

**HOPKINS HRA  
AGENDA  
Wednesday, November 4, 2020  
7:00 pm**

THIS AGENDA IS SUBJECT TO CHANGE  
UNTIL THE START OF THE HRA MEETING

**I. CALL TO ORDER**

**II. ADOPT AGENDA**

**III. CONSENT AGENDA**

1. Approve Minutes of the October 6, 2020 regular meeting
2. Approve Disbursements through October 21, 2020
3. Renewal of General Liability and Property Insurance and Authorization to Not Waive the Statutory Tort Liability on the League of Minnesota Cities Insurance Trust Policy (HRA2020-05)

**Recommendation: Approve Consent Agenda**

**IV. ADJOURN**

**DUE TO THE COVID-19 HEALTH PANDEMIC, THE HRA'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.)**

**MINUTES OF THE HRA REGULAR MEETING PROCEEDINGS  
TUESDAY, OCTOBER 6, 2020**

**CALL TO ORDER**

Pursuant to due call and notice thereof a regular meeting of the Hopkins Housing and Redevelopment Authority was held partially in person in the Council Chambers at Hopkins City Hall and also by conference call, pursuant to Minnesota Statute 13D.021 in response to the COVID-19 emergency on Tuesday, October 6, 2020 at 7:00 p.m. Mayor Gadd called the meeting to order with Commissioners Halverson, Hunke, Beck and Brausen attending. Also present were Executive Director Mike Mornson and Assistant Executive Director Kersten Elverum.

**CONSENT AGENDA**

**Motion** by Halverson **Second** by Beck

**Motion** to approve the Consent Agenda.

1. Approve Minutes of the September 1, 2020, regular meeting
2. Approve Disbursements through September 30, 2020

**Ayes: 5. Nays: 0. Absent: 0.**

**Motion carried.**

**ADJOURNMENT**

There being no further business to come before the HRA and upon a motion by Brausen, second by Hunke, the meeting was unanimously adjourned at 7:02 p.m.

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Jason Gadd, Chair

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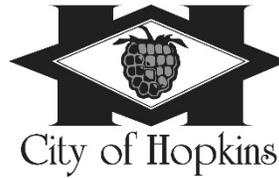
Michael J. Mornson, Executive Director

# Accounts Payable

## Checks by Date - Summary by Check Date

User: klindbery  
Printed: 10/28/2020 3:45 PM

Check No	Vendor No	Vendor Name	Check Date	Void Checks	Check Amount
15065	106	C. NABER & ASSOCIATES	10/09/2020	0.00	231.00
15066	1	CITY OF HOPKINS	10/09/2020	0.00	15,184.49
15067	141	GRAINGER	10/09/2020	0.00	117.64
15068	158	MN DEPT OF LABOR AND INDUSTRY	10/09/2020	0.00	20.00
15069	116	PLUNKETT'S PEST CONTROL	10/09/2020	0.00	100.00
15070	107	ROOT-O-MATIC	10/09/2020	0.00	235.00
Total for 10/9/2020:				0.00	15,888.13
15071	120	CITY OF HOPKINS	10/16/2020	0.00	2,852.75
15072	137	FINKEN	10/16/2020	0.00	12.60
15073	154	FIRST ADVANTAGE	10/16/2020	0.00	31.39
15074	142	HOME DEPOT CREDIT SERVICES	10/16/2020	0.00	261.75
15075	202	ROBERT B. HILL CO.	10/16/2020	0.00	445.65
15076	163	SCHUMACHER ELEVATOR CO	10/16/2020	0.00	4,791.74
15077	111	WASTE MANAGEMENT	10/16/2020	0.00	3,221.64
15078	207	ZEE MEDICAL SERVICE	10/16/2020	0.00	575.20
Total for 10/16/2020:				0.00	12,192.72
15079	118	VAIL PLACE	10/21/2020	0.00	6,583.33
Total for 10/21/2020:				0.00	6,583.33
Report Total (15 checks):				0.00	34,664.18



**RENEWAL OF GENERAL LIABILITY AND PROPERTY INSURANCE AND  
AUTHORIZATION TO NOT WAIVE THE STATUTORY TORT LIABILITY  
ON THE LEAGUE OF MINNESOTA CITIES INSURANCE TRUST POLICY**

**Proposed Action**

Staff recommends adoption of the following: Move to approve renewal of the LMCIT Insurance Policy for the HRA and to not waive the statutory tort liability limits to the extent of the coverage purchased.

Adoption of this motion will result in staff moving forward with the proposed LMCIT insurance coverage including not waiving the statutory tort liability limits. The staff recommendation to not waive the statutory tort liability limits is based on liability exposure to the city in the form of higher premiums. This is the option selected this past year.

**Overview**

The renewal date for the HRA Insurance Policy is 11/1/20 and is for a one year period. The LMCIT has indicated that insurance rates may increase slightly in the property/casualty program with liability rates increasing from 1% to 5% and property rates increasing from 2% to 4%. Auto physical damage and scheduled mobile equipment should remain flat. The overall rate changes may not necessarily correspond with a specific entity's insurance premiums. Actual premiums are also affected by changes in expenditures, property values, payrolls, experience rating and other exposure measures. Our actual increases will be known once the renewal application has been submitted and the rate quoted. The premium for the 2019-2020 insurance year was \$17,367, which was an increase of \$2,033 or 13.3% over the previous year. The increase is mainly caused by increases in building values. This is the third increase after four years of premium decreases.

**Primary Issues to Consider**

- Election of waiver of tort limits for liability
- Liability exposure if we elect to waive the tort limits for liability

**Staff Recommendation**

Finance recommends renewal of the LMCIT Insurance Policy based on past HRA Board action and to not waive the monetary limits on the tort liability established by Minnesota Statutes 466.04, to the extent of the limits of the liability coverage obtained from LMCIT.

**Supporting Information**

- LMCIT Waiver Form

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Nick Bishop, CPA  
Finance Director

## LIABILITY COVERAGE – WAIVER FORM

**Members who obtain liability coverage through the League of Minnesota Cities Insurance Trust (LMCIT) must complete and return this form to LMCIT before the member’s effective date of coverage. Return completed form to your underwriter or email to [pstech@lmc.org](mailto:pstech@lmc.org).**

*The decision to waive or not waive the statutory tort limits must be made annually by the member’s governing body, in consultation with its attorney if necessary.*

Members who obtain liability coverage from LMCIT must decide whether to waive the statutory tort liability limits to the extent of the coverage purchased. The decision has the following effects:

- *If the member does not waive the statutory tort limits, an individual claimant could recover no more than \$500,000 on any claim to which the statutory tort limits apply. The total all claimants could recover for a single occurrence to which the statutory tort limits apply would be limited to \$1,500,000. These statutory tort limits would apply regardless of whether the member purchases the optional LMCIT excess liability coverage.*
- *If the member waives the statutory tort limits and does not purchase excess liability coverage, a single claimant could recover up to \$2,000,000 for a single occurrence (under the waive option, the tort cap liability limits are only waived to the extent of the member’s liability coverage limits, and the LMCIT per occurrence limit is \$2,000,000). The total all claimants could recover for a single occurrence to which the statutory tort limits apply would also be limited to \$2,000,000, regardless of the number of claimants.*
- *If the member waives the statutory tort limits and purchases excess liability coverage, a single claimant could potentially recover an amount up to the limit of the coverage purchased. The total all claimants could recover for a single occurrence to which the statutory tort limits apply would also be limited to the amount of coverage purchased, regardless of the number of claimants.*

Claims to which the statutory municipal tort limits do not apply are not affected by this decision.

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LMCIT Member Name:

\_\_\_\_\_

*Check one:*

- The member **DOES NOT WAIVE** the monetary limits on municipal tort liability established by [Minn. Stat. § 466.04](#).
- The member **WAIVES** the monetary limits on municipal tort liability established by [Minn. Stat. § 466.04](#), to the extent of the limits of the liability coverage obtained from LMCIT.

Date of member's governing body meeting: \_\_\_\_\_

Signature: \_\_\_\_\_ Position: \_\_\_\_\_

**HOPKINS CITY COUNCIL  
AGENDA  
Wednesday, November 4, 2020  
7:00 pm**

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

**Schedule**      HRA Meeting, 7 p.m. – City Council Meeting immediately following HRA Meeting

**I. CALL TO ORDER**

**II. ADOPT AGENDA**

**III. PRESENTATIONS**

**IV. CONSENT AGENDA**

1. Minutes of the October 13, 2020 City Council Work Session Proceedings
2. Minutes of the October 20 City Council Regular Meeting Proceedings
3. Special Assessment Deferral Request – 11 Interlachen Road; Bishop
4. Ratify Checks Issued in October 2020; Bishop

**V. PUBLIC HEARING**

**VI. OLD BUSINESS**

**VII. NEW BUSINESS**

1. Participation in the Local Housing Incentive Account Program under the Metropolitan Livable Communities Act; Youngquist
2. Review Options for 2021 Tax Levy; Bishop

**VIII. ANNOUNCEMENTS**

- Next Regular City Council Meeting: Tuesday, November 17 at 7:00 p.m.

**IX. 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.)**

**HOPKINS CITY COUNCIL  
WORK SESSION PROCEEDINGS  
OCTOBER 13, 2020**

**CALL TO ORDER**

Pursuant to due call and notice thereof a regular meeting of the Hopkins City Council was held on Tuesday, October 13, 2020 at 6:30 p.m. in the Council Chambers at City Hall, 1010 1<sup>st</sup> Street South.

Mayor Gadd called the meeting to order with Council Members Beck, Brausen, Halverson and Hunke attending. Others attending included City Manager Mornson, CIO Hepp, Finance Director Bishop, Director of Public Works Stadler, Chief of Police Johnson, Fire Chief Specken, Recreation Director O'Dea and Director of Planning and Development Elverum.

Mayor Gadd provided information on the meeting format and other opening remarks.

**2021 – 2025 Capital Improvement & Equipment Replacement Plans; Bishop**

City Manager Mornson provided opening remarks including that Department Directors are available to answer questions via Zoom. The goal is to review both plans and get feedback for the 2021 budget and forecasting for the projects and purchases as part of the 2022 budget. Mr. Mornson also clarified that no new personnel is proposed. He ended by providing history on the Financial Management Plan (FMP) discussion and decisions.

**CIP**

Finance Director Bishop stated the CIP is a 5-year plan that is updated annually that is integrated with the Financial Management Plan (FMP). Finance Director Bishop provided an overview of the CIP and fund included in the FMP.

Mr. Bishop provided information on the funding sources, projects and payments for Park Dedication. Discussion ensued regarding potential upgrades at Downtown Park. Mr. Bishop noted that \$118,000 in project costs would need to be cut to have the fund balance. Director of Public Work Stadler added that the Central Park project has been delayed to 2022 with 2021 being mostly a pause of work in the parks.

Mr. Bishop provided information on the capital improvement funds, projects and payments.

Council Member Hunke talked about pushing CIP projects back but noted that it could affect the budget in upcoming years. Finance Director Bishop did not think the Hopkins Historical Society was moving out in 2021. Council Members Hunke and Brausen preferred to wait on making doing projects at the Activity Center so a larger project could be completed at once. Mr. Mornson added that with the uncertainty of the pandemic it makes sense to defer the project.

Council Member Beck stated that in the CIP the tax levy revenue component is \$175,000 so that brings us down to an ending fund balance of \$200,000. He questioned if \$100,000 could be removed from the tax revenue to end up with \$100,000 fund balance. Mr. Bishop responded the option was possible as a policy decision.

**HOPKINS CITY COUNCIL  
WORK SESSION PROCEEDINGS  
OCTOBER 13, 2020**

Discussion was held about upcoming lighting projects including the use of energy efficient materials. Council Member Hunke questioned the trail improvements. Director of Public Works Stadler stated the trail was part of the Bellgrove residents' request.

City Manager Mornson talked about the \$650,000 tax levy and other bonds. Further discussion was held on major street projects in 2022. Mr. Stadler explained the upcoming projects in detail. City Council questioned holding off on the road improvements at 6<sup>th</sup> and 7<sup>th</sup> Avenues South. Mr. Stadler stated the project could be delayed one year.

**ERP**

Mayor Gadd stated the priority is to understand what we do, the domino effects and looking ahead to 2022 and 2023.

Council Member Beck questioned the levy goal amount noting he preferred to get below 2.82%. Mayor Gadd questioned the City Council on the proposed levy amount. He stated 2.82% is an impact on the residents under the current conditions noting he preferred to focus on the tax amount instead of the percentage. He felt that a 2.82% increase is a good spot to be at right now.

Council Member Brausen wanted the levy to be lower than 2.82% knowing that the budgeting discussions will continue throughout the pandemic. He also wants to hear about the tax impacts from businesses.

Council Member Hunke supported lowering the levy but was not comfortable at zero due to possible effects in next years. He questioned removing the playground equipment at Central Park and holding off on the Activity Center improvements.

Council Member Halverson questioned the budget impact by removing some of the proposed projects. Mr. Bishop stated that removing the projects would reduce the levy by half. Council Members Halverson and Hunke were comfortable with 1.4% levy increase.

Council Member Beck questioned lowering some of the tax revenue funds such as reducing the ERP by \$100,000. Council Member Hunke was concerned about removing funds for potential purchase of emergency equipment and the what-ifs that are possible in the next year. Council Member Brausen agreed but expressed concerns about what could happen in the next year. Council Member Beck suggested smaller reductions that will eventually add up to larger amounts. Further discussion was held on the pavement management plan, personnel and local government aid.

City Manager Mornson stated that five union contracts need to be negotiated this year. We are uncertain of the costs for the contracts at this time. He was looking for the City Council goals on the levy amount for 2021 and questioned if the City Council was looking at 1.4% levy increase.

**HOPKINS CITY COUNCIL  
WORK SESSION PROCEEDINGS  
OCTOBER 13, 2020**

Mayor Gadd talked about the removal of Central Park play equipment and the Activity Center upgrades. He wanted to have discussions on what 2022 and 2023 may look like and reviewing the funds needed. Council Member Brausen was concerned about the effects of the economy on the residents and businesses. His goal was to get the levy to zero.

Council Member Beck suggested getting the budget 1.4% followed by reviewing more line items. He noted that some of the facilities have improvements slated that are not currently open at full capacity. Council Member Brausen concurred. Mayor Gadd cautioned that be reducing the levy to zero may have long term effects on future budgets. Council Member Halverson added that going to zero will not flat line resident taxes. Home values have increased and the school and county levies need to be considered.

City Manager Mornson stated that at the November 4 meeting staff will come back with levy reductions options. Further discussion was held on the fund caps and implications from moving or delaying projects and purchase. Mr. Bishop reviewed the next steps in the budget process.

**OTHER**

Council Member Brausen thanked the City Hall election staff for their customer service efforts during early voting.

Council Member Hunke stated that the 2040 Comprehensive Plan has received their final approval from the Met Council. Staff is looking to bring back to City Council for final approval on November 17. He also provided information on the zoning code updates.

**ADJOURNMENT**

There being no further information to come before the City Council and upon a motion by Brausen, second by Hunke, the meeting was unanimously adjourned at 8:08 p.m.

Respectfully Submitted,  
Amy Domeier, City Clerk

ATTEST:

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Jason Gadd, Mayor

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Amy Domeier, City Clerk

**HOPKINS CITY COUNCIL  
REGULAR MEETING PROCEEDINGS  
OCTOBER 20, 2020**

**CALL TO ORDER**

Pursuant to due call and notice thereof a regular meeting of the Hopkins City Council was held on Tuesday, October 20, 2020 at 7:00 p.m. in the Council Chambers at City Hall, 1010 1<sup>st</sup> Street South.

Mayor Gadd called the meeting to order with Council Members Beck, Brausen, Halverson and Hunke attending. Others attending included City Manager Mornson, City Clerk Domeier, Director of Planning and Development Elverum, City Attorney Riggs, CIO Hepp, City Planner Lindahl and Finance Director Bishop.

Mayor Gadd provided information on the meeting format and other opening remarks.

**ADOPT AGENDA**

**Motion** by Brausen. **Second** by Hunke.

**Motion** to Adopt Agenda.

**Ayes: All.**

**Nays: None. Motion carried.**

**PRESENTATIONS**

**III.1. JCI Hopkins Presentation – Top Outstanding Young Minnesotan Award to Amy Brace of Amy’s Cupcakes; Gadd**

Members of JCI Hopkins and the Hopkins City Council congratulated Amy Brace, owner of Amy’s Cupcakes, for receiving the Top Outstanding Young Minnesotan Award.

**CONSENT AGENDA**

**Motion** by Halverson. **Second** by Beck.

**Motion** to Approve the Consent Agenda.

1. Minutes of the October 6, 2020 City Council Regular Meeting Proceedings
2. Resolution Approving Issuance of a Premise Permit For Lawful Gambling to be Conducted by The Hopkins Raspberry Festival at Pub 819; Domeier
3. Resolution Amending Fees in Appendix A of the Hopkins City Code; Bishop
4. Amendment to Cooperative Agreement – Hennepin County; Elverum
5. Joint Cooperative Agreement with City of Minnetonka and the Metropolitan Council; Elverum
6. Environmental Cleanup Grant Applications for Vista 44, Youngquist
7. Environmental Cleanup Grant Application for Blake Road Station, Youngquist

**Ayes. All.**

**Nays. None. Motion carried.**

**HOPKINS CITY COUNCIL  
REGULAR MEETING PROCEEDINGS  
OCTOBER 20, 2020**

**PUBLIC HEARING**

**V.1. Adopt Assessment Roll – 2020 Miscellaneous Special Assessments; Bishop**

Finance Director Bishop provided a summary of Council Report 2020-075 requesting that the City Council hold a public hearing, adopt the assessment roll and miscellaneous special assessments. Staff has not received any assessment appeals. Council Member Brausen noted the assessments are less than previous years.

Mayor Gadd opened the Public Hearing at 7:12 p.m. No public comments were received.

**Motion** by Brausen. **Second** by Beck.

**Motion** to Close the Public Hearing.

**Ayes: All.**

**Nays: None. Motion carried.**

The Public Hearing was closed at 7:12 p.m.

**Motion** by Beck. **Second** by Hunke.

**Motion** to Adopt Resolution 2020-053, Resolution for Adoption of Assessment Roll, 2020 Miscellaneous Assessments.

**Ayes: All.**

**Nays: None. Motion carried.**

**NEW BUSINESS**

**VII.1. Blake Road Station Environmental Assessment Worksheet (EAW) Review; Lindahl**

City Planner Lindahl and WSB Vice President of Environmental Services Andi Moffatt provided a summary of Council Report 2020-080 requesting that the City Council approve a resolution making a negative declaration of need regarding an Environmental Impact Statement for the Blake Road Station Development.

Mayor Gadd asked for clarification on the comments from agencies but wondered if anything stood out. Ms. Moffatt stated there were not any specific comments that need to be called out. Council Member Hunke did like some of the environmental comments received. Trish Sieh with Kimley Horn provided more information on the environmental friendly components of the project. Alyssa Jagdfeld with ESG provided further information about the various components of the building design.

**Motion** by Hunke. **Second** by Brausen.

**HOPKINS CITY COUNCIL  
REGULAR MEETING PROCEEDINGS  
OCTOBER 20, 2020**

**Motion** to adopt Resolution 2020-055, making a negative declaration of need regarding an Environmental Impact Statement for the Blake Road Station Development.

**Ayes: All.**

**Nays: None. Motion carried.**

**VII.2. Hopkins Village II Concept Plan Review; Lindahl**

City Planner Lindahl provided a summary of Council Report 2020-073 where the applicant, Dan Walsh with Community Housing Development Corporation (CDHC), requested concept plan review for the Hopkins Village II development.

Dan Walsh, Real Estate Developer for CDHC reported that the national register designation was not approved. He provided additional information on the proposed concept plan.

Council Member Hunke stated he liked the work force housing and three bedroom units and did not oppose the five stories. He did expect a design similar to Version 1 which complemented the streetscape whereas Version 3 does not compliment well. He also preferred the project be more connected to Mainstreet. He wanted high quality materials to be used with the project.

Council Member Brausen agreed with Council Member Hunke's comments. He questioned if traffic patterns have changed near the neighborhood and had parking concerns.

Council Member Beck agreed to the five stories and reiterated that he liked the initial design the best including the storefront appearance. He did have concerns about on street parking noting parking should be onsite.

Council Member Halverson did not oppose the 5 stories but echoed comments about preferring Version 1.

Mr. Walsh provided information on the cost for window options and ideas for parking.

Mayor Gadd talked about making the building fit into Mainstreet with a walkable component. He also expressed concerns with parking. He preferred Version 1 over Version 3 and supported a 5 story building. He also wanted good materials to wrap the building.

Council Member Hunke liked the bump-outs but preferred to have them at the ground level. Mr. Walsh supported that idea.

**HOPKINS CITY COUNCIL  
REGULAR MEETING PROCEEDINGS  
OCTOBER 20, 2020**

Council Member Beck questioned City parking standards. Mr. Lindahl stated that the developer and staff have talked about the need to update the parking study to reflect the final building design. Staff will work with the developer on parking.

Council Member Brausen concurred that good materials should wrap the building. He questioned if raising the building was OK if materials were upgraded. Mr. Hunke suggested to raise the building to allow more space from floor to floor and supported adding more brick on the towers. Discussion ensued regarding the exterior materials and placement.

Mr. Walsh provided additional information on moving forward with the project including the addition of historic architecture to fit on Mainstreet. The team will take the comments into consideration and work with staff on moving forward in the process.

**VII.3. 3<sup>rd</sup> Quarter Financial Report; Bishop**

Finance Director Bishop provided the 3<sup>rd</sup> Quarter results and more information about CARES Act Funding. The City Council thanked staff for their efforts on the budget.

**ANNOUNCEMENTS**

City Manager Mornson and Public Works Director Stadler provided information on the snowfall event and snow removal procedures. Mayor Gadd reminded residents of their options to vote. Mayor Gadd the next regular City Council meeting will be on Wednesday, November 4, 2020 at 7 p.m. Council Member Halverson stated the Hopkins Police Department is holding a Halloween Event on Saturday.

**ADJOURNMENT**

There being no further information to come before the City Council and upon a motion by Brausen, second by Halverson, the meeting was unanimously adjourned at 8:52 p.m.

Respectfully Submitted,  
Amy Domeier, City Clerk

ATTEST:

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Jason Gadd, Mayor

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Amy Domeier, City Clerk



**Special Assessment Deferral Request  
11 Interlachen Rd, PID 20-117-21-32-0055  
2019-10 Street Improvement Project**

**Proposed Action.**

Staff recommends that the Council approve the following motion: Approve the application for Deferral of Special Assessment for Virginia A. Kirscht of 11 Interlachen Rd. for as long as she meets the eligibility requirements.

**Overview:**

The assessment roll for City Project 2019-10, 2020 Interlachen Park Street & Utility Improvements was adopted by the City Council on March 16, 2020. City Code Section 2-120 allows for deferment of special assessments upon request for any homestead property owned by a person who has attained the age of 65, or has not attained the age of 65, but is retired as a result of a permanent and total disability, and it is determined to be a hardship for said owners to make the payments. The hearing notices mailed to all affected property owners stated the procedures to apply for such deferment are available from the Assessment Clerk. It was not necessary to file an appeal at the assessment hearing. Ms. Kirscht has now applied for the deferment.

Ms. Kirscht has attained the age of 65 and indicates it is a hardship to pay the special assessment. Ms. Kirscht's 2020 income falls below the income limit set in Section 2-120.

**Primary Issues to Consider:**

- Should the City grant the deferment?

**Supporting Information:**

- Application for Deferral of Special Assessment
- Hopkins City Code Section 2-120 – Deferment of Special Assessment
- MN Statutes 435.193 Hardship Assessment Deferral for Seniors, Disabled, or Military Persons
- MN Statues 435.195 Termination of Right to Deferred Payment

**Analysis of the Issues:**

**Should the City grant the deferment?**

Ms. Kirscht has demonstrated meeting the financial hardship requirements by providing documentation from the Social Security Administration stating her income as of 01/15/2020.

Staff recommends granting the deferment. The special assessment of \$9,967.40 will be secure by virtue of a lien filed against the property. This deferral terminates upon Ms. Kirscht's death, sale of the property, loss of homestead status, or her annual income exceeds the annual income limit. This deferral must be renewed annually during the term of the deferment not later than September 30 of each year.

**Alternatives:**

1. Approve the special assessment deferment of \$9,967.40 for Ms. Virginia A. Kirscht of 11 Interlachen Rd., Hopkins MN, PID #20-117-21-32-0055.
2. Do not approve the deferment.

Staff recommends alternative #1.



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Melanie Ortiz  
Accounting Technician, Special Assessments

CITY OF HOPKINS  
HENNEPIN COUNTY, MINNESOTA

Application for Deferral of Special Assessment

I hereby make application for deferral of special assessment this 20<sup>TH</sup> day of OCTOBER  
2020 for the following assessment:

LEVY # 20465 PROJECT 19-10 STREET IMPROVEMENT

PID# 20-117-21-32-0055 11 INTERLACHEN RD. \$9967.40

I understand that this deferral can only be granted on homestead property if my annual income does not exceed the sum of \$39,394.00 as of January 1, 2020 (subject to annual adjustment by the Consumer Price Index for the Twin City area), that I am 65 years of age or older, or that I am permanently or totally disabled (regardless of age). I also understand that I must supply verification of my income in the form of my latest Federal Income Tax form, or written income verification from the Social Security Agency, or a copy of my last Social Security check. In the case of disability, I must submit verification in the form of a physician's statement.

Furthermore, I understand that I must renew the deferment annually during the term of the deferment and all required supporting documents or information must be delivered to the City not later than September 30 of each year. Deferred assessments shall accrue simple interest during the deferment period at the rate established for payment of assessments at the time the assessment roll was adopted. Upon failure to renew the deferment certification or upon (a) the death of the owner, provided that the surviving or successor owner is otherwise not eligible for the deferment; (b) the sale, transfer or subdivision of the property or any part thereof; (c) if the property should for any reason lose its homestead status; or (d) if for any reason the City shall determine that there would be no hardship to require immediate or partial payment; the deferment shall terminate and the City Clerk shall promptly certify to the County Auditor the amount of the deferred assessment including interest to be inserted on the tax assessment or in full if the property was sold or the period of time for repayment of the original assessment has expired.

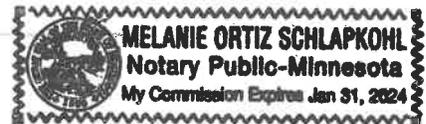
VIRGINIA M KIRSCHT Virginia M Kirscht  
(Print name) (Signature)

11 INTERLACHEN RD. (612) 810-4793  
(Address of property owner) (Telephone)

HOPKINS, MN Zip 55843

Subscribed and sworn to before me this 20<sup>th</sup> day of October, 2020.

  
Notary Public



Council Action:

       Deferral granted        Deferral denied        Date:

## Sec. 2-120. - Deferment of special assessment.

- (a) *Discretionary deferral.* The city council may, in its discretion, defer the payment of any special assessment on homestead property owned by a person who is 65 years of age or older, or who is retired by virtue of permanent and total disability. Such deferment shall be based on the property owner demonstrating he meets the following standards:
- (1) The applicant must apply for the deferment not later than 90 days after the assessment is adopted by the council;
  - (2) The applicant must be 65 years of age, or older, or retired by virtue of permanent disability;
  - (3) The applicant must be the owner of the property;
  - (4) The applicant must occupy the property as a principal place of residence; and
  - (5) The applicant's income from all sources does not exceed the low-income limit as established by the department of housing and urban development as used in determining the eligibility for section VIII housing.
- (b) *Eligibility.* The deferment will be granted for as long a period of time as the hardship exists and the conditions as aforementioned have been met. The applicant must notify the administrator of any change in applicant's status that would affect eligibility for deferment.
- (c) *Interest on deferred assessments.* Deferred assessments shall accrue simple interest during the deferment period at the rate established for payment of assessments at the time the assessment roll was adopted.
- (d) *End of deferment.* The entire amount of deferred special assessments is due within 60 days after loss of eligibility by the applicant. If the special assessment is not paid within 60 days, the administrator must add thereto interest at the applicable rate for the bond issue for the project. If there is no bond issue for the project, interest will be fixed by resolution of the council. The total amount of principal and interest from the due date through December 31 of the following year must be certified to the county auditor for collection with taxes the following year. If the applicant demonstrates, to the satisfaction of the council, that full repayment of the deferred special assessment would cause the applicant particular undue financial hardship, the council may order that the applicant pay within 60 days a sum equal to the number of installments of

deferred special assessments outstanding and unpaid to date (including principal and interest) with the balance thereafter paid according to the terms and conditions of the original special assessment.

- (e) *Renewal and termination of deferment.* The certification of deferment shall be renewed annually by the owner during the term of the deferment and all required supporting documents or information delivered to the city not later than September 30 of each year. The deferment shall terminate upon failure to renew the deferment certification or upon:
- (1) The death of the owner, provided that the surviving or successor owner is otherwise not eligible for the deferment;
  - (2) The sale, transfer or of the property or any part thereof;
  - (3) The loss for any reason of the homestead status of the property; or
  - (4) Determination by the city that there would be no hardship to require immediate or partial payment.

Upon termination of the deferment, and the city clerk shall promptly certify to the county auditor the amount of the deferred assessment including interest to be inserted on the tax rolls and collected in the period of time remaining in the original assessment or in full if the property was sold or the period of time for repayment of the original assessment has expired.

- (f) *Collection of delinquent assessments.* In addition to the city's authority to certify amounts due to the county for collection with property taxes, the city may also charge delinquent accounts to a property owner's taxes as service fees as authorized pursuant to M.S.A. §§ 429.101, 415.01, 366.011, and 366.012. These fees shall be charges on the property owners' taxes, which shall be in addition to and distinct from any pending special assessments levied pursuant to state law.

(Code 1986, §§ 703.01, 703.03, 703.05)

**435.193 HARDSHIP ASSESSMENT DEFERRAL FOR SENIORS, DISABLED, OR MILITARY PERSONS.**

(a) Notwithstanding the provisions of any law to the contrary, any county, statutory or home rule charter city, or town, making a special assessment may, at its discretion, defer the payment of that assessment for any homestead property:

(1) owned by a person 65 years of age or older or retired by virtue of a permanent and total disability for whom it would be a hardship to make the payments; or

(2) owned by a person who is a member of the Minnesota National Guard or other military reserves who is ordered into active military service, as defined in section 190.05, subdivision 5b or 5c, as stated in the person's military orders, for whom it would be a hardship to make the payments.

(b) Any county, statutory or home rule charter city, or town electing to defer special assessments shall adopt an ordinance or resolution establishing standards and guidelines for determining the existence of a hardship and for determining the existence of a disability, but nothing herein shall be construed to prohibit the determination of hardship on the basis of exceptional and unusual circumstances not covered by the standards and guidelines where the determination is made in a nondiscriminatory manner and does not give the applicant an unreasonable preference or advantage over other applicants.

**History:** 1974 c 206 s 7; 1976 c 195 s 3; 1981 c 80 s 1; 2008 c 154 art 2 s 28

**435.195 TERMINATION OF RIGHT TO DEFERRED PAYMENT.**

The option to defer the payment of special assessments shall terminate and all amounts accumulated plus applicable interest, shall become due upon the occurrence of any of the following events: (a) the death of the owner, provided that the spouse is otherwise not eligible for the benefits hereunder; (b) the sale, transfer or subdivision of the property or any part thereof; (c) if the property should for any reason lose its homestead status; or (d) if for any reason the taxing authority deferring the payments shall determine that there would be no hardship to require immediate or partial payment.

**History:** 1974 c 206 s 9

# CITY OF HOPKINS

**FINANCE DEPARTMENT**

## MEMORANDUM

Date: October 29, 2020  
To: Honorable Mayor and Members of the City Council  
From: Nicholas Bishop, Finance Director  
Subject: Ratify Checks Issued in October 2020

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The checks issued between September 24, 2020 and October 29, 2020 were number 120725 through 121099, for a total distribution of \$2,423,906.42.

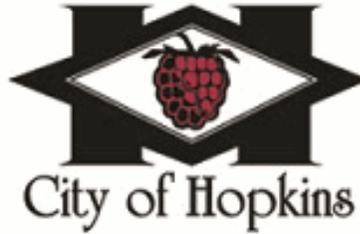
The checks issued, along with the purpose for those payments are attached for your review.

The check registers and detail of those checks can be reviewed at any time in the Finance Department.

# Accounts Payable

## Checks by Date - Summary by Check Date

User: jthoennes  
Printed: 10/29/2020 1:07 PM



1010 First Street South  
Hopkins, MN 55343

952-935-8474  
M-F, 8 am-4:30 pm  
[www.hopkinsmn.com](http://www.hopkinsmn.com)

Check No	Vendor No	Vendor Name	Check Date	Void Checks	Check Amount
120725	01767	A TO Z RENTAL CENTER	10/01/2020	0.00	130.80
120726	29270	A-1 OUTDOOR POWER INC	10/01/2020	0.00	46.74
120727	30933	ANCHOR SOLAR INVESTMENTS LLC	10/01/2020	0.00	1,662.57
120728	30946	CLARICE ANDERSON	10/01/2020	0.00	209.00
120729	27839	BATTERIES R US	10/01/2020	0.00	18.84
120730	27782	BOUND TREE MEDICAL LLC	10/01/2020	0.00	670.73
120731	UB*00570	JOSH BOWERS	10/01/2020	0.00	13.15
120732	UB*00562	RENEE D CALLAWAY	10/01/2020	0.00	4.84
120733	30949	CAN HOLDINGS INC	10/01/2020	0.00	150.00
120734	29416	CDW GOVERNMENT	10/01/2020	0.00	3,533.06
120735	26951	COMCAST	10/01/2020	0.00	159.74
120736	26951	COMCAST	10/01/2020	0.00	69.95
120737	26951	COMCAST	10/01/2020	0.00	2.10
120738	26951	COMCAST	10/01/2020	0.00	135.97
120739	30560	COMPUTER INTEGRATION TECHNOLOGIES	10/01/2020	0.00	1,486.00
120740	03640	CPT SERVICES, INC	10/01/2020	0.00	227.50
120741	04217	DISCOUNT STEEL INC	10/01/2020	0.00	417.04
120742	04600	DPC INDUSTRIES, INC	10/01/2020	0.00	1,494.88
120743	30948	EGRESS WINDOW GUY	10/01/2020	0.00	128.00
120744	UB*00561	BLAKE ELLEFSON	10/01/2020	0.00	85.83
120745	05481	EMERGENCY APPARATUS MAINT INC	10/01/2020	0.00	2,374.41
120746	29491	FERGUSON ENTERPRISES INC	10/01/2020	0.00	178.37
120747	UB*00565	MOLLY FULLER	10/01/2020	0.00	67.27
120748	30555	MARGARET GONGOLL	10/01/2020	0.00	405.00
120749	UB*00558	ANNA GRADY	10/01/2020	0.00	43.63
120750	07689	GRAFIX SHOPPE	10/01/2020	0.00	108.26
120751	07681	GRAINGER, INC	10/01/2020	0.00	64.86
120752	UB*00569	JASON GRUND	10/01/2020	0.00	29.04
120753	UB*00566	JOHN HASELWOOD	10/01/2020	0.00	95.07
120754	30048	RICH HILL	10/01/2020	0.00	500.00
120755	09085	ICMA - ROTH IRA - 706260	10/01/2020	0.00	1,514.23
120756	29345	IMPACT MAILING OF MN	10/01/2020	0.00	3,718.00
120757	09521	INDELCO	10/01/2020	0.00	175.93
120758	29612	INTERNATIONAL CHEMTEX	10/01/2020	0.00	65.23
120759	10172	JEFFERSON FIRE & SAFETY	10/01/2020	0.00	4,021.32
120760	UB*00568	TODD JOHNSON	10/01/2020	0.00	63.31
120761	29201	KG LANDSCAPE MANAGEMENT	10/01/2020	0.00	6,747.14
120762	11583	KONE INC	10/01/2020	0.00	405.66
120763	UB*00571	STEVEN LANGUM	10/01/2020	0.00	67.22
120764	13012	MACQUEEN EQUIPMENT INC	10/01/2020	0.00	2,016.93
120765	13047	MARCO	10/01/2020	0.00	2,810.00
120766	13172	METRO ELEVATOR, INC	10/01/2020	0.00	170.00
120767	29177	RENEE A MEUWISSEN	10/01/2020	0.00	345.00
120768	13275	MICRO CENTER	10/01/2020	0.00	1,127.76
120769	13362	MN CHIEFS OF POLICE ASSOC	10/01/2020	0.00	270.00
120770	UB*00560	STETSON NOLD	10/01/2020	0.00	112.64
120771	30600	ROBERT OLSON	10/01/2020	0.00	435.00

Check No	Vendor No	Vendor Name	Check Date	Void Checks	Check Amount
120772	29362	OPG-3, INC	10/01/2020	0.00	13,512.57
120773	26974	O'REILLY AUTO PARTS	10/01/2020	0.00	33.87
120774	UB*00559	CINDY M PLEHAL	10/01/2020	0.00	60.00
120775	30199	PULSE ELECTRIC	10/01/2020	0.00	10,858.00
120776	17806	QWEST CORP	10/01/2020	0.00	60.35
120777	09084	ICMA RETIREMENT TRUST- 300824	10/01/2020	0.00	3,407.32
120778	30015	SERVICE GRINDING & SHARPENING I	10/01/2020	0.00	203.50
120779	29609	SHRED-N-GO	10/01/2020	0.00	3,943.00
120780	UB*00563	KAREN G SPAETH	10/01/2020	0.00	128.10
120781	30091	RAY STAFFORD	10/01/2020	0.00	480.00
120782	19730	STERICYCLE INC	10/01/2020	0.00	58.09
120783	29205	CHRIS STRONER	10/01/2020	0.00	360.00
120784	29747	SUMMIT PROTECTION	10/01/2020	0.00	405.00
120785	UB*00567	PAUL D/LINDA K SWANSON	10/01/2020	0.00	9.83
120786	30947	THOMPSON CONCRETE & MASONRY	10/01/2020	0.00	1,655.55
120787	20687	TRI-STATE BOBCAT INC	10/01/2020	0.00	390.00
120788	29466	VERIZON WIRELESS	10/01/2020	0.00	1,038.27
120789	29473	VERIZON WIRELESS	10/01/2020	0.00	687.64
120790	30017	VERIZON WIRELESS	10/01/2020	0.00	1,440.43
120791	UB*00555	VINTON A VESTA	10/01/2020	0.00	80.00
120792	22563	VOSS LIGHTING	10/01/2020	0.00	473.33
120793	29343	W. WELLS & ASSOCIATES LLC	10/01/2020	0.00	2,500.00
120794	25080	XCEL ENERGY	10/01/2020	0.00	166.65
120795	UB*00564	TING SUI ZHENG	10/01/2020	0.00	64.55
Total for 10/1/2020:				0.00	80,594.07
120797	30660	PATRICIA MAUREEN ANDERSON	10/08/2020	0.00	126.00
120798	01600	APACHE GROUP	10/08/2020	0.00	830.00
120799	28600	APPLE VALLEY FORD LINCOLN	10/08/2020	0.00	134.41
120800	02031	B & W SPECIALTY COFFEE CO	10/08/2020	0.00	488.26
120801	30899	BAUERS MINNOCO	10/08/2020	0.00	50.00
120802	29817	GARY BINGER	10/08/2020	0.00	2,900.00
120803	29011	JESSICA BRAUN	10/08/2020	0.00	45.00
120804	26976	BUCKEYE INTERNATIONAL INC	10/08/2020	0.00	104.44
120805	02811	BUREAU OF CRIMINAL APPREHENSIC	10/08/2020	0.00	750.00
120806	30127	CINTAS CORPORATION NO. 2	10/08/2020	0.00	195.83
120807	27422	CITY PAGES	10/08/2020	0.00	275.00
120808	26951	COMCAST	10/08/2020	0.00	6.30
120809	03628	COMMERCIAL ASPHALT CO	10/08/2020	0.00	4,436.22
120810	03800	CULLIGAN - METRO	10/08/2020	0.00	228.30
120811	28747	CULLIGAN BOTTLED WATER CO	10/08/2020	0.00	620.60
120812	30954	DAMA METAL PRODUCTS INC	10/08/2020	0.00	120.00
120813	04217	DISCOUNT STEEL INC	10/08/2020	0.00	59.33
120814	04600	DPC INDUSTRIES, INC	10/08/2020	0.00	948.00
120815	04690	DRISKILLS FOODS	10/08/2020	0.00	37.10
120816	28898	ECM PUBLISHERS INC	10/08/2020	0.00	59.50
120817	29006	ENTERPRISE FLEET MANAGEMENT	10/08/2020	0.00	2,959.89
120818	06008	FASTENAL CO	10/08/2020	0.00	16.06
120819	06567	FORCE AMERICA	10/08/2020	0.00	180.00
120820	07564	GOPHER STATE ONE-CALL, INC	10/08/2020	0.00	429.30
120821	30950	JILL GOUX	10/08/2020	0.00	75.00
120822	07681	GRAINGER, INC	10/08/2020	0.00	116.59
120823	30854	GREAT REIVER AUTOMATION LLC	10/08/2020	0.00	1,085.00
120824	08001	HACH COMPANY	10/08/2020	0.00	122.18
120825	08004	HANCE HARDWARE, INC	10/08/2020	0.00	971.63
120826	08038	HAWKINS, INC	10/08/2020	0.00	50.00

Check No	Vendor No	Vendor Name	Check Date	Void Checks	Check Amount
120827	29748	HENNEPIN COUNTY PUBLIC WORKS	10/08/2020	0.00	11,297.61
120828	08179	HENNEPIN CTY TREASURER	10/08/2020	0.00	525.40
120829	08186	HENNEPIN CTY TREASURER	10/08/2020	0.00	87.00
120830	30362	HENRICKSEN & COMPANY INC	10/08/2020	0.00	4,450.48
120831	08336	HIRSHFIELDS	10/08/2020	0.00	1,076.50
120832	08576	HOPKINS F.D. RELIEF ASSOC	10/08/2020	0.00	870.00
120833	08620	HOPKINS ROTARY	10/08/2020	0.00	200.00
120834	09578	INNOVATIVE OFFICE SOLUTIONS	10/08/2020	0.00	553.46
120835	28189	INSTY PRINTS	10/08/2020	0.00	234.13
120836	30269	JANELLE JASPERS JONES	10/08/2020	0.00	348.00
120837	10172	JEFFERSON FIRE & SAFETY	10/08/2020	0.00	786.40
120838	10560	JOHN HENRY FOSTER MN	10/08/2020	0.00	561.50
120839	29249	JR'S ADVANCED RECYCLERS	10/08/2020	0.00	30.00
120840	28469	KELLY GREEN IRRIGATION INC	10/08/2020	0.00	5,643.01
120841	28103	LIBERTY TIRE RECYCLING LLC	10/08/2020	0.00	73.50
120842	29059	MANSFIELD OIL COMPANY	10/08/2020	0.00	11,863.48
120843	13167	MENARDS - EDEN PRAIRIE	10/08/2020	VOID	174.92
120844	29025	METERING & TECHNOLOGY SOLUTIC	10/08/2020	0.00	1,748.93
120845	28665	METRO ALARM & LOCK	10/08/2020	0.00	450.00
120846	13179	METROPOLITAN COUNCIL	10/08/2020	0.00	127,519.29
120847	30953	MIKE HAGE DISTINCTIVE CONCRETE	10/08/2020	0.00	2,583.36
120848	30363	MINNEAPOLIS OXYGEN COMPANY	10/08/2020	0.00	19.80
120849	13354	MN BENEFIT ASSOCIATION	10/08/2020	0.00	37.18
120850	13446	MN DEPT OF LABOR & INDUSTRY	10/08/2020	0.00	80.00
120851	13412	MN TROPHIES	10/08/2020	0.00	32.25
120852	30951	DELLA NIELSON	10/08/2020	0.00	20.00
120853	14587	NORTHLAND BUSINESS SYSTEMS	10/08/2020	0.00	273.76
120854	26974	O'REILLY AUTO PARTS	10/08/2020	0.00	276.43
120855	27622	PERFORMANCE PLUS LLC	10/08/2020	0.00	165.00
120856	30460	PLYMOUTH RIDGE INC	10/08/2020	0.00	5,423.50
120857	16566	POMPS TIRE SERVICE INC	10/08/2020	0.00	454.53
120858	16801	PUMP & METER SERVICE, INC	10/08/2020	0.00	2,070.61
120859	14189	QUADIANT INC	10/08/2020	0.00	36.05
120860	17806	QWEST CORP	10/08/2020	0.00	4,394.39
120861	18327	REINDERS INC	10/08/2020	0.00	570.57
120862	30952	TOM SCHREINER	10/08/2020	0.00	10.00
120863	27124	SHERWIN WILLIAMS	10/08/2020	0.00	52.37
120864	29384	SITEONE LANDSCAPE SUPPLY	10/08/2020	0.00	115.94
120865	19581	SOUTHWEST LOCK & KEY	10/08/2020	0.00	198.00
120866	30318	ST CROIX RECREATION FUN PLAYGR	10/08/2020	0.00	1,196.20
120867	28482	DOUGLAS A TORVUND JR	10/08/2020	0.00	2,904.00
120868	29708	TOXALERT INTERNATIONAL INC.	10/08/2020	0.00	338.00
120869	30093	TRANSUNION RISK ALTERNATIVE DA	10/08/2020	0.00	180.00
120870	20680	TRI-K SERVICES	10/08/2020	0.00	192.00
120871	20887	TWIN CITY WATER CLINIC	10/08/2020	0.00	272.00
120872	22002	VALLEY-RICH COMPANY, INC	10/08/2020	0.00	6,273.92
120873	30819	VERIZON WIRELESS	10/08/2020	0.00	200.05
120874	27692	VESSCO INC	10/08/2020	0.00	1,350.00
120875	23003	WASTE MANAGEMENT OF WI-MN	10/08/2020	0.00	9,568.00
120876	28624	MICHEAL J WHITE	10/08/2020	0.00	322.10
120877	26320	ZIEGLER, INC	10/08/2020	0.00	322.41
Total for 10/8/2020:				174.92	226,671.05
120878	28600	APPLE VALLEY FORD LINCOLN	10/15/2020	0.00	1,619.81
120879	29669	AVESIS	10/15/2020	0.00	301.13
120880	02563	BOLTON & MENK, INC	10/15/2020	0.00	4,469.00

Check No	Vendor No	Vendor Name	Check Date		Void Checks	Check Amount
120881	30957	BROADWAY RENTAL EQUIP CO	10/15/2020		0.00	763.35
120882	03160	CENTERPOINT ENERGY MINNEGASCI	10/15/2020	VOID	959.19	0.00
120883	30508	TROY CLAY	10/15/2020		0.00	2,245.00
120884	26951	COMCAST	10/15/2020		0.00	404.74
120885	26951	COMCAST	10/15/2020		0.00	145.97
120886	30956	DAC CONSTRUCTION LLC	10/15/2020		0.00	218.00
120887	04690	DRISKILLS FOODS	10/15/2020		0.00	122.15
120888	28898	ECM PUBLISHERS INC	10/15/2020		0.00	29.75
120889	05282	EHLERS AND ASSOCIATES, INC	10/15/2020		0.00	32,587.50
120890	29978	EMS SOFTWARE LLC	10/15/2020		0.00	1,319.33
120891	06008	FASTENAL CO	10/15/2020		0.00	190.65
120892	07681	GRAINGER, INC	10/15/2020		0.00	446.68
120893	29377	GRAINGER, INC	10/15/2020		0.00	37.52
120894	08166	HENNEPIN CTY TREASURER	10/15/2020		0.00	229.90
120895	08223	HENNEPIN CTY TREASURER	10/15/2020		0.00	13,608.63
120896	08336	HIRSHFIELDS	10/15/2020		0.00	47.99
120897	08625	HOPKINS POLICE ASSOCIATION	10/15/2020		0.00	1,320.00
120898	08620	HOPKINS ROTARY	10/15/2020		0.00	400.00
120899	09085	ICMA - ROTH IRA - 706260	10/15/2020		0.00	1,514.23
120900	29345	IMPACT MAILING OF MN	10/15/2020		0.00	2,970.77
120901	30958	CECILE JENTILE	10/15/2020		0.00	22.00
120902	29249	JR'S ADVANCED RECYCLERS	10/15/2020		0.00	445.00
120903	11161	KENNEDY & GRAVEN, CHARTERED	10/15/2020		0.00	11,667.60
120904	12012	LAW ENFORCEMENT LABOR SERVICE	10/15/2020		0.00	496.00
120905	12160	LEAGUE OF MN CITIES	10/15/2020		0.00	500.00
120906	30392	CIGNA LIFE INS COMP OF AMERICA -	10/15/2020		0.00	207.40
120907	30391	CIGNA LIFE INS COMP OF AMERICA -	10/15/2020		0.00	2,727.28
120908	30390	CIGNA LIFE INS COMP OF AMERICA -	10/15/2020		0.00	2,712.70
120909	30023	CIGNA LIFE INS COMP OF N AMERICA	10/15/2020		0.00	672.42
120910	13012	MACQUEEN EQUIPMENT INC	10/15/2020		0.00	1,747.12
120911	13047	MARCO	10/15/2020		0.00	2,503.75
120912	13167	MENARDS - EDEN PRAIRIE	10/15/2020		0.00	100.25
120913	30591	METRO FURNITURE SOLUTIONS BY F	10/15/2020		0.00	34,862.61
120914	29295	METRO TRANSIT	10/15/2020		0.00	333,333.33
120915	13275	MICRO CENTER	10/15/2020		0.00	289.95
120916	15521	ON SITE SANITATION	10/15/2020		0.00	1,768.00
120917	26974	O'REILLY AUTO PARTS	10/15/2020		0.00	43.47
120918	29783	PERPETUAL MOTION MARKETING	10/15/2020		0.00	81.30
120919	30199	PULSE ELECTRIC	10/15/2020		0.00	1,033.00
120920	30955	READY WATT ELECTRIC	10/15/2020		0.00	7,692.00
120921	18164	RED WING BUSINESS ADVANTAGE AC	10/15/2020		0.00	494.96
120922	09084	ICMA RETIREMENT TRUST- 300824	10/15/2020		0.00	3,411.53
120923	29200	SPRINGBROOK SOFTWARE INC	10/15/2020		0.00	1,128.50
120924	19602	SPS COMPANIES INC	10/15/2020		0.00	170.36
120925	20560	TOLL GAS & WELDING SUPPLY	10/15/2020		0.00	210.56
120926	21523	UNION LOCAL 49	10/15/2020		0.00	805.00
120927	22563	VOSS LIGHTING	10/15/2020		0.00	174.40
120928	25080	XCEL ENERGY	10/15/2020		0.00	42.42
120929	25080	XCEL ENERGY	10/15/2020		0.00	22.83
120930	26320	ZIEGLER, INC	10/15/2020		0.00	3,332.10
Total for 10/15/2020:					959.19	477,689.94
120934	01045	ABM EQUIPMENT & SUPPLY LLC	10/22/2020		0.00	588.23
120935	01125	ADT SECURITY SERVICES	10/22/2020		0.00	335.04
120936	29535	ADVANCED ENGINEERING	10/22/2020		0.00	118.00
120937	28422	ADVANCED IMAGING SOLUTIONS	10/22/2020		0.00	5,550.97

Check No	Vendor No	Vendor Name	Check Date	Void Checks	Check Amount
120938	01328	AIRGAS USA	10/22/2020	0.00	161.96
120939	28600	APPLE VALLEY FORD LINCOLN	10/22/2020	0.00	58.80
120940	02031	B & W SPECIALTY COFFEE CO	10/22/2020	0.00	513.73
120941	30230	BARNA, GUZY & STEFFEN, LTD.	10/22/2020	0.00	75.00
120942	30960	BERG MYERS LAW OFFICES PA	10/22/2020	0.00	5,000.00
120943	27782	BOUND TREE MEDICAL LLC	10/22/2020	0.00	827.02
120944	03160	CENTERPOINT ENERGY MINNEGASCO	10/22/2020	0.00	2,366.71
120945	28981	CHESTNUT CAMBRONNE PA	10/22/2020	0.00	13,718.60
120946	26951	COMCAST	10/22/2020	0.00	453.84
120947	30560	COMPUTER INTEGRATION TECHNOLOGIES	10/22/2020	0.00	3,090.00
120948	29731	DATA CENTER SYSTEMS INC.	10/22/2020	0.00	217.00
120949	30966	DELTA FIRE & SAFETY INC	10/22/2020	0.00	6,600.00
120950	29303	DIVERSIFIED COFFEE PRODUCTS	10/22/2020	0.00	85.00
120951	04600	DPC INDUSTRIES, INC	10/22/2020	0.00	948.00
120952	01523	EARL F. ANDERSEN, INC	10/22/2020	0.00	265.15
120953	28898	ECM PUBLISHERS INC	10/22/2020	0.00	892.50
120954	05282	EHLERS AND ASSOCIATES, INC	10/22/2020	0.00	2,471.25
120955	29398	ENTERPRISE FLEET MANAGEMENT	10/22/2020	0.00	2,564.08
120956	28696	FORTRES GRAND CORPORATION	10/22/2020	0.00	182.59
120957	07185	GENUINE PARTS	10/22/2020	0.00	69.64
120958	07681	GRAINGER, INC	10/22/2020	0.00	71.54
120959	28609	GRANICUS INC	10/22/2020	0.00	1,386.68
120960	08166	HENNEPIN CTY TREASURER	10/22/2020	0.00	2,701.90
120961	08166	HENNEPIN CTY TREASURER	10/22/2020	0.00	1,823.55
120962	08179	HENNEPIN CTY TREASURER	10/22/2020	0.00	1,277.50
120963	27454	HENNEPIN CTY TREASURER	10/22/2020	0.00	6,533.00
120964	08336	HIRSHFIELDS	10/22/2020	0.00	70.98
120965	30853	HOPKINS DANCE COMPANY INC	10/22/2020	0.00	5,000.00
120966	30625	ICMA MEMBERSHIP RENEWALS	10/22/2020	0.00	1,400.00
120967	28601	JENN ARI GROUP	10/22/2020	0.00	2,509.18
120968	28469	KELLY GREEN IRRIGATION INC	10/22/2020	0.00	575.17
120969	29201	KG LANDSCAPE MANAGEMENT	10/22/2020	0.00	6,747.14
120970	13012	MACQUEEN EQUIPMENT INC	10/22/2020	0.00	744.18
120971	13167	MENARDS - EDEN PRAIRIE	10/22/2020	0.00	209.12
120972	30156	MINNESOTA CONCRETE COUNCIL	10/22/2020	0.00	25.00
120973	30968	MINNESOTA STATE ARTS BOARD	10/22/2020	0.00	37,490.00
120974	13412	MN TROPHIES	10/22/2020	0.00	32.25
120975	14582	NORTHWEST ASPHALT INC	10/22/2020	0.00	1,106,610.97
120976	15441	OLSEN CHAIN AND CABLE CO INC	10/22/2020	0.00	96.96
120977	15521	ON SITE SANITATION	10/22/2020	0.00	54.00
120978	26974	O'REILLY AUTO PARTS	10/22/2020	0.00	9.31
120979	30967	PAMLICO CARTGRAPH SYSTEMS HOI	10/22/2020	0.00	39,810.76
120980	16687	PRO-TEC DESIGN INC	10/22/2020	0.00	431.82
120981	14188	QUADIEN LEASING INC	10/22/2020	0.00	2,346.09
120982	04573	QUALITY RESOURCE GROUP INC	10/22/2020	0.00	446.50
120983	17806	QWEST CORP	10/22/2020	0.00	1,854.29
120984	19004	SAMARITAN TIRE COMPANY	10/22/2020	0.00	240.00
120985	30870	SAMBA TASTE OF BRAZIL INC	10/22/2020	0.00	5,000.00
120986	19117	SCHERER BROS. LUMBER CO.	10/22/2020	0.00	11.25
120987	30962	SCHUMACHER CHIROPRACTIC CLINI	10/22/2020	0.00	5,000.00
120988	19520	SNAP PRINT INC	10/22/2020	0.00	58.80
120989	30125	SOCORE ENERGY	10/22/2020	0.00	138,546.18
120990	30125	SOCORE ENERGY	10/22/2020	0.00	29,700.27
120991	19567	SOUTHWEST SUB CABLE COMM	10/22/2020	0.00	2,599.00
120992	30495	SPEEDWAY LLC	10/22/2020	0.00	5.00
120993	30964	STUDIO 6 LLC	10/22/2020	0.00	5,000.00
120994	19824	SUNSHINE CAR WASH	10/22/2020	0.00	158.82

Check No	Vendor No	Vendor Name	Check Date	Void Checks	Check Amount
120995	30965	SYDICATE SALES COPRORATION	10/22/2020	0.00	5,000.00
120996	20120	TDS METROCOM - MN	10/22/2020	0.00	343.71
120997	30608	THE FENCE STORE LLC	10/22/2020	0.00	914.00
120998	29795	TRANE	10/22/2020	0.00	6,645.00
120999	03440	ULTIMATE SAFETY CONCEPTS INC	10/22/2020	0.00	3,458.00
121000	21532	UNIVERSITY OF MN	10/22/2020	0.00	134.00
121001	29458	VERIZON WIRELESS	10/22/2020	0.00	2,115.82
121002	29475	VERIZON WIRELESS	10/22/2020	0.00	105.03
121003	29489	VERIZON WIRELESS	10/22/2020	0.00	35.01
121004	29490	VERIZON WIRELESS	10/22/2020	0.00	802.59
121005	30963	VNAILS HOPKINS CORP LTD	10/22/2020	0.00	5,000.00
121006	22563	VOSS LIGHTING	10/22/2020	0.00	7,965.73
121007	29480	CHARLES WEINSTEIN	10/22/2020	0.00	500.00
121008	23325	WILSONS NURSERY	10/22/2020	0.00	14,671.35
121009	25080	XCEL ENERGY	10/22/2020	0.00	8,431.29
Total for 10/22/2020:				0.00	1,509,851.85
121013	01045	ABM EQUIPMENT & SUPPLY LLC	10/29/2020	0.00	23.41
121014	30728	AMERICAN FEDERATION OF STATE, C	10/29/2020	0.00	1,460.69
121015	30933	ANCHOR SOLAR INVESTMENTS LLC	10/29/2020	0.00	1,662.57
121016	30343	ASPHALT SURFACE TECHNOLOGIES (	10/29/2020	0.00	26,287.50
121017	30971	BARBARO LLC	10/29/2020	0.00	750.00
121018	30481	BATTERIES PLUS BULBS #018	10/29/2020	0.00	455.85
121019	30969	BODYLAB FITNESS STUDIO LLC	10/29/2020	0.00	5,000.00
121020	27782	BOUND TREE MEDICAL LLC	10/29/2020	0.00	376.05
121021	28430	CENTURY LINK	10/29/2020	0.00	158.31
121022	28981	CHESTNUT CAMBRONNE PA	10/29/2020	0.00	1,188.40
121023	30127	CINTAS CORPORATION NO. 2	10/29/2020	0.00	345.64
121024	30986	JAVON CLARK	10/29/2020	0.00	40.00
121025	26951	COMCAST	10/29/2020	0.00	69.95
121026	26951	COMCAST	10/29/2020	0.00	2.10
121027	26951	COMCAST	10/29/2020	0.00	149.74
121028	30974	COMCAST HOLDINGS CORPORATION	10/29/2020	0.00	20,405.00
121029	28123	CRITTERS UNLIMITED INC	10/29/2020	0.00	180.00
121030	03800	CULLIGAN - METRO	10/29/2020	0.00	74.14
121031	UB*00513	DOWNRIGHT PROPERTIES LLC	10/29/2020	0.00	105.28
121032	29520	ECOLAB	10/29/2020	0.00	192.34
121033	05481	EMERGENCY APPARATUS MAINT INC	10/29/2020	0.00	16,300.33
121034	30330	FAE LSE 6 LLC	10/29/2020	0.00	5,334.80
121035	06008	FASTENAL CO	10/29/2020	0.00	4.69
121036	30978	TOM FENEIS	10/29/2020	0.00	638.70
121037	30987	GARY FORD	10/29/2020	0.00	300.00
121038	UB*00572	FOUR STAR STAMPING	10/29/2020	0.00	57.94
121039	UB*00575	MELISSA GENDRON	10/29/2020	0.00	55.00
121040	UB*00577	MELISSA GENDRON	10/29/2020	0.00	55.00
121041	30555	MARGARET GONGOLL	10/29/2020	0.00	405.00
121042	29377	GRAINGER, INC	10/29/2020	0.00	82.67
121043	30983	CHARLIE GREEMAN	10/29/2020	0.00	62.90
121044	30982	CHARLES GROSSMAN	10/29/2020	0.00	445.16
121045	30988	HEALTHY AIR SOLUTIONS INC	10/29/2020	0.00	4,950.00
121046	30048	RICH HILL	10/29/2020	0.00	500.00
121047	30961	HOAGLES FAMILY RESTAURANT INC	10/29/2020	0.00	5,000.00
121048	08627	HOME DEPOT CREDIT SERVICES	10/29/2020	0.00	84.96
121049	UB*00576	AMY HYETT	10/29/2020	0.00	7.81
121050	09801	I.U.O.E. CENTRAL PENSION FUND	10/29/2020	0.00	2,760.00
121051	09085	ICMA - ROTH IRA - 706260	10/29/2020	0.00	1,454.23

Check No	Vendor No	Vendor Name	Check Date	Void Checks	Check Amount
121052	10172	JEFFERSON FIRE & SAFETY	10/29/2020	0.00	1,400.00
121053	30691	LUKAS JENSEN	10/29/2020	0.00	5,000.00
121054	11161	KENNEDY & GRAVEN, CHARTERED	10/29/2020	0.00	3,647.85
121055	30984	PETER KERIN	10/29/2020	0.00	214.52
121056	30970	ARLENE KOKESH	10/29/2020	0.00	145.00
121057	30981	KEN LABAU	10/29/2020	0.00	851.61
121058	12160	LEAGUE OF MN CITIES	10/29/2020	0.00	2,221.78
121059	30145	ZACH LUNDBERG	10/29/2020	0.00	500.00
121060	UB*00578	MENDOZA HOPKINS LLC	10/29/2020	0.00	24.84
121061	UB*00581	MENDOZA HOPKINS LLC	10/29/2020	0.00	0.16
121062	28665	METRO ALARM & LOCK	10/29/2020	0.00	90.00
121063	UB*00574	ANDREW METTKE	10/29/2020	0.00	50.56
121064	29177	RENEE A MEUWISSEN	10/29/2020	0.00	345.00
121065	UB*00573	DALE MOLDENHAUER	10/29/2020	0.00	4.83
121066	29432	MONKEY IN A DRYER	10/29/2020	0.00	480.00
121067	30975	NACAC	10/29/2020	0.00	535.48
121068	30980	GARY NASSES	10/29/2020	0.00	148.39
121069	30600	ROBERT OLSON	10/29/2020	0.00	435.00
121070	29783	PERPETUAL MOTION MARKETING	10/29/2020	0.00	100.00
121071	16166	PETTY CASH	10/29/2020	0.00	100.00
121072	16687	PRO-TEC DESIGN INC	10/29/2020	0.00	109.12
121073	UB*00579	MATTHEW PUSKARICH	10/29/2020	0.00	62.43
121074	30985	SAMUEL THOMAS RANDALL	10/29/2020	0.00	40.00
121075	30979	REGENCY MASTER ASSOCIATION	10/29/2020	0.00	209.68
121076	08568	RESOURCE WEST	10/29/2020	0.00	92.37
121077	09084	ICMA RETIREMENT TRUST- 300824	10/29/2020	0.00	3,394.39
121078	30976	KAIRUS RUDINA	10/29/2020	0.00	709.67
121079	29301	SCHEDULES PLUS LLC	10/29/2020	0.00	900.00
121080	19117	SCHERER BROS. LUMBER CO.	10/29/2020	0.00	9.71
121081	30015	SERVICE GRINDING & SHARPENING I	10/29/2020	0.00	83.50
121082	30973	JAKE SODERBERG	10/29/2020	0.00	120.00
121083	29115	MANUEL SOTELO	10/29/2020	0.00	290.00
121084	30091	RAY STAFFORD	10/29/2020	0.00	480.00
121085	19777	STREICHERS	10/29/2020	0.00	149.98
121086	29205	CHRIS STRONER	10/29/2020	0.00	360.00
121087	02326	T T & J VENTURES LLC	10/29/2020	0.00	5,000.00
121088	28040	ROBERT JOSEPH TAYLOR	10/29/2020	0.00	70.00
121089	UB*00580	TRC GLASS ONE LLC	10/29/2020	0.00	28.19
121090	20883	TWIN CITY GARAGE DOOR INC	10/29/2020	0.00	625.00
121091	03440	ULTIMATE SAFETY CONCEPTS INC	10/29/2020	0.00	606.70
121092	21529	UNITED WAY	10/29/2020	0.00	71.55
121093	22563	VOSS LIGHTING	10/29/2020	0.00	295.67
121094	28624	MICHEAL J WHITE	10/29/2020	0.00	227.60
121095	30977	MOLLY WHITE	10/29/2020	0.00	425.80
121096	30972	MAYNARD TERRELL WOODS	10/29/2020	0.00	400.00
121097	25080	XCEL ENERGY	10/29/2020	0.00	423.67
121098	25080	XCEL ENERGY	10/29/2020	0.00	180.71
121099	UB*00564	TING SUI ZHENG	10/29/2020	0.00	12.59
Total for 10/29/2020:				0.00	129,099.51
Report Total (368 checks):				1,134.11	2,423,906.42



**PARTICIPATION IN THE LOCAL HOUSING INCENTIVES ACCOUNT PROGRAM UNDER THE METROPOLITAN LIVABLE COMMUNITIES ACT**

**Proposed Action**

Staff recommends adoption of the following motion: Move to approve Resolution 2020-058 electing to participate in the Local Housing Incentives Account Program under the Metropolitan Livable Communities Act.

**Overview**

The Local Housing Incentives Account Program (LHIA) under the Metropolitan Livable Communities Act is a voluntary program that makes participating communities eligible to compete for grants that support meeting affordable housing goals, cleaning up polluted sites, and developing projects that connect housing, jobs, and transit. The Livable Communities Act (LCA) was enacted in 1995 and currently has four types of grants: Tax Base Revitalization Account, Livable Communities Demonstration Account, Local Housing Incentives Account, and Transit Oriented Development. Hopkins has participated in the program since its inception and has been awarded more than \$10,500,000 in LCA grants.

In order to participate in the LHIA Program, a community needs to adopt affordable and life cycle housing goals. The Metropolitan Council has determined that Hopkins' allocation of the regional need for affordable housing over the next decade is 197 units. The Metropolitan Council is requesting that Hopkins establish its affordable housing goal as a range of 109-197 units and its life cycle housing goal as 500 units for the calendar years 2021-2030.

In addition to passing a resolution adopting the affordable and life cycle housing goals, the City of Hopkins must submit a plan identifying the actions it plans to take to meet its established housing goals, which will consist largely of the housing chapter and appendix from the 2040 Comprehensive Plan.

**Primary Issues to Consider**

- How realistic are the housing goals proposed by the Metropolitan Council?
- What is the incentive to participate?

**Supporting Information**

- Resolution 2020-058

\_\_\_\_\_  
Jan Youngquist, AICP  
Community Development Coordinator

Financial Impact: \$ ____ 0 ____ Budgeted: Y/N ____ Source: _____ Related Documents (CIP, ERP, etc.): _____
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## **Analysis of Issues**

- How realistic are the housing goals proposed by the Metropolitan Council?

Hopkins is projected to add approximately 700 new households between now and 2030, many of which may be located near the Southwest Light Rail transit stations. The housing goals of 109-197 affordable and 500 life cycle units proposed by the Metropolitan Council are well within the projected growth. The 2040 Comprehensive Plan includes a goal to maintain an inventory of housing that is affordable to moderate and low income households as well as a policy to support the development of moderate to high density housing in appropriate locations, particularly near commercial nodes and activity centers.

In recognition that there is not sufficient funding available to meet forecasted affordable housing needs throughout the metropolitan region, the Metropolitan Council established a range of units for each community's affordable housing goal, which is 55 percent to 100 percent of the community's fair share of the regional need. Hopkins' range is 109-197 units. The life cycle housing goal was calculated by looking at the acreage of land guided for multifamily development in the 2040 Comprehensive Plan multiplied by the median density of that land, for a total of 500 units.

With the proposed development projects on the horizon, it is reasonable to expect that Hopkins will meet these goals.

- What is the incentive to participate?

Participation in the LHIA Program makes Hopkins eligible to compete for Livable Communities grants from the Metropolitan Council that support cleanup of polluted sites, transit oriented development, affordable housing, and innovative development that connects housing, jobs and services. Hopkins has been awarded a total of \$10,527,535 in LCA grants, which have supported projects including Marketplace Lofts, Gallery Flats, Excelsior Crossings, Oxford Village, the Artery, and 325 Blake Road. Additionally, participation in the LHIA Program is required in order for the City to receive Contamination Cleanup Grants from the Minnesota Department of Employment and Economic Development.

With much of the future development in Hopkins anticipated to occur as redevelopment of properties near the Southwest light rail stations, access to these grants can bring funding to help make these projects feasible.

## **Alternatives**

The Council has the following alternatives:

- Approve Resolution 2020-058
- Deny Resolution 2020-058 and opt to not participate in the LHIA Program

**CITY OF HOPKINS  
HENNEPIN COUNTY, MINNESOTA**

**RESOLUTION 2020-058**

**RESOLUTION ELECTING TO PARTICIPATE IN  
THE LOCAL HOUSING INCENTIVES ACCOUNT PROGRAM  
UNDER THE METROPOLITAN LIVABLE COMMUNITIES ACT**

**CALENDAR YEARS 2021 THROUGH 2030**

**WHEREAS**, the Metropolitan Livable Communities Act (Minnesota Statutes sections 473.25 to 473.255) establishes a Metropolitan Livable Communities Fund which is intended to address housing and other development issues facing the metropolitan area defined by Minnesota Statutes section 473.121; and

**WHEREAS**, the Metropolitan Livable Communities Fund, comprising the Tax Base Revitalization Account, the Livable Communities Demonstration Account, the Local Housing Incentive Account and the Inclusionary Housing Account, is intended to provide certain funding and other assistance to metropolitan-area municipalities; and

**WHEREAS**, a metropolitan-area municipality is not eligible to receive grants or loans under the Metropolitan Livable Communities Fund or eligible to receive certain polluted sites cleanup funding from the Minnesota Department of Employment and Economic Development unless the municipality is participating in the Local Housing Incentives Account Program under Minnesota Statutes section 473.254; and

**WHEREAS**, the Metropolitan Livable Communities Act requires that each municipality establish affordable and life-cycle housing goals for that municipality that are consistent with and promote the policies of the Metropolitan Council as provided in the adopted Metropolitan Development Guide; and

**WHEREAS**, a metropolitan-area municipality can participate in the Local Housing Incentives Account Program under Minnesota Statutes section 473.254 if: (a) the municipality elects to participate in the Local Housing Incentives Program; (b) the Metropolitan Council and the municipality successfully negotiate new affordable and life-cycle housing goals for the municipality; (c) the Metropolitan Council adopts by resolution the new negotiated affordable and life-cycle housing goals for the municipality; and (d) the municipality establishes it has spent or will spend or distribute to the Local Housing Incentives Account the required Affordable and Life-Cycle Housing Opportunities Amount (ALHOA) for each year the municipality participates in the Local Housing Incentives Account Program.

**NOW, THEREFORE, BE IT RESOLVED THAT** the City of Hopkins:

1. Elects to participate in the Local Housing Incentives Program under the Metropolitan Livable Communities Act for calendar years 2021 through 2030.
2. Agrees to the following affordable and life-cycle housing goals for calendar years 2021 through 2030:

Affordable Housing Goals Range	Life-Cycle Housing Goal
109-197	500

3. Will prepare and submit to the Metropolitan Council a plan identifying the actions it plans to take to meet its established housing goals.

Adopted this 4<sup>th</sup> day of November, 2020.

By: \_\_\_\_\_  
Jason Gadd, Mayor

ATTEST:

\_\_\_\_\_  
Amy Domeier, City Clerk



Finance Department

CITY OF HOPKINS

## Memorandum

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

From: Nick Bishop, Finance Director

Date: November 4, 2020

Subject: Review Options for 2021 Tax Levy

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### PURPOSE

No formal action is required at this meeting. Staff is requesting input on the proposed options for the 2021 Tax Levy.

### INFORMATION

#### Summary

A draft version of the 2021 Budget and Tax Levy was prepared by staff and presented to City Council on July 21<sup>st</sup>. The draft included both conservative revenue estimates and decreased expenditures. The City also hosted a virtual budget engagement session on August 17<sup>th</sup> that reviewed the same draft version of the budget and tax levy. City Council directed staff to reduce this initial draft.

The 2021 Budget and Tax Levy was reduced and presented to City Council on September 1<sup>st</sup> and approved as the 2021 Preliminary Budget and Tax Levy on September 15<sup>th</sup>. The preliminary tax levy was set at \$18,023,384, a \$493,700 or 2.82% increase from 2020. Based on preliminary tax capacity information, City taxes on a median value home (\$291,000) will be \$1,877, a \$49 or 2.68% increase from 2020. This levy will meet the needs of the Community in 2021, but it does so at a lower level of service than in years past.

The preliminary budget and tax levy includes the following reductions:

- General Fund Reductions of \$100,000 have been identified and removed from the budget. An open public works superintendent position was eliminated and the supervisory aspects combined with an existing position. Other reductions identified include reducing crack sealing on City streets by 25%, a 20% reduction in tree re-planting and delaying all pole painting.
- COVID-19 Contingency of \$150,000 has been removed from the budget. This contingency budget was included to address the financial uncertainty surrounding COVID-19 in 2021. It could have been transferred to any of the City's funds experiencing financial difficulty. Staff believes funds from the Equipment Replacement Fund and Capital Improvement Fund could be used as one-time contingency for 2021. Any additional impacts from COVID-19 could cause the city to need to rely on existing reserves or further reductions.
- Burnes Park debt service has previously been paid for with a portion of our debt levy. \$150,000 of franchise fees that were previously dedicated to current park improvements will be used to pay debt service for the 2017 project. The tax levy was planned through 2032 and this decision could be one-time or continued. The five-year plan for the Park Dedication Fund would need updating based on this change. The fund would rely on park dedication fees from new development to fund current projects. This will likely leads to cancelled or delayed projects at Shady Oak Beach, Cottageville Park, Maetzold Field, Oakes Park and Downtown Park.

The City's Financial Management Plan was reviewed at the October 6<sup>th</sup> City Council meeting. The 2021-2025 Equipment Replacement and Capital Improvement Plans were reviewed at the October 13<sup>th</sup> Work Session. City Council has directed staff to continue to look for ways to reduce the tax levy. The Final 2021 Budget and Tax Levy is scheduled to be approved on December 15. The following two options are being presented for consideration.

## Option 1: 1.48% Levy Increase in 2021

In Option 1, the Final 2021 levy would be set at \$17,788,384, a \$258,700 or 1.48% increase from 2020. Based on preliminary tax capacity information, city taxes on a median value home (\$291,000) will be \$1,848, a \$22 or 1.19% increase from 2020.

*Capital Levy:* The capital levy would be eliminated for 2021. The Activity Center-Facility Improvement project would be delayed until 2022 or later. No other projects are scheduled in the Capital Improvement Fund during 2021. The Capital Improvement Fund would be projected to end 2021 with a fund balance of \$202,908.

*Equipment Replacement Levy:* The equipment replacement levy would be set at \$200,000, which is a \$50,000 reduction from the preliminary levy. This levy amount would still allow for the purchase of all equipment in the Equipment Replacement Fund or could be used as a contingency budget for unknown effects of COVID-19. The City would not need to fund purchases through the issuance of equipment certificates or other types of debt. The Equipment Replacement Fund would be projected to end 2021 with a fund balance of \$559,915.

*Debt Levy:* The debt levy would be set at \$4,108,650, which is a \$10,000 reduction from the preliminary levy. The further reduction is based on estimated interest savings from the 2020B GO Refunding Bonds that are being sold on November 17<sup>th</sup>.

<b>Option 1: 1.48% Increase in 2021</b>			
<b>Purpose</b>	<b>Actual FY2020</b>	<b>Option 1 FY2021</b>	<b>% Increase (Decrease)</b>
<b>General Operations</b>			
General Fund	12,479,305	12,808,552	2.64%
Capital Levy	75,000	-	-100.00%
Arts Center	325,225	331,182	1.83%
Pavilion Fund	290,000	340,000	17.24%
Equipment Replacement	110,000	200,000	81.82%
Total General Operations	13,279,530	13,679,734	3.01%
 Debt Levy	 4,250,154	 4,108,650	 -3.33%
 Total Levy	 <u>17,529,684</u>	 <u>17,788,384</u>	 1.48%

## Option 2: No Levy Increase in 2021

In Option 2, the Final 2021 levy would have no increases compared to 2020. Based on preliminary tax capacity information, city taxes on a median value home (\$291,000) would be \$1,818, a \$9 or 0.49% decrease from 2020.

*Capital Levy:* The capital levy would be eliminated for 2021. The Activity Center-Facility Improvement project would be delayed until 2022 or later. No other projects are scheduled in the Capital Improvement Fund during 2021. The Capital Improvement Fund would be projected to end 2021 with a fund balance of \$202,908.

*Equipment Replacement:* The equipment replacement levy would be eliminated for 2021. Equipment charges would be held flat, resulting in a general fund levy reduction of \$51,808. This levy and equipment charge amount would still allow for the purchase of all equipment in the Equipment Replacement Fund. The City would not need to fund purchases through the issuance of equipment certificates or other types of debt. The Equipment Replacement Fund would be projected to end 2021 with a fund balance of \$308,107.

*Debt Levy:* The debt levy would be set at \$4,108,650, which is a \$10,000 reduction from the preliminary levy. The further reduction is based on estimated debt service from the 2020B GO Refunding Bonds that are being sold on November 17<sup>th</sup>.

*General Fund Levy:* The general fund levy would be set at \$12,749,852, which is a \$58,700 reduction from the preliminary levy. General fund equipment charges would be held flat, resulting in a \$51,808 reduction to the general fund levy (impacts are described above). The Activity Center Director position will also be held vacant during January, resulting in additional savings of \$6,892.

<b>Option 2: No Increase in 2021</b>			
<b>Purpose</b>	<b>Actual FY2020</b>	<b>Option 1 FY2021</b>	<b>% Increase (Decrease)</b>
<b>General Operations</b>			
General Fund	12,479,305	12,749,852	2.17%
Capital Levy	75,000	-	-100.00%
Arts Center	325,225	331,182	1.83%
Pavilion Fund	290,000	340,000	17.24%
Equipment Replacement	110,000	-	-100.00%
Total General Operations	13,279,530	13,421,034	1.07%
Debt Levy	4,250,154	4,108,650	-3.33%
Total Levy	17,529,684	17,529,684	0.00%

## FUTURE ACTION: 2021 Budget Preparation Schedule

The following table outlines the tentative schedule for discussions on important aspects of the City's Budget.

<b>Meeting Date</b>	<b>Meeting Type</b>	<b>Subject</b>	<b>Details</b>												
<b>October 6</b>	Regular Meeting	Financial Management Plan (FMP) Update	-Overview of the FMP, prior tax increases and debt												
<b>October 13</b>	Work Session	Review Capital Improvement Plan (CIP) and Equipment Replacement Plan (ERP)	-Park Dedication Fund -Capital Improvement Levy (City Buildings) -Permanent Improvement Revolving Fund (Street Projects) -Equipment Replacement Levy												
<b>October 20</b>	Regular Meeting	Quarterly Financial Report													
<b>November 4 (Wednesday)</b>	Regular Meeting	Review Options for 2021 Tax Levy	-Review reduced levy options for 2021												
<b>November 10</b>	Work Session	Review Special Revenue Budgets, Activity Center Budget, Enterprise Fund Budgets and Utility Rates	<table style="width: 100%; border: none;"> <tr> <td style="width: 50%;">-Chemical Assessment</td> <td style="width: 50%;">-Activity Center</td> </tr> <tr> <td>-Economic Development</td> <td>-Sewer</td> </tr> <tr> <td>-Parking</td> <td>-Storm Sewer</td> </tr> <tr> <td>-Communications</td> <td>-Refuse</td> </tr> <tr> <td>-Depot</td> <td>-Pavilion</td> </tr> <tr> <td>-Arts Center</td> <td>-Water</td> </tr> </table>	-Chemical Assessment	-Activity Center	-Economic Development	-Sewer	-Parking	-Storm Sewer	-Communications	-Refuse	-Depot	-Pavilion	-Arts Center	-Water
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-Communications	-Refuse														
-Depot	-Pavilion														
-Arts Center	-Water														
<b>November 17</b>	Regular Meeting	Approve CIP, ERP & Utility Rates													
<b>November 30 (Monday)</b>	Regular Meeting	Truth in Taxation Hearing	-Overview of 2021 Budget and Tax Levy -Public Comment												
<b>December 1</b>	Regular Meeting	Approve Final Budget & Tax Levy	-Final Comments from Council on Budget -Could be approved if appropriate												
<b>December 15</b>	Regular Meeting	Approve Final Budget & Tax Levy	-Last scheduled meeting to approve												