

**HOPKINS CITY COUNCIL**

**AGENDA**

**Tuesday, April 16, 2024**

**6:30 pm**

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

**I. CALL TO ORDER**

**II. ADOPT AGENDA**

**III. PRESENTATIONS**

**IV. CONSENT AGENDA**

1. Minutes of the April 2, 2024, Regular Meeting Proceedings
2. Second Reading: Ordinance 2024-1207 Assigning the MX-S Zoning Designation for 9451 Excelsior Boulevard); Krzos
3. Resolution Approving Membership in the Hennepin County Fire Chiefs Association, Inc.; Specken
4. Resolution Establishing the Designated Routes for the Municipal State Aid System for the City of Hopkins; Klingbeil
5. Resolution for Award of Contract – 2024 Lift Station #2 Rehabilitation Project 2004-003; Moilanen
6. Resolution for Municipal State Aid Street Funds Advance; Klingbeil

**V. PUBLIC HEARINGS**

**VI. OLD BUSINESS**

**VII. NEW BUSINESS**

1. First Reading: Ordinance Amending Chapter 8 Article VI of the Hopkins City Code; Kearney
2. Resolution Providing for the Sale of \$9,375,000 General Obligation Bonds, Series 2024 A; Bishop
3. Fourth Quarter Financial Update; Bishop
4. Pavement Management Program and Debt Update; Bishop/Klingbeil
5. 2024 Charter Commission Update; Domeier

**VIII. PUBLIC COMMENT**

**IX. ANNOUNCEMENTS**

- Next City Council Regular Meetings: May 7, 15 and 21 at 6:30 p.m.

**X. ADJOURN**

**HOPKINS CITY COUNCIL  
REGULAR MEETING PROCEEDINGS  
APRIL 2, 2024**

**CALL TO ORDER**

Pursuant to due call and notice thereof a regular meeting of the Hopkins City Council was held on Tuesday, April 2, 2024, at 6:31 p.m. in the Council Chambers at City Hall, 1010 1<sup>st</sup> Street South.

Mayor Hanlon called the meeting to order with Council Members Balan, Garrido, Goodlund and Hunke attending. Others attending included City Manager Mornson, Assistant City Manager Casella, City Clerk Domeier, City Attorney Riggs, City Engineer Klingbeil, Sustainability Specialist Larson, Planning and Economic Development Director Elverum, City Planner Krzos, Utilities Superintendent Moilanen, Chief Building Official Kearney, Finance Director Bishop, Police Chief Johnson, Building Inspector Snoddy, Housing Director Mohammed, Director of Public Works Autio and Parks and Streets Supervisor Pavek.

**ADOPT AGENDA**

**Motion** by Hunke. **Second** by Garrido.

**Motion** to Adopt the Agenda.

**Ayes: Balan, Garrido, Goodlund, Hanlon, Hunke**

**Nays: None. Motion carried.**

**PRESENTATIONS**

**III.1. Recognition of Chief Building Official Christopher Kearney; Mornson**

City Manager Mornson and Mayor Hanlon recognized Chief Building Official Christopher Kearney for receiving the 2023 Tom Joachim Award for Code Official of the Year from the Association of Minnesota Building Officials.

**III.2. Adoption of Proclamation for Arbor Day in Hopkins; Larson**

Sustainability Specialist Larson summarized City Council Report 2024-035. Hopkins is a recognized Tree City USA community and is committed to preserving a healthy and robust tree canopy. On April 25<sup>th</sup> the City will host an event where residents are invited to learn more about trees and unveil its new tree planter design.

**Motion** by Hunke. **Second** by Garrido.

**Motion** to Adopt a Proclamation for Arbor Day in Hopkins.

**Ayes: Balan, Garrido, Goodlund, Hanlon, Hunke**

**Nays: None. Motion carried.**

**CONSENT AGENDA**

Mayor Hanlon pulled item IV.4. Amendment to the 2024-2028 Capital Improvement Plan for discussion. Finance Director Bishop and Director of Public Works Autio provided a brief overview of the project bidding, funding, and timeline for the municipal parking ramp roof replacement.

**Motion** by Balan. **Second** by Hunke.

**HOPKINS CITY COUNCIL  
REGULAR MEETING PROCEEDINGS  
APRIL 2, 2024**

**Motion** to Approve the Consent Agenda.

1. Minutes of the March 19, 2024, Regular Meeting Proceedings
2. Approval of 2024 MOU with LELS #171; Casella
3. Ratify Checks Issued in March 2024; Bishop
4. Amendment to the 2024-2028 Capital Improvement Plan; Bishop
5. Approval of Use Agreement with the Hopkins Farmer Market; Elverum
6. Resolution Accepting Bids for the 2024 SCADA Fiber Project – City Project 2024-002; Moilanen

**Ayes: Balan, Garrido, Goodlund, Hanlon, Hunke**

**Nays: None. Motion carried.**

**NEW BUSINESS**

**VII.1. First Reading: Ordinance Amending the Zoning Map for 9451 Excelsior Boulevard; Krzos**

City Planner Krzos summarized City Council Report 2024-038. The Metropolitan Council requested a Zoning Map Amendment (Rezoning) for 9451 Excelsior Boulevard, the parcel containing the Depot Coffeehouse. The subject parcel also contains a Regional Trailhead and parking for trail users. The site does not have an assigned zoning classification. The request would assign the MX-S, Mixed-Use Suburban Center zoning designation to the property. The Zoning Map Amendment would facilitate an update to the City's permit to occupy the space for the Depot Coffeehouse. The MX-S zone allows for the current food service and entertainment use, as well as recreational trail use. No modifications to the site or use were proposed.

**Motion** by Balan. **Second** by Goodlund.

**Motion** to Adopt Resolution 2024-029 Approving a first reading of Ordinance 2024-1207 Assigning the MX-S Zoning Designation for 9451 Excelsior Boulevard.

**Ayes: Balan, Garrido, Goodlund, Hanlon, Hunke**

**Nays: None. Motion carried.**

**VII.2. Fee Schedule Review; Bishop**

Finance Director Bishop provided changes to various fees the city charges that correctly align with the cost of service. The fees accurately reflect the cost of providing a service which includes staff time, equipment, technology costs, supplies, and space allocation.

Council Member Balan proposed to not lower the chicken license fee. Council Member Goodlund requested more information on the formula used. Finance Director Bishop and City Clerk Domeier provided information on license and permit fee increases. Generally, the City Council supported the fees proposed.

**ANNOUNCEMENTS**

Council Member Garrido thanked Public Works Director Autio and Operations Superintendent Pavek for the snowplow ride along experience. City Manager Mornson shared upcoming Police Department community events. Mayor Hanlon spoke to the Shady Oak transit station legislation and reviewed the upcoming meeting schedule.

**HOPKINS CITY COUNCIL  
REGULAR MEETING PROCEEDINGS  
APRIL 2, 2024**

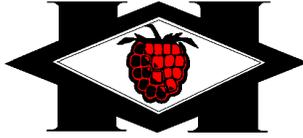
**ADJOURNMENT**

There being no further business to come before the City Council, and upon a motion by Hunke, second by Balan, the meeting was unanimously adjourned at 7:21 p.m.

Respectfully Submitted,



Amy Domeier, City Clerk



CITY OF HOPKINS

## City Council Report 2024-043

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

From: Ryan Krzos, City Planner

Date: April 16, 2024

Subject: Second Reading of an Ordinance Amending the Zoning Map for 9451  
Excelsior Boulevard – Hopkins Depot

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### RECOMMENDED ACTION

**MOTION TO** Adopt for second reading, Ordinance 2024-1207 Assigning the MX-S Zoning Designation for 9451 Excelsior Boulevard.

### OVERVIEW

Ordinance 2024-1207 is unchanged from the first reading conducted at the April 2, 2024 City Council Meeting. The ordinance would assign the MX-S, Mixed-Use Suburban Center zoning designation to the currently un-zoned property containing the Depot, Regional Trailhead, and parking. The Zoning Map Amendment would facilitate an update to the City's permit with the Metropolitan Council, the property owner, to occupy the space for the Depot. No modifications to the site or use are proposed in conjunction with this request.

### SUPPORTING INFORMATION

- Ordinance 2024-1207 assigning the MX-S Zoning Designation for 9451 Excelsior Boulevard.
- Proposed Zoning Map

**CITY OF HOPKINS  
HENNEPIN COUNTY, MINNESOTA**

**ORDINANCE 2024-1207**

**AN ORDINANCE ASSIGNING THE MX-S, MIXED-USE SUBURBAN CENTER ZONE  
TO THE PROPERTY AT 9451 EXCELSIOR BOULEVARD  
(WITH PID 19-117-21-31-0002)**

THE COUNCIL OF THE CITY OF HOPKINS DOES HEREBY ORDAIN AS  
FOLLOWS:

1. That the following described premises is hereby zoned MX-S, Mixed-Use Suburban center.
2. The property to be rezoned, addressed as 9451 Excelsior Boulevard is legally described in Exhibit A.

First Reading:	April 2, 2024
Second Reading:	April 16, 2024
Date of Publication:	April 25, 2024
Date Ordinance Takes Effect:	April 25, 2024

ATTEST:

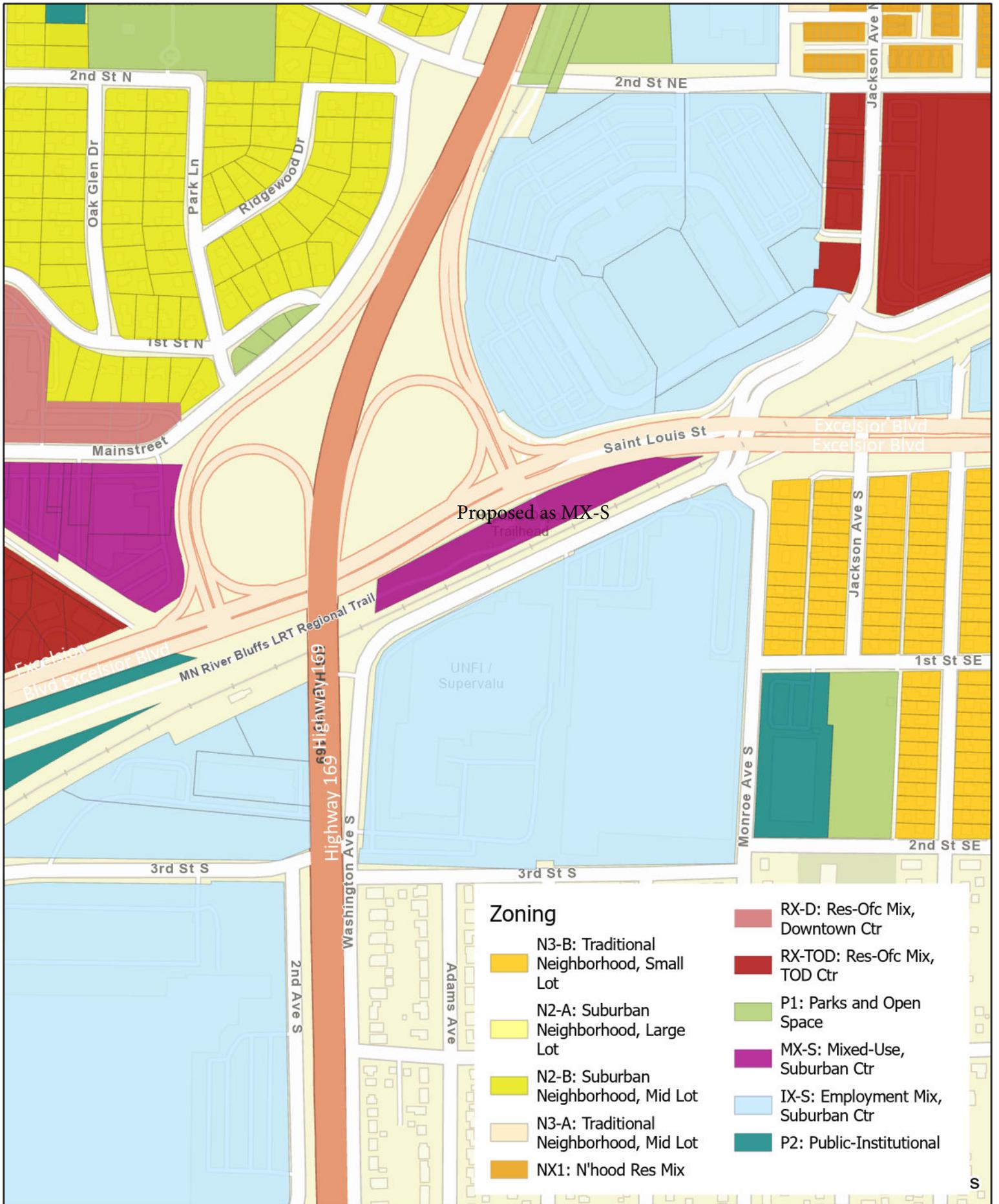
\_\_\_\_\_  
Patrick Hanlon, Mayor

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

Exhibit A  
Legal Description of Subject Parcel

That part of the Southwest Quarter of Section 19, Township 117, Range 2, Hennepin County, Minnesota, bounded and described as follows:

Beginning at a point on the Southerly line of Excelsior Road (now Excelsior Boulevard), as said Road was established prior to the widening and improvement thereof (1978), distant 71.6 feet Northwesterly, measured at right angles, from said original main track center line; thence Southwesterly parallel with said center line a distance of 302.47 feet; thence Southwesterly along a straight line a distance of 636.8 feet to a point on the East line of Washington Avenue, distant 50 feet Northwesterly, measured at right angles, from said original main track center line; thence Southerly along said East line of Washington Avenue a distance of 58 feet, more or less, to a point distant 15 feet Northwesterly, measured at right angles, from the center line of Chicago and North Western Transportation Company (formerly Minneapolis and St. Louis Railway Company) connecting track ICC No. 9, as said track is now located; thence Northeasterly parallel with the center line of said connecting track (and the continuation thereof to the center line of the Westbound main track of the Chicago Milwaukee, St. Paul and Pacific Railroad Company) a distance of 830 feet, more or less, to a point opposite the point of switch for said connecting track (at said last described main track center line); thence Southeasterly radial to the last described course a distance of 3 feet, more or less, to a point distant 50 feet Southeasterly, measured at right angles, from said original (Minneapolis and St. Louis Railway Company) main track center line; thence Northeasterly parallel with said original main track center line a distance of 430 feet, more or less, to a point on the Southerly line of said Excelsior Road; thence Westerly along said Southerly line of Excelsior Road a distance of 315 feet, more or less, to the point of beginning.



Proposed as MX-S  
Trailhead

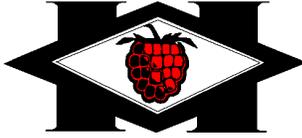
**Zoning**

- N3-B: Traditional Neighborhood, Small Lot
- N2-A: Suburban Neighborhood, Large Lot
- N2-B: Suburban Neighborhood, Mid Lot
- N3-A: Traditional Neighborhood, Mid Lot
- NX1: N'hood Res Mix
- RX-D: Res-Ofc Mix, Downtown Ctr
- RX-TOD: Res-Ofc Mix, TOD Ctr
- P1: Parks and Open Space
- MX-S: Mixed-Use, Suburban Ctr
- IX-S: Employment Mix, Suburban Ctr
- P2: Public-Institutional

# City of Hopkins - The Depot

3/14/2024





Fire Department

CITY OF HOPKINS

## City Council Report 2024-025

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

From: Dale Specken, Fire Chief

Date: April 16, 2024

Subject: Resolution Approving Membership in the Hennepin County Fire Chiefs Association, Inc.

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### RECOMMENDED ACTION

**MOTION TO** Approve a Resolution Approving Membership in the Hennepin County Fire Chiefs Association, Inc.

### OVERVIEW

The Hennepin County Fire Chiefs Association (“HCFCA”) is a group of fire departments and other organizations in the fire service industry in Hennepin County that provides cooperation, education, and training regarding fire service and emergency response in the county. While historical documentation is sparse, it appears that HCFCA was formed in the early 1960s, but no records exist suggesting that the group has ever been incorporated or recognized as a formal entity with the Minnesota Secretary of State.

In early 2023, HCFCA’s Board of Directors began an effort to formalize the group’s organizational status, including ensuring that it is meeting state and federal tax obligations. The Board engaged an attorney to advise it on organizational matters. The Board discussed the relative merits of organizing as a joint powers entity under Minn. Stat. § 471.59 or a nonprofit corporation, and ultimately decided to move forward as a nonprofit to provide maximum flexibility in its authorized activities and members. In making this decision, the Board looked to the organizational structure of the Minnesota State Fire Chiefs Association, which is also organized as a nonprofit. The Board intends to apply to the IRS for tax-exempt status as a 501(c)(6) business association.

To document each Fire Department’s membership in the new nonprofit corporation, counsel advised that each member City adopt a resolution officially approving membership in HCFCA.

### SUPPORTING INFORMATION

- Draft Resolution 2024-032

**CITY OF HOPKINS  
HENNEPIN COUNTY, MINNESOTA**

**RESOLUTION 2024-032**

**RESOLUTION APPROVING MEMBERSHIP IN THE HENNEPIN COUNTY  
FIRE CHIEFS ASSOCIATION, INC.**

**WHEREAS**, the Hennepin County Fire Chiefs Association (“HCFCA”) is an organization of fire departments and others in the fire service industry in Hennepin County whose purpose is to provide a forum to discuss and promote fire safety, to exchange ideas and search for solutions to fire safety and other emergency response problems, to conduct research, to facilitate educational programs, to promote legislation, and to promote the spirit of cooperation between fire departments or other emergency response organizations operating within Hennepin County, Minnesota; and

**WHEREAS**, HCFCA was established as an association in 1961 but was not a formal corporate entity recognized by the Office of the Minnesota Secretary of State; and

**WHEREAS**, Hopkins is currently a member of HCFCA; and

**WHEREAS**, HCFCA’s membership and Board of Directors has determined that it is in the best interests of the association to organize as a nonprofit corporation in order to formalize its operations and provide the option of applying for federal tax-exempt status; and

**WHEREAS**, on January 8, 2024, the Hennepin County Fire Chiefs Association, Inc., was registered as a nonprofit corporation with the Office of the Minnesota Secretary of State; and

**WHEREAS**, Minnesota Statutes Section 471.96 provides authority for cities and counties “to appropriate necessary funds to provide membership of their respective municipal corporations or political subdivisions respectively in county, regional, state, and national associations of a civic, educational, or governmental nature which have as their purpose the betterment and improvement of municipal government operations”; and

**WHEREAS**, Hopkins membership in the HCFCA as a nonprofit organization will benefit Hopkins and its Fire Department and will provide for the betterment and improvement of Hopkins operations surrounding fire safety and emergency response.

**NOW THEREFORE BE IT RESOLVED**, by the City Council of the City of Hopkins as follows:

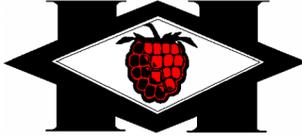
1. Hopkins membership in Hennepin County Fire Chiefs Association, Inc. is approved, and payment of annual membership dues is authorized.
2. Membership will be through the Fire Department and Hopkins Fire Chief is designated as Hopkins representative to HCFCA.

Adopted by the City Council of the City of Hopkins on this 16th day of April 2024.

By: \_\_\_\_\_  
Patrick Hanlon, Mayor

ATTEST:

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



Engineering

CITY OF HOPKINS

## City Council Report 2024-044

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

From: Eric Klingbeil, City Engineer

Date: April 16, 2024

Subject: Establishing the Designated Routes for the Municipal State Aid System for the City of Hopkins

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### RECOMMENDED ACTION

**MOTION TO** Adopt Resolution 2024-031, Resolution Establishing the Designated Routes for the Municipal State Aid System for the City of Hopkins, MN

### OVERVIEW

To maximize funds received from the Highway User Tax Distribution Fund, occasional updates to the Municipal State Aid System in the City are required. Changes are relatively minor to reflect changes in the funding calculations used by the State Aid Office at MnDOT. There will be no functional changes in any roadway.

### SUPPORTING INFORMATION

- System Revision Map
- Resolution 2024-031

**CITY OF HOPKINS  
HENNEPIN COUNTY, MINNESOTA**

**RESOLUTION 2024-031**

**RESOLUTION ESTABLISHING THE DESIGNATED ROUTES FOR THE MUNICIPAL  
STATE AID SYSTEM FOR THE CITY OF HOPKINS, MN**

**WHEREAS**, It appears to the City Council of the City of Hopkins that the roads hereinafter described should be designated Municipal State Aid Streets under the provisions of Minnesota Law;

**NOW THEREFORE BE IT RESOLVED**, that the streets described as follow, to-wit:

<b><u>Street</u></b>	<b><u>From</u></b>	<b><u>To</u></b>
Tyler Avenue N	St Louis Street	2 <sup>nd</sup> Street NE
St Louis Street	Jackson Avenue N	Tyler Avenue N
5 <sup>th</sup> Street S	2 <sup>nd</sup> Avenue S	US Highway 169
8 <sup>th</sup> Avenue	1 <sup>st</sup> Street S	1 <sup>st</sup> Street N
1 <sup>st</sup> Street N	8 <sup>th</sup> Avenue N	10 <sup>th</sup> Avenue N
6 <sup>th</sup> Street S	11 <sup>th</sup> Avenue S	13 <sup>th</sup> Avenue S
13 <sup>th</sup> Avenue S	6 <sup>th</sup> Street S	7 <sup>th</sup> Street S
7 <sup>th</sup> Street S	9 <sup>th</sup> Avenue S	14 <sup>th</sup> Avenue S

be, and hereby are, revoked as Municipal State Aid Streets of said City, subject to the approval of the Commissioner of Transportation of the State of Minnesota.

**BE IT FURTHER RESOLVED**, that the streets described as follow, to-wit:

<b><u>Street</u></b>	<b><u>From</u></b>	<b><u>To</u></b>
Cambridge Street	Blake Road N	Van Buren Avenue N
Van Buren Avenue N	Cambridge Street	Lake Street NE
Lake Street NE	Blake Road N	Van Buren Avenue N

10 <sup>th</sup> Avenue	1 <sup>st</sup> Street S	1 <sup>st</sup> Street N
Jackson Avenue N	St Louis Street N	2 <sup>nd</sup> Street NE
5 <sup>th</sup> Street S	16 <sup>th</sup> Avenue S	Hopkins / Minnetonka city
5 <sup>th</sup> Street S / 2 <sup>nd</sup> Avenue S	2 <sup>nd</sup> Avenue S	limits
Avenue S	5 <sup>th</sup> Avenue S	3 <sup>rd</sup> Street S
3 <sup>rd</sup> Street S	3 <sup>rd</sup> Street S	2 <sup>nd</sup> Avenue S
5 <sup>th</sup> Avenue S		Excelsior Boulevard

be, and hereby are, located and designated as Municipal State Aid Streets of said City, subject to the approval of the Commissioner of Transportation of the State of Minnesota.

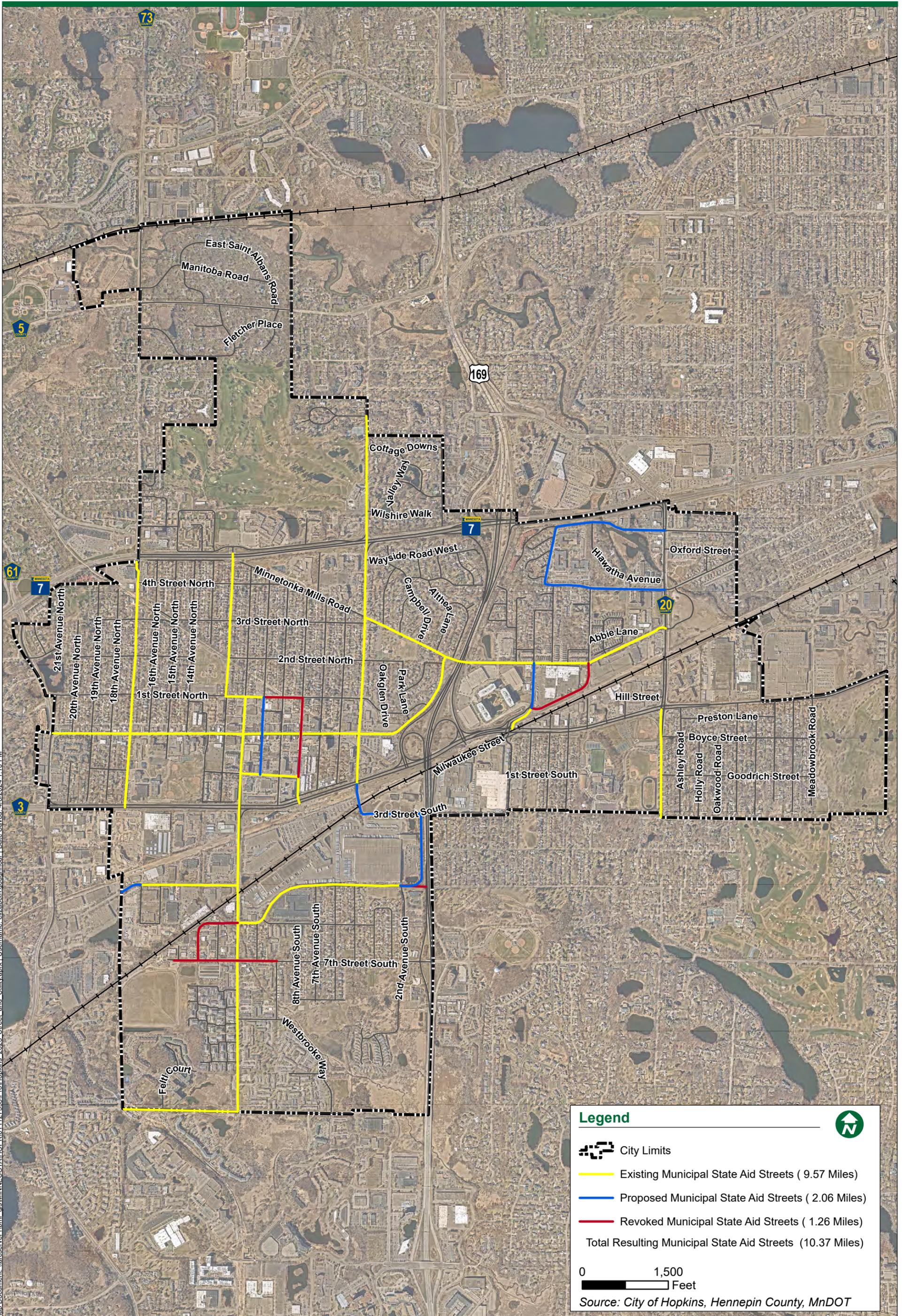
**BE IT FURTHER RESOLVED**, that the City Clerk is hereby authorized and directed to forward two certified copies of this resolution to the Commissioner of Transportation for his/her consideration, and that upon his/her approval of the designation of said roads or portion thereof, that same be constructed, improved, and maintained as a Municipal State Aid Streets of the City of Hopkins.

Adopted by the City Council of the City of Hopkins this 16th day of April, 2024.

By: \_\_\_\_\_  
Patrick Hanlon, Mayor

ATTEST:

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



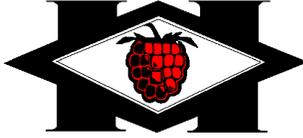
**Legend**

- City Limits
- Existing Municipal State Aid Streets ( 9.57 Miles)
- Proposed Municipal State Aid Streets ( 2.06 Miles)
- Revoked Municipal State Aid Streets ( 1.26 Miles)
- Total Resulting Municipal State Aid Streets ( 10.37 Miles)

0 1,500 Feet

Source: City of Hopkins, Hennepin County, MnDOT

Map Document: \\arseserver1\hmi\_dis\MINNESOTA\HOPKIN\011275951\Proj\Hopkins\_2023\_Street\_and\_Utility.aprx | User: elizabeth.coughnour | Date Saved: 4/8/2024 1:10 PM



CITY OF HOPKINS

UTILITIES

## City Council Report 2024-046

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

From: Sean Moilanen, Utilities Superintendent

Date: April 16, 2024

Subject: Resolution for Award of Contract – 2024 Lift Station #2 Rehabilitation  
Project 2024-003

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### RECOMMENDED ACTION

**MOTION TO** Adopt Resolution 2024-033, Resolution Accepting Bids, 2024 Lift Station #2 Rehabilitation Project, City Project 2024-003

### OVERVIEW

This project is part of the 2024 CIP that was approved on November 21, 2023. The bid opening for the 2024 lift station rehabilitation project was held April 5, 2024. There were bids from Minger Construction Co, Pember Companies, Inc, and Geislinger & Sons. Minger Construction Co came in lowest. The base bid was \$199,000.00. Minger Construction Co has previous experience with previous similar projects in the wider metro area. Staff is recommending award of the project contract to Minger Construction Co.

### SUPPORTING INFORMATION

- Resolution 2024-028
- Abstract of Bid

## **ANALYSIS OF ISSUES**

### **Project Summary**

Based on observed site conditions, the wet well, controls and pumps are beyond its service life. The lift station is not considered structurally sound in its current state. The deterioration rate will likely accelerate. The extensive pitting and crevice corrosion present may allow ground water to leach into the structure. Rehabilitation of the lift station will give it another 30-40 years of useful life.

### **Bid Results and Analysis**

<b><u>Contractor</u></b>	<b><u>Base Bid</u></b>
Minger Construction Co.	\$199,000.00
Pember Companies, Inc.	\$219,500.00
Geislinger & Sons	\$300,000.00
Engineers Estimate	\$200,000.00

### **Project Costs**

Based on the bid the total estimated project cost is \$199,000.00. This bid comes in under the engineers estimate, the project is under the CIP budgeted amount of \$250,000.00. This item will be paid for from the water & sewer fund.

### **Project Schedule**

Award Contract	April 16, 2024
Begin Project	Spring 2024
Complete Project	Fall 2024

**CITY OF HOPKINS  
HENNEPIN COUNTY, MINNESOTA**

**RESOLUTION NO. 2024-033**

**RESOLUTION FOR AWARD OF CONTRACT  
2024 LIFT STATION #2 REHABILITATION PROJECT 2024-003**

**BE IT RESOLVED BY THE CITY COUNCIL OF HOPKINS, MINNESOTA**, that the lowest bid of Minger Construction Co in the amount of \$199,000.00 is the lowest responsible bid for the 2024 Lift Station #2 rehabilitation project, City Project 2024-003, and the Mayor and City Manager are hereby authorized and directed to enter into a contract with said bidder for and on behalf of the City.

Adopted by the City Council of the City of Hopkins, Minnesota, this 16th day of April, 2024.

By \_\_\_\_\_  
Patrick Hanlon, Mayor

ATTEST:

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

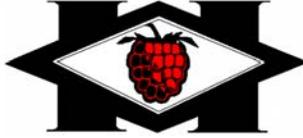
CITY OF HOPKINS - LIFT STATION NO. 2 REHABILITATION 0M2.133364 (#9029947)

Owner: Hopkins MN, City of

Solicitor: Bolton & Menk, Inc.

04/05/2024 10:00 AM CDT

Section Title	Line Item	Item Description	UofM	Quantity	Minger Construction Co. Inc.		Pember Companies, Inc.		Geislinger & Sons	
					Unit Price	Extension	Unit Price	Extension	Unit Price	Extension
BASE BID										
	1	Construction of all facilities as shown on the Contract Drawings and as specified in the Contract Specifications	LS	1	\$199,000.00	\$199,000.00	\$219,500.00	\$219,500.00	\$300,000.00	\$300,000.00
<b>Base Bid Total:</b>						<b>\$199,000.00</b>		<b>\$219,500.00</b>		<b>\$300,000.00</b>



CITY OF HOPKINS

Engineering

## City Council Report 2024-053

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

From: Eric Klingbeil, City Engineer

Date: April 16, 2024

Subject: Municipal State Aid Street Funds Advance Request

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### **RECOMMENDED ACTION**

**MOTION TO** Adopt Resolution 2024-034, Resolution for Municipal State Aid Streets Funds Request

### **OVERVIEW**

When streets on our State Aid Route network are improved, the City is able to draw funds for our State Aid balance to help offset the costs of these projects. Mainstreet was improved in 2015 and was eligible to receive State Aid funds. Due to funding requirements as part of the Blake Road improvements, reimbursements for that project took priority starting in 2020. All Blake Road reimbursements are now complete.

Currently the City has \$828,429.29 in its State Aid fund, with \$2,463,998.67 worth of eligible reimbursement for Mainstreet. Typically, a city can request disbursements equal to their State Aid fund balance, but with approval from the State Aid office advances are allowed to close out project reimbursements. This advance is taken on future annual State Aid disbursements. There is no penalty or fee to request or receive an advance. Staff has received approval for the advance request with council approval.

### **SUPPORTING INFORMATION**

- Resolution 2024-034

**CITY OF HOPKINS  
HENNEPIN COUNTY, MINNESOTA**

**RESOLUTION 2024-034**

**RESOLUTION FOR MUNICIPAL STATE AID STREETS FUNDS ADVANCE**

**WHEREAS**, the Municipality of Hopkins has implemented a Municipal State Aid Street Project in 2015 which required State Aid funds in excess of those available in its State Aid Construction Account, and

**WHEREAS**, said municipality intends to close the construction funding of said project(s) through the use of an advance from the Municipal State Aid Street Fund to supplement the available funds in their State Aid Construction Account, and

**WHEREAS**, the advance is based on the following determination of estimated expenditures:

Account Balance as of date 02/13/2024	\$828,429.29
Less estimated disbursements:	
Project #132-030-003	\$ 2,797,888.42
Total Estimated Disbursements	\$2,797,888.42
Advance Amount (amount in excess of acct balance)	\$1,969,459.13

**WHEREAS**, repayment of the funds so advanced will be made in accordance with the provisions of Minnesota Statutes 162.14, Subd. 6 and Minnesota Rules, Chapter 8820.1500, Subp. 10b, and

**WHEREAS**, the Municipality acknowledges advance funds are released on a first-come-first-serve basis and this resolution does not guarantee the availability of funds.

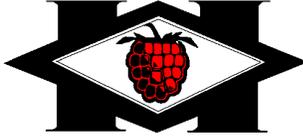
**NOW, THEREFORE**, Be It Resolved: That the Commissioner of Transportation be and is hereby requested to approve this advance for financing approved Municipal State Aid Street Project(s) of the Municipality of Hopkins in an amount up to \$1,803,270.66. I hereby authorize repayments from subsequent accruals to the Municipal State Aid Street Construction Account of said Municipality from future year allocations until fully repaid.

**I HEREBY CERTIFY** that the above is a true and correct copy of a resolution presented to and adopted by the Municipality of Hopkins, County of Hennepin, State of Minnesota, at a duly authorized Municipal Council Meeting held in the Municipality of Hopkins, Minnesota on the 16<sup>th</sup> day of April, 2024 as disclosed by the records of said Municipality on file and of record in the office.

By: \_\_\_\_\_  
Patrick Hanlon, Mayor

ATTEST:

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



CITY OF HOPKINS

## City Council Report 2024-041

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

From: Christopher Kearney, Chief Building Official

Date: April 16, 2024

Subject: First Reading: Ordinance Amending Chapter 8 Article VI of the Hopkins City Code

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### RECOMMENDED ACTION

**MOTION TO** Approve a First Reading of Ordinance 2024-1208 Amending Chapter 8, Article VI of the Hopkins City Code.

### OVERVIEW

Ordinance No. 2024-1208 revises Chapter 8 - Building & Construction Article II, Adoption of the 2024 Minnesota State Commercial Energy Code. Adoption of the State Building Code is required per Minn. Stat. Chapter 326B. This ordinance adopts the new Minnesota State Commercial Energy Code.

### SUPPORTING INFORMATION

- Draft Ordinance 2024-1208

**CITY OF HOPKINS  
COUNTY OF HENNEPIN**

**ORDINANCE NO. 2024-1208**

**ORDINANCE AMENDING CHAPTER 8 ARTICLE II OF THE HOPKINS CITY CODE  
PERTAINING TO THE MINNESOTA STATE BUILDING CODE**

**THE COUNCIL OF THE CITY OF HOPKINS HEREBY ORDAINS AS FOLLOWS:**

**SECTION 1.** Hopkins City Code, Part II, Chapter 8, Article II, Division 1, Section 8-25, MN Rules 1323, 2020 Commercial Energy Code, is hereby repealed in its entirety and replaced with the following:

- (a) Adoption of the Building Code. The Minnesota State Building Code, as adopted by the Minnesota Commissioner of Labor and Industry pursuant to Minn. Stat. Ch. 326B, including all amendments, rules and regulations established, adopted and published from time to time. The 2024 Commercial Energy Code Minnesota Rules, 1323 is hereby adopted for the City of Hopkins.

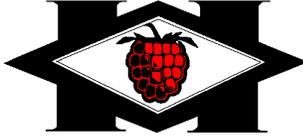
**SECTION 5.** The effective date of this ordinance shall be the date of publication.

First Reading:	April 16, 2024
Second Reading:	May 7, 2024
Date of Publication:	May 16, 2024
Date Ordinance Takes Effect:	May 16, 2024

\_\_\_\_\_  
Patrick Hanlon, Mayor

ATTEST:

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



Finance Department

CITY OF HOPKINS

## City Council Report 2023-015

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

From: Nick Bishop, Finance Director

Date: April 16, 2024

Subject: Authorize Sale of \$9,375,000 General Obligation Bonds Series 2024A

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### RECOMMENDED ACTION

**MOTION TO** adopt Resolution 2024-030: Providing for the Sale of \$9,375,000 General Obligation Bonds, Series 2024A.

### OVERVIEW

#### Purpose

The Series 2024A bonds will be general obligations of the City for which its full faith, credit and taxing powers are pledged. The preliminary authorization is for \$9.350 million and has been adjusted to reflect actual costs based on approved bids. The bonds are being sold to finance three purposes.

- 2024 street and utility reconstruction project in the Central Avenues. The bonds for this purpose will be issued with a 16 year term to come from general tax levy, special assessments and utility revenues. Principal payments will be made over 12 years from 2029 through 2040.
- 2025 mill and overlay projects in the Central Avenues. The bonds for this purpose will be issued with a 10 year term to come from a general tax levy. Principal payments will be made over 7 years from 2029 through 2035. Issuance for 2025 portion is being recommended based on timing of future street projects.
- 2024 Water & Sewer Utility Projects: Meter Replacement, SCADA Fiber and Lift Station #2 Rehabilitation. The bonds for this purpose will be issued with a 16 year term to come from utility revenues. Principal payments will be made over 12 years from 2029 through 2040.

### Schedule of Principal Payments

The bonds being proposed delay the first principal payment from 2026 to 2029. The length of the bonds remains the same with a final payoff scheduled for 2/1/2040. The delayed repayment schedule is being proposed based on near-term tax levy impacts. The following chart shows the projections for the City's debt service levy based on a traditional repayment schedule and the delayed schedule being proposed. It does not include projected debt levies for projects scheduled in 2025 and later.

<b>Debt Service Tax Levy</b>				
<b>Existing Debt &amp; 2024A Projections</b>				
	<b>Traditional</b>		<b>Delayed</b>	
	<b>Repayment</b>	<b>Increase</b>	<b>Repayment</b>	<b>Increase</b>
	<b>Schedule</b>	<b>(Decrease)</b>	<b>Schedule</b>	<b>(Decrease)</b>
2024	4,107,613.00		4,107,613.00	
2025	4,420,921.00	7.63%	4,149,491.00	1.02%
2026	4,373,199.00	(1.08%)	4,101,395.00	(1.16%)
2027	4,227,292.00	(3.34%)	4,014,952.00	(2.11%)
2028	3,917,856.00	(7.32%)	4,032,637.00	0.44%
2029	3,878,428.00	(1.01%)	3,985,460.00	(1.17%)

The proposed repayment schedule also means that a larger amount of principal will be outstanding at any given time. Based on current interest rates, the City would incur \$511,109 of additional interest costs over the life of the bonds.

### Next Steps

Adopting the resolution will allow City Staff to work with its municipal advisor Ehlers & Associates to prepare an official statement for the bond sale. The City's last bond rating was AA+ with a stable outlook. Standard and Poor's will update the rating before the bonds are sold. City Council is scheduled to award the sale of bonds on May 21.

### **SUPPORTING INFORMATION**

- Resolution No. 2024-030
- Bond Pre-Sale Report

**CITY OF HOPKINS, MINNESOTA**

**RESOLUTION NO. 2024-030**

**RESOLUTION PROVIDING FOR THE ISSUANCE AND SALE OF GENERAL OBLIGATION BONDS, SERIES 2024A, IN THE PROPOSED AGGREGATE PRINCIPAL AMOUNT OF \$9,375,000**

**BE IT RESOLVED** By the City Council of the City of Hopkins, Minnesota (the “City”), as follows:

Section 1. Authorization.

1.01. Improvement Bonds.

(a) Certain assessable public improvements within the City (the “Assessable Improvements”) have been made, duly ordered or contracts let for the construction thereof pursuant to the provisions of Minnesota Statutes, Chapters 429 and 475, as amended (the “Improvement Act”).

(b) It is necessary and expedient to the sound financial management of the affairs of the City to issue general obligation bonds in the proposed principal amount of \$3,225,000 (the “Improvement Bonds”), pursuant to the Improvement Act, to provide financing for the Assessable Improvements.

1.02. Utility Revenue Bonds.

(a) The City engineer has recommended the construction of various improvements to the City’s sewer, water, and storm sewer systems (the “Utility Improvements”).

(b) It is necessary and expedient to the sound financial management of the affairs of the City to issue general obligation bonds in the proposed principal amount of \$5,505,000 (the “Utility Revenue Bonds”), pursuant to Minnesota Statutes, Chapters 444 and 475, as amended (the “Utility Revenue Act”), to provide financing for the Utility Improvements.

1.03. Street Reconstruction Bonds.

(a) Pursuant to Minnesota Statutes, Chapter 475, as amended, specifically Section 475.58, subdivision 3b (the “Street Reconstruction Act”), the City is authorized to finance all or a portion of the cost of street reconstruction projects by the issuance of general obligation bonds of the City payable from ad valorem taxes.

(b) On March 1, 2022, following a duly noticed public hearing, the City Council adopted a five (5) year street reconstruction and bituminous overlay plan for the years 2022 through 2026 (the “Street Reconstruction Plan”) describing the streets to be reconstructed, estimated costs, and any planned reconstruction of other streets in the City and approved the issuance of obligations by vote of at least two-thirds of the members thereof, all pursuant to the Street Reconstruction Act.

(c) Expenditures described in the Street Reconstruction Plan include 10<sup>th</sup> Avenue North and 1<sup>st</sup> Street North; 1<sup>st</sup> Street South and the South Central Business District; 1<sup>st</sup> Street North and Lot 700; Robinwood Lane, Highway 7 Service Drive, and 5<sup>th</sup> Street North; and Washington Avenue North, Jackson Avenue North, and St. Louis Street (the “Street Reconstruction”).

(d) The City Council has determined that, within thirty (30) days after the hearing, no petition for a referendum on the issuance of bonds to pay costs of the Street Reconstruction was received by the City in accordance with the Street Reconstruction Act.

(e) It is necessary and expedient to the sound financial management of the affairs of the City to issue general obligation bonds in the proposed principal amount of \$645,000 (the “Street Reconstruction Bonds”), pursuant to the Street Reconstruction Act, to provide financing for a portion of the costs of the Street Reconstruction.

Section 2. Sale of Bonds.

(a) To provide financing for the Assessable Improvements, the Utility Improvements, and the Street Reconstruction (collectively, the “Projects”), the City will therefore issue and sell its General Obligation Bonds, Series 2024A (the “Bonds”), in the proposed aggregate principal amount of \$9,375,000, pursuant to the Improvement Act, the Utility Revenue Act, and the Street Reconstruction Act (collectively, the “Act”). The principal amount of the Bonds is subject to adjustment in accordance with the official Terms of Proposal to be prepared in connection with the offering and the sale of the Bonds.

(b) The City is authorized by Section 475.60, subdivision 2(9) of the Act to negotiate the sale of the Bonds, it being determined that the City has retained an independent municipal advisor in connection with such sale. The actions of the City staff and the City’s municipal advisor in negotiating the sale of the Bonds are ratified and confirmed in all respects.

Section 3. Authority of Municipal Advisor. Ehlers and Associates, Inc. (the “Municipal Advisor”) is authorized and directed to negotiate the sale of the Bonds. The City Council will meet on Tuesday, May 21, 2024, or another date selected by City staff, to

consider proposals on the Bonds and take any other appropriate action with respect to the Bonds.

Section 4. Authority of Bond Counsel. The law firm of Kennedy & Graven, Chartered, as bond counsel for the City (“Bond Counsel”), is authorized to act as bond counsel and to assist in the preparation and review of necessary documents, certificates and instruments relating to the Bonds. The officers, employees and agents of the City are hereby authorized to assist Bond Counsel in the preparation of such documents, certificates, and instruments.

Section 5. Covenants. In the resolution awarding the sale of the Bonds, the City Council will set forth the covenants and undertakings required by the Act.

Section 6. Official Statement. In connection with the sale of the Bonds, the officers or employees of the City are authorized and directed to cooperate with the Municipal Advisor and participate in the preparation of an official statement for the Bonds and to deliver it on behalf of the City upon its completion.

Section 7. Declaration of Official Intent to Reimburse Expenditures.

(a) The Internal Revenue Service has issued Treas. Reg. § 1.150-2 (the “Reimbursement Regulations”) providing that proceeds of tax-exempt bonds used to reimburse prior expenditures will not be deemed spent unless certain requirements are met; the City expects to incur certain expenditures with respect to projects that may be financed temporarily from sources other than bonds, and reimbursed from the proceeds of tax-exempt bonds.

(b) The City has determined to make a declaration of official intent (the “Declaration”) to reimburse certain costs with respect to the Projects from proceeds of the Bonds in accordance with the Reimbursement Regulations.

(c) All reimbursed expenditures will be capital expenditures, costs of issuance of the Bonds, or other expenditures eligible for reimbursement under Section 1.150-2(d)(3) of the Reimbursement Regulations.

(d) This Declaration has been made not later than sixty (60) days after payment of any original expenditure to be subject to a reimbursement allocation with respect to the proceeds of the Bonds, except for the following expenditures: (a) costs of issuance of bonds; (b) costs in an amount not in excess of \$100,000 or five percent (5%) of the proceeds of an issue; or (c) “preliminary expenditures” up to an amount not in excess of twenty percent (20%) of the aggregate issue price of the issue or issues that finance or are reasonably expected by the City to finance the project for which the preliminary expenditures were incurred. The term “preliminary expenditures” includes architectural, engineering, surveying, bond issuance, and similar costs that are incurred prior to commencement of

acquisition, construction or rehabilitation of a project, other than land acquisition, site preparation, and similar costs incident to commencement of construction.

(e) This Declaration is an expression of the reasonable expectations of the City based on the facts and circumstances known to the City as of the date hereof. The anticipated original expenditures for the Projects and the principal amount of the Bonds described herein are consistent with the City's budgetary and financial circumstances. No sources other than proceeds of the Bonds to be issued by the City are, or are reasonably expected to be, reserved, allocated on a long-term basis, or otherwise set aside pursuant to the City's budget or financial policies to pay such expenditures.

(f) This Declaration is intended to constitute a declaration of official intent for purposes of the Reimbursement Regulations.

Adopted by the City Council of the City of Hopkins this 16<sup>th</sup> day of April, 2024..

By: \_\_\_\_\_  
Patrick Hanlon, Mayor

Attest:

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

HP110-109 (JAE)  
945446v1

April 16, 2024

PRE-SALE REPORT FOR

## City of Hopkins, Minnesota

**\$9,375,000 General Obligation Bonds, Series 2024A**



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**Prepared by:**

Ehlers  
3060 Centre Pointe Drive  
Roseville, MN 55113

**Advisors:**

Stacie Kvilvang, Senior Municipal Advisor  
Jason Aarsvold, Senior Municipal Advisor  
Keith Dahl, Municipal Advisor

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**BUILDING COMMUNITIES. IT'S WHAT WE DO.**

# EXECUTIVE SUMMARY OF PROPOSED DEBT

## Proposed Issue:

\$9,375,000 General Obligation Bonds, Series 2024A

## Purposes:

The proposed issue includes financing for the following purposes:

To finance the 2024 road and utility reconstruction projects and mill and overlay projects.

- **Road Improvements** - \$3,225,000. This portion of the Bonds is being issued for 16 years. Debt service will be paid from special assessments and ad valorem property taxes.
- **Mill/Overlay** - \$645,000. This portion of the Bonds is being issued for 10 years. Debt service will be paid from ad valorem property taxes.
- **Utilities** - \$5,505,000. This portion of the Bonds is being issued for 16 years. Debt service will be paid from utility revenues.

## Authority:

The Bonds are being issued pursuant to Minnesota Statutes, Chapters:

- 429 - Road Improvement
- 444 - Utilities
- 475.58, subd, 3b - Mill/Overlay
- 475 - General Bonding Authority

**2024 Road Improvement Portion:** Because the City is assessing at least 20% of the project costs, this portion of the Bonds may be a general obligation without a referendum and will not count against the City's debt limit. The City intends to levy a total of \$768,978 in special assessments to benefitting property owners, of which \$153,796 (20%) is anticipated to be collected in pre-paid assessments (this portion of the Bond issue was reduced accordingly). The remaining \$615,182 of special assessments will be collected in years 2025 to 2039 at a rate of 2% over the True Interest Costs (TIC) of the Bonds. Annual assessments are paid on an equal principal basis. In addition, we have capitalized interest through the 2/1/27 payment and are paying interest only through 8/1/28 to offset the tax levy requirement.

**Utility Portion:** Chapter 444 allows cities to issue debt without limitation as long as debt service is expected to be paid from water and sewer revenues.

**Mill/Overlay Portion:** The City held a public hearing on March 1, 2022, for the 2022-2026 Street Reconstruction and Overlay Plan (SROP) for the mill and overlay portion of the Bonds, which provides the authority to issue this portion of the Bonds. In addition, we have capitalized interest through the 2/1/27 payment and are paying interest only through 8/1/28 to offset the tax levy requirement.

The Bonds will be general obligations of the City for which its full faith, credit and taxing powers are pledged.

### **Term/Call Feature:**

The Bonds are being issued for a term of 16 years. Principal on the Bonds will be due on February 1 in the years 2029 through 2040. Interest will be due every six months beginning February 1, 2025.

The Bonds will be subject to prepayment at the discretion of the City on February 1, 2032 or any date thereafter.

### **Bank Qualification:**

Because the City is expecting to issue no more than \$10,000,000 in tax exempt debt during the calendar year, the City will be able to designate the Bonds as “bank qualified” obligations. Bank qualified status broadens the market for the Bonds, which can result in lower interest rates.

### **Rating:**

S&P Global Ratings “AA+”

The City’s most recent bond issues were rated by S&P Global Ratings. The current rating on those bonds is “AA+”. The City will request a new rating for the Bonds.

If the winning bidder on the Bonds elects to purchase bond insurance, the rating for the issue may be higher than the City’s bond rating in the event that the bond rating of the insurer is higher than that of the City.

### **Basis for Recommendation:**

Based on your objectives, financial situation and need, risk tolerance, liquidity needs, experience with the issuance of Bonds and long-term financial capacity, as well as the tax status considerations related to the Bonds and the structure, timing and other similar matters related to the Bonds, we are recommending the issuance of Bonds as a suitable option.

### **Method of Sale/Placement:**

We are recommending the Bonds be issued as municipal securities and offered through a competitive underwriting process. You will solicit competitive bids, which we will compile on your behalf, for the purchase of the Bonds from underwriters and banks.

An allowance for discount bidding will be incorporated in the terms of the issue. The discount is treated as an interest item and provides the underwriter with all or a portion of their compensation in the transaction.

If the Bonds are purchased at a price greater than the minimum bid amount (maximum discount), the unused allowance may be used to reduce your borrowing amount.

## **Premium Pricing:**

In some cases, investors in municipal bonds prefer “premium” pricing structures. A premium is achieved when the coupon for any maturity (the interest rate paid by the issuer) exceeds the yield to the investor, resulting in a price paid that is greater than the face value of the bonds. The sum of the amounts paid in excess of face value is considered “reoffering premium.” The underwriter of the bonds will retain a portion of this reoffering premium as their compensation (or “discount”) but will pay the remainder of the premium to the City. The amount of the premium varies, but it is not uncommon to see premiums for new issues in the range of 2.00% to 10.00% of the face amount of the issue. This means that an issuer with a \$2,000,000 offering may receive bids that result in proceeds of \$2,040,000 to \$2,200,000.

For this issue of Bonds we have been directed to use the net premium to reduce the size of the issue for the project. The resulting adjustments may slightly change the true interest cost of the issue, either up or down.

The amount of premium can be restricted in the bid specifications. Restrictions on premium may result in fewer bids, but may also eliminate large adjustments on the day of sale and unintended impacts with respect to debt service payment. Ehlers will identify appropriate premium restrictions for the Bonds intended to achieve the City’s objectives for this financing.

## **Review of Existing Debt:**

We have reviewed all outstanding indebtedness for the City and find that there are no refunding opportunities at this time. We are working with staff on possibly refinancing the 2023A temporary bonds later this year.

We will continue to monitor the market and the call dates for the City’s outstanding debt and will alert you to any future refunding opportunities.

## **Continuing Disclosure:**

Because the City has more than \$10,000,000 in outstanding debt (including this issue) and this issue is over \$1,000,000, the City will be agreeing to provide certain updated Annual Financial Information and its Audited Financial Statement annually, as well as providing notices of the occurrence of certain reportable events to the Municipal Securities Rulemaking Board (the “MSRB”), as required by rules of the Securities and Exchange Commission (SEC). The City is already obligated to provide such reports for its existing bonds, and has contracted with Ehlers to prepare and file the reports.

## **Arbitrage Monitoring:**

The City must ensure compliance with certain sections of the Internal Revenue Code and Treasury Regulations (“Arbitrage Rules”) throughout the life of the issue to maintain the tax-exempt status of the Bonds. These Arbitrage Rules apply to amounts held in construction, escrow, reserve, debt service account(s), etc., along with related investment income on each fund/account.

IRS audits will verify compliance with rebate, yield restriction and records retention requirements within the Arbitrage Rules. The City’s specific arbitrage responsibilities will be

detailed in the Tax Certificate (the “Tax Compliance Document”) prepared by your Bond Attorney and provided at closing.

The Bonds may qualify for one or more exception(s) to the Arbitrage Rules by meeting 1) small issuer exception, 2) spend down requirements, 3) bona fide debt service fund limits, 4) reasonable reserve requirements, 5) expenditure within an available period limitations, 6) investments yield restrictions, 7) de minimis rules, or; 8) borrower limited requirements.

An Ehlers arbitrage expert will contact the City within 30 days after the sale date to review the City’s specific responsibilities for the Bonds. The City is currently receiving arbitrage services from Ehlers in relation to the Bonds.

### **Investment of Bond Proceeds:**

Ehlers can assist the City in developing a strategy to invest your Bond proceeds until the funds are needed to pay project costs.

### **Risk Factors:**

**Special Assessments:** We have assumed \$153,796 in pre-paid special assessments. If the City receives a significant amount more of pre-paid assessments or does not levy the assessments, it may need to increase the levy portion of the debt service to make up for lower interest earnings than the expected assessment interest rate.

### **Other Service Providers:**

This debt issuance will require the engagement of other public finance service providers. This section identifies those other service providers, so Ehlers can coordinate their engagement on your behalf. Where you have previously used a particular firm to provide a service, we have assumed that you will continue that relationship. For services you have not previously required, we have identified a service provider. Fees charged by these service providers will be paid from proceeds of the obligation, unless you notify us that you wish to pay them from other sources. Our pre-sale bond sizing includes a good faith estimate of these fees, but the final fees may vary. If you have any questions pertaining to the identified service providers or their role, or if you would like to use a different service provider for any of the listed services please contact us.

**Bond Counsel:** Kennedy & Graven, Chartered

**Paying Agent:** Bond Trust Services Corporation

**Rating Agency:** S&P Global Ratings (S&P)

### **Summary:**

The decisions to be made by the City Council are as follows:

- Accept or modify the finance assumptions described in this report
- Adopt the resolution attached to this report.

## PROPOSED DEBT ISSUANCE SCHEDULE

Pre-Sale Review by City Council:	April 16, 2024
Conference with Rating Agency and Due Diligence Call to Review Official Statement:	Week of May 6 <sup>th</sup> or 13 <sup>th</sup>
Distribute Official Statement:	Week of May 6, 2024
City Council Meeting to Award Sale of the Bonds:	May 21, 2024
Estimated Closing Date:	June 11, 2024

### Attachments

- Estimated Sources and Uses of Funds
- Estimated Proposed Debt Service Schedule
- Bond Buyer Index
- Resolution Authorizing Ehlers to Proceed with Bond Sale

## EHLERS' CONTACTS

Stacie Kvilvang, Senior Municipal Advisor	(651) 697-8506
Jason Aarsvold, Senior Municipal Advisor	(651) 697-8512
Keith Dahl, Municipal Advisor	(651) 697-8595
Silvia Johnson, Lead Public Finance Analyst	(651) 697-8580
Alicia Gage, Senior Financial Analyst	(651) 697-8551

# City of Hopkins, Minnesota

\$9,375,000 General Obligation Bonds, Series 2024A

Issue Summary - Principal 2029-2040

Assumes Current Market BQ AA+ Rates plus 50bps

## Total Issue Sources And Uses

Dated 06/11/2024 | Delivered 06/11/2024

	Improvements	Street Reconstruction Plan	Water	Sewer	Storm Sewer	Issue Summary
<b>Sources Of Funds</b>						
Par Amount of Bonds	\$3,225,000.00	\$645,000.00	\$2,520,000.00	\$1,980,000.00	\$1,005,000.00	\$9,375,000.00
Prepaid Assessments	153,796.00	-	-	-	-	153,796.00
<b>Total Sources</b>	<b>\$3,378,796.00</b>	<b>\$645,000.00</b>	<b>\$2,520,000.00</b>	<b>\$1,980,000.00</b>	<b>\$1,005,000.00</b>	<b>\$9,528,796.00</b>
<b>Uses Of Funds</b>						
Total Underwriter's Discount (1.100%)	35,475.00	7,095.00	27,720.00	21,780.00	11,055.00	103,125.00
Costs of Issuance	41,968.00	8,393.60	32,793.60	25,766.40	13,078.40	122,000.00
Deposit to Capitalized Interest (CIF) Fund	310,445.49	57,560.76	-	-	-	368,006.25
Deposit to Project Construction Fund	2,987,650.00	575,000.00	2,456,642.00	1,930,825.00	983,725.00	8,933,842.00
Rounding Amount	3,257.51	(3,049.36)	2,844.40	1,628.60	(2,858.40)	1,822.75
<b>Total Uses</b>	<b>\$3,378,796.00</b>	<b>\$645,000.00</b>	<b>\$2,520,000.00</b>	<b>\$1,980,000.00</b>	<b>\$1,005,000.00</b>	<b>\$9,528,796.00</b>

# City of Hopkins, Minnesota

\$9,375,000 General Obligation Bonds, Series 2024A

Issue Summary - Principal 2029-2040

Assumes Current Market BQ AA+ Rates plus 50bps

## Debt Service Schedule

Date	Principal	Coupon	Interest	Total P+I	Fiscal Total
06/11/2024	-	-	-	-	-
02/01/2025	-	-	217,549.65	217,549.65	217,549.65
08/01/2025	-	-	170,256.25	170,256.25	-
02/01/2026	-	-	170,256.25	170,256.25	340,512.50
08/01/2026	-	-	170,256.25	170,256.25	-
02/01/2027	-	-	170,256.25	170,256.25	340,512.50
08/01/2027	-	-	170,256.25	170,256.25	-
02/01/2028	-	-	170,256.25	170,256.25	340,512.50
08/01/2028	-	-	170,256.25	170,256.25	-
02/01/2029	615,000.00	3.350%	170,256.25	785,256.25	955,512.50
08/01/2029	-	-	159,955.00	159,955.00	-
02/01/2030	710,000.00	3.350%	159,955.00	869,955.00	1,029,910.00
08/01/2030	-	-	148,062.50	148,062.50	-
02/01/2031	735,000.00	3.300%	148,062.50	883,062.50	1,031,125.00
08/01/2031	-	-	135,935.00	135,935.00	-
02/01/2032	755,000.00	3.350%	135,935.00	890,935.00	1,026,870.00
08/01/2032	-	-	123,288.75	123,288.75	-
02/01/2033	785,000.00	3.350%	123,288.75	908,288.75	1,031,577.50
08/01/2033	-	-	110,140.00	110,140.00	-
02/01/2034	815,000.00	3.450%	110,140.00	925,140.00	1,035,280.00
08/01/2034	-	-	96,081.25	96,081.25	-
02/01/2035	835,000.00	3.500%	96,081.25	931,081.25	1,027,162.50
08/01/2035	-	-	81,468.75	81,468.75	-
02/01/2036	765,000.00	3.650%	81,468.75	846,468.75	927,937.50
08/01/2036	-	-	67,507.50	67,507.50	-
02/01/2037	790,000.00	3.850%	67,507.50	857,507.50	925,015.00
08/01/2037	-	-	52,300.00	52,300.00	-
02/01/2038	820,000.00	3.950%	52,300.00	872,300.00	924,600.00
08/01/2038	-	-	36,105.00	36,105.00	-
02/01/2039	860,000.00	4.050%	36,105.00	896,105.00	932,210.00
08/01/2039	-	-	18,690.00	18,690.00	-
02/01/2040	890,000.00	4.200%	18,690.00	908,690.00	927,380.00
<b>Total</b>	<b>\$9,375,000.00</b>	<b>-</b>	<b>\$3,638,667.15</b>	<b>\$13,013,667.15</b>	<b>-</b>

## Yield Statistics

Bond Year Dollars	\$97,604.58
Average Life	10.411 Years
Average Coupon	3.7279675%
Net Interest Cost (NIC)	3.8336234%
True Interest Cost (TIC)	3.8415336%
Bond Yield for Arbitrage Purposes	3.7106216%
All Inclusive Cost (AIC)	3.9988346%

## IRS Form 8038

Net Interest Cost	3.7279675%
Weighted Average Maturity	10.411 Years

# City of Hopkins, Minnesota

\$9,375,000 General Obligation Bonds, Series 2024A

Issue Summary - Principal 2029-2040

Assumes Current Market BQ AA+ Rates plus 50bps

## Debt Service Schedule

Date	Principal	Coupon	Interest	Total P+I	CIF	Net New D/S	105% of Total	Assessments	Water Revenue	Sewer Revenue	Storm Sewer Revenue	Levy/ (Surplus)
02/01/2025	-	-	217,549.65	217,549.65	(89,096.25)	128,453.40	134,876.07	-	61,666.35	48,467.71	24,742.01	-
02/01/2026	-	-	340,512.50	340,512.50	(139,455.00)	201,057.50	211,110.38	77,000.29	96,521.25	75,862.50	38,726.63	(77,000.29)
02/01/2027	-	-	340,512.50	340,512.50	(139,455.00)	201,057.50	211,110.38	74,601.08	96,521.25	75,862.50	38,726.63	(74,601.08)
02/01/2028	-	-	340,512.50	340,512.50	-	340,512.50	357,538.13	72,201.86	96,521.25	75,862.50	38,726.63	74,225.89
02/01/2029	615,000.00	3.350%	340,512.50	955,512.50	-	955,512.50	1,003,288.13	69,802.66	280,271.25	217,612.50	38,726.63	396,875.09
02/01/2030	710,000.00	3.350%	319,910.00	1,029,910.00	-	1,029,910.00	1,081,405.50	67,403.44	279,365.63	218,113.88	117,476.63	399,045.94
02/01/2031	735,000.00	3.300%	296,125.00	1,031,125.00	-	1,031,125.00	1,082,681.25	65,004.23	278,284.13	218,439.38	120,088.50	400,865.02
02/01/2032	755,000.00	3.350%	271,870.00	1,026,870.00	-	1,026,870.00	1,078,213.50	62,605.01	277,123.88	218,665.13	117,316.50	402,502.99
02/01/2033	785,000.00	3.350%	246,577.50	1,031,577.50	-	1,031,577.50	1,083,156.38	60,205.81	275,690.63	218,638.88	119,752.50	408,868.57
02/01/2034	815,000.00	3.450%	220,280.00	1,035,280.00	-	1,035,280.00	1,087,044.00	57,806.59	279,331.50	218,436.75	122,012.63	409,456.54
02/01/2035	835,000.00	3.500%	192,162.50	1,027,162.50	-	1,027,162.50	1,078,520.63	55,407.39	277,155.38	217,890.75	118,752.38	409,314.74
02/01/2036	765,000.00	3.650%	162,937.50	927,937.50	-	927,937.50	974,334.38	53,008.17	279,937.88	217,077.00	120,694.88	303,616.46
02/01/2037	790,000.00	3.850%	135,015.00	925,015.00	-	925,015.00	971,265.75	50,608.97	276,756.38	221,061.75	117,054.00	305,784.66
02/01/2038	820,000.00	3.950%	104,600.00	924,600.00	-	924,600.00	970,830.00	48,209.75	278,160.75	219,035.25	118,463.63	306,960.63
02/01/2039	860,000.00	4.050%	72,210.00	932,210.00	-	932,210.00	978,820.50	45,810.55	278,914.13	221,862.38	119,566.13	312,667.33
02/01/2040	890,000.00	4.200%	37,380.00	927,380.00	-	927,380.00	973,749.00	43,411.33	278,995.50	218,820.00	120,351.00	312,171.17
<b>Total</b>	<b>\$9,375,000.00</b>	<b>-</b>	<b>\$3,638,667.15</b>	<b>\$13,013,667.15</b>	<b>(368,006.25)</b>	<b>\$12,645,660.90</b>	<b>\$13,277,943.95</b>	<b>\$903,087.13</b>	<b>\$3,691,217.10</b>	<b>\$2,901,708.83</b>	<b>\$1,491,177.26</b>	<b>\$4,290,753.62</b>

## Significant Dates

Dated	6/11/2024
First Coupon Date	2/01/2025

## Yield Statistics

Bond Year Dollars	\$97,604.58
Average Life	10.411 Years
Average Coupon	3.7279675%
Net Interest Cost (NIC)	3.8336234%
True Interest Cost (TIC)	3.8415336%
Bond Yield for Arbitrage Purposes	3.7106216%
All Inclusive Cost (AIC)	3.9988346%



# City of Hopkins, Minnesota

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\$9,375,000 General Obligation Bonds, Series 2024A

Issue Summary - Principal 2029-2040

Assumes Current Market BQ AA+ Rates plus 50bps

## Detail Costs Of Issuance

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Dated 06/11/2024 | Delivered 06/11/2024

### COSTS OF ISSUANCE DETAIL

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Financial Advisor	\$78,000.00
Bond Counsel	\$21,000.00
Rating Agency Fee	\$21,000.00
Miscellaneous	\$2,000.00
<b>TOTAL</b>	<b>\$122,000.00</b>



CITY OF HOPKINS

## Memorandum

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

From: Nick Bishop, Finance Director

Date: April 16, 2024

Subject: Fourth Quarter Financial Update

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The fourth quarter financial report has been prepared based on preliminary and unaudited results. Audit field work was completed the second week of April. Financial Statements are required to be issued by June 30.

### General Fund

The City's General Fund revenues exceeded budget by \$1,047,145, or 6.09%. General Fund expenditures exceeded budget by \$517,638 or 3.01%. The fund balance increased by \$529,507. The main factors for the increase in fund balance are:

- The City exceeded its revenue budget for inspections department charges and interest revenue which was offset by tax settlements.
- The City had higher than anticipated costs for contracted services, supplies, workers compensation insurance and paid leave accruals.

The City's Fund Balance Policy aims for an unassigned fund balance of 42% of annual expenditures or approximately 5 months. At the end of 2023, the unassigned fund balance in the general fund was \$9,004,792 or 48.9% of 2024 budgeted expenditures and \$1,267,635 over policy. City Council approved a 2024 Budget that decreases fund balance by \$400,000. The remaining \$867,635 can be kept as fund balance or reallocated for any governmental purpose.

## Special Revenue Funds

The Chemical Assessment, Economic Development, Parking, Communications, Depot Coffee House and Arts Center Funds collectively increased their fund balances by \$265,577.

- Chemical Assessment – decreased fund balance by \$3,574. Fund operates on a reimbursement basis and we are reviewing the decrease.
- Economic Development – increased fund balance by \$156,683
- Parking Fund – decreased fund balance by \$87,135, due to decreased parking demand at municipal lots and the parking ramp.
- Communication Fund – decreased fund balance by \$142,135, due to a planned reduction in fund balance, decreased franchise fees collected and equipment purchases from PEG fee revenue.
- Depot Coffee House – increased fund balance by \$23,886, primarily due open positions and closing coffee operations.
- Arts Center - increased fund balance by \$317,852. The increase can be attributed to cost-effective operations and ARPA grant revenue. All allocated ARPA funds have been recorded.

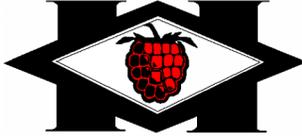
The following chart shows additional detail on ending fund balances and ARPA revenue allocated to special revenue funds.

	Chemical Assessment	Economic Development	Parking Fund	Communications Fund	Depot Fund	Arts Center
Fund Balance on 1/1/2023	(51,685)	4,525,777	(6,406)	215,157	(214,597)	(357,204)
Normal Revenue	62,148	772,860	87,535	200,297	134,296	1,226,243
ARPA Revenue	-	-	-	-	-	136,052
Total Revenue	62,148	772,860	87,535	200,297	134,296	1,362,295
Expenditures	65,722	616,177	174,670	342,432	110,410	1,044,443
Increase (decrease) in Fund Balance	(3,574)	156,683	(87,135)	(142,135)	23,886	317,852
Fund Balance on 12/31/2023	(55,259)	4,682,460	(93,541)	73,022	(190,711)	(39,352)

## Enterprise Funds

The Water, Sewer, Refuse, Storm Sewer and Pavilion Funds collectively increased their working capital by \$1,038,787. Working capital is the difference between current assets and current liabilities. It represents the amount available to meet current financial needs. It does not include capital assets and is not affected by depreciation expense. The chart below shows changes to working capital for enterprise funds.

	Water	Sewer	Refuse	Storm Sewer	Pavilion
Working Capital on 1/1/2023	1,124,041.00	1,492,848.00	1,273,734.00	2,574,249.00	98,706.00
Increase (Decrease) to Working Capital					
Operating Activities	524,526.00	340,058.00	433,702.00	(22,563.00)	183,775.00
Capital & Financing Activities	34,383.00	(38,505.00)	(419,996.00)	327,655.00	(324,248.00)
Total Increase (Decrease) to Working Capital	558,909.00	301,553.00	13,706.00	305,092.00	(140,473.00)
Working Capital on 12/31/2023	1,682,950.00	1,794,401.00	1,287,440.00	2,879,341.00	(41,767.00)



Public Works Dept.

CITY OF HOPKINS

## Memorandum

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

From: Eric Klingbeil

Date: April 16, 2024

Subject: Pavement Management Program Update

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### **PURPOSE**

To provide an update on the city's Pavement Management Plan

### **INFORMATION**

Hopkins developed a Pavement Management Plan (PMP) in the 1990s to establish a baseline for infrastructure management. Prior to the PMP street reconstruction was typically reactionary and in many instances it was unplanned. The PMP establishes a method to track infrastructure condition, this in turn allows staff to be intentional and strategic when planning for projects. This also provides a way to be financially prepared for construction, by forecasting capital investments out over a horizon in the Capital Improvement Plan. A review of the status of street reconstruction across the city will be included in the presentation.

Currently, segments of 6<sup>th</sup>, 7<sup>th</sup>, and 8<sup>th</sup> Avenues North and 1<sup>st</sup>, 2<sup>nd</sup>, and 3<sup>rd</sup> Street North are being reconstructed in 2024. As with other reconstruction projects, the scope also includes replacement of sidewalk, water main, sanitary sewer and storm sewer.

### **FUTURE ACTION**

The most recently approved CIP has segments of 9<sup>th</sup>, 10<sup>th</sup>, and 11<sup>th</sup> Avenues North and 2<sup>nd</sup>, 3<sup>rd</sup>, and 4<sup>th</sup> Streets N targeted for reconstruction in 2025. Segments of 12<sup>th</sup> and 13<sup>th</sup> Avenues North, and 3<sup>rd</sup> and 4<sup>th</sup> Streets North have been identified for 2026 reconstruction.

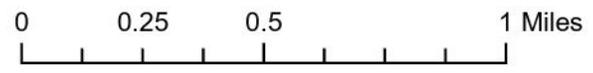
Based on Council direction, staff will be prepared to start project development at any time.

The next step is returning to council with a resolution to order a feasibility report.



**Road Condition 2024**

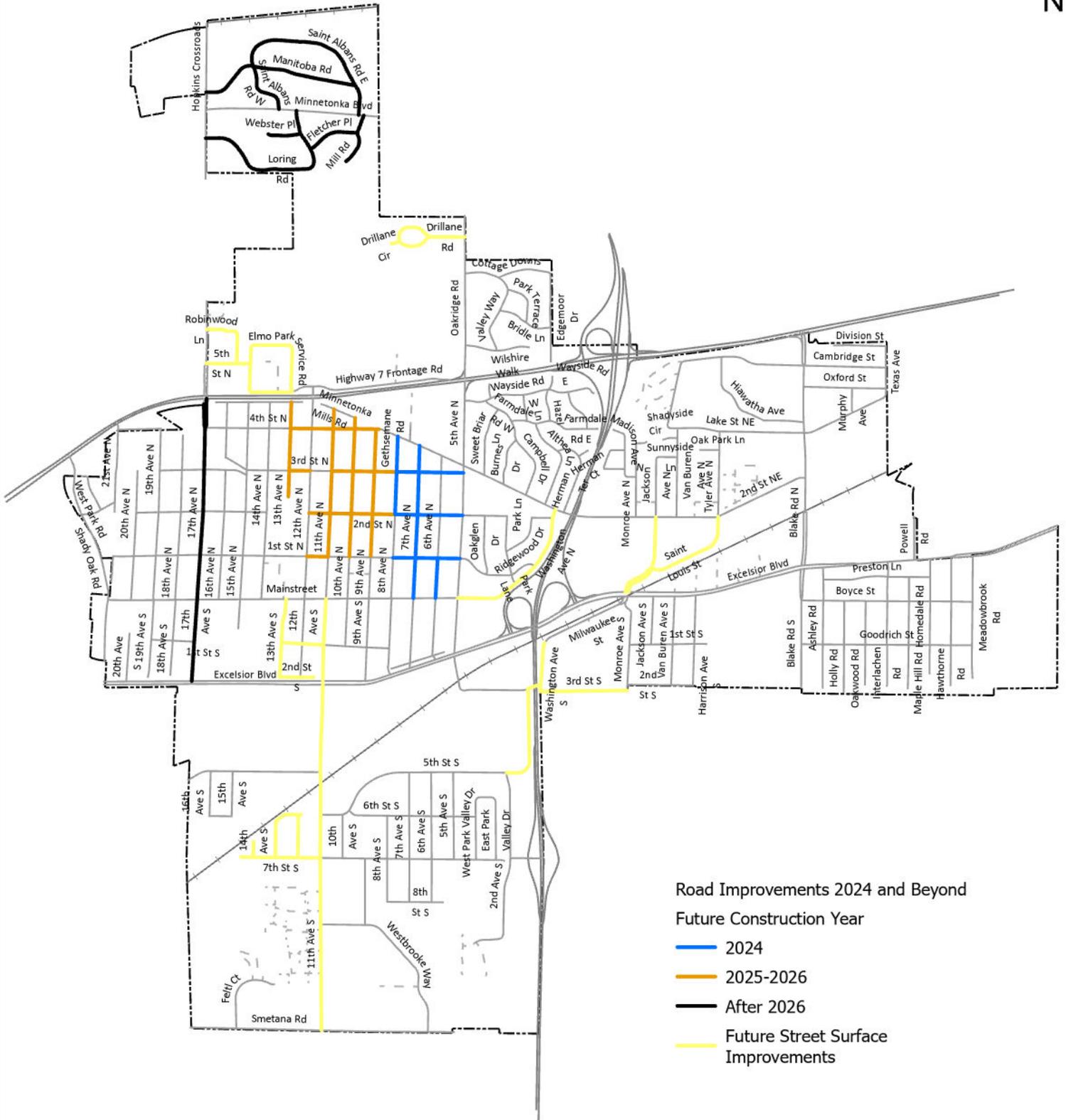
- Poor
- Fair
- Average
- Good



# Pavement Condition 2024 (Including 2024 Projects)

4/9/2024

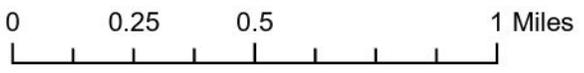




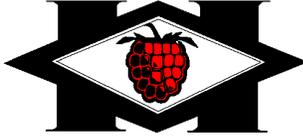
Road Improvements 2024 and Beyond  
Future Construction Year

- 2024
- 2025-2026
- After 2026

Future Street Surface Improvements







Finance Department

**CITY OF HOPKINS**

## **Memorandum**

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

From: Nick Bishop, Finance Director

Date: April 16, 2024

Subject: Debt Update

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### **PURPOSE**

To provide an overview and update related to the City's projected debt payments for the Central Avenue Street Project.

### **INFORMATION**

The City of Hopkins issues debt for infrastructure (roads, water, sewer and storm sewer) and large scale equipment (fire trucks and garbage trucks, among others) with a lifespan at least equal to the length of the debt (in most cases much longer). Despite the lifetime of the infrastructure being decades long, the average city debt is issued for only 15 years, which reduces the amount of interest paid.

The City has been focusing on projects to reconstruct streets, and ensuring our infrastructure is prepared for Southwest Light Rail and the development expected from the significant change projected for the community.

All streets in Hopkins are planned to be reconstructed by 2030. Continuing this program of street surface improvement projects ensures the future preservation of our roadways and helps maintain the quality of life Hopkins residents have come to expect.

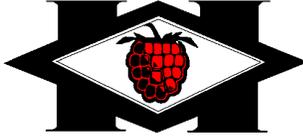
On December 31, 2023, the City of had \$50,085,000 of Tax Levy-supported debt. The City also has \$23,385,000 of debt paid by Utility Revenues and \$8,710,000 of debt paid by Tax Increment Financing (TIF). Total debt outstanding is \$82,180,000.

The following chart shows the projected debt levy needed to complete the Central Avenues Street Reconstruction project. Projected debt levies for the 2024 portion of the project are based on the 2024A bonds scheduled to be authorized at this same meeting. The projections for the 2025 & 2026 projects include a one-year delay in principal repayment compared to a typical repayment schedule.

<b>Projected Debt Levy</b>						
	2024	2025	2026	2027	2028	2029
Current Debt	4,107,613	4,149,491	4,101,395	3,954,933	3,644,863	3,599,945
Central Avenues <sup>1</sup> 2024 Project	-	-	-	60,019	387,774	385,515
Central Avenues <sup>2</sup> 2025 Project	-	-	115,000	325,000	325,000	325,000
Central Avenues <sup>2</sup> 2026 Project	-	-	-	120,000	345,000	345,000
<b>Total Debt Levy</b>	<b>4,107,613</b>	<b>4,149,491</b>	<b>4,216,395</b>	<b>4,459,952</b>	<b>4,702,637</b>	<b>4,655,460</b>
Increase (Decrease)		1.02%	1.61%	5.78%	5.44%	(1.00%)
1 - Based on Recommended 2024A Bond Authorization						
2 - Projected Principal Payments Delayed 1 Year						

## **FUTURE ACTION**

Bonds for any future street projects would be issued in the year of construction.



CITY OF HOPKINS

## Memorandum

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

From: Amy Domeier, City Clerk

Date: April 16, 2024

Subject: 2024 Charter Commission Update

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### PURPOSE

To provide the City Council with an update on proposed 2024 Charter Commission discussions and potential City Charter amendments.

### INFORMATION

For 2024, staff is recommending the following items be reviewed by the Charter Commission:

- **Sec. 2.03. - Elected officials.** The mayor's term is two years, and the four council members terms are four years each. Staff has received inquiries from residents along with previous and former council members about the length of the mayor's term. To be consistent with the council members' terms, staff is proposing that the Charter Commission consider amending the Charter to also have the mayor serve a four-year term.

The LMC has shared the data on Mayor's terms. The statistics provided are based on 855 self-reported cities.

- 434 MN cities have 2-year terms for Mayor
- 30 out of 107 MN home rule cities have 2-year terms for Mayor

- **Sec. 4.01. - Municipal elections.** Since 1995, the regular election has been held on the first Tuesday after the first Monday in November in odd numbered years. To increase voter turnout, implement cost savings, streamline election administration, and align election dates with state and federal elections, staff is proposing that the Charter Commission consider amending the Charter such that the regular city election be held on the first Tuesday after the first Monday in November of even numbered years.

The LMC has shared the data on municipal elections. The statistics provided are based on 855 self-reported cities.

- 18 MN cities have odd-year elections
- 10 out of the 18 MN Cities are home rule cities with odd-year elections

Staff reviewed the City of Hopkins odd-year election data for the past 10 years. For the 6 elections held between 2013 and 2023, the averages are as follows:

- Turnout: per election 17.5%
- Cost per election: \$60,233

- **Sec. 4.02. - Candidates.** The current language for candidate filing procedures is not consistent with MN State Statutes 205.13, subd. 1a and 205A.06, subd. 1a. To align with the process and dates outlined in state statute, staff is proposing that the Charter Commission consider amending the Charter so an eligible voter of the city may file for election in the manner prescribed by law.

In addition, Staff is also proposing language be added related to write-in candidates. The current write-in vote counting process is overly time consuming and unnecessary. Staff would propose adding language that a write-in candidate for mayor or city council who wants their write-in votes to be counted in the general election must file a written request with the city clerk no later than seven days before the general election. All write-in votes cast for candidates who have not filed a written request to have these votes counted shall be treated collectively as votes for a single candidate.

- **Sec. 6.06. – Purchases and Contracts.** The current language is not consistent with the Legislative Policy Manual section 6-A on Purchasing. Policy 6-A was updated in January 2024. Staff would propose changes to the City Charter allowing City Council to regulate the City Manager’s powers over purchasing through the Legislative Policy Manual.
- **Chapter 7 – Taxation and Finances.** The current language is outdated and not consistent with current practices. Major changes would be to remove references to a board of equalization made up of City Council and to grant the City Manager budgetary control within each fund.

## **FUTURE ACTION**

Staff anticipates future action from the City Council on these items in the upcoming year. The process to amend the City Charter by ordinance according MN Statutes Section 410.12 is attached.

# Process for Amending the Charter by Ordinance

## According to MN Statute, Section 410.12

