

# 2020 4<sup>th</sup> Quarter

## Financial Update

*Prepared by Finance Department*



*City of*  
**Hopkins**  
Minnesota

# 2020 4<sup>th</sup> Quarter Results

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- Preliminary and Unaudited



# General Fund Overview

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- At the end of the 4<sup>th</sup> quarter
  - Revenues are at 105.44%
  - Expenditures are at 98.19%



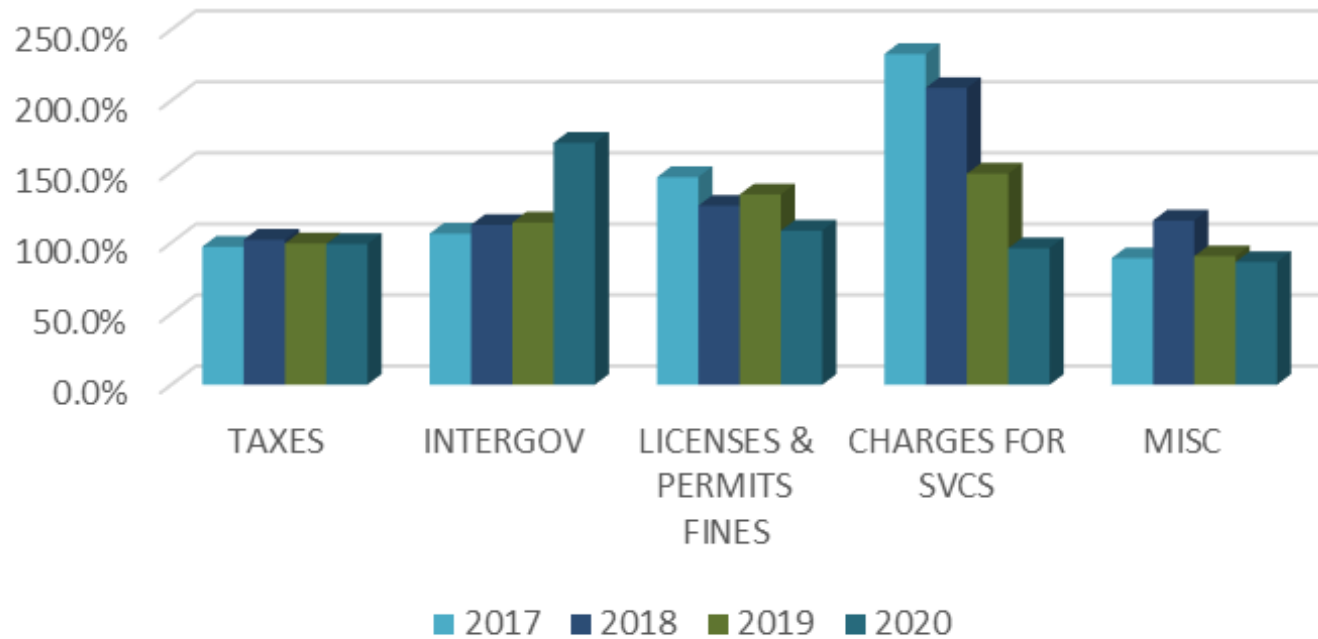
# General Fund Revenues

		<u>Budget</u>		<u>Actual</u>	<u>% of Budget</u>
Taxes	\$	12,567,105	\$	12,451,754	99.08%
Intergovernmental		1,352,946		2,304,514	170.33%
Licenses, Permits & Fines		775,065		841,141	108.53%
Charges for Services		251,250		241,423	96.09%
Miscellaneous		415,350		358,895	86.41%
<b>Total Revenues</b>	<b>\$</b>	<b>15,361,716</b>	<b>\$</b>	<b>16,197,727</b>	<b>105.44%</b>



## General Fund Revenues

Percent of Budget through 4th Qtr



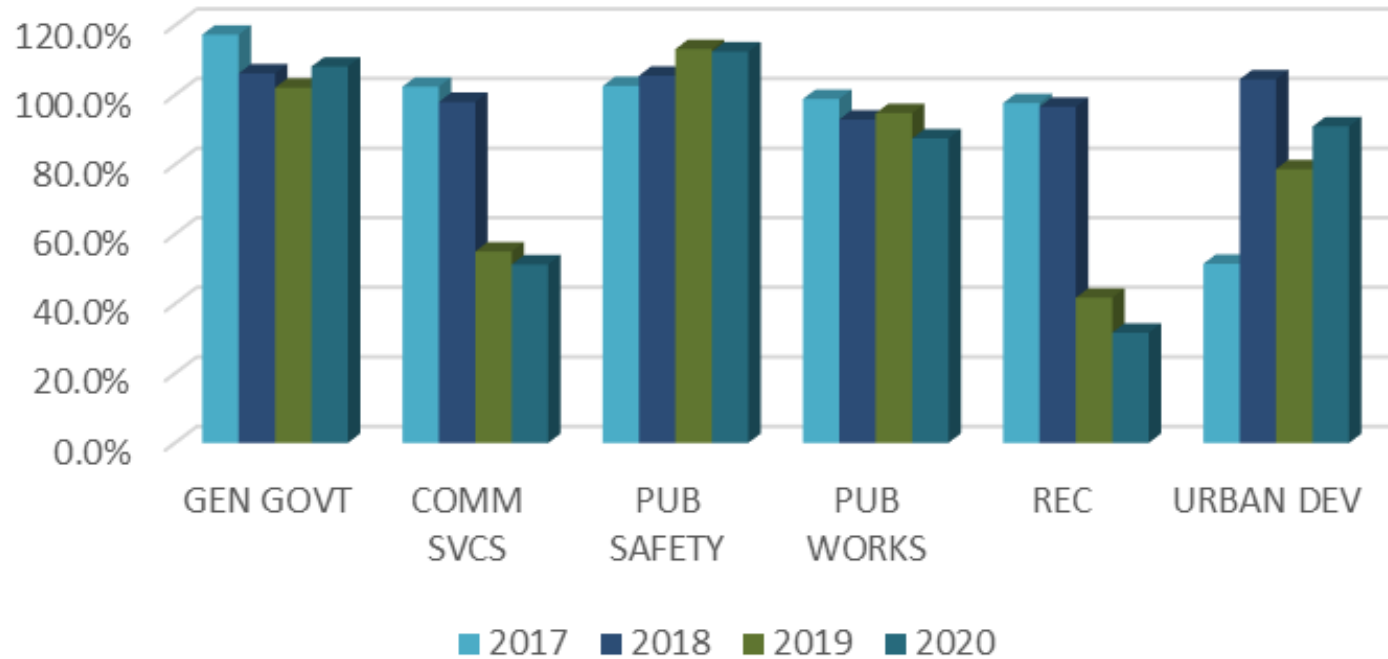
# General Fund Expenditures

	<u>Budget</u>	<u>Actual</u>	<u>% of Budget</u>
General Government	\$ 2,481,743	\$ 2,685,518	108.21%
Community Services	863,252	442,958	51.31%
Public Safety	7,460,272	8,393,876	112.51%
Public Works	3,442,841	3,012,880	87.51%
Recreation	783,082	248,198	31.70%
Urban Development	330,525	300,684	90.97%
<b>Total Expenditures</b>	<b>\$ 15,361,715</b>	<b>\$ 15,084,114</b>	<b>98.19%</b>



## General Fund Expenditures

Percent of Budget through 4th Qtr



# 2020 General Fund Surplus

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- Increased Fund Balance by \$1.1 million
  - Reductions to 2020 Budget - \$515,000
  - CARES Act payroll reimbursements (Response to COVID-19 instead of City Projects and Goals) - \$585,000





# CARES Act Review

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- Coronavirus Aid, Relief, and Economic Security (CARES) Act was signed into law on March 27
- \$2.2 trillion of federal funding for public health and economic impacts of COVID-19
- \$150 billion for State, Local and Tribal Governments



# CARES Act Review

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- On June 25<sup>th</sup>, Governor Walz announced distribution of \$841 million of State's share of distribution to local governments
- Cities received \$75.34 per capita
- Hopkins allocation was \$1,485,183



# CARES Act Reimbursements

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- Budgeted payroll (Response to COVID-19 instead of City Projects and Goals) - \$585,000
  - Payroll from March 1<sup>st</sup> – November 15<sup>th</sup>
  - Based on actual timesheets or other documentation
  - Did not use blanket coverage for public safety employees



# Potential Uses of Surplus

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- Contingency balance for COVID-19
- Eliminate losses in other funds
- Finish I.T. Projects relating to COVID-19
- Other projects that have been delayed
- 42% Fund Balance Policy



# Potential Uses of Surplus

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- Waiting on guidelines for American Rescue Plan Act before any recommendation on use



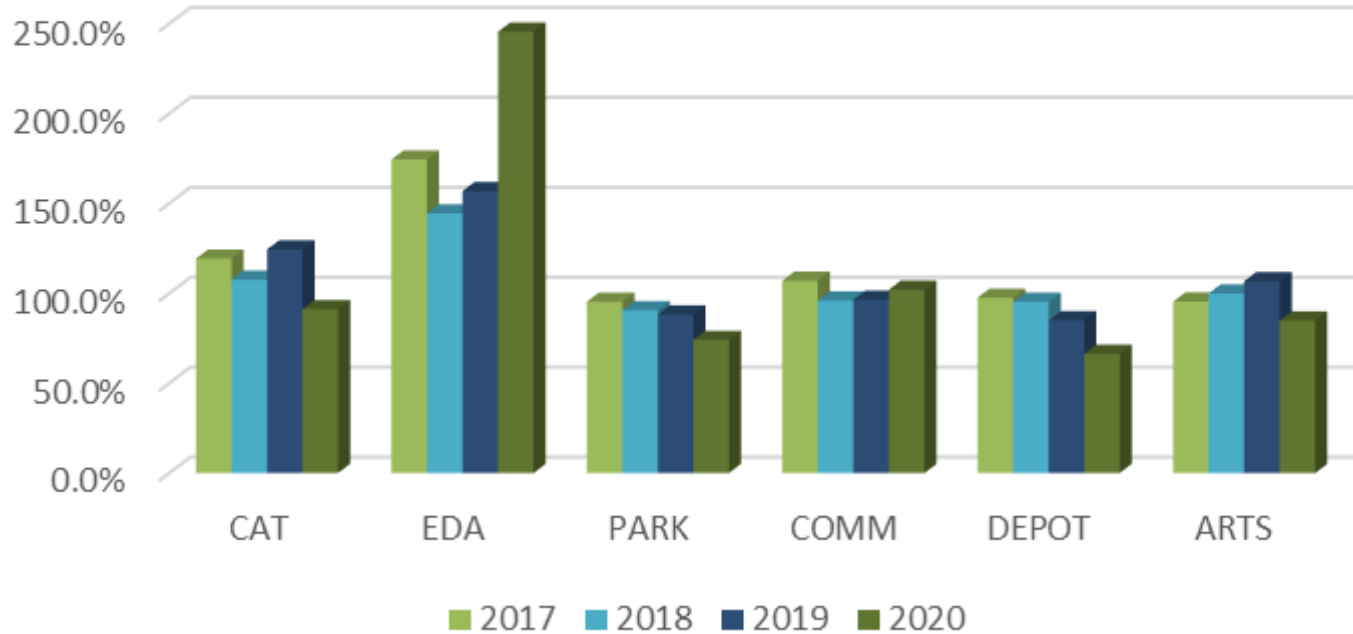
# Special Revenue Funds Revenues

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	<u>Budget</u>	<u>Actual</u>	<u>% of Budget</u>
Chemical Assessment	\$ 65,000	\$ 62,550	96.23%
Economic Development	467,951	1,148,745	245.48%
Parking	154,524	114,402	74.04%
Communications	238,014	242,681	101.96%
Depot Coffee House	307,412	203,964	66.35%
Art Center	1,185,836	1,005,973	84.83%



## Special Revenue Fund Revenues Percent of Budget through 4th Qtr



# Special Revenue Funds Expenditures

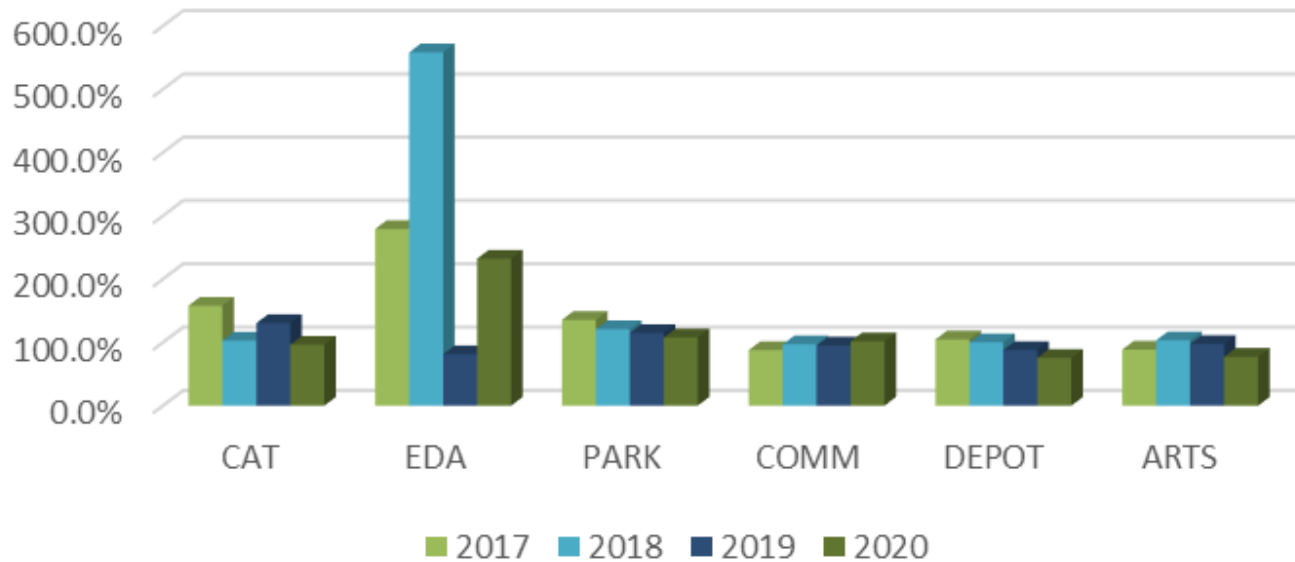
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	<u>Budget</u>		<u>Actual</u>	<u>% of Budget</u>
Chemical Assessment	\$ 65,000	\$	62,550	96.23%
Economic Development	430,345		998,501	232.02%
Parking	150,690		162,533	107.86%
Communications	238,656		242,993	101.82%
Depot Coffee House	307,412		232,062	75.49%
Art Center	1,125,836		869,273	77.21%





## Special Revenue Fund Expenditures Percent of Budget through 4th Qtr



# Special Revenue Funds Financial Position

	<u>Revenues</u>	<u>Expenses</u>	<u>Change In Fund Balance</u>	<u>Ending Fund Balance</u>
Chemical Assessment	\$ 62,550	\$ 62,550	\$ (0)	\$ (20,130)
Economic Development	1,148,745	998,501	150,245	3,347,167
Parking	114,402	162,533	(48,131)	88,247
Communications	242,681	242,993	(312)	543,056
Depot Coffee House	203,964	232,062	(28,099)	(92,637)
Art Center	1,005,973	869,273	136,700	(1,094,391)



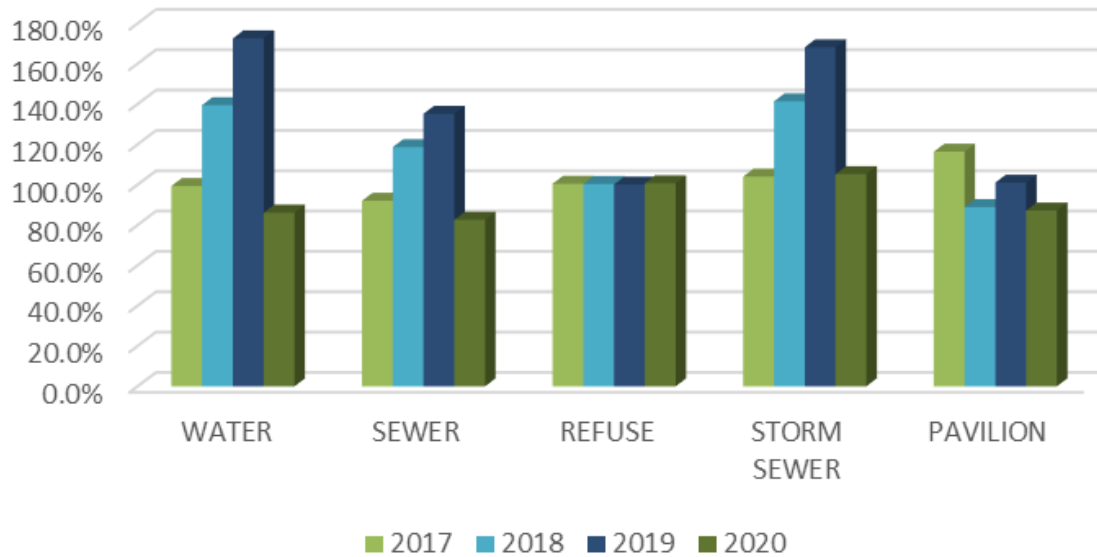
# Enterprise Funds Revenues

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		<u>Budget</u>		<u>Actual</u>	<u>% of Budget</u>
Water	\$	2,256,004	\$	1,943,019	86.13%
Sewer		3,052,340		2,521,401	82.61%
Refuse		1,006,206		1,013,432	100.72%
Storm Sewer		793,532		835,487	105.29%
Pavilion		781,500		681,139	87.16%



## Enterprise Fund Revenues Percent of Budget through 4th Qtr



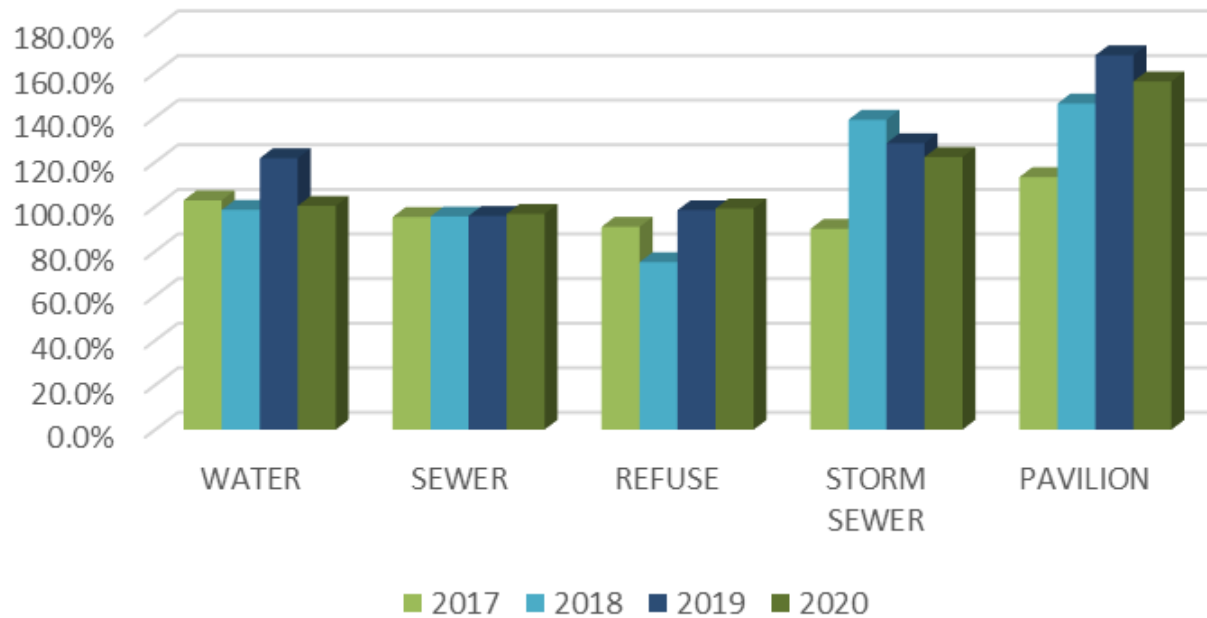
# Enterprise Funds Expenses

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	<u>Budget</u>	<u>Actual</u>	<u>% of Budget</u>
Water	\$ 2,235,099	\$ 2,242,854	100.35%
Sewer	3,025,741	2,928,596	96.79%
Refuse	1,008,049	999,664	99.17%
Storm Sewer	621,945	760,176	122.23%
Pavilion	702,256	1,096,692	156.17%



## Enterprise Fund Expenses Percent of Budget through 4th Qtr



# Enterprise Funds Financial Position

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	<u>Revenues</u>		<u>Expenses</u>		<u>Net Income (Loss)</u>
Water	\$	1,943,019	\$	2,242,854	\$ (299,836)
Sewer	\$	2,521,401	\$	2,928,596	\$ (407,195)
Refuse	\$	1,013,432	\$	999,664	\$ 13,769
Storm Sewer	\$	835,487	\$	760,176	\$ 75,311
Pavilion	\$	681,139	\$	1,096,692	\$ (415,553)

- All funds include depreciation expense



# Next Steps

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- Audit fieldwork is scheduled for April
- Financial Statements issued before 06/30/2021





# Financial Management Plan

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- 2022 Infrastructure Projects
  - 6<sup>th</sup> Avenue South/7<sup>th</sup> Avenue South
  - Trunk Water Main Rehabilitation
  
- Debt Levy will decrease in 2023
  - Final debt payment for 2002 Public Works Facility & Fire Station projects



# Financial Management Plan

Projected Debt Levies	Levy Year					
	2021	2022	2023	2024	2025	2026
Current Debt *	4,108,650	4,023,318	3,488,010	3,571,860	3,595,253	3,398,638
6th Ave South/7th Ave South 2022 Project	-	-	84,740	84,740	84,740	84,740
Trunk Water Main Rehabilitation 2022 Project	-	-	110,290	110,290	110,290	110,290
Central Avenues 2023 Project	-	-	-	223,600	223,600	223,600
17th Avenue 2024 Project	-	-	-	-	302,274	302,274
Central Avenues (West) (2025 Project)	-	-	-	-	-	367,133
	4,108,650	4,023,318	3,683,040	3,990,490	4,316,157	4,486,675
Increase (Decrease)	(3.33%)	(2.08%)	(8.46%)	8.35%	8.16%	3.95%

\*Including as estimate for debt being issued 3/16/2021



# Financial Management Plan

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- Park Improvements Fund
  - Paying Burnes Park Debt Service from this fund in 2021/2022?
  - Remaining Funding Source is Park Dedication Fees
    - Uncertain timing



# Financial Management Plan

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- Hopkins Center for the Arts
  - Budgeting to reduce deficit by \$60,000/year
  - Eliminate deficit position in 2037



# Financial Management Plan

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- Department Updates in January/February
- 2021 Mission & Goals – March 2<sup>nd</sup>
- City Council's Priorities



# Next Steps – 2022 Budget

Meeting Date	Meeting Type	Subject	Details
April-July	N/A	Internal Preparations	-2020 Audit Ongoing -Departments Prepare Budgets, Equipment Replacement and Capital Improvement Plans
July 13	Work Session	Review 2022 Tax Levy and General Fund Budget	-First Draft



# Next Steps – 2022 Budget

Meeting Date	Meeting Type	Subject	Details
August 10	Work Session	Review Capital Improvement Plan and Equipment Replacement Plans	-Park Dedication Fund -Permanent Improvement Revolving Fund (Street Projects) -Equipment Replacement Levy
August 16	Community Event	Review 2022 Tax Levy and General Fund Budget	-Presentation -Question and Answer Session
September 7	Regular Meeting	Review 2022 Tax Levy and General Fund Budget	-Preliminary for approval on September 21
September 21	Regular Meeting	Approve Preliminary Tax Levy and General Fund Budget	-Must be approved by September 30



# Next Steps – 2022 Budget

Meeting Date	Meeting Type	Subject	Details
October 12	Work Session	Review Enterprise Fund Budgets and Utility Rates	-Water -Sewer -Storm Sewer -Refuse -Pavilion
November 3	Regular Meeting	Approve CIP, ERP and Utility Rates	
November 9	Work Session	Review Special Revenue Budgets and Activity Center Budget	-Chemical Assessment -Economic Development -Communications -Parking -Depot -Arts Center -Activity Center





# Next Steps – 2022 Budget

Meeting Date	Meeting Type	Subject	Details
December 6 (Monday)	Regular Meeting	Truth in Taxation Hearing	-Overview of 2022 Budget and Tax Levy -Public Comment
December 7	Regular Meeting	Approve Final Budget and Tax Levy	
December 14	Regular Meeting	Approve Final Budget and Tax Levy	-Last scheduled meeting to approve

