

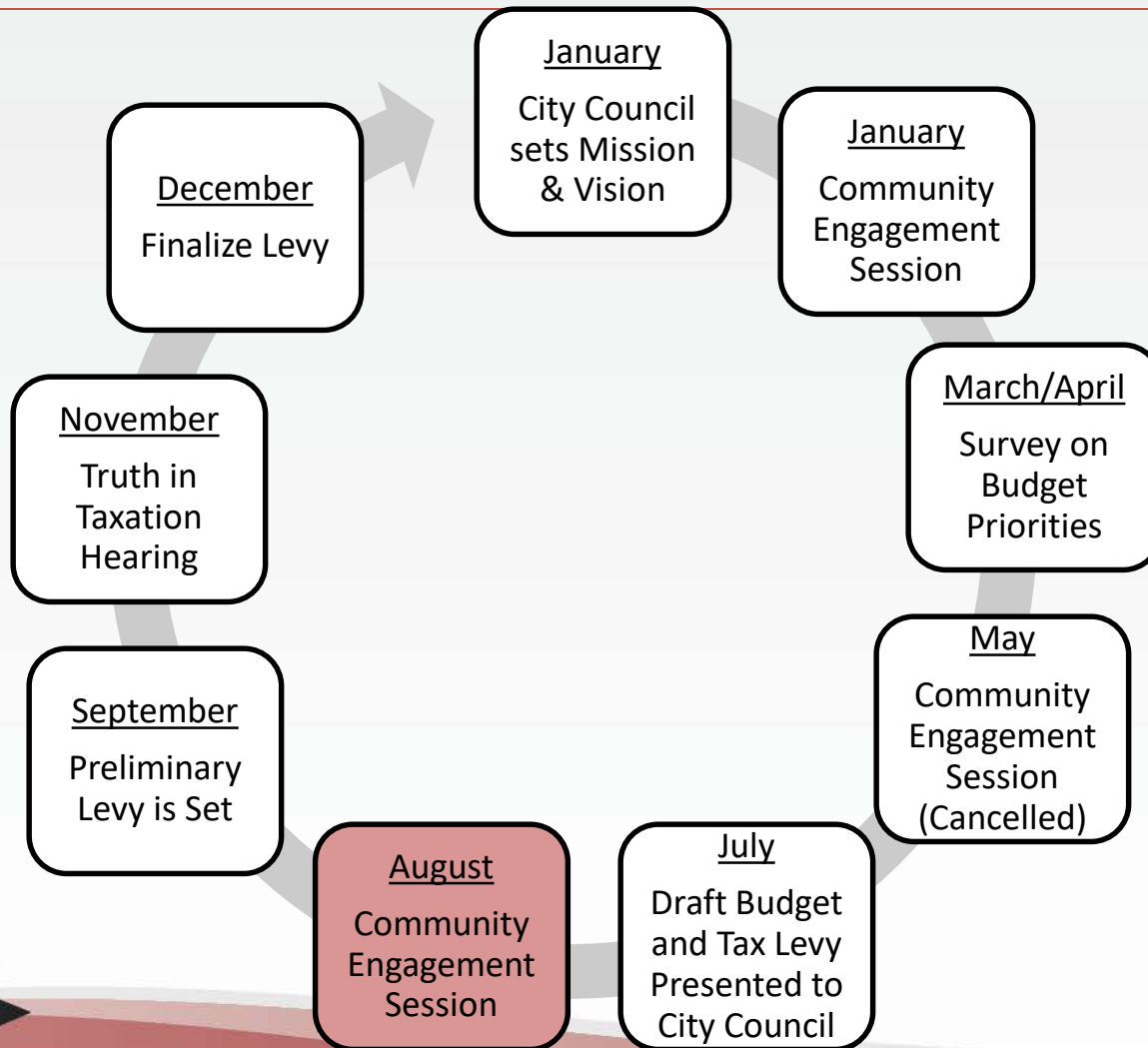
City of Hopkins

2021 Budget and Tax Levy

Virtual Town Hall Meeting

August 17, 2021

Budget Process



2021 General Fund Budget

- Assumptions:
 - Will be affected by COVID-19 in some way
 - Budget being presented keeps the same levels of service as in 2020 with conservative spending



2021 General Fund Budget

- **Balanced Budget**
- **Revenues = Expenditures**
 - \$16,003,837
 - 4.18% Increase from 2020



2021 General Fund Revenue

- Tax Levy – increased \$701K or 5.6%
 - Collections budgeted at 100%, same as in prior years

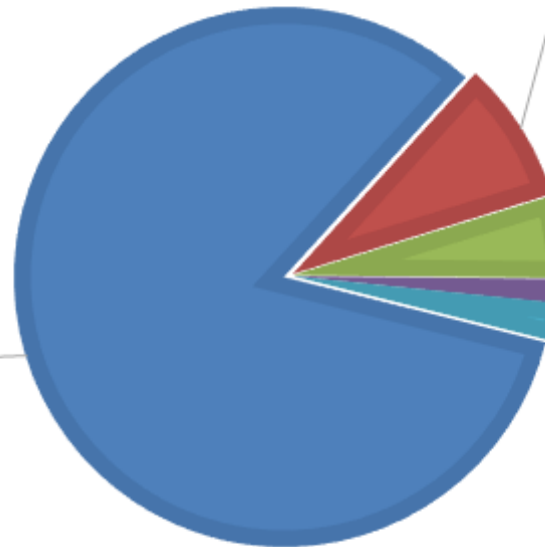
- Other revenue categories budgeted conservatively



2021 General Fund Revenue

\$16,003,837

**Property Taxes
83%**



**Intergov't Revenue
9%**

**Licenses,
Permits & Fines
5%**

**Charges for
Service
1%**

**Misc. Revenue
2%**

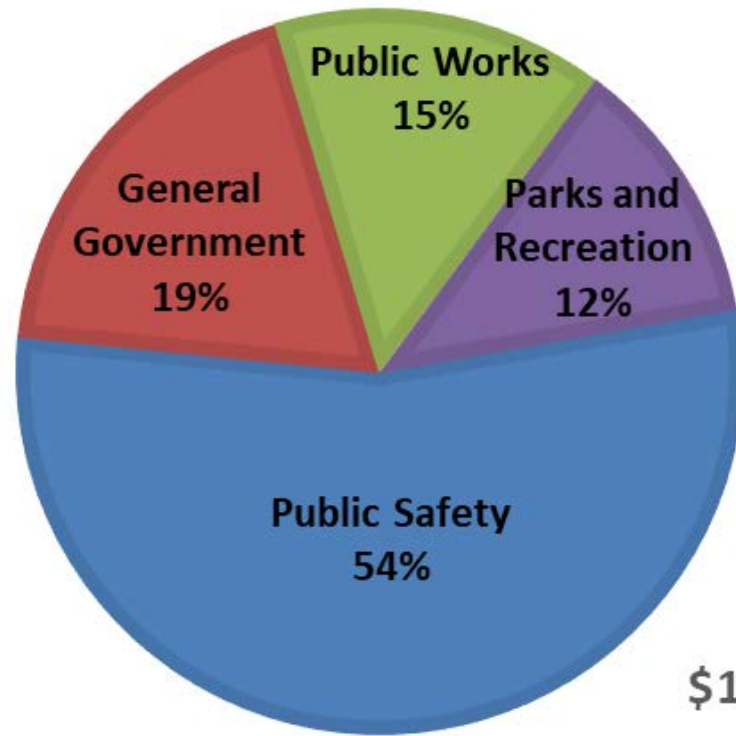


2021 General Fund Expenditures

- Additional Request
 - \$150,000 – COVID-19 Contingency
 - Budgeted in the General Fund
 - Could be transferred to any other fund



2021 General Fund Expenditures



\$16,003,837



Survey vs. Budget

- Budget Engagement Survey Question #8:
 - The City provides many services with your tax dollars. Which of the following services do you value? Choose all that apply.
- 345 Responses
- Top 5 responses part of General Fund



Survey vs. Budget

Service	# of Responses	Percent of Levy
Police Protection	300	28.5%
Snow & Ice Removal	286	1.4%
Fire Protection	283	7.1%
Street Maintenance/Reconstruction	262/176	19.3%
Parks	253	5.9%

- 62.2% of levy used for top five rated services.



2021 General Operation Levies

- Capital Improvements - \$175,000
 - Supports capital projects at municipal buildings
 - City Hall
 - Police Station
 - Fire Hall
 - Activity Center
 - Public Works Building



2021 General Operation Levies

- Arts Center - \$331,182
 - Needed to maintain operations and pay back a deficit balance owed to the General fund
 - This levy allows the Arts Center to continue to be an asset to Hopkins.



2021 General Operation Levies

- Pavilion - \$340,000
 - Supports ongoing debt service payments a 2018 upgrade and expansion project
 - Project was jointly funded by Hopkins School District (\$1.0 million) and Hopkins Youth Hockey Association (\$1.0 million) and the City (\$3.1 million)



2021 General Operation Levies

- Equipment Replacement - \$250,000
 - Supports equipment purchases for use in General Fund



2021 Debt Levy

- The City is in the middle of a plan to reconstruct all streets within the City paid for with:
 - Debt
 - Special Assessments
 - User charges for water, sewer and storm sewer



2021 Debt Levy

- On track to complete reconstruction of all city streets by 2030
- The city has also made significant investments that prepare the City to take full advantage of Southwest Light Rail
 - 8th Avenue Artery
 - Blake Road



STREET RECONSTRUCTION VIDEO

- <https://www.youtube.com/watch?v=XoVw1mR10W8>

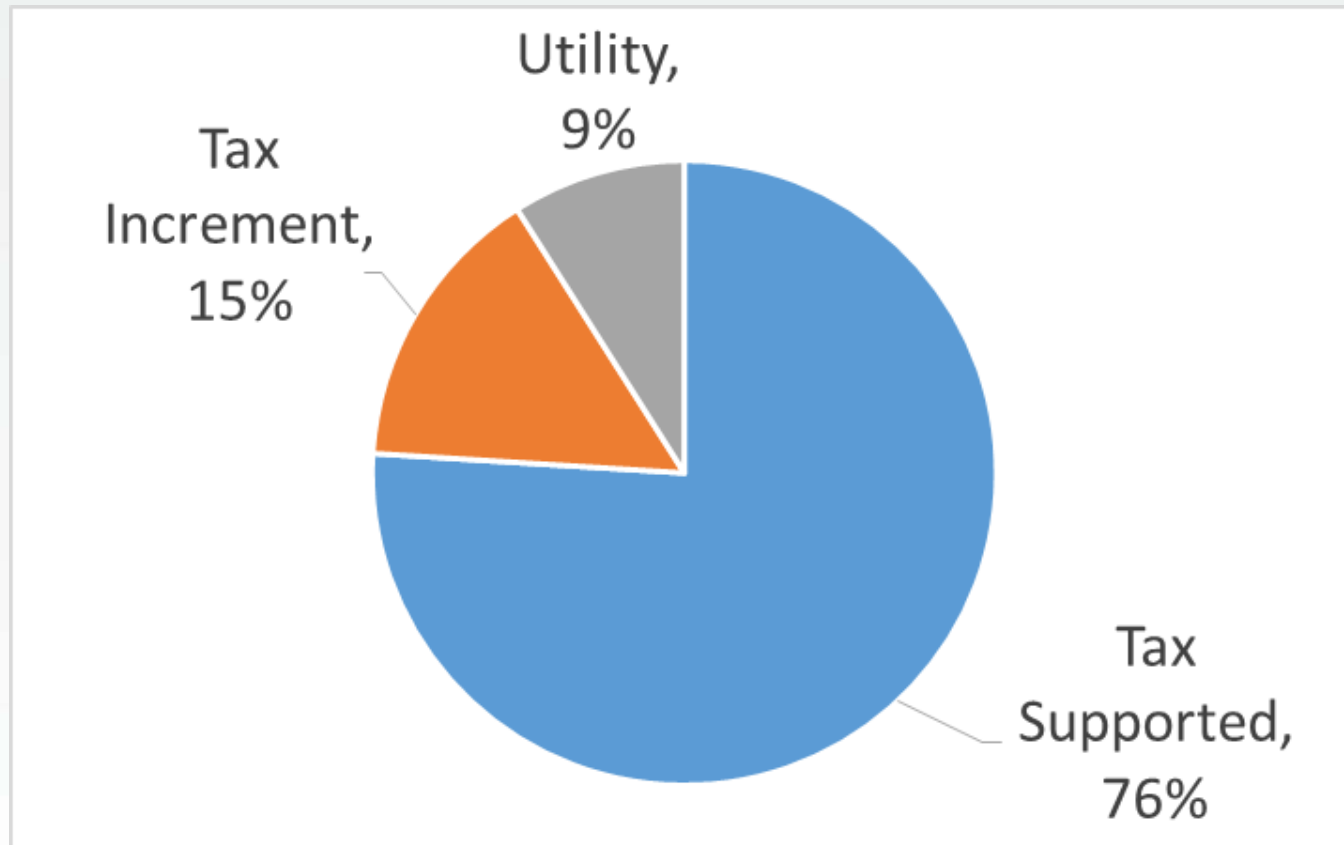


2021 Debt Levy

- Budget Engagement Survey Question #5:
 - Rate your level of agreement with the City's priority for street reconstruction.
 - 350 Responses
 - 64% strong agree or agree
 - 20% neither agree nor disagree
 - 16% disagree or strongly disagree



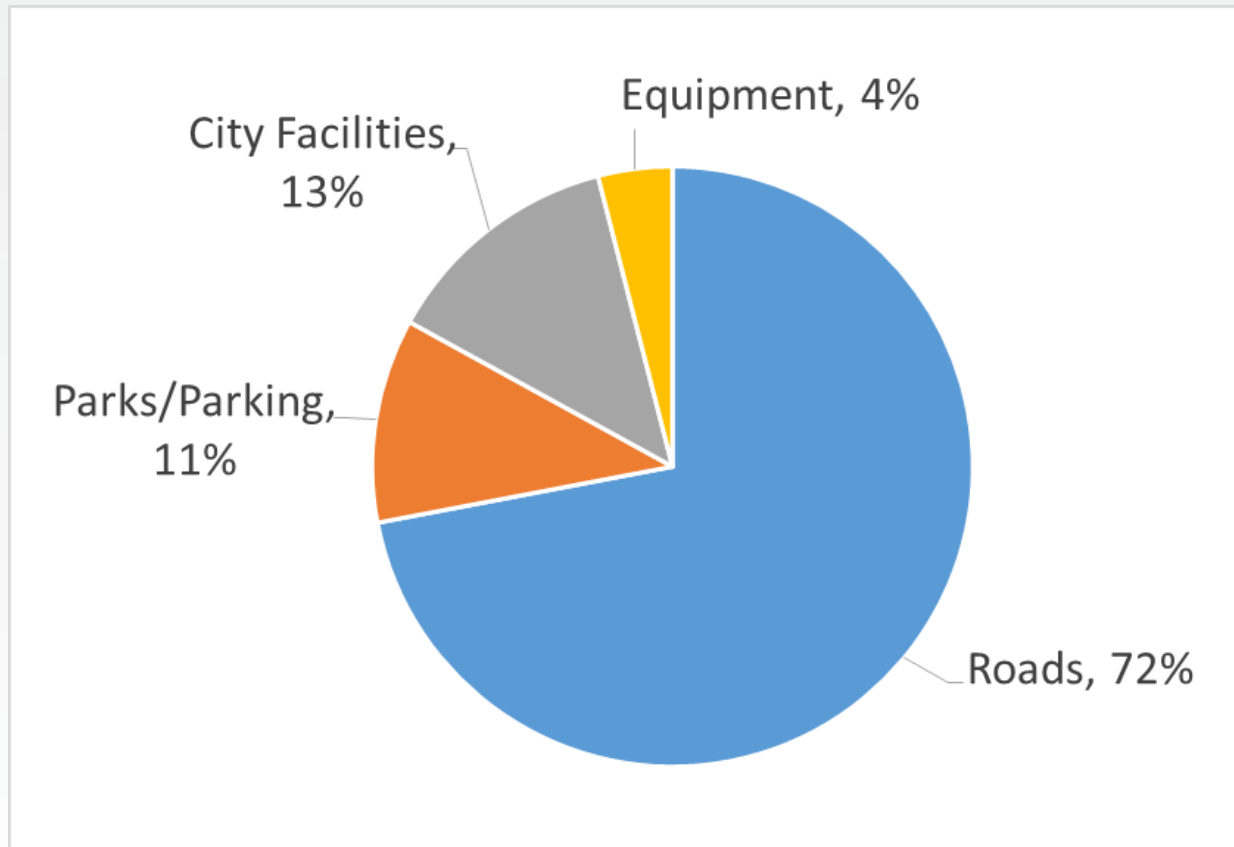
Existing Debt - All Sources of Revenue



Approximately \$79.5 million



Existing Debt – Paid by Tax Levy



Approximately \$53.5 million



2021 Debt Levy

Purpose	Actual FY2020	DRAFT FY2021	% Increase (Decrease)
Debt Levy	4,250,154	4,267,950	0.42%

- 23% of the total levy



DRAFT 2021 Tax Levy

Purpose	Actual FY2020	DRAFT FY2021	% Increase (Decrease)
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	13,279,530	14,276,458	7.51%
Debt Levy	4,250,154	4,267,950	0.42%
Total Levy	17,529,684	18,544,408	5.79%



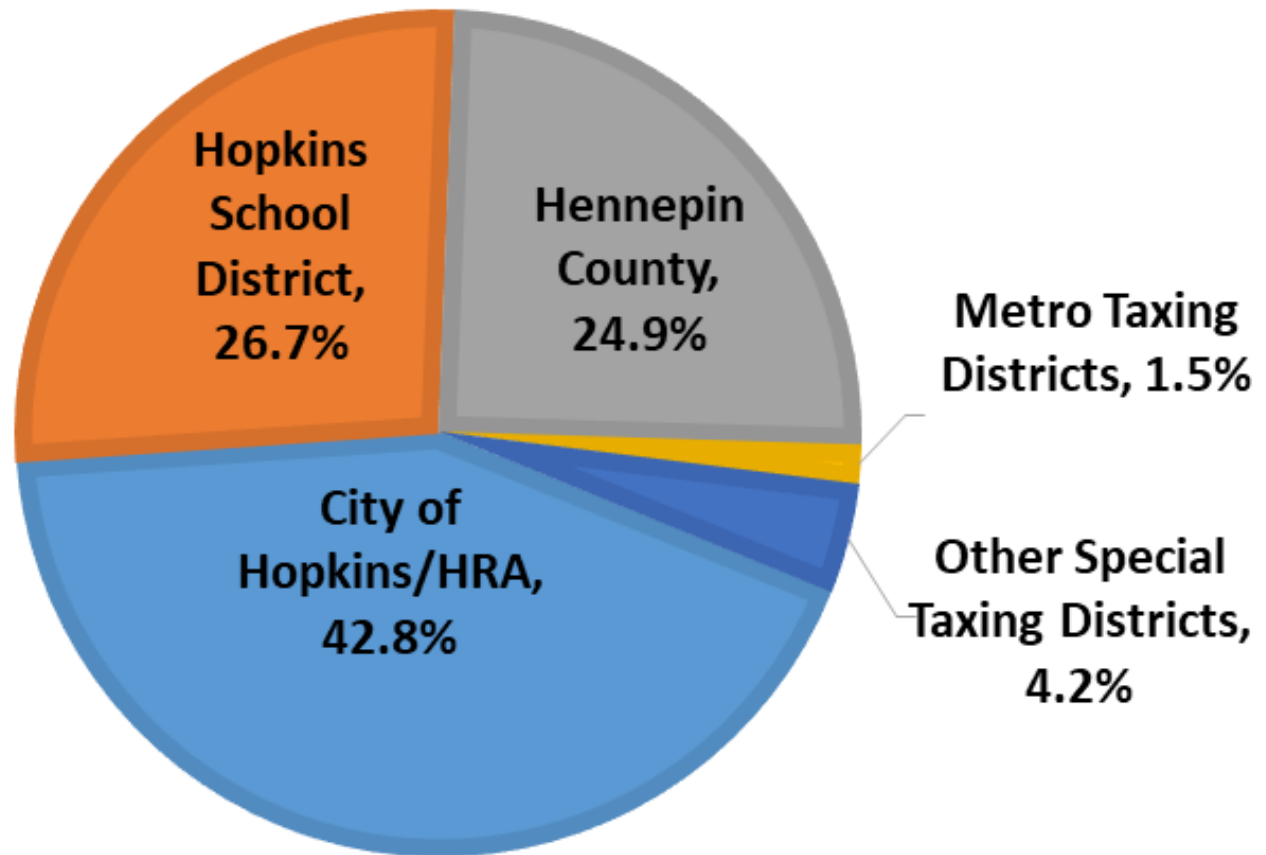
Property Tax Comparisons of Neighboring Communities

City	Median Value Home	Total Market Value (in billions)
Edina	\$551,700	\$13.31
Eden Prairie	\$415,800	\$11.34
Minnetonka	\$390,300	\$10.72
Golden Valley	\$335,000	\$4.37
St. Louis Park	\$306,500	\$8.15
Hopkins	\$291,000	\$2.35

*As of 1/2/2020



PROPERTY TAXES PAID (2020)



Based on median value home



Property Taxes

- We are projecting a 7.5% increase to the City's Tax Capacity in 2021.
- The City is proposing a 5.79% property tax increase.
- Tax Rate is project to decrease by 0.59%



City Taxes on Median Value Home

2020 Actual

- Estimated Market Value as of 1/2/19 = \$276,000
- City Taxes - \$1,827 per year or 152 per month
- Increase of \$92 or 5.31%

2021 DRAFT

- Estimated Market Value as of 1/2/20 = \$291,000
- City Taxes - \$1,929 per year or \$161 per month*
- Increase of \$102 or 5.59%

*estimated based on preliminary tax capacity information



City Taxes on Median Value Home

Category	Monthly Amount
Public Safety	\$59.43
General Government	\$22.56
Public Works	\$17.63
Parks and Recreation	\$11.81
Activity Center	\$3.00
Pavilion	\$2.95
Arts Center	\$2.88
Capital Project and Debt	\$40.74
Total Monthly Cost	\$161.00



Next Steps

- September – Adopt a Preliminary Budget and Tax Levy City Manager & Department Heads review budget provide services at lowest cost
- Monday, November 30th – Truth in Taxation Hearing
- December Finalize Budget and Tax Levy



Question & Answer

Nick Bishop, Finance Director

952-548-6330

nbishop@hopkinsmn.com

<https://www.hopkinsmn.com/466/City-Budget-Process>

