



Mayor George Tourville- State of the City Address

Thursday April 15, 2010

Welcome and thank you for coming to the State of the City Address. I would like to thank my wife Barb and family for their support and help while serving as Mayor. Thank you to the River Heights Chamber of Commerce for their continued support of this event. I would also like to thank my fellow Council members for their service and hard work; Denny Madden, Bill Kline, Chip Grannis & Rosemary Piekarski-Krech. A big Thank You to all of the volunteers that serve our City in many ways and to the volunteers of our Planning, Parks & Recreation, Environmental, and Aircraft Noise Abatement Commissions. Lastly I would like to thank the employees of Inver Grove Heights for their hard work and dedication to our City and citizens.

Some of the economic challenges facing our citizens, government and businesses in 2009 and 2010 included:

1. Loss of jobs and hours worked because of cut-backs, relocation and economic slowdown.
2. Decreased housing values and increased number of foreclosures.
3. Long-term savings and pension plans being decreased or cut.
4. Health care costs becoming unaffordable and or unavailable.
5. Health issues related to unemployment and the recession.
6. Fluctuating energy prices for consumers, industry, government and businesses.
7. Lack of business profits and increases in the cost of doing business.
8. Cutbacks by state and local governments as tax revenues decrease.
9. Increased number of bankruptcies across America.
10. Wall Street, Insurance Companies and Bank bail-outs.
11. Young people un-able to get student loans and or financial aid.

America has changed over the last 20 years and metro economies are now driving the nation. Metro cities now account for 86% of national employment, 90% of labor income, and 90% of gross domestic product (GDP). Our own region has felt the effects of the worst recession in more than 60 years, including high unemployment, record numbers of foreclosures and a record low in housing starts in 2009. Therefore, we need strong viable cities in-order to reverse the current economic situation. You might say what does all of this have to do with the City of Inver Grove Heights? The slowed economy has continued to hurt the City with decreased building permits in residential, retail and commercial development. Some of our citizens have lost their jobs or have had their pay/benefits

negatively affected by the recession. With the continuance of foreclosures the City will collect fewer taxes and see a slight increase in services needed to deal with the unoccupied properties. The state cut our Market Value Homestead Credit (MVHC) of \$510,860 in 2009 and will cut our (MVHC) of \$592,000 in 2010; to deal with their billion dollar deficit. With decreased property values the City will collect fewer taxes. Some of the corrective measures include reducing purchases in 2010, reducing staff where possible, and using some of the City's savings. We decreased the 2010 budget by \$549,000 from the 2009 budget in-order to off set the decreased revenue and passed a 1.73% increase for city-wide tax levies in 2010.

Now for some good news the City ended with a \$313,544 General Fund surplus for 2009. Unemployment seems to be leveling off in the state and there are some glimmers of economic recovery. Our tax collections did not decrease as much as expected and we still did \$42 million of new construction in 2009. The Twin Cities metro area has grown to the 13th largest (GDP) metro region and has many competitive strengths, including high workforce participation, home ownership, available workforce education, above average per-capita income and a growing population. A recent New York Times article notes that *"The nation's retailers reported their strongest monthly sales growth in a decade, with robust gains in virtually every category of merchandise and every type of store."* And while there is still a long road to travel to return to pre-recession employment levels — consumer spending helps bring people back to work.

We will continue to monitor our revenue and expenses in 2010 on a monthly basis and make adjustments as needed.

Town Hall Meetings

About 200 people attended our second year of Town Hall Meetings held throughout the City. Comments were very positive about the presentations and handouts. City updates, budget, transportation projects, development, planning, financial trends, Police, Fire, Public Works, & Parks & Recreation issues were discussed. Each session had a Question & Answer part and comments were also collected. Staff and Council will be discussing suggestions and comments that were collected during the Town Hall meetings. The meeting on Thursday April 8th will be showing on Town Square TV if interested. Also thank you to the River Heights Chamber of Commerce for their assistance and help with the Business Owners Town Hall Meeting on April 7th and St. Patrick's Catholic Church for hosting the meeting on March 15th.

I would like to review some of the issues and opportunities we will look forward to in 2010.

POLICE CHIEF- CHUCK KLECKNER

The Police Department has focused on several key areas the past few years. These include technology, special training, preparedness and partnerships.

The Police Department Goals:

- 1) Improve crime and drug prevention awareness.
- 2) Generate support and participation in local anti-crime efforts.

3) Strengthen neighborhood spirit and police community relations.

There was a decrease in 2009 of 1,207 less calls from 2008 and calls for assaults, burglaries, and damage to property were all down from 2008 numbers.

Some of the Organizations that our Police Department is involved in are: Drug Task Force, M.A.A.G Team (SWAT), Traffic Safety Group, Special Operations Team (S.O.T.), Domestic Abuse Response Team, Intensive Supervision Program (ISP), Check Diversion Program, Financial Crime Services, and our Motorcycle & Bike Patrol Group. The GPS Locator program was completed in 2009 in all of the Police vehicles which allows the police to better serve the citizens of our City and enhance their safety.

A reminder that the Police Department sponsors a neighborhood watch program and encourages every neighborhood to get involved; currently there are about 40 groups. The only rule is that the group must hold two meetings a year and one of the meetings will be attended by an officer who will provide neighborhood police statistics.

Dakota County Communications Center is encouraging callers to use '911' for all calls, including non-emergencies. By using 911 for all Police, Fire and Medical Emergencies the departments will be able to better serve the City and you only need to remember one phone number "911". An additional service of "Code Red" was added throughout Dakota County in 2009 to better serve our citizens. It is reverse "911"; the system can call out proactively to warn of potential hazardous situations, abductions, bad weather, and other dangerous situations. It is free and you can register at www.dcc.org under "Code Red".

The Police Department, City and School District 199 are exploring the possibility of a School Resource Officer for 2010/2011. Finally, a reminder that "Night to Unite" is August 3 this year. This is a great opportunity to meet your neighbors along with members of the police and fire departments, city officials and your City Council Members. If you have questions or would like to register please contact the police department. Hope to see you August 3.

FIRE CHIEF- JUDY THILL

Our Fire Department celebrated its 53rd Anniversary in 2009. The Fire Department is served by a Full-time Fire Chief, Full-time Fire Marshall, Part-time clerical person and over 60 paid-on-call firefighters. This model provides the city with a tremendous cost savings to our residents while providing highly trained and qualified Firefighters. One of the capital purchase items in 2009 was a Multi-purpose Fire Engine/Pumper/Ladder Truck to be delivered in the fall of 2010. This will replace a Fire Engine with over 20 years of service.

Still one of the biggest challenges the Fire Department faces will be to attract paid-on-call firefighters who are available for calls and training. We will continue to aggressively recruit candidates and explore ways to retain current members. We welcome a new group of firefighters to the Fire Department which started training in early 2010.

Fire Department Goals for 2010

- 1) Development a Three year Strategic Plan.
- 2) Research and Analyze alternative service options.

- 3) Study Fee for Service policies for some services.
- 4) Needs Analysis for Additional Fire Hall... (where, staffing and funding)

We are extremely proud of our firefighters who give of their time to help those who live, work and have businesses in Inver Grove Heights.

Public Safety is an extremely important function of our city. We will continue to provide our Police & Fire Departments with equipment and technology so they can provide for the safety and protection of our citizens, property and businesses.

PUBLIC WORKS DIRECTOR- SCOTT THUREEN

The Public Works Department is composed of

- 1) Engineering Division
- 2) Street Maintenance Division- Street-sweeping, traffic sign repair & installation, signal maintenance, patching, snow removal storm sewer and pond maintenance (Including Central Equipment)
- 3) Utilities Division (Water System and Sanitary Sewer System)

Goals for 2010

- 1) NWA Collector Street System Analysis
- 2) Storm Water Fee Schedule and Analysis
- 3) Street Light Utility Study
- 4) Traffic and Street Sign Updates
- 5) Well Field Expansion Study
- 6) Update Storm Water Erosion Control and Wetland Ordinances
- 7) Update Radios for SCADA System

Some of the City, County and State Projects

In 2009, another Pavement Management Program project was completed in the South Grove neighborhood (75th Street to 78th Street between Conroy Way Avenue and Cahill Avenue). This project for the second year in a row included some Rain Gardens in the area that will help with the City's Storm Water Management Program. We thank the residents for their help and leadership on this important program. We will continue to incorporate rain gardens in future City Street Projects.

Two additional neighborhood street projects in 2009 were completed; the mill and overlay project on Cahill Avenue between College Trail and Callahan Trail and Brooks Boulevard between Broderick Boulevard and Cahill Avenue. The second project was in the Salem Hills Farm neighborhood.

Construction began on the third phase of the County's Concord Boulevard Reconstruction Project on April 12. This segment from 65th Street to the South St Paul border will include street, sidewalks and utility construction. The majority of this project cost will be funded by the State & County with some participation by the City.

The 2010 Pavement Management Program will consider reconstruction in the South Grove neighborhood (75th Street to 78th Street between Conroy Way Avenue and Concord Boulevard). This is a continuation program in the South Grove area that was recently approved by council. Mill and overlay project to include portions of Blaine Avenue.

Northwest Area Utility & Roads

Construction of the lift station and a sanitary sewer main line along South Robert to 70th Street was completed in 2009. Work on the first roundabout in the City was completed in 2009 at 80th and Robert Streets.

State Projects

The City continues to work on the Regional Road System Visioning Study with MnDOT, the Federal Highway Administration, the Metropolitan Council, Dakota County and the Cities of Eagan, Mendota Heights and Sunfish Lake for an interchange at Hwy 55 & Argenta and a possible route north with an intersection at Highway 494.

Water Supply Well No. 9

Construction of Well No. 9, which was installed just north of the Water Treatment Plant on Babcock, will be completed in 2010.

The City will continue to maintain and repair its infrastructure with a comprehensive replacement program that is responsible and still affordable. The City will continue to work on a Storm Water Utility Program that addresses the additional needs and issues with storm water. We will be adding new infrastructure so we can grow responsibility and continue to add new tax base to our community.

COMMUNITY DEVELOPMENT DIRECTOR- TOM LINK

The Community Development Department Duties:

- 1) Provide information to the public (Planning-Zoning-Setbacks-Ordinances- Regulations- Administer Zoning and Environmental Regulations
- 2) Review plans and issue permits
- 3) Perform inspections
- 4) Inspect vacant and hazardous property and buildings
- 5) Process development applications (subdivision review-commercial & residential reviews & variance applications)
- 6) Comprehensive Plan updates and review

Comprehensive Plan Review

The Comprehensive Plan review process is required by state law and needs to be submitted to the Metro Council. Planning staff worked on the plan throughout 2009. The Updated Comp Plan (2030) will provide goals, policies, and plans for a variety of issues, including land use, transportation, sanitary sewer, municipal water, storm water, parks, trails, housing, and environmental. The Comprehensive Plan was adopted by the City Council on April 12, 2010. The entire document is posted on the City's website.

2009 Projects

The City saw \$42 million of new construction in 2009, compared to \$53 million in 2008. We saw 15 single-family and 44 senior apartment units built in 2009.

Target- Some of the grading and site preparation has been completed on the Argenta Hills Project. We are hopeful that Target will resume their build out plans this year for store completion in 2011.

Inver Glen Senior Housing- Senior housing project being built at 70th and Robert Street

White Pines Senior Housing- Their second senior housing project being built next to Wells Fargo

Inver Hills Community College- Fine Arts Building- Classrooms, Theater- Common Space

A&W Restaurant- Ground breaking April 16

Aldi Grocery Store- Robert Street and Mendota Road

Jimmy Johns Restaurant- Upper 55 & Blaine

Short Dance Studio- between Wal*Mart and Tractor Supply

Tarek Ziyad Academy- 8,900 sq foot addition

Public Safety & City Hall Addition- \$15.8 million, 64,000 sq foot construction

Future Planning

The Concord Neighborhood Plan was done in the early 1990's and needs to be revisited to address the completion of Concord Street Reconstruction, Heritage Village Park, regional trail construction, mixed use zoning and housing. The Council established a Housing Task Force in 2009 to study our housing needs today and into the future. The Task Force will forward an action plan to the City Council addressing; (affordability, senior housing, locations and sustainability). We are also joining forces with the Dakota Futures Group to promote and study expansion of broadband in all of Dakota County. As mentioned already Planning and Engineering continue to work on the Regional Road System Visioning Study with MnDOT, the Federal Highway Administration, the Metropolitan Council, Dakota County and the Cities of Eagan, Mendota Heights and Sunfish Lake for a intersection at Hwy 55 & Argenta and a possible route north with an intersection at Highway 494.

Most Development has slowed and or stopped completely in most cities. We are positioning the City for a slow recovery over time and have been very conservative in our build out and growth projections. We have also planned for the infrastructure to go into place over time as needed.

FINANCE- ANN LANOUE

The Finance Department Duties:

- 1) Financial support to all departments
- 2) Financial reporting
- 3) Budget preparation / Truth in Taxation
- 4) Risk Management & Insurance
- 5) Management of City's Investment Portfolio
- 6) Utility Billing & Other Billing
- 7) Payroll
- 8) Accounts Payable

9) Cashier & front desk receptionist

The City received an upgrade to an AA bond rating from Standard & Poor's from the previous Aa3 bond rating from Moody's. The improved bond rating did save the City thousands of dollars on our bonds sold for the City Hall Project.

The Finance Department received the Certificate of Achievement for Excellence in Financial Reporting for the 2008 Comprehensive Annual Financial Report (CAFR) from the Government Finance Officers Association of the United States and Canada. This was the 23rd consecutive award.

Budget challenges for 2010

1) Market Values decreased 7.6% 2) Tax Capacity decreased 6.7% 3) State Budget deficit
The 2010 General Fund expenditures and Revenues are \$17.5 million. As for 2010 revenues \$14.1 million is collected from property taxes and the 2010 proposed city tax levy is \$15.6 million. This represents a 1.73% tax increase from 2009 to 2010. If you would like more detailed information on the City's 2010 Budget and 2009 Audit please visit the City's website.

In 2010 we will start to use the new software that will allow the City to develop a 10-year Fiscal Plan, ability for a 2-year budget plan, predict future resource availability and the opportunity to prioritize long term needs in staffing, facilities and capital equipment.

We will continue monthly updates on the 2010 Budget and will make adjustments as necessary. Also, we will start discussions on the 2011 Budget in May and will work on the difficult decisions facing the City and strive to find the most responsible and fair solutions to the City's needs.

PARKS AND RECREATION- ERIC CARLSON

The Parks and Recreation Department has built a reputation as a leader in Park and Recreation Programs and Facilities. The department offers extensive recreation programming as well as recreational facilities, parks and trails.

Veterans Memorial Community Center & The Grove Community Center

We continue to review the recommendations of the 2007 Audit and have implemented many of the service delivery changes that improve customer satisfaction and improve operating efficiency. The good news in 2009 was the Community Center Fund budget transfer was \$119,400 less than the budgeted amount. The facility serves as home to the Simley Boys & Girls Hockey and Swimming Teams. The Inver Grove Heights Hockey Association is one of the largest customers at the VMCC and serves a large number of families from Inver Grove Heights. The 199 School District and City continue to cooperate through a Joint Powers Agreement which does save tax dollars.

The VMGCC's Mission Statement: To provide a safe and exciting atmosphere that promotes health and wellness through a variety of activities available to all ages and skill levels. Our staff

strives to provide quality service, a clean facility and a pleasurable experience every time you visit. Stop in and look around, you will be glad you did!

We will continue to look at making energy saving investments to reduce our operating expenses and reduce our energy consumption which helps protect our natural environment.

The City will be hosting a Farmers Market again in 2010 at the VMCC. The Farmers Market will give residents an opportunity to purchase fresh locally grown fruits, vegetables, flowers and more. The market will be held in the parking lot of the VMCC on Thursday's June 24th to October 14th from 3 PM to 6:30 PM.

Comprehensive Park Plan and Development Guide

The Park and Recreation Commission continues to review residential proposals for park dedication requirements, review recreational programs and activities and determine long-range objectives for park acquisition. In 2009 the 2nd Phase of the Concord Street project included sidewalks and trails along the Concord Street project.

We currently have 18 neighborhood parks and during the Comprehensive Plan Hearings additional neighborhood parks and trails in the Northwest Area were discussed. The PRAC will continue to study the possibility of a dog park within the City (Location, rules, funding and schedule).

Some additional improvements were made over the last year at River Front Park. We thank the residents, Parks and Recreation Commission and Jim Huffman for their hard work and leadership in making this a much better park. There is work still to be done but it is much improved.

Heritage Village Park/ Rock Island Swing Bridge

Dakota County finished constructing a segment of the Mississippi River Region Trail (MRRT) through the park in 2009. The City continued its soil remediation program throughout 2009; working with Bolander saved the city thousands of dollars and allowed us to speed up the fill process.

Senator Metzen and Representative Atkins helped us secure over \$2.1 million over the last year to preserve the Rock Island Swing Bridge and do improvements at Heritage Park. We also worked with Dakota County for State turn-back funding and a \$150,000 Swing Bridge allocation. Without the help of Senator Metzen, Representative Atkins and funding from Dakota County the Rock Island Swing Bridge project would have been impossible. I almost forgot, thank you Governor Pawlenty for not vetoing the funding. The Swing Bridge construction should start later this month and be completed by the end of this October.

Inver Wood Golf Course

The City hired Global Golf Advisors this last August to do an Operational Assessment of Inver Wood Golf Course. Numerous meetings have been held over the last couple of months with, Council, Staff, users, committees and public groups to help with the golf course assessment. The draft recommendations include issues and discussion on: rates, marketing, programming, debt service, capital improvements, technology, internal controls, performance measurement, and maintenance. The recommendations will be discussed at a Council meeting within the next month

and an operational plan will be put in place. Some items will be able to be implemented quickly and others will be part of a multi-year plan. Inver Wood continues to be a positive asset to the community with its 275 acres of golf. By 2014 we will have successfully paid off the debt service bonds. We have many opportunities at the golf course from instruction, practice center, group outings, and junior and adult leagues. There were over 40,000 rounds of golf played at Inver Wood in 2009 between the 18- Hole Championship and 9- Hole Executive Courses. Inver Wood also serves as the Home to the Simley Golf Team. Check out our website for more information. (www.inverwood.org)

Emerald Ash Borer

Unfortunately the Emerald Ash Borer is coming to Inver Grove Heights and will kill all Ash Trees. It is only a matter of time before the Ash Borer is here. There will be more information available on our website and also at www.emeraldashborer.info.

ADMINISTRATIVE SERVICES- JOE LYNCH & JENELLE TEPPEN

I would like to thank Joe and Jenelle for their support of the City Council. With that in mind City Staff and City Council have set the following Goals for 2010.

Our Goals for 2010

1. Provide quality and affordable essential services.
2. Provide facilities to ensure effective city operations and services to our citizens.
3. Continue to work for quality economic development.
4. Study and Plan for the City's changing demographics.
5. City Housing Issues: The Housing Task Force to address affordability and quality of the City's housing stock.
6. Community Identity: Do a city survey later in 2010.

We will provide services, programs, facilities and spaces that enhance the "Quality of Life" for all who live, work, visit and play in Inver Grove Heights. We will achieve this goal through governance that is accessible, accountable, and efficient with provided resources that are fair, affordable, and stable.

Communications

Cable TV- City Council meetings are broadcast live and re-broadcasted on a regular schedule. You can also go to Town Square TV (www.townsquare.tv) and watch the meetings through Web Streaming. The City's Advisory Commission meetings are also broadcast live and re-broadcasted numerous times throughout the month.

Website- There is a lot of information available through our website (www.ci.inver-grove-heights.mn.us) about all of the city services and programs. You can also sign up for an email service on updates, applications and agendas.

Insights- Bi-monthly newsletter containing important information for residents. This is mailed to all postal addresses in the City. If you do not get the Insights Newsletter please call and let us know.

Commissions- For those that would like to become a member of a City Commission you can stop by City Hall or go on-line to apply for a City Commission. Applications for 2010 are due by May 7th. If you have any questions you can call 651-450-2512. We truly appreciate the many volunteers who serve on the various Commissions.

Telephone- Yes, we do answer the phone if you don't know which department or person you need to talk to our General phone number is 651-450-2500.

Town Hall Meeting- Started in 2009 and continued in 2010. Excellent tool for getting out into the community with City information and a question and answer format.

Yellow Ribbon Committee Inver Grove Heights- Meets at the Veterans Memorial Community Center the first Thursday of the month at 7 PM.

Questions Stacy Nitti 651-895-3841

Metropolitan Council Information- Population estimate for 2008/ 33,917 Households 13,336 and average Household size of 2.52 persons.

Census 2010- If completed and mailed back THANK YOU...If not please complete and return As Soon As Possible. Your information does make a difference.

Public Safety Addition/City Hall Renovation

Phase One of the project is on schedule and on budget as of April 2. The preliminary total project budget is approximately \$16M, which includes a bond funded budget of \$9.9M, including many of the alternates, and approximately \$6M in other costs to be funded directly by the City. Phase One is tentatively scheduled for completion in July 2010 and Phase Two completion for August 2011. If you have any questions about the project please feel free to call Jenelle Teppen at 651-450-2512

Dates to Remember

Inver Grove Heights Farmers' Market (Thursdays) June 24th to October 14th

Night to Unite- August 3

Inver Grove Heights Days- September 9th to 12th

Inver Grove Heights City Clean-up Day- September 18th

Fire Prevention Week- October 3-10, Fire Station Open House October 10th

Election Day- November 2nd

Veterans Day- November 11th

Holiday on Main Street- December 11th

Summary

We should be proud of what we have accomplished over the last year, but we will continue to:

- Keep taxes affordable in Inver Grove Heights.
- Provide a safe place to live, work, visit, learn and play.
- Attract quality development to our city. (When and where it makes sense)
- Provide housing choices for all ages and price ranges.
- Provide affordable infrastructure as we expand and grow.
- Help existing business to grow and prosper.
- Improve communications between citizens and the city.
- Promote a Sustainable City that fosters the prosperity of future generations.
- Be fair and respectful of all citizens' issues and concerns.

My number one goal is to continue to make Inver Grove Heights a better place to live, work, visit, learn and play.....I love this city and I'm honored to be your Mayor.

Thank you to all of the men and women who have served in the past and the men and women who are serving in the military now. They are the true heroes of our freedom.

God Bless our country, state and most of all our great city!

George Tourville

Mayor
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Information Provided from:

- 1) League of Minnesota Cities
- 2) New York Times "Economic Recovery" April 2010
- 3) Metropolitan Council Newsletter February 2010
- 4) Inver Grove Heights Parks & Recreation Brochure