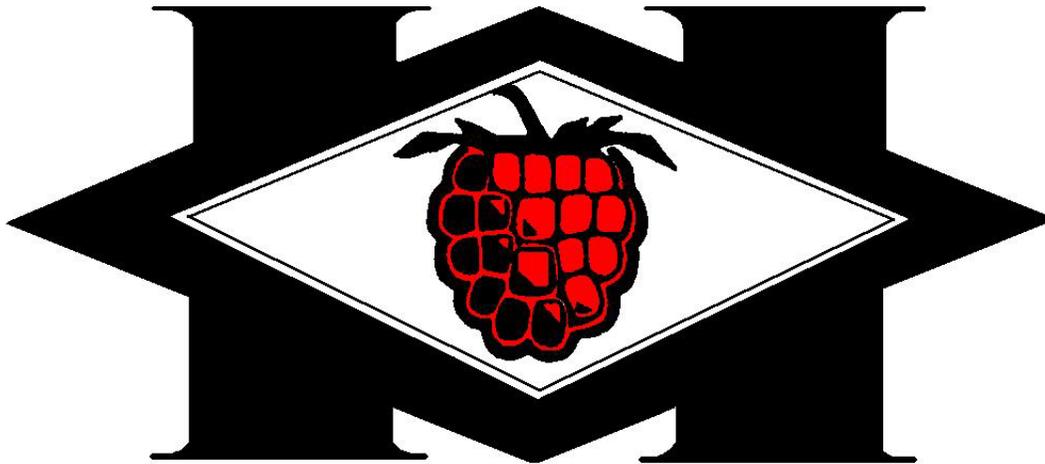


City of Hopkins, Minnesota

Annual Budget

January 1 - December 31, 2025



Inspire • Educate • Involve • Communicate

Think
Hopkins
It's all true.

City of Hopkins

1010 First St S

Hopkins, MN 55343

952-935-8474

CITY OF HOPKINS BUDGET

FISCAL YEAR BEGINNING JANUARY 1, 2025

City Council

	<u>Term Expires</u>
Mayor Patrick Hanlon.....	December 31, 2025
Councilmember Brian Hunke.....	December 31, 2027
Councilmember Heidi Garrido.....	December 31, 2025
Councilmember Ben Goodlund	December 31, 2027
Councilmember Aaron Kuznia.....	December 31, 2025

Management Team

Mike Mornson	City Manager
Kersten Elverum	Director of Planning & Development
Casey Casella.....	Assistant City Manager
Nick Bishop.....	Director of Finance
Kelly O’Dea	Recreation Director
Brent Johnson.....	Police Chief
Dale Specken.....	Fire Chief
Chuck Autio.....	Director of Public Works

This document was developed and compiled by the Finance Department, City of Hopkins

CITY OF HOPKINS
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City of Hopkins

1010 First Street South • Hopkins, MN 55343-3435 • Phone: 952-935-8474 • Fax: 952-935-1834
Web address: www.hopkinsmn.com

January 2025

Dear Residents, Mayor and Council Members:

It is my pleasure to present to you the City of Hopkins 2025 Budget. Hopkins' strong financial position and proactive fiscal management practices allowed options for the City Council to maintain a service delivery at current levels while minimizing the impact on the 2025 tax levy. The final result is an adopted 2025 budget totaling \$45,518,941 of which \$19,920,490 is the General Fund. This budget lives within the City's financial resources, meets basic service needs, provides for the maintenance and replacement of the City's infrastructure, and plans for the future, keeping Hopkins' good financial condition intact.

The Municipal Budget is intended to reflect the goals, objectives, and priorities established by the City Council with input from the residents and taxpayers of Hopkins, and fairly represent the revenues and expenditures necessary to provide the services and programs desired by the community.

The city governing body involves its' residents and constituents through its mission and vision statement "Inspire • Educate • Involve • Communicate" by: conducting Hopkins Academy for residents, providing a state of the city address, publishing a city annual report, and communicating with the community as often as possible regarding many city initiatives and proposed policies. The budget adoption is a significant way in which the City Council expresses their leadership. The City Council establishes budget goals, which are accurately reflected in this budget.

2025 BUDGET DEVELOPMENT

The City has developed a number of elements that have been brought together to provide the best information for the Council to make their budget decisions. These elements include the following:

- **Strategic Planning Process** – The Council has a mission and vision statement, which helps determine the priorities of the community and direct the council in providing services for its constituency. As part of the process annual goals and objectives are set.
- **Program Budgeting** – This provides more information in regards to what programs departments provide and what is the individual cost of those programs. This accomplishes the objective of reviewing revenues and expenditures based on program activity.
- **Four Year Budget Modeling** – Encourages future planning for the General Fund budget and allows us a preview at projected property tax levy needs over the next four years.
- **Cash Flow Models** – Cash flow projections are created for all funds to provide us with a view of future sources and uses within the various funds and for the City as a whole. This assists in long range planning and goal setting.
- **Net Property Tax Cost for Median Value Home** – A Financial Management Plan model is being used that can provide council with long range estimates of the tax changes on a median value home. The model incorporates many variable that can affect tax rates, including projected operating costs, future debt service, capital costs, and changes to the tax base.
- **Net Tax Cost by Department** – This provides both a dollar and percentage of property tax support for each of the City's general fund departments and other programs relying on tax levy support.
- **Community Engagement** - Informs residents of the difficult decisions made during the budget process and assists City Council in determining what programs and services are most valued by the community. Opportunities for engagement have included: information kiosks, a budget survey and a community budget event.

HOPKINS IN 2024

In the year 2024, the nation's economy continued to adapt and grow after the COVID-19 pandemic. 2024 saw continued challenges to the City, service delivery and employee retention. Core services continue to be provided in 2024 with some revised service models. City staff continues to analyze city services and look at ways to continue to as efficient as possible. The Council and city staff also continues to investigate additional revenue sources.

In 2024, the City's tax base continued to grow due to market growth and redevelopment, with the largest increases coming from new apartments. The City's total tax capacity increased 7.2% due mainly to these factors. In 2023 the overall taxable market value increased by 4.9% due to the same factors. The city's levy has increased an average of 3.3% per year over the last five years. The City's general fund expenditures have increased an average of 5.4% a year over the last five years. This increase is directly related to salary and benefit increases for employees, insurance costs and infrastructure. Diligent planning and management has helped in keeping operating expenditures down.

The employee compensation has remained competitive in the market for both those with and those without labor contracts. This was affirmed by a Compensation Study conducted during 2023. The number of employees will remain stable at 120 in 2025.

ECONOMIC OUTLOOK

Hopkins is a diverse community made up of a healthy mix of residential, commercial and industrial properties. United Natural Food Inc. purchased Supervalu, the largest food wholesaler in the nation, during 2018. United Natural Food Inc. is a Fortune 500 company that now has a strong presence in Hopkins. Excelsior Crossings is a large corporate campus with three buildings totaling over 900,000 square feet and room for approximately 4,000 employees. A division of another fortune 500 company, US Bank, occupies a significant portion of the campus. Digi International, a technology company, is now headquartered in one of the three Excelsior Crossing buildings.

Hopkins economic outlook has remained relatively stable. The City is an attractive place to live and is expanding its tax base through the redevelopment of most multifamily dwellings. Hopkins is an inner-ring suburb of Minneapolis with a good mix of 52% residential, 23% commercial and industrial and 24% apartment properties (based on estimated market values). Hopkins participates fully in the Minneapolis and Hennepin County economies. Hopkins has preserved its central downtown area where development continues because of its highly desirable location. Hopkins wealth levels are above average when compared nationwide.

REDEVELOPMENT

Significant redevelopment has occurred within the City of Hopkins over the past five years. This redevelopment has contributed substantially towards the increase in property values and by making Hopkins a more desirable place to live and work. Some of the more recent projects are:

- Redevelopment of a vacant office and clinic site into 163 luxury apartments with retail space
- Redevelopment of a vacant downtown building into a craft brewery and tap room.
- Redevelopment of a former office building into 241 high end luxury apartments and retail space.
- Redevelopment of ten duplexes into 51 affordable apartments adjacent to public transit and parks.
- Infill development of a 43 unit affordable apartment building on an existing parking lot
- Redevelopment of an underutilized commercial building into a 500 apartments, and mixed use retail
- Transformative redevelopment of 13-acre cold storage facility into 833 units of varying housing types, a 5-story 116-unit low income housing development was completed in 2023

In addition to projects other development continues in Hopkins. During 2024, construction continued on Southwest Light Rail Green Line Extension. This is the largest public works project in Minnesota's history and will have three stations located in Hopkins. The project will make Hopkins an attractive area for redevelopment. The City has seen an increased interest in properties near the station areas for redevelopment, especially apartments.

LONG TERM OBJECTIVES

The City Council and staff have established long term objectives for the community and the working environment

- Increase ratio of residential properties.
- Maintain the high quality of our livable community.
- Increase tax base to spread share of tax burden.

BUDGET OBJECTIVES FOR 2025

- Maintain core City services at a reasonable price for residents and commercial/industrial users.
- Use program budgeting as a tool for analysis of all programs and services to:
 - ◆ look for ways to reduce dependency on the property tax,
 - ◆ find greater efficiencies in the provision of current services and programs,
 - ◆ compare staffing levels to workloads to assure proper allocation of resources,
 - ◆ create greater linkages between revenues and expenses, to allow for more entrepreneurial approaches to non-essential services.
- Forecast funding needs and tax implications to assure strong long-term financial stability.
- Continue policy of avoiding the use of fund balances for operating expenses, except when fund balance exceeds policy
- Recognize and award employees that assist the City in saving money.
- Evaluate and investigate other sources of revenue.

BUDGET CONSIDERATIONS

These are areas to consider that may affect the budget during the next few years.

State Tax Reform:

- Property Classification Changes – In the past there has been a tendency to shift some of the tax burden back to residential taxpayers from commercial/industrial taxpayers.
- Tax Increment Finance – Any changes in property classifications impact property taxes generated by TIF districts. Currently the tax generated in the various districts is projected to be sufficient to cover any debt or liabilities created in the districts.
- Property Tax Freeze and/or Levy Limits – Levy limits have been on and off again since 2008. This uncertainly poses budget challenges as cities are uncertain if they will again be re-instated. For the 2025 budget year there were no levy limits which give cities more budget flexibility in meeting the needs of their residents while maintaining essential city services.
- State Aids – The City of Hopkins no longer receives significant state aids as a revenue source. Local Government Aid (LGA) did increase in 2025, but at a rate less than inflation. The city received approximately \$1,081,000 of LGA in 2024 and will receive approximately \$1,085,000 in 2025.

Real Estate Values – Overall real estate values in this community increased by approximately 4.9% in 2024. This resulted in an increase in the City's tax capacity of 7.2% due to varying tax capacity rates between residential, apartment, commercial and industrial properties.

Overall, general fund budgeted expenditures will increase by 8.14% in 2025 due to salaries and benefits increases, expiration of one-time grant funding used for new fulltime positions and the inclusion of the Communications budget (formerly accounted for in a special revenue fund). The general fund increase was offset by a one-time use of fund balance based on an operating surplus in 2023. At the time of this budget, we project an average 5.00% increase for 2026-2029. Future programs and services provided by the City of Hopkins may change in relation to available revenue sources. The City Council and staff will be update long-range financial projections to help with current and future budgeting. Long range planning assists in minimizing the impacts of potential tax freezes, additional state aid losses and sets forth a plan to stabilize all funds.

Fund Balances for governmental fund types will continue to be strong for the next 3 to 4 years, absent any significant changes in the policy of avoiding the use of fund balance reserves for current expenditures.

GAUGING THE CITY

The City uses the following performance measures:

- Tax levy history in relation to the consumer price index.
- Tax Impact on Median Value Home
- Goal achievement

2025 BUDGET ADOPTION

Overall the budget objective is to provide quality services at a reasonable cost, while keeping tax rates fairly constant. In the past this has been accomplished through increased net tax capacity levels and keeping the tax levy at a reasonable amount while at the same time allowing the City enough funds to continue with the level and quality of service it currently has. This has been particularly challenging the last few years as the City continues to make infrastructure improvements.

The city's tax rate has decreased over the past five years ranging from 69.301% in 2020 to a proposed rate of 61.519% in 2025. The proposed 2025 city tax rate of 61.519% is a 1.54% increase from 2024.

The adopted General Fund budget has a 8.14% expenditure increase for a total General Fund Budget of \$19,920,490. The total tax levy increase for 2024 is 4.92%. The levy includes funds designated for general fund operations, Arts Center, Pavilion, equipment replacement, permanent improvements, capital improvements and debt service payments. The monthly city tax cost for a median valued home of \$378,800 is about \$188 or approximately \$2,254 for the year not including credits for state programs.

The city's goals and objectives were once again reviewed and updated by City Council and City staff. They are integral part in meeting the needs of the residents. The goals and strategic plans set at the beginning of 2024 are included in the budget document on pages 13-14.

Sincerely,

CITY OF HOPKINS



Michael J. Mornson
City Manager



GOVERNMENT FINANCE OFFICERS ASSOCIATION

*Distinguished
Budget Presentation
Award*

PRESENTED TO

**City of Hopkins
Minnesota**

For the Fiscal Year Beginning

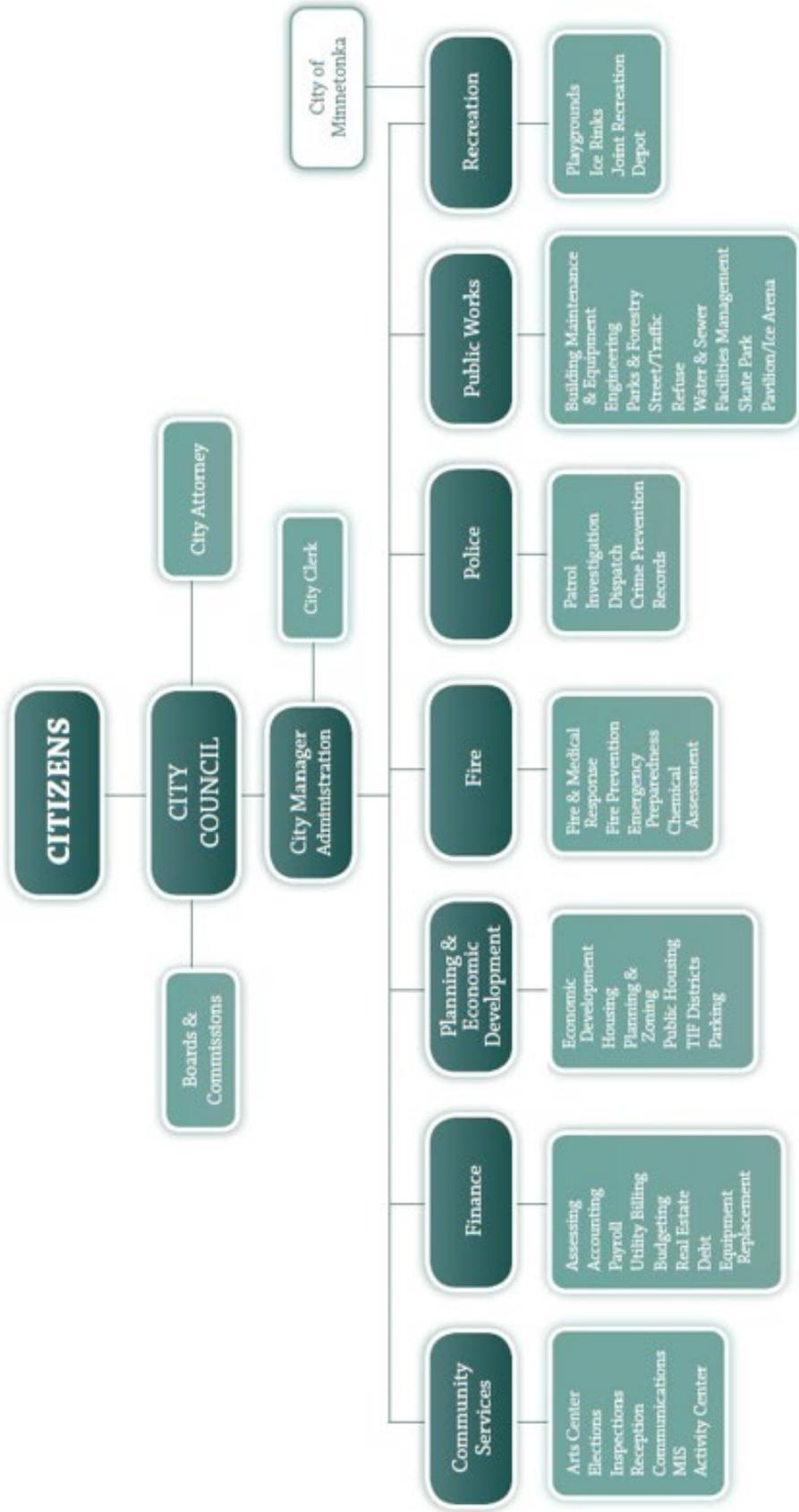
January 01, 2024

Christopher P. Morill

Executive Director

The Government Finance Officers Association of the United States and Canada (GFOA) presented a Distinguished Budget Presentation Award to City of Hopkins, Minnesota for its annual budget for the fiscal year beginning January 1, 2024. In order to receive this award, a government unit must publish a budget document that meets program criteria as a policy document, as an operations guide, as a financial plan, and as a communications device.

This award is valid for a period of one year only. We believe our current budget continues to conform to program requirements, and we are submitting it to GFOA to determine its eligibility for another award.



CITY FACILITIES

City Hall	1010 First St S, Hopkins, MN 55343	952-935-8474
Depot Coffee House	9451 Excelsior Blvd, Hopkins, MN 55343	952-938-2204
Fire Department	101 17th Ave S, Hopkins, MN 55343	952-938-8885
Hopkins Activity Center	33 14th Ave N, Hopkins, MN 55343	952-939-1333
Hopkins Center for the Arts	1111 Mainstreet, Hopkins, MN 55343	952-979-1100
Pavilion Ice Arena	11000 Excelsior Blvd, Hopkins, MN 55343	952-548-6390
Police Department	1010 First St S, Hopkins, MN 55343	952-548-6440
Public Works	11100 Excelsior Blvd, Hopkins, MN 55343	952-939-1382

CITY OF HOPKINS

COMMUNITY PROFILE

The first settlers of Hopkins arrived in 1852; however, the roots of the town begin in 1887 with the building of the Minneapolis Threshing Machine Company, later called Minneapolis Moline. Minneapolis Moline once employed most of the Hopkins residents. The West Minneapolis Land Company was also founded in 1887 and was formed to build housing for the Minneapolis Moline factory workers. In 1893, the Hennepin County Board of Commissioners received a petition signed by 41 residents, asking that the village be formed. Following an election, the community was then incorporated as the village of West Minneapolis.

The original village was comprised of three square miles, and it has been enlarged by annexation to its present size of about four square miles. The population at the time of its incorporation was 1,105; today, there are 19,713 people living in Hopkins. In 1928, the name of the village was changed to Hopkins - for Harley H. Hopkins who was among its first homesteaders and was the community's first postmaster. The first mayor was Harley Hopkins' son, Chester L. Hopkins.

On January 1, 1948, the village became a city upon adoption of a City Charter with a Council/Manager form of government. The City Council consists of four council members and the mayor. Council members serve four-year terms and are elected at large. The mayor is elected at large for a two-year term. The governing council is responsible, among other things, for passing ordinances, adopting the budget, appointing committees and hiring the City manager.

Hopkins has always had a core business district, and in the center of that early business district was Hopkins City Hall at 8th Ave N and Mainstreet. Completed in 1912, it housed the city's police and jail in the rear portions, and city offices, library and meeting room upstairs. The fire station was on the main level, and the firefighters used horse drawn rigs. The building was remodeled in 1940 to accommodate more fire trucks.

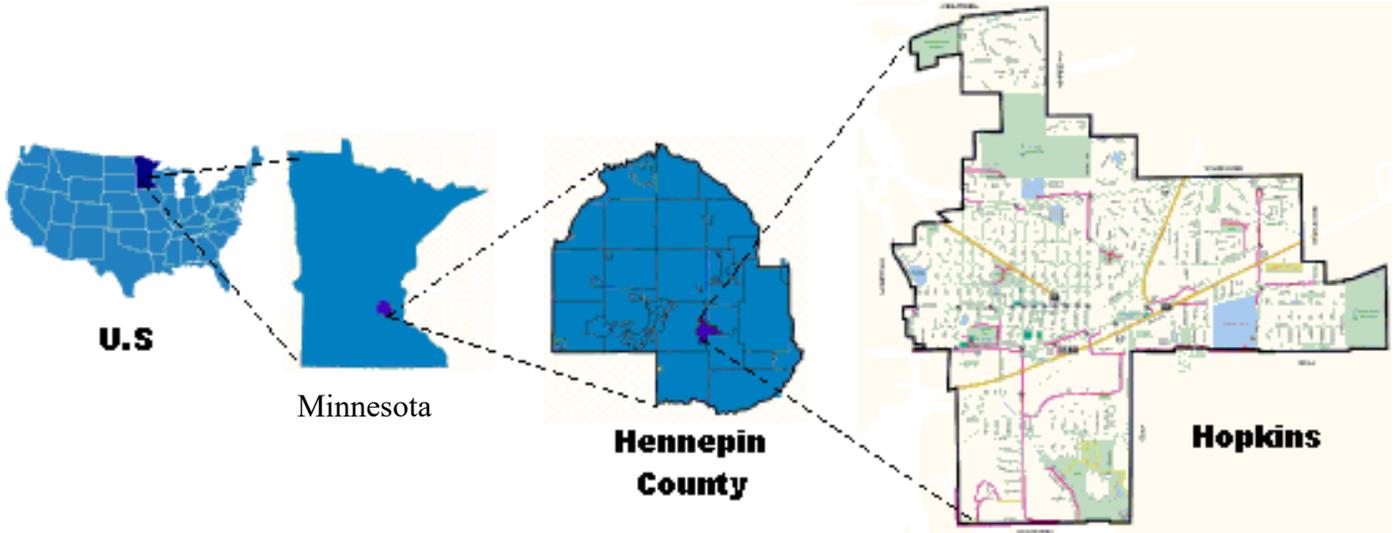
That fire station was torn down in 1965 after a new City Hall, Police Station and Fire Station were built at 1010 1st St S. In 2004, a new Fire Station was built on 17th Ave. The Police Department was expanded and remodeled in 2005. City Hall was renovated 2019. In the summer of 1982, the city and its Public Works Department accomplished the challenge of building a city garage on a small area, using as many of the existing structures as possible, doing it within a \$475,000 budget, and doing it without disrupting city services. The Public Works facility was expanded and remodeled in 2004.

Adjacent to the Public Works facilities is the Hopkins Pavilion, which was built with money from a 1989 park bond referendum. The facility opened in December 1991. It is now one of the premier facilities of its kind in the Twin Cities area, and is used for soccer, lacrosse, in-line roller hockey, skating and ice hockey. The facility was expanded and remodeled in 2018. The Hopkins Activity Center, a multipurpose community facility, opened in January 1981 at the site of the former South Junior High School. A variety of programs for people of all ages are offered at the Activity Center. It was renovated in 1990, and the facility includes a gymnasium, meeting rooms and kitchen. The Hopkins Historical Society, which was started more than 30 years ago, also is located in the Activity Center.

The Hopkins Center for the Arts, 1111 Mainstreet, opened in November 1997. The Arts Center stands as a focal point for arts, culture and entertainment in the Hopkins community, the Twin Cities metro area and the region. It is a community-gathering place where young and old can enjoy high quality, multi-disciplinary cultural arts programs and community activities. The Arts Center includes a theater, a visual arts gallery, multipurpose spaces for rehearsals, community activities and small performances, a visual arts classroom, a dance studio, and kitchen facilities for serving catered food.

In addition to its facilities, the City of Hopkins is home to the annual Raspberry Festival, now in its 90th year. The first festival was organized in 1934 by a group of community business people who were concerned that the Hopkins economy and community needed a boost.

CITY OF HOPKINS



Hopkins is a suburban city in Hennepin County, Minnesota located just 13 minutes west of the Twin Cities of Minneapolis and St. Paul. The City is four square miles in size surrounded by larger suburban communities. Hopkins is about 98% developed with little remaining vacant land. U.S. Route 169 and Minnesota Highway 7 are two of the main arterial routes in the City. Hopkins is a dynamic community of almost 20,000 residents. Founded rich in tradition and growth, Hopkins offers the advantages and conveniences of a large City but yet the security of a small town. The residents and the business community have an enormous sense of pride and support for their City. Travel any street and you will see and feel the reflections of pride and vitality. Hopkins has enriched its spirit of community by remaining a place where people are treated with respect; where the community participates in building culture, character and common bonds; where business growth is supported while a vibrant City Center is maintained; where people feel safe, support outstanding schools and celebrate cultural heritages; and where people enjoy quality parks, housing and public services.

Through education, inspiration, involvement and communication, the City Council, City Staff, members of the Boards and Commissions, the business district and the neighborhood associations are committed to enhancing the quality of life in Hopkins.



Burnes Park Splash Pad

Population	
1920	3,055
1930	3,834
1940	4,100
1950	7,595
1960	11,380
1970 (census)	13,395
1980 (census)	15,336
1990 (census)	16,534
2000 (census)	17,145
2010 (census)	17,591
2020 (census)	19,079
2023 (Met Council estimate)	18,441

CITY OF HOPKINS

STATISTICAL INFORMATION

Founded	1852	Education	
Dated of Incorporation	November 26, 1893	School Enrollment	8,225
Date of Adoption of City Charter	December 20, 1947	Elementary Schools	6
Form of Government	Council - Manager	Middle Schools	2
Fiscal Year Begins	January 1, 2024	High School	1
Area of City	4.1 Square Miles	Private Schools	8
	2,616 acres	Charter Schools	2
Housing			
Single Family	2,596	Elections:	
Multiple Family	5,723	Registered Voters - last general election	12,187
Duplexes	500	Number of votes cast last general election	9,651
Townhouses	690	Percentage of registered voters voting	79.2%
Population by Age			
0 to 19	3,766	City Bond Rating	
20 to 64	11,353	Standard & Poor's	AA+
Over 65	3,353		
Income by Household			
Less than \$50,000	26%	Miles of Streets and Alleys:	
\$50,000 - \$100,000	27%	Trunk Highways	3.57
\$100,000 - \$150,000	18%	County	5.32
\$150,000 or more	29%	City Streets	47.5
		Alleys	9.52
		Miles of Sewers:	
Median Household Income	\$71,200	Storm Sewers	21.4
Per Capita Personal Income	\$48,400	Sanitary Sewers	45.46
Unemployment Rate	4.1%	Miles of Watermains	52.6
Population Composition			
White	63.17%	Civil Defense Warning Sirens	3
African American	19.74%	Fire Protection:	
Hispanic or Latinx	5.53%	Number of Stations	1
Asian	3.62%	Number of FT Employees	6
Two or More Races	7.50%	Volunteer Firefighters	32
Native American	0.18%	Police Protection:	
Other Races	0.26%	Number of Stations	1
		Number of Employees	40
Total Property Values	\$3.013 Billion	Parks	
		City Parks	16
		Playgrounds	11
		Skating Rinks	7

CITY OF HOPKINS

ORGANIZATION STRUCTURE

The home rule charter of the City was adopted on December 2, 1947 and serves as the basis for the government operations of the City. The City utilizes the council-manager form of municipal government. The City Council is comprised of the mayor and four council members. The mayor and the council members are elected at large. The council members serve a four-year term and the mayor serves a two-year term. The city manager is the chief administrative officer of the City. The city manager is selected by the City Council and serve an indefinite term. The city manager controls and directs the administration of the City's affairs and therefore, supervises all departments and divisions of the City. City boards and commissions serve in an advisory capacity to the City Council.

The City is managed through seven departments, each with a department head who reports to the city manager. The organizational hierarchy is shown on page 9. The hierarchy does not always match financial reporting requirements (as shown on page 26). Pages 51-91 provide further information on each department's objectives and budgets.

The City utilizes several commissions to advise, prioritize or implement various city issues or projects throughout the year. These commissions are comprised of volunteer residents and an appointed staff member as a liaison. The Charter commission reviews the city charter for appropriateness and also recommends changes to the charter. They meet annually or more often as needed. The Zoning and Planning commission meets monthly and reviews and recommends zoning applications, changes to zoning ordinances and recommends possible future economic development for the City. The Park board meets monthly to review park and recreation programs use and recommends future programs and development for parks.

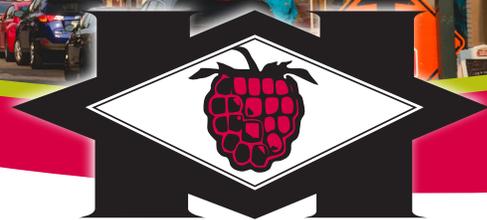
MISSION, VISION AND GOALS

Long-range goals for the City are:

- Continually enhance partnerships with residents.
- Inspire resident leadership.
- Educate and involve residents.
- Communicate openly and effectively.
- Be responsive.
- Be fiscally responsible.
- Provide quality customer service that is:
 - ✓ Responsive to the needs of the community.
 - ✓ Innovative.
 - ✓ Accessible.



Short-term goals are reviewed annually by City Council and staff. The discussion begins with the global environment and ends with prioritizing goals for the near future. Below are the mission, vision and short-term goals for the City along with the strategies and action steps needed to implement them. The budget is developed using the three main goals along with the strategies as guidance. Departments then use the action steps in setting individual departmental goals and budgets so that resources are available to achieve the action steps identified.



City of Hopkins 2024

MISSION

Inspire. Educate. Involve. Communicate.

VISION

Creating a spirit of community where...

All people feel safe and respected, and diversity is celebrated.

Business growth is supported and a vibrant downtown is maintained.

People enjoy exceptional government services, neighborhoods and outstanding schools.

GOALS

STRATEGIES

Preserve the Hometown Feel of Hopkins

- Enhance community pride by providing accessible, friendly and efficient services
- Support a vibrant business community
- Promote Hopkins as a destination and enhance city events
- Maintain high quality public safety services

Promote a Resilient Community

- Maintain physical assets and infrastructure
- Practice environmental responsibility
- Strengthen walking and biking infrastructure in the city
- Support a range of housing options and opportunities for affordability
- Support transit-oriented sustainable development and growth

Take It To Them

- Foster true inclusion through community engagement and involvement
- Engage underrepresented populations: communities of color and rental community
- Embrace and strengthen partnerships

ACTION STEPS

Priorities for the year ahead

- Complete city-wide meter changeout
- Develop Police Department recruitment & retention strategies
- Complete a Police Department staffing study
- Explore options for the property at 907 Mainstreet
- Offer Commercial Façade Loan Program & expand eligibility to all of Mainstreet

- Explore additional affordable housing policies & programs
- Implement Economic Development ARPA-funded projects
- Explore sustainable building development policy
- Finalize plans to reopen the Depot
- Continue work on Equity Strategic Action Plan

- Develop green infrastructure special assessment policy
- Complete Park System Master Plan
- Review long-range financial management plan
- Continue to build Youth Workforce Development Program
- Continue to research and pursue grant opportunities

CITY OF HOPKINS

FINANCIAL MANAGEMENT AND POLICIES

The City of Hopkins Finance Department is responsible for maintaining the accounting system and monitoring compliance with the budgetary controls and financial policies established by the City Manager and City Council. Following is an overview of relevant financial management practices, policies and year- end reporting.

BASIS OF ACCOUNTING

The accounting system provides for a complete, self-balancing account group for each fund of the City. Accounting records are maintained on the modified accrual basis for City funds. The exception is the proprietary funds, which are on full accrual. The modified accrual basis of accounting recognizes revenues to the degree that they are available to finance expenditures of the fiscal period. Similarly, debt service payments and a number of specific accrued liabilities are only recognized as expenditures when payment is due because it is only at that time that they normally are liquidated with expendable available financial resources. The budgetary basis of accounting is the same basis of accounting used to prepare the City's financial statements as included in the City's Comprehensive Annual Financial Report at the fund statement level.

ANNUAL COMPREHENSIVE FINANCIAL REPORT (ACFR)

The City implemented Governmental Accounting Standards Board (GASB) Statement No. 34 for the year ending December 31, 2003. The statement also requires the City to utilize the economic resources measurement focus as well as the accrual basis of accounting.

The City operates on a calendar fiscal year and reports its year-end financial position in an Annual Comprehensive Financial Report (ACFR), prepared by the City's Finance staff. The ACFR is available to the public through the City's website or by request.

The 2024 ACFR will be audited by the independent auditing firm of Abdo to insure accuracy and compliance with federal and state laws and regulations. State law provides that the City may arrange for an examination of its books, records, accounts and affairs, or any part thereof, by the State Auditor or by Certified Public Accountants. It has been a long-standing policy of the City to provide for a complete annual audit of the City records by independent Certified Public Accountants.

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement of Excellence in Financial Reporting to the City of Hopkins for its ACFR for the fiscal year ended December 31, 2023. The City believes ACFR for the fiscal year ended December 31, 2024 will also meet the program criteria and will receive the award. The Certificate of Achievement is a prestigious national award recognizing conformance with the highest standards for preparation of state and local government financial reports.

CAPITAL IMPROVEMENT PROGRAM (CIP) POLICY

The City annually develops a 5-year plan for capital improvements and updates it annually. The five-year budget capital improvement will be approved and incorporated into the operating budgets. The following year's budget will be adopted with the year after that on a cycle consistent with the operating budgets. The complete CIP document can be downloaded from the city's website at www.hopkinsmn.com and is a companion document to the Annual Budget.

The City will identify the estimated cost and potential funding sources for each capital project proposal before it is submitted to the Council for approval and that process will determine the most cost effective financing method for the proposed project. The City will make all capital improvements in accordance with the adopted capital improvement program or as amended by the City Council. Capital purchases not otherwise funded through an approved budget shall require City Council approval. The City will maintain all its assets at a level adequate to protect the City's and its resident's capital investment and to minimize future maintenance and replacement costs

CITY OF HOPKINS

EQUIPMENT REPLACEMENT PLAN (ERP) POLICY

The City annually develops a 5-year plan for equipment replacement and updates it annually. The five- year budget equipment replacement plan will be approved and incorporated into the operating budgets. The following year's budget will be adopted with the year after that on a cycle consistent with the operating budgets. The complete ERP document can be downloaded from the city's website at www.hopkinsmn.com and is a companion document to the Annual Budget.

The City will identify the estimated cost and potential funding sources for each equipment proposal before it is submitted to the Council for approval and that process will determine the most cost effective financing method for the proposed equipment purchase. New pieces of equipment not previously in the equipment replacement plan must first be financed through the departmental budget and will be placed in the equipment replacement plan the year following the purchase. The City will make all equipment purchases in accordance with the adopted equipment replacement plan or as amended by the City Council. Equipment purchases not otherwise funded through an approved budget shall require City Council approval.

The City will maintain all its equipment assets at a level adequate to protect the City's and its citizen's capital investment and to minimize future maintenance and replacement costs.

BUDGETARY AND FINANCIAL CONTROL POLICIES

- The council shall have full authority over the financial affairs of the City.
- City manager shall control and direct the administration of the City's affairs.
- The manager shall prepare the budget annually and submit it to the council and be responsible for its administration after adoption.
- The manager will prepare and submit to the council at the end of the fiscal year a complete report on the finances and administrative activities of the City for the preceding year; and keep the council advised of the financial condition and future needs of the City.
- The annual budget shall provide a complete financial plan for the budget year by fund.
- The council shall levy the taxes necessary to meet the requirements of the budget for the ensuing fiscal year.
- The city clerk shall be the chief purchasing agent of the City.
- The City will maintain an investment policy that invests available funds to the maximum extent possible, at the highest rates obtainable at the time of investment, in conformance with the legal and administrative guidelines. Any money in any fund belonging to the City, or any branch thereof, may be invested by the city manager according to policies adopted by the City Council.
- The finance director shall be the chief accounting officer of the City and shall submit to the council a statement each quarter containing information relative to the finances of the City as the council may require. Each year the finance director shall submit a report to the council, no later than June 30, covering the entire financial operations of the City for the past year. This report shall follow the style and form, as far as practicable, prescribed for annual City financial reports and copies will be made available to interested parties.

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BUDGET CONTROLS

Budgets are complete financial plans for the future by fund, showing all proposed expenditures and estimates of all anticipated revenues. The council may include or exclude at its discretion any fund, except the general fund. The budget shall be submitted to the council at a regular council meeting, in a manner prescribed by state statute, not less than 30 days prior to final approval. The budget is a public record open to public inspection. The council shall hold a public hearing on the budget and it shall make such changes therein as it deems necessary and adopt the budget by resolution.

BALANCED BUDGET – It has been City policy to annually approve a General Fund budget that will meet the City's fund balance policy. The City's policy is to have a fund balance equal to 42% of general fund expenditures. City funds may or may not have a balanced budget depending on when funding is received for specific expenditure needs. Foreexample a grant may be budgeted for expenditures that may overlap years. Thus all revenues would be in one year and the expenditures would be in multiple years.

BUDGET BASIS – Governmental budgets are prepared on the modified accrual basis and enterprise budgeted on an accrual basis. Budgets are estimates and may be amended under the following guidelines.

PREPARATION OF THE ANNUAL BUDGET – The annual budget shall provide a complete financial plan for the budget year by fund, showing all proposed expenditures and estimates of all anticipated revenues applicable to proposed expenditures and any other information the council may require or the city manager might deem desirable. In parallel columns shall be shown the amounts, if any, granted and expended under similar heads for the past two complete fiscal years and, as current as possible, for the immediate past fiscal year. The council may include or exclude at its discretion any fund, except the general fund. The budget shall be submitted to the council at a regular council meeting, in a manner prescribed by state statute, not less than 30 days prior to final approval. It shall be a public record open to public inspection by anyone and the city manager shall cause sufficient copies thereof to be prepared for distribution to the mayor, members of the council and interested persons.

ADOPTION OF THE BUDGET – The council shall hold a public hearing on the budget and it shall make such changes therein as it deems necessary and adopt the budget by Resolution.

ENFORCEMENT OF THE BUDGET – Except as set forth in Section 7.16, the city manager or the City Council shall not approve any expenditure uncovered by the budget. The City Council may approve expenditures uncovered by the budget if there is sufficient unexpended balance left after deducting the total past expenditures and the sum of all outstanding bills, orders and encumbrances. No employee of the City shall place any orders or make any purchases except for the purpose and to the amounts authorized in the budget. Except as in this Charter otherwise provided, any obligations incurred by any person in the employ of the City for any purpose not authorized in the budget or for any amount in excess of the amount therein authorized shall be a personal obligation upon the person incurring the expenditure.

ALTERATIONS IN THE BUDGET – Except as set forth in Section 7.16, after the budget shall have been duly adopted, the council shall not have power to increase the amounts therein fixed, whether by the insertion of new items or otherwise, beyond the estimated revenues, unless the actual receipts shall exceed such estimates, and in that event not beyond such actual receipts. The sums fixed in the budget are appropriated at the beginning of the fiscal year for the several purposes named therein. The council may reduce salaries or the sums appropriated for any other purpose, or authorize the transfer of sums from unexpended balances to other purposes.

Budgets are adopted by fund and are appropriated for several purposes. The council may reduce appropriations within any fund and re-appropriate those funds within the same fund for other purposes. The council may also increase appropriations if actual receipts exceed budgeted revenues. The increase in appropriations cannot exceed the excess in budgeted revenues. The budget, as presented in this document, is developed for each program within a department. For example, the Finance department is made up of several programs including Benefit Administration, Payroll, Utility Billing, etc. For management purposes, the sum of the program expenditures may not exceed the total budget for the specific department. For legal purposes, the general fund total expenditures cannot exceed the total general fund appropriation. The council must budget for the general fund but budgets for all other funds are at their discretion.

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Budgets are adopted on a basis consistent with generally accepted accounting principles and are defined on the same basis of accounting described below. Annually appropriated budgets are legally adopted for the general fund. Budgeted amounts are reported as originally adopted, or as amended by the City Council. Budgeted expenditure appropriations lapse at year-end. Unexpended or supplementary appropriations can be carried forward if approved by the City Council. Encumbrances represent purchase commitments. Encumbrances outstanding at year-end are reported as reservations of fund balances and the budgets associated with them are carried forward to the next year.

The City follows the procedures below in establishing the budget.

1. The city manager and finance director submits to the City Council a proposed operating budget for the fiscal year commencing the following January 1.
 - a. The operating budget includes proposed expenditures and the estimated revenues for the general fund, specified special revenue funds requested by City Council, enterprise funds, internal service funds and debt service funds.
 - b. Capital project funds for the City are not budgeted annually but are included in the Capital Improvement Plan approved by the City Council. Capital projects are approved by the City Council on a per project basis.
2. Public hearings are conducted to obtain taxpayer comments.
3. The general fund budget is enacted through passage of a resolution.

2025 BUDGET CALENDAR

January 5	Meet with Council to set parameters and goals for 2025 budget process
April 16	City Council reviews long term street reconstruction plans
April 19	Distribute budget worksheets to departments
June 5	Departmental budgets to be completed and returned to finance
June-July	Finance reviews and compiles budget summary
July 16	First draft of the general fund budget and tax levy presented to City Council
August 12	Public presentation about first draft of general fund budget and tax levy
August - September	City Council reviews budget and tax levy
September 3	City Council adopts preliminary levy and budget
September 4	Proposed 2025 levy certified to Hennepin County
October - November	City Council reviews budget and tax levy
December 2	Public Hearing on Budget, Approval of final budget and tax levy
December 3	Final 2025 levy certification to Hennepin County

INTERNAL CONTROLS

In developing and altering the City's accounting system, consideration is given to the adequacy of internal accounting controls. These controls are designed to provide reasonable, but not absolute, assurance regarding the safeguarding of assets against loss from unauthorized use of disposition and the reliability of financial records for preparing financial statements and maintaining accountability for assets. The concept of reasonable assurance recognizes the cost of a control should not exceed the benefits likely to be derived, and the evaluation of costs and the benefits requires estimates and judgments by management. All internal control evaluations occur within the above framework. We believe the City's internal accounting controls adequately safeguard assets and provide reasonable assurance of proper recording of financial transactions.

CASH MANAGEMENT

The investment portfolio of the City is designed to attain an average rate of return regularly exceeding the average return on three month US Treasury Bills, while seeking to augment returns above this threshold consistent with budgetary cycles, economic conditions, risk limitations, and prudent investment principles. Portfolio diversification is considered so that investments are not concentrated in one institution, in one type of investment, or purchased from one dealer. Pursuant to this policy, cash temporarily idle during the year was invested in those investments authorized by law

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RISK MANAGEMENT

The City has an informal risk management policy, the purpose of which is to maintain the integrity and financial stability of the City, protect its employees from injury, and reduce overall costs of operations. The City has insurance coverage through the League of Minnesota Cities Insurance Trust (LMCIT) to ensure

City property, contractors and miscellaneous equipment, crime, employee performance bonds, autos and general liability. General liability coverage amounts to \$1,000,000 per occurrence (and aggregate), with a \$50,000 per occurrence, \$100,000 aggregate deductible.

DEBT

- The City will confine long-term borrowing to capital improvements, equipment or projects that have a life of more than 10 years and cannot be financed from current revenues.
- The City may issue debt for its Permanent Revolving fund, which pays for any improvement in which part of the cost of the improvement is to be assessed against the benefiting properties.
- The City may also issue revenue bonds that are paid back directly from revenue sources other than debt levies.
- The City may submit to voters the proposition of issuing debt for any public purpose not prohibited by law, and issue the debt upon a favorable majority vote.
- Whenever possible, the City will use revenue (including G.O. backed revenue) or other self-supporting type bonds instead of general obligation bonds.
- The City will maintain frequent and regular communication with bond rating agencies about its financial condition and will follow a policy of full disclosure in every financial report and bond prospectus. The City will comply with Securities Exchange Commission (SEC) reporting.
- The City will keep the total maturity length of general obligation bonds below 25 years. In all cases the maturity shall be shorter than the life of the related assets.
- Net general obligation debt (as defined above) will not exceed 3% of the estimated full market value of taxable property in the City as required by Minnesota Statutes Section 475.53.
- The City may issue emergency bonds to pay for extraordinary expenditures or to cover a shortfall in revenues for budgeted expenditures. Emergency bonds must mature within ten years of issuance. One tenth of the amount is to be levied the first year following issuance and one tenth every year thereafter for ten years.

FUND BALANCE

- The City believes that sound financial management principles require that sufficient funds be retained by the City to provide a stable financial base at all times. To retain this stable financial base, the City needs to maintain a General Fund Balance sufficient to fund all cash flows of the City, to provide financial reserves for unanticipated expenditures and/or revenue shortfalls of an emergency nature, and to provide funds for all existing encumbrances.
- The following individual items shall constitute the City General Fund Balance:
 - Restricted Fund Balance – The restricted fund balance category includes the portion of the *spendable fund balance* that reflects constraints on spending because of legal restrictions stipulated by *outside parties* (e.g., encumbrances for goods or services with outside parties-creditors, grantors outstanding at the end of the year), Also, any legal restrictions based on state statutes or grant requirements placed on the use for specific purposes
 - Committed Fund Balance – The committed fund balance classification includes the portion of the *spendable fund balance* that reflects constraints that the city has *imposed upon itself* by a *formal action* of the *city council* (for example, an ordinance or resolution passed by a city council). This constraint must be imposed prior to yearend but the amount can be determined at a later date.
 - Assigned Fund Balance – The assigned fund balance is the portion of the *spendable fund balance* that reflects funds intended to be used by the government for specific purposes assigned by more informal operational plans. In governmental funds other than the general fund (special revenue funds, capital project funds, debt service funds and permanent funds); assigned fund balance represents the amount that is not restricted or limited. The authority to “assign” fund balance is delegated to the City Finance Director

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- Unassigned – This is the residual classification for the government’s General Fund and includes all spendable amounts not contained in the other classifications and, therefore, not subject to any constraints. Unassigned amounts are available for any purpose. These are the current resources available for which there are no government self-imposed limitations or set spending plan. Although there is generally no set spending plan for the unassigned portion, there is a need to maintain a certain funding level. Unassigned fund balance is commonly used for emergency expenditures not previously considered. In addition, the resources classified as unassigned can be used to cover expenditures for revenues not yet received.
- The Council recognizes that any such funds should be appropriated for non-recurring expenditures as they represent prior year surpluses that may or may not materialize in subsequent fiscal years
- POLICY - At the end of each fiscal year, the City will strive to maintain Spendable – Unassigned portions of the fund balance for Cash Flow equivalent to a minimum of five (5) months or 42% of the prior fiscal year General Fund operating expenditures. In addition to cash flow needs this accommodates emergency contingency concerns.
- MONITORING AND REPORTING - The City Manager and Finance Director shall annually prepare the status of fund balances in relation to this policy and present to the City Council in conjunction with the development of the annual budget.
- When both restricted and unrestricted resources are available for use, it is the City’s policy to first use restricted resources, and then use unrestricted resources as they are needed.
- When committed, assigned or unassigned resources are available for use, it is the City’s policy to use resources in the following order; 1.) committed 2.) assigned and 3.) unassigned.
- A negative residual amount may not be reported for restricted, committed, or assigned fund balances in the General fund.

BUDGET PLANNING PROCESS

The City has developed a number of elements that when been brought together help to provide the best information for the Council to make their budget decisions. These elements include the following:

- **Strategic Planning Process** – The Council has a mission and vision statement, which helps determine the priorities of the community and direct the council in providing services for its constituency. As part of the process annual goals and objectives are set. Department Directors then use these goals in developing departmental goals and setting departmental budgets.
- **Four Year Budget Modeling** – Encourages future planning for the General Fund budget and allows us a preview at projected property tax levy needs over the next four years. Monitoring tax capacity along with budget needs provides advance notice to management when taxes may rise faster than advisable and allows staff to take appropriate action in revising budget goals and projections.
- **Cash Flow Models** – Cash flow projections are created for all funds to provide us with a view of future sources and uses within the various funds and for the City as a whole. This assists in long range planning and goal setting in keeping all funds in a positive cash position.
- **Financial Management Plan** – In 2014 the City adopted a long-range Financial Management Plan for the years 2015-2024 that addresses financing challenges for several funds, sets forth financing for all items identified in the Capital Improvement Plan (CIP) and Equipment Replacement Plan (ERP) (described below), and provides for adequate funding for operational needs in the general, special revenue funds and enterprise funds. Tax base growth is built into the plan so the taxes are indexed each year based on that growth. This plan when followed should make the annual budget much easier to develop.

Long range financial projections will be updated each year prior to the budget process and used as a guide in preparing the annual budget. This document is key in managing increases in the General Fund, restoring the Art Center Fund to sound financial footing and providing for capital improvements and infrastructure. The Financial Management Plan was developed by staff with assistance from the City’s Financial Advisor. City staff will make annual updates to the plan to ensure the goals of the City continue to be met.

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- **Net Property Tax Cost Median Value Home** – This provides information to the council incorporating expected increases in valuation and projecting actual costs on the Median Value Home. The council when setting the tax levy is sensitive to its impact on property owners and this benchmark provides information on how the recommended levy will impact city taxpayers. If the council feels the proposed levy will negatively impact property owners options for reducing the levy are explored. These may include revenues alternatives or expenditure decreases or a combination of both.
- **Capital Improvement Plan** – The Capital Improvement Plan (CIP) is a five-year schedule or plan for capital improvement expenditures in excess of \$10,000 and having a useful life of five or more years. The Capital Improvement Plan process begins with departments editing and updating existing plans from previous years and adding or deleting projects. Once this is completed, finance does an analysis of funding requirements and any related prioritization is done by the city manager. The analysis includes a review of projected working capital amounts available for the projects, any operating cost adjustments as a result of the improvement and the impact of future funding needs is determined. The mayor and council then use the compiled information in the CIP along with the results of public discussion, to determine which projects are to proceed and exactly how they will be funded. Once the CIP is approved the projects for the following year are placed in the appropriate budget.
- **Equipment Replacement Plan** –The Equipment Replacement Plan (ERP) is a twenty-year forecast and a five-year plan of equipment needs within the City. In is intended to inform the Council and citizens of the major equipment needs on the horizon. The first year of the plan becomes an adopted equipment budget and relates to the operating budget of the equipment replacement fund, which is approved on an annual basis. The remaining nineteen years represent an estimate of equipment needs and funding capabilities of the City. Funding requirements vary from year to year. In order to maintain a fairly consistent levy each year, the twenty-year schedule is projected with a 3% inflation factor for operating expenses and a yearly average dollar capital expenditure of \$1,400,100. Revenues for the ERP are derived from tax levy and charges to the departments that use the equipment and are based on the equipment needs of the various departments over the twenty-year period.

FUND STRUCTURE

The accounting system maintains a standard fund structure for a typical Minnesota city government. Following is a description of the funds included that are subject to appropriation, for which financial plans and budget appropriations are prepared annually. These funds are the General, Special Revenue, Debt Service, Capital Projects and Enterprise.

General Fund

The General Fund accounts for all financial transactions not properly accounted for in any other fund, including most of the basic governmental services. The expenditures from the General Fund account for the majority of primary services provided by the City in the areas of public safety, parks and public works, recreation, planning, engineering and general government.

Special Revenue Funds

This type of fund accounts for services and expenditures where revenue is restricted for a designated purpose. The City maintains fifteen Special Revenue Funds. There are thirteen budgeted Special Revenue Funds.

- *Chemical Assessment Team Fund* – grant funds received from the state restricted for the operation of the Chemical Assessment Team.
- *Economic Development Fund* – revenue sources include interest on loans, taxes, development fees that are used for expenditures relating to housing and redevelopment projects throughout the city.
- *Tax Increment Funds (7)* – tax increment revenues for housing and economic redevelopment projects throughout the city.
- *Parking Fund* – parking permits and parking violation fees help support the maintenance of the city's current parking lots and ramps.
- *Communication Fund* – franchise fee for cable TV supports cable and communications efforts

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of the city.

- *Depot Coffee House Fund* – grants, leases and concession revenues support a local chemical free teen center and coffee house.
- *Sustainability Fund* - franchise fees received from gas and electric utilities dedicated to improving the overall sustainability and resilience of the community.
- *MN Public Safety Aid Fund* - State aid received restricted to providing public safety
- *Art Center Fund* – leases, state aids, contributions and program sales support the Hopkins Center for the Arts, which is a community-based center with theater and art at its base.

Some of the Special Revenue Funds do not require an annual financial plan because of the nature of the type of revenue and expenditure. Expenditures are authorized on an individual basis.

- *Hennepin County CDBG Fund* – block grant funds used for housing and infrastructure improvements
- *Hopkins Race and Equity Initiative* – contributions from two outside organizations used in a collaborative effort centered on race equity

Debt Service Fund

The Debt Service Fund accounts for the accumulation of resources for the payment of general long-term debt principal, interest, and related costs. The City maintains 26 individual sub-accounts for the various bond issues that make up the Debt Service Fund. The City has established annual financial plans for all 26 general obligation bond funds, which are shown in total as the Debt Service Fund.

Capital Project Funds

Capital project funds account for the acquisition and construction of major capital facilities and equipment (except those financed by proprietary funds). This includes expenditures relating to capital projects and large capital outlay purchases. The City has five budgeted funds in this category:

- *Park Improvement Fund* – development and improvement of City parks. Revenue is primarily from park development fees paid by developers.
- *State Aid Construction Fund* – revenue from state aid to assist with maintenance and construction of state aid streets throughout the city.
- *Capital Improvement Fund* – transfers from other funds to cover future improvements or maintenance of city facilities and infrastructure.
- *Permanent Improvement Revolving Fund* – bonds issued to fund reconstruction and maintenance of residential streets throughout the city.

Enterprise Funds

Enterprise funds account for our business-type activities. These activities provide services where most of the costs are recovered through user fees and charges. The City has five Enterprise funds.

- *Water Utility Fund* – water utility fees based on water usage, which covers the expense of distributing water and maintaining the water system infrastructure.
- *Sewer Utility Fund* – sewer utility fees based on water usage, which covers the expense of disposing of sewer products and maintaining the sewer system infrastructure.
- *Refuse Utility Fund* – refuse fee based on size of refuse container, which covers the expense of disposing of refuse products.
- *Storm Sewer Utility Fund* – storm sewer utility fee based on non-permeable surface of property for commercial or a fixed rate for residential properties, which covers the expense of maintaining the storm sewer infrastructure throughout the city.
- *Pavilion/Ice Arena Fund* – rental fees for ice or space, which covers the operating costs of running the facility.

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Internal Service Funds

Internal Service Funds are used to account for the financing of goods and services provided by one department to other departments of the City on a cost reimbursement basis. The City has three Internal Service Funds and no budgets are prepared for these funds.

- *Equipment Replacement* – revenues derived from leases of large equipment to all departments. Revenues are used to cover the cost of replacing equipment in the future. Lease payments are budgeted in the individual funds and transferred to the Equipment Replacement Fund monthly.
- *Employee Benefits* – to account for compensated absences of non-enterprise employees
- *Insurance Risk* – accounts for the dividends received from the insurance company for low insurance claims and costs, which is used to cover the deductible for any losses.

Major Funds

For 2025 the City identifies the following funds as major funds which are described above. All major funds are budgeted.

- General Fund
- Economic Development Special Revenue Fund
- Tax Increment District Super Valu Fund
- Water Utility Enterprise Fund
- Sewer Utility Enterprise Fund
- Storm Sewer Utility Enterprise Fund
- Pavilion Enterprise Fund

Public art in Hopkins



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City Personnel by Function

Operating Fund	Administration of Fund							
	General Government	Finance	Police	Fire	Public Works	Community Development	Community Services	Recreation
General Fund								
Administrative Services	X			X			X	
Finance		X					X	
Community Services								
Building Maintenance	X		X	X	X			
Police			X					
Fire				X				
Public Works					X			
Recreation								X
Activity Center								X
Planning & Zoning						X		
Community Development						X		
Special Revenue Funds								
Economic Development						X		
Parking			X		X			
Communication							X	
Depot Coffee House								X
Sustainability					X			
MN Public Safety Aid			X	X				
Art Center								X
Enterprise Funds								
Water					X			
Sewer					X			
Refuse					X			
Storm Sewer					X			
Pavilion								X
Housing & Redevelopment							X	



Downtown Hopkins

CITY OF HOPKINS

Authorized and Actual Staffing Levels Full-Time and Regular Part-Time Positions 1 FTE = an employee who works 40 hours a week

	2022	2023	2024	2025
	Authorized & Actual	Authorized & Actual	Authorized & Actual	Authorized
Administrative Services	2.67	2.67	2.67	2.67
Communications	-	-	-	1.00
Information Technology	4.00	4.00	4.00	4.00
Finance	3.60	3.60	3.60	3.60
Municipal Building	1.28	1.28	1.28	1.28
City Clerk	2.05	2.05	2.05	2.05
Inspections	6.44	7.44	7.44	7.44
Police	37.23	36.23	36.23	36.23
Fire	4.50	4.50	4.50	4.50
Public Works	20.49	20.49	21.54	21.54
Skate Park	0.05	0.05	-	-
Activity Center	3.00	3.00	3.00	3.00
Planning & Zoning	1.35	1.35	1.35	1.68
Community Development	0.85	0.85	0.85	0.85
	<u>87.51</u>	<u>87.51</u>	<u>88.51</u>	<u>89.84</u>
Economic Development	2.00	2.50	2.50	2.84
Parking	1.12	1.12	1.12	1.12
Communications	1.00	1.00	1.00	-
Depot Coffee House	2.75	2.75	1.00	2.75
Sustainability	-	-	1.00	1.33
American Rescue Plan Act	-	2.00	2.00	1.00
MN Public Safety Aid	-	-	3.00	3.00
Art Center	4.53	4.53	4.53	4.53
Special Revenue Fund Total	<u>11.40</u>	<u>13.90</u>	<u>16.15</u>	<u>16.57</u>
Water	4.15	4.15	4.15	4.15
Sanitary Sewer	2.24	2.24	2.24	2.24
Refuse	3.56	3.56	3.56	3.56
Storm Sewer	0.66	0.66	0.66	0.66
Pavilion/Ice Arena	2.42	2.42	2.42	2.42
Housing & Redevelopment	2.40	2.40	2.40	2.40
Total Proprietary Funds	<u>15.43</u>	<u>15.43</u>	<u>15.43</u>	<u>15.43</u>
Total All Funds	<u>114.34</u>	<u>116.84</u>	<u>120.09</u>	<u>121.84</u>

The increase in authorized staffing from 2022 to 2023 is due to an additional police officer and planner position funded through the American Rescue Plan Act and an inspector position funded by increased revenue.

The increase in authorized staffing from 2023 to 2024 is due to two additional police officers and assistant fire chief funded through MN Public Safety Aid, sustainability specialists funded with franchise fees and a forestry worker. These increases were offset by the decrease in the equivalent of 1.75 FTE for a temporary closure of the Depot.

The increase in authorized staffing from 2024 to 2025 occurred after the Depot was reopened in the fall of 2024.

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Operating Fund Crosswalk

This matrix shows the relationship between functional units and funds.

Function	Major Funds								
	General Fund	Special Revenue			Capital Project	Enterprise			
		Economic Dev	Tax Increment District - Super Valu	Arts Center	Permanent Improvement Revolving	Water Utility	Sewer Utility	Storm Sewer Utility	Pavilion
General Government	X	X		X		X	X	X	
Public Safety	X								
Health and Welfare	X								
Highways and Streets	X				X				
Urban Redevelopment and Housing		X	X						
Culture and Recreation	X			X					X
Capital Outlay	X				X	X	X	X	
Debt Service						X	X	X	X
Water						X			
Sewer							X		
Storm Sewer								X	

Function	Non-Major Funds			
	Special Revenue	Capital Projects	Debt Service	Enterprise
General Government	X	X	X	X
Public Safety	X			
Health and Welfare	X			
Highways and Streets	X			
Urban Redevelopment and Housing	X			
Culture and Recreation	X			
Capital Outlay	X	X		
Debt Service			X	
Refuse				X



The Hopkins Academy, a five week program held in even years during March and April allows residents to get a better understanding of how their City government works. The Academy covers the topics of, General Government, Police, Fire, Public Works and Planning & Economic Development. The program has been well received by the community with over 25 participants each year.

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Summary Budget Information - Major Funds and Non-Major Funds by Fund Type

<u>Revenues</u>	2022 Actual	2023 Actual	2024 Budget	2025 Budget	Budget Difference	Percentage Difference
General Fund	17,008,040	18,335,410	18,021,803	19,520,490	1,498,687	8.32%
Special Revenue Funds						
Economic Development Fund	513,084	1,296,390	557,706	591,646	33,940	6.09%
Tax Increment Super Valu	2,952,249	2,420,753	2,820,000	2,820,000	-	0.00%
Non-major Special Revenue Funds	11,312,917	5,693,760	5,412,577	4,597,943	(814,634)	-15.05%
Total Special Revenue Funds	14,778,250	9,410,903	8,790,283	8,009,589	(780,694)	-8.88%
Debt Service Fund	11,046,793	12,226,287	7,353,496	7,002,911	(350,585)	-4.77%
Enterprise Funds						
Water Utility Fund	2,437,423	2,645,879	2,892,400	3,101,000	208,600	7.21%
Sewer Utility Fund	3,170,830	3,410,283	3,635,000	3,835,000	200,000	5.50%
Storm Sewer Fund	806,214	802,037	810,332	810,332	-	0.00%
Pavilion Fund	1,159,467	850,114	913,700	931,500	17,800	1.95%
Non-major Enterprise Fund	1,219,081	1,273,518	1,340,085	1,398,603	58,518	4.37%
Total Enterprise Funds	8,793,015	8,981,831	9,591,517	10,076,435	484,918	5.06%
Total Revenues	51,626,098	48,954,431	43,757,099	44,609,425	852,326	1.95%
<u>Expenditures</u>						
General Fund	16,560,358	17,888,125	18,421,804	19,920,490	1,498,686	8.14%
Special Revenue Funds						
Economic Development Fund	498,798	616,177	520,278	555,646	35,368	6.80%
Tax Increment Super Valu	9,975,183	3,272,972	2,875,266	2,900,000	24,734	0.86%
Non-major Special Revenue Funds	9,172,300	4,666,072	5,425,871	4,326,599	(1,099,272)	-20.26%
Total Special Revenue Funds	19,646,281	8,555,221	8,821,415	7,782,245	(1,039,170)	-11.78%
Debt Service Fund	10,615,763	11,908,639	7,048,156	7,628,200	580,044	8.23%
Enterprise Funds						
Water Utility Fund	2,482,678	2,356,988	2,858,975	2,995,099	136,124	4.76%
Sewer Utility Fund	3,223,575	3,082,664	3,584,058	3,685,009	100,951	2.82%
Storm Sewer Fund	701,314	684,977	826,094	776,093	(50,001)	-6.05%
Pavilion Fund	1,085,392	1,061,592	1,133,473	1,212,353	78,880	6.96%
Non-major Enterprise Fund	1,348,035	1,285,832	1,477,104	1,519,452	42,348	2.87%
Total Enterprise Funds	8,840,994	8,472,053	9,879,704	10,188,006	308,302	3.12%
Total Expenditures	55,663,396	46,824,038	44,171,079	45,518,941	1,347,862	3.05%

CITY OF HOPKINS

Summary of Budgeted Funds

General Fund						
	2022	2023	2024	2025	Budget	Percentage
	Actual	Actual	Budget	Budget	Difference	Difference
Revenues						
Property Taxes	12,636,270	13,628,351	14,511,326	15,406,075	894,749	6.17%
Franchise Fees	303,957	304,979	346,200	620,200	274,000	79.15%
Intergovernmental	1,702,401	1,884,698	1,878,012	1,894,775	16,763	0.89%
Licenses, Permits & Fines	1,418,449	1,519,192	878,315	1,022,665	144,350	16.43%
Charges for Services	811,710	773,635	351,100	502,375	151,275	43.09%
Interest	60,859	159,390	25,000	45,000	20,000	80.00%
Miscellaneous Revenue	74,394	65,165	31,850	29,400	(2,450)	-7.69%
	<u>17,008,040</u>	<u>18,335,410</u>	<u>18,021,803</u>	<u>19,520,490</u>	<u>1,498,687</u>	<u>8.32%</u>
Appropriations						
City Council	101,396	109,621	133,033	156,598	23,565	17.71%
Administrative Services	521,322	624,988	536,656	661,290	124,634	23.22%
Communications	-	-	-	240,002	240,002	#DIV/0!
Information Technology	454,076	502,488	644,926	718,227	73,301	11.37%
Diversity, Equity & Inclusion	-	-	133,530	107,000	(26,530)	-19.87%
Finance	697,204	718,964	732,254	616,124	(116,130)	-15.86%
Legal	299,128	322,549	250,000	265,000	15,000	6.00%
Municipal Building	395,147	496,649	404,690	407,462	2,772	0.68%
City Clerk	194,661	234,476	339,242	327,542	(11,700)	-3.45%
Inspections	833,327	829,984	1,208,270	1,265,345	57,075	4.72%
Police	6,401,833	6,874,510	7,185,842	7,519,166	333,324	4.64%
Fire	1,767,381	2,332,396	1,709,014	1,982,177	273,163	15.98%
Public Works	3,808,823	3,728,900	3,858,812	4,289,315	430,503	11.16%
Recreation	230,214	274,733	276,441	276,735	294	0.11%
Activity Center	487,909	520,792	554,334	609,695	55,361	9.99%
Planning & Zoning	220,574	165,577	196,248	247,454	51,206	26.09%
Community Development	116,178	77,228	129,312	125,358	(3,954)	-3.06%
Unallocated	31,185	74,270	129,200	106,000	(23,200)	-17.96%
	<u>16,560,358</u>	<u>17,888,125</u>	<u>18,421,804</u>	<u>19,920,490</u>	<u>1,498,686</u>	<u>8.14%</u>

CITY OF HOPKINS

Summary of Budgeted Funds (continued)

	Special Revenue Funds					
	2022	2023	2024	2025	Budget	Percentage
	Actual	Actual	Budget	Budget	Difference	Difference
Revenues						
Chemical Assessment Team	28,720	62,148	65,000	65,000	-	0.00%
Economic Development	513,084	1,296,390	557,706	591,646	33,940	6.09%
Tax Increment Spending Plan	6,404,400	-	-	-	-	0.00%
American Rescue Plan Act	95,504	486,173	-	-	-	0.00%
TIF 1-8 Entertainment District	61,195	57,778	45,000	-	(45,000)	-100.00%
MN Public Safety Fund	-	828,207	439,095	453,901	14,806	3.37%
Parking	166,237	87,535	125,000	164,000	39,000	31.20%
Hopkins Race & Equity Initiative	5,994	36,618	6,000	6,000	-	0.00%
Communications	200,032	200,297	230,000	30,961	(199,039)	-86.54%
Depot	224,077	134,296	203,832	285,611	81,779	40.12%
TIF 2-6	1,591	-	-	-	-	0.00%
TIF 2-11 Super Valu	2,952,249	2,420,753	2,820,000	2,820,000	-	0.00%
TIF 1-4 Marketplace & Main	203,466	228,803	226,000	245,000	19,000	8.41%
TIF 1-5 Moline	2,526,146	2,209,609	2,515,000	1,770,000	(745,000)	-29.62%
Arts Center	1,395,555	1,362,295	1,172,650	1,232,470	59,820	5.10%
Sustainability	-	-	385,000	345,000	(40,000)	-10.39%
	14,778,250	9,410,902	8,790,283	8,009,589	(780,694)	-8.88%
Appropriations						
Chemical Assessment Team	54,350	110,722	65,000	65,000	-	0.00%
Economic Development	498,798	616,177	520,278	555,646	35,368	6.80%
Tax Increment Spending Plan	3,750,000	-	-	-	-	0.00%
Hennepin County CDBG	3,698	4,112	-	-	-	0.00%
American Rescue Plan Act	95,504	486,173	-	-	-	0.00%
TIF 1-8 Entertainment District	307,740	148	14,228	-	(14,228)	-100.00%
MN Public Safety Fund	-	50,747	439,095	453,901	14,806	3.37%
Parking	164,032	174,670	159,894	161,186	1,292	0.81%
Hopkins Race & Equity Initiative	756	612	6,000	6,000	-	0.00%
Communications	266,005	342,433	281,487	30,961	(250,526)	-89.00%
Depot	303,761	110,410	183,832	270,610	86,778	47.21%
TIF 2-6	16,091	5,244	2,095	-	(2,095)	0.00%
TIF 2-11 Super Valu	9,975,183	3,272,972	2,875,266	2,900,000	24,734	0.86%
TIF 1-4 Marketplace & Main	205,403	215,808	214,948	44,768	(170,180)	-79.17%
TIF 1-5 Moline	3,002,547	2,120,549	2,530,195	1,729,914	(800,281)	-31.63%
Arts Center	1,002,413	1,044,443	1,144,097	1,219,259	75,162	6.57%
Sustainability	-	-	385,000	345,000	(40,000)	-10.39%
	19,646,281	8,555,220	8,821,415	7,782,245	(1,039,170)	-11.78%

CITY OF HOPKINS

Summary of Budgeted Funds (continued)

Debt Service Fund						
	2022	2023	2024	2025	Budget	Percentage
	Actual	Actual	Budget	Budget	Difference	Difference
Revenues						
Property Taxes	4,049,190	3,892,746	4,107,613	3,748,530	(359,083)	-8.74%
Special Assessments	761,641	855,354	782,039	841,600	59,561	7.62%
Interest	80,070	1,042,327	-	-	-	0.00%
Bonds Issued	2,985,000	3,985,000	-	-	-	0.00%
Premium on Bonds Issued	238,981	8,081	-	-	-	0.00%
Transfers In	2,931,911	2,442,780	2,463,844	2,412,781	(51,063)	-2.07%
	11,046,793	12,226,288	7,353,496	7,002,911	(350,585)	-4.77%

Appropriations						
Bond Principal	5,530,000	5,805,000	5,265,000	5,905,000	640,000	12.16%
Bond Interest	1,853,620	1,792,497	1,783,156	1,723,200	(59,956)	-3.36%
Other Services & Charges	156,143	103,742	-	-	-	0.00%
Transfer Out	3,076,000	4,207,401	-	-	-	0.00%
	10,615,763	11,908,640	7,048,156	7,628,200	580,044	8.23%

Enterprise Funds						
	2022	2023	2024	2025	Budget	Percentage
	Actual	Actual	Budget	Budget	Difference	Difference
Revenues						
Water	2,437,423	2,645,879	2,892,400	3,101,000	208,600	7.21%
Sewer	3,170,830	3,410,283	3,635,000	3,835,000	200,000	5.50%
Storm Sewer	806,214	802,037	810,332	810,332	-	0.00%
Pavilion	1,159,467	850,114	913,700	931,500	17,800	1.95%
Refuse	1,219,081	1,273,518	1,340,085	1,398,603	58,518	4.37%
	8,793,015	8,981,831	9,591,517	10,076,435	484,918	5.06%

Appropriations						
Water	2,482,678	2,356,988	2,858,975	2,995,099	136,124	4.76%
Sewer	3,223,575	3,082,664	3,584,058	3,685,009	100,951	2.82%
Storm Sewer	701,314	684,977	826,094	776,093	(50,001)	-6.05%
Pavilion	1,085,392	1,061,592	1,133,473	1,212,353	78,880	6.96%
Refuse	1,348,035	1,285,832	1,477,104	1,519,452	42,348	2.87%
	8,840,994	8,472,053	9,879,704	10,188,006	308,302	3.12%

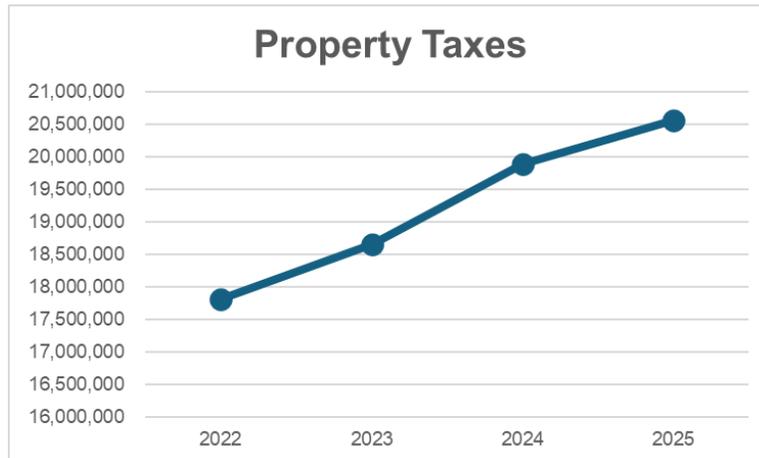
CITY OF HOPKINS

APPROVED BUDGET SUMMARY – ALL FUNDS

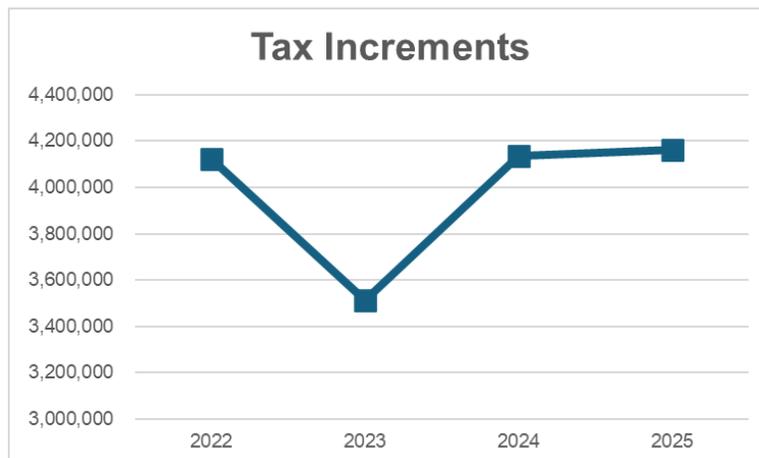
REVENUE SUMMARY

The total budget represents planned or anticipated revenues for all funds, excluding unbudgeted special revenue funds and capital project funds. The amount of the annual total anticipated revenues fluctuates up or down from year to year, depending on special projects and grants which may occur during the plan budget period. The budget provides guidelines to staff for City operations.

Property Taxes: One purpose of the budget is to communicate the financial plans for the City and its allocation of resources. The budgeted revenues for all funds total \$44,609,425. The largest source of revenue by category is property taxes of \$24,336,592 comprising 49.7% of current revenues. Property taxes are levied to support the general fund, Arts Center, Pavilion, Parking fund and help pay debt. Levy limits have been on again and off again since 2004 and remain off for 2024. Levy limits while providing assurances to taxpayers do give the City the additional challenges in meeting resident’s requests for sustained services or in some instances increased services. In 2024 budgeted taxes increased in total by 3.90% mainly as a result of operations and debt payments. The General Fund had a 7.18% increase in the levy due to increases in salaries, benefits and other operating expenditures which was offset by a one-time use of surplus fund balance. The total levy, excluding tax increments, certified to taxpayers increased by 4.86%

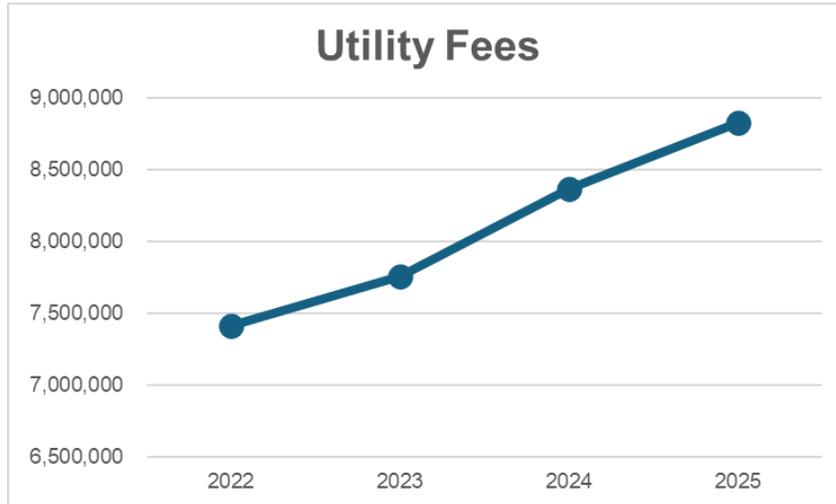


Tax increments: Total \$4,164,000 or 10.1% of the City’s current revenues. Tax increments provide revenue for redevelopment. Successful tax increment projects have helped create a larger tax base for the City. Currently, the City is collecting tax increments from several districts to pay off redevelopment notes, redevelopment bonds and help in future redevelopment costs of properties within certain districts.

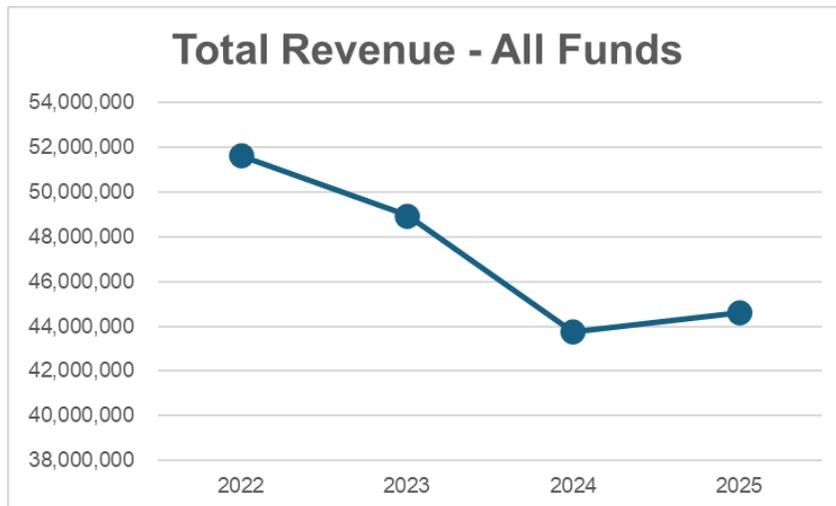


CITY OF HOPKINS

Utility Fees: For water, sewer, refuse and storm sewer account for \$8,829,835 of the City's current revenue or 21.3%. Utility revenue is planned to increase by 5.5% due to operational needs. The increased rates will provide adequate cash flow for operating and capital cost. The City conducted a utility rate study in 2016 and raised water and sewer rates were both increased by approximately 40% in 2017. Each subsequent year has seen a more modest rate increase. 2025 rates will increase by 7.6% for water, 5.5% for sewer, 4.5% for refuse collection, 3.6% for recycling and 3.6% for organic recycling. Storm sewer rates will not increase in 2025.

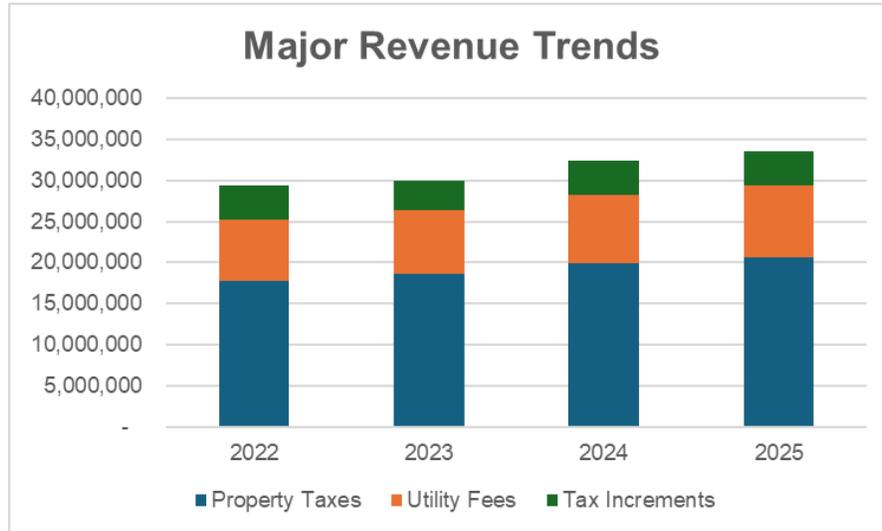


Total 2025 Budgeted Revenue: Increased from 2025 as a result of increased property taxes, tax increments, franchise fees, special assessments, intergovernmental revenue, licenses/permits/fines, charges for services and utility fees. The 2025 budget was prepared with increased revenue as described above. The City workforce has remained stable with many long-term employees. Like other cities we continue to do more with less and work to maximize the budget dollars we do have to work with. Staff has been very conscientious in the management of departmental budgets which has allowed us to maintain staffing while providing the same level if not better services to the public.

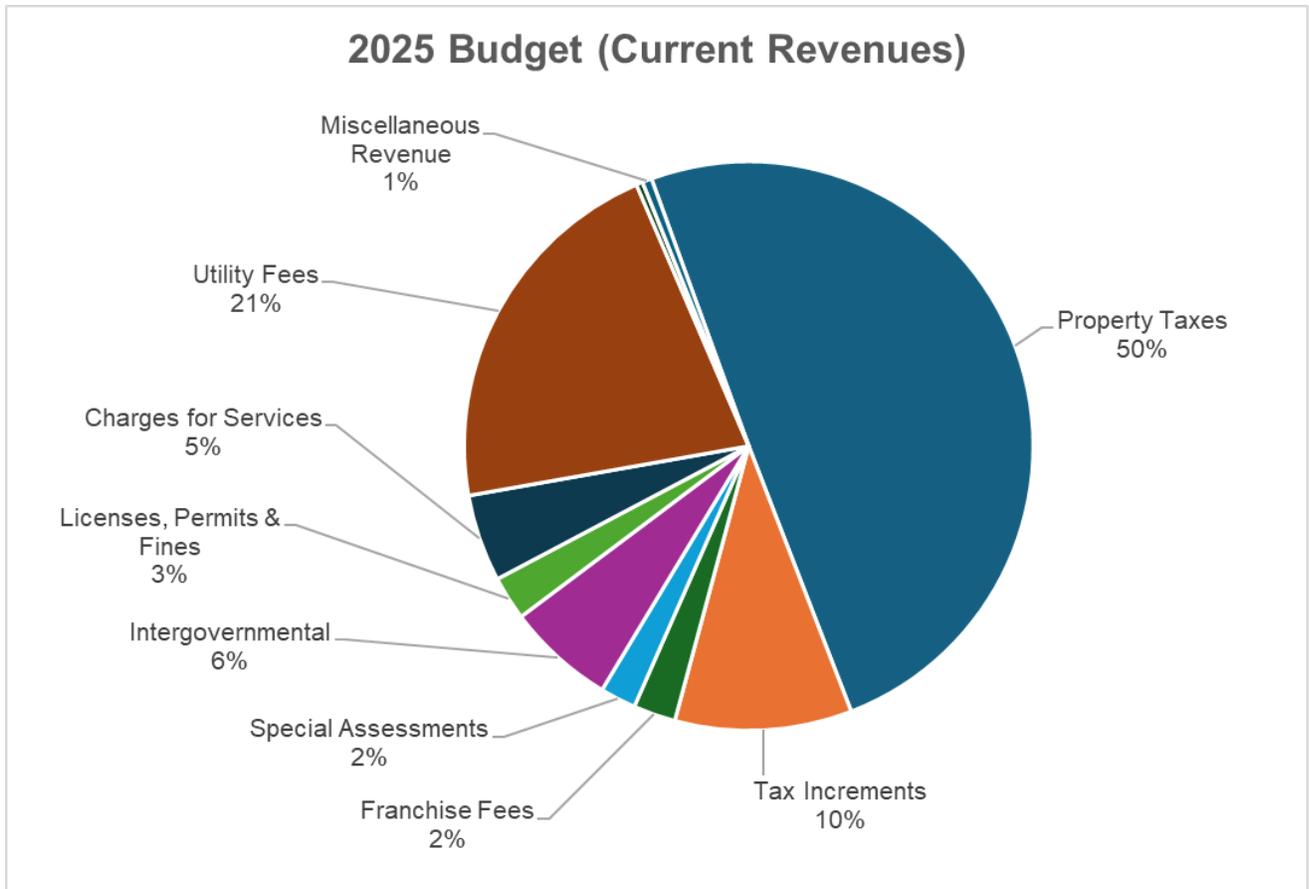


CITY OF HOPKINS

Major Revenue Trends: The chart to the right is showing the trends of three of our major revenue sources (taxes, tax increments and utility fees). Taxes and utility fees continue to increase as operating costs continue to increase. Charges for services, license and permit fees have also been increased to improve cost recovery and reduce the reliance on property taxes. The City continues to seek other revenue sources to meet budget needs which includes grants. Tax increments have remained steady, but will see increases as one major redevelopment project has been approved, but not constructed.



Shown below is a chart showing the relationship between all current revenue sources.



CITY OF HOPKINS

APPROPRIATION SUMMARY

Appropriations for all funds total \$45,518,941. This is more than anticipated revenues for 2025 and results in an decrease of fund balance of \$909,516 overall. The general fund will subtract \$400,000 based on a one-time use of surplus fund balance. The debt service fund will subtract \$628,289 where tax levy and special assessment revenue has built up and will be used. Other funds are seeing only minor changes to their fund balance in the 2025 Budget.

The largest use of appropriations by category is personal services at \$18,774,728. Personal services make up 41.3% of the City's annual appropriation and represent a 9.9% increase from 2024 budget. The City completed a compensation study for all positions in 2023, with the resulting wage scales being implemented in the 2024 budget. 5 of 7 union contracts were settled between the adoption of the 2024 and 2025 budgets, actual wage scales or estimates were used as appropriate.

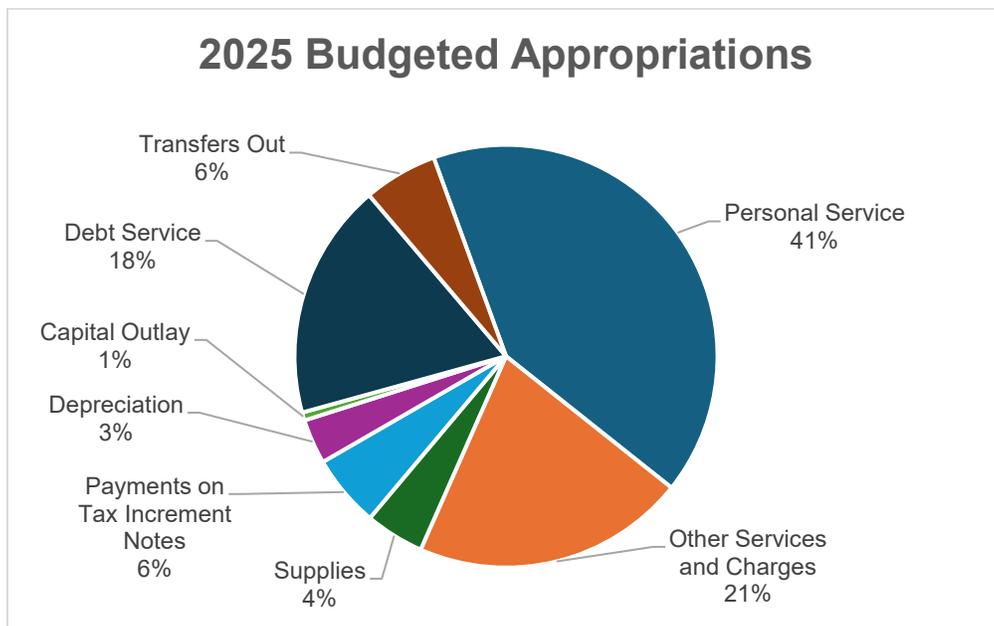
Other services and charges make up 20.9% of appropriations at \$9,523,742. This amount represents a 0.8% increase from the 2024 budget. Staff continues to be as efficient as possible when contracting with outside vendors for services.

Debt repayment make up 18.1% of appropriations at \$8,231,900. This amount represents an increase of 7.4% from 2024 due to required payment schedules.

The five largest programs of the City in 2025 account for 81.3% of the appropriations budget and are as follows:

Public Safety(police, fire, inspections)	11.4 million
Utilities (water, sewer, storm sewer, refuse)	9.0 million
Debt	7.6 million
Tax Increment Financing	4.7 million
Public Works	4.4 million

The following chart shows the 2025 budgeted appropriations by category:



CITY OF HOPKINS

All Funds - Revenue by Source

	2022 Actual	2023 Actual	2024 Budget	2025 Budget	Budget Difference	Percentage Difference
<u>Current Revenues</u>						
Property Taxes	17,806,633	18,652,955	19,891,592	20,569,751	678,159	3.41%
Tax Increments	4,122,254	3,515,056	4,135,000	4,164,000	29,000	0.70%
Franchise Fees	504,179	502,740	961,200	995,200	34,000	3.54%
Special Assessments	761,641	855,354	782,039	841,600	59,561	7.62%
Intergovernmental	2,564,696	4,320,510	2,504,607	2,541,176	36,569	1.46%
Licenses, Permits & Fines	1,430,321	1,532,332	890,315	1,034,665	144,350	16.21%
Charges for Services	2,343,317	2,235,929	1,835,382	2,049,845	214,463	11.68%
Utility Fees	7,415,018	7,756,726	8,368,717	8,829,835	461,118	5.51%
Interest	277,952	1,380,386	121,000	151,961	30,961	25.59%
Miscellaneous Revenue	239,795	301,624	208,403	221,811	13,408	6.43%
Total Current Revenue	37,465,806	41,053,612	39,698,255	41,399,844	1,701,589	4.29%
<u>Other Financing Sources</u>						
Bonds Issued	2,985,000	3,985,000	-	-	-	0.00%
Premium on Bonds Issued	238,981	8,081	-	-	-	0.00%
Transfers In	10,936,311	3,907,738	4,058,844	3,209,581	(849,263)	-20.92%
Total Other Financing Sources	14,160,292	7,900,819	4,058,844	3,209,581	(849,263)	-20.92%
<u>Total Revenue</u>	51,626,098	48,954,431	43,757,099	44,609,425	852,326	1.95%

All Funds - Appropriations by Object

	2022 Actual	2023 Actual	2024 Budget	2025 Budget	Budget Difference	Percentage Difference
<u>Current Appropriations</u>						
Personal Services	14,929,396	15,707,885	17,082,939	18,774,728	1,691,789	9.90%
Other Services and Charges	12,201,753	8,953,770	9,447,811	9,523,742	75,931	0.80%
Supplies	1,628,813	1,735,305	1,900,197	2,053,380	153,183	8.06%
Payments on Tax Increment Notes	3,592,353	2,993,639	3,510,000	2,520,729	(989,271)	-28.18%
Depreciation	1,536,161	1,534,024	1,560,000	1,560,000	-	0.00%
Total Current Appropriations	33,888,476	30,924,623	33,500,947	34,432,579	931,632	2.78%
<u>Capital Outlay</u>	507,445	371,565	205,202	280,900	75,698	36.89%
<u>Debt Service</u>						
Bond Principal	5,530,000	5,805,000	5,265,000	5,905,000	640,000	12.16%
Bond Interest	2,275,958	2,348,463	2,398,901	2,326,900	(72,001)	-3.00%
Total Debt Service	7,805,958	8,153,463	7,663,901	8,231,900	567,999	7.41%
<u>Transfers Out</u>	13,461,517	7,374,387	2,801,029	2,573,562	(227,467)	-8.12%
<u>Total Appropriations</u>	55,663,396	46,824,038	44,171,079	45,518,941	1,347,862	3.05%

CITY OF HOPKINS

PROPERTY TAXES

The City's tax levy in 2025 is \$20,648,105, a \$969,166 or 4.92% increase from 2024. City taxes on a median value home (\$378,800) will be \$2,254, a \$63 or 2.88% increase from 2024.

In 2025, the City continued its tax levy for the purpose of funding debt for residential street improvements, Arts Center, Pavilion and equipment purchases. The City has added a levy for capital improvements and to support the parking operation in 2025.

City of Hopkins - Tax Levy by Purpose			
Purpose	2024	2025	Percentage Change
General Operations			
General Fund	14,426,326	15,321,075	6.20%
Capital Levy	-	445,000	100.00%
Arts Center	345,000	380,000	10.14%
Pavilion Fund	440,000	448,500	1.93%
Equipment Replacement	360,000	180,000	-50.00%
Permanent Improvement	-	50,000	100.00%
Parking	-	75,000	100.00%
Total General Operations	15,571,326	16,899,575	8.53%
Debt Levy	4,107,613	3,748,530	-8.74%
Total Levy	19,678,939	20,648,105	4.92%

Shown below is a summary of annual costs an average homeowner would expect to pay living in Hopkins.

2025 Annual Property Tax Median Value Home (\$378,800)	
Public Safety	\$ 861
General Government	\$ 344
Public Works	\$ 276
Parks and Recreation	\$ 290
Capital Projects & Debt	\$ 483
Total City Property Taxes	\$2,254

Annual Service Cost Average Home	
City Property Taxes	\$2,254
Water - Consumption 7,500 gallons per month	\$ 491
Sewer - Consumption 5,000 gallons per month	\$ 504
Refuse Collection	
Garbage, 65 Gallon	\$ 301
Recycling	\$ 70
Organic Recycling	\$ 73
Storm Sewer	\$ 60
Franchise Fees (based on average)	\$ 91
Total	\$3,844

CITY OF HOPKINS

Changes in Fund Balance

Fund balance is defined as the difference between a fund's assets and liabilities. Adequate fund balance is necessary to have funds for emergency or unexpected events, to enhance the City's financial position and bond ratings, to provide cash for operations prior to receipt of tax revenues and to maximize investment earnings.

Working capital balance, defined as current assets less current liabilities is carefully monitored to ensure enough financial flexibility to meet both short and long-term goals for each fund.

Fund Name	Estimated YE 2024 Fund Balance/ Working Capital	Revenues	Expenditures	Ending Balance	% Change in Fund Balance	\$ Changes in Fund Balance	Reason for Greater than 10% Variance
General	9,060,382	19,520,490	19,920,490	8,660,382	-4.41%	(400,000)	
Economic Development	5,243,418	591,646	555,646	5,279,418	0.69%	36,000	
Tax Increment Super Valu	(562,983)	2,820,000	2,900,000	(642,983)	14.21%	(80,000)	The fund continues to support a TIF Spending Plan Fund based on special legislation. Based on projections, the fund will fulfill obligations at the time of decertification.
Debt Service Fund	9,727,963	7,002,911	7,048,156	9,682,718	-0.47%	(45,245)	
Nonmajor Governmental Funds	4,726,480	4,597,943	4,326,599	4,997,824	5.74%	271,344	
Water Utility*	1,658,018	3,101,000	3,471,366	1,287,652	-22.34%	(370,366)	The fund will rely on rate increases and existing balances for operational expenditures in 2025.
Sewer Utility*	1,958,753	3,835,000	3,827,112	1,966,641	0.40%	7,888	
Storm Sewer*	3,004,766	810,332	750,092	3,065,006	2.00%	60,240	
Pavilion*	-	931,500	942,851	(11,351)	-100.00%	(11,351)	The Pavilion Fund is expected to have a small dollar change in its working capital in 2025. Budget is conservative
Nonmajor Enterprise Fund*	2,463,560	1,398,603	1,444,451	2,417,712	-1.86%	(45,848)	



The Artery is a bike, pedestrian and vehicle connection and community space connecting a future light rail station with historic downtown.

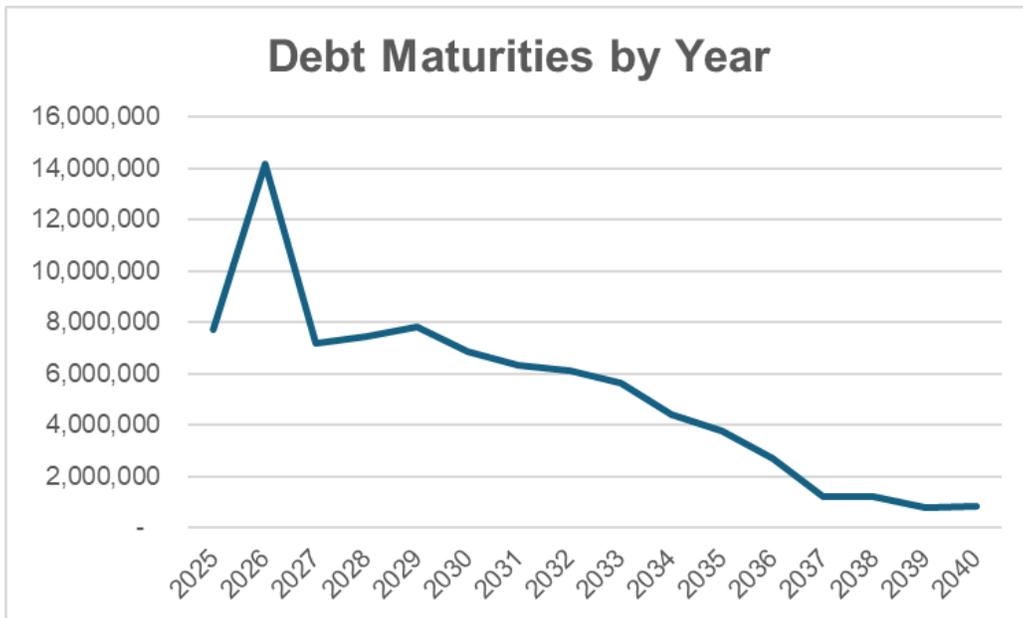
CITY OF HOPKINS

Debt Overview

The City of Hopkins has been conservative in its debt issuance practices and holds Standard and Poor's' AA+ debt ratings. Standard and Poor's stated that this is based on the city's rated the City as having very strong economy, strong budgetary performance, very strong budgetary flexibility, very strong liquidity and very strong management. The City's total outstanding debt on December 31, 2024, was \$84,160,000. The City's per capita debt at December 31, 2024 is \$4,564.

The total debt principal and interest due in 2025 is \$10,290,839 of which \$3,748,530 is raised through direct tax levy. The remaining principal and interest is paid with refunding bonds, direct fees, utility fees, tax increments, and special assessments. As depicted in the graph on the following page debt service requirements continue to decline steadily throughout the remaining terms of the bonds. The requirements drop to \$4,022,884 in 2035 and to \$867,000 in 2040 when the final issue matures. The ability to retire 88% of the City's debt in the next ten years is a major strength. The City is planning on issuing, GO bonds for residential street project and utility improvements in 2025. The actual amount to be bonded is estimated at \$7,265,000 and will include as revenue sources a tax levy, utility revenues, and special assessments. The City issued GO temporary bonds for residential street project and utility improvements in in 2023 due to a high interest rate environment and plans to refinance before a large principal payment is due on 2/1/2026. Budget impact of the new debt has been factored into the utility funds budgets and the tax levy portion has been factored into long-range financial planning.

The graph below illustrates the retirement of debt (principal and interest) in years 2024 through 2040.



Legal Debt Limit

Minnesota State law limits the amount of G.O. debt for any municipality to 3% of market value, estimated to be \$3,013,090,100 in 2025. This limitation provides reasonable assurance of the municipality's ability to pay. The legal debt limit for Hopkins is \$90,392,703; outstanding debt being paid solely from taxes is \$21,050,000 or 23.3% of the total debt limit allowed.

Through the visioning process the City has discovered that there are many community needs that the City of Hopkins must meet. The future debt capacity will allow the City to issue debt to provide for our community's needs and desires while keeping property taxes reasonable.

CITY OF HOPKINS

The following chart shows the City's outstanding debt by purpose and issuance.

<u>OUTSTANDING DEBT AND PURPOSE</u>		
2024A GO Bonds	Street Improvement and Revenue	\$ 8,785,000
2023A GO Temporary Bonds	Street Improvement and Revenue	\$ 7,335,000
2022A GO Bonds	Street Improvement & Equipment Certificates	\$ 6,820,000
2021A GO Bonds	Street Improvement and Revenue	\$ 7,350,000
2020B GO Refunding Bonds	Refunding of 2012B & 2013A Bonds	\$ 2,465,000
2020A GO Bonds	Street Improvement and Revenue	\$ 7,575,000
2019B GO Refunding Bonds	Refunding of 2009A and 2009B Bonds	\$ 465,000
2019A GO Improvement Bonds	Street Improvements, City Hall & Utility Revenue	\$ 9,615,000
2018A GO Improvement Bonds	Street Improvements	\$ 4,675,000
2018B GO Tax Abatement Bonds	Parks and Water & Sewer Improvements	\$ 2,345,000
2017A GO Improvement Bonds	Street Improvements	\$ 7,800,000
2017B GO Tax Abatement Bonds	Parks and Water & Sewer Improvements	\$ 2,120,000
2016A GO Improvement Bonds	Street Improvements	\$ 2,480,000
2016B GO Tax Abatement	Parks and Municipal Parking Ramp	\$ 920,000
2016C GO Bonds	Equipment Certificates & Water Revenue Bonds	\$ 945,000
2016D GO Tax Increment Revenue Refunding Bonds	Refunding of 2009 HRA Tax Increment Revenue Bonds	\$ 1,725,000
2015A GO Street Reconstruction Bonds	Street Improvements	\$ 2,080,000
2015B GO Tax Abatement	Cottageville Park and Parking Lot Improvements	\$ 1,930,000
2015C GO Tax Increment Revenue Refunding Bonds	Refunding of 2008 HRA Tax Increment Revenue Bonds	\$ 2,030,000
2015D GO Tax Increment Revenue Refunding Bonds	Refunding of 2007 HRA Tax Increment Revenue Bonds	\$ 3,865,000
2014A GO Improvement Bonds	Street Improvements	\$ 835,000
Total Outstanding Debt December 31, 2024		<u>\$ 84,160,000</u>

An example of a recently completed street reconstruction project.



CITY OF HOPKINS

The following debt schedules show the City's outstanding debt by type. Revenue bonds consist of water, sewer, storm sewer and pavilion debt.

	<u>Tax Increment Bonds</u>		<u>Special Assmnt Bonds</u>		<u>Revenue Bonds</u>		<u>G.O Bonds</u>		<u>Total</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2025	1,295,000	171,644	130,000	23,469	1,805,000	857,638	4,480,000	1,528,088	7,710,000	2,580,839
2026	1,350,000	139,844	135,000	19,494	4,655,000	714,320	8,025,000	1,285,996	14,165,000	2,159,654
2027	1,410,000	107,450	135,000	15,444	1,580,000	609,044	4,065,000	1,074,254	7,190,000	1,806,192
2028	1,470,000	72,744	140,000	11,319	1,630,000	557,744	4,210,000	935,841	7,450,000	1,577,648
2029	1,540,000	35,031	145,000	6,953	1,855,000	500,192	4,280,000	794,434	7,820,000	1,336,610
2030	555,000	7,631	150,000	2,344	1,855,000	436,543	4,290,000	646,328	6,850,000	1,092,846
2031	-	-	-	-	1,925,000	376,570	4,385,000	507,078	6,310,000	883,648
2032	-	-	-	-	1,895,000	320,929	4,200,000	380,621	6,095,000	701,550
2033	-	-	-	-	1,940,000	267,649	3,700,000	265,790	5,640,000	533,439
2034	-	-	-	-	1,875,000	216,333	2,535,000	175,413	4,410,000	391,746
2035	-	-	-	-	1,655,000	169,101	2,090,000	108,783	3,745,000	277,884
2036	-	-	-	-	1,640,000	125,250	1,055,000	70,940	2,695,000	196,190
2037	-	-	-	-	830,000	88,525	355,000	44,375	1,185,000	132,900
2038	-	-	-	-	865,000	58,125	370,000	30,750	1,235,000	88,875
2039	-	-	-	-	520,000	32,200	290,000	18,000	810,000	50,200
2040	-	-	-	-	545,000	10,900	305,000	6,100	850,000	17,000
	<u>7,620,000</u>	<u>534,344</u>	<u>835,000</u>	<u>79,023</u>	<u>27,070,000</u>	<u>5,341,063</u>	<u>48,635,000</u>	<u>7,872,791</u>	<u>84,160,000</u>	<u>13,827,221</u>

CITY OF HOPKINS

The following schedule shows the City's outstanding debt by fund. The City's Debt Service Fund includes tax increment debt, special assessment debt, and capital project debt. All debt service funds are major.

	<u>Debt Service Fund</u>		<u>Water Fund</u>		<u>Sewer Fund</u>		<u>Storm Sewer Fund</u>		<u>Pavilion</u>		<u>Total</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2025	5,905,000	1,723,201	806,269	403,434	492,106	241,671	301,625	145,258	205,000	67,275	7,710,000	2,580,839
2026	9,510,000	1,445,334	1,964,280	340,709	1,500,085	195,029	980,635	117,532	210,000	61,050	14,165,000	2,159,654
2027	5,610,000	1,197,148	720,950	295,048	369,970	162,730	274,080	96,591	215,000	54,675	7,190,000	1,806,192
2028	5,820,000	1,019,904	743,850	271,158	379,450	150,359	281,700	88,152	225,000	48,075	7,450,000	1,577,648
2029	5,965,000	836,418	840,990	244,573	467,014	135,690	316,996	78,679	230,000	41,250	7,820,000	1,336,610
2030	4,995,000	656,303	826,933	215,226	478,102	118,611	309,965	68,506	240,000	34,200	6,850,000	1,092,846
2031	4,385,000	507,078	859,518	187,130	499,304	102,792	321,178	59,723	245,000	26,925	6,310,000	883,648
2032	4,200,000	380,621	805,230	161,666	512,296	88,002	327,474	51,761	250,000	19,500	6,095,000	701,550
2033	3,700,000	265,790	824,991	138,361	521,399	73,529	333,610	43,909	260,000	11,850	5,640,000	533,439
2034	2,535,000	175,413	828,427	115,478	442,040	60,712	339,533	36,168	265,000	3,975	4,410,000	391,746
2035	2,090,000	108,783	853,588	92,078	454,193	48,835	347,219	28,188	-	-	3,745,000	277,884
2036	1,055,000	70,940	836,749	68,487	448,346	36,811	354,905	19,952	-	-	2,695,000	196,190
2037	355,000	44,375	535,797	47,654	194,743	27,039	99,460	13,832	-	-	1,185,000	132,900
2038	370,000	30,750	556,333	28,997	204,314	19,267	104,353	9,861	-	-	1,235,000	88,875
2039	290,000	18,000	237,856	14,729	186,603	11,555	95,541	5,916	-	-	810,000	50,200
2040	305,000	6,100	249,292	4,986	195,574	3,911	100,134	2,003	-	-	850,000	17,000
	<u>57,090,000</u>	<u>8,486,158</u>	<u>12,491,053</u>	<u>2,629,714</u>	<u>7,345,539</u>	<u>1,476,543</u>	<u>4,888,408</u>	<u>866,031</u>	<u>2,345,000</u>	<u>368,775</u>	<u>84,160,000</u>	<u>13,827,221</u>

CITY OF HOPKINS

CAPITAL EXPENDITURES

Capital Improvement Plan

The Capital Improvement Plan (CIP) is a five-year schedule or plan for capital improvement expenditures more than \$10,000 and having a useful life of five or more years. The Capital Improvement Plan process begins with departments editing and updating existing plans from previous years and adding or deleting projects. Once this is completed, finance does an analysis of funding requirements, and any related prioritization is done by the city manager. The analysis includes a review of projected working capital amounts available for the projects, any operating cost adjustments because of the improvement and the impact of future funding needs is determined. The mayor and council then use the compiled information in the CIP along with the results of public discussion, to determine which projects are to proceed and exactly how they will be funded. Once the CIP is approved the projects for the following year are placed in the appropriate budget. The complete CIP is posted on the city's website and includes details of each project, the funding sources and a city map showing the street projects for the next five years color coded by project year.

2025 Capital Improvement Projects

Building Improvements

The City Wide door access control system will update entry controls for every City owned facility. Modern door access controls provide necessary protection for critical infrastructure such as the City's water supply. The current system was last updated in 2006. The City does not expect to reduce or increase operating expenditures because of these projects.

The Activity Center, a facility for senior programming, has three projects scheduled in 2025, which include tuckpointing, brick repairs, roof replacement, flashing and architecture work for a gender-neutral bathroom. The City does not expect to reduce or increase operating expenditures because of these projects.

The Hopkins Center for the Arts built in 1997 has been upgrading and enhancing the facility that is over 20 years old. The facility has four projects planned for 2025. The access/lockdown system will provide additional safety in the building. The three projects to improve the theater (flooring replacement, lighting upgrades and a sound & projection system) will ensure the facility is attractive for renters. The City does not expect to reduce or increase operating expenditures because of these projects.

The Depot building is a renovated train Depot that has been operated as a coffee house and music venue. The remodel project would revitalize the building used by the Youth Advisory Board for programming and events, trailhead access, rental space, music events and movie nights. The project will expand the City's ability to attract renters. The City does not expect to reduce or increase operating expenditures because of these projects.

Hopkins City Hall was renovated in 2019. The project included lobby replacement, council chamber equipment upgrade, city hall roof, city hall carpet and window replacement and cost approximately \$4.8 million. There are no projects scheduled in 2025.

The Pavilion Ice Arena built in 1990 completed a \$5.7 million renovation in 2018. The pavilion now has an environmental friendly refrigeration plan, expanded locker rooms, shower rooms, expanded lobby and floor improvements. There is one scheduled project in 2025, the replacement of arena exit doors. The City does not expect to reduce or increase operating expenditures because of these projects.

The Fire Station was renovated in 2003. There are no projects scheduled in 2025.

Parks – Park improvements include the rehabilitation of tennis courts at Central Park and Shady Oak Beach Improvements. The City does not expect to reduce or increase operating expenditures because of these projects.

Pedestrian and Bike Trail Improvements – The City recently adopted a plan to increase pedestrian and bicycle access and safety. As part of that plan a number of bike lanes will be painted along with constructing trails and sidewalks. There are no operational or budgetary savings from this project but is done as the City's commitment to healthy living for Hopkins area residents.

CITY OF HOPKINS

Street & Pavement Management – A funding and implementation plan for repair and maintenance of Hopkins roadways exists. Needs are identified and funded through State Aids, special assessments, utilities, tax increments and annual levies. This program identifies the most opportune time to repair streets. In 2025 the City anticipates spending approximately \$9,375,000 on street improvements that also include water, sewer and storm sewer infrastructure improvements. Projects scheduled for 2025 include the second year of the Central Avenues street reconstruction project which will span four years, pedestrian and bicycle access improvements, along with street overlay upgrades. Also scheduled are street sign replacement , fence repairs and cameras in the City’s parking ramp.. A proactive pavement management and infrastructure improvement program aids in keeping public works maintenance costs to a reasonable level and as a result of the city’s program, maintenance costs have remained relatively stable over the last five years. Planned street reconstruction costs will annually save the city an estimated \$25,000 in sealcoating and crack seal expenses.

Utilities – Included in the CIP for 2025 is sewer lining, annual storm drainage maintenance in the form of concrete alley repairs, an emergency generator, a SCADA fiber project and replacement of water meters along with upgrade of water, sewer and storm sewer lines done in conjunction with residential street improvements. Operational impacts are reduced maintenance costs within the utility funds estimated at \$5,000-10,000 annually.

CAPITAL IMPROVEMENT PROJECTS FOR 2025

Department	Project Description	Investment
Administration	City Wide Door Access Controls	225,000
Activity Center	Activity Center - Tuckpointing & Repair of Brick	120,000
Activity Center	Activity Center - Roof Replacement & Flashing	250,000
Activity Center	Activity Center - Gender Neutral Bathroom	10,000
Arts Center	Arts Center - Access/Lockdown System	50,000
Arts Center	Arts Center - Main Theater Stage Floor Replacement	15,000
Arts Center	Arts Center - Main Theater Lighting Upgrades	20,000
Arts Center	Arts Center JC Studio Sound System & Projection	31,000
Depot/ACE Program	Depot Remodel and Upgrade Project	45,262
Pavilion	Pavilion - Arena Exit Door Replacement	92,500
Public Works: Parks	Central Park Tennis Courts	220,000
Public Works: Streets/Traffic	Residential Street Improvements and Utilities	8,877,000
Public Works: Streets/Traffic	Pedestrian & Bicycle Access Improvements	100,000
Public Works: Streets/Traffic	Street Rehabilitation Improvements	475,000
Public Works: Streets/Traffic	Street Sign Management	22,000
Public Works: Streets/Traffic	Excelsrior Blvd. Fencing	50,000
Public Works: Streets/Traffic	Parking Ramp Cameras	25,000
Public Works: Utilities	Storm Drainage System Maintenance - Alley Repairs	28,000
Public Works: Utilities	Sewer Lining	65,000
Public Works: Utilities	SCADA Fiber Project	400,000
Public Works: Utilities	Well #6 Emergency Generator	350,000
Recreation	Shady Oak Beach Improvements	20,000
	Total Capital Improvement Projects	11,490,762

CITY OF HOPKINS

Equipment Replacement Plan

2025 Equipment Replacement

In addition to the CIP, the City also completes an Equipment Replacement Plan (ERP). The ERP is a twenty-year forecast and a five-year plan of equipment needs within the City. It is intended to inform the Council and residents of the major equipment needs on the horizon. The first year of the plan becomes an adopted equipment budget and relates to the operating budget of the equipment replacement fund, which is approved on an annual basis. The remaining nineteen years represent an estimate of equipment needs and funding capabilities of the City. Funding requirements vary from year to year. In order to maintain a fairly consistent levy each year, the twenty-year schedule is projected with a 5% inflation factor for operating expenses and a yearly average dollar capital expenditure of \$1.4 million. Revenues for the ERP are derived from tax levy and charges to the departments that use the equipment and are based on the equipment needs of the various departments over the twenty-year period. The following items are in the 2025-2029 ERP and have been approved for purchase in 2025. The City does not expect to reduce or increase operating expenditures because of these purchases.

Department	Project Description	Investment
Information Technology	CH - Network Server	27,849
Information Technology	Computers	38,686
Information Technology	PD - Network Server	27,849
Information Technology	Network Infrastructure Upgrade - Fiber	70,000
Information Technology	Core Network Switch	45,000
Information Technology	Distribution Network Switches	75,000
Information Technology	IT - Office 365	71,680
Information Technology	IT - Patching Automation Software	40,000
Information Technology	IT - Windows 10 Enterprise Upgrade	43,260
Inspections	Electronic Inspections Processing	16,231
Fire	Self Contained Breathing Apparatus (SCBA) (45)	400,000
Fire	Thermal Imaging Camera (2)	18,600
Fire	Workout Equipment - Dumb Bells	6,700
Fire	Fire Radios - Portable and Mobile Devices	445,000
Pavilion	Pavilion - Scissor Lift	10,000
Police	Marked Patrol Vehicles (7)	145,000
Police	Sergeant's Vehicle	72,500
Police	Squad Car Camera Systems	26,640
Police	Tactical Ballistic Vests / Helmets - SWAT	12,000
Police	Police Equipment	12,500
Refuse	Refuse Truck (RAP-R) (2)	350,000
	Total Equipment Replacement Projects	1,954,495

CITY OF HOPKINS

GENERAL FUND BUDGET PROJECTIONS						
	2024	2025	2026	2027	2028	2029
	Budget	Budget	Projected	Projected	Projected	Projected
Revenues						
Property Taxes	14,511,326	15,406,075	16,677,432	17,594,788	18,560,517	19,577,111
Franchise Fees	346,200	620,200	638,806	657,970	677,709	698,040
Intergovernmental	1,878,012	1,894,775	1,951,618	2,010,167	2,070,472	2,132,586
Licenses, Permits & Fines	878,315	1,022,665	1,053,345	1,084,945	1,117,493	1,151,018
Charges for Services	351,100	502,375	517,446	532,969	548,958	565,427
Interest	25,000	45,000	46,350	47,741	49,173	50,648
Miscellaneous Revenue	31,850	29,400	30,282	31,190	32,126	33,090
Total Revenue	18,021,803	19,520,490	20,915,279	21,959,770	23,056,448	24,207,920
Appropriations						
Personal Services	13,456,514	14,585,313	15,314,579	16,080,308	16,884,323	17,728,539
Other Services and Charges	3,601,127	3,686,437	3,870,759	4,064,297	4,267,512	4,480,888
Supplies	1,294,862	1,526,540	1,602,867	1,683,010	1,767,161	1,855,519
Capital Outlay	9,300	60,400	63,420	66,591	69,921	73,417
Transfers Out	60,000	61,800	63,654	65,564	67,531	69,557
Total Appropriations	18,421,803	19,920,490	20,915,279	21,959,770	23,056,448	24,207,920
Change in Fund Balance	(400,000)	(400,000)	-	-	-	-
Fund Balance	9,060,382	8,660,382	8,660,382	8,660,382	8,660,382	8,660,382

General Fund

Property tax revenue is the amount needed to fill the gap between budgeted revenues and appropriations. The average increase in levy for the general fund for years 2025 through 2029 is projected to be 6.2%, however City Council will continue to review these projections throughout the year. This projection reflects an appropriation increase of 8.1% for 2025 and an average increase for years 2026-2028 of 5.0%. The actual amount for any particular year may be reduced through appropriation cuts or new revenue sources. The city's reliance on support from the state has significantly decreased over the years as the state faced its budget challenges and reduced local support. At one time taxes were less than 70% of total revenues. They now comprise 78.9%. The city now uses a conservative estimate for state support while budgeting.

Tax base growth is used as a guide in keeping the property tax increase to a reasonable level. Due to recent economic development Hopkins saw taxable market value increase by 4.9% in the current tax year. The city continues to work with developers on several redevelopment projects that will contribute to the increase in the tax base despite what current market trends indicate. Therefore Hopkins tax base will most likely see an overall increase in the next few years.

Franchise fees – The City implemented an electric and gas utility franchise fee in 2004 to help offset the amount of tax levy needed to fund general operations. The franchise fee was most recently renewed beginning in for a five year period beginning January 1, 2024. The fees are now based on a percent of utility revenue generated, 5% for residential and 4.25% for commercial/industrial accounts. Franchise fees are conservatively expected to grow by 3% annually as the cost of energy utilities increase.

During the 2025 budget cycle, the City reviewed licenses, permits and all charges for services against a cost recovery model. Budgeted revenue in these categories was increased by approximately 24% in 2025 based on the new fees, projected new construction projects, historical information and economic conditions. Future projections are to forecast an increase of 3% annually.

CITY OF HOPKINS

In 2025, the general fund expenditure budget was increased based on union contracts, step increases for eligible employees, and equipment charges. The council attempts to keep property tax levels low while maintaining an excellent level of service.

An emphasis remained on holding the line on the cost of current government services, while recognizing the increased cost of providing those services. The council spent considerable time reviewing budget information before adopting the budget.

The council and staff implemented a long-range financial management plan for 2014 that provides funding for future needs. The plan includes staffing, operational and capital needs and sets forth funding mechanism to meet those expenditures. This plan played a key role in developing the 2025 budget for all city funds. Staff also continues to explore ways to contain costs and develop new revenue sources so that we can maintain the quality of life Hopkins residents have come to expect



2024 Mayor, Council & City Mangement
Goal Setting Event 2024

CITY OF HOPKINS

Budget Projections – Other Major Funds

The City also prepares budget projections for its budgeted major funds which include the following:
 Special Revenue Funds – Economic Development, Tax Increment Super Valu
 Enterprise Funds – Water, Sewer, Storm Sewer, Pavilion

ECONOMIC DEVELOPMENT FUND BUDGET PROJECTIONS						
	2024	2025	2026	2027	2028	2029
	Budget	Budget	Projected	Projected	Projected	Projected
Revenues						
Property Taxes	487,706	511,646	526,995	542,805	559,089	575,862
Tax Increments	50,000	50,000	51,500	53,045	54,636	56,275
Interest	20,000	30,000	30,900	31,827	32,782	33,765
Total Revenue	557,706	591,646	609,395	627,677	646,507	665,902
Appropriations						
Personal Services	316,912	419,546	440,523	462,549	485,676	509,960
Other Services and Charges	172,166	99,900	104,895	110,140	115,647	121,429
Supplies	1,200	1,200	1,260	1,323	1,389	1,458
Transfers Out	30,000	35,000	35,000	35,000	35,000	35,000
Total Appropriations	520,278	555,646	581,678	609,012	637,712	667,847
Change in Fund Balance	37,428	36,000	27,717	18,665	8,795	(1,945)
Fund Balance	5,243,418	5,279,418	5,307,135	5,325,800	5,334,595	5,332,650

The main source of revenue for the Economic Development Fund is a special development tax levy based on a percentage of the market value. Hopkins market value has increased each year since 2011 allowing Hopkins to increase this levy in each of those years. Funds are used for development efforts by the City and to provide assistance to developers. Intergovernmental revenues in the form of grants from the County or Metropolitan Council and are applied for when there are specific needs by a developer for site remediation in order to make a project viable. In the past the City has been successful at obtaining these grants on behalf of developers which has assisted in a number of recent projects which in turn adds to the tax base.



New development located near the future Blake Road light rail transit station.

CITY OF HOPKINS

TAX INCREMENT SUPER VALU FUND BUDGET PROJECTIONS						
	2024	2025	2026	2027	2028	2029
	Budget	Budget	Projected	Projected	Projected	Projected
Revenues						
Tax Increments	2,800,000	2,800,000	2,940,000	3,028,200	3,119,046	3,212,617
Interest	20,000	20,000	20,600	21,218	21,855	22,511
Total Revenue	2,820,000	2,820,000	2,960,600	3,049,418	3,140,901	3,235,128
Appropriations						
Other Services and Charges	91,936	95,000	99,750	104,738	109,975	115,474
Payments on Tax Increment Bonds	800,000	800,000	800,000	800,000	800,000	800,000
Transfers Out	1,983,330	2,005,000	2,000,000	2,000,000	2,000,000	2,000,000
Total Appropriations	2,875,266	2,900,000	2,899,750	2,904,738	2,909,975	2,915,474
Change in Fund Balance	(55,266)	(80,000)	60,850	144,680	230,926	319,654
Fund Balance	(562,983)	(642,983)	(582,133)	(437,453)	(206,527)	113,127

The main source of revenue for the Tax Increment Super Valu fund is tax increments collected for two significant development projects (Super Valu and Excelsior Crossings). The major expenditures of the fund are payments on tax increment bonds, transfers out for Tax Increment Financing revenue bonds and transfers to the City's TIF Spending Plan Fund. Projected revenues are adequate to for future obligations.



Super Valu Development



Excelsior Crossings Development

CITY OF HOPKINS

WATER FUND BUDGET PROJECTIONS

	2024	2025	2026	2027	2028	2029
	Budget	Budget	Projected	Projected	Projected	Projected
Revenues						
Utility Fees	2,744,400	2,953,000	3,041,590	3,132,838	3,226,823	3,323,628
Charges for Services	145,000	145,000	149,350	153,831	158,446	163,199
Miscellaneous Revenue	3,000	3,000	3,090	3,183	3,278	3,376
Total Revenue	2,892,400	3,101,000	3,194,030	3,289,852	3,388,547	3,490,203
Appropriations						
Personal Services	648,590	822,098	863,203	906,363	951,681	999,265
Other Services and Charges	1,131,530	1,166,498	1,224,823	1,286,064	1,350,367	1,417,885
Supplies	215,750	229,750	241,238	253,300	265,965	279,263
Depreciation	330,000	330,000	330,000	330,000	330,000	330,000
Bond Interest	294,798	287,327	285,000	285,000	280,000	280,000
Transfers Out	238,307	159,426	215,000	200,000	185,000	160,000
Total Appropriations	2,858,975	2,995,099	3,159,264	3,260,727	3,363,013	3,466,413
Net Income	33,425	105,901	34,766	29,125	25,534	23,790

Water utility rates were increased by approximately 7.6% in 2025 to continue to cover capital and replacement costs. Operating costs are projected to increase by approximately 5.00% on average over the next 4 years. Budgeted transfers are for the water funds share of street improvement projects.

SEWER FUND BUDGET PROJECTIONS

	2024	2025	2026	2027	2028	2029
	Budget	Budget	Projected	Projected	Projected	Projected
Revenues						
Utility Fees	3,600,000	3,800,000	3,914,000	4,031,420	4,152,363	4,276,934
Interest	20,000	20,000	20,600	21,218	21,855	22,511
Miscellaneous Revenue	15,000	15,000	15,450	15,914	16,391	16,883
Total Revenue	3,635,000	3,835,000	3,950,050	4,068,552	4,190,609	4,316,328
Appropriations						
Personal Services	330,346	362,903	381,048	400,100	420,105	441,110
Other Services and Charges	2,450,860	2,619,262	2,750,225	2,887,736	3,032,123	3,183,729
Supplies	58,500	70,500	74,025	77,726	81,612	85,693
Depreciation	350,000	350,000	330,000	330,000	330,000	330,000
Bond Interest	149,768	150,512	145,000	145,000	140,000	140,000
Transfers Out	244,584	131,832	190,000	190,000	180,000	180,000
Total Appropriations	3,584,058	3,685,009	3,870,298	4,030,562	4,183,840	4,360,532
Net Income	50,942	149,991	79,752	37,990	6,769	(44,204)

Sewer treatment costs to the Metropolitan Council, a regional sewer treatment system are 55% of the expenditures of the sewer fund. The Met Council charges municipalities a percentage of their annual budget based on individual cities water flow. This charge can fluctuate based on water used in Hopkins versus the entire region although our percentage has stayed constant the last few years. The variable factor is the Met Council budget. Sanitary sewer charges to customers were increased by 5.5% in 2025 to continue to pay for capital and replacement costs. Budgeted transfers are for the sewer funds share of street improvement projects.

CITY OF HOPKINS

STORM SEWER FUND BUDGET PROJECTIONS						
	2024	2025	2026	2027	2028	2029
	Budget	Budget	Projected	Projected	Projected	Projected
Revenues						
Utility Fees	779,332	779,332	779,332	779,332	779,332	779,332
Interest	25,000	25,000	25,750	26,523	27,319	28,139
Miscellaneous Revenue	6,000	6,000	6,180	6,365	6,556	6,753
Total Revenue	810,332	810,332	811,262	812,220	813,207	814,224
Appropriations						
Personal Services	78,693	86,938	91,285	95,849	100,641	105,673
Other Services and Charges	104,464	104,765	110,003	115,503	121,278	127,342
Supplies	5,300	5,300	5,565	5,843	6,135	6,442
Depreciation	325,000	325,000	325,000	325,000	325,000	325,000
Bond Interest	97,829	98,586	95,000	95,000	90,000	90,000
Transfers Out	214,808	155,504	175,000	175,000	175,000	175,000
Total Appropriations	826,094	776,093	801,853	812,195	818,054	829,457
Net Income	(15,762)	34,239	9,409	25	(4,847)	(15,233)

The storm sewer fund has not had to raise rates since 2009 due to its strong financial position. The projected budget does not include rate increases through 2029. Expenditures continue to be stable with no significant maintenance projects planned for 2025. Budgeted transfers are for the storm sewer funds share street improvement projects.

PAVILION FUND BUDGET PROJECTIONS						
	2024	2025	2026	2027	2028	2029
	Budget	Budget	Projected	Projected	Projected	Projected
Revenues						
Property Taxes	440,000	448,500	340,000	340,000	340,000	340,000
Charges for Services	461,700	471,000	485,130	499,684	514,675	530,115
Miscellaneous Revenue	12,000	12,000	12,360	12,731	13,113	13,506
Total Revenue	913,700	931,500	837,490	852,415	867,788	883,621
Appropriations						
Personal Services	312,605	390,931	410,478	431,002	452,552	475,180
Other Services and Charges	145,643	147,847	155,239	163,001	171,151	179,709
Supplies	21,875	23,800	24,990	26,240	27,552	28,930
Capital Outlay	100,000	102,500	-	-	-	-
Depreciation	480,000	480,000	480,000	480,000	480,000	480,000
Bond Interest	73,350	67,275	61,050	57,000	54,500	52,000
Total Appropriations	1,133,473	1,212,353	1,131,757	1,157,243	1,185,755	1,215,819
Net Income	(219,773)	(280,853)	(294,267)	(304,828)	(317,967)	(332,198)

The Hopkins Pavilion is an arena used year-round for a multitude of activities including ice skating, broomball, soccer, lacrosse, inline skating, rugby and other community or private events. Charges for services are the largest revenue source and come primarily from ice rental. The City's property tax levy is being used to pay the debt service for its contribution and capital costs. Operating costs are projected to increase by approximately 1.5% on average over the next 4 years.

CITY OF HOPKINS

General Fund - City Council

	Actual 2022	Actual 2023	Budget 2024	Budget 2025	Percent Change
<u>Appropriations</u>					
Personal Services	43,619	46,472	69,973	69,973	0.00%
Other Services and Charges	51,562	61,417	60,060	84,625	40.90%
Supplies	6,215	1,732	3,000	2,000	-33.33%
Total Appropriations	101,396	109,621	133,033	156,598	17.71%
<u>Indirectly Funded Amount</u>	101,396	109,621	133,033	156,598	17.71%

Summary

The City Council establishes City policies, goals and objectives. It approves the budget and monitors the activities of the City Manager and City Attorney. The council also appoints members to boards and commissions.

Major Objectives to be Accomplished in 2025

1. Work across all City departments to implement the current Goals and Strategic Plan
2. Promote city marketing efforts
3. Publish 2024/25 City Annual Report
4. Safely host 2025 State of the City event

Performance Measurement

	2022	2023	2024	2025
<u>Key Measures:</u>	<u>Actual</u>	<u>Actual</u>	<u>Estimated</u>	<u>Projected</u>
Residents Represented	19,079	18,441	18,807	19,173
Number of Council Meetings/Worksessions	35	29	28	28
Estimated City Market Value (in billions)	\$2.47	\$2.73	\$2.87	\$3.01
General Fund Budget overseen	\$ 16,560,358	\$ 17,888,125	\$ 18,421,804	\$ 19,920,490
Total All Budgeted Funds	\$ 55,663,396	\$ 46,824,038	\$ 44,171,079	\$ 45,518,941

CITY OF HOPKINS

General Fund - Administrative Services

	Actual 2022	Actual 2023	Budget 2024	Budget 2025	Percent Change
Revenues					
Intergovernmental	-	49,567	-	-	0.00%
Charges for Services	401	3,033	-	100	100.00%
Miscellaneous Revenue	11,963	17,000	-	-	0.00%
Total Revenue	12,364	69,600	-	100	#DIV/0!
Appropriations					
Personal Services	524,519	621,941	589,496	663,445	12.54%
Other Services and Charges	89,107	103,330	76,393	125,271	63.98%
Supplies	18,677	10,695	9,300	9,500	2.15%
Intergovernmental Chargebacks	(110,980)	(110,980)	(138,537)	(136,926)	-1.16%
Total Appropriations	521,323	624,986	536,652	661,290	23.23%
Indirectly Funded Amount	(508,959)	(555,386)	(536,652)	(661,190)	23.21%

Summary

Administrative Services provides leadership and support to all city programs and operations. It controls and directs City affairs, responds to resident concerns, and provides human resource support for all departments and employees.

Major Objectives to be Accomplished in 2025

1. Encourage innovative, creative thinking and inform the City Council and community of new programs and activities.
2. Develop leadership team to ensure the city's long term viability through an engaged and empowered workforce.
3. Continue to operate and enhance the employee engagement & wellness program.
4. Increase ways for community engagement.
5. Prepare a legislative agenda, monitor legislative issues, and lobby on issues affecting the City
6. Successfully complete negotiations for one open union contract
7. Successfully engage new employees
8. Provide staff development opportunities

Performance Measurement

	2022 <u>Actual</u>	2023 <u>Actual</u>	2024 <u>Estimated</u>	2025 <u>Projected</u>
Key Measures:				
Implement 2024 Strategic Plan Actions Steps				
Explore Options for 907 Mainstreet	-	-	-	In Progress
Continue to research and pursue grant opportunities	-	-	-	In Progress
Full-time Employees	114.34	116.84	120.09	121.84
Full-time Employees hired	12	13	17	15

CITY OF HOPKINS

General Fund - Communications

	Actual 2022	Actual 2023	Budget 2024	Budget 2025	Percent Change
<u>Revenues</u>					
Franchise Fees	-	-	-	240,000	#DIV/0!
Total Revenue	-	-	-	240,000	#DIV/0!
<u>Appropriations</u>					
Personal Services	-	-	-	145,974	#DIV/0!
Other Services and Charges	-	-	-	91,328	#DIV/0!
Supplies	-	-	-	700	#DIV/0!
Capital Outlay	-	-	-	2,000	#DIV/0!
Total Appropriations	-	-	-	240,002	#DIV/0!
<u>Indirectly Funded Amount</u>	-	-	-	(2)	#DIV/0!

Summary

Provides two-way communication between the City and its residents, employees and businesses; its civic, service, and fraternal organizations; and other communities and government agencies. It uses written, verbal and visual communication tools.

Major Objectives to be Accomplished in 2025

1. Promote City events, large and small
2. Work on engaging and reaching all community members
3. Engage the Rental Community of Hopkins
4. Continue to distribute newsletter to all addresses

Note:

Prior to 2025 the Communications function was accounted for in a Special Revenue Fund.

CITY OF HOPKINS

General Fund - Information Technology

	Actual 2022	Actual 2023	Budget 2024	Budget 2025	Percent Change
<u>Appropriations</u>					
Personal Services	396,175	441,391	511,746	565,558	10.52%
Other Services and Charges	24,709	22,818	46,929	49,274	5.00%
Supplies	130,068	135,155	208,500	262,200	25.76%
Intergovernmental Chargebacks	(96,876)	(96,876)	(122,249)	(158,805)	29.90%
Total Appropriations	454,076	502,488	644,926	718,227	11.37%
<u>Indirectly Funded Amount</u>	454,076	502,488	644,926	718,227	11.37%

Summary

Information Technology provides all network hardware and software support for the City. It also provides individual city employees with hardware and software support. The internal website is designed and maintained through this program.

Major Objectives to be Accomplished in 2025

1. Continue to provide assistance getting systems in place to allow employees to work from home
2. Continue to provide assistance getting systems in place to allow residents to easily access online information and communications
3. Work on developing IT financial forecast

CITY OF HOPKINS

General Fund - Diversity, Equity & Inclusion

	Actual 2022	Actual 2023	Budget 2024	Budget 2025	Percent Change
<u>Appropriations</u>					
Personal Services	-	-	21,530	20,000	-7.11%
Other Services and Charges			112,000	87,000	-22.32%
Total Appropriations	-	-	133,530	107,000	-19.87%
<u>Indirectly Funded Amount</u>	-	-	133,530	107,000	-19.87%

Summary

City Council adopted three vision statements to shape Diversity, Equity & Inclusion work:

1. The City of Hopkins is reflective and inclusive of our diverse community in all roles across the organization.
2. The City of Hopkins makes decisions informed by equitable and authentic community engagement, genuine partnerships and relationships with the community.
3. The City of Hopkins is committed to equity, diversity and inclusion in the development and evaluation of services and programs

Major Objectives to be Accomplished in 2025

1. Continue to support systemic change related to diversity, equity and inclusion across the organization through implementation of a Equity Strategic Action Plan with a focus on Financial Investment and Human Development.

Performance Measurement

	2022	2023	2024	2025
<u>Key Measures:</u>	<u>Actual</u>	<u>Actual</u>	<u>Estimated</u>	<u>Projected</u>
Implement 2024 Strategic Plan Actions Steps				
Continue work on Equity Strategic Action Plan	-	-	-	In Progress

CITY OF HOPKINS

General Fund - Finance

	Actual 2022	Actual 2023	Budget 2024	Budget 2025	Percent Change
<u>Revenues</u>					
Charges for Services	263,843	6,126	8,500	8,500	0.00%
Miscellaneous Revenue	11,861	462	3,000	3,000	0.00%
Total Revenue	275,704	6,588	11,500	11,500	0.00%
<u>Appropriations</u>					
Personal Services	546,412	545,972	618,787	652,492	5.45%
Other Services and Charges	394,815	420,971	353,367	195,322	-44.73%
Supplies	5,649	2,046	2,400	2,500	4.17%
Intergovernmental Chargebacks	(249,672)	(250,025)	(242,299)	(234,190)	-3.35%
Total Appropriations	697,204	718,964	732,255	616,124	-15.86%
<u>Indirectly Funded Amount</u>	(421,500)	(712,376)	(720,755)	(604,624)	-16.11%

Summary

Provides financial management for the City and the Housing and Redevelopment Authority. It provides support services to other departments in the City through fiscal plans, accounting and analysis of transactions, manages debt, processes payroll, administers Tax Increment Financing and completes utility billing.

Major Objectives to be Accomplished in 2025

1. Maintain the current bond rating of AA+ through conservative financial management and accurate reporting of financial and economic conditions of the city
2. Submit ACFR for the GFOA award program.
3. Provide accurate and timely quarterly financial reports.
4. Provide accurate and timely payroll and reports.

Performance Measures

	2022	2023	2024	2025
<u>Key Measures:</u>	<u>Actual</u>	<u>Actual</u>	<u>Estimated</u>	<u>Projected</u>
Standard & Poors credit rating	AA+	AA+	AA+	AA+
Date of audit opinion (target June 15)	June 29	June 3	June 15	June 15
GFOA ACFR Award	Yes	Yes	Yes	Yes
GFOA Budget Award	Yes	Yes	Yes	Yes
Implement 2024 Strategic Plan Actions Steps				
Complete city-wide meter changeout	-	-	-	95% Complete
Review long-range financial management plan	-	-	-	Complete

CITY OF HOPKINS

General Fund - Legal

	Actual 2022	Actual 2023	Budget 2024	Budget 2025	Percent Change
<u>Revenues</u>					
Licenses, Permits & Fines	87,063	96,362	125,000	125,000	0.00%
Total Revenue	87,063	96,362	125,000	125,000	0.00%
<u>Appropriations</u>					
Other Services and Charges	299,128	322,549	250,000	265,000	6.00%
Total Appropriations	299,128	322,549	250,000	265,000	6.00%
<u>Indirectly Funded Amount</u>	(212,065)	(226,187)	(125,000)	(140,000)	12.00%

Summary

Represents the City in court, at City Council meetings and direct contact with staff and the general public.

Major Objectives to be Accomplished in 2025

1. Prosecute the rights of the City.
2. Prosecute violators of the law.
3. Obtain quality legal representation for the City
4. Assist City staff with development projects

CITY OF HOPKINS

General Fund - Municipal Building

	Actual 2022	Actual 2023	Budget 2024	Budget 2025	Percent Change
<u>Revenues</u>					
Miscellaneous Revenue	492	-	-	-	0.00%
Total Revenue	492	-	-	-	0.00%
<u>Appropriations</u>					
Personal Services	132,933	148,051	158,465	167,804	5.89%
Other Services and Charges	289,669	360,301	267,116	273,558	2.41%
Supplies	10,546	14,748	19,800	24,600	24.24%
Capital Outlay	-	6,674	-	-	0.00%
Intergovernmental Chargebacks	(38,000)	(33,124)	(40,691)	(58,500)	43.77%
Total Appropriations	395,148	496,650	404,690	407,462	0.68%
<u>Indirectly Funded Amount</u>	(394,656)	(496,650)	(404,690)	(407,462)	0.68%

Summary

The Municipal Building function is responsible for the maintenance and repair of City Hall and the Police Department (which are housed in the same building).

Major Objectives to be Accomplished in 2025

1. Maintain City Hall to assure a safe and comfortable environment for Residents and City employees at the lowest cost
2. Continue green initiatives at City Hall

CITY OF HOPKINS

General Fund - City Clerk

	Actual 2022	Actual 2023	Budget 2024	Budget 2025	Percent Change
<u>Revenues</u>					
Licenses, Permits & Fines	10,575	10,115	8,900	12,400	39.33%
Charges for Services	-	380	-	-	0.00%
Total Revenue	10,575	10,495	8,900	12,400	39.33%
<u>Appropriations</u>					
Personal Services	174,654	224,584	303,275	299,305	-1.31%
Other Services and Charges	22,217	30,246	37,307	36,560	-2.00%
Supplies	4,156	3,458	6,000	2,600	-56.67%
Capital Outlay	17,444	-	-	-	0.00%
Intergovernmental Chargeback	(23,812)	(23,812)	(7,340)	(10,923)	48.81%
Total Appropriations	194,659	234,476	339,242	327,542	-3.45%
<u>Indirectly Funded Amount</u>	(184,084)	(223,981)	(330,342)	(315,142)	-4.60%

Summary

City Clerk division is responsible for the all updates to the City Code, Business Licensing and all elections (Federal, State and Municipal).

Major Objectives to be Accomplished in 2025

1. Recruit and train additional Election Judges for the early voting and municipalelection.
2. Work with Hennepin County City to review voting equipment and the possible replacement.
3. Ensure that the City Document Archives section of the City's website contains the most up to date information in all areas listed.

Performance Measures

	2022	2023	2024	2025
<u>Key Measures:</u>	<u>Actual</u>	<u>Actual</u>	<u>Estimated</u>	<u>Projected</u>
Registered voters	10,742	10,820	12,187	12,000
Voter turnout	7,284	2,072	9,651	2,400
Number of Elections & Primaries Hald	2	1	5	1
Number of Days Open for Early Voting	43	43	43	43

CITY OF HOPKINS

General Fund - Inspections

	Actual 2022	Actual 2023	Budget 2024	Budget 2025	Percent Change
<u>Revenues</u>					
Licenses, Permits & Fines	1,194,958	1,290,315	566,000	696,500	23.06%
Charges for Services	385,243	544,012	175,450	274,775	56.61%
Miscellaneous Revenue	675	320	-	-	0.00%
Total Revenue	1,580,876	1,834,647	741,450	971,275	31.00%
<u>Appropriations</u>					
Personal Services	690,451	672,383	969,706	1,018,849	5.07%
Other Services and Charges	134,182	147,359	219,842	228,071	3.74%
Supplies	3,518	5,067	9,422	8,525	-9.52%
Capital Outlay	5,175	5,175	9,300	9,900	6.45%
Total Appropriations	833,326	829,984	1,208,270	1,265,345	4.72%
<u>Indirectly Funded Amount</u>	747,550	1,004,663	(466,820)	(294,070)	-37.01%

Summary

Inspects all new or remodeled buildings to ensure they meet the minimum requirements of the state building code. The process includes plan review, permit issuance, inspection of construction phases and issuance of a certificate of occupancy.

Major Objectives to be Accomplished in 2025

1. Work on closing out aging permits from the past years.
2. Continue utilizing Laserfiche for paperless document retention
3. Review Permit Fees for rate increases
4. Continue to provide excellent customer service

Performance Measures

	2022	2023	2024	2025
<u>Key Measures:</u>	<u>Actual</u>	<u>Actual</u>	<u>Estimated</u>	<u>Projected</u>
New Commercial/Industrial Permits	5	2		-
Valuation	82,106,328	46,575,000		-
New Single Family Home Permits	3	4		-
Valuation	1,298,000	2,514,365		-
New Multiple Family Building Permits	3	1		-
Valuation	31,235,491	38,993,193		-
Total Building Permits	446	491		500
Valuation	137,019,951	134,521,647		100,000,000

CITY OF HOPKINS

General Fund - Police

	Actual 2022	Actual 2023	Budget 2024	Budget 2025	Percent Change
Revenues					
Intergovernmental	337,720	391,765	405,000	425,000	4.94%
Licenses, Permits & Fines	115,087	107,778	152,800	161,150	5.46%
Charges for Services	13,587	31,642	35,000	35,000	0.00%
Miscellaneous Revenue	20,385	804	500	500	0.00%
Total Revenue	486,779	531,989	593,300	621,650	4.78%
Appropriations					
Personal Services	5,409,372	5,668,247	5,917,532	6,169,493	4.26%
Other Services and Charges	702,550	884,113	918,870	980,623	6.72%
Supplies	275,987	322,151	349,440	369,050	5.61%
Capital Outlay	13,924	-	-	-	0.00%
Total Appropriations	6,401,833	6,874,511	7,185,842	7,519,166	4.64%
Indirectly Funded Amount	(5,915,054)	(6,342,522)	(6,592,542)	(6,897,516)	4.63%

Summary

The Hopkins Police Department will be recognized as a progressive law enforcement agency, striving to enhance the quality of life for all residents. They seek to collaborate with all stakeholders to continually improve the Community. They will recruit, hire and retain the most qualified personnel to fulfill this vision.

Major Objectives to be Accomplished in 2025

1. To provide effective, efficient, and professional police services to the community.
2. Continue to produce the highest ethical standards and transparent police department.
3. Create trust and partnerships with our multi-cultural community.
4. Promote a proactive, problem-solving culture that focuses on crime prevention.
5. Provide the highest level of professional customer service to the public with each and every contact.
6. Committed to identifying and solving problems through building positive community partnerships

Performance Measures

	2022	2023	2024	2025
<u>Key Measures:</u>	<u>Actual</u>	<u>Actual</u>	<u>Estimated</u>	<u>Projected</u>
Calls for Service	23,718	25,706	Not Available	Not Available
Traffic Stops	2,592	4,538	Not Available	Not Available
Part I Crimes - Felony	447	374	Not Available	Not Available
Part II Crimes - Non-Felony	625	664	Not Available	Not Available
Implement 2024 Strategic Plan Actions Steps				
Develop Police Dept. recruitment & retention strategies	-	-	-	In Progress
Complete a Police Department Staffing Study	-	-	-	Complete

CITY OF HOPKINS

General Fund - Fire Suppression

	Actual 2022	Actual 2023	Budget 2024	Budget 2025	Percent Change
<u>Revenues</u>					
Intergovernmental	212,168	218,193	202,000	175,000	-13.37%
Licenses, Permits & Fines	4,497	5,415	4,000	4,000	0.00%
Charges for Services	17,169	6,771	10,500	10,500	0.00%
Miscellaneous Revenue	2,803	57	3,500	3,500	0.00%
Total Revenue	236,637	230,436	220,000	193,000	-12.27%
<u>Appropriations</u>					
Personal Services	1,094,108	1,478,424	1,082,453	1,287,812	18.97%
Other Services and Charges	553,608	727,351	519,661	573,550	10.37%
Supplies	116,782	111,884	106,900	120,815	13.02%
Capital Outlay	2,883	14,737	-	-	0.00%
Total Appropriations	1,767,381	2,332,396	1,709,014	1,982,177	15.98%
<u>Indirectly Funded Amount</u>	(1,530,744)	(2,101,960)	(1,489,014)	(1,789,177)	20.16%

Summary

The Fire Department includes Emergency Medical Services (EMS) and Fire Prevention/Suppression programs. The EMS program supports the Police Department in managing responses to medical emergencies. The Fire Department responds to all life threatening situations and when there are no police officers available to respond. Fire suppression is the response to all fires, hazardous materials, special hazards and special rescue incidents in the city and fire prevention is the enforcement of fire code, and the review and inspection of new construction. It also provides public education.

Major Objectives to be Accomplished in 2025

1. Recruitment and Retention of members.
2. Implement a Staffing plan for the future of Hopkins Fire Department

Performance Measures

	2022	2023	2024	2025
<u>Key Measures:</u>	<u>Actual</u>	<u>Actual</u>	<u>Estimated</u>	<u>Projected</u>
Total Calls (Medical & Fire Suppression)	1,948	2,258	2,262	Not Available
Average Response Time (Minutes)	4.6	4.6	4.6	Not Available

CITY OF HOPKINS

General Fund - Public Works

	Actual 2022	Actual 2023	Budget 2024	Budget 2025	Percent Change
<u>Revenues</u>					
Intergovernmental	272,448	299,379	190,000	210,000	10.53%
Licenses, Permits & Fines	3,450	4,900	19,615	19,615	0.00%
Charges for Services	14,684	13,378	3,150	3,000	-4.76%
Miscellaneous Revenue	8,643	19,923	10,600	8,000	-24.53%
Total Revenue	299,225	337,580	223,365	240,615	7.72%
<u>Appropriations</u>					
Personal Services	2,297,189	2,358,356	2,499,529	2,711,784	8.49%
Other Services and Charges	1,321,427	1,362,405	1,396,485	1,438,262	2.99%
Supplies	586,286	601,154	558,050	701,650	25.73%
Capital Outlay	38,996	38,721	-	40,000	100.00%
Intergovernmental Chargeback	(435,076)	(631,737)	(595,252)	(602,381)	1.20%
Total Appropriations	3,808,822	3,728,899	3,858,812	4,289,315	11.16%
<u>Indirectly Funded Amount</u>	(3,509,597)	(3,391,319)	(3,635,447)	(4,048,700)	11.37%

Summary

Public Works provides maintenance and repair for all the City's buildings, vehicles, equipment, streets, alleys, parking lots, parking ramp, street lighting, traffic signs, traffic signals and parks. They also provide snow/ice removal, maintain the urban forest and support for special events.

Major Objectives to be Accomplished in 2025

1. Complete street maintenance utilizing pavement management support information
2. Complete 2025 program of street and utility improvements
3. Continue aggressive maintenance and repair of all city equipment.
4. Maintain Public Works building efficiently

Performance Measures

	2022 <u>Actual</u>	2023 <u>Actual</u>	2024 <u>Estimated</u>	2025 <u>Projected</u>
<u>Key Measures:</u>				
Miles of streets maintained	55	55	55	55
Crack sealing (square yards)	32,780	30,000	42,080	45,000
Boulevard Trees Planted	66	214	184	150
Number of poles painted/repainted	55	55	-	55

CITY OF HOPKINS

General Fund - Joint Recreation

	Actual 2022	Actual 2023	Budget 2024	Budget 2025	Percent Change
<u>Appropriations</u>					
Personal Services	7,682	8,301	8,774	9,387	6.99%
Other Services and Charges	222,532	266,432	267,667	267,348	-0.12%
Total Appropriations	230,214	274,733	276,441	276,735	0.11%
<u>Indirectly Funded Amount</u>	230,214	274,733	276,441	276,735	0.11%

Summary

Recreation programs for all ages are provided through the Joint Recreation Program. The program is operated jointly by the neighboring Cities of Hopkins and Minnetonka

Major Objectives to be Accomplished in 2025

1. Continue to develop partnerships in order to expand youth programming opportunities
2. Hire and train attendants to supervise park services at Burnes, Oakes and Valley Parks
3. Provide staff to supervise outdoor ice rinks at 13 locations in Hopkins and Minnetonka from mid-December through mid-February
4. Continue summer playground program for children at 11 locations in Hopkins and Minnetonka.

CITY OF HOPKINS

General Fund - Activity Center

	Actual 2022	Actual 2023	Budget 2024	Budget 2025	Percent Change
<u>Revenues</u>					
Charges for Services	104,901	149,643	118,500	154,500	30.38%
Miscellaneous Revenue	16,481	11,001	14,000	14,000	0.00%
Total Revenue	121,382	160,644	132,500	168,500	27.17%
<u>Appropriations</u>					
Personal Services	337,282	344,741	384,226	426,641	11.04%
Other Services and Charges	133,528	156,252	150,558	154,654	2.72%
Supplies	15,720	19,800	19,550	19,900	1.79%
Capital Outlay	1,380	-	-	8,500	100.00%
Total Appropriations	487,910	520,793	554,334	609,695	9.99%
<u>Indirectly Funded Amount</u>	(366,528)	(360,149)	(421,834)	(441,195)	4.59%

Summary

The Activity Center provides a facility for residents to use for active or passive activities. Staff coordinates all users of the Activity Center including a Senior Adult program, which is geared towards the over 50 Hopkins population.

Major Objectives to be Accomplished in 2025

1. Market the Hopkins Activity Center to the over 50 Hopkins population, especially through electronic media.
2. Work with the Hopkins festivals and special events committees to promote events for the over 50 population.

CITY OF HOPKINS

General Fund - Planning & Zoning

	Actual 2022	Actual 2023	Budget 2024	Budget 2025	Percent Change
<u>Revenues</u>					
Licenses, Permits & Fines	2,820	4,308	2,000	4,000	100.00%
Charges for Services	11,798	18,650	-	16,000	100.00%
Miscellaneous Revenue	47	15	-	-	0.00%
Total Revenue	14,665	22,973	2,000	20,000	900.00%
<u>Appropriations</u>					
Personal Services	193,530	169,670	199,365	259,093	29.96%
Other Services and Charges	42,160	10,549	39,040	36,521	-6.45%
Supplies	635	1,109	1,500	1,500	0.00%
Intergovernmental Chargebacks	(15,751)	(15,751)	(43,657)	(49,660)	13.75%
Total Appropriations	220,574	165,577	196,248	247,454	26.09%
<u>Indirectly Funded Amount</u>	(205,909)	(142,604)	(194,248)	(227,454)	17.09%

Summary

Planning and Zoning provides administration and enforcement of locally approved Zoning Ordinances and Comprehensive Plan

Major Objectives to be Accomplished in 2025

1. Continue implementing the new zoning code
2. Process land use, sign and fence permit application, and respond to customer's needs in a timely manner
3. Provide staff assistance to Planning Commission & expertise to the City Council

Performance Measures

	2022	2023	2024	2025
<u>Key Measures:</u>	<u>Actual</u>	<u>Actual</u>	<u>Estimated</u>	<u>Projected</u>
Estimated Market Value of Median Value Home	361,000	369,300	378,800	395,000
Estimated Market Value of Vacant Land (in millions)	\$14.1	\$13.4	\$13.5	\$10.0
Increase in Total Market Value	10.20%	5.60%	4.90%	5.00%

CITY OF HOPKINS

General Fund - Community Development

	Actual 2022	Actual 2023	Budget 2024	Budget 2025	Percent Change
<u>Appropriations</u>					
Personal Services	110,688	70,573	121,657	117,703	-3.25%
Other Services and Charges	4,481	4,756	6,658	6,655	-0.05%
Supplies	1,009	1,899	1,000	1,000	0.00%
Total Appropriations	116,178	77,228	129,315	125,358	-3.06%
<u>Indirectly Funded Amount</u>	116,178	77,228	129,315	125,358	-3.06%

Summary

Promotion and development of housing programs and activities for City property owners and residents.

Major Objectives to be Accomplished in 2025

1. Continue promotion and support of various housing programs and initiatives
2. Investigate and prepare funding application for redevelopment projects from sources including Hennepin County Transit Orientated Development (TOD) program and Met Council Livable Communities Demonstration Account.
3. Continue to be a City of Hopkins representative to Hopkins Apartment Managers' Association, Southwest Light Rail Transit Technical Implementation Committee, Blake Road Corridor Collaborative, Hopkins Business & Civic Association, School & Community Partnerships and other collaborative efforts

CITY OF HOPKINS

General Fund - Unallocated

	Actual 2022	Actual 2023	Budget 2024	Budget 2025	Percent Change
<u>Revenues</u>					
Property Taxes	12,636,270	13,628,351	14,511,326	15,406,075	6.17%
Franchise Fees	303,957	304,979	346,200	380,200	9.82%
Intergovernmental	880,066	925,794	1,081,012	1,084,775	0.35%
Charges for Services	83	-	-	-	0.00%
Interest	60,859	159,390	25,000	45,000	80.00%
Miscellaneous Revenue	1,043	15,582	250	400	60.00%
Total Revenue	13,882,278	15,034,096	15,963,788	16,916,450	5.97%
<u>Appropriations</u>					
Personal Services	549	2,071	-	-	0.00%
Other Services and Charges	10,637	15,275	69,200	44,200	-36.13%
Transfers Out	20,000	56,924	60,000	61,800	3.00%
Total Appropriations	31,186	74,270	129,200	106,000	-17.96%

Summary

Revenues and expenditures recorded as unallocated are not directly associated with department, division or program.

CITY OF HOPKINS

Special Revenue - Chemical Assessment Team

	Actual 2022	Actual 2023	Budget 2024	Budget 2025	Percent Change
<u>Revenues</u>					
Intergovernmental	28,720	62,148	65,000	65,000	0.00%
Total Revenue	28,720	62,148	65,000	65,000	0.00%
<u>Appropriations</u>					
Personal Services	25,864	31,484	38,752	38,752	0.00%
Other Services and Charges	15,146	26,324	19,908	19,908	0.00%
Supplies	13,340	52,914	6,340	6,340	0.00%
Total Appropriations	54,350	110,722	65,000	65,000	0.00%
<u>Change in Fund Balance</u>	(25,630)	(48,574)	-	-	0.00%

Summary

The State Chemical Assessment Team provides emergency response for assessment of chemical hazards for the State of Minnesota and maintenance of state owned equipment for emergency response and training of personnel. Responding as requested by the State Duty Officer to the counties of Hennepin, Scott, Carver, McLeod and Renville.

Major Objectives to be Accomplished in 2025

1. To continue to train to members on all aspects of chemical response.
2. Prepare the team to respond to all types of emergencies, including hazardous materials and civil unrest.

CITY OF HOPKINS

Special Revenue - Economic Development Fund

	Actual 2022	Actual 2023	Budget 2024	Budget 2025	Percent Change
Revenues					
Property Taxes	379,175	444,161	487,706	511,646	4.91%
Tax Increments	13,953	33,094	50,000	50,000	0.00%
Intergovernmental	112,702	736,942	-	-	#DIV/0!
Charges for Services	-	123	-	-	#DIV/0!
Interest	1,927	80,541	20,000	30,000	50.00%
Miscellaneous Revenue	5,327	-	-	-	#DIV/0!
Transfers In	-	1,529	-	-	#DIV/0!
Total Revenue	513,084	1,296,390	557,706	591,646	6.09%
Appropriations					
Personal Services	284,657	310,783	316,912	419,546	32.39%
Other Services and Charges	222,977	314,339	222,166	158,400	-28.70%
Supplies	1,164	1,054	1,200	1,200	0.00%
Transfers Out	30,000	30,000	30,000	35,000	16.67%
Intergovernmental Chargebacks	(40,000)	(40,000)	(50,000)	(58,500)	17.00%
Total Appropriations	498,798	616,176	520,278	555,646	0.06798
Change in Fund Balance	14,286	680,214	37,428	36,000	-3.82%

Summary

Undertake development activities not directly funded by specific project budgets. Meet with developers, property owners and business tenants to review possible redevelopment/ development activities. Recruit desirable business to locate in Hopkins. Explore developer incentives aimed at promoting sustainability and active living. To promote the City as a walkable destination with small town feel. Explore way to enhance the sense of place through public art and directional signage.

Major Objectives to be Accomplished in 2025

1. Offer Commercial Façade Grant Program
2. Promote Hopkins to development/business community
3. Facilitate redevelopment projects as direct by the City Council
4. Develop a marketing strategy that supports business, education and the arts

Performance Measurement

	2022	2023	2024	2025
<u>Key Measures:</u>	<u>Actual</u>	<u>Actual</u>	<u>Estimated</u>	<u>Projected</u>
Implement 2024 Strategic Plan Actions Steps				
Offer Commercial Façade Loan Program & expand all eligibility to all of Mainstreet	-	-	Complete	-

CITY OF HOPKINS

Special Revenue - Tax Increment Spending Plan

	Actual 2022	Actual 2023	Budget 2024	Budget 2025	Percent Change
<u>Revenues</u>					
Transfers In	6,404,400	-	-	-	0.00%
Total Revenue	6,404,400	-	-	-	0.00%
<u>Appropriations</u>					
Other Services and Charges	3,750,000	-	-	-	0.00%
Total Appropriations	3,750,000	-	-	-	0.00%
<u>Change in Fund Balance</u>	2,654,400	-	-	-	0.00%

Summary

Tax Increment Spending Plan was created based on special TIF legislation. The fund is supported by transfers from the TIF 2-11 SuperValu fund.

Major Objectives to be Accomplished in 2025

N/A

CITY OF HOPKINS

Special Revenue - Hennepin County CDBG

	<u>Actual</u> <u>2022</u>	<u>Actual</u> <u>2023</u>	<u>Budget</u> <u>2024</u>	<u>Budget</u> <u>2025</u>	<u>Percent</u> <u>Change</u>
<u>Appropriations</u>					
Other Services and Charges	3,698	4,112	-	-	#DIV/0!
Total Appropriations	3,698	4,112	-	-	#DIV/0!
<u>Change in Fund Balance</u>	(3,698)	(4,112)	-	-	#DIV/0!

Summary

This fund accounts for the receipt for Community Development Block Grant Funds and the issuance of loans and grants for housing rehabilitation.

Major Objectives to be Accomplished in 2025

N/A

CITY OF HOPKINS

Special Revenue - American Rescue Plan Act

	Actual 2022	Actual 2023	Budget 2024	Budget 2025	Percent Change
<u>Revenues</u>					
Intergovernmental	95,504	486,173	-	-	0.00%
Total Revenue	95,504	486,173	-	-	0.00%
<u>Appropriations</u>					
Personal Services	-	246,479	-	-	0.00%
Other Services and Charges	18,000	227,198	-	-	0.00%
Capital Outlay	77,504	12,496	-	-	0.00%
Total Appropriations	95,504	486,173	-	-	0.00%
<u>Change in Fund Balance</u>					
	-	-	-	-	0.00%

Summary

This fund was established to record the receipt of American Rescue Plan Act Fund proceeds and the purchases in accordance with the guidelines determined by the U.S. Department of Treasury.

Major Objectives to be Accomplished in 2025

1. Spend remaining grant proceeds.

CITY OF HOPKINS

Special Revenue - TIF 1-8 Entertainment District

	Actual 2022	Actual 2023	Budget 2024	Budget 2025	Percent Change
<u>Revenues</u>					
Tax Increments	61,351	56,725	45,000	-	-100.00%
Interest	(155)	1,053	-	-	#DIV/0!
Total Revenue	61,196	57,778	45,000	-	-100.00%
<u>Appropriations</u>					
Other Services and Charges	5,340	148	6,046	-	-100.00%
Transfers Out	302,400	-	8,182	-	-100.00%
Total Appropriations	307,740	148	14,228	-	-100.00%
<u>Change in Fund Balance</u>	(246,544)	57,630	30,772	-	-100.00%

Summary

Redevelopment activity of the property in the Central Business District, north and south of Mainstreet between 11th and 12th Avenues.

Major Objectives to be Accomplished in 2025

N/A - TIF District has been decertified and the fund is closed.

CITY OF HOPKINS

Special Revenue - Minnesota Public Safety Aid

	Actual 2022	Actual 2023	Budget 2024	Budget 2025	Percent Change
<u>Revenues</u>					
Intergovernmental	-	828,207	439,095	453,901	3.37%
Total Revenue	-	828,207	439,095	453,901	3.37%
<u>Appropriations</u>					
Personal Services	-	-	314,675	453,901	44.24%
Other Services and Charges	-	14,800	15,000	-	-100.00%
Supplies	-	23,244	109,420	-	-100.00%
Capital Outlay	-	12,704	-	-	0.00%
Total Appropriations	-	50,748	439,095	453,901	3.37%
<u>Change in Fund Balance</u>	-	777,459	-	-	0.00%

Summary

During the 2023 Legislative Session, \$210 million of one-time public safety aid was authorized for Cities. The aid can be spent on fire, police, emergency medical or other public safety needs. Hopkins received \$828,185, which is accounted for in this fund.

Major Objectives to be Accomplished in 2025

1. Hire two police officers for patrol

CITY OF HOPKINS

Special Revenue - Parking Fund

	Actual 2022	Actual 2023	Budget 2024	Budget 2025	Percent Change
<u>Revenues</u>					
Property Taxes	-	-	-	75,000	#DIV/0!
Intergovernmental	65,000	-	-	-	#DIV/0!
Licenses, Permits & Fines	11,872	13,140	12,000	12,000	0.00%
Charges for Services	89,365	74,349	113,000	77,000	-31.86%
Interest	-	46	-	-	#DIV/0!
Total Revenue	166,237	87,535	125,000	164,000	31.20%
<u>Appropriations</u>					
Personal Services	109,357	115,067	125,335	132,981	6.10%
Other Services and Charges	53,483	58,426	34,059	27,955	-17.92%
Supplies	1,192	1,178	500	250	-50.00%
Total Appropriations	164,032	174,671	159,894	161,186	0.81%
<u>Change in Fund Balance</u>	2,205	(87,136)	(34,894)	2,814	-108.06%

Summary

The Parking Fund records the receipt of parking permits and parking fines. The revenues are used to offset the maintenance costs of parking lots, parking ramp and fund a parking enforcement position.

Major Objectives to be Accomplished in 2025

1. Monitor the effects of current parking enforcement efforts and recommend changes as needed.
2. Inspect and maintain the parking ramp and parking lots as needed

CITY OF HOPKINS

Special Revenue - Hopkins Race & Equity Initiative

	Actual 2022	Actual 2023	Budget 2024	Budget 2025	Percent Change
<u>Revenues</u>					
Interest	(6)	618	-	-	0.00%
Miscellaneous Revenue	6,000	36,000	6,000	6,000	0.00%
Total Revenue	5,994	36,618	6,000	6,000	0.00%
<u>Appropriations</u>					
Other Services and Charges	756	285	6,000	6,000	0.00%
Supplies	-	327	-	-	0.00%
Total Appropriations	756	612	6,000	6,000	0.00%
<u>Change in Fund Balance</u>	5,238	36,006	-	-	0.00%

Summary

The Hopkins Race & Equity Initiative is a collaborative effort creating opportunities to increase awareness and understanding of race, equity and diversity and promoting a sense of community that welcomes and values all residents.

Major Objectives to be Accomplished in 2025

1. Continue to host community events to promote race equity.
2. Continue relationships with the Joint Community Policing Program, Multicultural Advisory Committee and the Government Alliance on Racial Equity.

CITY OF HOPKINS

Special Revenue - Communications

	Actual 2022	Actual 2023	Budget 2024	Budget 2025	Percent Change
<u>Revenues</u>					
Franchise Fees	200,222	197,763	230,000	30,000	-86.96%
Interest	(190)	2,536	-	961	#DIV/0!
Total Revenue	200,032	200,299	230,000	30,961	-86.54%
<u>Appropriations</u>					
Personal Services	141,157	156,655	173,123	-	-100.00%
Other Services and Charges	74,118	134,811	99,164	-	-100.00%
Supplies	731	575	700	-	-100.00%
Transfers Out	50,000	50,000	5,000	-	-100.00%
Capital Outlay	-	392	3,500	30,961	784.60%
Total Appropriations	266,006	342,433	281,487	30,961	-89.00%
<u>Change in Fund Balance</u>	(65,974)	(142,134)	(51,487)	-	-100.00%

Summary

Beginning in 2025, the Communications fund will record the City's share of cable franchise fees restricted for Public, Education and Government (PEG) programming. The City's Communication function has been moved into the General Fund.

Major Objectives to be Accomplished in 2025

N/A

CITY OF HOPKINS

Special Revenue - Depot

	Actual 2022	Actual 2023	Budget 2024	Budget 2025	Percent Change
<u>Revenues</u>					
Intergovernmental	19,500	19,500	-	-	#DIV/0!
Charges for Services	153,903	68,112	64,332	133,900	108.14%
Interest	-	-	-	-	#DIV/0!
Miscellaneous Revenue	30,674	26,684	79,500	89,911	13.10%
Transfers In	20,000	20,000	60,000	61,800	3.00%
Total Revenue	224,077	134,296	203,832	285,611	40.12%
<u>Appropriations</u>					
Personal Services	210,462	62,702	140,857	188,346	33.71%
Other Services and Charges	37,948	38,448	37,775	66,564	76.21%
Supplies	55,350	9,261	5,200	15,700	201.92%
Total Appropriations	303,760	110,411	183,832	270,610	47.21%
<u>Change in Fund Balance</u>	(79,683)	23,885	20,000	15,001	-25.00%

Summary

The Depot building is a renovated Train Depot. After a 2024 remodel project is will be used as a meeting place for the Youth Advisory Board, trailhead access, rental space and for music and movie nights.

Major Objectives to be Accomplished in 2025

1. Sustain welcoming and chemical free venue for community youth and other gatherings
2. Continue staffing 2-3 nights a week for year-round youth events and programming
3. Expand the facility as a rental space
4. Expand programming for the general public

Performance Measurement

	2022	2023	2024	2025
<u>Key Measures:</u>	<u>Actual</u>	<u>Actual</u>	<u>Estimated</u>	<u>Projected</u>
Implement 2024 Strategic Plan Actions Steps				
Finalize plans to reopen the Depot	-	-	Complete	-

CITY OF HOPKINS

Special Revenue - TIF 2-6

	Actual 2022	Actual 2023	Budget 2024	Budget 2025	Percent Change
<u>Revenues</u>					
Interest	1,591	-	-	-	0.00%
Total Revenue	1,591	-	-	-	#DIV/0!
<u>Appropriations</u>					
Other Services and Charges	6,591	5,244	2,095	-	-100.00%
Transfers Out	9,500	-	-	-	0.00%
Total Appropriations	16,091	5,244	2,095	-	-100.00%
<u>Change in Fund Balance</u>	(14,500)	(5,244)	(2,095)	-	-100.00%

Summary

Tax Increment District 2-6 is the handicapped housing development. This fund records the use of tax increments and bond proceeds.

Major Objectives to be Accomplished in 2025

N/A - TIF District has been decertified and the fund is closed.

CITY OF HOPKINS

Special Revenue - TIF 2-11 Super Valu

	Actual 2022	Actual 2023	Budget 2024	Budget 2025	Percent Change
<u>Revenues</u>					
Tax Increments	2,817,252	2,164,722	2,800,000	2,800,000	0.00%
Interest	134,996	67,603	20,000	20,000	0.00%
Miscellaneous Revenue	-	-	-	-	#DIV/0!
Transfers In	-	188,429	-	-	#DIV/0!
Total Revenue	2,952,248	2,420,754	2,820,000	2,820,000	0.00%
<u>Appropriations</u>					
Other Services and Charges	58,384	39,878	91,936	95,000	3.33%
Payments on Tax Increment Notes	667,444	674,794	800,000	800,000	0.00%
Transfer Out	9,249,355	2,558,300	1,983,330	2,005,000	1.09%
Total Appropriations	9,975,183	3,272,972	2,875,266	2,900,000	0.86%
<u>Change in Fund Balance</u>	(7,022,935)	(852,218)	(55,266)	(80,000)	44.75%

Summary

Tax Increment District 2-11 is the SuperValu and SuperValu North Annex redevelopment. This fund records the use of tax increments and bond proceeds.

Major Objectives to be Accomplished in 2025

1. Distribute Pay As You Go financing to developer as scheduled.

CITY OF HOPKINS

Special Revenue - TIF 1-4 Marketplace & Main

	Actual 2022	Actual 2023	Budget 2024	Budget 2025	Percent Change
<u>Revenues</u>					
Tax Increments	203,553	225,906	225,000	244,000	8.44%
Interest	(87)	2,896	1,000	1,000	0.00%
Total Revenue	203,466	228,802	226,000	245,000	8.41%
<u>Appropriations</u>					
Other Services and Charges	4,024	3,111	4,948	2,712	-45.19%
Payments on Tax Increment Notes	201,379	212,697	210,000	42,056	-79.97%
Total Appropriations	205,403	215,808	214,948	44,768	-79.17%
<u>Change in Fund Balance</u>	(1,937)	12,994	11,052	200,232	1711.73%

Summary

Tax increment District 1-4 is the redevelopment of several blocks of the downtown district into a housing and retail development. This fund records the tax increment revenues and payments.

Major Objectives to be Accomplished in 2025

1. Distribute Pay As You Go financing to developer as scheduled.

CITY OF HOPKINS

Special Revenue - TIF 1-5 Moline

	Actual 2022	Actual 2023	Budget 2024	Budget 2025	Percent Change
<u>Revenues</u>					
Tax Increments	1,026,145	1,034,609	1,015,000	1,070,000	5.42%
Interest	-	-	-	-	#DIV/0!
Transfers In	1,500,000	1,175,000	1,500,000	700,000	-53.33%
Total Revenue	2,526,145	2,209,609	2,515,000	1,770,000	-29.62%
<u>Appropriations</u>					
Other Services and Charges	26,516	14,401	30,195	51,241	69.70%
Payments on Tax Increment Notes	2,723,531	2,106,148	2,500,000	1,678,673	-32.85%
Transfers Out	252,500	-	-	-	#DIV/0!
Total Appropriations	3,002,547	2,120,549	2,530,195	1,729,914	-31.63%
<u>Change in Fund Balance</u>	(476,402)	89,060	(15,195)	40,086	-363.81%

Summary

Tax increment District 1-5 is the redevelopment of the Johnson Building into a luxury apartment building that will help connect a future light rail station to historic downtown Hopkins. This fund records the tax increment revenues and payments.

Major Objectives to be Accomplished in 2025

1. Distribute Pay As You Go financing to developer as scheduled.

CITY OF HOPKINS

Special Revenue - Arts Center

	Actual 2022	Actual 2023	Budget 2024	Budget 2025	Percent Change
<u>Revenues</u>					
Property Taxes	332,453	347,697	345,000	380,000	10.14%
Intergovernmental	253,295	178,449	75,000	75,000	0.00%
Charges for Services	710,141	686,951	698,650	718,970	2.91%
Interest	-	66	-	-	#DIV/0!
Miscellaneous Revenue	19,667	69,131	19,000	23,500	23.68%
Transfers In	80,000	80,000	35,000	35,000	0.00%
Total Revenue	1,395,556	1,362,294	1,172,650	1,232,470	5.10%
<u>Appropriations</u>					
Personal Services	485,890	557,827	591,520	646,493	9.29%
Other Services and Charges	389,049	419,991	415,575	420,266	1.13%
Supplies	44,997	42,542	46,600	36,500	-21.67%
Capital Outlay	82,477	24,082	90,402	116,000	28.32%
Total Appropriations	1,002,413	1,044,442	1,144,097	1,219,259	6.57%
<u>Change in Fund Balance</u>	393,143	317,852	28,553	13,211	-53.73%

Summary

The Hopkins Center for the Arts is a premiere cultural and artistic destination drawing over 215,000 visitors annually. Its amenities include a 715 seat theater, black-box theater, art gallery, dance studio, classroom, meeting and multipurpose spaces. The Center provides artistic and educational opportunities for people of all ages and abilities, including concert series of local and national artists, exhibit that are free and open to the public, and ArtStreet, the public art sculpture program. It is also home to tenant partners - Stages Theatre Company and Hopkins School District. Hopkins Center for the Arts earns revenue through tenant leases, rentals, admission fees, gifts and grants.

Major Objectives to be Accomplished in 2025

1. Continue to build relationships in our community and collaborate with tenants, partners, businesses and residents to meet City Strategic Plan goals and engage a broad segment of the community.
2. Operate within a balanced budget that maximizes revenues and controls expenses, with the goal of financial sustainability.
3. Increase the fundraising capacity of the Arts Center to address operating and capital needs.
4. Build participation in Center arts activities, including concerts and exhibitions, and explore creative opportunities beyond the walls of the Center.
5. Strengthen the identity and enhance the reputation of the Hopkins Center for the Arts.

CITY OF HOPKINS

Special Revenue - Sustainability

	Actual 2022	Actual 2023	Budget 2024	Budget 2025	Percent Change
<u>Revenues</u>					
Franchise Fees	-	-	385,000	345,000	-10.39%
Total Revenue	-	-	385,000	345,000	-10.39%
<u>Appropriations</u>					
Personal Services	-	-	125,325	164,303	31.10%
Other Services and Charges	-	-	255,475	176,497	-30.91%
Supplies	-	-	2,200	2,200	0.00%
Capital Outlay	-	-	2,000	2,000	0.00%
Total Appropriations	-	-	385,000	345,000	-10.39%
<u>Change in Fund Balance</u>	-	-	-	-	0.00%

Summary

Hopkins sustainability initiatives are funded through franchise fees collected from gas and electric utilities. The City of Hopkins is dedicated to improving the overall sustainability and resiliency of the community and being a responsible steward of the environment.

Major Objectives to be Accomplished in 2025

1. Continue administering and funding the Hopkins Climate Solutions Fund, a program offering incentives to residents and business to accelerate the transition to cleaner and more efficient energy
2. Continue to participate in the Minnesota GreenStep Cities Program

	2022 <u>Actual</u>	2023 <u>Actual</u>	2024 <u>Estimated</u>	2025 <u>Projected</u>
<u>Key Measures:</u>				
Implement 2024 Strategic Plan Actions Steps				
Explore sustainable building development policy	-	-	Complete	-
Develop green infrastructure special assessment policy	-	-	In Progress	Complete

CITY OF HOPKINS

Debt Service Fund

	Actual 2022	Actual 2023	Budget 2024	Budget 2025	Percent Change
<u>Revenues</u>					
Property Taxes	4,049,190	3,892,746	4,107,613	3,748,530	-8.74%
Special Assessments	761,641	855,354	782,039	841,600	7.62%
Interest	80,070	1,042,327	-	-	0.00%
Bonds Issued	2,985,000	3,985,000	-	-	0.00%
Premium on Bonds Issued	238,981	8,081	-	-	0.00%
Transfers In	2,931,911	2,442,780	2,463,844	2,412,781	-2.07%
Total Revenues	11,046,793	12,226,288	7,353,496	7,002,911	-4.77%
<u>Appropriations</u>					
Bond Principal	5,530,000	5,805,000	5,265,000	5,905,000	12.16%
Bond Interest	1,853,620	1,792,497	1,783,156	1,723,200	-3.36%
Other Services & Charges	156,143	103,742	-	-	0.00%
Transfers Out	3,076,000	4,207,401	-	-	0.00%
Total Appropriations	10,615,763	11,908,640	7,048,156	7,628,200	8.23%
<u>Net Income</u>	431,030	317,648	305,340	(625,289)	-304.78%

Summary

The City's debt service fund accounts for the payment of principal and interest on all governmental debt obligations. Any debt issued for a enterprise fund is recorded in that fund.

Major Objectives to be Accomplished in 2025

N/A

CITY OF HOPKINS

Enterprise Fund - Water

	Actual 2022	Actual 2023	Budget 2024	Budget 2025	Percent Change
<u>Revenues</u>					
Utility Fees	2,320,035	2,499,752	2,744,400	2,953,000	7.60%
Intergovernmental	-	38	-	-	0.00%
Charges for Services	99,815	120,879	145,000	145,000	0.00%
Miscellaneous Revenue	17,573	25,210	3,000	3,000	0.00%
Total Revenues	2,437,423	2,645,879	2,892,400	3,101,000	7.21%
<u>Appropriations</u>					
Personal Services	603,000	571,941	648,590	822,098	26.75%
Other Services and Charges	1,064,251	876,478	1,131,530	1,166,498	3.09%
Supplies	157,026	169,527	215,750	229,750	6.49%
Depreciation	328,278	315,134	330,000	330,000	0.00%
Bond Interest	170,697	264,482	294,798	287,327	-2.53%
Transfers Out	159,426	159,426	238,307	159,426	-33.10%
Total Appropriations	2,482,678	2,356,988	2,858,975	2,995,099	4.76%
<u>Net Income</u>	(45,255)	288,891	33,425	105,901	216.83%

Summary

The Water Fund accounts for the revenue and expenditures related to the operation of the City's water system. The City provides a continued supply of potable water to its customers at a reasonable cost.

Major Objectives to be Accomplished in 2025

1. Produce water supply sufficient to meet the needs of 19,000 people.
2. Flush and check all hydrants annually.
3. Check all wells each day.
4. Test samples each month to ensure safe water supply.
5. Install new valves & hydrants in new construction areas.

Performance Measures

	2022	2023	2024	2025
<u>Key Measures:</u>	<u>Actual</u>	<u>Actual</u>	<u>Estimated</u>	<u>Projected</u>
Gallons of safe drinking water produced (in millions)	607	654	615	615
Implement 2024 Strategic Plan Actions Steps				
Complete city-wide meter changeout	-	-	95% Complete	Complete

CITY OF HOPKINS

Enterprise Fund - Sewer

	Actual 2022	Actual 2023	Budget 2024	Budget 2025	Percent Change
<u>Revenues</u>					
Utility Fees	3,151,132	3,303,726	3,600,000	3,800,000	5.56%
Interest	-	86,494	20,000	20,000	0.00%
Miscellaneous Revenue	19,698	20,063	15,000	15,000	0.00%
Total Revenues	3,170,830	3,410,283	3,635,000	3,835,000	5.50%
<u>Appropriations</u>					
Personal Services	277,926	235,576	330,346	362,903	9.86%
Other Services and Charges	2,117,134	2,197,601	2,450,860	2,619,262	6.87%
Supplies	49,512	44,852	58,500	70,500	20.51%
Depreciation	340,043	340,059	350,000	350,000	0.00%
Bond Interest	105,476	132,744	149,768	150,512	0.50%
Capital Outlay	201,652	-	-	-	0.00%
Transfers Out	131,832	131,832	244,584	131,832	-46.10%
Total Appropriations	3,223,575	3,082,664	3,584,058	3,685,009	2.82%
<u>Net Income</u>	(52,745)	327,619	50,942	149,991	194.43%

Summary

The Sewer Fund accounts for the revenue and expenditures related to the operation of the City's sanitary sewer system. The City transports sewage to the Metropolitan Council's Sewer System for disposal.

Major Objectives to be Accomplished in 2025

1. Clean 33% of sanitary sewer lines in the City plus monthly checks of manholes in problem areas.
2. Check daily the operation of sanitary sewer lift stations and repair as needed.
3. Inform neighborhoods prior to scheduled sanitary sewer line maintenance.
4. Verify accuracy and implement new utility mapping system.
5. Inform neighborhoods prior to scheduled sanitary sewer line maintenance.
6. Repair or replace manhole cover & casting as needed.
7. Line & repair sewer mains as needed per T.V. reports, also repair of manhole structures.
8. Emergency generators maintenance program.

CITY OF HOPKINS

Enterprise Fund - Storm Sewer

	Actual 2022	Actual 2023	Budget 2024	Budget 2025	Percent Change
<u>Revenues</u>					
Utility Fees	799,340	796,136	779,332	779,332	0.00%
Interest	-	4	25,000	25,000	0.00%
Miscellaneous Revenue	6,874	5,897	6,000	6,000	0.00%
Total Revenues	806,214	802,037	810,332	810,332	0.00%
<u>Appropriations</u>					
Personal Services	80,913	64,361	78,693	86,938	10.48%
Other Services and Charges	78,175	60,504	104,464	104,765	0.29%
Supplies	59	55	5,300	5,300	0.00%
Depreciation	319,362	319,119	325,000	325,000	0.00%
Bond Interest	67,301	85,434	97,829	98,586	0.77%
Transfers Out	155,504	155,504	214,808	155,504	-27.61%
Total Appropriations	701,314	684,977	826,094	776,093	-6.05%
<u>Net Income</u>	104,900	117,060	(15,762)	34,239	-317.22%

Summary

The Storm Sewer Fund accounts for the revenue and expenditures related to the operation of the City's storm sewer system. The storm sewer system works to manage run-off and drainage.

Major Objectives to be Accomplished in 2025

1. Continue upgrades of storm water system including catch basin maintenance upgrades and open drainage ditch maintenance.
2. Continue reviewing overall city storm water drainage system and meet all requirements of city's National Pollution Discharge Elimination System (NPDES), Phase II Storm Water Pollution Prevention Plan (SWPPP).
3. Continue grit chamber cleaning
4. Clean catch basins and inspect for repair.

CITY OF HOPKINS

Enterprise Fund - Refuse

	Actual 2022	Actual 2023	Budget 2024	Budget 2025	Percent Change
<u>Revenues</u>					
Utility Fees	1,144,510	1,157,114	1,244,985	1,297,503	4.22%
Intergovernmental	37,574	37,835	47,500	52,500	10.53%
Charges for Services	1,392	1,905	1,600	1,600	0.00%
Interest	(1,053)	23,292	10,000	10,000	0.00%
Miscellaneous Revenue	36,658	53,372	36,000	37,000	2.78%
Total Revenues	1,219,081	1,273,518	1,340,085	1,398,603	4.37%
<u>Appropriations</u>					
Personal Services	418,052	295,147	429,693	482,223	12.23%
Other Services and Charges	732,578	621,275	815,661	801,929	-1.68%
Supplies	99,859	135,502	131,750	135,300	2.69%
Depreciation	72,546	81,572	75,000	75,000	0.00%
Bond Interest	-	127,336	-	-	0.00%
Transfers Out	25,000	25,000	25,000	25,000	0.00%
Total Appropriations	1,348,035	1,285,832	1,477,104	1,519,452	2.87%
<u>Net Income</u>	(128,954)	(12,314)	(137,019)	(120,849)	-11.80%

Summary

The Refuse Fund accounts for the revenue and expenditures related to refuse collection, yard waste, recycling, organic recycling and disposal.

Major Objectives to be Accomplished in 2025

1. Continue to explore ways to improve our user fee based system.
2. Monitor the Single Stream Recycling Program and work with residents to increase the volume of waste recycled.
3. Continue to provide an option for organic recycling to customers.
4. Continue to improve refuse collection service to our residents.
5. Maintain excellent customer service through monitoring of operations and communicating with residents.

CITY OF HOPKINS

Enterprise Fund - Pavilion

	Actual 2022	Actual 2023	Budget 2024	Budget 2025	Percent Change
<u>Revenues</u>					
Property Taxes	409,544	340,000	440,000	448,500	1.93%
Intergovernmental	250,000	21	-	-	#DIV/0!
Charges for Services	476,991	509,975	461,700	471,000	2.01%
Miscellaneous Revenue	22,932	118	12,000	12,000	0.00%
Total Revenues	1,159,467	850,114	913,700	931,500	1.95%
<u>Appropriations</u>					
Personal Services	333,037	267,912	312,605	390,931	25.06%
Other Services and Charges	101,296	89,844	145,643	147,847	1.51%
Supplies	30,254	23,141	21,875	23,800	8.80%
Capital Outlay	66,009	129,249	100,000	102,500	2.50%
Depreciation	475,931	478,140	480,000	480,000	0.00%
Bond Interest	78,865	73,306	73,350	67,275	-8.28%
Total Appropriations	1,085,392	1,061,592	1,133,473	1,212,353	6.96%
<u>Net Income</u>	74,075	(211,478)	(219,773)	(280,853)	27.79%

Summary

The Pavilion Fund accounts for the revenue and expenditures related to the Hopkins Pavilion. The facility is used year round for a multitude of activities include ice skating, broomball, hockey, soccer, lacrosse, inline skating, rugby and other community or private events.

Major Objectives to be Accomplished in 2025

1. Create and market programs, events, and opportunities to safely increase the community's recreational options.
2. Meet with local athletic associations to gather input and ideas on how we can better serve their needs.
3. Develop and utilize energy saving procedures and equipment. Evaluate environmental impact of current facility supplies and replace with eco-friendly products where appropriate
4. Operate a budget to maximize revenues.

CITY OF HOPKINS

GLOSSARY OF TERMS

Accrual Basis – The basis of accounting under which revenues are recorded when earned and expenditures are recorded as soon as they result in liabilities for benefits received, notwithstanding that the receipt of cash or the payment of cash may take place, in whole or in part, in another accounting period.

Adopted Budget – The financial plan of revenues and expenditures for a fiscal year as adopted by the City Council.

Appropriation – A specific amount of money authorized by the City Council, generally during adoption of the annual budget, used to make expenditures for specific purposes.

Ad Valorem Tax – Money collected from all the real property within the City based upon the value of the property.

Annual Budget – The budget authorized by resolution of the City Council for the fiscal year.

Appropriation – Authorization by the City Council to incur obligations and spend City funds. Appropriations are usually made for fixed amounts and are typically granted for one year.

Artstreet - Hopkins Artstreet is an ongoing program established in 2010 to showcase original art works in an accessible setting. A collaboration among the City of Hopkins, the Hopkins Business & Civic Association and the Friends of the Hopkins Center for the Arts, this project is part of a long-term vision for incorporating public art into Hopkins and enriching the lives of its residents and visitors. This project is made possible, in part, by funds provided by the Metropolitan Regional Arts Council through an appropriation by the Minnesota Legislature.

Assets – Property owned by a government which has a monetary value.

Assessed Valuation – A value established by the City Property Appraiser for all real or personal property for use as a basis for levying property taxes.

Balanced Budget – A budget in which expenditures are equal to income.

Bond – A written promise to pay a sum of money on a specific date at a specified interest rate as detailed in a bond resolution.

Bond Proceeds – Funds received from the sale of any bond issue.

Budget – The financial plan for a specific period of time that identified proposed expenditures and the sources of revenue to pay for them.

Budget Adjustment – A revision to the adopted budget occurring during the affected fiscal year as approved by the City Council by an amendment or a transfer.

Budget Documents – The official written statement prepared by the Finance Director and supporting staff, which presents the proposed budget to the legislative body.

Budget Calendar – The schedule of key dates involved in the process of adopting and executing an adopted budget.

CITY OF HOPKINS

Budget Message – The opening section of the budget which provides the City Council and the public with a general summary of the most important aspects of the budget, changes from the current and previous fiscal years, as well as the views and recommendations of the City Manager.

CDBG Community Development Block Grant – This fund receives and expends the City's allocation of the Federal Community Development Block Grant Program money.

Capital Asset – Assets of significant value and having a useful life of several years. Capital assets are also called fixed assets.

Capital Improvement Program (CIP) – A five year schedule of capital improvement projects and the means of financing them. This is a flexible budget document that is used as a planning tool for needed improvements. Amounts approved in the CIP are considered guidelines and are not officially adopted as budgeted amounts until they are incorporated in the operating budget of one of the City's funds.

Capital Outlay – Expenditures that result in the acquisition of fixed assets that have a value over \$5,000 and a useful life greater than one year.

Capital Project Funds – The funds that account for all resources unused for the acquisition or construction of capital facilities, except those financed by Proprietary Funds.

Certified Levy – Total tax levy of a jurisdiction, which is certified to the County Auditor.

CERT – Community Emergency Response Team. The CERT Program consists of a group of volunteers who have been trained to assist with basic disaster response such as fire safety, light search and rescue, team organization and disaster medical operations.

Contingency – A budgetary reserve set aside for emergencies or unforeseen expenditures.

Contractual Services – The cost of items related to a contractual agreement. Examples would be professional services such as legal, engineering, actuarial and consultants.

Court Fines and Forfeits – Fines imposed on individuals by the courts for various illegal acts performed within the City.

Debt Service Funds – the funds that account for the payment of principal and interest on outstanding debt for the City.

Deficit – The excess of expenditures over revenues.

Department – Basic organizational unit of City government, responsible for carrying out a specific function.

Depreciation – Expenditures incurred when spreading the cost of an asset over its estimated useful life rather than deducting the entire cost in the year the asset is purchased.

Enterprise Fund – The funds that account for the financing of self-supporting activities of governmental units and render services to the general public based on user charges.

CITY OF HOPKINS

Estimated Market Value – Represents the selling price of a property if it were on the market. Estimated market value is converted to tax capacity before property taxes are levied.

Expenditure – Decreases in financial resources other than through interfund transfers.

Fiscal Disparities – The program created by the Metropolitan Fiscal Disparities Act which shares growth in the commercial-industrial tax base in the seven county metropolitan area. Forty percent of the value of new commercial-industrial development since 1971 is pooled and redistributed among the 300 taxing districts to address uneven business development throughout the region.

Fiscal Year – For budgeting purposes the City's fiscal year is the calendar year.

Fixed Asset – Purchases of a long-term nature, which are to be held and used. Examples would be land, buildings, machinery, furniture and equipment.

FTE – Equivalent of one employee working fulltime, or 2,080 hours per year. A FTE can be filled by any number of employees whose combined hours total 2,080 per year.

Fund – A separate accounting entity, with a set of self-balancing accounts for recording the collection of revenues and the payment of expenditures to carry out a specific function.

Fund Balance – Fund Balance is the difference between assets and liabilities in governmental funds (i.e. general fund, special revenue funds, capital project funds, debt service funds and permanent funds).

Non-spendable Fund Balance – Describes the amount of a fund balance that cannot be spent because it is either not in spendable form or there is a legal or contractual requirement for the funds to remain intact.

Spendable Fund Balance – Describes the amount of fund balance that is available for appropriation based on the constraints that control how specific amounts can be spent. Typically, a significant portion of a government's spendable resources can be spent only for specified purposes. The following categories define the revenue source and the level of force of the constraint on spending

Restricted Fund Balance – The restricted fund balance category includes the portion of the *spendable fund balance* that reflects constraints on spending because of legal restrictions stipulated by *outside parties* (e.g., encumbrances for goods or services with outside parties-creditors, grantors outstanding at the end of the year), Also, any legal restrictions based on state statutes or grant requirements placed on the use for specific purposes

Committed Fund Balance – The committed fund balance classification includes the portion of the *spendable fund balance* that reflects constraints that the city has *imposed upon itself by a formal action* of the *city council* (for example, an ordinance or resolution passed by a city council). This constraint must be imposed prior to year end but the amount can be determined at a later date.

Assigned Fund Balance – The assigned fund balance is the portion of the *spendable fund balance* that reflects funds intended to be used by the government for specific purposes assigned by more informal operational plans. In governmental funds other than the general fund (special revenue funds, capital project funds, debt service funds and permanent funds); assigned fund balance represents the amount that is not restricted or limited.

CITY OF HOPKINS

Unassigned – This is the residual classification for the government’s General Fund and includes all spendable amounts not contained in the other classifications and, therefore, not subject to any constraints. Unassigned amounts are available for any purpose.

GASB (Governmental Accounting Standards Board) – It is the highest source of accounting and financial reporting guidance for state and local governments.

General Fund – The largest fund in the City, the General Fund accounts for most of the City’s financial resources. General Fund revenues include: property taxes, licenses and permits, local taxes, service charges and other types of revenues. This is the fund that accounts for the revenues and expenditures necessary to deliver basic operating services: police, fire, finance, parks, public works, etc.

General Obligation Bonds – When a government pledges its full faith and credit to the repayment of the bonds it issues, then those bonds are general obligation (GO) bonds. Sometimes the term is also used to refer to bonds with are to be repaid from taxes and other general revenues.

GFOA (Government Finance Officers Association) – the professional association of state and local finance officers in the United States who are dedicated to the sound management of government financial resources. The association sets program standards for the GFOA’s Certificate of Achievement for Excellence in Financial Reporting and the Distinguished Budget Award.

Governmental Funds – The General Fund, Special Revenue Funds, Debt Service Funds and Capital Project Funds.

HBCA – Hopkins Business and Civic Association, ensures a strong economic development climate, provides promotional activities, encourages community involvement and fosters a sense of community among individuals, civic organizations and businesses

Hopkins in Motion – This annual event focuses on the walkability/ livability of Hopkins and encourages participants to be active while having fun.

Indirectly Funded Amount – The portion of appropriates not funded by program revenues such as fees and grants. This portion is funded from shared revenues such as property tax, governmental revenues or a city-wide fee not directly attributed to any one program.

Interest Earnings – Interest received from the investment of cash in a fund.

Intergovernmental Revenues – Funds received from State or Federal governments in the form of grants or shared revenues for various activities.

Internal Service Funds – The funds within the Proprietary Fund that account for the financing of goods or services provided by one department or agency to other departments or agencies of a government.

IT – Information Technology Department of the city. This department provides computer technology support to all city departments.

CITY OF HOPKINS

Levy – To impose taxes, special assessments or service charges.

Licenses – Revenues received by the issuance of various licenses that are granted to various businesses in the City.

Local Government Aid (LGA) – Money given to the City from the State based on a formula that was originally designed to provide tax relief and equalization among cities.

LMC – The League of Minnesota Cities is a membership organization dedicated to promoting excellence in local government. The League serves its more than 800 member cities through advocacy, education and training, policy development, risk management, and other services.

LRT – Light Rail Transit, a commuter train system in the Minneapolis/St. Paul metropolitan area.

Major Account Series – Three classifications of expenditures made by the City.

Salaries, Wages and Benefits – Costs relating to employees or temporary help, including fringe benefits.

Materials, Supplies and Services – Costs relating to articles of non-durable nature, such as office supplies; professional and technical services; utilities and maintenance; operations and city support services.

Capital Outlay – Costs of durable goods such as furniture and equipment.

Reimbursed Expenditures – Offset against costs for services provided by one fund to another fund.

Major Fund – Governmental fund or enterprise fund reported as a separate column in the basic fund financial statements and subject to a separate opinion in the independent auditor's report.

Market Value Homestead Credit (MVHC) – Started in 2002, this is the primary State program for property tax relief. The State remits a portion of sales and income taxes to local government to assist in keeping property taxes down.

MCES – Metropolitan Council Environmental Services provides the City with wastewater service.

Miscellaneous Revenue – Funds collected from various sources generally on a non-recurring basis.

Modified Accrual Basis – Under the modified accrual basis of accounting, revenues are recognized in the period in which they become available and measurable, and expenditures are recognized at the time a liability is incurred pursuant to appropriation authority.

Net Assets – The equity associated with general government less liabilities.

Non-major Fund – A governmental fund or enterprise fund that is reported in total in the basic fund financial statements.

Operating Expenditure – Expenditure classifications based upon the types of categories of goods and services purchased. Typical objects include: personal services (salaries and wages); contracted services (utilities, maintenance, contracts, travel); supplied and materials; and capital outlay.

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Operating Budget – Financial plan for the fiscal year, which authorizes proposed personnel complements, expenditures and the revenues to finance them.

Penalties – Charges to utility customers caused by late payment of their water, sewer, and refuse bills.

Permits – Revenue derived from various permits as defined in the City Code, for the performance of a specific action. For example, building a house.

Personal Services – The cost of salaries and wages paid to employees as well as the fringe benefits associated with employment (i.e. Social Security, PERA, health insurance, life insurance, etc.).

Program – Within each Department are several divisions or programs in the City, each charged with carrying out a specific function.

Proposed Budget – Budget as submitted by the City Manager to the City Council.

Proprietary Funds – The funds that account for government operations financed and operated in a manner similar to a private business.

Refuse Service – Revenue incurred from the sale of trash pick-up and disposal, leaf pick-up, yard waste and recycling to residential customers of the City.

Retained Earnings – An equity account reflecting the accumulated earnings of the City's Proprietary (Enterprise) Funds.

Sewer Service – Revenue incurred from the sale of sanitary sewer service to customers of the utility.

Special Assessment – Receipts from assessments placed on property within the City for public improvements that have benefited that property.

Special Revenue Funds – A fund that accounts for revenues derived from specific taxes or other earmarked revenue sources.

Storm Sewer Sales – Revenue derived from a storm sewer utility fee assessed property owners based on the amount of impervious surface on their property. Revenues are used to maintain and improve the City's storm sewer system.

SWLRT – Southwest Light Rail Transit. A commuter train system in the Southwest area of the Minneapolis/St. Paul metropolitan area.

Tax Capacity – County tax base for the purposes of levying property taxes. Properties are assigned rates at which their values will be converted into the tax base, (see tax classification rate).

Tax Capacity Rate – Tax rate applied to tax capacity to generate property tax revenue. The rate is obtained by dividing the property tax levy by the available tax capacity.

Tax Classification Rate – Rates at which estimated market values are converted into the property tax base. The classification rates are assigned to properties depending on their type.

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Tax Increment Financing – Financing tool originally intended to combat severe blight in areas which would not be redeveloped “but for” the availability of government subsidies derived from locally generated property tax revenues.

Tax Increments – The value of local taxes collected on a redeveloped or developed property, above the base year taxes.

TIF – An abbreviation for Tax Increment Financing.

TOD – Transit Orientated Development. A term used to describe development surrounding Light Rail Transit.

Transfers – Funds transferred between City funds.

Truth-in-Taxation – Procedures adopted by the 1998 Minnesota Legislature intended to improve accountability in the adoption of the budget and property tax levy of local governments. These procedures are revised annually.

Truth-in-Taxation Public Hearing – Statutory requirement for most local governments to hold public hearings on their proposed budgets and property tax levies.

Water Sales – Revenue earned from the sale of water to customers of the utility.

Working Capital – Current assets minus current liabilities. This measure is used as a gauge in determining appropriate fund balances.