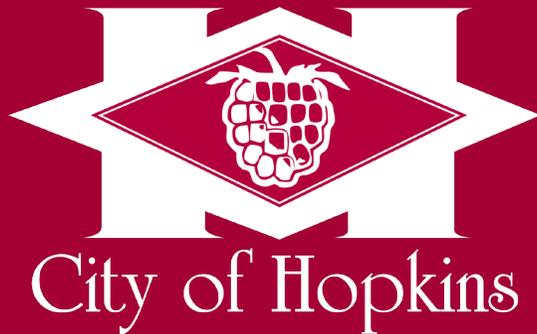


# 2026 Budget & Tax Levy Process

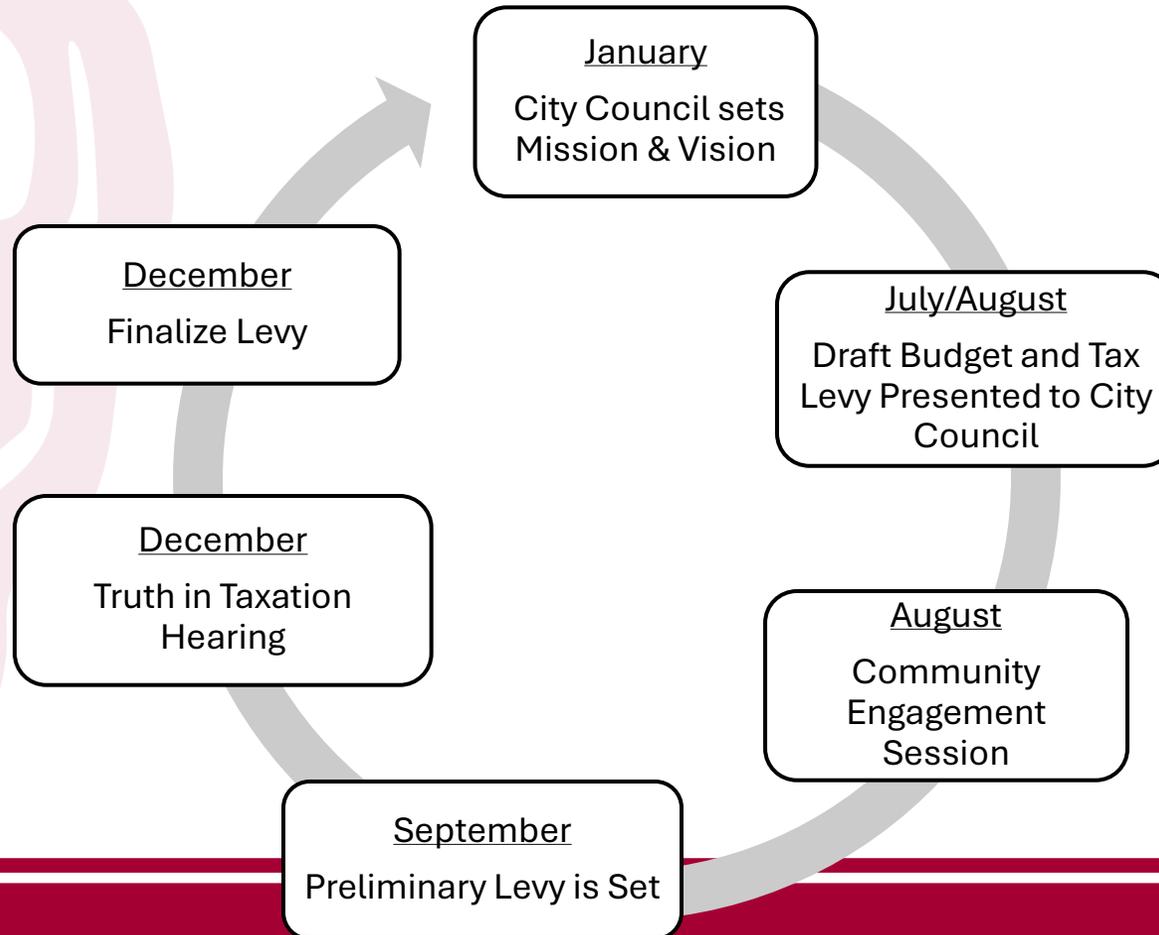


August 12, 2025

# Agenda

- Budget Process in 2026
- 2026 Budget Additions & Request
- Debt Levy
- Overall valuations and tax impacts
  
- Will NOT address individual property valuations

# Budget Process



# Budget Discussion Overview

- Goal Setting Event on January 10<sup>th</sup>



*City of*  
**Hopkins 2025**

**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.
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# Budget Discussion Overview

- Budget Kickoff on January 14
  - Projected tax levy increase of 14.38%
  - Council directed staff to prepare budget proposals based on 8%, 6% and 4% tax levy increases
- Debt Overview on April 14

# Budget Discussion Overview

- Draft of 2026 General Fund Budget & Tax Levy on August 3rd
  - Reviewed a Budget with a 9.7% Tax Levy Increase
  - Council directed staff to:
    - Reinstate funding for Hopkins Climate Solutions Fund [10.3% Increase]
    - Prepare 8%, 6% and 4% Tax Levy Scenarios

# Budget Process for 2026

- September 2<sup>nd</sup> City Council Meeting
  - Meet to discuss budget
  - 8%, 6% and 4% Levy Scenarios
- September 19<sup>th</sup> City Council Meeting
  - Adopt Preliminary Levy

# Budget Process for 2026

- Hennepin County mails notice of proposed taxes to each taxpayer between November 11<sup>th</sup> – 24<sup>th</sup>



**Hennepin County**  
A-600 Government Center  
300 S. Sixth Street  
Minneapolis, MN 55487-0060  
612-348-3011 hennepin.us

Property ID NO: [REDACTED]  
330

**Property taxes statement schedule**

**Step 1 Value & classification**

TAX YEAR PAYABLE CLASS:	2023 HOMESTEAD	2024 HOMESTEAD
Estimated Market Value:	\$383,000	\$399,700
Homestead Exclusion:	\$2,770	\$1,267
Other Exclusion/Deferral:	\$0	\$0
Taxable Mkt Value:	\$380,230	\$398,433

**Step 2 Proposed levies & taxes**

2023 TAX	\$5,529.02
2024 PROPOSED	\$5,746.74
Percent change	3.9%

**Now is the time to provide feedback on proposed levies.**  
It is too late to appeal your value or classification without going to Tax Court.

**Step 3 Property tax statement**  
Coming March 2024, due May 15, 2024 and Oct. 15, 2024

**Proposed levies & taxes 2024**  
2023 values for taxes payable in 2024

[REDACTED]  
HOPKINS MN 55343-7328

THIS IS NOT A BILL — DO NOT PAY

Addresses for correspondence	Actual 2023	Proposed 2024	Meeting date & location
Hennepin County, A2400 300 S Sixth St Minneapolis MN 55487 612-348-3011 hennepin.us	\$1,358.45	\$1,422.08	Nov 28, 2023 6:00 PM Commissioner Board Room Hennepin County, A2400 300 S Sixth St Minneapolis MN 55487
City of HOPKINS City Hall 1010 First Street S Hopkins MN 55343 952-935-8474 hopkinsmn.com	\$2,335.64	\$2,384.86	Dec 4, 2023 6:30 PM Council Chambers City Hall 1010 First Street S Hopkins MN 55343

# Budget Process for 2026

- October and November
  - Meet as needed to discuss budget and tax levy
- December 1<sup>st</sup> City Council Meeting (Monday)
  - Truth In Taxation Hearing
  - Can approve budget December 1<sup>st</sup> or 16<sup>th</sup>

# 2026 Draft Budget & Tax Levy

## • Significant factors causing increases

- Loss of ability to use fund balance - \$400,000
- Increased costs of existing employees - \$1,015,000
  - Cost of Living Adjustments
  - Step Increases
  - Health Care Premiums
  - Minnesota Paid Leave

# 2026 Draft Budget & Tax Levy

## • Significant factors causing increases

- Costs of existing employees with expiring funding sources – \$655,000
  - 3 Police Officers
  - Deputy Fire Chief
- June 3, 2025 Budget Amendment
  - 2 full-time fire fighters

# 2026 Draft Budget and Tax Levy

## • Reductions in a 10.3% Levy Increase

- Delay Capital Improvements & Equipment Requests - \$1,285,000
  - Armored Pickup Truck
  - City Street Lighting Upgrades
  - City Hall/Police Station Roof Replacement
  - 1 Ton Traffic Boom
  - Mainstreet Banner Pole Installation
  - Permitting and Licensing Software
  - Arts Center Restroom Remodel
  - Pavilion Roof Replacement
  - Camer Trailer
  - Pavilion Warming House Blinds

# 2026 Draft Budget and Tax Levy

## • Reductions in a 10.3% Levy Increase

- Eliminate New Employee Requests – \$310,000
  - HR Technician
  - IT Technician
  - Firefighter
- Pay Burnes Park debt with Franchise Fees – \$150,000

# 2026 Draft Budget and Tax Levy

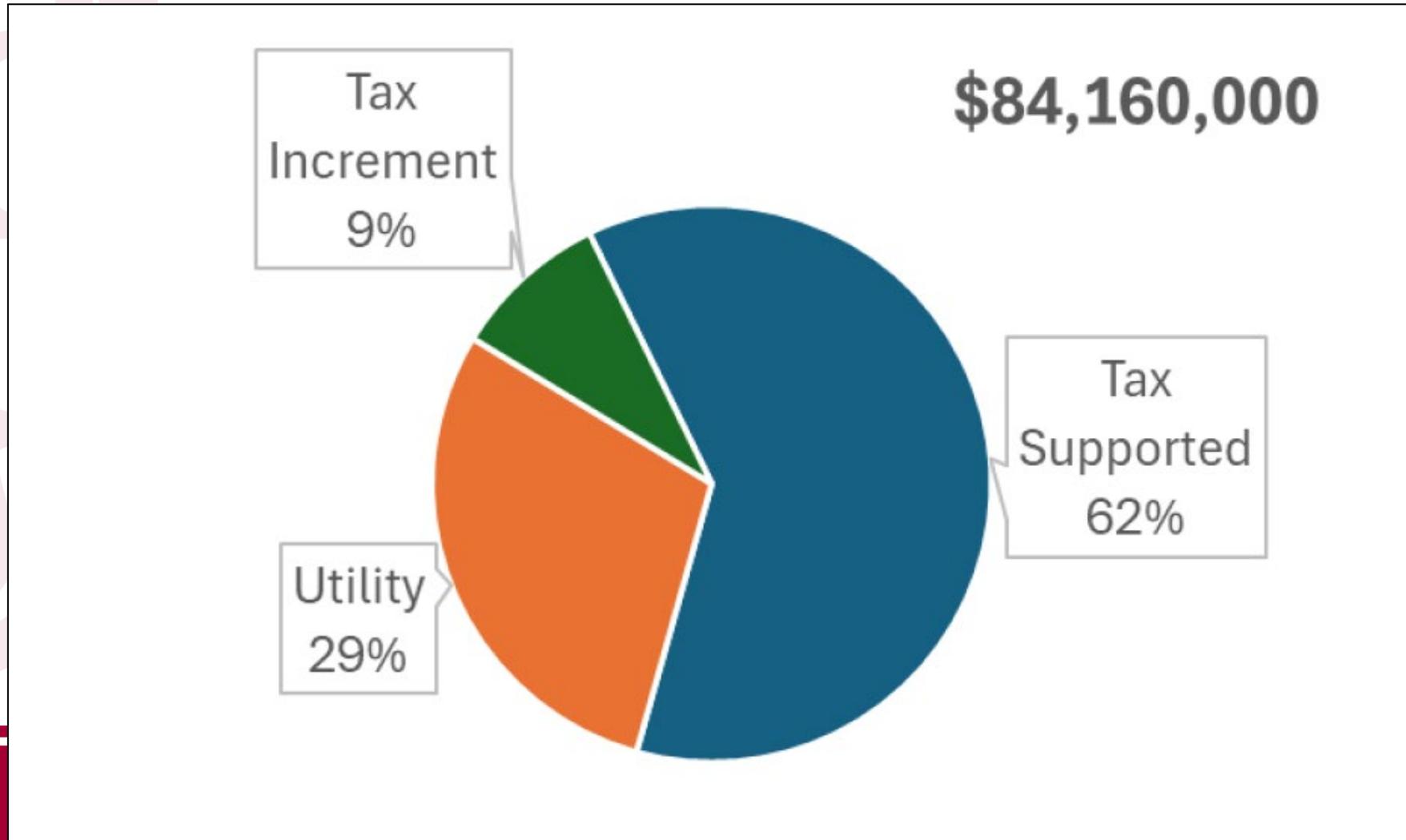
## • Reductions in a 10.3% Levy Increase

- Eliminate Class and Compensation Study Request – \$100,000
- Reduce Diversity, Equity & Inclusion – \$75,000
  - Including 2 part-time Community Connector positions
- Fund Depot Programming through EDA Levy – \$63,000
  - Youth Advisory Board, Ace Programming and Staff

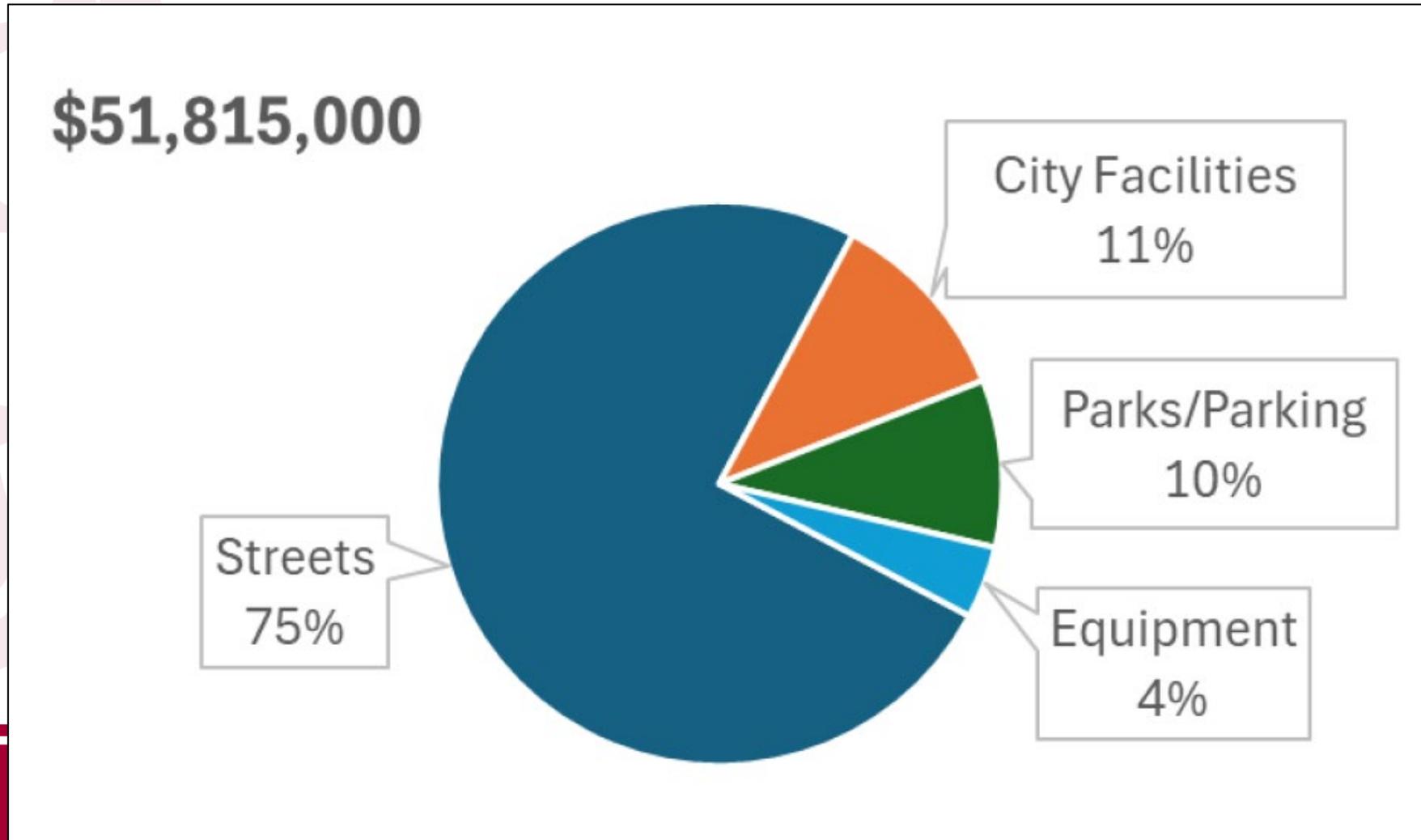
# Debt – Where are we today?

- On track to complete reconstruction of all city streets by 2030
- The city has also made significant investments that prepare the City to take full advantage of Southwest Light Rail
  - 8<sup>th</sup> Avenue Artery
  - Blake Road

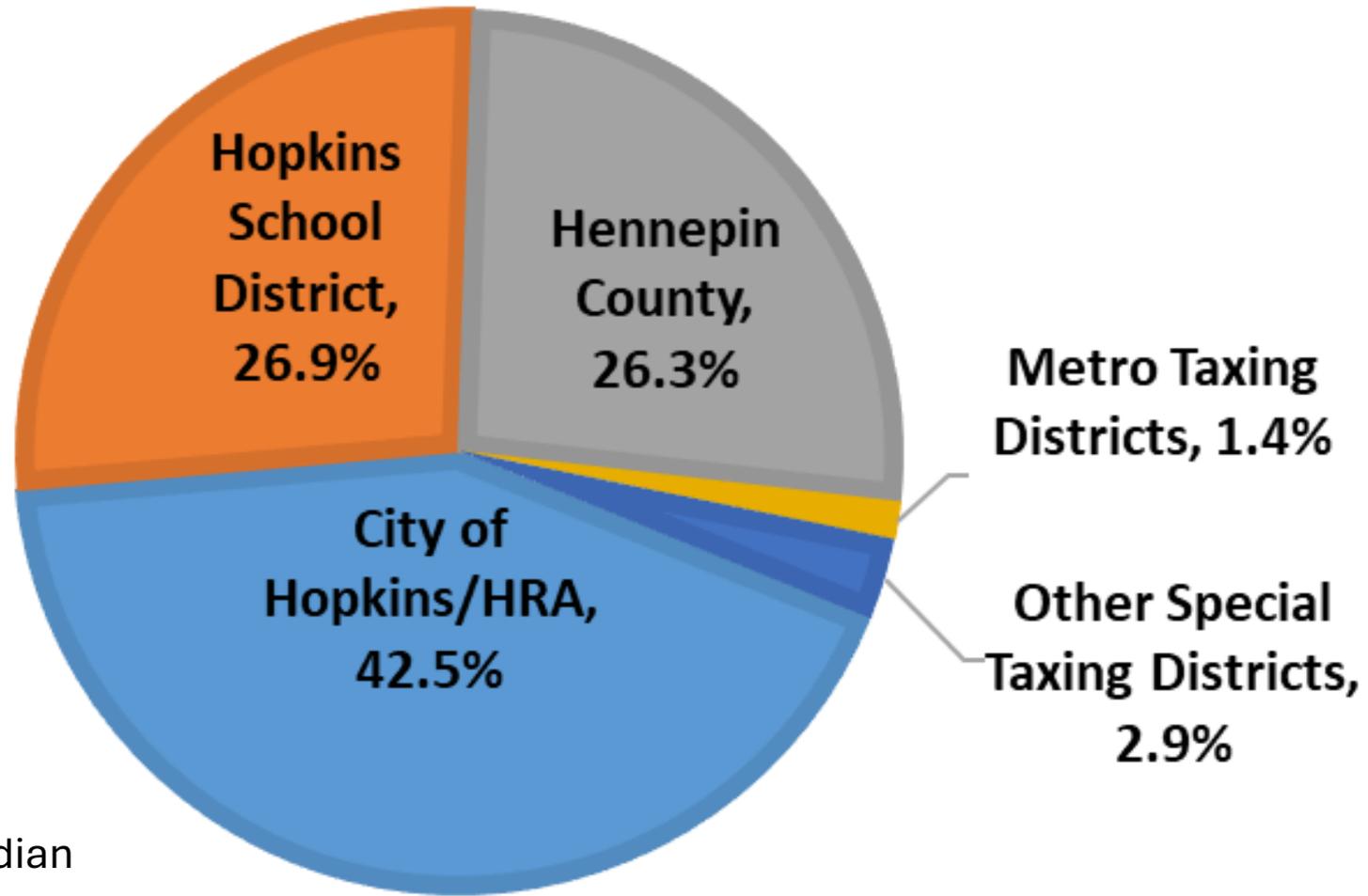
# Existing Debt – All Sources of Revenue



# Existing Debt – Paid by Tax Levy



## PROPERTY TAXES PAID (2025)



Based on median  
value home

# City Taxes on Median Value Home

	2025 Taxes	Median Value
Eden Prairie	1,697	543,750
St. Louis Park	1,781	377,300
Minnetonka	1,861	502,400
<b>Hopkins</b>	<b>2,260</b>	<b>378,800</b>
Edina	2,330	716,600
Golden Valley	2,450	440,600



[https://www.youtube.com/watch?v=SasSQY4oK\\_Q&t=91s](https://www.youtube.com/watch?v=SasSQY4oK_Q&t=91s)

# Property Taxes in 2026

- Total market value in Hopkins decreased by 0.4%
  - Apartments increased by 1.2%
    - Includes new valuation of \$40 million
  - Commercial decreased by 8.0%
  - Industrial was flat
  - Residential increased by 0.7%

## Percent of Tax Capacity by Property Type



# City Taxes on Median Value Home

	Actual FY2025	Taxes Payable in 2026		
		4% Increase	6% Increase	8% Increase
City Taxes	\$ 2,260	\$ 2,323	\$ 2,372	\$ 2,422
Dollar Increase	\$ 69	\$ 63	\$ 112	\$ 162
Percentage Increase	3.15%	2.79%	4.96%	7.17%

- Estimated Market Value on 1/2/2025 = 376,200
- Estimated based on preliminary tax capacity estimates

# Question & Answer

Nick Bishop, Finance Director

952-548-6330

[nbishop@hopkinsmn.com](mailto:nbishop@hopkinsmn.com)

<https://www.hopkinsmn.com/466/City-Budget-Process>