

**HOPKINS CITY COUNCIL  
WORK SESSION  
AGENDA**

Tuesday, October 12, 2021

**6:30 pm**

**Hopkins City Hall – Council Chambers**

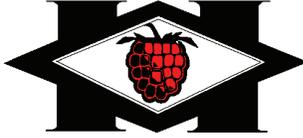
6:30 p.m. Update on Design for 325 Blake Road – MCWD Property; Elverum

7:00 p.m. Emergency Operations Plan (EOP) Review; Specken

7:30 p.m. Enterprise Fund Budgets and Utility Rates; Bishop

Other

Adjournment



CITY OF HOPKINS

## Memorandum

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

From: Kersten Elverum, Director of Planning & Development

Date: October 12, 2021

Subject: Update on Design for 325 Blake Road – MCWD Property

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### PURPOSE

The purpose of the October 12, 2021, work session discussion is to receive an update on design work for the property at 325 Blake Road that the Minnehaha Creek Watershed District intends to retain, after the sale of the majority of the site to a private developer. The design was influenced by MCWD goals and input from stakeholders including the Hopkins City Council on March 16, 2021.

### INFORMATION

The Minnehaha Creek Watershed District (MCWD) owns the property at 325 Blake Road, often referred to as the Cold Storage Site due to its previous use. The MCWD purchased the property in 2011 as a key piece of the Minnehaha Creek Greenway restoration. Central to the work the MCWD intends to undertake on this property is the establishment a regional stormwater treatment facility. Stormwater from 270 acres will be brought into the site through two diversion pipes, already in place, and treated in a stormwater pond in the eastern portion of the site. Another major goal that will be accomplished with the project is the extension of the Minnehaha Creek Greenway through the site, creating a connection the Cedar Lake LRT Regional Trail and Cottageville Park.

Staff from the MCWD will present the plans, which are at 30% design, at the work session and solicit any feedback the City Council wants to provide.

### FUTURE ACTION

While the City of Hopkins will not be approving the work that takes place on the MCWD property as part of a land use approval process, the City will be asked to approve the associated development proposed by Alatus development. It is critical that the improvements on both properties work together to create a dynamic, integrated experience for everyone to enjoy.



**FIRE DEPARTMENT**

**CITY OF HOPKINS**

## **Memorandum**

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

From: Dale Specken, Fire Chief

Date: October 12, 2021

Subject: Emergency Operations Plan (EOP) Review

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### **PURPOSE**

Review updated changes to the Hopkins Emergency Operations Plan (EOP).

### **INFORMATION**

We will review all aspects of the City's EOP. We will discuss and take questions on the purpose of the plan and review all of the annexes that make up the plan.

We will discuss the City Council's role in respects to the EOP and in the Emergency Operation Center.

We will discuss the next steps in implementation of the revised EOP.

### **FUTURE ACTION**

It is anticipated that consideration of the EOP will occur at the October 19, 2021 City Council meeting.



CITY OF HOPKINS

## Memorandum

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

From: Nick Bishop, Finance Director

Date: October 12, 2021

Subject: Enterprise Fund Budgets and Utility Rates

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**PURPOSE**

No formal action is required at this meeting. Staff is requesting input on the proposed budgets for enterprise funds and utility rates.

**INFORMATION**

Pavilion Fund

The Hopkins Pavilion is a multi-use, year-round arena and community facility. The arena is used for a multitude of activities including ice skating, broomball, soccer, lacrosse, inline skating, rugby, baseball, softball, concerts, company picnics and other community and private events. The main revenue sources are a property tax levy, facility rentals and leases. The main expenses are depreciation, salary, benefits and bond interest. The budget is projecting a decrease in net position of \$249,948, which includes \$480,000 of depreciation. The funds cash flow is projected to increase.

Pavilion	Proposed		%age Incr (Decr)
	2021 Budget	2022 Budget	
Revenues	\$ 823,500	\$ 836,500	1.58%
Expenditures	\$1,098,360	\$ 1,086,448	-1.08%
<b>Revenues over (under) Expenditures</b>	<b>\$ (274,860)</b>	<b>\$ (249,948)</b>	

## Utility Funds

The City has four separate utility funds to provide: water, sanitary sewer, storm sewer and refuse collection services. They are classified as enterprise or business-type funds. The main source of revenue for all funds is user charges. The main expenses are salaries, benefits, depreciation, bond costs, municipal wastewater charges and contracted services for recycling and organic pickup. Collectively, the funds are projected to end the year with a cash balance of \$5.7 million and a net position (fund balance) of 26.7 million. The water, sanitary sewer and storm sewer funds have a positive cash flow projection in 2022. The refuse fund is projected to slightly decrease its cash position in 2022, which can be absorbed within the fund.

<b>Water</b>	<b>2021</b>	<b>Proposed</b>	<b>%age</b>
	<b><u>Budget</u></b>	<b><u>Budget</u></b>	<b><u>Incr (Decr)</u></b>
<b>Revenues</b>	\$ 2,292,074	\$ 2,366,750	3.26%
<b>Expenditures</b>	\$ 2,198,674	\$ 2,364,599	7.55%
<b>Revenues over (under) Expenditures</b>	\$ 93,400	\$ 2,151	

<b>Sanitary Sewer</b>	<b>2021</b>	<b>Proposed</b>	<b>%age</b>
	<b><u>Budget</u></b>	<b><u>Budget</u></b>	<b><u>Incr (Decr)</u></b>
<b>Revenues</b>	\$ 3,105,587	\$ 3,213,750	3.48%
<b>Expenditures</b>	\$ 2,963,236	\$ 3,152,338	6.38%
<b>Revenues over (under) Expenditures</b>	\$ 142,351	\$ 61,412	

<b>Storm Sewer</b>	<b>2021</b>	<b>Proposed</b>	<b>%age</b>
	<b><u>Budget</u></b>	<b><u>Budget</u></b>	<b><u>Incr (Decr)</u></b>
<b>Revenues</b>	\$ 789,332	\$ 792,332	0.38%
<b>Expenditures</b>	\$ 596,969	\$ 679,722	13.86%
<b>Revenues over (under) Expenditures</b>	\$ 192,363	\$ 112,610	

<b>Refuse</b>	<b>2021</b>	<b>Proposed</b>	<b>%age</b>
	<b><u>Budget</u></b>	<b><u>Budget</u></b>	<b><u>Incr (Decr)</u></b>
<b>Revenues</b>	\$ 1,001,941	\$ 1,254,420	25.20%
<b>Expenditures</b>	\$ 1,029,220	\$ 1,329,059	29.13%
<b>Revenues over (under) Expenditures</b>	\$ (27,279)	\$ (74,639)	

## Water & Sanitary Sewer Rates

Proposed Water and Sanitary Sewer fund budgets have been prepared for 2022. The Water and Sanitary Sewer budgets being proposed include rate increases of approximately 3.25% based on operational and capital needs. The City has a tiered rate structure for water consumption.

	2021 <u>Current</u>	2022 <u>Proposed</u>	Percent <u>Increase</u>
<b>Flat Rates Per Meter Per Month</b>			
Residential - 5/8" meter	3.02	3.12	3.31%
Residential - 1" meter	3.02	3.12	3.31%
Apt/Commercial - 1-1/2" to 2" meter	6.05	6.25	3.31%
Apt/Commercial - 3" meter	9.08	9.38	3.30%
Apt/Commercial - 4" meter	12.09	12.48	3.23%
Apt/Commercial - 6" meter	18.14	18.73	3.25%
<b>Consumption Rates, Per 1,000 Gallons</b>			
<b>Residential and Multi-Family</b>			
0 - 3,000 gallons	3.10	3.20	3.23%
3,001 - 5,000 gallons	3.56	3.68	3.37%
5,001 and over	4.09	4.22	3.18%
<b>Commercial</b>			
0 - 10,000 gallons	2.96	3.06	3.38%
10,001 - 20,000 gallons	3.39	3.50	3.24%
20,001 and over	3.91	4.04	3.32%
Irrigation - all usage	3.70	3.82	3.24%
Production meter	3.12	3.22	3.21%
Sanitary Sewer	6.86	7.08	3.21%

The two following charts show the impact of the water and sewer rate increases for different user types.

Impact on Low, Median and High Residential User				
	Actual 2021	Proposed 2022	\$ Increase	% Increase
Single Family Residential (Lower User)				
Water (1,500 Gallons)	\$ 7.67	\$ 7.92	\$ 0.25	3.26%
Sewer (1,500 Gallons)	\$ 10.29	\$ 10.62	\$ 0.33	3.21%
Total Monthly Bill	\$ 17.96	\$ 18.54	\$ 0.58	3.23%
Single Family Residential (Median User)				
Water (4,000 Gallons)	\$ 15.88	\$ 16.40	\$ 0.52	3.27%
Sewer (3,000 Gallons)	\$ 20.58	\$ 21.24	\$ 0.66	3.21%
Total Monthly Bill	\$ 36.46	\$ 37.64	\$ 1.18	3.24%
Single Family Residential (High User)				
Water (8,800 Gallons)	\$ 34.98	\$ 36.12	\$ 1.13	3.24%
Sewer (4,800 Gallons)	\$ 32.93	\$ 33.98	\$ 1.06	3.21%
Total Monthly Bill	\$ 67.91	\$ 70.10	\$ 2.19	3.22%

Impact on Low and High Commercial User				
	Actual 2021	Proposed 2022	\$ Increase	% Increase
Commercial Property (Low User with a 1" Meter)				
Water (3,000 Gallons)	\$ 14.93	\$ 15.43	\$ 0.50	3.35%
Sewer (3,000 Gallons)	\$ 20.58	\$ 21.24	\$ 0.66	3.21%
Total Monthly Bill	\$ 35.51	\$ 36.67	\$ 1.16	3.27%
Commercial Property (High User with a 2" Meter)				
Water (35,000 Gallons)	\$ 128.20	\$ 132.45	\$ 4.25	3.32%
Sewer (35,000 Gallons)	\$ 240.10	\$ 247.80	\$ 7.70	3.21%
Total Monthly Bill	\$ 368.30	\$ 380.25	\$ 11.95	3.24%

## Storm Sewer Rates

A proposed Storm Sewer fund budget has been prepared for 2022. Residential storm sewer fees are \$5.00/month. There is no proposed rate increase.

## Refuse Rates

A proposed Refuse fund budget has been prepared for 2022. New rates and rate increases are being proposed for operational needs. The current refuse collection and recycling rates have been in place since January 2016. The cost to the City to collect refuse and contracted services to collect recycling have both increased over the past five years. Organic recycling is a new program in 2022. Hennepin County is requiring that all Cities make this service available to households with curbside recycling service.

	<u>2021</u> <u>Current</u>	<u>2022</u> <u>Proposed</u>	<u>Percent</u> <u>Increase</u>
Refuse Collection			
35 Gallon	17.85	18.85	5.60%
65 Gallon	21.85	22.85	4.58%
95 Gallon	25.30	26.30	3.95%
Recycling	5.00	5.25	5.00%
Organic Recycling	N/A	5.50	100.00%

## Annual Service Cost for Median Value Home

Based on the preliminary tax levy passed on September 7<sup>th</sup> and the utility rates proposed in this memo the annual service cost for a median value home is projected to increase by \$288.72 or \$24.06 per month. The median value home was \$291,000 in 2021 and \$315,000 in 2022.

Annual Service Cost for Median Value Home			
	Actual 2021	Proposed 2022	\$ Increase
City Property Taxes (3.49% Levy Increase)	\$ 1,854.00	\$ 2,037.00	\$ 183.00
Water - Consumption 7,500 gallons per month \$3.10/\$3.56/\$4.09 Tiered Rates	356.04		11.52
\$3.20/\$3.68/\$4.22 Tiered Rates		367.56	
Sewer - Consumption 5,000 gallons per month \$6.86/ 1,000 gallons	411.60		13.20
\$7.08/ 1,000 gallons		424.80	
Refuse Collection Garbage, 65 Gallon	262.20	274.20	12.00
Recycling	60.00	63.00	3.00
Organic Recycling	-	66.00	66.00
Storm Sewer	60.00	60.00	-
Franchise Fees	84.00	84.00	-
<b>Total</b>	<b>\$ 3,087.84</b>	<b>\$ 3,376.56</b>	<b>\$ 288.72</b>

City of Hopkins  
2022 Budget Preparation Schedule for City Council

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>January 19</b>	Regular Meeting	Finance Update	-Overview of Community Engagement Plan and Budget Preparation Schedule for 2022 Budget
<b>January-February</b>	Regular Meetings & Work Sessions	Department Updates	-Planning and Development -Police and Fire -Public Works -Community Services and Administration
<b>March 16</b>	Work Session	Financial Management Plan	-Presentation on FMP -Decision on Infrastructure Projects in 2022 -Decision on Burnes Park Debt Service in 2022
<b>April-July</b>	N/A	Internal Preparations	-2020 Audit Ongoing -Departments Prepare Budgets, Equipment Replacement and Capital Improvement Schedules -First Draft
<b>July 13</b>	Work Session	Review 2022 Tax Levy and General Fund Budget	
<b>August 10</b>	Work Session	Review Capital Improvement Plan (CIP) and Equipment Replacement Plan (ERP)	-Park Dedication Fund -Permanent Improvement Revolving Fund (Street Projects) -Equipment Replacement Levy

City of Hopkins  
2022 Budget Preparation Schedule for City Council

<b>Meeting Date</b>	<b>Meeting Type</b>	<b>Subject</b>	<b>Details</b>
<b>August 16 (Monday)</b>	Budget Engagement Session	Review 2022 Tax Levy and General Fund Budget	-Presentation -Question and Answer Session
<b>September 7</b>	Regular Meeting	Review 2022 Tax Levy and General Fund Budget	-Preliminary for approval on September 21
<b>September 21</b>	Regular Meeting	Approve Preliminary Tax Levy and General Fund Budget	-Must be approved by September 30
<b>October 12</b>	Work Session	Review Enterprise Fund Budgets and Utility Rates	-Water -Storm Sewer -Pavilion -Sewer -Refuse
<b>November 3</b>	Regular Meeting	Approve Utility Rates	
<b>November 9</b>	Work Session	-Review Special Revenue Budgets and Activity Center Budget -Review CIP and ERP -Review Budget Options	-Chemical Assessment -Economic Development -Communications -Activity Center -Parking -Depot -Arts Center
<b>November 16</b>	Regular Meeting	Approve CIP and ERP	
<b>December 6 (Monday)</b>	Regular Meeting	Truth in Taxation Hearing	-Overview of 2022 Budget and Tax Levy -Public Comment
<b>December 7</b>	Regular Meeting	Approve Final Budget & Tax Levy	
<b>December 21</b>	Regular Meeting	Approve Final Budget & Tax Levy	-Last scheduled meeting to approve