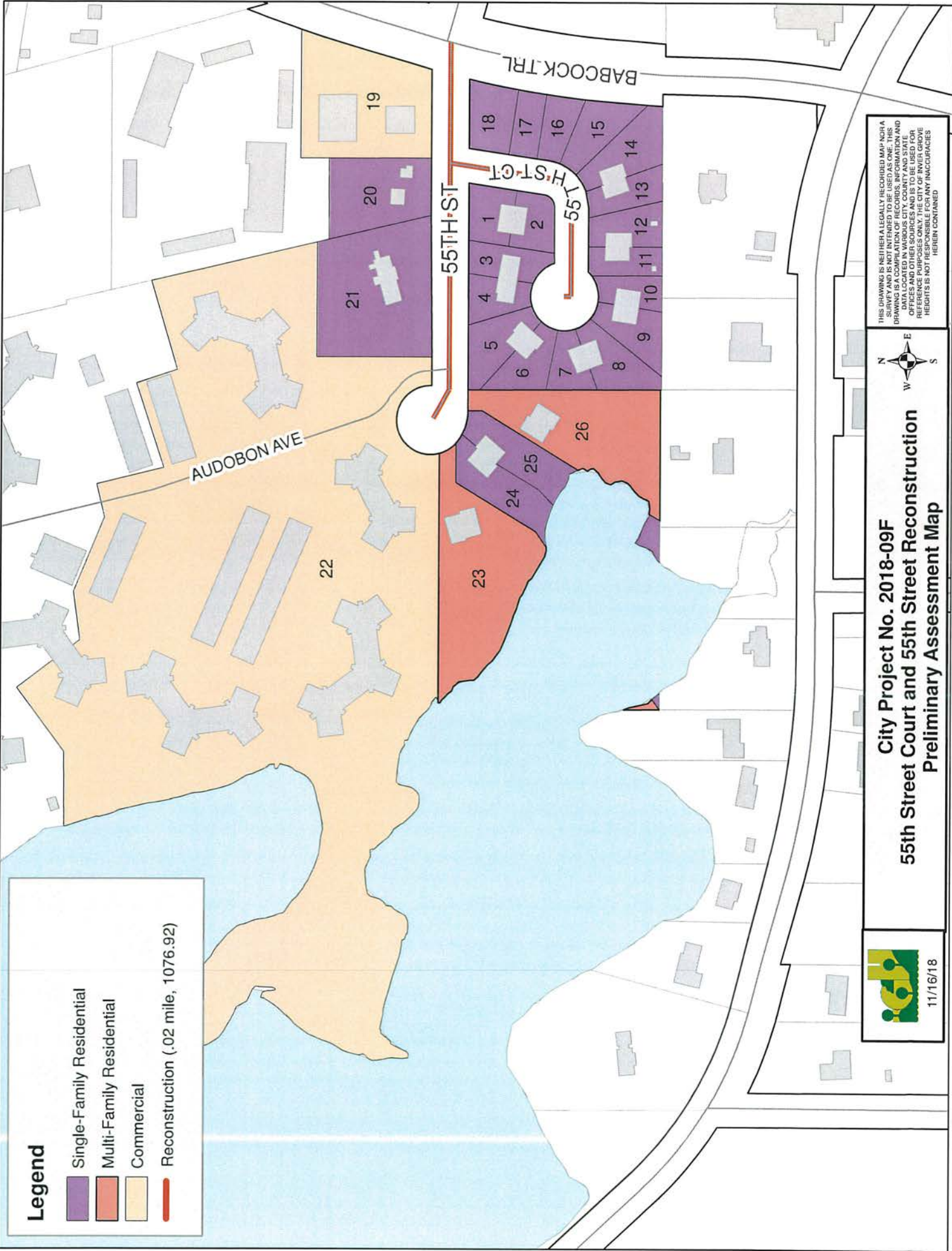
CITY PROJECT NO.: 2018-09F

BMI PROJECT NO. T18.117400

12/4/2018

ITEM NO.	MNDOT SPEC.NO	DESCRIPTION	UNIT	UNIT COST	INVER GROVE HEIGHTS			
					55TH STREET, 55TH COURT		55TH STREET, 55TH COURT	
					SAME WIDTHS		REDUCED WIDTHS	
					QUANTITY	AMOUNT	QUANTITY	AMOUNT
CONSTRUCTION SUBTOTALS								
		SCHEDULE "A" - STREETS				\$630,242		\$587,277
		SCHEDULE "C" - SANITARY SEWER				\$10,500		\$10,500
		SCHEDULE "D" - WATERMAIN				\$60,544		\$60,544
		SCHEDULE "E" - STORM SEWER				\$78,084		\$78,084
		TOTAL				\$779,370		\$736,406
INCLUDING 15% CONTINGENCY								
		SCHEDULE "A" - STREETS				\$724,778		\$675,369
		SCHEDULE "C" - SANITARY SEWER				\$12,075		\$12,075
		SCHEDULE "D" - WATERMAIN				\$69,626		\$69,626
		SCHEDULE "E" - STORM SEWER				\$89,797		\$89,797
		TOTAL				\$896,275		\$846,866
INCLUDING 15% CONTINGENCY AND 28% INDIRECT								
		SCHEDULE "A" - STREETS				\$927,716		\$864,472
		SCHEDULE "C" - SANITARY SEWER				\$15,456		\$15,456
		SCHEDULE "D" - WATERMAIN				\$89,121		\$89,121
		SCHEDULE "E" - STORM SEWER				\$114,940		\$114,940
		PROJECT GRAND TOALS				\$1,147,232		\$1,083,989

Appendix C: Preliminary Assessment Roll



City Project No. 2018-09F

55th Street Court and 55th Street Reconstruction
Preliminary Assessment Map



11/16/18

MAP NO.	PROPERTY TYPE	PID NO.	OWNER		OWNER ADDRESS	SITE ADDRESS	STREET & STORM		
							PER POLICY ASSESSMENT	BENEFIT CAP	PROPOSED ASSESSMENT
1	SF-TWIN	202210001170	TIMOTHY & NICHOLE BOEHMKE		1904 55TH STREET CT E	1904 55TH STREET CT E	\$9,814	\$6,562	\$6,562
2	SF-TWIN	202210001180	GALE R JR TIPTON & LORRIE A DETOMASO-TIPTON		1906 55TH STREET CT E	1906 55TH STREET CT E	\$9,814	\$6,562	\$6,562
3	SF-TWIN	202210001160	MARGARET J FOX		1908 55TH STREET CT E	1908 55TH STREET CT E	\$9,814	\$6,562	\$6,562
4	SF-TWIN	202210001150	JODI L SPITTAL SIEGEL		16800 MINNETONKA BLVD	1910 55TH STREET CT E	\$9,814	\$6,562	\$6,562
5	SF-TWIN	202210001140	FRANCISCO MARQUEZ BRENES		1912 55TH STREET CT E	1912 55TH STREET CT E	\$9,814	\$6,562	\$6,562
6	SF-TWIN	202210001130	JOHN F & RHONDA L NORMAN		1914 55TH STREET CT E	1914 55TH STREET CT E	\$9,814	\$6,562	\$6,562
7	SF-TWIN	202210001120	RANDOLPH REYNOLDS		1916 55TH STREET CT E	1916 55TH STREET CT E	\$9,814	\$6,562	\$6,562
8	SF-TWIN	202210001110	KATHLEEN R JAMISON		1918 55TH STREET CT E	1918 55TH STREET CT E	\$9,814	\$6,562	\$6,562
9	SF-TWIN	202210001100	RICHMOND O AMPORFUL		1920 55TH STREET CT E	1920 55TH STREET CT E	\$9,814	\$6,562	\$6,562
10	SF-TWIN	202210001090	BENJAMIN D KIRK		1922 55TH STREET CT E	1922 55TH STREET CT E	\$9,814	\$6,562	\$6,562
11	SF-TWIN	202210001080	KAYLA HALLIN & CHAD B HAGER		1924 55TH STREET CT E	1924 55TH STREET CT	\$9,814	\$6,562	\$6,562
12	SF-TWIN	202210001070	MARY M RILEY		1926 55TH STREET CT E	1926 55TH STREET CT E	\$9,814	\$6,562	\$6,562
13	SF-TWIN	202210001060	MARY KAYE SWEENEY		1928 55TH STREET CT E	1928 55TH STREET CT E	\$9,814	\$6,562	\$6,562
14	SF-TWIN	202210001050	DONALD JR & ROSE M L HUBBARD		1930 55TH STREET CT E	1930 55TH STREET CT E	\$9,814	\$6,562	\$6,562
15	SF-TWIN	202210001040	LAKE COVE VILLAGE PTNSHP		2716 OCEAN PARK BLVD STE 1055	55TH STREET CT E	\$9,814	\$6,562	\$6,562
16	SF-TWIN	202210001030	LAKE COVE VILLAGE PTNSHP		2716 OCEAN PARK BLVD STE 1055	55TH STREET CT E	\$9,814	\$6,562	\$6,562
17	SF-TWIN	202210001020	LAKE COVE VILLAGE PTNSHP		2716 OCEAN PARK BLVD STE 1055	55TH STREET CT E	\$9,814	\$6,562	\$6,562
18	SF-TWIN	202210001010	LAKE COVE VILLAGE PTNSHP		2716 OCEAN PARK BLVD STE 1055	55TH STREET CT E	\$9,814	\$6,562	\$6,562
19	COMM	207720001010	LOON OF MN LLC		5465 BABCOCK TRL	5465 BABCOCK TRL	\$41,514	\$43,569	\$41,514
20	SF	200321009010	TIMOTHY BUSS		1935 55TH ST E	1935 55TH ST E	\$9,814	\$6,562	\$6,562
21	SF	200321010010	STEPHEN D & CYNTHIA SCHMIDT		1915 55TH ST E	1915 55TH ST E	\$9,814	\$6,562	\$6,562
22	COMM	204427500010	LAKE COVE VILLAGE PTNSHP		2716 OCEAN PARK BLVD STE 1055	5365-5450 55TH ST E	\$68,262	\$63,996	\$63,996
23	MFR-DUPLEX	202440001030	JUSTIN L TSTE LAMBERT		8606 PRESTWICK LANE N	1826-30 55TH ST E	\$19,627	\$13,124	\$13,124
24	SF-TWIN	202440001022	JIN LI		5626 DONEGAL DR	1836 55TH ST E	\$9,814	\$6,562	\$6,562
25	SF-TWIN	202440001021	JIN LI		5626 DONEGAL DR	1840 55TH ST E	\$9,814	\$6,562	\$6,562
26	MFR-DUPLEX	202440001010	DAKOTA COUNTY CDA		1228 TOWN CENTRE DR	1846 55TH ST E	\$19,627	\$13,124	\$13,124
							\$276,122.00		

Appendix D: Questionnaire Responses

Location	Sump Pump	Pump Runs	Drains to	Sump Basket	Exterior Drain Tiles	French Drains	Water seepage	Explain the seepage	Private underground facility	Drainage Issues	Drainage Issue Comments	More information on roadside rain garden	Additional comments
1912 55th St Ct E	No				No	No	No		None	No		No	These answers are to my best knowledge, but I'm not 100% sure that there isn't electric wiring because I only lived there for 2 years
1910 55th St Ct E	Yes	After rainfall, seasonally	Unknown	No	Yes	No	Yes	Only very minor amounts if gutters would overflow or slope wasn't away from the foundation	None	No		No	
1914 55th St Ct E	No				No	No	No		None	No		No	
1908 55th St Ct E	Yes	Not at all	Basement	No	No	Yes	Yes	Not in the last 18 years	None	No		No	
1924 55th St Ct E	No				No	No	Yes	Unsure exactly. We discovered mold due to previous owners. Possibly due to roof structure and concrete slab under deck.	None	Yes	We always have standing water in our back yard after heavy rain or in the spring when the snow melts.	No	We are not in favor of this. We cannot afford an extra \$800. Please reconsider. Curious if anyone else is not in favor now that they know the cost.

Appendix E: Informational Meeting Summary

Open House Summary of Major Comments
55th Street Area Feasibility Information Meeting
November 28, 2018

- There were 6 people in attendance from 3 property owners and 1 property manager (Lake Cove).
- One resident was against the street reconstruction project and wanted a pavement rehabilitation project.
- Project was a Council initiated because the 55th Street Court petition didn't include 55th Street.
- 55th Street residents of 1915 55th Street stated that on street parking on 55th St. creates a hazard for them when trying to exit their driveway and a family member had been in a vehicle crash exiting the driveway. They stated that the increase in on-street parking occurred two years ago. They contacted the city and requested the street be parking by permit only. Staff informed the group that permit parking, curb painting and speed bumps are not permissible in Inver Grove Heights. Staff recommended they consider petitioning/requesting for a designated NO PARKING section of 55th Street to resolve their concern. This would need to be approved by Council. The item was left with the residents to consider because they had concerns about them or their guests not being able to park in front of their house.
- A resident asked about the traffic counting devices that showed up one day and were removed. There was consideration by staff for a larger traffic counting study, but it was determined that one is not warranted at this time. The devices were removed.
- The property owner affected by the proposed addition of sidewalk on the north side questioned the need. Staff responded that pedestrian connectivity between the Lake Cove Apartments and Babcock Trail seemed appropriate based on the existing dirt path in the boulevard and providing safe access to the gas station and future proposed Babcock sidewalk and trail.
- A resident asked about the project addressing the Babcock Trail pedestrian crossing. Staff responded that this is a County road and their jurisdiction. Any improvements would have to be initiated and funded by the County. Staff made them aware of the Babcock Trail trail study that called for a sidewalk on the west side and a trail on the east side of Babcock Trail.
- Staff had a discussion with the residents on the pros and cons of existing width vs reduced width streets. There general support to keep the existing street widths for 55th Street and 55th Street Court. In addition, the per-policy assessments would still be above the assessment cap. The proposed assessment amount would be the same for single family, twin homes, and vacant lots at the assessment cap amount. Duplexes will be assessed twice the amount of a single family or twin home parcel.
- Residents were notified that there will be NO PARKING posted in the 55th Street and 55th Street Court cul-de-sacs.
- Residents present had no issues with their sewer and water services.
- There were no drainage issues identified by those present.

- General discussion was held about stormwater improvements to include the addition of a water quality manhole to treat water prior to Schmidt Lake located at 55th Street cul-de-sac and 55th Street Court storm lines. No raingardens are being offered due to the unsuitable subgrade soils.
- Residents were made aware that all private ROW encroachments such as irrigation, invisible fence and landscaping are owner's responsibility. During construction, limits of will be staked to identify the extent of disturbance required for construction.
- Driveway reconstruction program and sump basket program were explained by staff, clarifying that both were owner choice to opt-in. There is only one resident that notified staff via the questionnaire their sump pump runs.
- Staff verified that the \$6,562 assessment cap for single family, twin homes and vacant lots and \$13,124 cap for duplexes, as well as other caps, would be followed if project is built in 2019. City wouldn't be raising assessments over the appraiser's recommendation for special benefit.
- Residents were interested in driveway access, mail and garbage service during construction. Staff explained that resident access would be maintained by the contractor, along with accommodations for mail and garbage service. Limited access during the working hours 7 am to 7 pm, Monday through Saturday. Full access to property during the non-working hours. Staff stated that longer driveway access delays would occur during curb placement and concrete driveway curing times when they can't drive over the concrete.

CITY OF INVER GROVE HEIGHTS

REQUEST FOR COUNCIL ACTION

Resolution Receiving Feasibility Study and Scheduling Public Hearing for City Project No. 2015-03 (65th Street Roadway and Drainage Improvements) and City Project No. 2018-03 – (65th Street Trunk Watermain Improvements)

Meeting Date: December 10, 2018
 Item Type: Consent
 Contact: Scott D. Thureen, 651.450.2571
 Prepared by: Scott D. Thureen, Public Works Director
 Reviewed by: 

Fiscal/FTE Impact:

☐	None
☐	Amount included in current budget
☐	Budget amendment requested
☐	FTE included in current complement
☐	New FTE requested – N/A
☒	Other: Municipal State Aid Funds, Special Assessments, Developer Funds, City Funds

PURPOSE/ACTION REQUESTED

Resolution receiving feasibility study and scheduling public hearing for City Project No. 2015-03 (65th Street Roadway and Drainage Improvements) and City Project No. 2018-03 – (65th Street Trunk Watermain Improvements).

SUMMARY

The subject feasibility study was prepared, at Council direction, to consider a project to construct 65th Street between Trunk Highway (TH) 3 and Argenta Trail. The project is needed to provide a permanent access to the Blackstone Ridge plat and the Woodwind plat (which are both under construction). Both are currently served by a temporary access to 70th Street (County State Aid Highway 26). At build-out the plats will have 123 houses. The street would also provide access to property owned by Land Source Capital, LLC and property owned by Ace-in-the-Hole Real Estate, LP.

The study was previously considered in April 2017. Based on Council and property owner input, the project scope was revised resulting in a lower proposed preliminary assessment. The proposed date for a public hearing to consider ordering the project is January 14, 2019. Prior to that date, staff will meet individually with the three large acreage property owners, a representative of U.S. Home Corporation (the builder in Settlers Ridge and Windwood Second Addition) and hold an information meeting for the new homeowners in Settler's Ridge.

I recommend approval of the resolution receiving feasibility study and scheduling public hearing for City Project No. 2015-03 (65th Street Roadway and Drainage Improvements) and City Project No. 2018-03 – (65th Street Trunk Watermain Improvements).

SDT/kf

Attachments: Resolution
 Feasibility Study

**CITY OF INVER GROVE HEIGHTS
DAKOTA COUNTY, MINNESOTA**

**RESOLUTION RECEIVING FEASIBILITY REPORT, SCHEDULING A PUBLIC HEARING,
AUTHORIZING PREPARATION OF PLANS AND SPECIFICATIONS, AND AUTHORIZING LAND
ACQUISITION SERVICES FOR CITY PROJECT NO. 2015-03 (65TH STREET ROADWAY AND
DRAINAGE IMPROVEMENTS) AND CITY PROJECT NO. 2018-03 – (65TH STREET TRUNK
WATERMAIN IMPROVEMENTS)**

RESOLUTION NO. _____

WHEREAS, on May 11, 2015, the City Council approved a consulting engineering services proposal from WSB & Associates, Inc. for preparation of a feasibility study for City Project No. 2015-03 – 65th Street Improvements (aka, 65th Street Roadway and Drainage Improvements); and

WHEREAS, on September 24, 2018, the City Council approved a consulting engineering services proposal from WSB & Associates, Inc. for preparation of a feasibility study for City Project No. 2018-03 – NWA Trunk Watermain Improvements – 65th Street Loop (Phase 4 of 2015-12) from Agate Trail to future Argenta Trail right-of-way (aka, 65th Street Trunk Watermain Improvements); and

WHEREAS, a feasibility report has been prepared by the Public Works Director with reference to City Project Nos. 2015-03 and 2018-03; and

<u>Project No.</u>	<u>Improvements</u>
2015-03	Roadway improvements (bituminous removal, concrete removal, subgrade excavation/correction, grading, granular subgrade, aggregate base, bituminous pavement), milling, curb and gutter, storm sewer, storm water management facilities, street lights, pedestrian trail and sidewalks, appurtenances and restoration.
2018-03	Excavation, grading, watermain, valves, hydrants, appurtenances and restoration.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF INVER GROVE HEIGHTS THAT: Said report is hereby received by the City Council of the City of Inver Grove Heights on December 10, 2018.

1. The City Council will consider the above-mentioned improvements in accordance with the report and consider a funding package using Municipal State Aid Funds, special assessments, developer funds, or other sources as determined by the City Council, at an estimated total combined cost of \$3,060,595.
2. A public hearing will be held on such improvements at 7:00 p.m. on January 14, 2019 in the City Council Chambers at 8150 Barbara Avenue and the City Clerk shall give mailed and published notice of such hearing and improvements as required by law.
3. The City and its consultant are hereby authorized to prepare the plans for said projects.
4. The City Attorney and staff are authorized to being preparation for land acquisition services, if necessary.

Adopted by the City Council of the City of Inver Grove Heights this 10th day of December 2018

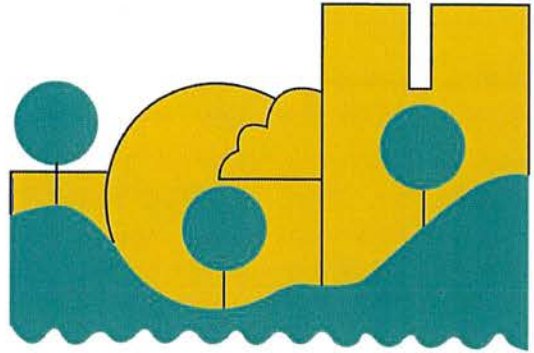
AYES:

NAYS:

ATTEST:

George Tourville, Mayor

Michelle Tesser, City Clerk



FEASIBILITY REPORT

65th STREET & UTILITY IMPROVEMENTS

INVER GROVE HEIGHTS | MINNESOTA | DAKOTA COUNTY

December 10, 2018

Prepared for:
City of Inver Grove Heights
8150 Barbara Avenue
Inver Grove Heights, MN 55077

CITY PROJECT NOS. 2015-03 & 2018-03
WSB PROJECT NO. 1702-260



FEASIBILITY REPORT

65TH STREET & UTILITY IMPROVEMENTS

CITY PROJECT NO. 2015-03 (Roadway & Drainage Improvements)
CITY PROJECT NO. 2018-03 (Trunk Watermain Improvements)

FOR:
CITY OF INVER GROVE HEIGHTS, MINNESOTA

December 10, 2018

Prepared By:





December 10, 2018

Honorable Mayor and City Council
City of Inver Grove Heights
8150 Barbara Avenue
Inver Grove Heights, MN 55077

Re: Feasibility Report
65th Street & Utility Improvements
City Project Nos. 2015-03 & 2018-03
City of Inver Grove Heights, MN
WSB Project No. 1702-260

Dear Honorable Mayor and City Council Members:

The following is a feasibility report which addresses roadway, drainage, and watermain improvements for the 65th Street & Utility Improvement Project in the City of Inver Grove Heights. The purpose of this study was to further evaluate the feasibility of the infrastructure needs of the Northwest Area. A community collector street system, including drainage, was evaluated that promotes east-west connectivity between future Argenta Trail West and Robert Trail South (TH 3) along the future 65th Street alignment. The proposed trunk watermain extension is needed to provide the final link for connecting two existing trunk watermain between TH 3 and Blackstone Ridge Development.

We would be happy to discuss this report with you at your convenience. Please call me at 763-541-4800 if you have any questions.

Sincerely,

WSB & Associates, Inc.

A handwritten signature in black ink that reads "Brad Reifsteck".

Brad Reifsteck, PE
Project Manager

Enclosure

CERTIFICATION

I hereby certify that this plan, specification, or report was prepared by me or under my direct supervision and that I am a duly licensed professional engineer under the laws of the State of Minnesota.



Brad Reifsteck, PE

Date: December 10, 2018

Lic. No. 47930

Quality Control Review Completed By:

Ben Bakk, PE

Date: December 10, 2018

Lic. No. 56192

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LETTER OF TRANSMITTAL

CERTIFICATION SHEET

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APPENDIX A

Project Location Map

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Preliminary Assessment Map

Preliminary Assessment Roll

1. EXECUTIVE SUMMARY

The 65th Street & Utility Improvement Project, City Project Nos. 2015-03 and 2018-03, are important projects in preparing the Northwest Area for future development.

65th Street and Drainage Improvements

The 65th Street Roadway & Drainage Improvements, City Project No. 2015-03, was originally initiated by the outcomes established in the "Northwest Area Collector Street Plan" final report prepared by WSB in cooperation with other local agencies. A project location map can be found in **Appendix A**.

As land development has progressed in this area, the City has identified 65th Street as an important segment to building the Northwest Area transportation system. The 65th Street Roadway & Drainage Improvements will continue to progress in phases as development occurs and funding becomes available. Phase 1 is currently under construction and includes the roadway improvement of TH 3 for the intersection of 65th Street known as City Project No. 2017-24.

The 65th Street & Utility Improvement Project outlined in this report represents Phase 2 only and involves roadway and drainage improvements along 65th Street between TH 3 and the future Argenta Trail as shown on **Figure A1.1** in **Appendix A**. Phase 1 and 2 are scheduled to be completed during the 2019 construction season, while Phase 3 is planned to be completed as part of Dakota County's future Argenta Trail Improvement project.

Northwest Area Trunk Watermain Improvements

The City just recently completed Phase 3 of the 65th Street Loop trunk watermain extension between TH 3 and Agate Trail, known as City Project No 2017-03. This report examines the feasibility of extending the 65th Street Loop from its current termini at Agate Trail, then west along the future 65th Street alignment. This segment will complete the Robert District Trunk Watermain Loop providing better flow and fire protection, and serves to further extend the existing trunk watermain in anticipation of further expansion of the Argenta District Watermain Loop in the future. The proposed trunk watermain improvements are shown in **Exhibit A1.2** in **Appendix A**.

Funding and Costs

The estimated project costs are prepared separately to distinguish between the type of infrastructure improvements discussed and City project number and include a 10% contingency; 28% for indirect costs for legal, engineering, administrative, and financing; and estimated costs for easement and right-of-way acquisition. The total costs are estimated at **\$3,060,595** and are summarized below by City project number:

City Project No. 2015-03 – Roadway & Drainage Improvements estimated project cost is **\$2,748,420**.
City Project No. 2018-03 – Trunk Watermain Improvements estimated project cost is **\$312,175**.

The detailed estimated project cost for each City project number can be found in **Appendix B** of this report.

This project will be funded through a combination of State Aid funds, Special Assessments, and City funds. It is assumed that the 65th Street Roadway & Drainage Improvements will be placed on the State Aid system such that the potential to fund portions of the proposed transportation improvements using State Aid dollars will exist. The Trunk Watermain Improvements will be funded using City Funds.

The proposed project is feasible, necessary, and cost-effective from an engineering standpoint. It is our recommendation that the improvements be implemented as outlined in this report.

2. INTRODUCTION

2.1 Authorization

On May 11, 2015, the City of Inver Grove Heights Council authorized the preparation of a feasibility report for the 65th Street Roadway & Drainage Improvements. This project is included in the City's Capital Improvement Program and has been designated as City Project No. 2015-03.

On September 24, 2018, the City of Inver Grove Heights Council authorized the preparation of a feasibility report for the 65th Street Trunk Watermain Improvements. This project is included in the City's Capital Improvement Program and has been designated as City Project No. 2018-03.

2.2 Scope

This report includes proposed roadway improvements, trails, storm sewer, and trunk watermain improvements.

A project location map can be found in **Appendix A** of this report.

2.3 Data Available

Information and materials used in the preparation of this report include the following:

- Field Observations of the area and discussions with City staff and other agencies
- "Northwest Area Collector Street Plan" final report
- LiDAR Elevation Data
- AASHTO "Green Book"
- City of Inver Grove Heights 2030 Comprehensive Plan Update, 2010
- City of Inver Grove Heights Standard Detail Plates: STR-01,06,12,15
- City of Inver Grove Heights Storm Water Utility FAQ
- City of Inver Grove Heights City Project No. 2017-24
- City of Inver Grove Heights City Project No. 2017-03

3. BACKGROUND

3.1 Roadway and Drainage Improvements

The Northwest Area Collector Plan (NWA) was focused on a layout for a collector street system to serve the long-term development of the Northwest Area of the City of Inver Grove Heights. The plan identified preliminary vertical and horizontal alignments for the streets, along with approximate right-of-way requirements. The alignments were developed with consideration of the terrain, natural features, regional storm water features, as well as for the provision of viable access for adjacent properties.

The existing land use as shown in the City's 2030 Comprehensive Plan for the proposed 65th Street corridor discussed in this report consists of primarily vacant lots or is zoned rural residential. The 2030 Comprehensive land use has designated the future use of this property as low- to medium-density residential. Some land development along this corridor already has occurred and additional developments are expected to begin in the near future.

In general, the City would like to encompass the "Complete Streets" philosophy, where a transportation corridor is designed to provide safe and efficient travel for multiple modes of transportation, including bicycles, walking, and driving. **Figure C**, found in **Appendix C**, displays the typical section for the 65th Street roadway.

3.2 Trunk Watermain

The Trunk Watermain Improvements, City Project No. 2018-03, included with this report completes the Robert District Watermain Loop between Harmon Park and the Blackstone Ridge development and prepares for the future connection of the Argenta District Watermain Loop west of the future Argenta Trail.

The City just recently completed Phase 3 of the Robert District Watermain Loop, City Project No. 2017-03, between TH 3 to Agate Trail as part of the roadway improvements of TH 3 for the intersection of 65th Street. Phase 4 involves the extension of a proposed 16-inch trunk watermain along 65th Street between Agate Trail to an existing 16-inch trunk watermain located at Alverno Lane..

A 16-inch trunk watermain along 65th Street will also be extended beyond Alverno Lane terminating at the east right-of-way line of the future Argenta Trail to prepare for the future connection of the Argenta District Watermain Loop.

In addition, strategic hydrants, valves, and stubs will be placed along the trunk watermain to accommodate any future developments north or south of 65th Street. The proposed trunk watermain improvements are shown in **Exhibit A1.2 in Appendix A**.

4. PROPOSED IMPROVEMENTS

4.1 Roadway & Drainage

The primary standards, with respect to the development of the collector roadway system, include size of the roadway needed to accommodate the anticipated traffic, which are projected to be fewer than 11,000 vehicles per day. The maximum design speed for the collector roadway is 45 mph.

The roadway design for 65th Street is 42 feet wide and includes two 14-foot drive lanes and a 14-foot center two-way left turn lane, as shown in **Figure D 1**. A 10-foot bituminous multi-use trail is included on the north side of the roadway to offer safe pedestrian and bicycle traffic the entire length of the proposed roadway. The proposed 100-foot right-of-way (ROW) accommodates permanent utilities, drainage, and future trails if needed.

The roadway plan and profiles shown in **Figures E 1.0** and **E 1.1** meet the City's design standards for a collector street and MnDOT State Aid design criteria for a 45 mph maximum design speed. The existing profile along the proposed centerline alignment indicates the natural slope of the land is characterized by large changes in elevation, with the presence of high hills and low valleys within proximity of one another. Because of the natural terrain of the surrounding area and the design criteria mentioned above, a large mass of earthwork will be required to complete this project. Most of the earthwork will be completed in 2018 as part of the improvements to TH 3 and the 65th Street Project, City Project No. 2017-24.

The roadway profile indicates three major low points and one major high point along the roadway alignment. A roadway drainage system will be necessary to facilitate storm water for the 65th Street Improvement project. This system will consist of manholes, catch basins, concrete pipe, and regional storm water ponds, as shown in **Figures E 1.0** and **E 1.1**. Concrete curb and gutters are proposed to direct storm water to drainage inlets spaced according to MnDOT State Aid spread criteria based upon the longitudinal slope, design speed, and width of each driving lane. For the purposes of this report we used a maximum spacing of 350 feet between inlets along tangential roadway segments and strategically placed inlets along curves and future local roadway intersections. Storm sewer pipe sizes for this report were determined by starting at the upstream most main line pipe with the minimum pipe size allowed for City storm sewer and incrementally upsizing the adjacent downstream pipe size by three inches until reaching the low point outfall. This is a conservative approach and general engineering practice for the initial iteration for determining pipe sizes. During final design, storm sewer pipes will be sized according to the rational method using a 10-year storm event and meeting the drainage requirements for MnDOT State Aid funded streets.

Stormwater will be treated in nearby existing ponds shown as Pond C & D in **Figures E1.0 and E1.1**. These ponds were designed previously to meet the NWA stormwater runoff and rate control requirements and to accommodate drainage from the 65th Street Roadway corridor during the development of other adjacent projects.

4.2 Trunk Watermain

The proposed watermain will be a 16-inch diameter pipe that will serve future developments along 65th Street as they occur. The proposed watermain will connect to an existing 16-inch watermain at Agate Trail and extend west along 65th Street to the east right-of-way line of the future Argenta Trail as shown in **Exhibit A1.2** in **Appendix A**. In addition, a trunk watermain connection will be made at Averno Court located in the Blackstone Ridge development completing the Roberts District Trunk Watermain Loop.

4.3 Right-of-Way

A 100-foot right-of-way is currently in place for the 65th Street corridor between TH 3 and the west parcel boundary for the Westwood 2nd Addition as shown in **Figure D1.0** in **Appendix D**.

A 50-foot right-of-way with drainage and utility easements along 65th Street was dedicated to the City by Blackstone Ridge during the development process as shown in **Figure D1.0** in **Appendix D**.

An additional 50-foot right-of-way adjacent to the parcel identified as Ace in the Hole Real Estate will be required to complete the 100-foot right-of-way along 65th Street between the Source Land Capital parcel and the future Argenta Trail. Temporary easements will also be required from Ace in the Hole Real Estate parcel to construct the roadway embankments as shown in **Figure D1.0** in **Appendix D** but all other work will take place within the proposed or existing right-of-way or drainage and utility easements.

4.4 Permits/Approvals

This project is anticipated to disturb more than one acre; and therefore, National Pollution Discharge Elimination System (NPDES) permits will be required.

Permits for work within the right-of-way will be required from MnDOT near TH 3 (Robert Trail South).

A permit from the Minnesota Department of Health will be required to facilitate watermain installation.

5. FINANCING

5.1 Opinion of Probable Project Cost

A detailed breakdown of the cost opinion for the proposed project can be found in **Appendix B** of this report. The opinion of cost incorporates estimated 2019 construction costs and includes a 10% contingency factor. Indirect costs are projected at 28% of the estimated construction costs and include legal, engineering, administrative, and financing. The estimated cost to acquire needed easements or right-of-way is also included. A breakdown of costs for each City project number is shown in **Table 5.1** below.

Table 5.1 65th Street & Utility Improvements Cost		
City Project No.	Description	Total
2015-03	Schedule A Surface Improvements	\$2,233,020
2015-03	Schedule B Drainage Improvements	\$515,400
2015-03	Subtotal Schedule A + B	\$2,748,420
2018-03	Schedule C Trunk Watermain Improvements	\$312,175
2018-03	Subtotal Schedule C	\$312,175
TOTAL COST		\$3,060,595

Additional costs may be required for addressing potential private utility conflicts. . An existing overhead electrical transmission line crossing may pose a conflict with the future alignment of 65th Street near the west edge of the Blackstone Ridge parcel. Further investigation during preliminary design should be exercised to determine if a conflict exists and to what extent, including any cost implications.

5.2 Funding

Funding for the 65th Street Roadway, Drainage, and Trunk Watermain Improvements will come from a combination of City funds, Municipal State Aid funds, and special assessments. A breakdown by funding source for each City project number is shown in **Table 5.2a** and **Table 5.2b**.

Table 5.2a – City Project No. 2015-03 Roadway & Drainage Improvements	
Funding Source	Total
Municipal State Aid Funds	\$1,537,622
NWA Storm Water Fund	\$154,620
NWA Water Fund	\$94,232
Special Assessments	\$961,946
CITY PROJ. NO. 2015-03 TOTAL FUNDING	\$2,748,420

Table 5.2b – City Project No. 2018-03 Trunk Watermain Improvements	
Funding Source	Total
NWA Water Fund	\$312,175
CITY PROJ. NO. 2018-03 TOTAL FUNDING	\$312,175

5.2.1 Special Assessments

The proposed special assessment amounts were determined assuming that 35 percent of the total project cost would be specially assessed. The total proposed assessment amount for City Project No. 2015-03 is \$961,946. The methodology used to compute the proposed assessment for the undeveloped parcels along the right-of-way corridor applies the actual average number of single-family residential (SFR) developments in the Northwest Area that have been approved to date to the gross acreage in the identified corridor. This subtotal was added to the actual number of SFR lots in the Blackstone Ridge and Windwood Second Addition plats.

The property at 6637 Robert Trail South was given the equivalent of one SFR lot. There are two reasons for this decision. The northern portion of the parcel contains a large high-value home that has access from T.H. 3 but could access 65th Street at its northwest corner if needed. The southern portion of the parcel would have access via future 67th Street if it was developed.

The portion of the parcel that is owned by Ace-in-the-Hole Real Estate LP was assumed to be developed to the aforementioned SFR density for the assessment calculation. That area (shown in Appendix F) was calculated to hold 50 SFR lots.

The four contiguous parcels owned by Source Land Capital, LLC were also assumed to be developed to the aforementioned SFR density. Those parcels were calculated to hold 57 SFR lots. The total will be spread between the four parcels based on the percentage of the combined area that each contains. The 44 SFR lots in the Windwood Second Addition are covered by a waiver of assessment appeal agreement for an amount of up to \$5,273 per lot. The 79 SFR lots in the Blackstone Ridge plat have a portion of the assessment cost covered by a payment of \$149,586 that the developer provided as part of the original development approval.

The cumulative number of SFR lots assumed for the assessment calculation is 231. This results in a proposed per lot assessment of \$4,164.27. The assessments for the 79 lots in Blackstone Ridge would be reduced by \$1,893.49 (to \$2,270.78) due to the portion of the cost that was pre-paid by the developer.

The parcel owned by Ace-in-the-Hole Real Estate, LP is currently in the "Green Acres" and is exempt from paying an assessment until it is sold, transferred, subdivided, withdrawn from the program or becomes ineligible. Staff recommends that the assessment to this parcel be deferred without interest until either of those conditions are met. The preliminary assessment roll is included in Appendix F.

6. PROJECT SCHEDULE

The project schedule assumes the project is ready to move into the preliminary and final design phases after Council conducts a public hearing and orders the project as shown below.

Accept Feasibility Report/Schedule Public Hearing	December 10, 2018
Information Meetings.....	December 11-21, 2018
Publish Public Hearing Notice.....	December 16 and 23, 2018
Mail Public Hearing Notice.....	January 2, 2019
Public Hearing/Order Project/Authorize Ad for Bid/Authorize Eminent Domain/Schedule Assessment Hearing	January 14, 2019
Start Eminent Domain	January 15, 2019
Publish Ad for Bid.....	January 20, 2019
Mail Assessment Hearing Notice	February 8, 2019
Publish Assessment Hearing Notice	February 10, 2019
Open Bids	February 11, 2019
Assessment Hearing/Contract Award	February 25, 2019
Eminent Domain Complete.....	July 1, 2019
Estimated Construction Start	May or July 2019
Estimated Substantial Completion	September or November 2019

7. FEASIBILITY AND RECOMMENDATION

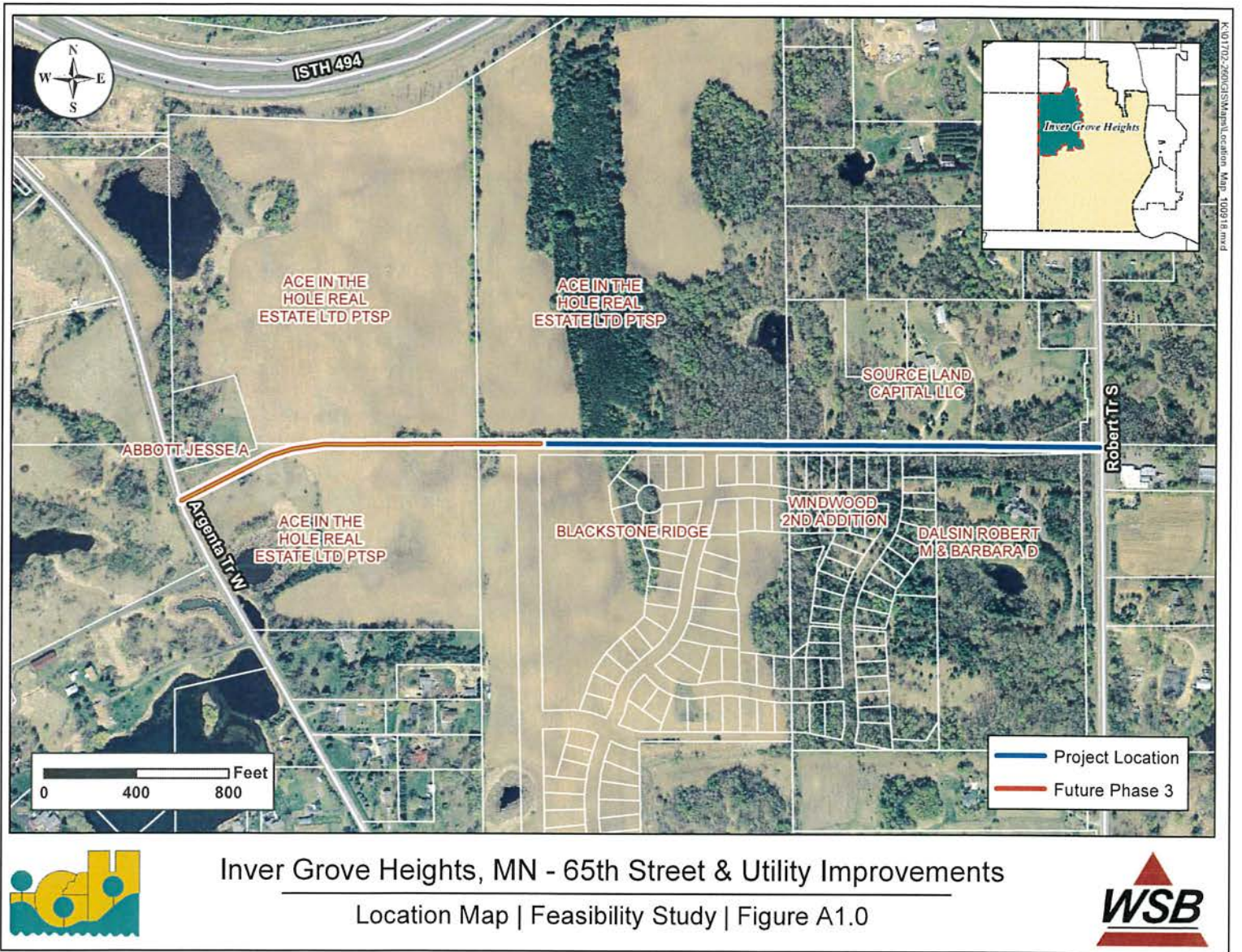
The 65th Street & Utility Improvements includes a new segment of a community collector street and trunk watermain systems between Robert Trail South (TH 3) and the future Argenta Trail in the Northwest Area of the City of Inver Grove Heights.

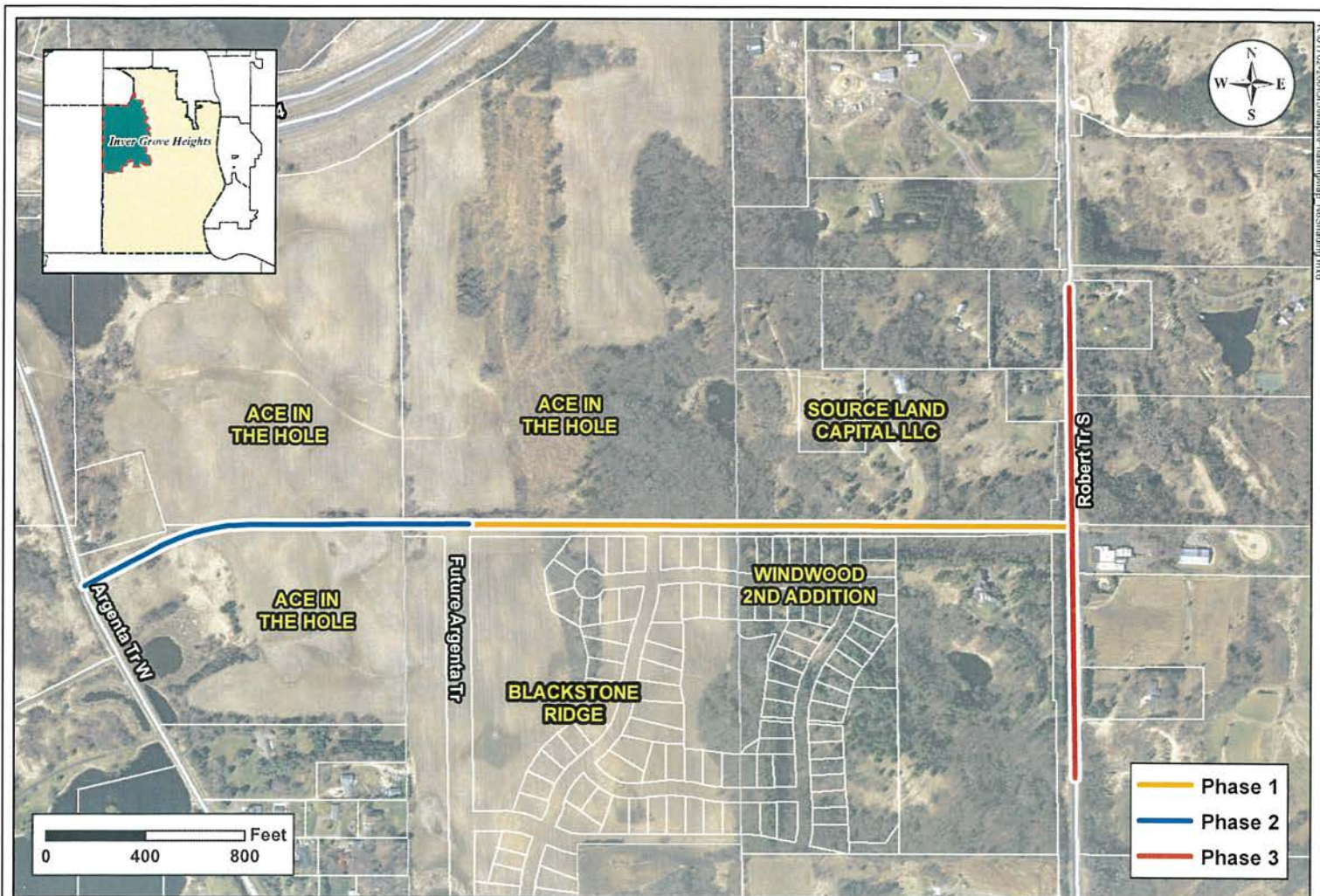
Project improvement costs are anticipated to be approximately **\$3,060,595**. Proposed funding for the project is provided through a combination of City funds, State Aid funds, and special assessments.

The proposed project is feasible, necessary, and cost-effective from an engineering standpoint. It is our recommendation that the improvements be implemented as outlined in this report.

APPENDIX A

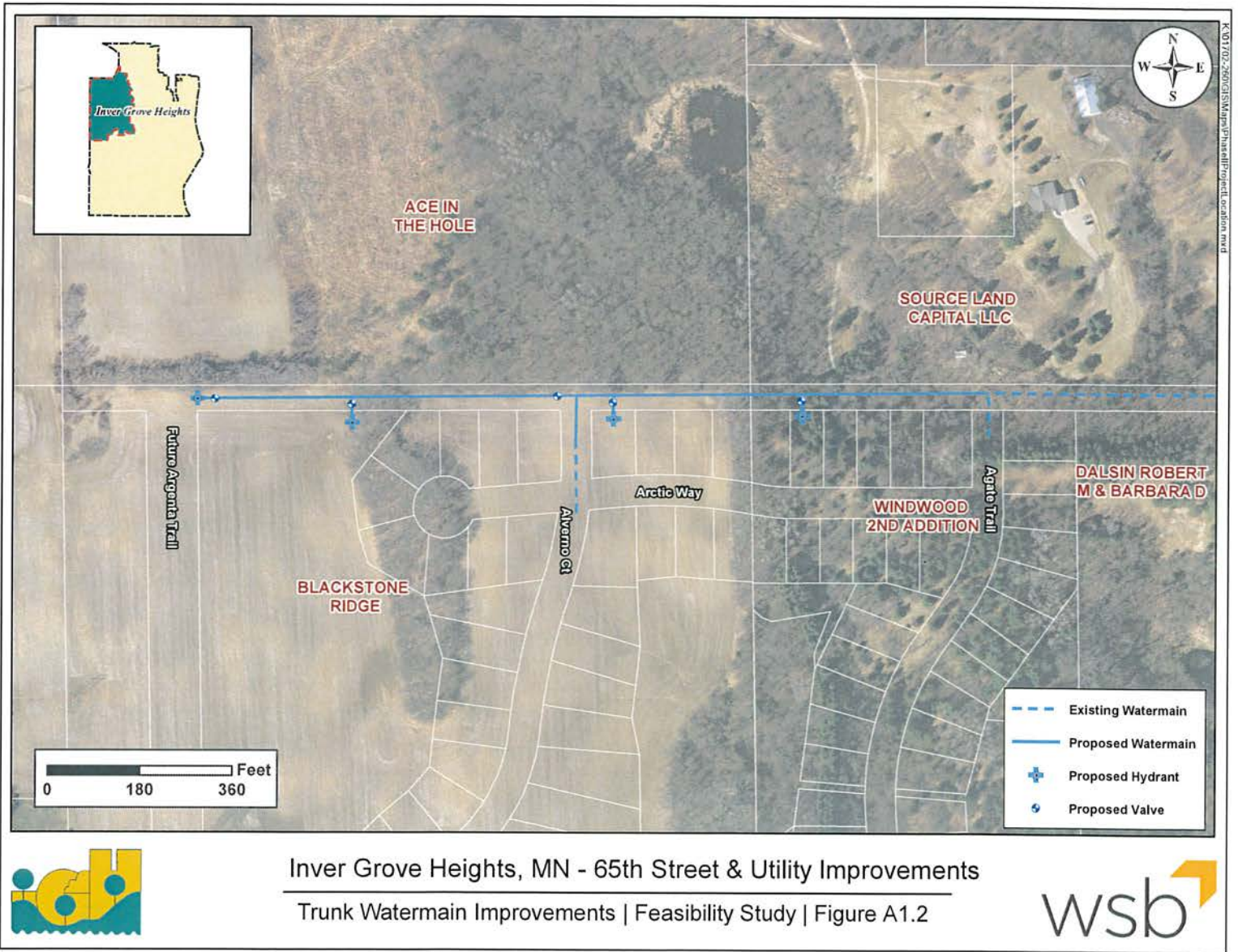
**Project Location Map
Project Phasing Map
Trunk Watermain Map**





Inver Grove Heights, MN - 65th Street & Utility Improvements
 Project Phasing Map | Feasibility Study | Figure A1.1





APPENDIX B
Opinion of Probable Cost

Opinion of Probable Cost

<i>WSB Project:</i> 65th Street & Utility Improvement Project (TH 3 - Future Argenta Trl)	<i>Design By:</i> BAR
<i>Project Location:</i> City of Inver Grove Heights	<i>Checked By:</i>
<i>City Project No.:</i> 2015-03, 2018-03	
<i>WSB Project No:</i> 1702-260	<i>Date:</i> 10/8/2018

Item No.	MN/DOT Specification No.	Description	Unit	Estimated Total Quantity	Estimated Unit Price	Estimated Total Cost
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A. SURFACE IMPROVEMENTS

1	2021.501	MOBILIZATION	LUMP SUM	1	\$93,000.00	\$93,000.00
2	2101.501	CLEARING	ACRE	5.0	\$1,500.00	\$7,500.00
3	2101.506	GRUBBING	ACRE	5.0	\$1,500.00	\$7,500.00
4	2104.505	REMOVE BITUMINOUS PAVEMENT	SQ YD	36	\$3.25	\$117.00
5	2104.513	SAWING BITUMINOUS PAVEMENT (FULL DEPTH)	LIN FT	125	\$4.00	\$500.00
6	2105.501	COMMON EXCAVATION (P)	CU YD	8,500	\$25.25	\$214,625.00
7	2105.507	SUBGRADE EXCAVATION	CU YD	5,400	\$10.00	\$54,000.00
8	2105.522	SELECT GRANULAR BORROW (CV)	CU YD	11,100	\$15.00	\$166,500.00
9	2105.607	EXCAVATION SPECIAL LV)	CU YD	25,000	\$10.00	\$250,000.00
10	2105.525	TOPSOIL BORROW (CV)	CU YD	800	\$35.00	\$28,000.00
11	2105.604	GEOTEXTILE FABRIC TYPE V	SQ YD	18,300	\$2.50	\$45,750.00
12	2112.501	SUBGRADE PREPARATION	ROAD STA	25	\$300.00	\$7,500.00
13	2123.610	STREET SWEEPER (WITH PICKUP BROOM)	HOURL	15	\$140.00	\$2,100.00
14	2130.501	WATER	MGAL	40	\$40.00	\$1,600.00
15	2211.501	AGGREGATE BASE CLASS 5	TON	5,000	\$15.00	\$75,000.00
16	2357.502	BITUMINOUS MATERIAL FOR TACK COAT	GALLON	600	\$3.50	\$2,100.00
17	2360.501	TYPE SP 12.5 WEARING COURSE MIX (2,C)	TON	1,390	\$72.00	\$100,080.00
18	2360.502	TYPE SP 12.5 NON WEAR COURSE MIX (2,C)	TON	1,390	\$72.00	\$100,080.00
19	2360.502	TYPE SP 12.5 NON WEAR COURSE MIX (2,B)	TON	1,390	\$72.00	\$100,080.00
19	2360.503	TYPE SP 12.5 WEARING COURSE MIX (2,C) (3.0" THICK)	SQ YD	3,000	\$30.00	\$90,000.00
20	2505.601	UTILITY COORDINATION	LUMP SUM	1	\$10,000.00	\$10,000.00
21	2531.501	CONCRETE CURB & GUTTER DESIGN B618	LIN FT	5,670	\$13.00	\$73,710.00
22	2531.618	TRUNCATED DOMES	SQ FT	16	\$45.00	\$720.00
23	2563.601	TRAFFIC CONTROL	LUMP SUM	1	\$10,000.00	\$10,000.00
24	2564.531	SIGN PANELS TYPE C	SQ FT	30	\$40.00	\$1,200.00
25	2564.602	SIGN PANELS TYPE D	EACH	2	\$275.00	\$550.00
26	2571.501	CONIFEROUS TREE 8' HT B&B	TREE	30	\$500.00	\$15,000.00
27	2571.502	DECIDUOUS TREE 2.5" CAL B&B	TREE	30	\$500.00	\$15,000.00
28	2573.502	SILT FENCE, TYPE MACHINE SLICED	LIN FT	2,835	\$3.00	\$8,505.00
29	2573.602	TEMPORARY ROCK CONSTRUCTION ENTRANCE	EACH	3	\$1,200.00	\$3,600.00
30	2573.603	BIOROLL	LIN FT	2,200	\$3.50	\$7,700.00
31	2575.502	SEED MIXTURE 250	POUND	300	\$5.00	\$1,500.00
32	2575.523	EROSION CONTROL BLANKETS CATEGORY 3	SQ YD	14,520	\$3.00	\$43,560.00
33	2575.605	TURF MAINTENANCE	LUMP SUM	1	\$10,000.00	\$10,000.00
34	2575.605	HYDROSEEDING	ACRE	6	\$5,000.00	\$30,000.00
35	2582.501	PVMT MSSG (LT ARROW) - EPOXY	EACH	8	\$150.00	\$1,600.00
36	2582.501	PVMT MSSG (RT ARROW) - EPOXY	EACH	8	\$150.00	\$1,600.00
37	2582.502	12" SOLID LINE WHITE-EPOXY	LIN FT	21	\$5.00	\$105.00
38	2582.502	4" DOUBLE SOLID LINE YELLOW - EPOXY	LIN FT	2,600	\$1.50	\$3,900.00
39	2582.503	CROSSWALK MARKING - EPOXY	SQ FT	32	\$10.00	\$1,600.00

CONSTRUCTION SUBTOTAL **\$1,585,880.00**

CONTINGENCY TOTAL (10%) **\$158,588.00**

CONSTRUCTION TOTAL **\$1,744,468.00**

INDIRECT COST TOTAL (28%) **\$488,451.04**

PHASE 2 TOTAL PROJECT COST - SCHEDULE A. SURFACE IMPROVEMENTS **\$2,233,020.00**

Opinion of Probable Cost

WSB Project: 65th Street & Utility Improvement Project (TH 3 - Future Argenta Trl)
 Project Location: City of Inver Grove Heights
 City Project No.: 2015-03, 2018-03
 WSB Project No: 1702-260

Design By: BAR
 Checked By:
 Date: 10/8/2018

Item No.	MN/DOT Specification No.	Description	Unit	Estimated Total Quantity	Estimated Unit Price	Estimated Total Cost
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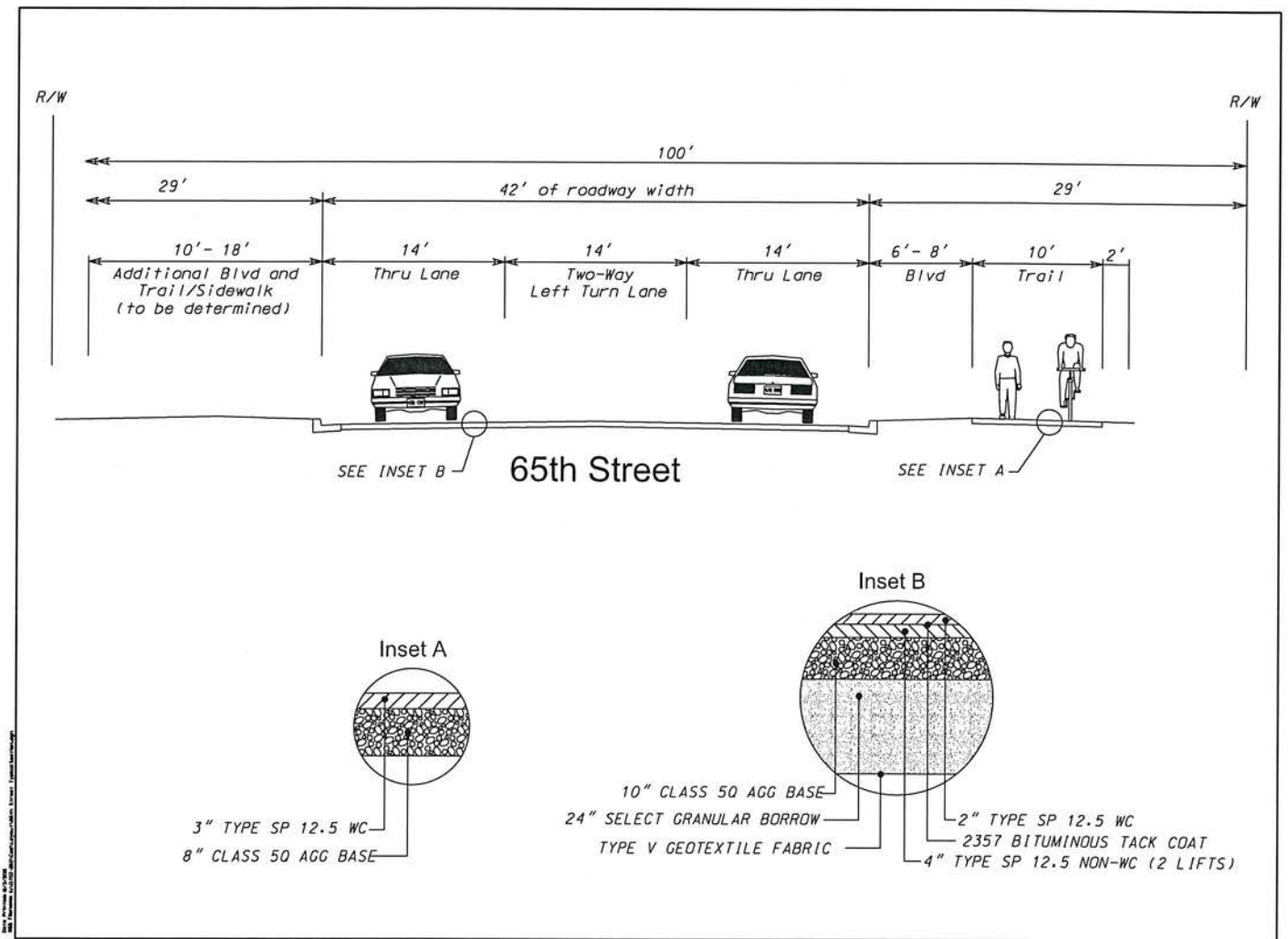
B. DRAINAGE IMPROVEMENTS

40	2105.511	POND EXCAVATION (P)	CU YD	10,000	\$10.00	\$100,000.00
41	2502.541	4" PERF PVC PIPE DRAIN	LIN FT	5,000	\$8.00	\$40,000.00
42	2503.541	15" RC PIPE SEWER DESIGN 3006 CL V	LIN FT	599	\$34.00	\$20,366.00
43	2503.541	18" RC PIPE SEWER DESIGN 3006 CL V	LIN FT	448	\$36.00	\$16,128.00
44	2503.541	24" RC PIPE SEWER DESIGN 3006 CL III	LIN FT	338	\$45.00	\$15,210.00
45	2503.541	30" RC PIPE SEWER DESIGN 3006 CL III	LIN FT	24	\$65.00	\$1,560.00
46	2501.515	24" RC PIPE APRON	EACH	0	\$1,200.00	\$0.00
47	2501.515	30" RC PIPE APRON	EACH	1	\$1,500.00	\$1,500.00
48	2506.602	CONST DRAINAGE STRUCTURE DES 48-4020	EACH	14	\$2,500.00	\$35,000.00
49	2506.602	CONST DRAINAGE STRUCTURE DES 60-4020	EACH	2	\$3,500.00	\$7,000.00
50	2506.516	CASTING ASSEMBLY	EACH	37	\$850.00	\$31,450.00
51	2506.602	CONSTRUCT DRAINAGE STRUCTURE DESIGN H	EACH	22	\$1,600.00	\$35,200.00
52	2511.501	RANDOM RIPRAP CLASS III	CU YD	35	\$75.00	\$2,625.00
53	2105.601	EXCAVATION SPECIAL 1 (STORM WATER POND)	LUMP SUM	1	\$60,000.00	\$60,000.00
CONSTRUCTION SUBTOTAL						\$366,040.00
CONTINGENCY TOTAL (10%)						\$36,604.00
CONSTRUCTION TOTAL						\$402,644.00
INDIRECT COST TOTAL (28%)						\$112,740.32
SUBTOTAL PROJECT COST - SCHEDULE B. DRAINAGE IMPROVEMENTS						\$515,400.00

C. TRUNK WATERMAIN IMPROVEMENTS

54	2021.501	MOBILIZATION	LUMP SUM	1	\$72,900.00	\$72,880.00
55	2504.602	CONNECT TO EXISTING WATER MAIN	EACH	2	\$2,000.00	\$4,000.00
56	2504.608	DUCTILE IRON FITTINGS	POUND	1,317	\$5.00	\$6,585.00
57	2504.603	8" WATER MAIN PVC C900	LIN FT	100	\$45.00	\$4,500.00
58	2504.603	16" WATERMAIN PVC C900	EACH	1,000	\$85.00	\$85,000.00
59	2503.603	24" STEEL CASING	LIN FT	120	\$85.00	\$10,200.00
60	2504.602	HYDRANT ASSEMBLY WITH LEAD	EACH	4	\$5,000.00	\$20,000.00
61	2504.602	16" GATE VALVE AND BOX	EACH	1	\$8,500.00	\$8,500.00
62	2504.602	8" GATE VALVE AND BOX	EACH	2	\$5,000.00	\$10,000.00
CONSTRUCTION SUBTOTAL						\$221,670.00
CONTINGENCY TOTAL (10%)						\$22,167.00
CONSTRUCTION TOTAL						\$243,837.00
INDIRECT COST TOTAL (28%)						\$68,274.36
SUBTOTAL PROJECT COST - SCHEDULE C. TRUNK WATERMAIN IMPROVEMENTS						\$312,175.00
GRAND TOTAL PROJECT COST - SCHEDULE A + B + C						\$3,060,595.00

APPENDIX C
Typical Section



Feasibility Study - Typical Section
City of Inver Grove Heights, Minnesota

65th Street
Figure C

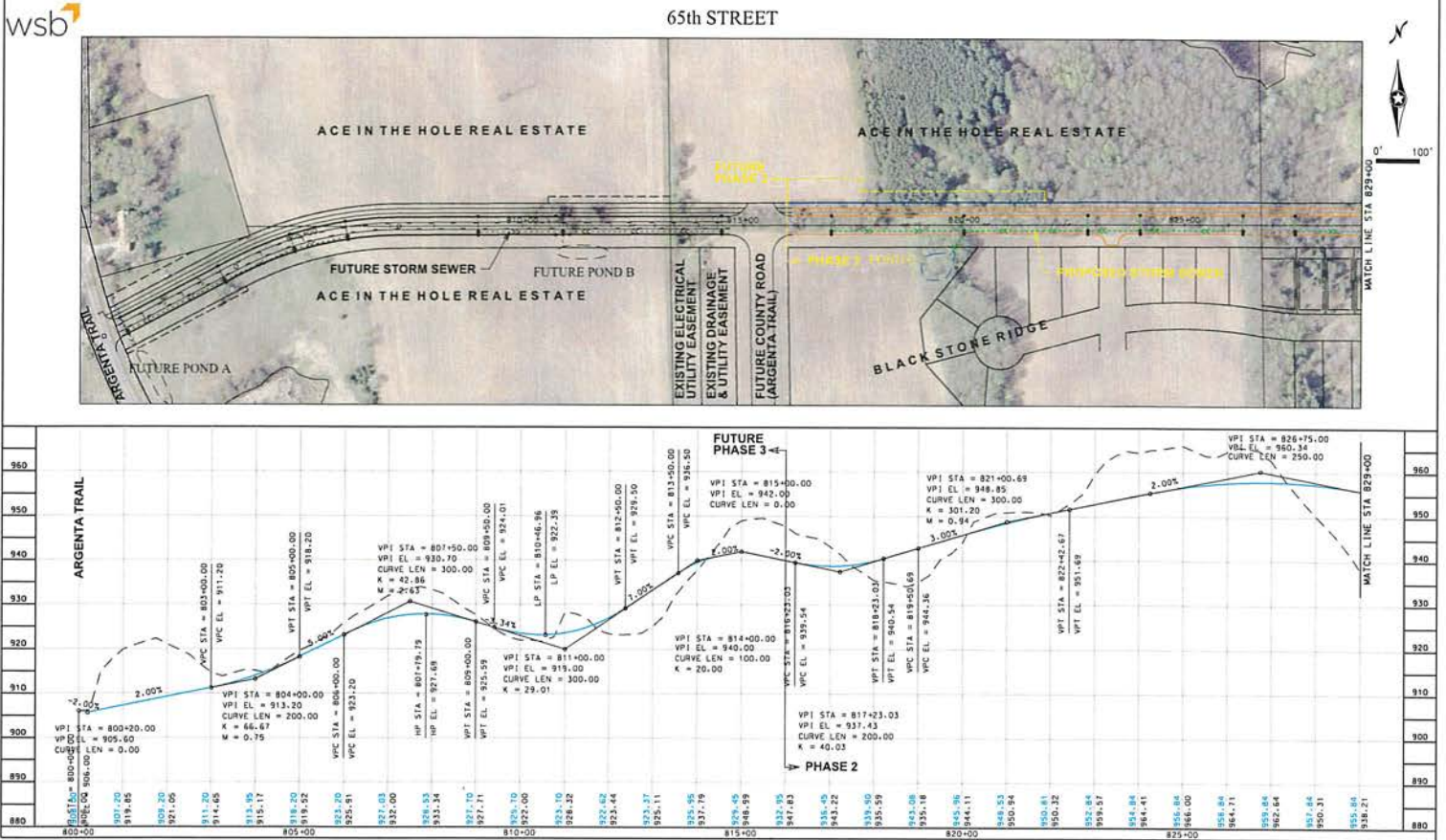
APPENDIX D
Roadway Layout Maps



65TH STREET
Figure D1.0

APPENDIX E

Roadway Plan and Profiles



Feasibility Study - Plan & Profile
 City of Inver Grove Heights, Minnesota

65th Street
 Figure E 1.0



APPENDIX F

Preliminary Assessment Map Preliminary Assessment Roll



**CITY PROJECT NO. 2015-03
PRELIMINARY ASSESSMENT ROLL**

MAP NO.	PID NO.	OWNER	HOUSE NO.	STREET NAME	ASSUMED NO. OF LOTS	PROPOSED ASSESSMENT
1	200060005010	ACE IN THE HOLE REAL ESTATE LTD PTSP			50	\$ 208,213.50
2	200060003051	SOURCE LAND CAPITAL LLC			57 (for parcels 2 - 5 combined)	\$ 45,621.24
3	200060003020	SOURCE LAND CAPITAL LLC	6321	ROBERT TRL S	(for parcels 2 - 5 combined)	\$ 53,667.86
4	200060003032	SOURCE LAND CAPITAL LLC	6275	ROBERT TRL S	(for parcels 2 - 5 combined)	\$ 21,576.33
5	200060004010	SOURCE LAND CAPITAL LLC	6477	ROBERT TRL S	(for parcels 2 - 5 combined)	\$ 116,497.95
6	208450001010	ROBERT M & BARBARA D DALSIN	6637	ROBERT TRL S	1	\$ 4,164.27 *
7	208450101010	U S HOME CORPORATION	6520	ARCTIC WAY	1	\$ 4,164.27 *
8	208450101020	U S HOME CORPORATION	6522	ARCTIC WAY	1	\$ 4,164.27 *
9	208450101030	U S HOME CORPORATION	6526	ARCTIC WAY	1	\$ 4,164.27 *
10	208450101040	U S HOME CORPORATION	6528	ARCTIC WAY	1	\$ 4,164.27 *
11	208450101050	U S HOME CORPORATION	6532	ARCTIC WAY	1	\$ 4,164.27 *
12	208450101060	U S HOME CORPORATION	6534	ARCTIC WAY	1	\$ 4,164.27 *
13	208450102010	U S HOME CORPORATION	6519	ARCTIC WAY	1	\$ 4,164.27 *
14	208450102020	U S HOME CORPORATION	6521	ARCTIC WAY	1	\$ 4,164.27 *
15	208450102030	U S HOME CORPORATION	6525	ARCTIC WAY	1	\$ 4,164.27 *
16	208450102040	U S HOME CORPORATION	6527	ARCTIC WAY	1	\$ 4,164.27 *
17	208450102050	U S HOME CORPORATION	6531	ARCTIC WAY	1	\$ 4,164.27 *
18	208450102060	U S HOME CORPORATION	6539	ARCTIC WAY	1	\$ 4,164.27 *
19	208450102070	U S HOME CORPORATION	6553	AGATE TRAIL	1	\$ 4,164.27 *
20	208450102080	U S HOME CORPORATION	6559	AGATE TRAIL	1	\$ 4,164.27 *
21	208450102090	U S HOME CORPORATION	6561	AGATE TRAIL	1	\$ 4,164.27 *
22	208450102100	U S HOME CORPORATION	6565	AGATE TRAIL	1	\$ 4,164.27 *
23	208450102110	U S HOME CORPORATION	6571	AGATE TRAIL	1	\$ 4,164.27 *
24	208450102120	U S HOME CORPORATION	6577	AGATE TRAIL	1	\$ 4,164.27 *
25	208450103010	U S HOME CORPORATION	6583	AGATE TRAIL	1	\$ 4,164.27 *
26	208450103020	U S HOME CORPORATION	6585	AGATE TRAIL	1	\$ 4,164.27 *
27	208450103030	U S HOME CORPORATION	1341	66TH ST W	1	\$ 4,164.27 *
28	208450103040	U S HOME CORPORATION	1349	66TH ST W	1	\$ 4,164.27 *
29	208450103050	U S HOME CORPORATION	1357	66TH ST W	1	\$ 4,164.27 *
30	208450104010	U S HOME CORPORATION	1358	66TH ST W	1	\$ 4,164.27 *
31	208450104020	U S HOME CORPORATION	1350	66TH ST W	1	\$ 4,164.27 *
32	208450104030	U S HOME CORPORATION	1344	66TH ST W	1	\$ 4,164.27 *
33	208450105010	U S HOME CORPORATION	6502	AGATE TRAIL	1	\$ 4,164.27 *
34	208450105020	U S HOME CORPORATION	6524	AGATE TRAIL	1	\$ 4,164.27 *
35	208450105030	U S HOME CORPORATION	6538	AGATE TRAIL	1	\$ 4,164.27 *
36	208450105040	U S HOME CORPORATION	6542	AGATE TRAIL	1	\$ 4,164.27 *

**CITY PROJECT NO. 2015-03
PRELIMINARY ASSESSMENT ROLL**

MAP NO.	PID NO.	OWNER	HOUSE NO.	STREET NAME	ASSUMED NO. OF LOTS	PROPOSED ASSESSMENT	
37	208450105050	U S HOME CORPORATION	6546	AGATE TRAIL	1	\$ 4,164.27	*
38	208450105060	U S HOME CORPORATION	6554	AGATE TRAIL	1	\$ 4,164.27	*
39	208450105070	U S HOME CORPORATION	6558	AGATE TRAIL	1	\$ 4,164.27	*
40	208450105080	U S HOME CORPORATION	6560	AGATE TRAIL	1	\$ 4,164.27	*
41	208450105090	U S HOME CORPORATION	6564	AGATE TRAIL	1	\$ 4,164.27	*
42	208450105100	U S HOME CORPORATION	6572	AGATE TRAIL	1	\$ 4,164.27	*
43	208450105110	U S HOME CORPORATION	6576	AGATE TRAIL	1	\$ 4,164.27	*
44	208450106010	U S HOME CORPORATION	6582	AGATE TRAIL	1	\$ 4,164.27	*
45	208450106020	U S HOME CORPORATION	6588	AGATE TRAIL	1	\$ 4,164.27	*
46	208450106030	U S HOME CORPORATION	6594	AGATE TRAIL	1	\$ 4,164.27	*
47	208450106040	U S HOME CORPORATION	6596	AGATE TRAIL	1	\$ 4,164.27	*
48	208450106050	U S HOME CORPORATION	6628	AGATE TRAIL	1	\$ 4,164.27	*
49	208450106060	U S HOME CORPORATION	6670	AGATE TRAIL	1	\$ 4,164.27	*
50	208450106070	U S HOME CORPORATION	6692	AGATE TRAIL	1	\$ 4,164.27	*
51	201416701010	US HOME CORPORATION	6518	ARCTIC WAY	1	\$ 4,164.27	**
52	201416701020	US HOME CORPORATION	6516	ARCTIC WAY	1	\$ 4,164.27	**
53	201416701030	US HOME CORPORATION	6514	ARCTIC WAY	1	\$ 4,164.27	**
54	201416701040	US HOME CORPORATION	6512	ARCTIC WAY	1	\$ 4,164.27	**
55	201416702010	STEPHANIE & DOMINIC WARREN	6501	ARCTIC CT	1	\$ 4,164.27	**
56	201416702020	US HOME CORPORATION	6503	ARCTIC CT	1	\$ 4,164.27	**
57	201416702030	US HOME CORPORATION	6505	ARCTIC CT	1	\$ 4,164.27	**
58	201416702040	DUSTIN & MEGAN DELMONICO	6507	ARCTIC CT	1	\$ 4,164.27	**
59	201416702050	PETER & ANNA WALDVOGEL	6509	ARCTIC CT	1	\$ 4,164.27	**
60	201416702060	JAMES & STACEY PARKER	6508	ARCTIC CT	1	\$ 4,164.27	**
61	201416702070	CHRISTOPHER & AMANDA ENSTROM	6506	ARCTIC CT	1	\$ 4,164.27	**
62	201416702080	US HOME CORPORATION	6504	ARCTIC CT	1	\$ 4,164.27	**
63	201416702090	US HOME CORPORATION	6502	ARCTIC CT	1	\$ 4,164.27	**
64	201416702100	US HOME CORPORATION	6533	ALVERNO LN	1	\$ 4,164.27	**
65	201416702110	PRASANTH RACHAKATLA	6541	ALVERNO LN	1	\$ 4,164.27	**
66	201416702120	VENKATA ANUMARLAPUDI & BALA CHANDRUPATLA	6555	ALVERNO LN	1	\$ 4,164.27	**
67	201416702130	US HOME CORPORATION	6567	ALVERNO LN	1	\$ 4,164.27	**
68	201416702140	US HOME CORPORATION	6573	ALVERNO LN	1	\$ 4,164.27	**
69	201416702150	MEICAN XIAO & YUN NI	6589	ALVERNO LN	1	\$ 4,164.27	**
70	201416702160	US HOME CORPORATION	6595	ALVERNO LN	1	\$ 4,164.27	**
71	201416702170	US HOME CORPORATION	6611	ALVERNO LN	1	\$ 4,164.27	**
72	201416702180	MANOHAR MAHASETH & LATA SHAH	6637	ALVERNO LN	1	\$ 4,164.27	**

**CITY PROJECT NO. 2015-03
PRELIMINARY ASSESSMENT ROLL**

MAP NO.	PID NO.	OWNER	HOUSE NO.	STREET NAME	ASSUMED NO. OF LOTS	PROPOSED ASSESSMENT	
73	201416702190	US HOME CORPORATION	6653	ALVERNO LN	1	\$ 4,164.27	**
74	201416702200	US HOME CORPORATION	6689	ALVERNO LN	1	\$ 4,164.27	**
75	201416703010	US HOME CORPORATION	6701	ALVERNO CT	1	\$ 4,164.27	**
76	201416703020	US HOME CORPORATION	6715	ALVERNO CT	1	\$ 4,164.27	**
77	201416703030	US HOME CORPORATION	6729	ALVERNO CT	1	\$ 4,164.27	**
78	201416703040	MAHENDRA & BARKHA RAJPUT	6733	ALVERNO CT	1	\$ 4,164.27	**
79	201416703050	ROBERT & LAURA EMERSON	6745	ALVERNO CT	1	\$ 4,164.27	**
80	201416703060	DAVID & BRIANA LEEDER	6761	ALVERNO CT	1	\$ 4,164.27	**
81	201416703070	US HOME CORPORATION	6779	ALVERNO CT	1	\$ 4,164.27	**
82	201416703080	US HOME CORPORATION	6833	ALVERNO CT	1	\$ 4,164.27	**
83	201416703090	LYNN J KRAM & MARY BREHL	6857	ALVERNO CT	1	\$ 4,164.27	**
84	201416703100	US HOME CORPORATION	6865	ALVERNO CT	1	\$ 4,164.27	**
85	201416703110	US HOME CORPORATION	6871	ALVERNO CT	1	\$ 4,164.27	**
86	201416703120	US HOME CORPORATION	6889	ALVERNO CT	1	\$ 4,164.27	**
87	201416703130	US HOME CORPORATION	6893	ALVERNO CT	1	\$ 4,164.27	**
88	201416703140	US HOME CORPORATION	6905	ALVERNO CT	1	\$ 4,164.27	**
89	201416703150	US HOME CORPORATION	6900	ALVERNO CT	1	\$ 4,164.27	**
90	201416703160	US HOME CORPORATION	6896	ALVERNO CT	1	\$ 4,164.27	**
91	201416703170	ANTHONY & JOAN JAWOR	6892	ALVERNO CT	1	\$ 4,164.27	**
92	201416703180	LONN KOHN	6888	ALVERNO CT	1	\$ 4,164.27	**
93	201416703190	BADRI PAUDEL & SHREEYA ACHARYA	6874	ALVERNO CT	1	\$ 4,164.27	**
94	201416703200	JASON W & NICOLE A GROSZ	6862	ALVERNO CT	1	\$ 4,164.27	**
95	201416703210	RYAN MURPHY	6856	ALVERNO CT	1	\$ 4,164.27	**
96	201416703220	VISHAL LALWANI & ABHILASHA TYAGI	6828	ALVERNO CT	1	\$ 4,164.27	**
97	201416703230	SCOTT IRELAND & DEBRA GONZALEZ	6814	ALVERNO CT	1	\$ 4,164.27	**
98	201416703240	AJEET PANDEY & ASHA SRIVASTAVA	6770	ALVERNO CT	1	\$ 4,164.27	**
99	201416703250	SATHIYA PERUMAL & JEYAPRAKASH THANGARAJ	6752	ALVERNO CT	1	\$ 4,164.27	**
100	201416703260	SEAN P & RACHEL M NYHUS	6736	ALVERNO CT	1	\$ 4,164.27	**
101	201416703270	REBECCA POVARCHUK & DAVID CASTRO	6718	ALVERNO CT	1	\$ 4,164.27	**
102	201416703280	US HOME CORPORATION	6704	ALVERNO CT	1	\$ 4,164.27	**
103	201416704010	MARK A & NORA E GOTTWALT	6694	ALVERNO LN	1	\$ 4,164.27	**
104	201416704020	US HOME CORPORATION	1398	66TH ST W	1	\$ 4,164.27	**
105	201416704030	US HOME CORPORATION	1394	66TH ST W	1	\$ 4,164.27	**
106	201416704040	US HOME CORPORATION	1390	66TH ST W	1	\$ 4,164.27	**
107	201416704050	PAVANI & MALLIKARJUN KASAM	1388	66TH ST W	1	\$ 4,164.27	**
108	201416704060	MURALI MOHAN & RAJIT BOMMA	1382	66TH ST W	1	\$ 4,164.27	**

**CITY PROJECT NO. 2015-03
PRELIMINARY ASSESSMENT ROLL**

MAP NO.	PID NO.	OWNER	HOUSE NO.	STREET NAME	ASSUMED NO. OF LOTS	PROPOSED ASSESSMENT	
109	201416704070	BENJAMIN L & JULIE STONE	1378	66TH ST W	1	\$ 4,164.27	**
110	201416704080	KEVIN & LAUREN HARRIS	1374	66TH ST W	1	\$ 4,164.27	**
111	201416704090	SHAILAJA & RAGHU GARISHAKURTI	1366	66TH ST W	1	\$ 4,164.27	**
112	201416704100	VENKATA & SIRISHA SOMAGATTA	1362	66TH ST W	1	\$ 4,164.27	**
113	201416705010	MARY SHEEHY	1361	66TH ST W	1	\$ 4,164.27	**
114	201416705020	MICHAEL J & LINDSEY FEESL	1365	66TH ST W	1	\$ 4,164.27	**
115	201416705030	JEFFREY & PATRICIA MAGNUS	1373	66TH ST W	1	\$ 4,164.27	**
116	201416705040	MATTHEW & LYNSEY WILLENBRING	1379	66TH ST W	1	\$ 4,164.27	**
117	201416705050	US HOME CORPORATION	1387	66TH ST W	1	\$ 4,164.27	**
118	201416705060	US HOME CORPORATION	6598	ALVERNO LN	1	\$ 4,164.27	**
119	201416705070	US HOME CORPORATION	6592	ALVERNO LN	1	\$ 4,164.27	**
120	201416705080	IMRAN QUADRI SYED	6580	ALVERNO LN	1	\$ 4,164.27	**
121	201416705090	ERIK & SARAG STEINMETZ	6574	ALVERNO LN	1	\$ 4,164.27	**
122	201416705100	ZACHARY S & CARLENE SAMUELSON	6568	ALVERNO LN	1	\$ 4,164.27	**
123	201416705110	US HOME CORPORATION	6556	ALVERNO LN	1	\$ 4,164.27	**
124	201416705120	SINDHUJU TEEGULLA & KIRAN KUMAR NALLA	6542	ALVERNO LN	1	\$ 4,164.27	**
125	201416705130	US HOME CORPORATION	6530	ALVERNO LN	1	\$ 4,164.27	**
126	201416705140	STEPHEN & BETH HOEPPNER	6511	ARCTIC WAY	1	\$ 4,164.27	**
127	201416705150	US HOME CORPORATION	6513	ARCTIC WAY	1	\$ 4,164.27	**
128	201416705160	US HOME CORPORATION	6515	ARCTIC WAY	1	\$ 4,164.27	**
129	201416705170	BRYAN & ANGELA BRIGNAC	6517	ARCTIC WAY	1	\$ 4,164.27	**
						\$ 961,946.36	

* Parcel covered by waiver of assessment appeal up to \$5,273.

**Actual levied amount would be reduced by \$1,893.49 (to \$2,270.78 per lot) due to partial pre-payment by Developer.

CITY OF INVER GROVE HEIGHTS

REQUEST FOR COUNCIL ACTION

APPROVE 2019 MEETING SCHEDULE OF ADVISORY COMMISSIONS

Meeting Date: December 10, 2018
 Item Type: Consent
 Contact: 651-450-2513
 Prepared by: Michelle Tesser, City Clerk
 Reviewed by:

Fiscal/FTE Impact:
☒ None
☐ Amount included in current budget
☐ Budget amendment requested
☐ FTE included in current complement
☐ New FTE requested – N/A
☐ Other

PURPOSE/ACTION REQUESTED Accept the attached meeting schedules for 2019.

SUMMARY Section 2-1-6 of the City Code specifies that each commission and task force shall file a schedule of regular meetings with the City Clerk.

Each of the City's Advisory Commissions Planning, Environmental, Parks and Recreation, and Housing Committee and Economic Development Authority has submitted their schedules of regular meetings for 2019, and are attached.

Staff recommends the Council review and accept the attached schedule of meetings for 2019. These meeting dates and times will be kept on file with the City Clerk.

PLANNING COMMISSION MEETING SCHEDULE FOR 2019

The Planning Commission meets regularly on the first and third Tuesdays of the month at 7:00 p.m. in the City Council Chambers at Inver Grove Heights City Hall, 8150 Barbara Avenue.

Wednesday, January 2, 2019*	7:00 p.m.
Tuesday, January 15, 2019	7:00 p.m.
Tuesday, February 5, 2019	7:00 p.m.
Tuesday, February 19, 2019	7:00 p.m.
Tuesday, March 5, 2019	7:00 p.m.
Tuesday, March 19, 2019	7:00 p.m.
Tuesday, April 2, 2019	7:00 p.m.
Tuesday, April 16, 2019	7:00 p.m.
Tuesday, May 7, 2019	7:00 p.m.
Tuesday, May 21, 2019	7:00 p.m.
Tuesday, June 4, 2019	7:00 p.m.
Tuesday, June 18, 2019	7:00 p.m.
Tuesday, July 2, 2019	7:00 p.m.
Tuesday, July 16, 2019	7:00 p.m.
Wednesday, August 7, 2019*	7:00 p.m.
Tuesday, August 20, 2019	7:00 p.m.
Tuesday, September 3, 2019	7:00 p.m.
Tuesday, September 17, 2019	7:00 p.m.
Tuesday, October 1, 2019	7:00 p.m.
Tuesday, October 15, 2019	7:00 p.m.
Tuesday, November 5, 2019	7:00 p.m.
Tuesday, November 19, 2019	7:00 p.m.
Tuesday, December 3, 2019	7:00 p.m.
Tuesday, December 17, 2019	7:00 p.m.

* Normal meeting date changed due to holiday or conflicting event

** The Planning Division reserves the right to cancel a meeting due to lack of agenda items.

ENVIRONMENTAL COMMISSION MEETING SCHEDULE FOR 2019

The Environmental Commission meets as needed on the fourth Thursday of the month at 7:00 p.m. in the City Council Chambers at Inver Grove Heights City Hall, 8150 Barbara Avenue.

Thursday, January 24	7:00 p.m.
Thursday, February 28	7:00 p.m.
Thursday, March 28	7:00 p.m.
Thursday, April 25	7:00 p.m.
Thursday May 23	7:00 p.m.
Thursday, June 27	7:00 p.m.
Thursday, July 25	7:00 p.m.
Thursday, August 22	7:00 p.m.
Thursday, September 26	7:00 p.m.
Thursday, October 24	7:00 p.m.
Thursday, November 21*	7:00 p.m.
Thursday, December 19*	7:00 p.m.

* Date changed from regularly scheduled Thursday due to a holiday

** The Planning Division reserves the right to cancel a meeting due to lack of agenda items

Park and Recreation Commission
2019
Monthly Meeting Schedule

Normally scheduled for the 2nd Wednesday of each month

Wednesday, January 9, 2019

Wednesday, February 13, 2019

Wednesday, March 13, 2019

Wednesday, April 10, 2019

Wednesday, May 8, 2019

Wednesday, June 12, 2019

Wednesday, July 10, 2019

Wednesday, August 14, 2019

Wednesday, September 11, 2019

Wednesday, October 9, 2019

Wednesday, November 13, 2019

Wednesday, December 11, 2019

HOUSING COMMITTEE MEETING SCHEDULE FOR 2019

The Housing Committee meets on the fourth Tuesday of the month at 5:00 p.m. in the City Council Chambers at Inver Grove Heights City Hall, 8150 Barbara Avenue.

Tuesday, January 22, 2019	5:00 p.m.
Tuesday, March 28, 2019	5:00 p.m.
Tuesday, May 23, 2019	5:00 p.m.
Tuesday, September 26, 2019	5:00 p.m.
Tuesday, November 28, 2019	5:00 p.m.

ECONOMIC DEVELOPMENT AUTHORITY MEETING SCHEDULE FOR 2019

The Economic Development Authority meets regularly on the second Monday of the months of February, May, August, and November at 5:00 p.m. in the City Council Chambers at Inver Grove Heights City Hall, 8150 Barbara Avenue.

Monday, February 11, 2019	5:00 p.m.
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Monday, May 13, 2019	5:00 p.m.
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Monday, August 12, 2019	5:00 p.m.
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Tuesday, November 12, 2019*	5:00 p.m.
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*Normal meeting date changed due to holiday or conflicting event

CITY OF INVER GROVE HEIGHTS

REQUEST FOR COUNCIL ACTION

2019 CITY COUNCIL MEETING SCHEDULE

Meeting Date: December 10, 2018
 Item Type: Consent
 Contact: 651-450-2513
 Prepared by: Michelle Tesser, City Clerk
 Reviewed by:

Fiscal/FTE Impact:

☒	None
☐	Amount included in current budget
☐	Budget amendment requested
☐	FTE included in current complement
☐	New FTE requested – N/A
☐	Other

PURPOSE/ACTION REQUESTED Accept the 2019 City Council Meeting Schedule

SUMMARY The proposed 2018 calendar again reflects holding City Council work sessions on the first Monday of each month.

We will again hold the Commission Recognition/Appreciation Dinner that began in 2012 in April. The date has yet to be determined.

Commission appointments are scheduled as a separate, special meeting on May 20, 2019

At this time the schedule does not include any other special meetings; i.e. budget, joint meetings with other cities, etc.

This calendar is modified from time to time. Council is provided with an updated meeting schedule as warranted throughout the year.

RECOMMENDATION: Staff recommends the Council review and approve the proposed 2019 meeting schedule.

**2019 CITY COUNCIL MEETING
SCHEDULE INVER GROVE HEIGHTS**

REGULAR MEETINGS 7:00 P.M.	WORK SESSION MEETINGS 6:00 P.M.	HOLIDAYS CITY HALL CLOSED
JANUARY 14 JANUARY 28	JANUARY 7	JANUARY 1 – New Year's Day JANUARY 21 - Martin Luther King, Jr.
FEBRUARY 11 FEBRUARY 26	FEBRUARY 4	FEBRUARY 18 - President's Day
MARCH 11 MARCH 25	MARCH 4	
APRIL 8 APRIL 22	APRIL 1 APRIL TBD – Commission Appreciation Dinner @ 6 p.m.	April 19th- Good Friday 1/2 day
MAY 13 MAY 28 Tuesday 5pm	MAY 6 MAY 20– Commission Interviews and Appointments @ 5 p.m.	MAY 27 - Memorial Day
JUNE 10 JUNE 24	JUNE 3	
JULY 8 JULY 22	JULY 1	JULY 4 – Fourth of July
AUGUST 12 AUGUST 26	AUGUST 5	
SEPTEMBER 9 SEPTEMBER 23	SEPTEMBER 3 Tuesday 5pm	SEPTEMBER 2 - Labor Day
OCTOBER 14 OCTOBER 28	OCTOBER 7	
NOVEMBER 12 Tuesday 5pm NOVEMBER 25	NOVEMBER 4	NOVEMBER 11 - Veterans Day NOVEMBER 28 & 29 - Thanksgiving
DECEMBER 9	DECEMBER 2	DECEMBER 24 - Christmas Eve (½ Day) DECEMBER 25 - Christmas Day

CITY OF INVER GROVE HEIGHTS

REQUEST FOR COUNCIL ACTION

Meeting Date: December 10, 2018
Item Type: Consent
Contact: Judy Thill, Fire Chief
Prepared by: Judy Thill, Fire Chief
Reviewed by: n/a

Fiscal/FTE Impact:

- | | |
|-------------------------------------|------------------------------------|
| ☐ | None |
| ☐ | Amount included in current budget |
| ☐ | Budget amendment requested |
| ☐ | FTE included in current complement |
| ☐ | New FTE requested – N/A |
| ☒ | Other |

PURPOSE/ACTION REQUESTED: Consider amending the contract, dated November 13, 2017, between the City and Five Bugles Design (Wendel), to include an amendment of professional services for additional stormwater and utility services for Project 2014-10 Fire Station #2 New Construction.

SUMMARY

There are various reasons for this amendment. A full listing of the additional scope of work is attached and also summarized here.

- Revising plans to change the pavement and retaining wall life cycle from 20 years to 50 years. This included changes to the pavement design and thicker pavement, as well as using larger block over smaller block and adding sub-base drain tile.
- Addressing some drainage changes, including a significant change in the stormwater design to create a larger storm bypass system, making changes in specifications for water quality and discharge.
- Making changes to outlet storm water directly into the delineated wetland water levels, working with requirements of, submitting the application to and getting approval from the Dakota County Soil and Water Conservation District and the US Corps of Engineers.
- Update plans and specifications due to removing an existing unused driveway for drainage and old residential buried footings/foundation found on the property, as well as coordinate with the house burn to address the structures and landscaping surrounding the existing house.

The total cost of the proposal is \$36,250. The funding source for this amendment will be out of the contingency funds for Project 2014-10 Fire Station #2 New Construction. With this contract amendment, \$82,375 have been used out of the contingency funds, leaving a total of \$314,642 available moving forward.

Staff recommends approval of this amendment as all of these services are necessary for this project.



November 20th, 2018

Judy Thill
City of Inver Grove Heights
8150 Barbra Ave
Inver Grove Heights, MN 55077

Subject: Additional Life Cycle, Stormwater, and Wetland Delineation Services
Inver Grove Heights Fire Station #2, project #: 600801
Scope Change Notification

Dear Judy Thill:

Wendel is pleased to submit this proposal for professional services associated with Inver Grove Heights Fire Station No. 2. This proposal will set specific scope and fee parameters based on our understanding of the project services required.

A. Scope of Work:

The following represents our understanding of the scope of services required of Wendel for this project.

ADDITIONAL LIFE CYCLE, STORMWATER, AND WETLAND DELINEATION SERVICES

1) Additional Life Cycle, Stormwater, and Wetland Delineation Services

- **Life Cycle** – Revise Plans to reflect City Engineering comments/preferences dated 7-24-2018 and 8-14-2018, along with changing the pavement and retaining wall life cycle from 20-year to 50-year, addressed in Addendum #3 (plans, specs, summaries). This 50-year life cycle change involved significant revisions to the pavement design, including thicker pavement, aggregate base, along with additional sand sub-base and daintile, while also changing the retaining wall type from small block to big block. This also included additional related cost assessments, summaries, and Geotech coordination (revise the report to 50-year life cycle recommendations).
- **Stormwater Design** – After Addendum #3, City Engineering provided additional comments/preferences on 09-21-2018 as related to the Approved Site Plans. This included addressing some drainage changes and primarily a significant change in the stormwater design to create a larger storm bypass system of the bio-filtration basin, change in details of the system for water quality, and discharging at the water level of the wetland. Plans, specifications, and storm water report were revised and sent to City Engineering staff and received approval.
- **Wetland Delineation** – Due to the City Engineering Staff directing the project to outlet storm water directly into the delineated wetland water level efforts were made to understand, design and submit a Wetland Delineation type application for approval to provide this minimal impact exemptions. This included due diligence in understanding the Local Government Unit-LGU's (Dakota County Soil and Water Conservation District) and national governance (US Army Corp



of Engineers) interpretation of the impact and regulatory threshold maximums. After maximum thresholds were established, design was adjusted to accommodate, and plans/exhibits/specs were updated to show changes. SRF submitted the application for the Wetland Impact Delineation and received approval from the LGU.

- Removals - Project had some changes in removals that needed further clarity. SRF provided further due diligence to review and resolve removal items. This included the removal of an existing driveway (unused) along Courthouse Boulevard for drainage purposes, unknown old residential buried footings/foundations in the northeast area of the site, and coordination with house burn as to address adjacent landscape structures/beds/sheds/trees. Plans and specifications were updated.

B. PROPOSAL FEE

We trust the above scope of work meets City of Inver Grove Height's requirements. We are proposing to perform the scope of work presented in this proposal for a lump sum fee, on a task by task basis. The proposed fee for the project is detailed below.

CIVIL SERVICES -

Task 1 - ADDITIONAL LIFE CYCLE, STORMWATER AND WETLAND DEMINIMIS SERVICES

LUMP SUM FEE OF: \$36,250

C. FEES AND TERMS

We propose completing the services outline in this letter for a lump sum fee of Thirty Six Thousand Two Hundred and Fifty Dollars (\$36,250).

Work will be performed under the terms and conditions of the signed AIA B101-2007 contract between the parties dated November 12, 2017. Additional services are referenced in Section 11.4 of AIA B101-2007 stating '11.4 Compensation for Additional Services of the Architect's consultant when not included in Section 11.2 or 11.3, shall be the amount involved to the Architect plus twenty-five percent (25%), or as other stated.' Please contact me if you have any questions. If this proposal is acceptable to you, please indicate your acceptance by signing both originals and return one (1) executed original to our office.

Respectfully Submitted,

A handwritten signature in black ink, appearing to read "Steve Gausman", written over a horizontal line.

Steve Gausman
Principal



ACCEPTANCE / AUTHORIZATION:

Accepted this _____ day of _____, 20__

Print Name: _____

Signature: _____

Title: _____

CITY OF INVER GROVE HEIGHTS

REQUEST FOR COUNCIL ACTION

Meeting Date: December 10, 2018
Item Type: Consent
Contact: Judy Thill, 651-450-2495
Prepared by: Judy Thill, Fire Chief
Reviewed by: n/a

Fiscal/FTE Impact:

- | | |
|-------------------------------------|------------------------------------|
| ☐ | None |
| ☒ | Amount included in current budget |
| ☐ | Budget amendment requested |
| ☐ | FTE included in current complement |
| ☐ | New FTE requested – N/A |
| ☐ | Other |

PURPOSE/ACTION REQUESTED Consider awarding the replacement of the carpeting at Fire Station #1 to Empire Today for the amount of \$9,785.

SUMMARY

The carpeting in the training room, hallway, conference room and stairway are original to the construction of the fire station in the 1980's. While the present carpet has held up fairly well for being 30 years old, stains can no longer be removed, and some wear spots are becoming more obvious.

Three quotes were received to take up, haul away, and recycle the existing carpet. The quotes also include the complete installation of carpet tile, carpet wall base, transitions, stairs and landing. Stairs will each have a heavy-duty vinyl stair nose.

The three quotes received were as follows: Empire Today for \$9,785, Bauer Floor Covering for \$11,862, and St. Paul Linoleum and Carpet for \$11,793 for the same grade of carpet and work to be performed.

With Empire Today being the lowest quote for a comparable product, staff recommends awarding the replacement of the carpeting at Fire Station #1 to Empire Today. The funds for the carpeting are in the 2018 budget.

CITY OF INVER GROVE HEIGHTS

REQUEST FOR COUNCIL ACTION

Meeting Date: December 10, 2018
Item Type: Consent
Contact: Judy Thill, 651-450-2495
Prepared by: Judy Thill, Fire Chief
Reviewed by: n/a

Fiscal/FTE Impact:

- | | |
|-------------------------------------|------------------------------------|
| ☐ | None |
| ☐ | Amount included in current budget |
| ☐ | Budget amendment requested |
| ☐ | FTE included in current complement |
| ☐ | New FTE requested – N/A |
| ☒ | Other |

PURPOSE/ACTION REQUESTED

Request approval of the authorized Change Order #1 for \$2,558.00 to revise footing steps and foundation wall to accommodate the depth of sanitary sewer and exterior sanitary structure for Project 2014-10 Fire Station #2 New Construction.

SUMMARY

Because the sanitary sewer outside of the building is being installed by others, this change order revised the footing depth to allow installation of the sewer at a later time without undermining the building footing or requiring any special considerations. This change order amends the contract with Jorgenson Construction from \$ 8,665,000.00 to \$ 8,667,558.00.

At the October 22, 2018 Council meeting, City Council approved a Resolution allowing the Fire Chief to authorize change orders up to \$15,000. The Fire Chief has authorized the work in this change order and is seeking approval for payment. Payment for this change order will come out of Contingency Funds for Project 2014-10 Fire Station #2 New Construction.

Staff recommends approving the payment of \$2,558 for Change Order #1.



Proposal Request Number 2

Date: November 6, 2018

Architect/Engineer: Wendel

Attention: Nickisha Benjamin

Job Name: Inver Grove Heights Fire Station #2

Jorgenson Job #: 6582

Description: Enclosed is a breakdown cost associated with proposal request number 2 :

Grid #1 Footing Step Revisions

Subcontractor	Kelleher - Concrete Subcontractor	\$ 2,406.00
Costs	Northern Lines Contracting - Excavating	\$ 0

Jorgenson	Jorgenson Subcontractor Margin 5%	\$ 120.00
Costs	Jorgenson Labor	\$ 0.00
	Jorgenson Material	\$ 0.00
	Jorgenson Equipment	\$ 0.00
	Jorgenson Self Performance Margin 10%	\$ 0.00
	Subtotal	\$ 2,526.00
	Jorgenson Bond 1.25%	\$ 32.00
	Total add for PR Number 2	\$ 2,558.00

Please review and provide direction in writing if we are to proceed with the above referenced item by: **November 13, 2018**

From: Dwayne Kanne
CC: Amanda Bass
Jeff Bauer

Project Manager
Assistant Project Manager
Project Superintendent

There are 2 page(s) including this page. Please call if you do not receive all of these pages.



Kelleher

October 29, 2018

Kelleher Construction, Inc.
11531 Rupp Drive
Burnsville, MN 55337
(952) 890-6772
Fax: (952) 890-5521

Jorgenson Construction, Inc.
Attn: Dwayne Kanne
9255 East River Road N.W.
Minneapolis, MN 55433

Project: Inver Grove Heights Fire Station #2
Inver Grove Heights, MN

Dear Dwayne:

The following is the additional cost breakdown pricing per PR #2 dated 10/25/18.

<u>ITEM</u>	<u>COST</u>
Rebar Material & Re-Detailing (~0.2 tons)	\$290.00
Concrete Material (5.5 CY @ \$104.60/CY - Includes environmental fees)	\$575.00
Forming Material Rental, Ties & Form Oil (238 SF)	\$119.00
Pumping	NC
Laborer (6 hours @ \$72.70/hr)	\$436.00
Carpenter (8 hours @ \$79.18/hr)	\$633.00
Ironworker Labor	<u>\$134.00</u>
	Sub-Total \$2,187.00
10% Overhead & Profit	<u>\$219.00</u>
	TOTAL ADDITIONAL COST \$2,406.00

Please call with any questions.

Sincerely,
KELLEHER CONSTRUCTION, INC.

Galen A. Peterson
Project Manager

CITY OF INVER GROVE HEIGHTS

REQUEST FOR COUNCIL ACTION

Consider approval of 2019 Fee Schedule Changes – Police Department

Meeting Date: December 10, 2018
 Item Type: Consent
 Contact: Paul Schnell, Chief of Police
 Prepared by: Paul Schnell, Chief of Police
 Reviewed by: Katrina Lee, Sr. Office Support

Fiscal/FTE Impact:

☒	None
☐	Amount included in current budget
☐	Budget amendment requested
☐	FTE included in current complement
☐	New FTE requested – N/A
☐	Other

PURPOSE/ACTION REQUESTED

It is recommended that the City Council approve the police department's recommended fee schedule changes for 2019.

SUMMARY

Due to pending implementation of the police departments new body-worn camera system and in-squad camera, we did previously submit the 2019 fee adjustments. We felt it was necessary to assess the amount of time needed to produce the requested documentation. As previously explained, all digital police data is now being maintained in Criminal Justice Information System (CJIS) compliant cloud storage. Staff felt it was important to assess the time necessary to upload and copy data from the new system before identifying any possible changes to the fee schedule.

Police Department staff have now assessed staff time involved in fulfilling specialized data requests (i.e. video and photos) from the new system. In addition, we are proposing several other modifications that better reflect the cost of fulfillment or service. The attached reflects the fees being recommended for change. It should be noted that several fees have been reduced to reflect the actual cost or cost recovery.

We have also identified several fee change recommendations that correspond to proposed modifications to the animal control and dangerous dog ordinances.

City of Inver Grove Heights

Fee Schedule Changes – 2019

Police

Type of License/Fee	Code Section	2017 Fee	2018 Fee	Proposed 2019
Body/Squad Camera Video				
Body/Squad Camera Video – on Disc or Jump Drive		\$25	\$20	\$25
Court-ordered Firearm Surrender		N/A	N/A	No Cost
Voluntary Surrender of Firearm by Civil Order**				
**Firearm Intake fee		\$50	\$50	\$50
**Firearm storage fee		\$0.50/day	\$0.50/day	\$0.50/day
**Firearm Release Fee		\$50	\$50	\$50
Dangerous Dogs				
Appeal fees for dangerous and potentially dangerous dog declarations	5-4-6	\$500	\$500	\$200
Potentially Dangerous Dog Registration	5-4-6	\$500	\$500	\$100
Dangerous Dog Registration	5-4-6	\$500	\$500	\$250
Animal Control: Dog Impound Fee	5-4-5	\$25	\$25	\$35
Reseller (pawn, etc.) Transaction Fee	4-2-10	\$1.90	\$1.75	\$1.50
Photographs** (Printed or Digital)				

**1 to 10 Photos		\$1/photo (\$5 minimum)	\$1/photo (\$5 minimum)	\$10
**11 – 25 Photos		\$1/photo (\$5 minimum)	\$1/photo (\$5 minimum)	\$25
**26 – 40 Photos		\$1/photo (\$5 minimum)	\$1/photo (\$5 minimum)	\$40
**41+ Photos		\$1/photo (\$5 minimum)	\$1/photo (\$5 minimum)	\$50

CITY OF INVER GROVE HEIGHTS

REQUEST FOR COUNCIL ACTION

Consider Final Compensating Change Order No. 2, Engineer's Final Report, and Resolution Accepting Work for City Project No. 2018-04 – Arbor Pointe PUD Shared Street Light System Improvements for Street Light Removal (Phase 1) and Boulevard Restoration (Phase 3)

Meeting Date: December 10, 2018
 Item Type: Consent
 Contact: Thomas J. Kaldunski, 651.450.2572
 Prepared by: Steve Dodge, Assistant City Engineer
 Reviewed by: Scott D. Thureen, Public Works Director

ST
ST

Fiscal/FTE Impact:

- | | |
|-------------------------------------|--|
| ☐ | None |
| ☐ | Amount included in current budget |
| ☐ | Budget amendment requested |
| ☐ | FTE included in current complement |
| ☐ | New FTE requested – N/A |
| ☒ | Other: Pavement Management Fund, Arbor Pointe Contribution |

PURPOSE/ACTION REQUESTED

Consider Final Compensating Change Order No. 2, Final Pay Voucher No. 3, Engineer's Final Report, and Resolution Accepting Work for City Project No. 2018-04 – Arbor Pointe PUD Shared Street Light System Improvements for Street Light Removal (Phase 1) and Boulevard Restoration (Phase 3).

SUMMARY

City Project No. 2018-04 – Arbor Pointe PUD Shared Street Light System Improvements was ordered on March 12, 2018. The City is responsible for 31 street lights and Arbor Pointe Association, Inc. (APAI) is responsible for 33 street lights. Joint agreements with APAI and Xcel Energy have been executed. Phase 1 consists of removal of the existing sixty-four street light system and was awarded to Q3 Contracting, Inc. in the amount of \$40,205.80 on April 23rd, 2018. Change Order No. 1 amending the contract to include turf restoration in the amount of \$17,270.00, for a total contract amount of \$57,475.80, was approved on July 23, 2018.

The project is complete, and the retainage is being reduced to 0%.

I recommend approval of Final Compensating Change Order No. 2 in the amount of (\$5,264.05), for a revised contract amount of \$52,211.75, Engineer's Final Report, and Resolution Accepting Work for City Project No. 2018-04 – Arbor Pointe PUD Shared Street Light System Improvements for Street Light Removal (Phase 1) and Boulevard Restoration (Phase 3).

SWD/nwh

Attachments: Final Compensating Change Order No. 2
 Engineer's Final Report
 Resolution Accepting Work

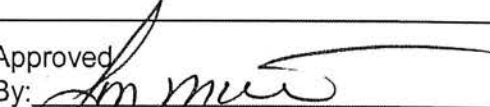
FINAL COMPENSATING CHANGE ORDER NO. 2

2018 PAVEMENT MANAGEMENT PROGRAM 2018-04 – ARBOR POINTE PUD SHARED STREET LIGHT SYSTEM IMPROVEMENTS PHASE 1 – STREET LIGHT REMOVAL PHASE 3 – BOULEVARD RESTORATION

Owner: City of Inver Grove Heights 8150 Barbara Avenue Inver Grove Heights, MN 55077	Date of Issuance: December 10, 2018
Contractor: Q3 Contracting, Inc. 3066 Spruce Street Little Canada, MN 55117	Engineer: Assistant City Engineer

PURPOSE OF CHANGE ORDER
 Final compensating amount to balance value of work completed and total payments made to the contractor. Accounts for miscellaneous decreases in contract quantities listed in the final payment voucher form.

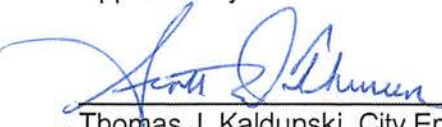
Total Value of Work Completed to Date	\$52,211.75
Contract Amount to Date	\$57,475.80
Compensating Change Order Amount (Decrease)	(\$5,264.05)

CHANGE IN CONTRACT PRICE	CHANGE IN CONTRACT TIME
Original Contract Price: \$40,205.80	Original Contract Time:
Previous Change Orders \$17,270.00	Net Change from Previous Change Orders
Contract Price Prior to this Change Order \$57,475.80	Contract Time Prior to this Change Order
Net Decrease of this Change Order \$5,264.05	Net Increase (Decrease) of Change Order
Contract Price with all Approved Change Orders \$52,211.75	Contract Time with Approved Change
Recommended By:  Nick Hahn, Engineering Technician	Approved By:  Q3 Contracting, Inc.

Approved By:

Approved By:

Date of Council Action:


 Thomas J. Kaldunski, City Engineer

George Tourville, Mayor

December 10, 2018

CITY OF INVER GROVE HEIGHTS
DAKOTA COUNTY, MINNESOTA

ENGINEER'S REPORT OF FINAL ACCEPTANCE

2018-04 – ARBOR POINTE PUD SHARED STREET LIGHT SYSTEM IMPROVEMENTS
PHASE 1 – STREET LIGHT REMOVAL
PHASE 3 – BOULEVARD RESTORATION

December 10, 2018

TO THE CITY COUNCIL
INVER GROVE HEIGHTS, MINNESOTA

HONORABLE MAYOR AND CITY COUNCIL MEMBERS:

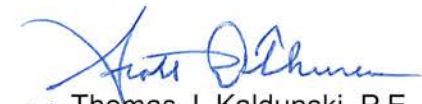
This is to advise you that I have received the work under contract to Q3 Contracting, Inc. The work consisted of street light replacement.

The contractor has completed the project in accordance with the contract.

It is recommended, herewith, that final payment be made for said improvements to the contractor in the amount as follows:

ORIGINAL CONTRACT PRICE	\$40,205.80
CHANGE ORDERS	\$12,455.94
FINAL CONTRACT AMOUNT	\$52,211.75
FINAL VALUE OF WORK	\$52,211.75
PREVIOUS PAYMENTS	\$52,211.75
BALANCE DUE	\$0.00

Sincerely,


Thomas J. Kaldunski, P.E.
City Engineer

**CITY OF INVER GROVE HEIGHTS
DAKOTA COUNTY, MINNESOTA**

RESOLUTION ACCEPTING WORK OF Q3 CONTRACTING, INC.

**2018 PAVEMENT MANAGEMENT PROGRAM
2018-04 – ARBOR POINTE PUD SHARED STREET LIGHT SYSTEM IMPROVEMENTS
PHASE 1 – STREET LIGHT REMOVAL
PHASE 3 – BOULEVARD RESTORATION**

RESOLUTION NO. _____

WHEREAS, pursuant to a written contract with the City of Inver Grove Heights dated April 23, 2018, Q3 Contracting, Inc. satisfactorily completed improvements and appurtenances for City Project No. 2018-04 – Arbor Pointe PUD Shared Street Light System Improvements for Street Light Removal (Phase 1) and Boulevard Restoration (Phase 3).

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF INVER GROVE HEIGHTS: That the work completed under this contract is hereby accepted and approved, and

BE IT FURTHER RESOLVED: That the Mayor and the City Clerk are hereby directed to issue a proper order for final payment on such contract, taking the contractor's receipt in full.

Adopted by the City Council of Inver Grove Heights this 10th day of December 2018.

AYES:

NAYS:

George Tourville, Mayor

ATTEST:

Michelle Tesser, City Clerk

CITY OF INVER GROVE HEIGHTS

REQUEST FOR COUNCIL ACTION

Consider Pay Voucher No. 5 for City Project No. 2018-08 Fire Station No. 2 Sewer and Water Improvements and Conduit for City Project No. 2018-11 Fire Station No. 2 Fiber Optic Improvements

Meeting Date: December 10, 2018

Item Type: Consent

Contact: Thomas J. Kaldunski, 651.450.2572

Prepared by: Steve W. Dodge, Asst. City Engineer

Reviewed by: Scott D. Thureen, Public Works Director

SWD

SD

Fiscal/FTE Impact:

☐	None
☐	Amount included in current budget
☐	Budget amendment requested
☐	FTE included in current complement
☐	New FTE requested – N/A
☒	Other: Fire Station No. 2 Project Funds

PURPOSE/ACTION REQUESTED

Consider Pay Voucher No. 5 for City Project No. 2018-08 Fire Station No. 2 Sewer and Water Improvements and Conduit for City Project No. 2018-11 Fire Station No. 2 Fiber Optic Improvements.

SUMMARY

City Project No. 2018-08 – Fire Station No. 2 Sewer and Water Improvements and City Project No. 2018-11 – Conduit for Fire Station No. 2 Fiber Optic Improvements are currently under construction. The projects purpose is to extend sanitary sewer, watermain and conduit for fiber optic that will begin at Broderick Blvd, 800 feet north of Concord Blvd, and be extended southwest 800 feet to the expanded MUSA, west of T.H. 52/55, which also includes further extension within the City's recently purchased property to the proposed Fire Station No. 2 building and the adjacent parcel to the south.

I recommend approval of Pay Voucher No. 5, in the amount of \$95,440.01 (\$95,440.01 for work on City Project No. 2018-08 – Fire Station No. 2 Sewer and Water Improvements, \$0.00 for work on City Project No. 2018-11 – Conduit for Fire Station No. 2 Fiber Optic Improvements).

SWD/mw

Attachments: Pay Voucher No. 5
Bid Abstract

**CITY OF INVER GROVE HEIGHTS
CONSTRUCTION PAY VOUCHER**

ESTIMATE NO: 5 (Five)
DATE: December 10, 2018
PERIOD ENDING: November 30, 2018
PROJECT NO: 2018-08 – Fire Station No. 2 Sewer and Water Improvements, 2018-11 – Conduit for Fire Station No. 2 Fiber Optic Improvements

TO: EJM Pipe Services, Inc.
14461 Lake Drive
Columbus, MN 55025

Original Contract Amount	\$683,979.95
Total Addition (Change Orders Nos. 1, 2 and 3)	\$349,724.39
Total Deduction (Change Order No. 4)	(\$196,150.00)
Total Contract Amount.....	\$837,554.34
Total Value of Work to Date	\$735,888.54
Less Retained (5%)	\$36,794.43
Less Previous Payment.....	\$603,654.10
Total Approved for Payment this Voucher.....	\$95,440.01
Total Payments including this Voucher	\$699,094.11

Approvals:

Pursuant to our field observation, I hereby recommend payment for the above stated amount of work performed through November 30, 2018.

Signed by:


for Thomas J. Kaldunski, City Engineer

December 10, 2018

Signed by:

EJM Pipe Services, Inc.

Date

Signed by:

George Tourville, Mayor

December 10, 2018

**BID ABSTRACT
FOR
CITY OF INVER GROVE HEIGHTS
2018 CAPITAL IMPROVEMENT PROGRAM
CITY PROJECT NO. 2018-08 FIRE STATION NO. 2 SEWER AND WATER IMPROVEMENTS
CITY PROJECT NO. 2018-11 CONDUIT FOR FIRE STATION NO. 2 FIBER OPTIC IMPROVEMENTS**

Schedule A : STREETS					E J M PIPE SERVICES			PAY ESTIMATE #5 11/30/2018	
BID DATE: JUNE 15, 2018 - 9:00 a.m.									
Item No.	MnDOT No.	Item Description	Unit	Quantity	Unit Price	Amount	Quantity to Date	Total Cost to Date	
1	2021.501	MOBILIZATION	LUMP SUM	1	\$ 18,500.00	\$ 18,500.00	1	\$ 18,500.00	
2	2101.505	CLEARING	ACRE	0.34	\$ 5,000.00	\$ 1,700.00	0.34	\$ 1,700.00	
3	2101.505	GRUBBING	ACRE	0.34	\$ 5,000.00	\$ 1,700.00	0.34	\$ 1,700.00	
4	2101.524	CLEARING	TREE	37	\$ 150.00	\$ 5,550.00	37	\$ 5,550.00	
5	2101.524	GRUBBING	TREE	37	\$ 150.00	\$ 5,550.00	37	\$ 5,550.00	
6	2104.503	SAWING BITUMINOUS PAVEMENT (FULL DEPTH)	LIN FT	839	\$ 3.00	\$ 2,517.00	670	\$ 2,010.00	
7	2104.503	REMOVE CURB AND GUTTER	LIN FT	90	\$ 8.00	\$ 720.00	101	\$ 808.00	
8	2104.503	SALVAGE PIPE SEWER	LIN FT	45	\$ 12.00	\$ 540.00	45	\$ 540.00	
9	2104.504	REMOVE BITUMINOUS PAVEMENT	SQ YD	1883	\$ 3.00	\$ 5,649.00	1883	\$ 5,649.00	
10	2104.521	SALVAGE FENCE	LIN FT	90	\$ 10.00	\$ 900.00		\$ -	
11	2105.522	SELECT GRANULAR BORROW (CV)	CU YD	625	\$ 14.00	\$ 8,750.00	625	\$ 8,750.00	
12	2105.602	OBSTRUCTION REMOVAL	EACH	5	\$ 3,000.00	\$ 15,000.00	5	\$ 15,000.00	
13	2123.610	STREET SWEEPER (WITH PICKUP BROOM)	HOURL	5	\$ 150.00	\$ 750.00	3	\$ 450.00	
14	2130.601	WATER USAGE ALLOWANCE	LUMP SUM	1	\$ 5,000.00	\$ 5,000.00	0.5	\$ 2,500.00	
15	2211.501	AGGREGATE BASE CLASS 5	TON	881	\$ 16.00	\$ 14,096.00	363	\$ 5,808.00	
16	2360.501	TYPE WEARING COURSE MIXTURE (3.B)	TON	208	\$ 71.50	\$ 14,872.00	132	\$ 9,438.00	
17	2360.501	TYPE NON-WEAR COURSE MIXTURE (3.B)	TON	213	\$ 71.50	\$ 15,229.50	128	\$ 9,152.00	
18	2476.601	WASTE COLLECTION AND DISPOSAL ALLOWANCE	LUMP SUM	1	\$ 5,000.00	\$ 5,000.00	0.5	\$ 2,500.00	
19	2501.571	INSTALL PIPE SEWER	LIN FT	45	\$ 20.00	\$ 900.00	45	\$ 900.00	
20	2531.503	CONCRETE CURB AND GUTTER DESIGN BG12	LIN FT	90	\$ 45.00	\$ 4,050.00	56	\$ 2,520.00	
21	2533.503	PORTABLE PRECAST CONCRETE BARRIER DESIGN 8337	LIN FT	1360	\$ 16.00	\$ 21,760.00		\$ -	
22	2557.603	INSTALL FENCE	LIN FT	90	\$ 25.00	\$ 2,250.00		\$ -	
23	2557.603	CONSTRUCTION FENCE	LIN FT	720	\$ 2.50	\$ 1,800.00	545	\$ 1,362.50	
24	2563.601	TRAFFIC CONTROL	LUMP SUM	1	\$ 8,450.00	\$ 8,450.00	0.5	\$ 4,225.00	
25	2571.524	DECIDUOUS TREE 2.5" CAL B&B	TREE	2	\$ 750.00	\$ 1,500.00		\$ -	
26	2573.501	EROSION CONTROL SUPERVISOR	LUMP SUM	1	\$ 1,000.00	\$ 1,000.00		\$ -	
27	2573.502	SILT FENCE, TYPE MS	LIN FT	1851	\$ 2.00	\$ 3,702.00	1131	\$ 2,262.00	
28	2573.53	INLET PROTECTION	EACH	9	\$ 200.00	\$ 1,800.00	2	\$ 400.00	
29	2573.533	BIOROLL	LIN FT	304	\$ 3.25	\$ 988.00	230	\$ 747.50	
30	2573.901	STORM WATER MANAGEMENT ALLOWANCE	LUMP SUM	1	\$ 10,000.00	\$ 10,000.00		\$ -	
31	2574.508	FERTILIZER TYPE 3	POUND	43	\$ 1.00	\$ 43.00		\$ -	
32	2575.504	SODDING TYPE SALT TOLERANT	SQ YD	202	\$ 16.00	\$ 3,232.00		\$ -	
33	2575.504	EROSION CONTROL BLANKETS CATEGORY 3	SQ YD	3485	\$ 1.50	\$ 5,227.50	685	\$ 1,027.50	
34	2575.505	SEEDING	ACRE	0.72	\$ 5,200.00	\$ 3,744.00		\$ -	
35	2575.508	SEED MIXTURE 25-131	POUND	39	\$ 3.25	\$ 126.75		\$ -	
36	2575.508	SEED MIXTURE 35-241	POUND	20	\$ 15.00	\$ 310.00		\$ -	
37	2575.571	RAPID STABILIZATION METHOD 3	ACRE	0.548	\$ 2,400.00	\$ 1,315.20		\$ -	

BID DATE: JUNE 15, 2018 - 9:00 a.m.

PAY ESTIMATE #5 11/30/2018

E J M PIPE SERVICES

38	2582.502	4" SOLID LINE WHITE (PAINT)	LIN FT	1180		\$	2.00	\$	2,360.00		\$	-
39	2231.507	BITUMINOUS PATCHING MIXTURE	CU YD	10		\$	290.00	\$	2,900.00		\$	-
SCHEDULE A SUBTOTAL:										\$	199,481.95	\$ 109,049.50

Schedule B : SANITARY

Item No.	MnDOT No.	Item Description	Unit	Quantity	Unit Price	Amount	Quantity to Date	Total Cost to Date
40	2021.501	MOBILIZATION	LUMP SUM	1	\$ 12,500.00	\$ 12,500.00	1	\$ 12,500.00
41	2451.609	GRANULAR FOUNDATION	TON	70	\$ 27.00	\$ 1,890.00		\$ -
42	2451.609	GRANULAR BACKFILL	CU YD	90	\$ 14.00	\$ 1,260.00		\$ -
43	2503.602	CONNECT TO EXISTING SANITARY SEWER	EACH	1	\$ 3,000.00	\$ 3,000.00	1	\$ 3,000.00
44	2503.602	BORING PIT (SANITARY)	EACH	1	\$ 10,000.00	\$ 10,000.00	1	\$ 10,000.00
45	2503.603	8" DIP CL 52 (CERAMIC LINED)	LIN FT	27	\$ 50.00	\$ 1,350.00	26	\$ 1,300.00
46	2503.603	8" PVC SEWER, SDR 26 (10'-15' DEEP)	LIN FT	629	\$ 28.00	\$ 17,612.00	629	\$ 17,612.00
47	2503.603	8" PVC SEWER, SDR 26 (15'-20' DEEP)	LIN FT	351	\$ 28.00	\$ 9,828.00	351	\$ 9,828.00
48	2503.603	8" PVC SEWER, SDR 26 (20'-25' DEEP)	LIN FT	161	\$ 28.00	\$ 4,508.00		\$ -
49	2503.603	30" STEEL CASING PIPE (JACKED)	LIN FT	210	\$ 475.00	\$ 99,750.00	123	\$ 58,425.00
50	2503.603	8" PVC SDR 26 PIPE SEWER (THROUGH CASING)	LIN FT	210	\$ 55.00	\$ 11,550.00		\$ -
51	2506.502	48" DIA. SANITARY MANHOLE	LIN FT	108	\$ 208.00	\$ 22,464.00	84.05	\$ 17,482.40
52	2506.516	CASTING ASSEMBLY (SANITARY)	EACH	7	\$ 650.00	\$ 4,550.00	2	\$ 1,300.00
53	2506.603	CONSTRUCT 8" OUTSIDE DROP	LIN FT	12	\$ 390.00	\$ 4,680.00	12	\$ 4,680.00
54	2506.602	MARKING POST	EACH	10	\$ 145.00	\$ 1,450.00		\$ -
55	2506.602	EXTERNAL CHIMNEY SEAL	EACH	7	\$ 200.00	\$ 1,400.00	3	\$ 600.00
SCHEDULE B SUBTOTAL:						\$ 207,792.00		\$ 136,727.40

Schedule C : WATERMAIN

Item No.	MnDOT No.	Item Description	Unit	Quantity	Unit Price	Amount	Quantity to Date	Total Cost to Date
56	2021.501	MOBILIZATION	LUMP SUM	1	\$ 12,500.00	\$ 12,500.00	1	\$ 12,500.00
57	2451.609	GRANULAR FOUNDATION	TON	70	\$ 27.00	\$ 1,890.00		\$ -
58	2451.609	GRANULAR BACKFILL	CU YD	90	\$ 14.00	\$ 1,260.00		\$ -
59	2503.602	BORING PIT (WATERMAIN)	EACH	1	\$ 7,500.00	\$ 7,500.00	1	\$ 7,500.00
60	2503.608	DUCTILE IRON FITTINGS	POUND	4480	\$ 4.75	\$ 21,280.00	2735	\$ 12,991.25
61	2504.502	48" AIR RELIEF MANHOLE	LIN FT	8	\$ 675.00	\$ 5,400.00		\$ -
62	2504.602	CONNECT TO EXISTING WATER MAIN	EACH	1	\$ 2,150.00	\$ 2,150.00	1	\$ 2,150.00
63	2504.602	HYDRANT	EACH	3	\$ 3,750.00	\$ 11,250.00	2	\$ 7,500.00
64	2504.602	1.5" CORPORATION STOP	EACH	1	\$ 800.00	\$ 800.00		\$ -
65	2504.602	6" GATE VALVE & BOX	EACH	3	\$ 1,150.00	\$ 3,450.00	2	\$ 2,300.00
66	2504.602	10" GATE VALVE & BOX	EACH	1	\$ 2,100.00	\$ 2,100.00		\$ -
67	2504.602	12" GATE VALVE & BOX	EACH	2	\$ 2,600.00	\$ 5,200.00	2	\$ 5,200.00
68	2504.603	6" WATERMAIN DUCTILE IRON CL 52	LIN FT	30	\$ 58.00	\$ 1,740.00	21	\$ 1,218.00
69	2504.603	8" WATERMAIN DUCTILE IRON CL 52	LIN FT	96	\$ 50.00	\$ 4,800.00	96	\$ 4,800.00
70	2504.603	10" WATERMAIN DUCTILE IRON CL 52	LIN FT	508	\$ 43.00	\$ 21,844.00	340	\$ 14,620.00
71	2504.603	12" WATERMAIN DUCTILE IRON CL 52	LIN FT	830	\$ 50.00	\$ 41,500.00	809	\$ 40,450.00
72	2504.603	12" DIP WATERMAIN (THROUGH CASING)	LIN FT	200	\$ 59.00	\$ 11,800.00	240	\$ 14,160.00
73	2504.603	30" STEEL CASING PIPE (JACKED)	LIN FT	200	\$ 475.00	\$ 95,000.00		\$ -
74	2506.516	CASTING ASSEMBLY (WATER)	EACH	1	\$ 650.00	\$ 650.00		\$ -

BID DATE: JUNE 15, 2018 - 9:00 a.m.				E J M PIPE SERVICES		PAY ESTIMATE #5 11/30/2018	
SCHEDULE C SUBTOTAL:				\$ 252,114.00		\$ 125,389.25	
Schedule D : CONDUIT FOR FIBER OPTIC							
Item No.	MnDOT No.	Item Description	Unit	Quantity	Unit Price	Amount	Total Cost to Date
75	2021.501	MOBILIZATION	LS	1	\$ 2,000.00	\$ 2,000.00	1 \$ 2,000.00
76	2545.503	INSTALL 1.5" NON-METALLIC CONDUIT	LIN FT	612	\$ 8.00	\$ 4,896.00	\$ -
77	2545.503	INSTALL 4" NON-METALLIC CONDUIT (DIRECTIONAL BOF	LIN FT	200	\$ 50.00	\$ 10,000.00	200 \$ 10,000.00
78	2545.603	INSTALL 1.5" NON-METALLIC CONDUIT (SPECIAL 1)	LIN FT	400	\$ 4.00	\$ 1,600.00	200 \$ 800.00
79	2545.603	INSTALL 1.5" NON-METALLIC CONDUIT (SPECIAL 2)	LIN FT	1016	\$ 6.00	\$ 6,096.00	1016 \$ 6,096.00
SCHEDULE D SUBTOTAL:				\$ 24,592.00		\$ 18,896.00	
CP NO. 2018-08 FIRE STATION NO. 2 SEWER AND WATER IMPROVEMENTS TOTAL (SCHEDULES A-C):				\$ 659,387.95		\$ 371,166.15	
CP NO. 2018-11 CONDUIT FOR FIRE STATION NO. 2 FIBER OPTIC IMPROVEMENTS TOTAL (SCHEDULE D):				\$ 24,592.00		\$ 18,896.00	
CP NO. 2018-08 AND CP2018-11 TOTAL (SCHEDULES A-D):				\$ 683,979.95			

BID DATE: JUNE 15, 2018 - 9:00 a.m.

E J M PIPE SERVICES

PAY ESTIMATE #5 11/30/2018

COST SUMMARY

CONTRACT: CP 2018-08, 2018-11
 OWNER: CITY OF INVER GROVE HEIGHTS
 PROJECT: FIRE STATION NO. 2 SEWER AND WATER IMPROVEMENTS
 FIRE STATION NO. 2 FIBER OPTIC IMPROVEMENTS

SCHEDULE	DESCRIPTION	TOTAL ESTIMATED COST	TOTAL CONTRACT COST TO-DATE
A	CP 2018-08 STREETS	\$ 199,481.95	\$ 109,049.50
B	CP 2018-08 SANITARY	\$ 207,792.00	\$ 136,727.40
C	CP 2018-08 WATERMAIN	\$ 252,114.00	\$ 125,389.25
D	CP 2018-11 CONDUIT FOR FIBER OPTIC	\$ 24,592.00	\$ 18,896.00
TOTAL BASE COST		\$ 683,979.95	\$ 390,062.15
CP 2018-08 CHANGE ORDER #1 (SCHEDULE A-C)		\$ 2,564.00	\$ 2,564.00
CP 2018-11 CHANGE ORDER #1(SCHEDULE D)		\$ 1,334.00	\$ 1,334.00
CP 2018-08 CHANGE ORDER #3 (SCHEDULE A-C)		\$ 345,826.39	\$ 345,826.39
CP 2018-08 CHANGE ORDER #4 (SCHEDULE A-C) DEDUCTION		\$ (196,150.00)	
TOTAL CONTRACT AMOUNT		\$ 837,554.34	
CONTRACT WORK COMPLETED TO DATE			\$ 735,888.54
RETAINAGE 5%			\$ 36,794.43
PREVIOUS PAYMENTS			\$ 603,654.10
AMOUNT DUE THIS PARTIAL PAYMENT #5			\$ 95,440.01

BID DATE: JUNE 15, 2018 - 9:00 a.m.

E J M PIPE SERVICES

PAY ESTIMATE #5 11/30/2018

CURRENT CONSTRUCTION COST BREAKDOWN TO DATE (INTERNAL USE ONLY, NOT FOR CITY COUNCIL MEMO)

DATE OF COUNCIL ACTION 12/10/2018									
CITY PROJECT NO.	ORIGINAL CONTRACT AMOUNT	TOTAL CHANGE ORDERS	CONTRACT WORK COMPLETED TO DATE	RETAINAGE	CURRENT PAYMENT	PAID TO DATE	CURRENT CONTRACT AMOUNT		
2018-08	\$ 659,387.95	\$ 152,240.39	\$ 716,992.54	\$ 35,849.63	\$ 95,440.01	\$ 681,142.91	\$ 811,628.34		
2018-11	\$ 24,592.00	\$ 1,334.00	\$ 18,896.00	\$ 944.80	\$ -	\$ 17,951.20	\$ 25,926.00		
Total	\$ 683,979.95	\$ 153,574.39	\$ 735,888.54	\$ 36,794.43	\$ 95,440.01	\$ 699,094.11	\$ 837,554.34		

CITY OF INVER GROVE HEIGHTS

REQUEST FOR COUNCIL ACTION

PERSONNEL ACTIONS

Meeting Date: December 10, 2018
 Item Type: Consent Agenda
 Contact: Janet Shefchik, HR Manager
 Prepared by: Carrie Isaacson, Admin Svc Coord
 Reviewed by: Janet Shefchik, HR Manager

Fiscal/FTE Impact:

☒	None
☐	Amount included in current budget
☐	Budget amendment requested
☐	FTE included in current complement
☐	New FTE requested – N/A
☐	Other

PURPOSE/ACTION REQUESTED

Staff requests that Council confirm and approve the personnel actions listed below:

Part-Time/Temporary/Seasonal Employment:

Parks-Recreation-VMCC

Kinkade, Westley, Lifeguard
 Kurr, Laura, Lifeguard/Water Safety Instructor/Lesson Manager

Voluntary Resignations:

Fire

Povolny, Steve, Firefighter

Parks-Recreation-VMCC

Anderson, Ian, Lifeguard

Golf Course

Cocchiarella, Scott, Golf Course Cashier (FT/Seasonal, will re-hire in spring of 2019)
 Willig, Matthew, Golf Course Cashier (FT/Seasonal, will re-hire in spring of 2019)
 All Seasonal Golf Employees as of 11/28/18

CITY OF INVER GROVE HEIGHTS

REQUEST FOR COUNCIL ACTION

Meeting Date: December 10, 2018 Item
 Type: Public Hearing
 Contact: 651.450.2513
 Prepared by: Michelle Tesser, City Clerk
 Reviewed by: N/A

Fiscal/FTE Impact:

☒	None
☐	Amount included in current budget
☐	Budget amendment requested
☐	FTE included in current complement
☐	New FTE requested – N/A
☐	Other

PURPOSE/ACTION REQUESTED: Conduct a public hearing and consider approval of renewal applications for liquor licenses for the 2019 calendar year.

SUMMARY:

The City received applications for the renewal liquor licenses for 2019. The public hearing was noticed in the November 25, 2018 South-West Review.

Each renewal application was accompanied by the necessary license fees and liability insurance certificates. Information regarding completion of alcohol server training was also provided to verify that all employees engaged in the serving/selling of alcohol received training within the last 24 months. Bierstube has scheduled their alcohol training for Dec 15, 2018 (attached) All background investigations were approved by Police Department.

**CITY OF INVER GROVE HEIGHTS
DAKOTA COUNTY, MINNESOTA
NOTICE OF PUBLIC HEARING**

NOTICE IS HEREBY GIVEN:

That the City of Inver Grove Heights will hold a public hearing on Monday, December 10, 2018 at 7:00 p.m. in the City Council Chambers, 8150 Barbara Avenue, to consider renewal of the following liquor licenses, as required by City Code Section 4-1-12:

ON-SALE/SUNDAY:

Apple Minnesota, LLC; **Applebee's Neighborhood Grill & Bar**; 5855 Blaine Avenue
Ashton, Inc.; **Jersey's Bar & Grill**; 6449 Concord Boulevard
Bakavole Hospitality, Inc.; **Celts Pub**; 6559 Concord Boulevard
Grove Bowl, Inc.; **Drkula's 32 Bowl**; 6710 Cahill Avenue
L.W.'s Bierstube, Inc.; **L.W.'s Bierstube**; 6434 Cahill Avenue
Mississippi Pub, Inc.; **Mississippi Pub**; 4455 66th Street East
Outback Midwest II Ltd Ptsp; **Outback Steakhouse**; 5723 Bishop Avenue
Overboard **Bar & Grill**; 4455 E. 64th Street
BB Burger Adventures, LLC; **B-52 Burgers and Brew**; 5639 Bishop Avenue
AMC Theatres Inver Grove Heights 16; **AMC Theatres**; 5567 Bishop Avenue
El Azteca Inver Grove Heights, LLC; **El Azteca**; 5816 Blaine Avenue East
City of Inver Grove Heights; **Inver Wood Golf Course**, 1850 70th St E.
IWA Sushi Inc; **IWA Sushi**, 7781 Amana Trail.

ON-SALE:

Kladek, Inc.; **King of Diamonds**; 6600 River Road, and City of Inver Grove Heights;

ON-SALE/SUNDAY/CLUB: **Loyal Order of Moose Lodge #1088**; 5927 Concord Boulevard

OFF-SALE:

Cameron's Warehouse Liquors, Inc.; **Cameron's Warehouse Liquors**; 6533 Concord Boulevard
Just Because Liquor Too LLC; **MGM Wine & Spirits**; 7804 Cahill Avenue
L-Y Enterprise, Inc.; **A & M Liquors**; 5709 Carmen Avenue
Trail West, Inc.; **Trail Liquor**; 9740 South Robert Trail
H & K Corporation; **Market Liquor**; 5866 Blaine Avenue
Yager Group, Inc.; **Arbor Pointe Liquor**; 9084 Buchanan Trail
J&J Vogt, Inc.; **Gold Palace Liquor**; 1330 Mendota Road
Pacheco, LLC.; **Salem Liquor**; 5300 S. Robert Trail #600
Mallory-Mikayla LLC, **451 Beer**, 6530 Cahill Ave

ON-SALE WINE:

Bryde, Inc.; **Old World Pizza**; 5660 Bishop Avenue

3.2 ON-SALE:

Arbor Pointe Golf Club, Inc. **Arbor Pointe Golf Club**; 8919 Cahill Avenue

3.2 OFF-SALE:

Northern Tier Retail, LLC; **SuperAmerica #4411**; 7501 Concord Boulevard
Northern Tier Retail, LLC; **SuperAmerica #4548**; 5728 Bishop Avenue
Inver Grove Hts 2001 LLC; **Cub Foods**; 7850 Cahill Avenue
Pilot Travel, LLC; **Pilot Travel Center #581**, 11650 Courthouse Boulevard

All written and oral statements will be considered at the public hearing and all those desiring to be heard will be heard at the public hearing.

Michelle Tesser, City Clerk

From: [Greg Zinnel](#)
To: [Michelle Tesser](#)
Subject: Liquor Compliance
Date: Wednesday, December 05, 2018 12:05:14 PM

Hi Michelle,

Greg Zinnel here from LW's Bierstube.

Just dropping you a quick note as I promised to tell you that Saturday, December 15th at 9 a.m., I have a gentleman coming to our establishment to give the course on alcohol awareness. I took this under my wing and contacted the owner yesterday about the ongoing issue that you and I had discussed. Hopefully when you bring this up Monday that the city will be okay with this. Going forward I am taking responsibility for this matter.

If you would please send me a quick email back letting me know that you received this and thank you kindly for your patience.

Sincerely,
Greg Zinnel

[Sent from Yahoo Mail on Android](#)

CITY OF INVER GROVE HEIGHTS

REQUEST FOR COUNCIL ACTION

Consider Application of Pawn America LLC dba Pawn America for Renewal of Pawnbroker's License for Premises Located at 5300 South Robert Trail

Meeting Date: December 10, 2018
 Item Type: Public Hearing
 Contact: 651.450.2513
 Prepared by: Michelle Tesser, City Clerk
 Reviewed by: N/A

Fiscal/FTE Impact:

☒	None
☐	Amount included in current budget
☐	Budget amendment requested
☐	FTE included in current complement
☐	New FTE requested – N/A
☐	Other

PURPOSE/ACTION REQUESTED:

Conduct public hearing to consider the approval of the Pawn America LLC dba Pawn America application for the renewal of a pawnbroker's license for the premises located at 5300 S. Robert Trail.

SUMMARY:

An application has been submitted by Pawn America, LLC dba Pawn America for renewal of a Pawnbroker's license for the 2019 calendar year.

City Code requires the Council to conduct a public hearing prior to the issuance of a pawnbroker's license. The notice must be within 10 business days. The City Clerk noticed the hearing and was published in the designated newspaper. The City Clerk mailed notices of the public hearing to properties surrounding the 5300 S. Robert Trail property.

The applicant provided the necessary license and background investigation fees, corporate surety bond, and insurance documentation. The Police Department completed the background check with no remarkable findings.

CITY OF INVER GROVE HEIGHTS**REQUEST FOR COUNCIL ACTION****Resolutions Relating to 2019 Tax Levies and Budgets**

Meeting Date: December 10, 2018
 Item Type: Regular Agenda
 Contact: Kristi Smith 651-450-2521
 Prepared by: Kristi Smith, Finance Director
 Reviewed by: Joe Lynch, City Administrator

Fiscal/FTE Impact:

☐	None
☐	Amount included in current budget
☐	Budget amendment requested
☐	FTE included in current complement
☐	New FTE requested – N/A
☒	Other-2019 Tax Levies and Budgets

PURPOSE/ACTION REQUESTED

To approve three resolutions relating to the 2019 tax levies and budgets.

SUMMARY

This meeting is the regularly scheduled meeting to discuss budgets and tax levies set by Council on September 10, 2018 when the proposed tax levies and budgets were adopted. While a public hearing is no longer required, the public must be allowed to speak.

The proposed levies recommended include a General Fund Operating Levy of \$20,687,200, General Bond Retirement Levies of \$2,544,094 and Storm Water Special Tax Levies for 70th Street Recon of \$79,394.

The General Fund 2019 Budget is recommended at \$24,456,500 and includes mayor and council, administration, elections, communications, finance, community development, planning, inspections, police, fire, public works, engineering, streets, street lighting, parks, contingency and transfers. Other budgets to be approved include three Special Revenue Funds: Recreation, Community Center, and EDA; two Capital Project Funds: Storm Water (Storm Water and Storm Water – NWA) and ADA; three Enterprise Funds: Water (Water, Water Rev Ref 2012A, Water Connection, Water System Improvements and Water – NWA), Sewer (Sewer, GO Sewer Rev 2010A, GO Sewer Rev 2014B, GO Sewer Rev 2015B, GO Sewer Rev 2017A, Sewer Connection and Sewer – NWA), and Golf Course; and five Internal Service Funds: Risk Management, Central Equipment, Central Stores, City Facilities, and Technology. The 2019 Proposed Budgets and Property Taxes booklet and PowerPoint presentation are also included for your review.

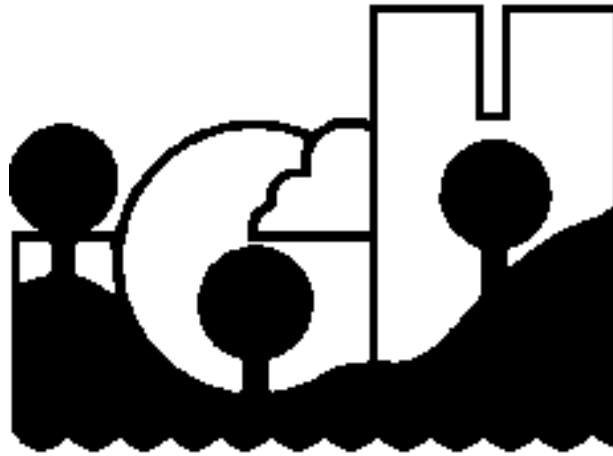
I have received calls from six residents and e-mails from three residents regarding the proposed tax notices they received. In general, most were not happy with the increase in the proposed levy for the city portion of taxes on their statement. One resident requested that their e-mail be shared with Council and is included for your review. Another resident requested a comparison of market value increases, tax levy increases and inflation increases. A slide has been included in the PowerPoint presentation. I would anticipate some residents to be present at the meeting to voice their concerns.

Following adoption of the tax budgets and levies we will certify the taxes to the Dakota County Auditor, file the required reports with the Department of Revenue and the Office of the State Auditor and publish the Summary Budget in the South-West Review as required by the State Auditor. The 2019 Adopted Budget will also be placed on the website.

I recommend that the City Council adopt the following resolutions approving the Final 2019 Budgets and Final Pay 2019 Tax Levies:

- Resolution adopting the final 2019 budgets
- Resolution adopting the final tax levies for the year 2018, collectible in 2019
- Resolution adopting the storm water special taxing district tax levies for the year 2018, collectible in 2019

City of Inver Grove Heights



2019 Proposed Budgets and 2019 Proposed Property Taxes

**Monday, December 10, 2018
7:00 P.M.**

CITY OF INVER GROVE HEIGHTS 2019 PROPOSED EXPENSE BUDGETS

<u>Fund</u>	<u>2018 Amended</u>	<u>2019 Proposed 9/10/2018</u>	<u>2019 Proposed 12/10/2018</u>
General	\$ 22,637,800	\$ 24,898,827	\$ 24,456,500
Recreation	632,400	720,500	678,000
Community Center	4,473,800	3,816,400	3,806,100
EDA Operations	120,600	75,200	75,100
Storm Water	514,300	531,800	531,800
Storm Water - NWA	-	-	-
ADA	190,000	66,500	66,500
Water	3,419,600	3,295,400	3,283,200
Water Rev Ref 2012A	28,500	21,100	21,100
Water Connection	-	-	-
Water System Improvements	539,300	652,600	652,600
Water - NWA	5,000	5,000	5,000
Sewer	3,846,500	3,925,700	3,921,900
Sewer Rev 2010A	203,700	100,600	100,600
Sewer Rev 2014B	118,200	114,400	114,400
Sewer Rev 2015B	124,400	112,300	112,300
Sewer Rev 2017A	154,800	157,800	157,800
Sewer Connection	-	-	-
Sewer - NWA	5,000	5,000	5,000
Golf Course	1,788,800	1,783,800	1,780,100
Risk Management	1,021,100	983,500	1,011,800
Central Equipment	2,634,900	2,247,500	2,851,100
Central Stores	99,900	105,200	105,200
City Facilities	1,261,100	1,226,400	1,226,100
Technology	797,200	996,400	877,600
Total All Funds	<u>\$ 44,616,900</u>	<u>\$ 45,841,927</u>	<u>\$ 45,839,800</u>

CITY OF INVER GROVE HEIGHTS

2019 PROPOSED CITY TAX LEVY

	<u>2018 Amended</u>	<u>2019 Proposed 9/10/2018</u>	<u>2019 Proposed 12/10/2018</u>	<u>Percent Change</u>
General Operating Fund	\$ 19,021,200	\$ 21,129,527	\$ 20,687,200	8.76%
General Bond Retirement	<u>1,941,197</u>	<u>2,544,094</u>	<u>2,544,094</u>	31.06%
Total City-Wide Tax Levy	<u>\$ 20,962,397</u>	<u>\$ 23,673,621</u>	<u>\$ 23,231,294</u>	10.82%
Storm Water Special Tax District Levies:				
70th Street Recon				
Babcock Trail	\$ 22,230	\$ 22,230	\$ 22,230	
South Grove	41,285	41,285	41,285	
70th Street	<u>15,879</u>	<u>15,879</u>	<u>15,879</u>	
	<u>\$ 21,041,791</u>	<u>\$ 23,753,015</u>	<u>\$ 23,310,688</u>	10.78%
City Tax Rate	0.51112	0.54307	0.53449	4.57%

Notes:

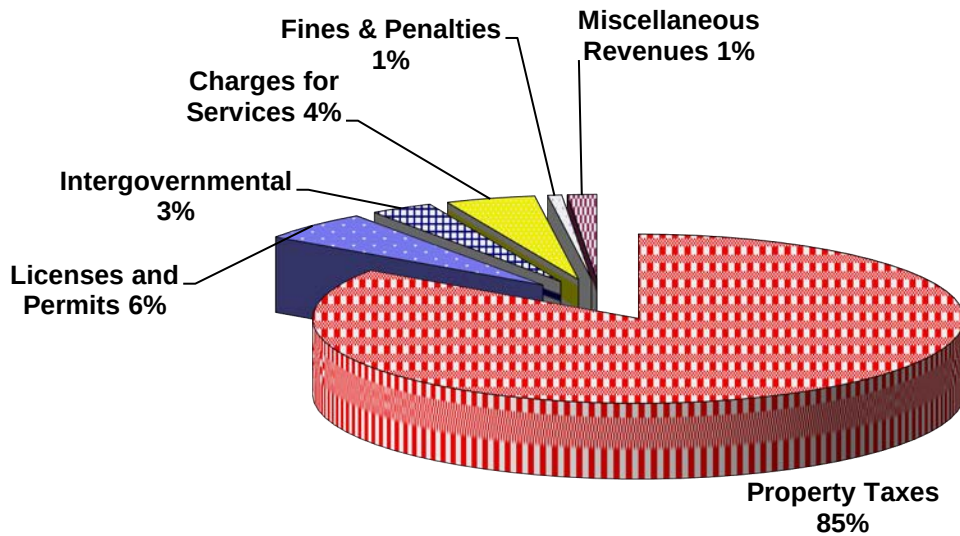
2018 Levy for General Bond Retirement reduced by \$200,000 contribution from Closed Bond Fund.

CITY OF INVER GROVE HEIGHTS

General Fund Revenues

	2018 Amended	2019 Proposed 9/10/2018	2019 Proposed 12/10/2018
Property Taxes	\$ 19,036,200	\$ 21,144,527	\$ 20,702,200
Licenses & Permits	1,131,800	1,379,100	1,379,100
Intergovernmental	615,700	761,500	761,500
Charges for Services	1,017,800	1,087,200	1,087,200
Fines & Penalties	140,000	170,000	170,000
Miscellaneous Revenues	300,800	356,500	356,500
Transfer In	100,000	-	-
TOTAL REVENUES	\$ 22,342,300	\$ 24,898,827	\$ 24,456,500

2019 General Fund Revenues

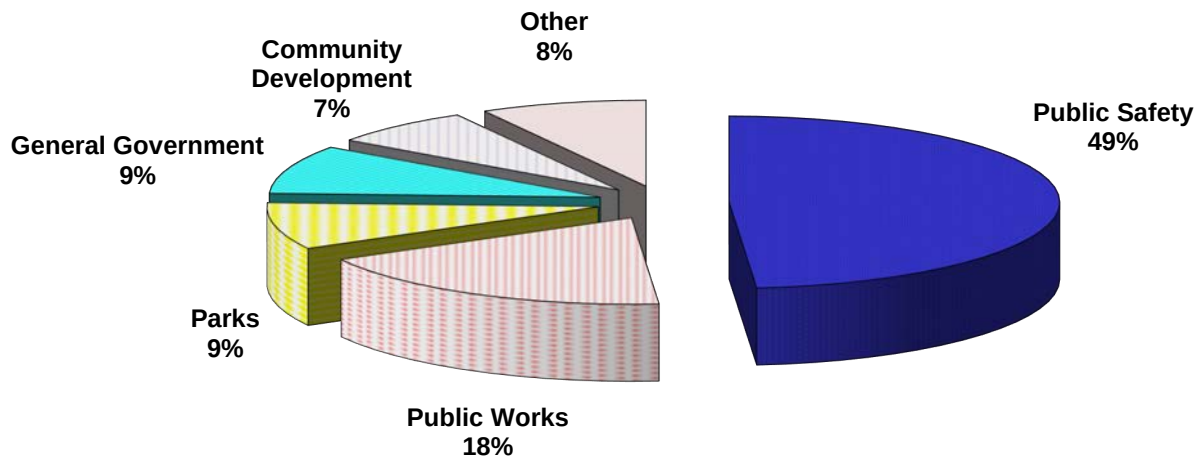


CITY OF INVER GROVE HEIGHTS

General Fund Expenditures

	2018 Amended	2019 Proposed 9/10/2018	2019 Proposed 12/10/2018
Public Safety	\$ 10,645,100	\$ 11,828,800	\$ 11,904,200
Public Works	4,251,300	4,516,800	4,471,100
Parks	2,065,900	2,145,800	2,144,100
General Government	1,994,900	2,267,800	2,234,400
Community Development	1,645,400	1,738,500	1,719,000
Other			
Contingency	100,000	99,827	-
Transfer Out to Recreation	352,100	436,100	393,600
Transfer Out to EDA Operations	83,100	75,200	75,100
Transfer Out to PMP	1,250,000	1,500,000	1,250,000
Transfer Out to Park Capital Replace.	250,000	290,000	265,000
TOTAL EXPENDITURES	\$ 22,637,800	\$ 24,898,827	\$ 24,456,500

2019 General Fund Expenditures



CITY OF INVER GROVE HEIGHTS

SPECIAL REVENUE FUNDS

2019 Proposed Recreation Fund Budget

	<u>2018 Amended</u>	<u>2019 Proposed 9/10/2018</u>	<u>2019 Proposed 12/10/2018</u>
Revenues -			
Program Fees	\$ 220,600	\$ 224,700	\$ 224,700
Other	14,700	14,700	14,700
Transfer In From General Fund	<u>352,100</u>	<u>436,100</u>	<u>393,600</u>
TOTAL	<u><u>\$ 587,400</u></u>	<u><u>\$ 675,500</u></u>	<u><u>\$ 633,000</u></u>
Expenditures -			
Current	<u>\$ 632,400</u>	<u>\$ 720,500</u>	<u>\$ 678,000</u>
TOTAL	<u><u>\$ 632,400</u></u>	<u><u>\$ 720,500</u></u>	<u><u>\$ 678,000</u></u>

2019 Proposed Community Center Fund Budget

	<u>2018 Amended</u>	<u>2019 Proposed 9/10/2018</u>	<u>2019 Proposed 12/10/2018</u>
Revenues -			
Community Center Fees	\$ 2,355,900	\$ 2,406,200	\$ 2,406,200
Contrib. & Donations	315,700	321,700	321,700
Transfers in From Host Community Fund	<u>1,802,200</u>	<u>1,169,500</u>	<u>1,159,200</u>
TOTAL	<u><u>\$ 4,473,800</u></u>	<u><u>\$ 3,897,400</u></u>	<u><u>\$ 3,887,100</u></u>
Expenditures -			
Current	\$ 3,091,300	\$ 3,222,900	\$ 3,212,600
Capital Outlay	<u>1,382,500</u>	<u>593,500</u>	<u>593,500</u>
TOTAL	<u><u>\$ 4,473,800</u></u>	<u><u>\$ 3,816,400</u></u>	<u><u>\$ 3,806,100</u></u>

CITY OF INVER GROVE HEIGHTS

2019 Proposed EDA Operating Fund Budget

	<u>2018 Amended</u>	<u>2019 Proposed 9/10/2018</u>	<u>2019 Proposed 12/10/2018</u>
Revenues -			
Other	\$ 200	\$ -	\$ -
Transfer in From General Fund	<u>83,100</u>	<u>75,200</u>	<u>75,100</u>
TOTAL	<u><u>\$ 83,300</u></u>	<u><u>\$ 75,200</u></u>	<u><u>\$ 75,100</u></u>
Expenditures -			
Current	<u>\$ 120,600</u>	<u>\$ 75,200</u>	<u>\$ 75,100</u>
TOTAL	<u><u>\$ 120,600</u></u>	<u><u>\$ 75,200</u></u>	<u><u>\$ 75,100</u></u>

CITY OF INVER GROVE HEIGHTS

CAPITAL PROJECT FUNDS

2019 Proposed Storm Water Fund Budget

	<u>2018 Amended</u>	<u>2019 Proposed 9/10/2018</u>	<u>2019 Proposed 12/10/2018</u>
Revenues -			
Storm Water Fees	\$ 510,300	\$ 525,300	\$ 525,300
Other	<u>4,000</u>	<u>6,500</u>	<u>6,500</u>
TOTAL	<u>\$ 514,300</u>	<u>\$ 531,800</u>	<u>\$ 531,800</u>
Expenditures -			
Current	<u>\$ 514,300</u>	<u>\$ 531,800</u>	<u>\$ 531,800</u>
TOTAL	<u>\$ 514,300</u>	<u>\$ 531,800</u>	<u>\$ 531,800</u>

2019 Proposed Storm Water - NWA Fund Budget

	<u>2018 Amended</u>	<u>2019 Proposed 9/10/2018</u>	<u>2019 Proposed 12/10/2018</u>
Revenues -			
Storm Water Fees	\$ 581,200	\$ 606,300	\$ 606,300
Special Assessments	1,200	-	-
Other	<u>11,300</u>	<u>23,800</u>	<u>23,800</u>
TOTAL	<u>\$ 593,700</u>	<u>\$ 630,100</u>	<u>\$ 630,100</u>
Expenditures -			
Current	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
TOTAL	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

CITY OF INVER GROVE HEIGHTS

2019 Proposed ADA Fund Budget

	<u>2018 Amended</u>	<u>2019 Proposed 9/10/2018</u>	<u>2019 Proposed 12/10/2018</u>
Revenues -			
Transfers in From			
Host Community Fund	\$ 19,700	\$ 25,300	\$ 25,300
City Facilities Fund	<u>32,300</u>	<u>41,200</u>	<u>41,200</u>
TOTAL	<u>\$ 52,000</u>	<u>\$ 66,500</u>	<u>\$ 66,500</u>
Expenditures -			
Current	<u>\$ 190,000</u>	<u>\$ 66,500</u>	<u>\$ 66,500</u>
TOTAL	<u>\$ 190,000</u>	<u>\$ 66,500</u>	<u>\$ 66,500</u>

CITY OF INVER GROVE HEIGHTS

ENTERPRISE FUNDS

2019 Proposed Water Fund Budget

	<u>2018 Amended</u>	<u>2019 Proposed 9/10/2018</u>	<u>2019 Proposed 12/10/2018</u>
Revenues -			
Water Fees	\$ 3,099,300	\$ 3,243,100	\$ 3,243,100
Other	<u>30,600</u>	<u>44,000</u>	<u>44,000</u>
TOTAL	<u>\$ 3,129,900</u>	<u>\$ 3,287,100</u>	<u>\$ 3,287,100</u>
Expenses -			
Current	<u>\$ 3,419,600</u>	<u>\$ 3,295,400</u>	<u>\$ 3,283,200</u>
TOTAL	<u>\$ 3,419,600</u>	<u>\$ 3,295,400</u>	<u>\$ 3,283,200</u>

2019 Proposed Water Rev Ref 2012A Fund Budget

	<u>2018 Amended</u>	<u>2019 Proposed 9/10/2018</u>	<u>2019 Proposed 12/10/2018</u>
Revenues -			
Other	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
TOTAL	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Expenses -			
Debt Service	<u>\$ 28,500</u>	<u>\$ 21,100</u>	<u>\$ 21,100</u>
TOTAL	<u>\$ 28,500</u>	<u>\$ 21,100</u>	<u>\$ 21,100</u>

2019 Proposed Water Connection Fund Budget

	<u>2018 Amended</u>	<u>2019 Proposed 9/10/2018</u>	<u>2019 Proposed 12/10/2018</u>
Revenues -			
Charges for Services	\$ 168,300	\$ 173,900	\$ 173,900
Other	<u>2,300</u>	<u>4,100</u>	<u>4,100</u>
TOTAL	<u>\$ 170,600</u>	<u>\$ 178,000</u>	<u>\$ 178,000</u>
Expenses -			
Other	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
TOTAL	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

CITY OF INVER GROVE HEIGHTS

2019 Proposed Water System Improvements Fund Budget

	<u>2018 Amended</u>	<u>2019 Proposed 9/10/2018</u>	<u>2019 Proposed 12/10/2018</u>
Revenues -			
Other	<u>\$ 26,700</u>	<u>\$ 26,300</u>	<u>\$ 26,300</u>
TOTAL	<u><u>\$ 26,700</u></u>	<u><u>\$ 26,300</u></u>	<u><u>\$ 26,300</u></u>
Expenses -			
Transfer Out	<u>\$ 539,300</u>	<u>\$ 652,600</u>	<u>\$ 652,600</u>
TOTAL	<u><u>\$ 539,300</u></u>	<u><u>\$ 652,600</u></u>	<u><u>\$ 652,600</u></u>

2019 Proposed Water - NWA Fund Budget

	<u>2018 Amended</u>	<u>2019 Proposed 9/10/2018</u>	<u>2019 Proposed 12/10/2018</u>
Revenues -			
Charges for Services	\$ 416,400	\$ 431,000	\$ 431,000
Special Assessments	1,300	-	-
Other	<u>46,500</u>	<u>15,300</u>	<u>15,300</u>
TOTAL	<u><u>\$ 464,200</u></u>	<u><u>\$ 446,300</u></u>	<u><u>\$ 446,300</u></u>
Expenses -			
Other	<u>\$ 5,000</u>	<u>\$ 5,000</u>	<u>\$ 5,000</u>
TOTAL	<u><u>\$ 5,000</u></u>	<u><u>\$ 5,000</u></u>	<u><u>\$ 5,000</u></u>

CITY OF INVER GROVE HEIGHTS

2019 Proposed Sewer Fund Budget

	<u>2018 Amended</u>	<u>2019 Proposed 9/10/2018</u>	<u>2019 Proposed 12/10/2018</u>
Revenues -			
Sewer Fees	\$ 3,550,000	\$ 2,372,600	\$ 3,512,400
Other	<u>48,200</u>	<u>63,900</u>	<u>63,900</u>
TOTAL	<u>\$ 3,598,200</u>	<u>\$ 2,436,500</u>	<u>\$ 3,576,300</u>
Expenses -			
Current	<u>\$ 3,846,500</u>	<u>\$ 3,925,700</u>	<u>\$ 3,921,900</u>
TOTAL	<u>\$ 3,846,500</u>	<u>\$ 3,925,700</u>	<u>\$ 3,921,900</u>

2019 Proposed GO Sewer Rev 2010A Fund Budget

	<u>2018 Amended</u>	<u>2019 Proposed 9/10/2018</u>	<u>2019 Proposed 12/10/2018</u>
Revenues -			
Other	\$ -	\$ 67,400	\$ 67,400
TOTAL	<u>\$ -</u>	<u>\$ 67,400</u>	<u>\$ 67,400</u>
Expenses -			
Debt Service	<u>\$ 203,700</u>	<u>\$ 100,600</u>	<u>\$ 100,600</u>
TOTAL	<u>\$ 203,700</u>	<u>\$ 100,600</u>	<u>\$ 100,600</u>

2019 Proposed GO Sewer Rev 2014B Fund Budget

	<u>2018 Amended</u>	<u>2019 Proposed 9/10/2018</u>	<u>2019 Proposed 12/10/2018</u>
Revenues -			
Other	\$ -	\$ -	\$ -
TOTAL	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Expenses -			
Debt Service	<u>\$ 118,200</u>	<u>\$ 114,400</u>	<u>\$ 114,400</u>
TOTAL	<u>\$ 118,200</u>	<u>\$ 114,400</u>	<u>\$ 114,400</u>

CITY OF INVER GROVE HEIGHTS

2019 Proposed GO Sewer Rev 2015B Fund Budget

	<u>2018 Amended</u>	<u>2019 Proposed 9/10/2018</u>	<u>2019 Proposed 12/10/2018</u>
Revenues -			
Other	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
TOTAL	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>
Expenses -			
Debt Service	<u>\$ 124,400</u>	<u>\$ 112,300</u>	<u>\$ 112,300</u>
TOTAL	<u><u>\$ 124,400</u></u>	<u><u>\$ 112,300</u></u>	<u><u>\$ 112,300</u></u>

2019 Proposed GO Sewer Rev 2017A Fund Budget

	<u>2018 Amended</u>	<u>2019 Proposed 9/10/2018</u>	<u>2019 Proposed 12/10/2018</u>
Revenues -			
Other	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
TOTAL	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>
Expenses -			
Other	<u>\$ 154,800</u>	<u>\$ 157,800</u>	<u>\$ 157,800</u>
TOTAL	<u><u>\$ 154,800</u></u>	<u><u>\$ 157,800</u></u>	<u><u>\$ 157,800</u></u>

CITY OF INVER GROVE HEIGHTS

2019 Proposed Sewer Connection Fund Budget

	<u>2018 Amended</u>	<u>2019 Proposed 9/10/2018</u>	<u>2019 Proposed 12/10/2018</u>
Revenues -			
Charges for Services	\$ 53,900	\$ 55,800	\$ 55,800
Other	9,200	12,600	12,600
	<u> </u>	<u> </u>	<u> </u>
TOTAL	<u>\$ 63,100</u>	<u>\$ 68,400</u>	<u>\$ 68,400</u>
Expenses -			
Other	\$ -	\$ -	\$ -
	<u> </u>	<u> </u>	<u> </u>
TOTAL	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

2019 Proposed Sewer - NWA Fund Budget

	<u>2018 Amended</u>	<u>2019 Proposed 9/10/2018</u>	<u>2019 Proposed 12/10/2018</u>
Revenues -			
Charges for Services	\$ 693,200	\$ 727,800	\$ 727,800
Special Assessments	2,200	-	-
Utility Revenues	-	-	47,000
Other	600	-	-
Transfer In	539,300	652,600	652,600
	<u> </u>	<u> </u>	<u> </u>
TOTAL	<u>\$ 1,235,300</u>	<u>\$ 1,380,400</u>	<u>\$ 1,427,400</u>
Expenses -			
Debt	\$ 5,000	\$ 5,000	\$ 5,000
	<u> </u>	<u> </u>	<u> </u>
TOTAL	<u>\$ 5,000</u>	<u>\$ 5,000</u>	<u>\$ 5,000</u>

CITY OF INVER GROVE HEIGHTS

2019 Proposed Golf Course Budget

	<u>2018 Amended</u>	<u>2019 Proposed 9/10/2018</u>	<u>2019 Proposed 12/10/2018</u>
Revenues -			
Charges for Services	\$ 1,680,200	\$ 1,643,100	\$ 1,643,100
Other	<u>2,800</u>	<u>202,800</u>	<u>202,800</u>
TOTAL	<u>\$ 1,683,000</u>	<u>\$ 1,845,900</u>	<u>\$ 1,845,900</u>
Expenditures -			
Current	<u>\$ 1,788,800</u>	<u>\$ 1,783,800</u>	<u>\$ 1,780,100</u>
TOTAL	<u>\$ 1,788,800</u>	<u>\$ 1,783,800</u>	<u>\$ 1,780,100</u>

CITY OF INVER GROVE HEIGHTS

INTERNAL SERVICE FUNDS

2019 Proposed Risk Management Fund Budget

	<u>2018 Amended</u>	<u>2019 Proposed 9/10/2018</u>	<u>2019 Proposed 12/10/2018</u>
Revenues -			
Internal Charges	\$ 952,500	\$ 933,100	\$ 961,400
Other	<u>68,600</u>	<u>50,400</u>	<u>50,400</u>
TOTAL	<u>\$ 1,021,100</u>	<u>\$ 983,500</u>	<u>\$ 1,011,800</u>
Expenses -			
Current	<u>\$ 1,021,100</u>	<u>\$ 983,500</u>	<u>\$ 1,011,800</u>
TOTAL	<u>\$ 1,021,100</u>	<u>\$ 983,500</u>	<u>\$ 1,011,800</u>

2019 Proposed Central Equipment Fund Budget

	<u>2018 Amended</u>	<u>2019 Proposed 9/10/2018</u>	<u>2019 Proposed 12/10/2018</u>
Revenues -			
Internal Charges	\$ 2,730,400	\$ 2,825,600	\$ 2,885,500
Other	<u>101,300</u>	<u>115,300</u>	<u>115,300</u>
TOTAL	<u>\$ 2,831,700</u>	<u>\$ 2,940,900</u>	<u>\$ 3,000,800</u>
Expenses -			
Current	<u>2,634,900</u>	<u>2,247,500</u>	<u>2,851,100</u>
TOTAL	<u>\$ 2,634,900</u>	<u>\$ 2,247,500</u>	<u>\$ 2,851,100</u>

2019 Proposed Central Stores Budget

	<u>2018 Amended</u>	<u>2019 Proposed 9/10/2018</u>	<u>2019 Proposed 12/10/2018</u>
Revenues -			
Internal Charges	\$ 95,000	\$ 99,200	\$ 99,200
Other	<u>4,900</u>	<u>6,000</u>	<u>6,000</u>
TOTAL	<u>\$ 99,900</u>	<u>\$ 105,200</u>	<u>\$ 105,200</u>
Expenses -			
Current	<u>\$ 99,900</u>	<u>\$ 105,200</u>	<u>\$ 105,200</u>
TOTAL	<u>\$ 99,900</u>	<u>\$ 105,200</u>	<u>\$ 105,200</u>

CITY OF INVER GROVE HEIGHTS

2019 Proposed City Facilities Fund Budget

	<u>2018 Amended</u>	<u>2019 Proposed 9/10/2018</u>	<u>2019 Proposed 12/10/2018</u>
Revenues -			
Internal Charges	\$ 557,800	\$ 657,800	\$ 612,500
Other	<u>10,500</u>	<u>10,300</u>	<u>10,300</u>
TOTAL	<u>\$ 568,300</u>	<u>\$ 668,100</u>	<u>\$ 622,800</u>
Expenses -			
Current	\$ 1,228,800	\$ 1,185,200	\$ 1,184,900
Transfer to ADA Fund	<u>32,300</u>	<u>41,200</u>	<u>41,200</u>
TOTAL	<u>\$ 1,261,100</u>	<u>\$ 1,226,400</u>	<u>\$ 1,226,100</u>

2019 Proposed Technology Fund Budget

	<u>2018 Amended</u>	<u>2019 Proposed 9/10/2018</u>	<u>2019 Proposed 12/10/2018</u>
Revenues -			
Internal Charges	\$ 1,152,400	\$ 1,269,800	\$ 1,170,300
Other	<u>10,000</u>	<u>12,900</u>	<u>12,900</u>
TOTAL	<u>\$ 1,162,400</u>	<u>\$ 1,282,700</u>	<u>\$ 1,183,200</u>
Expenses -			
Current	<u>\$ 797,200</u>	<u>\$ 996,400</u>	<u>\$ 877,600</u>
TOTAL	<u>\$ 797,200</u>	<u>\$ 996,400</u>	<u>\$ 877,600</u>



Ethics, Excellence, Engagement

CITY OF INVER GROVE HEIGHTS

8150 Barbara Avenue, Inver Grove Heights, MN 55077

651-450-2500

www.invergroveheights.org



Ethics, Excellence, Engagement

Finance Department

Presented by: Kristi Smith, Finance Director

Prepared by: Kristi Smith, Finance Director

2019 Tax Levies and Budgets

December 10, 2018

2019 Tax Levies and Budgets

- Preliminary levies and budgets were approved on September 10, 2018
- Dakota County mailed the 2019 proposed property tax notices the week of November 13, 2018
- December 10, 2018
 - Presentation of final budget
 - Public must be allowed to speak
 - Adoption of final budgets and levies
- Final budgets and levies must be certified to Dakota County on or before December 28, 2018

2019 Expenditure Budgets

General, Special Revenue and Capital Projects Funds

<u>Fund</u>	<u>2018 Amended</u>	<u>2019 Proposed 9/10/2018</u>	<u>2019 Proposed 12/10/2018</u>
General	\$ 22,637,800	\$ 24,898,827	\$ 24,456,500
Recreation	632,400	720,500	678,000
Community Center	4,473,800	3,816,400	3,806,100
EDA	120,600	75,200	75,100
Storm Water	514,300	531,800	531,800
Storm Water - NWA	-	-	-
ADA	190,000	66,500	66,500

2019 Expense Budgets

Enterprise Funds

	2018 Amended	2019 Proposed 9/10/2018	2019 Proposed 12/10/2018
Water	3,419,600	3,295,400	3,283,200
Water Rev Ref 2012A	28,500	21,100	21,100
Water Connection	-	-	-
Water System Improvements	539,300	652,600	652,600
Water - NWA	5,000	5,000	5,000
Sewer	3,846,500	3,925,700	3,921,900
Sewer Rev 2010A	203,700	100,600	100,600
Sewer Rev 2014B	118,200	114,400	114,400
Sewer Rev 2015B	124,400	112,300	112,300
Sewer Rev 2017A	154,800	157,800	157,800
Sewer Connection	-	-	-
Sewer - NWA	5,000	5,000	5,000
Golf Course	1,788,800	1,783,800	1,780,100

2019 Expense Budgets

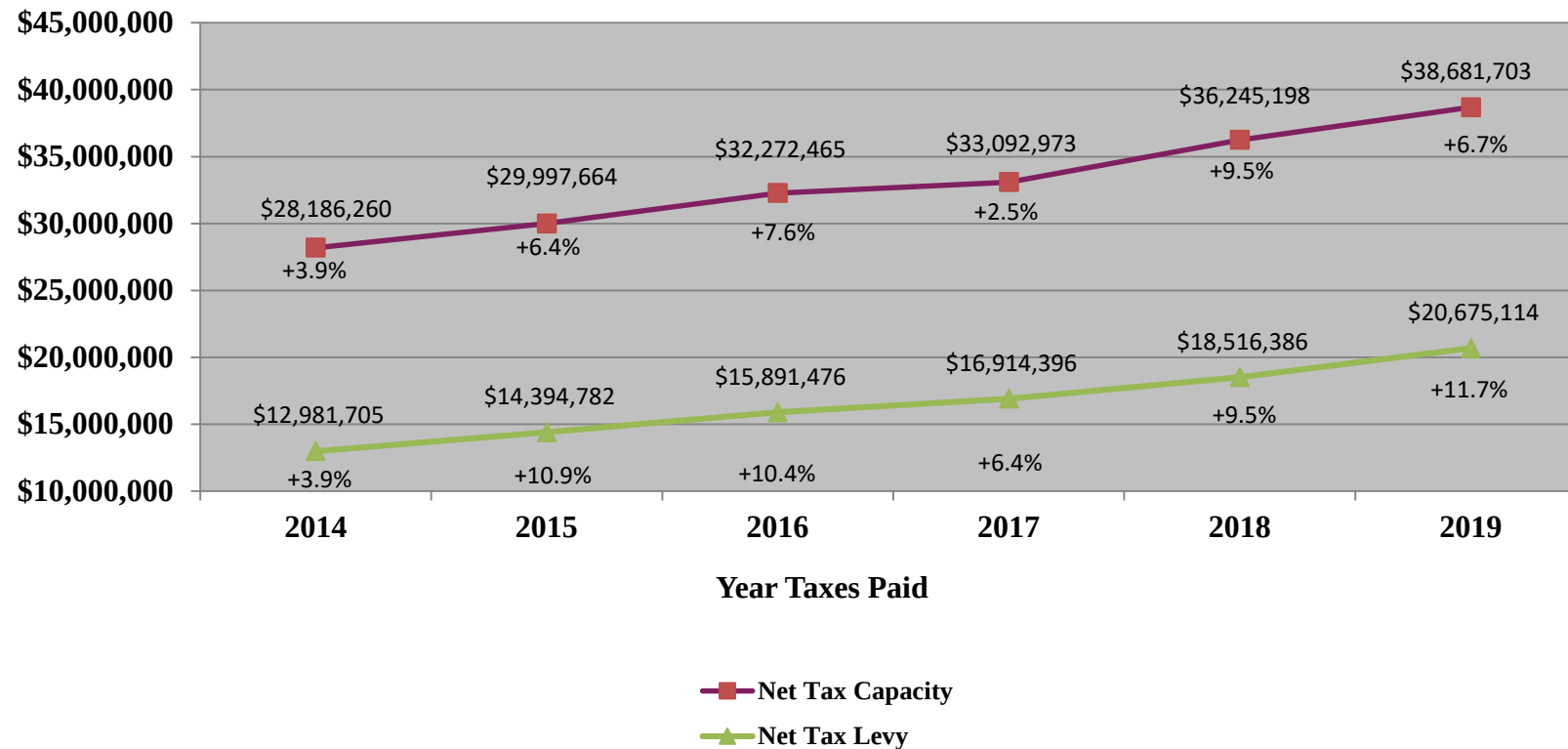
Internal Service Funds

	2018 Amended	2019 Proposed 9/10/2018	2019 Proposed 12/10/2018
Risk Management	1,021,100	983,500	1,011,800
Central Equipment	2,634,900	2,247,500	2,851,100
Central Stores	99,900	105,200	105,200
City Facilities	1,261,100	1,226,400	1,226,100
Technology	797,200	996,400	877,600
Total All Funds	<u>\$ 44,616,900</u>	<u>\$ 45,841,927</u>	<u>\$ 45,839,800</u>

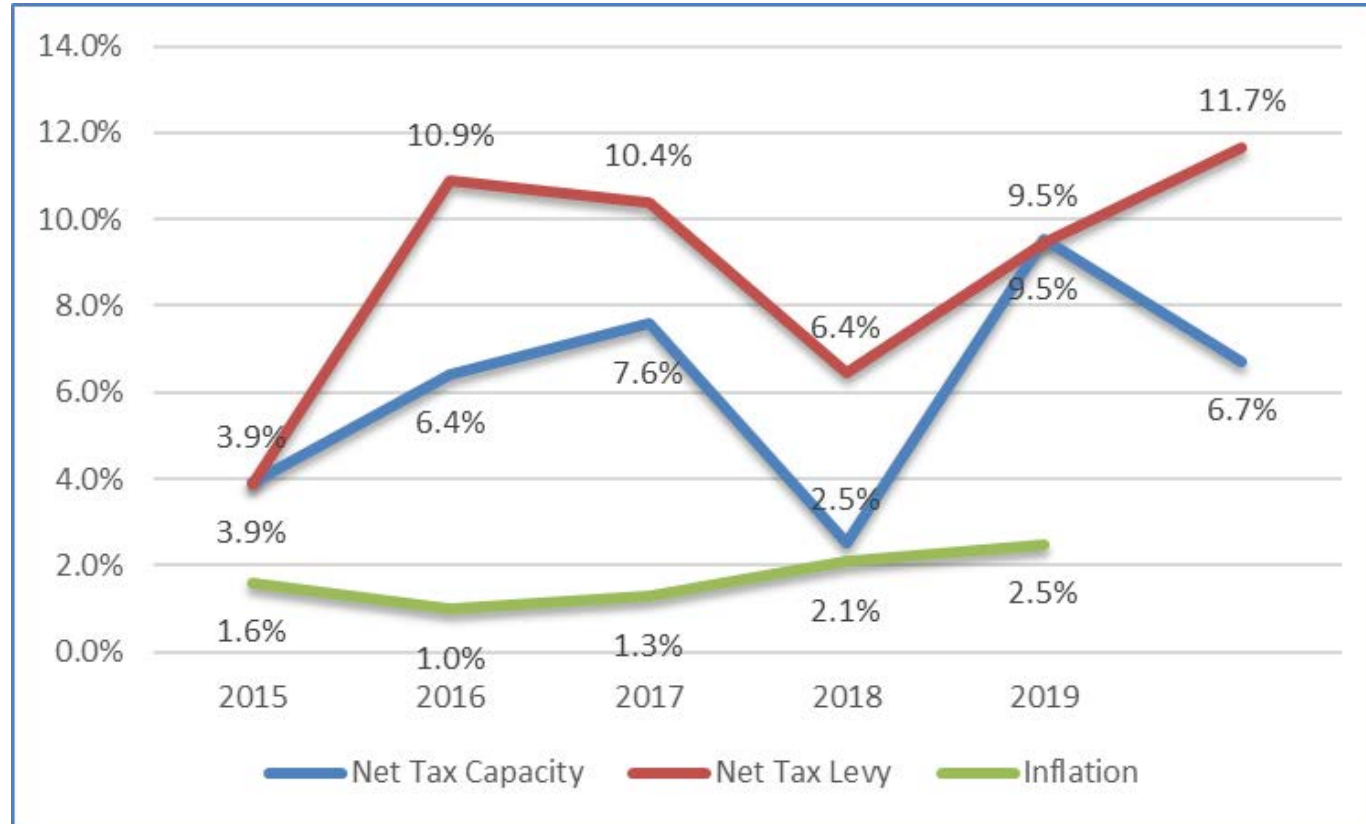
2019 Tax Levies

	2018 Amended	2019 Proposed 9/10/2018	2019 Proposed 12/10/2018	Percent Change
General Operating Fund	\$ 19,021,200	\$ 21,129,527	\$ 20,687,200	8.76%
General Bond Retirement	1,941,197	2,544,094	2,544,094	31.06%
Total City-Wide Tax Levy	<u>\$ 20,962,397</u>	<u>\$ 23,673,621</u>	<u>\$ 23,231,294</u>	10.82%
Storm Water Special Tax				
District Levies:				
70th Street Recon				
Babcock Trail	\$ 22,230	\$ 22,230	\$ 22,230	
South Grove	41,285	41,285	41,285	
70th Street	<u>15,879</u>	<u>15,879</u>	<u>15,879</u>	
	<u>\$ 21,041,791</u>	<u>\$ 23,753,015</u>	<u>\$ 23,310,688</u>	10.78%
City Tax Rate	0.51112	0.54307	0.53449	4.57%

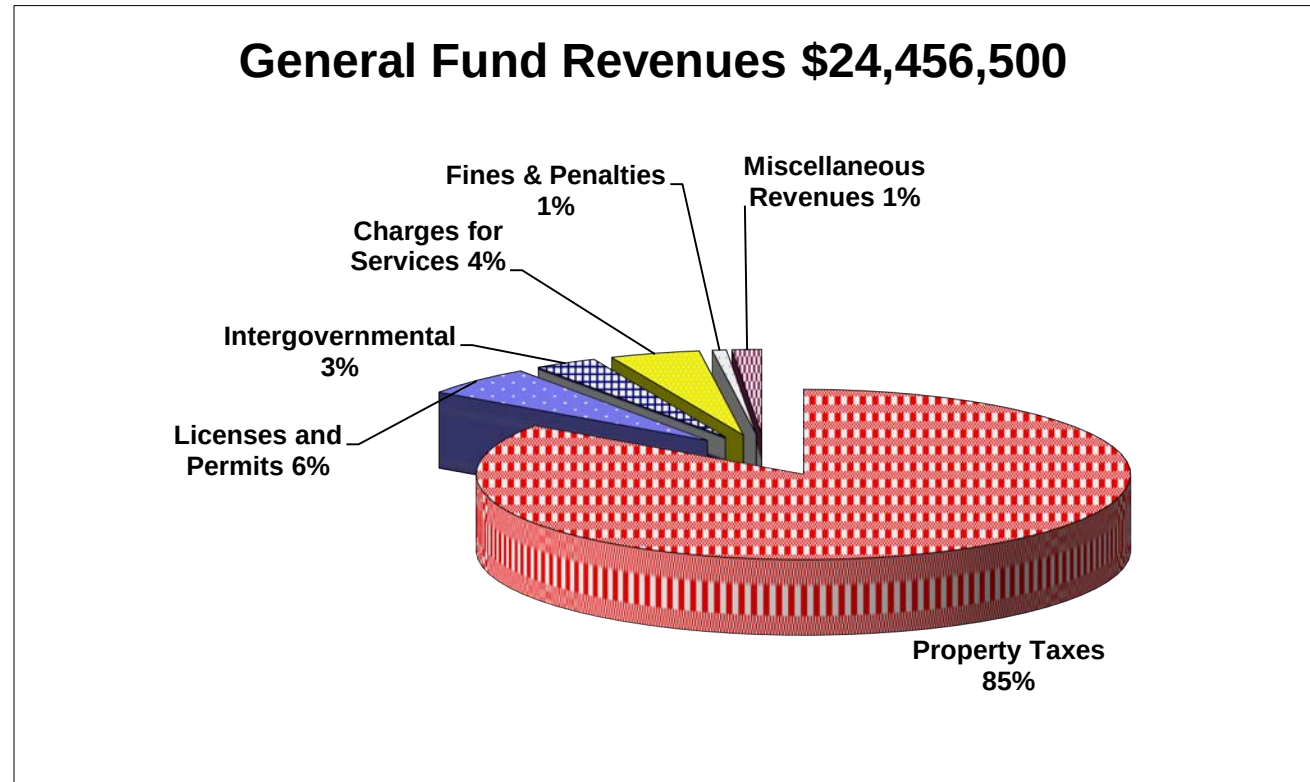
Net Tax Capacity and Net Tax Levy



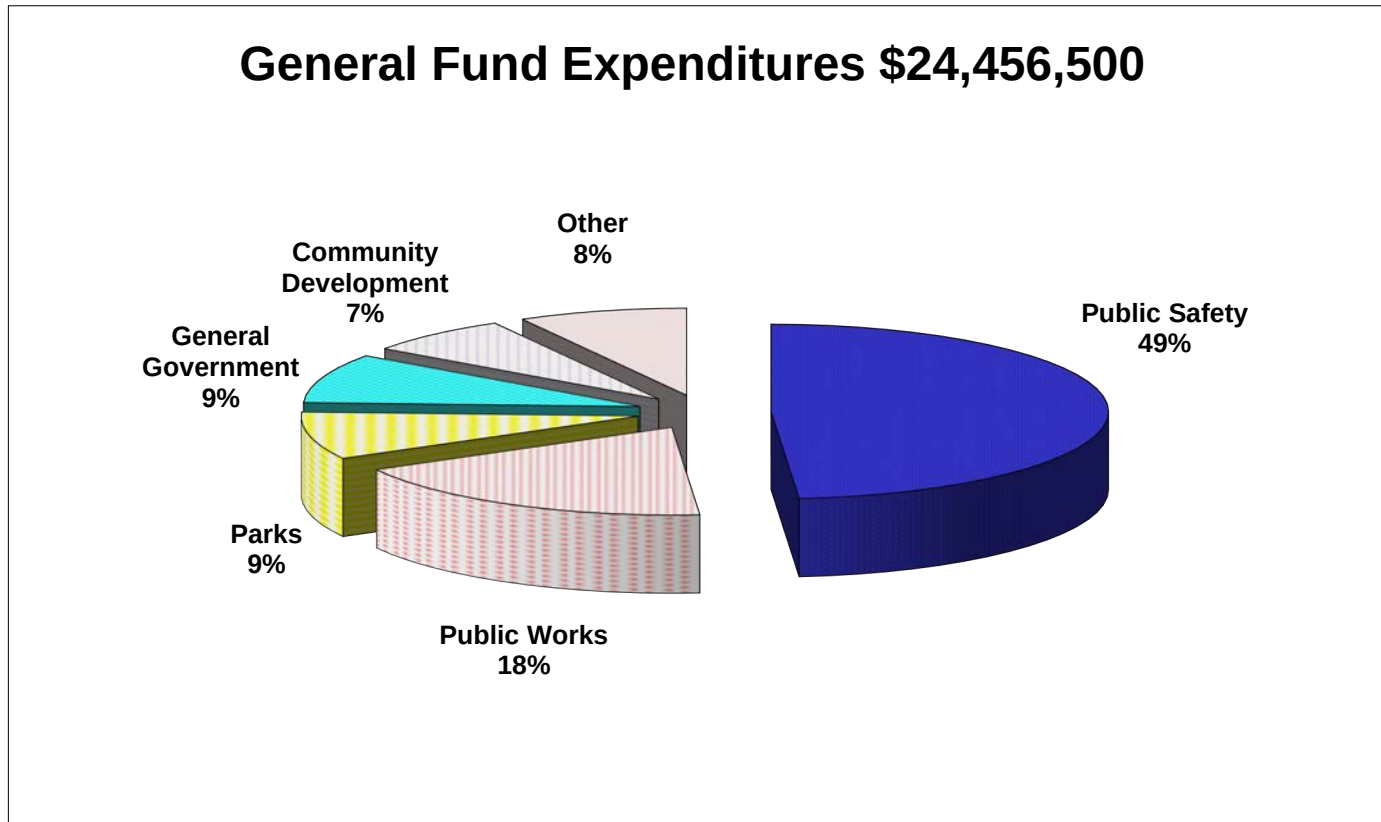
Net Tax Capacity, Net Tax Levy and Inflationary Increase Comparisons



2019 General Fund Revenues



2019 General Fund Expenditures



General Fund Reliances on Other Funds

	2012	2013	2014	2015	2016	2017	2018	2019
Host Community Fund	\$ 1,460,000	\$ 603,640	\$ 400,000	\$ 300,000	\$ 300,000	\$ 200,000	\$ 100,000	\$ -
Central Equipment Fund	188,000		202,000					
Community Projects Fund	65,000							
City Facilities Fund	50,000							
Central Stores Fund	50,000	78,874						
Risk Management		78,874						
	<u>\$ 1,813,000</u>	<u>\$ 761,388</u>	<u>\$ 602,000</u>	<u>\$ 300,000</u>	<u>\$ 300,000</u>	<u>\$ 200,000</u>	<u>\$ 100,000</u>	<u>\$ -</u>

Beginning in 2013 the transfer to the Pavement Management Fund no longer flows through the General Fund, it goes directly from the Host Community Fund to the Pavement Management Fund.

Impact on Mean and Median Residential Properties

MEAN	
RESIDENTIAL HOMESTEAD VALUE = \$	265,369
2018 TAXABLE MARKET VALUE = \$	249,185
2018 Tax Capacity -	
1.00% of \$ 249,185 =	2,492
Tax Capacity	2,492
x 2018 Rate	0.51112
2018 City Tax	\$1,273.63
RESIDENTIAL HOMESTEAD VALUE = \$ 283,385	
6.79% Increase in value	
2019 TAXABLE MARKET VALUE = \$	268,593
2019 Tax Capacity -	
1.00% \$ 268,593 =	2,686
Tax Capacity	2,686
x Est. 2019 Rate	0.53449
Est. 2019 City Tax	\$1,435.61
Difference	\$161.98
Percent change	12.72%

MEDIAN	
RESIDENTIAL HOMESTEAD VALUE = \$	231,300
2018 TAXABLE MARKET VALUE = \$	213,678
2018 Tax Capacity -	
1.00% of \$ 213,678 =	2,137
Tax Capacity	2,137
x 2018 Rate	0.51112
2018 City Tax	\$1,092.15
RESIDENTIAL HOMESTEAD VALUE = \$ 251,600	
8.78% Increase in value	
2019 TAXABLE MARKET VALUE = \$	235,698
2019 Tax Capacity -	
1.00% of \$ 235,698 =	2,357
Tax Capacity	2,357
x Est. 2019 Rate	0.53449
Est. 2019 City Tax	\$1,259.79
Difference	\$167.64
Percent change	15.35%

Impact on Selected Business Properties

BUSINESS VALUE = \$ 586,900	
2018	
Tax Capacity -	
1.5% of 1st \$ 150,000 =	2,250
2.0% of \$ 436,900 =	8,738
Tax Capacity	10,988
Less Fiscal Disparities	(3,992)
	6,996
x 2018 Rate	0.51112
2018 City Tax	\$3,575.68
BUSINESS VALUE = \$ 596,600	
1.65% Increase in value	
2019	
Tax Capacity -	
1.5% of 1st \$ 150,000	2,250
2.0% of \$ 446,600	8,932
Tax Capacity	11,182
Less Fiscal Disparities Est.	(3,992)
	7,190
x Est. 2019 Rate	0.53449
Est. 2019 City Tax	\$3,842.89
Difference	\$267.21
Percent change	7.47%

BUSINESS VALUE = \$ 2,928,200	
2018	
Tax Capacity -	
1.5% of 1st \$ 150,000 =	2,250
2.0% of \$ 2,778,200 =	55,564
Tax Capacity	57,814
Less Fiscal Disparities	(20,997)
	36,817
x 2018 Rate	0.51112
2018 City Tax	\$18,817.84
BUSINESS VALUE = \$ 2,928,200	
0.00% Increase in value	
2019	
Tax Capacity -	
1.5% of 1st \$ 150,000	2,250
2.0% of \$ 2,778,200	55,564
Tax Capacity	57,814
Less Fiscal Disparities Est.	(20,997)
	36,817
x Est. 2019 Rate	0.53449
Est. 2019 City Tax	\$19,678.37
Difference	\$860.53
Percent change	4.57%

Questions?

8150 Barbara Ave. Inver Grove Heights, MN 55077
651-450-2500 www.invergroveheights.org



From: [Bill Wallace](#)
To: [Kristi Smith](#)
Subject: Inver Grove Heights Tax Increase
Date: Monday, November 19, 2018 12:16:18 PM

Kristi,

I own property at 8846 Branson Drive & 8797 Branson Drive.

I am adamantly opposed to the huge tax increase proposed by the City.

Tax increases proposed on my property (which saw a 13.4% increase in value) –

ISD 199 – 3.4%

Dakota County – 8.1%

IGH – 21.2%

I did some additional research on your website and this trend has been going on for 5 years. In 2015 the General Fund budget was at about \$15M and is proposed for 2019 at \$21.12M which is a 40% increase over 4 years. This is insanity. People aren't getting 40% increases in their income over that time. That means you are taking a larger and larger share of their income. The inflation rate the past 5 years has been at about 2-2.5%. The inflation rate should really be the goal to keep spending at for any taxing district.

This increase comes on top of a large assessment I just got hit with for Broderick Blvd.

I have 2 long term tenants in my properties and I basically just raise rate to keep pace with increases in cost. This budget will specifically impact their rental rate in a negative way. For all of the talk by cities about the availability of affordable housing this is a big barrier in and of itself.

Feel free to share with the city council.

Bill Wallace

PS – I own property in Apple Valley & Rosemount as well and the property taxes in those cities barely went up at all even with similar increases in those property values. You might look at why those cities are so much better able to keep their costs in line.

**CITY OF INVER GROVE HEIGHTS
DAKOTA COUNTY, MINNESOTA**

RESOLUTION NO. _____

RESOLUTION ADOPTING THE FINAL 2019 BUDGETS

BE IT RESOLVED, BY THE CITY COUNCIL OF INVER GROVE HEIGHTS AS FOLLOWS: The following final fund expenditure/expense budgets for the City of Inver Grove Heights for fiscal year 2019 are hereby approved:

General Fund	\$24,456,500
Recreation Fund	678,000
Community Center Fund	3,806,100
EDA Operations Fund	75,100
Storm Water Fund	531,800
Storm Water – NWA Fund	0
ADA Fund	66,500
Water Fund	3,283,200
Water Rev Ref 2012A Fund	21,100
Water Connection Fund	0
Water System Improvements Fund	652,600
Water – NWA Fund	5,000
Sewer Fund	3,921,900
GO Sewer Rev 2010A Fund	100,600
GO Sewer Rev 2014B Fund	114,400
GO Sewer Rev 2015B Fund	112,300
GO Sewer Rev 2017A Fund	157,800
Sewer Connection Fund	0
Sewer – NWA Fund	5,000
Golf Course Fund	1,780,100
Risk Management Fund	1,011,800
Central Equipment Fund	2,851,100
Central Stores Fund	105,200
City Facilities Fund	1,226,100
Technology Fund	877,600

Adopted this 10th day of December, 2018, by the City Council of Inver Grove Heights.

Ayes:

Nays:

George Tourville, Mayor

ATTEST:

Michelle Tesser, City Clerk

**CITY OF INVER GROVE HEIGHTS
DAKOTA COUNTY, MINNESOTA**

RESOLUTION NO. _____

**RESOLUTION ADOPTING THE FINAL TAX LEVIES FOR
THE YEAR 2018, COLLECTIBLE IN 2019**

**BE IT RESOLVED, BY THE CITY COUNCIL OF INVER GROVE HEIGHTS AS
FOLLOWS:** There is a final levy upon taxable property in the City of Inver Grove Heights for
the year 2018, collectible in 2019, for the following purposes in the following amounts:

General Operating Fund		\$20,687,200
Bond Retirement:		
City Share of Special Assessments	\$213,693	
G.O. Improvement Bonds, 2014B	0	
(Levy of \$51,879 less excess of \$51,879)		
G.O. Refunding Capital Impr. Bonds, 2016A	616,284	
G.O. Improvement Bonds, 2010B	177,250	
(Levy of \$283,375 less \$106,125 of funds available)		
G.O. Bonds, 2015A	634,343	
G.O. Bonds, 2017B	262,524	
G.O. Capital Improvement Bonds, 2018A	<u>640,000</u>	
Total Bond Retirement		<u>2,544,094</u>
Total Levy		<u>\$23,231,294</u>

Adopted this 10th day of December, 2018, by the City Council of Inver Grove Heights.

Ayes:

Nays:

George Tourville, Mayor

ATTEST:

Michelle Tesser, City Clerk

**CITY OF INVER GROVE HEIGHTS
DAKOTA COUNTY, MINNESOTA**

RESOLUTION NO. _____

**RESOLUTION ADOPTING THE STORM WATER
SPECIAL TAXING DISTRICT TAX LEVIES FOR
THE YEAR 2018, COLLECTIBLE IN 2019**

BE IT RESOLVED, BY THE CITY COUNCIL OF INVER GROVE HEIGHTS AS FOLLOWS: There is a proposed special property tax levied upon the taxable property within the Storm Water Special Taxing Districts (S.W.S.T.D.) in the City of Inver Grove Heights collectible in 2019 for the following purposes in the following amounts:

Bond Retirement

70 th Street Reconstruction Storm Water Special Taxing Districts	
Babcock Trail	\$22,230
South Grove	41,285
70 th Street	15,879

Adopted this 10th day of December, 2018, by the City Council of Inver Grove Heights.

Ayes:

Nays:

George Tourville, Mayor

ATTEST:

Michelle Tesser, City Clerk

CITY OF INVER GROVE HEIGHTS

REQUEST FOR COUNCIL ACTION

Approval of the 2019-2023 Capital Improvement Plan

Meeting Date: December 10, 2018
Item Type: Regular Agenda
Contact: Kristi Smith 651-450-2521
Prepared by: Kristi Smith, Finance Director
Reviewed by: Joe Lynch, City Administrator

Fiscal/FTE Impact:

- | | |
|-------------------------------------|------------------------------------|
| ☐ | None |
| ☐ | Amount included in current budget |
| ☐ | Budget amendment requested |
| ☐ | FTE included in current complement |
| ☐ | New FTE requested – N/A |
| ☒ | Other |

PURPOSE/ACTION REQUESTED

To approve 2019-2023 Capital Improvement Plan.

SUMMARY

The Capital Improvement Plan 2019-2023 was first presented at the December 3, 2018 work session. The following changes have been incorporated into the plan:

- Market value increases 0% (previous plan 2.5%)
- General Fund increases 4% (previous plan 5%)
- Proposed 2019 Budget has been included (previous plan Preliminary 2019 Budget)
- Additional \$2.5 million in state bonding revenue identified for collector streets
- Transfer from General Fund to Pavement Management Fund increases \$500,000 (previous plan \$250,000)
- No reduction or delay to capital projects

As a result, the average annual tax increase to the median valued home is \$95 or 7.45% from 2019 to 2023.

CITY OF INVER GROVE HEIGHTS, MINNESOTA
Capital Improvement Plan Summary

DRAFT 12/05/18

Inflation Assumptions

1	Revenue (Non-Property Tax)	2.00%	2.00%	2.00%	2.00%	2.00%
2	Expenses	4.00%	4.00%	4.00%	4.00%	4.00%
3	Franchis Fees	0.00%	0.00%	0.00%	0.00%	0.00%
4	Interest on Investments	1.25%	1.25%	1.25%	1.25%	1.25%

	GENERAL FUND	Actual	Actual	Budget	Budget	Projected				
		2016	2017	2018	2019	2020	2021	2022	2023	2024
REVENUE										
5	GENERAL PROPERTY TAX	14,157,530	15,190,441	17,321,200	18,887,200	20,226,267	21,594,193	23,005,054	24,453,893	25,408,458
6	ADDITIONAL LEVY TO MEET FUND BALANCE POLICY	0	0	0	0	1,096,954	596,673	612,530	429,022	498,172
7	FISCAL DISPARITIES	1,802,095	1,960,009	1,700,000	1,800,000	1,800,000	1,800,000	1,800,000	1,800,000	1,836,000
8	OTHER LEVY	14,779	18,530	15,000	15,000	15,000	15,000	15,000	15,000	15,300
9	FRANCHISE FEES	103,406	107,441	107,400	111,800	111,800	111,800	111,800	111,800	111,800
10	LICENSES & PERMITS	1,133,121	1,355,686	1,131,800	1,379,100	1,406,682	1,434,816	1,463,512	1,492,782	1,522,638
11	OTHER INTERGOVERNMENTAL	676,129	697,599	615,700	761,500	776,730	792,265	808,110	824,272	840,758
12	CHARGES FOR SERVICES	660,604	620,978	910,400	975,400	994,908	1,014,806	1,035,102	1,055,804	1,076,920
13	FINES AND FORFEITS	119,855	173,365	140,000	170,000	173,400	176,868	180,405	184,013	187,694
14	INTEREST EARNINGS	74,848	79,380	89,900	116,800	122,917	136,629	144,087	151,744	157,107
15	MISCELLANEOUS	11,014	75,914	210,900	239,700	244,494	249,384	254,372	259,459	264,648
16	TOTAL REVENUE	18,753,381	20,279,343	22,242,300	24,456,500	26,969,152	27,922,433	29,429,973	30,777,789	31,919,494
EXPENDITURES										
17	GENERAL GOVERNMENT	1,853,731	1,849,983	1,994,900	2,234,400	2,323,776	2,416,727	2,513,396	2,613,932	2,718,489
18	PUBLIC SAFETY	9,332,846	9,837,271	10,589,800	11,888,900	12,364,456	12,859,034	13,373,396	13,908,331	14,464,665
19	PUBLIC WORKS	3,728,436	3,958,174	4,251,300	4,465,000	4,643,600	4,829,344	5,022,518	5,223,418	5,432,355
20	PARKS AND RECREATION	1,695,806	1,834,875	2,065,900	2,144,100	2,229,864	2,319,059	2,411,821	2,508,294	2,608,625
21	COMMUNITY DEVELOPMENT	1,324,928	1,546,943	1,555,100	1,725,100	1,794,104	1,865,868	1,940,503	2,018,123	2,098,848
22	DEBT SERVICE									
23	PRINCIPAL	0	0	0	0	0	0	0	0	0
24	INTEREST	0	0	0	0	0	0	0	0	0
25	CAPITAL OUTLAY	0	48,239	0	0	0	0	0	0	0
26	CONTINGENCY	0	0	100,000	0	0	0	0	0	0
27	TOTAL EXPENDITURES	17,935,747	19,075,485	20,557,000	22,457,500	23,355,800	24,290,032	25,261,633	26,272,099	27,322,983
28	REVENUE OVER (UNDER) EXPENDITURES	817,634	1,203,858	1,685,300	1,999,000	3,613,352	3,632,401	4,168,339	4,505,691	4,596,512
OTHER FINANCING SOURCES / (USES)										
29	SALE OF ASSETS	0	0	0	0	0	0	0	0	0
30	BOND PROCEEDS	0	0	0	0	0	0	0	0	0
31	TRANSFERS IN	781,575	678,659	100,000	0	0	0	0	0	0
32	TOTAL TRANSFERS OUT	(1,909,900)	(1,318,700)	(1,990,500)	(1,999,000)	(2,516,397)	(3,035,728)	(3,555,809)	(4,076,669)	(4,098,339)
a	Transfer to Park Capital Replacement Fund 444	(150,000)	(150,000)	(250,000)	(265,000)	(265,000)	(265,000)	(265,000)	(265,000)	(265,000)
b	Transfer to Park Acquisition Fund 402	0	0	0	0	0	0	0	0	0
c	Transfer to Recreation Fund 204	(331,900)	(359,300)	(352,100)	(393,600)	(409,344)	(425,718)	(442,746)	(460,456)	(478,875)
d	Transfer to Pavement Mgmt Fund 440	(700,000)	(700,000)	(1,250,000)	(1,250,000)	(1,750,000)	(2,250,000)	(2,750,000)	(3,250,000)	(3,250,000)
e	Transfer to EDA	(500)	(94,100)	(83,100)	(75,100)	(76,141)	(78,462)	(80,852)	(83,314)	(85,850)
f	Transfer to Local Improvements	0	0	0	0	0	0	0	0	0
g	Transfer to Sewer Fund	(720,000)	0	0	0	0	0	0	0	0
h	Transfer to Equipment Acquisition	(7,500)	(15,300)	(55,300)	(15,300)	(15,912)	(16,548)	(17,210)	(17,899)	(18,615)
33	TOTAL OTHER FINANCING SOURCES / (USES)	(1,128,325)	(640,041)	(1,890,500)	(1,999,000)	(2,516,397)	(3,035,728)	(3,555,809)	(4,076,669)	(4,098,339)
34	Nonspendable Fund Balance	15,799	141,195	141,195	141,195	141,195	141,195	141,195	141,195	141,195
35	Ending Unassigned General Fund Balance	9,600,129	10,038,550	9,833,350	9,833,350	10,930,304	11,526,977	12,139,507	12,568,529	13,066,701
36	Percentage of Next Year's Expenditures	47%	45%	40%	38%	40%	40%	40%	40%	40%

CITY OF INVER GROVE HEIGHTS, MINNESOTA
Capital Improvement Plan Summary

DRAFT 12/05/18

Inflation Assumptions

1	Revenue (Non-Property Tax)	2.00%	2.00%	2.00%	2.00%	2.00%
2	Expenses	4.00%	4.00%	4.00%	4.00%	4.00%
3	Franchis Fees	0.00%	0.00%	0.00%	0.00%	0.00%
4	Interest on Investments	1.25%	1.25%	1.25%	1.25%	1.25%

	Actual		Budget	Budget	Projected				
	2016	2017	2018	2019	2020	2021	2022	2023	2024
GENERAL FUND									
37 TOTAL GENERAL FUND TAX LEVY	15,897,800	16,973,400	19,021,200	20,687,200	23,123,221	23,990,866	25,417,584	26,682,915	27,742,630
38 ANNUAL INCREASE		6.8%	12.1%	8.8%	11.8%	3.8%	5.9%	5.0%	4.0%
39 OTHER SPECIAL LEVIES									
40									
41									
42 OTHER/UNALLOTMENT LEVY	-	-	-	-	-	-	-	-	-
43 TOTAL OPERATING TAX LEVIES	15,897,800	16,973,400	19,021,200	20,687,200	23,123,221	23,990,866	25,417,584	26,682,915	27,742,630
44 MN Armory Bldg (Final Payment 2016)	19,600	-	-	-	-	-	-	-	-
45 City Share of Assessments	235,201	234,058	205,074	213,693	205,703	197,013	157,054	150,925	150,925
46 2010C PIR BONDS (Final Payment 2018)	46,942	-	-	-	-	-	-	-	-
47 2011A IMPROVEMENT BONDS (Final Payment 2019)	123,819	99,200	-	-	-	-	-	-	-
48 2014B IMPROVEMENT BONDS (Final Payment 2019)	122,500	150,000	-	-	-	-	-	-	-
49 2014B IMPROVEMENT BONDS (Final Payment 2020)	290,000	445,000	456,482	-	-	-	-	-	-
50 2016A REFUNDING BONDS (Final Payment 2034)	674,000	642,800	600,272	616,284	636,759	656,289	695,874	718,134	718,134
51 2017A IMPROVEMENT BONDS (Final Payment 2027)	110,000	195,000	195,000	177,250	177,250	177,250	177,250	177,250	177,250
52 2015A IMPROVEMENT BONDS (Final Payment 2031)	635,388	634,334	682,482	634,343	636,762	638,972	635,669	637,301	633,210
53 2017B IMPROVEMENT BONDS (Final Payment 2033)	-	-	1,887	262,524	262,910	263,140	263,211	263,125	262,882
54 2018A CIP BONDS (Final Payment 2039) - Estimated	-	-	-	553,621	737,347	739,447	740,691	741,269	741,158
55 2019A CIP BONDS (Final Payment 2039) - Estimated	-	-	-	84,336	190,998	188,793	186,422	189,192	186,477
56 OFFSET FROM CLOSED BOND FUND	(200,000)	(200,000)	(200,000)	-	-	-	-	-	-
57 TOTAL EXISTING DEBT LEVIES	2,057,450	2,200,392	1,941,197	2,542,051	2,847,729	2,860,903	2,856,171	2,877,196	2,870,036
58 POTENTIAL NEW DEBT LEVIES (SEE EXHIBITS)	-	-	-	-	-	-	472,191	1,372,218	1,593,510
59 TOTAL TAX LEVIES	17,955,250	19,173,792	20,962,397	23,229,251	25,970,950	26,851,769	28,745,946	30,932,329	32,206,176
60 ADJUSTMENT FOR FISCAL DISPARITIES DISTRIBUTION	(2,063,774)	(2,259,396)	(2,436,782)	(2,546,056)	(2,638,347)	(2,844,913)	(2,910,418)	(3,114,339)	(3,334,393)
61 NET LEVY TO TAXPAYERS	15,891,476	16,914,396	18,525,615	20,683,195	23,332,603	24,006,856	25,835,527	27,817,989	28,871,783
62 TOTAL LEVY INCREASE PERCENTAGE		6.4%	9.5%	11.6%	12.8%	2.9%	7.6%	7.7%	3.8%
63 DEBT LEVY AS A % OF NET CITY-WIDE TAX LEVY	12.9%	13.0%	10.5%	12.3%	12.2%	11.9%	12.9%	15.3%	15.5%
64 EXISTING TAX BASE	32,272,465	32,757,979	36,245,198	39,050,948	39,050,948	40,854,512	41,089,012	41,323,512	41,558,012
65 TAX INCREMENT CAPTURED TAX CAPACITY	0	0	0	0	1,569,064	0	0	0	0
66 NEW TAX CAPACITY (FROM GROWTH PROJECTIONS)	0	0	0	0	234,500	234,500	234,500	234,500	234,500
67 TOTAL TAX CAPACITY	32,272,465	32,757,979	36,245,198	39,050,948	40,854,512	41,089,012	41,323,512	41,558,012	41,792,512
68 TAX RATE ON TAX CAPACITY	49.242%	51.644%	51.112%	52.965%	57.111%	58.426%	62.520%	66.938%	69.084%
69 TAX RATE % CHANGE		4.88%	-1.03%	3.62%	7.83%	2.30%	7.01%	7.07%	3.21%
70 City Taxes	933	996	1,111	1,255	1,354	1,385	1,482	1,586	1,637
71 \$ tax increase/(decrease) average home (\$251,600)		63.12	114.90	144.62	98.28	31.17	97.02	104.70	50.86
72 % tax increase/(decrease) average home (\$251,600)		6.77%	11.54%	13.02%	7.83%	2.30%	7.01%	7.07%	3.21%
73 Existing Tax Base Inflation/Deflation					0.0%	0.0%	0.0%	0.0%	0.0%
74 Total Tax Base Increase		1.5%	10.6%	7.7%	4.6%	0.6%	0.6%	0.6%	0.6%
75 % from New Growth					0.6%	0.6%	0.6%	0.6%	0.6%

PROPERTY TAX LEVY AND TAX IMPACT

CITY OF INVER GROVE HEIGHTS, MINNESOTA
Financial Management Plan
Summary of CIP Requests/Debt Levies

DRAFT 12/05/18

PROJECTED DEBT ISSUED BASED ON CIP REQUESTS		Budget 2019	Projected				
			2020	2021	2022	2023	2024
1 FUND							
2 General Fund	101	-	-	-	-	-	-
3 Parks Acquisition Fund	402	-	-	-	-	-	-
4 City Facilities Fund	605	-	-	-	11,150,000	-	-
5 Golf Course Fund	503	-	-	-	-	-	-
6 Community Center Fund	205	-	-	-	-	-	-
7 Local Improvement Fund	420-438;446	-	-	5,000,000	-	2,225,000	-
8 Pavement Management Fund	440	-	-	-	-	-	-
9 Total New Debt Issued		0	0	5,000,000	11,150,000	2,225,000	0

PROJECTED DEBT LEVIES BASED ON CIP REQUESTS		Budget 2019	Projected				
			2020	2021	2022	2023	2024
10 FUND							
11 General Fund	101	-	-	-	-	-	-
12 Parks Acquisition Fund	402	-	-	-	-	-	-
13 City Facilities Fund	605	-	-	-	-	900,027	900,027
14 Golf Course Fund	503	-	-	-	-	-	-
15 Community Center Fund	205	-	-	-	-	-	-
16 Local Improvement Fund	420-438;446	-	-	-	472,191	472,191	693,483
17 Pavement Management Fund	440	-	-	-	-	-	-
18 Total New Debt Levies (TO SUMMARY PAGE, LINE 58)		0	-	-	472,191	1,372,218	1,593,510

CITY OF INVER GROVE HEIGHTS, MINNESOTA
Capital Improvement Plan
Park Acquisition and Development Fund 402- Exhibit B

DRAFT 12/05/18

Inflation Assumptions

1 Revenue (Non-Tax/State Aid)	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%
2 Expenditures	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%
3 Interest on Investments	1.25%	1.25%	1.25%	1.25%	1.25%	1.25%
4 Capital Outlay	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%

CASH FLOW ANALYSIS	PARK ACQUISITION AND DEVELOPMENT FUND 402 - EXHIBIT B	Actual 2017	Amended 2018	Budget 2019	Projected			
					2020	2021	2022	2023
5	REVENUE							
6	Taxes	-	-	-	-	-	-	-
7	Charges for Services	265,765	330,000	330,000	330,000	330,000	330,000	330,000
8	State Bonding Grant	-	1,252,710	578,562	-	-	-	-
9	Interest	17,936	27,448	29,163	-	-	-	-
10	Miscellaneous	175,879	271,234	1,050,000	-	-	-	-
11	TOTAL REVENUE	459,580	1,881,392	1,987,725	330,000	330,000	330,000	330,000
12								
13	EXPENSES							
14	Current							
15	Miscellaneous	-	-	-	-	-	-	-
16	Debt Service							
17	Debt Service - Principal and Interest	-	-	-	-	-	-	-
18	Capital Outlay							
19	Capital improvements (Line 46)	193,091	2,470,000	3,964,255	1,112,800	432,640	-	116,986
20	TOTAL EXPENSES	193,091	2,470,000	3,964,255	1,112,800	432,640	-	116,986
21								
22	OTHER FINANCING SOURCES / (USES)							
23	Bond Proceeds	-	-	-	-	-	-	-
24	Transfer in	-	276,749	-	-	-	-	-
25	Transfer out - Local Improvement	(12,518)	-	-	-	-	-	-
26	Transfer out - Other	-	-	-	-	-	-	-
27	TOTAL OTHER FINANCING SOURCES (USES)	(12,518)	276,749	-	-	-	-	-
28								
29	ENDING FUND BALANCE	2,644,893	2,333,034	356,504	(426,296)	(528,936)	(198,936)	14,078
30	Interfund Loan Balance (General Fund)							

BREAKDOWN OF CAPITAL OUTLAY	Actual 2017	Amended 2018	Budget 2019	Projected			
	2020	2021	2022	2023			
31 PROJECT DESCRIPTION							
32 Heritage Village Park	-	2,470,000	1,939,255	-	-	-	-
33 NWA park acquisition	-	-	800,000	400,000	-	-	-
34 NWA park development	-	-	800,000	400,000	200,000	-	-
35 NWA trail development	-	-	100,000	100,000	100,000	-	100,000
36 NWA grade separated crossing	-	-	-	-	-	-	-
37 VMCC Babcock Trail	-	-	100,000	-	-	-	-
38 Seidl's Trail	-	-	100,000	150,000	-	-	-
39 North Valley/South Valley	-	-	-	-	-	-	-
40 Basketball Court	-	-	-	20,000	-	-	-
41 Upper 55th Trail	-	-	125,000	-	-	-	-
42 Salem Shelter	-	-	-	-	100,000	-	-
43	-	-	-	-	-	-	-
44 Future Year Placeholder	-	-	-	-	-	-	-
45 Total Capital Outlay	-	2,470,000	3,964,255	1,070,000	400,000	-	100,000
46 CAPITAL OUTLAY WITH INFLATION	0	2,470,000	3,964,255	1,112,800	432,640	0	116,986

CITY OF INVER GROVE HEIGHTS, MINNESOTA
Capital Improvement Plan
Park Capital Replacement Fund 444 - Exhibit C

DRAFT 12/05/18

Inflation Assumptions

1 Revenue (Non-Tax/State Aid)	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%
2 Expenditures	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%
3 Interest on Investments	1.25%	1.25%	1.25%	1.25%	1.25%	1.25%
4 Capital Outlay	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%

CASH FLOW ANALYSIS	PARK CAPITAL REPLACEMENT FUND 444 - EXHIBIT C		Actual 2017	Amended 2018	Budget 2019	Projected			
						2020	2021	2022	2023
	5	REVENUE							
	6	Taxes	-	-	-	-	-	-	-
	7	Donations	-	-	-	-	-	-	-
	8	Miscellaneous	-	-	-	-	-	-	-
	9	Interest	7,566	12,956	16,791	15,120	1,651	1,532	2,328
	10	TOTAL REVENUE	7,566	12,956	16,791	15,120	1,651	1,532	2,328
	11								
	12	EXPENSES							
	13	Current							
	14	Miscellaneous	5,151	5,306	5,465	5,629	5,797	5,971	6,151
	15	Debt Service							
	16	Debt Service - Principal and Interest	-	-	-	-	-	-	-
	17	Capital Outlay							
	18	Capital Expenditures (Line 42)	61,521	140,000	410,000	1,352,000	270,400	196,851	204,725
	19	TOTAL EXPENSES	66,672	145,306	415,465	1,357,629	276,197	202,822	210,876
	20								
	21	OTHER FINANCING SOURCES / (USES)							
	22	Bond Proceeds	-	-	-	-	-	-	-
	23	Transfers in - General Fund	150,000	250,000	265,000	265,000	265,000	265,000	265,000
	24	Transfers in - Capital Facilities Fund	25,000	-	-	-	-	-	-
	25	Transfers in - Host Community Fund	25,000	-	-	-	-	-	-
	26	Transfer out	-	-	-	-	-	-	-
	27	TOTAL OTHER FINANCING SOURCES (USES)	200,000	250,000	265,000	265,000	265,000	265,000	265,000
	28								
	29	ENDING FUND BALANCE	1,225,646	1,343,296	1,209,623	132,115	122,569	186,278	242,731

BREAKDOWN OF CAPITAL OUTLAY	Actual 2017	Amended 2018	Budget 2019	Projected			
				2020	2021	2022	2023
30 EQUIPMENT/PROJECT DESCRIPTION							
31 Playground Equipment	-	-	100,000	150,000	150,000	75,000	75,000
32 North Valley/South Valley Picnic Shelter	-	-	-	1,000,000	-	-	-
33 Tennis court/basketball repair	-	50,000	300,000	90,000	90,000	90,000	90,000
34 Rich Valley Well Backstop Hoods	-	80,000	-	-	-	-	-
35 Fishing Pier	-	-	-	50,000	-	-	-
36 Recreation Building	-	-	-	-	-	-	-
37 Streetscapes	-	10,000	10,000	10,000	10,000	10,000	10,000
38							
39							
40 Future Year Placeholder							
41 Total Capital Outlay	-	140,000	410,000	1,300,000	250,000	175,000	175,000
42 CAPITAL OUTLAY WITH INFLATION	0	140,000	410,000	1,352,000	270,400	196,851	204,725

CITY OF INVER GROVE HEIGHTS, MINNESOTA
Capital Improvement Plan
Host Community Fund 451 - Exhibit D

DRAFT 12/05/18

Inflation Assumptions

1 Revenue (Non-Tax/State Aid)	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%
2 Expenditures	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%
3 Interest on Investments	1.25%	1.25%	1.25%	1.25%	1.25%	1.25%
4 Capital Outlay	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%

	Actual 2017	Amended 2018	Budget 2019	Projected			
				2020	2021	2022	2023
HOST COMMUNITY FUND 451 - EXHIBIT D							
5 REVENUE							
6 Taxes	-	-	-	-	-	-	-
7 Charges for Services (Land Fill Agreements)	2,108,572	1,606,000	1,548,000	1,590,000	1,632,000	1,678,000	1,724,000
8 Interest	30,001	52,436	41,265	43,284	41,943	23,731	26,675
9 Miscellaneous	8,229	-	-	-	-	-	-
10 TOTAL REVENUE	2,146,802	1,658,436	1,589,265	1,633,284	1,673,943	1,701,731	1,750,675
12 EXPENSES							
13 Current							
14 Miscellaneous	158,182	210,785	134,907	108,974	108,974	108,974	108,974
15 Argenta Trail	-	-	-	-	-	-	-
16 HVP Grant	-	248,750	-	-	-	-	-
17 Debt Service							
18 Debt Service - Principal and Interest	-	-	-	-	-	-	-
19 Capital Outlay							
20 Capital Expenditures	-	-	-	-	-	-	-
21 TOTAL EXPENSES	158,182	459,535	134,907	108,974	108,974	108,974	108,974
23 OTHER FINANCING SOURCES / (USES)							
24 Bond Proceeds	-	-	-	-	-	-	-
25 Transfers In	-	-	-	-	-	-	-
26 Transfers Out - Community Center (For Operations)	(542,485)	(419,700)	(484,700)	(560,742)	(605,389)	(651,932)	(700,438)
27 Transfers Out - Community Center (For Capital)	(12,571)	(1,382,500)	(593,500)	(981,552)	(2,335,499)	(624,300)	(46,794)
28 Transfers Out - Community Center (For Rink Projects)	-	(68,700)	(81,000)	(81,000)	(81,000)	(81,000)	(81,000)
29 Transfers Out - Golf Course Fund	(100,000)	-	-	-	-	-	-
30 Transfers Out - Economic Development Fund	(43,941)	-	-	-	-	-	-
31 Transfers Out - Park Capital Replacement	(25,000)	-	-	-	-	-	-
32 Transfers Out - Cities Facilities Fund	-	-	-	-	-	-	-
33 Transfers Out - ADA	(21,500)	(19,700)	(25,300)	-	-	-	-
34 Transfers Out - General Fund	(200,000)	(100,000)	-	-	-	-	-
34 Transfers Out - Pavement Management Program	(500,000)	-	-	-	-	-	-
35 Transfers Out - Other	-	(102,015)	(108,333)	(8,333)	-	-	-
36 TOTAL OTHER FINANCING SOURCES (USES)	(1,445,497)	(2,092,615)	(1,292,833)	(1,631,627)	(3,021,888)	(1,357,232)	(828,232)
38 ENDING FUND BALANCE	4,194,911	3,301,197	3,462,722	3,355,405	1,898,486	2,134,012	2,947,481

CASH FLOW ANALYSIS

CITY OF INVER GROVE HEIGHTS, MINNESOTA
Capital Improvement Plan
Community Projects Fund 450 - Exhibit E

DRAFT 12/05/18

Inflation Assumptions

1 Revenue (Non-Tax/State Aid)	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%
2 Expenditures	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%
3 Interest on Investments	1.25%	1.25%	1.25%	1.25%	1.25%	1.25%
4 Capital Outlay	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%

CASH FLOW ANALYSIS	COMMUNITY PROJECTS FUND 450 - EXHIBIT E	Actual 2017	Amended 2018	Budget 2019	Projected			
					2020	2021	2022	2023
	5 REVENUE							
	6 Taxes	-	-	-	-	-	-	-
	7 Intergovernmental	-	-	-	-	-	-	-
	8 Interest	2,352	2,754	1,328	932	532	126	-
	9 Miscellaneous	-	-	-	-	-	-	-
	10 TOTAL REVENUE	2,352	2,754	1,328	932	532	126	-
	11							
	12 EXPENSES							
	13 Current							
	14 Emeral Ash Borer	20,933	106,093	33,000	33,000	33,000	10,186	-
	15 Election Equipment	10,700	10,700	-	-	-	-	-
	16 Miscellaneous	-	-	-	-	-	-	-
	17 Debt Service							
	18 Debt Service - Principal and Interest	-	-	-	-	-	-	-
	19 Capital Outlay							
	20 Capital Expenditures	-	-	-	-	-	-	-
	21 TOTAL EXPENSES	31,633	116,793	33,000	33,000	33,000	10,186	-
	22							
	23 OTHER FINANCING SOURCES / (USES)							
	24 Bond Proceeds	-	-	-	-	-	-	-
	25 Transfers In - General	-	-	-	-	-	-	-
	26 Transfers In - Other	-	-	-	-	-	-	-
	27 Transfers Out	-	-	-	-	-	-	-
	28 TOTAL OTHER FINANCING SOURCES (USES)	-	-	-	-	-	-	-
	29							
	30 ENDING FUND BALANCE	220,307	106,268	74,596	42,529	10,060	(0)	(0)

CITY OF INVER GROVE HEIGHTS, MINNESOTA
Capital Improvement Plan
Closed Bond Debt Service Fund 399 - Exhibit G

DRAFT 12/05/18

Inflation Assumptions

1 Revenue (Non-Tax/State Aid)	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%
2 Expenditures	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%
3 Interest on Investments	1.25%	1.25%	1.25%	1.25%	1.25%	1.25%

	CLOSED BOND DEBT SERVICE FUND 399- EXHIBIT G				Projected			
	Actual 2017	Amended 2018	Budget 2019		2020	2021	2022	2023
4 REVENUE								
5 Taxes	592	-	-		-	-	-	-
6 Interest	65,839	25,765	22,962		15,124	14,313	14,492	14,674
7 Special Assessments	28,571	-	-		-	-	-	-
8 Miscellaneous	-	-	-		-	-	-	-
9 TOTAL REVENUE	95,002	25,765	22,962		15,124	14,313	14,492	14,674
10								
11 EXPENSES								
12 Current								
13 Miscellaneous	18,253	-	-		-	-	-	-
14 Debt Service								
15 Debt Service - Principal and Interest	-	-	-		-	-	-	-
16 TOTAL EXPENSES	18,253	-	-		-	-	-	-
17								
18 OTHER FINANCING SOURCES / (USES)								
19 Transfer in	-	-	-		-	-	-	-
20 Transfer out - General Fund	(200,000)	(200,000)	-		-	-	-	-
21 Transfer out - Park Acquisition Fund	-	(50,000)	-		-	-	-	-
22 Transfer out - City Facilities Fund (Fire Station)	-	-	(400,000)		-	-	-	-
23 Transfer out - City Facilities Fund (PW Facility)	-	-	(250,000)		-	-	-	-
24 Transfer out - Local Improvement Fund	-	-	-		(80,000)	-	-	-
25 Transfers out - Debt Service Fund	(97,007)	-	-		-	-	-	-
26 TOTAL OTHER FINANCING SOURCES (USES)	(297,007)	(250,000)	(650,000)		(80,000)	-	-	-
27								
28 ENDING FUND BALANCE	2,061,223	1,836,988	1,209,951		1,145,075	1,159,388	1,173,881	1,188,554

CITY OF INVER GROVE HEIGHTS, MINNESOTA
Capital Improvement Plan
City Facilities Internal Service Fund 605 - Exhibit H

DRAFT 12/05/18

Inflation Assumptions

1 Revenue (Non-Tax/State Aid)	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%
2 Expenditures	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%
3 Interest on Investments	1.25%	1.25%	1.25%	1.25%	1.25%	1.25%
4 Capital Outlay	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%

CASH FLOW ANALYSIS	CITY FACILITIES INTERNAL SERVICE FUND 605 - EXHIBIT H			Projected			
	Actual 2017	Amended 2018	Budget 2019	2020	2021	2022	2023
5 REVENUE							
6 Taxes (Debt Levy - Fire Station)	-	-	607,578	884,138	884,038	882,965	886,153
7 Taxes (Debt Levy - Maintenance Facility)	-	-	-	-	-	-	857,169
8 Charges for Services	416,900	557,800	647,500	629,800	661,560	694,913	729,940
9 Rent/Other	9,904	9,000	9,000	9,000	9,180	9,364	9,551
10 Interest	1,341	1,500	1,300	2,908	6,986	2,809	7,108
11 Miscellaneous	-	-	-	-	-	-	-
12 TOTAL REVENUE	428,145	568,300	1,265,378	1,525,846	1,561,763	1,590,051	2,489,921
13							
14 EXPENSES							
15 Current							
16 Operations	376,454	524,500	656,500	638,800	670,740	704,277	739,491
17 Debt Service							
18 Debt Service - Principal and Interest	-	-	236,300	560,848	879,088	878,501	1,734,228
19 Capital Outlay							
20 Capital Improvements (Line 52)	14,279	36,609	13,150,000	-	346,112	10,813,318	-
21 TOTAL EXPENSES	390,733	561,109	14,042,800	1,199,648	1,895,940	12,396,096	2,473,719
22							
23 OTHER FINANCING SOURCES / (USES)							
24 Bond Proceeds (net costs of issuance)	-	9,826,000	2,433,000	-	-	11,150,000	-
25 Transfer in - Closed Bond Fund (Fire Station)	-	-	400,000	-	-	-	-
26 Transfer in - Closed Bond Fund (PW Facility)	-	-	250,000	-	-	-	-
27 Transfer out - ADA Fund	(20,300)	(32,300)	(41,200)	-	-	-	-
28 TOTAL OTHER FINANCING SOURCES (USES)	(20,300)	9,793,700	3,041,800	-	-	11,150,000	-
29							
30 ENDING CASH BALANCE	167,409	9,968,300	232,679	558,877	224,701	568,656	584,858
31 Interfund Loan Balance (General Fund)							

BREAKDOWN OF CAPITAL OUTLAY	Actual 2017	Amended 2018	Budget 2019	Projected			
	2020	2021	2022	2023			
32 PROJECT DESCRIPTION							
33 Fire Station							
34 Construction Fire Station #2	-	-	12,900,000	-	-	-	-
35 Future Year Placeholder	-	-	-	-	-	-	-
36 Subtotal Fire Stations	-	-	12,900,000	-	-	-	-
37							
38 Maintenance Facility							
39 Expansion Project	-	26,700	250,000	-	320,000	9,613,000	-
40 Future Year Placeholder	-	-	-	-	-	-	-
41 Subtotal Maintenance Facility	-	26,700	250,000	-	320,000	9,613,000	-
42							
43 Parks and Recreation							
44 System Plan	-	9,909	-	-	-	-	-
45 Future Year Placeholder	-	-	-	-	-	-	-
46 Subtotal Parks and Recreation	-	9,909	-	-	-	-	-
47							
48							
49 Total Capital Outlay	-	36,609	13,150,000	-	320,000	9,613,000	-
50 CAPITAL OUTLAY WITH INFLATION	0	36,609	13,150,000	0	346,112	10,813,318	0

CITY OF INVER GROVE HEIGHTS, MINNESOTA
Capital Improvement Plan
Golf Course Fund 503

DRAFT 12/05/18

Inflation Assumptions

1 Revenue (Non-Tax/State Aid)	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%
2 Expenditures	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%
3 Interest on Investments	1.25%	1.25%	1.25%	1.25%	1.25%	1.25%
4 Capital Outlay	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%

	Actual 2017	Amended 2018	Budget 2019	Projected			
				2020	2021	2022	2023
GOLF COURSE FUND 503							
5 REVENUE							
6 Taxes	-	-	-	-	-	-	-
7 Charges for Services	1,486,728	1,680,200	1,840,600	1,877,500	1,933,825	1,991,840	2,051,595
8 Interest	3,422	2,800	4,869	9,407	9,012	8,965	9,293
9 Miscellaneous	514	-	-	-	-	-	-
10 TOTAL REVENUE	1,490,664	1,683,000	1,845,469	1,886,907	1,942,837	2,000,805	2,060,888
12 EXPENSES							
13 Current							
14 Operations	1,357,580	1,516,000	1,582,600	1,630,078	1,678,980	1,729,350	1,781,230
15 Debt Service							
16 Debt Service - Principal and Interest	-	-	-	-	-	-	-
17 Capital Outlay							
18 Capital improvements and Equipment (Line 35)	64,558	150,000	87,800	91,312	108,160	112,486	128,684
19 TOTAL EXPENSES	1,422,138	1,666,000	1,670,400	1,721,390	1,787,140	1,841,836	1,909,914
21 OTHER FINANCING SOURCES / (USES)							
22 Interfund Loan	-	113,052	385,000	-	-	-	-
23 Transfer in - Host Community	100,000	-	-	-	-	-	-
24 Transfer out - Interfund Loan Repayment	(29,603)	(162,800)	(197,092)	(197,092)	(159,408)	(132,741)	(132,741)
a 2016 Golf Course Improvements	-	-	(81,908)	(81,908)	(81,908)	(81,908)	(81,908)
b 2018 Equipment Purchases	-	-	(37,684)	(37,684)	-	-	-
c 2019 Equipment Purchases	-	-	(26,667)	(26,667)	(26,667)	-	-
d 2019 Golf Carts	-	-	(50,833)	(50,833)	(50,833)	(50,833)	(50,833)
25 TOTAL OTHER FINANCING SOURCES (USES)	70,397	(49,748)	187,908	(197,092)	(159,408)	(132,741)	(132,741)
27 ENDING CASH BALANCE	422,291	389,543	752,520	720,945	717,233	743,462	761,695
28 Interfund Loan Balance (Central Equipment)	(2,047,700)	(1,997,952)	(2,185,860)	(1,988,768)	(1,829,360)	(1,696,619)	(1,563,878)
BREAKDOWN OF CAPITAL OUTLAY							
29 PROJECT DESCRIPTION							
30 Capital Improvements - Future Year Placeholder	-	50,000	50,000	50,000	50,000	50,000	50,000
31 Capital Equipment - Future Year Placeholder	-	100,000	37,800	37,800	50,000	50,000	60,000
32							
33							
34 Total Capital Outlay	-	150,000	87,800	87,800	100,000	100,000	110,000
35 CAPITAL OUTLAY WITH INFLATION	0	150,000	87,800	91,312	108,160	112,486	128,684

CITY OF INVER GROVE HEIGHTS, MINNESOTA

DRAFT 12/05/18

Capital Improvement Plan

Community Center Special Revenue Fund 205 - Exhibit K

Inflation Assumptions

1 Revenue (Non-Tax/State Aid)	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%
2 Expenditures	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%
3 Interest on Investments	1.25%	1.25%	1.25%	1.25%	1.25%	1.25%
4 Capital Outlay	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%

CASH FLOW ANALYSIS	COMMUNITY CENTER SPECIAL REVENUE	Actual	Amended	Budget	Projected			
	FUND 205 - EXHIBIT K	2017	2018	2019	2020	2021	2022	2023
	5 <u>REVENUE</u>							
	6 Taxes	-	-	-	-	-	-	-
	7 Charges for Services	2,235,649	2,355,900	2,406,200	2,454,324	2,503,410	2,553,479	2,604,548
	8 Interest (683)		-	-	-	-	-	-
	9 Miscellaneous	247,580	315,700	321,700	328,134	334,697	341,391	348,218
	10 TOTAL REVENUE	2,482,546	2,671,600	2,727,900	2,782,458	2,838,107	2,894,869	2,952,767
	11							
	12 <u>EXPENSES</u>							
	13 Current							
	14 Operations	3,052,642	3,093,200	3,212,600	3,343,200	3,443,496	3,546,801	3,653,205
	15 Debt Service							
	16 Debt Service - Principal and Interest	-	-	-	-	-	-	-
	17 Capital Outlay							
	18 Capital improvements (Line 39)	530,051	1,219,500	593,500	981,552	2,335,499	624,300	46,794
	19 TOTAL EXPENSES	3,582,693	4,312,700	3,806,100	4,324,752	5,778,995	4,171,101	3,699,999
	20							
	21 <u>OTHER FINANCING SOURCES / (USES)</u>							
	22 Bond Proceeds	-	-	-	-	-	-	-
	23 Transfer in - Host Community (For Operations)	542,485	419,700	484,700	560,742	605,389	651,932	700,438
	24 Transfer in - Host Community (For Capital)	12,571	1,382,500	593,500	981,552	2,335,499	624,300	46,794
	25 Transfer in - Host Community (For Rink Projects)	-	68,700	81,000	81,000	81,000	81,000	81,000
	26 Transfer in - Capital Facilities Fund	515,000	-	-	-	-	-	-
	27 Transfer out - Local Improvement Construction	(644,033)	-	-	-	-	-	-
	28 Rosemount Agreement West Rink	-	-	82,326	82,326	82,326	82,326	82,326
	29 TOTAL OTHER FINANCING SOURCES (USES)	426,023	1,870,900	1,241,526	1,705,620	3,104,214	1,439,558	910,558
	30							
	31 ENDING FUND BALANCE	(1,786,819)	(1,557,019)	(1,393,693)	(1,230,367)	(1,067,041)	(903,715)	(740,389)
	32 Interfund Loan Balance (Central Equipment)	(1,897,884)	(2,695,060)	(2,491,734)	(2,288,408)	(2,085,082)	(1,881,756)	(1,678,430)

BREAKDOWN OF CAPITAL OUTLAY		Actual 2017	Amended 2018	Budget 2019	Projected			
					2020	2021	2022	2023
33	<u>PROJECT DESCRIPTION</u>							
34	Capital Improvements - Future Year Placeholder	-	1,219,500	593,500	943,800	2,159,300	555,000	40,000
35		-	-	-	-	-	-	-
36								
37								
38	Total Capital Outlay	-	1,219,500	593,500	943,800	2,159,300	555,000	40,000
39	CAPITAL OUTLAY WITH INFLATION	0	1,219,500	593,500	981,552	2,335,499	624,300	46,794

CITY OF INVER GROVE HEIGHTS, MINN
Capital Improvement Plan
Capital Facilities Fund 400 - Exhibit L

DRAFT 12/05/18

Inflation Assumptions

1 Revenue (Non-Tax/State Aid)	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%
2 Expenditures	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%
3 Interest on Investments	1.25%	1.25%	1.25%	1.25%	1.25%	1.25%
4 Capital Outlay	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%

CASH FLOW ANALYSIS	CAPITAL FACILITIES FUND 400 - EXHIBIT L	Actual 2017	Amended 2018	Budget 2019	Projected			
					2020	2021	2022	2023
	5 <u>REVENUE</u>							
	6 Taxes	-	-	-	-	-	-	-
	7 Miscellaneous	-	-	-	-	-	-	-
	8 Interest	7,898	789	424	429	434	440	445
	9 TOTAL REVENUE	7,898	789	424	429	434	440	445
	10							
	11 <u>EXPENSES</u>							
	12 Current							
	13 Miscellaneous	-	-	-	-	-	-	-
	14 Debt Service							
	15 Principal and Interest	-	-	-	-	-	-	-
	16 Capital Outlay							
	17 Capital Outlay (Line 34)	-	30,000	-	-	-	-	-
	18 TOTAL EXPENSES	-	30,000	-	-	-	-	-
	19							
	20 <u>OTHER FINANCING SOURCES / (USES)</u>							
	21 Bond Proceeds	-	-	-	-	-	-	-
	22 Transfers In - General	-	-	-	-	-	-	-
	23 Transfers In - Other	-	-	-	-	-	-	-
	24 Transfers Out - Community Center Fund	(515,000)	-	-	-	-	-	-
	25 Transfers Out - Park Capital Replacement Fund	(25,000)	-	-	-	-	-	-
	26 TOTAL OTHER FINANCING SOURCES (USES)	(540,000)	-	-	-	-	-	-
	27							
	28 ENDING FUND BALANCE	63,110	33,899	34,323	34,752	35,186	35,626	36,071

BREAKDOWN OF CAPITAL OUTLAY	Actual 2017	Amended 2018	Budget 2019	Projected			
				2020	2021	2022	2023
29 PROJECT DESCRIPTION							
30 HVP Remediation	-	30,000	-	-	-	-	-
31	-	-	-	-	-	-	-
32 Future Year Placeholder	-	-	-	-	-	-	-
33 Total Capital Outlay	-	30,000	-	-	-	-	-
34 CAPITAL OUTLAY WITH INFLATION	0	30,000	0	0	0	0	0

CITY OF INVER GROVE HEIGHTS, MINNESOTA
Capital Improvement Plan
Economic Development Special Revenue Fund 290 - Exhibit M

DRAFT 12/05/18

Inflation Assumptions

1 Revenue (Non-Tax/State Aid)	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%
2 Expenditures	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%
3 Interest on Investments	1.25%	1.25%	1.25%	1.25%	1.25%	1.25%
4 Capital Outlay	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%

	ECONOMIC DEVELOPMENT SPECIAL REVENUE FUND 290 - EXHIBIT M				Projected			
	Actual 2017	Amended 2018	Budget 2019		2020	2021	2022	2023
5 REVENUE								
6 Taxes	-	-	-		-	-	-	-
7 Intergovernmental	416,286	-	-		-	-	-	-
8 Interest	197	200	-		1,212	1,212	1,212	1,212
9 Miscellaneous	-	-	-		-	-	-	-
10 TOTAL REVENUE	416,483	200	-		1,212	1,212	1,212	1,212
11								
12 EXPENSES								
13 Current								
14 Community Development	133,090	120,600	75,100		77,353	79,674	82,064	84,526
15 Debt Service								
16 Debt Service - Principal and Interest	-	-	-		-	-	-	-
17 Capital Outlay								
18 Development Activities	354,677	-	-		-	-	-	-
19 TOTAL EXPENSES	487,767	120,600	75,100		77,353	79,674	82,064	84,526
20								
21 OTHER FINANCING SOURCES / (USES)								
22 Bond Proceeds	-	-	-		-	-	-	-
23 Transfer in - Host Community Fund	43,941	-	-		-	-	-	-
24 Transfer in - General Fund	94,100	83,100	75,100		76,141	78,462	80,852	83,314
25 Transfer in - Other	-	-	-		-	-	-	-
26 Transfer out	-	-	-		-	-	-	-
27 TOTAL OTHER FINANCING SOURCES (USES)	138,041	83,100	75,100		76,141	78,462	80,852	83,314
28								
29 ENDING FUND BALANCE	134,227	96,927	96,927		96,927	96,927	96,927	96,927

CITY OF INVER GROVE HEIGHTS, MINNESOTA
Capital Improvement Plan
Local Improvement Construction Fund

DRAFT 12/05/18

Inflation Assumptions

Revenue (Non-Tax/State Aid)	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%
Expenditures	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%
Interest on Investments	1.25%	1.25%	1.25%	1.25%	1.25%	1.25%

CASH FLOW ANALYSIS	LOCAL IMPROVEMENT CONSTRUCTION FUND						
	Actual 2017	Amended 2018	Budget 2019	Projected			
				2020	2021	2022	2023
REVENUE							
Taxes	34,768	-	-	-	-	472,191	472,191
Special Assessments - Existing	293,967	163,791	163,791	128,123	128,123	133,303	91,707
Special Assessments - New	-	-	-	100,697	100,697	100,697	100,697
Intergovernmental	319,019	3,880,000	8,749,000	-	3,150,000	-	-
Interest	31,313	5,713	-	-	-	583	-
Miscellaneous	409,484	-	-	-	-	-	-
TOTAL REVENUE	1,088,551	4,049,504	8,912,791	228,820	3,378,820	706,774	664,595
EXPENSES							
Current							
Miscellaneous	37,790	-	-	-	-	-	-
Debt Service							
Debt Service - Principal and Interest	-	-	-	-	-	449,706	449,706
Capital Outlay							
Capital Expenditures	2,846,120	6,280,000	9,734,000	2,110,000	6,325,000	575,000	1,650,000
TOTAL EXPENSES	2,883,910	6,280,000	9,734,000	2,110,000	6,325,000	1,024,706	2,099,706
OTHER FINANCING SOURCES / (USES)							
Bond Proceeds	-	-	-	-	5,000,000	-	2,225,000
Transfers In - General Fund	-	-	-	-	-	-	-
Transfers In - Parks Acquisition and Development	12,518	-	-	-	-	-	-
Transfers In - Pavement Management	3,340	1,277,000	68,000	-	-	-	-
Transfers In - Community Center	644,033	-	-	-	-	-	-
Transfers In - Closed Bond Fund	-	-	-	80,000	-	-	-
Transfers In - Host Community	-	-	-	-	-	-	-
Transfers In - Central Equipment	229,174	-	-	-	-	-	-
Transfers In - Utilities (Water, Sewer, Storm)	196,541	1,123,000	812,000	-	-	-	-
Transfers In - Other	3,003	-	-	-	-	-	-
Transfers Out - PMP (Reallocation of Bonds)	-	(1,196,000)	-	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	1,088,609	1,204,000	880,000	80,000	5,000,000	-	2,225,000
ENDING FUND BALANCE	761,682	(264,814)	(206,023)	(2,007,203)	46,618	(271,314)	518,576

CITY OF INVER GROVE HEIGHTS, MINNESOTA
Capital Improvement Plan
Local Improvement Fund - Future Projects

DRAFT 12/05/18

Inflation Assumptions

Capital Outlay 0.00% 0.00% 0.00% 0.00% 0.00% 0.00%

STREET FUND FUTURE PROJECTS				Project No.	Budget 2018	Budget 2019	Projected			
							2020	2021	2022	2023
EXPENSES										
70th St -Eagan to TH 3				(2015-08)	100,000	2,069,000	-	1,499,000	-	-
70th St @ TH 3 roundabout				(2016-08)	605,000	1,395,000	-	-	-	-
117th St, TH 52 to Rich Valley Blvd				(2016-17)	-	1,000,000	2,000,000	4,000,000	-	-
65th St TH 3 to Argenta Trail				(2015-03)	275,000	2,753,000	-	-	-	-
Orchard Trail				(2011-15)	-	-	80,000	-	-	-
80th St east of roundabout				(2015-02)	-	-	-	-	575,000	1,400,000
NWA Trunk Watermain 65th St				(2017-03)	-	500,000	-	-	-	-
TH3 Intersection Impr. For 65th St.				(2017-24)	5,300,000	-	-	-	-	-
NWA Trunk Watermain 65th St Loop (Phase IV)				(2018-03)	-	312,000	-	-	-	-
Update the 2010 Regional Road System Visioning Study				(2018-17)	-	30,000	-	-	-	-
Interchange at Argenta Trail & I-494				(2013-04)	-	-	30,000	-	-	-
New Argenta Trail (from Amana Trail to Existing Argenta Trail)				(2018-19)	-	1,675,000	-	826,000	-	-
70th Street - TH 3 to Babcock Trail				(2018-18)	-	-	-	-	-	250,000
					-	-	-	-	-	-
Total Capital Outlay					6,280,000	9,734,000	2,110,000	6,325,000	575,000	1,650,000
CAPITAL OUTLAY WITH INFLATION					6,280,000	9,734,000	2,110,000	6,325,000	575,000	1,650,000
REVENUE										
	Amount	Term	Rate							
G.O. Street Reconstruction Bonds						-	-	5,000,000	-	2,225,000
Special Assessments 2019	-	10	5.50%			-	-	-	-	-
Special Assessments 2020	750,000	10	5.75%				100,697	100,697	100,697	100,697
Special Assessments 2021	-	10	6.00%					-	-	-
Special Assessments 2022	-	10	6.50%					-	-	-
Special Assessments 2023	-	10	6.75%						-	-
Special Assessments 2024	-	10	7.00%							-
Special Assessments 2025	-	10	7.00%							-
Special Assessments 2026	-	10	7.00%							-
Special Assessments 2027	-	10	7.00%							-
Special Assessments 2028	-	10	7.00%							-
Special Assessments 2029	-	10	7.00%							-
TOTAL REVENUE					-	-	100,697	5,100,697	100,697	2,325,697
Annual Debt Levy (based on year collected)										
G.O. Improvement Bonds	2019	15	3.50%				-	-	-	-
G.O. Improvement Bonds	2020	15	3.75%				-	-	-	-
G.O. Improvement Bonds	2021	15	4.00%				-	-	472,191	472,191
G.O. Improvement Bonds	2022	15	4.50%				-	-	-	-
G.O. Improvement Bonds	2023	15	4.75%				-	-	-	-
G.O. Improvement Bonds	2024	15	5.00%				-	-	-	-
G.O. Improvement Bonds	2025	15	5.00%				-	-	-	-
G.O. Improvement Bonds	2026	15	5.00%				-	-	-	-
G.O. Improvement Bonds	2027	15	5.00%				-	-	-	-
G.O. Improvement Bonds	2028	15	5.00%				-	-	-	-
G.O. Improvement Bonds	2029	15	5.00%				-	-	-	-
New Debt Levy (To Page 3, Line 16)					-	-	-	-	472,191	472,191

CITY OF INVER GROVE HEIGHTS, MINNESOTA
Capital Improvement Plan
Pavement Management Fund 440 - Exhibit F

DRAFT 12/05/18

Inflation Assumptions

1 Revenue (Non-Tax/State Aid)	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%
2 Expenditures	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%
3 Interest on Investments	1.25%	1.25%	1.25%	1.25%	1.25%	1.25%

	Actual 2017	Amended 2018	Budget 2019	Projected			
				2020	2021	2022	2023
PAVEMENT MANAGEMENT FUND 440 - EXHIBIT F							
4 REVENUE							
5 Taxes	130,542	97,891	-	-	-	-	-
6 Special Assessments - Existing	524,829	124,465	124,465	106,002	68,204	45,901	23,490
7 Special Assessments - New	-	-	86,980	166,196	226,929	300,132	300,132
8 Intergovernmental	380,246	2,888,125	380,000	380,000	380,000	380,000	380,000
9 Franchise Fees	270	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000
10 Interest	11,987	69,231	28,303	16,450	20,378	32,314	24,270
11 Miscellaneous	28,385	-	-	-	-	-	-
12 TOTAL REVENUE	1,076,259	4,179,712	1,619,748	1,668,647	1,695,510	1,758,347	1,727,892
14 EXPENSES							
15 Current							
16 Miscellaneous	593,060	-	-	-	-	-	-
17 Debt Service							
18 Debt Service - Principal and Interest	-	-	-	-	-	-	-
19 Capital Outlay							
20 Capital Expenditures	1,966,321	8,970,763	3,750,000	3,104,400	2,990,624	5,151,877	5,320,394
21 TOTAL EXPENSES	2,559,381	8,970,763	3,750,000	3,104,400	2,990,624	5,151,877	5,320,394
23 OTHER FINANCING SOURCES / (USES)							
24 Bond Proceeds	3,505,000	-	-	-	-	-	-
25 Transfers In - General Fund	700,000	1,250,000	1,250,000	1,750,000	2,250,000	2,750,000	3,250,000
26 Transfers In - Host Community	500,000	-	-	-	-	-	-
27 Transfers In - Other	-	1,543,822	-	-	-	-	-
28 Transfers Out - Local Improvement Fund	(3,340)	(1,277,000)	(68,000)	-	-	-	-
29 Transfers Out - Other	-	-	-	-	-	-	-
30 TOTAL OTHER FINANCING SOURCES (USES)	4,701,660	1,516,822	1,182,000	1,750,000	2,250,000	2,750,000	3,250,000
32 ENDING FUND BALANCE	5,538,455	2,264,226	1,315,974	1,630,221	2,585,107	1,941,578	1,599,076

CITY OF INVER GROVE HEIGHTS, MINNESOTA
Capital Improvement Plan
Pavement Management Fund - Future Projects

DRAFT 12/05/18

Inflation Assumptions

Capital Outlay

4.00%

4.00%

4.00%

4.00%

4.00%

4.00%

STREET FUND FUTURE PROJECTS				Project No.	Budget 2018	Budget 2019	Projected			
							2020	2021	2022	2023
1	EXPENSES									
2	Broderick Blvd (2015-09D/2013-09F)				4,645,259	-	-	-	-	-
3	50th St East neighborhood (2020-09E)				-	-	2,235,000	-	-	-
4	Bancroft area (2016-09E)				367,872	-	-	-	-	-
5	Carleda (1609F)				-	-	-	2,015,000	-	-
6	Abigail/93rd St (2017-09E)				1,107,000	-	-	-	-	-
7	Dawn Way S (2209D)				-	-	-	-	3,830,000	-
8	Upper 55th Street (2010-09F)				-	400,000	-	-	-	-
9	47th St Neighborhood Recon (2015-09E)				161,463	-	-	-	-	-
10	Atwater Path (2018-09D)				-	1,400,000	-	-	-	-
11	60th Street Areat Reconstruction (2016-09D)				189,169	-	-	-	-	-
12	55th Street/55th St Court Reconstruction (2018-09F)				-	1,200,000	-	-	-	-
13	Dawn Way - North (2023-09D)				-	-	-	-	-	4,443,000
14	Park trails and parking lots				2,000,000	250,000	250,000	250,000	250,000	250,000
15	Cracksealing, sealcoating				500,000	500,000	500,000	500,000	500,000	500,000
16	Total Capital Outlay				8,970,763	3,750,000	2,985,000	2,765,000	4,580,000	5,193,000
17	CAPITAL OUTLAY WITH INFLATION				8,970,763	3,750,000	3,104,400	2,990,624	5,151,877	5,320,394
18										
19										
20	REVENUE									
	Amount	Term	Rate							
21	G.O. 429/Reconstruction Bonds					-	-	-	-	-
22	Special Assessments 2019				655,625	10	5.50%	86,980	86,980	86,980
23	Special Assessments 2020				590,000	10	5.75%	79,215	79,215	79,215
24	Special Assessments 2021				447,000	10	6.00%		60,733	60,733
25	Special Assessments 2022				526,250	10	6.50%		73,204	73,204
26	Special Assessments 2023				-	10	6.75%			-
27	Special Assessments 2024				957,500	10	7.00%			
28	Special Assessments 2025				888,600	10	7.00%			
29	Special Assessments 2026				-	10	7.00%			
30	Special Assessments 2027				-	10	7.00%			
31	Special Assessments 2028				-	10	7.00%			
32	Special Assessments 2029				-	10	7.00%			
33	TOTAL REVENUE				-	86,980	166,196	226,929	300,132	300,132
34										
35	Annual Debt Levy (based on year collected)									
36	G.O. Improvement Bonds 2019				15	3.50%	-	-	-	-
37	G.O. Improvement Bonds 2020				15	3.75%	-	-	-	-
38	G.O. Improvement Bonds 2021				15	4.00%	-	-	-	-
39	G.O. Improvement Bonds 2022				15	4.50%	-	-	-	-
40	G.O. Improvement Bonds 2023				15	4.75%	-	-	-	-
41	G.O. Improvement Bonds 2024				15	5.00%	-	-	-	-
42	G.O. Improvement Bonds 2025				15	5.00%	-	-	-	-
43	G.O. Improvement Bonds 2026				15	5.00%	-	-	-	-
44	G.O. Improvement Bonds 2027				15	5.00%	-	-	-	-
45	G.O. Improvement Bonds 2028				15	5.00%	-	-	-	-
46	G.O. Improvement Bonds 2029				15	5.00%	-	-	-	-
47	New Debt Levy (To Page 3, Line 17)				-	-	-	-	-	-



Financing Plan for the 2019-2023 Capital Improvement Plan

City of Inver Grove Heights

December 10, 2018



Council Direction/Consensus

Tax Impacts

- Council directed staff and Ehlers to strive for lower tax impacts
- Adjusted assumptions
- Identified additional state bonding for streets



Staff CIP Requests (from Dec. 3 work session)

City CIP requests total \$75,480,641 over next five years (2019-2023).

Capital Improvements	Estimated Cost
Parks	\$7,844,255
Emerald Ash Borer	\$109,186
Pavement Management	\$19,273,000
City Facilities	\$23,083,000
Golf Course	\$485,600
Collector Streets	\$20,394,000
TOTAL	\$75,480,641

Includes \$12.9M Fire Station in 2019



Baseline Tax Impacts on Median Value Home (from Dec. 3 work session)

	2018	2019	2020	2021	2022	2023	2024
City Taxes	\$1,111	\$1,276	\$1,384	\$1,418	\$1,539	\$1,666	\$1,752
Annual Increase	\$115	\$165	\$108	\$33	\$121	\$127	\$86
Percent Increase	11%	15%	8%	2%	9%	8%	5%

- Average annual tax increase (2019 to 2023) is **\$111 or 8.52%**
- Average annual tax increase (2020 to 2024) is **\$95 or 6.57%**
- Median valued home is \$251,600
- Market value increases 2.5% annually; 70 new homes per year
- General Fund increases 5% annually



Scenario #1: New Assumptions; No Changes to Capital Projects

Tax Impacts on Median Value Home

	2018	2019	2020	2021	2022	2023	2024
City Taxes	\$1,111	\$1,255	\$1,354	\$1,385	\$1,482	\$1,586	\$1,637
Annual Increase	\$115	\$145	\$98	\$31	\$97	\$105	\$51
Percent Increase	11.5%	13.0%	7.8%	2.3%	7.0%	7.1%	3.2%

- Average annual tax increase 2019 to 2023 is **\$95 or 7.45%**
- Average annual tax increase 2020 to 2024 is **\$76 or 5.48%**



Scenario #1: New Assumptions; No Changes to Capital Projects

- Market value increases 0% (vs. 2.5%) annually; 70 new homes per year (overall 0.6% growth in market value/year)
- General Fund increases 4% (vs. 5%) annually
- Proposed 2019 Budget updated
- Additional \$2.5M in state bonding revenue identified for streets
- Transfer from General Fund to Pavement Management Fund increases \$500,000 per year from 2020 through 2023
- No reduction or delay to capital projects



What is causing increase in 2019 levy?

	Annual Increase
General Fund Expenditures	\$104.69
Existing Debt Levies	(\$ 2.49)
Fire Station Debt	\$ 42.88
Pavement Management	\$ 0
Parks	\$ 3.80
EDA and Other	<u>(\$ 4.25)</u>
TOTAL	\$144.63



Additional Tax Reductions

- To reduce average annual tax increase on a median value home by \$10 per year, reduce capital expenditures by \$1,000,000 per year

\$1M/yr. capital expenditure → \$10/yr. tax impact



Council Direction/Consensus

Prioritize Projects

- Consider delaying projects
- Provide direction to staff on priority projects



Major Capital Improvements: Pavement Management Fund

- Average annual expenditure is over \$4,000,000
- \$500,000 per year for cracksealing and sealcoating
- \$250,000 per year for park trails and parking lots

Major Projects	Cost	Year
50 th Street East	\$2,235,000	2020
Carleda	\$2,015,000	2021
Dawn Way South	\$3,830,000	2022
Dawn Way North	\$4,443,000	2023
Atwater Path	\$1,400,000	2019
55 th St./55 th St. Court	\$1,200,000	2019



Major Capital Improvements: Local Improvement Fund (Collector Streets)

- Average annual expenditure is almost \$5,000,000.

Major Projects	Cost	Year(s)
117 th Street	\$7,000,000	2019-2021
70th Street (Eagan to TH 3)	\$3,668,000	2019
70 th Street at TH 3 Roundabout	\$2,000,000	2019
65 th Street (TH 3 to Argenta Trail)	\$3,028,000	2019
80 th Street East of Roundabout	\$1,975,000	2022-2023
New Argenta Trail	\$2,500,000	2019-2021



City Facilities Fund (Fire Station and Maintenance Facility)

- Bonds issued in December for \$12.9 million fire station
- Maintenance Facility Expansion planned for 2022
 - \$9,613,000 current cost estimate
 - Future financing required with tax impact in 2023
- Debt for facilities paid with property taxes
 - Estimated \$928,000 per year for fire station
 - Estimated \$900,000 per year for maintenance facility
 - **Total of \$1,828,000 per year in annual taxes needed for city facilities by 2023**



Major Capital Improvements: Parks

- Average annual expenditure is almost \$5,000,000.

Major Projects	Cost	Year(s)
North Valley/South Valley Picnic Shelter	\$1,000,000	2020
Playground Equipment	\$110,000/year	Yearly Average
Court Repair	\$132,000/year	Yearly Average



Council Direction/Consensus

Debt Levy as a % of Next Year's Expenditures

- 15% target exceeded in 2024
- Factor in future bond rating evaluations

GENERAL FUND	Actual	Budget	Budget	Projected				
	2017	2018	2019	2020	2021	2022	2023	2024
DEBT LEVY AS A % OF NET CITY-WIDE TAX LEVY	13.0%	10.5%	12.3%	12.2%	11.9%	12.9%	15.3%	15.5%

- Recommend setting a 15% target
- Council decided to focus on tax impacts as metric. Delay discussion of debt policy.

Exceeds 15% target once maintenance facility is financed



Next Steps

1. Refine plan based upon Council direction
2. Presentation at Council meeting on finalized plan
3. Discuss debt management policy



Background Assumptions In Plan

1. **Revenues** increase 2-3% annually
2. **Expenses** increase at 3-5% annually
 - 4% assumed for General Fund
3. **All capital projects** are funded as requested by department heads (totaling \$75.5 M)
4. **Fund balances**
 - General Fund Balance is maintained at 40% of expenditures per policy
 - Will need to additional levy to maintain 40% over time
5. **Median value home** is \$251,600



Background Assumptions in Plan

6. Growth

- Assumes no growth to the existing base
- 70 new homes per year

7. Does not include Northwest Area Utility Extensions

8. Use of Bonding

- Bonds are issued when cash balance is not sufficient
- Repaid with a debt levy
- Property taxes increase



CITY OF INVER GROVE HEIGHTS, MINNESOTA
Financial Management Plan
Summary of CIP Requests

DRAFT 12/03/18

BREAKDOWN OF CAPITAL OUTLAY	Budget 2019	Projected			
		2020	2021	2022	2023
PROJECT DESCRIPTION					
Parks Acquisition and Development					
Heritage Village Park	1,939,255	-	-	-	-
NWA park acquisition	800,000	400,000	-	-	-
NWA park development	800,000	400,000	200,000	-	-
NWA trail development	100,000	100,000	100,000	-	100,000
VMCC Babcock Trail	100,000	-	-	-	-
Seidl's Trail	100,000	150,000	-	-	-
Baksetball Court	-	20,000	-	-	-
Upper 55th Trail	125,000	-	-	-	-
Salem Shelter	-	-	100,000	-	-
Subtotal Capital Outlay - Parks Acquisition and Development	3,964,255	1,070,000	400,000	-	100,000
Park Capital Replacement:					
Playground Equipment	100,000	150,000	150,000	75,000	75,000
North Valley/South Valley Picnic Shelter	-	1,000,000	-	-	-
Tennis court/basketball repair	300,000	90,000	90,000	90,000	90,000
Fishing Pier	-	50,000	-	-	-
Streetscapes	10,000	10,000	10,000	10,000	10,000
Subtotal Capital Outlay - Park Capital Replacement	410,000	1,300,000	250,000	175,000	175,000
Community Projects:					
Emeral Ash Borer	33,000	33,000	33,000	10,186	-
Pavement Management:					
50th St East neighborhood	-	2,235,000	-	-	-
Carleda	-	-	2,015,000	-	-
Dawn Way S	-	-	-	3,830,000	-
Upper 55th Street	400,000	-	-	-	-
Atwater Path	1,400,000	-	-	-	-
55th Street/55th St Court Reconstruction	1,200,000	-	-	-	-
Dawn Way - North	-	-	-	-	4,443,000
Park trails and parking lots	250,000	250,000	250,000	250,000	250,000
Cracksealing, sealcoating	500,000	500,000	500,000	500,000	500,000
Subtotal Capital Outlay - Pavement Management	3,750,000	2,985,000	2,765,000	4,580,000	5,193,000
City Facilities:					
Fire Station	12,900,000	-	-	-	-
Maintenance Facility	250,000	-	320,000	9,613,000	-
Subtotal Capital Outlay - City Facilities	13,150,000	-	320,000	9,613,000	-
Golf Course:					
Capital Improvements - Future Year Placeholder	50,000	50,000	50,000	50,000	50,000
Capital Equipment - Future Year Placeholder	37,800	37,800	50,000	50,000	60,000
Subtotal Capital Outlay - Golf Course	87,800	87,800	100,000	100,000	110,000
Local Improvement:					
70th St -Eagan to TH 3	2,069,000	-	1,499,000	-	-
70th St @ TH 3 roundabout	1,395,000	-	-	-	-
117th St, TH 52 to Rich Valley Blvd	1,000,000	2,000,000	4,000,000	-	-
65th St TH 3 to Argenta Trail	2,753,000	-	-	-	-
Orchard Trail	-	80,000	-	-	-
80th St east of roundabout	-	-	-	575,000	1,400,000
NWA Trunk Watermain 65th St	500,000	-	-	-	-
NWA Trunk Watermain 65th St Loop (Phase IV)	312,000	-	-	-	-
Update the 2010 Regional Road System Visioning Study	30,000	-	-	-	-
Interchange at Argenta Trail & I-494	-	30,000	-	-	-
New Argenta Trail (from Amana Trail to Existing Argenta Trail)	1,675,000	-	826,000	-	-
70th Street - TH 3 to Babcock Trail	-	-	-	-	250,000
Subtotal Capital Outlay - Local Improvement	9,734,000	2,110,000	6,325,000	575,000	1,650,000
Community Center:					
Capital Improvements - Future Year Placeholder	593,500	943,800	2,159,300	555,000	40,000
Capital Facilities:	-	-	-	-	-
Total CIP All Funds	31,722,555	8,529,600	12,352,300	15,608,186	7,268,000
Five Year Total		\$75,480,641			

CITY OF INVER GROVE HEIGHTS

REQUEST FOR COUNCIL ACTION

Resolution Awarding the Sale of General Obligation Capital Improvement Plan Bonds, Series 2018A, in the Original Aggregate Principal Amount of \$10,000,000; Fixing Their Form and Specifications; Directing Their Execution and Delivery; and Providing for Their Payment AND Resolution Awarding the Sale of General Obligation Capital Improvement Plan Bonds, Series 2019A, in the Original Aggregate Principal Amount of \$2,500,000; Fixing their Form and Specifications; Directing Their Execution and Delivery; and Providing for Their Payment

Meeting Date: December 10, 2018
Item Type: Regular Agenda
Contact: Kristi Smith 651-450-2521
Prepared by: Kristi Smith, Finance Director
Reviewed by: N/A

Fiscal/FTE Impact:

- | | |
|-------------------------------------|------------------------------------|
| ☐ | None |
| ☐ | Amount included in current budget |
| ☐ | Budget amendment requested |
| ☐ | FTE included in current complement |
| ☐ | New FTE requested – N/A |
| ☒ | Other |

PURPOSE/ACTION REQUESTED

To approve the resolutions awarding the sale of \$10,000,000 General Obligation Capital Improvement Bonds, Series 2018A and \$2,500,000 General Obligation Capital Improvement Bonds, Series 2019A.

SUMMARY

On November 13, 2018 Council approved resolutions providing for the sale of \$10,000,000 General Obligation Capital Improvement Bonds, Series 2018A and \$2,500,000 General Obligation Capital Improvement Bonds, Series 2019A. Both issuances will be used to finance #1410, Fire Station #2.

Proposals will be tabulated by Ehlers on Monday, December 10, 2018 and results will be provided to Council later that evening. Council will be asked to award the sale based on these results.

Draft resolutions have been provided by Kennedy & Graven, Chartered.

EXTRACT OF MINUTES OF A MEETING OF THE
CITY COUNCIL OF
THE CITY OF INVER GROVE HEIGHTS, MINNESOTA

HELD: December 10, 2018

Pursuant to due call and notice thereof, a regular meeting of the City Council of the City of Inver Grove Heights, Minnesota, was duly called and held at the City Hall in the City on Monday, the 10th day of December, 2018, at 7:00 o'clock P.M.

The following members were present:

and the following were absent:

* * *

* * *

* * *

The Mayor announced that the next order of business was consideration of the proposals which had been received for the purchase of the City's General Obligation Capital Improvement Plan Bonds, Series 2018A, to be issued in the aggregate principal amount of \$10,000,000.

The City Administrator presented a tabulation of the proposals which had been received in the manner specified in the Terms of Proposal for the Bonds. The proposals are summarized on **EXHIBIT A** attached hereto.

After due consideration of the proposals, Member _____ then introduced the following written resolution, the reading of which was dispensed with by unanimous consent, and moved its adoption:

RESOLUTION NO. 18-____

RESOLUTION AWARDDING THE SALE OF GENERAL OBLIGATION
CAPITAL IMPROVEMENT PLAN BONDS, SERIES 2018A, IN THE
ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$10,000,000; FIXING
THEIR FORM AND SPECIFICATIONS; DIRECTING THEIR EXECUTION
AND DELIVERY; AND PROVIDING FOR THEIR PAYMENT

Section 1. Sale of Bonds.

1.01 Authority. It is hereby determined that:

(a) Pursuant to Minnesota Statutes, Chapter 475, including without limitation, section 475.521 (the "Act"), the City is authorized to finance certain capital improvements under an approved capital improvement plan by the issuance of general

obligation bonds of the City payable from ad valorem taxes. Capital improvements include acquisition or betterment of public lands, buildings or other improvements for the purpose of a city hall, library, public safety facility and public works facilities (excluding light rail transit or any activity related to it, or a park, road, bridge, administrative building other than a city hall, or land for any of those activities).

(b) The City held a public hearing on December 11, 2017, regarding a five year capital improvement plan (the "Plan") and regarding issuance of bonds in the maximum principal amount of \$12,500,000 to finance planned capital improvements, all in accordance with the Act. The Plan authorizes issuance of bonds to pay the cost of certain capital improvements identified in the capital improvement plan, including but not limited to the acquisition, construction and betterment of a fire station (the "Improvements").

(c) The City Council has determined that, within 30 days after the hearing, no petition for a referendum on the issuance of bonds to pay costs of the Improvements was received by the City in accordance with the Act.

(d) As required by the Act, the City has determined that:

(i) the expected useful life of the Improvements will be at least 5 years; and

(ii) the amount of principal and interest due in any year on all outstanding bonds issued by the City under the Act, including the Bonds (as defined below), will not exceed 0.16% of the estimated market value of property in the City for taxes payable in 2018.

(e) It is necessary and expedient to the sound financial management of the affairs of the City to issue its General Obligation Capital Improvement Plan Bonds, Series 2018A (the "Bonds"), in the aggregate principal amount of \$10,000,000, to provide financing for the Improvements.

(f) The City is authorized by Section 475.60, subdivision 2(9), of the Act to negotiate the sale of the Bonds, it being determined that the City has retained an independent municipal advisor in connection with such sale. The actions of the City staff and the City's municipal advisor in negotiating the sale of the Bonds are ratified and confirmed in all aspects.

1.02. Award to the Purchaser and Interest Rates. The proposal of _____, in _____, _____ (the "Purchaser") to purchase the Bonds is hereby found and determined to be a reasonable offer and is hereby accepted, the proposal being to purchase the Bonds at a price of \$ _____ (par amount of \$10,000,000, plus a net premium of \$ _____ less underwriter's discount of \$ _____), plus accrued interest to date of delivery, if any, for Bonds bearing interest as follows:

<u>Year of Maturity</u>	<u>Interest Rate</u>	<u>Year of Maturity</u>	<u>Interest Rate</u>
2020	%	2030	%
2021		2031	
2022		2032	
2023		2033	
2024		2034	
2025		2035	
2026		2036	
2027		2037	
2028		2038	
2029		2039	

1.03. Purchase Contract. Any amount paid by the Purchaser over the minimum purchase price shall be credited to the Debt Service Fund hereinafter created, or deposited in the Construction Fund hereinafter created, as determined by the City Finance Director upon consultation with the City's municipal advisor. The Mayor and City Administrator are hereby authorized and directed to execute a purchase contract with the Purchaser on behalf of the City, if requested by the Purchaser.

1.04. Terms and Principal Amounts of the Bonds. The City will forthwith issue and sell the Bonds to the Purchaser pursuant to the Act in the total principal amount of \$10,000,000, originally dated the date of issuance, in the denomination of \$5,000 each or any integral multiple thereof, numbered No. R-1, upward, bearing interest as above set forth, and maturing serially on February 1 in the years and amounts as follows:

<u>Year</u>	<u>Amount</u>	<u>Year</u>	<u>Amount</u>
2020	\$150,000	2030	\$500,000
2021	390,000	2031	520,000
2022	400,000	2032	540,000
2023	410,000	2033	560,000
2024	420,000	2034	580,000
2025	430,000	2035	600,000
2026	445,000	2036	625,000
2027	455,000	2037	645,000
2028	470,000	2038	675,000
2029	485,000	2039	700,000

As may be requested by the Purchaser, one or more term Bonds may be issued having mandatory sinking fund redemption and final maturity amounts conforming to the foregoing principal repayment schedule, and corresponding additions may be made to the provisions of the applicable Bond(s).

1.05. Optional Redemption. The City may elect on February 1, 2027, and on any day thereafter, to prepay Bonds due on or after February 1, 2028. Redemption may be in whole or in part and if in part, at the option of the City and in such manner as the City will determine. If less

than all Bonds of a maturity are called for redemption, the City will notify DTC (as defined in Section 7 hereof) of the particular amount of such maturity to be prepaid. DTC will determine by lot the amount of each participant's interest in such maturity to be redeemed and each participant will then select by lot the beneficial ownership interests in such maturity to be redeemed. Prepayments will be at a price of par plus accrued interest.

Section 2. Registration and Payment.

2.01. Registered Form. The Bonds will be issued only in fully registered form. The interest thereon and, upon surrender of each Bond, the principal amount thereof, is payable by check or draft issued by the Registrar described herein.

2.02. Dates; Interest Payment Dates. Each Bond will be dated as of the last interest payment date preceding the date of authentication to which interest on the Bond has been paid or made available for payment, unless (i) the date of authentication is an interest payment date to which interest has been paid or made available for payment, in which case the Bond will be dated as of the date of authentication, or (ii) the date of authentication is prior to the first interest payment date, in which case the Bond will be dated as of the date of original issue. The interest on the Bonds is payable on February 1 and August 1 of each year, commencing August 1, 2019, to the registered owners of record thereof as of the close of business on the 15th day of the immediately preceding month, whether or not that day is a business day.

2.03. Registration. The City will appoint, and will maintain, a bond registrar, transfer agent, authenticating agent and paying agent (the "Registrar"). The effect of registration and the rights and duties of the City and the Registrar with respect thereto are as follows:

(a) Register. The Registrar will keep at its principal corporate trust office a bond register in which the Registrar provides for the registration of ownership of the Bonds and the registration of transfers and exchanges of Bonds entitled to be registered, transferred or exchanged.

(b) Transfer of Bonds. Upon surrender for transfer of a Bond duly endorsed by the registered owner thereof or accompanied by a written instrument of transfer, in form satisfactory to the Registrar, duly executed by the registered owner thereof or by an attorney duly authorized by the registered owner in writing, the Registrar will authenticate and deliver, in the name of the designated transferee or transferees, one or more new Bonds of a like aggregate principal amount and maturity, as requested by the transferor. The Registrar may, however, close the books for registration of any transfer after the 15th day of the month preceding each interest payment date and until that interest payment date.

(c) Exchange of Bonds. Whenever any Bonds are surrendered by the registered owner for exchange the Registrar will authenticate and deliver one or more new Bonds of a like aggregate principal amount and maturity as requested by the registered owner or the owner's attorney in writing.

(d) Cancellation. The Bonds surrendered upon transfer or exchange will be promptly cancelled by the Registrar and thereafter disposed of as directed by the City.

(e) Improper or Unauthorized Transfer. When any Bond is presented to the Registrar for transfer, the Registrar may refuse to transfer such Bond until the Registrar is satisfied that the endorsement on such Bond or separate instrument of transfer is valid and genuine and that the requested transfer is legally authorized. The Registrar will incur no liability for the refusal, in good faith, to make transfers which it, in its judgment, deems improper or unauthorized.

(f) Persons Deemed Owners. The City and the Registrar may treat the person in whose name a Bond is at any time registered in the bond register as the absolute owner of such Bond, whether such Bond is overdue or not, for the purpose of receiving payment of, or on account of, the principal of and interest on such Bond and for all other purposes, and all such payments so made to any such registered owner or upon the owner's order will be valid and effectual to satisfy and discharge the liability upon the Bond to the extent of the sum or sums to be paid.

(g) Taxes, Fees and Charges. The Registrar may impose a charge upon the owner thereof for every transfer or exchange of Bonds, sufficient to reimburse the Registrar for any tax, fee or other governmental charge required to be paid with respect to such transfer or exchange.

(h) Mutilated, Lost, Stolen or Destroyed Bonds. If a Bond is mutilated or destroyed, stolen or lost, the Registrar will deliver a new Bond of like amount, number, maturity date and tenor in exchange and substitution for and upon cancellation of any such mutilated Bond or in lieu of and in substitution for any such Bond destroyed, stolen or lost, upon the payment of the reasonable expenses and charges of the Registrar in connection therewith; and, in the case of a Bond destroyed, stolen or lost, upon filing with the Registrar of evidence satisfactory to it that such Bond was destroyed, stolen or lost, and of the ownership thereof, and upon furnishing to the Registrar an appropriate bond or indemnity in form, substance and amount satisfactory to it and as provided by law, in which both the City and the Registrar will be named as obligees. Bonds so surrendered to the Registrar will be cancelled by it and evidence of such cancellation must be given to the City. If the mutilated, destroyed, stolen or lost Bond has already matured or been called for redemption in accordance with its terms it will not be necessary to issue a new Bond prior to payment.

(i) Redemption. In the event any of the Bonds are called for redemption, notice thereof identifying the Bonds to be redeemed will be given by the Registrar by mailing a copy of the redemption notice by first class mail (postage prepaid) in accordance with the requirements of DTC to the registered owner of each Bond to be redeemed at the address shown on the registration books kept by the Registrar and by publishing the notice if required by law. Failure to give notice by publication or by mail to any registered owner, or any defect therein, will not affect the validity of the proceedings for the redemption of Bonds. Bonds so called for redemption will cease to

bear interest after the specified redemption date, provided that the funds for the redemption are on deposit with the place of payment at that time.

2.04. Appointment of Initial Registrar. The City hereby appoints Bond Trust Services Corporation, Roseville, Minnesota, as the initial Registrar. The Mayor and the City Administrator are authorized to execute and deliver, on behalf of the City, a contract with the Registrar. Upon merger or consolidation of the Registrar with another corporation, if the resulting corporation is a bank or trust company authorized by law to conduct such business, the resulting corporation is authorized to act as successor Registrar. The City agrees to pay the reasonable and customary charges of the Registrar for the services performed. The City reserves the right to remove the Registrar upon 30 days' notice and upon the appointment of a successor Registrar, in which event the predecessor Registrar must deliver all cash and Bonds in its possession to the successor Registrar and must deliver the bond register to the successor Registrar. On or before each principal or interest due date, without further order of this Council, the Finance Director must transmit to the Registrar moneys sufficient for the payment of all principal and interest then due.

2.05. Execution, Authentication and Delivery. The Bonds will be prepared under the direction of the City Finance Director and will be executed on behalf of the City by the signatures of the Mayor and the City Administrator, provided that all signatures may be printed, engraved or lithographed facsimiles of the originals. If an officer whose signature or a facsimile of whose signature appears on the Bonds ceases to be such officer before the delivery of any Bond, that signature or facsimile will nevertheless be valid and sufficient for all purposes, the same as if the officer had remained in office until delivery. Notwithstanding such execution, no Bond will be valid or obligatory for any purpose or entitled to any security or benefit under this Resolution unless and until a certificate of authentication on a Bond has been duly executed by the manual signature of an authorized representative of the Registrar. Certificates of authentication on different Bonds need not be signed by the same representative. The executed certificate of authentication on each Bond will be conclusive evidence that it has been authenticated and delivered under this Resolution. When the Bonds have been so prepared, executed and authenticated, the City Finance Director will deliver the same to the Purchaser thereof upon payment of the purchase price in accordance with the contract of sale heretofore made and executed, and the Purchaser will not be obligated to see to the application of the purchase price.

2.06. Temporary Bonds. The City may elect to deliver in lieu of printed definitive Bonds one or more typewritten temporary Bonds in substantially the form set forth in **EXHIBIT B** with such changes as may be necessary to reflect more than one maturity in a single temporary bond. Upon the execution and delivery of definitive Bonds the temporary Bonds will be exchanged therefor and cancelled.

Section 3. Form of Bond.

3.01. Execution of the Bonds. The Bonds will be printed or typewritten in substantially the set forth in EXHIBIT B.

3.02. Approving Legal Opinion. The City Administrator is authorized and directed to obtain a copy of the proposed approving legal opinion of Kennedy & Graven, Chartered, Minneapolis, Minnesota, which is to be complete except as to dating thereof and to cause the opinion to be printed on or accompany each Bond.

Section 4. Payment; Security; Pledges and Covenants.

4.01. Debt Service Fund. The Bonds are payable from the Capital Improvement Plan Bonds, Series 2018A Debt Service Fund (the "Debt Service Fund") hereby created. The Debt Service Fund shall be administered and maintained by the Finance Director as a bookkeeping account separate and apart from all other funds maintained in the official financial records of the City. Amounts in the Debt Service Fund are irrevocably pledged to the Bonds. To the Debt Service Fund hereby created, there is hereby pledged and irrevocably appropriated and there will be credited: (i) the proceeds of the ad valorem taxes hereinafter levied (the "Taxes") for the Improvements described in Section 1.01, (ii) capitalized interest financed from Bond proceeds, if any; (iii) any amount over the minimum purchase price of the Bonds paid by the Purchaser, to the extent designated for deposit in the Debt Service Fund in accordance with Section 1.03; (iv) all investment earnings on amounts in the Debt Service Fund; and (v) any other funds appropriated for the payment of principal or interest on the Bonds. If a payment of principal or interest on the Bonds becomes due when there is not sufficient money in the Debt Service Fund to pay the same, the Finance Director is directed to pay such principal or interest from the general fund or other funds of the City, and such fund will be reimbursed for those advances out of the proceeds of Taxes when collected.

4.02. Construction Fund. The proceeds of the Bonds, less the appropriations made in Section 4.01, together with any other funds appropriated for the Improvements and Taxes collected during the construction of the Improvements, will be deposited in a separate construction fund (the "Construction Fund") to be used solely to defray expenses of the Improvements and the payment of principal and interest on the Bonds prior to the completion and payment of all costs of the Improvements. Any balance remaining in the Construction Fund after the Improvements are completed and the costs thereof have been paid may be used as provided in Minnesota Statutes, section 475.65, under the direction of the City Council. Thereafter, the Construction Fund is to be closed and any balance remaining therein and subsequent collections of Taxes for the Improvements are to be deposited in the Debt Service Fund.

4.03. Pledge of Tax Levy. For the purpose of paying the principal of and interest on the Bonds, there is levied a direct annual irrepealable ad valorem tax upon all of the taxable property in the City, which Taxes will be spread upon the tax rolls and collected with and as part of other general taxes of the City. The Taxes will be credited to the Debt Service Fund above provided and will be in the years and amounts as attached hereto as **EXHIBIT C**.

4.05. Certification to County Auditor as to Debt Service Fund Amount. It is hereby determined that the estimated collection of the foregoing Taxes will produce at least five percent in excess of the amount needed to meet when due the principal and interest payments on the Bonds. The tax levy herein provided is irrepealable until all of the Bonds are paid, provided that

at the time the City makes its annual tax levies the City Administrator may certify to the County Auditor of Dakota County, Minnesota, (the "County Auditor") the amount available in the Debt Service Fund to pay principal and interest due during the ensuing year, and the County Auditor will thereupon reduce the levy collectible during such year by the amount so certified.

4.05. Registration of Resolution. The City Administrator is authorized and directed to file a certified copy of this resolution with the County Auditor and to obtain the certificate required by Minnesota Statutes, Section 475.63.

Section 5. Authentication of Transcript.

5.01. City Proceedings and Records. The officers of the City are authorized and directed to prepare and furnish to the Purchaser and to the attorneys approving the Bonds, certified copies of proceedings and records of the City relating to the Bonds and to the financial condition and affairs of the City, and such other certificates, affidavits and transcripts as may be required to show the facts within their knowledge or as shown by the books and records in their custody and under their control, relating to the validity and marketability of the Bonds, and such instruments, including any heretofore furnished, will be deemed representations of the City as to the facts stated therein.

5.02. Certification as to Official Statement. The Mayor and City Administrator are authorized and directed to certify that they have examined the Official Statement prepared and circulated in connection with the issuance and sale of the Bonds and that to the best of their knowledge and belief the Official Statement is a complete and accurate representation of the facts and representations made therein as of the date of the Official Statement.

5.03. Other Certificates. The Mayor and City Administrator are hereby authorized and directed to furnish to the Purchaser at the closing such certificates as are required as a condition of sale. Unless litigation shall have been commenced and be pending questioning the Bonds or the organization of the City or incumbency of its officers, at the closing the Mayor and the City Administrator shall also execute and deliver to the Purchaser a suitable certificate as to absence of material litigation, and the City Administrator shall also execute and deliver a certificate as to payment for and delivery of the Bonds.

5.04. Payment of Costs of Issuance. The City authorizes the Purchaser to forward the amount of Bond proceeds allocable to the payment of issuance expenses to KleinBank, Chaska, Minnesota on the closing date for further distribution as directed by the City's municipal adviser, Ehlers & Associates, Inc.

Section 6. Tax Covenant.

6.01. Tax-Exempt Bonds. The City covenants and agrees with the holders from time to time of the Bonds that it will not take or permit to be taken by any of its officers, employees or agents any action which would cause the interest on the Bonds to become subject to taxation under the Internal Revenue Code of 1986, as amended (the "Code"), and the Treasury Regulations promulgated thereunder, in effect at the time of such actions, and that it will take or cause its officers, employees or agents to take, all affirmative action within its power that may be necessary to ensure that such interest will not become subject to taxation under the Code and applicable Treasury Regulations, as presently existing or as hereafter amended and made applicable to the Bonds.

6.02. Rebate. The City will comply with requirements necessary under the Code to establish and maintain the exclusion from gross income of the interest on the Bonds under Section 103 of the Code, including without limitation requirements relating to temporary periods for investments, limitations on amounts invested at a yield greater than the yield on the Bonds and the rebate of excess investment earnings to the United States (unless the City qualifies for an exception from rebate requirements based on timely expenditure of proceeds of the Bonds, in accordance with the Code and applicable Treasury Regulations).

6.03. Not Private Activity Bonds. The City further covenants not to use the proceeds of the Bonds or the Improvements financed by the Bonds, or to cause or permit them or any of them to be used, in such a manner as to cause the Bonds to be "private activity bonds" within the meaning of Sections 103 and 141 through 150 of the Code.

6.04. Qualified Tax-Exempt Obligations. In order to qualify the Bonds as "qualified tax-exempt obligations" within the meaning of Section 265(b)(3) of the Code, the City makes the following factual statements and representations:

(a) the Bonds are not "private activity bonds" as defined in Section 141 of the Code;

(b) the City hereby designates the Bonds as "qualified tax-exempt obligations" for purposes of Section 265(b)(3) of the Code;

(c) the reasonably anticipated amount of tax-exempt obligations (other than any private activity bonds that are not qualified 501(c)(3) bonds) which will be issued by the City (and all subordinate entities of the City) during calendar year 2018 will not exceed \$10,000,000; and

(d) not more than \$10,000,000 of obligations issued by the City during calendar year 2018 have been designated for purposes of Section 265(b)(3) of the Code.

6.05. Procedural Requirements. The City will use its best efforts to comply with any federal procedural requirements which may apply in order to effectuate the designations made by this section.

Section 7. Book-Entry System; Limited Obligation of City.

7.01. DTC. The Bonds will be initially issued in the form of a separate single typewritten or printed fully registered Bond for each of the maturities set forth in Section 1.04 hereof. Upon initial issuance, the ownership of each Bond will be registered in the registration books kept by the Registrar in the name of Cede & Co., as nominee for The Depository Trust Company, New York, New York, and its successors and assigns ("DTC"). Except as provided in this section, all of the outstanding Bonds will be registered in the registration books kept by the Registrar in the name of Cede & Co., as nominee of DTC.

7.02. Participants. With respect to Bonds registered in the registration books kept by the Registrar in the name of Cede & Co., as nominee of DTC, the City, the Registrar and the Paying Agent will have no responsibility or obligation to any broker dealers, banks and other financial institutions from time to time for which DTC holds Bonds as securities depository (the "Participants") or to any other person on behalf of which a Participant holds an interest in the Bonds, including but not limited to any responsibility or obligation with respect to (i) the accuracy of the records of DTC, Cede & Co. or any Participant with respect to any ownership interest in the Bonds, (ii) the delivery to any Participant or any other person (other than a registered owner of Bonds, as shown by the registration books kept by the Registrar) of any notice with respect to the Bonds, including any notice of redemption, or (iii) the payment to any Participant or any other person, other than a registered owner of Bonds, of any amount with respect to principal of, premium, if any, or interest on the Bonds. The City, the Registrar and the Paying Agent may treat and consider the person in whose name each Bond is registered in the registration books kept by the Registrar as the holder and absolute owner of such Bond for the purpose of payment of principal, premium and interest with respect to such Bond, for the purpose of registering transfers with respect to such Bonds, and for all other purposes. The Paying Agent will pay all principal of, premium, if any, and interest on the Bonds only to or on the order of the respective registered owners, as shown in the registration books kept by the Registrar, and all such payments will be valid and effectual to fully satisfy and discharge the City's obligations with respect to payment of principal of, premium, if any, or interest on the Bonds to the extent of the sum or sums so paid. No person other than a registered owner of Bonds, as shown in the registration books kept by the Registrar, will receive a certificated Bond evidencing the obligation of this resolution. Upon delivery by DTC to the City Administrator of a written notice to the effect that DTC has determined to substitute a new nominee in place of Cede & Co., the words "Cede & Co." will refer to such new nominee of DTC; and upon receipt of such a notice, the City Administrator will promptly deliver a copy of the same to the Registrar and Paying Agent.

7.03. Representation Letter. The City has heretofore executed and delivered to DTC a Blanket Issuer Letter of Representations (the "Representation Letter") which shall govern payment of principal of, premium, if any, and interest on the Bonds and notices with respect to the Bonds. Any Paying Agent or Registrar subsequently appointed by the City with respect to the Bonds will agree to take all action necessary for all representations of the City in the Representation Letter with respect to the Registrar and Paying Agent, respectively, to be complied with at all times.

7.04. Transfers Outside Book-Entry System. In the event the City, by resolution of the City Council, determines that it is in the best interests of the persons having beneficial interests in the Bonds that they be able to obtain Bond certificates, the City will notify DTC, whereupon DTC will notify the Participants, of the availability through DTC of Bond certificates. In such event the City will issue, transfer and exchange Bond certificates as requested by DTC and any other registered owners in accordance with the provisions of this Resolution. DTC may determine to discontinue providing its services with respect to the Bonds at any time by giving notice to the City and discharging its responsibilities with respect thereto under applicable law. In such event, if no successor securities depository is appointed, the City will issue and the Registrar will authenticate Bond certificates in accordance with this resolution and the provisions hereof will apply to the transfer, exchange and method of payment thereof.

7.05. Payments to Cede & Co. Notwithstanding any other provision of this Resolution to the contrary, so long as a Bond is registered in the name of Cede & Co., as nominee of DTC, payments with respect to principal of, premium, if any, and interest on the Bond and notices with respect to the Bond will be made and given, respectively in the manner provided in DTC's Operational Arrangements, as set forth in the Representation Letter.

Section 8. Continuing Disclosure.

8.01. Execution of Continuing Disclosure Certificate. "Continuing Disclosure Certificate" means that certain Continuing Disclosure Certificate executed by the Mayor and City Administrator and dated the date of issuance and delivery of the Bonds, as originally executed and as it may be amended from time to time in accordance with the terms thereof.

8.02. City Compliance with Provisions of Continuing Disclosure Certificate. The City hereby covenants and agrees that it will comply with and carry out all of the provisions of the Continuing Disclosure Certificate. Notwithstanding any other provision of this Resolution, failure of the City to comply with the Continuing Disclosure Certificate is not to be considered an event of default with respect to the Bonds; however, any Bondholder may take such actions as may be necessary and appropriate, including seeking mandate or specific performance by court order, to cause the City to comply with its obligations under this section.

Section 9. Defeasance. When all Bonds and all accrued interest thereon have been discharged as provided in this section, all pledges, covenants and other rights granted by this resolution to the holders of the Bonds will cease, except that the pledge of the full faith and credit of the City for the prompt and full payment of the principal of and interest on the Bonds will remain in full force and effect. The City may discharge all Bonds which are due on any date by depositing with the Registrar on or before that date a sum sufficient for the payment thereof in full or by depositing irrevocably in escrow, with a suitable institution qualified by law as an escrow agent for this purpose, cash or securities which are backed by the full faith and credit of the United States of America, or any other security authorized under Minnesota law for such purpose, bearing interest payable at such times and at such rates and maturing on such dates and in such amounts as shall be required and sufficient, subject to sale and/or reinvestment in like securities, to pay said obligation(s), which may include any interest payment on such Bond and/or principal amount due

thereon at a stated maturity (or if irrevocable provision shall have been made for permitted prior redemption of such principal amount, at such earlier redemption date). If any Bond should not be paid when due, it may nevertheless be discharged by depositing with the Registrar a sum sufficient for the payment thereof in full with interest accrued to the date of such deposit.

The motion for the adoption of the foregoing resolution was duly seconded by Member _____, and upon vote being taken thereon, the following voted in favor thereof:

and the following voted against the same:

Whereupon the resolution was declared duly passed and adopted this 10th day of December, 2018.

By _____
Its Mayor

Attest:

Its City Administrator

EXHIBIT A
PROPOSALS

EXHIBIT B

FORM OF BOND

No. R-_____

\$_____

UNITED STATES OF AMERICA
STATE OF MINNESOTA
DAKOTA COUNTY
CITY OF INVER GROVE HEIGHTS

GENERAL OBLIGATION CAPITAL IMPROVEMENT
PLAN BOND, SERIES 2018A

<u>Rate</u>	<u>Maturity</u>	<u>Date of Original Issue</u>	<u>CUSIP</u>
	February 1, 20__	December 27, 2018	

Registered Owner: Cede & Co.

The City of Inver Grove Heights, Minnesota, a duly organized and existing municipal corporation in Dakota County, Minnesota (the "City"), acknowledges itself to be indebted and for value received hereby promises to pay to the Registered Owner specified above or registered assigns, the principal amount specified above on the Maturity Date specified above, unless called for earlier redemption, with interest thereon from the date hereof at the annual rate specified above (calculated on the basis of a 360 day year of twelve 30 day months), payable February 1 and August 1 in each year, commencing August 1, 2019, to the person in whose name this Bond is registered at the close of business on the 15th day (whether or not a business day) of the immediately preceding month. The interest hereon and, upon presentation and surrender hereof, the principal hereof are payable in lawful money of the United States of America by check or draft by Bond Trust Services Corporation, Roseville, Minnesota, as Bond Registrar, Authenticating Agent and Paying Agent, or its designated successor under the Resolution described herein. For the prompt and full payment of such principal and interest as the same respectively become due, the full faith and credit and taxing powers of the City have been and are hereby irrevocably pledged.

The City may elect on February 1, 2027, and on any day thereafter to prepay Bonds due on or after February 1, 2028. Redemption may be in whole or in part and if in part, at the option of the City and in such manner as the City will determine. If less than all Bonds of a maturity are called for redemption, the City will notify The Depository Trust Company ("DTC") of the particular amount of such maturity to be prepaid. DTC will determine by lot the amount of each participant's interest in such maturity to be redeemed and each participant will then select by lot the beneficial ownership interests in such maturity to be redeemed. Prepayments will be at a price of par plus accrued interest.

This Bond is one of an issue in the aggregate principal amount of \$10,000,000 all of like original issue date and tenor, except as to number, maturity date, interest rate, denomination and redemption privilege, all issued pursuant to a resolution adopted by the City Council on December 10, 2018 (the "Resolution"), for the purpose of providing money to aid in financing improvements to City facilities as outlined in the City's 2017-2021 Five-Year Capital Improvement Plan, pursuant to and in full conformity with the Constitution and laws of the State of Minnesota, including Minnesota Statutes, Chapter 475, as amended, specifically section 475.521, and the principal hereof and interest hereon are payable primarily from ad valorem taxes, as set forth in the Resolution to which reference is made for a full statement of rights and powers thereby conferred. The full faith and credit of the City are irrevocably pledged for payment of this Bond and the City Council has obligated itself to levy additional ad valorem taxes on all taxable property in the City in the event of any deficiency in taxes pledged, which additional taxes may be levied without limitation as to rate or amount. The Bonds of this series are issued only as fully registered Bonds in denominations of \$5,000 or any integral multiple thereof of single maturities.

The City Council has designated the issue of Bonds of which this Bond forms a part as "qualified tax-exempt obligations" within the meaning of Section 265(b)(3) of the Internal Revenue Code of 1986, as amended (the "Code") relating to disallowance of interest expense for financial institutions and within the \$10 million limit allowed by the Code for the calendar year of issue.

As provided in the Resolution and subject to certain limitations set forth therein, this Bond is transferable upon the books of the City at the principal office of the Bond Registrar, by the registered owner hereof in person or by the owner's attorney duly authorized in writing, upon surrender hereof together with a written instrument of transfer satisfactory to the Bond Registrar, duly executed by the registered owner or the owner's attorney; and may also be surrendered in exchange for Bonds of other authorized denominations. Upon such transfer or exchange the City will cause a new Bond or Bonds to be issued in the name of the transferee or registered owner, of the same aggregate principal amount, bearing interest at the same rate and maturing on the same date, subject to reimbursement for any tax, fee or governmental charge required to be paid with respect to such transfer or exchange.

The City and the Bond Registrar may deem and treat the person in whose name this Bond is registered as the absolute owner hereof, whether this Bond is overdue or not, for the purpose of receiving payment and for all other purposes, and neither the City nor the Bond Registrar will be affected by any notice to the contrary.

IT IS HEREBY CERTIFIED, RECITED, COVENANTED AND AGREED that all acts, conditions and things required by the Constitution and laws of the State of Minnesota, to be done, to exist, to happen and to be performed preliminary to and in the issuance of this Bond in order to make it a valid and binding general obligation of the City in accordance with its terms, have been done, do exist, have happened and have been performed as so required, and that the issuance of this Bond does not cause the indebtedness of the City to exceed any constitutional or statutory limitation of indebtedness.

This Bond is not valid or obligatory for any purpose or entitled to any security or benefit under the Resolution until the Certificate of Authentication hereon has been executed by the Bond Registrar by manual signature of one of its authorized representatives.

IN WITNESS WHEREOF, the City of Inver Grove Heights, Dakota County, Minnesota, by its City Council, has caused this Bond to be executed on its behalf by the facsimile or manual signatures of the Mayor and City Administrator and has caused this Bond to be dated as of the date set forth below.

Dated: _____, 2018

CITY OF INVER GROVE HEIGHTS,
MINNESOTA

(Facsimile)
Mayor

(Facsimile)
City Administrator

CERTIFICATE OF AUTHENTICATION

This is one of the Bonds delivered pursuant to the Resolution mentioned within.

BOND TRUST SERVICES
CORPORATION

By _____
Authorized Representative

ABBREVIATIONS

The following abbreviations, when used in the inscription on the face of this Bond, will be construed as though they were written out in full according to applicable laws or regulations:

TEN COM -- as tenants in common

UNIF GIFT MIN ACT

Custodian _____

(Cust) _____ (Minor) _____

TEN ENT -- as tenants by entireties

under Uniform Gifts or Transfers to
Minors Act, State of _____

JT TEN -- as joint tenants with right of
survivorship and not as tenants in
common

Additional abbreviations may also be used though not in the above list.

ASSIGNMENT

For value received, the undersigned hereby sells, assigns and transfers unto
_____ the within Bond and all rights thereunder, and
does hereby irrevocably constitute and appoint _____ attorney to
transfer the said Bond on the books kept for registration of the within Bond, with full power of
substitution in the premises.

Dated: _____

Notice: The assignor's signature to this assignment must correspond with the
name as it appears upon the face of the within Bond in every particular,
without alteration or any change whatever.

Signature Guaranteed:

NOTICE: Signature(s) must be guaranteed by a financial institution that is a member of the
Securities Transfer Agent Medallion Program ("STAMP"), the Stock Exchange Medallion
Program ("SEMP"), the New York Stock Exchange, Inc. Medallion Signatures Program
("MSP") or other such "signature guarantee program" as may be determined by the Registrar in
addition to, or in substitution for, STAMP, SEMP or MSP, all in accordance with the Securities
Exchange Act of 1934, as amended.

The Bond Registrar will not effect transfer of this Bond unless the information
concerning the assignee requested below is provided.

Name and Address: _____

(Include information for all joint owners if this
Bond is held by joint account.)

Please insert social security or other
identifying number of assignee _____

PROVISIONS AS TO REGISTRATION

The ownership of the principal of and interest on the within Bond has been registered on
the books of the Registrar in the name of the person last noted below.

Date of Registration

Registered Owner

Signature of
of Registrar

Cede & Co.
Federal ID #13-2555119

EXHIBIT C
TAX LEVY SCHEDULE

YEAR*	TAX LEVY
2019	\$
2020	
2021	
2022	
2023	
2024	
2025	
2026	
2027	
2028	
2029	
2030	
2031	
2032	
2033	
2034	
2035	
2036	
2037	
2038	

* Year tax levy collected.

STATE OF MINNESOTA)
)
COUNTIES OF DAKOTA) SS.
)
CITY OF INVER GROVE)
HEIGHTS)

I, the undersigned, being the duly qualified and acting City Administrator of the City of Inver Grove Heights, Minnesota (the "City"), do hereby certify that I have carefully compared the attached and foregoing extract of minutes of a regular meeting of the City Council of the City held on December 10, 2018, with the original minutes on file in my office and the extract is a full, true and correct copy of the minutes insofar as they relate to the issuance and sale of the City's General Obligation Capital Improvement Plan Bonds, Series 2018A, in the original aggregate principal amount of \$10,000,000.

WITNESS My hand officially as such City Administrator and the corporate seal of the City this _____ day of _____, 2018.

City Administrator
City of Inver Grove Heights, Minnesota

STATE OF MINNESOTA
COUNTY OF DAKOTA

CERTIFICATE OF COUNTY
AUDITOR AS TO TAX
LEVY AND REGISTRATION

I, the undersigned County Auditor of Dakota County, Minnesota, hereby certify that a certified copy of a resolution adopted by the governing body of the City of Inver Grove Heights, Minnesota (the "City"), on December 10, 2018, levying taxes for the payment of the City's General Obligation Capital Improvement Plan Bonds, Series 2018A, issued in the original aggregate principal amount of \$10,000,000, dated December 27, 2018, has been filed in my office and said bonds have been entered on the register of obligations in my office and that such tax has been levied as required by law.

WITNESS My hand and official seal this _____ day of _____, 2018.

COUNTY AUDITOR
DAKOTA COUNTY, MINNESOTA

By: _____

Its: _____

EXTRACT OF MINUTES OF A MEETING OF THE
CITY COUNCIL OF
THE CITY OF INVER GROVE HEIGHTS, MINNESOTA

HELD: December 10, 2018

Pursuant to due call and notice thereof, a regular meeting of the City Council of the City of Inver Grove Heights, Minnesota, was duly called and held at the City Hall in the City on Monday, the 10th day of December, 2018, at 7:00 o'clock P.M.

The following members were present:

and the following were absent:

* * *

* * *

* * *

The Mayor announced that the next order of business was consideration of the proposals which had been received for the purchase of the City's General Obligation Capital Improvement Plan Bonds, Series 2019A, to be issued in the aggregate principal amount of \$2,500,000.

The City Administrator presented a tabulation of the proposals which had been received in the manner specified in the Terms of Proposal for the Bonds. The proposals are summarized on **EXHIBIT A** attached hereto.

After due consideration of the proposals, Member _____ then introduced the following written resolution, the reading of which was dispensed with by unanimous consent, and moved its adoption:

RESOLUTION NO. 18-____

RESOLUTION AWARDING THE SALE OF GENERAL OBLIGATION
CAPITAL IMPROVEMENT PLAN BONDS, SERIES 2019A, IN THE
ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$2,500,000; FIXING
THEIR FORM AND SPECIFICATIONS; DIRECTING THEIR EXECUTION
AND DELIVERY; AND PROVIDING FOR THEIR PAYMENT

Section 1. Sale of Bonds.

1.01 Authority. It is hereby determined that:

(a) Pursuant to Minnesota Statutes, Chapter 475, including without limitation, section 475.521 (the "Act"), the City is authorized to finance certain capital improvements under an approved capital improvement plan by the issuance of general

obligation bonds of the City payable from ad valorem taxes. Capital improvements include acquisition or betterment of public lands, buildings or other improvements for the purpose of a city hall, library, public safety facility and public works facilities (excluding light rail transit or any activity related to it, or a park, road, bridge, administrative building other than a city hall, or land for any of those activities).

(b) The City held a public hearing on December 11, 2017, regarding a five year capital improvement plan (the "Plan") and regarding issuance of bonds in the maximum principal amount of \$12,500,000 to finance planned capital improvements, all in accordance with the Act. The Plan authorizes issuance of bonds to pay the cost of certain capital improvements identified in the capital improvement plan, including but not limited to the acquisition, construction and betterment of a fire station (the "Improvements").

(c) The City Council has determined that, within 30 days after the hearing, no petition for a referendum on the issuance of bonds to pay costs of the Improvements was received by the City in accordance with the Act.

(d) As required by the Act, the City has determined that:

(i) the expected useful life of the Improvements will be at least 5 years; and

(ii) the amount of principal and interest due in any year on all outstanding bonds issued by the City under the Act, including the Bonds (as defined below), will not exceed 0.16% of the estimated market value of property in the City for taxes payable in 2018.

(e) It is necessary and expedient to the sound financial management of the affairs of the City to issue its General Obligation Capital Improvement Plan Bonds, Series 2019A (the "Bonds"), in the aggregate principal amount of \$2,500,000, to provide financing for the Improvements.

(f) The City is authorized by Section 475.60, subdivision 2(9), of the Act to negotiate the sale of the Bonds, it being determined that the City has retained an independent municipal advisor in connection with such sale. The actions of the City staff and the City's municipal advisor in negotiating the sale of the Bonds are ratified and confirmed in all aspects.

1.02. Award to the Purchaser and Interest Rates. The proposal of _____, in _____, _____ (the "Purchaser") to purchase the Bonds is hereby found and determined to be a reasonable offer and is hereby accepted, the proposal being to purchase the Bonds at a price of \$ _____ (par amount of \$2,500,000, plus a net premium of \$ _____ less underwriter's discount of \$ _____), plus accrued interest to date of delivery, if any, for Bonds bearing interest as follows:

<u>Year of Maturity</u>	<u>Interest Rate</u>	<u>Year of Maturity</u>	<u>Interest Rate</u>
2021	%	2031	%
2022		2032	
2023		2033	
2024		2034	
2025		2035	
2026		2036	
2027		2037	
2028		2038	
2029		2039	
2030			

1.03. Purchase Contract. Any amount paid by the Purchaser over the minimum purchase price shall be credited to the Debt Service Fund hereinafter created, or deposited in the Construction Fund hereinafter created, as determined by the City Finance Director upon consultation with the City's municipal advisor. The Mayor and City Administrator are hereby authorized and directed to execute a purchase contract with the Purchaser on behalf of the City, if requested by the Purchaser.

1.04. Terms and Principal Amounts of the Bonds. The City will forthwith issue and sell the Bonds to the Purchaser pursuant to the Act in the total principal amount of \$2,500,000, originally dated the date of issuance, in the denomination of \$5,000 each or any integral multiple thereof, numbered No. R-1, upward, bearing interest as above set forth, and maturing serially on February 1 in the years and amounts as follows:

<u>Year</u>	<u>Amount</u>	<u>Year</u>	<u>Amount</u>
2021	\$100,000	2031	\$130,000
2022	100,000	2032	135,000
2023	105,000	2033	140,000
2024	105,000	2034	145,000
2025	110,000	2035	150,000
2026	115,000	2036	160,000
2027	115,000	2037	165,000
2028	120,000	2038	170,000
2029	125,000	2039	180,000
2030	130,000		

As may be requested by the Purchaser, one or more term Bonds may be issued having mandatory sinking fund redemption and final maturity amounts conforming to the foregoing principal repayment schedule, and corresponding additions may be made to the provisions of the applicable Bond(s).

1.05. Optional Redemption. The City may elect on February 1, 2027, and on any day thereafter, to prepay Bonds due on or after February 1, 2028. Redemption may be in whole or in part and if in part, at the option of the City and in such manner as the City will determine. If less

than all Bonds of a maturity are called for redemption, the City will notify DTC (as defined in Section 7 hereof) of the particular amount of such maturity to be prepaid. DTC will determine by lot the amount of each participant's interest in such maturity to be redeemed and each participant will then select by lot the beneficial ownership interests in such maturity to be redeemed. Prepayments will be at a price of par plus accrued interest.

Section 2. Registration and Payment.

2.01. Registered Form. The Bonds will be issued only in fully registered form. The interest thereon and, upon surrender of each Bond, the principal amount thereof, is payable by check or draft issued by the Registrar described herein.

2.02. Dates; Interest Payment Dates. Each Bond will be dated as of the last interest payment date preceding the date of authentication to which interest on the Bond has been paid or made available for payment, unless (i) the date of authentication is an interest payment date to which interest has been paid or made available for payment, in which case the Bond will be dated as of the date of authentication, or (ii) the date of authentication is prior to the first interest payment date, in which case the Bond will be dated as of the date of original issue. The interest on the Bonds is payable on February 1 and August 1 of each year, commencing August 1, 2019, to the registered owners of record thereof as of the close of business on the 15th day of the immediately preceding month, whether or not that day is a business day.

2.03. Registration. The City will appoint, and will maintain, a bond registrar, transfer agent, authenticating agent and paying agent (the "Registrar"). The effect of registration and the rights and duties of the City and the Registrar with respect thereto are as follows:

(a) Register. The Registrar will keep at its principal corporate trust office a bond register in which the Registrar provides for the registration of ownership of the Bonds and the registration of transfers and exchanges of Bonds entitled to be registered, transferred or exchanged.

(b) Transfer of Bonds. Upon surrender for transfer of a Bond duly endorsed by the registered owner thereof or accompanied by a written instrument of transfer, in form satisfactory to the Registrar, duly executed by the registered owner thereof or by an attorney duly authorized by the registered owner in writing, the Registrar will authenticate and deliver, in the name of the designated transferee or transferees, one or more new Bonds of a like aggregate principal amount and maturity, as requested by the transferor. The Registrar may, however, close the books for registration of any transfer after the 15th day of the month preceding each interest payment date and until that interest payment date.

(c) Exchange of Bonds. Whenever any Bonds are surrendered by the registered owner for exchange the Registrar will authenticate and deliver one or more new Bonds of a like aggregate principal amount and maturity as requested by the registered owner or the owner's attorney in writing.

(d) Cancellation. The Bonds surrendered upon transfer or exchange will be promptly cancelled by the Registrar and thereafter disposed of as directed by the City.

(e) Improper or Unauthorized Transfer. When any Bond is presented to the Registrar for transfer, the Registrar may refuse to transfer such Bond until the Registrar is satisfied that the endorsement on such Bond or separate instrument of transfer is valid and genuine and that the requested transfer is legally authorized. The Registrar will incur no liability for the refusal, in good faith, to make transfers which it, in its judgment, deems improper or unauthorized.

(f) Persons Deemed Owners. The City and the Registrar may treat the person in whose name a Bond is at any time registered in the bond register as the absolute owner of such Bond, whether such Bond is overdue or not, for the purpose of receiving payment of, or on account of, the principal of and interest on such Bond and for all other purposes, and all such payments so made to any such registered owner or upon the owner's order will be valid and effectual to satisfy and discharge the liability upon the Bond to the extent of the sum or sums to be paid.

(g) Taxes, Fees and Charges. The Registrar may impose a charge upon the owner thereof for every transfer or exchange of Bonds, sufficient to reimburse the Registrar for any tax, fee or other governmental charge required to be paid with respect to such transfer or exchange.

(h) Mutilated, Lost, Stolen or Destroyed Bonds. If a Bond is mutilated or destroyed, stolen or lost, the Registrar will deliver a new Bond of like amount, number, maturity date and tenor in exchange and substitution for and upon cancellation of any such mutilated Bond or in lieu of and in substitution for any such Bond destroyed, stolen or lost, upon the payment of the reasonable expenses and charges of the Registrar in connection therewith; and, in the case of a Bond destroyed, stolen or lost, upon filing with the Registrar of evidence satisfactory to it that such Bond was destroyed, stolen or lost, and of the ownership thereof, and upon furnishing to the Registrar an appropriate bond or indemnity in form, substance and amount satisfactory to it and as provided by law, in which both the City and the Registrar will be named as obligees. Bonds so surrendered to the Registrar will be cancelled by it and evidence of such cancellation must be given to the City. If the mutilated, destroyed, stolen or lost Bond has already matured or been called for redemption in accordance with its terms it will not be necessary to issue a new Bond prior to payment.

(i) Redemption. In the event any of the Bonds are called for redemption, notice thereof identifying the Bonds to be redeemed will be given by the Registrar by mailing a copy of the redemption notice by first class mail (postage prepaid) in accordance with the requirements of DTC to the registered owner of each Bond to be redeemed at the address shown on the registration books kept by the Registrar and by publishing the notice if required by law. Failure to give notice by publication or by mail to any registered owner, or any defect therein, will not affect the validity of the proceedings for the redemption of Bonds. Bonds so called for redemption will cease to

bear interest after the specified redemption date, provided that the funds for the redemption are on deposit with the place of payment at that time.

2.04. Appointment of Initial Registrar. The City hereby appoints Bond Trust Services Corporation, Roseville, Minnesota, as the initial Registrar. The Mayor and the City Administrator are authorized to execute and deliver, on behalf of the City, a contract with the Registrar. Upon merger or consolidation of the Registrar with another corporation, if the resulting corporation is a bank or trust company authorized by law to conduct such business, the resulting corporation is authorized to act as successor Registrar. The City agrees to pay the reasonable and customary charges of the Registrar for the services performed. The City reserves the right to remove the Registrar upon 30 days' notice and upon the appointment of a successor Registrar, in which event the predecessor Registrar must deliver all cash and Bonds in its possession to the successor Registrar and must deliver the bond register to the successor Registrar. On or before each principal or interest due date, without further order of this Council, the Finance Director must transmit to the Registrar moneys sufficient for the payment of all principal and interest then due.

2.05. Execution, Authentication and Delivery. The Bonds will be prepared under the direction of the City Finance Director and will be executed on behalf of the City by the signatures of the Mayor and the City Administrator, provided that all signatures may be printed, engraved or lithographed facsimiles of the originals. If an officer whose signature or a facsimile of whose signature appears on the Bonds ceases to be such officer before the delivery of any Bond, that signature or facsimile will nevertheless be valid and sufficient for all purposes, the same as if the officer had remained in office until delivery. Notwithstanding such execution, no Bond will be valid or obligatory for any purpose or entitled to any security or benefit under this Resolution unless and until a certificate of authentication on a Bond has been duly executed by the manual signature of an authorized representative of the Registrar. Certificates of authentication on different Bonds need not be signed by the same representative. The executed certificate of authentication on each Bond will be conclusive evidence that it has been authenticated and delivered under this Resolution. When the Bonds have been so prepared, executed and authenticated, the City Finance Director will deliver the same to the Purchaser thereof upon payment of the purchase price in accordance with the contract of sale heretofore made and executed, and the Purchaser will not be obligated to see to the application of the purchase price.

2.06. Temporary Bonds. The City may elect to deliver in lieu of printed definitive Bonds one or more typewritten temporary Bonds in substantially the form set forth in **EXHIBIT B** with such changes as may be necessary to reflect more than one maturity in a single temporary bond. Upon the execution and delivery of definitive Bonds the temporary Bonds will be exchanged therefor and cancelled.

Section 3. Form of Bond.

3.01. Execution of the Bonds. The Bonds will be printed or typewritten in substantially the set forth in EXHIBIT B.

3.02. Approving Legal Opinion. The City Administrator is authorized and directed to obtain a copy of the proposed approving legal opinion of Kennedy & Graven, Chartered, Minneapolis, Minnesota, which is to be complete except as to dating thereof and to cause the opinion to be printed on or accompany each Bond.

Section 4. Payment; Security; Pledges and Covenants.

4.01. Debt Service Fund. The Bonds are payable from the Capital Improvement Plan Bonds, Series 2019A Debt Service Fund (the "Debt Service Fund") hereby created. The Debt Service Fund shall be administered and maintained by the Finance Director as a bookkeeping account separate and apart from all other funds maintained in the official financial records of the City. Amounts in the Debt Service Fund are irrevocably pledged to the Bonds. To the Debt Service Fund hereby created, there is hereby pledged and irrevocably appropriated and there will be credited: (i) the proceeds of the ad valorem taxes hereinafter levied (the "Taxes") for the Improvements described in Section 1.01, (ii) capitalized interest financed from Bond proceeds, if any; (iii) any amount over the minimum purchase price of the Bonds paid by the Purchaser, to the extent designated for deposit in the Debt Service Fund in accordance with Section 1.03; (iv) all investment earnings on amounts in the Debt Service Fund; and (v) any other funds appropriated for the payment of principal or interest on the Bonds. If a payment of principal or interest on the Bonds becomes due when there is not sufficient money in the Debt Service Fund to pay the same, the Finance Director is directed to pay such principal or interest from the general fund or other funds of the City, and such fund will be reimbursed for those advances out of the proceeds of Taxes when collected.

4.02. Construction Fund. The proceeds of the Bonds, less the appropriations made in Section 4.01, together with any other funds appropriated for the Improvements and Taxes collected during the construction of the Improvements, will be deposited in a separate construction fund (the "Construction Fund") to be used solely to defray expenses of the Improvements and the payment of principal and interest on the Bonds prior to the completion and payment of all costs of the Improvements. Any balance remaining in the Construction Fund after the Improvements are completed and the costs thereof have been paid may be used as provided in Minnesota Statutes, section 475.65, under the direction of the City Council. Thereafter, the Construction Fund is to be closed and any balance remaining therein and subsequent collections of Taxes for the Improvements are to be deposited in the Debt Service Fund.

4.03. Pledge of Tax Levy. For the purpose of paying the principal of and interest on the Bonds, there is levied a direct annual irrevocable ad valorem tax upon all of the taxable property in the City, which Taxes will be spread upon the tax rolls and collected with and as part of other general taxes of the City. The Taxes will be credited to the Debt Service Fund above provided and will be in the years and amounts as attached hereto as **EXHIBIT C**.

4.05. Certification to County Auditor as to Debt Service Fund Amount. It is hereby determined that the estimated collection of the foregoing Taxes will produce at least five percent in excess of the amount needed to meet when due the principal and interest payments on the Bonds. The tax levy herein provided is irrevocable until all of the Bonds are paid, provided that

at the time the City makes its annual tax levies the City Administrator may certify to the County Auditor of Dakota County, Minnesota, (the "County Auditor") the amount available in the Debt Service Fund to pay principal and interest due during the ensuing year, and the County Auditor will thereupon reduce the levy collectible during such year by the amount so certified.

4.05. Registration of Resolution. The City Administrator is authorized and directed to file a certified copy of this resolution with the County Auditor and to obtain the certificate required by Minnesota Statutes, Section 475.63.

Section 5. Authentication of Transcript.

5.01. City Proceedings and Records. The officers of the City are authorized and directed to prepare and furnish to the Purchaser and to the attorneys approving the Bonds, certified copies of proceedings and records of the City relating to the Bonds and to the financial condition and affairs of the City, and such other certificates, affidavits and transcripts as may be required to show the facts within their knowledge or as shown by the books and records in their custody and under their control, relating to the validity and marketability of the Bonds, and such instruments, including any heretofore furnished, will be deemed representations of the City as to the facts stated therein.

5.02. Certification as to Official Statement. The Mayor and City Administrator are authorized and directed to certify that they have examined the Official Statement prepared and circulated in connection with the issuance and sale of the Bonds and that to the best of their knowledge and belief the Official Statement is a complete and accurate representation of the facts and representations made therein as of the date of the Official Statement.

5.03. Other Certificates. The Mayor and City Administrator are hereby authorized and directed to furnish to the Purchaser at the closing such certificates as are required as a condition of sale. Unless litigation shall have been commenced and be pending questioning the Bonds or the organization of the City or incumbency of its officers, at the closing the Mayor and the City Administrator shall also execute and deliver to the Purchaser a suitable certificate as to absence of material litigation, and the City Administrator shall also execute and deliver a certificate as to payment for and delivery of the Bonds.

5.04. Payment of Costs of Issuance. The City authorizes the Purchaser to forward the amount of Bond proceeds allocable to the payment of issuance expenses to KleinBank, Chaska, Minnesota on the closing date for further distribution as directed by the City's municipal adviser, Ehlers & Associates, Inc.

Section 6. Tax Covenant.

6.01. Tax-Exempt Bonds. The City covenants and agrees with the holders from time to time of the Bonds that it will not take or permit to be taken by any of its officers, employees or agents any action which would cause the interest on the Bonds to become subject to taxation under the Internal Revenue Code of 1986, as amended (the "Code"), and the Treasury Regulations promulgated thereunder, in effect at the time of such actions, and that it will take or cause its officers, employees or agents to take, all affirmative action within its power that may be necessary to ensure that such interest will not become subject to taxation under the Code and applicable Treasury Regulations, as presently existing or as hereafter amended and made applicable to the Bonds.

6.02. Rebate. The City will comply with requirements necessary under the Code to establish and maintain the exclusion from gross income of the interest on the Bonds under Section 103 of the Code, including without limitation requirements relating to temporary periods for investments, limitations on amounts invested at a yield greater than the yield on the Bonds and the rebate of excess investment earnings to the United States (unless the City qualifies for an exception from rebate requirements based on timely expenditure of proceeds of the Bonds, in accordance with the Code and applicable Treasury Regulations).

6.03. Not Private Activity Bonds. The City further covenants not to use the proceeds of the Bonds or the Improvements financed by the Bonds, or to cause or permit them or any of them to be used, in such a manner as to cause the Bonds to be "private activity bonds" within the meaning of Sections 103 and 141 through 150 of the Code.

6.04. Qualified Tax-Exempt Obligations. In order to qualify the Bonds as "qualified tax-exempt obligations" within the meaning of Section 265(b)(3) of the Code, the City makes the following factual statements and representations:

(a) the Bonds are not "private activity bonds" as defined in Section 141 of the Code;

(b) the City hereby designates the Bonds as "qualified tax-exempt obligations" for purposes of Section 265(b)(3) of the Code;

(c) the reasonably anticipated amount of tax-exempt obligations (other than any private activity bonds that are not qualified 501(c)(3) bonds) which will be issued by the City (and all subordinate entities of the City) during calendar year 2019 will not exceed \$10,000,000; and

(d) not more than \$10,000,000 of obligations issued by the City during calendar year 2019 have been designated for purposes of Section 265(b)(3) of the Code.

6.05. Procedural Requirements. The City will use its best efforts to comply with any federal procedural requirements which may apply in order to effectuate the designations made by this section.

Section 7. Book-Entry System; Limited Obligation of City.

7.01. DTC. The Bonds will be initially issued in the form of a separate single typewritten or printed fully registered Bond for each of the maturities set forth in Section 1.04 hereof. Upon initial issuance, the ownership of each Bond will be registered in the registration books kept by the Registrar in the name of Cede & Co., as nominee for The Depository Trust Company, New York, New York, and its successors and assigns ("DTC"). Except as provided in this section, all of the outstanding Bonds will be registered in the registration books kept by the Registrar in the name of Cede & Co., as nominee of DTC.

7.02. Participants. With respect to Bonds registered in the registration books kept by the Registrar in the name of Cede & Co., as nominee of DTC, the City, the Registrar and the Paying Agent will have no responsibility or obligation to any broker dealers, banks and other financial institutions from time to time for which DTC holds Bonds as securities depository (the "Participants") or to any other person on behalf of which a Participant holds an interest in the Bonds, including but not limited to any responsibility or obligation with respect to (i) the accuracy of the records of DTC, Cede & Co. or any Participant with respect to any ownership interest in the Bonds, (ii) the delivery to any Participant or any other person (other than a registered owner of Bonds, as shown by the registration books kept by the Registrar) of any notice with respect to the Bonds, including any notice of redemption, or (iii) the payment to any Participant or any other person, other than a registered owner of Bonds, of any amount with respect to principal of, premium, if any, or interest on the Bonds. The City, the Registrar and the Paying Agent may treat and consider the person in whose name each Bond is registered in the registration books kept by the Registrar as the holder and absolute owner of such Bond for the purpose of payment of principal, premium and interest with respect to such Bond, for the purpose of registering transfers with respect to such Bonds, and for all other purposes. The Paying Agent will pay all principal of, premium, if any, and interest on the Bonds only to or on the order of the respective registered owners, as shown in the registration books kept by the Registrar, and all such payments will be valid and effectual to fully satisfy and discharge the City's obligations with respect to payment of principal of, premium, if any, or interest on the Bonds to the extent of the sum or sums so paid. No person other than a registered owner of Bonds, as shown in the registration books kept by the Registrar, will receive a certificated Bond evidencing the obligation of this resolution. Upon delivery by DTC to the City Administrator of a written notice to the effect that DTC has determined to substitute a new nominee in place of Cede & Co., the words "Cede & Co." will refer to such new nominee of DTC; and upon receipt of such a notice, the City Administrator will promptly deliver a copy of the same to the Registrar and Paying Agent.

7.03. Representation Letter. The City has heretofore executed and delivered to DTC a Blanket Issuer Letter of Representations (the "Representation Letter") which shall govern payment of principal of, premium, if any, and interest on the Bonds and notices with respect to the Bonds. Any Paying Agent or Registrar subsequently appointed by the City with respect to the Bonds will agree to take all action necessary for all representations of the City in the Representation Letter with respect to the Registrar and Paying Agent, respectively, to be complied with at all times.

7.04. Transfers Outside Book-Entry System. In the event the City, by resolution of the City Council, determines that it is in the best interests of the persons having beneficial interests in the Bonds that they be able to obtain Bond certificates, the City will notify DTC, whereupon DTC will notify the Participants, of the availability through DTC of Bond certificates. In such event the City will issue, transfer and exchange Bond certificates as requested by DTC and any other registered owners in accordance with the provisions of this Resolution. DTC may determine to discontinue providing its services with respect to the Bonds at any time by giving notice to the City and discharging its responsibilities with respect thereto under applicable law. In such event, if no successor securities depository is appointed, the City will issue and the Registrar will authenticate Bond certificates in accordance with this resolution and the provisions hereof will apply to the transfer, exchange and method of payment thereof.

7.05. Payments to Cede & Co. Notwithstanding any other provision of this Resolution to the contrary, so long as a Bond is registered in the name of Cede & Co., as nominee of DTC, payments with respect to principal of, premium, if any, and interest on the Bond and notices with respect to the Bond will be made and given, respectively in the manner provided in DTC's Operational Arrangements, as set forth in the Representation Letter.

Section 8. Continuing Disclosure.

8.01. Execution of Continuing Disclosure Certificate. "Continuing Disclosure Certificate" means that certain Continuing Disclosure Certificate executed by the Mayor and City Administrator and dated the date of issuance and delivery of the Bonds, as originally executed and as it may be amended from time to time in accordance with the terms thereof.

8.02. City Compliance with Provisions of Continuing Disclosure Certificate. The City hereby covenants and agrees that it will comply with and carry out all of the provisions of the Continuing Disclosure Certificate. Notwithstanding any other provision of this Resolution, failure of the City to comply with the Continuing Disclosure Certificate is not to be considered an event of default with respect to the Bonds; however, any Bondholder may take such actions as may be necessary and appropriate, including seeking mandate or specific performance by court order, to cause the City to comply with its obligations under this section.

Section 9. Defeasance. When all Bonds and all accrued interest thereon have been discharged as provided in this section, all pledges, covenants and other rights granted by this resolution to the holders of the Bonds will cease, except that the pledge of the full faith and credit of the City for the prompt and full payment of the principal of and interest on the Bonds will remain in full force and effect. The City may discharge all Bonds which are due on any date by depositing with the Registrar on or before that date a sum sufficient for the payment thereof in full or by depositing irrevocably in escrow, with a suitable institution qualified by law as an escrow agent for this purpose, cash or securities which are backed by the full faith and credit of the United States of America, or any other security authorized under Minnesota law for such purpose, bearing interest payable at such times and at such rates and maturing on such dates and in such amounts as shall be required and sufficient, subject to sale and/or reinvestment in like securities, to pay said obligation(s), which may include any interest payment on such Bond and/or principal amount due

thereon at a stated maturity (or if irrevocable provision shall have been made for permitted prior redemption of such principal amount, at such earlier redemption date). If any Bond should not be paid when due, it may nevertheless be discharged by depositing with the Registrar a sum sufficient for the payment thereof in full with interest accrued to the date of such deposit.

The motion for the adoption of the foregoing resolution was duly seconded by Member _____, and upon vote being taken thereon, the following voted in favor thereof:

and the following voted against the same:

Whereupon the resolution was declared duly passed and adopted this 10th day of December, 2018.

By _____
Its Mayor

Attest:

Its City Administrator

EXHIBIT A

PROPOSALS

EXHIBIT B

FORM OF BOND

No. R-_____

\$_____

UNITED STATES OF AMERICA
STATE OF MINNESOTA
DAKOTA COUNTY
CITY OF INVER GROVE HEIGHTS

GENERAL OBLIGATION CAPITAL IMPROVEMENT
PLAN BOND, SERIES 2019A

<u>Rate</u>	<u>Maturity</u>	<u>Date of Original Issue</u>	<u>CUSIP</u>
	February 1, 20__	January 3, 2019	

Registered Owner: Cede & Co.

The City of Inver Grove Heights, Minnesota, a duly organized and existing municipal corporation in Dakota County, Minnesota (the "City"), acknowledges itself to be indebted and for value received hereby promises to pay to the Registered Owner specified above or registered assigns, the principal amount specified above on the Maturity Date specified above, unless called for earlier redemption, with interest thereon from the date hereof at the annual rate specified above (calculated on the basis of a 360 day year of twelve 30 day months), payable February 1 and August 1 in each year, commencing August 1, 2019, to the person in whose name this Bond is registered at the close of business on the 15th day (whether or not a business day) of the immediately preceding month. The interest hereon and, upon presentation and surrender hereof, the principal hereof are payable in lawful money of the United States of America by check or draft by Bond Trust Services Corporation, Roseville, Minnesota, as Bond Registrar, Authenticating Agent and Paying Agent, or its designated successor under the Resolution described herein. For the prompt and full payment of such principal and interest as the same respectively become due, the full faith and credit and taxing powers of the City have been and are hereby irrevocably pledged.

The City may elect on February 1, 2027, and on any day thereafter to prepay Bonds due on or after February 1, 2028. Redemption may be in whole or in part and if in part, at the option of the City and in such manner as the City will determine. If less than all Bonds of a maturity are called for redemption, the City will notify The Depository Trust Company ("DTC") of the particular amount of such maturity to be prepaid. DTC will determine by lot the amount of each participant's interest in such maturity to be redeemed and each participant will then select by lot the beneficial ownership interests in such maturity to be redeemed. Prepayments will be at a price of par plus accrued interest.

This Bond is one of an issue in the aggregate principal amount of \$2,500,000 all of like original issue date and tenor, except as to number, maturity date, interest rate, denomination and redemption privilege, all issued pursuant to a resolution adopted by the City Council on December 10, 2018 (the "Resolution"), for the purpose of providing money to aid in financing improvements to City facilities as outlined in the City's 2017-2021 Five-Year Capital Improvement Plan, pursuant to and in full conformity with the Constitution and laws of the State of Minnesota, including Minnesota Statutes, Chapter 475, as amended, specifically section 475.521, and the principal hereof and interest hereon are payable primarily from ad valorem taxes, as set forth in the Resolution to which reference is made for a full statement of rights and powers thereby conferred. The full faith and credit of the City are irrevocably pledged for payment of this Bond and the City Council has obligated itself to levy additional ad valorem taxes on all taxable property in the City in the event of any deficiency in taxes pledged, which additional taxes may be levied without limitation as to rate or amount. The Bonds of this series are issued only as fully registered Bonds in denominations of \$5,000 or any integral multiple thereof of single maturities.

The City Council has designated the issue of Bonds of which this Bond forms a part as "qualified tax-exempt obligations" within the meaning of Section 265(b)(3) of the Internal Revenue Code of 1986, as amended (the "Code") relating to disallowance of interest expense for financial institutions and within the \$10 million limit allowed by the Code for the calendar year of issue.

As provided in the Resolution and subject to certain limitations set forth therein, this Bond is transferable upon the books of the City at the principal office of the Bond Registrar, by the registered owner hereof in person or by the owner's attorney duly authorized in writing, upon surrender hereof together with a written instrument of transfer satisfactory to the Bond Registrar, duly executed by the registered owner or the owner's attorney; and may also be surrendered in exchange for Bonds of other authorized denominations. Upon such transfer or exchange the City will cause a new Bond or Bonds to be issued in the name of the transferee or registered owner, of the same aggregate principal amount, bearing interest at the same rate and maturing on the same date, subject to reimbursement for any tax, fee or governmental charge required to be paid with respect to such transfer or exchange.

The City and the Bond Registrar may deem and treat the person in whose name this Bond is registered as the absolute owner hereof, whether this Bond is overdue or not, for the purpose of receiving payment and for all other purposes, and neither the City nor the Bond Registrar will be affected by any notice to the contrary.

IT IS HEREBY CERTIFIED, RECITED, COVENANTED AND AGREED that all acts, conditions and things required by the Constitution and laws of the State of Minnesota, to be done, to exist, to happen and to be performed preliminary to and in the issuance of this Bond in order to make it a valid and binding general obligation of the City in accordance with its terms, have been done, do exist, have happened and have been performed as so required, and that the issuance of this Bond does not cause the indebtedness of the City to exceed any constitutional or statutory limitation of indebtedness.

This Bond is not valid or obligatory for any purpose or entitled to any security or benefit under the Resolution until the Certificate of Authentication hereon has been executed by the Bond Registrar by manual signature of one of its authorized representatives.

IN WITNESS WHEREOF, the City of Inver Grove Heights, Dakota County, Minnesota, by its City Council, has caused this Bond to be executed on its behalf by the facsimile or manual signatures of the Mayor and City Administrator and has caused this Bond to be dated as of the date set forth below.

Dated: _____, 2019

CITY OF INVER GROVE HEIGHTS,
MINNESOTA

(Facsimile)
Mayor

(Facsimile)
City Administrator

CERTIFICATE OF AUTHENTICATION

This is one of the Bonds delivered pursuant to the Resolution mentioned within.

BOND TRUST SERVICES
CORPORATION

By _____
Authorized Representative

ABBREVIATIONS

The following abbreviations, when used in the inscription on the face of this Bond, will be construed as though they were written out in full according to applicable laws or regulations:

TEN COM -- as tenants in common

UNIF GIFT MIN ACT

Custodian

(Cust)

(Minor)

TEN ENT -- as tenants by entireties

under Uniform Gifts or Transfers to
Minors Act, State of _____

JT TEN -- as joint tenants with right of
survivorship and not as tenants in
common

Additional abbreviations may also be used though not in the above list.

ASSIGNMENT

For value received, the undersigned hereby sells, assigns and transfers unto
_____ the within Bond and all rights thereunder, and
does hereby irrevocably constitute and appoint _____ attorney to
transfer the said Bond on the books kept for registration of the within Bond, with full power of
substitution in the premises.

Dated: _____

Notice: The assignor's signature to this assignment must correspond with the
name as it appears upon the face of the within Bond in every particular,
without alteration or any change whatever.

Signature Guaranteed:

NOTICE: Signature(s) must be guaranteed by a financial institution that is a member of the
Securities Transfer Agent Medallion Program ("STAMP"), the Stock Exchange Medallion
Program ("SEMP"), the New York Stock Exchange, Inc. Medallion Signatures Program
("MSP") or other such "signature guarantee program" as may be determined by the Registrar in
addition to, or in substitution for, STAMP, SEMP or MSP, all in accordance with the Securities
Exchange Act of 1934, as amended.

The Bond Registrar will not effect transfer of this Bond unless the information
concerning the assignee requested below is provided.

Name and Address: _____

(Include information for all joint owners if this
Bond is held by joint account.)

Please insert social security or other
identifying number of assignee

PROVISIONS AS TO REGISTRATION

The ownership of the principal of and interest on the within Bond has been registered on
the books of the Registrar in the name of the person last noted below.

Date of Registration

Registered Owner

Signature of
of Registrar

Cede & Co.
Federal ID #13-2555119

EXHIBIT C
TAX LEVY SCHEDULE

<u>YEAR*</u>	<u>TAX LEVY</u>
2019	\$
2020	
2021	
2022	
2023	
2024	
2025	
2026	
2027	
2028	
2029	
2030	
2031	
2032	
2033	
2034	
2035	
2036	
2037	
2038	

* Year tax levy collected.

STATE OF MINNESOTA)
)
COUNTIES OF DAKOTA) SS.
)
CITY OF INVER GROVE)
HEIGHTS)

I, the undersigned, being the duly qualified and acting City Administrator of the City of Inver Grove Heights, Minnesota (the "City"), do hereby certify that I have carefully compared the attached and foregoing extract of minutes of a regular meeting of the City Council of the City held on December 10, 2018, with the original minutes on file in my office and the extract is a full, true and correct copy of the minutes insofar as they relate to the issuance and sale of the City's General Obligation Capital Improvement Plan Bonds, Series 2019A, in the original aggregate principal amount of \$2,500,000.

WITNESS My hand officially as such City Administrator and the corporate seal of the City this _____ day of _____, 2018.

City Administrator
City of Inver Grove Heights, Minnesota

STATE OF MINNESOTA
COUNTY OF DAKOTA

CERTIFICATE OF COUNTY
AUDITOR AS TO TAX
LEVY AND REGISTRATION

I, the undersigned County Auditor of Dakota County, Minnesota, hereby certify that a certified copy of a resolution adopted by the governing body of the City of Inver Grove Heights, Minnesota (the "City"), on December 10, 2018, levying taxes for the payment of the City's General Obligation Capital Improvement Plan Bonds, Series 2019A, issued in the original aggregate principal amount of \$2,500,000, dated January 3, 2019, has been filed in my office and said bonds have been entered on the register of obligations in my office and that such tax has been levied as required by law.

WITNESS My hand and official seal this _____ day of _____, 2018.

COUNTY AUDITOR
DAKOTA COUNTY, MINNESOTA

By: _____

Its: _____

CITY OF INVER GROVE HEIGHTS

REQUEST FOR COUNCIL ACTION

THIRD AND FINAL READING OF AN ORDINANCE AMENDING CITY CODE TITLE 3, CHAPTER 4, SECTIONS 3-4-2-2 and 3-4-2-3 and 10-3-8 ADJUSTING DEVELOPMENT FEES FOR 2019

Meeting Date:	December 10, 2018	Fiscal/FTE Impact:
Item Type:	Regular Agenda	☒ None
Contact:	Kristi Smith, Finance Director	☐ Amount included in current budget
Prepared by:	Kristi Smith, Finance Director	☐ Budget amendment requested
Reviewed by:	Scott Thureen, PW Director	☐ FTE included in current complement
	Allan Hunting, City Planner	☐ New FTE requested – N/A
	Janice Gundlach, CD Director	☐ Other

PURPOSE/ACTION REQUESTED Council held the public hearing on November 13, 2018 and is asked to consider the third and final reading of an ordinance to amend the City Code to adjust the fees and charges associated with development activities. This includes water and sanitary sewer connection fees, and fees associated with planning activities (such as rezoning, variance, conditional use permits, etc.).

SUMMARY Minnesota State Statutes 462.353 sets forth the requirements with respect to a municipality's authority to prescribe fees associated with planning activities.

While Statute 462 does not speak to building permit fees or water or sanitary sewer connection fees, the City Attorney's advice is to set forth the fees in the Code given the scope of development that is anticipated to take place over the next several years in the northwest area.

Staff proposes changes to the fees that address water and sanitary sewer connection fees, etc. The water and sewer connection fees are proposed to increase between 3.5% and 5%. These proposed fees are based on financial projections supplied in Ehlers and Associates May 2016 Update. Staff also proposes changes to select land use fees and escrows.

A copy of the first reading is available on the website and has been posted on social media. A copy has also been provided to River Heights Chamber of Commerce and their comments were provided to Council as part of the agenda packet for November 13th, 2018.

The proposed changes are reflected on the attached.

**CITY OF INVER GROVE HEIGHTS
DAKOTA COUNTY, MINNESOTA**

ORDINANCE NO. _____

AN ORDINANCE AMENDING TITLE 3, CHAPTER 4, SECTION 3-4-2-2 AND SECTION 3-4-2-3 AND SECTION 3-4-3 AND TITLE 10, CHAPTER 3, SECTION 10-3-8 B OF THE INVER GROVE HEIGHTS CITY CODE RELATING TO FEES

The City Council of Inver Grove Heights does hereby ordain as follows:

Section 1. Amendment No. 1. Inver Grove Heights City Code Title 3, Chapter 4, Section 3-4-2-2 is hereby amended in its entirety to read as follows:

3-4-2-2: WATER, SANITARY SEWER AND STORM WATER SYSTEMS CONNECTION FEES:

A. Purpose and Intent. Minn. Stat. § 444.075, subd 3. and IGH City Code Title 8 allows the City to impose just and equitable charges for connection to the City water utility system to pay for the construction, reconstruction, repair, enlargement, improvement, or other obtainment, the maintenance, operation and use of the facilities, and of obtaining and complying with permits required by law.

Minn. Stat. § 444.075, subd. 3. and IGH City Code Title 8 allows the City to impose just and equitable charges for connection to the City sanitary sewer utility system to pay for the construction, reconstruction, repair, enlargement, improvement, or other obtainment, the maintenance, operation and use of the facilities, and of obtaining and complying with permits required by law.

Minn. Stat. § 444.075, subd. 3. and IGH City Code Title 8 allows the City to impose just and equitable charges for connection to the City storm sewer utility system to pay for the construction, reconstruction, repair, enlargement, improvement, or other obtainment, the maintenance, operation and use of the facilities, and of obtaining and complying with permits required by law.

The City has installed water, sewer, and storm sewer improvements in the Northwest Area without assessing the costs against benefitting properties. The City intends to recover its costs through the collection of utility system connection fees.

The purpose and intent of this Title 3, Chapter 4, Section 3-4-2-2 is to impose connection fees for the water utility system and the sanitary sewer utility system and the storm water sewer utility system, also known as the storm water system.

B. Definitions. For purposes of this Title 3, Chapter 4, Section 3-4-2-2, the following terms shall have the following meanings:

Northwest Area means that certain geographic area within the City of Inver Grove Heights defined, established and referred to as the Northwest Area Overlay District pursuant to the City's zoning regulations.

Net Developable Area means the number of acres within a property remaining after excluding those portions that are either: a) encumbered by right of way for arterial roads as defined in the Inver Grove Heights Comprehensive Plan; or b) lying below the ordinary high water level of public waters as identified in the Shoreland Overlay District; or c) lying within the boundaries of wetlands delineated according to the Minnesota Wetland Conservation Act; or d) bluffs in Shoreland Overlay Districts abutting public waters; or e) land to be dedicated to the City of Inver Grove Heights for public park/recreation area purposes. Net Developable Area does

not include outlots within a plat that are intended to be replatted at a later date into developable lots.

Gross Acres means the total acres within a plat, subdivision or parcel. Gross Acres do not include outlots within a plat that are intended to be replatted at a later date into developable lots.

SAC Unit means a unit as determined by the Metropolitan Council Environmental Services according to the Metropolitan Council Service Availability Charge Manual.

C. Connection Fees For Water Utility System For Land Outside of Northwest Area. The following connection fees for the water utility system are hereby imposed and required to be paid with respect to land outside of the Northwest Area that is within the Metropolitan Urban Service Area (MUSA).

Fees Payable At Time of Plat

The following fee must be paid when the property is subdivided or the property is platted or a building permit is obtained or when connection is made to the municipal water system, whichever occurs first. The fee is not payable if the property has been previously specially assessed on an area basis for a trunk water line.

Water Plat Connection Fee	\$1,300 <u>1,350</u> multiplied by a density factor of 3.5 multiplied by Gross Acres
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Fees Payable At Time of Building Permit

The following fees must be paid by the landowner when a building permit is obtained or when connection is made to the municipal water system, whichever occurs first.

Water Building Permit Connection Unit Fee	\$870 <u>900</u> per SAC Unit
Water Treatment Plant Fee	\$760 <u>790</u> per SAC Unit
Water Core Connection Fee (based on water service size)	
1 inch	\$1,810 <u>1,870</u>
1 ½ inch	\$4,060 <u>4,200</u>
2 inch	\$7,200 <u>7,450</u>
3 inch	\$17,060 <u>17,660</u>
4 inch	\$28,800 <u>29,810</u>
6 inch (or larger)	\$67,510 <u>69,870</u>

D. Connection Fees For Sanitary Sewer Utility System For Land Outside of Northwest Area. The following connection fees for the sanitary sewer utility system are hereby imposed and required to be paid with respect to land outside of the Northwest Area that is within the Metropolitan Urban Service Area (MUSA).

Fees Payable At Time of Plat

The following fee must be paid when the property is subdivided or the property is platted or a building permit is obtained or connection is made to the municipal sanitary sewer system, whichever occurs first. The fee is not payable if the property has been previously specially assessed on an area basis for a trunk sanitary sewer line.

Sanitary Sewer Plat Connection Fee	\$1,300 <u>1,350</u> multiplied by a density factor of 3.5 multiplied by Gross Acres
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Fees Payable At Time of Building Permit

The following fees must be paid by the landowner when a building permit is obtained or when connection is made to the municipal sanitary sewer system, whichever occurs first. The B-Line special connection charge only applies to that area of the City served by the B-Line sanitary system; for properties in the B-Line area, the B-Line special connection charge is payable in addition to the other fees set forth below.

M.C.E.S. SAC Unit Fee	\$2,485 per SAC Unit
Sanitary Sewer Building Permit Connection Unit Fee	\$470 <u>490</u> per SAC Unit
B-Line Special Connection Charge	\$1,220 <u>1,260</u> per SAC Unit (applicable only to B-Line Area)
Sewer Core Connection Fee (based on building sewer service size)	
4 inch	\$580 <u>600</u>
6 inch	\$980 <u>1,010</u>
8 inch	\$1,740 <u>1,800</u>
10 inch	\$2,720 <u>2,800</u>
12 inch	\$3,920 <u>4,060</u>

E. Connection Fees For Water Utility System For Northwest Area. The following connection fees for the water utility system are hereby imposed and required to be paid with respect to land within the Northwest Area.

**Fees Payable At Time of Plat
(Northwest Area)**

The following fees must be paid when the property is subdivided or the property is platted or a building permit is obtained or when connection is made to the municipal water system, whichever occurs first. The fee is not payable if the property is being platted as an agricultural planned unit development with no connection to the municipal water system.

Water Plat Connection Fee (Northwest Area)	
In the R-1 and R-2 Zoning Districts	\$1,210 <u>1,250</u> multiplied by a density factor of 2.0 multiplied by the Net Developable Area
In the R-3A Zoning District	\$1,210 <u>1,250</u> multiplied by a density factor of 4.0 multiplied by the Net Developable Area
In the R-3B Zoning District	\$1,210 <u>1,250</u> multiplied by a density factor of 6.5 multiplied by the Net Developable Area
In the R-3C Zoning District	\$1,210 <u>1,250</u> multiplied by a density factor of 12.0 multiplied by the Net Developable Area
In the B-1 and Office Park Zoning Districts	The fee shall be calculated as follows. First, multiply the Net Developable Area by 43,560 to express in square feet. Then multiply the square footage by 0.25 (the minimum Floor Area Ratio – FAR required by the Northwest Area Overlay District). The result is the minimum building

	area required by the Northwest Area Overlay District. Divide the minimum building area by the density factor of 2,400 square feet to arrive at density units. Then multiply the density units by \$1,210<u>\$1,250</u>.
In the B-2, B-3 and B-4 Zoning Districts	The fee shall be calculated as follows. First, multiply the Net Developable Area by 43,560 to express in square feet. Then multiply the square footage by 0.25 (the minimum Floor Area Ratio – FAR required by the Northwest Area Overlay District). The result is the minimum building area required by the Northwest Area Overlay District. Divide the minimum building area by the density factor of 3,000 square feet to arrive at density units. Then multiply the density units by \$1,210<u>\$1,250</u>.
In the I-1 and I-2 and Industrial – Office Park Zoning Districts	The fee shall be calculated as follows. First, multiply the Net Developable Area by 43,560 to express in square feet. Then multiply the square footage by 0.25 (the minimum Floor Area Ratio – FAR required by the Northwest Area Overlay District). The result is the minimum building area required by the Northwest Area Overlay District. Divide the minimum building area by the density factor of 7,000 square feet to arrive at density units. Then multiply the density units by \$1,210<u>\$1,250</u>.
In the P-Institutional Zoning Districts	The fee shall be calculated as follows. First, multiply the Net Developable Area by 43,560 to express in square feet. Then multiply the square footage by 0.25 (the minimum Floor Area Ratio – FAR required by the Northwest Area Overlay District). The result is the minimum building area required by the Northwest Area Overlay District. Divide the minimum building area by the density factor of 2,400 square feet to arrive at density units. Then multiply the density units by \$1,210<u>\$1,250</u>.

In the Mixed Use – Residential and in the Mixed Use - Commercial Zoning Districts	The fee shall be calculated with respect to each pro-ratable area component of the mixed use development using the appropriate fee calculations set forth above in relation to the respective land use of the component. The respective fees for each component shall then be added to compute the total fee.
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Fees Payable At Time of Building Permit (Northwest Area)

The following fees must be paid by the landowner when a building permit is obtained or when connection is made to the municipal water system, whichever occurs first.

Water Building Permit Connection Unit Fee (Northwest Area)	\$3,330 <u>3,450</u> per SAC Unit
Water Treatment Plant Fee (Northwest Area)	\$710 <u>730</u> per SAC Unit
Water Core Connection Fee (based on water service size) (Northwest Area)	
1 inch	\$1,760 <u>1,820</u>
1 ½ inch	\$3,950 <u>4,090</u>
2 inch	\$7,020 <u>7,270</u>
3 inch	\$15,780 <u>16,330</u>
4 inch	\$28,080 <u>29,060</u>
6 inch (or larger)	\$65,820 <u>68,120</u>

F. Connection Fees For Sanitary Sewer Utility System For Northwest Area.

The following connection fees for the sanitary sewer utility system are hereby imposed and required to be paid with respect to land within the Northwest Area:

Fees Payable At Time of Plat (Northwest Area)

The following fee must be paid when the property is subdivided or the property is platted or a building permit is obtained or when connection is made to the municipal sanitary sewer system, whichever occurs first. The fee is not payable if the property is being platted as an agricultural planned unit development with no connection to the municipal water system.

Sanitary Sewer Plat Connection Fee (Northwest Area)	
In the R-1 and R-2 Zoning Districts	\$2,020 <u>2,120</u> multiplied by a density factor of 2.0 multiplied by the Net Developable Area
In the R-3A Zoning District	\$2,020 <u>2,120</u> multiplied by a density factor of 4.0 multiplied by the Net Developable Area
In the R-3B Zoning District	\$2,020 <u>2,120</u> multiplied by a density factor of 6.5 multiplied by the Net Developable Area
In the R-3C Zoning District	\$2,020 <u>2,120</u> multiplied by a density factor of 12.0 multiplied by the Net Developable Area

In the B-1 and Office Park Zoning Districts	The fee shall be calculated as follows. First, multiply the Net Developable Area by 43,560 to express in square feet. Then multiply the square footage by 0.25 (the minimum Floor Area Ratio – FAR required by the Northwest Area Overlay District). The result is the minimum building area required by the Northwest Area Overlay District. Divide the minimum building area by the density factor of 2,400 square feet to arrive at density units. Then multiply the density units by \$2,020 <u>\$2,120</u> .
In the B-2, B-3 and B-4 Zoning Districts	The fee shall be calculated as follows. First, multiply the Net Developable Area by 43,560 to express in square feet. Then multiply the square footage by 0.25 (the minimum Floor Area Ratio – FAR required by the Northwest Area Overlay District). The result is the minimum building area required by the Northwest Area Overlay District. Divide the minimum building area by the density factor of 3,000 square feet to arrive at density units. Then multiply the density units by \$2,020 <u>\$2,120</u> .
In the I-1 and I-2 and Industrial – Office Park Zoning Districts	The fee shall be calculated as follows. First, multiply the Net Developable Area by 43,560 to express in square feet. Then multiply the square footage by 0.25 (the minimum Floor Area Ratio – FAR required by the Northwest Area Overlay District). The result is the minimum building area required by the Northwest Area Overlay District. Divide the minimum building area by the density factor of 7,000 square feet to arrive at density units. Then multiply the density units by \$2,020 <u>\$2,120</u> .
In the P-Institutional Zoning Districts	The fee shall be calculated as follows. First, multiply the Net Developable Area by 43,560 to express in square feet. Then multiply the square footage by 0.25 (the minimum Floor Area Ratio – FAR required by the Northwest Area Overlay District).

	The result is the minimum building area required by the Northwest Area Overlay District. Divide the minimum building area by the density factor of 2,400 square feet to arrive at density units. Then multiply the density units by \$2,020 <u>\$2,120</u> .
In the Mixed Use – Residential and in the Mixed Use - Commercial Zoning Districts	The fee shall be calculated with respect to each pro-ratable area component of the mixed use development using the appropriate fee calculations set forth above in relation to the respective land use of the component. The respective fees for each component shall then be added to compute the total fee.

Fees Paid At Time of Building Permit (Northwest Area)

The following fees must be paid by the landowner when a building permit is obtained or when connection is made to the municipal sanitary sewer system, whichever occurs first.

M.C.E.S. SAC Unit Fee (Northwest Area)	\$2,485 per SAC Unit
Sanitary Sewer Building Permit Connection Unit Fee (Northwest Area)	\$5,550 <u>\$5,830</u> per SAC Unit
Sewer Core Connection Fee (based on building sewer service size)	
4 inch	\$570 <u>\$590</u>
6 inch	\$960 <u>\$990</u>
8 inch	\$1,710 <u>\$1,770</u>
10 inch	\$2,680 <u>\$2,770</u>
12 inch	\$3,840 <u>\$3,970</u>

G. Connection Fees For Storm Water Sewer Utility System For Northwest Area. The following connection fees for the storm water sewer utility system also known as the storm water system are hereby imposed and required to be paid with respect to land within the Northwest Area:

Fees Payable At Time of Plat (Northwest Area)

The following fees must be paid by the landowner when the property is subdivided or the property is platted or a building permit is obtained, whichever occurs first.

The fees are not payable for outlots if the property is being platted as an agricultural planned unit development.

Storm Water Plat Connection Fee (Northwest Area)	
In the R-1 and R-2 and R-3A Zoning Districts	\$13,210 <u>\$13,870</u> per acre multiplied by the Net Developable Area
In the R-3B and R-3C Zoning Districts	\$13,520 <u>\$13,870</u> per acre multiplied by the Net Developable Area

In the B-1 and Office Park Zoning Districts	\$15,170 <u>15,930</u> per acre multiplied by the Net Developable Area
In the B-2, B-3 and B-4 Zoning Districts	\$14,760 <u>15,500</u> per acre multiplied by the Net Developable Area
In the I-1, I-2 and I-Office Park Zoning Districts	\$14,350 <u>15,070</u> per acre multiplied by the Net Developable Area
In the P-Institutional Zoning District	\$13,520 <u>14,200</u> per acre multiplied by the Net Developable Area
In the Mixed Use - Residential Zoning District	\$13,520 <u>14,200</u> per acre multiplied by the Net Developable Area
In the Mixed Use - Commercial Zoning District	\$14,350 <u>15,070</u> per acre multiplied by the Net Developable Area

H. Outlots. With respect to calculating the fees payable at the time of platting, the acreage within the outlots that are intended to be replatted into buildable lots at a later date shall not be included within the calculations. When the acreage within the outlots are subsequently replatted into buildable lots, the fees for such acreage shall then be paid at the time of the replat.

Section 2. Amendment No. 2. Inver Grove Heights City Code Title 3, Chapter 4, Section 3-4-2-3 is hereby amended in its entirety to read as follows:

3-4-2-3: SANITARY SEWER AND WATER TRUNK AREA ASSESSMENTS: With respect to special assessments under Chapter 429 of the Minnesota Statutes, the assessments rolls for sanitary sewer and water trunk lines shall initially be calculated using the following per acre assessment amounts for trunk line area benefit.

~~\$4,540~~4,700 per acre for water trunk line area benefit

~~\$4,540~~4,700 per acre for sanitary sewer trunk line area benefit

The Council may adjust the assessment roll and special assessments after public hearing pursuant to Minn. Stat. § 429.061 and the Council shall determine the final assessment roll and special assessments by resolution.

Section 3. Amendment No. 4. Inver Grove Heights City Code Title 3, Chapter 4, Section 10-3-8 is hereby amended to read as follows:

B. Fee Amounts and Escrow Deposit: The city may require that applicants deposit in escrow with the city, together with the application filing fees, the sums required by the city toward prepayment of the attorney, planning and engineering costs. The prepayment amounts shall be a credit toward the fees for the attorney, planning and engineering and other professional consultant fees to be reimbursed by the applicant. All such fees, if not paid by the escrow, shall be paid by the applicant within sixty (60) days of final action on the matter by the city council. If such fees are less than the escrowed amount, such escrow will be returned to the applicant within sixty (60) days of the final action on the matter by the city council. The following escrow amounts shall be deposited, together with land use approval applications: (Ord. 1098, 11-8-2004)

TYPE OF LAND USE APPROVAL	BASE FEE	GIS FEE	ESCROW
Conditional Use Permit, single family residential	\$250		\$0
Conditional Use Permit, Impervious surface single family residential	\$250		\$1,500
Conditional Use Permit, other	\$500		\$3,000 <u>5,000</u>
Conditional Use Permit, other – amendment	\$150		\$1,000
Comprehensive Plan Amendment	\$500	\$50	\$2,500

Comprehensive Plan Amendment - minor	\$200		\$250
Zoning Code Amendment	\$500		\$500
Zoning Code Amendment – minor	\$100		\$250
Rezoning	\$500	\$50	\$500
Variance - Residential	\$200		\$0
Variance - Commercial	\$200		
Planned Unit Development Preliminary	\$1,000 + plat fees		\$5,000
Final	\$500		\$3,000
Planned Unit Development Amendment	\$250		\$1,000
Determination of Substantially Similar Use	\$200		\$200
Major Site Plan Review	\$500		\$3,000 5,000
Preliminary Plat	\$250 500/+ \$5 per lot		\$3,000 5,000
Final Plat – single family	\$350 500	\$25/lot	\$3,000 5,000
Final Plat - other	\$200	\$100/acre	\$3,000 5,000
Waiver of Plat	\$300	\$25	
Administrative Subdivision	\$100	\$25/lot	
Street Easement Vacation	\$150	\$50	\$500
Street Dedication	\$150	\$50	
Wetland Conservation Act Certification	\$75		
Wetland Replacement Plan	\$200	\$100/acre	\$2,500
Northwest Area Sketch Plan Review			\$1,000
Northwest Area Environmental Studies Fee	\$80/gross acre		
Abstract Fee	\$46		
Interim Use Permit	\$500		\$1,250
Non Conforming Use Certificate	\$500		\$1,250

(Ord. 1180, 12-10-2007)

Section 4. Effective Date. This Ordinance shall be in full force and effect on January 1, ~~2018~~2019 and after its passage and publication according to law.

Passed this ~~11~~10th day of December, ~~2017~~2018.

George Tourville, Mayor

ATTEST:

Michelle Tesser, City Clerk

CITY OF INVER GROVE HEIGHTS

REQUEST FOR COUNCIL ACTION

Consider a Resolution Adopting a Modification to the Tax Increment Financing Plan for Tax Increment Financing District No. 4-1.

Meeting Date: December 10, 2018

Item Type: Regular Agenda

Prepared by: Janice Gundlach, CD Director

Reviewed by: Janice Gundlach, CD Director 

Contact: 651-450-2546

Fiscal/FTE Impact:

☐	None
☐	Amount included in current budget
☐	Budget amendment requested
☐	FTE included in current complement
☐	New FTE requested – N/A
☒	Other

PURPOSE/ACTION REQUESTED:

Adopt the Resolution provided approving a modification to the Tax Increment Financing Plan for Tax Increment Financing District No. 4-1.

SUMMARY:

Tax Increment Financing (TIF) District No. 4-1 is scheduled to stop collecting increment on December 31, 2019. The City has calculated that excess increment estimated at \$3,700,000 will be generated and has examined how that money could be legally expended, being there are no outstanding bonds or other financial obligations. State law surrounding TIF districts limits the use of these funds, leaving three primary options (staff responses in *italics*):

- Redevelopment and development related expenses within the district boundary (see attached map) – *staff could not identify any readily available projects within the district boundary needing funding.*
- Assistance for the construction of affordable housing outside the district – *staff finds this is the most viable use of TIF funds in recognition of already approved projects and the housing market.*
- Decertify the district and return the excess increment to the County for distribution to taxing jurisdictions – *under this scenario, the City would only receive approximately 43% of the \$3,700,000, so staff is not recommending this option. It's worth noting for the Council's consideration, the 43% that comes back via the property tax could be spent at the Council's discretion.*

A Modification to the Tax Increment Financing Plan for Tax Increment Financing District No. 4-1 is attached, which memorializes the City is electing to spend tax increment on affordable housing outside the district in accordance with the 10% pooling allowance in Minnesota Statutes, Section 469.1763 subd 2 (d). This modification will allow use of the funds in accordance with second bullet point above. Staff is recommending this option as use of these funds for affordable housing, in key strategic areas like the Northwest Area or Concord, could leverage additional development projects, tax base growth, and payment of development fees needed to fund the NWA sewer bonds. Further, staff has been working with Dignicare Properties of Inver Grove Heights, LLC regarding their approved 32-unit senior housing project within the Scenic Hills development. This project is incurring extra-ordinary costs associated with Northwest Area development fees and the need for a lift station/force main sewer. Approval of this modification would allow the Council to consider assisting this project in the form of a loan.

ATTACHMENTS: Resolution, Modification to the Tax Increment Financing Plan for TIF District No. 4-1

CITY OF INVER GROVE HEIGHTS
DAKOTA COUNTY
STATE OF MINNESOTA

RESOLUTION NO. _____

**RESOLUTION ADOPTING A MODIFICATION TO THE TAX INCREMENT
FINANCING PLAN FOR TAX INCREMENT FINANCING DISTRICT NO. 4-1
THEREIN.**

BE IT RESOLVED by the City Council of the City of Inver Grove Heights, Minnesota, as follows:

Section 1. Recitals.

1.01. The City Council (the "City Council") of the City of Inver Grove Heights (the "City") has heretofore established Municipal Development District No. 4 and adopted the Development Program therefor and established Tax Increment Financing District No. 4-1 and adopted the Tax Increment Financing Plan therefor. It has been proposed that the City adopt a Modification to the Tax Increment Financing Plan (the "Modification") for Tax Increment Financing District No. 4-1 (the "District"), all pursuant to and in conformity with applicable law, including Minnesota Statutes, Sections 469.124 to 469.133, and Sections 469.174 to 469.1794, inclusive as amended (the "Act"), all as reflected in the Modification, and presented for the Council's consideration.

1.02. The City Council has investigated the facts related to the Modification and has caused the Modification to be prepared.

1.03 The City is not modifying the boundaries of Municipal Development District No. 4.

1.04 The City is not modifying the boundaries of the District.

1.05 The City is not increasing the budget for the cost of the project that will be paid or financed with tax increments.

Section 2. Findings for the Modification

2.01. The Council hereby reaffirms the original findings for the District, namely that when the District was established, it was established as a "redevelopment district" under Minnesota Statutes, Section 469.174, subd. 10.

In addition, the City makes the following findings:

- I. The Modification conforms to the general plan for development or redevelopment of the City as a whole. The reason for supporting this finding is that no additional development is proposed and the City finds that the development generally complements and serves to implement policies adopted in the City's comprehensive plan.
- II. The Modification will afford maximum opportunity, consistent with the sound needs of the City as a whole, for the development or redevelopment of the Municipal Development District No. 4 by private enterprise. The reason for supporting this finding is that the development activities are necessary so that development and redevelopment by private enterprise can occur within Municipal Development District No. 4.

- III. The development and redevelopment efforts, in the opinion of the City, would not reasonably be expected to occur solely through private investment within the reasonably foreseeable future and therefore the use of tax increment financing is deemed necessary.

Section 3. Public Purpose

3.01. The adoption of the Modification conforms in all respects to the requirements of the Act and will help fulfill a need to develop an area of the State which is already built up, to provide employment opportunities, to improve the tax base and to improve the general economy of the State and thereby serves a public purpose.

Section 4. Approval and Adoption of the Modification; Filing.

4.01. The Modification is hereby approved and shall be placed on file in the office of the City Clerk. Approval of the Modification does not constitute approval of any project or a development agreement with any developer.

4.02 The City hereby elects to increase by up to 10% the permitted amount of expenditures for activities located outside of the District for expenditures permitted by Minnesota Statutes, Section 469.1763, Subd. 2(d); all as further provided in the Modification.

4.03. The staff of the City are authorized to file the Modification with the Commissioner of Revenue, the Office of the State Auditor and the Dakota County Auditor.

4.04. The staff of the City, the City's advisors and legal counsel are authorized and directed to proceed with the implementation of the Modification and for this purpose to negotiate, draft, prepare and present to this Council for its consideration all further modifications, resolutions, and documents necessary for this purpose.

The motion for the adoption of the foregoing resolution was duly seconded by Council member _____, and upon a vote being taken thereon, the following voted in favor thereof:

and the following voted against the same:

Dated: December 10, 2018

ATTEST:

Mayor

City Administrator

(Seal)



Draft for Council

**MODIFICATION TO THE TAX INCREMENT FINANCING PLAN
FOR TAX INCREMENT FINANCING DISTRICT NO. 4-1
(a redevelopment district)**

**LOCATED WITHIN
MUNICIPAL DEVELOPMENT DISTRICT NO. 4**

**CITY OF INVER GROVE HEIGHTS
DAKOTA COUNTY
STATE OF MINNESOTA**

Adopted: April 28, 1987
Modified: May 12, 1997
Modified: July 14, 2003
Public Hearing for Modifications: September 8, 2003
Modifications Adopted: September 8, 2003
Modifications Considered: December 10, 2018

Prepared by: EHLERS & ASSOCIATES, INC.
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(for reference purposes only)

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SECTION I - MODIFICATION TO THE TAX INCREMENT FINANCING PLAN FOR TAX INCREMENT FINANCING DISTRICT NO. 4-1

Subsection 1-1. Foreword

The City of Inver Grove Heights (the "City"), staff and consultants have prepared the following information to expedite the modifications to the Tax Increment Financing Plan (the "Plan") for Tax Increment Financing District No. 4-1 ("District No. 4-1"), a redevelopment tax increment financing district located in the Municipal Development District No. 4 (the "Project Area").

Subsection 1-2. Statutory Authority

Within the City, there exist areas where public involvement is necessary to cause development or redevelopment to occur. To this end, the City has certain statutory powers pursuant to *Minnesota Statutes* ("M.S."), 469.124 through 469.134, inclusive, as amended, and M.S., Sections 469.174 through 469.1799, inclusive, as amended (the "Tax Increment Financing Act" or "TIF Act"), to assist in financing public costs related to the Project.

Subsection 1-3. Statement of Objectives

(As Modified December 10, 2018)

The Plan is being modified to allow the use of tax increment for affordable housing projects. The budget is not being increased. The City is modifying the Plan to allow for an additional 10% pooling for affordable housing pursuant to Minnesota Statutes, Section 469.1763 subd 2 (d).

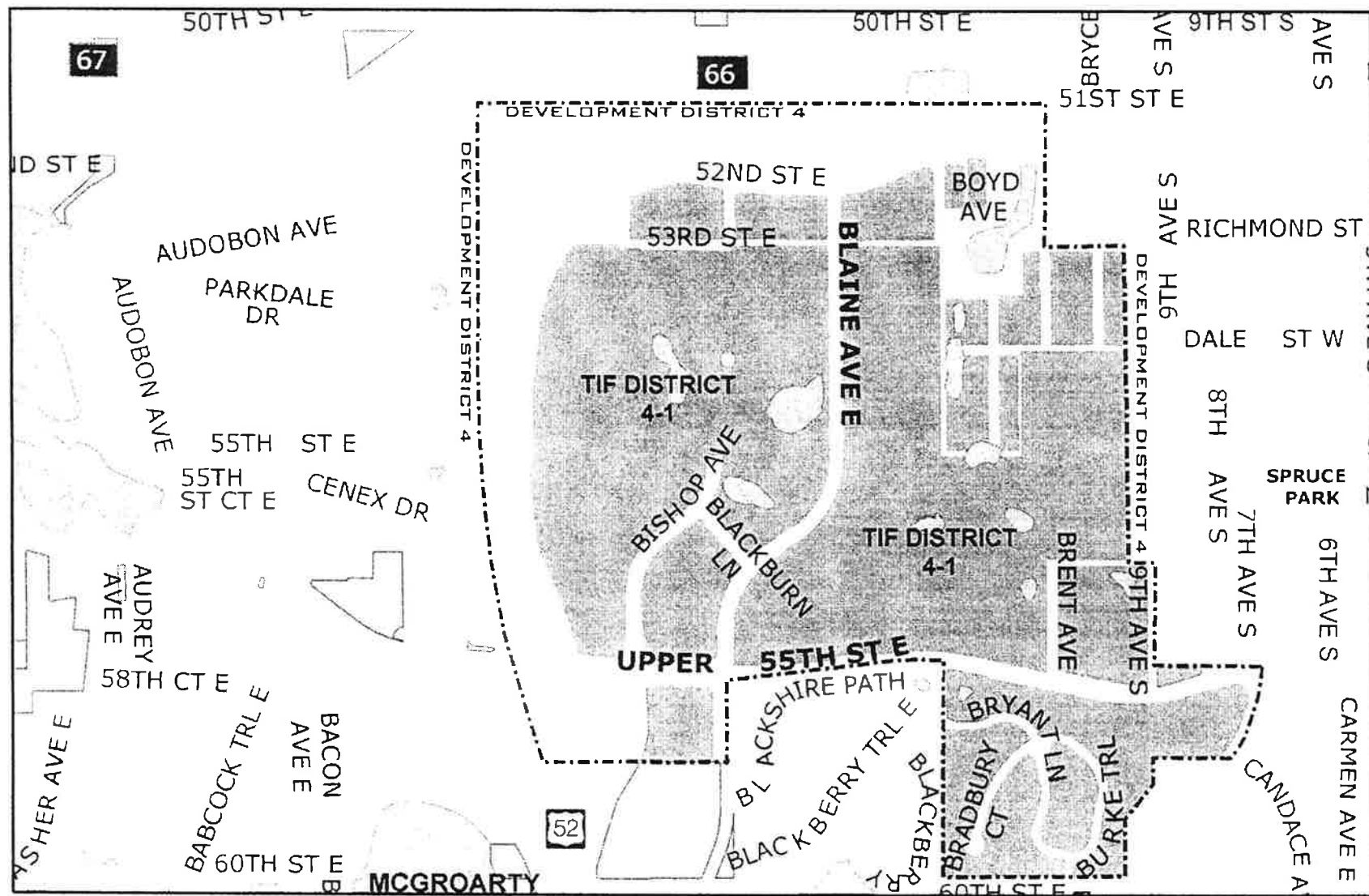
Subsection 3.04 Estimated Public Cost of Development Program

(As Modified December 10, 2018)

Currently under consideration for the District No. 4-1 (the "District") is a proposal to facilitate the development and redevelopment of affordable housing projects in the City. The City has determined that it will be necessary to provide assistance to these projects for certain costs. To facilitate development and redevelopment of the District and the City, this Plan authorizes the use of tax increment financing to pay for the cost of certain eligible expenses. The estimate of public costs and uses of funds associated with previous and future expenditures in the District, in the Project Area, and in the City is outlined in the following table.

USE OF INCREMENT	
Land/Building Acquisition	\$8,494,000
Site Improvements	\$5,824,207
Utilities	\$6,077,168
Construction of Affordable Housing	\$5,000,000
Other Public Improvements	\$11,440,625
Administrative Costs	\$2,200,000
PROJECT COST TOTAL	\$39,036,000
Interest	\$35,000,000
PROJECT AND INTEREST COSTS TOTAL	\$74,036,000

APPENDIX B
MAP OF THE DISTRICT



INVER GROVE HEIGHTS TIF DISTRICT 4-1



CITY OF INVER GROVE HEIGHTS
GIS DEPARTMENT
AUGUST 2003

Source: IGH CITY DATA
Data Location: F:\GCHGIS\GHDATA

CITY OF INVER GROVE HEIGHTS

REQUEST FOR COUNCIL ACTION

Consider a Resolution and Authorization to Execute a Tax Increment Financing Development Agreement with Dignicare Properties of Inver Grove Heights, LLC.

Meeting Date: December 10, 2018

Item Type: Regular Agenda

Prepared by: Janice Gundlach, CD Director

Reviewed by: Janice Gundlach, CD Director 

Contact: 651-450-2546

Fiscal/FTE Impact:

☐	None
☐	Amount included in current budget
☐	Budget amendment requested
☐	FTE included in current complement
☐	New FTE requested – N/A
☒	Other

PURPOSE/ACTION REQUESTED:

Adopt the Resolution provided and authorize the Mayor and City Administrator to Execute a Tax Increment Financing Development Agreement with Dignicare Properties of Inver Grove Heights, LLC.

SUMMARY:

City staff was approached by the development partners for Scenic Hills in early September about their desire to start their project, but the need for them to secure additional equity for their construction financing. This request was due, in part, because of extraordinary costs they needed to absorb to fund the Northwest Area development fees and a lift station/force main sewer. After discussing their needs, staff agreed to investigate whether excess tax increment from district 4-1 could be a source of funding for the equity they sought. As a reminder to Council, the Scenic Hills development consists of two parts: 1) a 32-unit senior care facility, and 2) 67 single family homes. The assistance under this agreement is to the developer of the senior facility, as tax increment through the City's modified TIF Plan can only be used to assist affordable housing.

Over the course of the next few months, staff worked with Dignicare on completion of an Application for Public Finance Assistance, submission of an escrow to cover consultant costs, and submittal of the necessary information to determine if the project was eligible for funding and what type of funding was appropriate. Based on Ehler's review of financial data submitted by Dignicare, it was determined the project was not eligible for assistance in the form of a grant, but the City could provide the needed equity through the form of a loan. Since the applicant originally requested a loan, staff, including Ehler's, and Dignicare advanced the process into negotiation of a TIF Development Agreement.

Under the terms of the attached TIF Development Agreement, Dignicare and the City of Inver Grove Heights agree to the following:

- Provide a loan of \$1.5 million to Dignicare to finance costs of the housing development to help offset additional costs associated with Northwest Area development fees and construction of a lift-station and force-main sewer. The loan source is excess increment from TIF District No. 4-1.
- The loan terms consist of a 20-year amortization schedule, but with a balloon payment at the end of year five. The loan will be interest-only for the first 18-months, then principal and interest payments thereafter. Interest will accrue at a fixed-rate of 5% annually. Payments will be made semi-annually.

- The City will not release funds until the lift-station/force-main sewer are installed and accepted by the City Engineer.
- The Developer Note is provided as Exhibit D to the TIF Development Agreement.
- The Note will be secured by a 2nd mortgage. For Dignicare to secure their construction financing, the City will agree to subordinate its interest to the 1st mortgage holder.
- The applicant agrees to a Minimum Assessment Agreement and not to be delinquent in payment of their property taxes.
- In order to meet the affordable housing requirements, the applicant also agrees to a Declaration of Restrictive Covenants requiring annual reporting that at least 7 of the 32 units meets income and rent restrictions at 50% of the area median income.

Kennedy & Graven, the City's bond attorney (Jenny Boulton), drafted the attached TIF Development Agreement and the City Attorney has reviewed it to ensure consistency with the Development Contract. Additionally, Ehler's staff and the City's Finance Director have had input on the agreement. The applicant agrees with the language and is prepared to sign the agreement and start construction this season.

ATTACHMENTS:

Resolution
Tax Increment Financing Development Agreement

CITY OF INVER GROVE HEIGHTS
COUNTY OF DAKOTA
STATE OF MINNESOTA

RESOLUTION NO. _____

**RESOLUTION APPROVING AND AUTHORIZING THE EXECUTION OF A
DEVELOPMENT AGREEMENT WITH DIGNICARE PROPERTIES OF INVER GROVE
HEIGHTS, LLC**

WHEREAS, the City of Inver Grove Heights, Minnesota (the “City”) has established Tax Increment Financing District No. 4-1 (the “Pooling TIF District”) within the expanded Development District No. 4 (the “Development District”), and adopted a Tax Increment Financing Plan (the “TIF Plan”) for the purpose of financing certain improvements within the Development District pursuant to Minnesota Statutes, Sections 469.124 to 469.134, as amended, and 469.174 to 469.1794, as amended;

WHEREAS, the City has received a proposal from Dignicare Properties of Inver Grove Heights, LLC, a Minnesota limited liability company (the “Developer”), that the City assist the Developer in the acquisition, construction, and equipping of an approximately 32-unit multifamily rental housing development and functionally related facilities to be located at 1407 80th Street East in the City, and the construction of a lift station (the “Project”);

WHEREAS, the City has determined that it is reasonable and necessary to provide certain financial assistance to the Developer in order to facilitate Developer’s plans for the Project, and to that end, has caused to be prepared a Development Agreement by and between the City and the Developer (the “Development Agreement”) setting forth the terms and conditions under which the City will provide assistance for the Project; and

WHEREAS, under the Development Agreement, the City proposes to provide certain tax increment assistance;

NOW, THEREFORE, BE IT RESOLVED by the City Council (the “Council”) of the City of Inver Grove Heights, Minnesota (the “City”), as follows:

Section 1. Approval of Development Agreement.

1.01. The City finds and determines that the tax increment financing assistance to be provided to the Developer under the Development Agreement for the Project is in the public interest and will further the objectives of its general plan of economic development, housing development and redevelopment of the City, because it will provide increased affordable housing opportunities in the City, help address the need for life-cycle housing within the City and serve as an impetus for further development.

1.02. The City hereby approves the Development Agreement substantially in accordance with the terms set forth in the form presented to this Council, together with any related documents

necessary in connection therewith, including without limitation the documents attached as exhibits to the Development Agreement (collectively, the “Development Documents”) and hereby authorizes the Mayor and City Administrator to negotiate the final terms thereof and, in their discretion and at such time as they may deem appropriate, to execute the Development Documents on behalf of the City, and to carry out, on behalf of the City, the City’s obligations thereunder when all conditions precedent thereto have been satisfied.

1.03. The approval hereby given to the Development Documents includes approval of such additional details therein as may be necessary and appropriate and such modifications thereof, deletions therefrom and additions thereto as may be necessary and appropriate and approved by legal counsel to the City and by the officers authorized herein to execute said documents prior to their execution; and said officers are hereby authorized to approve said changes on behalf of the City. The execution of any instrument by the appropriate officers of the City herein authorized shall be conclusive evidence of the approval of such document in accordance with the terms hereof. In the event of absence or disability of the authorized officers, any of the documents authorized by this Resolution to be executed may be executed without further act or authorization of the Council by any duly designated acting official, or by such other officer or officers of the Council as, in the opinion of counsel to the City, may act in their behalf.

1.04. Upon execution and delivery of the Development Documents, the officers and employees of the City are hereby authorized and directed to take or cause to be taken such actions as may be necessary on behalf of the City to implement the Development Documents, when all conditions precedent thereto have been satisfied, including without limitation the payment of tax increments as provided therein.

1.05. The Council hereby determines that the execution and performance of the Development Documents will help realize the public purposes of the Act.

Approved by the City Council of the City of Inver Grove Heights this 10th day of December, 2018.

Mayor

ATTEST:

City Administrator

TIF DEVELOPMENT AGREEMENT

Between

CITY OF INVER GROVE HEIGHTS, MINNESOTA,

and

DIGNICARE PROPERTIES OF INVER GROVE HEIGHTS, LLC,

Dated as of: December __, 2018

This document was drafted by:
KENNEDY & GRAVEN, Chartered (JSB)
470 U.S. Bank Plaza
200 South Sixth Street
Minneapolis, Minnesota 55402
Telephone: 612-337-9300

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TIF DEVELOPMENT AGREEMENT

THIS TIF DEVELOPMENT AGREEMENT, made on or as of the ____ day of December, 2018, by and among the CITY OF INVER GROVE HEIGHTS, MINNESOTA, Minnesota municipal corporation (the “City”), and DIGNICARE PROPERTIES OF INVER GROVE HEIGHTS, LLC, a Minnesota limited liability company (the “Developer”).

WITNESSETH:

WHEREAS, pursuant to Minnesota Statutes, Section 469.124 through 469.134, the City formed Development District No. 4 (the “Development District”) and adopted a development program therefor (the “Development Program”); and

WHEREAS, pursuant to the provisions of Minnesota Statutes, Section 469.174 through 469.1794, as amended (the “TIF Act”), the City created, within the expanded Development District, Tax Increment Financing District No. 4-1 (the “Pooling TIF District”), and has adopted tax increment financing plan therefor (the “TIF Plan”) which provide for the use of tax increment financing in connection with certain developments within the Development District; and

WHEREAS, in order to achieve the objectives of the Development Program and particularly to make the land in the Development District available for development by private enterprise in conformance with the Development Program, the City has determined to assist with the financing of certain costs of constructing the Minimum Improvements (as hereinafter defined) to be constructed on certain property described in **Exhibit A** (the “Development Property”) as more particularly set forth in this Agreement; and

WHEREAS, the City believes that the development and construction of the Minimum Improvements (defined herein) pursuant to this Agreement, and fulfillment generally of this Agreement, are in the vital and best interests of the City and the health, safety, morals, and welfare of its residents, and in accord with the public purposes and provisions of the applicable State and local laws and requirements under which the Minimum Improvements have been undertaken and the City is providing assistance in connection therewith.

NOW, THEREFORE, in consideration of the premises and the mutual obligations of the parties hereto, each of them does hereby covenant and agree with the other as follows:

ARTICLE I DEFINITIONS

Section 1.1. Definitions. In this Agreement, unless a different meaning clearly appears from the context:

“Affiliate” means with respect to any entity (a) any corporation, partnership, limited liability company or other business entity or person controlling, controlled by or under common control with the entity, and (b) any successor to such party by merger, acquisition, reorganization or similar transaction involving all or substantially all of the assets of such party (or such Affiliate). For the purpose hereof the words “controlling”, “controlled by” and “under common control with” shall mean, with respect to any corporation, partnership, limited liability company or other business entity, the ownership of 50% or more of the voting interests in such entity or possession, directly or indirectly, of the power to direct or cause the direction of management policies of such entity, whether through ownership of voting securities or by contract or otherwise.

“Affordable Rent Limit” means rent, in an amount which does not exceed 30% of 50% of Median Income as adjusted for family size in accordance with the rental restrictions of Section 42 of the Code. Rents do not include the cost of utilities paid by tenants or fees for amenities such as structured parking;

“Agreement” means this TIF Development Agreement, as the same may be from time to time modified, amended, or supplemented.

“Business Day” means any day except a Saturday, Sunday, legal holiday, a day on which the City is closed for business, or a day on which banking institutions in the City are authorized by law or executive order to close.

“Business Subsidy Act” means Minnesota Statutes, Sections 116J.993 to 116J.995, as amended.

“Certificate of Completion” means the certification provided to the Developer pursuant to Section 4.4 of this Agreement.

“City” means the City of Inver Grove Heights, Minnesota.

“City Representative” means the City Administrator of the City, or any person designated by the City Administrator to act as the City Representative for the purposes of this Agreement.

“Code” means the Internal Revenue Code of 1986, as amended.

“Construction Plans” means the plans, specifications, drawings and related documents on the construction work to be performed by the Developer on the Development Property that (a) shall be as detailed as the plans, specifications, drawings and related documents that are submitted to the appropriate building officials of the City, and (b) shall include at least the following for each building: (1) site plan; (2) foundation plan; (3) underground parking plans; (4) floor plan for each floor; (5) cross sections of each (length and width); (6) elevations (all

sides); (7) landscape plan; and (8) such other plans or supplements to the foregoing plans as the City may reasonably request to allow it to ascertain the nature and quality of the proposed construction work.

“County” means the County of Dakota, Minnesota.

“Declaration” means the Declaration of Restrictive Covenants in substantially the form attached hereto as **Exhibit C**.

“Developer” means Dignicare Properties of Inver Grove Heights, LLC or its permitted successors and assigns.

“Development Contract” means that certain Development Contract for Plat of Scenic Hills, between Hampton Properties IV, LLC and the City, dated as of _____, 2018.

“Developer Mortgage” means the Combination Mortgage, Security Agreement, and Fixture Financing Statement from the Developer in the form attached as **Exhibit E**. The title conveyed pursuant to the Developer Mortgage shall be subject to encumbrances (the “Permitted Encumbrances”) including, but not limited to, (i) all prior mortgages and encumbrances as allowed under Section VIII of this Agreement, (ii) all other encumbrances permitted under this Agreement, (iii) statutory liens for current taxes, assessments or other governmental charges not yet delinquent or the amount or validity of which is being contested in good faith by appropriate proceedings, provided an appropriate reserve is established therefor, (iv) all covenants, conditions, easements, and restrictions of record not interfering in any material respect, individually or in the aggregate, with the ordinary use or operation of the Development Property; (v) mechanics’, carriers’, workers’, repairers’ and similar liens arising or incurred in the ordinary course of business that are being contested in good faith by appropriate proceedings and for which appropriate reserves have been taken; (vi) zoning, entitlement and other similar land use regulations by any governmental body not interfering in any material respect, individually or in the aggregate, with the ordinary use or operation of the Development Property; and (vii) such other liens and encumbrances as may be approved by the City and the Developer.

“Developer Note” means the Promissory Note from the Developer in the form attached as **Exhibit D**.

“Development Property” means the real property so described in **Exhibit A** of this Agreement.

“Event of Default” has the meaning given such term in Section 9.1 of this Agreement.

“Holder” means the owner of a Mortgage (other than the Developer Mortgage).

“Lift Station” means the lift station and accompanying sanitary sewer force main to be constructed as part of the “Phase I Improvements” by Hampton Properties IV, LLC in accordance with the Development Contract.

“Minimum Assessment Agreement” means the minimum assessment agreement, in substantially the form of the agreement attached as **Exhibit F** hereto and made a part of this Agreement, between the Developer and the City.

“Minimum Improvements” means the acquisition, construction, and equipping of an approximately 32-unit multifamily rental housing development and functionally related facilities to be located at 1407 80th Street East in the City, and the construction of the Lift Station.

“Mortgage” means any mortgage made by the Developer that is secured, in whole or in part, with the Development Property and that is a permitted encumbrance pursuant to the provisions of Article VIII of this Agreement, and any refinancings of such Mortgages.

“Pooled TIF” means Tax Increment which has been received and retained by the City in accordance with the provisions of Minnesota Statutes, Section 469.177 from Tax Increment Financing District No. 4-1, and not otherwise pledged to other obligations of the Pooling TIF District.

“Qualified Costs” means the costs, actually incurred in connection with the construction of the Minimum Improvements, of land acquisition, public roadways, appurtenances and utilities, site grading and improvements, underground and above ground utilities, and all rental housing construction costs eligible for reimbursement under the TIF Act.

“State” means the State of Minnesota.

“Tax Increment” means that portion of the real property taxes which is paid with respect to the TIF District, and which is remitted to the City as tax increment pursuant to the TIF Act. The term Tax Increment does not include any amounts retained by or payable to the State auditor under Section 469.177, subd. 11 of the TIF Act, or any amounts described in Section 469.174, subd. 25, clauses (2) through (4) of the TIF Act.

“Tax Official” means any County assessor; County auditor; County or State board of equalization, the commissioner of revenue of the State, or any State or federal district court, the tax court of the State, or the State Supreme Court.

“Termination Date” has the meaning provided in Section 10.9 hereof.

“TIF Act” means the Tax Increment Financing Act, Minnesota Statutes, Sections 469.174 to 469.1794, as amended.

“TIF District” means the City’s Tax Increment Financing District No. 4-1.

“TIF Plan” means the Tax Increment Financing Plan for the TIF District adopted pursuant to the TIF Act, as the same may be amended.

“Unavoidable Delays” means delays beyond the reasonable control of the party seeking to be excused as a result thereof which are the direct result of war, terrorism, strikes, other labor troubles, prolonged adverse weather or acts of God, fire or other casualty to the Minimum Improvements, litigation commenced by third parties which, by injunction or other similar

judicial action, directly results in delays, or acts of any federal, state or local governmental unit (other than the City in exercising its rights under this Agreement), which directly result in delays. Unavoidable Delays shall not include delays in the Developer's obtaining of permits or governmental approvals necessary to enable construction of the Minimum Improvements by the dates such approval and construction is required under Sections 4.2 and 4.3 of this Agreement, so long as the Construction Plans have been approved in accordance with Section 4.2 hereof.

ARTICLE II REPRESENTATIONS AND WARRANTIES

Section 2.1. Representations by the City. The City makes the following representations as the basis for the undertaking on its part herein contained:

(a) the City is a municipal corporation duly organized and existing under the laws of the State. Under the provisions of the TIF Act, the City has the power to enter into this Agreement and carry out its obligations hereunder.

(b) the activities of the City are undertaken to foster the development of certain real property, to provide decent, safe and sanitary housing for residents in the City, and to create increased tax base in the Development District and the City as a whole.

Section 2.2. Representations and Warranties by the Developer. The Developer represents and warrants that:

(a) the Developer is a limited liability company duly organized and in good standing under the laws of the State, is not in violation of any provisions of its articles of organization, operating agreement or member control agreement, or the laws of the State, is duly authorized to transact business within the State, has power to enter into this Agreement and has duly authorized the execution, delivery and performance of this Agreement by proper action of its members.

(b) the Developer will construct, operate and maintain the Minimum Improvements in accordance with the terms of this Agreement and all local, state and federal laws and regulations (including, but not limited to, environmental, zoning, building code, energy-conservation and public health laws and regulations).

(c) the Developer has received no notice or communication from any local, state or federal official that the activities of the Developer or the City on the Development Property may be or will be in violation of any environmental law or regulation (other than those notices or communications of which the City is aware). The Developer is aware of no facts the existence of which would cause it to be in violation of or give any person a valid claim under any local, state or federal environmental law, regulation or review procedure.

(d) the Developer will obtain, in a timely manner, all required permits, licenses and approvals, and will meet, in a timely manner, all requirements of all applicable local, state and federal laws and regulations which must be obtained or met before the Minimum Improvements may be lawfully constructed.

(e) neither the execution and delivery of this Agreement, the consummation of the transactions contemplated hereby, nor the fulfillment of or compliance with the terms and conditions of this Agreement is prevented, limited by or conflicts with or results in a breach of, the terms, conditions or provisions of any organizational restriction or any evidences of indebtedness, agreement or instrument of whatever nature to which the Developer is now a party or by which it is bound, or constitutes a default under any of the foregoing.

(f) the proposed development by the Developer hereunder would not occur but for the financial assistance being provided by the City hereunder.

(g) the Developer shall promptly advise the City in writing of all litigation or claims affecting any part of the Minimum Improvements and all written complaints and charges made by any governmental authority, other than the City, materially affecting the Minimum Improvements or materially affecting the Developer or its business, which may delay or require changes in construction of the Minimum Improvements.

(h) in determining to proceed with the Minimum Improvements, the Developer has not relied on any assumptions, calculations, determinations or conclusions made by the City, their governing body members, officers or agents, including the independent contractors, consultants and legal counsel, servants and employees thereof, with respect to the calculation of projected tax credits or other revenues to be generated by the Minimum Improvements or the Developer's returns on cost or investment.

(The remainder of this page is intentionally left blank.)

ARTICLE III
**TAX INCREMENT ASSISTANCE; CONDITIONS TO DISBURSEMENT OF LOAN
AMOUNT; RELATED COVENANTS**

Section 3.1. Loan. The City proposes, subject to the further provisions of this Agreement, to apply certain Pooled TIF to assist in financing certain Qualified Costs of the Minimum Improvements. As of the date of this Agreement, the City has Pooled TIF in the amount of at least \$1,500,000.00 and the City will not use such amount of the Pooled TIF for any purpose other than to fund the Loan Amount (defined below); provided, however, the City may otherwise pledge additional pooled TIF in excess of \$1,500,000.00 to other obligations of the TIF District. The City neither pledges nor provides any other financial assistance to the Developer for the costs of the construction of the Minimum Improvements or other costs.

(a) In order to make development of the Minimum Improvements financially feasible, the City will loan to the Developer Pooled TIF in an amount equal to the lesser of \$1,500,000 or the Qualified Costs actually incurred (the “Loan Amount”). The City shall disburse the Loan Amount to the Developer in a single advance under this Section upon satisfaction of the following conditions:

(i) the Developer shall have executed prior to any advance of the Loan Amount: the Developer Note in substantially the form attached as **Exhibit D** and the Developer Mortgage in substantially the form attached as **Exhibit E** and the Developer Mortgage shall have been recorded against the Development Property;

(ii) the Developer shall have executed as of the date hereof and recorded against the Development Property: the Declaration, in accordance with Section 3.5 hereof in substantially the form attached as **Exhibit C**, and the Minimum Assessment Agreement, in substantially the form attached as **Exhibit F**;

(iii) the Developer shall have delivered to the City copies of the (I) articles of organization, operating agreement and member control agreement of the Developer, (II) certificate of good standing for the Developer issued by the Minnesota Secretary of State; and (III) certified resolutions of the Developer authorizing the execution and delivery of this Agreement, the Developer Note, the Developer Mortgage, and all other documents to be executed by the Developer pursuant to this Agreement;

(iv) the Developer shall not then be in default of its obligations under this Agreement, including without limitation Section 5.1(d) hereof, and the Developer shall have completed construction of the Minimum Improvements, as evidenced by the City’s issuance of a Certificate of Completion in substantially the form provided in **Exhibit B**, the Developer;

(v) the Developer shall have submitted evidence satisfactory to the City showing the payment by the Developer of Qualified Costs in an amount equal to or greater than the Loan Amount or so much thereof as is being requested by the Developer.

(vi) The Developer shall have caused the Lift Station to be constructed on property currently owned by the Developer or Hampton Properties IV, LLC at a location to be approved by the City Engineer once the final lift station design has been approved in accordance with the Development Contract; the Lift Station shall have been accepted as a public improvement by the City, in accordance with the Development Contract and City, State and federal standards as determined by the City Engineer; and the Developer shall have caused the Lift Station to be dedicated to the City.

(b) The Loan Amount is subject to repayment by the Developer pursuant to the terms of Section 9.2(c) of this Agreement and the Developer Note; provided, however, that if the conditions for the advance of the Loan Amount are not satisfied in December of 2019, the Maturity Date and the Payment Dates shall be adjusted in the executed copies of the Developer Note and Developer Mortgage to reflect semiannual payment dates, 240 month amortization and 5-year maturity from the date of such advance of the Loan Amount.

Section 3.2. Payment of Administrative Costs. The Developer will reimburse the City for all Administrative Costs incurred by the City. For the purposes of this Agreement, the term “Administrative Costs” means reasonable out of pocket costs incurred by the City, including fees paid to attorneys, the City’s financial advisor, and any planning and engineering consultants retained by the City in connection with the use of the Pooled TIF for the Minimum Improvements, together with staff costs of the City, all attributable to or incurred in connection with review and analysis of the development proposed under this Agreement, any modification of the TIF Plan for the TIF District determined by the City to be necessary in order to utilize Pooled TIF to fund the Loan Amount, negotiation and preparation of this Agreement (together with any other agreements entered into between the parties hereto contemporaneously therewith or amendments thereto) and review and approvals of other documents and agreements in connection with the Project. In addition, certain engineering, environmental advisor, legal, land use, zoning, subdivision and other costs related to the development of the Development Property are required to be paid, or additional funds deposited in escrow, as provided in accordance with the City’s planning, zoning, and building fee schedules. As security for Administrative Costs, the Developer deposited with the City the amount of \$13,000, and the City shall pay Administrative Costs from such fund. If total Administrative Costs and legal costs exceed \$13,000, the Developer remains responsible for such excess, and must pay such costs to the City within 10 days after receipt of a written invoice from the City describing the amount and nature of the costs to be reimbursed. After the Certificate of Completion has been executed and delivered, and all Administrative Costs related to such actions have been paid, the City will refund to the Developer any portion of the balance of the deposit (if any) that is not needed to cover such costs through such reimbursement date. Notwithstanding anything to the contrary herein, the Developer remains obligated to pay later Administrative Costs, including the costs of any amendments to this Agreement.

Section 3.3. Records. The City and its representatives shall have the right at all reasonable times after reasonable notice to inspect, examine and copy all books and records of the Developer relating to the Loan and the Minimum Improvements.

Section 3.4. Exemption from Business Subsidy Act. The parties agree and understand that all financial assistance under this Agreement represents assistance for housing, and accordingly is not subject to the Business Subsidy Act.

Section 3.5. Affordability Covenant. The Developer hereby represents, covenants and agrees as follows:

(a) The Minimum Improvements are intended for occupancy, in part, by persons or families of low and moderate income, as defined in chapter 462A, Title II of the National Housing Act of 1934, the National Housing Act of 1959, the United States Housing Act of 1937, as amended, Title V of the Housing Act of 1949, as amended, any other similar present or future federal, state or municipal legislation, or the regulations promulgated under any of those acts.

(b) No more than 20% of the square footage of any building of the Minimum Improvements financed with the proceeds of the Pooled TIF Note will consist of commercial, retail or other non-residential uses.

(c) At least 20% of the units in the Minimum Improvements shall be occupied or held for occupancy by persons with incomes no greater than 50% of the area-wide median income (“Qualifying Tenants”) and the Developer shall restrict rents on the units in the Minimum Improvements occupied, or held for occupancy, by Qualifying Tenants to an amount not exceeding the Affordable Rent Limit.

(d) The Developer shall file reports evidencing compliance with this Section at least annually, no later than July 1 for the prior calendar year. Such reports shall demonstrate compliance with the limits under paragraph (c), regardless of whether any units are eligible for Section 42 tax credits.

(e) Simultaneously with the execution of this Agreement, the Developer shall deliver a Declaration of Restrictive Covenants (the “Declaration”) in substantially the form attached as **Exhibit C**, which Declaration requires that the Minimum Improvements meet the foregoing occupancy, income and rent requirements for the time period, subject to the terms and conditions set forth in the Declaration.

(f) For purposes of this Section, income and rent will be determined in accordance with the rules that apply under Section 42 of the Code and related regulations.

Section 3.6. Execution of Minimum Assessment Agreement.

(a) The Developer and the City agree to execute a Minimum Assessment Agreement relating to the Development pursuant to the provisions of Minnesota Statutes, Section 469.177, Subdivision 8, specifying the minimum market value for the Development Property for calculation of real property taxes. Specifically, the Developer shall agree to a market value for the Development Property of \$_____ commencing as of January 2, 2020 (together, the “Minimum Market Value”).

(b) Nothing in the Minimum Assessment Agreement or this Agreement limits the discretion of the County Assessor to assign a market value to the property in excess of the

Minimum Market Value nor prohibits the Developer from seeking, through the exercise of legal or administrative remedies, a reduction in such market value for property tax purposes; provided however, the Developer shall not seek a reduction of such market value below the Minimum Market Value for any year so long as the Minimum Assessment Agreement remains in effect for that year.

(c) The Minimum Assessment Agreement shall remain in effect until the earlier of (i) January 31, 2023 for taxes payable in 2024, or (ii) the date on which the TIF District expires or is otherwise terminated.

(d) The Minimum Assessment Agreement shall be certified by the County Assessor as provided in Minnesota Statutes, Section 469.177, Subdivision 8, upon a finding by the County Assessor that the Minimum Market Value represents a reasonable estimate based upon the plans and specifications for the Minimum Improvements to be constructed on the Development Property and the market value previously assigned to the Development Property.

(e) Pursuant to Minnesota Statutes, Section 469.177, Subdivision 8, the Minimum Assessment Agreement shall be filed for record in the office of the county recorder of the County, and such filing shall constitute notice to any subsequent encumbrancer or purchaser of the Development Property, whether voluntary or involuntary, and such Minimum Assessment Agreement shall be binding and enforceable in its entirety against any such subsequent purchaser or encumbrancer, including the holder of any mortgage on the Development Property.

(f) The Minimum Assessment Agreement shall be filed, at the sole cost of the Developer, against the Development Property prior to any lien or encumbrance on the Development Property, including any mortgage.

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ARTICLE IV
CONSTRUCTION OF MINIMUM IMPROVEMENTS

Section 4.1. Construction of Minimum Improvements. The Developer agrees that it will construct the Minimum Improvements on the Development Property in accordance with the approved Construction Plans and will operate and maintain, preserve and keep the Minimum Improvements or cause the Minimum Improvements to be maintained, preserved and kept with the appurtenances and every part and parcel thereof, in good repair and condition.

Section 4.2. Construction Plans. Nothing in this Agreement shall be construed to relieve the Developer of its obligations to receive any required approval of the Construction Plans from any City department or State agency. In addition to the Developer's obligations to obtain and comply with any applicable permits and other requirements of City code, ordinances, regulations, requirements and procedures, the Developer shall comply with the review, construction and inspection requirements set forth in this Article IV. At the option of the City, the City's actions and approvals as set forth in this Article IV may be undertaken by the City's building official on behalf of the City.

(a) Prior to the commencement of construction of the Minimum Improvements, the Developer will deliver to the City the Construction Plans all in form and substance reasonably acceptable to the City. The Construction Plans shall be consistent with this Agreement and all applicable State and local laws and regulations and the site plan and design drawings, as approved by the City. The City shall review the Construction Plans upon submission and, within 30 days thereof, deliver to the Developer a written statement approving the Construction Plans or a written statement rejecting the Construction Plans and specifying the deficiencies in the Construction Plans. The City shall approve the Construction Plans if: (i) the Construction Plans substantially conform to the terms and conditions of this Agreement; (ii) the Construction Plans are consistent with the goals and objectives of this Agreement, the Development Plan and the TIF Plan; (iii) the Construction Plans comply with the site plan and design drawings approved by the City; and (iv) the Construction Plans do not violate any applicable federal, State or local laws, ordinances, rules or regulations. If the Construction Plans are not approved by the City, then the Developer shall make such changes as the City may reasonably require and resubmit the Construction Plans to the City for approval, which will not be unreasonably withheld, unreasonably conditioned or unreasonably delayed.

(b) Without the City's prior written consent, no material changes shall be made to the Construction Plans for the Minimum Improvements which materially alter (a) the site plan approved by the City, (b) exterior appearance, (c) construction quality, or (d) exterior materials included in the design drawings and Construction Plans. The City shall review the change to the Construction Plans upon submission and, within 30 days thereof, deliver to the Developer a written statement approving the change to the Construction Plans or a written statement rejecting the change to the Construction Plans and specifying the deficiencies in the change to the Construction Plans. The City shall approve the change to the Construction Plans if: (i) the Construction Plans substantially conform to the terms and conditions of this Agreement; (ii) the Construction Plans are consistent with the goals and objectives of this Agreement, the Development Plan and the TIF Plan; (iii) the Construction Plans comply with the site plan and design drawings approved by the City; and (iv) the Construction Plans do not violate any

applicable federal, State or local laws, ordinances, rules or regulations. If the change to the Construction Plans is not approved by the City, then the Developer shall make such changes as the City may reasonably require and resubmit the Construction Plans to the City for approval, which will not be unreasonably withheld, unreasonably conditioned or unreasonably delayed.

(c) The approval of the Construction Plans, or any proposed amendment to the Construction Plans pursuant to this Agreement by the City does not constitute a representation or warranty by the City that the Construction Plans or the Minimum Improvements comply with any applicable building code, health or safety regulation, zoning regulation, environmental law or other law or regulation, or that the Minimum Improvements will meet the qualifications for issuance of a certificate of occupancy, or that the Minimum Improvements will meet the requirements of the Developer or any other users of the Minimum Improvements. Approval of the Construction Plans, or any proposed amendment to the Construction Plans, by the City will not constitute a waiver of an Event of Default. The Developer hereby waives any and all claims and causes of action whatsoever resulting from the review of the Construction Plans by the City and/or any changes in the Construction Plans requested by the City, provided the City shall be bound by its approval of the Construction Plans under the preceding paragraph. Neither the City, nor any employee or official of the City shall be responsible in any manner whatsoever for any defect in the Construction Plans or in any work done pursuant to the Construction Plans, including changes requested by the City.

Section 4.3. Commencement and Completion of Construction. Subject to Unavoidable Delays, the Developer must commence construction of the Minimum Improvements by January 1, 2019, and must substantially complete construction of the Minimum Improvements by December 31, 2019. Notwithstanding the foregoing, failure of the Developer to comply with such deadlines shall not be an Event of Default unless the Developer fails to commence construction of the Minimum Improvements by June 30, 2019 or the Developer fails to obtain a certificate of occupancy for all of the housing units in the Minimum Improvements by June 30, 2020. All work with respect to the Minimum Improvements to be constructed or provided by the Developer on the Development Property shall be in conformity with the Construction Plans as submitted by the Developer and approved by the City. The Developer agrees for itself, its successors and assigns, and every successor in interest to the Development Property, or any part thereof, that the Developer, and such successors and assigns, shall promptly begin and diligently prosecute to completion the development of the Development Property through the construction of the Minimum Improvements thereon, and that such construction shall in any event be commenced and completed within the period specified in this Section 4.3 of this Agreement. Prior to completion, upon the request of the City, and subject to applicable safety rules, the Developer will provide the City reasonable access to the Development Property. "Reasonable access" means at least one site inspection per week during regular business hours. During construction, marketing and rentals of the Minimum Improvements, the Developer will deliver progress reports to the City from time to time as reasonably requested by the City.

Section 4.4. Certificate of Completion.

(a) The Developer shall notify the City when construction of the Minimum Improvements has been substantially completed and the Developer has received a certificate of occupancy issued by the City for all units in the Minimum Improvements. The City shall, within

20 days after such notification, inspect the Minimum Improvements or take other means deemed adequate to the City in order to determine whether the respective Minimum Improvements have been constructed in substantial conformity with the approved Construction Plans. If the City determines that the Developer has not received a certificate of occupancy issued by the City for all units in the Minimum Improvements or that the Minimum Improvements have not been constructed in substantial conformity with the approved Construction Plans, the City shall deliver a written statement to the Developer indicating in adequate detail the specific respects in which the Minimum Improvements have not been constructed in substantial conformity with the approved Construction Plans and what measures or acts it will be necessary, in the opinion of the City, for the Developer to take or perform in order to obtain such certification. The Developer shall have a reasonable period of time to remedy such deficiencies. The City shall re-inspect the Minimum Improvements within a reasonable period of time after receiving notice that such deficiencies have been remedied in order to determine whether Minimum Improvements have been constructed in substantial conformity with the approved Construction Plans and this Agreement. Within a reasonable period of time after determining that Minimum Improvements have been constructed in substantial conformity with the approved Construction Plans, the City will furnish to the Developer a Certificate of Completion substantially in the form attached hereto as **Exhibit B** certifying the completion of the Minimum Improvements.

(b) The Certificate of Completion issued for the Minimum Improvements shall be a conclusive determination (and it shall be so provided in the certification) of the satisfaction and termination of the agreements and covenants of the Developer in this Agreement solely with respect to construction of the Minimum Improvements (including the dates for beginning and completion thereof). The issuance of a Certificate of Completion shall not be construed to relieve the Developer of any approval required by any City department in connection with the construction, completion or occupancy of the Minimum Improvements nor shall it relieve the Developer of any other obligations under this Agreement. Such certification by the City shall be a conclusive determination that any remaining obligations under this Agreement, except as set forth in the Declaration, shall be solely contractual obligations of the Developer, and parties to whom the Developer expressly assigns, and who expressly assume, the Developer's, obligations under this Agreement and that the remaining covenants of the Developer, as applicable, under this Agreement, except as set forth in the Declaration, are not intended to run with title to the Development Property or bind successors in title to the Development Property. Such certification and such determination shall not constitute evidence of compliance with or satisfaction of any obligation of the Developer to any Holder of a Mortgage, or any insurer of a Mortgage, securing money loaned to finance the Minimum Improvements, or any part thereof.

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ARTICLE V INSURANCE

Section 5.1. Insurance.

(a) The Developer or its contractor shall provide and maintain at all times during the process of constructing the Minimum Improvements an All Risk Broad Form Basis Insurance Policy and, from time to time during that period, at the request of the City, furnish the City with proof of payment of premiums on policies covering the following:

(i) Builder's risk insurance, written on the so-called "Builder's Risk -- Completed Value Basis," in an amount equal to 100% of the insurable value of the Minimum Improvements at the date of completion, and with coverage available in nonreporting form on the so-called "all risk" form of policy;

(ii) Commercial general liability insurance (including operations, contingent liability, operations of subcontractors, completed operations and contractual liability insurance) with limits against bodily injury and property damage of not less than \$2,000,000 for each occurrence and as an annual aggregate (to accomplish the above-required limits, an umbrella excess liability policy may be used). The City shall be listed as an additional insured on the policy;

(iii) Workers' compensation insurance, with statutory coverage;

(iv) Employer's liability insurance, with minimum limits as follows:

(A) \$500,000 bodily injury by disease per employee,

(B) \$500,000 bodily injury by disease aggregate, and

(C) \$500,000 bodily injury by accident; and

(v) Business automobile liability insurance (including coverage for owned, hired, and non-owned automobiles) in the minimum amount of \$2,000,000 per occurrence, combined single limit for bodily injury and property damage.

(b) Upon completion of construction of the Minimum Improvements and prior to the Termination Date, the Developer shall maintain, or cause to be maintained, at its cost and expense, and from time to time at the request of the City shall furnish proof of the payment of premiums on, insurance as follows:

(i) Property insurance against physical loss and/or damage to the Minimum Improvements under a policy or policies covering such risks as are ordinarily insured against by similar businesses. The City shall be listed as a loss payee on the policy.

(ii) Commercial general public liability insurance, including personal injury liability (with employee exclusion deleted), against liability for injuries to persons and/or

property, in the minimum amount of \$2,000,000 for each occurrence and as an annual aggregate, and shall be endorsed to show the City as an additional insured.

(iii) Such other insurance, including workers' compensation insurance respecting all employees of the Developer and professional liability insurance in the event the Developer manages the project, in such amounts as are customarily carried by like organizations engaged in like activities of comparable size and liability exposure; provided that the Developer may be self-insured with respect to all or any part of its liability for workers' compensation.

(b) All insurance required in Article V of this Agreement shall be taken out and maintained in responsible insurance companies selected by the Developer or its contractor, as applicable, that are authorized under the laws of the State to assume the risks covered thereby. The Developer shall deposit or cause its contractor to deposit annually with the City policies evidencing all such insurance, or a certificate or certificates or binders of the respective insurers stating that such insurance is in force and effect. The Developer shall give, and each policy shall contain a provision that the insurer give, written notice to the City at least 30 days before the effective date of any cancellation or modification which reduces the coverage provided below the amounts required herein. In lieu of separate policies, the Developer or its contractor, as applicable, may maintain a single policy, blanket or umbrella policies, or a combination thereof, having the coverage required to be provided and maintained by the Developer herein, in which event the Developer or its contractor, as applicable, shall deposit with the City a certificate or certificates of the respective insurers as to the amount of coverage in force upon the Minimum Improvements.

(c) The Developer agrees to notify the City immediately in the case of damage prior to the Termination Date exceeding \$500,000 in amount to, or destruction of, the Minimum Improvements or any portion thereof resulting from fire or other casualty. In such event the Developer will forthwith repair, reconstruct, and restore the Minimum Improvements to substantially the same or an improved condition or value as it existed prior to the event causing such damage and, to the extent necessary to accomplish such repair, reconstruction, and restoration, the Developer will apply the net proceeds of any insurance relating to such damage received by the Developer to the payment or reimbursement of the costs thereof. The Developer shall complete the repair, reconstruction and restoration of the Minimum Improvements, regardless of whether the net proceeds of insurance received by the Developer for such purposes are sufficient to pay for the same. Any net proceeds remaining after completion of such repairs, reconstruction, and restoration shall be the property of the Developer.

(d) The Developer and the City agree that all of the insurance provisions set forth in this Article V shall terminate upon the termination of this Agreement.

Section 5.2. Subordination. Notwithstanding anything to the contrary contained in this Article V, the rights of the City under this Article V shall, in all respects, be subject to the rights of any lender pursuant to Article VII of this Agreement.

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ARTICLE VI
DELINQUENT TAXES AND REVIEW OF TAXES

Section 6.1. Right to Collect Delinquent Taxes. The Developer acknowledges that the City is providing substantial aid and assistance by applying certain Pooled TIF to certain Qualified Costs of the Minimum Improvements by making a loan to the Developer to finance such costs. To that end, the Developer agrees for itself, its successors and assigns, that in addition to the obligation pursuant to statute to pay real estate taxes, it is also obligated by reason of this Agreement, during any time that the Developer owns the Development Property or any part thereof, to pay before delinquency all real estate taxes assessed against the Development Property and the Minimum Improvements. the Developer acknowledges that this obligation creates a contractual right on behalf of the City through the Termination Date to sue the Developer or its successors and assigns to collect delinquent real estate taxes and any penalty or interest thereon and to pay over the same as a tax payment to the county auditor. In any such suit in which the City is the prevailing party, the City shall also be entitled to recover its costs, expenses and reasonable attorney fees.

Section 6.2. Review of Taxes. The Developer agrees that prior to the Termination Date it will not cause a reduction in the real property taxes paid in respect of the Development Property through: (i) willful destruction of the Development Property or any part thereof; or (ii) willful refusal to reconstruct damaged or destroyed property. The Developer also agrees that it will not, prior to the Termination Date, apply for an exemption from or a deferral of property tax on the Development Property pursuant to any law, or transfer or permit transfer of the Development Property to any entity whose ownership or operation of the property would result in the Development Property being exempt from real property taxes under State law.

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ARTICLE VII FINANCING

Section 7.1. Encumbrance of the Development Property. Until the Termination Date, without the prior written consent of the City, neither the Developer nor any successor in interest to the Developer will engage in any financing or any other transaction creating any mortgage or other encumbrance or lien upon the Development Property, or portion thereof, whether by express agreement or operation of law, or suffer any encumbrance or lien to be made on or attach to the Development Property except (a) pursuant to existing financing disclosed to the City prior to the date hereof, and (b) for the purpose of obtaining funds only to the extent necessary for financing or refinancing the acquisition and construction of the Development Property or the Minimum Improvements (including, but not limited to, land and building acquisition, labor and materials, professional fees, development fees, real estate taxes, reasonably required reserves, construction interest, organization and other direct and indirect costs of development and financing, costs of constructing the Minimum Improvements, and an allowance for contingencies) including without limitation regulatory agreements and land use restriction agreements in connection with such financings.

Section 7.2. Subordination and Modification. In order to facilitate the Developer obtaining financing for purchase of the Development Property and for construction of the Minimum Improvements according to the Construction Plans, the City agrees to subordinate its rights under the Developer Note and the Developer Mortgage, as applicable, subject to such reasonable terms and conditions as the City agrees in writing.

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ARTICLE VIII
PROHIBITIONS AGAINST ASSIGNMENT AND TRANSFER; INDEMNIFICATION

Section 8.1. Representation as to Development. The Developer represents and agrees that its undertakings pursuant to this Agreement, are, and will be for the purpose of development of the Development Property as an affordable housing facility and not for speculation in land holding.

Section 8.2. Prohibition against Transfer of Property and Agreement. The Developer represents and agrees that until the Termination Date:

(a) Except only by way of security for, and only for, the purpose of obtaining mortgage financing necessary or beneficial to enable the Developer or any successor in interest to the Development Property, or any part thereof, to perform its obligations under this Agreement to acquire, construct and improve the Minimum Improvements, and any refinancings of such Mortgages, or as provided in Section 8.2(e) or in the case of a foreclosure or deed in lieu of foreclosure, the Developer will not sell, assign, convey, lease or transfer in any other mode or manner (collectively, "Transfer") this Agreement, the Development Property or the Minimum Improvements, or any interest therein, without the express written consent of the City, which consent will not be unreasonably withheld, conditioned or delayed;

(b) The City shall be entitled to require that there shall be submitted to the City for review all instruments and other legal documents involved in effecting any Transfer, and as a condition to any approval of any Transfer of the Minimum Improvements or this Agreement, except as set forth in Section 8.2(a), such instruments and other legal documents shall be subject to prior written approval by the City (which approval shall not be unreasonably withheld, conditioned, or delayed);

(c) Except as set forth in Section 8.2(a), and except in the case of a foreclosure or deed in lieu of foreclosure after completion of the Minimum Improvements in accordance with Article IV hereof, the City shall be entitled to require, as conditions to any approval of any Transfer of this Agreement, the Development Property, the Minimum Improvements, or applicable portion thereof in connection therewith, that:

(i) any proposed transferee shall have the qualifications and financial responsibility, as reasonably determined by the City, necessary and adequate to fulfill the obligations undertaken in this Agreement by the Developer;

(ii) any proposed transferee, by instrument in writing satisfactory to the City shall, for itself and its successors and assigns, and expressly for the benefit of the City have expressly assumed all of the obligations of the Developer under this Agreement and agreed to be subject to all the conditions and restrictions to which the Developer is subject;

(iii) there shall be submitted to the City for review all instruments and other legal documents involved in effecting transfer, and if approved by the City, its approval shall be indicated to the Developer in writing;

(iv) the Developer and its transferees shall comply with such other conditions as the City may reasonably require in order to achieve and safeguard the purposes of the Act, the TIF Act and this Agreement; and

(v) in the absence of a specific written agreement by the City to the contrary, no such transfer or approval by the City thereof shall be deemed to relieve the Developer or any other party bound in any way by this Agreement or otherwise with respect to the construction of the Minimum Improvements, from any of its obligations with respect thereto.

(d) The Developer agrees to pay all reasonable legal fees and expenses of the City, including fees of legal counsel retained by the City to review the documents submitted to the City in connection with any Transfer.

(e) Nothing contained in this Section shall prohibit the Developer, without the consent or approval of the City, from (i) entering into leases with tenants in the ordinary course of business, (ii) entering into easement or other agreements necessary for the operation of the Minimum Improvements, or (iii) admitting or removing members or transferring direct or indirect membership interests in the Developer in accordance with the applicable organizational documents.

(f) Any and all instruments and other legal documents involved in effecting the transfer of any interest in this Agreement or the Development Property governed by this Article VIII, shall be in a form reasonably satisfactory to the City.

In the event the foregoing conditions are satisfied then the Developer shall be released from its obligation under this Agreement, as to the portion of the Development Property that is transferred, assigned or otherwise conveyed.

Section 8.3. Soils, Environmental Conditions.

(a) The Developer acknowledges that the City makes no representations or warranties as to the condition of the soils on the Development Property or its fitness for construction of the Minimum Improvements or any other purpose for which the Developer may make use of such property.

(b) Without limiting its obligations under Section 8.4 of this Agreement, the Developer further agrees that it will indemnify, defend, and hold harmless the City, and their governing body members, officers, and employees, from any claims or actions arising out of the presence, if any, of hazardous wastes or pollutants existing on or in the Development Property. Nothing in this section will be construed to limit or affect any limitations on liability of the City under State or federal law, including without limitation Minnesota Statutes Sections 466.04 and 604.02.

Section 8.4. Release and Indemnification Covenants.

(a) the Developer releases from and covenants and agrees that the City, and the governing body members, officers, agents, servants and employees thereof (collectively, the “Indemnified

Parties”) shall not be liable for and agrees to indemnify and hold harmless the Indemnified Parties against any loss or damage to property or any injury to or death of any person occurring at or about or resulting from any defect in the Minimum Improvements except to the extent caused by any willful misrepresentation or any willful or wanton misconduct of the Indemnified Parties.

(b) Except for any willful misrepresentation or any willful or wanton misconduct of the Indemnified Parties, the Developer agrees to protect and defend the Indemnified Parties, now or forever, and further agrees to hold the Indemnified Parties harmless from any claim, demand, suit, action or other proceeding whatsoever by any person or entity whatsoever arising or purportedly arising from this Agreement, or the transactions contemplated hereby or the acquisition, construction, installation, ownership, maintenance and operation of the Minimum Improvements.

(c) The Indemnified Parties shall not be liable for any damage or injury to the persons or property of the Developer or its officers, agents, servants or employees or any other person who may be about the Development Property or Minimum Improvements.

(d) All covenants, stipulations, promises, agreements and obligations of the City contained herein shall be deemed to be the covenants, stipulations, promises, agreements and obligations of the City and not of any governing body member, officer, agent, servant or employee of the City in the individual capacity thereof.

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ARTICLE IX EVENTS OF DEFAULT

Section 9.1. Events of Default Defined. The following shall be “Events of Default” under this Agreement and the term “Event of Default” shall mean, whenever it is used in this Agreement (unless the context otherwise provides), any one or more of the following events:

(a) Any failure by the Developer to observe or perform any material covenant, condition, obligation or agreement on its part to be observed or performed under this Agreement, the Declaration, the Developer Note, the Developer Mortgage or under any other agreement entered into between the Developer and the City in connection with development of the Development Property;

(b) If, before issuance of the Certificate of Completion for all the Minimum Improvements, the Developer shall;

(i) file any petition in bankruptcy or for any reorganization, arrangement, composition, readjustment, liquidation, dissolution, or similar relief under the United States Bankruptcy Act or under any similar federal or State law, which action is not dismissed within 60 days after filing; or

(ii) make an assignment for benefit of its creditors; or

(iii) admit in writing its inability to pay its debts generally as they become due;
or

(iv) be adjudicated a bankrupt or insolvent.

Section 9.2. City Remedies on Default. Whenever any Event of Default referred to in Section 9.1 of this Agreement occurs, the City may exercise its rights under this Section 9.2 after providing 30 days written notice to the Developer of the Event of Default, but only if the Event of Default has not been cured within said 30 days or, if the Event of Default is by its nature incurable within 30 days, the Developer does not provide assurances reasonably satisfactory to the City that the Event of Default will be cured and will be cured as soon as reasonably possible.

(a) Suspend its performance under this Agreement until it receives assurances that the Developer will cure the default and continue the performance under the Agreement;

(b) Cancel and rescind or terminate the City’s obligations under this Agreement; provided however, that no such termination will terminate the Developer’s obligations under the Developer Note, the Developer Mortgage, or the Declaration to the extent any amount remains outstanding under the Developer Note;

(c) Demand repayment of the Loan Amount in full and foreclose the Mortgage;

(d) Take whatever action, including legal, equitable or administrative action, which may appear necessary or desirable to collect any payments due under this Agreement, or to

enforce performance and observance of any obligation, agreement, or covenant under this Agreement.

Notwithstanding anything to the contrary set forth in this Agreement, members of the Developer and the lenders providing construction or permanent financing for the Minimum Improvements shall have the right, but not the obligation, to cure an Event of Default during the cure period provided for the Developer, and the City agrees to accept or reject such cure on the same basis as if tendered by the Developer.

Section 9.3. No Remedy Exclusive. No remedy herein conferred upon or reserved to the City is intended to be exclusive of any other available remedy or remedies, but each and every such remedy shall be cumulative and shall be in addition to every other remedy given under this Agreement or now or hereafter existing at law or in equity or by statute. No delay or omission to exercise any right or power accruing upon any default shall impair any such right or power or shall be construed to be a waiver thereof, but any such right and power may be exercised from time to time and as often as may be deemed expedient. In order to entitle the City to exercise any remedy reserved to it, it shall not be necessary to give notice, other than such notice as may be required in this Article IX.

Section 9.4. No Additional Waiver Implied by One Waiver. In the event any agreement contained in this Agreement should be breached by either party and thereafter waived by the other party, such waiver shall be limited to the particular breach so waived and shall not be deemed to waive any other concurrent, previous or subsequent breach hereunder.

Section 9.5. Attorney Fees. Whenever any Event of Default occurs and if the City employs attorneys or incurs other expenses for the collection of payments due or to become due or for the enforcement of performance or observance of any obligation or agreement on the part of the Developer under this Agreement, the Developer shall, within 10 days of written demand by the City, pay to the City the reasonable fees of such attorneys and such other expenses so incurred by the City.

Section 9.6. Developer Remedies on Default. If the City fails to make a payment, when due in accordance with the terms of this Agreement, pursuant to Section 3.1, the Developer may, after providing the 30 days' written notice to the City of the Event of Default, as applicable, suspend or terminate its performance under this Agreement and the Declaration and/or take whatever action at law or in equity may appear necessary or desirable to the Developer to enforce performance of an outstanding payment obligation of the City under this Agreement. If the Developer terminates its obligations hereunder, this Agreement shall be deemed terminated and the Developer shall have no further obligations hereunder except as provided in Section 10.9.

Nothing in this Agreement shall entitle the Developer to make any claim against the City for any damages whatsoever, other than an outstanding payment obligation of the City under this Agreement, and the Developer's remedies are strictly limited to the foregoing. Nothing in this section will be construed to limit or affect any limitations on liability of the City under State or federal law, including without limitation Minnesota Statutes Sections 466.04 and 604.02.

ARTICLE X
ADDITIONAL PROVISIONS

Section 10.1. Conflict of Interests; City Representatives Not Individually Liable. The City and the Developer, to their actual knowledge, represent and agree that no member, official, or employee of the City shall have any personal interest, direct or indirect, in the Agreement, nor shall any such member, official, or employee participate in any decision relating to the Agreement which affects his or her personal interests or the interests of any corporation, partnership, or association in which he or she is, directly or indirectly, interested. No member, official, or employee of the City shall be personally liable to the Developer, or any successor in interest, in the event of any default or breach by the City or for any amount which may become due to the Developer or successor or on any obligations under the terms of the Agreement.

Section 10.2. Equal Employment Opportunity. The Developer, for itself and its successors and assigns, agrees that during the construction of the Minimum Improvements provided for in the Agreement it will comply with all applicable federal, State and local equal employment and non-discrimination laws and regulations.

Section 10.3. Restrictions on Use. The Developer agrees that the Developer, and such successors and assigns, shall use the Development Property and the Minimum Improvements thereon only as an affordable rental housing facility that complies with the covenants in Section 3.5 hereof and the Declaration, which restrictions remain in effect for the respective periods described in those sections and the Declaration. Further, until the Termination Date the Developer shall not discriminate upon the basis of race, color, creed, sex or national origin in the sale, lease, or rental or in the use or occupancy of the Development Property or any improvements erected or to be erected thereon, or any part thereof.

Section 10.4. Titles of Articles and Sections. Any titles of the several parts, Articles, and Sections of the Agreement are inserted for convenience of reference only and shall be disregarded in construing or interpreting any of its provisions.

Section 10.5. Notices and Demands. Except as otherwise expressly provided in this Agreement, a notice, demand, or other communication under the Agreement by either party to the other shall be sufficiently given or delivered if it is dispatched by registered or certified mail, postage prepaid, return receipt requested, or delivered personally; and

(a) in the case of the Developer, is addressed to or delivered personally to:

the Developer:

DIGNICARE PROPERTIES OF INVER GROVE
HEIGHTS, LLC
1341 County Road D Circle
Vadnais Heights, MN 55109
Attention: _____

(b) in the case of the City, is addressed to or delivered personally to:

The City: CITY OF INVER GROVE HEIGHTS, MINNESOTA
Inver Grove Heights City Hall
8150 Barbara Avenue
Inver Grove Heights, MN 55077
Attention: City Administrator

or at such other address with respect to either such party as that party may, from time to time, designate in writing and forward to the other as provided in this Section.

Section 10.6. Counterparts. This Agreement may be executed in any number of counterparts, each of which shall constitute one and the same instrument.

Section 10.7. Amendment. This Agreement may be amended only by written agreement approved by the City and the Developer.

Section 10.8. City Approval. Unless otherwise specified, any approval required by the City under this Agreement may be given by the City Representative.

Section 10.9. Termination. This Agreement terminates on the "Termination Date," which means the earlier of (a) the end of the Qualified Project Period as defined in the Declaration; or (b) the date this Agreement is terminated in accordance with Article IX hereof; provided however Sections 3.2, 8.3, 8.4, 9.5 and 9.6 and the Declaration shall survive any rescission, termination or expiration of this Agreement with respect to or arising out of any event, occurrence or circumstance existing prior to the date thereof; and provided further that no such termination will terminate the obligation to repay the Loan Amount (or applicable portion thereof) in accordance with Section 9.2(c) until such amount is paid in full.

Section 10.10. Choice of Law and Venue. This Agreement shall be governed by and construed in accordance with the laws of the State of Minnesota. Any disputes, controversies, or claims arising out of this Agreement shall be heard in the state or federal courts of Minnesota, and all parties to this Agreement waive any objection to the jurisdiction of these courts, whether based on convenience or otherwise.

IN WITNESS WHEREOF, the City has caused this Agreement to be duly executed in its name and behalf and its seal to be hereunto duly affixed and the Developer has caused this Agreement to be duly executed in its name and behalf on or as of the date first above written.

**CITY OF INVER GROVE HEIGHTS,
MINNESOTA**

By _____
Its Mayor

By _____
Its City Administrator

STATE OF MINNESOTA)
) SS.
COUNTY OF DAKOTA)

The foregoing instrument was acknowledged before me this ____ day of _____, 2018, by _____ and _____, the Mayor and City Administrator of the CITY OF INVER GROVE HEIGHTS, MINNESOTA, a public body politic and corporate, on behalf of the City.

Notary Public

**DIGNICARE PROPERTIES OF INVER
GROVE HEIGHTS, LLC**, a Minnesota limited
liability company

By: _____

Its: _____

STATE OF MINNESOTA)
) SS.
COUNTY OF _____)

The foregoing instrument was acknowledged before me this ____ day of _____, 2018, by _____, the _____ of Dignicare Properties of Inver Grove Heights, a Minnesota limited liability company, on behalf of the limited liability company.

Notary Public

EXHIBIT A
DEVELOPMENT PROPERTY

The Development Property described in this Agreement is located in Dakota County, Minnesota, and is described as follows:

Lot 1, Block 1, Scenic Hills, Dakota County, Minnesota

EXHIBIT B

CERTIFICATE OF COMPLETION

WHEREAS, the CITY OF INVER GROVE HEIGHTS, MINNESOTA, a Minnesota public body, corporate and politic (the "City"), and Dignicare Properties of Inver Grove Heights, LLC, a Minnesota limited liability company ("the Developer") have entered into a TIF Development Agreement dated as of December __, 2018 (the "Agreement"); and

WHEREAS, the Agreement requires the Developer to construct certain Minimum Improvements (as that term is defined in the Agreement);

WHEREAS, the Developer has constructed the Minimum Improvements (as that term is defined in the Agreement) in a manner deemed sufficient by the City to permit the execution of this certification and the release of the Development Property from the terms and conditions of the Agreement;

NOW, THEREFORE, this is to certify that the Developer has constructed the Minimum Improvements. Any remaining obligations under the TIF Development Agreement, excluding any obligations set forth in the Declaration of Restrictive Covenants dated as of _____, 2018, filed _____ as Document No. _____, or the Combination Mortgage, Security Agreement, and Fixture Financing Statement dated as of _____, 2018, filed _____ as Document No. _____, referred to therein, shall be solely contractual obligations of the Developer and parties to whom the Developer expressly assigns, and who expressly assume, the Developer's obligations under the TIF Development Agreement. The remaining covenants of the Developer under the TIF Development Agreement, except as set forth in the Declaration and the Mortgage, are not intended to run with title to the Development Property or bind successors in title to the Development Property.

Dated: _____, 20__.

**CITY OF INVER GROVE HEIGHTS,
MINNESOTA**

By _____
City Administrator

EXHIBIT C

DECLARATION OF RESTRICTIVE COVENANTS

THIS DECLARATION OF RESTRICTIVE COVENANTS, dated December __, 2018 (the “Declaration”), by DIGNICARE PROPERTIES OF INVER GROVE HEIGHTS, LLC, a Minnesota limited liability company, its successors and assigns (the “Owner”) is given for the benefit of the CITY OF INVER GROVE HEIGHTS, MINNESOTA, Minnesota municipal corporation (the “City”).

RECITALS

WHEREAS, the City and the Owner entered into that certain TIF Development Agreement, dated December __, 2018, (the “Agreement”); and

WHEREAS, pursuant to the Agreement, the Owner is obligated to cause the acquisition, construction, and equipping of an approximately 32-unit multifamily rental housing development and functionally related facilities (the “Project”) on the property described in **EXHIBIT A** hereto (the “Property”), and to cause compliance with certain affordability covenants described in Section 3.5 of the Agreement; and

WHEREAS, Section 3.5 of the Agreement requires that the Owner execute an instrument in recordable form substantially reflecting the covenants set forth in Section 3.5 of the Agreement; and

WHEREAS, the Owner intends, declares, and covenants that the restrictive covenants set forth herein will be and are covenants running with the Property for the term described herein and binding upon all subsequent owners of the Property for the term described herein, and are not merely personal covenants of the Owner; and

WHEREAS, capitalized terms in this Declaration have the meanings provided in the Agreement unless otherwise defined herein.

NOW, THEREFORE, in consideration of the promises and covenants hereinafter set forth, and of other valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Owner agrees as follows:

1. Term of Restrictions.

(a) Occupancy and Rent Restrictions. The term of the Rent Restrictions and Occupancy Restrictions set forth in Section 3 of this Declaration will commence on the date a certificate of occupancy is received from the City for all rental units in the Project and continue through the Termination Date defined below (the “Qualified Project Period”).

(b) Termination of Declaration. This Declaration shall terminate on the date that is the later of (i) 15 years after the commencement of the Qualified Project Period or (ii) the date the

Developer Note (as defined in the Agreement) is paid in full. In addition, this Declaration shall terminate and be of no further force and effect in the event of foreclosure or transfer of title by deed in lieu of foreclosure upon completion of the foreclosure and expiration of the applicable redemption period, or recording of a deed in lieu of foreclosure; provided, however, that the preceding provisions of this sentence shall cease to apply and the restrictions contained herein shall be reinstated if, at any time subsequent to the termination of such provisions as the result of the foreclosure, or the delivery of a deed in lieu of foreclosure, or a similar event, the Owner or any related person (within the meaning of Section 1.103-10(e) of the Treasury Regulations) obtains an ownership interest in the Project for federal income tax purposes.

(c) Removal from Real Estate Records. After the Termination Date of this Declaration, the City will, upon request by the Owner or its successors or assigns, file any document appropriate to remove this Declaration from the real estate records of Dakota County, Minnesota.

2. Project Restrictions.

(a) The Owner represents, warrants, and covenants that:

(i) all leases of units to Qualifying Tenants (as defined in Section 3(a) hereof) will contain clauses, among others, wherein each individual lessee:

(1) certifies the accuracy of the statements made in its application and Eligibility Certification (as defined in Section 3(b) hereof); and

(2) agrees that the family income at the time the lease is executed will be deemed a substantial and material obligation of the lessee's tenancy; that the lessee will comply promptly with all requests for income and other information relevant to determining low or moderate income status from the Owner or the City, and that the lessee's failure or refusal to comply with a request for information with respect thereto will be deemed a violation of a substantial obligation of the lessee's tenancy.

(ii) the Owner will permit any duly authorized representative of the City to inspect the books and records of the Owner pertaining to the income of Qualifying Tenants residing in the Project in accordance with Section 5(a).

(b) The Owner shall not intentionally concentrate Qualifying Tenants in any floor or any area of any building in the Project.

3. Rent Restrictions and Occupancy Restrictions. The Owner represents, warrants, and covenants that:

(a) Qualifying Tenants. Throughout the Qualified Project Period, at least 20% of the units in the Project will be occupied (or treated as occupied as provided herein) or held vacant and available for occupancy by Qualifying Tenants. Qualifying Tenants means those persons and families who are determined from time to time by the Owner to have combined adjusted income that does not exceed 50% of the area-wide median family income for the Minneapolis-St. Paul-

Bloomington MSA, as that figure is determined and announced from time to time by HUD, as adjusted for family size ("Median Income") for the applicable calendar year. For purposes of this definition, the occupants of a residential unit will not be deemed to be Qualifying Tenants if all the occupants of such residential unit at any time are "students," as defined in Section 152(f)(2) of the Internal Revenue Code of 1986, as amended (the "Code"), not entitled to an exemption under the Code. The determination of whether an individual or family is of low or moderate income will be made at the time the tenancy commences and on an ongoing basis thereafter, determined at least annually. If during their tenancy a Qualifying Tenant's income exceeds 140% of the maximum income qualifying as low or moderate income for a family of its size, the next available unit (determined in accordance with the Code and applicable regulations) (the "Next Available Unit Rule") must be leased to a Qualifying Tenant or held vacant and available for occupancy by a Qualifying Tenant. If the Next Available Unit Rule is violated, the affected unit will not continue to be treated as occupied by a Qualifying Tenant.

(b) Certification of Tenant Eligibility. As a condition to initial and continuing occupancy, each person who is intended to be a Qualifying Tenant will be required annually to sign and deliver to the Owner a Certification of Tenant Eligibility substantially in the form attached as **EXHIBIT B** hereto, or in any other form as may be approved by the City (the "Eligibility Certification"), in which the prospective Qualifying Tenant certifies as to qualifying as low or moderate income. In addition, the person will be required to provide whatever other information, documents, or certifications are deemed necessary by the City to substantiate the Eligibility Certification, on an ongoing annual basis, and to verify that the tenant continues to be a Qualifying Tenant within the meaning of Section 3(a) hereof. Eligibility Certifications will be maintained on file by the Owner with respect to each Qualifying Tenant who resides in a Project unit or resided therein during the immediately preceding calendar year.

(c) Lease. The form of lease to be utilized by the Owner in renting any units in the Project to any person who is intended to be a Qualifying Tenant will provide for termination of the lease and consent by the person to immediate eviction for failure to qualify as a Qualifying Tenant as a result of any material misrepresentation made by the person with respect to the Eligibility Certification.

(d) Rent. The Owner shall restrict rents for the units in the Project occupied, or held for occupancy, by Qualifying Tenants to an amount which does not exceed 30% of 50% of Median Income. Rents do not include the cost of utilities paid by tenants or fees for amenities such as structured parking. The rent restrictions of this Section 5(d) and the occupancy restrictions of Section 5(a) are together defined as the "Rent Restrictions and Occupancy Restrictions" in this Declaration.

(e) Annual Report. The Owner covenants and agrees that during the term of this Declaration, it will prepare and submit to the City on or before July 1 of each year, a certificate substantially in the form of **EXHIBIT C** hereto, executed by the Owner, (i) identifying the tenancies and the dates of occupancy (or vacancy) for all Qualifying Tenants in the Project, including the percentage of the dwelling units of the Project which were occupied by Qualifying Tenants (or held vacant and available for occupancy by Qualifying Tenants) at all times during the year preceding the date of the certificate; and (ii) stating, that to the best knowledge of the person

executing the certificate after due inquiry, all the units were rented or available for rental on a continuous basis during the year to members of the general public and that the Owner was not otherwise in default under this Declaration during the year.

(f) Notice of Non-Compliance. The Owner will immediately notify the City if at any time during the term of this Declaration fewer than 20% of the dwelling units in the Project are occupied or available for occupancy as required by the terms of this Declaration.

4. Transfer Restrictions. The Owner covenants and agrees that the Owner will cause or require as a condition precedent to any conveyance, transfer, assignment, or any other disposition of the Project prior to the termination of the Rent Restrictions and Occupancy Restrictions provided herein (the "Transfer") that the transferee of the Project pursuant to the Transfer assume in writing, in a form acceptable to the City, all duties and obligations of the Owner under this Declaration, including this Section 4, in the event of a subsequent Transfer by the transferee prior to expiration of the Rent Restrictions and Occupancy Restrictions provided herein (the "Assumption Agreement"). The Owner will deliver the Assumption Agreement to the City prior to the Transfer.

5. Enforcement.

(a) The Owner will permit, during normal business hours and upon reasonable notice, any duly authorized representative of the City to inspect any books and records of the Owner regarding the Project with respect to the incomes of Qualifying Tenants.

(b) The Owner will submit any other information, documents or certifications requested by the City which the City deems reasonably necessary to substantiate the Owner's continuing compliance with the provisions specified in this Declaration.

(c) The Owner acknowledges that the primary purpose for requiring compliance by the Owner with the restrictions provided in this Declaration is to ensure compliance of the property with the housing affordability covenants set forth in Section 3.5 of the Agreement, and by reason thereof, the Owner, in consideration for assistance provided by the City under the Agreement that makes possible the construction of the Project (as defined in the Agreement) on the Property, hereby agrees and consents that the City will be entitled, for any breach of the provisions of this Declaration, and in addition to all other remedies provided by law or in equity, to enforce specific performance by the Owner of its obligations under this Declaration in a state court of competent jurisdiction. The Owner hereby further specifically acknowledges that the City cannot be adequately compensated by monetary damages in the event of any default hereunder.

(d) The Owner understands and acknowledges that, in addition to any remedy set forth herein for failure to comply with the restrictions set forth in this Declaration, the City may exercise any remedy available to it under Article IX of the Agreement.

6. Indemnification. The Owner hereby indemnifies, and agrees to defend and hold harmless, the City from and against all liabilities, losses, damages, costs, expenses (including reasonable attorneys' fees and expenses), causes of action, suits, allegations, claims, demands, and judgments of any nature arising from the consequences of a legal or administrative proceeding or

action brought against them, or any of them, on account of any failure by the Owner to comply with the terms of this Declaration, or on account of any representation or warranty of the Owner contained herein being untrue.

7. Agent of the City. The City will have the right to appoint an agent to carry out any of its duties and obligations hereunder, and will inform the Owner of any agency appointment by written notice.

8. Severability. The invalidity of any clause, part or provision of this Declaration will not affect the validity of the remaining portions thereof.

9. Notices. All notices to be given pursuant to this Declaration must be in writing and will be deemed given when mailed by certified or registered mail, return receipt requested, to the parties hereto at the addresses set forth below, or to any other place as a party may from time to time designate in writing. The Owner and the City may, by notice given hereunder, designate any further or different addresses to which subsequent notices, certificates, or other communications are sent. The initial addresses for notices and other communications are as follows:

To the City: CITY OF INVER GROVE HEIGHTS, MINNESOTA
8150 Barbara Avenue
Inver Grove Heights, MN 55077
Attention: City Administrator

To the Owner: DIGNICARE PROPERTIES OF INVER GROVE HEIGHTS, LLC
1341 County Road D Circle
Vadnais Heights, MN 55109
Attention: _____

10. Governing Law. This Declaration is governed by the laws of the State of Minnesota and, where applicable, the laws of the United States of America.

11. Attorneys' Fees. In case any action at law or in equity, including an action for declaratory relief, is brought against the Owner to enforce the provisions of this Declaration, the Owner agrees to pay the reasonable attorneys' fees and other reasonable expenses paid or incurred by the City in connection with the action.

12. Declaration Binding. This Declaration and the covenants contained herein will run with the real property comprising the Project and will bind the Owner and its successors and assigns and all subsequent owners of the Project or any interest therein, and the benefits will inure to the City and its successors and assigns until the Termination Date of this Declaration as provided in Section 1(b) hereof.

IN WITNESS WHEREOF, the Owner has caused this Declaration of Restrictive Covenants to be signed by its respective duly authorized representatives, as of the day and year first written above.

**DIGNICARE PROPERTIES OF INVER
GROVE HEIGHTS, LLC**, a Minnesota limited
liability company

By: _____

Its: _____

STATE OF MINNESOTA)
) SS.
COUNTY OF _____)

The foregoing instrument was acknowledged before me this ____ day of _____, 2018, by _____, the _____ of Dignicare Properties of Inver Grove Heights, a Minnesota limited liability company, on behalf of the limited liability company.

Notary Public

THIS INSTRUMENT WAS DRAFTED BY:
Kennedy & Graven, Chartered (JSB)
470 U.S. Bank Plaza
200 South Sixth Street
Minneapolis, MN 55402
(612) 337-9300

This Declaration is acknowledged and consented to by:

**CITY OF INVER GROVE HEIGHTS,
MINNESOTA**

By _____
Its Mayor

By _____
Its City Administrator

STATE OF MINNESOTA)
) SS.
COUNTY OF DAKOTA)

The foregoing instrument was acknowledged before me this ____ day of _____, 2018, by _____ and _____, the Mayor and City Administrator, respectively, of the CITY OF INVER GROVE HEIGHTS, MINNESOTA, a public body politic and corporate, on behalf of the City.

Notary Public

**EXHIBIT A TO DIGNICARE PROPERTIES PROJECT
DECLARATION OF RESTRICTIVE COVENANTS**

Legal Description

Lot 1, Block 1, Scenic Hills, Dakota County, Minnesota

EXHIBIT B TO DECLARATION OF RESTRICTIVE COVENANTS

Certification of Tenant Eligibility

(INCOME COMPUTATION AND CERTIFICATION)

Project: Dignicare Properties 1407 80th Street East, Inver Grove Heights, MN 55077

Owner:

Unit Type: _____ 1 BR _____ 2 BR _____ 3 BR

1. I/We, the undersigned, being first duly sworn, state that I/we have read and answered fully, frankly and personally each of the following questions for all persons (including minors) who are to occupy the unit in the above apartment development for which application is made, all of whom are listed below:

Name of Members of the Household	Relationship To Head of Household	Age	Place of Employment
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____

Income Computation

2. The anticipated income of all the above persons during the 12-month period beginning this date,

(a) including all wages and salaries, overtime pay, commissions, fees, tips and bonuses before payroll deductions; net income from the operation of a business or profession or from the rental of real or personal property (without deducting expenditures for business expansion or amortization of capital indebtedness); interest and dividends; the full amount of periodic payments received from social security, annuities, insurance policies, retirement funds, pensions, disability or death benefits and other similar types of periodic receipts; payments in lieu of earnings, such as unemployment and disability compensation, worker's compensation and severance pay; the maximum amount of public assistance available to the above persons; periodic and determinable allowances, such as alimony and child support payments and regular contributions and gifts received from persons not residing in the dwelling; and all regular pay, special pay and allowances of a member of the Armed Forces (whether or not living in the dwelling) who is the head of the household or spouse; but

(b) excluding casual, sporadic or irregular gifts; amounts which are specifically for or in reimbursement of medical expenses; lump sum additions to family assets, such as inheritances, insurance payments (including payments under health and accident insurance and workmen's compensation), capital gains and settlement for personal or property losses; amounts of educational scholarships paid directly to the student or the educational institution, and amounts paid by the government to a veteran for use in meeting the costs of tuition, fees, books and equipment, but in either case only to the extent used for these types of purposes; special pay to a serviceman head of a family who is away from home and exposed to hostile fire; relocation payments under Title II of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970; foster child care payments; the value of coupon allotments for the purchase of food pursuant to the Food Stamp Act of 1964 which is in excess of the amount actually charged for the allotments; and payments received pursuant to participation in ACTION volunteer programs, is as follows: \$_____.

3. If any of the persons described above (or whose income or contributions was included in item 2) has any savings, bonds, equity in real property or other form of capital investment, provide:

(a) the total value of all such assets owned by all such persons: \$_____;

(b) the amount of income expected to be derived from such assets in the 12 month period commencing this date: \$_____; and

(c) the amount of such income which is included in income listed in item 2: \$_____.

4. (a) Will all of the persons listed in item 1 above be or have they been full-time students during five calendar months of this calendar year at an educational institution (other than a correspondence school) with regular faculty and students?

Yes _____

No _____

(b) Is any such person (other than nonresident aliens) married and eligible to file a joint federal income tax return?

Yes _____

No _____

THE UNDERSIGNED HEREBY CERTIFY THAT THE INFORMATION SET FORTH ABOVE IS TRUE AND CORRECT. THE UNDERSIGNED ACKNOWLEDGE THAT THE LEASE FOR THE UNIT TO BE OCCUPIED BY THE UNDERSIGNED WILL BE CANCELLED UPON 10 DAYS WRITTEN NOTICE IF ANY OF THE INFORMATION ABOVE IS NOT TRUE AND CORRECT.

Head of Household

Spouse

FOR COMPLETION BY OWNER
(OR ITS MANAGER) ONLY

1. Calculation of Eligible Tenant Income:

(a) Enter amount entered for entire household in 2 above: \$_____

(b) If the amount entered in 3(a) above is greater than \$5,000, enter the greater of (i) the amount entered in 3(b) less the amount entered in 3(c) or (ii) 10% of the amount entered in 3(a): \$_____

(c) TOTAL ELIGIBLE INCOME (Line 1(a) plus Line 1(b)): \$_____

2. The amount entered in 1(c) is less than or equal to 50% of Median Income for the area in which the Project is located, as defined in the Declaration. 50% is necessary for status as a "Qualifying Tenant" under Section 3(a) of the Declaration.

3. Number of apartment unit assigned: _____.

4. This apartment unit was _____ was not _____ last occupied for a period of at least 31 consecutive days by persons whose aggregate anticipated annual income as certified in the above manner upon their initial occupancy of the apartment unit was less than or equal to 50% of Median Income in the area.

5. Check as applicable: _____ Applicant qualifies as a Qualifying Tenant (tenants of at least 20% of units must meet), or _____ Applicant otherwise qualifies to rent a unit.

THE UNDERSIGNED HEREBY CERTIFIES THAT HE/SHE HAS NO KNOWLEDGE OF ANY FACTS WHICH WOULD CAUSE HIM/HER TO BELIEVE THAT ANY OF THE INFORMATION PROVIDED BY THE TENANT MAY BE UNTRUE OR INCORRECT.

**DIGNICARE PROPERTIES OF INVER
GROVE HEIGHTS, LLC**

By: _____
Its: _____

EXHIBIT C TO DECLARATION OF RESTRICTIVE COVENANTS

Certificate of Continuing Program Compliance

Date: _____

The following information with respect to the Project located at 1407 80th Street East, Inver Grove Heights, Minnesota (the "Project"), is being provided by DIGNICARE PROPERTIES OF INVER GROVE HEIGHTS, LLC (the "Owner") to the CITY OF INVER GROVE HEIGHTS, MINNESOTA, Minnesota municipal corporation (the "City"), pursuant to that certain Declaration of Restrictive Covenants, dated December ___, 2018 (the "Declaration"), with respect to the Project:

(A) The total number of residential units which are available for occupancy is 32. The total number of these units occupied by Qualifying Tenants is _____ (at least 7).

(B) The following residential units (identified by unit number) are currently occupied by "Qualifying Tenants," as the term is defined in the Declaration:

1 BR Units:

2 BR Units:

3 BR Units:

(C) The following residential units which are included in (B) above, have been re-designated as residential units for Qualifying Tenants since _____, 20____, the date on which the last "Certificate of Continuing Program Compliance" was filed with the City by the Owner:

Unit Number	Previous Designation of Unit (if any)	Replacing Unit Number
_____	_____	_____
_____	_____	_____

(D) The following residential units are considered to be occupied by Qualifying Tenants based on the information set forth below:

	<i>Unit Number</i>	<i>Name of Tenant</i>	<i>Number of Persons Residing in the Unit</i>	<i>Number of Bedrooms</i>	<i>Total Adjusted Gross Income</i>	<i>Date of Initial Occupancy</i>	<i>Rent</i>
1							
2							
3							
4							
5							
6							
7							

(E) The Owner has obtained a “Certification of Tenant Eligibility,” in the form provided as EXHIBIT B to the Declaration, from each Tenant named in (D) above, and each such Certificate is being maintained by the Owner in its records with respect to the Project. Attached hereto is the most recent “Certification of Tenant Eligibility” for each Tenant named in (D) above who signed such a Certification since _____, 20____, the date on which the last “Certificate of Continuing Program Compliance” was filed with the City by the Owner.

(F) In renting the residential units in the Project, the Owner has not given preference to any particular group or class of persons (except for persons who qualify as Qualifying Tenants); and none of the units listed in (D) above have been rented for occupancy entirely by students, no one of which is entitled to file a joint return for federal income tax purposes. All of the occupied residential units in the Project have been rented pursuant to a written lease, and the term of each lease is at least 12 months.

(G) The information provided in this “Certificate of Continuing Program Compliance” is accurate and complete, and no matters have come to the attention of the Owner which would indicate that any of the information provided herein, or in any “Certification of Tenant Eligibility” obtained from the Tenants named herein, is inaccurate or incomplete in any respect.

(H) The Project is in continuing compliance with the Declaration.

(I) The Owner certifies that as of the date hereof ____% of the residential dwelling units in the Project are occupied or held open for occupancy by Qualifying Tenants, as defined and provided in the Declaration.

(J) The rental levels for each Qualifying Tenant comply with the maximum permitted under the Declaration.

IN WITNESS WHEREOF, I have hereunto affixed my signature, on behalf of the Owner,

on _____, 2018.

**DIGNICARE PROPERTIES OF INVER GROVE
HEIGHTS, LLC**

By: _____
Its: _____

EXHIBIT D

PROMISSORY NOTE

\$1,500,000

[December __, 2019]

Pursuant to this Promissory Note (this “Note”), DIGNICARE PROPERTIES OF INVER GROVE HEIGHTS, LLC (the “Borrower”), hereby acknowledges itself to be indebted and, for value received, hereby promises to pay to the CITY OF INVER GROVE HEIGHTS, MINNESOTA or its assigns (the “Lender”), the principal sum of ONE MILLION FIVE HUNDRED THOUSAND AND 00/100 DOLLARS (\$1,500,000), or such amount as is advanced (the “Principal Amount”), with interest thereon as provided below (the “Loan”).

1. As used herein, the term “TIF Development Agreement” means the TIF Development Agreement dated December __, 2018, as the same may be amended from time to time, by and between the Lender and the Borrower. Defined terms not otherwise defined in this Note have the meaning ascribed to such defined term in the TIF Development Agreement.

2. Commencing on the date of issuance of this Note and continuing until all amounts due hereunder have been paid in full, interest shall accrue on the outstanding Principal Amount at the rate of 5.00% per annum. All interest shall be calculated on the basis of a 360-day year of twelve 30-day months.

3. This Note shall initially be payable, on June __, 2020, December __, 2020, and June __, 2021, in consecutive semiannual installments of all interest accrued to the date of payment.

4. Commencing December __, 2021 and continuing on each June __ and December __ thereafter until December __, 2024 (the “Maturity Date”), the principal amount of this Note shall and any interest accrued thereon shall be paid in equal semi-annual installments in an amount sufficient to fully amortize the outstanding principal balance of this Note and any interest accrued thereon over an assumed term of 240 months, with such term beginning on [December __, 2019]. Based on the foregoing, the Borrower shall be obligated to make these semi-annual installments in the amount of \$_____. On the Maturity Date, all outstanding principal of this Note and accrued but unpaid interest shall be due and paid in full.

5. Upon the occurrence of any Event of Default as defined in the TIF Development Agreement, the balance of principal and interest unpaid on the Note shall become due and payable at the option of the Lender without demand or notice, said demand or notice being expressly waived, and failure to exercise said option at any time shall not constitute a waiver of the right to exercise the same at any subsequent time.

6. None of Borrower or any of Borrower’s members, officers, directors, employees, or agents shall have any personal liability for Borrower’s obligations related to the Loan, it being recognized by Lender that except as expressly set forth in the TIF Development Agreement, that

Borrower's obligations are nonrecourse obligations and that the Lender's remedies are limited to the security provided in connection with the Loan.

(The remainder of this page is intentionally left blank)

IN WITNESS WHEREOF, Dignicare Properties of Inver Grove Heights, LLC, has caused this Promissory Note to be executed and delivered as of the date first written above.

DIGNICARE PROPERTIES OF INVER GROVE HEIGHTS, LLC, a Minnesota limited liability company

By: _____

Its: _____

EXHIBIT E
FORM OF DEVELOPER MORTGAGE

**COMBINATION MORTGAGE, SECURITY AGREEMENT,
AND FIXTURE FINANCING STATEMENT**

THIS MORTGAGE IS EXEMPT FROM MORTGAGE REGISTRATION TAX IMPOSED BY MINNESOTA STATUTES, §287.035, PURSUANT TO MINNESOTA STATUTES, §287.04, BECAUSE THE PRINCIPAL AMOUNT OF THE ORIGINAL MORTGAGE LOAN REFERRED TO HEREIN IS MADE UNDER A LOW AND MODERATE INCOME OR OTHER AFFORDABLE HOUSING PROGRAM AND THE MORTGAGEE IS THE CITY OF INVER GROVE HEIGHTS, MINNESOTA, A MINNESOTA MUNICIPAL CORPORATION AND A LOCAL GOVERNMENT AGENCY ORGANIZED AND EXISTING UNDER THE CONSTITUTION AND LAWS OF THE STATE OF MINNESOTA.

THIS COMBINATION MORTGAGE, SECURITY AGREEMENT, AND FIXTURE FINANCING STATEMENT (the “Mortgage”) is made effective this _____ day of December, 2018, by **DIGNICARE PROPERTIES OF INVER GROVE HEIGHTS, LLC**, a Minnesota limited liability company, whose address is 1341 County Road D Circle, Vadnais Heights, MN, 55109 (the “Mortgagor” or “Borrower”), in favor of **CITY OF INVER GROVE HEIGHTS, MINNESOTA**, a Minnesota municipal corporation, whose address is 8150 Barbara Avenue, Inver Grove Heights, MN 55077 (the “Mortgagee”).

WITNESSETH:

That said Mortgagor hereby mortgages and conveys unto said Mortgagee and grants a security interest in those certain premises situated in the County of Dakota, State of Minnesota, and legally described on **Exhibit A** attached hereto and made a part hereto (the “Property”).

Together with (i) all of the buildings, structures and other improvements now standing or at any time hereafter constructed or placed upon the Property; (ii) all lighting, heating, ventilating, air-conditioning, sprinkling and plumbing fixtures, water and power systems, engines and machinery, boilers, furnaces, oil burners, elevators and motors, communication systems, dynamos, transformers, electrical equipment and all other fixtures of every description located in or on, or used, or intended to be used in connection with the Property or any building now or

hereafter located thereon (excluding, however, fixtures owned by tenants occupying space in any building now or hereafter located on the Property); (iii) all hereditaments, easements, appurtenances, riparian rights, rents, issues, profits, insurance proceeds, condemnation awards, mineral rights and water rights now or hereafter belonging or in any way pertaining to the Property or to any building now or hereafter located thereon and all the estates, rights and interests of the Borrower in the Property; (iv) all building materials, furniture, furnishings, maintenance equipment and all other personal property now or hereafter located in, on, or used, or intended to be used in connection with the Property or any building now or hereafter located thereon and all replacements and additions thereto (excluding personal property owned by tenants occupying space in any building now or hereafter located on the Property); and (v) all proceeds of all of the foregoing (all of the foregoing, are collectively hereinafter referred to as the "Project" which is further described in Exhibit C) and the filing of this Mortgage shall constitute the filing of a financing statement in the office wherein it is filed and a carbon, photographic or other reproduction of this document may also be filed as a financing statement:

Name and Address of Debtor and Record Owner of the Property:	DIGNICARE PROPERTIES OF INVER GROVE HEIGHTS, LLC 1341 County Road D Circle Inver Grove Heights, MN 55109 Attention: _____
--	--

Names and Addresses of Secured Party:	CITY OF INVER GROVE HEIGHTS, MINNESOTA 8150 Barbara Avenue Inver Grove Heights, MN 55077 Attention: City Administrator
---------------------------------------	---

Description of the Types (or items) of property covered by this financing statement:	See above and <u>Exhibit C</u>
--	--------------------------------

Description of real estate to which all or part of the collateral is attached or upon which it is located:	See <u>Exhibit A</u> attached hereto.
--	---------------------------------------

Some of the above described collateral are or shall become fixtures upon the real estate described on Exhibit A, and this financing statement is to be filed for record in the public real estate records.

This Mortgage is given in consideration of and as security for the payment of a loan (the "Loan") totaling **ONE MILLION FIVE HUNDRED THOUSAND AND 00/100 DOLLARS (\$1,500,000)** or such amount that is advanced which is made to Mortgagor to finance certain costs incurred by Mortgagor in connection with the construction on the Property of the Project. The Loan is evidenced by a Promissory Note in the amount of **ONE MILLION FIVE HUNDRED THOUSAND AND 00/100 DOLLARS (\$1,500,000)** of even date herewith made by Mortgagor (the "Developer Note"), with a maturity date of December __, 2024, the terms

and conditions of which are incorporated herein. The entire principal of the Loan, and all accrued interest thereon, shall be due and payable in accordance with the terms of the Developer Note. The terms, conditions and definitions contained in the Developer Note are incorporated herein.

Mortgagor makes and includes in this Mortgage the Statutory Covenants and other provisions set forth in Minnesota Statutes Section 507.15, and Mortgagor covenants with Mortgagee the following covenants:

- A. To warrant title to the Property, subject to those matters set forth on **Exhibit B** attached hereto;
- B. To pay the indebtedness as provided in the Developer Note;
- C. To pay all taxes as applicable;
- D. That the Property shall be kept in repair and no waste shall be committed and no hazardous substances or materials shall be allowed on the Property except as may be used in the ordinary course of operation of the Minimum Improvements;
- E. Mortgagor shall keep any buildings on the Property insured against loss by fire and other hazards for at least the sum of the full insurable value of said buildings, for the protection of Mortgagee subject to the rights of any prior Mortgagee;
- F. That the whole of the principal sum evidenced by the Developer Note, and all accrued interest thereon, shall become due after default by Mortgagor in any payment of principal or of any tax as and where due and payable, or in the performance of any other covenant, at the option of the Mortgagee, as provided hereafter and in the Developer Note; and
- G. To pay, when due, the principal and interest on other mortgages, as set forth in **Exhibit D** hereto.

In case of failure to pay said taxes and assessments, prior liens or encumbrances and attorney's fees as above specified, or to insure said buildings, improvements, and fixtures and deliver the policies as aforesaid, Mortgagee may, in its sole discretion, pay such taxes, assessments, prior liens, expenses, and attorney's fees and interest thereon, or obtain such insurance, and the sums so paid shall bear interest from the date of such payment at the rate of 8.00% per annum, and shall be impressed as an additional lien upon the Property and be immediately due and payable from Mortgagor to Mortgagee and this Mortgage shall from date thereof secure the repayment of such advances with interest.

The Mortgagee, or its agents, shall have the right at all reasonable times upon prior written notice, to enter upon the Property for purposes of inspecting the Property and the Project or any part thereof. The Mortgagee shall however, have no duty to make such inspection.

Mortgagor shall not lease, sublease, encumber, sell, transfer, convey, assign or otherwise transfer all or any part of its interest in the Property without prior written consent of Mortgagee, provided however, nothing in this paragraph shall prohibit Mortgagor, without the consent or approval of the Mortgagee, from (i) entering into leases with tenants in the ordinary course of business, (ii) entering into easement or other agreements necessary for the operation of the Property or the Project, or (iii) admitting or removing members or transferring direct or indirect membership interests in the Mortgagor in accordance with the applicable organizational documents.

Subject to the terms of the Developer Note and any subordination agreement, in the event of damage or destruction to the Property, Mortgagee shall make any insurance proceeds available to Mortgagor for restoration or rebuilding so long as Mortgagor is not then in continued material default hereunder.

If default shall be made in payment of said sum when due or in any of the covenants or agreements contained herein or an Event of Default in and/or as defined in the Developer Note shall occur (and such default or Event of Default shall continue for a period of 30 days after written notice to Mortgagor from Mortgagee specifying such default or Event of Default), Mortgagee, subject to the restrictions and limitations set forth in the Developer Note, may declare immediately due and payable the entire unpaid principal balance of the Developer Note together with interest hereon, and Mortgagee, and its successors and assigns, are hereby authorized and empowered to foreclose this Mortgage by action or advertisement, pursuant to the statutes of the State of Minnesota, in such case made and provided, power being expressly granted to sell the Property at public auction and convey the same to the purchaser in fee simple and, out of the proceeds arising from such sale, to pay the principal of the Developer Note with interest, together with all legal costs and charges of such foreclosure and the maximum attorney's fees permitted by law, and to exercise and enforce any and all of its rights and remedies available after default to a secured party under Minnesota's Uniform Commercial Code.

Notwithstanding anything to the contrary set forth in this Mortgage, members of the Mortgagor and the lenders providing construction or permanent financing for the Project shall have the right, but not the obligation, to cure an Event of Default during the cure period provided for the Mortgagor, and the Mortgagee agrees to accept or reject such cure on the same basis as if tendered by the Mortgagor.

Mortgagee, prior to acceleration, shall furnish written notice to Mortgagor at the address provided above, by certified or registered United States mail, postage prepaid, specifying:

1. The event of default;
2. The action required to cure such event;
3. A date, not less than 30 days from the date the notice is mailed to Mortgagor, by which such default on or before the date specified in the notice may result in acceleration of the sums secured by this Mortgage and Sale of the Property. The

notice shall further inform Mortgagor of the right to reinstate after acceleration and the right to bring a court action to assert the non-existence of a default or any other defense of Mortgagor to acceleration and sale. If the default is not cured on or before the date specified in the notice, Mortgagee at Mortgagee's option, but subject to the restrictions and limitations in the Agreement, may declare all of the sums secured by this Mortgage to be immediately due and payable without further demand and may invoke the power of sale hereby granted and any other remedy permitted by applicable law. Notwithstanding Mortgagee's acceleration of the sums secured by this Mortgage, Mortgagor shall have the right to have any proceedings begun by Mortgagee to enforce this Mortgage discontinued at any time prior to the earlier of:

- (a) Sale of the Property pursuant to the power of sale contained in this Mortgage; or
- (b) A judgment enforcing this Mortgage if:
 - (1) Mortgagor pays Mortgagee all sums constituting the default actually existing under this Mortgage and the Developer Note at the commencement of foreclosure proceedings under this Mortgage;
 - (2) Mortgagor cures all breaches of any other covenants or agreements by Mortgagor contained in this Mortgage;
 - (3) Mortgagor pays all reasonable expenses incurred by Mortgagee in enforcing the covenants and agreements of Mortgagor contained in this mortgage and in enforcing Mortgagee's remedies as provided herein, including, but not limited to, reasonable attorney's fees; and
 - (4) Mortgagor takes such action as Mortgagee may reasonably require to assure that the lien of this Mortgage, Mortgagees' interest in the Property, and Mortgagor's obligation to pay the sums secured by this Mortgage and the obligations secured hereby shall remain in full force and effect as if no acceleration had occurred.

MORTGAGOR HEREBY EXPRESSLY CONSENTS TO THE FORECLOSURE AND SALE OF THE MORTGAGED PROPERTY BY ACTION PURSUANT TO MINNESOTA STATUTES CHAPTER 581 OR, AT THE OPTION OF MORTGAGEE, BY ADVERTISEMENT PURSUANT TO MINNESOTA STATUTES CHAPTER 580, WHICH PROVIDES FOR SALE AFTER SERVICE OF NOTICE THEREOF UPON THE OCCUPANT OF THE MORTGAGED PROPERTY AND PUBLICATION OF SAID NOTICE FOR SIX WEEKS IN THE COUNTY IN MINNESOTA WHERE THE MORTGAGED PROPERTY IS SITUATED. MORTGAGOR ACKNOWLEDGES THAT SERVICE NEED NOT BE MADE UPON MORTGAGOR PERSONALLY UNLESS MORTGAGOR IS AN OCCUPANT AND

THAT NO HEARING OF ANY TYPE IS REQUIRED IN CONNECTION WITH THE SALE. AND EXCEPT AS MAY BE PROVIDED IN SAID STATUTES AND THIS MORTGAGE, MORTGAGOR EXPRESSLY WAIVES ANY AND ALL RIGHTS TO PRIOR NOTICE OF SALE OF THE MORTGAGED PROPERTY AND ANY AND ALL RIGHTS TO A PRIOR HEARING OF ANY TYPE IN CONNECTION WITH THE SALE OF THE MORTGAGED PROPERTY.

MORTGAGOR ACKNOWLEDGES THAT IT IS REPRESENTED BY LEGAL COUNSEL; THAT BEFORE SIGNING THIS MORTGAGE, THIS SECTION AND MORTGAGOR'S CONSTITUTIONAL RIGHTS WERE FULLY EXPLAINED BY SUCH COUNSEL; AND THAT MORTGAGOR UNDERSTANDS THE NATURE AND EXTENT OF THE RIGHTS WAIVED HEREBY AND THE EFFECT OF SUCH WAIVER.

This Mortgage and the Developer Note shall be construed in accordance with the laws of the State of Minnesota.

Mortgagor shall have the right and privilege, but not the obligation, to borrow additional funds and to further encumber the security and collateral given and pledged to Mortgagee hereunder at any time, from time to time, and as often as Mortgagor shall determine, without the consent of the Mortgagee unless required by the Agreement.

This Mortgage shall constitute a security agreement within the meaning of the Minnesota Uniform Commercial Code ("Code"), and the Mortgagor hereby grants to the Mortgagee a security interest within the meaning of the Code in the property described in **Exhibit C** attached hereto.

In addition to other obligations described herein, the Borrower is liable for:

- (a) Damage to the Property or injury to persons or property as a result of hazardous materials, substances or violations of environmental laws;
- (b) Application of insurance proceeds or condemnation award other than pursuant to the provisions of the Mortgage;
- (c) Waste or damage to the Property; and
- (d) Failure to pay real estate taxes or assessments on the Property.

All notices to be given pursuant to this Mortgage shall be in writing and shall be deemed given when mailed by certified or registered mail, return receipt requested, to the parties hereto at the addresses set forth below, or to such other place as a party may from time to time designate in writing. The Mortgagor and the Mortgagee may, by notice given hereunder, designate any further or different addresses to which subsequent notices, certificates, or other communications shall be sent. The initial addresses for notices and other communications are as follows:

To the Mortgagee: DIGNICARE PROPERTIES OF INVER GROVE HEIGHTS,
LLC
1341 County Road D Circle
Vadnais Heights, MN 55109
Attention: _____

The Mortgagor: CITY OF INVER GROVE HEIGHTS, MINNESOTA
8150 Barbara Avenue
Inver Grove Heights, MN 55077
Attention: City Administrator

None of Mortgagor or any of Mortgagor's members, officers, directors, employees, or agents shall have any personal liability for Mortgagor's obligations related to the Loan, it being recognized by Lender that except as expressly set forth in the TIF Development Agreement, dated December __, 2018, as the same may be amended from time to time, by and between the Mortgagee and the Mortgagor (the "TIF Development Agreement"), that Mortgagor's obligations are nonrecourse obligations and that the Mortgagee's remedies are limited to the security provided in connection with the Loan.

IN WITNESS WHEREOF, Mortgagor has caused this Mortgage to be duly executed as of the day and year first above written.

**DIGNICARE PROPERTIES OF INVER
GROVE HEIGHTS, LLC**, a Minnesota limited
liability company

By: _____

Its: _____

STATE OF MINNESOTA)
) SS.
COUNTY OF _____)

The foregoing instrument was acknowledged before me this ____ day of _____, 2018, by _____, the _____ of Dignicare Properties of Inver Grove Heights, a Minnesota limited liability company, on behalf of the limited liability company.

Notary Public

This instrument was drafted by:

KENNEDY & GRAVEN, Chartered (JSB)
470 U.S. Bank Plaza
200 South Sixth Street
Minneapolis, Minnesota 55402
Telephone: 337-9300

EXHIBIT A
to Combination Mortgage,
Assignment of Rents and Leases
and Security Agreement
LEGAL DESCRIPTION

Lot 1, Block 1, Scenic Hills, Dakota County, Minnesota

EXHIBIT B
to Combination Mortgage,
Assignment of Rents and Leases
and Security Agreement
PERMITTED ENCUMBRANCES

BORROWER: Dignicare Properties of Inver Grove Heights, LLC, a Minnesota limited liability company

LENDER: Inver Grove Heights Economic Development, a Minnesota corporation

The Property is subject to the following liens and no others:

EXHIBIT C
to Combination Mortgage,
Assignment of Rents and Leases
and Security Agreement
COLLATERAL DESCRIPTION

As used herein, the term “Debtor” shall mean and include the terms “Mortgagor”, “Grantor”, and “Borrower”; and the term “Secured Party” shall mean and include the terms “Lender”, “Beneficiary”, and “Creditor”.

This Exhibit “C” is attached to, incorporated by reference in and forms a part of certain documents (collectively, the “Security Documents”), dated of even date herewith, executed and delivered by the Debtor in connection with the financing of the Project (as hereinafter defined), including (i) the Mortgage, Assignment of Rents and Security Agreement; and (ii) financing statements.

This Exhibit “C” refers to the following collateral, which may be now or hereafter located on the premises of, relate to, or be used in connection with that certain approximately 32-unit multifamily rental housing development described in the Agreement (the “Project”), located in Inver Grove Heights, Minnesota.

1. All materials now owned or hereafter acquired by the Debtor and intended for construction, alteration and repair of any building, structure or improvement now or hereafter erected or placed on the property described in Exhibit A (the “Property”), all of which materials shall be deemed to be included within the Project immediately upon the delivery thereof to the Project.

2. All the walks, fences, shrubbery, driveways, fixtures, machinery, apparatus, equipment, fittings, and other goods and other personal property of every kind and description whatsoever, now owned or hereafter acquired by the Debtor and attached to or contained in and used or usable in connection with any present or future operation of the Project, including, by way of example rather than of limitation, all lighting, laundry, incinerating and power equipment; all engines, boilers, machines, motors, furnaces, compressors and transformers; all generating equipment; all pumps, tanks, ducts, conduits, wire, switches, electrical equipment and fixtures, fans and switchboards; all telephone equipment; all piping, tubing, plumbing equipment and fixtures; all heating, refrigeration, air conditioning, cooling, ventilating, sprinkling, water, power and communications equipment, systems and apparatus; all water coolers and water heaters; all fire prevention, alarm and extinguishing systems and apparatus; all cleaning equipment; all lift, elevator and escalator equipment and apparatus; all partitions, shades, blinds, awnings, screens, screen doors, storm doors, exterior and interior signs, gas fixtures, stoves, ovens, refrigerators, garbage disposals, dishwashers, cabinets, mirrors, mantles, floor coverings, carpets, rugs, draperies and other furnishings and furniture installed or to be installed or used or usable in the operation of any part of the Project or facilities erected or to be erected in or upon the Property; and every renewal or replacement thereof or articles in substitution thereof, whether or not the same are now or hereafter attached to the Property in any manner; all except

for any right, title or interest therein owned by any tenant (it being agreed that all personal property owned by the Debtor and placed by it on the Property shall, so far as permitted by law, be deemed to be affixed to the Property, appropriated to its use, and covered by each of the Security Documents to which this Exhibit is attached).

3. All of the Debtor's right, title and interest in and to any and all judgments, awards of damages (including but not limited to severance and consequential damages), payments, proceeds, settlements or other compensation (collectively, the "Awards") heretofore or hereafter made, including interest thereon, and the right to receive the same, as a result of, in connection with, or in lieu of (I) any taking of the Property or any part thereof by the exercise of the power of condemnation or eminent domain, or the police power, (II) any change or alteration of the grade of any street, or (III) any other injury or decrease in the value of the Property or any part thereof (including but not limited to destruction or decrease in value by fire or other casualty), all of which Awards, rights thereto and shared therein are hereby assigned to the Secured Party, who is hereby authorized to collect and receive the proceeds thereof and to give property receipts and acquittances therefor and to apply, at its option, the net proceeds thereof, after deducting expenses of collection, as a credit upon any portion, as selected by the Secured party, of the indebtedness secured by the Security Documents.

4. All of the Debtor's right, title and interest in and to any and all payments, proceeds, settlements or other compensation heretofore and hereafter made, including interest thereon, and the right to receive the same from any and all insurance policies covering the Property or any portion thereof, or any of the other property described herein.

5. The interest of the Debtor in and to all of the rents, royalties, issues, profits, revenues, income, and other benefits of the Property other than tax credits, or arising from the use or enjoyment pertaining thereto, and all right, title and interest of the Debtor in and to, and remedies under, all contract rights, account receivable and general intangibles arising out of or in connection with any and all leases and subleases of the Property, or any part thereof, and of the other property described herein, or any part thereof, both now in existence or hereafter entered into, together with all proceeds (cash and non-cash) thereof; and including, without limitation, all cash or securities deposited thereunder to secure performance by the lessees of their obligations thereunder.

6. All of the Debtor's rights, options, powers and privileges in and to (but not the Debtor's obligations and burdens under) any construction contract, architectural and engineering agreements and management contract pertaining to the construction, development, ownership, equipping and management of the Property and all of the Debtor's rights, title, and interest in and to (but not the Debtor's obligations and burdens under) all architectural, engineering and similar plans, specifications, drawings, reports, surveys, plats, permits and the like, contracts for construction operation and maintenance of, or provision of services to, the Property or any of the other property described herein, and all sewer taps and allocations, agreements for utilities, bonds and the like, all relating to the Property.

7. All intangible personal property, accounts, licenses, permits, instruments, contract rights, and chattel paper of the Debtor relating to the Project, including but not limited to cash;

accounts receivable; bank accounts; certificates of deposit; securities; promissory notes; rents; rights (if any) amounts held in escrow; insurance proceeds; condemnation rights; deposits; judgements, liens and causes of action; warranties and guarantees. Provided, however, that the security interest granted herein shall not include any of the foregoing which do not relate to the operation of the Project or any tax credits.

8. The interest of the Debtor in any cash escrow fund and in any and all funds, securities, instruments, documents and other property which are at any time paid to, deposited with, under the control of, or in the possession of the Secured Party, or any of its agents, branches, affiliates, correspondents or others acting on its behalf, which rights shall be in addition to any right of set-off or right of lien that the Secured Party may otherwise enjoy under applicable law, regardless of whether the same arose out of or relates in any way, whether directly or indirectly, to the Project located upon the Property.

9. The interest of the Debtor in and to any and all funds created or established and held by the trustee pursuant to any indenture of trust or similar instrument authorizing the issuance of bonds or notes for the purpose of financing the Project located upon the Property.

10. All inventory, including raw materials, components, work-in-process, finished merchandise and packing and shipping materials owned by the Debtor and located on the Property.

11. Proceeds, products, returns, additions, accessions and substitutions of and to any or all of the above, but not including sale proceeds of a permitted transfer of the Project.

12. Any of the above arising or acquired by the Debtor or to which the Debtor may have a legal or beneficial interest in on the date hereof and at any time in the future.

13. Any of the above which may become fixtures by virtue of attachment to the Property.

14. All of the records and books of account now or hereafter maintained by or on behalf of the Debtor in connection with the Project.

15. All names now or hereafter used in connection with the Project and the goodwill associated therewith.

EXHIBIT F

FORM OF MINIMUM ASSESSMENT AGREEMENT

THIS AGREEMENT, dated as of this ____ day of _____, 2018, is between the City of Inver Grove Heights, Minnesota (the “City”) and Dignicare Properties of Inver Grove Heights, LLC, a limited liability limited company (the “Developer”).

WITNESSETH

WHEREAS, on or before the date hereof the City and Developer have entered into a TIF Development Agreement dated as of December ____, 2018 (the “TIF Agreement”) regarding certain real property located in the City of Inver Grove Heights, Minnesota (the “City”) the legal description of which is attached hereto as **Exhibit A** (the “Development Property”).

WHEREAS, it is contemplated that pursuant to said Agreement, the Developer will undertake the construction an approximately 32-unit multifamily rental housing development and functionally related facilities, amenities and improvements to be located at 1407 80th Street East in the City (the “Project”), in accordance with plans and specifications approved by the City.

WHEREAS, the City and Developer desire to establish a minimum market value for the Development Property and the improvements constructed or to be constructed thereon, pursuant to Minnesota Statutes, Section 469.177.

WHEREAS, the Developer has acquired the Development Property.

WHEREAS, the City and the Assessor have reviewed plans and specifications for the Project.

NOW, THEREFORE, the parties to this Agreement, in consideration of the promises, covenants and agreements made by each to the other, do hereby agree as follows:

1. As of January 2, 2020, the minimum market value, which shall be assessed for the Development Property for taxes payable 2021 and in each year thereafter, shall not be less than \$4,320,000.00.
2. The minimum market values herein established shall be of no further force and effect after assessment on or before January 31, 2023 for taxes payable in 2024.
3. This Agreement shall be recorded by the City with the County Recorder of Dakota County, Minnesota. The Developer shall pay all costs of recording.
4. Neither the preambles nor provisions of this Agreement are intended to, or shall they be construed as, modifying the terms of the TIF Agreement between the City and the Developer.
5. This Agreement shall inure to the benefit of and be binding upon the successors and assigns of the parties, shall be governed by and interpreted pursuant to Minnesota law, and

may be executed in counterparts, each of which shall constitute an original hereof and all of which shall constitute one and the same instrument.

This Instrument Drafted By:
Kennedy & Graven, Chartered
470 U.S. Bank Plaza
200 South Sixth Street
Minneapolis, MN 55402-1403

IN WITNESS WHEREOF, the City and the Developer have caused this Minimum Assessment Agreement to be executed in their names and on their behalf all as of the date set forth above.

CITY OF INVER GROVE HEIGHTS,
MINNESOTA

By _____
Mayor

By _____
City Administrator

STATE OF MINNESOTA)
) SS.
COUNTY OF DAKOTA)

The foregoing instrument was acknowledged before me this ____ day of _____, 2018 by _____, the Mayor of the City of Inver Grove Heights, Minnesota, a municipal corporation organized and existing under the Constitution and laws of the State of Minnesota, on behalf of said City.

Notary Public

STATE OF MINNESOTA)
) SS.
COUNTY OF DAKOTA)

The foregoing instrument was acknowledged before me this ____ day of _____, 2018 by _____, the City Administrator of the City of Inver Grove Heights, Minnesota, a municipal corporation organized and existing under the Constitution and laws of the State of Minnesota, on behalf of said City.

Notary Public

**DIGNICARE PROPERTIES OF INVER
GROVE HEIGHTS, LLC**, a Minnesota limited
liability company

By: _____

Its: _____

STATE OF MINNESOTA)
) SS.
COUNTY OF _____)

The foregoing instrument was acknowledged before me this ____ day of _____, 2018, by _____, the _____ of Dignicare Properties of Inver Grove Heights, a Minnesota limited liability company, on behalf of the limited liability company.

Notary Public

CERTIFICATION BY COUNTY ASSESSOR

The undersigned, having reviewed the Minimum Assessment Agreement dated as of December __, 2018 by and City of Inver Grove Heights, Minnesota and Dignicare Properties of Inver Grove Heights, LLC, the plans and specifications for the Project, as defined in the foregoing Minimum Assessment Agreement, and the market value currently assigned to land upon which the improvements are to be constructed and being of the opinion that the minimum market value contained in the Minimum Assessment Agreement appears reasonable, hereby certifies as follows:

The undersigned Assessor, being legally responsible for the assessment of the above described property, hereby certifies that the minimum market value of \$_____ as of January 2, 2020, assigned to such land and improvements is reasonable.

County Assessor for Dakota County

STATE OF MINNESOTA)
) ss.
COUNTY OF DAKOTA)

 This instrument was acknowledged before me on _____, 2018, by
_____, the County Assessor of Dakota County.

Notary Public

EXHIBIT A TO MINIMUM ASSESSMENT AGREEMENT

Legal Description of Development Property

The property located in the City of Inver Grove Heights, Dakota County, Minnesota legally described as:

Lot 1, Block 1, Scenic Hills, Dakota County, Minnesota

CITY OF INVER GROVE HEIGHTS

REQUEST FOR COUNCIL ACTION

Discuss Potential Changes to Ordinances Related to Dogs

Meeting Date: December 10, 2018
 Item Type: Regular Agenda
 Contact: Eric Carlson – 651.450.2587
 Prepared by: Eric Carlson
 Reviewed by: Sean Folmar

☐	Fiscal/FTE Impact:
☐	None
☐	Amount included in current budget
☐	Budget amendment requested
☐	FTE included in current complement
☐	New FTE requested – N/A
☒	Other

PURPOSE/ACTION REQUESTED

The Council is asked to provide direction to staff regarding potential changes to city ordinances related to dogs.

SUMMARY

The City Council reviewed ordinances related to dogs at your October 1, 2018 Work Study Session. On Tuesday, November 13th the Council tabled any changes to ordinances related to dogs for further discussion. The two issues the Council desired to discuss further were any changes to the dog leash requirements and dog licensing.

Dog Leashes

Current city ordinances have conflicting language that in some parts of the code require dogs to be on a 6' leash and other parts of the code for dogs to be under voice control. Our Police Department would like the language to be cleaned up and provide responding officers with a specific, measurable, and easily understandable ordinance to enforce. For the health, safety, and benefit of the public it is the recommendation of staff that current city ordinance be amended to:

Require a dog handler to be in contact with their dog on a leash or retractable leash that does not exceed 10' in length unless the dog is on the owner's property or in the owner's vehicle. The exception to this would be a dog in the off-leash dog area at Heritage Village Park.

Neighboring cities leash laws

West St Paul	Dogs must be properly restrained by fence, invisible fence, chain, or leash
South St Paul	Dogs must be under the control of their owner by leash, cord, chain or otherwise restrained
Rosemount	Dogs must be under owner's control while in owner's property (voice command is ok). When outside of their own property, dogs must be properly restrained by a leash no more than 6' in length, unless in an exercise area designated by the city
Eagan	Dogs must be controlled by leash or voice command while outside of its property

Dog Licensing

Option 1 - Licensing

- Require dog owners to license their dog annually
- Require dog owners to provide proof of vaccination at time of licensing
- Market the benefits of properly licensed dogs/vaccinations to the public as a health, safety, and public benefit
- Use licensing fees to help offset the city's investment in the K-9 unit, animal control and the Heritage Village Dog Park
- Having dogs licensed may make it easier for a stray dog to be reunited with their owner
- Current city ordinance (5-4-5 Seizure and Impoundment of Animals) outlines a fee will be assessed for a dog impounded by the city. (See 2019 fee schedule).

Option 2 – No Licensing

- Do not require dogs to be licensed
- No additional cost to the City for this approach
- When a stray dog is found the police department will drop it off at the animal shelter
- Current city ordinance (5-4-5 Seizure and Impoundment of Animals) outlines a fee will be assessed for a dog impounded by the city. (See 2019 fee schedule).

Option 3 –Require Vaccination

- Require dog owners to vaccinate their dogs
- When a stray dog is found the police department will drop it off at the animal shelter
- Dog owner must show proof of vaccination or have it vaccinated before the dog is returned to the owner
- Current city ordinance (5-4-5 Seizure and Impoundment of Animals) outlines a fee will be assessed for a dog impounded by the city. (See 2019 fee schedule).

Under any scenario, anyone who purchases a dog park pass will need to provide proof of vaccination at time of application for the dog park pass.

There are an estimated 625 licensed dogs in Inver Grove Heights with an estimated 8,000 dogs. We generate approximately \$7,000 in revenue. If we were able to increase dog licensing to 50% we would generate approximately \$60,000 in revenue.

CITY OF INVER GROVE HEIGHTS

REQUEST FOR COUNCIL ACTION

Approval of Parks and Recreation Department Organizational Structure

Meeting Date: December 10, 2018
 Item Type: Regular Agenda
 Contact: Eric Carlson – 651.450.2587
 Prepared by: Eric Carlson
 Reviewed by:

☐	Fiscal/FTE Impact:
☐	None
☐	Amount included in current budget
☐	Budget amendment requested
☐	FTE included in current complement
☐	New FTE requested – N/A
☒	Other

PURPOSE/ACTION REQUESTED

The Council is asked to approve the attached changes to the Park and Recreation Department's organizational structure and job descriptions as attached which include a Recreation Superintendent, O & M Supervisor, and a PT Recreation Specialist. Staff will follow the schedule outlined below.

SUMMARY

The City Council discussed the Park and Recreation Department's organizational structure at the December 3rd Work Study Session. The Council indicated support with some minor adjustments to the job description for the O & M Supervisor which included identification as a working supervisor and necessary licenses.

Justifications/highlights of the positions include:

Recreation Superintendent:

- supervision of 5 benefited staff and 200 seasonal staff
- coordinate all the programming activities at the fitness, aquatic, older adults, family, youth, and adult programs,
- scheduling and coordination of the Rich Valley Athletic Complex with includes, softball, baseball, soccer and lacrosse, disc golf course, mountain bike trails, skate park, picnic shelters, dog park, and special events
- liaison to community groups such as Inver Grove Heights Days, Holiday in the Heights, May Day 5K, athletic associations, adopt a park program, business community, school district, and community education

O & M Supervisor:

- supervision and training of 7 benefited staff and 15 seasonal staff
- coordinate the maintenance of 4 pools including filtration, heat exchangers, and chemicals; 2 sheets of ice and the related equipment; 12+ mechanical heating and cooling units; 3 boilers
- managing the energy use of the building to optimize efficiency and keep our costs as low as possible (2019 budget for gas/electric \$430,000)
- supervise contracts with vendors to ensure the best value is received at the lowest possible price
- VMCC is open 360 days per year (M-F 5am-10pm; Sat 6am – 8pm; Sun 8am – 8pm)

Recreation Specialist:

- provide programming support of our Recreation Superintendent and Recreation Coordinators
- provides for the opportunity of existing staff to program for active older adults
- allows the City and ISD 199 to continue our partnership for senior programming in which the district provides \$48,000 annually

Attached is the current and proposed department's organizational chart, summary of the positions, and proposed job descriptions. If the Council is comfortable moving forward the tentative timeline would be as follows:

Monday, December 10, 2018	City Council approves changes
Monday, December 17, 2018	Positions Posted
Friday, January 11, 2019	Positions Close
January 17 – February 8, 2019	Interview Candidates
February 25, 2019	City Council approves recommended candidates
March 2019	Candidates begin employment

CURRENT ORGANIZATIONAL STURUCTURE

Parks & Recreation Director Eric Carlson Direct Reports 8							
Park Maintenance Superintendent Brian Swoboda Direct Reports 7 Park Maintenance Coordinator Joe Hawkins Park Maintenance Worker Mike Sperl Tony Blackbird Joe Remackel Kyle Raven Joe Sanderson Park/Street Maintenance Worker Craig Reller	Recreation Superintendent TBD Direct Reports 11 VMCC Lead Operations Worker Wade Carlson VMCC Operations Worker Luke Jacobsen Stan Manikosi Jeremy Gill Senior Office Support Judy Wonick		VMCC Maintenance Rick Roach Kyle Bodsberg Golf Course Clubhouse Superintendent Matt Moynihan Direct Reports 3 Golf Operations Coordinator Leon Oliness Golf Course Cashier Scott Cocchiarella Matt Willig		Golf Course Superintendent Joel Metz Direct Reports 3 Assistant Golf Course Superintendent Ken Felix Golf Course Mechanic Tim Lage Golf Course Technician Sam Guggemos		Accounting Technician Teri O'Connor
	Recreation Coordinator Jen Graham Al Vandehoef Aquatics Coordinator Tammy Abrahamson Fitness Coordinator Amy Cray		Guest Services Supervisor Lisa Laney Direct Reports 3 Customer Service Specialist Dana Lindsey Elizabeth Russel Julie Peterson				
							Custodian II Dennis Halverson

CURRENT ORG CHART
12/1/18

Communications Specialist
Stephanie Wagener
Reports to Communications

Parks & Recreation Director
Eric Carlson
Direct Reports 6

Park Maintenance Superintendent Brian Swoboda Direct Reports 7 Park Maintenance Coordinator Joe Hawkins Park Maintenance Worker Mike Sperl Tony Blackbird Joe Remackel Kyle Raven Joe Sanderson Park/Street Maintenance Worker Craig Reller	Recreation Superintendent TBD Direct Reports 5 Recreation Coordinator Jen Graham Al Vandehoef Aquatics Coordinator Tammy Abrahamson Fitness Coordinator Amy Crary PT Recreation Specialist TBD 20 hours	VMCC O & M Supervisor TBD Direct Reports 7 VMCC Maintenance Rick Roach Kyle Bodsberg VMCC Lead Operations Worker Wade Carlson VMCC Operations Worker Luke Jacobsen Stan Mankoski Jeremy Gill Custodian II Dennis Halverson	Guest Services Supervisor Lisa Lamey Direct Reports 4 Customer Service Specialist Dana Lindsey Elizabeth Russel Julie Peterson Senior Office Support Judy Wonick	Golf Course Clubhouse Superintendent Matt Moynihan Direct Reports 3 Golf Operations Coordinator Leon Orness Golf Course Cashier Scott Coccharella Matt Willig	Golf Course Superintendent Joel Metz Direct Reports 3 Assistant Golf Course Superintendent Ken Felix Golf Course Mechanic Tim Lage Golf Course Technician Sam Guggemos
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PROPOSED ORG CHART
12/1/18

Communications Specialist
Stephanie Wagener
Reports to Communications

Accounting Technician
Teri O'Connor
Reports to Finance

SUMMARY PROPOSED ORGANZIATIONAL CHANGES

2018 Parks and Recreation Department Proposed Organizational Changes

Title		Position Reports To		Union/Non-Union		2018 Compensation Grade		2018 Salary Range		Job Description Changes
Current	Proposed	Current	Proposed	Current	Proposed	Current	Proposed	Current	Proposed	
Recreation Superintendent	No Change	Parks & Recreation Director	No Change	Non-Union	No Change	21	20	85,114 - 108,160	81,619 - 103,688	- Salaried position - Responsible to coordinate overall recreation programming in our parks and at the VMCC/Grove - No longer responsible for operations staff at the VMCC/Grove - No longer responsible for guest services at the VMCC/Grove - Direct reports reduced from 11 to 5
	VMCC O & M Supervisor		Parks & Recreation Director		Non-Union		18		73,778 - 93,038	- Salaried position - Responsible to oversee maintenance and operations staff - Responsible to coordinate maintenance of VMCC/Grove - Will have 7 direct reports
Recreation Coordinator	PT Recreation Specialist	Recreation Superintendent	No Change	Union	No Change	16	11	66,498 - 83,866	26,281 - 33,145	- PT hourly position working 20 hours per week - Responsible to assist in providing recreation programming

RECREATION SUPERINTENDENT JOB DESCRIPTION



CITY OF INVER GROVE HEIGHTS

JOB DESCRIPTION

Job Title: Recreation Superintendent

Exempt Status: Exempt

Revision Date: 12/2018

Department: Parks & Recreation

Last Classification Review:

Reports To: Director of Parks & Recreation

Job Summary:

Under the direction of the Director of Park & Recreation Director, the Recreation Superintendent is responsible for a comprehensive system of recreational programs and its staff. Duties include, aquatics, fitness and recreation programs; oversight of recreational facilities (i.e. skate park, mountain bike course, disc golf course, athletic complex) including scheduling youth athletic associations, renters and user groups.

Supervisory Responsibilities:

Direct Supervision:, Recreation Coordinators, Aquatics Coordinator, Fitness Coordinator, Recreation Specialist

Indirect Supervision:

Essential Duties and Responsibilities:

Oversees the programming of the Community Center to include such activities as:

- Oversees aquatics and fitness operations and scheduling of full-time and seasonal staff.

Supervises and directs the activities of recreational personnel.

- Hires, trains, coaches and handles disciplinary actions of and Recreation personnel.
- Conducts annual performance reviews.
- Collaborates with recreational coordinators and supervisors in developing staffing plans for seasonal and volunteer staff.

Plans and performs project management duties pertaining to recreation programs, facilities and services.

- Assists with park projects and capital planning.
- Reviews short-term and long-term facility needs, staffing and recreation equipment needs.
- Develops strategies to address future programming and project direction.

Plans, prepares, recommends and justifies the annual recreation and Community Center programming budget in accordance with City budget objectives and guidelines. Evaluates and monitors all budgets monthly and adjusts, as needed, in collaboration with coordinators.

Coordinates development of marketing and public relation plans for the Community Center and recreation programs, and recreation and park facilities. Administers the sponsorship program. Provides direction for content development of all written publications as well as the City's website and social media.

Participates and leads community and government outreach initiatives and public relations for assigned areas of responsibility. Serves as a liaison to community groups, civic organizations, businesses and volunteer groups. Collaborates with outside recreational agencies and organizations for providing programs and services.

Manages disc golf, skate park, mountain bike course, indoor turf, outdoor rinks, tennis, basketball courts and Rich Valley Athletic Complex operations, usage, and scheduling. Coordinates all relationships with youth athletic associations, renters, and user groups of these facilities. Manages large scale events and tournaments at these sites.

Evaluates and implements overall recreation and services provided in terms of recreation and community center programs, aquatics, fitness, active older adults/senior center, community center, park rentals and guest service/memberships to best meet the needs, budget objectives, recreation trends and demographics of the community.

Performs other duties of a comparable level or type, as required.

Minimum Qualifications:

Requires a minimum of a Bachelor's Degree in Parks & Recreation or a closely related field and 5 years experience that includes recreational programming, management and supervision; or an equivalent combination of education and experience to perform the work. Valid MN driver's license.

Essential Knowledge And Specialized Subject Knowledge Required To Perform The Essential Functions Of The Job

- Fundamentals of supervision and management.
- Fundamentals, trends and best practices in recreation management practices and delivery.
- Fundamentals of event management.
- Knowledge of facility management processes and procedures.
- Principles, practices, and methods of planning and operation of park systems.
- Fundamentals of budget administration, basic accounting and purchasing processes.
- Principles and practices of computers and department related software applications.
- Fundamentals of strategic and long-range planning.
- General City administrative procedures and policies (i.e. purchasing, finance, human resources, etc.).
- Knowledge of administrative and recordkeeping requirements and reporting requirements.

Essential Skills Necessary To Perform The Work:

- Oral and written communications.
- Establishing and maintaining effective working relationships with City officials, department management, contractors, businesses, community groups, facility users, the general public, and other department personnel/staff.
- Supervising, managing and directing recreation and Community Center and programs and its staff.
- Planning, recommending, drafting, capital improvements, plans, development and improvement projects.
- Negotiating, monitoring and coordinating contracted services and agreements.
- Time management and organizational skills.
- Performing public relation activities in dealing with the public and others concerning recreation programs, concerns, issues and needs.
- Project management skills.
- Operating computers and department related software applications.
- Budget planning, fiscal and records management functions and requirements of the office.
- Preparing and presenting numerical and narrative reports.

Work Environment:

Work is of an administrative and supervisory nature. Duties are performed primarily in a City office setting or in situations where there are minimal hazards and risks associated with the performance of assigned responsibilities.

Physical Job Requirements:

Employee is continuously using hands and fingers dexterously to handle or feel, sit, talk, hear and listen; frequently required to walk, reach with hands and arms; and on occasion stoop, kneel and/or crouch, climb, and balance in the performance of the job. Exerting up to 50 lbs. pounds of force occasionally, up to 25 lbs of force frequently; and/or a negligible amount of force constantly to lift, carry, push, pull, or otherwise move objects, including the human body.

This Position Description reflects an accurate and complete description of the duties and responsibilities assigned to the position.

Department Head's Signature

Date

The duties listed above are intended only as illustrations of the various types of work that may be performed. The omission of specific statements of duties does not exclude them from the position if the work is similar, related or a logical assignment of the position. The job description does not constitute an employment agreement between the employer and employee and is subject to change by the employer as the needs of the employer and requirements of the job change.

The City is an Equal Opportunity Employer. In compliance with the Americans with Disabilities Act, the City will provide reasonable accommodations to qualified individuals with disabilities and encourages both prospective and current employees to discuss potential accommodations with the employer.

OPERATIONS & MAINTENANCE SUPERVISOR JOB DESCRIPTION



CITY OF INVER GROVE HEIGHTS JOB DESCRIPTION

Job Title: Operations & Maintenance Supervisor

Revision Date: 12/2018

Last Classification Review:

Exempt Status: Exempt

Department: Parks & Recreation

Reports To: Director of Parks & Recreation

Job Summary:

Under the direction of the Director of Park & Recreation Director, the Operations & Maintenance Supervisor is responsible for the overall operations, maintenance and staff of the VMCC/Grove to include interior, exterior, mechanical, pool, and refrigeration system(s). Duties include the custodial care and operation of the facilities, working with contractors and vendors to perform maintenance and facility improvements.

Supervisory Responsibilities:

Direct Supervision: VMCC Maintenance Workers, Lead Operations Worker, VMCC Operations Workers, Custodial II and Seasonal Operations staff

Indirect Supervision:

Essential Duties and Responsibilities:

Oversees the maintenance and operations of the Community Center to include such activities as:

- Oversees maintenance and operations scheduling of full-time and seasonal staff.
- Coordinates contracted cleaning services, event management, vendor and contracted services and projects.
- Develops and implements appropriate preventative maintenance plans
- Maintains an accurate list of facility assets and maintains the assets in effective working order
- Develops plans to conserve energy usage and implements conservation efforts

Supervises and directs the activities of operations and maintenance personnel.

- Hires, trains, coaches and handles disciplinary actions of assigned personnel.
- Conducts annual performance reviews.

Plans and performs project management duties pertaining to Community Center, facilities and services.

- Develops a capital improvement plan for Community Center facilities
- Reviews short-term and long-term facility needs, staffing and recreation equipment needs.
- Schedules ice activities and works with user groups to utilize available time effectively.

Plans, prepares, recommends and justifies the annual Community Center operational and maintenance budget in accordance with City budget objectives and guidelines. Evaluates and monitors budget monthly and adjusts, as needed, in collaboration with assigned staff.

Performs other duties of a comparable level or type, as required.

Minimum Qualifications:

Requires a minimum of an AA degree or higher in facility maintenance, or a closely related field and 7-years' experience that includes HVAC, pool operations, commercial refrigeration facility maintenance and operations, management and supervision; or an equivalent combination of education and experience to perform the work. Valid MN driver's license. AFO or CPO license, First Aid Certification, Adult CPR/AED. Requires a Boiler license within a reasonable time after hire.

Essential Knowledge And Specialized Subject Knowledge Required To Perform The Essential Functions Of The Job

- Fundamentals of supervision and management.
- Fundamentals, trends and best practices in facility management practices and delivery.
- Fundamentals of event management.
- Knowledge of facility management processes and procedures.
- Principles, practices, and methods of planning and operation of community center systems.
- Fundamentals of budget administration, basic accounting and purchasing processes.
- Principles and practices of computers and department related software applications.
- Fundamentals of strategic and long-range planning.
- General City administrative procedures and policies (i.e. purchasing, finance, human resources, etc.).
- Knowledge of administrative and recordkeeping requirements and reporting requirements.

Essential Skills Necessary To Perform The Work:

- Oral and written communications.
- Establishing and maintaining effective working relationships with City officials, department management, contractors, businesses, community groups, facility users, the general public, and other department personnel/staff.
- Supervising, managing and directing Community Center operations, services and maintenance and its staff.
- Planning, recommending, drafting, capital improvements, plans, development and improvement projects.
- Negotiating, monitoring and coordinating contracted services and agreements.
- Time management and organizational skills.
- Performing public relation activities in dealing with the public and others concerning maintenance and operational needs.
- Project management and equipment repair skills.
- Operating tools, computers and department related software applications.
- Budget planning, fiscal and records management functions and requirements of the office.
- Preparing and presenting numerical and narrative reports.

Work Environment:

Work is of an administrative, supervisory, and hands on nature overseeing the repair and maintenance activities. Duties are performed primarily in the facility or in situations where there are minimal hazards and risks associated with the performance of assign responsibilities.

Physical Job Requirements:

Employee is continuously using hands and fingers dexterously to handle or feel, sit, talk, hear and listen; frequently required to walk, reach with hands and arms; and on occasion stoop, kneel and/or crouch, climb, and balance in the performance of the job. Exerting up to 50 lbs. pounds of force occasionally, up to 25 lbs of force frequently; and/or a

negligible amount of force constantly to lift, carry, push, pull, or otherwise move objects, including the human body.

This Position Description reflects an accurate and complete description of the duties and responsibilities assigned to the position.

Department Head's Signature

Date

The duties listed above are intended only as illustrations of the various types of work that may be performed. The omission of specific statements of duties does not exclude them from the position if the work is similar, related or a logical assignment of the position. The job description does not constitute an employment agreement between the employer and employee and is subject to change by the employer as the needs of the employer and requirements of the job change.

The City is an Equal Opportunity Employer. In compliance with the Americans with Disabilities Act, the City will provide reasonable accommodations to qualified individuals with disabilities and encourages both prospective and current employees to discuss potential accommodations with the employer.

RECREATION SPECIALIST JOB DESCRIPTION



CITY OF INVER GROVE HEIGHTS

JOB DESCRIPTION

Job Title: Recreation Specialist (Part Time 20 hours benefited) **Exempt Status:** Non-Exempt
Revision Date: **Department:** Parks & Recreation
Last Classification Review: **Reports To:** Recreation Superintendent

Job Summary:

Under the direction of the Recreation Superintendent and in cooperation with the Recreation Coordinators the Recreation Specialist is responsible to assist in the, implementation, and coordination of a variety of youth and adult recreational programs including youth and adult sport leagues, sport camps, preschool instructional programs, social and educational opportunities, and special community events.

Supervisory Responsibilities:

Direct Supervision: None

Indirect Supervision: Provide work direction to Volunteers, Seasonal/Temporary, Contracted Instructional Personnel

Essential Duties and Responsibilities:

Assists with, implementation and coordination of a variety of instructional sport programs to include such representative duties as:

- Promotes and markets recreation programs and registration information.
- Assist in the recruitment and training of volunteer coaches and game officials.
- Orders equipment, supplies and apparel for recreation programs.
- Develops schedules and standings for various sports.
- Assists in the coordination of instructional recreation programs and provides oversight of instructional or contracted staff.

Assists with the development and implementation of youth and adult programming and/or coordination of special events.

- Provides feedback on community interests, needs and researches what other communities are providing, including trends in recreation programming.
- Provides feedback on and evaluates current programming and determines needs and/or changes.
- May assist with facility set-ups, logistics during events/classes/program/trips, assigns staff, checks-in/manages participants/vendors, caterers or entertainment, oversees participation, and resolves participant concerns or questions during the event/class/program.

Assists in the evaluation of programs budgets and program participation.

- Assists in gathering information related to fee structures based upon instructor costs, transportation costs, material costs, and facility fees.
- Evaluates and monitors program success; determines if program is meeting needs of the community, program goals and participation needs.
- Is on-site to coordinate, programs and events.

Assists in the development of marketing and program informational materials. Provides program staff with class/league lists/ rosters and schedules; emergency procedures; building and facility use policies and schedules; league rules; behavior and rules of conduct; safety and first aid procedures; and training materials.

May respond to customer/client relation duties which may include handling the publics questions, concerns or complaints

regarding programs/services. Works with Community Center staff in scheduling, rental, meeting room scheduling and logistical needs. .

Performs other duties of a comparable level or type, as required.

Minimum Qualifications:

Requires a minimum of an AA Degree in Parks & Recreation or a closely related field and 0-2 years' experience in recreational programming and coordination; or an equivalent combination of education and experience to perform the work. Valid MN driver's license.

Essential Knowledge and Specialized Subject Knowledge Required to Perform the Essential Functions of The Job

- Concepts, principles and philosophy of recreation, sport and leisure programming, and administration.
- Fundamentals of public relations theories and techniques in promoting, advertising, and/or informing the public of programs, services, courses or other events/projects.
- Basic knowledge concerning the use of computers and related software applications and general business equipment.
- Knowledge of community outreach principles and procedures.
- General knowledge of City and department administrative policies and procedures pertinent to the activities and programs (e.g. facility scheduling restrictions, purchasing and, marketing, safety, etc.).
- Fundamentals of event planning and coordination.
- Knowledge of emergency procedures, policies and any laws, rules, or guidelines impacting program planning and coordination.
- Fundamental marketing concepts and procedures.

Essential Skills Necessary To Perform The Work:

- Assists in monitoring and training program volunteers, instructors, and seasonal personnel.
- Presentational skills; communication skills.
- Planning, evaluating, implementing, and coordinating the delivery of programs, activities, events or services geared towards youth, adult, and recreational programming.
- Applying judgment and discretion in handling problems and issues in accordance with the policies and procedures of the City and department.
- Time management skills.
- Basic accounting and bookkeeping practices.
- Promoting, advertising, marketing, and communicating programs, services and activities.
- Collaborating and working closely with community groups, organizations, other City personnel and Community Center staff in facilitating the planning for events, programs and services.
- Basic understanding of program budgets and expenditures.
- Using computers and related software applications and general office equipment.

Work Environment:

Work is of an administrative nature. Duties are performed primarily in a City office setting, occasional day travel to program sites, or performs work in situations where there are minimal hazards and risks associated with the performance of assign responsibilities. May include evenings and weekend work as needed.

Physical Job Requirements:

Employee talks, hears and listens continuously; frequently using hands and fingers dexterously to handle or feel, reach with hands and arms, and sit; on occasion stoops, kneels and/or crouches in the performance of the job. Exerting up to 50

lbs. pounds of force occasionally, and/or a negligible amount of force constantly to lift, carry, push, pull, or otherwise move objects, including the human body.

This Position Description reflects an accurate and complete description of the duties and responsibilities assigned to the position.

Department Head's Signature

Date

The duties listed above are intended only as illustrations of the various types of work that may be performed. The omission of specific statements of duties does not exclude them from the position if the work is similar, related or a logical assignment of the position. The job description does not constitute an employment agreement between the employer and employee and is subject to change by the employer as the needs of the employer and requirements of the job change.

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SALARY & BENEFIT COMPARISION

Parks & Recreation Department Wages & Benefits

Title	Grade	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028
Recreation Superintendent	21	\$ 148,900	\$ 148,900	\$ 148,900	\$ 148,900	\$ 148,900	\$ 148,900	\$ 148,900	\$ 148,900	\$ 148,900	\$ 148,900
Recreation Coordinator	16	\$ 102,500	\$ 104,800	\$ 107,200	\$ 109,600	\$ 111,900	\$ 114,400	\$ 116,700	\$ 119,100	\$ 119,100	\$ 119,100
		\$ 251,400	\$ 253,700	\$ 256,100	\$ 258,500	\$ 260,800	\$ 263,300	\$ 265,600	\$ 268,000	\$ 268,000	\$ 268,000
Recreation Superintendent	20	\$ 116,400	\$ 119,300	\$ 122,200	\$ 125,100	\$ 128,000	\$ 130,900	\$ 133,800	\$ 136,700	\$ 139,600	\$ 143,500
O & M Supervisor	18	\$ 106,700	\$ 109,300	\$ 111,900	\$ 114,600	\$ 117,200	\$ 119,800	\$ 122,500	\$ 125,100	\$ 127,700	\$ 130,400
Recreation Specialist (20 hours)	11	\$ 46,100	\$ 47,000	\$ 48,100	\$ 48,900	\$ 49,900	\$ 50,800	\$ 51,800	\$ 52,800	\$ 53,600	\$ 54,600
		\$ 269,200	\$ 275,600	\$ 282,200	\$ 288,600	\$ 295,100	\$ 301,500	\$ 308,100	\$ 314,600	\$ 320,900	\$ 328,500
Difference		\$ 17,800	\$ 21,900	\$ 26,100	\$ 30,100	\$ 34,300	\$ 38,200	\$ 42,500	\$ 46,600	\$ 52,900	\$ 60,500

*Not adjusted for inflation
Numbers are rounded*

**LEVANDER,
GILLEN &
MILLER, P.A.**

ATTORNEYS AT LAW

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TONA T. DOVE
AARON S. PRICE
DAVID L. SIENKO
CASSANDRA C. WOLFGAM

MEMO

TO: Inver Grove Heights Mayor and Councilmembers
FROM: Timothy J. Kuntz, City Attorney
DATE: December 6, 2018
RE: Regulation of Lawful Gambling – Third Reading of Gambling Ordinance
Amendment; December 10, 2018 Council Meeting

Section 1. Background. At the December 10, 2018 Council meeting, the Council will consider the third reading of an ordinance amending the City's gambling ordinance. Attached is a redlined version of the amendment. The gambling ordinance is found in Title 4, Chapter 7 of the City Code. This memo outlines the changes to the current ordinance and identifies the changes since the second reading at the November 26, 2018 Council meeting.

Section 2. Changes. The major changes are:

1. The current ordinance allows an organization to have only two premises permits. The new ordinance removes this restriction and allows an organization to have an unlimited number of premises permits in the City.
2. The current ordinance allows only one premises permit per liquor establishment. The new ordinance allows two premises permits per liquor establishment.
3. The attached ordinance requires that 60% of net profits expended in a calendar year be made in the Trade Area. Net profits means gross profits less amounts expended for allowable expenses and paid in taxes assessed on lawful gambling. Minnesota Statutes § 349.213 requires that the Trade Area include every city contiguous to Inver Grove Heights. Thus, the Trade Area is Inver Grove Heights and South St. Paul, Rosemount, Eagan, West St. Paul, Sunfish Lake, St. Paul Park, Newport and Mendota Heights. The attached ordinance states that the 10% of net profits paid to the City fund is a credit against the 60% of net profits that have to be expended in the trade area.
4. The current ordinance does not require any direct payment to the City. The new ordinance requires that each organization contribute 10% of net profits derived from lawful gambling

in the City to a fund administered and regulated by the City without cost to the fund. Net profits means gross profits less amounts expended for allowable expenses and paid in taxes assessed on lawful gambling.

The required payment under this section shall be made monthly no later than the last day of the month following the month for which payment is due.

The funds must be disbursed by the City for (i) charitable contributions as defined in section 349.12, subdivision 7a, or (ii) police, fire, and other emergency or public safety-related services, equipment, and training, excluding pension obligations. If the City receives and makes expenditures authorized under this section, then the City must by March 15 of each year file a report with the Board, on a form the Board prescribes, that lists all such revenues collected, interest received on fund balances, and expenditures for the previous calendar year. If the City makes charitable contributions authorized under this section, then the City must acknowledge the financial contributions of organizations conducting lawful gambling to the community and to the recipients of the funds. This may occur in communications about the funds as well as in the distribution of funds.

The City's use of such funds shall be determined at the time of adoption of the City's annual budget or when the budget is amended.

5. There are a number of gambling activities that are exempt from the State licensing. The old ordinance attempted to list the major exemptions, but over time the exemptions have multiplied and it is difficult to keep up with the changes. So, in the new ordinance we have just referenced the statutory sections that identify the exemptions and exclusions. This is a "house-keeping" change to keep up with the statutory changes.

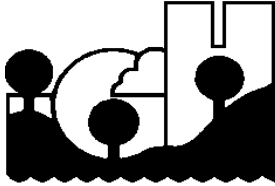
Section 3. Changes from Second Reading. At the second reading there was a request that the monthly and calendar year reports to the City and that the monthly payment of the 10% be made on the last day of the month following the month or calendar year for which the payment is due, rather than the 20th of the month. This change was made in Sections 4-7-14 and 4-7-15. In the attached version the 10% payment has to be made no later than the last day of the month following the month for which the payment is due.

In Section 4-7-9 we added language that clarifies that if there are multiple applications for the same Premises Permit, the City will prefer a Local Organization only if the on-sale liquor establishment chooses not to pick one organization over the other and finds both organizations to be equally acceptable.

Section 4. Discussion with the Accountant. The City Administrator is providing a separate memo relating to his discussions with the accountant for some of the gambling organizations.

Section 5. Council Action. The attached ordinance is on the Council agenda for the third and final reading on December 10, 2018.

Attachments



CITY OF INVER GROVE HEIGHTS

MEMORANDUM

TO: Mayor & City Council

FROM: Joe Lynch, City Administrator

SUBJECT: Charitable Gambling

DATE: December 6, 2018

Background:

At your November 26th City Council meeting you directed staff to contact Jodee Paape, CPA, with the Nelson CPA firm providing services for the Amvets charitable gambling operation. The Council had four basic questions:

How is the 10% proposed amount figured on the Net Receipts? The example shown was from the 2017 report. The number shown as the possible 10% amount did not correspond to 10% of the Net Receipts number.

What is the difference between lawful purpose expenses and allowable expenses and what constitutes each?

What are the Codes that are indicated on the summary sheet for 2017?

With the total shown for the Net Receipts, less the amount that might be given for the 10% requirement proposed and the other trade area donations, what becomes of the remainder, is this profit?

I will attempt to explain/answer each. I have also provided information sent to me by Ms. Paape to help augment the explanations.

10% Net Receipts

The Total Net Receipts shown for 2017 is the amount remaining after Gross Receipts less Total Prizes, \$476,387.75 Then Total Allowable Expenses and Allocation of Taxes (prior month) are deducted - \$182,970.10 and \$151, 029.38.

This results in a Net Profit of \$142,388.27. One would assume that 10% of this number would results in \$14,238.83. However, there are months when there is a loss at the location(s) and this does not result in a credit given for those months. Thus, the total \$15,270.09 is the result of adding each month 10% of Net Profit.

The Difference between Lawful Purpose Expenses versus Allowable Expenses.

On page 2 of the enclosed information provided by Ms. Paape it indicates that allowable expenses are for items such as wages, costs of products, those items sold, and central costs such as insurance, accounting for all sites, etc.

Lawful Purpose Expenses is made up of two items: taxes and donations. Taxes are those due and owing to the State, along with a Fee, as well as any others imposed by Federal or local taxes. The donations is self-explanatory, simply the amounts given to the various organizations.

What are the Codes indicated on the listing of the demonstration sheet to the various organizations?

These codes come directly from State Statute defining the purposes or requirements for donations to these. For example, Code 07 is for Youth Sports and 01 is for a 501(c)3 organization.

Finally, what becomes of the amount that appears to be left after the results of meeting all requirements for taxes, donations, local charitable gambling requirements (trade area expenditures)?

It would appear, based upon the information previously provided that Amvets might have approximately \$113,000 available as profit as a result of having Net Profit of \$142,388.27 less \$29,862.48 for both monies spent in Inver Grove Heights and \$5,500 spent on other organizations in the trade area. As explained to me by Ms. Pappe, Amvets operates 13 locations in the Metro area and some locations lose money in a month, the pooled Net Profits is used to help those operations meet their legal obligations in terms of taxes, payroll, payment for products, etc.

I have also provided the summary sheet for Amvets for 2017 from all of their operations.



NELSON CPAs

November 28, 2018

Joe Lynch, City Administrator
City of Inver Grove Heights
via email: jlynch@invergroveheights.org

Re: Proposed 10% tax on charitable gambling net profits

Joe –

As we discussed, I've attached the following information:

Summary of Operations for all sites – January 2017 through October 2018 (2 spreadsheets)

Files for each month – January 2017 through October 2018:

- Page 1 of the Form G1 – Lawful Gambling Monthly Tax Return
- Schedule A - Lawful Gambling Receipts and Expenses by Site – Site #008, Drkulas
- Schedule C - Lawful Purpose Expenditures for the entire organization

Listing of the Lawful Purpose Expenditures (LPE) Codes from the Gambling Control Board (GCB) website

I've also included below the section from the GCB website that explains how MN Statute defines local authority to assess up to 10% per year on net profits. The last line is important to note: "Local units of government are required to spend the 10% contribution funds in the same manner as licensed organizations". In other words, you are bound by the same LPE codes that the Amvets are required to use.

10% Contribution Fund: A city or county may require (by ordinance) an organization to contribute up to 10% per year of net profits derived from lawful gambling conducted at premises within the city or county's jurisdiction (Minn. Stat. Sec. 349.213, subd. 1) to a fund that the city or county administers. Net profits are gross profits less amounts expended for that site's allowable expenses and portion of lawful gambling taxes. Cities are restricted on how they may spend these funds.

Organizations must make 10% fund checks payable to the city requiring the funds, and not to any other payee. A licensed organization that contributes to the 10% fund may not be the beneficiary of that fund. A required contribution is different from a voluntary contribution to units of government (under lawful purpose Code A10) for government programs and projects, and cities or counties are not required to report voluntary contributions to the Board.

Local units of government are required to spend the 10% contribution funds in the same manner as licensed organizations.

100 BridgePoint Dr • Suite 120 • South St Paul, MN 55075

651-455-4621

www.NelsonCPAsMN.com

As a summary of our discussion, I'd like to highlight some of the points I hope will help clarify:

State law requires a charitable organization to spend the net receipts from gaming in two categories that are very specifically defined.

- First is "Allowable Expenses". Allowable Expenses are the costs of doing business – wages, cost of selling (pulltabs, bingo cards, etc), insurance, accounting fees, rent to the sites, etc. These expenses are listed by site each month on lines 12 through 23 of the Schedule A.
- The second category is "Lawful Purpose Expenditures" (LPEs). LPEs consist of two categories – taxes and charitable donations. Taxes include state level taxes – net receipts tax, combined receipts tax and a regulatory fee – as well as any federal or local taxes imposed on the gambling organization. The MN Combined Receipts tax is a progressive tax that increases as the organization's net receipts increase. For most of the year, the Amvets pay 36% of their net receipts as a tax to the State of MN. The State of MN requires an organization to spend at least 30% of their net receipts in a year on LPEs. Since the Amvets are in the 36% tax bracket for most of the year, they easily meet that requirement without giving a dime to charity. That being said, their LPEs that consist of charitable contributions are the whole point of being in business so of course they donate their profits as they are able.

Another area that is often misunderstood is what is actually available to be spent at any given time. On paper, the Amvets appear to have a healthy profit. Unfortunately, much of their cash is tied up in cash banks and inventory (\$61,495 as of 10/31/18) across their 12 sites. As prudent businessmen, they also need to be sure their cash on hand is enough to pay upcoming bills each month since profits can be unpredictable from month to month. There are steep fines for not paying taxes, payroll, leases and product invoices within certain statutory time frames so the Amvets have chosen to be sure to always have enough cash in the bank to cover the upcoming obligations. If the gambling operation ever ceases, there will be a healthy amount of cash available to do final charitable donations.

Along the same lines, Drkulas appears to have a large profit most months. As we discussed, there are economies of scale that come into play. For example, the accounting fees are charged by location however there is a base fee that is spread among 12 locations. If Drkulas was the only site, the accounting fees would be much higher since they would be paying all of the accounting fee base instead of just a portion of it. As you can see from the Summary of Operations for all sites, the overall profit of the organization is less than what has been designated as Drkulas net profit. Again, the charitable donations that are made have to be spread among the trade areas of all the sites so some of the "profit" listed as originating from Drkulas must be spent in other trade areas in order to satisfy all the local requirements.

Currently the Amvets have an arrangement with several IGH charities that the net receipts from the meat raffles are donated to those charities when the charities "work" the meat raffles. That arrangement has served everyone well and usually benefits IGH youth booster clubs. It is likely those arrangements would continue even with the 10% tax but the other donations to City organizations likely would not be made.

With that in mind, I'd like to suggest a possible alternative/addendum to the proposed statute. The City of St Paul imposes a 10% fee but gives organizations an opportunity to donate the 10% directly to charities within the city that are on St. Paul's "approved" list or to remit the 10% to the city and the city

will disburse the funds. It seems this might be a compromise that allows those organizations that are already spending much (if not all) of their charitable LPEs in the city to continue doing so provided their charities are on the City's approved list. At the same time, it allows the City to collect some money for local charities for those organizations that are not spending any charitable LPEs in Inver Grove Heights proper. I've attached a copy of their entire monthly form but the relevant section is below:

Please identify the desired location your organization would like to deposit the 10% payment:

10% Club name: _____ \$ _____
(Please detail any additional 10% Clubs you would like to donate to on the rear of this form)

10% Clubs even distribution \$ _____ City Youth Fund \$ _____

Line 8 is the required monthly contribution to an approved group on the 10% Club List or to the Youth Program Fund. Monthly contributions exceeding the 10% required by ordinance are considered an additional donation to the nonprofit and such overages will not be credited toward future amounts due. Copies of all forms required by the State Gambling Control Board must also be submitted to the City of Saint Paul DSI. Contact the Department of Safety and Inspections at 651-266-8989 and request Licensing staff if there are questions.

Please feel free to contact me with any questions you might have. As I said, I am more than willing to discuss this with anyone from staff or the Council.

Jodee Paape

Jodee Paape, CPA/PFS

651.455.4621 x 103

jpaape@NelsonCPAsMN.com

AmVets Post #1
Summary of Results - All Sites
Calendar Year 2017

	<u>Jan-17</u>	<u>Feb-17</u>	<u>Mar-17</u>	<u>Apr-17</u>	<u>May-17</u>	<u>Jun-17</u>	<u>Jul-17</u>	<u>Aug-17</u>	<u>Sep-17</u>	<u>Oct-17</u>	<u>Nov-17</u>	<u>Dec-17</u>	<u>Total</u>
Gross Receipts:													
Non-linked bingo	71,380.00	61,628.00	63,836.00	55,498.00	45,473.00	30,862.00	24,728.00	40,552.00	39,520.00	52,321.00	64,331.00	61,952.00	612,081.00
Paddletickets	5,580.00	4,800.00	4,980.00	5,310.00	2,280.00	2,670.00	3,330.00	3,630.00	3,540.00	4,650.00	4,950.00	5,070.00	50,790.00
Tipboard	2,700.00	4,610.00			1,080.00			1,080.00	810.00	2,160.00	2,280.00		15,800.00
Paper Pulitabs	974,381.00	969,134.00	1,161,695.00	872,384.00	656,605.00	687,445.00	648,812.00	707,525.00	775,838.00	874,365.00	944,824.00	909,101.00	10,182,109.00
Electronic Pulitabs	137,070.50	167,769.50	193,228.00	153,613.50	138,104.00	113,997.00	126,073.00	132,221.25	147,861.75	170,521.50	178,579.50	200,962.25	1,860,001.75
Total Gross Receipts	<u>1,191,111.50</u>	<u>1,207,941.50</u>	<u>1,423,739.00</u>	<u>1,086,805.50</u>	<u>843,542.00</u>	<u>834,974.00</u>	<u>802,943.00</u>	<u>885,008.25</u>	<u>967,569.75</u>	<u>1,104,017.50</u>	<u>1,194,964.50</u>	<u>1,178,165.25</u>	<u>12,720,781.75</u>
Prizes:													
Non-linked bingo	39,386.00	45,485.00	43,384.00	37,539.00	36,256.00	26,163.00	18,462.00	30,456.00	34,778.00	40,059.00	46,529.00	48,661.00	447,158.00
Paddletickets	3,720.00	3,200.00	3,320.00	3,540.00	1,520.00	1,780.00	2,220.00	2,420.00	2,360.00	3,100.00	3,280.00	3,380.00	33,840.00
Tipboard	1,800.00	3,139.00			799.00			799.00	540.00	1,519.00	1,599.00		10,915.00
Paper Pulitabs	854,947.00	865,515.00	1,029,836.00	776,598.00	591,476.00	601,193.00	580,708.00	619,664.00	678,978.00	759,115.00	809,622.00	787,061.00	8,954,713.00
Electronic Pulitabs	114,346.90	141,186.70	162,444.70	128,232.00	116,514.70	96,101.45	107,719.90	113,660.85	123,573.65	140,298.60	152,657.60	165,728.35	1,562,465.40
Total Prizes	<u>1,014,199.90</u>	<u>1,058,525.70</u>	<u>1,238,984.70</u>	<u>945,909.00</u>	<u>746,565.70</u>	<u>725,237.45</u>	<u>709,109.90</u>	<u>766,999.85</u>	<u>840,229.65</u>	<u>944,091.60</u>	<u>1,013,687.60</u>	<u>1,005,550.35</u>	<u>11,009,091.40</u>
Net Receipts	176,911.60	149,415.80	184,754.30	140,896.50	96,976.30	109,736.55	93,833.10	118,008.40	127,340.10	159,925.90	181,276.90	172,614.90	1,711,690.35
Total allowable Expenses	70,279.50	86,553.49	110,755.22	78,816.24	89,094.69	85,059.64	60,075.56	87,977.68	71,368.16	89,134.53	101,129.92	116,143.26	1,046,387.89
Tax Due - current month	55,867.22	50,420.30	62,210.41	46,655.77	33,222.22	39,011.90	9,411.78	30,748.55	45,423.35	55,155.04	61,398.59	59,494.30	549,019.43
Net profit before contributions	50,764.88	12,442.01	11,788.67	15,424.49	(25,340.61)	(14,334.99)	24,345.76	(717.83)	10,548.59	15,636.33	18,748.39	(3,022.66)	116,283.03
Contributions	6,671.12	8,769.56	8,377.59	5,556.13	8,225.40	4,974.52	3,744.12	2,798.56	3,749.59	5,999.06	7,307.66	13,061.07	79,234.38
Net Profit	<u>44,093.76</u>	<u>3,672.45</u>	<u>3,411.08</u>	<u>9,868.36</u>	<u>(33,566.01)</u>	<u>(19,309.51)</u>	<u>20,601.64</u>	<u>(3,516.39)</u>	<u>6,799.00</u>	<u>9,637.27</u>	<u>11,440.73</u>	<u>(16,083.73)</u>	<u>37,048.65</u>

**CITY OF INVER GROVE HEIGHTS
DAKOTA COUNTY, MINNESOTA**

ORDINANCE NO. _____

**AN ORDINANCE AMENDING INVER GROVE HEIGHTS
CITY CODE TITLE 4 CHAPTER 7 RELATED TO GAMBLING**

The City Council of Inver Grove Heights does hereby ordain:

Section 1. Amendment. Inver Grove Heights City Code Title 4 Chapter 7 in its entirety is hereby amended to read as follows:

4-7-1: ADOPTION OF STATE LAW BY REFERENCE:

The provisions of Minnesota ~~statutes~~Statutes, chapter 349, as they may be amended from time to time, with reference to the definition of terms, conditions of operation, provisions relating to sales, and all other matters pertaining to lawful gambling are hereby adopted by reference and are made a part of this chapter as if set out in full. It is the intention of the ~~council~~Council that all future amendments of Minnesota ~~statutes~~Statutes, chapter 349, are hereby adopted by reference or referenced as if they had been in existence at the time this chapter was adopted. (Ord. 1206, 3-8-2010)

4-7-2: CITY MAY BE MORE RESTRICTIVE THAN STATE LAW:

The ~~council~~Council is authorized by the provisions of Minnesota ~~statutes~~Statutes section 349.213, as it may be amended from time to time, to impose, and has imposed in this chapter, additional restrictions on gambling within its limits beyond those contained in Minnesota ~~statutes~~Statutes, chapter 349, as it may be amended from time to time. (Ord. 1206, 3-8-2010)

4-7-3: PURPOSE:

The purpose of this chapter is to regulate lawful gambling within the city of Inver Grove Heights, to prevent its commercialization, to ensure the integrity of operations, and to provide for the use of net profits only for lawful purposes. (Ord. 1206, 3-8-2010)

4-7-4: DEFINITIONS:

In addition to the definitions contained in Minnesota ~~statutes~~Statutes section 349.12, as it may be amended from time to time, the following terms are defined for purposes of this chapter:

BOARD: The ~~state~~State of Minnesota ~~gambling~~Gambling control~~Control~~ ~~board~~Board.

LICENSED ORGANIZATION: An organization licensed by the ~~board~~Board.

LOCAL ORGANIZATION: An organization defined by Minnesota ~~statutes~~Statutes section 349.12 that also meets the following criteria:

- A. The organization has at least fifteen (15) members that are current residents of the city; and
- B. The physical site for the organization's headquarters or the registered office of the organization is located within the city and has been located within the city for at least two (2) years immediately preceding the application for a license; or
- C. The organization owns real estate within the city, and the lawful gambling is conducted on the property owned by the organization within the city; or
- D. The physical site where the organization regularly holds its meetings and conducts its activities, other than lawful gambling and fundraising, is within the city and has been located within the city for at least two (2) years immediately preceding application for a license.

TRADE AREA: Pursuant to Minnesota Statutes section 349.213, The the cities of Inver Grove Heights, South St. Paul, Rosemount, Eagan, West St. Paul, Sunfish Lake, St. Paul Park, Newport, and Mendota Heights constitute the Trade Area. (Ord. 1206, 3-8-2010)

4-7-5: APPLICABILITY:

This chapter shall be construed to regulate all forms of lawful gambling within the city except:

~~A. Bingo conducted within a nursing home or a senior citizen housing project or by a senior citizen organization if the prizes for a single bingo game do not exceed ten dollars (\$10.00), total prizes awarded at a single bingo occasion do not exceed two hundred dollars (\$200.00), no more than two (2) bingo occasions are held by the organization or at the facility each week, only members of the organization or residents of the nursing home or housing project are allowed to play in a bingo game, no compensation is paid for any persons who conduct the bingo, and a manager is appointed to supervise the bingo.~~

~~B. Raffles if the value of all prizes awarded by the organization in a calendar year does not exceed one thousand five hundred dollars (\$1,500.00).~~

A. Lawful gambling that is excluded from licensure pursuant to Minnesota Statutes section 349.166, subdivision 1.

~~CB.~~ Lawful gambling that is exempt from licensure pursuant to Minnesota ~~statutes~~ Statutes section 349.166, subdivision 2. (Ord. 1206, 3-8-2010)

4-7-6: LAWFUL GAMBLING PERMITTED:

Lawful gambling is permitted within the city provided it is conducted in accordance with Minnesota ~~statutes~~ Statutes sections 609.75 through 609.763, inclusive, as they may be amended from time to time; Minnesota ~~statutes~~ Statutes sections 349.11 through 349.23, inclusive, as they may be amended from time to time; and this chapter. (Ord. 1206, 3-8-2010)

4-7-7: COUNCIL APPROVAL:

Lawful gambling authorized by Minnesota ~~statutes~~Statutes sections 349.11 through 349.23, inclusive, as they may be amended from time to time, requiring local approval shall not be conducted unless the premises permit is approved by the ~~council~~Council, subject to the provisions of this chapter and state law. (Ord. 1206, 3-8-2010)

4-7-8: APPLICATION AND LOCAL APPROVAL OF PREMISES PERMITS:

A. Eligibility For A Premises Permit: A premises permit may only be issued and approved if:

1. The premises is an on-sale liquor establishment;
2. No more than one other premises permit currently exists for the premises;
- ~~3. The organization does not already hold a premises permit or the organization holds only one other premises permit within the city;~~
- 4~~3~~. The organization that will conduct the lawful gambling is eligible for an organization license from the ~~board~~Board.

B. Process:

1. Application: Any organization seeking to obtain a premises permit from the ~~board~~Board shall file with the clerk an executed, complete duplicate application, together with all exhibits and documents accompanying the application as will be filed with the ~~board~~Board. The organization shall pay the city a two hundred fifty dollars (\$250.00) investigation fee. This fee shall be refunded if the application is withdrawn before the investigation is commenced.
2. Background Investigation: Upon receipt of an application for issuance of a premises permit, the clerk shall transmit the application to the police department for review and recommendation. The police department shall investigate the matter and make the review and recommendation to the ~~council~~Council as soon as possible, but in no event later than ~~forty~~forty-five (45) days following receipt of the ~~application notification~~ by the city. The ~~council~~Council shall receive the police department's report and consider the application within ~~forty~~forty-five (45) days of the date the application was submitted to the clerk.
3. Approval Or Denial Of Application: The applicant shall be notified in writing of the date on which the ~~council~~Council will consider the recommendation. The ~~council~~Council shall, by resolution, approve or disapprove the application within sixty (60) days of receipt of the application.

C. Grounds For Ineligibility: The ~~council~~Council shall deny an application for issuance of a premises permit for any of the following reasons:

1. Violation by the gambling organization of any state statute, state rule, or city ordinance relating to gambling within the last three (3) years.
- ~~2. The organization already holds two (2) premises permits within the city.~~
- 3~~2~~. The premises for which a premises permit is sought is not an on-sale liquor establishment.
- 4~~3~~. The organization that will conduct the lawful gambling is ineligible for an organizational license from the ~~board~~Board.

54. There ~~is already one~~ are already two ~~licensed~~ Licensed ~~organization~~ Organizations permitted to conduct lawful gambling activities at the premises.

65. Failure of the applicant to pay the investigation fee provided by this section within the prescribed time limit.

76. Operation of gambling at the site would be detrimental to health, safety, and welfare of the community.

D. Renewal: The ~~council~~ Council is without authority to compel the owner of an on-sale liquor establishment to renew a premises permit. (Ord. 1206, 3-8-2010)

4-7-9: PRIORITY IN APPROVAL PROCESS:

It is anticipated that there may be multiple ~~more than one~~ organizations applying for an available premises permit at a single on-sale liquor establishment. Therefore, if the on-sale liquor establishment refuses to pick one of the applicants but indicates that the multiple applicants are equally acceptable, the following criteria, in the order listed, prioritize and determine the approval for the ~~one~~ available premises permit:

A. If there are two (2) or more applications and if the on-sale liquor establishment refuses to pick one of the applicants but indicates that the multiple applicants are equally acceptable, then a ~~local~~ Local ~~organization~~ Organization will be preferred over an organization that does not meet the definition of ~~local~~ Local ~~organization~~ Organization. Because of the nuisance prone nature of gambling, compared to other licensing or permitting activities within the city, the city prefers that the organization have a local connection so as to facilitate investigation of applicants and the investigation and arrest of violators. Where two (2) or more organizations seek to obtain an available ~~have a~~ premises permit at the same on-sale liquor establishment and where the on-sale liquor establishment refuses to pick one of the applicants but indicates that the multiple applicants are equally acceptable, the organization that meets the definition of ~~local~~ Local ~~organization~~ Organization will be preferred over an organization that does not meet the definition.

B. If two (2) or more nonlocal organizations seek approval, the ~~council~~ Council will approve the organization which applied first. (Ord. 1206, 3-8-2010)

4-7-10: INSPECTIONS:

A. All ~~licensed~~ Licensed ~~organizations~~ Organizations are deemed to have consented to inspection of the licensed or permitted premises by the city.

B. Authorized employees or agents of the city may inspect, at any reasonable time without notice or search warrant, all records, including gambling accounts and other bank records, required by the ~~board~~ Board to be maintained and preserved. (Ord. 1206, 3-8-2010)

4-7-11: LICENSE AND PERMIT DISPLAY:

All permits issued under state law or this chapter shall be prominently displayed during the permit ~~year~~ at the premises where gambling is conducted. (Ord. 1206, 3-8-2010)

4-7-12: NOTIFICATION OF MATERIAL CHANGES TO APPLICATION:

An organization holding a state issued premises permit shall notify the city within ten (10) days in writing whenever any material change is made in the information submitted on the application. (Ord. 1206, 3-8-2010)

4-7-13: DESIGNATED TRADE AREA:

A. During the calendar year, each ~~licensed~~-Licensed ~~organization~~-Organization within the city having a premises permit within the city shall expend at least sixty percent (60%) of its net profits ~~lawful purpose~~ expenditures made that year on lawful purposes conducted within the city's ~~Trade~~ Area.

B. This section applies only to lawful purpose expenditures of ~~gross~~net profits derived from gambling conducted at a premises within the city's jurisdiction, ~~that remain after payment of allowable expenses.~~ For purposes of this section, net profits are gross profits less amounts expended for allowable expenses and paid in taxes assessed on lawful gambling. (Ord. 1264, 4-22-2013)

C. The amount paid by the Licensed Organization to the city under section 4-7-14 shall be treated as a credit against the amount required to be expended under Section 4-7-13.

4-7-14: CONTRIBUTION OF NET PROFITS TO FUND ADMINISTERED BY CITY:

A. Each organization licensed to conduct lawful gambling with the city pursuant to Minnesota Statutes section 349.16, as it may be amended from time to time, shall contribute ten percent (10%) of its net profits derived from lawful gambling in the city to a fund administered and regulated by the city without cost to the fund. For purposes of this section, net profits are gross profits less amounts expended for allowable expenses and paid in taxes assessed on lawful gambling.

B. The required payment under this section shall be made monthly no later than the last day of the month following the month for which the payment is due.

C. The funds must be disbursed by the city for (i) charitable contributions as defined in section 349.12, subdivision 7a, or (ii) police, fire, and other emergency or public safety-related services, equipment, and training, excluding pension obligations. If the city receives and makes expenditures authorized under this section, then the city must by March 15 of each year file a report with the Board, on a form the Board prescribes, that lists all such revenues collected, interest received on fund balances, and expenditures for the previous calendar year. If the city makes charitable contributions authorized under this section, then the city must acknowledge the financial contributions of organizations conducting lawful gambling to the community and to the recipients of the funds. This may occur in communications about the funds as well as in the distribution of funds.

D. The city's use of such funds shall be determined at the time of adoption of the city's annual budget or when the budget is amended.

4-7-~~14~~15: RECORDS AND REPORTING:

A. Licensed ~~organizations~~-Organizations shall file with the clerk one copy of all records and reports required to be filed with the ~~board~~Board, pursuant to Minnesota ~~statutes~~Statutes, chapter 349, as it may be amended from time to time, and rules adopted pursuant thereto, as they may be amended

from time to time. The records and reports shall be filed on or before the day they are required to be filed with the ~~board~~Board.

B. Licensed ~~organizations~~Organizations shall file an annual report with the city proving compliance with the ~~Trade~~ aArea spending requirements imposed by section 4-7-13 of this chapter. Such report proving compliance with ~~Trade~~ aArea spending requirements shall be made on a form prescribed by the city. The report shall be submitted no later than the last day of the month following the just completed calendar year within sixty (60) days of December 31 and shall report proceeds received during the just ended calendar year. (Ord. 1206, 3-8-2010)

C. Licensed Organizations shall file a monthly report with the city proving compliance with the contribution requirements of ten percent (10%) of net profits derived from lawful gambling in the city as imposed by section 4-7-14. This report shall be made on a form prescribed by the city and shall be submitted to the city no later than the last day of the month following the month for which the payment is due. Licensed Organizations shall also file an annual report on a form prescribed by the city showing compliance with the requirements of section 4-7-14; the annual report shall be submitted no later than the last day of the month following the calendar year for which the payment is due and shall show all payments to the city for the just ended calendar year.

4-7-~~15~~16: HOURS OF OPERATION:

Lawful gambling shall not be conducted between ~~one-two~~ o'clock (12:00) A.M. and eight o'clock (8:00) A.M. on any day of the week. (Ord. 1206, 3-8-2010)

4-7-~~16~~17: PENALTY:

A. Any person who violates this chapter is guilty of a misdemeanor. In addition to criminal prosecution for violation of this chapter; Minnesota ~~statutes~~Statutes sections 609.75 through 609.763, inclusive, as they may be amended from time to time; or Minnesota ~~statutes~~Statutes sections 349.11 through 349.21, as they may be amended from time to time or any rules promulgated under those sections, as they may be amended from time to time, the ~~council~~Council may report violations to the ~~board~~Board and may recommend suspension, revocation, or cancellation of an organization's license and of an organization's premises permit.

B. The ~~council~~Council may suspend or revoke its approval for a premises permit for any reason that the ~~board~~Board may revoke a premises permit or for violation of this chapter.

C. Prior to recommending suspension, revocation, or cancellation of an organization's license to the ~~board~~Board and prior to suspending or revoking its approval for a premises permit, the ~~council~~Council must provide the organization a hearing before the ~~council~~Council in accordance with subsection 3-2-10B of this code. (Ord. 1206, 3-8-2010)

D. During the time that the revocation or suspension of the previously granted approval of the premises permit is in effect, the Licensed Organization shall not conduct lawful gambling at the location of the premises permit.

Section 2. Effective Date. This Ordinance shall be in full force and effect from and after its passage and publication according to law.

Passed in regular session of the City Council on the 10th day of December, 2018.

CITY OF INVER GROVE HEIGHTS

By: _____
George Tourville, Mayor

ATTEST:

By: _____
Michelle Tesser, City Clerk