

**HOPKINS CITY COUNCIL**

**AGENDA**

**Tuesday, July 21, 2020**

**7:00 pm**

**THIS AGENDA IS SUBJECT TO CHANGE  
UNTIL THE START OF THE CITY COUNCIL MEETING**

**I. CALL TO ORDER**

**II. ADOPT AGENDA**

**III. NEW BUSINESS**

1. Finance Update; Bishop
2. 2021 General Fund Budget and Tax Levy; Bishop

**IV. ANNOUNCEMENTS**

- Next Regular City Council Meeting: Tuesday, August 4 at 7:00 p.m.

**V. ADJOURN**

**DUE TO THE COVID-19 HEALTH PANDEMIC, THE CITY COUNCIL'S REGULAR MEETING PLACE IS NOT AVAILABLE TO THE PUBLIC. MEMBERS OF THE PUBLIC WHO DESIRE TO MONITOR THE MEETING REMOTELY OR GIVE INPUT OR TESTIMONY DURING THE MEETING CAN FIND INSTRUCTIONS AT [www.hopkinsmn.com/virtualmeetings](http://www.hopkinsmn.com/virtualmeetings) OR BY CALLING CITY HALL AT 952-548-6302 (DURING NORMAL BUSINESS HOURS 8 AM TO 4:30 PM.)**



Finance

**CITY OF HOPKINS**

## **Memorandum**

To: Honorable Mayor and Council Members  
Mike Mornson, City Manager

From: Nick Bishop, Finance Director

Date: July 21, 2020

Subject: Finance Update

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On June 25<sup>th</sup>, Governor Walz announced that local governments will receive \$841 million in Coronavirus Aid, Relief, and Economic Security Act (CARES) funds previously received by the state. The funds will be distributed to Cities based on an allocation formula of \$75.34 per capita. Hopkins has received \$1,485,183 under this formula.

A full presentation will be given at the city council meeting. It will include an overview of the CARES Act, the guiding principles on eligible expenditures and a plan for how Hopkins could use the funds.



CITY OF HOPKINS

## Memorandum

To: Honorable Mayor and Council Members  
Mike Mornson, City Manager

From: Nick Bishop, Finance Director

Date: July 21, 2020

Subject: 2021 General Fund Budget and Tax Levy

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### PURPOSE

To provide input and guidance for the 2021 General Fund budget and Tax Levy

### INFORMATION

#### *2021 General Fund Budget*

Staff has been working to put together a 2021 General Fund Budget that meets the needs of the community in uncertain times. The budget being presented includes one new request to increase the contingency budget by \$150,000 due to unknown impacts of COVID-19 in 2021. The requested amount is being included in the General Fund, but could be transferred to any other fund with City Council approval.

The General Fund budget is balanced. Revenues and expenditures are both set at \$16,003,837, a \$642,121 or 4.18% increase from 2020. The general fund tax levy needed to support this budget is \$13,180,276, a \$701,971 or 5.62% increase from 2020.

#### *2021 Tax Levy*

The 2021 Tax Levy has been prepared based on debt service needs, prior year ERP/CIP documents and initial budgets for special revenue funds. The total tax levy is \$18,544,408, this is a \$1,014,724 or 5.79% increase from 2020. Based on preliminary tax capacity information, city taxes on a median value home (\$291,000) would be \$1,929, which is a \$102 or 5.59% increase from 2020.

## **FUTURE ACTION**

A virtual budget engagement meeting will be held on August 17 from 6-7:30 to receive public input on a proposed 2021 budget. Depending on input received at the public session or at this meeting from City Council additional discussions can be scheduled.

A preliminary levy must be adopted by September 30<sup>th</sup> of each year. The preliminary levy is planned to be approved at the September 15<sup>th</sup> City Council Meeting. The preliminary levy will be the maximum allowable amount for 2021 and can only be reduced.

A final levy must be adopted by December 31<sup>st</sup> of each year at or below the preliminary levy amount. A Truth and Taxation hearing is planned for Monday, November 30<sup>th</sup>. The final levy can be approved on December 1<sup>st</sup> or 15<sup>th</sup>.

**City of Hopkins**  
**DRAFT General Fund Revenue Budget**  
**For the Year Ending December 31, 2021**

<b>Department</b>	<b>2020 Budget</b>	<b>2021 Budget</b>	<b>% Increase (Decrease)</b>
<b>Property Taxes</b>	<b>12,564,305</b>	<b>13,265,276</b>	<b>5.58%</b>
<b>Intergovernmental Revenue</b>			
PERA Aid	-	-	
Local Government Aid	734,946	734,946	
Intergovernmental Revenue - Other	618,000	621,000	
<b>Total Intergovernmental Revenue</b>	<b>1,352,946</b>	<b>1,355,946</b>	<b>0.22%</b>
<b>Licenses, Permits &amp; Fines</b>			
Court Fines & Penalties	177,750	176,000	
Building Permits & Inspections	461,300	479,300	
Inspection Fines & Citations	8,000	6,000	
City Clerk - Business Licenses	7,000	7,000	
PD - Liquor, Animal Licenses & Penalties	102,300	97,800	
Fire - Licenses & Permits	1,100	300	
Public Works - Licenses & Permits	19,415	19,415	
Planning & Zoning - Licenses & Permits	1,000	1,000	
<b>Total Licenses, Permits &amp; Fines</b>	<b>777,865</b>	<b>786,815</b>	<b>1.15%</b>
<b>Charges for Service</b>			
Finance Department	5,500	5,500	
Assessing	3,000	3,000	
Inspections	105,900	103,900	
Police	35,000	35,000	
Fire	10,500	10,500	
Public Works	4,150	3,150	
Activity Center	87,000	67,500	
<b>Total Charges for Service</b>	<b>251,050</b>	<b>228,550</b>	<b>-8.96%</b>
<b>Miscellaneous Revenue</b>			
Franchise Fees	296,200	296,200	
Miscellaneous	15,250	15,250	
Finance Department	1,200	2,000	
Police	2,000	500	
Fire	3,500	3,500	
Public Works	5,300	5,300	
Activity Center	32,100	14,500	
Community Development	60,000	30,000	
<b>Total Miscellaneous</b>	<b>415,550</b>	<b>367,250</b>	<b>-11.62%</b>
<b>Total Revenues</b>	<b>15,361,716</b>	<b>16,003,837</b>	<b>4.18%</b>

**City of Hopkins**  
**DRAFT General Fund Revenue Budget**  
**For the Year Ending December 31, 2021**

<b>Department</b>	<b>2019 Budget</b>	<b>2020 Budget</b>	<b>% Increase (Decrease)</b>
City Council	97,630	102,095	4.57%
Administrative Services	854,893	867,311	1.45%
Finance	400,495	426,278	6.44%
Legal	175,000	200,000	14.29%
Municipal Building	404,014	397,795	-1.54%
Assessing	221,835	245,920	10.86%
City Clerk	237,513	176,656	-25.62%
Inspections	863,296	882,905	2.27%
Police	5,977,982	6,248,211	4.52%
Fire	1,483,177	1,566,528	5.62%
Public Works	3,443,017	3,550,061	3.11%
Recreation	285,279	291,339	2.12%
Activity Center	497,843	459,235	-7.76%
Planning & Zoning	222,382	235,382	5.85%
Community Development	108,160	114,921	6.25%
Tuition Reimbursement	19,200	19,200	0.00%
Contingency	50,000	200,000	300.00%
Transfer to Other Funds	20,000	20,000	0.00%
<b>Total Expenditures</b>	<b>15,361,716</b>	<b>16,003,837</b>	<b>4.18%</b>

**City of Hopkins  
DRAFT 2021 Tax Levy**

<b>Purpose</b>	<b>Actual FY2020</b>	<b>DRAFT FY2021</b>	<b>% Increase (Decrease)</b>
General Operations			
General Fund	12,479,305	13,180,276	5.62%
Capital Levy	75,000	175,000	133.33%
Arts Center	325,225	331,182	1.83%
Pavilion Fund	290,000	340,000	17.24%
Equipment Replacement	110,000	250,000	127.27%
Total General Operations	<u>13,279,530</u>	<u>14,276,458</u>	<u>7.51%</u>
Debt Levy	4,250,154	4,267,950	0.42%
Total Levy	<u><u>17,529,684</u></u>	<u><u>18,544,408</u></u>	<u><u>5.79%</u></u>