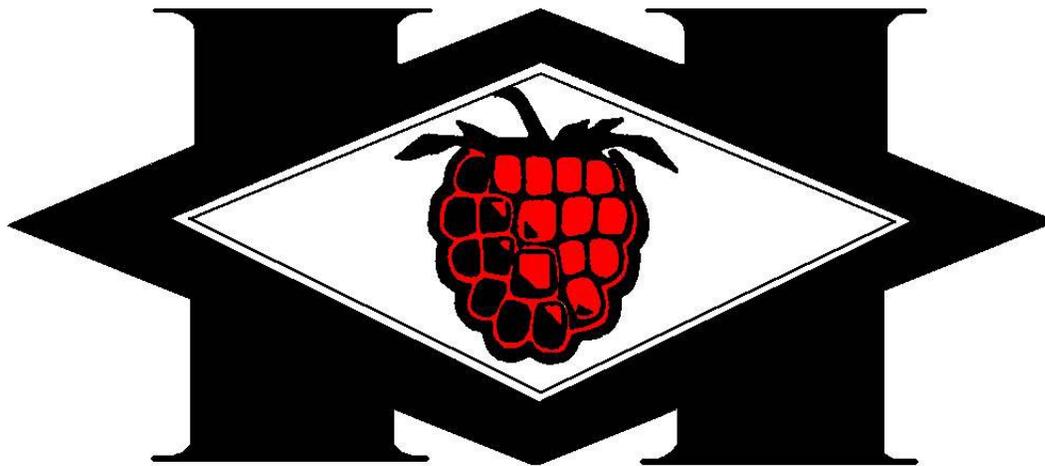


City of Hopkins, Minnesota

Annual Budget

January 1 - December 31, 2016



Inspire • Educate • Involve • Communicate

CITY OF HOPKINS BUDGET

FISCAL YEAR BEGINNING JANUARY 1, 2016

City Council

Term Expires

Mayor Molly Cummings	December 31, 2017
Councilmember Katy Campbell.....	December 31, 2017
Councilmember Jason Gadd.....	December 31, 2019
Councilmember Kristi Halverson	December 31, 2017
Councilmember Aaron Kuznia.....	December 31, 2019

Management Team

Mike Mornson	City Manager
Kersten Elverum	Director of Planning & Development
Jim Genellie	Director of Community Services
Christine Harkess.....	Director of Finance
Dave Johnson.....	Recreation Director
Mike Reynolds.....	Police Chief
Dale Specken.....	Fire Chief
Steve Stadler	Director of Public Works

This document was developed and compiled by the Finance Department, City of Hopkins

CITY OF HOPKINS

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City of Hopkins

1010 First Street South • Hopkins, MN 55343-7573 • Phone: 952-935-8574 • Fax: 952-935-1834
Web address: www.hopkinsmn.com

January 2016

Citizens, Honorable Mayor, City Council
City of Hopkins
Hopkins, Minnesota 55343

Dear Citizens, Mayor and Council Members:

It is my pleasure to present to you the City of Hopkins 2016 Budget. Hopkins' strong financial position and proactive fiscal management practices allowed options for the City Council to maintain a service delivery at current levels while minimizing the impact on the 2016 tax levy. The final result is an adopted 2016 budget totaling \$25,803,425 of which \$11,875,730 is the General Fund. This budget lives within the City's financial resources, meets basic service needs, provides for the maintenance and replacement of the City's infrastructure, and plans for the future, keeping Hopkins' good financial condition intact.

The Municipal Budget is intended to reflect the goals, objectives, and priorities established by the City Council with input from the residents and taxpayers of Hopkins, and fairly represent the revenues and expenditures necessary to provide the services and programs desired by the community.

The city governing body involves its' citizens and constituents through its mission and vision statement "Inspire • Educate • Involve • Communicate" by: conducting a citizen's academy, providing a state of the city address, publishing a city annual report, and communicating with the community as often as possible regarding many city initiatives and proposed policies. The budget adoption is a significant way in which the City Council expresses their leadership. The City Council establishes budget goals, which are accurately reflected in this budget.

2016 BUDGET DEVELOPMENT

The City has developed a number of elements that have been brought together to provide the best information for the Council to make their budget decisions. These elements include the following:

- **Strategic Planning Process** – The Council has a mission and vision statement, which helps determine the priorities of the community and direct the council in providing services for its constituency. As part of the process annual goals and objectives are set.
- **Program Budgeting** – This provides more information in regards to what programs departments provide and what is the individual cost of those programs. This accomplishes the objective of reviewing revenues and expenditures based on program activity.
- **Four Year Budget Modeling** – Encourages future planning for the General Fund budget and allows us a preview at projected property tax levy needs over the next four years.
- **Cash Flow Models** – Cash flow projections are created for all funds to provide us with a view of future sources and uses within the various funds and for the City as a whole. This assists in long range planning and goal setting.
- **Net Property Tax Cost for Sample Properties** – Developed many years ago, this provides information to the council incorporating expected increases in valuation and projecting actual costs on sample properties within the City.
- **Net Tax Cost by Program** – This provides both a dollar and percentage of property tax support for each of the City's general fund programs.

CITY OF HOPKINS

HOPKINS IN 2015

In the year 2015, the nation's economy continued to recover after several years of minimal growth. The governmental environment was to maintain staff and minimize budget increases. The city continued to provide all core services through 2015. Program budgeting has helped in our analysis of city services, while we look at ways to continue to do more with less. The Council and city staff also continues to investigate additional revenue sources.

In 2015, the City's tax base continued to grow due to several new development projects. Redevelopment of properties in Hopkins helped to increase our tax base. The City's total tax capacity values increased 6.8% due to commercial properties higher tax capacity. In 2015 the overall taxable market value increased by 4.6% due to several recently completed development projects in the city. The city's levy has increased an average of 2.05% per year over the last five years. The City's general fund expenditures have increased an average of 2.5% a year over the last five years. This increase is directly related to salary and benefit increases for employees, insurance costs and oil based products. Diligent planning and management has helped in keeping operating expenditures down.

The employee compensation has remained competitive in the market for both those with and those without labor contracts. The number of employees has remained stable at 105-110.

ECONOMIC OUTLOOK

Hopkins is a diverse community made up of a healthy mix of residential, commercial and industrial properties. Super Valu is the largest food wholesaler in the nation. They are a Fortune 500 company that continues to have a strong presence in Hopkins. Another Fortune 500 company with a branch in Hopkins is US Bank. In addition Cargill, the largest privately held company in terms of revenue, has a large corporate campus in Hopkins with three building totaling over 800,000 square feet. Total employment at the three buildings is estimated at 3,300.

Hopkins economic outlook has remained relatively stable. The City has expanded its commercial tax base through redevelopment. Hopkins is an inner-ring suburb of Minneapolis with a good mix of 34% residential, 42% commercial and industrial and 22% apartment properties. Hopkins participates fully in the Minneapolis and Hennepin County economies. Hopkins has preserved its central downtown area where development continues because of its highly desirable location. Hopkins wealth levels are above average when compared nationwide.

REDEVELOPMENT

Significant redevelopment has occurred within the City of Hopkins over the past five years. This redevelopment has contributed substantially towards the increase in property values and by making Hopkins a more desirable place to live and work. Some of the more recent projects are:

- Redevelopment of a vacant commercial site in downtown Hopkins into a 53-unit luxury apartment and retail development
- Redevelopment of a small parcel in the downtown district into six luxury townhomes.
- Redevelopment of a vacant office and clinic site into 163 luxury apartments with retail space
- Redevelopment of a vacant downtown building into a craft brewery and tap room.
- Redevelopment of a former office building into 241 high end luxury apartments and retail space.

In addition to projects other development continues in Hopkins. This includes new commercial structures on Mainstreet, renovation of older industrial buildings, new residential projects, and more mixed-use projects that incorporate residential and commercial development. Overall, these redevelopment efforts continue to ensure that Hopkins remains a desirable community in which to live and work.

2016 BUDGET

CITY OF HOPKINS

LONG TERM OBJECTIVES

The City Council and staff have established long term objectives for the community and the working environment

- Increase ratio of residential properties.
- Maintain the high quality of our livable community.
- Increase tax base to spread share of tax burden.

BUDGET OBJECTIVES FOR 2016

- Maintain core City services at a reasonable price for residents and commercial/industrial users.
- Use program budgeting as a tool for analysis of all programs and services to:
 - ◆ look for ways to reduce dependency on the property tax,
 - ◆ find greater efficiencies in the provision of current services and programs,
 - ◆ compare staffing levels to workloads to assure proper allocation of resources,
 - ◆ create greater linkages between revenues and expenses, to allow for more entrepreneurial approaches to non-essential services.
- Forecast funding needs and tax implications to assure strong long-term financial stability.
- Continue policy of avoiding the use of fund balances for operating expenses.
- Recognize and award employees that assist the City in saving money.
- Evaluate and investigate other sources of revenue.

BUDGET CONSIDERATIONS

These are areas to consider that may affect the budget during the next few years.

State Tax Reform:

- The state's ongoing budget challenges will again affect City finances as well as residential and commercial based taxpayers.
- Property Classification Changes – In the past there has been a tendency to shift some of the tax burden back to residential taxpayers from commercial/industrial taxpayers.
- Tax Increment Finance – Any changes in property classifications impact property taxes generated by TIF districts. Currently the tax generated in the various districts is projected to be sufficient to cover any debt or liabilities created in the districts.
- Property Tax Freeze and/or Levy Limits – Levy limits have been on and off again since 2008. This uncertainly poses budget challenges as cities are uncertain if they will again be reinstated. For the 2016 budget year there were no levy limits which give cities more budget flexibility in meeting the needs of their citizens while maintaining essential city services.
- State Aids – The City of Hopkins no longer relies on significant state aids as a revenue source despite the legislature annually discussing the Local Government Aid (LGA) program and working to modify the program and how funds are allocated to cities. Beginning in 2015 the city is again receiving LGA of about \$300,000 annually.

Real Estate Values – Overall real estate values in this community were stable for 2016. Despite the market value stability this resulted in an increase in the City's tax capacity of 4.6% due to commercial property which has a higher tax capacity than residential properties.

Overall, general fund budgeted expenditures will increase by 4.66% in 2016 due in large part to salaries and benefits which included the addition of two fulltime firefighters. This increased our fulltime fire staff to three. We projected a 2.0% change for 2017 and modest if any increases for future years. Future programs and services provided by the City of Hopkins may change in relation to available revenue sources. The City Council and staff along with their financial advisor will be updating the City's long-range financial management plan that assists in current and future budgeting. The plan was adopted in 2014 and was implemented for the 2015 budget and used again for the 2016 budget. This planning assists in minimizing the impacts of potential tax freezes, additional state aid losses and sets forth a plan to stabilize all funds. The plan will be updated annually and used in future annual budget preparation.

2016 BUDGET

CITY OF HOPKINS

Fund Balances for governmental fund types will continue to be strong for the next 3 to 4 years, absent any significant changes in the policy of avoiding the use of fund balance reserves for current expenditures.

GAUGING THE CITY

The City uses the following performance measures:

- Tax levy history in relation to the consumer price index.
- Sample properties – cost per month
- Comparisons of comparable communities
- Goal achievement

2016 BUDGET ADOPTION

Overall the budget objective is to provide quality services at a reasonable cost, while keeping tax rates fairly constant. In the past this has been accomplished through increased net tax capacity levels and keeping the tax levy at a reasonable amount while at the same time allowing the City enough funds to continue with the level and quality of service it currently has. This has been particularly challenging the last few years as property values declined.

The city's tax capacity rate held fairly steady from 2005 to 2010 at around 48%. When property values started falling in 2010 they affected the tax rate for 2011 through 2012 increasing to 62.417% in 2013. The proposed 2016 city tax rate is 64.077, a 3.069% increase from 2015.

The adopted General Fund budget has a 4.66% expenditure increase for a total General Fund Budget of \$11,860,730. The total tax levy increase for 2016 is 8.85%. The levy includes funds designated for general fund operations, capital improvements, the Pavilion, Art Center and debt service payments. The monthly city tax cost for a median valued home of \$225,000 is about \$117.91 or approximately \$1,415 for the year not including credits for state programs.

The city's goals and objectives were once again reviewed and updated by city staff, commissions, citizens and the City Council. They are integral part in meeting the needs of the citizens. The 2016 goals and strategic plan are included in the budget document on pages 14-15.

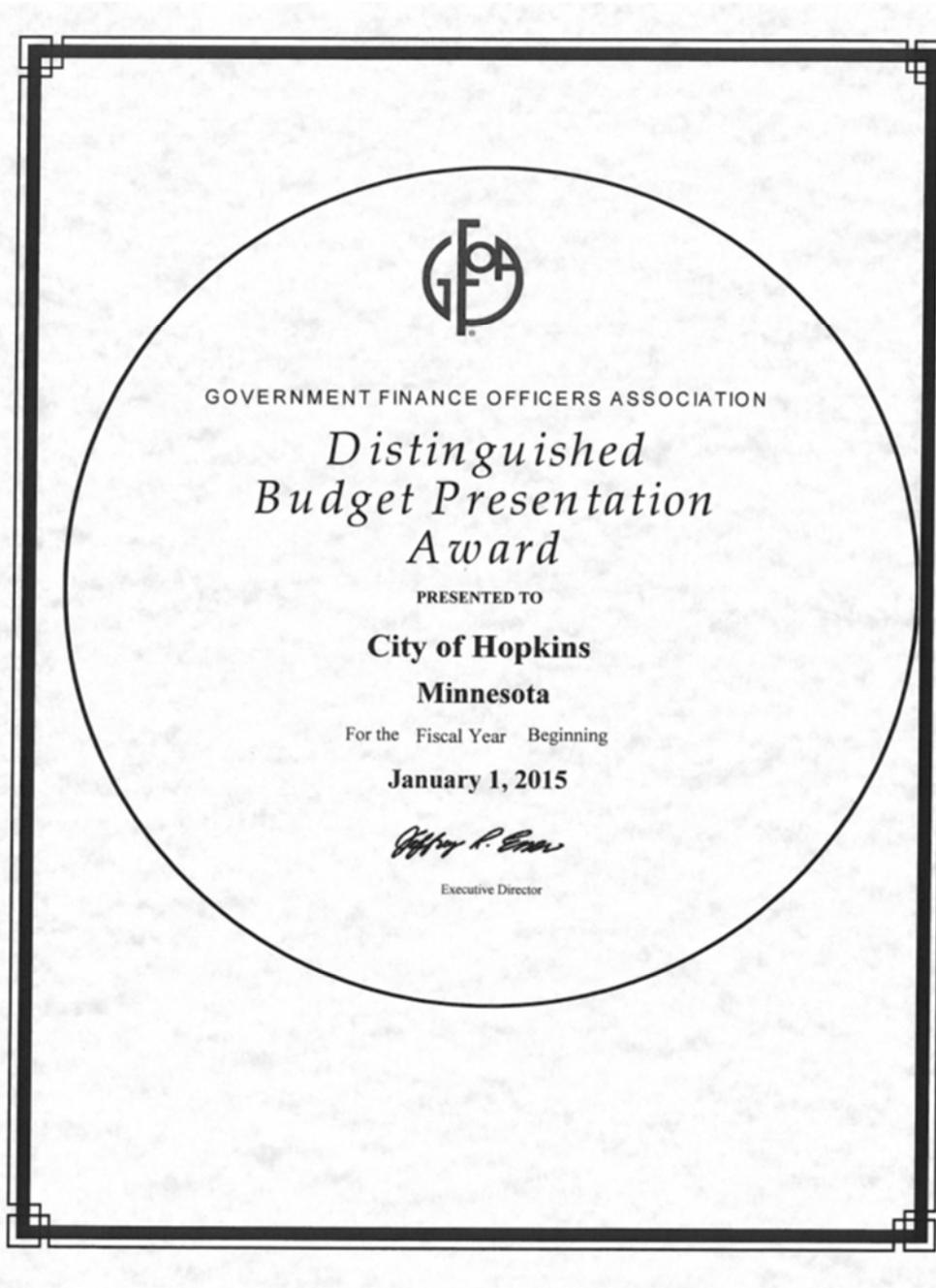
Sincerely,

CITY OF HOPKINS



Michael J. Mornson
City Manager

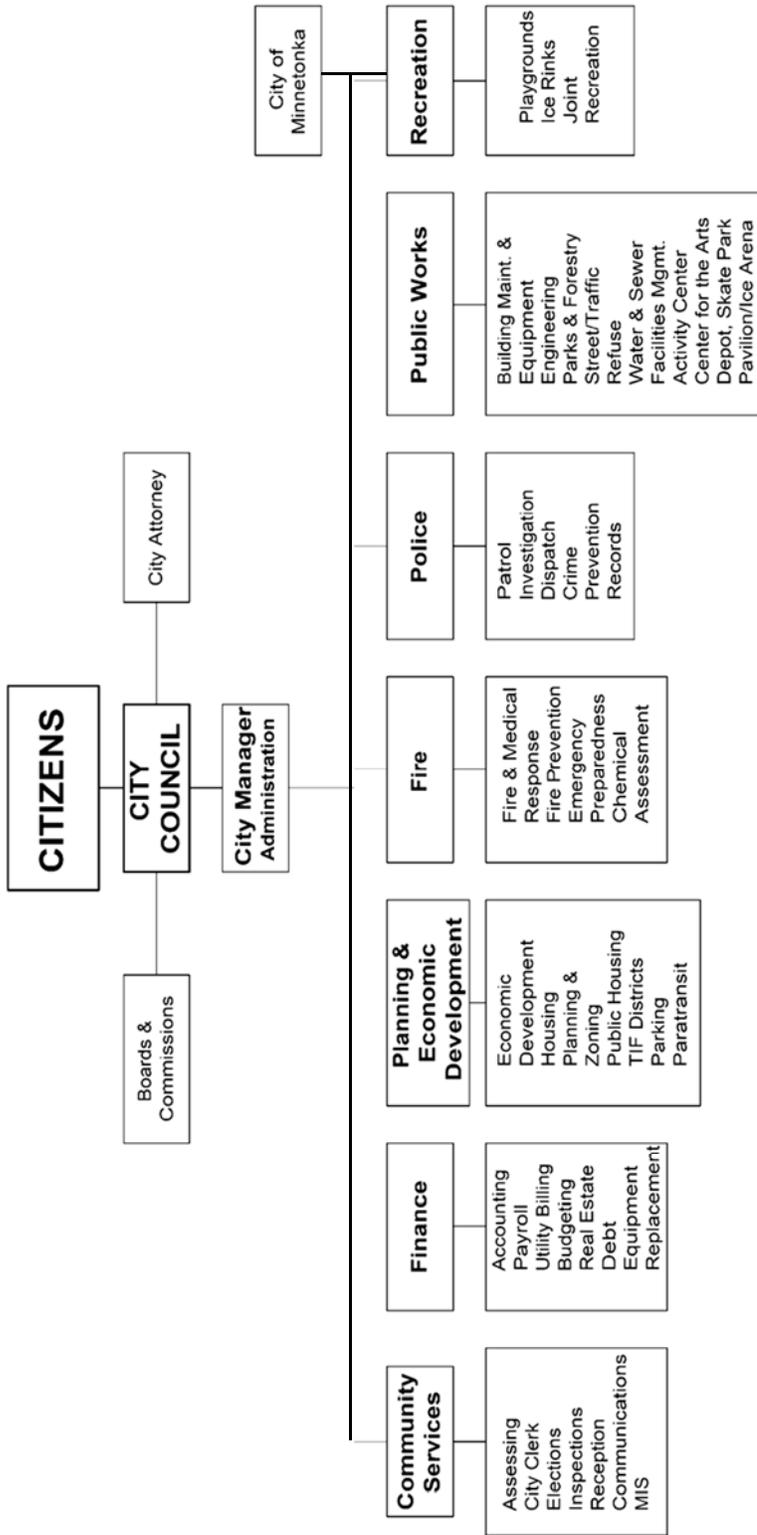
CITY OF HOPKINS



The Government Finance Officers Association of the United States and Canada (GFOA) presented a Distinguished Budget Presentation Award to City of Hopkins, Minnesota for its annual budget for the fiscal year beginning January 1, 2015. In order to receive this award, a government unit must publish a budget document that meets program criteria as a policy document, as an operations guide, as a financial plan, and as a communications device.

This award is valid for a period of one year only. We believe our current budget continues to conform to program requirements, and we are submitting it to GFOA to determine its eligibility for another award.

CITY OF HOPKINS



CITY FACILITIES

City Hall	1010 First St S, Hopkins, MN 55343	952-935-8474
Depot Coffee House	9451 Excelsior Blvd, Hopkins, MN 55343	952-938-2204
Fire Department	101 17th Ave S, Hopkins, MN 55343	952-938-8885
Hopkins Activity Center	33 14th Ave N, Hopkins, MN 55343	952-939-1333
Hopkins Center for the Arts	1111 Mainstreet, Hopkins, MN 55343	952-979-1100
Pavilion Ice Arena	11000 Excelsior Blvd, Hopkins, MN 55343	952-939-1410
Police Department	1010 First St S, Hopkins, MN 55343	952-548-6440
Public Works	11100 Excelsior Blvd, Hopkins, MN 55343	952-939-1382

2006

CITY OF HOPKINS

COMMUNITY PROFILE

The first settlers of Hopkins arrived in 1852; however, the roots of the town begin in 1887 with the building of the Minneapolis Threshing Machine Company, later called Minneapolis Moline. Minneapolis Moline once employed most of the Hopkins residents. The West Minneapolis Land Company was also founded in 1887 and was formed to build housing for the Minneapolis Moline factory workers. In 1893, the Hennepin County Board of Commissioners received a petition signed by 41 residents, asking that the village be formed. Following an election, the community was then incorporated as the village of West Minneapolis.

The original village was comprised of three square miles, and it has been enlarged by annexation to its present size of about four square miles. The population at the time of its incorporation was 1,105; today, there are 17,481 people living in Hopkins. In 1928, the name of the village was changed to Hopkins - for Harley H. Hopkins who was among its first homesteaders and was the community's first postmaster. The first mayor was Harley Hopkins' son, Chester L. Hopkins.

On January 1, 1948, the village became a city upon adoption of a City Charter with a Council/Manager form of government. The City Council consists of four council members and the mayor. Council members serve four-year terms and are elected at large. The mayor is elected at large for a two-year term. The governing council is responsible, among other things, for passing ordinances, adopting the budget, appointing committees and hiring the City's manager and attorney

Hopkins has always had a core business district, and in the center of that early business district was Hopkins City Hall at 8th Ave N and Mainstreet. Completed in 1912, it housed the city's police and jail in the rear portions, and city offices, library and meeting room upstairs. The fire station was on the main level, and the firefighters used horse drawn rigs. The building was remodeled in 1940 to accommodate more fire trucks.

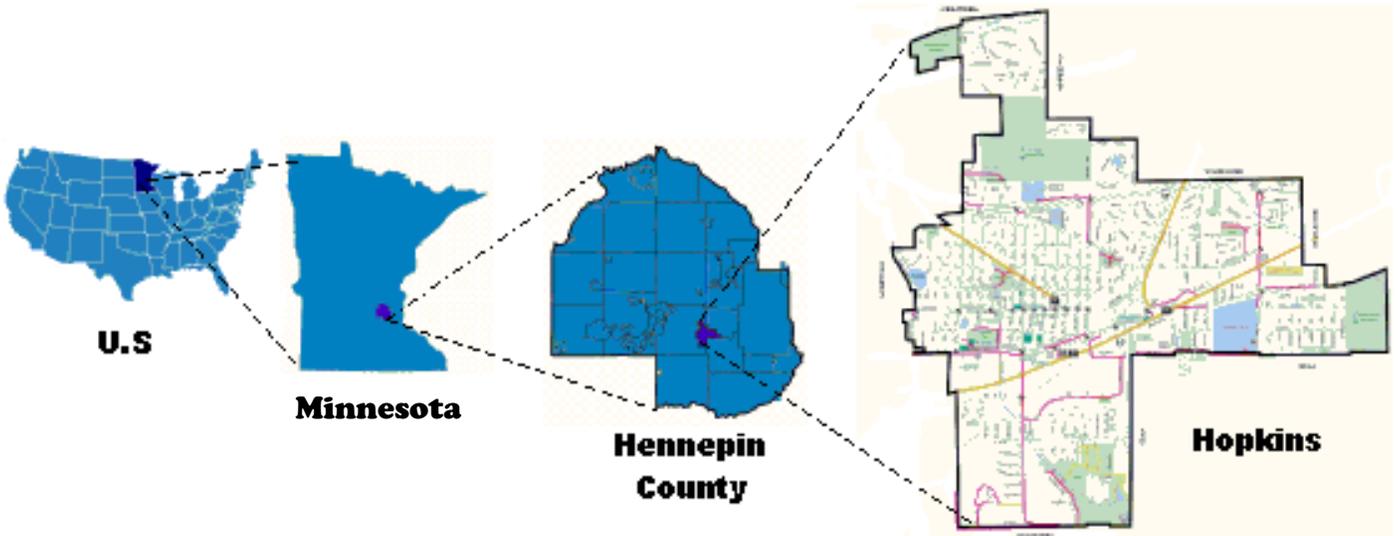
That fire station was torn down in 1965 after a new City Hall, Police Station and Fire Station were built at 1010 1st St S. In 2004, a new Fire Station was built on 17th Ave. The Police Department was expanded and remodeled in 2005. In the summer of 1982, the city and its Public Works Department accomplished the challenge of building a city garage on a small area, using as many of the existing structures as possible, doing it within a \$475,000 budget, and doing it without disrupting city services. The Public Works facility was expanded and remodeled in 2004.

Adjacent to the Public Works facilities is the Hopkins Pavilion, which was built with money from a 1989 park bond referendum. The facility opened in December 1991. It is now one of the premier facilities of its kind in the Twin Cities area, and is used for soccer, lacrosse, in-line roller hockey, skating and ice hockey. The Hopkins Activity Center, a multipurpose community facility, opened in January 1981 at the site of the former South Junior High School. A variety of programs for people of all ages are offered at the Activity Center. It was renovated in 1990, and the facility includes a gymnasium, meeting rooms and kitchen. The Hopkins Historical Society, which was started more than 30 years ago, also is located in the Activity Center.

The Hopkins Center for the Arts, 1111 Mainstreet, opened in November 1997. The Arts Center stands as a focal point for arts, culture and entertainment in the Hopkins community, the Twin Cities metro area and the region. It is a community-gathering place where young and old can enjoy high quality, multi-disciplinary cultural arts programs and community activities. The Arts Center includes a theater, a visual arts gallery, multipurpose spaces for rehearsals, community activities and small performances, a visual arts classroom, a dance studio, and kitchen facilities for serving catered food.

In addition to its facilities, the City of Hopkins is home to the annual Raspberry Festival, now in its 80th year. The first festival was organized in 1934 by a group of community business people who were concerned that the Hopkins economy and community needed a boost.

CITY OF HOPKINS



Hopkins is a suburban city in Hennepin County, Minnesota located just 13 minutes west of the Twin Cities of Minneapolis and St. Paul. The City is four square miles in size surrounded by larger suburban communities. Hopkins is about 98% developed with little remaining vacant land. U.S. Route 169 and Minnesota Highway 7 are two of the main arterial routes in the City. Hopkins is a dynamic community of over 18,000 residents. Founded rich in tradition and growth, Hopkins offers the advantages and conveniences of a large City but yet the security of a small town. The residents and the business community have an enormous sense of pride and support for their City. Travel any street and you will see and feel the reflections of pride and vitality. Hopkins has enriched its spirit of community by remaining a place where people are treated with respect; where the community participates in building culture, character and common bonds; where business growth is supported while a vibrant City Center is maintained; where people feel safe, support outstanding schools and celebrate cultural heritages; and where people enjoy quality parks, housing and public services.

Through education, inspiration, involvement and communication, the City Council, City Staff, members of the Boards and Commissions, the business district and the neighborhood associations are committed to enhancing the quality of life in Hopkins.



Summertime in Hopkins at the Clock Tower Plaza

Population:	
1920	3,055
1930	3,834
1940	4,100
1950	7,595
1960	11,380
1970 (census)	13,395
1980 (census)	15,336
1990 (census)	16,534
2000 (census)	17,145
2010 (census)	17,591
2011	17,701
2012	17,939
2013	18,413
2014	18,971

2016 BUDGET

CITY OF HOPKINS

CITY STATISTICS:

Founded	1852	School Enrollment	8,496
Dated of Incorporation	November 27, 1893	Education	
Date of Adoption of City Charter	December 20, 1947	Elementary Schools	6
Form of Government	Council - Manager	Middle Schools	2
Fiscal Year Begins	January 1	High School	1
Area of City	4.1 Square Miles	Private Schools	8
	2,616 acres	Charter Schools	2
Housing			
Single Family	2,764	Elections:	
Multiple Family	5,020	Registered Voters - last general election	9,647
Duplexes	514	Number of votes cast last general election	1,058
Townhouses	868	Percentage of registered voters voting	11%
Population by Age			
0 to 19	4,367	City Bond Rating	
20 to 64	11,448	Stand & Poor's	AA+
Over 65	1,970		
Income by Household			
Less than \$25,000	1934	Miles of Streets and Alleys:	
\$25,000 - \$50,000	2088	Trunk Highways	3.57
\$50,000 - \$75,000	1570	County	5.32
\$75,000 - \$100,000	912	City Streets	47.5
\$100,000 - \$150,000	902	Alleys	9.52
\$150,000 - \$200,000	315	Miles of Sewers:	
\$200,000 or more	235	Storm Sewers	21.4
		Sanitary Sewers	45.46
Median Household Income	\$49,400	Miles of Watermains	52.6
Per Capita Personal Income	\$29,400		
		Civil Defense Warning Sirens	3
Unemployment Rate	3.3%	Fire Protection:	
Population Composition			
White	57.82%	Number of Stations	1
African American	17.11%	Number of FT Employees	3
Asian	7.69%	Volunteer Firefighters	33
Hispanic or Latino	11.63%	Police Protection:	
Two or More Races	4.12%	Number of Stations	1
Native American	0.50%	Number of Employees	45
Other Races	1.13%	Parks	
		City Parks	16
		Playgrounds	11
Total Property Values	\$1.664 billion	Skating Rinks	7

CITY OF HOPKINS

ORGANIZATION STRUCTURE

The home rule charter of the City was adopted on December 2, 1947 and serves as the basis for the government operations of the City. The City utilizes the council-manager form of municipal government. The City Council is comprised of the mayor and four council members. The mayor and the council members are elected at large. The council members serve a four-year term and the mayor serves a two-year term. The city manager of the City is the chief administrative officer of the City. The city manager and the city attorney are selected by the City Council and serve an indefinite term. The city manager controls and directs the administration of the City's affairs and therefore, supervises all departments and divisions of the City. The city attorney provides legal and prosecution services for the City. City boards and commissions serve in an advisory capacity to the City Council.

The City is managed through seven departments, each with a department head who reports to the city manager. A description of each of the departments is included in this document. Within each department are several programs. A description of each program, its objectives and budgets are presented in this document.

The City utilizes several commissions to advise, prioritize or implement various city issues or projects throughout the year. These commissions are comprised of volunteer citizens and an appointed staff member as a liaison. The Charter commission reviews the city charter for appropriateness and also recommends changes to the charter. They meet annually or more often as needed. The Zoning and Planning commission meets monthly and reviews and recommends zoning applications, changes to zoning ordinances and recommends possible future economic development for the City. The Park board meets monthly to review park and recreation programs use and recommends future programs and development for parks.

There are also several internal committees comprised of department heads and employees to assist in the management of City operations. These include the Labor Management committee, Employee Management committee, Insurance committee, Safety committee, Wellness Committee and Police Review committee.

MISSION, VISION AND GOALS

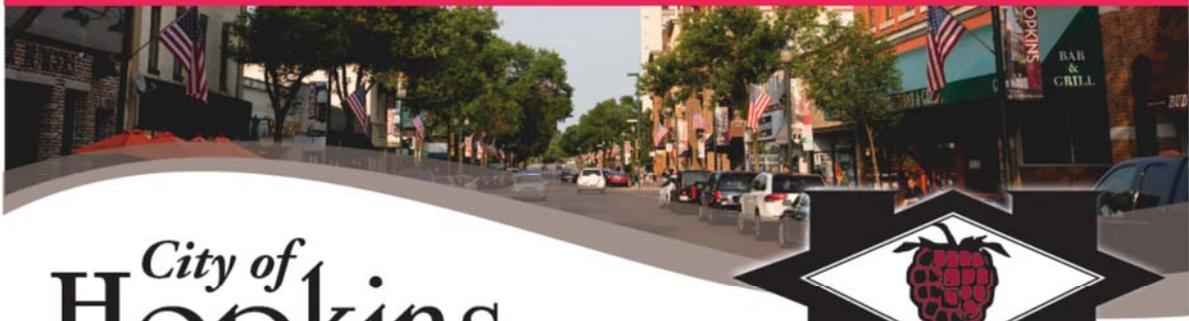
Long-range goals for the City are:

- Continually enhance partnerships with citizens.
- Inspire citizen leadership.
- Educate and involve residents.
- Communicate openly and effectively.
- Be responsive.
- Be fiscally responsible.
- Provide quality customer service that is:
 - ✓ Responsive to the needs of the community.
 - ✓ Innovative.
 - ✓ Accessible.



Short-term goals are reviewed annually by City Council and staff. The discussion begins with the global environment and ends with prioritizing goals for the near future. Below are the mission, vision and short-term goals for the City along with the strategies and action steps needed to implement them. The budget is developed using the three main goals along with the strategies as guidance. Departments then use the action steps in setting individual departmental goals and budgets so that resources are available to achieve the action steps identified.

CITY OF HOPKINS



City of Hopkins 2016

MISSION

Inspire. Educate. Involve. Communicate.

VISION

Creating a spirit of community where...

People feel safe, are treated with respect, and cultural heritages are celebrated.

Business growth throughout the city is supported while a vibrant city center is maintained.

People enjoy accessible government services, quality parks and housing, and outstanding schools.

GOALS

Preserve the Home Town Feel of Hopkins

Urban Design: Do It Right

Take It To Them

STRATEGIES

Create a more vibrant business community

Promote and enhance city events

Provide accessible and friendly city services

Embrace and strengthen partnerships

Improve walking and biking infrastructure in the city

Practice environmental responsibility

Promote healthy city initiatives

Engage in light rail transit planning and transit-oriented development

Involve diverse populations

Engage the rental community of Hopkins

Inspire community and citizen engagement

GOAL SETTING 2016

2016 BUDGET

CITY OF HOPKINS

GOALS: ACTION STEPS

Preserve the Home Town Feel of Hopkins

- » Strengthen image of arts community
- » Promote shopping local
- » Continue to promote the Open to Business program
- » Develop wayfinding plan for community
- » Work with “Think Hopkins” on business recruitment efforts
- » Promote city events large and small (Raspberry Festival, Mainstreet Days, Old Fashioned Holiday, Music in the Park, etc.) and have a city booth at events when possible
- » Explore improved service delivery through e-commerce
- » Promote interactive park, trails, and facilities directory on website
- » Continue to grow partnerships with:
 - » Joint Recreation with Minnetonka
 - » Hennepin County
 - » Hopkins School District
 - » Watershed Districts
 - » Met Council
 - » Three Rivers Park District
 - » Surrounding cities
 - » Faith and community-based organizations

Urban Design: Do It Right

- » Implement the sidewalk and trail master plan and partner with other agencies to improve and update paths, trails and crossings in the community, supporting “Complete Streets” initiatives
- » Explore local transportation opportunities
- » Explore pedestrian/bike overlay, pursue bike friendly city designation, and explore bike share opportunities
- » Promote annual events and activities that support wellness in our city
- » Develop a schedule for rezoning properties to the mixed-use zoning classification and begin implementation
- » Partner with Hennepin County and SWLRT cities to maximize benefit and reduce conflict of SWLRT line
- » Work with Minnetonka and Hennepin County to implement strategies for the Shady Oak LRT Station
- » Work with all stakeholders to implement and build on recommendations of the Blake Road Corridor plans
- » Continue to explore and promote sustainability programs and initiatives in our community
- » Refine Mainstreet design and façade improvement program and secure funding
- » Cross-department collaboration in design of key public spaces

Take It To Them

- » Promote cultural celebrations
- » Explore methods to involve multicultural advisory committee in community building
- » Seek out diversity on boards and commissions
- » Intentionally engage rental communities
- » Implement a program to provide city information to new renters
- » Encourage volunteers and expand volunteer opportunities
- » Engage residents by conducting community meetings at alternative locations
- » Conduct presentations with different groups throughout the community on city goals and initiatives as well as SWLRT
- » Educate the community in the area of emergency preparedness
- » Expand Yellow Ribbon opportunities to businesses
- » Identify opportunities to engage and recognize youth, businesses, faith-based organizations and schools



CITY OF HOPKINS

FINANCIAL MANAGEMENT AND POLICIES

The City of Hopkins Finance Department is responsible for maintaining the accounting system and monitoring compliance with the budgetary controls and financial policies established by the City Manager and City Council. Following is an overview of relevant financial management practices, policies and year-end reporting.

BASIS OF ACCOUNTING

The accounting system provides for a complete, self-balancing account group for each fund of the City. Accounting records are maintained on the modified accrual basis for City funds. The exception is the proprietary funds, which are on full accrual. The modified accrual basis of accounting recognizes revenues to the degree that they are available to finance expenditures of the fiscal period. Similarly, debt service payments and a number of specific accrued liabilities are only recognized as expenditures when payment is due because it is only at that time that they normally are liquidated with expendable available financial resources. The budgetary basis of accounting is the same basis of accounting used to prepare the City's financial statements as included in the City's Comprehensive Annual Financial Report at the fund statement level.

COMPREHENSIVE ANNUAL FINANCIAL REPORT (CAFR)

The City implemented Governmental Accounting Standards Board (GASB) Statement No. 34 for the year ending December 31, 2003. The statement also requires the City to utilize the economic resources measurement focus as well as the accrual basis of accounting.

The City operates on a calendar fiscal year and reports its year-end financial position in a Comprehensive Annual Financial Report (CAFR), prepared by the City's Finance staff. Copies of the 2015 CAFR will be available to the public upon completion in May 2016 and a summary of the results will be published in the official newspaper.

The 2015 CAFR will be audited by the independent auditing firm of CliftonLarsonAllen, LLP to insure accuracy and compliance with federal and state laws and regulations. State law provides that the City may arrange for an examination of its books, records, accounts and affairs, or any part thereof, by the State Auditor or by Certified Public Accountants. It has been a long-standing policy of the City to provide for a complete annual audit of the City records by independent Certified Public Accountants.

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement of Excellence in Financial Reporting to the City of Hopkins for its CAFR for the fiscal year ended December 31, 2014. The Certificate of Achievement is a prestigious national award recognizing conformance with the highest standards for preparation of state and local government financial reports.

CAPITAL IMPROVEMENT PROGRAM (CIP) POLICY

The City annually develops a 5-year plan for capital improvements and updates it annually. The five-year budget capital improvement will be approved and incorporated into the operating budgets. The following year's budget will be adopted with the year after that on a cycle consistent with the operating budgets. The complete CIP document can be downloaded from the city's website at www.hopkinsmn.com and is a companion document to the Annual Budget.

The City will identify the estimated cost and potential funding sources for each capital project proposal before it is submitted to the Council for approval and that process will determine the most cost effective financing method for the proposed project. The City will make all capital improvements in accordance with the adopted capital improvement program or as amended by the City Council. Capital purchases not otherwise funded through an approved budget shall require City Council approval. The City will maintain all its assets at a level adequate to protect the City's and its citizen's capital investment and to minimize future maintenance and replacement costs.

CITY OF HOPKINS

EQUIPMENT REPLACEMENT PLAN (ERP) POLICY

The City annually develops a 5-year plan for equipment replacement and updates it annually. The five-year budget equipment replacement plan will be approved and incorporated into the operating budgets. The following year's budget will be adopted with the year after that on a cycle consistent with the operating budgets. The complete ERP document can be downloaded from the city's website at www.hopkinsmn.com and is a companion document to the Annual Budget.

The City will identify the estimated cost and potential funding sources for each equipment proposal before it is submitted to the Council for approval and that process will determine the most cost effective financing method for the proposed equipment purchase. New pieces of equipment not previously in the equipment replacement plan must first be financed through the departmental budget and will be placed in the equipment replacement plan the year following the purchase. The City will make all equipment purchases in accordance with the adopted equipment replacement plan or as amended by the City Council. Equipment purchases not otherwise funded through an approved budget shall require City Council approval.

The City will maintain all its equipment assets at a level adequate to protect the City's and its citizen's capital investment and to minimize future maintenance and replacement costs.

BUDGETARY AND FINANCIAL CONTROL POLICIES

- The council shall have full authority over the financial affairs of the City.
- City manager shall control and direct the administration of the City's affairs.
- The manager shall prepare the budget annually and submit it to the council and be responsible for its administration after adoption.
- The manager will prepare and submit to the council at the end of the fiscal year a complete report on the finances and administrative activities of the City for the preceding year; and keep the council advised of the financial condition and future needs of the City.
- The annual budget shall provide a complete financial plan for the budget year by fund.
- The council shall levy the taxes necessary to meet the requirements of the budget for the ensuing fiscal year.
- The city clerk shall be the chief purchasing agent of the City.
- The City will maintain an investment policy that invests available funds to the maximum extent possible, at the highest rates obtainable at the time of investment, in conformance with the legal and administrative guidelines. Any money in any fund belonging to the City, or any branch thereof, may be invested by the city manager according to policies adopted by the City Council.
- The finance director shall be the chief accounting officer of the City and shall submit to the council a statement each month containing information relative to the finances of the City as the council may require. Each year the finance director shall submit a report to the council, no later than June 30, covering the entire financial operations of the City for the past year. This report shall follow the style and form, as far as practicable, prescribed for annual City financial reports and copies will be made available to interested parties.

BUDGET CONTROLS

Budgets are complete financial plans for the future by fund, showing all proposed expenditures and estimates of all anticipated revenues. The council may include or exclude at its discretion any fund, except the general fund. The budget shall be submitted to the council at a regular council meeting, in a manner prescribed by state statute, not less than 30 days prior to final approval. The budget is a public record open to public inspection. The council shall hold a public hearing on the budget and it shall make such changes therein as it deems necessary and adopt the budget by resolution.

BALANCED BUDGET – It has been City policy to annually approve a balanced General Fund budget. A balanced budget is a budget in which expenditures are equal to income. Other City funds may or may not have a balanced budget depending on when funding is received for specific expenditure needs. For example a grant may be budgeted for expenditures that may overlap years. Thus all revenues would be in one year and the expenditures would be in multiple years.

2016 BUDGET

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BUDGET BASIS – Governmental budgets are prepared on the modified accrual basis and enterprise budgeted on an accrual basis. Budgets are estimates and may be amended under the following guidelines.

PREPARATION OF THE ANNUAL BUDGET – The annual budget shall provide a complete financial plan for the budget year by fund, showing all proposed expenditures and estimates of all anticipated revenues applicable to proposed expenditures and any other information the council may require or the city manager might deem desirable. In parallel columns shall be shown the amounts, if any, granted and expended under similar heads for the past two complete fiscal years and, as current as possible, for the immediate past fiscal year. The council may include or exclude at its discretion any fund, except the general fund. The budget shall be submitted to the council at a regular council meeting, in a manner prescribed by state statute, not less than 30 days prior to final approval. It shall be a public record open to public inspection by anyone and the city manager shall cause sufficient copies thereof to be prepared for distribution to the mayor, members of the council and interested persons.

ADOPTION OF THE BUDGET – The council shall hold a public hearing on the budget and it shall make such changes therein as it deems necessary and adopt the budget by Resolution.

ENFORCEMENT OF THE BUDGET – Except as set forth in Section 7.16, the city manager or the City Council shall not approve any expenditure uncovered by the budget. The City Council may approve expenditures uncovered by the budget if there is sufficient unexpended balance left after deducting the total past expenditures and the sum of all outstanding bills, orders and encumbrances. No employee of the City shall place any orders or make any purchases except for the purpose and to the amounts authorized in the budget. Except as in this Charter otherwise provided, any obligations incurred by any person in the employ of the City for any purpose not authorized in the budget or for any amount in excess of the amount therein authorized shall be a personal obligation upon the person incurring the expenditure.

ALTERATIONS IN THE BUDGET – Except as set forth in Section 7.16, after the budget shall have been duly adopted, the council shall not have power to increase the amounts therein fixed, whether by the insertion of new items or otherwise, beyond the estimated revenues, unless the actual receipts shall exceed such estimates, and in that event not beyond such actual receipts. The sums fixed in the budget are appropriated at the beginning of the fiscal year for the several purposes named therein. The council may reduce salaries or the sums appropriated for any other purpose, or authorize the transfer of sums from unexpended balances to other purposes.

Budgets are adopted by fund and are appropriated for several purposes. The council may reduce appropriations within any fund and re-appropriate those funds within the same fund for other purposes. The council may also increase appropriations if actual receipts exceed budgeted revenues. The increase in appropriations cannot exceed the excess in budgeted revenues. The budget, as presented in this document, is developed for each program within a department. For example, the Finance department is made up of several programs including Benefit Administration, Payroll, Utility Billing, etc... For management purposes, the sum of the program expenditures may not exceed the total budget for the specific department. For legal purposes, the general fund total expenditures cannot exceed the total general fund appropriation. The council must budget for the general fund but budgets for all other funds are at their discretion.

Budgets are adopted on a basis consistent with generally accepted accounting principles and are defined on the same basis of accounting described below. Annually appropriated budgets are legally adopted for the general fund. Budgeted amounts are reported as originally adopted, or as amended by the City Council. Budgeted expenditure appropriations lapse at year-end. Unexpended or supplementary appropriations can be carried forward if approved by the City Council. Encumbrances represent purchase commitments. Encumbrances outstanding at year-end are reported as reservations of fund balances and the budgets associated with them are carried forward to the next year.

CITY OF HOPKINS

The City follows the procedures below in establishing the budget.

1. The city manager and finance director submits to the City Council a proposed operating budget for the fiscal year commencing the following January 1.
 - a. The operating budget includes proposed expenditures and the estimated revenues for the general fund, specified special revenue funds requested by City Council, enterprise funds, internal service funds and debt service funds.
 - b. Capital project funds for the City are not budgeted annually but are included in the Capital Improvement Plan approved by the City Council. Capital projects are approved by the City Council on a per project basis.
2. Public hearings are conducted to obtain taxpayer comments.
3. The general fund budget is enacted through passage of a resolution.

BUDGET CALENDAR

April-May	Meet with Council to set parameters and goals for 2015 budget process
June (1st week)	Distribute budget worksheets to departments
June (3rd week)	Departmental budgets to be completed and returned to finance
June (4th week)	Finance reviews and compiles budget summary
July (1st week)	City Manager & Finance to meet with departments to review budgets
July - August	Council work sessions to review budgets
September 1	City Council adopts preliminary levy and budget
September 2	Proposed 2016 budget and levy certified to Hennepin
September/October	Special Revenue & Enterprise budgets presented to Council for review and approval
December 1	Budget public hearing and final budget approval and tax levy certification
December 28	Final 2016 levy certification to Hennepin County

INTERNAL CONTROLS

In developing and altering the City's accounting system, consideration is given to the adequacy of internal accounting controls. These controls are designed to provide reasonable, but not absolute, assurance regarding the safeguarding of assets against loss from unauthorized use of disposition and the reliability of financial records for preparing financial statements and maintaining accountability for assets. The concept of reasonable assurance recognizes the cost of a control should not exceed the benefits likely to be derived, and the evaluation of costs and the benefits requires estimates and judgments by management. All internal control evaluations occur within the above framework. We believe the City's internal accounting controls adequately safeguard assets and provide reasonable assurance of proper recording of financial transactions.

CASH MANAGEMENT

The investment portfolio of the City is designed to attain an average rate of return regularly exceeding the average return on three month US Treasury Bills, while seeking to augment returns above this threshold consistent with budgetary cycles, economic conditions, risk limitations, and prudent investment principles. Portfolio diversification is considered so that investments are not concentrated in one institution, in one type of investment, or purchased from one dealer. Pursuant to this policy, cash temporarily idle during the year was invested in those investments authorized by law

RISK MANAGEMENT

The City has an informal risk management policy, the purpose of which is to maintain the integrity and financial stability of the City, protect its employees from injury, and reduce overall costs of operations. The City has insurance coverage through the League of Minnesota Cities Insurance Trust (LMCIT) to ensure City property, contractors and miscellaneous equipment, crime, employee performance bonds, autos and general liability. General liability coverage amounts to \$1,000,000 per occurrence (and aggregate), with a \$20,000 per occurrence, \$40,000 aggregate deductible.

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DEBT

- The City will confine long-term borrowing to capital improvements, equipment or projects that have a life of more than 5 years and cannot be financed from current revenues.
- The City may issue debt for its Permanent Revolving fund, which pays for any improvement in which part of the cost of the improvement is to be assessed against the benefiting properties.
- The City may also issue revenue bonds that are paid back directly from revenue sources other than debt levies.
- The City may submit to voters the proposition of issuing debt for any public purpose not prohibited by law, and issue the debt upon a favorable majority vote.
- Whenever possible, the City will use revenue (including G.O. backed revenue) or other self-supporting type bonds instead of general obligation bonds.
- The City will maintain frequent and regular communication with bond rating agencies about its financial condition and will follow a policy of full disclosure in every financial report and bond prospectus. The City will comply with Securities Exchange Commission (SEC) reporting.
- The City will keep the total maturity length of general obligation bonds below 25 years. In all cases the maturity shall be shorter than the life of the related assets.
- Net general obligation debt (as defined above) will not exceed 3% of the estimated full market value of taxable property in the City as required by Minnesota Statutes Section 475.53.
- The City may issue emergency bonds to pay for extraordinary expenditures or to cover a shortfall in revenues for budgeted expenditures. Emergency bonds must mature within ten years of issuance. One tenth of the amount is to be levied the first year following issuance and one tenth every year thereafter for ten years.

FUND BALANCE

- The City believes that sound financial management principles require that sufficient funds be retained by the City to provide a stable financial base at all times. To retain this stable financial base, the City needs to maintain a General Fund Balance sufficient to fund all cash flows of the City, to provide financial reserves for unanticipated expenditures and/or revenue shortfalls of an emergency nature, and to provide funds for all existing encumbrances.
- The following individual items shall constitute the City General Fund Balance:
 - Restricted Fund Balance – The restricted fund balance category includes the portion of the *spendable fund balance* that reflects constraints on spending because of legal restrictions stipulated by *outside parties* (e.g., encumbrances for goods or services with outside parties-creditors, grantors outstanding at the end of the year), Also, any legal restrictions based on state statutes or grant requirements placed on the use for specific purposes
 - Committed Fund Balance – The committed fund balance classification includes the portion of the *spendable fund balance* that reflects constraints that the city has *imposed upon itself by a formal action* of the *city council* (for example, an ordinance or resolution passed by a city council). This constraint must be imposed prior to year end but the amount can be determined at a later date.
 - Assigned Fund Balance – The assigned fund balance is the portion of the *spendable fund balance* that reflects funds intended to be used by the government for specific purposes assigned by more informal operational plans. In governmental funds other than the general fund (special revenue funds, capital project funds, debt service funds and permanent funds); assigned fund balance represents the amount that is not restricted or limited. The authority to “assign” fund balance is delegated to the City Finance Director
 - Unassigned – This is the residual classification for the government’s General Fund and includes all spendable amounts not contained in the other classifications and, therefore, not subject to any constraints. Unassigned amounts are available for any purpose. These are the current resources available for which there are no government self-imposed limitations or set spending plan. Although there is generally no set spending plan for the unassigned portion, there is a need to maintain a certain funding level. Unassigned fund balance is commonly used for emergency expenditures not

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previously considered. In addition, the resources classified as unassigned can be used to cover expenditures for revenues not yet received.

- The Council recognizes that any such funds should be appropriated for non-recurring expenditures as they represent prior year surpluses that may or may not materialize in subsequent fiscal years
- **POLICY** - At the end of each fiscal year, the City will strive to maintain Spendable – Unassigned portions of the fund balance for Cash Flow equivalent to a minimum of five (5) months or 42% of the prior fiscal year General Fund operating expenditures. In addition to cash flow needs this accommodates emergency contingency concerns.
- **MONITORING AND REPORTING** - The City Manager and Finance Director shall annually prepare the status of fund balances in relation to this policy and present to the City Council in conjunction with the development of the annual budget.
- When both restricted and unrestricted resources are available for use, it is the City's policy to first use restricted resources, and then use unrestricted resources as they are needed.
- When committed, assigned or unassigned resources are available for use, it is the City's policy to use resources in the following order; 1.) committed 2.) assigned and 3.) unassigned.
- A negative residual amount may not be reported for restricted, committed, or assigned fund balances in the General fund.

BUDGET PLANNING PROCESS

The City has developed a number of elements that when been brought together help to provide the best information for the Council to make their budget decisions. These elements include the following:

- **Strategic Planning Process** – The Council has a mission and vision statement, which helps determine the priorities of the community and direct the council in providing services for its constituency. As part of the process annual goals and objectives are set. Department Directors then use these goals in developing departmental goals and setting departmental budgets.
- **Program Budgeting** – This provides more information in regards to what programs departments provide and what is the individual cost of those programs. This accomplishes the objective of reviewing revenues and expenditures based on program activity. For programs whose goal is to be supported totally by revenues it allows departmental managers to review the fee structure on an annual basis to ensure that goal is met. It also allows the public to determine what portion of a specific department is supported by taxes.
- **Four Year Budget Modeling** – Encourages future planning for the General Fund budget and allows us a preview at projected property tax levy needs over the next four years. Monitoring tax capacity along with budget needs provides advance notice to management when taxes may rise faster than advisable and allows staff to take appropriate action in revising budget goals and projections.
- **Cash Flow Models** – Cash flow projections are created for all funds to provide us with a view of future sources and uses within the various funds and for the City as a whole. This assists in long range planning and goal setting in keeping all funds in a positive cash position.
- **Financial Management Plan** – In 2014 the City adopted a long-range Financial Management Plan for the years 2015-2024 that addresses financing challenges for several funds, sets forth financing for all items identified in the Capital Improvement Plan (CIP) and Equipment Replacement Plan (ERP) (described below), and provides for adequate funding for operational needs in the general, special revenue funds and enterprise funds. Tax base growth is built into the plan so the taxes are indexed each year based on that growth. This plan when followed should make the annual budget much easier to develop.

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The Financial Management Plan will be updated each year prior to the budget process and used as a guide in preparing the annual budget. This document is key in managing increases in the General Fund, restoring the Art Center Fund to sound financial footing and providing adequate resources for the Pavilion Ice Arena that will need significant capital improvements in 2020. The Financial Management Plan was developed by staff with assistance from the City's Financial Advisor who will assist staff in annual updates to the plan to ensure the goals of the City continue to be met.

- **Net Property Tax Cost for Sample Properties** – Developed many years ago, this provides information to the council incorporating expected increases in valuation and projecting actual costs on sample properties within the City. The council when setting the tax levy is sensitive to its impact on property owners and this benchmark provides information on how the recommended levy will impact city taxpayers. If the council feels the proposed levy will negatively impact property owners options for reducing the levy are explored. These may include revenues alternatives or expenditure decreases or a combination of both.
- **Net Tax Cost by Program** – This provides both a dollar and percentage of property tax support for each of the City's general fund programs and demonstrates which city programs are most dependant on taxes. It also provides information to the public on what benefits they receive for their tax dollars.
- **Capital Improvement Plan** – The Capital Improvement Plan (CIP) is a five-year schedule or plan for capital improvement expenditures in excess of \$10,000 and having a useful life of five or more years. The Capital Improvement Plan process begins with departments editing and updating existing plans from previous years and adding or deleting projects. Once this is completed, finance does an analysis of funding requirements and any related prioritization is done by the city manager. The analysis includes a review of projected working capital amounts available for the projects, any operating cost adjustments as a result of the improvement and the impact of future funding needs is determined. The mayor and council then use the compiled information in the CIP along with the results of public discussion, to determine which projects are to proceed and exactly how they will be funded. Once the CIP is approved the projects for the following year are placed in the appropriate budget.
- **Equipment Replacement Plan** –The Equipment Replacement Plan (ERP) is a twenty-year forecast and a five-year plan of equipment needs within the City. In is intended to inform the Council and citizens of the major equipment needs on the horizon. The first year of the plan becomes an adopted equipment budget and relates to the operating budget of the equipment replacement fund, which is approved on an annual basis. The remaining nineteen years represent an estimate of equipment needs and funding capabilities of the City. Funding requirements vary from year to year. In order to maintain a fairly consistent levy each year, the twenty-year schedule is projected with a 3% inflation factor for operating expenses and a yearly average dollar capital expenditure of \$992,400. Revenues for the ERP are derived from charges to the departments that use the equipment and are based on the equipment needs of the various departments over the twenty-year period.

FUND STRUCTURE

The accounting system maintains a standard fund structure for a typical Minnesota city government. Following is a description of the funds included that are subject to appropriation, for which financial plans and budget appropriations are prepared annually. These funds are the General, Special Revenue, Debt Service, Capital Projects and Enterprise.

General Fund

The General Fund accounts for all financial transactions not properly accounted for in any other fund, including most of the basic governmental services. The expenditures from the General Fund account for the majority of primary services provided by the City in the areas of public safety, parks and public works, recreation, planning, engineering and general government.

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Special Revenue Funds

This type of fund accounts for services and expenditures where revenue is restricted for a designated purpose. The City maintains fifteen Special Revenue Funds. There are thirteen budgeted Special Revenue Funds.

- *Chemical Assessment Team Fund* – grant funds received from the state restricted for the operation of the Chemical Assessment Team.
- *Economic Development Fund* – revenue sources include interest on loans, taxes, development fees that are used for expenditures relating to housing and redevelopment projects throughout the city.
- *Tax Increment Funds (7)* – tax increment revenues for housing and economic redevelopment projects throughout the city.
- *Parking Fund* – parking permits and parking violation fees help support the maintenance of the cities current parking lots and ramps.
- *Communication Fund* – franchise fee for cable TV supports cable and communications efforts of the city.
- *Depot Coffee House Fund* – grants, leases and concession revenues support a local chemical free teen center and coffee house.
- *Art Center Fund* – leases, state aids, contributions and program sales support the Hopkins Center for the Arts, which is a community-based center with theater and art at its base.

Some of the Special Revenue Funds do not require an annual financial plan because of the nature of the type of revenue and expenditure. Expenditures are authorized on an individual basis.

- *Hennepin County CDBG Fund* – block grant funds used for housing and infrastructure improvements

Debt Service Funds

Debt service funds account for the accumulation of resources for the payment of general long-term debt principal, interest, and related costs. The City maintains 17 individual debt service funds for the various bond issues. The City has established annual financial plans for all 17 general obligation bond funds, which are shown in total as the GO Debt Service Funds.

Capital Project Funds

Capital project funds account for the acquisition and construction of major capital facilities and equipment (except those financed by proprietary funds). This includes expenditures relating to capital projects and large capital outlay purchases. The City has five budgeted funds in this category:

- *Park Improvement Fund* – development and improvement of City parks. Revenue is primarily from park development fees paid by developers.
- *State Aid Construction Fund* – revenue from state aid to assist with maintenance and construction of state aid streets throughout the city.
- *Capital Improvement Fund* – transfers from other funds to cover future improvements or maintenance of city facilities and infrastructure.
- *Street Improvement Franchise Fee Fund* – revenue is derived from the increase off the base gas and electric franchise fees and will be used to offset street improvement costs that are to be levied on the taxes.
- *Permanent Improvement Revolving Fund* – bonds issued to fund reconstruction and maintenance of residential streets throughout the city.

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Enterprise Funds

Enterprise funds account for our business-type activities. These activities provide services where most of the costs are recovered through user fees and charges. The City has five Enterprise funds.

- *Water Utility Fund* – water utility fees based on water usage, which covers the expense of distributing water and maintaining the water system infrastructure.
- *Sewer Utility Fund* – sewer utility fees based on water usage, which covers the expense of disposing of sewer products and maintaining the sewer system infrastructure.
- *Refuse Utility Fund* – refuse fee based on size of refuse container, which covers the expense of disposing of refuse products.
- *Storm Sewer Utility Fund* – storm sewer utility fee based on non-permeable surface of property for commercial or a fixed rate for residential properties, which covers the expense of maintaining the storm sewer infrastructure throughout the city.
- *Pavilion/Ice Arena Fund* – rental fees for ice or space, which covers the operating costs of running the facility.

Internal Service Funds

Internal Service Funds are used to account for the financing of goods and services provided by one department to other departments of the City on a cost reimbursement basis. The City has three Internal Service Funds and no budgets are prepared for these funds.

- *Equipment Replacement* – revenues derived from leases of large equipment to all departments. Revenues are used to cover the cost of replacing equipment in the future. Lease payments are budgeted in the individual funds and transferred to the Equipment Replacement Fund monthly.
- *Employee Benefits* – to account for compensated absences of non-enterprise employees
- *Insurance Risk* – accounts for the dividends received from the insurance company for low insurance claims and costs, which is used to cover the deductible for any losses.

Major Funds

For 2016 the City identifies the following funds as major funds which are described above. All major funds are budgeted.

- General Fund
- Economic Development Special Revenue Fund
- Arts Center Special Revenue Fund
- Permanent Improvement Capital Projects Fund
- G.O. Housing Improvement Refunding Bonds of 2009B Debt Service Fund
- Water Utility Enterprise Fund
- Sewer Utility Enterprise Fund
- Storm Sewer Utility Enterprise Fund

Public art in the downtown area



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City Personnel by Function

Operating Fund	Administration of Fund							
	General Government	Finance	Police	Fire	Public Works	Community Development	Community Services	Recreation
General Fund								
Administration	X			X			X	
Finance		X					X	
Community Services							X	
Building Maintenance	X		X	X	X		X	
Inspections							X	
Police			X					
Fire				X				
Public Works					X			
Recreation								X
Activity Center								X
Planning & Zoning						X		
Community Development						X		
Special Revenue Funds								
Economic Development						X		
Parking			X		X			
Communication							X	
Depot Coffee House								X
Art Center								X
Enterprise Funds								
Water					X			
Sewer					X			
Refuse					X			
Storm Sewer					X			
Pavilion								X
Housing & Redevelopment							X	



Employees volunteering at the annual Thanksgiving luncheon for seniors at the City's Activity Center.



Mayor Molly Cummings being sworn in as the new mayor for 2016-2018.

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Authorized and Actual Staffing Levels Full-Time and Regular Part-Time Positions 1 FTE = an employee who works 40 hours a week

	2013	2014	2015	2016	2016
	Authorized & Actual	Authorized & Actual	Authorized & Actual	Authorized	Actual
Administrative Services	5.00	5.00	5.00	4.55	5.05
Finance	4.60	4.60	4.60	4.00	4.00
Municipal Building	1.45	1.45	1.45	1.45	1.45
Community Services	9.80	9.70	9.68	8.65	8.65
Police	36.45	34.50	35.50	36.78	36.78
Fire	1.25	1.25	1.25	3.25	3.25
Public Works	17.69	17.09	17.09	17.98	17.58
Skate Park	0.05	0.05	0.05	0.05	0.05
Activity Center	3.20	3.20	3.20	3.25	3.25
Zoning & Planning	1.35	1.35	1.35	1.35	1.35
Community Development	0.85	0.85	0.85	1.20	1.50
General Fund Total	81.69	79.04	80.02	82.51	82.91
Economic Development	1.15	1.60	1.60	1.25	1.25
Housing Rehabilitation	0.00	0.00	0.00	0.00	0.00
Parking	0.72	0.72	0.72	0.72	0.72
Communications	0.25	0.25	0.25	0.75	0.75
Depot Coffee House	6.25	5.25	5.25	5.25	5.25
Art Center	3.80	3.80	4.30	4.30	4.30
Special Revenue Fund Total	12.17	11.62	12.12	12.27	12.27
Water	3.13	3.13	3.43	3.70	2.87
Sanitary Sewer	3.46	3.46	3.76	3.60	3.40
Refuse	3.89	3.89	3.89	4.09	4.09
Storm Sewer	0.63	0.63	0.63	0.63	0.43
Pavilion/Ice Arena	2.40	2.40	2.90	2.90	2.90
Housing & Redevelopment	2.20	2.20	2.20	2.40	2.40
Total Proprietary Funds	15.71	15.71	16.81	17.32	16.09
Total All Funds	109.57	106.37	108.95	112.10	111.27

In 2016 the .83 position difference between authorized and actual staffing is due to minor changes in staffing. Due to a significant number of retirements the City has taken the opportunity to review staffing and make operational changes. As a result we were able to eliminate two part-time positions.

The increase in actual staffing from 2015 to 2016 of 3.15 is due to adding two full-time firefighters increasing full time fire staff to three, bring the part-time parking enforcement officer to full-time and adding part-time staff to the Depot Coffee Shop. Other minor changes included shifting responsibilities of various personnel between departments which resulted in staffing count changes in those departments.

2016 BUDGET

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Operating Fund Crosswalk

This matrix shows the relationship between functional units and funds.

Function	Major Funds											
	General Fund	Special Revenue			Capital Projects		Debt Service		Enterprise			
		Economic Dev	Tax Incr District - Entertainment District	Arts Center	Municipal State Aid	Permanent Improvement Revolving	Taxable Housing Bonds of 2009B	Taxable Tax Increment Rfdg Bonds of 2005B	Water Utility	Sewer Utility	Storm Sewer Utility	Pavilion
General Government	X	X		X	X	X	X	X	X	X	X	X
Public Safety	X											
Health and Welfare	X											
Highways and Streets	X											
Urban Redevelopment and Housing		X		X								
Culture and Recreation	X		X									X
Capital Outlay	X				X	X		X	X	X	X	
Debt Service							X	X	X	X	X	
Water								X				
Sewer									X			
Storm Sewer											X	

Function	Non-Major Funds			
	Special Revenue	Capital Projects	Debt Service	Enterprise
General Government	X	X	X	X
Public Safety	X			
Health and Welfare	X			
Highways and Streets	X			
Urban Redevelopment and Housing	X			
Culture and Recreation	X			
Capital Outlay	X	X		
Debt Service			X	
Refuse				X



Hopkins Citizen's Academy participants engage in Police, Planning and Economic Development, and fire exercises. The Citizens Academy, a five week program held annually in March allows citizens to get a better understanding of how their City government works. The Academy covers the topics of, Our Government, Police, Fire, Public Works and Planning & Economic Development. The program has been well received by the community with over 25 participants each year.

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Summary Budget Information – Major Funds and Non-Major Funds by Fund Type

	2014 <u>Actual</u>	2015 <u>Actual</u>	2015 <u>Budget</u>	2016 <u>Budget</u>	Budget <u>Difference</u>	<u>%age</u>
<u>REVENUES</u>						
General Fund	\$ 11,355,285	\$ 11,534,162	\$ 11,346,716	\$ 11,875,730	\$ 529,014	4.66%
Special Revenue Funds						
Economic Development Fund	\$ 650,707	\$ 698,288	\$ 288,072	\$ 356,113	\$ 68,041	23.62%
Arts Center	\$ 679,223	\$ 777,392	\$ 787,121	\$ 787,108	\$ (13)	0.00%
Non-major Special Revenue Funds	\$ 3,548,907	\$ 3,861,554	\$ 3,462,894	\$ 3,557,852	\$ 94,958	2.74%
Capital Project Funds						
Permanent Improvement Fund	\$ 2,067,658	\$ 5,701,023	\$ 1,641,537	\$ 3,603,842	\$ 1,962,305	119.54%
Non-major Capital Project Funds	\$ 2,791,356	\$ 2,522,008	\$ 1,997,696	\$ 2,971,893	\$ 974,197	48.77%
Debt Funds						
Taxable Housing Bonds of 2009B	\$ 399,288	\$ 407,103	\$ 407,000	\$ 407,750	\$ 750	0.18%
Non-major Debt Service Funds	\$ 17,628,780	\$ 21,896,938	\$ 2,670,194	\$ 3,707,894	\$ 1,037,700	38.86%
Enterprise Funds						
Water Utility Enterprise Fund	\$ 1,513,774	\$ 1,513,774	\$ 1,675,400	\$ 1,553,500	\$ (121,900)	-7.28%
Sewer Utility Enterprise Fund	\$ 2,117,430	\$ 2,117,430	\$ 2,208,700	\$ 2,277,200	\$ 68,500	3.10%
Storm Sewer Enterprise Fund	\$ 811,842	\$ 811,842	\$ 803,000	\$ 804,000	\$ 1,000	0.12%
Non-major Enterprise Funds	\$ 1,344,023	\$ 1,344,023	\$ 1,405,400	\$ 1,433,267	\$ 27,867	1.98%
<u>EXPENDITURES</u>						
General Fund	\$ 11,063,528	\$ 11,228,522	\$ 11,346,716	\$ 11,875,730	\$ 529,014	4.66%
Special Revenue Funds						
Economic Development Fund	\$ 362,524	\$ 425,682	\$ 240,828	\$ 176,600	\$ (64,228)	-26.67%
Arts Center	\$ 755,475	\$ 763,815	\$ 999,277	\$ 903,667	\$ (95,610)	-9.57%
Non-major Special Revenue Funds	\$ 2,883,124	\$ 1,714,551	\$ 2,270,022	\$ 2,733,727	\$ 463,705	20.43%
Capital Project Funds						
Permanent Improvement Fund	\$ 1,623,431	\$ 7,921,516	\$ 2,630,973	\$ 3,898,728	\$ 1,267,755	48.19%
Non-major Capital Project Funds	\$ 2,679,632	\$ 1,446,959	\$ 2,992,500	\$ 1,653,847	\$ (1,338,653)	-44.73%
Debt Funds						
Taxable Housing Bonds of 2009B	\$ 330,239	\$ 325,517	\$ 325,500	\$ 327,200	\$ 1,700	0.52%
Non-major Debt Service Funds	\$ 10,740,718	\$ 20,255,495	\$ 9,050,039	\$ 3,585,449	\$ (5,464,590)	-60.38%
Enterprise Funds						
Water Utility Enterprise Fund	\$ 1,473,094	\$ 1,473,094	\$ 1,569,265	\$ 1,693,261	\$ 123,996	7.90%
Sewer Utility Enterprise Fund	\$ 2,079,356	\$ 2,079,356	\$ 2,382,064	\$ 2,607,944	\$ 225,880	9.48%
Storm Sewer Enterprise Fund	\$ 880,210	\$ 880,210	\$ 490,738	\$ 504,496	\$ 13,758	2.80%
Non-major Enterprise Funds	\$ 1,289,931	\$ 1,289,931	\$ 1,340,993	\$ 1,395,450	\$ 54,457	4.06%

Major Funds are in **bold type**

2016 BUDGET

CITY OF HOPKINS

Summary of Budgeted Funds

GENERAL FUND						
	2014	2015	2015	2016	Budget	
	<u>Actual</u>	<u>Actual</u>	<u>Budget</u>	<u>Budget</u>	<u>Difference</u>	<u>%age</u>
REVENUES						
Property Taxes	\$ 8,953,481	\$ 9,113,565	\$ 9,307,729	\$ 9,796,951	489,222	5.26%
Intergovernmental	956,514	1,043,085	843,112	891,954	48,842	5.79%
Licenses, Permits & Fines	780,586	706,791	569,975	575,775	5,800	1.02%
Charges for Services	295,066	285,911	209,300	188,900	(20,400)	-9.75%
Miscellaneous	68,849	84,420	126,600	132,150	5,550	4.38%
Franchise Fees	300,789	300,390	290,000	290,000	-	
	<u>\$11,355,285</u>	<u>\$11,534,162</u>	<u>\$11,346,716</u>	<u>\$11,875,730</u>	<u>529,014</u>	<u>4.66%</u>
APPROPRIATIONS						
Council	\$ 71,519	\$ 82,266	\$ 70,417	\$ 79,708	9,291	13.19%
Administrative Services	517,507	523,849	527,051	531,969	4,918	0.93%
Finance	258,994	359,990	256,081	276,993	20,912	8.17%
Legal	171,685	156,835	145,000	150,000	5,000	3.45%
Municipal Building	304,697	319,352	324,246	333,611	9,365	2.89%
Community Services	1,013,372	1,025,383	1,030,737	1,089,843	59,106	5.73%
Police	4,396,663	4,515,389	4,511,890	4,737,734	225,844	5.01%
Fire	1,084,506	1,038,292	985,987	1,105,110	119,123	12.08%
Public Works	2,422,216	2,332,905	2,503,936	2,580,621	76,685	3.06%
Recreation	585,914	604,955	589,560	632,894	43,334	7.35%
Planning	123,993	134,289	135,162	153,872	18,710	13.84%
Community Development	87,124	90,387	91,449	121,875	30,426	0%
Unallocated	25,338	44,630	175,200	81,500	(93,700)	-53.48%
	<u>\$11,063,528</u>	<u>\$11,228,522</u>	<u>\$11,346,716</u>	<u>\$11,875,730</u>	<u>529,014</u>	<u>4.66%</u>

SPECIAL REVENUE FUNDS						
	2014	2015	2015	2016	Budget	
	<u>Actual</u>	<u>Actual</u>	<u>Budget</u>	<u>Budget</u>	<u>Difference</u>	<u>%age</u>
REVENUES						
Chemical Asses. Team	\$ 63,949	\$ 77,731	\$ 45,000	\$ 60,000	\$ 15,000	33.3%
Economic Development	650,707	698,288	288,072	356,113	68,041	23.6%
Parking	106,934	137,820	96,500	138,000	41,500	43.0%
Communication	265,949	272,573	250,000	257,000	7,000	2.8%
Depot Coffee House	366,662	376,057	343,000	344,100	1,100	0.3%
Art Center	679,223	777,392	787,121	787,108	(13)	0.0%
Tax Incr Financing (7 funds)	2,745,413	2,997,373	2,728,394	2,758,752	30,358	1.1%
	<u>\$ 4,878,837</u>	<u>\$ 5,337,234</u>	<u>\$ 4,538,087</u>	<u>\$ 4,701,073</u>	<u>\$ 162,986</u>	<u>3.6%</u>
APPROPRIATIONS						
Chemical Assess. Team	\$ 75,313	\$ 97,568	\$ 45,000	\$ 60,000	\$ 15,000	33.3%
Economic Development	362,524	425,682	240,828	176,600	(64,228)	-26.7%
Parking	106,655	201,214	139,404	359,600	220,196	158.0%
Communication	192,918	228,264	244,264	223,773	(20,491)	-8.4%
Depot Coffee House	373,566	351,552	333,359	338,142	4,783	1.4%
Art Center	755,475	763,815	999,277	903,667	(95,610)	-9.6%
Tax Incr Financing (7 funds)	2,134,672	835,953	1,507,995	1,752,212	244,217	16.2%
	<u>\$ 4,001,123</u>	<u>\$ 2,904,048</u>	<u>\$ 3,510,127</u>	<u>\$ 3,813,994</u>	<u>\$ 303,867</u>	<u>8.7%</u>

2016 BUDGET

CITY OF HOPKINS

PROPRIETARY FUNDS

	<u>2014</u> <u>Actual</u>	<u>2015</u> <u>Actual</u>	<u>2015</u> <u>Budget</u>	<u>2015</u> <u>Budget</u>	<u>Budget</u> <u>Difference</u>	<u>%age</u>
REVENUES						
Water	\$ 1,513,774	\$ 1,513,774	\$ 1,675,400	\$ 1,553,500	\$ (121,900)	-7.3%
Sanitary Sewer	2,117,430	2,117,430	2,208,700	2,277,200	\$ 68,500	3.1%
Refuse	955,602	955,602	949,800	981,167	\$ 31,367	3.3%
Storm Sewer	811,842	811,842	803,000	804,000	\$ 1,000	0.1%
Pavilion/Ice Arena	388,421	388,421	455,600	452,100	(3,500)	-0.8%
	<u>\$ 5,787,069</u>	<u>\$ 5,787,069</u>	<u>\$ 6,092,500</u>	<u>\$ 6,067,967</u>	<u>\$ (24,533)</u>	<u>-0.4%</u>
APPROPRIATIONS						
Water	\$ 1,473,094	\$ 1,473,094	\$ 1,569,265	\$ 1,693,261	\$ 123,996	7.9%
Sanitary Sewer	2,079,356	2,079,356	2,382,064	2,607,944	225,880	9.5%
Refuse	838,057	838,057	903,376	940,973	37,597	4.2%
Storm Sewer	880,210	880,210	490,738	504,496	13,758	2.8%
Pavilion/Ice Arena	451,874	451,874	437,617	454,477	16,860	3.9%
	<u>\$ 5,722,591</u>	<u>\$ 5,722,591</u>	<u>\$ 5,783,060</u>	<u>\$ 6,201,151</u>	<u>\$ 418,091</u>	<u>7.2%</u>

DEBT SERVICE FUNDS (all funds)

	<u>2014</u> <u>Actual</u>	<u>2015</u> <u>Actual</u>	<u>2015</u> <u>Budget</u>	<u>2016</u> <u>Budget</u>	<u>Budget</u> <u>Difference</u>	<u>%age</u>
REVENUES						
Property Taxes	\$ 1,589,092	\$ 1,530,837	\$ 1,514,844	\$ 2,799,325	\$ 1,284,481	84.8%
Special Fees	1,020,853	828,529	906,509	909,355	2,846	0.3%
Miscellaneous	211,118	453,427	5,550	15,687	10,137	182.6%
Proceeds from Bond Sale	8,240,000	18,735,000	-	-	-	#DIV/0!
Operating Transfer In	6,967,005	756,248	650,291	391,277	(259,014)	-39.8%
	<u>\$18,028,068</u>	<u>\$22,304,041</u>	<u>\$ 3,077,194</u>	<u>\$ 4,115,644</u>	<u>\$ 1,038,450</u>	<u>33.7%</u>
APPROPRIATIONS						
Bond Principal	\$ 1,970,000	\$ 8,570,000	\$ 8,570,000	\$ 3,075,000	\$(5,495,000)	-64.1%
Bond Interest	683,725	617,988	617,988	814,199	196,211	31.7%
Miscellaneous other charges	147,766	336,430	17,851	23,351	5,500	30.8%
	-	3,937,887	-	-	-	#DIV/0!
Transfer out	8,269,466	7,118,707	170,000	-	(170,000)	-100.0%
	<u>\$11,070,957</u>	<u>\$20,581,012</u>	<u>\$ 9,375,839</u>	<u>\$ 3,912,550</u>	<u>\$(5,463,289)</u>	<u>-58.3%</u>
Total Revenues	40,049,259	44,962,506	25,054,497	26,760,414	1,705,917	6.8%
Total Appropriations	31,858,199	40,436,173	30,015,742	25,803,425	(4,212,317)	-14.0%
Use of Equity or Fund Balance	(8,191,060)	(4,526,333)	4,961,245	(956,989)	(5,918,234)	-119.3%

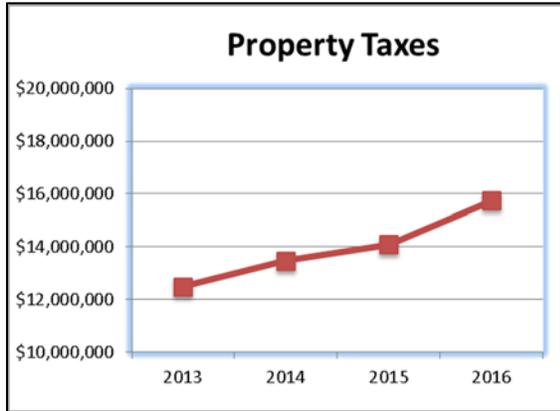
2016 BUDGET

CITY OF HOPKINS

APPROVED BUDGET SUMMARY – ALL FUNDS

REVENUE SUMMARY

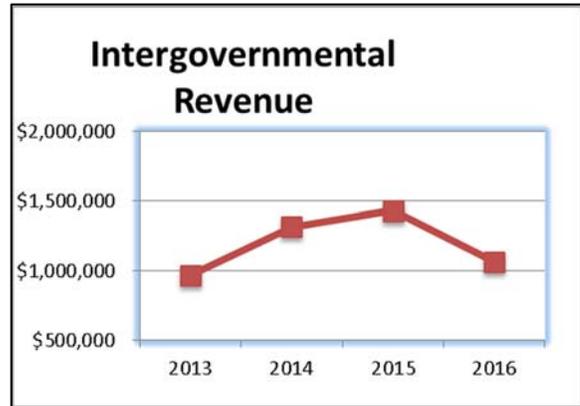
The total budget represents planned or anticipated revenues for all funds, excluding unbudgeted special revenue funds and capital project funds. The amount of the annual total anticipated revenues fluctuates up or down from year to year, depending on special projects and grants which may occur during the plan budget period. The budget provides guidelines to staff for City operations.



Property Taxes: One purpose of the budget is to communicate the financial plans for the City and its allocation of resources. The budgeted revenues for all funds total \$26,698,314. The largest source of revenue by category is property taxes of \$15,745,089 comprising 60% of total revenues. Property taxes are levied to support the general fund activities, help pay debt and provide tax increment redevelopment funding sources. Successful tax increment projects have helped create a larger tax base for the City. Currently the City is collecting tax increment revenues from several districts to pay off redevelopment notes, redevelopment bonds and help in future redevelopment costs of properties within certain districts. Levy limits

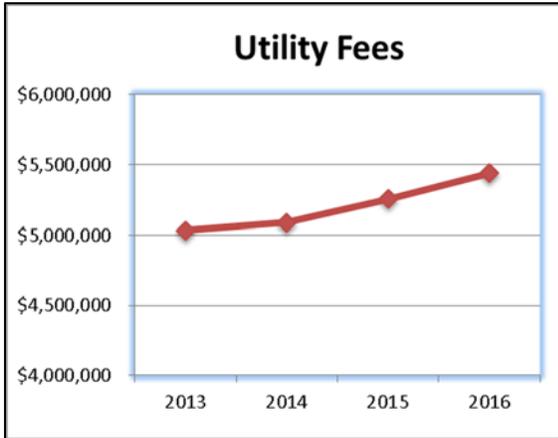
have been on again and off again since 2004. They were back on in 2014 but were off again in 2015 and remain off for 2016. Levy limits while providing assurances to taxpayers do give the City the additional challenges in meeting citizen's requests for sustained services or in some instances increased services. In 2016 budgeted taxes increased in total by 8.85% primarily for as a result of new G.O. debt and levies for the Arts Center and Pavilion. The General Fund had a small increase in the levy due to increases in expenditures that were not offset by other revenue sources.

Intergovernmental Revenues: Total \$1,067,921 or 4.08% of the City's revenues. The City currently receives highway funding, police and fire aid, chemical assessment grants, PERA aid, fire grants, Community Development Block Grant funds and other miscellaneous state grants. Estimates for intergovernmental revenues are based on known revenue sources and projections are based on information from the various state and county agencies from which the revenues are received. The city has reduced its reliance on revenues from state and federal governments due to decreased availability and reduced funding in the various state programs. Over the past several years the city has been successful in getting grants for specific projects. Those projects are not budgeted due to the uncertainty in the success of our application for those funds. In 2014 the City once again received local government aid from the State. This revenue sharing program has undergone many changes over the years with Hopkins last receiving funds under this program in 2002. In 2016 we are programmed to receive \$413,944 that will go to the General Fund and is utilized to reduce the general fund tax levy. In 2015 the City received several grants that were not part of the budget and helped fund specific programs. Those programs are not expected to continue in 2016. The City's policy is to only budget for grants that have been approved before the budget is adopted as there is no guarantee of the award.



2016 BUDGET

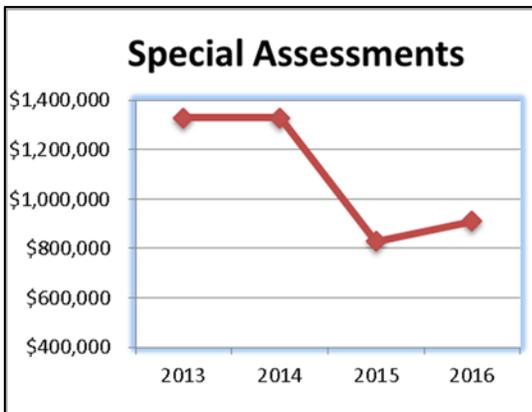
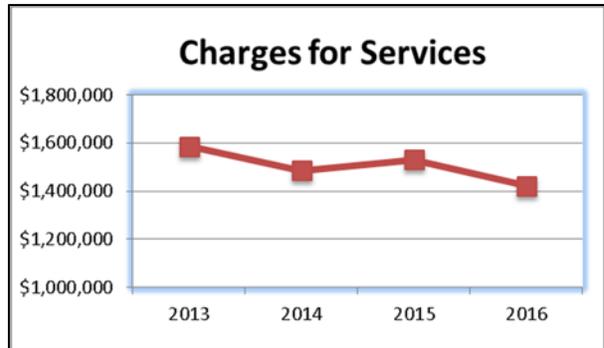
CITY OF HOPKINS



Utility Fees: For water, sewer, refuse and storm sewer account for \$5,438,967 of the City's revenue or 20.77%. In 2007 a utility master plan was completed then revised in 2009, 2011 and 2013 for the water, sewer and storm sewer funds looking at anticipated revenues, expenditures and planned capital improvements. The rate structure for each fund was then adjusted to meet those needs. Beginning in 2008 and going forward rates are adjusted as set forth in the utility master plan. In doing so revenues should be adequate to meet the future need of those systems. In 2008 an analysis of the Refuse fund was also done and rates were adjusted to ensure we continue to meet operational and capital needs. In 2016 rates for refuse and recycling were increased. Rates for water, sewer and storm sewer

were not increased as the City is once again undergoing a comprehensive review of its rate structure and plans to implement a tiered rate structure for water and sewer to encourage conservation. Revenue projections are based on the original Utility Master Plan as developed by the City Engineer. The increase in revenues is derived from a combination of increased consumption and increased fees. In 2016 rates were increased \$1 for each tier of garbage service and \$0.50 for the recycling program. Due to recent development of multi-family housing we expect our water consumption to increase for 2016.

Charges for Services: Other than utilities are \$1,796,195 or 6.86% of the City's revenues. The City charges for plan reviews, special police or fire services, parking permits for city parking facilities, facility rental, concessions and ice time. A large portion of the charges for services include plan review fees from building permits which are on the rise again with new development. The variance in revenues between years is due to development projects and the related plan review fees. Finance relies on plan review fee projections prepared by the City's Building Official and input from departmental managers on the level of activity expected in their departments when setting the budget for this revenue category. While there are several other development projects on the horizon the City budgets conservatively on plan review fee income due to the uncertainty of the development market which can change depending on developers funding for their proposed projects.



Special Assessments: and Special Assessment Fees for housing projects are \$909,355 or 3.47% of City revenues. Special Assessments are levied for street, sidewalk, alley, water, sewer or storm sewer improvements that benefit private property. Special Assessment fees are assessed every year to the specific housing properties that benefited from the development projects. These projects allowed the City to improve the value of the housing stock in several townhome and condominium developments. Special assessment revenues fluctuate with the number and amount of assessable projects and have remained relatively stable the last few years. In 2013 and 2014 the City received a large number of pre-payments on 15-year special assessments scheduled to go on the taxes for 2014 and 2015 As a result of the pre-payments revenues

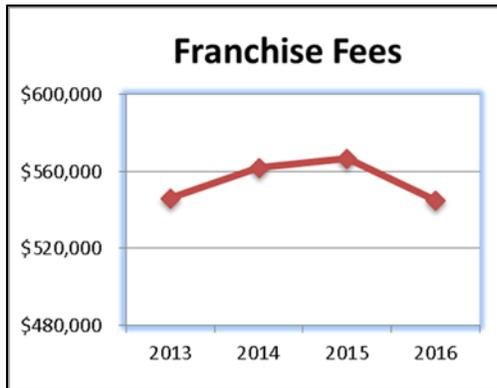
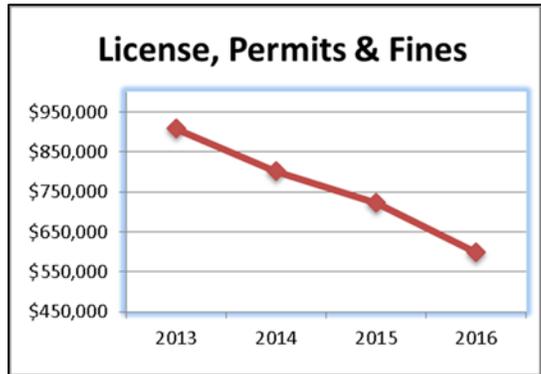
assessments scheduled to go on the taxes for 2014 and 2015 As a result of the pre-payments revenues

2016 BUDGET

CITY OF HOPKINS

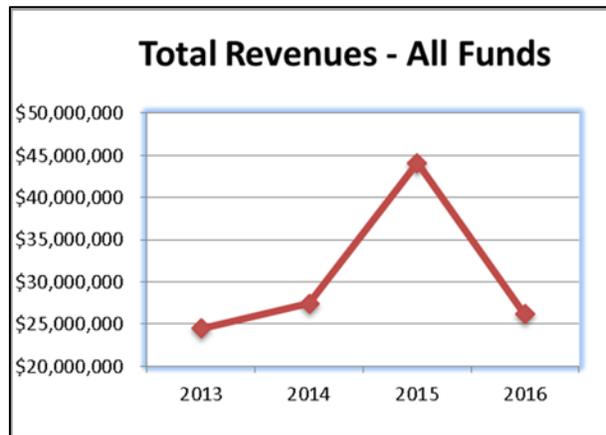
in future years will be reduced. Special assessment revenue projections are based on the special assessment rolls and scheduled payments due in the budget year.

Permits, Licenses and Fines: are \$597,775 or 2.28% of revenues. Permit revenues are dependent on the economy and on future development of the City. In 2013 and 2014 due to several large commercial redevelopment projects the City had a very strong years in building permit income. While there are other projects in the works the City chooses not to rely on that income until it becomes reality, therefore building permit income continues to be budgeted conservatively based on an average of the past 10 years. The permit fee revenue projection was prepared by the City's Building Official based on knowledge of pending and anticipated projects. License revenue is based on the types of businesses licensed by the city and past year's collections. Those revenues remain stable. The City also budgets conservatively for fine revenue as that revenue stream is unpredictable. Fine revenue is only received once the fines are collected by the State of MN which then remits Hopkins' portion to them. Parking permits and ticket revenues remain stable.



Franchise Fees: In addition to the franchise fee collected on cable television, a franchise fee on electric and gas utilities was implemented in 2004 to help offset the loss of state aids. It impacts residential properties by \$2.20 per month on both the electric and gas utility bills. The rate progresses higher for multiple dwellings and commercial properties. Total franchise fees collected in 2016 will be about \$545,000 or 2.085% of City revenues. While franchise fees on electric and gas remain stable there is federal legislation that may limit the future of cable TV franchise revenues and therefore a more conservative approach was taken to that portion of the franchise fee budget. In 2012 and 2013 due to changes in local government programming the City received additional cable franchise fees for public, education and government (PEG) programming. While we anticipate receiving PEG fees in 2016 we do not know the exact amount so have set the budget conservatively. PEG fees received are restricted in use to provide public access to city council and other public meetings. The city is currently using the funds to provide live streaming of city council and other public meetings and to archive the meetings for future public web streaming access on the city's website.

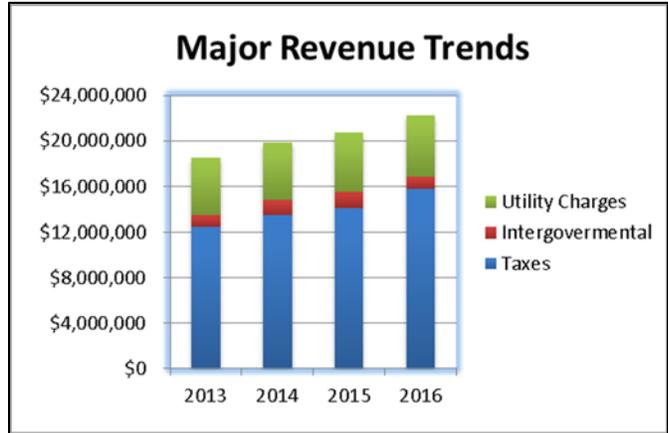
Total 2015 Actual Revenues: Increased from 2014 as a result of grants received, higher than expected building permit, plan review, fine revenues, franchise fees and four bond sales. The City has continued to be conservative in preparing the 2016 budget realizing the challenges our taxpayers continue to face as a result of the economy. The City workforce has remained stable with many long-term employees. Like other cities we continue to do more with less and work to maximize the budget dollars we do have to work with. Staff has been very conscientious in the management of departmental budgets which has allowed us to maintain staffing while providing the same level if not better services to the public.



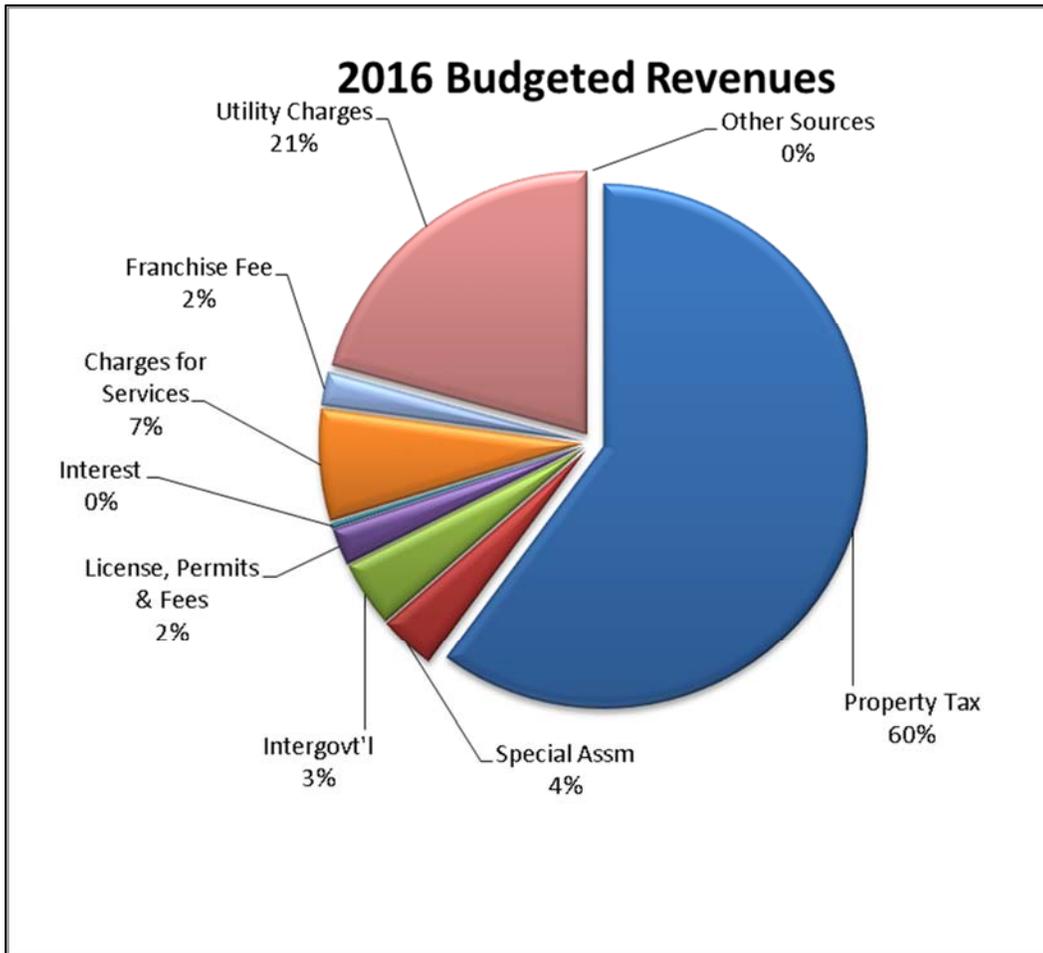
2016 BUDGET

CITY OF HOPKINS

Major Revenue Trends: Shown to the right is a chart showing the trends of three of our major revenue sources. Taxes include both property taxes and tax increments. Taxes continue to increase as other sources of revenue decrease and new tax increment projects come on the tax rolls. Intergovernmental revenues have declined over the last several years; however we were successful in receiving federal COPS grant, a fire prevention and safety grant along with Local Government Aid. Intergovernmental revenues are less reliable so the city has been decreasing its dependence on that source of income. Tax revenues have risen to fill that gap; however we continue to seek other revenue sources to meet out budget needs which include grants.



Shown below is a chart showing the relationship between all revenue sources.



2016 BUDGET

CITY OF HOPKINS

APPROPRIATION SUMMARY

Appropriations for all funds total \$25,803,425. This is less than anticipated revenues for 2016 and results in an increase of fund balance of \$956,989 overall as funds on hand are used for planned projects. The special revenue funds will add \$887,079 where certain funds such as the parking fund and arts center fund are working to rebuild fund balance and tax increment revenues exceed current needs and \$203,094 is from enterprise funds as we work to rebuild fund equity and bring the water and sewer fund to a more stable financial position.

The largest source of appropriations by category is employee salaries and benefits at \$11,493,216. Employee salary and benefits make up 44.16% of the City's annual appropriation and represent a 3.4% increase from 2015 actual. In 2016 employees received a 2 increase with 2-year union contracts going until 2016. Other factors impacting salaries and benefits are increasing health care insurance costs and state mandated pension contributions. Also contributing to the increase is scheduled step increases as employees gain experience and receive various accreditations.

Materials, supplies and services make up 28.09% of appropriations at \$7,312,538. This amount represents a 6.09% increase from 2015 actual. The increase is due to an increase in the use of contractual services used by various city departments. The costs in this category comprise of consulting, professional services, office and general supplies, disposal costs, expenditure reimbursements and general operating costs.

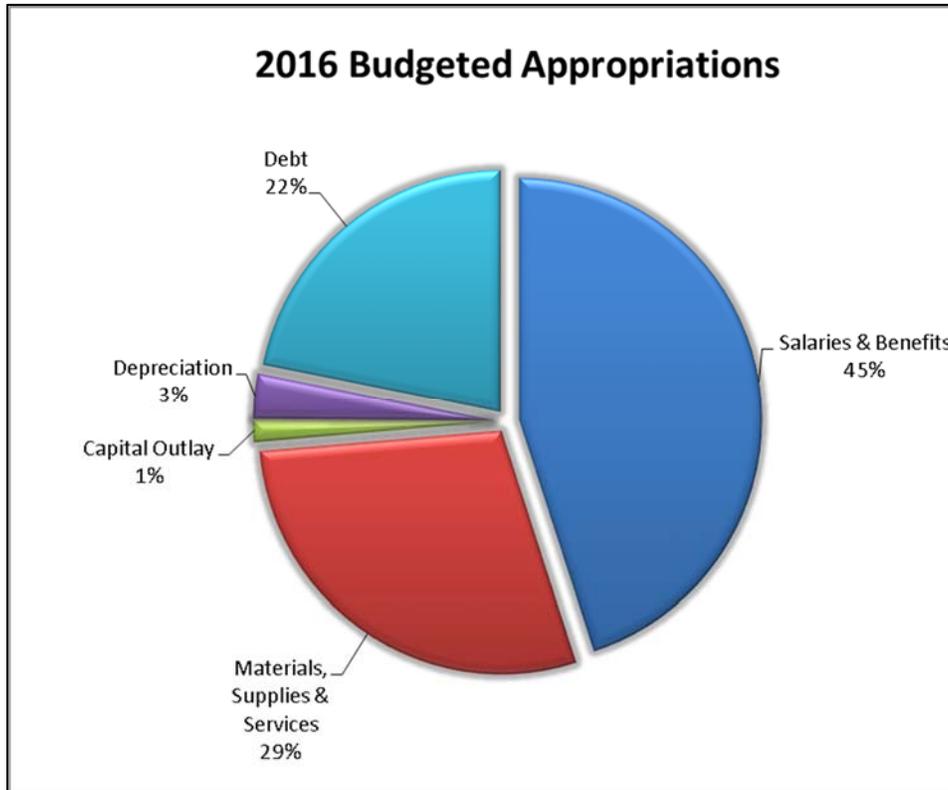
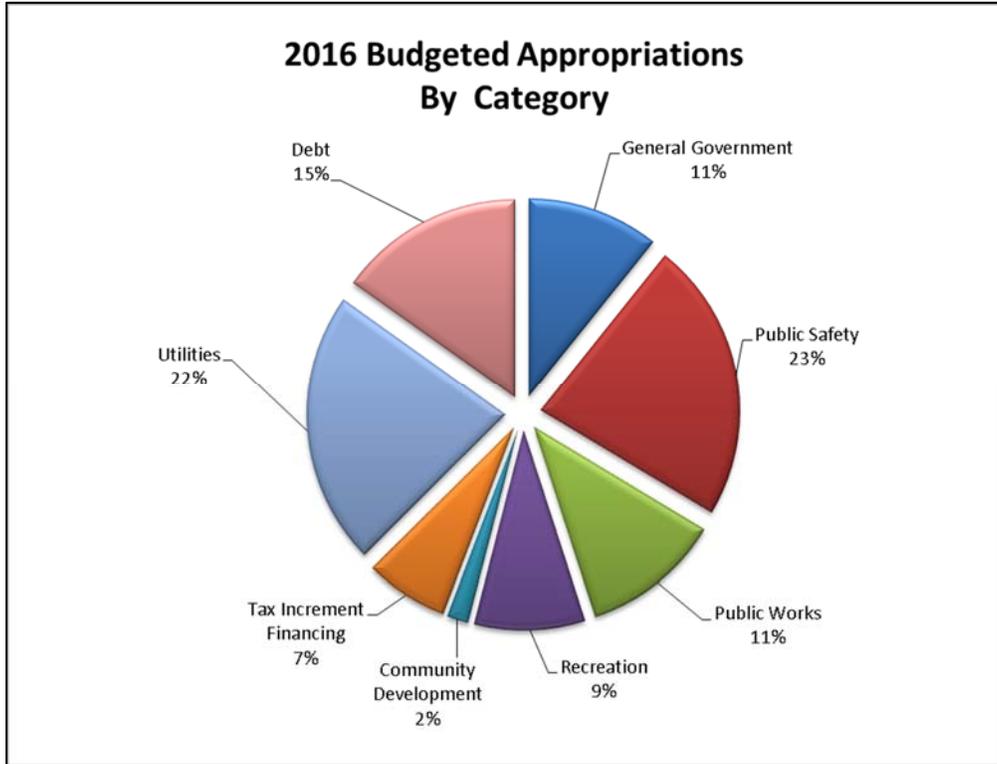
Capital outlay and improvements can fluctuate substantially every year. In 2016, the appropriated amount is \$376,600 or 1.45% of total appropriations. Anticipated capital costs are for diagnostic equipment upgrades at the Public Works building, improvements at the municipal parking ramp, technology upgrades in the council chambers and a number of improvements at the Arts Center including landscaping, general building improvements, theater improvements and a number of other smaller projects. Staff was instructed to keep capital items at a minimum as funding restrictions continue to present challenges in budgeting. In addition the City allocates equipment replacement costs to its general and special revenue funds to ensure that resources are available for replacement of equipment when scheduled or necessary. The charges for equipment replacement are recorded in the materials supplies and services categories as they do not directly relate to specific capital outlay expenditures but rather the cost of using city assets.

Debt service appropriations in 2016 decreased 59.74% as a result of bond calls in 2015. Total appropriations for 2016 are \$5,576,615 which includes pay-as-you-go tax increment obligations. The 2016 expenditures represent 21.42% of total expenditures and include debt paid within the Enterprise Funds. Another 2.98% of appropriations are for depreciation of property and equipment.

The six largest programs of the City in 2016 account for 91% of the appropriations budget and are as follows:

Public Safety	5.9 million
Utilities (water, sewer, storm sewer, refuse)	5.7 million
Debt Service	3.9 million
Public Works	2.9 million
General Government	2.8 million
Recreation	2.3 million

CITY OF HOPKINS



2016 BUDGET

CITY OF HOPKINS

REVENUES - ALL FUNDS COMPARATIVE ANALYSIS BY SOURCE

SOURCE	2013 ACTUAL	2014 ACTUAL	2015 ACTUAL	ADOPTED 2016 BUDGET
Current Revenues				
PROPERTY TAX	\$ 10,476,635	\$ 10,779,711	\$ 11,167,907	\$ 13,033,089
TAX INCREMENT	2,002,607	2,697,006	2,920,681	2,712,000
SPECIAL ASSESSMENTS	1,329,776	1,329,776	828,529	909,355
LICENSE, PERMITS & FINES	908,241	801,760	722,558	597,775
INTERGOVERNMENTAL REVENUE	969,323	1,316,709	1,432,343	1,067,921
CHARGES FOR CURRENT SERVICES	1,585,415	1,484,370	1,530,160	1,420,921
INTEREST ON INVESTMENTS	62,621	142,886	197,346	81,497
UTILITY SERVICE CHARGES	5,031,742	5,089,551	5,254,110	5,438,967
FRANCHISE FEES	546,056	561,893	566,756	545,000
OTHER REVENUES	341,053	252,253	764,431	375,274
TOTAL CURRENT REVENUES	\$ 23,253,469	\$ 24,455,915	\$ 25,384,821	\$ 26,181,799
Other Financing Sources	1,239,884	2,984,885	18,735,000	-
TOTAL REVENUES	\$ 24,493,353	\$ 27,440,800	\$ 44,119,821	\$ 26,181,799
Add: Inter-Fund Transfers	1,239,884	1,022,875	875,038	516,515
TOTAL REVENUES	\$ 25,733,237	\$ 28,463,675	\$ 44,994,859	\$ 26,698,314

EXPENDITURES/EXPENSES - ALL FUNDS COMPARATIVE ANALYSIS BY OBJECTIVE

OBJECTIVE	2013 ACTUAL	2014 ACTUAL	2015 ACTUAL	ADOPTED 2016 BUDGET
Current Expenditures/Expenses				
SALARIES AND EMPLOYEE BENEFITS	\$ 10,425,969	\$ 10,658,678	\$ 11,115,039	\$ 11,493,216
MATERIALS, SUPPLIES AND SERVICES	6,440,070	6,699,261	6,892,930	7,312,538
CAPITAL OUTLAY	13,826	2,386	120,254	376,600
DEPRECIATION	772,908	720,554	779,685	775,000
DEBT REPAYMENT	5,689,287	4,496,873	13,851,161	5,576,515
TOTAL	\$ 23,342,060	\$ 22,577,752	\$ 32,759,069	\$ 25,533,869
Other Financing Uses	3,065,786	9,278,308	7,646,627	494,238
TOTAL EXPENDITURES	\$ 26,407,846	\$ 31,856,060	\$ 40,405,696	\$ 26,028,107

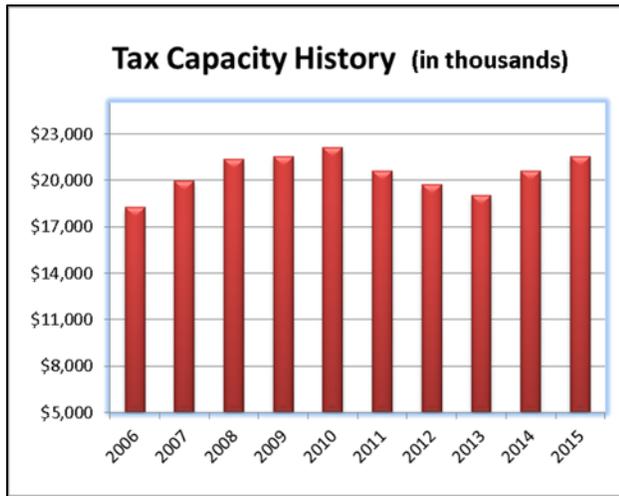
2016 BUDGET

CITY OF HOPKINS

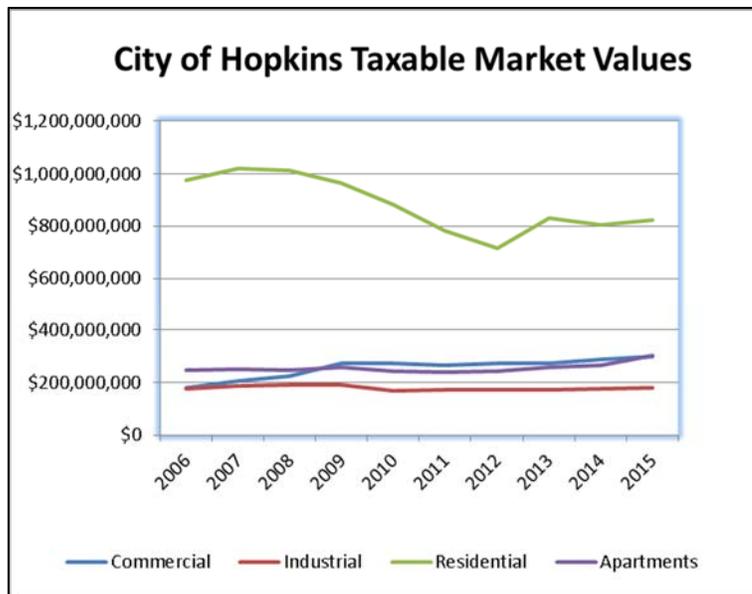
PROPERTY TAXES

Tax Capacity & Market Values

The growth in tax capacity from 2006 thru 2010 reflects overall increased market value of property in Hopkins from redevelopment. During the years 2011-2013 the housing market saw significant declines across the country and Hopkins was no exception. To the right depicts tax capacity value over the last ten years. Despite market conditions Hopkins continued to have growth due to commercial development that was already in place when the market turned. One significant development added over \$40 million to the tax base and several smaller projects were completed in 2008-2010 also adding to the tax base. Like the rest of the country Hopkins residential housing values have been falling over the last several years so any gains as a result of commercial development has been tempered by the fall of residential housing values. One bright spot on the horizon is that the commercial projects recently completed added tax capacity for the 2015 rate that is used for 2016 taxes. We are slowly seeing the housing market recover and that too will increase the tax capacity.

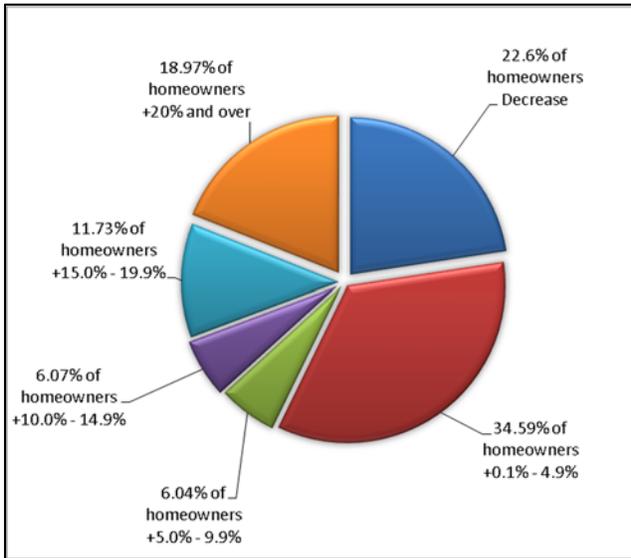


The City of Hopkins had been experiencing steady growth in its residential property values, however in the last several years Hopkins residential values like values across the country, have fallen. One goal of the city council is to preserve the current housing stock and promote housing growth. While the values have fallen we are seeing them start to increase which will add to the tax capacity. We aren't seeing the increase in housing value add significantly to the tax capacity due to the Market Value Homestead Credit which removes a portion of homeowner's values from the tax rolls. This credit is reduced as the value of a home increases until it is phased out entirely at about a home value of \$400,000. Other property classes primarily commercial have increased slightly which has mitigated the overall decrease in market values.



2016 BUDGET

CITY OF HOPKINS

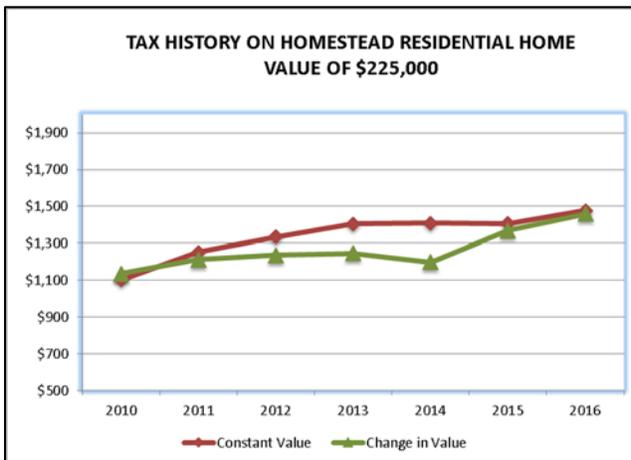
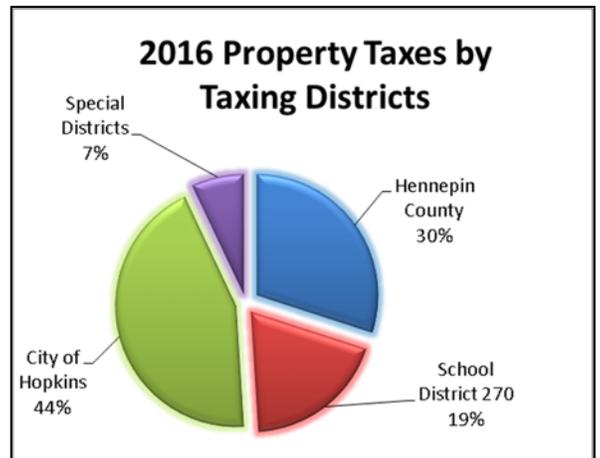


Changes in property values

The chart at the left shows the percentage of homeowners that saw value changes in their property. About 22.6% saw decreases in their property values, however, a much greater percentage, 77.4% had between .1% - to over 20% increases in values, an excellent sign that some home values are once again on the increase.

The City's levy is allocated against the tax base along with the levies for the school district, county and miscellaneous government entities. An average home in Hopkins in 2015 is valued at \$225,000. Total taxes of \$3,561 on an average home in Hopkins helps pay for all levels of governmental services.

The chart to the right shows the components of City of Hopkins taxes by taxing district.



City Property Tax Levy

Shown to the left is the annual cost of **CITY** taxes on a home valued at \$225,000 both on a constant basis and with the change in value over the years. The increase in 2011 is primarily due to the change in the fiscal disparities program as Hopkins became a net contributor following several years as a net recipient. The fiscal disparities program shares commercial growth across the Minneapolis/St. Paul metropolitan area with cities having little or no growth getting more from the pool than cities that have had commercial growth. Due to Hopkins' \$40 million commercial development project and being one of the few cities with any significant commercial activity we became a net contributor to the

program. This shifted a portion of our tax base into the pool resulting in higher taxes for Hopkins residents. Taxes continued to rise in 2012 and 2013 as a result of the fiscal disparities program before leveling off in 2014. Taxes will increase in 2016 due to new debt levies and an increase in the levy for the Arts Center.

2016 BUDGET

CITY OF HOPKINS

This residential property owner in Hopkins will experience a modest \$46 increase in City property taxes in 2016. The total City taxes on a \$225,000 home would be \$1,415 in 2016 as compared to \$1,369 in 2015. This is a direct result of adding tax base due to new development.

Shown below is a summary of annual costs an average homeowner would expect to pay living in Hopkins. Water and sewer rates were not increased for 2016 as the City is in the process of evaluating rates in preparation for implementing a tiered rate structure in mid-2016. Refuse rates are analyzed each year and if necessary are only increased every couple of years and were increased by \$1 for 2016, along with a \$0.50 recycling rate increase. The storm sewer rate is not expected to increase in the near future. Hopkins utility rates continue to rank in the lower 1/3rd of the Minneapolis/St. Paul metropolitan area.

2016 Annual Property Tax Cost (average home)	
Council	\$8.91
Administrative Services	\$59.48
Finance	\$29.35
Legal	\$2.80
Unallocated	\$9.11
Municipal Building	\$37.30
Community Services	\$80.88
Police	\$484.91
Fire	\$111.43
Public Works	\$271.09
Recreation	\$28.30
Activity Center	\$34.47
Planning and Community Development	\$20.71
Pavilion	\$7.27
Arts Center	\$15.65
Debt	\$213.33
Annual Cost for City Services	\$1,415.00

Annual Service Cost		
City of Hopkins Average Annual Service Costs on an Average Home.		
	2016	2015
City Property Taxes	\$1,415.00	\$1,369.00
Water - Consumption		
7,500 gallons a month		
\$2.18/1,000 gallons	\$196.20	\$196.20
Sewer - Consumption		
7,500 gallons a month		
\$4.30 1,000 gallons	\$387.00	\$387.00
Refuse Collection	\$262.20	\$250.20
Storm Sewer	\$60.00	\$60.00
Franchise Fees	\$52.80	\$52.80
Total	\$2,373.20	\$2,315.20

City Levy – By Purpose

	<u>2016</u>	<u>2015</u>		
General Fund	\$9,676,451	\$9,224,729	4.90%	increase
Debt	\$1,907,878	\$1,514,844	25.95%	increase
PERA	\$35,500	\$35,500	100.00%	no increase
Pavilion	\$65,000	\$65,000	100.00%	no increase
Arts Center	\$140,000	\$85,000	100.00%	increase
Capital	\$125,000	\$53,000	135.85%	increase
Total Levy	\$11,949,829	\$10,978,073	8.85%	increase

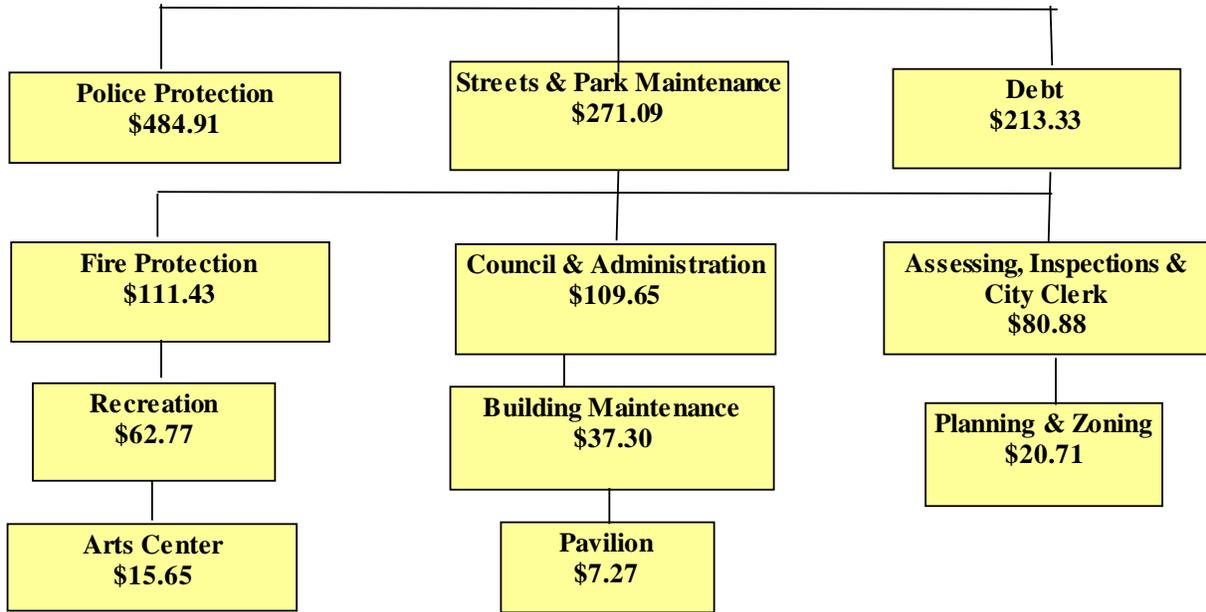
In 2016 the City continued its property tax levy for the purpose of funding the debt for the construction of the new fire station, replacing the public works storage facility and remodeling the police station. In 2016 levy limits were once again eliminated.

City tax capacity rates of 65.672% result in payments of \$1,415 annually or approximately \$118 per month for the average homeowner. Net property tax costs by program, was developed by crediting related revenues against appropriate programs expenditures.

2016 BUDGET

CITY OF HOPKINS

Net annual property tax costs for program budgets



The City's overall net levy increase is 8.85%. The general fund levy increased in 2016 by 4.9% or \$451,722. A \$35,500 special levy for pension increases that was eliminated in 2014 was reinstated for 2015 and continues for 2016. The debt levy was increased due to a street improvement levy and for park and parking lot improvements. The debt levy increase was 25.95% or \$393,034. The capital levy was increased back to \$125,000 after being reduced in 2015 to \$53,000 to provide for needed capital improvements. A levy for the Pavilion and Arts Center that was added in 2015 continues in 2016. These levies were implemented to provide operational funds for these two facilities that were not cash flowing. The total levy increase for 2016 is \$971,756. Despite the significant increase the tax rate only increased by 3%. This is due to new tax base that was added in 2015 from the development projects that were completed.



Fire Chief Dale Specken and Mayor Molly Cummings receive a Fire Prevention Safety Grant in recognition of the City's commitment to protecting our community.

CITY OF HOPKINS

<u>PRINCIPAL TAXPAYERS</u>			
<u>Taxpayer</u>	<u>Type of Business</u>	<u>Tax Capacity</u>	<u>Percentage of Total Tax Capacity</u>
Colfin Midwest NNN Inv LLC	Real Estate	\$1,636,820	7.60%
Super Valu	Grocery Warehouses	969,890	4.50%
Hines Reit Mpls Ind, LLC	Management Service:	845,590	3.93%
Greenfield Apartments	Apartments	365,438	1.70%
Duke Realty LTD Partnership	Office/Warehouses	243,990	1.13%
Ramsgate Apartments	Apartments	233,475	1.08%
Southwest Real Estate, Inc.	Apartments	225,403	1.05%
Hopkins Real Estate LLC	Car Dealership	210,250	0.98%
Westside Property Owners	Apartments	199,250	0.93%
City Center Ventures LLC	Fitness Center	170,310	0.91%
City's Total Tax Capacity		\$21,540,415	

Shown to the left are the main taxpayers in the City of Hopkins and their percentage of total tax capacity. The largest taxpayer comprises 7.6% of total tax capacity and the next largest taxpayer comprises 4.5%. The city has a diverse and stable tax base, which provides the city with assurance that tax revenues will remain stable against the loss of a significant taxpayer.

<u>PRINCIPAL EMPLOYERS</u>			
<u>Taxpayer</u>	<u>Type of Business</u>	<u>Employees</u>	<u>Percentage of Total Employment</u>
Cargill	Food, agricultural, financial and industri	4,000	26.274 %
SuperValu	Grocery distributor	707	4.644 %
ISD 270 Hopkins	School	425	2.792 %
Thermotech	Plastic mold manufacturer	400	2.627 %
US Post Office	Post Office	314	2.063 %
Oak Ridge Country Club	County/Golf Club	212	1.393 %
Augustana Chapel View Care Center	Health Care Services	210	1.379 %
US Bank	Financial Institution	185	1.215 %
City of Hopkins	Municipal Government	132	0.867 %
Walser Chrysler Dodge Jeep Ram	Automotive Dealership	100	0.657 %

Major employers in Hopkins include Cargill an international producer and marketer of food, agricultural, financial and industrial products, followed by Super Valu, a grocery distribution warehouse facility and ISD 270 Hopkins. While these three organizations employ almost 31% of the workforce in Hopkins the City has a diverse group of employers who have had a long-term presence in the City.

Changes in Fund Balance

Major Funds

Fund balance is defined as the difference between a fund's assets and liabilities. Adequate fund balance is necessary to have funds for emergency or unexpected events, to enhance the City's financial position and bond ratings, to provide cash for operations prior to receipt of tax revenues and to maximize investment earnings.

Working capital balance, defined as current assets less current liabilities is carefully monitored to ensure enough financial flexibility to meet both short and long-term goals for each fund.

2016 BUDGET

CITY OF HOPKINS

Fund Name	Estimated YE 2015 Fund Balance/ Working Capital*	Revenues	Expenditures	Ending Balance	% Change in Fund Balance	\$ Change in Fund Balance	Reason for Greater than 10% Variance
Major Funds							
General Fund	\$5,787,703	\$11,875,730	\$11,875,730	\$5,787,703	0.00%	\$0	
Economic Development Special Revenue Fund	4,394,619	356,113	176,600	4,574,132	4.08%	179,513	
Art Center	(1,158,334)	787,108	946,714	(1,317,940)	-13.78%	(159,606)	Capital projects are scheduled for 2016. The Financial Management Plan provides for the elimination of the negative fund balance over a 10-year period.
Permanent Improvement Revolving Fund	564,826	3,603,842	3,898,728	269,940	-52.21%	(294,886)	Street reconstruction projects for 2016 are scheduled. Bonds will be sold to finance this project.
Housing Improv Refunding Bonds of 2009B Debt Service Fund	687,622	407,756	327,217	768,161	11.71%	80,539	Debt service revenues from taxes are greater than expected. Funds will be used to eventually call the bonds.
Water Enterprise Fund *	164,253	1,553,500	1,542,761	174,992	6.54%	10,739	Bonds are scheduled to be sold in 2016 for the 2016 street & utility project.
Sewer Enterprise Fund *	398,994	2,277,200	2,436,244	239,950	-39.86%	(159,044)	Bonds are scheduled to be sold in 2016 for the 2016 street & utility project.
Storm Sewer Enterprise Fund *	(84,215)	804,000	627,496	92,289	209.59%	176,504	Revenue in 2016 will be used to finance projects in 2015 that caused this funds deficit.

The general fund added approximately \$305,640 to its fund balance in 2015. This was accomplished by all departments managing their budgets conservatively, reducing or eliminating expenses when appropriate and eliminating non-essential capital items. In addition, the recovering economy brought in inspection permit fees and charges that exceeded the budget and added to the fund balance. The 2016 budget was adopted with 2% wage increase including the addition of two full-time firefighters and a continuation of conservative budgeting. This is done to keep the levy increase at a minimum recognizing that the economic challenges faced by our taxpayers continue. The general fund is on target with its fund balance goal of 42% of prior year's expenditures and is at 51% of expenditures. This has been accomplished by the reductions identified above and all department managers being particularly conscious of their budgets. Staff continues to work to address how to improve the financial position so that we maintain our fund balance goal. This may involve new or revised revenue options, expenditure adjustments or a combination of all these options.

The Economic Development Fund's 2015 tax revenue collections were over budget as excess tax increment revenues were received. These are revenues over and above what is required in the tax

2016 BUDGET

CITY OF HOPKINS

increment plans and therefore are reported in the Economic Development fund to be used for future development. The Economic Development fund provides the funding to assist in development efforts in Hopkins. It has a strong fund balance with available resources to assist potential development efforts. The main source of income is a development tax levy which has increased each year. There is a significant fund balance in this fund that is available for economic development but the long term goal is to ensure that revenues are adequate for planned expenditures. The 2016 budget will add about \$179,000 to fund balance as a continued effort to provide funding for future development incentives.

The Art Center has yet to meet its fund balance goals due to the amount of debt as a result of building the facility in the mid-1990's. The Art Center has long-term lease arrangements with a theater company, the school district and an arts group that fund operations. It also receives supporting transfers from the Communication fund. In 2013 staffing was restructured to minimize expenses and is continually evaluated to ensure budget goals are met while meeting the needs of the users. The Arts Center is has been evaluating past programming and is looking at trying new performance and artist options that will appeal to a wide audience. The Art Center funding issues were addressed in the Financial Management Plan that was adopted for 2014 and calls for an annual levy starting in 2015 to eliminate the negative fund balance. It is anticipated that the negative fund balance will be eliminated in 10 to 11 years.

The Permanent Improvement Revolving Fund will decrease its fund balance in 2016 as bond funds from 2015 are used to complete the 2015 street improvement projects. It is anticipated that we will again be selling bonds in 2016 for the 2016 street improvement project.

The Housing Improvement Refunding Bonds of 2009B meets its fund balance requirements as set forth in the debt covenant.

The Water Enterprise Fund's working capital remains positive due to the sale of bonds for the water portion of the street improvement project in 2015. The increases implemented pursuant to the Utility Master Plan that was approved in 2007 continue to 2015. We are currently working on a revision of the comprehensive rate study as part of the long-range Financial Management Plan with assistance from our financial advisor and are looking at implementing tiered rates in mid-2016 as a means to encourage water conservation. As the development of multi-family housing has increased so has our water consumption.

The Sewer Enterprise Fund's working capital will move into a negative position as planned projects exceed available funds. As a result the City will need to sell bonds to finance those projects. The increases implemented pursuant to the Utility Master Plan that was approved in 2007 continued to 2015. The plan calls for annual incremental increases in sewer rates to adequately provide for operations, and capital projects, however fees paid to the Metropolitan Council for wastewater treatment costs have risen faster than projected. We are currently working on a revision of the comprehensive rate study as part of the long-range Financial Management Plan with assistance from our financial advisor and are looking at modifying the rate structure in 2016.

The Storm Sewer Enterprise Fund's working capital will increase in 2015 as scheduled projects are less than in past years. The Storm Sewer Fund will also be included in the comprehensive rate study as part of the long-range Financial Management Plan to be done in 2016 with assistance from our financial advisor.



Downtown Hopkins at night

CITY OF HOPKINS

Non-Major Funds

Fund Name	Estimated YE 2014 Fund Balance/ Working Capital*	Revenues	Expenditures	Ending Balance	% Change in Fund Balance	\$ Change in Fund Balance	Reason for Greater than 10% Variance
Non-Major Funds							
Special Revenue Funds							
Chemical Assessment	1,300	60,000	60,000	1,300	0.00%	0	
Parking	120,845	138,000	359,600	(100,755)	-183.38%	(221,600)	Ramp repairs are scheduled for 2016 that will use fund balance. Future revenues are expected to cover this temporary fund deficit.
Communications	521,788	257,000	223,773	555,015	6.37%	33,227	
Depot Coffee House	2,475	349,100	338,142	13,433	442.75%	10,958	Coffee shop operations were evaluated and changes made so that this fund can build fund equity for future projects.
Tax Increment Funds (aggregate)	3,372,682	2,759,152	1,789,604	4,342,230	28.75%	969,548	Funds collected are replenishing negative fund balance as the districts tax collections increase
Debt Service Funds (aggregate)	4,072,738	4,205,683	4,059,775	4,218,646	3.58%	145,908	
Enterprise							
Refuse *	856,584	981,167	884,973	952,778	11.23%	96,194	Revenues are being used to provide for future capital expenditures
Pavilion *	50,759	384,600	507,477	(72,118)	242.08%	(122,877)	Bonds will be sold to cover capital expenditures for this facility.

The Chemical Assessment fund is part of the State Chemical Assessment Team program where seven teams are placed around the state to respond to hazardous waste calls. Hopkins has one of the teams that is supported by the Fire Department and fully funded by the state. The expenditures are reimbursed in full by the state, however some costs remain unreimbursed. In 2015 a portion of those unreimbursed costs were absorbed by the General Fund Fire Department budget

The Parking fund, fund balance will decrease in 2016 as for the parking ramp masonry repair project. Parking permit fees were increased in 2016 to ensure revenues were adequate for the operation of the parking ramp and the various city lots. The city will need to increase parking fees by approximately 10% every other year to provide adequate funds to maintain the parking lots and cover operations.

The Communication fund continues to support the advertising and promotion of the Art Center by transferring \$86,920 annually to the Arts Center. The city has a part-time web and newsletter editor position which is funded with cable TV franchise fees. The council and staff continue to work at relieving the Art Center promotional activity expense burden from the communication fund. Currently this fund exceeds its fund balance goals.

2016 BUDGET

CITY OF HOPKINS

The Depot Coffee House is a chemical free environment for area teens that provides specific programming of interest to them. The Depot Coffee House Youth Project is being supported by the General Fund with a \$15,000 transfer as well as the Hopkins-Minnetonka Joint Recreation program (\$15,000) and Three Rivers Park District (\$15,000). The coffee shop portion of the Youth Center is a successful venture of the Depot and provides funding for the Youth Project. This funding has helped replaced grant funding that has dried up. The teens are excited to be involved in all aspects of the coffee business while learning vital business skills. In conjunction with the coffee business we offer rental of the facility when not used by the youth and we anticipate increased revenues from that source that will supplement the budget. Higher than expected revenues along with staffing changes in 2015 resulted in the elimination of the deficit from 2014. With the changes made we expect that the coffee shop will continue to provide support for the youth programming and provide adequate funds for cash flow.

Tax Increment fund balance may be used to retire tax increment debt early. Currently most tax increment funds meet their combined fund balance goals.

Debt Service fund balance may be used to retire general obligation debt. All debt service funds meet their debt service needs.

The Refuse Enterprise Fund has several programs that are subsidized by the refuse rates. The City has explored charging separate fees for these services but has met with resistance from the public. Staff continues to explore options for having these programs generate at least some revenue. Refuse rates were increased in 2016 by \$1 as well as the recycling rates which were increased by \$0.50. Working capital continues to be adequate for this operation.

The Pavilion Ice Arena will show a net loss in 2015 due to needed building projects; staff continues to actively marketing the facility to various groups to increase off season rental income and eliminate the negative cash position. These efforts are paying off as rental bookings are again up for 2015 and the facility is seeing repeat bookings. The facility has debt from equipment certificates sold in 2012 that was used to purchase a new ice machine in 2013. With the facility aging the City looked at long-term capital needs and has started to plan for their financing. The Pavilion is also part of the overall long-range Financial Management Plan that was completed for 2014.

Debt Overview

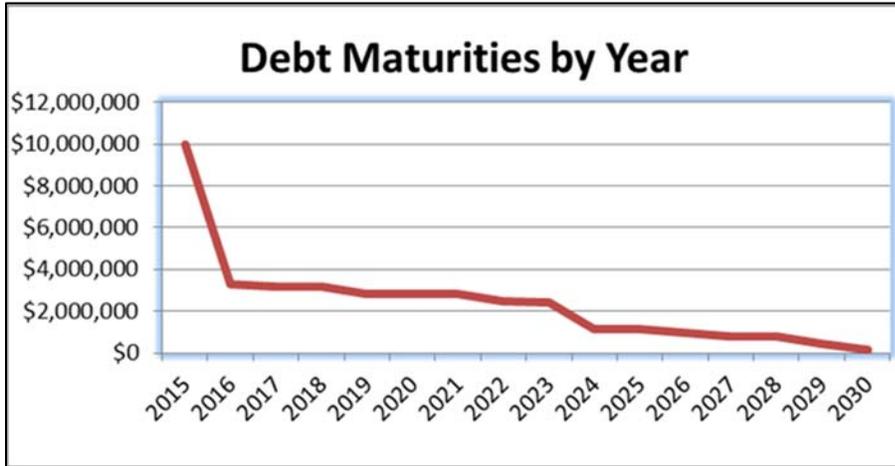
The City of Hopkins has been conservative in its debt issuance practices and holds Standard and Poor's' AA+ debt ratings. In January 2014 the city was very pleased to receive a bond rating upgrade by Standard and Poor's from AA to AA+. This rating was upheld for each of the four bonds issued in 2015. Standard and Poor's stated that this is based on the city's maintenance of very strong reserves and "good" Financial Management Assessment. The City's total outstanding debt on December 31, 2015, was \$44,010,000. After reducing the outstanding debt by the amount supported by utilities and special fee the per capita debt at December 31, 2015 is \$1,159.

The total debt principal and interest due in 2016 is \$4,387,993, of which \$1,907,878 is raised through direct tax levy. The remaining principal and interest is paid with refunding bonds, direct fees, utility fees, tax increments, and special assessments. As depicted in the graph on the following page debt service requirements continue to decline steadily throughout the remaining terms of the bonds. The requirements drop to \$1,229,150 in 2030 and to \$195,250 in 2032 before the final issue matures in 2036. The ability to retire 74% of the City's debt in the next ten years is a major strength. The City is planning on issuing GO Improvement Bonds for the 2016 street improvements in 2016. The actual amount to be bonded is estimated at \$4,000,000 and will include as revenue sources a tax levy, utility revenues, and special assessments. Budget impact of the new debt has been factored into the utility funds budgets and the tax levy portion has been factored into the long-range Financial Management Plan. Part of the Financial Management Plan is to minimize tax increases to the taxpayers. Debt that is needed for future projects is part of that plan.

2016 BUDGET

CITY OF HOPKINS

The graph below illustrates the retirement of debt (principal and interest) in years 2016 through 2036



Minnesota State law limits the amount of G.O. debt for any municipality to 3% of market value, estimated to be \$1,605,591,863 in 2015. This limitation provides reasonable assurance of the municipality's ability to pay. The legal debt limit for Hopkins is \$48,167,755; projected debt subject to the legal limit for Hopkins is \$21,990,000 or 46% of total debt limit allowed.

OUTSTANDING DEBT AND PURPOSE

2015A	GO Tax Abatement Bonds	Cottageville Park and Parking Lot Improvements	\$ 2,940,000
2015B	GO Street Reconstruction Bonds	Street Improvements	\$ 4,100,000
2015C	GO Tax Increment Revenue Refunding Bonds	Refunding of 2008 HRA Tax Increment Revenue Bonds	\$ 4,340,000
2015D	GO Tax Increment Revenue Refunding Bonds	Refunding of 2007 HRA Tax Increment Revenue Bonds	\$ 7,355,000
2014A	GO Improvement Bonds	Street Improvements	\$ 1,895,000
2014B	GO Refunding Bonds	Refund the 2007A and 2007B Bonds	\$ 6,345,000
2013A	GO Improvement Bonds	Street Improvements	\$ 3,440,000
2012A	GO Capital Improvement Plan Bonds	Police Station Expansion and Remodeling	\$ 1,430,000
2012B	GO Bonds	Street Improvements	\$ 3,935,000
2012B	GO Bonds	Equipment Purchases	\$ 725,000
2010A	GO Improvement Bonds	Street Improvements	\$ 2,070,000
2010B	GO Refunding Bonds	County Road 3 Improvements Phase II (2002B), Street Improvements (2002A), Sewer (2003A)	\$ 1,910,000
2009A	GO Revenue Bonds	Water & Sewer Improvements and Refunding of 2000 Water and 1999C Storm Sewer Bonds	\$ 1,315,000
2009B	GO Taxable Housing Improvement Refunding	Refunding 1999A & 1999B Housing Improvement Bonds	\$ 1,685,000
2005A	GO Tax Increment Refunding	Oaks of Mainstreet Redevelopment	\$ 110,000
2005B	Taxable General Obligation	Westbrooke Patio Homes Improvements	\$ 415,000
Total Outstanding Debt December 31, 2015			<u>\$44,010,000</u>

2016 BUDGET

CITY OF HOPKINS

SCHEDULE OF DEBT SERVICE REQUIREMENTS – ALL FUNDS

	Total		Tax Increment Bonds		Special Assmnt Bonds		Revenue Bonds	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2016	3,456,000	931,993	695,000	198,760	595,000	194,703	380,000	117,794
2017	3,465,000	923,277	715,000	282,190	600,000	183,409	385,000	108,969
2018	3,555,000	848,244	740,000	267,828	620,000	171,428	395,000	99,494
2019	3,440,000	671,093	780,000	252,428	635,000	158,646	405,000	89,563
2020	3,520,000	691,931	810,000	235,968	645,000	145,188	410,000	78,951
2021	3,630,000	607,751	855,000	218,405	660,000	130,460	425,000	67,561
2022	3,380,000	527,027	890,000	199,703	645,000	114,840	425,000	55,781
2023	3,385,000	450,939	940,000	178,733	665,000	98,965	430,000	43,729
2024	2,215,000	386,066	785,000	158,738	680,000	82,485	345,000	32,696
2025	2,445,000	330,747	975,000	138,744	700,000	65,360	355,000	22,696
2026	2,370,000	273,112	1,020,000	115,044	720,000	47,505	205,000	15,546
2027	2,245,000	217,917	1,065,000	89,400	520,000	32,284	225,000	11,106
2028	2,320,000	161,584	1,115,000	61,694	535,000	19,506	225,000	6,045
2029	2,045,000	104,141	1,165,000	31,281	290,000	8,766	135,000	1,688
2030	1,170,000	59,150	555,000	7,631	150,000	2,344	-	-
2031	480,000	35,000	-	-	-	-	-	-
2032	170,000	25,250	-	-	-	-	-	-
2033	170,000	20,150	-	-	-	-	-	-
2034	180,000	14,720	-	-	-	-	-	-
2035	180,000	8,960	-	-	-	-	-	-
2036	190,000	3,040	-	-	-	-	-	-
	\$ 44,011,000	\$ 7,292,092	\$ 13,105,000	\$ 2,436,544	\$ 8,660,000	\$ 1,455,888	\$ 4,745,000	\$ 751,619

	Housing Fee Bonds		G.O Bonds	
	Principal	Interest	Principal	Interest
2016	675,000	76,247	1,111,000	344,490
2017	265,000	57,566	1,500,000	291,143
2018	270,000	46,728	1,530,000	262,768
2019	285,000	34,720	1,335,000	135,736
2020	295,000	21,665	1,360,000	210,160
2021	310,000	7,440	1,380,000	183,885
2022	-	-	1,420,000	156,704
2023	-	-	1,350,000	129,513
2024	-	-	405,000	112,148
2025	-	-	415,000	103,948
2026	-	-	425,000	95,018
2027	-	-	435,000	85,126
2028	-	-	445,000	74,339
2029	-	-	455,000	62,406
2030	-	-	465,000	49,175
2031	-	-	480,000	35,000
			170,000	25,250
			170,000	20,150
			180,000	14,720
			180,000	8,960
			190,000	3,040
	\$ 2,100,000	\$ 244,366	\$ 15,401,000	\$ 2,403,676



Certificate from our last bond rating upgrade in 2014 which was to AA+.

2016 BUDGET

CITY OF HOPKINS

The following is a schedule of the City's debt by major and non-major funds. Enterprise Fund debt consists of water, sewer, storm sewer debt and Pavilion. Debt Service Fund debt includes, tax increment debt, special assessment debt, and capital projects debt. Water, sewer, storm sewer enterprise fund debt are major funds, the Pavilion is a non-major fund.

SCHEDULE OF DEBT SERVICE REQUIREMENTS – MAJOR AND NON-MAJOR FUNDS

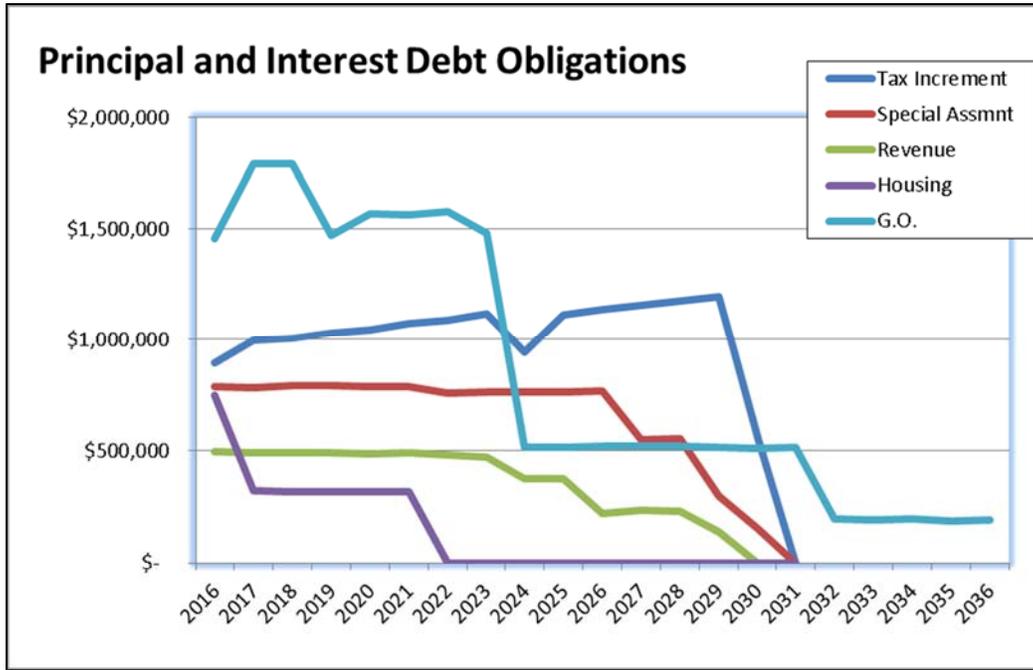
	Major Enterprise Fund Bonds											
	Total - All Funds		Water Fund Bonds		Sewer Fund Bonds		Storm Sewer Bonds		Nonmajor Enterprise		Total Enterprise Funds	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2016	3,456,000	931,993	145,000	50,310	105,000	38,643	110,000	26,241	20,000	2,600	380,000	117,794
2017	3,465,000	923,277	145,000	46,785	105,000	35,730	115,000	24,254	20,000	2,200	385,000	108,969
2018	3,555,000	848,244	155,000	42,997	105,000	32,656	115,000	22,041	20,000	1,800	395,000	99,494
2019	3,440,000	671,093	155,000	38,073	110,000	29,493	120,000	20,597	20,000	1,400	405,000	89,563
2020	3,520,000	691,931	155,000	35,010	110,000	26,068	125,000	16,873	20,000	1,000	410,000	78,951
2021	3,630,000	607,751	165,000	30,710	115,000	22,368	125,000	13,883	20,000	600	425,000	67,561
2022	3,380,000	527,027	165,000	26,160	115,000	18,568	125,000	10,853	20,000	200	425,000	55,781
2023	3,385,000	450,939	175,000	21,510	125,000	14,618	130,000	7,601	-	-	430,000	43,729
2024	2,215,000	386,066	175,000	16,710	125,000	10,518	45,000	5,468	-	-	345,000	32,696
2025	2,445,000	330,747	180,000	11,810	130,000	15,318	45,000	(4,432)	-	-	355,000	22,696
2026	2,370,000	273,112	115,000	8,160	45,000	3,718	45,000	3,668	-	-	205,000	15,546
2027	2,245,000	217,917	120,000	5,735	50,000	2,736	55,000	2,635	-	-	225,000	11,106
2028	2,320,000	161,584	120,000	3,043	50,000	1,603	55,000	1,400	-	-	225,000	6,045
2029	2,045,000	104,141	65,000	813	40,000	500	30,000	376	-	-	135,000	1,688
2030	1,170,000	59,150	-	-	-	-	-	-	-	-	-	-
2031	480,000	35,000	-	-	-	-	-	-	-	-	-	-
2032	170,000	25,250	-	-	-	-	-	-	-	-	-	-
2033	170,000	20,150	-	-	-	-	-	-	-	-	-	-
2034	180,000	14,720	-	-	-	-	-	-	-	-	-	-
2035	180,000	8,960	-	-	-	-	-	-	-	-	-	-
2036	190,000	3,040	-	-	-	-	-	-	-	-	-	-
	\$44,011,000	\$7,292,092	\$2,035,000	\$337,825	\$1,330,000	\$252,531	\$1,240,000	\$151,462	\$140,000	\$9,800	\$4,745,000	\$751,619

	Major Fund		Non-Major Funds - Aggregate			
	Hsg Imprv Rfdg Bds of 2009B		Debt Service Fund Bonds		Total Debt Service Fund	
	Principal	Interest	Principal	Interest	Principal	Interest
2016	260,000	67,218	2,816,000	746,981	3,076,000	814,199
2017	265,000	57,566	2,815,000	756,741	3,080,000	814,308
2018	270,000	46,728	2,890,000	702,023	3,160,000	748,750
2019	285,000	34,720	2,750,000	546,810	3,035,000	581,530
2020	295,000	21,665	2,815,000	591,315	3,110,000	612,980
2021	310,000	7,440	2,895,000	532,750	3,205,000	540,190
2022	-	-	2,955,000	471,246	2,955,000	471,246
2023	-	-	2,955,000	407,210	2,955,000	407,210
2024	-	-	1,870,000	353,370	1,870,000	353,370
2025	-	-	2,090,000	308,051	2,090,000	308,051
2026	-	-	2,165,000	257,566	2,165,000	257,566
2027	-	-	2,020,000	206,811	2,020,000	206,811
2028	-	-	2,095,000	155,539	2,095,000	155,539
2029	-	-	1,910,000	102,453	1,910,000	102,453
2030	-	-	1,170,000	59,150	1,170,000	59,150
2031	-	-	480,000	35,000	480,000	35,000
2032	-	-	170,000	25,250	170,000	25,250
2033	-	-	170,000	20,150	170,000	20,150
2034	-	-	180,000	14,720	180,000	14,720
2035	-	-	180,000	8,960	180,000	8,960
2036	-	-	190,000	3,040	190,000	3,040
	\$1,685,000	\$235,336	\$37,581,000	\$6,305,136	\$39,266,000	\$6,540,473

2016 BUDGET

CITY OF HOPKINS

Through the visioning process the City has discovered that there are many community needs that the City of Hopkins must meet. The future debt capacity will allow the City to issue debt to provide for our community's needs and desires while keeping property taxes reasonable.



Principal and interest payments for the City are projected to stay fairly level over the next several years before dropping in 2024 and again in 2031.

CAPITAL EXPENDITURES

Capital Improvement Plan

The Capital Improvement Plan (CIP) is a five-year schedule or plan for capital improvement expenditures in excess of \$10,000 and having a useful life of five or more years. The Capital Improvement Plan process begins with departments editing and updating existing plans from previous years and adding or deleting projects. Once this is completed, finance does an analysis of funding requirements and any related prioritization is done by the city manager. The analysis includes a review of projected working capital amounts available for the projects, any operating cost adjustments as a result of the improvement and the impact of future funding needs is determined. The mayor and council then use the compiled information in the CIP along with the results of public discussion, to determine which projects are to proceed and exactly how they will be funded. Once the CIP is approved the projects for the following year are placed in the appropriate budget. The complete CIP is posted on the city's website and includes details of each project, the funding sources and a city map showing the street projects for the next five years color coded by project year.

CITY OF HOPKINS

2016 Capital Improvement Projects

Building Improvements – The Hopkins Center for the Arts built in 1997 has been upgrading and enhancing the facility that is approaching 20 years old. In 2016 we will be making restroom improvements, replacing the sound curtain in the Jaycee studio, making improvements to the theater along with various other minor building projects. There are no budgetary savings that result from these projects, however by enhancing the facility the goal is to increase rentals and gallery showings.

The Activity Center, a facility for senior programming will be refurbishing the multipurpose gymnasium that is used for many programming activities and is rented to outside organizations for their functions. There are also other minor improvements to the various rooms used by the public along with improving the sound system used for events. While there is no substantial operational savings that result from these projects, we expect to see rental income increase as the gymnasium becomes more attractive to outside organizations looking for functional rental space.

The Council Chambers continues with its technology improvements in 2016 to upgrade the document camera with a high resolution camera which is used by staff and the public in presentations. There are no operational savings to this project; however it will increase the efficiencies of those making presentations as the quality of the presentation will be improved.

The Pavilion Ice Arena built in 1990 is scheduled to replace the indoor turf used for various sporting and youth programs. The current turf has exceeded its useful life and has increased maintenance costs. We expect to see an approximate 5% savings on maintenance from the replacement of the indoor turf. The Pavilion will also be replacing the exterior monument sign on Excelsior Boulevard with an electronic changeable sign. This will allow for increased visibility and promotion of the Pavilion along this major artery through Hopkins.

The Public Works Building will have the garage upgraded and new gate operators installed. The garage area needs to be brought up to new requirements for above and below ground hoists, the ventilation system needs to be brought up to current standards and to prevent fumes from entering the office areas and finally the floor drain system is in poor condition. In 2015 the site evaluation was completed, plans and specs were drawn up and cost estimates obtained. The work will be done in 2016. The wash bay roof was installed in 1995 has had numerous leaks and has reached the end of its life span. These repairs, repairs, replacements will ensure there is no disruption of service thereby jeopardizing our service to taxpayers.

Parks – Several parks will see needed improvements in 2016. Valley Park will get new playground equipment, the warming house will be rehabilitated and the lighting replaced. The play equipment has exceeded its useful life and needs to be replaced. The 40+ year old warming house is in need of upgrades as is the lighting in this park. Oakes Park will get a new warming house and picnic shelter to replace aging structures. Cottageville Park will get a new Pavilion and various parks will have drinking fountains installed. The park projects are needed to protect the City's investment, prolong the life of park and improve play conditions. As a result of replacing aging structures we expect to see maintenance costs reduced about 7-8%.

Shady Oak Beach, a facility shared with the City of Minnetonka will get improvements to the landscaping and replacement of aging patio furniture. The City of Hopkin's share of project cost is 33%. Replacing aged landscaping and old patio furniture will improve the appearance of the park and make it a more inviting facility for users.

Pedestrian and Bike Trail Improvements – The City recently adopted a plan to increase pedestrian and bicycle access and safety. As part of that plan a number of bike lanes will be painted along with constructing trails and sidewalks. There are no operational or budgetary savings from this project but is done as the City's commitment to healthy living for Hopkins area residents.

CITY OF HOPKINS

Street & Pavement Management – A funding and implementation plan for repair and maintenance of Hopkins roadways exists. Needs are identified and funded through State Aids, special assessments, utilities, tax increments and annual levies. This program identifies the most opportune time to repair streets. In 2016 the City anticipates spending approximately \$10,678,000 on street improvements that also include water, sewer and storm sewer infrastructure improvements. The largest projects are the 2016 street reconstruction project at \$4.76 million, and a parking ramp at \$4 million. Also scheduled are pedestrian improvements to Blake Road and repairs to the retaining wall and center median pavers on Excelsior Boulevard. A proactive pavement management and infrastructure improvement program aids in keeping public works maintenance costs to a reasonable level and as a result of the city's program, maintenance costs have remained relatively stable over the last five years. Planned street reconstruction costs will annually save the city an estimated \$25,000 in sealcoating and crack seal expenses.

Utilities – Included in the CIP for 2016 is annual storm drainage maintenance in the form of concrete alley repairs, along with upgrade of water, sewer and storm sewer lines done in conjunction with residential street improvements. Operational impacts are reduced maintenance costs within the utility funds estimated at \$5-10,000 annually.

Water Tower Maintenance Plan – The city entered into a 10-year maintenance plan for the city's two water towers. In 2016 both the Blake and Moline water towers will be inspected, repaired if necessary and painted. These improvements will ensure the long-term stability of the water towers. Operational impacts are estimated to be a savings of 5-8% in maintenance costs.



Valley Park warming house and playground equipment scheduled for rehabilitation and replacement.



Oakes Park warming house scheduled for rehabilitation.

CITY OF HOPKINS

CAPITAL IMPROVEMENT PROJECTS FOR 2016

Project Title	Investment	Project Description
Hopkins Activity Center	\$67,000	Multipurpose gym improvements
Hopkins Activity Center	\$23,547	Various rooms - tables, chairs and sound system
Hopkins Art Center	\$84,100	Restroom improvements, theater improvements, Jaycee studio improvements, tables, chairs, landscaping
In Communication Fund	\$12,500	Council chambers technology improvements
Fire Department	\$28,000	Replace carpet in classroom/meeting room
Pavilion Ice Arena	\$95,000	Indoor turf replacement
Pavilion Ice Arena	\$30,000	Exterior Sign
Public Works Building	\$690,000	Public Works garage upgrades, gate operator replacement
Parks - Valley Park	\$430,000	Play equipment, warming house, lighting
Parks - Oakes Park	\$355,000	Warming house and picnic shelter
Parks - Cottageville Park	\$420,000	Pavilion
Parks - Various	\$60,000	Drinking fountains
Recreation	\$40,000	Shady Oak Beach Improvements
Residential Street Improvements	\$4,767,000	2016 Street reconstruction project
Citywide concrete alley's	\$96,000	Throughout the city - concrete alley repairs and storm drainage improvements
Railroad Quiet Zone	\$25,000	Plan and design of railroad quiet zone.
Pedestrian & Bike Improvements	\$25,000	Painting bike lanes, constructing trails and sidewalks
Blake Road Corridor Improvements	\$350,000	Pedestrian improvements to Blake Road
Street Overlay Improvements	\$250,000	Street overlay improvements to various streets as identified in pavement management plan.
Street Sign Management	\$20,000	Replacement of aged regulatory and warning signs
Parking Lot Repairs	\$30,000	Repair parking lot 600 sidewalk & curb
Parking Facility	\$4,000,000	8th Avenue Parking Ramp
Streets	\$640,000	Excelsior Blvd retaining wall and median paver repairs
Transportation	\$500,000	8th Avenue Artery project
Storm Drainage	\$211,000	St. Louis Park emergency connection
Water Tower Maintenance	\$990,000	Blake & Moline water tower maintenance & painting
TOTAL	\$14,239,147	

The projects described on the previous page are planned for 2016. The complete Capital Improvement Plan (CIP) is five years. Both of the CIP and Equipment Replacement Plan (ERP) described on the following page assist the City with budgeting.



2016 BUDGET

CITY OF HOPKINS

Equipment Replacement Plan

2016 Equipment Replacement

In addition to the CIP, the City also completes an Equipment Replacement Plan (ERP). The ERP is a twenty-year forecast and a five-year plan of equipment needs within the City. It is intended to inform the Council and citizens of the major equipment needs on the horizon. The first year of the plan becomes an adopted equipment budget and relates to the operating budget of the equipment replacement fund, which is approved on an annual basis. The remaining nineteen years represent an estimate of equipment needs and funding capabilities of the City. Funding requirements vary from year to year. In order to maintain a fairly consistent levy each year, the twenty-year schedule is projected with a 3% inflation factor for operating expenses and a yearly average dollar capital expenditure of \$992,400. Revenues for the ERP are derived from charges to the departments that use the equipment and are based on the equipment needs of the various departments over the twenty-year period.

The following items are in the 2016 ERP and have been approved for purchase in 2016.

Project Title	Investment	Project Description
Technology Upgrades	\$66,000	Replacement and/or upgrades of staff computers, printers and scanners, network servers
Activity Center	\$5,000	Floor scrubber
Arts Center	\$3,700	Video camera updates
Community Services	\$10,000	Document management scanner
Fire - Aerial Truck	\$54,217	Lease payment on portion of aerial truck financed in 2008
Fire - Vehicles	\$19,606	Three leased vehicles and outfitting of those vehicles
Fire - Equipment	\$34,900	Replaced air compressor
Fire - Radios	\$294,075	Replace portable and mobile radio equipment
Police Patrol Vehicles	\$90,000	Marked patrol cars used by patrol officers to respond to calls, enforce traffic laws and perform general patrol duties
Police - Parking Vehicle	\$36,500	Replace parking enforcement officer's vehicle
Police Administrative Vehicle	\$21,794	Police administrative and detective vehicle - Annual lease and cost of outfitting the vehicle with needed equipment.
Police - SWAT	\$50,000	Vehicle for SWAT Team
Police - Drug Task Force Vehicle	\$16,074	Drug Task Force vehicle - Annual lease and cost of outfitting the vehicle with needed equipment.
Police - Portable & Mobile	\$236,300	Replacement of portable and mobile radios.
Public Works - Building Maintenance	\$32,000	4x4 3/4 ton pick-up truck used by building maintenance staff
Public Works - Forestry	\$20,000	Riding mower used by parks division
Public Works - Forestry	\$32,200	3/4 ton pickup truck used by forestry department
Public Works - Streets	\$30,400	4x4 3/4 ton pick-up truck with plow used by street department
Public Works - Streets	\$150,000	Water truck used by streets and parks departments
Public Works - Streets	\$41,900	Skid steer loader
Public Works - Streets	\$13,400	Sign machine used by traffic division
Public Works - Streets	\$12,000	Planer used by street department for pavement repairs
Public Works - Sewer	\$33,600	3/4 ton truck used by sewer department
Public Works - Water	\$35,000	3/4 ton truck used by water department
TOTAL	\$1,338,666	

2016 BUDGET

CITY OF HOPKINS

2016 Other Budgeted Capital Expenditures

Along with the Capital Improvement and Equipment Replacement Plans the city has the following capital items budgeted in the operating budgets of the General and Special Revenue Funds. The first year an item is requested it must be funded within the department making the request. Once the item has been funded it will be placed in the ERP for future replacement. All construction related capital items are always placed in the CIP regardless of the funding source. Items with a value of \$5,000 or greater are defined as capital expenditures within the General and Special Revenue Funds. Items with a value of \$5,000 or more will be placed in the ERP for future replacement once funded by the department making the request. The exception is capital items in the Chemical Assessment Team Special Revenue Fund, which is fully funded by State of Minnesota HazMat grant dollars.

The following capital items have been budgeted in the General and Special Revenue Funds for 2015.

PROJECT TITLE		
General Fund		
Public Works	\$7,300	Diagnostic equipment upgrade and rototiller used for community gardens
Special Revenue Funds		
Parking	\$250,000	Masonry repairs, barrier cable replacement and other repairs based on 2013 conditions report
TOTAL	\$257,300	

Total budgeted capital items from all funding sources totals \$15,835,113 for 2016.



Items in the City's Equipment Replacement Plan include police, fire vehicles.

CITY OF HOPKINS

GENERAL FUND BUDGET PROJECTIONS

	Approved		Projected			
	2015 Projected	2016 Budget	2017 Budget	2018 Budget	2019 Budget	2020 Budget
urrent Revenues						
Property Tax	\$ 9,113,565	\$ 9,796,951	\$ 9,798,702	\$ 9,935,961	\$ 10,005,239	\$ 10,104,939
Intergovernmental Revenues	1,043,085	891,954	890,000	900,000	950,000	1,000,000
License, Permits and Fines	706,791	575,775	675,000	700,000	720,000	740,000
Charges for Current Services	285,911	188,900	250,000	260,000	260,000	265,000
Other Revenue	84,420	132,150	100,000	55,000	50,000	55,000
Franchise Fee	300,390	290,000	300,000	310,000	325,000	325,000
Total Revenues	11,534,162	11,875,730	12,013,702	12,160,961	12,310,239	12,489,939
urrent Expenses						
Salaries and Employee Benef	8,787,651	9,179,670	9,271,467	9,364,181	9,457,823	9,552,401
Materials, Supplies and Servic	2,425,249	2,673,760	2,727,235	2,781,780	2,837,416	2,922,538
Capital outlay	5,622	7,300	-	-	-	-
Transfer Out	10,000	15,000	15,000	15,000	15,000	15,000
Total Expenditures	11,228,522	11,875,730	12,013,702	12,160,961	12,310,239	12,489,939
Change in Fund Balance	305,640	-	-	-	-	-
Fund Balance	<u>\$ 5,680,619</u>					

General Fund

Property tax revenue is the amount needed to fill the gap between budgeted revenues and appropriations. The average increase in levy for the general fund for years 2016 through 2020 is projected to be 2-3.0% which the City Council feels is responsible given the current economic situation. This projection reflects an appropriation increase of 4.66% for 2016 and an average increase for years 2017-2020 of 1.7%. The actual amount for any particular year may be reduced through appropriation cuts or new revenue sources. The city's reliance on support from the state has significantly decreased over the years as the state faced its budget challenges and reduced local support. At one time taxes were less than 70% of total revenues. They now comprise 82%. The city no longer relies on state support when budgeting due to its uncertainty.

Tax base growth is used as a guide in keeping the property tax increase to a reasonable level. Due to recent economic development we expect the market value will start showing additional growth for tax year 2017. The city continues to work with developers on several redevelopment projects that will contribute to the increase in the tax base despite what current market trends indicate. Therefore Hopkins tax base will most likely see an overall increase in the next few years.

Franchise fees – The City implemented an electric and gas utility franchise fee in 2004 to help offset the amount of tax levy needed to fund general operations. The franchise fee has an optional sunset clause after two years but has been renewed for two additional years in 2007, 2009, 2011 and for five years in 2013. The franchise fee is set to expire December 31, 2018 and staff most likely will recommend its renewal as this source of income has become an important component of the budget. While the franchise fee is reviewed annually the City Council along with staff continues to analyze its usefulness.

2016 BUDGET

CITY OF HOPKINS

Intergovernmental revenue received by the City include police and fire aid, which is used to offset pension costs of the police and fire departments and municipal state aid for streets. The City of Hopkins receives less than 8% of its budget from state grants and programs. The revenue we do receive is derived from fees on services to the public – police & fire aid is from fees on insurance policies purchased by individuals and companies, municipal state aid is derived from gas tax. Both these sources remain stable. The State of Minnesota also provides Hopkins with about \$400,000 in Local Government Aid. This funding source previously received up until 2003 before it was eliminated was reinstated at a much lower level in 2014 and continues into 2016.

Licenses, permits and fines include building permits are dependant on new construction and remodeling projects. Based on projected new construction projects, historical information and economic conditions revenues are expected to increase slightly for 2016 from the 2015 budget with revenues continuing to show small increases in the following years as. Fine revenue continues to be stable with slight increases due to implementation of license violation and administrative citations. The additional revenues received in 2015 were from commercial re-development projects. Unless a developer's commercial project has funding it is the City's practice to not budget for those amounts.

Various programs throughout the City generate charges for services and a significant portion of this line item is plan review, housing inspection fees and vacant property registrations. Charges are usually increased by an inflationary rate but due to projected development and the resulting plan review fees we expect to see a slight increase for the 2016 budget. Future projections are to forecast an increase of 1% annually.

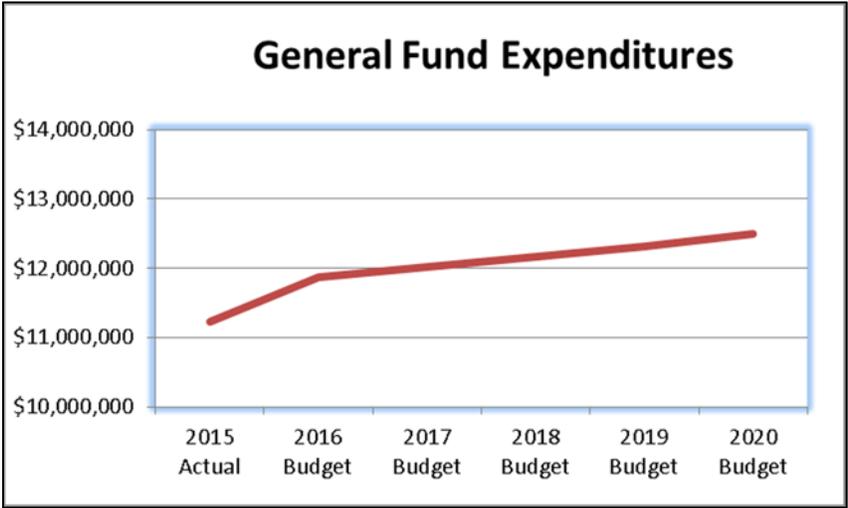
The general fund, which accounts for one third of the City's operating expenses, has a revenue budget of \$11,875,730 and an appropriation budget of the same. The increase in appropriations over 2015 is \$529,014 or 4.66%. The budget was prepared with the intention of meeting the budget goals, while assuring efficiency and effectiveness in all positions.

For 2016, the budget was prepared with 2.27 new FTE staffing; two new full-time firefighters and a .27 time police evidence and property room manager; a 2% wage increase for all employee groups, two small general fund capital items, and small inflationary increases in street maintenance expenses for road repairs and other general departmental expenses. The enhanced medical response program implemented in 2007 will continue into 2016 as the program has allowed for greater efficiencies in the police department and increased service to the public. Other budget considerations for 2016 are the cost of employee health insurance and state mandated increases in employee pension funds along with normal inflationary increases. The council attempts to balance maintaining the current level of services while meeting the increasing needs of the public.

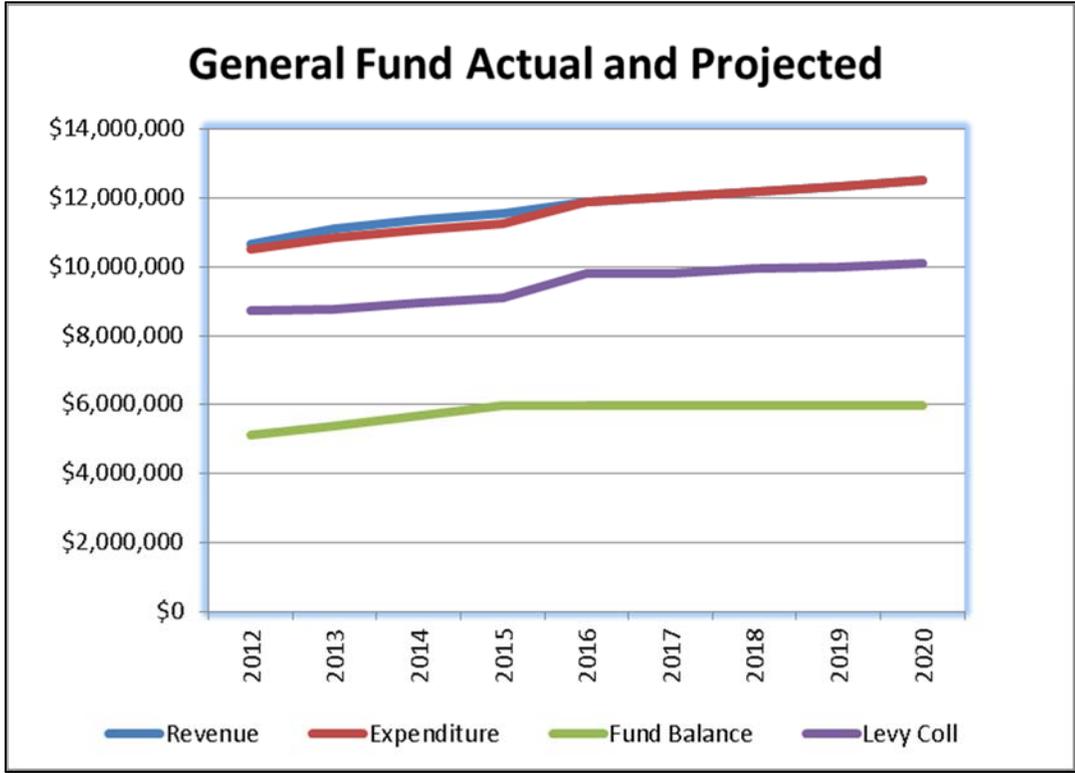
An emphasis remained on holding the line on the cost of current government services, while recognizing the increased cost of providing those services. Departments were requested to provide financial information by programs within a department and the council spent considerable time reviewing that information before adopting the budget.

The council and staff implemented a long-range financial management plan for 2014 that provides funding for future needs. The plan includes staffing, operational and capital needs and sets forth funding mechanism to meet those expenditures. This plan played a key role in developing the 2016 budget for all city funds. Staff also continues to explore ways to contain costs and develop new revenue sources so that we can maintain the quality of life Hopkins residents have come to expect.

CITY OF HOPKINS



The chart to the left shows 2015 actual expenditures along with the 2016 approved budget and projected budgets from 2017 through 2020.



The general fund tax levy rises in proportion to general fund expenditures. Currently Hopkins relies on its property taxes as its major source of revenue. In fact property taxes account for 82% of General Fund revenues.

2016 BUDGET

CITY OF HOPKINS

General Fund Appropriation Budget Comparisons – By Department

	2014 Actual	2014 Actual	2015 Budget	2016 Budget	Budget \$ Amount Change	Change
Council	\$ 71,519	\$ 82,266	\$ 70,417	\$ 79,708	\$ 9,291	13.19%
Administrative Services	517,507	523,849	527,051	531,969	4,918	0.93%
Finance	258,994	359,990	256,081	276,993	20,912	8.17%
Legal	171,685	156,835	145,000	150,000	5,000	3.45%
Municipal Building	304,697	319,352	324,246	333,611	9,365	2.89%
Community Services	1,013,372	1,025,383	1,030,737	1,089,843	59,106	5.73%
Police	4,396,663	4,515,389	4,511,890	4,737,734	225,844	5.01%
Fire	1,084,506	1,038,292	985,987	1,105,110	119,123	12.08%
Public Works	2,422,216	2,332,905	2,503,936	2,580,621	76,685	3.06%
Recreation	585,914	604,955	589,560	632,894	43,334	7.35%
Planning & Economic Dev.	123,993	134,289	135,162	153,872	18,710	13.84%
Community Development	87,124	90,387	91,449	121,875	30,426	33.27%
Unallocated	25,338	44,630	175,200	81,500	(93,700)	-53.48%
TOTAL	\$11,063,528	\$11,228,522	\$11,346,716	\$11,875,730	\$ 529,014	4.66%



2016 Mayor & Council

Katy Campbell, Jason Gadd, Mayor Molly Cummings, Kristi Halverson, Aaron Kuznia

2016 BUDGET

CITY OF HOPKINS

Budget Projections – Other Major Funds

The City also prepares budget projections for its budgeted major funds which include the following:
 Special Revenue Funds – Economic Development, Arts Center
 Debt Service Fund – Taxable Housing Bonds of 2009B
 Enterprise Funds – Water, Sewer, Storm Sewer

Economic Development Fund

	2015 Actual	Approved	Projected			
		2016 Budget	2017 Budget	2018 Budget	2019 Budget	2020 Budget
Current Revenues						
Property Tax	\$ 439,918	\$ 296,813	\$ 302,749	\$ 308,804	\$ 314,980	\$ 321,280
Intergovernmental Revenues	171,875	-	-	-	-	-
Other Revenue	86,462	59,300	15,500	15,500	15,500	15,500
Total Revenues	698,255	356,113	318,249	324,304	330,480	336,780
Current Expenses						
Salaries and Employee Benefits	192,976	146,344	150,003	153,753	157,596	161,536
Materials, Supplies and Services	329,373	30,256	30,559	30,864	31,173	31,485
Total Expenditures	522,349	176,600	180,561	184,617	188,769	193,021
Change in Fund Balance	175,906	179,513	137,688	139,687	141,711	143,759
Fund Balance	\$ 4,129,138	\$ 4,308,651	\$ 4,446,339	\$ 4,586,027	\$ 4,727,738	\$ 4,871,497

The main source of revenue for the Economic Development Fund is a special development tax levy based on a percentage of the market value. As the market value fluctuates so does the amount of the levy. Funds are used for development efforts by the City and to provide assistance to developers. Intergovernmental revenues in the form of grants from the County or Metropolitan Council are applied for when there are specific needs by a developer for site remediation in order to make a project viable. In the past the City has been successful at obtaining these grants on behalf of developers which has assisted in a number of recent projects which in turn adds to the tax base.



The Gallery Flats apartments are a recent development project that brought 163 luxury apartments to the housing market in 2014 and has added significant value to the tax base.

CITY OF HOPKINS

Arts Center	Approved		Projected			
	2015 Actual	2016 Budget	2017 Budget	2018 Budget	2019 Budget	2020 Budget
Current Revenues						
Property Tax	\$ 83,587	\$ 140,000	\$ 200,000	\$ 260,000	\$ 260,000	\$ 260,000
Intergovernmental Revenues	37,337	35,967	75,000	80,000	85,000	90,000
Charges for Current Services	501,835	489,921	499,719	509,714	519,908	530,306
Other Revenue	67,713	34,300	24,000	25,000	26,000	27,000
Transfers In	86,920	86,920	86,920	86,920	86,920	86,920
Total Revenues	777,392	787,108	885,639	961,634	977,828	994,226
Current Expenses						
Salaries and Employee Benefits	399,826	430,057	438,658	447,431	456,380	465,508
Materials, Supplies and Services	353,820	409,857	413,956	418,095	422,276	426,499
Capital Outlay	10,169	106,800	55,925	320,000	69,100	-
Total Expenditures	763,815	946,714	908,539	1,185,526	947,756	892,006
Change in Fund Balance	13,577	(159,606)	(22,899)	(223,893)	30,072	102,220
Fund Balance	<u>\$ (1,167,661)</u>	<u>\$ (1,327,267)</u>	<u>\$ (1,350,166)</u>	<u>\$ (1,574,059)</u>	<u>\$ (1,543,987)</u>	<u>\$ (1,441,767)</u>

The Hopkins Center for the Arts “Arts Center” was built in 1997 with funds from the City, the State of Minnesota as well as contributions from corporations, foundations, local civic organizations, businesses and individuals. The Arts Center is owned by the City of Hopkins and has a major tenant in Stages Theater Company (children’s theater) and Hopkins School District 270. While ticket sales and lease rent provide a significant income stream it has not always been sufficient to meet expenditures and as a result the fund has a large deficit. Over the last five years various changes in operations has resulted in some success at reducing the deficit, however it has not been sufficient to totally eliminate the negative position. As part of the City’s long-range financial management plan staff and council emphasized that the negative position must be eliminated. While not ruling out donations and naming rights to the theater, with the state of the economy we need to address the deficit now. As a result the City implemented a tax levy for 2015 that will eliminate the negative fund balance over the next ten years. In addition, Arts Center staff has been reorganized and additional efforts have been made to rent and lease the various available spaces to the extent possible. Arts staff has also been successful at obtaining grants for programming from the MN Arts Boards which help underwrite the cost of hiring performance artists. Expenditures are expected to increase 1-2% a year to keep up with inflation. In addition to operational expenditures the Arts Center due to its age has several capital needs over the next couple of years that add to its budget challenges. The Arts Center has a partner in their fund raising efforts through the Friends of the Hopkins Center for the Arts, a 501(c)3 nonprofit that raises funds to support arts programming at the Center, coordinates volunteer efforts and fosters public awareness of the Center.



In 2015 the Hopkins Center for the Arts received a generous \$40,000 donation from the Hopkins Masons. Shown with Co-Executive Directors Lynn Anderson and Susan Hanna-Bibus are members of the Mason’s.

2016 BUDGET

CITY OF HOPKINS

Taxable Housing Bonds of 2009B

	2015 Actual	Approved	Projected			
		2016 Budget	2017 Budget	2018 Budget	2019 Budget	2020 Budget
Current Revenues						
Special Assessments	\$ 399,256	\$ 399,257	\$ 385,000	\$ 380,000	\$ 375,000	\$ 370,000
Other Revenue	7,847	8,493	1,300	1,300	1,300	1,300
Total Revenues	407,103	407,750	386,300	381,300	376,300	371,300
Current Expenses						
Materials, Supplies and Services	1,977	1,800	1,800	1,800	1,800	1,800
Debt Service Payments	323,540	325,400	326,320	328,020	323,370	317,530
Total Expenditures	325,517	327,200	328,120	329,820	325,170	319,330
Change in Fund Balance	81,586	80,550	58,180	51,480	51,130	51,970
Fund Balance	\$ 988,693	\$ 1,069,243	\$ 1,127,423	\$ 1,178,903	\$ 1,230,033	\$ 1,282,003

Collections of special assessments for the Taxable Housing Bonds of 2009B are expected to exceed the debt service requirements of the bonds. Bonds for this project were originally sold in 1997 and were refunded in 2009 at a significant savings. Special assessments collected on two condominium projects pay for the debt service that funded private improvements on those properties. The special assessments cannot be prepaid so at the end of the debt service period any excess funds will be returned to the homeowners association for additional improvements to the property pursuant to the agreement.

Water Fund	2015 Actual	Approved	Projected			
		2016 Budget	2017 Budget	2018 Budget	2019 Budget	2020 Budget
Current Revenues						
Utility Charges	\$ 1,325,096	\$ 1,395,200	\$ 1,451,008	\$ 1,509,048	\$ 1,569,410	\$ 1,632,187
Other Revenue	191,146	158,300	160,000	165,000	170,000	175,000
Total Revenues	1,516,242	1,553,500	1,611,008	1,674,048	1,739,410	1,807,187
Current Expenses						
Salaries and Employee Benefits	523,890	345,597	355,965	366,644	377,643	388,972
Materials, Supplies and Services	858,101	956,677	975,811	995,327	1,015,233	1,035,538
Depreciation	241,737	250,000	250,000	250,000	250,000	250,000
Debt Service Payments	74,755	95,487	50,310	46,785	42,997	39,072
Transfer Out	45,000	45,000	45,000	45,000	45,000	45,000
Total Expenditures	1,743,483	1,692,761	1,677,085	1,703,756	1,730,873	1,758,582
Net Income	(227,241)	(139,261)	(66,077)	(29,707)	8,537	48,604

The water fund has several planned maintenance projects planned for 2016 that will draw on reserves. In the budget is the water tower maintenance program for both water towers. Rates were not increased as we work on evaluating a tiered rate structure to be implemented in 2016. The goal of the new rate structure is to encourage conservation due to increased water consumption caused by new multi-family development. Maintenance costs are projected to increase about 2% over the next 4 years. Budgeted transfers are for the water funds share of the public works facility debt as the water department headquarters are located in that facility.

2016 BUDGET

CITY OF HOPKINS

Sewer Fund	Approved		Projected			
	2015 Actual	2016 Budget	2017 Budget	2018 Budget	2019 Budget	2020 Budget
Current Revenues						
Utility Charges	\$ 2,172,277	\$ 2,276,200	\$ 2,390,010	\$ 2,509,511	\$ 2,634,986	\$ 2,766,735
Other Revenue	2,565	1,000	1,200	1,200	1,200	1,200
Total Revenues	2,174,842	2,277,200	2,391,210	2,510,711	2,636,186	2,767,935
Current Expenses						
Salaries and Employee Benefits	286,572	359,616	366,808	374,144	381,627	389,260
Materials, Supplies and Services	1,573,639	1,959,838	1,979,436	1,999,231	2,019,223	2,039,415
Depreciation	174,826	170,000	172,000	172,000	172,000	172,000
Debt Service Payments	41,618	66,790	38,642	35,730	32,655	29,492
Transfer Out	50,000	50,000	50,000	50,000	50,000	50,000
Total Expenditures	2,126,655	2,606,244	2,606,887	2,631,105	2,655,505	2,680,167
Net Income	48,187	(329,044)	(215,677)	(120,395)	(19,319)	87,768

Sewer treatment costs to the Metropolitan Council, a regional sewer treatment system are 55% of the expenditures of the sewer fund. The Met Council charges municipalities a percentage of their annual budget based on individual cities water flow. This charge can fluctuate based on water used in Hopkins versus the entire region although our percentage has stayed constant the last few years. The variable factor is the Met Council budget. Sanitary sewer charges to customers were not increased in 2016 and as the City is in the middle of a rate study with scheduled implementation for mid-2016. In 2016 scheduled maintenance includes sewer lining, manhole repairs and televising the main sewer lines at an estimated cost of \$50,000. Budgeted transfers are for the sewer funds share of the public works facility debt as the sewer department headquarters are located in that facility.

Storm Sewer Fund	Approved		Projected			
	2015 Actual	2016 Budget	2017 Budget	2018 Budget	2019 Budget	2020 Budget
Current Revenues						
Utility Charges	\$ 805,542	\$ 802,000	\$ 802,000	\$ 802,000	\$ 802,000	\$ 802,000
Other Revenue	8,385	2,000	1,200	1,200	1,200	1,200
Total Revenues	813,927	804,000	803,200	803,200	803,200	803,200
Current Expenses						
Salaries and Employee Benefits	50,059	65,571	66,882	68,220	69,584	70,976
Materials, Supplies and Services	70,280	114,511	116,801	119,137	121,520	123,950
Depreciation	230,152	227,000	227,000	227,000	227,000	227,000
Debt Service Payments	44,634	72,414	40,874	38,886	36,674	34,230
Transfer Out	25,000	25,000	25,000	25,000	25,000	25,000
Total Expenditures	420,125	504,496	476,558	478,243	479,778	481,157
Net Income	393,802	299,504	326,642	324,957	323,422	322,043

The storm sewer fund has not had to raise rates since 2009 due to its strong financial position and there are currently no plans to raise them in the near future. Expenditures continue to be stable with no significant maintenance projects planned for 2016. Budgeted transfers are for the storm sewer funds share of the public works facility debt as the storm sewer department headquarters are located in that facility. The City plans on doing a rate study in 2016 or all enterprise funds as part of our long-range financial planning and the storm sewer will be included despite its strong financial position.

2016 BUDGET

CITY OF HOPKINS

**General Fund
Revenue & Expenditures**

	Actual 2013	Actual 2014	Actual 2015	Budget 2015	Budget 2016	Percent Change
Revenues						
Property Taxes	\$ 8,785,782	\$ 8,953,481	\$ 9,113,565	\$ 9,307,729	\$ 9,797,151	5.26%
Intergovernmental	747,832	956,514	1,043,085	843,112	891,954	5.79%
Licenses, Permits and Fines	878,634	780,586	706,791	569,975	575,575	0.98%
Interest Earnings	9,468	43,849	47,932	15,000	20,000	33.33%
Charges for Services	354,743	295,066	285,911	209,300	188,900	-9.75%
Franchise Fees	293,349	300,789	300,390	290,000	290,000	
Miscellaneous	41,812	25,000	36,448	111,600	112,150	0.49%
Transfer In - Operating	-	-	-	-	-	
Total Revenues	11,111,620	11,355,284	11,534,122	11,346,716	11,875,730	4.66%
Expenditures						
Salaries, Wages and Benefits						
Salaries and Wages	6,186,170	6,300,801	6,403,425	6,410,174	6,631,655	3.46%
Fringe Benefits	2,216,263	2,283,130	2,384,226	2,326,690	2,548,015	9.51%
Materials, Supplies and Services						
Professional & Technical Services	884,842	928,539	1,024,164	916,625	1,003,825	9.51%
Utilities and Maintenance	778,504	824,897	712,335	832,367	841,190	1.06%
Operations	336,268	358,119	443,911	580,410	494,651	-14.78%
City Support Services	173,614	171,244	148,886	170,277	172,338	1.21%
Supplies and Materials	904,900	839,475	720,984	704,535	725,018	2.91%
Capital Outlay						
Buildings & Improvements	-	-	-	-	-	
Vehicles	-	-	-	-	-	
Office Furniture and Equipment	-	-	-	-	-	
Equipment	11,031	-	5,622	9,500	7,300	-23.16%
Equipment Allocation	314,622	341,181	342,998	373,946	404,767	8.24%
Total Expenditures	11,806,213	12,047,386	12,186,551	12,324,524	12,828,759	4.09%
Transfer Out	33,580	10,000	10,000	10,000	15,000	50.00%
Reimbursed Expenditures	(991,527)	(993,858)	(968,029)	(987,808)	(968,029)	-2.00%
Net Total Expenditures	10,848,267	11,063,528	11,228,522	11,346,716	11,875,730	4.66%
Excess (deficiency) of Rev. over Exp.	263,354	291,756	305,600	-	-	
Ending Fund Balance	5,101,149	5,388,864	5,682,620	5,388,864	5,682,620	

2016 BUDGET

CITY OF HOPKINS

UNALLOCATED						
Revenues and Expenditures						
	Actual	Actual	Projected	Budget	Budget	Percent
	2013	2014	Actual	2015	2016	Change
Revenues						
Property Taxes	\$ 8,784,635	\$ 8,952,881	\$ 9,113,014	\$ 9,307,729	\$ 9,796,951	5.26%
Intergovernmental Revenue	21,152	310,431	409,112	409,112	434,454	6.19%
Interest earnings	(16,569)	43,849	47,931	15,000	20,000	33.33%
Franchise Fees	293,349	300,789	300,390	290,000	290,000	
Miscellaneous	1,567	359	5,839	250	250	
Total Revenues	<u>9,084,134</u>	<u>9,608,309</u>	<u>9,876,286</u>	<u>10,022,091</u>	<u>10,541,655</u>	5.18%
Expenditures						
Materials, Supplies and Services						
Operations	10,700	15,338	11,685	116,791	66,500	-43.06%
Operating Transfers						
Transfer from other funds	-	-	-	-	-	
Transfer to other funds	<u>33,580</u>	<u>10,000</u>	<u>10,000</u>	<u>10,000</u>	<u>15,000</u>	50.00%
Total Expenditures	<u>44,280</u>	<u>25,338</u>	<u>21,685</u>	<u>126,791</u>	<u>81,500</u>	-35.72%
Indirectly Funded Amount	9,039,854	9,582,971	9,854,601	9,895,300	10,460,155	5.71%

2016 BUDGET

CITY OF HOPKINS

FUND 101 – GENERAL FUND

PROGRAM: Unallocated

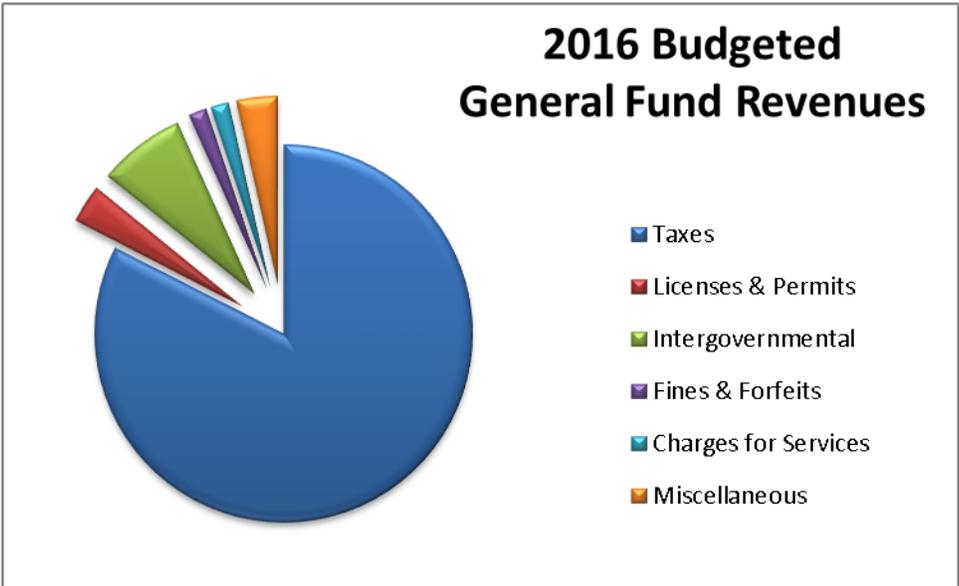
PROGRAM SUMMARY

The purpose of the unallocated program of the General Fund is to provide budget for unforeseen or unusual expenditures that may occur in a given year. The revenues recorded here are revenues that are not directly associated with another program within the city.

MAJOR OBJECTIVES TO BE ACCOMPLISHED IN 2016:

1. Monitor tax collections
2. Evaluate franchise fee structure
3. Maximize investment earnings

	<u>FY 2015 Actual</u>	<u>FY 2015 Approved Budget</u>	<u>FY 2016 Approved Budget</u>	<u>Percent Change</u>
REVENUES:				
Property Taxes	\$9,113,014	\$9,307,729	\$ 9,796,951	5.26%
Intergovernmental	409,112	409,112	434,454	6.19%
Interest Earnings	47,931	15,000	20,000	33.33%
Franchise Fee	330,930	290,000	290,000	0.00%
Miscellaneous	5,839	250	250	0.00%
Total Revenues	9,906,826	10,022,091	10,541,655	5.18%
EXPENDITURES:				
Materials, Supplies & Services	11,685	165,200	66,500	-59.75%
Operating Transfer	10,000	10,000	15,000	50.00%
Total Expenditures	21,685	175,200	81,500	-53.48%
NET TAX AND GENERAL REVENUE SUPPORTED	\$9,885,141	\$9,846,891	\$10,460,155	1.80%



CITY OF HOPKINS

CITY COUNCIL BUDGET Revenues and Expenditures

	Actual 2013	Actual 2014	Actual 2015	Budget 2015	Budget 2016	Percent Change
Expenditures						
Salaries, Wages and Benefits						
Salaries and Wages	\$ 23,738	\$ 23,462	\$ 25,507	\$ 24,400	\$ 32,000	31.15%
Fringe Benefits	1,885	1,880	2,346	1,867	2,448	31.12%
Materials, Supplies and Services						
Professional & Technical Services	96	275	110	200	310	55.00%
Operations	41,656	44,590	52,329	41,500	43,000	3.61%
City Support Services	-	-	-	-	-	--
Supplies and Materials	1,737	1,030	1,975	2,450	1,950	-20.41%
Total Expenditures	69,112	71,237	82,266	70,417	79,708	13.19%
 Indirectly Funded Amount	 69,112	 71,237	 82,266	 70,417	 79,708	 13.19%

The City Council Department accounts for the expenses of the mayor and council.

2016 BUDGET

CITY OF HOPKINS

FUND 101 – GENERAL FUND

PROGRAM: Council Administration

PROGRAM SUMMARY

The Council Administration program of the Council Department establishes city policies, goals and objectives. It approves the budget and monitors the activities of the City Manager and City Attorney. The council also appoints members to boards and commissions. The City Council holds regular meetings and work sessions, receives input from staff, citizens and other interested parties. The Council controls policy through changes in the City Code and Legislative Policies. They control spending through their review and approval of the City budget and various contracts.

MAJOR OBJECTIVES TO BE ACCOMPLISHED IN 2016:

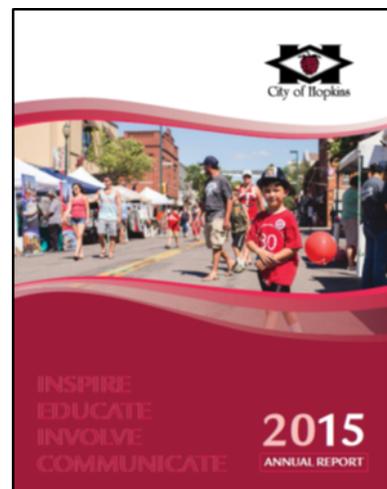
Work across all city departments and the community to implement the current Goals and Strategic Plan: (1) Enhance our Small-town Feel, (2) Promote Smart Urban Design and Walkability, and (3) Take it to Them (citizen engagement)

1. Promote city marketing efforts through the “Think Hopkins” campaign
2. Conduct 2016 Citizen’s Academy and Alumni event
3. Publish 2015 City Annual Report
4. Conduct 2016 State of the City event

	<u>FY 2014 Actual</u>	<u>FY 2014 Approved Budget</u>	<u>FY 2015 Approved Budget</u>	<u>Percent Change</u>
EXPENDITURES:				
Salaries/Wages/Benefits	\$ 25,342	\$ 26,267	\$ 26,267	0.00%
Materials, Supplies & Services	\$ 45,895	\$ 43,605	\$ 44,150	1.25%
	\$ 71,237	\$ 69,872	\$ 70,417	
NET TAX AND GENERAL REVENUE SUPPORTED	\$ 71,237	\$ 69,872	\$ 70,417	0.78%
PERSONNEL:				
Number of FTE positions	Mayor and Mayor and 4 Council			



Citizen’s Academy Class



2016 BUDGET

CITY OF HOPKINS

ADMINISTRATIVE SERVICES BUDGET Revenues and Expenditures

	Actual 2013	Actual 2014	Actual 2015	Budget 2015	Budget 2016	Percent Change
Expenditures						
Salaries, Wages and Benefits						
Salaries and Wages	\$ 390,759	\$ 402,682	\$ 429,997	\$ 406,395	\$ 391,225	-3.73%
Fringe Benefits	157,346	152,468	144,464	162,123	161,849	-0.17%
Materials, Supplies and Services						
Professional & Technical Services	7,479	29,571	15,865	14,740	30,190	104.82%
Utilities and Maintenance	13,730	11,979	16,438	12,824	14,500	13.07%
Operations	27,050	17,102	14,301	29,865	30,015	0.50%
City Support Services	1,622	1,707	1,805	1,971	2,230	13.14%
Supplies and Materials	7,071	5,457	4,979	5,875	5,960	1.45%
Total Expenditures	<u>605,057</u>	<u>620,967</u>	<u>627,849</u>	<u>633,793</u>	<u>635,969</u>	0.34%
Reimbursed Expenditures	<u>(104,000)</u>	<u>(104,000)</u>	<u>(104,000)</u>	<u>(104,000)</u>	<u>(104,000)</u>	
Net Total Expenditures	501,057	516,967	523,849	529,793	531,969	0.41%
Indirectly Funded Amount	501,057	516,967	523,849	529,793	531,969	0.41%

The Administrative Services Department is made up of four programs. They are Administration, Personnel, Wellness and Information Technology Services

CITY OF HOPKINS

FUND 101 – GENERAL FUND

PROGRAM: Administrative Services – Administration

PROGRAM SUMMARY

The Administration program of the Administrative Services Department provides leadership and support to all city programs and operations. Administration controls and directs the City’s affairs. It responds to citizen concerns and participates in affiliated organizations.

MAJOR OBJECTIVES TO BE ACCOMPLISHED IN 2016:

1. Enhance the agenda and report program that keeps the Council and public informed through meetings and correspondence.
2. Continue to coordinate the future planning of the City through the Capital Improvements Plan (CIP) program.
3. Continue to operate and enhance the employee wellness program.
4. Enhance Leadership and Training for City Council and Staff.
 5. Prepare a legislative agenda, monitor legislative issues, and lobby on issues affecting the City

	FY 2015 <u>Actual</u>	FY 2015 <u>Approved Budget</u>	FY 2016 <u>Approved Budget</u>	<u>Percent Change</u>
EXPENDITURES:				
Salaries/Wages/Benefits	\$265,128	\$250,040	\$226,429	-9.44%
Materials, Supplies & Services	18,139	25,531	25,443	-0.34%
Reimbursed Expenditures	(66,000)	(66,000)	(66,000)	0.00%
	\$217,267	\$209,571	\$185,872	
NET TAX AND GENERAL REVENUE SUPPORTED	\$217,267	\$209,571	\$185,872	-11.31%
PERSONNEL:				
Number of FTE positions	2.05	2.05	1.60	

PROGRAM: Administrative Services – Personnel

PROGRAM SUMMARY

Personnel provides human resource support for departments and employees. This includes coordination of staff recruitment, coordination of employee benefit programs and conducting employee relations’ activities for all City employees. Another aspect of this program is ensuring compliance with state, federal and local laws regarding employment.

MAJOR OBJECTIVES TO BE ACCOMPLISHED IN 2016:

1. Successfully replace retiring employees.
2. Assist the City Manager with staff development opportunities

	FY 2015 <u>Actual</u>	FY 2015 <u>Approved Budget</u>	FY 2016 <u>Approved Budget</u>	<u>Percent Change</u>
EXPENDITURES:				
Salaries/Wages/Benefits	\$ 53,452	\$ 54,637	\$ 56,461	3.34%
Materials, Supplies & Services	5,317	3,412	18,647	446.51%
Reimbursed Expenditures	(16,000)	(16,000)	(16,000)	0.00%
	\$ 42,769	\$ 42,049	\$ 59,108	
NET TAX AND GENERAL REVENUE SUPPORTED	\$ 42,769	\$ 42,049	\$ 59,108	40.57%
PERSONNEL:				
Number of FTE positions	0.4	0.4	0.4	

2016 BUDGET

CITY OF HOPKINS

FUND 101 – GENERAL FUND

PROGRAM: Administrative Services – Wellness

PROGRAM SUMMARY

The Wellness program of the Administrative Services Department provides support and activities to encourage overall general good health of city employees.

MAJOR OBJECTIVES TO BE ACCOMPLISHED IN 2016:

Goal 2, Strategy 3 – Healthy City Initiatives:

1. Continue to provide healthy guidance to employees.
2. Provide at least one low cost wellness event six times a year.

	FY 2015 <u>Actual</u>	FY 2015 Approved <u>Budget</u>	FY 2016 Approved <u>Budget</u>	Percent <u>Change</u>
EXPENDITURES:				
Materials, Supplies & Services	2,501	2,000	2,000	0.00%
NET TAX AND GENERAL REVENUE SUPPORTED				
	\$ 2,501	\$ 2,000	\$ 2,000	0.00%
PERSONNEL:				
Number of FTE positions	0	0	0	

PROGRAM: Administrative Services - Information Services

PROGRAM SUMMARY

The Information Services program of the Administrative Services Department provides all network hardware and software support for the City. It also provides individual city employees with hardware and software support. The internal web site is designed and maintained through this program.

MAJOR OBJECTIVES TO BE ACCOMPLISHED IN 2016:

1. Replace Incode with Springbook software.
2. Roll out Bit9 Application whitelisting to every desktop / server.
3. Expand passive vulnerability scanning to every major network junction.
4. Finish migration to Windows 7.
5. Continue to update and improve network security, efficiency, and reliability.
6. Roll out Appassure backup software to PD network / Move all city servers to Appassure.
7. Update IT business continuity/disaster recovery plan to take advantage of virtualization technologies.
8. Certify the city 100% PCI complaint.
9. Finish migration to new file servers on PD and City networks.

	FY 2015 <u>Actual</u>	FY 2015 Approved <u>Budget</u>	FY 2016 Approved <u>Budget</u>	Percent <u>Change</u>
EXPENDITURES:				
Salaries/Wages/Benefits	\$255,881	\$261,099	\$270,184	3.48%
Materials, Supplies & Services	27,431	34,312	36,805	7.27%
Reimbursed Expenditures	(22,000)	(22,000)	(22,000)	0.00%
	\$261,312	\$273,411	\$284,989	
NET TAX AND GENERAL REVENUE SUPPORTED				
	\$261,312	\$273,411	\$284,989	4.23%
PERSONNEL:				
Number of FTE positions	2.55	2.55	3.0	

2016 BUDGET

CITY OF HOPKINS

FINANCE BUDGET						
Revenues and Expenditures						
	Actual	Actual	Projected	Budget	Budget	Percent
	2013	2014	2015	2015	2016	Change
Revenues						
Miscellaneous	\$ 21,409	\$ 21,536	\$ 17,643	\$ 14,950	\$ 14,550	-2.68%
Expenditures						
Salaries, Wages and Benefits						
Salaries and Wages	280,177	286,613	287,326	299,996	286,399	-4.53%
Fringe Benefits	88,996	92,658	97,694	99,839	106,837	7.01%
Materials, Supplies and Services						
Professional & Technical Services	62,238	54,847	149,156	44,030	50,035	13.64%
Utilities and Maintenance	23,613	24,760	24,239	23,300	23,300	
Operations	12,376	8,568	12,527	11,775	13,730	16.60%
City Support Services	367	390	356	391	394	0.77%
Supplies and Materials	6,031	14,338	20,550	10,810	8,110	-24.98%
Capital Outlay						
Equipment Allocation	817	5,766	950	1,041	1,217	16.91%
Total Expenditures	<u>474,615</u>	<u>487,940</u>	<u>592,798</u>	<u>491,182</u>	<u>490,022</u>	-0.24%
Reimbursed Expenditures	<u>(234,158)</u>	<u>(229,776)</u>	<u>(232,808)</u>	<u>(232,808)</u>	<u>(213,029)</u>	-8.50%
Net Total Expenditures	240,457	258,164	359,990	258,374	276,993	7.21%
Indirectly Funded Amount	219,049	236,627	342,347	243,424	262,443	7.81%
<p>The Finance department consists of six programs. They are budgeting, Debt Management, General Accounting, Payroll, Tax Increment Financing Reporting, and Utility Billing.</p>						

2016 BUDGET

CITY OF HOPKINS

FUND 101 – GENERAL FUND

PROGRAM: Finance – Debt

PROGRAM SUMMARY

The Debt program of the Finance Department issues, records and maintains debt for the City of Hopkins and the Hopkins Housing and Redevelopment Authority. Debt is issued in accordance with state statute and city charter. Debt is maintained at a manageable level for the city.

MAJOR OBJECTIVES TO BE ACCOMPLISHED IN 2016:

1. Maintain the current bond rating of AA+ through conservative financial management and accurate reporting of financial and economic conditions of the city.
2. Project future debt needs and ability.
3. Prepare documents and work with financial advisors for 2016 bond issue(s).
4. Analyze possibilities of debt refunding(s).
5. Prepare annual debt reporting for county as required by state statutes

	FY 2015 <u>Actual</u>	FY 2015 <u>Approved Budget</u>	FY 2016 <u>Approved Budget</u>	<u>Percent Change</u>
EXPENDITURES:				
Salaries/Wages/Benefits	\$ 12,925	\$ 13,278	\$ 13,436	1.19%
Materials, Supplies & Services	1,655	1,675	1,679	0.24%
Reimbursed Expenditures	(14,896)	(14,897)	(15,115)	1.46%
	\$ (316)	\$ 56	\$ -	
NET TAX AND GENERAL REVENUE SUPPORTED	\$ (316)	\$ 56	\$ -	--
PERSONNEL:				
Number of FTE positions	0.1	0.1	0.1	



In January 2014 the City was upgraded to a AA+ credit rating by Standard & Poor's. A certificate recognizing this achievement was presented to the City by the City's financial advisors. The AA+ rating was reaffirmed for each of the bond issues sold in 2015.

CITY OF HOPKINS

FUND 101 – GENERAL FUND

PROGRAM: Finance – Accounting

PROGRAM SUMMARY

The Accounting program of the Finance Department provides financial management for the City and the Housing and Redevelopment Authority. It provides support services to other departments in the City through initiating fiscal plans, implementation and control of those plans, accounting and analysis of transactions. Accounting manages the city's day-to-day accounting transactions, including accounts receivable, accounts payable, cash receipts and general accounting. The program prepares monthly and quarterly financial statements and compiles the year-end comprehensive financial report.

MAJOR OBJECTIVES TO BE ACCOMPLISHED IN 2016:

1. Submit CAFR for the GFOA award program.
2. Provide accurate and timely month-end and quarterly financial reports.
3. Update the Financial Management Plan
4. Prepare 20-year Capital Improvement Plan.
5. Prepare 20-year Equipment Replacement Plan
6. Update actuarial study on OPEB obligations.
7. Update CAFR on city website.
8. Complete the implementation of new finance software

	FY 2015 <u>Actual</u>	FY 2015 Approved <u>Budget</u>	FY 2016 Approved <u>Budget</u>	Percent <u>Change</u>
REVENUES:				
Miscellaneous	\$ 7,108	\$ 5,550	\$ 5,550	0.00%
EXPENDITURES:				
Salaries/Wages/Benefits	\$212,545	\$208,616	\$194,610	-6.71%
Materials, Supplies & Services	96,726	53,387	55,209	3.41%
Reimbursed Expenditures	(64,000)	(64,000)	(64,000)	0.00%
	\$245,271	\$198,003	\$185,819	-6.15%
NET TAX AND GENERAL REVENUE SUPPORTED	\$238,163	\$192,453	\$180,269	-6.33%
PERSONNEL:				
Number of FTE positions	2.0	2.0	1.95	

PROGRAM: Finance – Payroll

PROGRAM SUMMARY

The Payroll program of the Finance Department completes the biweekly payroll, maintains all payroll records and completes the payroll quarterly reports. It also provides support services to employees regarding payroll issues.

MAJOR OBJECTIVES TO BE ACCOMPLISHED IN 2016:

1. Assist employees with payroll and benefit issues/questions.
2. Provide accurate and timely payroll and reports.
3. Work with insurance company to manage insurance programs.
4. Prepare benefit open enrollment information and assist employees with questions regarding their benefit options.
5. Provide employee benefit orientations for new hires
6. Implement online employee timekeeping.

	FY 2015 <u>Actual</u>	FY 2015 Approved <u>Budget</u>	FY 2016 Approved <u>Budget</u>	Percent <u>Change</u>
EXPENDITURES:				
Salaries/Wages/Benefits	\$ 81,224	\$ 63,067	\$ 95,789	51.88%
Materials, Supplies & Services	7,867	5,071	6,385	25.91%
Reimbursed Expenditures	(20,000)	(20,000)	(20,000)	0.00%
	\$ 69,091	\$ 48,138	\$ 82,174	
NET TAX AND GENERAL REVENUE SUPPORTED	\$ 69,091	\$ 48,138	\$ 82,174	70.71%
PERSONNEL:				
Number of FTE positions	0.75	0.75	1.0	

2016 BUDGET

CITY OF HOPKINS

FUND 101 – GENERAL FUND

PROGRAM: Finance – TIF Administration

PROGRAM SUMMARY

The Tax Increment Financing Administration program of the Finance Department records and reports tax increment program activities. It is charged with the responsibility of ensuring compliance with state statutes and guidelines.

MAJOR OBJECTIVES TO BE ACCOMPLISHED IN 2016:

1. Continue analysis of Tax Increment Financing funds.
2. Assist with implementation of new TIF districts.
3. Prepare annual Office of the State Auditor reports.

	FY 2015	FY 2015	FY 2016	
	Actual	Approved Budget	Approved Budget	Percent Change
EXPENDITURES:				
Salaries/Wages/Benefits	\$ 12,925	\$ 13,033	\$ 13,436	3.09%
Materials, Supplies & Services	7,566	3,500	3,504	0.11%
Reimbursed Expenditures	(16,533)	(16,533)	(16,940)	2.46%
	\$ 3,958	\$ -	\$ -	
NET TAX AND GENERAL REVENUE SUPPORTED				
	\$ 3,958	\$ -	\$ -	--
PERSONNEL:				
Number of FTE positions	0.1	0.1	0.1	

PROGRAM: Finance – Utility Billing

PROGRAM SUMMARY

The Utility Billing program of the Finance Department prepares and issues monthly utility bills for collection of utility service fees from its customers. Utility records are maintained and updated within this program.

MAJOR OBJECTIVES TO BE ACCOMPLISHED IN 2016:

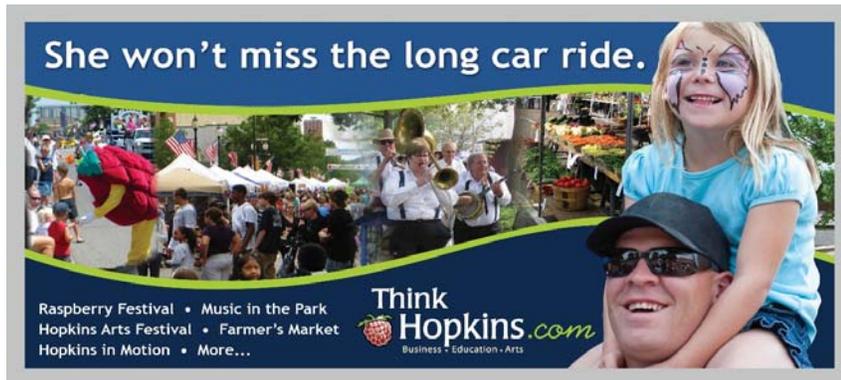
1. Implement E-commerce for utility customers
2. Assist customers with utility billing issues and questions – change of service, change of ownership, etc.
3. Promote automatic payment options to increase usage of automatic payment.
4. Complete implementation of the new Utility Billing software.
5. Complete process for outsourcing printing of utility bills

	FY 2015	FY 2015	FY 2016	
	Actual	Approved Budget	Approved Budget	Percent Change
REVENUES:				
Charges for service	\$ 10,520	\$ 9,400	\$ 9,000	-4.26%
EXPENDITURES:				
Salaries/Wages/Benefits	\$ 65,401	\$ 99,064	\$ 75,965	-23.32%
Materials, Supplies & Services	93,964	27,714	30,009	8.28%
Reimbursed Expenditures	(117,378)	(117,378)	(96,974)	-17.38%
	\$ 41,987	\$ 9,400	\$ 9,000	-4.26%
NET TAX AND GENERAL REVENUE SUPPORTED				
	\$ 31,467	\$ -	\$ -	--
PERSONNEL:				
Number of FTE positions	1.65	1.65	0.85	

2016 BUDGET

CITY OF HOPKINS

LEGAL BUDGET						
Revenues and Expenditures						
	Actual 2013	Actual 2014	Actual 2015	Budget 2015	Budget 2016	Percent Change
Revenues						
Court Fines	\$ 125,559	\$ 132,328	\$ 144,676	\$ 120,000	\$ 125,000	4.17%
Expenditures						
Materials, Supplies and Services						
Professional & Technical Services	142,989	171,685	156,835	145,000	150,000	3.45%
Operations	-	-	-	-	-	
Total Expenditures	142,989	171,685	156,835	145,000	150,000	3.45%
Indirectly Funded Amount	17,431	39,357	12,159	25,000	25,000	
The Legal Department is made up of two programs. They are Legal Counsel and Prosecution.						



2016 BUDGET

CITY OF HOPKINS

FUND 101 – GENERAL FUND

PROGRAM: Legal

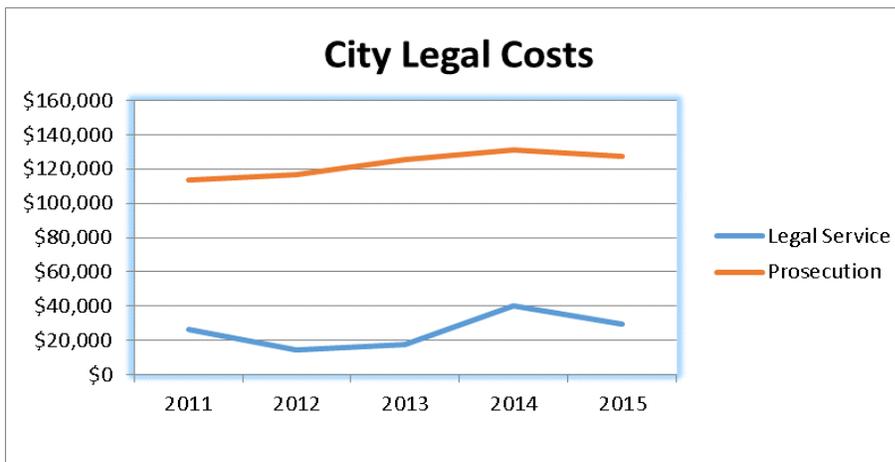
PROGRAM SUMMARY

The Legal department represents the City in court, at City Council meetings and direct contact with staff and the general public. The firm of Kennedy & Graven is retained on a fee per hour basis. They respond to legal summons and/or initiate action on behalf of the City. Written and oral inquiries are made by staff, council, citizens and other interested parties. The city engages other law firms when necessary.

MAJOR OBJECTIVES TO BE ACCOMPLISHED IN 2016:

1. Prosecute the rights of the City.
2. Prosecute violators of the law.
3. Obtain quality legal representation for the City
4. Assist City staff with development projects

	FY 2015 <u>Actual</u>	FY 2015 <u>Approved Budget</u>	FY 2016 <u>Approved Budget</u>	<u>Percent Change</u>
REVENUES:				
Court Fines	\$ 144,676	\$ 120,000	\$125,000	4.17%
EXPENDITURES:				
Materials, Supplies & Services	\$ 156,835	\$ 145,000	\$150,000	3.45%
NET TAX AND GENERAL REVENUE SUPPORTED	\$ 12,159	\$ 25,000	\$ 25,000	0.00%
PERSONNEL:				
The City contracts with a legal firm to represent the City.				



CITY OF HOPKINS

MUNICIPAL BUILDINGS						
Revenues and Expenditures						
	Actual	Actual	Projected	Budget	Budget	Percent
	2013	2014	2015	2015	2016	Change
Expenditures						
Salaries, Wages and Benefits						
Salaries and Wages	93,579	100,733	96,996	101,444	101,607	0.16%
Fringe Benefits	40,977	42,970	43,272	52,800	53,467	1.26%
Materials, Supplies and Services						
Professional & Technical Services	32,303	37,948	40,865	43,000	40,500	-5.81%
Utilities and Maintenance	118,672	119,822	120,293	125,700	132,170	5.15%
Operations	1,188	2,705	2,685	2,300	2,300	
City Support Services	16,836	18,320	14,174	15,492	18,377	18.62%
Supplies and Materials	11,079	13,299	14,400	16,570	17,190	3.74%
Capital Outlay						
Buildings & Structures	-	-	-	-	-	
Office Furniture and Equipment	-	-	-	-	-	
Total Expenditures	314,634	335,797	332,685	357,306	365,611	2.32%
Reimbursed Expenditures	(31,999)	(32,000)	(13,333)	(32,000)	(32,000)	
Net Total Expenditures	282,635	303,797	319,352	325,306	333,611	2.55%
Indirectly Funded Amount	282,635	303,797	319,352	325,306	333,611	2.55%
The Municipal Building Department consists of building maintenance.						

2016 BUDGET

CITY OF HOPKINS

FUND 101 – GENERAL FUND

PROGRAM: Municipal Building – Maintenance

PROGRAM SUMMARY

The Building Maintenance Department of Public Works is responsible for the maintenance and repair of all City Buildings. The Municipal Budget covers City Hall and the Police Department. In house maintenance personnel and contractual custodial services maintain these buildings and equipment.

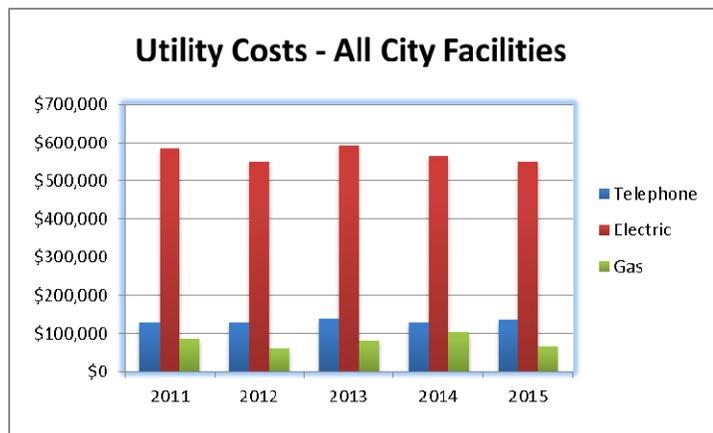
MAJOR OBJECTIVES TO BE ACCOMPLISHED IN 2016:

1. Continuation of Green Initiatives within City Hall.
2. Explore lobby upgrade.

	FY 2015 <u>Actual</u>	FY 2015 <u>Approved Budget</u>	FY 2016 <u>Approved Budget</u>	Percent <u>Change</u>
EXPENDITURES:				
Salaries/Wages/Benefits	\$ 140,268	\$ 154,244	\$155,074	0.54%
Materials, Supplies & Services	192,417	203,062	210,537	3.68%
Reimbursed Expenditures	(32,000)	(32,000)	(32,000)	0.00%
	\$ 300,685	\$ 325,306	\$333,611	2.55%
NET TAX AND GENERAL REVENUE SUPPORTED				
	\$ 300,685	\$ 325,306	\$333,611	2.55%
PERSONNEL:				
Number of FTE positions	1.45	1.45	1.45	



City Hall at 11th Ave and 1st St



2016 BUDGET

CITY OF HOPKINS

COMMUNITY SERVICES SUMMARY BUDGET						
Revenues and Expenditures						
	Actual	Actual	Projected	Budget	Budget	Percent
	2013	2014	2015	2015	2016	Change
Revenues						
Licenses	\$ 11,777	\$ 13,292	\$ 14,941	\$ 12,000	\$ 12,000	
Permits	423,470	588,076	481,338	350,010	351,010	0.29%
Current Services	46,257	4,920	31,801	23,350	3,550	-84.80%
Expenditures						
Salaries, Wages and Benefits						
Salaries and Wages	574,522	616,753	632,989	634,203	637,597	0.54%
Fringe Benefits	177,296	189,964	202,191	190,813	201,967	5.85%
Materials, Supplies and Services						
Professional & Technical Services	159,220	175,981	172,119	163,705	198,930	21.52%
Utilities and Maintenance	10,747	11,525	8,348	13,723	14,050	2.38%
Operations	23,491	24,283	23,226	34,935	36,325	3.98%
City Support Services	42,081	40,361	36,110	40,198	42,194	4.97%
Supplies and Materials	8,613	8,598	7,871	10,310	15,475	50.10%
Capital Outlay						
Office Furniture and Equipment	-	-	-	-	-	
Equipment Allocation	6,865	6,907	3,529	3,850	4,305	11.82%
Total Expenditures	#####	1,074,372	1,086,383	1,091,737	1,150,843	5.41%
Reimbursed Expenditures	(60,480)	(61,000)	(61,000)	(61,000)	(61,000)	
Net Total Expenditures	942,356	1,013,372	1,025,383	1,030,737	1,089,843	5.73%
Indirectly Funded Amount	460,852	407,085	497,303	645,377	723,283	12.07%
<p>The Community Service department is made up of four main programs. They are Reception, Assessing, Inspections, and City Clerk.</p>						

CITY OF HOPKINS

FUND 101 – GENERAL FUND

PROGRAM: Community Services – Receptionist

PROGRAM SUMMARY

The Receptionist program of the Community Services Department answers calls at main switchboard and route calls to various departments. Directs walk-in customers to the appropriate department. Sales of dog licenses and parking permits occur in this program. Receipts are accepted for payment of building permits and utility bills. The program also provides clerical and secretarial services to other departments.

OBJECTIVES TO BE ACCOMPLISHED IN 2016:

Goal 1, Strategy 3- Provide Accessible and Friendly City Services:

1. Continue to provide excellent customer service

	FY 2015 <u>Actual</u>	FY 2015 Approved <u>Budget</u>	FY 2016 Approved <u>Budget</u>	Percent <u>Change</u>
EXPENDITURES:				
Salaries/Wages/Benefits	\$ 48,754	\$ 47,731	\$ 40,973	-14.16%
Materials, Supplies & Services	1,485	1,226	1,115	-9.05%
	\$ 50,239	\$ 48,957	\$ 42,088	
NET TAX AND GENERAL REVENUE SUPPORTED				
	\$ 50,239	\$ 48,957	\$ 42,088	-14.03%
PERSONNEL:				
Number of FTE positions	1.45	1.45	0.5	

PROGRAM: Community Services – Assessing

PROGRAM SUMMARY

The Assessing Department assists property owners with Homestead classification and works with Hennepin County on property valuations. The department also prepares special assessment rolls and responds to property owner concerns and questions.

OBJECTIVES TO BE ACCOMPLISHED IN 2016:

Goal 1, Strategy 3- Provide Accessible and Friendly City Services:

1. Prepare special assessment rolls for certification on taxes.
2. Assist property owners with property related issues.
3. Maintain the Property and Contact Information in the computer system.



The Special Assessment Clerk is available to assist with property tax and assessing related

	FY 2015 <u>Actual</u>	FY 2015 Approved <u>Budget</u>	FY 2016 Approved <u>Budget</u>	Percent <u>Change</u>
REVENUES:				
Charges for service	\$ 2,565	\$ 2,000	\$ 2,000	0.00%
EXPENDITURES:				
Salaries/Wages/Benefits	\$ 91,089	\$ 90,578	\$ 94,233	4.04%
Materials, Supplies & Services	132,517	128,759	136,384	5.92%
Reimbursed Expenditures	(24,000)	(24,000)	(24,000)	0.00%
	\$ 199,606	\$ 195,337	\$ 206,617	5.77%
NET TAX AND GENERAL REVENUE SUPPORTED				
	\$ 197,041	\$ 193,337	\$ 204,617	5.83%
PERSONNEL:				
Number of FTE positions	1.05	1.05	1.05	

CITY OF HOPKINS

FUND 101 – GENERAL FUND

PROGRAM: Community Services – City Clerk

PROGRAM SUMMARY

The City updates the City Code as new ordinances are passed, takes minutes at the City Council meetings and transcribes them using a computer. Business licenses applications are reviewed prior to issuance. The City Clerk is also the purchasing officer of the city.

MAJOR OBJECTIVES TO BE ACCOMPLISHED IN 2016:

Goal 2, Strategy 2 – Go Green

1. Purchase “green” or recycled products when available if the pricing is competitive and product meets quality standards.
2. Ensure that the City Document Archives section of the City’s website contains the most up to date information in all areas listed.
3. Review and update where needed applications and forms that are available on the Web site.

	FY 2015 <u>Actual</u>	FY 2015 Approved <u>Budget</u>	FY 2016 Approved <u>Budget</u>	Percent <u>Change</u>
REVENUES:				
Licenses	\$ 8,047	\$ 6,000	\$ 6,000	0.00%
EXPENDITURES:				
Salaries/Wages/Benefits	\$ 82,393	\$ 78,476	\$ 68,220	-13.07%
Materials, Supplies & Services	25,844	26,096	32,554	24.75%
Reimbursed Expenditures	(37,000)	(37,000)	(37,000)	0.00%
	\$ 71,237	\$ 67,572	\$ 63,774	-5.62%
NET TAX AND GENERAL REVENUE SUPPORTED				
	\$ 63,190	\$ 61,572	\$ 57,774	-6.17%
PERSONNEL:				
Number of FTE positions	0.75	0.75	0.65	

PROGRAM: Community Services – Elections

PROGRAM SUMMARY

The Elections program of the Community Services Department provides supervision of elections, registers voters, and certifies election results. All state and federal legislation is reviewed, judges are trained, and equipment and polling places are prepared. After elections ballots are counted and the results certified to the County and State of Minnesota. Throughout the year citizens are registered to vote.



MAJOR OBJECTIVES TO BE ACCOMPLISHED IN 2016:

1. Recruit and train additional Election Judges for the 2016 Local Election. Offer some part-time positions as requested by several current Election Judges who may be unable to complete a 15 or 16 hour day.
2. Work with Hennepin County City to review voting equipment and the possible replacement.
3. Work to better organize information and supplies for Election Judges use on Election Day.

	FY 2015 <u>Actual</u>	FY 2015 Approved <u>Budget</u>	FY 2016 Approved <u>Budget</u>	Percent <u>Change</u>
REVENUES:				
Charges for service	\$ 25,250	\$ 20,000	\$ -	---
EXPENDITURES:				
Salaries/Wages/Benefits	\$ 38,440	\$ 37,180	\$ 41,351	11.22%
Materials, Supplies & Services	7,986	15,042	42,143	180.17%
	\$ 46,426	\$ 52,222	\$ 83,494	59.88%
NET TAX AND GENERAL REVENUE SUPPORTED				
	\$ 21,176	\$ 32,222	\$ 83,494	159.12%
PERSONNEL:				
Number of FTE positions	0.35	0.35	0.35	

2016 BUDGET

CITY OF HOPKINS

FUND 101 – GENERAL FUND

PROGRAM: Community Services – Building Code Inspection

PROGRAM SUMMARY

The Building Code Inspection program of the Community Services Department inspects all new or remodeled buildings to insure they meet the minimum requirements of the state building code. The process begins with easily accessible customer service at the inspections counter and continues with plan review; permit issuance, inspection of construction phases and an issuance of a certificate of occupancy.

MAJOR OBJECTIVES TO BE ACCOMPLISHED IN 2016:

Goal 1, Strategy 3- Provide Accessible and Friendly City Services:

1. Work on closing out aging permits from the past years.
2. Start Saving all permits to Laserfiche
3. Get Emergency Inspection Packets together in case of natural disaster.
4. Update handouts and website on New MN State Bld. Code
5. Get ready for Springbrook Software
6. Continue training on 2015 MN State Building Code

	FY 2015 <u>Actual</u>	FY 2015 Approved <u>Budget</u>	FY 2016 Approved <u>Budget</u>	Percent <u>Change</u>
REVENUES:				
License, Permits, Charges	\$ 210,829	\$ 150,460	\$ 150,460	0.00%
EXPENDITURES:				
Salaries/Wages/Benefits	\$ 194,887	\$ 196,083	\$ 203,444	3.75%
Materials, Supplies & Services	73,930	77,149	79,866	3.52%
	\$ 268,817	\$ 273,232	\$ 283,310	3.69%
NET TAX AND GENERAL REVENUE SUPPORTED	\$ 57,988	\$ 122,772	\$ 132,850	8.21%
PERSONNEL:				
Number of FTE positions	2.05	2.05	2.05	

PROGRAM: Community Services – Fire Code Inspection

PROGRAM SUMMARY

The Fire Code Inspection program of the Community Services Department inspects existing buildings from time to time to insure they are maintained safe in accordance with the minimum safety standards provided in the state fire code. A percentage of commercial and large multiple residential buildings are inspected yearly for fire code violations to insure these structures are maintained safe for their occupants. The focus is on more hazardous occupancies.

MAJOR OBJECTIVES TO BE ACCOMPLISHED IN 2016:

1. Continue the fire prevention inspection program.
2. Implement new fire code software.

	FY 2015 <u>Actual</u>	FY 2015 Approved <u>Budget</u>	FY 2016 Approved <u>Budget</u>	Percent <u>Change</u>
REVENUES:				
Permits	\$ 7,236	\$ 4,000	\$ 4,000	0.00%
				--
EXPENDITURES:				
Salaries/Wages/Benefits	\$ 39,740	\$ 38,892	\$ 40,468	4.05%
Materials, Supplies & Services	326	353	402	13.88%
	\$ 40,066	\$ 39,245	\$ 40,870	4.14%
NET TAX AND GENERAL REVENUE SUPPORTED	\$ 32,830	\$ 35,245	\$ 36,870	4.61%
PERSONNEL:				
Number of FTE positions	0.35	0.35	0.35	

2016 BUDGET

CITY OF HOPKINS

FUND 101 – GENERAL FUND

PROGRAM: Community Services – Heating and Plumbing Code Inspection

PROGRAM SUMMARY

The Heating and Plumbing Code Inspection program of the Community Services Department inspects new and remodeled buildings for heating and plumbing compliance. The process begins with easily accessible customer service at the inspections counter and continues with plan review; permit issuance, inspection of construction phases. Become familiar with new gas, mechanical and energy code.

MAJOR OBJECTIVES TO BE ACCOMPLISHED IN 2016:

1. Close out open permits from 2006-2012.
2. Continue to learn and get trained in 2015 energy, mechanical and fuel gas codes
3. Software conversion

	FY 2015 <u>Actual</u>	FY 2015 Approved <u>Budget</u>	FY 2016 Approved <u>Budget</u>	Percent <u>Change</u>
REVENUES:				
Permits	\$ 81,023	\$ 53,000	\$ 53,000	0.00%
EXPENDITURES:				
Salaries/Wages/Benefits	\$ 93,021	\$ 90,019	\$ 92,564	2.83%
Materials, Supplies & Services	2,159	4,058	4,402	8.48%
	<u>\$ 95,180</u>	<u>\$ 94,077</u>	<u>\$ 96,966</u>	3.07%
NET TAX AND GENERAL REVENUE SUPPORTED				
	\$ 14,157	\$ 41,077	\$ 43,966	7.03%
PERSONNEL:				
Number of FTE positions	1.0	1.0	1.0	

PROGRAM: Community Services – Housing Inspection

PROGRAM SUMMARY

The Housing Inspection program of the Community Services Department inspects all existing buildings from time to time to insure they are maintained safe in accordance with city housing code. Rental properties are inspected every five years to identify hazards to the occupants and to insure buildings are well maintained and to improve on the city's housing stock. Homes being sold in the community must be evaluated. A listing of certified evaluators for the Truth in Housing program are maintained. Home sales are monitored to insure compliance.

MAJOR OBJECTIVES TO BE ACCOMPLISHED IN 2016:

Goal 1, Strategy 3- Provide Accessible and Friendly City Services:

1. InCode Conversion
2. Update Truth In Housing guidelines.
3. Retain all new rental inspection results on Laserfiche

	FY 2015 <u>Actual</u>	FY 2015 Approved <u>Budget</u>	FY 2016 Approved <u>Budget</u>	Percent <u>Change</u>
REVENUES:				
License, permits, charges	\$ 149,083	\$ 131,550	\$ 132,750	0.91%
EXPENDITURES:				
Salaries/Wages/Benefits	\$ 165,583	\$ 163,969	\$ 172,918	5.46%
Materials, Supplies & Services	6,498	7,675	7,935	3.39%
	<u>\$ 172,081</u>	<u>\$ 171,644</u>	<u>\$ 180,853</u>	5.37%
NET TAX AND GENERAL REVENUE SUPPORTED				
	\$ 22,998	\$ 40,094	\$ 48,103	19.98%
PERSONNEL:				
Number of FTE positions	1.82	1.82	1.82	

2016 BUDGET

CITY OF HOPKINS

FUND 101 – GENERAL FUND

PROGRAM: Community Services – Miscellaneous Community Inspection

PROGRAM SUMMARY

The Miscellaneous Community Inspection program of the Community Services Department responds to general nuisance complaints from Hopkins citizens. Track responses to citizens and results of the complaint.

MAJOR OBJECTIVES TO BE ACCOMPLISHED IN 2016:

Goal 1, Strategy 3- Provide Accessible and Friendly City Services:

1. Continue with spring and fall sweeps and respond to citizen complaints in a prompt and courteous manner.
2. Send out newsletter in spring regarding sweeps potential violations.
3. Convert Incode software. Learn Springbrook software.

	FY 2015 <u>Actual</u>	FY 2015 Approved <u>Budget</u>	FY 2016 Approved <u>Budget</u>	Percent <u>Change</u>
REVENUES:				
Citations, charges for service	\$ 31,575	\$ 8,350	\$ 8,350	0.00%
EXPENDITURES:				
Salaries/Wages/Benefits	\$ 80,196	\$ 79,998	\$ 83,208	4.01%
Materials, Supplies & Services	455	3,678	3,793	3.13%
	\$ 80,651	\$ 83,676	\$ 87,001	3.97%
NET TAX AND GENERAL REVENUE SUPPORTED	\$ 49,076	\$ 75,326	\$ 78,651	4.41%
PERSONNEL:				
Number of FTE positions	0.86	0.86	0.86	

PROGRAM: Community Services – Vacant Property Management

PROGRAM SUMMARY

The Vacant Property Management program of the Community Services Department

MAJOR OBJECTIVES TO BE ACCOMPLISHED IN 2016:

1. Continue to educate mortgage banks, property managers, realtors and vacant property owners on why we want them to register their property.
2. Send out enforcement letters and billings in a timely manner
3. InCode Conversion

	FY 2015 <u>Actual</u>	FY 2015 Approved <u>Budget</u>	FY 2016 Approved <u>Budget</u>	Percent <u>Change</u>
REVENUES:				
Property Registrations	\$ 11,000	\$ 10,000	\$ 10,000	0.00%
EXPENDITURES:				
Salaries/Wages/Benefits	\$ 2,077	\$ 2,108	\$ 2,185	3.65%
Materials, Supplies & Services	-	2,685	2,685	0.00%
	\$ 2,077	\$ 4,793	\$ 4,870	1.61%
NET TAX AND GENERAL REVENUE SUPPORTED	\$ (8,923)	\$ (5,207)	\$ (5,130)	-1.48%
PERSONNEL:				
Number of FTE positions	0.02	0.02	0.02	

2016 BUDGET

CITY OF HOPKINS

POLICE BUDGET						
Revenues and Expenditures						
	Actual	Actual	Projected	Budget	Budget	Percent
	2013	2014	Actual	2015	2016	Change
Revenues						
Intergovernmental	\$ 349,968	\$ 334,859	\$ 366,288	\$ 204,000	\$ 219,000	7.35%
Licenses	92,417	96,731	77,945	96,000	95,600	-0.42%
Court Fines/Forfeitures	92,369	71,693	49,098	50,500	51,000	0.99%
Penalties	685	315	490	1,000	500	
Current Service	38,480	29,267	22,787	33,000	33,000	
Miscellaneous	14,717	2,620	4,284	1,500	2,000	33.33%
Expenditures						
Salaries, Wages and Benefits						
Salaries and Wages	3,016,407	2,783,277	2,830,874	2,864,204	2,961,021	3.38%
Fringe Benefits	985,847	1,055,081	1,102,104	1,069,371	1,158,785	8.36%
Materials, Supplies and Services						
Professional & Technical Services	210,158	69,988	108,698	99,290	102,290	3.02%
Utilities and Maintenance	110,279	94,713	103,378	118,370	118,370	
Operations	84,100	94,717	76,505	90,317	93,137	3.12%
City Support Services	127,174	113,987	122,015	132,549	146,416	10.46%
Supplies and Materials	209,706	174,111	171,814	157,715	157,715	
Capital Outlay						
Office Furniture and Equipment	-	-	-	-	-	
Equipment	-	-	-	-	-	
Total Expenditures	4,743,671	4,385,875	4,515,389	4,531,816	4,737,734	4.54%
Indirectly Funded Amount	4,155,036	3,850,391	3,994,497	4,145,816	4,336,634	4.60%

2016 BUDGET

CITY OF HOPKINS

FUND 101 – GENERAL FUND

PROGRAM: Police – Administration

PROGRAM SUMMARY

To be recognized as a progressive law enforcement agency, striving to enhance the quality of life for all citizens. We seek to collaborate with all stakeholders to continually improve our community. Hopkins Police Department will recruit, hire, and retain the most qualified personnel to fulfill this vision.

MAJOR OBJECTIVES TO BE ACCOMPLISHED IN 2016:

1. To provide effective, efficient, and professional police services to the community.
2. Continue to produce the highest ethical standards and transparent police department.
3. Create trust and partnerships with our multi-cultural community.
4. Promote a proactive, problem-solving culture that focuses on crime prevention.

	FY 2015 <u>Actual</u>	FY 2015 Approved <u>Budget</u>	FY 2016 Approved <u>Budget</u>	Percent <u>Change</u>
EXPENDITURES:				
Salaries/Wages/Benefits	\$ 311,669	\$ 316,669	\$ 325,518	2.79%
Materials, Supplies & Services	\$ 98,573	\$ 120,377	\$ 121,686	1.09%
	\$ 410,242	\$ 437,046	\$ 447,204	
NET TAX AND GENERAL REVENUE SUPPORTED	\$ 410,242	\$ 437,046	\$ 447,204	2.32%
PERSONNEL:				
Number of FTE positions	2.15	2.15	2.15	



2016 BUDGET

CITY OF HOPKINS

FUND 101 – GENERAL FUND

PROGRAM: Police – Patrol

PROGRAM SUMMARY

To provide public safety by reducing crime, enhancing the quality of life for all citizens, while working collaboratively with all stakeholders in the community.

MAJOR OBJECTIVES TO BE ACCOMPLISHED IN 2016:

1. Provide the highest level of professional customer service to the public with each and every contact.
2. Create trust and partnerships with our multi-cultural community.
3. Provide proactive criminal enforcement through intelligence-lead policing efforts.
4. Committed to identifying and solving problems through building positive community partnerships

	FY 2015	FY 2015	FY 2016	
	Actual	Approved	Approved	Percent
		Budget	Budget	Change
REVENUES:				
Licenses	\$ 7,990	\$ 10,000	\$ 10,000	0.00%
Intergovernmental Revenue	340,163	204,000	219,000	7.35%
Fines & Forfeits	49,588	51,500	51,500	0.00%
Charges for Service	10,257	15,000	15,000	0.00%
Miscellaneous	3,727	1,000	1,500	50.00%
	\$ 411,725	\$ 281,500	\$ 297,000	5.51%
EXPENDITURES:				
Salaries/Wages/Benefits	\$2,781,031	\$2,603,370	\$2,854,082	9.63%
Materials, Supplies & Services	301,985	282,415	290,275	2.78%
	\$3,083,016	\$2,885,785	\$3,144,357	8.96%
NET TAX AND GENERAL REVENUE SUPPORTED				
	\$2,671,291	\$2,604,285	\$2,847,357	9.33%
PERSONNEL:				
Number of FTE positions	23.6	23.6	25.775	

PROGRAM: Police – SWAT Team

PROGRAM SUMMARY

The Special Weapons and Tactics team (SWAT) of the Hopkins Police Department will provide tactical and rescue operations in high-risk situations, and will receive the highest level of training possible.

MAJOR OBJECTIVES TO BE ACCOMPLISHED IN 2016:

1. Committed to the highest level of training standards and performance standards.
2. Build upon strong working relationships with other consortium SWAT members and partners.
3. Continue to be a leader in the consortium of SWAT teams.

	FY 2015	FY 2015	FY 2016	
	Actual	Approved	Approved	Percent
		Budget	Budget	Change
EXPENDITURES:				
Salaries/Wages/Benefits	\$ 46,385	\$ 55,273	\$ 57,810	4.59%
Materials, Supplies & Services	\$ 21,500	\$ 21,358	\$ 21,461	0.48%
	\$ 67,885	\$ 76,631	\$ 79,271	
NET TAX AND GENERAL REVENUE SUPPORTED				
	\$ 67,885	\$ 76,631	\$ 79,271	3.45%
PERSONNEL:				
Number of FTE positions	0.45	0.45	0.5	

2016 BUDGET

CITY OF HOPKINS

FUND 101 – GENERAL FUND

PROGRAM: Police – Reserves

PROGRAM SUMMARY

The Hopkins Police Reserve Unit provides civilian volunteers with exceptional training to assist the police department with civic events, community-building and outreach efforts.

MAJOR OBJECTIVES TO BE ACCOMPLISHED IN 2016:

1. Continue to recruit individuals with diverse backgrounds.
2. Continue to supplement uniformed patrol with calls for service and problem-solving efforts.
3. Provide leadership training for Reserve Command Staff.
4. Utilize Reserve personnel whenever feasible to alleviate uniformed patrol calls for service.

	<u>FY 2015 Actual</u>	<u>FY 2015 Approved Budget</u>	<u>FY 2016 Approved Budget</u>	<u>Percent Change</u>
EXPENDITURES:				
Salaries/Wages/Benefits	\$ 6,759	\$ 7,156	\$ 12,458	74.09%
Materials, Supplies & Services	\$ 638	\$ 8,473	\$ 8,016	-5.39%
	\$ 7,397	\$ 15,629	\$ 20,474	
NET TAX AND GENERAL REVENUE SUPPORTED				
	\$ 7,397	\$ 15,629	\$ 20,474	31.00%
PERSONNEL:				
Number of FTE positions	0.05	0.05	0.1	

PROGRAM: Police – Investigations

PROGRAM SUMMARY

The Investigations Division of the Police Department conducts thorough criminal investigations on all criminal activity that has occurred in Hopkins, while working with other police agencies to identify suspects and work collaboratively.

MAJOR OBJECTIVES TO BE ACCOMPLISHED IN 2016:

1. Continue professional development by training officers in the Investigations Division of the Hopkins Police Department.
2. Continue to problem solve and reduce crime through crime analysis and intelligence-lead policing.
3. Work in partnership with other law enforcement agencies to identify crime trends and patterns on a local and regional level.
4. Continue to work in partnership with all divisions within the Police Department.
5. Continue to work in partnership with the County Attorney's Office to successfully prosecute individuals involved in criminal behavior.

	<u>FY 2015 Actual</u>	<u>FY 2015 Approved Budget</u>	<u>FY 2016 Approved Budget</u>	<u>Percent Change</u>
REVENUES:				
Licenses	\$ 61,155	\$ 76,000	\$ 75,600	-0.53%
EXPENDITURES:				
Salaries/Wages/Benefits	\$ 458,015	\$ 477,851	\$ 376,055	-21.30%
Materials, Supplies & Services	52,380	87,078	89,350	2.61%
	\$ 510,395	\$ 564,929	\$ 465,405	-17.62%
NET TAX AND GENERAL REVENUE SUPPORTED				
	\$ 449,240	\$ 488,929	\$ 389,805	-20.27%
PERSONNEL:				
Number of FTE positions	3.9	3.9	2.95	

2016 BUDGET

CITY OF HOPKINS

FUND 101 – GENERAL FUND

PROGRAM: Police – Southwest Hennepin Drug Task Force

PROGRAM SUMMARY

The Southwest Hennepin Drug Task Force is a multi-jurisdictional unit that conducts investigations of illegal drug activity by developing suspect information from citizens, utilizing confidential informants, search warrants, surveillance, and other covert activities.

MAJOR OBJECTIVES TO BE ACCOMPLISHED IN 2016:

1. Continue to work jointly with the Criminal Investigations Unit and Focus Unit to identify suspects engaged in criminal activity.
2. Work with all divisions of the Police Department and communicate current crime trends and/or possible suspects residing in the City.
3. Continue to work nuisance property and crime free multi-housing issues with the Police Services Liaison to remove problem tenants from units who continue to use illegal drugs.

	<u>FY 2015</u>	<u>FY 2015</u> <u>Approved</u>	<u>FY 2016</u> <u>Approved</u>	<u>Percent</u> <u>Change</u>
EXPENDITURES:				
Salaries/Wages/Benefits	\$ 4,670	\$ 114,766	\$ 123,396	7.52%
Materials, Supplies & Services	5,139	5,534	5,991	8.26%
	\$ 9,809	\$ 120,300	\$ 129,387	7.55%
 NET TAX AND GENERAL REVENUE SUPPORTED	 \$ 9,809	 \$ 120,300	 \$ 129,387	 7.55%
 PERSONNEL:				
Number of FTE positions	1	1	1	



CITY OF HOPKINS

FUND 101 – GENERAL FUND

PROGRAM: Police – Crime Prevention Specialist

PROGRAM SUMMARY

The Police Services Liaison is responsible for presenting and coordinating outreach and crime prevention programs including Neighborhood Watch, National Night Out, Crime-free Multi-housing and classroom instruction of Project Alert. In addition, the Police Services Liaison administers the alarm program, nuisance property program, review and revisions of various ordinances and grant research, application and administration and is the staff liaison to SCIP, One Voice, HBCA, Rental Community Engagement Program and other committees.

MAJOR OBJECTIVES TO BE ACCOMPLISHED IN 2016:

1. Increase participation in Crime Free Multi-Housing program & Neighborhood Watch.
2. Partner with businesses and neighborhoods to reduce crime.
3. Coordinate information sharing with Police/city staff regarding graffiti, nuisance property and other quality of life issues.
4. Coordinate efforts with Joint Community Police Partnership (JCPP) Community Liaison.

	FY 2015 <u>Actual</u>	FY 2015 <u>Approved Budget</u>	FY 2016 <u>Approved Budget</u>	Percent <u>Change</u>
REVENUES:				
Licenses	\$ 3,800	\$ 5,000	\$ 5,000	0.00%
Intergovernmental Revenue	26,125	-	-	
Miscellaneous	556	-	-	
Donations	-	500	500	0.00%
	\$ 30,481	\$ 5,500	\$ 5,500	0.00%
EXPENDITURES:				
Salaries/Wages/Benefits	\$ 76,463	\$ 96,088	\$ 98,928	2.96%
Materials, Supplies & Services	17,687	14,742	14,794	0.35%
	\$ 94,150	\$ 110,830	\$ 113,722	2.61%
NET TAX AND GENERAL REVENUE SUPPORTED	\$ 63,669	\$ 105,330	\$ 108,222	2.75%
PERSONNEL:				
Number of FTE positions	0.85	0.85	0.85	



National Night Out



New American Academy



Cops 'n Kids Fishing

2016 BUDGET

CITY OF HOPKINS

FUND 101 – GENERAL FUND

PROGRAM: Police – Support Services

PROGRAM SUMMARY

This division of the Police Department provides the public, police personnel and other law enforcement agencies with police data requested by mail, telephone and in person. Support Services personnel strives for excellence in quality and accuracy of all police data while managing our Records Management System (RMS), entering, modifying, and quality checking all police records. This division generates state and federal mandated reports, transcribes and processes reports and correspondence and maintains records in accordance with state and local guidelines.

MAJOR OBJECTIVES TO BE ACCOMPLISHED IN 2016:

1. Continue to learn new RMS system (LETG) while seeking to refine processes for better efficiency of records maintenance.
2. Train on new RMS reporting software to develop reports to provide more data to the public.
3. Continue to provide weekly crime statistics and learning additional crime analysis software and mapping tools

	FY 2015 <u>Actual</u>	FY 2015 Approved <u>Budget</u>	FY 2016 Approved <u>Budget</u>	Percent <u>Change</u>
REVENUES:				
Licenses	\$ 5,000	\$ 5,000	\$ 5,000	0.00%
Charges for Service	12,530	18,000	18,000	0.00%
	\$ 17,530	\$ 23,000	\$ 23,000	0.00%
EXPENDITURES:				
Salaries/Wages/Benefits	\$ 247,986	\$ 262,402	\$ 271,559	3.49%
Materials, Supplies & Services	3,732	6,606	7,412	12.20%
	\$ 251,718	\$ 269,008	\$ 278,971	
NET TAX AND GENERAL REVENUE SUPPORTED	\$ 234,188	\$ 246,008	\$ 255,971	4.05%
PERSONNEL:				
Number of FTE positions	3.45	3.45	3.5	

PROGRAM: Police – Systems Management

PROGRAM SUMMARY

The Systems Management program of the Police Department is under the supervision of the city's IT department who oversees the maintenance of all police computer system networks, and state communications interfaces.

MAJOR OBJECTIVES TO BE ACCOMPLISHED IN 2016:

1. Work to integrate the police department network with the city's network.

	FY 2015 <u>Actual</u>	FY 2015 Approved <u>Budget</u>	FY 2016 Approved <u>Budget</u>	Percent <u>Change</u>
EXPENDITURES:				
Materials, Supplies & Services	\$ 47,859	\$ 51,658	\$ 58,943	14.10%
NET TAX AND GENERAL REVENUE SUPPORTED	\$ 47,859	\$ 51,658	\$ 58,943	14.10%
PERSONNEL:				
Number of FTE positions	0	0	0	

2016 BUDGET

CITY OF HOPKINS

FIRE BUDGET						
Revenues and Expenditures						
	Actual 2013	Actual 2014	Actual 2015	Budget 2015	Budget 2016	Percent Change
Revenues						
Licenses & Permits	\$ 830	\$ 1,880	\$ 2,410	\$ 3,500	\$ 3,500	
State Aid	94,843	93,488	102,657	95,000	95,000	
Federal Grant	164,290	68,859	-	-	-	
County Grant	-	-	-	-	-	
Administrative Citations	-	500	900	100	100	
Current Service	7,593	6,580	11,934	3,000	3,000	
Donations	100	2,400	-	-	-	
Miscellaneous	4,046	3,696	-	-	3,500	
	271,702	177,403	117,901	101,600	105,100	3.44%
Expenditures						
Salaries, Wages and Benefits						
Salaries and Wages	401,146	391,544	362,214	373,132	437,559	17.27%
Fringe Benefits	189,188	189,093	200,521	194,802	236,808	21.56%
Materials, Supplies and Services						
Professional & Technical Services	49,711	48,534	34,546	35,950	39,450	9.74%
Utilities and Maintenance	67,295	83,753	72,349	59,000	57,600	-2.37%
Operations	69,487	72,619	121,517	64,925	66,100	1.81%
City Support Services	124,866	135,919	142,717	155,695	161,945	4.01%
Supplies and Materials	228,319	161,787	104,428	102,845	105,648	2.73%
Capital Outlay						
Equipment	-	-	-	-	-	
Total Expenditures	1,130,012	1,083,251	1,038,292	986,349	1,105,110	12.04%
Indirectly Funded Amount	858,310	905,848	920,391	884,749	1,000,010	13.03%
<p>The Fire Department is made up of two programs. They are Fire Prevention/Suppression and Emergency Preparedness.</p>						

2016 BUDGET

CITY OF HOPKINS

FUND 101 – GENERAL FUND

PROGRAM: Fire – Fire Department

PROGRAM SUMMARY

The Fire Department includes Emergency Medical Services (EMS), Fire Prevention/Suppression programs. The EMS program supports the Police Department in managing responses to medical emergencies. The Fire Department responds to all life threatening situations and when there are no police officers available to respond. Fire suppression is the response to all fires, hazardous materials, special hazards and special rescue incidents in the city and fire prevention is the enforcement of the fire code, and the review and inspection of new construction. It also provides for public education and files reports with the State Fire Marshall on department activity, property loss or death due to fire emergencies.

MAJOR OBJECTIVES TO BE ACCOMPLISHED IN 2016:

1. Develop Long Term Strategic and Marketing plan for the department.
2. Recruitment and Retention of members.
3. Create a Marketing and Recruitment Video.
4. Add two full time firefighters to staffing.

	FY 2015 <u>Actual</u>	FY 2015 Approved <u>Budget</u>	FY 2016 Approved <u>Budget</u>	Percent <u>Change</u>
REVENUES:				
Licenses & Fines	\$ 3,310	\$ 3,600	\$ 3,600	0.00%
Intergovernmental Revenue	102,657	95,000	95,000	0.00%
Charges for Service	11,934	3,000	3,000	0.00%
Donations	-	-	-	0.00%
	\$ 117,901	\$ 101,600	\$ 101,600	0.00%
EXPENDITURES:				
Salaries/Wages/Benefits	\$ 562,735	\$ 567,572	\$ 674,367	18.82%
Materials, Supplies & Services	475,557	418,415	430,743	2.95%
	\$1,038,292	\$ 985,987	\$1,105,110	12.08%
NET TAX AND GENERAL REVENUE SUPPORTED	\$ 920,391	\$ 884,387	\$1,003,510	13.47%
PERSONNEL:				
Number of FTE positions	1.25	1.25	3.25	
Volunteer Firefighters	35	35	33	



2016 BUDGET

CITY OF HOPKINS

PUBLIC WORKS BUDGET						
Revenues and Expenditures						
	Actual 2013	Actual 2014	Projected Actual 2015	Budget 2015	Budget 2016	Percent Change
Revenues						
Licenses and Permits	\$ 18,970	\$ 5,435	\$ 23,660	\$ 9,415	\$ 9,415	
Intergovernmental	139,154	145,245	165,027	135,000	140,000	3.70%
Charges for Services	5,396	9,283	7,643	2,100	2,250	7.14%
Other Miscellaneous	5,612	4,725	5,609	4,600	4,600	
Sales of Fixed Assets	-	-	-	-	-	
Expenditures						
Salaries, Wages and Benefits						
Salaries and Wages	1,199,562	1,263,676	1,252,718	1,257,985	1,283,681	2.04%
Fringe Benefits	466,575	470,864	472,094	504,747	510,004	1.04%
Materials, Supplies and Services						
Professional & Technical Services	202,645	242,633	300,162	341,100	355,900	4.34%
Utilities and Maintenance	420,514	415,450	331,630	419,900	419,700	-0.05%
Operations	806	4,155	2,940	11,630	13,230	13.76%
City Support Services	140,557	159,288	159,648	174,583	179,171	2.63%
Supplies and Materials	394,693	393,414	346,091	336,435	349,635	3.92%
Capital Outlay						
Buildings & Improvements	-	-	-	-	-	
Equipment	11,031	-	5,622	9,500	7,300	-23.16%
Total Expenditures	2,836,382	2,949,480	2,870,905	3,055,880	3,118,621	2.05%
Reimbursed Expenditures	(545,139)	(531,857)	(538,000)	(538,000)	(538,000)	
Net Total Expenditures	2,291,243	2,417,623	2,332,905	2,517,880	2,580,621	2.49%
Indirectly Funded Amount	2,122,111	2,252,935	2,130,966	2,366,765	2,424,356	2.43%
<p>The Public Works Department is made up of eight programs. They are Buildings, Equipment Services, Administration, Engineering, Streets, Snow Removal, Parks and Tree Service.</p>						

2016 BUDGET

CITY OF HOPKINS

FUND 101 – GENERAL FUND

PROGRAM: Public Works – Buildings

PROGRAM SUMMARY

The Building Maintenance Department of Public Works is responsible for the maintenance and repair of all City Buildings. The public works buildings budget covers the entire public works complex. The buildings and equipment are maintained by in house maintenance personnel and the custodial duties by a contract cleaner.

MAJOR OBJECTIVES TO BE ACCOMPLISHED IN 2016:

1. Maintain PW building to assure a safe and comfortable environment for all City employees at the lowest cost to the taxpayer.

	<u>FY 2015 Actual</u>	<u>FY 2015 Approved Budget</u>	<u>FY 2016 Approved Budget</u>	<u>Percent Change</u>
EXPENDITURES:				
Salaries/Wages/Benefits	\$ 37,601	\$ 38,547	\$ 38,687	0.36%
Materials, Supplies & Services	83,865	70,943	75,622	6.60%
Reimbursed Expenditures	(70,000)	(70,000)	(70,000)	0.00%
	\$ 51,466	\$ 39,490	\$ 44,309	
NET TAX AND GENERAL REVENUE SUPPORTED				
	\$ 51,466	\$ 39,490	\$ 44,309	12.20%
PERSONNEL:				
Number of FTE positions	0.4	0.4	0.4	

PROGRAM: Public Works – Equipment Services

PROGRAM SUMMARY

The Equipment Services program of the Public Works Department provides maintenance and repair of all City vehicles and equipment. Equipment Services is responsible for writing specifications and the purchasing of City Vehicles. It also is in charge of the disposal of surplus vehicles and equipment. It is the goal of Equipment Services to provide a quality and cost effective service to all cities departments for all their equipment needs.

MAJOR OBJECTIVES TO BE ACCOMPLISHED IN 2016:

1. Continue aggressive maintenance and repair of all city equipment.
2. Purchase riding lawn mower, grass seed applicator (overseeder), and a ¾ ton truck with plow as provided in the City's Equipment Replacement Plan.

	<u>FY 2015 Actual</u>	<u>FY 2015 Approved Budget</u>	<u>FY 2016 Approved Budget</u>	<u>Percent Change</u>
REVENUES:				
Charges for service	\$ 95	\$ 150	\$ 150	0.00%
EXPENDITURES:				
Salaries/Wages/Benefits	\$213,116	\$229,192	\$221,887	-3.19%
Materials, Supplies & Services	35,007	21,819	25,030	14.72%
Reimbursed Expenditures	(107,791)	(143,000)	(143,000)	0.00%
Capital Expenditures	-	4,000	4,200	0.00%
	\$140,332	\$112,011	\$108,117	-3.48%
NET TAX AND GENERAL REVENUE SUPPORTED				
	\$140,237	\$111,861	\$107,967	-3.48%
PERSONNEL:				
Number of FTE positions	2.35	2.35	2.35	

2016 BUDGET

CITY OF HOPKINS

FUND 101 – GENERAL FUND

PROGRAM: Public Works – Administration

PROGRAM SUMMARY

The Administration program of the Public Works Department provides administrative direction, control and support by the Public Works Director, reception and clerical for the following Public Works Department divisions: Engineering Services; Building Services; Equipment Services; Parks/Forestry & Streets/Traffic; Water and Sewer Utilities and Solid Waste Management.

MAJOR OBJECTIVES TO BE ACCOMPLISHED IN 2016:

1. Southwest Transitway (LRT) planning: protect city interests and position Hopkins for Federal funding to mitigate LRT station impacts
2. Continue to analyze and respond to opportunities to save energy and be more environmentally conscious while improving service quality and efficiency.
3. Complete aggressive 2016 program of street, utility, municipal building and park system improvements.
4. Complete Cottageville Park master planning work and design of associated storm water drainage improvements

	FY 2015	FY 2015	FY 2016	
	FY 2015	Approved	Approved	Percent
	Actual	Budget	Budget	Change
EXPENDITURES:				
Salaries/Wages/Benefits	\$174,512	\$175,569	\$185,836	5.85%
Materials, Supplies & Services	19,798	18,423	19,309	4.81%
Reimbursed Expenditures	(148,000)	(148,000)	(148,000)	0.00%
	\$ 46,310	\$ 45,992	\$ 57,145	
NET TAX AND GENERAL REVENUE SUPPORTED				
	\$ 46,310	\$ 45,992	\$ 57,145	24.25%
PERSONNEL:				
Number of FTE positions	1.35	1.35	1.4	

PROGRAM: Public Works – Engineering

PROGRAM SUMMARY

The Engineering Division of the Public Works Department provides engineering services for the City. The Engineering Division provides drafting, surveying, layout, design and other engineering services for the City, as well as maintenance and updating of base maps, as-builts, and other miscellaneous map updating projects. This division also acts as the primary liaison to consultants involved with construction projects.

MAJOR OBJECTIVES TO BE ACCOMPLISHED IN 2016:

1. Continue to develop utility maps in digitized format and apply to GIS program.
2. Continue field survey and inventory of utility system for GIS application.
3. Oversee implementation of the City's Capital Improvement Plan.

	FY 2015	FY 2015	FY 2016	
	FY 2015	Approved	Approved	Percent
	Actual	Budget	Budget	Change
REVENUES:				
Licenses	\$ 22,210	\$ 8,000	\$ 8,000	0.00%
Charges for Service	120	100	100	0.00%
	\$ 22,330	\$ 8,100	\$ 8,100	0.00%
EXPENDITURES:				
Salaries/Wages/Benefits	\$156,557	\$177,146	\$172,577	-2.58%
Materials, Supplies & Services	\$ 32,461	\$ 33,086	\$ 33,870	
Reimbursed Expenditures	(65,000)	(65,000)	(65,000)	0.00%
	\$124,018	\$145,232	\$141,447	-2.61%
NET TAX AND GENERAL REVENUE SUPPORTED				
	\$101,688	\$137,132	\$133,347	-2.76%
PERSONNEL:				
Number of FTE positions	1.6	1.6	1.6	

CITY OF HOPKINS

FUND 101 – GENERAL FUND

PROGRAM: Public Works – Streets and Alleys

PROGRAM SUMMARY

The Streets Division of the Public Works Department provides maintenance of 55 miles of streets, 30 miles of alleys and 10 parking lots (including parking ramp) within the City for convenient day-to-day use. Also provides street lighting, traffic signs and signals, sidewalk repair, and special event support. Maintenance includes activities such as sweeping, patching, seal coating and curb repair. Major maintenance is scheduled on a 6 year, maintenance district rotation basis. Routine mill/patching/paving is accomplished throughout the City during the summer season.

MAJOR OBJECTIVES TO BE ACCOMPLISHED IN 2016:

1. Street maintenance utilizing pavement management support information that includes prep seal coat areas and contractual crack sealing.
2. Spring sweeping as weather permits, Mainstreet sweeping every three weeks, residential sweeping (spring, summer and once in the fall).
3. Continued maintenance of storm water drainage systems.
4. Inspect and repair all defective sidewalks in district
5. Preventative patching, repairs to bituminous roadways.
6. Maintain sign and signal change outs, inventory signs, upgrade traffic controls and signals as required.
7. Mainstreet maintenance including flags, refuse, decorations and banners, and streetlight painting.
8. Provide traffic control and logistical services for special events such as Rasperry Festival, Mainstreet Days, National Night Out, etc., to support the City goal of promoting and enhancing city events.



	<u>FY 2015 Actual</u>	<u>FY 2015 Approved Budget</u>	<u>FY 2016 Approved Budget</u>	<u>Percent Change</u>
REVENUES:				
Licenses	\$ 1,450	\$ 1,415	\$ 1,415	0.00%
Intergovernmental Revenue	165,027	135,000	140,000	3.70%
Charges for Service	1,861	500	500	0.00%
	\$168,338	\$136,915	\$141,915	3.65%
EXPENDITURES:				
Salaries/Wages/Benefits	\$474,010	\$377,994	\$384,656	1.76%
Materials, Supplies & Services	\$525,800	\$666,385	\$671,570	0.78%
Reimbursed Expenditures	(112,000)	(112,000)	(112,000)	0.00%
	\$887,810	\$932,379	\$944,226	1.27%
NET TAX AND GENERAL REVENUE SUPPORTED				
	\$719,472	\$795,464	\$802,311	0.86%
PERSONNEL:				
Number of FTE positions	4.06	4.06	3.96	

2016 BUDGET

CITY OF HOPKINS

FUND 101 – GENERAL FUND

PROGRAM: Public Works – Snow & Ice Removal

PROGRAM SUMMARY

The Snow & Ice Removal program of the Public Works Department provides snow and ice control services of 55 miles of streets, 33 miles of alleys and 9 parking lots (including parking ramp) and economic development properties within the city for convenient day-to-day use, and to provide safe travel and parking conditions.

MAJOR OBJECTIVES TO BE ACCOMPLISHED IN 2016:

1. Complete plowing/ice treatment operations of all city streets, alleys, parking lots and parking ramp within 10 hours.
2. Complete snow removal operations in downtown areas/ramp/parking lots in efficient manner to meet parking/traffic flow demands.
3. Increase snow/ice maintenance activities on residential streets.
4. Utilize snow emergency policy to maximize safety and snow removal efforts, while minimizing resident conflicts.

	FY 2015 <u>Actual</u>	FY 2015 Approved <u>Budget</u>	FY 2016 Approved <u>Budget</u>	Percent <u>Change</u>
REVENUES:				
Charges for service	\$ 622	\$ -	\$ -	#DIV/0!
EXPENDITURES:				
Salaries/Wages/Benefits	\$ 59,930	\$141,158	\$139,279	-1.33%
Materials, Supplies & Services	48,654	78,669	82,717	5.15%
Capital Outlay	-	-	-	0.00%
	\$108,584	\$219,827	\$221,996	0.99%
NET TAX AND GENERAL REVENUE SUPPORTED				
	\$107,962	\$219,827	\$221,996	0.99%
PERSONNEL:				
Number of FTE positions	1.18	1.18	1.26	

PROGRAM: Public Works – Park Maintenance & Improvements

PROGRAM SUMMARY

The Parks division of the Public Works Department provides for the maintenance of developed parks and grounds adjacent to public buildings and right-of-ways, including: seeding, fertilizing and mowing of grass, tree & plantings maintenance, maintenance of all athletic fields and general playgrounds and maintenance of Shady Oak Beach. Maintenance of Co. Rd 3 median flowers and irrigation is provided. Maintenance of picnic facilities and trails, trash and rubbish removal from parks is also included. Open skating and hockey areas are included. Open skating and hockey areas are provided from December through February for outdoor recreational purposes.

MAJOR OBJECTIVES TO BE ACCOMPLISHED IN 2016:

1. Continue grounds maintenance of all parks including Shady Oak Beach, plus City Hall, 4 well houses, Public Works garage and all other City owned right-of-way.
2. Provide open skating and hockey at the following parks: Valley, Harley Hopkins, Oakes, Central, Interlachen, open skating only at Hilltop and Burnes.

	FY 2015 <u>Actual</u>	FY 2015 Approved <u>Budget</u>	FY 2016 Approved <u>Budget</u>	Percent <u>Change</u>
REVENUES:				
Charges for service	\$ 5,315	\$ 1,500	\$ 1,500	0.00%
Miscellaneous	4,645	4,600	4,600	0.00%
	\$ 9,960	\$ 6,100	\$ 6,100	0.00%
EXPENDITURES:				
Salaries/Wages/Benefits	\$493,057	\$465,759	\$490,876	5.39%
Materials, Supplies & Services	297,719	294,520	295,171	0.22%
Capital Outlay	5,622	5,500	3,100	-43.64%
	\$796,398	\$765,779	\$789,147	3.05%
NET TAX AND GENERAL REVENUE SUPPORTED				
	\$786,438	\$759,679	\$783,047	3.08%
PERSONNEL:				
Number of FTE positions	5.24	5.24	5.12	

2016 BUDGET

CITY OF HOPKINS

FUND 101 – GENERAL FUND

PROGRAM: Public Works – Forestry

PROGRAM SUMMARY

The Forestry Division of the Public Works Department provides for the maintenance of all trees. Through the utilization of arboricultural practices, all trees on public property will be maintained in an acceptable condition or removed as necessary to allow for a healthy environment for the urban forest along with providing safe passage for pedestrian and vehicular traffic. Through utilization of tree inspectors residents will be consulted on tree related problems and advised to the solutions. Reforestation of the urban forest is also an activity of this division.

MAJOR OBJECTIVES TO BE ACCOMPLISHED IN 2016:

1. Trim 12% of trees on city boulevards.
2. Replace trees on city property that were lost in 2016
3. Remove all diseased, dead, dying trees on public property.
4. Manage an effective data base record keeping system that tracks forestry activities to better manage and maintain public trees.
5. Provide for prompt customer service on requests for trimming and tree consultation



Tree trimming by staff

	FY 2015 <u>Actual</u>	FY 2015 <u>Approved Budget</u>	FY 2016 <u>Approved Budget</u>	<u>Percent Change</u>
REVENUES:				
Charges for service	\$ 595	\$ -	\$ -	0.00%
EXPENDITURES:				
Salaries/Wages/Benefits	\$116,029	\$154,731	\$159,887	3.33%
Materials, Supplies & Services	\$117,165	\$ 99,803	\$114,347	14.57%
	\$233,194	\$254,534	\$274,234	
NET TAX AND GENERAL REVENUE SUPPORTED	\$232,599	\$254,534	\$274,234	7.74%
PERSONNEL:				
Number of FTE positions	1.91	1.91	1.89	



Trees damaged by disease and marked for removal.

2016 BUDGET

CITY OF HOPKINS

RECREATION BUDGET						
Revenues and Expenditures						
	Actual	Actual	Projected	Budget	Budget	Percent
	2013	2014	2015	2015	2016	Change
Expenditures						
Salaries, Wages and Benefits						
Salaries and Wages	36,771	56,320	54,069	60,971	77,669	27.39%
Fringe Benefits	5,058	7,532	7,140	6,102	7,682	25.89%
Materials, Supplies and Services						
Operations	157,347	158,543	164,309	164,509	167,505	1.82%
Supplies and Materials	-	350	650	300	250	-16.67%
Capital Outlay						
Improvements Other than Bldg	-	-	-	-	-	
Transfer Out	-	-	-	-	-	
Total Expenditures	199,176	222,745	226,169	231,882	253,106	9.15%
Indirectly Funded Amount	199,176	222,745	226,169	231,882	253,106	9.15%
<p>The Recreation Department is made up of five main porgrams. They are Playground, Ice Rink, Park Services, Joint Recreation and Skate Park.</p>						

CITY OF HOPKINS

FUND 101 – GENERAL FUND

PROGRAM: Recreation – Playgrounds

PROGRAM SUMMARY

The popular summer playground program is provided to children at 11 locations throughout the cities of Hopkins and Minnetonka. Activities include outdoor games, arts and crafts, a tiny tots program, and a summer adventure club. The summer concludes with a carnival attended by children from all the playground sites.

MAJOR OBJECTIVES TO BE ACCOMPLISHED IN 2016:

1. To develop, promote and provide quality recreational opportunities in anticipation of and in response to the needs and interests of the Hopkins-Minnetonka community.
2. To develop staff related goals designed to build self-esteem in children participating in the program
3. Add an additional program site at Valley Park to meet the needs of the neighborhood.

	FY 2015 <u>Actual</u>	FY 2015 Approved <u>Budget</u>	FY 2016 Approved <u>Budget</u>	Percent <u>Change</u>
EXPENDITURES:				
Salaries/Wages/Benefits	\$ 26,964	\$216,756	\$ 22,110	-89.80%
NET TAX AND GENERAL REVENUE SUPPORTED	\$ 26,964	\$216,756	\$ 22,110	-89.80%
PERSONNEL:				
Number of Part-time positions	22	22	22	



PROGRAM: Recreation – Ice Rink Program

PROGRAM SUMMARY

Supervised outdoor ice rinks are provided at 13 locations throughout the cities of Hopkins and Minnetonka. Each site is staffed with rink attendants from mid-December thru mid-February dependant on weather conditions. Ice rinks are available for general skating, hockey and broomball. Approximately 30 staff are hired and trained to supervise the outdoor ice rink program.

MAJOR OBJECTIVES TO BE ACCOMPLISHED IN 2016:

1. To provide quality customer service and facilities to ice rink users.
2. To ensure that all locations are adequately staffed for each scheduled day of operation
3. To hire and train a staff that is dedicated to providing quality customer service
4. To provide additional opportunities for skating by extending rink hours at all sites.



	FY 2015 <u>Actual</u>	FY 2015 Approved <u>Budget</u>	FY 2016 Approved <u>Budget</u>	Percent <u>Change</u>
EXPENDITURES:				
Salaries/Wages/Benefits	\$ 11,249	\$ 14,395	\$ 31,080	115.91%
NET TAX AND GENERAL REVENUE SUPPORTED	\$ 11,249	\$ 14,395	\$ 31,080	115.91%
PERSONNEL:				
Number of Part-time positions	30	30	30	

2016 BUDGET

CITY OF HOPKINS

FUND 101 – GENERAL FUND

PROGRAM: Recreation – Park Service

PROGRAM SUMMARY

The Recreation Department hires and trains attendants to supervise park services at Burnes, Oakes and Valley Parks. Attendants manage picnic reservations, maintain restroom facilities, provide recreational equipment and keep overall site clean for park users.

MAJOR OBJECTIVES TO BE ACCOMPLISHED IN 2016:

1. To provide quality customer service and facilities to park users.
2. To ensure that facilities are open and prepared for each scheduled permitted use

	FY 2015 <u>Actual</u>	FY 2015 <u>Approved Budget</u>	FY 2016 <u>Approved Budget</u>	<u>Percent Change</u>
EXPENDITURES:				
Salaries/Wages/Benefits	\$ 17,869	\$ 25,780	\$ 26,840	4.11%
NET TAX AND GENERAL REVENUE SUPPORTED				
	\$ 17,869	\$ 25,780	\$ 26,840	4.11%
PERSONNEL:				
Number of Part-time positions	8	8	8	



PROGRAM: Recreation – Joint Recreation

PROGRAM SUMMARY

Programs for all ages are provided through the Joint Recreation division. Youth classes are offered in over 15 areas of interest including tennis, golf, swimming, ball skills, and arts & crafts. Youth sports leagues are offered in basketball and soccer. Adult classes are offered in several areas of interest, and team sports are offered in soccer, softball, basketball, volleyball, hockey, broomball and football. In addition, the joint recreation division oversees the operation of Shady Oak Beach, attended by over 30,000 people each summer.

MAJOR OBJECTIVES TO BE ACCOMPLISHED IN 2016:

1. Transition to internal scheduling and staffing of inclusion services for participants with special needs.
2. Continue to develop partnerships in order to expand youth programming opportunities.



	FY 2015 <u>Actual</u>	FY 2015 <u>Approved Budget</u>	FY 2016 <u>Approved Budget</u>	<u>Percent Change</u>
EXPENDITURES:				
Materials, Supplies & Services	\$161,110	\$162,000	\$165,300	2.04%
NET TAX AND GENERAL REVENUE SUPPORTED				
	\$161,110	\$162,000	\$165,300	2.04%
PERSONNEL:				
Number of Part-time positions	90	90	90	

2016 BUDGET

CITY OF HOPKINS

FUND 101 – GENERAL FUND

PROGRAM: Recreation – Overpass Skate Park

PROGRAM SUMMARY

The Overpass program provides skate boarders, bikers, and inline skate athletes, 10 years of age or older, with a safe, fun, and challenging place to gather and practice their sport. The Overpass creates a healthy recreational opportunity primarily for youth, and young adults. The Overpass is a seasonal operation, and one of only a few tier II aggressive skate parks in the state of Minnesota. This unique park attracts a regional population in addition to serving the residents of Hopkins.

MAJOR OBJECTIVES TO BE ACCOMPLISHED IN 2016:

1. To operate the park under a contractual operating agreement with 3rd Lair Skate Parks.
2. To operate the park with favorable fees for resident and community partners.
3. To increase the number of Hopkins resident users and partner community (Minnetonka and St. Louis Park) resident users.

	FY 2015 <u>Actual</u>	FY 2015 <u>Approved Budget</u>	FY 2016 <u>Approved Budget</u>	<u>Percent Change</u>
EXPENDITURES:				
Salaries/Wages/Benefits	\$ 5,128	\$ 5,222	\$ 5,321	1.90%
Materials, Supplies & Services	\$ 3,849	\$ 2,322	\$ 2,455	5.73%
	\$ 8,977	\$ 7,544	\$ 7,776	
NET TAX AND GENERAL REVENUE SUPPORTED				
	\$ 8,977	\$ 7,544	\$ 7,776	3.08%
PERSONNEL:				
Number of FTE positions	0.05	0.05	0.05	



CITY OF HOPKINS

ACTIVITY CENTER BUDGET Revenues and Expenditures

	Actual 2013	Actual 2014	Projected Actual 2015	Budget 2015	Budget 2016	Percent Change
Revenues						
Charges for Services	\$ 76,154	\$ 95,338	\$ 104,678	\$ 62,000	\$ 62,000	
Contributions	14,382	8,923	14,417	8,500	9,500	11.76%
Total Revenues	90,536	104,261	119,095	70,500	71,500	1.42%
Expenditures						
Salaries, Wages and Benefits						
Salaries and Wages	197,852	177,001	190,807	179,490	190,611	6.20%
Fringe Benefits	70,743	65,214	68,037	69,506	73,530	5.79%
Materials, Supplies and Services						
Professional & Technical Services	31,469	52,645	58,016	32,700	30,700	-6.12%
Utilities and Maintenance	33,681	30,267	23,238	30,750	32,250	4.88%
Operations	12,314	10,832	10,755	12,450	12,550	0.80%
City Support Services	12,275	13,357	10,165	11,150	13,977	25.35%
Supplies and Materials	18,853	13,486	17,768	23,570	26,170	11.03%
Capital Outlay						
Buildings & Structures	-	-	-	-	-	
Office Furniture and Equipment	-	-	-	-	-	
Other Equipment	-	-	-	-	-	
Total Expenditures	377,187	362,802	378,786	359,616	379,788	5.61%
Indirectly Funded Amount	286,652	258,540	259,691	289,116	308,288	6.63%

The Activity Center Department is made up of two programs. They are Community Use and Maintenance. Due to budget constraints, the center is closed on Fridays unless there is a special event.

2016 BUDGET

CITY OF HOPKINS

FUND 101 – GENERAL FUND

PROGRAM: Activity Center – Programming

PROGRAM SUMMARY

The Activity Center Community Use program provides a facility for residents to use for active or passive activities. Staff coordinates all users of the Activity Center. The Hopkins Activity Center also implements and coordinates the Senior Adult Program, which is geared towards the over 50 Hopkins population.

MAJOR OBJECTIVES TO BE ACCOMPLISHED IN 2016:

1. Facility enhancements: Gymnasium
2. Update our registration system so that all registration and payments can be made online
3. Market the Hopkins Activity Center to the over 50 Hopkins population, especially through electronic media.
4. Work with the Hopkins festivals and special events committees to promote events for the over 50 population.

	FY 2015 <u>Actual</u>	FY 2015 Approved <u>Budget</u>	FY 2016 Approved <u>Budget</u>	Percent <u>Change</u>
REVENUES:				
Rent	\$ 26,106	\$ 26,000	\$ 26,000	0.00%
Charges for Service	66,103	25,000	25,000	0.00%
Miscellaneous	26,886	19,500	20,500	5.13%
	\$119,095	\$ 70,500	\$ 71,500	1.42%
EXPENDITURES:				
Salaries/Wages/Benefits	\$240,293	\$229,723	\$244,848	6.58%
Materials, Supplies & Services	87,689	70,388	70,290	-0.14%
	\$327,982	\$300,111	\$315,138	5.01%
NET TAX AND GENERAL REVENUE SUPPORTED				
	\$208,887	\$229,611	\$243,638	6.11%
PERSONNEL:				
Number of FTE positions	3.0	3.0	3.0	

PROGRAM: Activity Center – Maintenance

PROGRAM SUMMARY

The Building Maintenance Department of Public Works is responsible for the maintenance and repair of all City Buildings. The Activity Center maintenance budget covers the Hopkins Activity Center. In house maintenance personnel and part time cleaning personnel maintain this building.

MAJOR OBJECTIVES TO BE ACCOMPLISHED IN 2016:

1. Enhancement of the gymnasium.



	FY 2015 <u>Actual</u>	FY 2015 Approved <u>Budget</u>	FY 2016 Approved <u>Budget</u>	Percent <u>Change</u>
EXPENDITURES:				
Salaries/Wages/Benefits	\$ 18,551	\$ 19,273	\$ 19,293	0.10%
Materials, Supplies & Services	\$ 32,253	\$ 40,232	\$ 45,357	12.74%
	\$ 50,804	\$ 59,505	\$ 64,650	
NET TAX AND GENERAL REVENUE SUPPORTED				
	\$ 50,804	\$ 59,505	\$ 64,650	8.65%
PERSONNEL:				
Number of FTE positions	0.2	0.2	0.25	

2016 BUDGET

CITY OF HOPKINS

PLANNING BUDGET						
Revenues and Expenditures						
	Actual	Actual	Projected	Budget	Budget	Percent
	2013	2014	Actual	2015	2016	Change
Revenues						
Permits and Licenses	\$ 1,970	\$ 1,450	\$ 1,280	\$ 1,000	\$ 1,000	
Charges for Services	2,600	3,200	6,350	2,000	2,500	25.00%
Total Revenues	<u>4,570</u>	<u>4,650</u>	<u>7,630</u>	<u>3,000</u>	<u>3,500</u>	16.67%
Expenditures						
Salaries, Wages and Benefits						
Salaries and Wages	96,524	97,937	103,418	103,090	105,665	2.50%
Fringe Benefits	37,733	34,900	36,301	36,894	43,853	18.86%
Materials, Supplies and Services						
Professional & Technical Services	2,907	372	578	2,250	10,250	355.56%
Utilities and Maintenance	135	586	127	450	450	
Operations	8,150	7,717	8,690	10,735	10,735	
City Support Services	725	751	3,600	845	919	8.76%
Supplies and Materials	2,474	1,603	1,576	2,000	2,000	
Total Expenditures	148,648	143,865	154,289	156,264	173,872	11.27%
Reimbursed Expenditures	(20,000)	(20,000)	(20,000)	(20,000)	(20,000)	
Net Total Expenditures	<u>128,648</u>	<u>123,865</u>	<u>134,289</u>	<u>136,264</u>	<u>153,872</u>	12.92%
Indirectly Funded Amount	124,078	119,215	126,659	133,264	150,372	12.84%
The Planning and Economic Development Department is made up of three programs. They are Zoning Activities & Enforcement, Sign & Fence Permits and Miscellaneous Planning.						

2016 BUDGET

CITY OF HOPKINS

FUND 101 – GENERAL FUND

PROGRAM: Planning & Community Development – Zoning Activities, Planning & Enforcement

PROGRAM SUMMARY

The Zoning Activities & Enforcement Program of the Planning & Economic Development Department provides administration and enforcement of locally approved Zoning Ordinance and Comprehensive Plan. Provides administration and inspection of signs and fences and prepares various planning documents and reports necessary to ensure orderly development/redevelopment of City.

MAJOR OBJECTIVES TO BE ACCOMPLISHED IN 2016:

1. Continue to examine if properties should be re-zoned to Mixed-Use
2. Research and develop a policy to ensure that new developments have a bike and pedestrian-friendly design
3. Process sign & fence permit requests in a timely and expedient manner
4. Provide staff assistance to Planning Commission

	FY 2015 <u>Actual</u>	FY 2015 <u>Approved Budget</u>	FY 2016 <u>Approved Budget</u>	<u>Percent Change</u>
REVENUES:				
Licenses & Permits	\$ 7,630	\$ 3,000	\$ 3,000	0.00%
EXPENDITURES:				
Salaries/Wages/Benefits	\$139,719	\$139,984	\$149,518	6.81%
Materials, Supplies & Services	14,571	16,280	24,354	49.59%
Reimbursed Expenditures	(20,000)	(20,000)	(20,000)	0.00%
	<u>\$134,290</u>	<u>\$136,264</u>	<u>\$153,872</u>	
NET TAX AND GENERAL REVENUE SUPPORTED	\$126,660	\$133,264	\$150,872	13.21%
PERSONNEL:				
Number of FTE positions	1.35	1.35	1.35	



2016 BUDGET

CITY OF HOPKINS

COMMUNITY DEVELOPMENT BUDGET

Revenues and Expenditures

	Actual		Projected	Budget		Percent Change
	2013	2014	2015	2015	2016	
Revenues						
Miscellaneous	\$ -	\$ -	\$ -	\$ 91,450	\$ 87,000	-4.87%
Expenditures						
Salaries, Wages and Benefits						
Salaries and Wages	64,902	60,441	63,403	63,732	84,684	32.88%
Fringe Benefits	12,982	22,044	22,356	23,021	32,722	42.14%
Materials, Supplies and Services						
Professional & Technical Services	45	3,232	1,786	600	800	33.33%
Operations	1,736	993	139	2,675	2,515	-5.98%
City Support Services	1,173	1,242	1,417	1,277	304	-76.19%
Supplies and Materials	<u>821</u>	<u>669</u>	<u>1,285</u>	<u>840</u>	<u>850</u>	1.19%
Total Expenditures	81,658	88,621	90,387	92,145	121,875	32.26%
Indirectly Funded Amount	\$ 81,658	\$ 88,621	\$ 90,387	\$ 695	\$ 34,875	4917.99%

The Community Development budget accounts for expenditures used to promote and enhance the community of Hopkins.

2016 BUDGET

CITY OF HOPKINS

FUND 101 – GENERAL FUND

PROGRAM: Community Development

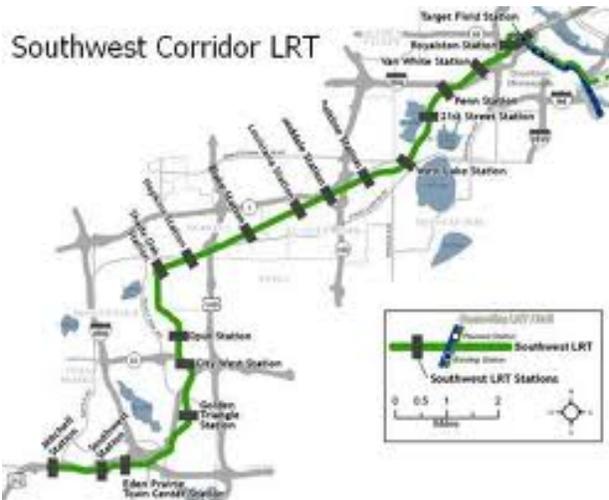
PROGRAM SUMMARY

Promotion and development of housing programs and activities for City property owners and residents. Staff support of housing programs such as 1st Time Home Buyer Mortgage Program, Image Awards, Housing Improvement Areas and Livable Communities Program. Assist in implementation of the Engaging Raspberry Renters project.

MAJOR OBJECTIVES TO BE ACCOMPLISHED IN 2016:

1. Continue promotion and support of various housing programs and initiatives. Investigate funding for SW LRT station area (and other key parcels) redevelopment, including Hennepin County Transit Orientated Development (TOD) program and Met Council Livable Communities Demonstration Account.
2. Continue to provide staff support to HAMA, SW LRT TIC, SCIP and other collaborative efforts.

	FY 2015 <u>FY 2015</u> <u>Actual</u>	FY 2015 <u>Approved</u> <u>Budget</u>	FY 2016 <u>Approved</u> <u>Budget</u>	<u>Percent</u> <u>Change</u>
REVENUES:				
Miscellaneous	\$ -	\$ 91,450	\$ 87,000	-4.87%
EXPENDITURES:				
Salaries/Wages/Benefits	\$ 85,759	\$ 86,753	\$ 117,406	35.33%
Materials, Supplies & Services	4,629	5,392	4,469	-17.12%
	\$ 90,388	\$ 92,145	\$ 121,875	
NET TAX AND GENERAL REVENUE SUPPORTED	\$ 90,388	\$ 695	\$ 34,875	4917.99%
PERSONNEL:				
Number of FTE positions	0.85	0.85	1.5	



2016 BUDGET

CITY OF HOPKINS

STATE CHEMICAL ASSESSMENT BUDGET

Revenues and Expenditures

Special Revenue Fund 204			Projected			
	Actual	Actual	Actual	Budget	Budget	Percent
	2013	2014	2015	2015	2016	Change
Revenues						
Intergovernmental	\$ 61,443	\$ 59,882	\$ 72,090	\$ 45,000	\$ 60,000	33.33%
Miscellaneous	-	-	4,901	-	-	--
Refunds & Reimbursements	10,309	4,067	740	-	-	--
Total Revenues	<u>71,752</u>	<u>63,949</u>	<u>77,731</u>	<u>45,000</u>	<u>60,000</u>	33.33%
Expenditures						
Salaries, Wages and Benefits						
Salaries and Wages	33,643	23,547	36,412	37,171	37,171	
Materials, Supplies and Services						
Professional & Technical Services	2,354	1,980	2,717	2,000	2,000	
Utilities and Maintenance	-	4,892	4,098	-	-	--
Operations	20,935	16,214	15,278	-	3,000	--
Leases	-	-	8,726	-	10,500	--
City Support Services	2,922	2,800	3,340	3,620	2,718	-24.92%
Supplies and Materials	11,917	25,878	26,998	2,209	4,611	108.74%
Capital Outlay						
Computers	-	-	-	-	-	
Other Equipment	-	-	-	-	-	--
Total Expenditures	<u>71,771</u>	<u>75,313</u>	<u>97,568</u>	<u>45,000</u>	<u>60,000</u>	33.33%
Excess (deficiency) of revenue over expenditures						
	(19)	(11,364)	(19,838)	(0)	(0)	

The State Chemical Assessment is supported by state aid for the purpose of chemical assessment training and activity for the State of Minnesota.

2016 BUDGET

CITY OF HOPKINS

FUND 203 – CHEMICAL ASSESSMENT TEAM FUND

PROGRAM: State Chemical Assessment Team

PROGRAM SUMMARY

The State Chemical Assessment Team program provides emergency response for assessment of chemical hazards for the State of Minnesota and maintenance of state owned equipment for emergency response and training of personnel. Responding as requested by the State Duty Officer to the counties of Hennepin, Scott, Carver, McLeod and Renville. The State of Minnesota will reimburse the City for up to \$60,000 per year for the training of personnel, maintenance of equipment, and purchase of supplies and equipment.

MAJOR OBJECTIVES TO BE ACCOMPLISHED IN 2016:

1. To continue to train to members on all aspects of chemical response.
2. To restructure and redefine chemical assessment team to meet the needs of the state, city and team members needs.

	<u>FY 2015 Actual</u>	<u>FY 2015 Approved Budget</u>	<u>FY 2016 Approved Budget</u>	<u>Percent Change</u>
REVENUES:				
Intergovernmental Revenue	\$ 77,731	\$ 45,000	\$ 60,000	33.33%
EXPENDITURES:				
Salaries/Wages/Benefits	\$ 36,412	\$ 37,171	\$ 37,171	0.00%
Materials, Supplies & Services	61,157	7,829	22,829	191.60%
	\$ 97,569	\$ 45,000	\$ 60,000	
NET TAX AND GENERAL REVENUE SUPPORTED	\$ 19,838	\$ -	\$ -	--
PERSONNEL:				
Number of FTE positions	0	0	0	



2016 BUDGET

CITY OF HOPKINS

ECONOMIC AND COMMUNITY DEVELOPMENT BUDGET Revenues and Expenditures

Special Revenue Fund 205

	Actual 2013	Actual 2014	Actual 2015	Budget 2015	Budget 2016	Percent Change
Revenues						
Property Taxes	\$ 222,802	\$ 535,083	\$ 439,918	\$ 272,572	\$ 296,813	-32.53%
Intergovernmental	7,500	49,995	171,875	-	-	
Interest earnings	18,080	44,883	40,422	4,000	19,000	-53.00%
Miscellaneous	31,119	20,747	46,040	11,500	40,300	
Total Revenues	279,501	650,707	698,255	288,072	356,113	
Expenditures						
Salaries, Wages and Benefits						
Salaries and Wages	125,379	135,817	147,151	134,299	109,806	-18.24%
Fringe Benefits	46,077	42,980	45,825	44,967	36,538	-18.74%
Materials, Supplies and Services						
Professional & Technical Services	66,416	26,765	80,769	67,850	35,850	-47.16%
Utilities and Maintenance	1,029	772	735	1,170	1,170	
Operations	10,412	108,431	24,811	7,000	7,300	4.29%
City Support Services	26,475	25,806	22,819	24,897	24,036	-3.46%
Supplies and Materials	1,417	955	1,610	1,900	1,900	
Grant Expenditures	-	-	138,629	-	-	
Operating Transfer In (Out)	61,000	61,000	-	-	-	
	338,205	402,524	462,349	282,083	216,600	
Capital Outlay						
Land Acquisition	-	-	-	-	-	
Other Improvements	-	-	-	-	-	
Total Expenditures	338,205	402,524	462,349	282,083	216,600	-23.21%
Reimbursed Expenditures	(40,000)	(40,000)	(36,667)	(40,000)	(40,000)	
Net Total Expenditures	298,205	362,524	425,682	242,083	176,600	-27.05%
Excess (deficiency) of Revenues over Expenditures	(18,703)	288,183	272,573	45,989	179,513	290.34%

The Economic Development Fund was established to fund development and redevelopment opportunities. Sources are derived from loans, grants and tax levy.

CITY OF HOPKINS

FUND 204 – ECONOMIC DEVELOPMENT FUND

PROGRAM: Project Development and Coordination

PROGRAM SUMMARY

Undertake development activities not directly funded by specific project budgets. Meet with developers, property owners and business tenants to review possible redevelopment/development activities. Recruit desirable businesses to locate in Hopkins. Explore developer incentives aimed at promoting sustainability and active living.

MAJOR OBJECTIVES TO BE ACCOMPLISHED IN 2016:

1. Monitor income/expenditure of Economic Development fund.
2. Prepare program budget.
3. Facilitate redevelopment projects as directed by the City Council.

	<u>FY 2015 Actual</u>	<u>FY 2015 Approved Budget</u>	<u>FY 2016 Approved Budget</u>	<u>Percent Change</u>
REVENUES:				
Property Taxes	\$ 439,918	\$ 272,572	\$ 296,813	8.89%
Intergovernmental Revenue	11,875	-	-	0.00%
Interest	40,422	4,000	19,000	375.00%
Miscellaneous	20,766	11,000	40,000	263.64%
	\$ 512,981	\$ 287,572	\$ 355,813	23.73%
EXPENDITURES:				
Salaries/Wages/Benefits	\$ 80,355	\$ 71,645	\$ 46,591	-34.97%
Materials, Supplies & Services	65,348	33,217	33,065	-0.46%
Transfer Out	61,000	-	-	0.00%
	\$ 206,703	\$ 104,862	\$ 79,656	-24.04%
NET TAX AND GENERAL REVENUE SUPPORTED				
	\$(306,278)	\$(182,710)	\$(276,157)	51.14%
PERSONNEL:				
Number of FTE positions	0.65	0.65	0.4	

PROGRAM: Tax Increment Financing Program

PROGRAM SUMMARY

Undertake miscellaneous development activities funded through tax increment districts. Administer all districts.

MAJOR OBJECTIVES TO BE ACCOMPLISHED IN 2016:

1. Ensure districts are meeting legal and statutory requirements.
2. Continue to monitor all districts.
3. Coordinate development activities within districts.

	<u>FY 2015 Actual</u>	<u>FY 2015 Approved Budget</u>	<u>FY 2016 Approved Budget</u>	<u>Percent Change</u>
EXPENDITURES:				
Salaries/Wages/Benefits	\$ 60,286	\$ 58,961	\$ 49,717	-15.68%
Materials, Supplies & Services	9,949	11,214	10,951	-2.35%
Reimbursed Expenditures	(40,000)	(40,000)	(40,000)	0.00%
	\$ 30,235	\$ 30,175	\$ 20,668	
NET TAX AND GENERAL REVENUE SUPPORTED				
	\$ 30,235	\$ 30,175	\$ 20,668	-31.51%
PERSONNEL:				
Number of FTE positions	0.5	0.5	0.4	

CITY OF HOPKINS

FUND 204 – ECONOMIC DEVELOPMENT FUND

PROGRAM: Community Development Activity

PROGRAM SUMMARY

Promote the City of Hopkins by building on assets, including the small town feel, walkability and Hopkins as a destination. Explore ways to enhance the sense of place through public art and directional signage.

MAJOR OBJECTIVES TO BE ACCOMPLISHED IN 2016:

1. Work towards the Council-approved goals and objectives.
2. Continue liaison role for City between both HBCA and Twin West Chamber.
3. Work with Marketing Task Force to implement year four of the Think Hopkins marketing plan.
4. Facilitate year four of Hopkins Artstreet.



	FY 2015 <u>Actual</u>	FY 2015 <u>Approved Budget</u>	FY 2016 <u>Approved Budget</u>	<u>Percent Change</u>
REVENUES:				
Interest	\$ -	\$ -	\$ -	0.00%
Intergovernmental revenue	160,000	-	-	0.00%
Miscellaneous	274	500	300	-40.00%
	\$ 160,274	\$ 500	\$ 300	-40.00%
EXPENDITURES:				
Salaries/Wages/Benefits	\$ 52,355	\$ 48,660	\$ 50,036	2.83%
Materials, Supplies & Services	159,951	23,386	26,240	12.20%
	\$ 212,306	\$ 72,046	\$ 76,276	5.87%
NET TAX AND GENERAL REVENUE SUPPORTED				
	\$ 52,032	\$ 71,546	\$ 75,976	6.19%
PERSONNEL:				
Number of FTE positions	0.25	0.45	0.45	

PROGRAM: 8th Avenue Development

PROGRAM SUMMARY

In preparation for the SW LRT station at 8th and Excelsior, the City of Hopkins will work towards transforming 8th Avenue in to a gateway to the downtown through redevelopment of existing property and the redesign of the roadway.

MAJOR OBJECTIVES TO BE ACCOMPLISHED IN 2016:

1. Begin the design process for the 8th Avenue streetscape project.
2. Work with the developer to complete the redevelopment of the Johnson Building property.

	FY 2015 <u>Actual</u>	FY 2015 <u>Approved Budget</u>	FY 2016 <u>Approved Budget</u>	<u>Percent Change</u>
REVENUES:				
Miscellaneous	\$ 25,000	\$ -	\$ -	#DIV/0!
EXPENDITURES:				
Materials, Supplies & Services	34,125	35,000	-	-100.00%
Land Acquisition	-	-	-	--
	\$ 34,125	\$ 35,000	\$ -	-
NET TAX AND GENERAL REVENUE SUPPORTED				
	\$ 34,125	\$ 35,000	\$ -	-100.00%
PERSONNEL:				
Number of FTE positions	0	0	0	

2016 BUDGET

CITY OF HOPKINS

TIF DISTRICT 1-2 BUDGET Revenues and Expenditures

Special Revenue Fund 212

	Actual 2013	Actual 2014	Actual 2015	Budget 2015	Budget 2016	Percent Change
Revenues						
Tax Increment	\$ 58,172	\$ 58,173	\$ 58,173	\$ 58,000	\$ 58,000	
Interest	(211)	1,124	1,757	100	500	400.00%
Transfers In	-	-	-	-	-	
Expenditures						
Materials, Supplies and Services						
Professional & Technical Services	595	599	596	1,000	1,000	
Operations	13,880	13,155	12,538	2,000	12,236	511.80%
Total Expenditures	14,475	13,754	13,135	3,000	13,236	341.20%
Transfers out for debt	-	-	-	-	-	
Total Expenditures	14,475	13,754	13,135	3,000	13,236	341.20%
Excess (deficiency) of Revenues over Expenditures	43,486	45,543	46,795	55,100	45,264	-17.85%

The Tax Increment District 1-2 Fund is the redevelopment of former Suburban Chevrolet property. The tax increment district is located in the Central Business District. The fund records the use of tax increment receipts.

2016 BUDGET

CITY OF HOPKINS

FUND 211 – TAX INCREMENT DISTRICT 2-1 FUND

PROGRAM: Redevelopment within Central Business District

PROGRAM SUMMARY

Redevelopment activity of property in the Central Business District (CBD), north and south of Mainstreet between 11th and 12th Avenues.

MAJOR OBJECTIVES TO BE ACCOMPLISHED IN 2016:

1. Assist in preparation of program budget and other required documentation.
2. Prepare required State Auditor Annual Reports.

	FY 2015 <u>Actual</u>	FY 2015 Approved <u>Budget</u>	FY 2016 Approved <u>Budget</u>	Percent <u>Change</u>
REVENUES:				
Tax Increments	\$ 58,173	\$ 58,000	\$ 58,000	0.00%
Interest	1,757	100	500	400.00%
	\$ 59,930	\$ 58,100	\$ 58,500	0.69%
EXPENDITURES:				
Materials, Supplies & Services	\$ 13,135	\$ 3,000	\$ 13,236	341.20%
NET TAX AND GENERAL REVENUE SUPPORTED				
	\$ (46,795)	\$ (55,100)	\$ (45,264)	-17.85%
PERSONNEL:				
Number of FTE positions	0	0	0	



2016 BUDGET

CITY OF HOPKINS

PARKING BUDGET Revenues and Expenditures

Special Revenue Fund 215	Actual 2013	Actual 2014	Actual 2015	Budget 2015	Budget 2016	Percent Change
Revenues						
Court Fines	\$ 22,207	\$ 17,474	\$ 15,767	\$ 22,000	\$ 22,000	
Leased Parking	70,167	87,291	119,577	74,000	115,000	55.41%
Interest Earned	(644)	2,169	2,476	500	1,000	100.00%
Total Revenues	<u>91,729</u>	<u>106,934</u>	<u>137,820</u>	<u>96,500</u>	<u>138,000</u>	43.01%
Expenditures						
Salaries, Wages and Benefits						
Salaries and Wages	38,948	38,737	40,557	42,690	42,746	0.13%
Fringe Benefits	5,664	6,168	7,039	7,369	18,683	153.54%
Materials, Supplies and Services						
Professional & Technical Services	40,735	15,893	7,890	4,150	6,150	48.19%
Utilities and Maintenance	25,114	21,213	31,384	14,780	14,525	-1.73%
Operations	858	325	325	750	750	
City Support Services	18,793	20,796	17,499	19,115	21,196	10.89%
Supplies and Materials	9,120	3,523	645	5,550	5,550	
Capital Outlay						
Other Improvements	-	-	95,875	45,000	250,000	455.56%
Total Expenditures	<u>139,232</u>	<u>106,655</u>	<u>201,214</u>	<u>139,404</u>	<u>359,600</u>	157.96%
Excess (deficiency) of Revenues over Expenditures	(47,502)	279	(63,394)	(42,904)	(221,600)	416.50%

The Parking Fund records the receipt of parking permits and parking fines. The revenues are used to offset the maintenance cost of the parking lots and parking ramp and to fund the parking enforcement officer.

CITY OF HOPKINS

FUND 214 – PARKING FUND

PROGRAM: Parking Enforcement

PROGRAM SUMMARY

Manage and enforce parking rules and regulations. Ensure that parking is available for customers and parking rules are followed.

MAJOR OBJECTIVES TO BE ACCOMPLISHED IN 2016:

1. Monitor the effects of current parking enforcement efforts and recommend changes as needed.
2. Continue to accurately account for fine revenues that result from parking enforcement.

	<u>FY 2015 Actual</u>	<u>FY 2015 Approved Budget</u>	<u>FY 2016 Approved Budget</u>	<u>Percent Change</u>
REVENUES:				
Fines & Forfeits	\$ 15,767	\$ 22,000	\$ 22,000	0.00%
EXPENDITURES:				
Salaries/Wages/Benefits	\$ 45,572	\$ 46,607	\$ 57,971	24.38%
Materials, Supplies & Services	8,946	15,943	17,222	8.02%
	\$ 54,518	\$ 62,550	\$ 75,193	
NET TAX AND GENERAL REVENUE SUPPORTED	\$ 38,751	\$ 40,550	\$ 53,193	31.18%
PERSONNEL:				
Number of FTE positions	0.72	0.72	0.72	

PROGRAM: Parking Operations

PROGRAM SUMMARY

Implement and manage parking recommendations by the City Council and the Parking Committee and follow-up on any questions by the general public. Provide information to the Parking Committee and the City Council on items of operation. Manage the parking as to provide the most convenient parking for customers.

MAJOR OBJECTIVES TO BE ACCOMPLISHED IN 2016:

1. Update parking brochure.
2. Promote marketing plan for permit parking and municipal ramp.
3. Review funding options for future maintenance of public lots.
4. Maintain and improve public parking lots as needed.
5. Work with Public Works Department to complete analysis of public parking lots

	<u>FY 2015 Actual</u>	<u>FY 2015 Approved Budget</u>	<u>FY 2016 Approved Budget</u>	<u>Percent Change</u>
REVENUES:				
Leases	\$ 119,577	\$ 74,000	\$ 115,000	55.41%
Interest	2,476	500	1,000	100.00%
	\$ 122,053	\$ 74,500	\$ 116,000	55.70%
EXPENDITURES:				
Salaries/Wages/Benefits	\$ 2,024	\$ 3,452	\$ 3,458	0.17%
Materials, Supplies & Services	684	1,740	1,706	-1.95%
	\$ 2,708	\$ 5,192	\$ 5,164	-0.54%
NET TAX AND GENERAL REVENUE SUPPORTED	\$(119,345)	\$(69,308)	\$(110,836)	59.92%
PERSONNEL:				
Number of FTE positions	0.01	0.01	0.01	

CITY OF HOPKINS

FUND 214 – PARKING FUND

PROGRAM: Parking Ramp

PROGRAM SUMMARY

Proper handling of all matters related to the operation and administration of the leased parking system for the ramp. Implement recommendations by the City Council and the Parking Committee and follow-up on any questions by the general public. Provide information to the Parking Committee and the City Council on items of operation. Manage the parking as to provide the most convenient parking for customers.

MAJOR OBJECTIVES TO BE ACCOMPLISHED IN 2016:

1. Review funding options for future maintenance of parking ramp.
2. Maintain and improve parking ramp as needed.
3. Complete masonry repairs, barrier cable replacement and other repairs based on 2013 conditions appraisal.

	FY 2015 <u>Actual</u>	FY 2015 <u>Approved Budget</u>	FY 2016 <u>Approved Budget</u>	<u>Percent Change</u>
EXPENDITURES:				
Materials, Supplies & Services	48,112	26,662	29,243	9.68%
Capital Expenditures	95,875	45,000	250,000	--
	\$ 143,987	\$ 71,662	\$ 279,243	
NET TAX AND GENERAL REVENUE SUPPORTED				
	\$ 143,987	\$ 71,662	\$ 279,243	289.67%
Capital Outlay/Construction	\$95,875	\$45,000	\$250,000	455.56%
PERSONNEL:				
Number of FTE positions	0	0	0	



2016 BUDGET

CITY OF HOPKINS

**COMMUNICATIONS BUDGET
Revenues and Expenditures**

Special Revenue Fund 218

	Actual 2013	Actual 2014	Actual 2015	Budget 2015	Budget 2016	Percent Change
Revenues						
Franchise Fees	\$ 252,707	\$ 261,104	\$ 266,366	\$ 248,000	\$ 255,000	2.82%
Charges for Services	-	-	-	-	-	
Proceeds from Sale of Assets	-	-	-	-	-	
Interest Earned	(932)	4,845	6,207	2,000	2,000	
Total Revenue	251,775	265,949	272,573	250,000	257,000	2.80%
Expenditures						
Salaries, Wages and Benefits						
Salaries and Wages	25,567	31,061	59,003	59,519	60,985	2.46%
Fringe Benefits	7,651	8,070	13,112	14,108	14,542	3.08%
Materials, Supplies and Services						
Professional & Technical Services	54,026	31,722	7,984	8,650	9,250	6.94%
Utilities and Maintenance	4,892	511	21,658	2,650	1,650	-37.74%
Operations	21,282	17,389	19,728	21,750	21,800	0.23%
City Support Services	12,902	13,136	10,987	11,986	12,476	4.09%
Supplies and Materials	1,057	480	313	900	650	-27.78%
Capital Outlay						
Office Furniture and Equipment	-	-	8,558	35,000	12,500	-64.29%
Transfer Out	86,920	86,920	86,920	86,920	86,920	
Total Expenditures	214,297	189,289	228,264	241,483	220,773	-8.58%
Excess (deficiency) of Revenues over Expenditures	37,478	76,659	44,309	8,517	36,227	325.35%

The Communication Fund (formerly known as the Cable fund) records the City's share of a five city joint venture cable TV franchise administered under the Southwest Suburban Cable Commission.

CITY OF HOPKINS

FUND 217 – COMMUNICATIONS FUND

PROGRAM: Communication

PROGRAM SUMMARY

Provide two-way communication between the City and its residents, employees and businesses; its civic, service, and fraternal organizations; and other communities and government agencies. Written, verbal and visual communication tools.

MAJOR OBJECTIVES TO BE ACCOMPLISHED IN 2016:

Communications:

1. Promote City events, large and small.
2. Support the production of three promotional videos.

Newsletters:

3. City Goal 3: Take it to Them - Engage the Rental Community of Hopkins.
4. Increase newsletter distribution to rental properties.

Web and Messaging:

5. City Goal 1, Explore improved service delivery through e-commerce:
6. Increase interactivity on web site through one or more of the following:
 - Ability to make payments via the web
 - Customer Response system
 - Ability to fill out forms on the website



	<u>FY 2015 Actual</u>	<u>FY 2015 Approved Budget</u>	<u>FY 2016 Approved Budget</u>	<u>Percent Change</u>
REVENUES:				
Franchise Fees	\$ 266,367	\$248,000	\$ 255,000	2.82%
Interest	6,207	2,000	2,000	0.00%
	\$ 272,574	\$250,000	\$ 257,000	2.80%
EXPENDITURES:				
Salaries/Wages/Benefits	\$ 72,115	\$ 73,627	\$ 75,527	2.58%
Materials, Supplies & Services	60,671	48,936	48,826	-0.22%
Capital Expenditures	8,558	35,000	12,500	-64.29%
Transfer Out	86,920	86,920	86,920	0.00%
	\$ 228,264	\$244,483	\$ 223,773	-8.47%
NET TAX AND GENERAL REVENUE SUPPORTED	\$ (44,310)	\$ (5,517)	\$ (33,227)	502.27%
PERSONNEL:				
Number of FTE positions	0.25	0.25	0.25	

2016 BUDGET

CITY OF HOPKINS

DEPOT BUDGET Revenues and Expenditures

Special Revenue Fund 220

	Actual 2013	Actual 2014	Actual 2015	Budget 2015	Budget 2016	Percent Change
Revenues						
Intergovernmental	\$ 15,000	\$ 22,500	\$ 15,000	\$ 15,000	\$ 15,000	
Leases and Rentals	74,847	71,079	74,654	70,000	68,000	-2.86%
Concessions & Merchandise Sales	224,341	246,114	260,413	228,000	231,500	1.54%
Donations & Contributions	633	1,809	702	2,000	2,000	
Private Foundation Grants	-	-	-	3,000	2,500	-16.67%
Interest	(49)	10	(14)	-	-	
Miscellaneous	15,390	15,150	15,302	15,000	15,100	0.67%
Transfer In	10,000	10,000	10,000	10,000	15,000	50.00%
Total Revenues	340,161	366,662	376,057	343,000	349,100	1.78%
Expenditures						
Salaries, Wages and Benefits						
Salaries and Wages	168,370	180,893	164,353	145,150	153,709	5.90%
Fringe Benefits	52,692	52,743	53,834	55,422	50,219	-9.39%
Materials, Supplies and Services						
Professional & Technical Services	11,008	12,655	10,730	9,000	9,000	
Utilities and Maintenance	12,865	11,997	13,568	10,600	12,050	13.68%
Operations	6,633	4,169	7,747	12,475	11,649	-6.62%
City Support Services	2,557	4,386	5,320	5,244	5,365	2.31%
Supplies and Materials	101,830	105,526	95,999	97,220	96,150	-1.10%
Capital Outlay						
Improvements	2,795	2,386	-	-	-	
Total Expenditures	358,750	374,756	351,552	335,111	338,142	0.90%
Excess (deficiency) of Revenues over expenditures	(18,589)	(8,094)	24,505	7,889	10,958	38.90%

The Depot Coffee House Fund accounts for the operations of the Youth Center, a chemical free environment for area teens to socialize and the operations of the Coffee House which provides a service to the Youth and those on the regional trail system.

CITY OF HOPKINS

FUND 219 – DEPOT FUND

PROGRAM: Depot Youth Project

PROGRAM SUMMARY:

Depot Mission

To provide a place of community and learning in which student involvement and youth development are encouraged in a chemically-free environment

Depot Youth Project staffing and programs are funded primarily through admission fees, rentals, gifts and grants. The Depot programs are intended to offer area youth creativity and leadership opportunities, strengthen youth involvement in community activities, and nurture their growth and development as citizens through interaction with peers, the public, and community partners. The Depot Board and The Partners Advisory Team, consisting of students, community members, community business partners, City, Hopkins School District, Depot Youth Foundation and Three Rivers Park District representatives, guide and support site and programming decisions.. The facility/grounds serve as a Trailhead for Three Rivers Park District and the coffee house which operates 7 days a week is an amenity enjoyed by local residents as well as trail riders/walkers.

MAJOR OBJECTIVES TO BE ACCOMPLISHED IN 2016:

1. Sustain welcoming and chemical free venue for community youth and other gatherings.
2. Continue staffing 2 – 3 night a week year -round youth events programming at the Depot.
3. Support additional youth-initiated projects.
4. Provide learning lab for Business/Marketing classes at Hopkins High School.
5. Promote partnerships with the Depot in the community, with area students, and youth allies.
6. Create new youth learning opportunities with Coffee Operations staff.
7. Provide workplace training and employment opportunities for youth.
8. Continue capital upgrades with furnishings



	FY 2015	FY 2015	FY 2016	
	Actual	Approved Budget	Approved Budget	Percent Change
REVENUES:				
Intergovernmental	\$ 80,000	\$ 80,000	\$ 80,000	0.00%
Charges for Service	10,595	10,000	8,000	-20.00%
Foundation/Corporate Grants	-	3,000	2,500	-16.67%
Miscellaneous	17,578	20,000	18,500	-7.50%
Transfer In	10,000	10,000	15,000	50.00%
	\$118,173	\$123,000	\$ 124,000	0.81%
EXPENDITURES:				
Salaries/Wages/Benefits	\$ 79,195	\$ 81,019	\$ 87,373	7.84%
Materials, Supplies & Services	27,269	34,906	32,289	-7.50%
Capital Expenditures	-	-	-	#DIV/0!
	\$106,464	\$115,925	\$ 119,662	3.22%
NET TAX AND GENERAL REVENUE SUPPORTED				
	\$ (11,709)	\$ (7,075)	\$ (4,338)	-38.69%
PERSONNEL:				
Number of FTE positions	1.5	1.5	1.0	

2016 BUDGET

CITY OF HOPKINS

FUND 219 – DEPOT FUND

PROGRAM: Depot Coffee Ops

PROGRAM SUMMARY: The coffee shop is a natural adjunct to the youth programming at the Depot and provides actual sustenance for youth patrons and the wider community as well as employment and training opportunities for youth.

MAJOR OBJECTIVES TO BE ACCOMPLISHED IN 2016:

1. Continue to provide organic fair-trade coffee drinks, locally sourced snacks and hand-crafted baked goods, sandwiches, salads, and soups for youth and adult patrons.
2. Provide barista/customer service training and supervision for youth volunteers and employees.
3. Provide learning lab for Marketing/Business students at Hopkins High School.
4. Offer food choices as well as repair and small merchandise items for biking/trail patrons of the Depot.
5. Develop catering menu and business for youth to operate.
6. Develop food service partnership with Hopkins Activity Center.
7. Market the Depot space for rentals.



	<u>FY 2015 Actual</u>	<u>FY 2015 Approved Budget</u>	<u>FY 2016 Approved Budget</u>	<u>Percent Change</u>
REVENUES:				
Charges for Service	\$257,884	\$220,000	\$ 225,100	0.00%
EXPENDITURES:				
Salaries/Wages/Benefits	\$138,992	\$119,553	\$ 116,555	0.00%
Materials, Supplies & Services	106,096	99,633	101,925	0.00%
	\$245,088	\$219,186	\$ 218,480	0.00%
NET TAX AND GENERAL REVENUE SUPPORTED				
	\$ (12,796)	\$ (814)	\$ (6,620)	0.00%
PERSONNEL:				
Number of FTE positions	4.25	4.25	4.25	



2016 BUDGET

CITY OF HOPKINS

TIF DISTRICT 2-6 BUDGET Revenues and Expenditures

Special Revenue Fund 228

	Actual 2013	Actual 2014	Actual 2015	Budget 2015	Budget 2016	Percent Change
Revenues						
Tax Increment	\$ 12,587	\$ 12,587	\$ 12,587	\$ 12,000	\$ 12,000	
Interest	(49)	8	20	100	10	-90.00%
Miscellaneous	6,437	6,437	7,024	7,024	7,024	
Transfers In	26,204	25,302	21,870	21,870	23,318	
Total Revenues	<u>45,180</u>	<u>44,334</u>	<u>41,501</u>	<u>40,994</u>	<u>42,352</u>	3.31%
Expenditures						
Materials, Supplies and Services						
Professional & Technical Services	471	523	528	550	550	
Operations	1,800	1,500	1,375	1,500	1,500	
Interest Expense	9,694	8,302	6,910	6,910	5,518	-20.14%
Total Expenditures	<u>11,965</u>	<u>10,325</u>	<u>8,813</u>	<u>8,960</u>	<u>7,568</u>	-15.54%
Transfers out for debt	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	
Total Expenditures	<u>11,965</u>	<u>10,325</u>	<u>8,813</u>	<u>8,960</u>	<u>7,568</u>	-15.54%
Excess of Revenues over Expenditures	33,214	34,009	32,688	32,034	34,784	8.58%

The Tax Increment 2-6 Fund is the handicapped housing development. The funds records the use of tax increment receipts.

2016 BUDGET

CITY OF HOPKINS

FUND 226 – TAX INCREMENT 2-6 FUND

PROGRAM: Sonoma Handicap Housing Project

PROGRAM SUMMARY

Coordinate redevelopment of northwest corner of 5th Avenue and Excelsior Boulevard.

MAJOR OBJECTIVES TO BE ACCOMPLISHED IN 2016:

1. Assist in preparation of program budget and other required documents.
2. Prepare required annual State Auditor report.

	FY 2015 <u>Actual</u>	FY 2015 <u>Approved Budget</u>	FY 2016 <u>Approved Budget</u>	<u>Percent Change</u>
REVENUES:				
Tax Increments	\$ 12,587	\$ 12,000	\$ 12,000	0.00%
Miscellaneous	\$ 7,024	\$ 7,024	\$ 7,024	
Interest	20	100	10	-90.00%
Transfer In	21,870	21,870	23,318	6.62%
	\$ 41,501	\$ 40,994	\$ 42,352	3.31%
EXPENDITURES:				
Materials, Supplies & Services	\$ 8,813	\$ 8,960	\$ 7,568	-15.54%
NET TAX AND GENERAL REVENUE SUPPORTED				
	\$ (32,688)	\$ (32,034)	\$ (34,784)	8.58%
PERSONNEL:				
Number of FTE positions	0	0	0	



CITY OF HOPKINS

TIF DISTRICT 2-9 BUDGET Revenues and Expenditures

Special Revenue Fund 230

	Actual 2013	Actual 2014	Actual 2015	Budget 2015	Budget 2016	Percent Change
Revenues						
Tax Increment	\$ 133,980	\$ 119,630	\$ 133,405	\$ 120,000	\$ 120,000	
Intergovernmental - Mkt Value Credit	-	-	-	-	-	
Interest	(1,273)	5,293	6,309	1,200	1,200	
Transfers In	-	-	-	-	-	
Total Revenues	<u>132,707</u>	<u>124,923</u>	<u>139,714</u>	<u>121,200</u>	<u>121,200</u>	
Expenditures						
Materials, Supplies and Services						
Professional & Technical Services	1,194	1,769	918	1,200	1,200	
Operations	2,971	2,627	1,833	2,621	2,000	-23.69%
Transfers out for debt	<u>117,000</u>	<u>116,000</u>	<u>37,000</u>	<u>36,000</u>	-	-100.00%
Total Expenditures	121,165	120,396	39,752	39,821	3,200	-91.96%
Excess (deficiency) of Revenues over Expenditures						
	11,542	4,526	99,962	81,379	118,000	45.00%

The Tax Increment District 2-9 is the Oaks of Mainstreet development. This fund records the use of tax increments and bond proceeds. Residential homes were built and sold to improve the overall area.

2016 BUDGET

CITY OF HOPKINS

FUND 229 – TAX INCREMENT 2-9 FUND

PROGRAM: Redevelopment Area – Oaks of Mainstreet.

PROGRAM SUMMARY

Coordinate redevelopment activity on southeast corner of Shady Oak Road and Mainstreet.

MAJOR OBJECTIVES TO BE ACCOMPLISHED IN 2016:

1. Assist in preparation of program budget and other required documents.
2. Prepare required annual State Auditor report.

	FY 2015 <u>Actual</u>	FY 2015 <u>Approved Budget</u>	FY 2016 <u>Approved Budget</u>	<u>Percent Change</u>
REVENUES:				
Tax Increments	\$133,405	\$120,000	\$ 120,000	0.00%
Interest	6,309	1,200	1,200	0.00%
	\$139,714	\$121,200	\$ 121,200	0.00%
EXPENDITURES:				
Materials, Supplies & Services	\$ 2,752	\$ 3,821	\$ 3,200	-16.25%
Transfer Out	37,000	36,000	-	-100.00%
	\$ 39,752	\$ 39,821	\$ 3,200	-91.96%
 NET TAX AND GENERAL REVENUE SUPPORTED	 \$ (99,962)	 \$ (81,379)	 \$(118,000)	 45.00%
PERSONNEL:				
Number of FTE positions	0	0	0	



2016 BUDGET

CITY OF HOPKINS

TIF DISTRICT 2-11 BUDGET Revenues and Expenditures

Special Revenue Fund 231

	Actual 2013	Actual 2014	Actual 2015	Budget 2015	Budget 2016	Percent Change
Revenues						
Tax Increment	\$ 1,794,734	\$ 2,403,449	\$ 2,597,340	\$ 2,400,000	\$ 2,400,000	
Interest	(4,980)	12,347	42,139	3,000	15,000	400.00%
Miscellaneous	-	-	-	-	-	
Total Revenues	1,789,754	2,415,796	2,639,479	2,403,000	2,415,000	0.50%
Expenditures						
Materials, Supplies and Services						
Professional & Technical Services	15,140	13,983	17,557	11,100	12,500	12.61%
Operations	50,338	46,384	42,197	46,654	46,440	-0.46%
Debt Service	1,575,314	1,593,067	450,352	1,085,000	1,335,000	
Capital Outlay						
TIF projects	-	-	-	-	-	
Transfers out	240,409	237,956	188,000	209,870	211,318	0.69%
Total Expenditures	1,881,201	1,891,390	698,107	1,352,624	1,605,258	18.68%
Excess (deficiency) of Revenues over Expenditures	(91,447)	524,406	1,941,372	1,050,376	809,742	-22.91%

The Tax Increment District 2-11 fund is the SuperValu and Super Value North Annex redevelopment. This fund records the use of tax increments and bond proceeds.

2016 BUDGET

CITY OF HOPKINS

FUND 231 – TAX INCREMENT 2-11 FUND

PROGRAM: Redevelopment Area – North Annex Property

PROGRAM SUMMARY

Coordinate and review development and redevelopment activity.

MAJOR OBJECTIVES TO BE ACCOMPLISHED IN 2016:

1. Assist in preparation of program budget and other required documents.
2. Prepare required annual State Auditor report.
3. Distribute Pay As You Go (PAYG) financing to developer as scheduled.

	FY 2015 <u>Actual</u>	FY 2015 Approved <u>Budget</u>	FY 2016 Approved <u>Budget</u>	<u>Percent Change</u>
REVENUES:				
Tax Increments	\$ 2,597,340	\$ 2,400,000	\$2,400,000	0.00%
Interest	42,139	3,000	15,000	400.00%
	\$ 2,639,479	\$ 2,403,000	\$2,415,000	0.50%
EXPENDITURES:				
Materials, Supplies & Services	\$ 59,754	\$ 57,754	\$ 58,940	2.05%
Debt Service - PAYG TIF	\$ 450,352	\$ 1,085,000	\$ 211,318	-80.52%
Transfer Out	188,000	209,870	1,335,000	536.11%
	\$ 698,106	\$ 1,352,624	\$1,605,258	18.68%
NET TAX AND GENERAL REVENUE SUPPORTED	\$(1,941,373)	\$(1,050,376)	\$ (809,742)	-22.91%
PERSONNEL:				
Number of FTE positions	0	0	0	



Super Valu Development



Excelsior Crossings Development

CITY OF HOPKINS

5TH AVENUE FLATS Revenues and Expenditures

Special Revenue Fund 232

	Actual 2013	Actual 2014	Actual 2015	Budget 2015	Budget 2016	Percent Change
Revenues						
Tax Increments	\$ -	\$ -	\$ -	\$ -	\$ -	
Interest	(1,985)	(2,126)	(2,444)	-	-	
Development Fees	-	-	-	-	-	
Other Miscellaneous	-	-	-	-	-	
Transfer In	-	-	-	-	-	
Total Revenues	(1,985)	(2,126)	(2,444)	-	-	
Expenditures						
Materials, Supplies and Services						
Professional & Technical Services	2,285	2,000	1,833	2,000	2,000	
Miscellaneous Other Charges	-	-	-	-	-	
Capital Outlay						
TIF Projects	-	-	-	-	-	
Total Expenditures	2,285	2,000	1,833	2,000	2,000	
Excess of Revenues over Expenditures						
	\$ (4,270)	\$ (4,126)	\$ (4,277)	\$ (2,000)	\$ (2,000)	

5th Avenue Flats is a redevelopment of a block within the downtown district. The fund records the costs and reimbursement of project expenses.

2016 BUDGET

CITY OF HOPKINS

FUND 232 – 5TH AVENUE FLATS

PROGRAM: Redevelopment Area –6th & Mainstreet

PROGRAM SUMMARY

Redevelopment of property between Fifth and Sixth Avenues, north of Mainstreet into an apartment development.

MAJOR OBJECTIVES TO BE ACCOMPLISHED IN 2016:

1. Work with developer on project implementation.

	FY 2015 <u>Actual</u>	FY 2015 <u>Approved Budget</u>	FY 2016 <u>Approved Budget</u>	<u>Percent Change</u>
REVENUES:				
Tax Increments	\$ -	\$ -	\$ -	0.00%
Miscellaneous	(2,444)	-	-	0.00%
	\$ (2,444)	\$ -	\$ -	0.00%
EXPENDITURES:				
Materials, Supplies & Services	\$ 2,000	\$ 2,000	\$ 2,000	0.00%
NET TAX AND GENERAL REVENUE SUPPORTED				
	\$ 4,444	\$ 2,000	\$ 2,000	0.00%
PERSONNEL:				
Number of FTE positions	0	0	0	



2016 BUDGET

Proposed Fifth

CITY OF HOPKINS

TIF 1-4 MARKETPLACE II Revenues and Expenditures

Special Revenue Fund 234	Actual 2013	Actual 2014	Actual 2015	Budget 2015	Budget 2016	Percent Change
Revenues						
Tax Increments	\$ 3,134	\$ 103,167	\$ 119,176	\$ 105,000	\$ 122,000	16.19%
Interest	(9)	22	17	100	100	
Transfers In	-	-	-	-	-	
Total Revenues	3,125	103,189	119,193	105,100	122,100	16.18%
Expenditures						
Materials, Supplies and Services						
Professional & Technical Services	3,761	3,844	8,055	3,550	5,950	67.61%
Miscellaneous	-	-	11,023	-	-	
Interest Expense	-	-	-	-	-	
Total Expenditures	3,761	3,844	19,077	3,550	5,950	67.61%
Excess of Revenues over Expenditures	\$ (636)	\$ 99,346	\$ 100,116	\$ 101,550	\$ 116,150	14.38%

The Tax Increment District 1-4 Fund is the redevelopment of several blocks of the downtown business district into a housing and retail development. This fund records the tax increment revenues.

2016 BUDGET

CITY OF HOPKINS

FUND 233 – TAX INCREMENT 1-4 FUND

PROGRAM: Redevelopment Area –Marketplace & Main

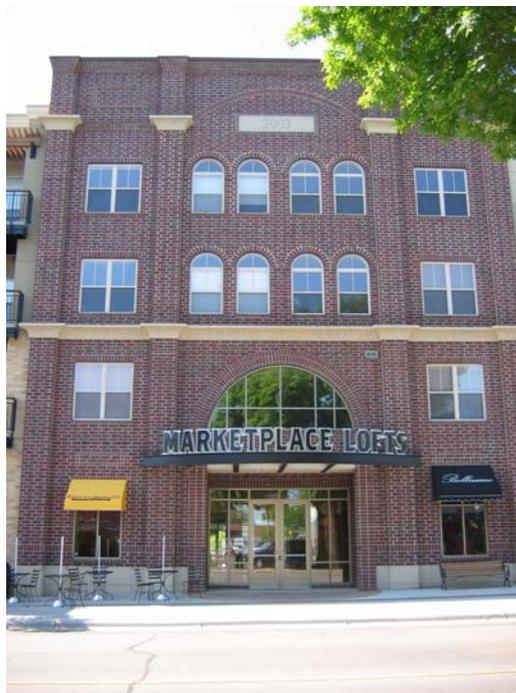
PROGRAM SUMMARY

Redevelopment of property between 6th and 8th Avenues into mixed-use apartment, townhome & retail development.

MAJOR OBJECTIVES TO BE ACCOMPLISHED IN 2016:

1. Assist in preparation of program budget and other required documents.
2. Prepare required annual State Auditor report.
3. Work with developer on implementation of project.

	<u>FY 2015 Actual</u>	<u>FY 2015 Approved Budget</u>	<u>FY 2016 Approved Budget</u>	<u>Percent Change</u>
REVENUES:				
Tax Increments	\$ 119,176	\$ 105,000	\$ 122,000	16.19%
Miscellaneous	17	100	100	0.00%
	\$ 119,193	\$ 105,100	\$ 122,100	16.18%
EXPENDITURES:				
Materials, Supplies & Services	\$ 74,146	\$ 101,550	\$ 120,950	19.10%
NET TAX AND GENERAL REVENUE SUPPORTED				
	\$ (45,047)	\$ (3,550)	\$ (1,150)	-67.61%
PERSONNEL:				
Number of FTE positions	0	0	0	



2016 BUDGET

CITY OF HOPKINS

ARTS CENTER Revenues and Expenditures

Special Revenue Fund 251

	Actual 2013	Actual 2014	Actual 2015	Budget 2015	Budget 2016	Percent Change
Revenues						
Current Services	\$ -	\$ -	\$ 83,587	\$ 85,000	\$ 140,000	64.71%
Grants	63,630	44,220	73,353	63,000	38,967	-38.15%
Current Services	369,822	361,508	358,491	375,901	385,721	2.61%
Charges for Service	-	-	-	-	-	
Other Revenues	194,819	125,365	175,042	176,300	135,500	-23.14%
Transfers In	147,920	147,920	86,920	86,920	86,920	
Total Revenues	776,191	679,013	777,392	787,121	787,108	0.00%
Operating Expenses						
Salaries, Wages and Benefits						
Salaries and Wages	277,799	287,623	300,823	295,129	328,947	11.46%
Fringe Benefits	83,835	88,609	99,003	101,001	101,110	0.11%
Materials, Supplies and Services						
Professional & Technical Services	177,335	156,376	150,676	168,400	176,400	4.75%
Utilities and Maintenance	83,598	79,500	79,923	93,650	88,700	-5.29%
Operations	96,669	109,772	71,109	102,100	99,870	-2.18%
City Support Services	8,965	10,064	16,175	17,697	10,904	-38.39%
Supplies and Materials	28,363	23,531	35,939	28,800	33,983	18.00%
Capital Outlay						
Equipment	-	-	10,169	195,310	106,800	
Total Expenses	756,563	755,475	763,815	1,002,087	946,714	-5.53%
Excess (deficiency) of Revenues over Expenditures						
	19,628	(76,462)	13,577	(214,966)	(159,606)	-25.75%

The Arts Center accounts for the maintenance, operation, programming and promotion of the Hopkins Center for the Arts

CITY OF HOPKINS

FUND 250 – ARTS CENTER FUND

PROGRAM: Facility Operations and Programming & Promotions

PROGRAM SUMMARY

The goal of this program is to engage and involve residents, attract visitors, and enhance the lives of our citizens through managing, maintaining, scheduling, programming, promoting and utilizing the Art Center as a focal point for arts, education and community gathering.

MAJOR OBJECTIVES TO BE ACCOMPLISHED IN 2016:

1. Build relationships in our community and collaborate with tenants, partners, businesses and residents to meet City Strategic Plan goals and engage a broad segment of the community.
2. Operate within a balanced budget that maximizes revenues and controls expenses, with the goal of financial sustainability.
3. Increase the fundraising capacity of the Arts Center to address operating and capital needs.
4. Build participation in Center arts activities, including concerts and exhibitions, and explore creative alternatives for delivering arts programming.
5. Strengthen the identity and enhance the reputation of the Hopkins Center for the Arts.



	FY 2015 <u>Actual</u>	FY 2015 Approved <u>Budget</u>	FY 2016 Approved <u>Budget</u>	<u>Percent Change</u>
REVENUES:				
Taxes	\$ 83,587	\$ 85,000	\$ 140,000	64.71%
Intergovernmental	37,337	58,000	35,967	-37.99%
Charges for Service	501,835	533,401	489,921	-8.15%
Foundation/Corporate Grants	36,016	5,000	3,000	-40.00%
Miscellaneous	31,698	18,800	31,300	66.49%
Transfer In	86,920	86,920	86,920	0.00%
	\$ 777,393	\$ 787,121	\$ 787,108	0.00%
EXPENDITURES:				
Salaries/Wages/Benefits	\$ 399,826	\$ 396,130	\$ 430,057	8.56%
Materials, Supplies & Services	353,820	410,647	409,857	-0.19%
Capital Expenditures	10,169	195,310	106,800	
	\$ 763,815	\$ 1,002,087	\$ 946,714	-5.53%
NET TAX AND GENERAL REVENUE SUPPORTED	\$ (13,578)	\$ 214,966	\$ 159,606	-25.75%
PERSONNEL:				
Number of FTE positions	3.8	3.8	4.6	



2016 BUDGET

CITY OF HOPKINS

EQUIPMENT REPLACEMENT BUDGET Revenues and Expenses

Internal Service Fund 603

	Actual 2013	Actual 2014	Actual 2015	Budget 2015	Budget 2016	Percent Change
Revenues						
Current Services	\$ 317,113	\$ 343,792	\$ 345,477	\$ 376,900	\$ 408,459	8.37%
Intergovernmental Revenue	-	-	237,120	-	-	
Interest Earnings	2,931	9,441	6,023	5,300	5,300	
Miscellaneous	29,653	27,235	27,535	30,000	30,000	
Transfers In	475,349	-	-	-	-	
Total Revenues	825,046	380,468	616,155	412,200	443,759	7.66%
Operating Expenses						
Materials, Supplies and Services	-	14,870	17,008	20,000	20,000	
Professional & Technical Services	2,716	2,000	2,000	2,800	2,500	-10.71%
Utilities and Maintenance	1,082	11,178	45,525	45,232	51,550	13.97%
City Support Services	8,574	9,415	6,744	7,357	7,350	-0.10%
Total Operating Expenses	12,372	37,463	71,276	75,389	81,400	7.97%
Non-operating expenses	472,311	476,963	484,826	478,965	487,629	1.81%
Total Expenses	484,684	514,426	556,103	554,354	569,029	2.65%
Net Income (Loss)	340,362	(133,957)	60,053	(142,154)	(125,270)	-11.88%
Capital	581,193	478,034	1,134,325	408,700	1,128,175	

The Equipment Replacement fund is an internal service fund. It accounts for the acquisition of machinery and equipment. User charges are billed to the various departments.

2016 BUDGET

CITY OF HOPKINS

FUND 602 – EQUIPMENT REPLACEMENT FUND

PROGRAM: Equipment Replacement

PROGRAM SUMMARY

Coordinate and review twenty-year equipment replacement plan on an annual basis. The objective of this fund is to stabilize the required funding on an annual basis while enabling the fund to purchase scheduled equipment replacement without issuing bonds.

MAJOR OBJECTIVES TO BE ACCOMPLISHED IN 2016:

1. Update 5-year Equipment Replacement Plan.
2. Analyze future needs.
3. Review revenue structure to accommodate equipment needs as identified in the long-range 20-year plan.

	<u>FY 2015 Actual</u>	<u>FY 2015 Approved Budget</u>	<u>FY 2016 Approved Budget</u>	<u>Percent Change</u>
REVENUES:				
Intergovernmental Revenue	\$237,120	\$0	\$0	#DIV/0!
Charges for Service	345,477	376,900	408,459	8.37%
Interest	6,023	5,300	5,300	0.00%
Miscellaneous	27,535	30,000	30,000	0.00%
Transfer In	0	0	0	0.00%
	616,155	412,200	443,759	7.66%
EXPENDITURES:				
Materials, Supplies & Services	71,276	75,389	81,400	7.97%
Depreciation	475,862	470,000	470,000	0.00%
Debt Service	8,964	8,965	17,629	96.64%
	556,102	554,354	569,029	2.65%
NET SOURCE (USE) OF EQUITY	\$60,053	(\$142,154)	(\$125,270)	-11.88%
Capital Purchases	\$1,134,325	\$408,700	\$1,128,175	176.04%
PERSONNEL:				
Number of FTE positions	0	0	0	



2016 BUDGET

CITY OF HOPKINS

WATER BUDGET Revenues and Expenses

Enterprise Fund 703	Actual 2013	Actual 2014	Actual 2015	Budget 2015	Budget 2016	Percent Change
Revenues						
Current Services	\$ 1,343,056	\$ 1,352,283	\$ 1,358,246	\$ 1,526,400	\$ 1,395,700	-8.56%
Intergovernmental Revenue	-	9,580	-	-	-	
Permits	3,655	4,846	2,467	1,000	2,000	100.00%
Interest Earnings	138	3,735	2,631	1,000	1,000	
Miscellaneous	136,421	140,720	152,898	147,000	154,800	5.31%
Total Revenues	<u>1,483,270</u>	<u>1,511,163</u>	<u>1,516,242</u>	<u>1,675,400</u>	<u>1,553,500</u>	-7.28%
Non-operating Revenues	21,855	-	496,275	-	-	#DIV/0!
Total Revenues	1,505,125	1,511,163	2,012,517	1,675,400	1,553,500	-7.28%
Operating Expenses						
Salaries, Wages and Benefits						
Salaries and Wages	280,938	303,986	401,427	249,659	250,013	0.14%
Fringe Benefits	112,857	106,536	122,463	94,647	95,584	0.99%
Materials, Supplies and Services						
Professional & Technical Services	79,140	106,692	125,414	120,400	129,900	7.89%
Utilities and Maintenance	296,148	247,943	379,449	359,700	479,700	33.36%
Operations	8,449	9,611	13,227	19,900	21,900	10.05%
City Support Services	209,244	245,992	231,161	251,827	224,927	-10.68%
Supplies and Materials	82,964	111,256	108,851	87,900	100,250	14.05%
Depreciation	249,756	226,925	241,636	250,000	250,000	
Total Operating Expenses	<u>1,319,494</u>	<u>1,358,940</u>	<u>1,623,627</u>	<u>1,434,033</u>	<u>1,552,274</u>	8.25%
Non-operating expenses	64,620	114,154	119,755	137,510	140,487	2.16%
Total Expenses	1,384,115	1,473,094	1,743,382	1,571,543	1,692,761	7.71%
Net Income (Loss)	121,011	38,070	269,135	103,857	(139,261)	-234.09%

The Water fund is a utility enterprise. The operations of water pumps, wells and distribution are recorded here.

2016 BUDGET

CITY OF HOPKINS

FUND 703 – WATER FUND

PROGRAM: Pumps & Wells and Water Distribution

PROGRAM SUMMARY

The Pumps & Wells program of the Water Utility Fund provides maintenance to the City's water well pumping system so that a continued supply of potable water is furnished to water customers at the most reasonable cost. Water supply must be maintained at proper levels, as well as bacterial free. Metering devices are also maintained.

The Water Distribution program of the Water Utility Fund provides maintenance to the City's water system so that a continued supply of potable water is furnished to water customers at the most reasonable cost. Water supply must be maintained at proper levels, as well as bacterial free. Metering devices are also maintained.

MAJOR OBJECTIVES TO BE ACCOMPLISHED IN 2016:

1. Produce water supply sufficient to meet the needs of 17,000 people.
2. Flush and check all hydrants annually.
3. Check all wells each day.
4. Test samples each month to ensure safe water supply.
5. Reduce copper levels at taps to comply with Safe Drinking Water Act.
6. Install new effluent and discharge valves at water treatment plan #4.
7. Install dehumidifiers in # 4 Treatment Plant
8. Paint High Service Pump Room
9. Install new check valves at water treatment plan #4
10. Install new valves & hydrants in new construction areas.

	FY 2015 Actual	FY 2015 Approved Budget	FY 2016 Approved Budget	Percent Change
OPERATING REVENUES:	\$1,358,096	\$1,525,400	\$1,395,200	-8.54%
OPERATING EXPENSES:				
Salaries/Wages/Benefits	523,890	344,306	345,597	0.37%
Materials, Supplies & Services	858,101	839,727	956,677	13.93%
Depreciation Expense	241,636	250,000	250,000	0.00%
Operating Income (Loss)	1,623,627	1,434,033	1,552,274	8.25%
NON-OPERATING REVENUES:	654,421	150,000	158,300	5.53%
NON-OPERATING EXPENSES:	(119,755)	(137,510)	(140,487)	2.16%
NET INCOME (LOSS)	\$269,135	\$103,857	(\$139,261)	234.09%
Capital Outlay/Construction	\$30,070	\$256,800	\$2,305,000	797.59%
PERSONNEL:				
Number of FTE positions	3.43	3.43	3.7	

CITY OF HOPKINS

SANITARY SEWER BUDGET

Revenues and Expenses

Enterprise Fund 707	Actual 2013	Actual 2014	Actual 2015	Budget 2015	Budget 2016	Percent Change
Revenues						
Current Services	\$ 1,995,491	\$ 2,026,839	\$ 2,172,278	\$ 2,207,500	\$ 2,276,200	3.11%
Intergovernmental Revenue	-	86,445	-	-	-	#DIV/0!
Permits	-	-	-	-	-	#DIV/0!
Interest Earnings	33	3,497	2,415	1,000	1,000	
Miscellaneous Revenue	3,992	650	150	200	-	-100.00%
Total Revenues	1,999,516	2,117,430	2,174,842	2,208,700	2,277,200	3.10%
Non-operating revenue	-	-	297,004	-	-	#DIV/0!
Total Revenues	1,999,516	2,117,430	2,471,846	2,208,700	2,277,200	3.10%
Operating Expenses						
Salaries, Wages and Benefits						
Salaries and Wages	149,136	163,324	212,388	249,413	262,940	5.42%
Fringe Benefits	57,724	66,117	74,183	98,917	96,676	-2.27%
Materials, Supplies and Services						
Professional & Technical Services	83,620	14,797	38,027	117,100	130,600	11.53%
Utilities and Maintenance	70,310	95,617	47,400	150,570	161,300	7.13%
Operations	1,230,142	1,293,329	1,327,190	1,321,619	1,458,366	10.35%
City Support Services	168,505	173,585	143,573	156,634	174,472	11.39%
Supplies and Materials	15,215	17,696	17,450	28,750	35,100	22.09%
Depreciation	171,604	158,431	174,826	170,000	170,000	
Total Operating Expenses	1,946,258	1,982,896	2,035,037	2,293,003	2,489,454	8.57%
Non-operating expenses	45,015	96,460	109,557	91,618	116,790	27.47%
Total Expenses	1,991,273	2,079,356	2,144,594	2,384,621	2,606,244	9.29%
Net Income (Loss)	8,243	38,074	327,252	(175,921)	(329,044)	87.04%

The Sanitary Sewer fund is a utility enterprise. The operations of the Lift Stations and the Collection/Disposal process is recorded here.

2016 BUDGET

CITY OF HOPKINS

FUND 707 – SEWER FUND

PROGRAM: Lift Stations, Collection & Disposal

PROGRAM SUMMARY

The Lift Stations program of the Sewer Utility Fund provides maintenance and repairs to the City's sanitary sewer lift station system. The system is comprised of 6 sanitary sewer lift stations that pump sewage to the Metro Sewer System for disposal.

The Collection & Disposal program of the Sewer Utility Fund provides maintenance to the City's sanitary sewer system. The system is comprised of sewers, manholes, and lift stations so that sewage may be transported to the Metro Sewer System for disposal.

MAJOR OBJECTIVES TO BE ACCOMPLISHED IN 2016:

1. Clean 33% of sanitary sewer lines in the City plus monthly checks of manholes in problem areas.
2. Check daily the operation of sanitary sewer lift stations and repair as needed.
3. Inform neighborhoods prior to scheduled sanitary sewer line maintenance.
4. Verify accuracy and implement new utility mapping system.
5. Inform neighborhoods prior to scheduled sanitary sewer line maintenance.
6. Repair or replace manhole cover & casting as needed.
7. Line & repair sewer mains as needed per T.V. reports, also repair of manhole structures.
8. Replace discharge pipe, check valves, guide rails and base elbows at LS 4
9. Emergency generators maintenance program.

	<u>FY 2015 Actual</u>	<u>FY 2015 Approved Budget</u>	<u>FY 2016 Approved Budget</u>	<u>Percent Change</u>
OPERATING REVENUES:	\$2,172,277	\$2,207,500	\$2,276,200	3.11%
OPERATING EXPENSES:				
Salaries/Wages/Benefits	286,572	348,330	359,616	3.24%
Materials, Supplies & Services	1,573,639	1,774,673	1,961,038	10.50%
Depreciation Expense	174,826	170,000	170,000	0.00%
Operating Income (Loss)	2,035,037	2,293,003	2,490,654	8.62%
NON-OPERATING REVENUES:	299,569	1,200	1,000	-16.67%
NON-OPERATING EXPENSES:	(109,557)	(91,618)	(116,790)	27.47%
NET INCOME (LOSS)	\$327,252	(\$175,921)	(\$330,244)	87.72%
Capital Outlay/Construction	\$0	\$156,800	\$815,600	420.15%
PERSONNEL:				
Number of FTE positions	3.76	3.76	3.6	

2016 BUDGET

CITY OF HOPKINS

REFUSE BUDGET						
Revenues and Expenses						
Enterprise Fund 717	Actual	Actual	Actual	Budget	Budget	Percent
	2013	2014	2015	2015	2016	Change
Revenues						
Current Services	\$ 893,583	\$ 908,441	\$ 915,728	\$ 909,700	\$ 965,567	6.14%
County Grant	24,584	24,645	27,956	25,000	-	-100.00%
Interest Earnings	(1,791)	9,314	10,782	2,500	3,000	20.00%
Miscellaneous	20,220	13,201	12,219	12,600	12,600	
Total Revenues	936,596	955,602	966,685	949,800	981,167	3.30%
Operating Expenses						
Salaries, Wages and Benefits						
Salaries and Wages	194,321	187,328	201,820	250,591	256,619	2.41%
Fringe Benefits	63,416	60,749	64,574	87,097	91,461	5.01%
Materials, Supplies and Services						
Professional & Technical Services	122,959	118,655	120,768	125,840	135,840	7.95%
Utilities and Maintenance	45,189	59,423	25,296	30,900	46,500	50.49%
Operations	123,187	144,747	129,038	139,860	140,810	0.68%
City Support Services	150,044	117,537	123,480	134,782	123,093	-8.67%
Supplies and Materials	66,924	76,709	98,754	55,600	65,650	18.08%
Depreciation	53,673	47,909	52,214	56,000	56,000	
Total Operating Expenses	819,713	813,057	815,943	880,670	915,973	4.01%
Non-operating expenses	25,000	25,000	25,000	25,000	25,000	
Total Expenses	844,713	838,057	840,943	905,670	940,973	3.90%
Net Income (Loss)	91,883	117,546	125,742	44,130	40,194	-8.92%
<p>The Refuse fund is a utility enterprise. The operations of bulk collections, yard waste, recycling, brush service and refuse disposal are recorded here.</p>						

2016 BUDGET

CITY OF HOPKINS

FUND 717 – REFUSE FUND

PROGRAM: Bulk Collection

PROGRAM SUMMARY

The Bulk Collection program of the Refuse Utility Fund is a user fee based service that provides bulk item pickup for larger items. Pick ups are scheduled on a call-in basis and take place Thursdays throughout the year. A bulk item drop off event is provided twice per year (spring & fall).

MAJOR OBJECTIVES TO BE ACCOMPLISHED IN 2016:

1. Review and expand user fee based system. (Council Approval Required)
2. Improve drop off procedures and increase efficiency at our bi-annual drop offs.

	<u>FY 2015 Actual</u>	<u>FY 2015 Approved Budget</u>	<u>FY 2016 Approved Budget</u>	<u>Percent Change</u>
OPERATING REVENUES:	\$18,491	\$13,000	\$13,000	0.00%
OPERATING EXPENSES:				
Salaries/Wages/Benefits	15,199	15,128	16,713	10.48%
Materials, Supplies & Services	22,444	23,916	23,363	-2.31%
Operating Income (Loss)	37,643	39,044	40,076	2.64%
NET INCOME (LOSS)	(\$19,152)	(\$26,044)	(\$27,076)	3.96%
PERSONNEL:				
Number of FTE positions	0.26	0.26	0.26	

PROGRAM: Yard Waste/Leaf Collection

PROGRAM SUMMARY

The Yard Waste/Leaf Collection program of the Refuse Utility Fund is a user fee based service that provides bagged yard waste and leaf collection weekly, mid-April through November, for Hopkins residential refuse customers. (Subject to change upon Council review.) A free drop-off site is also available to Hopkins residents three times a week.

MAJOR OBJECTIVES TO BE ACCOMPLISHED IN 2016:

1. Continue to explore ways to improve our user fee based system. (Council Approval Required)
2. Monitor usage of free residential drop off site.
3. Track impact of curbside fee increase and compostable bag requirement.

	<u>FY 2015 Actual</u>	<u>FY 2015 Approved Budget</u>	<u>FY 2016 Approved Budget</u>	<u>Percent Change</u>
OPERATING REVENUES:	\$10,170	\$10,000	\$10,000	0.00%
OPERATING EXPENSES:				
Salaries/Wages/Benefits	40,290	42,767	42,643	-0.29%
Materials, Supplies & Services	23,577	25,886	25,096	-3.05%
Operating Income (Loss)	63,867	68,653	67,739	-1.33%
NET INCOME (LOSS)	(\$53,697)	(\$58,653)	(\$57,739)	-1.56%
PERSONNEL:				
Number of FTE positions	0.62	0.62	0.62	

2016 BUDGET

CITY OF HOPKINS

FUND 717 – REFUSE FUND

PROGRAM: Recycle

PROGRAM SUMMARY

The Recycle program of the Refuse Utility Fund provides bi-weekly single stream recycle collection for 2,990 residences in the City Service area. Collection is provided by a private licensed hauler who is contracted by the City. Commercial and multi-family properties are required to contract independently for recycling services.

MAJOR OBJECTIVES TO BE ACCOMPLISHED IN 2016:

1. Monitor the Single Stream Recycling Program and work with residents to increase the volume of waste recycled.
2. Verify compliance of commercial and multi-family properties.
3. Continue to promote waste abatement through public awareness campaigns and educational presentations.

	FY 2015 <u>Actual</u>	FY 2015 Approved <u>Budget</u>	FY 2016 Approved <u>Budget</u>	Percent <u>Change</u>
OPERATING REVENUES:	\$155,638	\$154,700	\$171,900	11.12%
OPERATING EXPENSES:				
Salaries/Wages/Benefits	31,781	32,032	34,112	6.49%
Materials, Supplies & Services	141,566	155,193	160,456	3.39%
Operating Income (Loss)	173,347	187,225	194,568	3.92%
NON-OPERATING REVENUES:	28,061	26,600	1,600	-93.98%
NET INCOME (LOSS)	\$10,352	(\$5,925)	(\$21,068)	255.58%
PERSONNEL:				
Number of FTE positions	0.41	0.41	0.41	

PROGRAM: Brush Service

PROGRAM SUMMARY

The Brush Service program of the Refuse Utility Fund is a user fee based service that provides for the collection of curbside brush weekly on a call-in basis on Tuesdays throughout the year. Free yard waste/brush drop off is offered three times per week from mid-May through November. (Subject to change upon Council review.)

MAJOR OBJECTIVES TO BE ACCOMPLISHED IN 2016:

1. Continue to explore ways to improve our user fee based system. (Council Approval Required)
2. Monitor impact of curbside brush pick-up fee increase on program usage.
3. Continue free residential drop off system.

	FY 2015 <u>Actual</u>	FY 2015 Approved <u>Budget</u>	FY 2016 Approved <u>Budget</u>	Percent <u>Change</u>
OPERATING REVENUES:	\$0	\$0	\$0	0.00%
OPERATING EXPENSES:				
Salaries/Wages/Benefits	28,362	57,443	58,422	1.70%
Materials, Supplies & Services	20,450	28,876	27,616	-4.36%
Operating Income (Loss)	48,812	86,319	86,038	-0.33%
NET INCOME (LOSS)	(\$48,812)	(\$86,319)	(\$86,038)	-0.33%
PERSONNEL:				
Number of FTE positions	0.655	0.655	0.655	

2016 BUDGET

CITY OF HOPKINS

FUND 717 – REFUSE FUND

PROGRAM: Disposal

PROGRAM SUMMARY

The Disposal program of the Refuse Utility Fund provides automated refuse collection by City refuse trucks and personnel. Residential Refuse is collected from roll out carts with a fully automated truck on one of four designated route days.

MAJOR OBJECTIVES TO BE ACCOMPLISHED IN 2016:

1. Continue to improve refuse collection service to our residents.
2. Maintain excellent customer service through monitoring of operations and communicating with residents.

	FY 2015 Actual	FY 2015 Approved Budget	FY 2016 Approved Budget	Percent Change
OPERATING REVENUES:	\$743,543	\$743,000	\$781,667	5.20%
OPERATING EXPENSES:				
Salaries/Wages/Benefits	150,762	190,318	196,190	3.09%
Materials, Supplies & Services	289,299	253,111	275,362	8.79%
Depreciation Expense	52,214	56,000	56,000	0.00%
Operating Income (Loss)	492,275	499,429	527,552	5.63%
NON-OPERATING REVENUES:	10,782	2,500	3,000	20.00%
NON-OPERATING EXPENSES:	(25,000)	(25,000)	(25,000)	0.00%
NET INCOME (LOSS)	\$237,050	\$221,071	\$232,115	5.00%
Capital Outlay/Construction	\$232,515	\$204,800	\$0	-100.00%
PERSONNEL:				
Number of FTE positions	2.145	2.145	2.145	



2016 BUDGET

CITY OF HOPKINS

STORM SEWER BUDGET						
Revenues and Expenses						
Enterprise Fund 740	Actual	Actual	Projected	Budget	Budget	Percent
	2013	2014	2015	2015	2016	Change
Revenues						
Current Services	\$ 799,603	\$ 802,898	\$ 805,542	\$ 802,000	\$ 802,000	-0.44%
Interest Earnings	(1,717)	8,944	8,385	1,000	2,000	-88.07%
Total Revenues	<u>797,886</u>	<u>811,842</u>	<u>813,927</u>	<u>803,000</u>	<u>804,000</u>	-1.34%
Non-operating revenues	-	-	605,843	-	-	-100.00%
Total Revenues	797,886	811,842	1,419,770	803,000	804,000	-43.44%
Operating Expenses						
Salaries, Wages and Benefits						
Salaries and Wages	49,819	45,503	39,534	49,861	51,289	26.12%
Fringe Benefits	17,096	13,701	10,526	16,133	14,282	53.27%
Materials, Supplies and Services						
Professional & Technical Services	14,586	8,801	1,000	14,000	14,000	1300.00%
Utilities and Maintenance	17,372	96,834	4,909	44,000	44,500	796.31%
City Support Services	77,802	87,490	63,511	69,186	54,511	8.94%
Supplies and Materials	974	1,668	861	1,500	1,500	74.30%
Depreciation	<u>227,366</u>	<u>211,108</u>	<u>230,152</u>	<u>227,000</u>	<u>227,000</u>	
Total Operating Expenses	405,016	465,103	350,492	421,680	407,082	20.31%
Non-operating expenses	155,437	415,107	69,634	69,512	97,414	-0.17%
Total Expenses	560,452	880,210	420,126	491,192	504,496	16.92%
Net Income	237,434	(68,368)	999,644	311,808	299,504	-68.81%
<p>The Storm Sewer fund is a utility enterprise. The reconstruction of storm sewers and ponding for drainage throughout the city is recorded here.</p>						

2016 BUDGET

CITY OF HOPKINS

FUND 740 – STORM SEWER FUND

PROGRAM: Sewer Maintenance

PROGRAM SUMMARY

The Sewer Maintenance program of the Storm Sewer Fund maintains all storm sewer lines and storm inlets to assure adequate run-off. Creeks and ditches must be monitored to assure proper run-off and weed and pollution control. This work is done with staff and equipment from the Water & Sewer and Street & Sanitation divisions.

MAJOR OBJECTIVES TO BE ACCOMPLISHED IN 2016:

1. Continue upgrades of storm water system including catch basin maintenance upgrades and open drainage ditch maintenance.
2. Continue reviewing overall city storm water drainage system and meet all requirements of city's National Pollution Discharge Elimination System (NPDES), Phase II Storm Water Pollution Prevention Plan (SWPPP).
3. Complete construction of watershed-funded Nine Mile Creek stream bank stabilization and habitat enhancement project.
4. Continue grit chamber cleaning
5. Clean catch basins and inspect for repair.
6. Work with MCWD to plan and design storm water improvements at expanded Cottageville Park site

	FY 2015	FY 2015	FY 2016	
	<u>Actual</u>	<u>Approved Budget</u>	<u>Approved Budget</u>	<u>Percent Change</u>
OPERATING REVENUES:	\$805,542	\$802,000	\$802,000	0.00%
OPERATING EXPENSES:				
Salaries/Wages/Benefits	50,059	65,994	65,571	-0.64%
Materials, Supplies & Services	70,280	128,686	114,511	-11.02%
Depreciation Expense	230,152	227,000	227,000	0.00%
Operating Income (Loss)	350,491	421,680	407,082	-3.46%
NON-OPERATING REVENUES:	614,228	1,000	2,000	100.00%
NON-OPERATING EXPENSES:	(69,634)	(69,512)	(97,414)	40.14%
NET INCOME (LOSS)	\$999,645	\$311,808	\$299,504	-3.95%
Capital Outlay/Construction	\$1,586,978	\$470,000	\$561,000	19.36%
PERSONNEL:				
Number of FTE positions	0.63	0.63	0.63	



2016 BUDGET

CITY OF HOPKINS

Enterprise Fund 747	PAVILION Revenues and Expenses					
	Actual	Actual	Projected	Budget	Budget	Percent Change
	2013	2014	2015	2015	2016	
Revenues						
Rental	\$ 378,131	\$ 352,112	\$ 323,156	\$ 356,000	\$ 356,000	
Interest Earnings	(326)	877	-	1,000	-	-100.00%
Miscellaneous	27,054	25,058	24,642	33,600	28,600	-14.88%
Total Revenues	404,859	378,048	347,798	390,600	384,600	-1.54%
Non-operating revenues	-	10,373	63,918	65,000	65,000	
Total Revenues	404,859	388,421	411,716	455,600	449,600	-1.32%
Operating Expenses						
Salaries, Wages and Benefits						
Salaries and Wages	174,644	181,248	181,751	182,893	187,858	2.71%
Fringe Benefits	49,115	50,007	51,608	50,707	52,368	3.28%
Total Salaries and Wages	223,759	231,255	233,359	233,600	240,226	2.84%
Materials, Supplies and Services						
Professional & Technical Services	7,209	6,080	6,388	7,150	6,900	-3.50%
Utilities and Maintenance	84,584	98,572	90,167	85,075	95,100	11.78%
Operations	70,675	76,688	82,701	73,700	74,450	1.02%
City Support Services	16,719	17,602	15,166	16,566	16,076	-2.96%
Supplies and Materials	19,739	18,314	16,670	19,550	19,100	-2.30%
Total Materials Supplies & Service	198,926	217,256	211,093	202,041	211,626	4.74%
Total Operating Expenses	422,685	448,510	444,452	435,641	451,852	3.72%
Non-operating expenses	3,130	3,363	3,016	3,025	2,625	-13.22%
Total Expenses	425,815	451,874	447,468	438,666	454,477	3.60%
Net Income (Loss)	(20,956)	(63,453)	(35,752)	16,934	(4,877)	-128.80%
The Pavilion fund is an ice rink enterprise. The operations for the ice arena, soccer league and dry floor are recorded here.						

2016 BUDGET

CITY OF HOPKINS

FUND 747 – PAVILION FUND

PROGRAM: Ice, Turf, Dry Floor, & Room Rental

PROGRAM SUMMARY

The rental programs of the Pavilion Fund manages and schedules public use groups and maintenance for the ice arena/pavilion which will utilize the facility to its maximum potential and generate adequate revenue to offset the cost of operations.

MAJOR OBJECTIVES TO BE ACCOMPLISHED IN 2016:

1. Create and market programs, events, and opportunities to increase the community’s recreational options.
2. Meet with local athletic associations to gather input and ideas on how we can better serve their needs.
3. Develop and utilize energy saving procedures and equipment. Evaluate environmental impact of current facility supplies and replace with eco-friendly products where appropriate
4. Operate a budget to maximize revenues.

	<u>FY 2015 Actual</u>	<u>FY 2015 Approved Budget</u>	<u>FY 2016 Approved Budget</u>	<u>Percent Change</u>
OPERATING REVENUES:	\$342,106	\$380,100	\$377,600	-0.66%
OPERATING EXPENSES:				
Salaries/Wages/Benefits	233,359	233,600	240,226	2.84%
Materials, Supplies & Services	130,236	130,041	139,626	7.37%
Depreciation Expense	80,857	72,000	72,000	0.00%
Operating Income (Loss)	444,452	435,641	451,852	3.72%
NON-OPERATING REVENUES:	69,610	75,500	72,000	-4.64%
NON-OPERATING EXPENSES:	(3,016)	(3,025)	(2,625)	-13.22%
NET INCOME (LOSS)	(\$35,752)	\$16,934	(\$4,877)	-128.80%
Capital Outlay/Construction	\$0	\$60,000	\$125,000	108.33%
PERSONNEL:				
Number of FTE positions	2.4	2.4	2.4	

SELECTED WORK INDICATORS	Actual 2014	Actual 2015	Projected 2016
1. Rented prime hours ice	1,268	1,217	1,230
2. Rented non-prime hours ice	103	148	150
3. Pavilion leases for summer use	8	9	8
4. Hours ice resurfacer is in use	231	191	220
5. Hours of part-time employment	3,594	3,760	3,700
6. Open skate hours	269	269	270
7. Teams for indoor soccer	8	8	0
8. Dry Floor Use Hours	403	355	375
9. Hours compressors in use	3,359	4,975	4,500
10. Hours of turf use	813	818	825
11. Hours Of Mezzanine Rental Use	1,999	2,849	3,000



2016 BUDGET

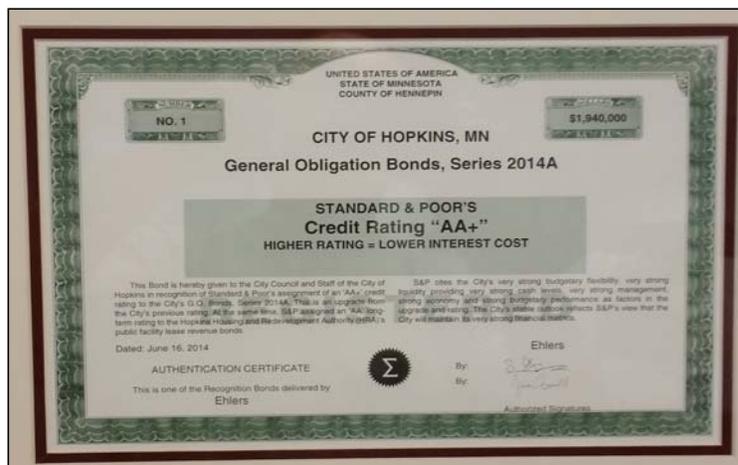
CITY OF HOPKINS

DEBT SERVICE FUNDS Revenues and Expenditures

	Actual 2013	Actual 2014	Actual 2015	Budget 2015	Budget 2016	Percent Change
Revenues						
Property Tax	\$ 351,970	\$ 1,589,092	\$ 1,530,837	\$ 1,514,844	\$ 2,799,325	84.79%
Special Assessments	1,280,681	1,020,853	828,529	906,509	909,355	0.31%
Interest	(362)	20,444	28,298	5,550	15,687	182.65%
Bond Premium	42,010	190,674	425,129	-	-	
Transfer In	808,120	6,967,005	756,248	650,291	391,277	-39.83%
Bond Proceeds	1,920,000	8,240,000	18,735,000	-	-	
Total Revenues	4,402,419	18,028,068	22,304,041	3,077,194	4,115,644	33.75%
Expenditures						
Bond expenditures						
Professional Fees	10,853	98,482	329,052	12,176	17,950	47.42%
Principal	1,560,000	1,970,000	8,570,000	8,570,000	3,075,000	-64.12%
Interest	655,973	683,725	617,988	617,988	814,199	31.75%
Fiscal charges	3,588	5,674	7,378	5,375	5,500	2.33%
Bond Discount	-	43,610	-	-	-	
Deposit to Escrow Account	-	-	3,937,887	-	-	
Transfer Out	2,389,599	8,269,466	7,118,707	170,000	-	-100.00%
Total Expenditures	4,620,013	11,070,957	20,581,012	9,375,539	3,912,649	-58.27%
Sources (Uses) of Fund Balance	(217,594)	6,957,111	1,723,029	(6,298,345)	202,995	-465.54%

Debt Service funds finance and account for the payment of interest and principal on all general obligation debt other than debt issued for an enterprise fund.

In January 2014 the City's credit rating was upgraded to a **AA+** following an interim rating review. This rating has been reaffirmed each year since.



CITY OF HOPKINS

GLOSSARY OF TERMS

Accrual Basis – The basis of accounting under which revenues are recorded when earned and expenditures are recorded as soon as they result in liabilities for benefits received, notwithstanding that the receipt of cash or the payment of cash may take place, in whole or in part, in another accounting period.

Adopted Budget – The financial plan of revenues and expenditures for a fiscal year as adopted by the City Council.

Appropriation – A specific amount of money authorized by the City Council, generally during adoption of the annual budget, used to make expenditures for specific purposes.

Ad Valorem Tax – Money collected from all the real property within the City based upon the value of the property.

Annual Budget – The budget authorized by resolution of the City Council for the fiscal year.

Appropriation – Authorization by the City Council to incur obligations and spend City funds. Appropriations are usually made for fixed amounts and are typically granted for one year.

Artstreet - Hopkins Artstreet is an ongoing program established in 2010 to showcase original art works in an accessible setting. A collaboration among the City of Hopkins, the Hopkins Business & Civic Association and the Friends of the Hopkins Center for the Arts, this project is part of a long-term vision for incorporating public art into Hopkins and enriching the lives of its residents and visitors. This project is made possible, in part, by funds provided by the Metropolitan Regional Arts Council through an appropriation by the Minnesota Legislature.

Assets – Property owned by a government which has a monetary value.

Assessed Valuation – A value established by the City Property Appraiser for all real or personal property for use as a basis for levying property taxes.

Balanced Budget – A budget in which expenditures are equal to income.

Bond – A written promise to pay a sum of money on a specific date at a specified interest rate as detailed in a bond resolution.

Bond Proceeds – Funds received from the sale of any bond issue.

Budget – The financial plan for a specific period of time that identified proposed expenditures and the sources of revenue to pay for them.

Budget Adjustment – A revision to the adopted budget occurring during the affected fiscal year as approved by the City Council by an amendment or a transfer.

Budget Documents – The official written statement prepared by the Finance Director and supporting staff, which presents the proposed budget to the legislative body.

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Budget Calendar – The schedule of key dates involved in the process of adopting and executing an adopted budget.

Budget Message – The opening section of the budget which provides the City Council and the public with a general summary of the most important aspects of the budget, changes from the current and previous fiscal years, as well as the views and recommendations of the City Manager.

CDBG Community Development Block Grant – This fund receives and expends the City's allocation of the Federal Community Development Block Grant Program money.

Capital Asset – Assets of significant value and having a useful life of several years. Capital assets are also called fixed assets.

Capital Improvement Program (CIP) – A five year schedule of capital improvement projects and the means of financing them. This is a flexible budget document that is used as a planning tool for needed improvements. Amounts approved in the CIP are considered guidelines and are not officially adopted as budgeted amounts until they are incorporated in the operating budget of one of the City's funds.

Capital Outlay – Expenditures that result in the acquisition of fixed assets that have a value over \$1,000 and a useful life greater than one year.

Capital Project Funds – The funds that account for all resources unused for the acquisition or construction of capital facilities, except those financed by Proprietary Funds.

Certified Levy – Total tax levy of a jurisdiction, which is certified to the County Auditor.

CERT – Community Emergency Response Team. The CERT Program consists of a group of volunteers who have been trained to assist with basic disaster response such as fire safety, light search and rescue, team organization and disaster medical operations.

Contingency – A budgetary reserve set aside for emergencies or unforeseen expenditures.

Contractual Services – The cost of items related to a contractual agreement. Examples would be professional services such as legal, engineering, actuarial and consultants.

Court Fines and Forfeits – Fines imposed on individuals by the courts for various illegal acts performed within the City.

Debt Service Funds – the funds that account for the payment of principal and interest on outstanding debt for the City.

Deficit – The excess of expenditures over revenues.

Department – Basic organizational unit of City government, responsible for carrying out a specific function.

Depreciation – Expenditures incurred when spreading the cost of an asset over its estimated useful like rather than deducting the entire cost in the year the asset is purchased.

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Enterprise Fund – The funds that account for the financing of self-supporting activities of governmental units and render services to the general public based on user charges.

Estimated Market Value – Represents the selling price of a property if it were on the market. Estimated market value is converted to tax capacity before property taxes are levied.

Expenditure – Decreases in financial resources other than through interfund transfers.

Fiscal Disparities – The program created by the Metropolitan Fiscal Disparities Act which shares growth in the commercial-industrial tax base in the seven county metropolitan area. Forty percent of the value of new commercial-industrial development since 1971 is pooled and redistributed among the 300 taxing districts to address uneven business development throughout the region.

Fiscal Year – For budgeting purposes the City's fiscal year is the calendar year.

Fixed Asset – Purchases of a long-term nature, which are to be held and used. Examples would be land, buildings, machinery, furniture and equipment.

FTE – Equivalent of one employee working fulltime, or 2,080 hours per year. A FTE can be filled by any number of employees whose combined hours total 2,080 per year.

Fund – A separate accounting entity, with a set of self-balancing accounts for recording the collection of revenues and the payment of expenditures to carry out a specific function.

Fund Balance – Fund Balance is the difference between assets and liabilities in governmental funds (i.e. general fund, special revenue funds, capital project funds, debt service funds and permanent funds).

Non-spendable Fund Balance – Describes the amount of a fund balance that cannot be spent because it is either not in spendable form or there is a legal or contractual requirement for the funds to remain intact.

Spendable Fund Balance – Describes the amount of fund balance that is available for appropriation based on the constraints that control how specific amounts can be spent. Typically, a significant portion of a government's spendable resources can be spent only for specified purposes. The following categories define the revenue source and the level of force of the constraint on spending

Restricted Fund Balance – The restricted fund balance category includes the portion of the *spendable fund balance* that reflects constraints on spending because of legal restrictions stipulated by *outside parties* (e.g., encumbrances for goods or services with outside parties-creditors, grantors outstanding at the end of the year), Also, any legal restrictions based on state statutes or grant requirements placed on the use for specific purposes

Committed Fund Balance – The committed fund balance classification includes the portion of the *spendable fund balance* that reflects constraints that the city has *imposed upon itself by a formal action* of the *city council* (for example, an ordinance or resolution passed by a city council). This constraint must be imposed prior to year end but the amount can be determined at a later date.

Assigned Fund Balance – The assigned fund balance is the portion of the *spendable fund balance* that reflects funds intended to be used by the government for specific purposes assigned by more informal operational plans. In governmental funds other than the general fund (special revenue funds, capital project funds, debt

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service funds and permanent funds); assigned fund balance represents the amount that is not restricted or limited.

Unassigned – This is the residual classification for the government's General Fund and includes all spendable amounts not contained in the other classifications and, therefore, not subject to any constraints. Unassigned amounts are available for any purpose.

GASB (Governmental Accounting Standards Board) – It is the highest source of accounting and financial reporting guidance for state and local governments.

General Fund – The largest fund in the City, the General Fund accounts for most of the City's financial resources. General Fund revenues include: property taxes, licenses and permits, local taxes, service charges and other types of revenues. This is the fund that accounts for the revenues and expenditures necessary to deliver basic operating services: police, fire, finance, parks, public works, etc.

General Obligation Bonds – When a government pledges its full faith and credit to the repayment of the bonds it issues, then those bonds are general obligation (GO) bonds. Sometimes the term is also used to refer to bonds with are to be repaid from taxes and other general revenues.

GFOA (Government Finance Officers Association) – the professional association of state and local finance officers in the United States who are dedicated to the sound management of government financial resources. The association sets program standards for the GFOA's Certificate of Achievement for Excellence in Financial Reporting and the Distinguished Budget Award.

Governmental Funds – The General Fund, Special Revenue Funds, Debt Service Funds and Capital Project Funds.

HBCA – Hopkins Business and Civic Association, ensures a strong economic development climate, provides promotional activities, encourages community involvement and fosters a sense of community among individuals, civic organizations and businesses

Hopkins in Motion – This annual event focuses on the walkability/ livability of Hopkins and encourages participants to be active while having fun.

Indirectly Funded Amount – The portion of appropriates not funded by program revenues such as fees and grants. This portion is funded from shared revenues such as property tax, governmental revenues or a city-wide fee not directly attributed to any one program.

Interest Earnings – Interest received from the investment of cash in a fund.

Intergovernmental Revenues – Funds received from State or Federal governments in the form of grants or shared revenues for various activities.

Internal Service Funds – The funds within the Proprietary Fund that account for the financing of goods or services provided by one department or agency to other departments or agencies of a government.

IT – Information Technology Department of the city. This department provides computer technology support to all city departments.

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Levy – To impose taxes, special assessments or service charges.

Licenses – Revenues received by the issuance of various licenses that are granted to various businesses in the City.

Local Government Aid (LGA) - Money given to the City from the State based on a formula that was originally designed to provide tax relief and equalization among cities.

LMC – The League of Minnesota Cities is a membership organization dedicated to promoting excellence in local government. The League serves its more than 800 member cities through advocacy, education and training, policy development, risk management, and other services.

LRT – Light Rail Transit, a commuter train system in the Minneapolis/St. Paul metropolitan area.

Major Account Series – Three classifications of expenditures made by the City.

Salaries, Wages and Benefits – Costs relating to employees or temporary help, including fringe benefits.

Materials, Supplies and Services – Costs relating to articles of non-durable nature, such as office supplies; professional and technical services; utilities and maintenance; operations and city support services.

Capital Outlay – Costs of durable goods such as furniture and equipment.

Reimbursed Expenditures – Offset against costs for services provided by one fund to another fund.

Major Fund – Governmental fund or enterprise fund reported as a separate column in the basic fund financial statements and subject to a separate opinion in the independent auditor's report.

Market Value Homestead Credit (MVHC) – Started in 2002, this is the primary State program for property tax relief. The State remits a portion of sales and income taxes to local government to assist in keeping property taxes down.

MCES – Metropolitan Council Environmental Services provides the City with wastewater service.

Miscellaneous Revenue – Funds collected from various sources generally on a non-recurring basis.

Modified Accrual Basis – Under the modified accrual basis of accounting, revenues are recognized in the period in which they become available and measurable, and expenditures are recognized at the time a liability is incurred pursuant to appropriation authority.

Net Assets – The equity associated with general government less liabilities.

Non-major Fund – A governmental fund or enterprise fund that is reported in total in the basic fund financial statements.

Operating Expenditure – Expenditure classifications based upon the types of categories of goods and services purchased. Typical objects include: personal services (salaries and wages); contracted services (utilities, maintenance, contracts, travel); supplied and materials; and capital outlay.

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Operating Budget – Financial plan for the fiscal year, which authorizes proposed personnel complements, expenditures and the revenues to finance them.

Penalties – Charges to utility customers caused by late payment of their water, sewer, and refuse bills.

Permits – Revenue derived from various permits as defined in the City Code, for the performance of a specific action. For example, building a house.

Personal Services – The cost of salaries and wages paid to employees as well as the fringe benefits associated with employment (i.e. Social Security, PERA, health insurance, life insurance, etc.).

Program – Within each Department are several divisions or programs in the City, each charged with carrying out a specific function.

Proposed Budget – Budget as submitted by the City Manager to the City Council.

Proprietary Funds – The funds that account for government operations financed and operated in a manner similar to a private business.

Refuse Service – Revenue incurred from the sale of trash pick-up and disposal, leaf pick-up, yard waste and recycling to residential customers of the City.

Retained Earnings – An equity account reflecting the accumulated earnings of the City's Proprietary (Enterprise) Funds.

Sewer Service – Revenue incurred from the sale of sanitary sewer service to customers of the utility.

Special Assessment – Receipts from assessments placed on property within the City for public improvements that have benefited that property.

Special Revenue Funds – A fund that accounts for revenues derived from specific taxes or other earmarked revenue sources.

Storm Sewer Sales – Revenue derived from a storm sewer utility fee assessed property owners based on the amount of impervious surface on their property. Revenues are used to maintain and improve the City's storm sewer system.

SWLRT – Southwest Light Rail Transit. A commuter train system in the Southwest area of the Minneapolis/St. Paul metropolitan area.

Tax Capacity – County tax base for the purposes of levying property taxes. Properties are assigned rates at which their values will be converted into the tax base, (see tax classification rate).

Tax Capacity Rate – Tax rate applied to tax capacity to generate property tax revenue. The rate is obtained by dividing the property tax levy by the available tax capacity.

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Tax Classification Rate – Rates at which estimated market values are converted into the property tax base. The classification rates are assigned to properties depending on their type.

Tax Increment Financing – Financing tool originally intended to combat severe blight in areas which would not be redeveloped “but for” the availability of government subsidies derived from locally generated property tax revenues.

Tax Increments – The value of local taxes collected on a redeveloped or developed property, above the base year taxes.

TIF – An abbreviation for Tax Increment Financing.

TOD – Transit Orientated Development. A term used to describe development surrounding Light Rail Transit.

Transfers – Funds transferred between City funds.

Truth-in-Taxation – Procedures adopted by the 1998 Minnesota Legislature intended to improve accountability in the adoption of the budget and property tax levy of local governments. These procedures are revised annually.

Truth-in-Taxation Public Hearing – Statutory requirement for most local governments to hold public hearings on their proposed budgets and property tax levies.

Water Sales – Revenue earned from the sale of water to customers of the utility.

Working Capital – Current assets minus current liabilities. This measure is used as a gauge in determining appropriate fund balances.