



Brooklyn Park City Hall | 5200

Budget In Brief For Years 2020-2021

City of Brooklyn Park
Brooklyn Park, Minnesota
www.brooklynpark.org (763 424-8000)

Brooklyn 
Park

Unique.

United.

Undiscovered.

CITY MANAGER MESSAGE



December 27, 2019

Brooklyn Park residents, Honorable Mayor and Members of the Council:

I am pleased to present the Budget in Brief which provides a high-level overview of the final 2020-2021 budget. The complete budget is also located on the City's website <https://www.brooklynpark.org/budget-financial-reports/#budget-book-and-financial-reports>. The 2020-2021 budget reflects the City Council's policy goals which drive a set of work plans for City employees including advisory commissions and was developed aligning with Brooklyn Park 2025 goals while addressing some of the community's most pressing challenges.

In addition, the 2020-2021 Adopted Budget was created with the following objectives in mind:

- Fiscal stewardship – make budget decisions acknowledging both the short and long-term impacts
- Tax/service level balance – fund operations at a level to provide quality services at reasonable costs
- Strategic investments – consider additional investments when they help achieve the City's goals and provide a significant return to the community
- Budget outcomes – seek to make connection between resources and results

Municipal budgets serve several important functions including laying out the spending plan for a city and allocating resources to meet the needs of the community.

The 2020-2021 City of Brooklyn Park budget serves the following purposes:

- Is a policy and management tool for the city's administration, reflecting and defining the annual work program
- Provides a framework for the city to accomplish its vision, "Brooklyn Park, a thriving community inspiring pride where opportunities exist for all!"
- Reflects core city values of inclusion, accountability, partnership, learning and our customer service excellence standards.

This Budget in Brief provides information about the city, along with information about the budget process, revenues, expenditures, city programs and services. It is intended to provide an accessible, transparent way of learning about the city budget, while accurately showing how Brooklyn Park invests in its resources.

While the city's overall financial standing is strong, Brooklyn Park continues to experience some significant financial challenges and pressures. We will continue to work towards minimizing the financial burden on the city taxpayers, while maintaining service levels in a growing community.

The Budget Advisory Commission (BAC) deserves acknowledgment for the many hours they have dedicated to reviewing department budgets and providing thoughts, priorities and concerns to Council.

I would like to thank the City Council for taking the time over the past several months to conduct a thoughtful and thorough review of the 2020-2021 budget. Your engagement with the city departments throughout the budgeting process continues to ensure we maintain a high level of commitment for providing the best service to the residents of Brooklyn Park not only for 2020, but for years to come.

Respectfully Submitted,

A handwritten signature in black ink, appearing to read "Jay Stroebel". The signature is written in a cursive, flowing style.

Jay Stroebel
City Manager

FREQUENTLY ASKED QUESTIONS

What is a budget?

One of the most important documents of any municipality is the annual city budget. It establishes how public funding, including your tax dollars, will be spent. The budget outlines the spending priorities for that fiscal year. Brooklyn Park's fiscal year runs from January to December. Costs for everyday services provided to the residents and businesses, including police patrol, fire response, street repair and recreation and parks programs are itemized in the budget. In 2007, the City Council requested that the City adopt a two-year budget followed by a three-year forecast to show a five-year rolling budget.

What is the proposed budget?

The City Charter requires the City Manager present a proposed annual budget to the City Council at its first regular meeting in September of each year. The proposed budget outlines the recommended spending plan and revenue estimate for the upcoming year.

What is the approved budget?

The annual operating budget is a City Council approved spending plan for use of the City's funding sources. Following the proposed budget, the City Council may hold work sessions until all the estimates have been considered. The meetings are conducted as to give interested citizens a reasonable opportunity to be heard. The annual budget finally agreed upon is approved by the majority of the council by the date established by State law.

What is the Capital Improvement Program (CIP) and Capital Equipment Plan (CEP)?

The CIP and CEP are five-year plans for the funding and construction or repair of city buildings and facilities such as streets, roads, storm drains, traffic signals, parks, and community centers (CIP) and major capital equipment replacement and additions (CEP).

What are "funds" and why does the city have them?

The city uses funds to group different sources of revenue. Some revenue sources have restrictions on how they can be used. For example, monies received for water service must be spent to operate and maintain the city's water system.

What is the General Fund?

The General Fund is the primary fund used by a government entity and accounts for revenues and expenditures used to carry out basic governmental activities of the city such as public safety, administrative, community development, recreation and parks services, and operations and maintenance. This is the largest fund and is supported by taxpayers' dollars.

How is the city's budget structured?

There are two main parts to the city's budget or spending plan.

- The operating budget provides money for running city departments and services, day to day spending. Think of it as a part of your household budget that pays for groceries and monthly bills. The largest expense in the operating budget is in personnel.
- The capital budget provides money for things like playgrounds, sidewalks and road paving. It covers major investments such as buildings, the city's computer and phone systems, and major maintenance of roofs, furnaces and other basic physical needs. An example of capital budget would be money set aside to replace your roof or to buy a new car. Bonds are often used to help the city cover a major capital expense, such as a new building. It is similar to a loan/mortgage that is gotten to finance a new home and paid for over a period of many years.

Where does the money come from that pays for the operating budget?

The operating budget is primarily funded from property taxes, though it can also include revenues received from earnings on the city's investments, user fees and charges such as recreation fees, business licenses and building permits and other State and Federal grant and aid funding.

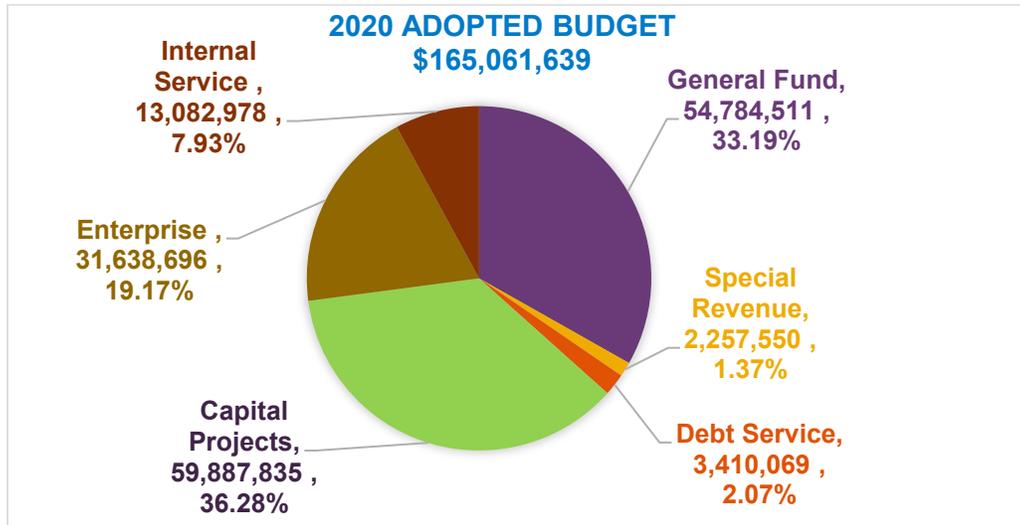
What is a city property tax levy?

The city 'levy' is the property taxes charged to its residents to fund the operating budget. Under Minnesota State statutes an annual levy for the upcoming year must be adopted by City Council and certified to the County Auditor by the date set by state statutes.

2020 BROOKLYN PARK BUDGET SUMMARY

Total Budget

The overall city budget for 2020 is approximately \$165.1 million. This represents a 12 percent increase from 2019. A significant amount of the increase is in large improvement projects planned in infrastructure and capital investments.

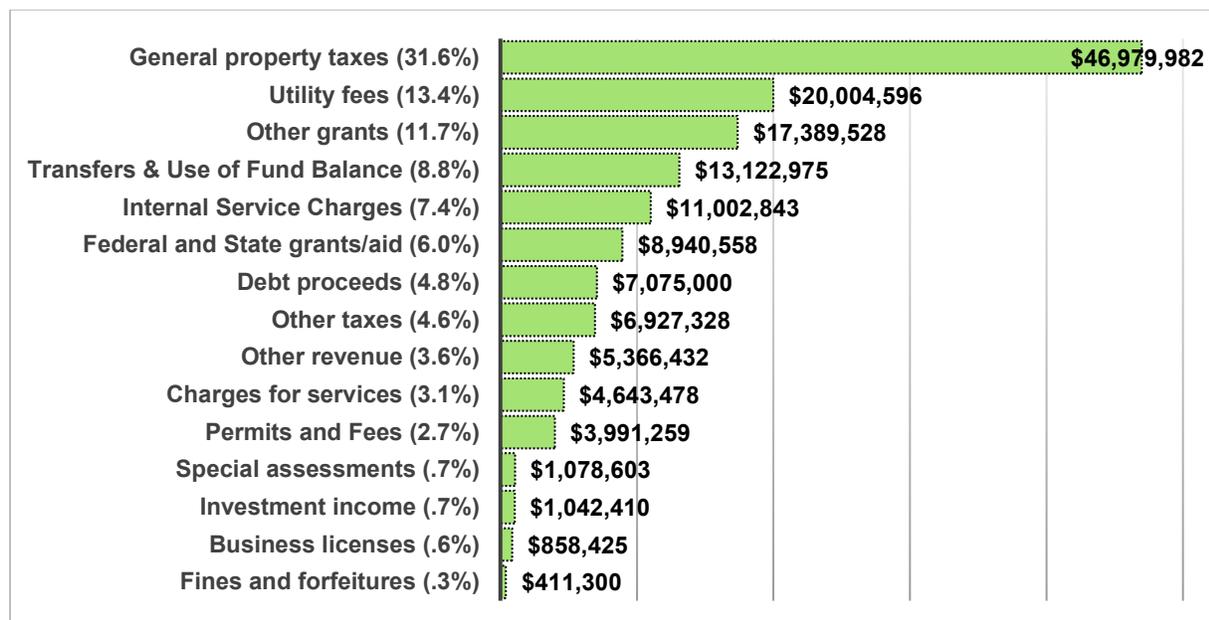


Revenue

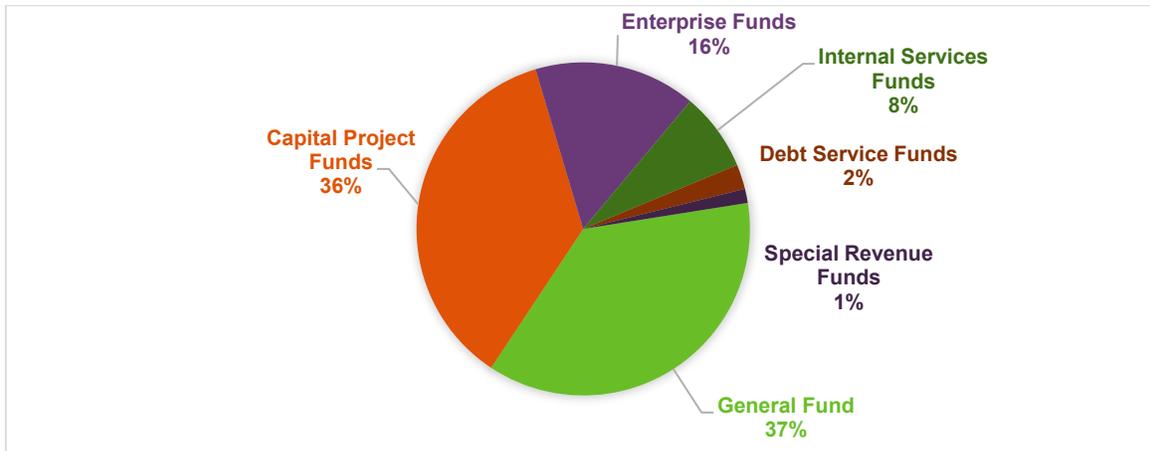
City receives revenue from difference sources. Property taxes account for 31.6 percent of the total 2020 budget. In addition to property taxes, the other sources of revenue are listed:

- Licenses and permits for new construction
- Rental property, food service and others
- Charges for services, such as inspection fees, zoning and development fees; program fees
- Local Government Aid (LGA) and other aid from federal and state grant programs
- Revenues from special assessments
- Debt proceeds

TOTAL REVENUE BY TYPE



TOTAL REVENUE BY FUND



BUDGET BY FUND (Fund percentage of total budget)

Capital Projects Funds (36.3%) The largest portion of the city’s budgeted spending allocated to capital improvement. The 2020 Capital Projects Fund includes \$4.1 million for the City Hall remodel and several large road construction projects including \$16 million for the Highway 169/101 Avenue Interchange. Additionally, in November 2018, Brooklyn Park voters passed a Park Bond Referendum in the amount of \$26 million to support reinvestment in the park system. A total of \$12.7 million is planned for 2020 for the Park Bond Referendum projects. See ‘CIP Top 10 in 2020’ page for more detail on projects budgeted for 2020.

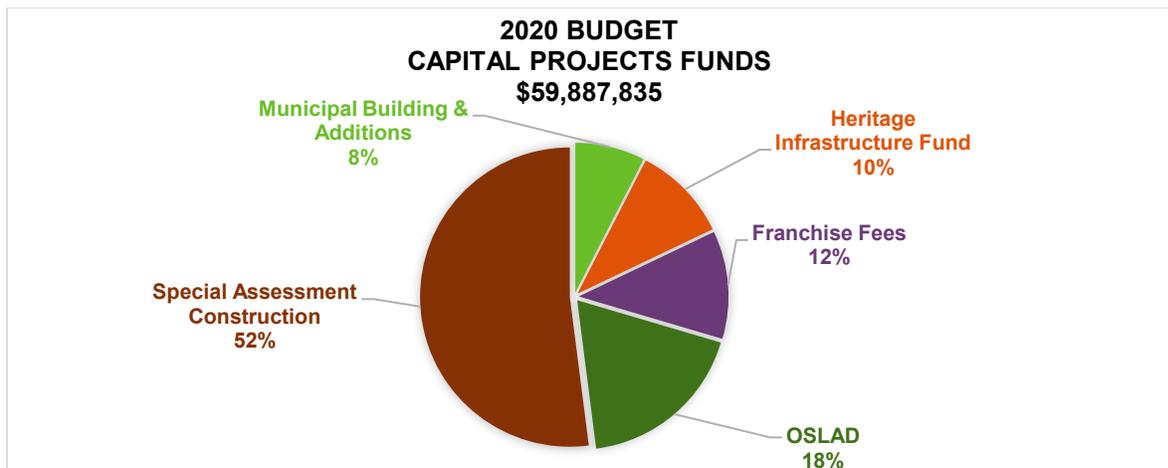
The Capital Projects Funds account for all resources used for the acquisition or construction of capital facilities. Funding sources include special assessments, bond funding, State Aids, Federal funding, Franchise Fees, Tax Increment (Economic Development Authority), and investments.

Municipal Buildings & Additions – Accounts for the construction or renovation of municipal buildings
Open Space, Land Acquisition & Development Fund – Accounts for State and Federal grants and contributions from developers that are expended for the acquisition, development and redevelopment of parkland

Special Assessment Construction – Accounts for the construction costs of certain public improvements such as public streets, water and sewer mains or storm sewers which are to be paid for wholly or in part from special assessments levied against the benefited party. This fund also accounts for the City’s allocation of the state-collected highway user tax

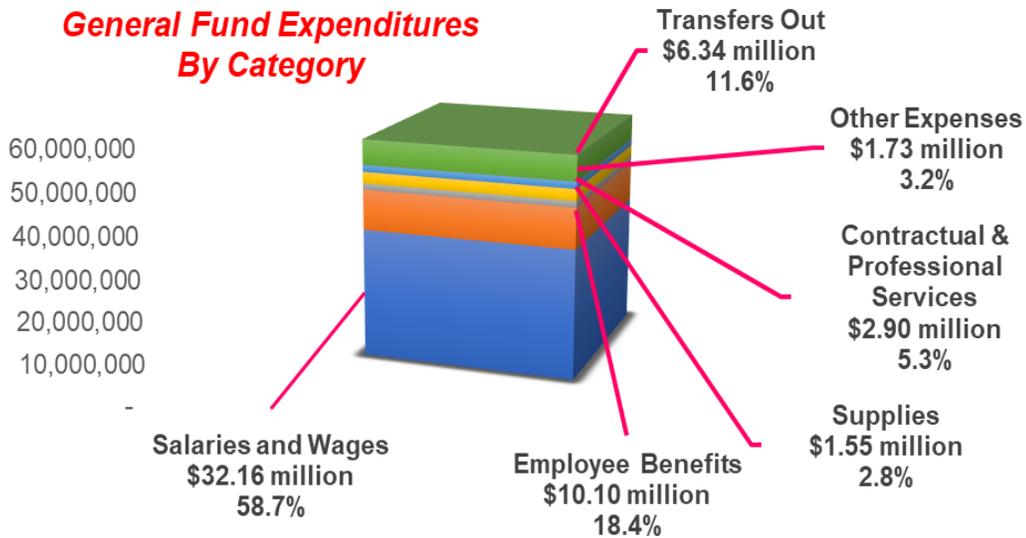
Heritage Infrastructure – Established to accumulate savings and preserve funding to provide for future capital improvements of a general benefit to the City and capital projects must meet a certain criterion

Franchise Fees – Used to fund transportation infrastructure projects including street rehabilitation and maintenance, sidewalks, trails, and work required as part of street overlays and reconstruction

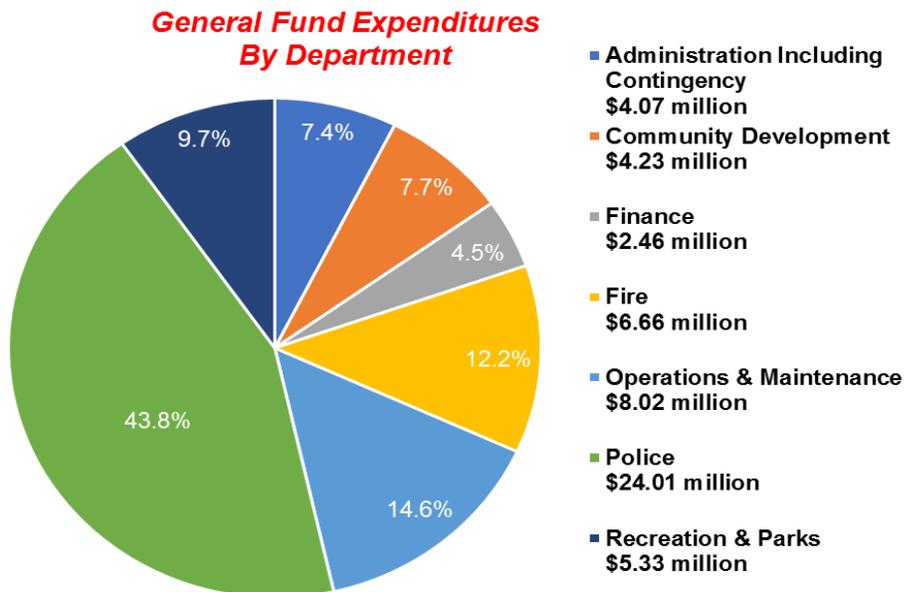


General Fund (33.2%) As the primary operating fund, the General Fund provides resources to sustain the daily government operating activities. The 2020 overall General Fund expenditures is \$54,784,511 which is an increase of 4.7 percent, or \$2.5 million from 2019. Key factors for the increase are wage adjustments and better alignment of services by moving personnel and operating expenditures from other funds to the General Fund.

Expenditures are divided into account groups to track spending and are categorized based on how the funds are managed or expected to be spent for the year. Employee salaries and benefits are 77% of the General Fund budget representing the largest expenditure in the General Fund. The 2020 budget includes costs for the 2020 Census and election costs including the Presidential Primary (March), Primary (August) and regular election (November).

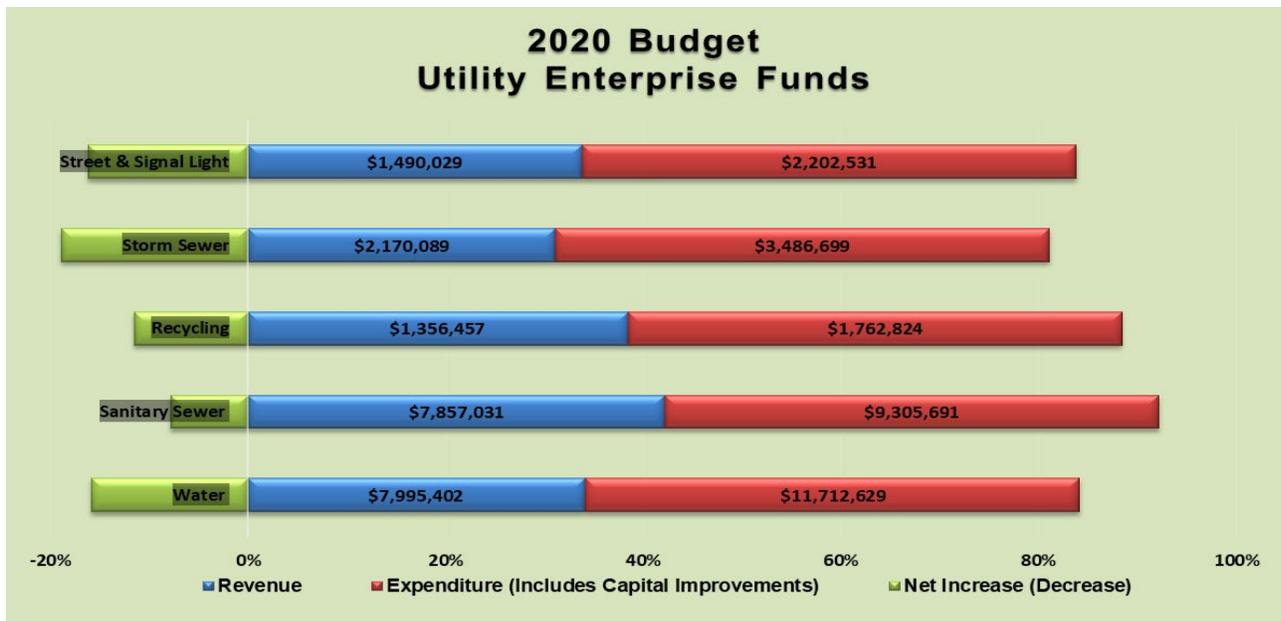


About 56 percent of the total General Fund budget expenditure is for public safety which includes 108 sworn officers, 33 full-time and 11 part-time civilian non-sworn employees in the Brooklyn Park Police department which responds to resident calls for service 24 hours per day, 7 days a week. Fire department of 40 full time employees also respond to residents calls which include fire, medical, rescue hazardous material and public assistance response professionals and clerical staff. The next largest department spending is the Operations and Maintenance Department which is responsible for maintenance of city facilities, street repair and reconstruction, and care for park and city property.

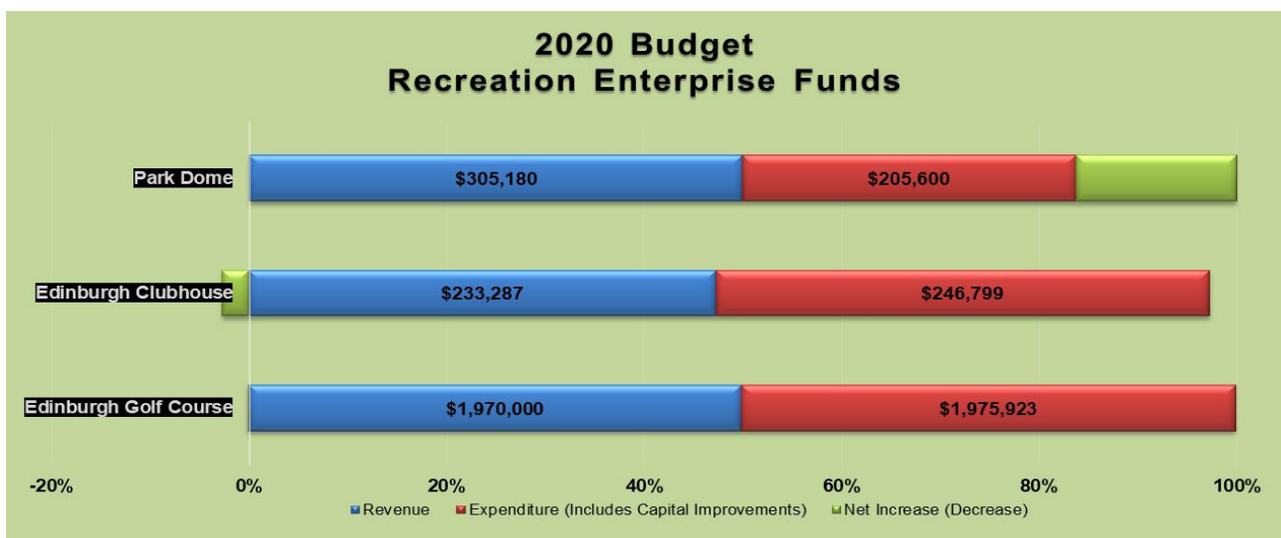


Enterprise Funds (19.2%) These funds include services that the city provides that operate like a “business” and can include external customers. Charges for services are expected to recover operating costs, indirect costs, capital investments and interest expense. User fees predominantly support the operations of these funds and rates are set with the intent of funding the operating and capital costs. These funds do not receive any General Fund support and must be self-supporting.

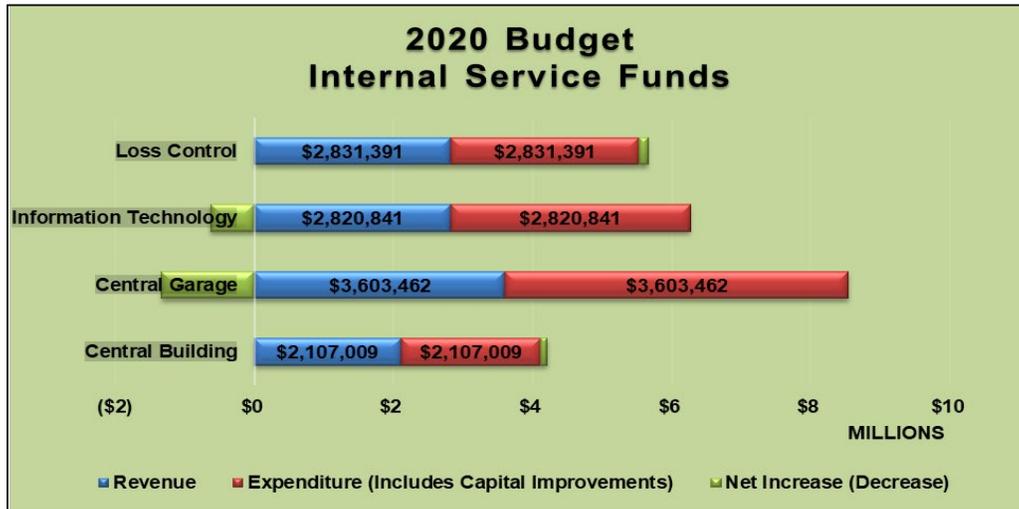
The City provides residents with Water Utility, Sanitary Sewer, Recycling, Storm Sewer and Street Light services. The charges for these services (user fees), along with the cost for providing the services are accounted for in the individual Enterprise funds. Rate studies are conducted periodically to ensure the rates are sufficient to cover the operating expenses; capital improvements; upgrades and costs associated with meeting both State and Federal guidelines and regulations. A five-year rate study was completed in 2017 with revenue projections structured to provide solvent Utility Funds to cover operating costs.



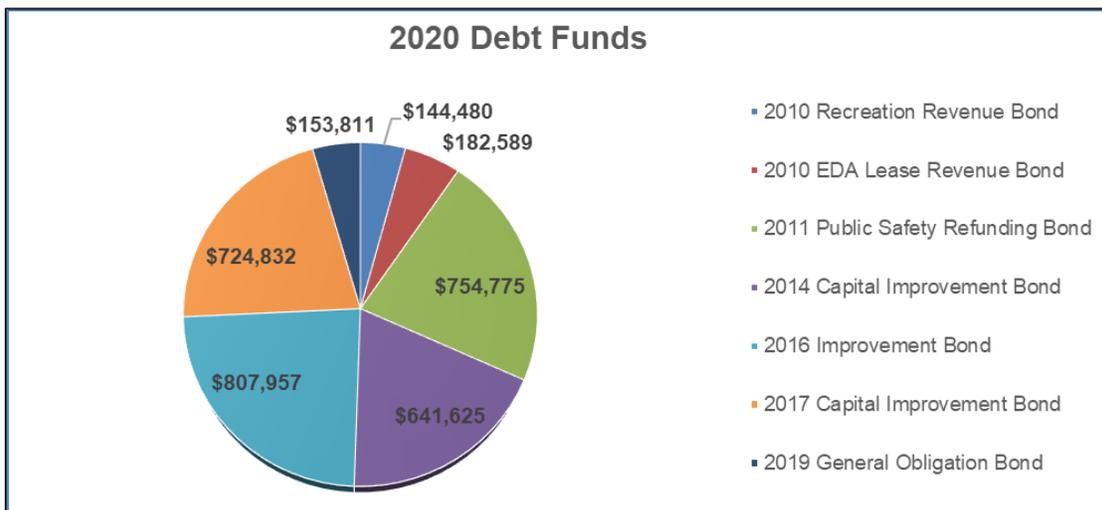
The Recreation Enterprise funds include the Edinburgh USA Golf Course, Edinburgh USA Clubhouse and the Brooklyn Park Sports Dome. The revenues for services and other business sales along with the cost of operations are accounted for in the individual Enterprise funds. The 2020 budgets have been developed using historical, economic and market analysis data.



Internal Service Fund (7.9%) These funds are used to track goods or services shifted between departments on a cost reimbursement basis which are internal to the city. Work out models are evaluated by staff to ensure the stability of the funds. Each department is allocated (expensed) the amount as determined by the actual costs or work out plans for each fund. The revenues reflected are the inter-department transfers from the funds being charged for the service.



Debt Service Fund (1.4%) These funds are used to account for the accumulation of resources from bond sales and other long-term debt. The principal and interest payments are made toward this debt each year. Debt financing is used to pay for large capital projects. The City of Brooklyn Park’s Comprehensive Annual Finance Report (CAFR) for the year ended December 31, 2018 reported debt outstanding of \$27,739,766 (not included employment and pension).



Debt service levies represent the collection of tax proceeds to fund the debt service on the city’s outstanding bond issues. The City currently has two types of debt levies:

Tax capacity-based levies – total for 2020 is \$1 million General Obligation Bonds (GO) split as follows:

- \$ 39,245 – 2005 GO Capital Improvement Bond
- \$679,376 – 2014 GO Capital Improvement Bond
- \$303,358 – 2017 GO Capital Improvement Bond

Market Value Referendum debt service levies for 2020 total \$1.1 million and are related to bonds that were issued to fund projects that were approved by the voters in a City-wide referendum:

- \$798,263 – 2011 GO Public Safety Bond
- \$318,623 – 2019 Park Bond Referendum

PROPERTY TAX

Several different tax authorities are charging you taxes on one bill. The City of Brooklyn receives only a portion of your tax payment. Shown below is the average tax bill breaks down.

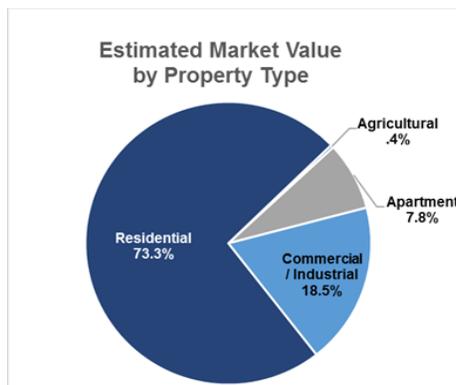
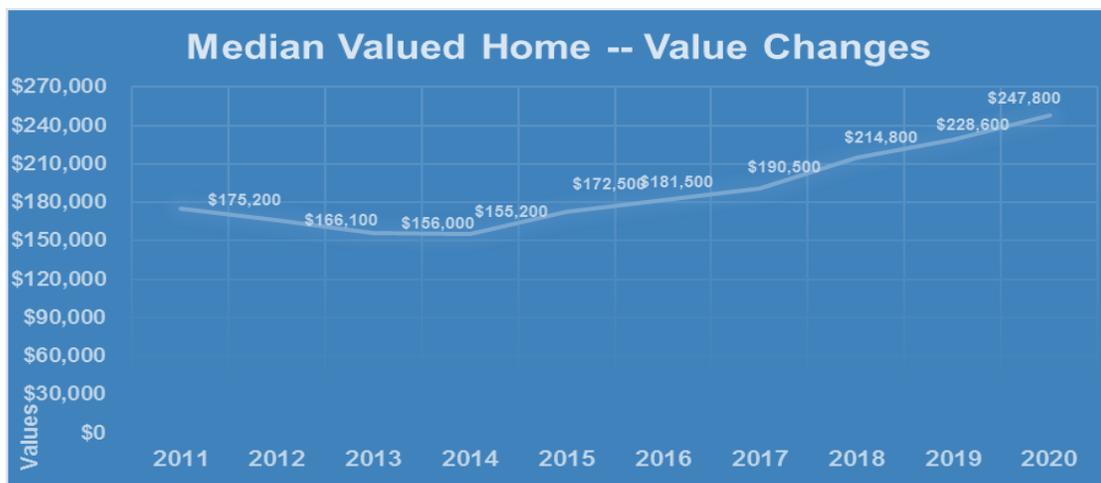
For every dollar collected from a Brooklyn Park resident:



Why is the Brooklyn Park portion of my property tax bill changing?

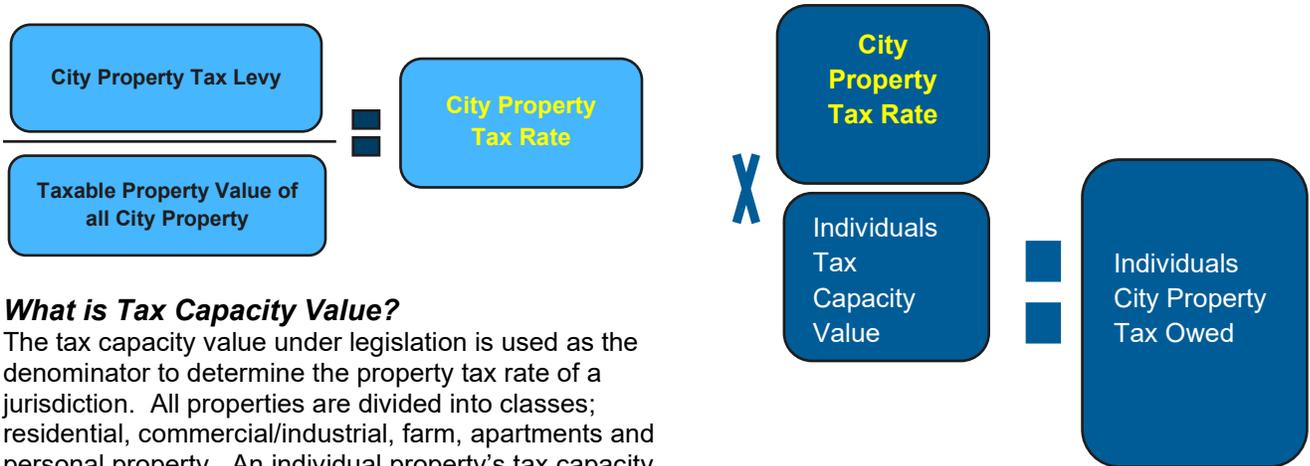
The property taxes you pay are determined by applying a tax rate to the value of your property. Even though the City's overall tax levy – the total dollar amount the City collects in property taxes is increasing in 2020 by 5.45% a property owner of a median single-family home in Brooklyn Park will see a decrease from 2019 in tax cost of approximately \$4.94 per month.

The City of Brooklyn Park portion of your property tax bill may go up or down, each individual property owner's experience is based on several factors including a change in property's value, such as a remodel adding a bathroom or sunroom, and changes in the values of other properties in Brooklyn Park.



What is the city tax rate?

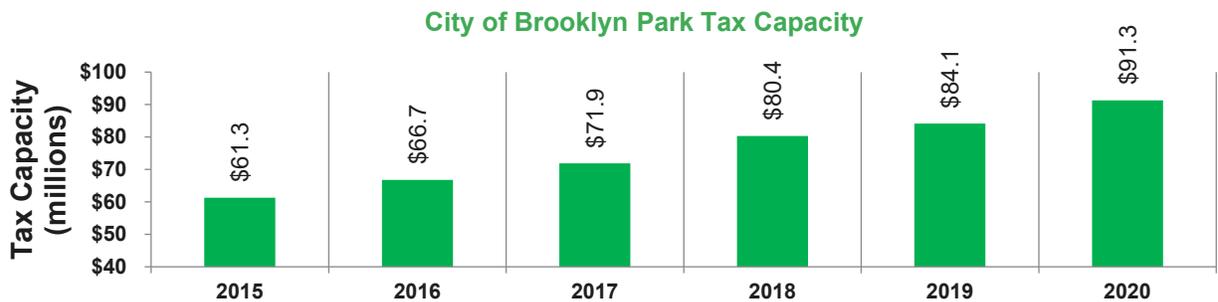
A tax rate is the percentage used to calculate the amount an individual resident will pay in property taxes.



What is Tax Capacity Value?

The tax capacity value under legislation is used as the denominator to determine the property tax rate of a jurisdiction. All properties are divided into classes; residential, commercial/industrial, farm, apartments and personal property. An individual property's tax capacity value is determined by applying the various rules governing the class that the property is classified in; to the taxable market value of that property.

The City's overall tax capacity used for calculating the property tax rate has continued to grow and is at \$91.3 million compared to \$61.3 million in 2015.

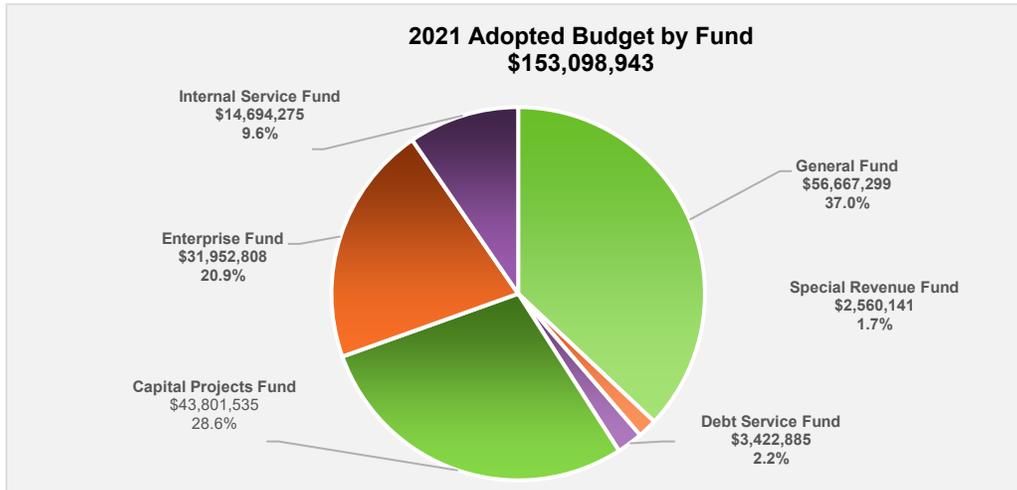


What will my 2020 City property taxes pay for?

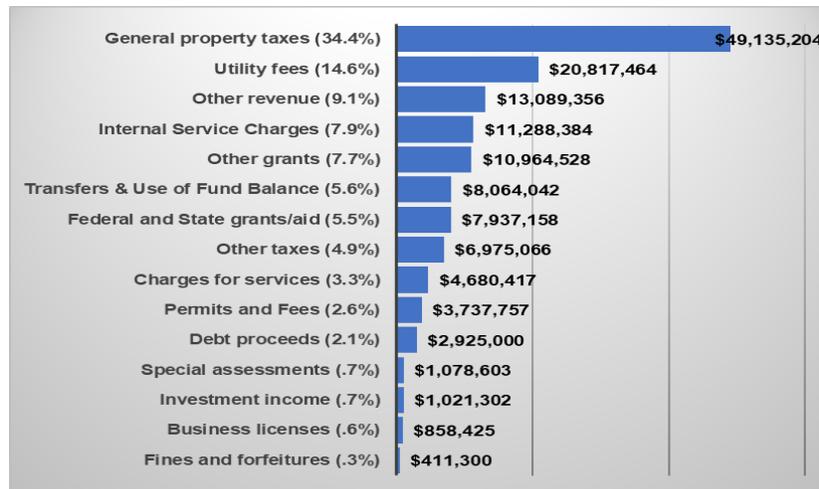


2021 Adopted Budget

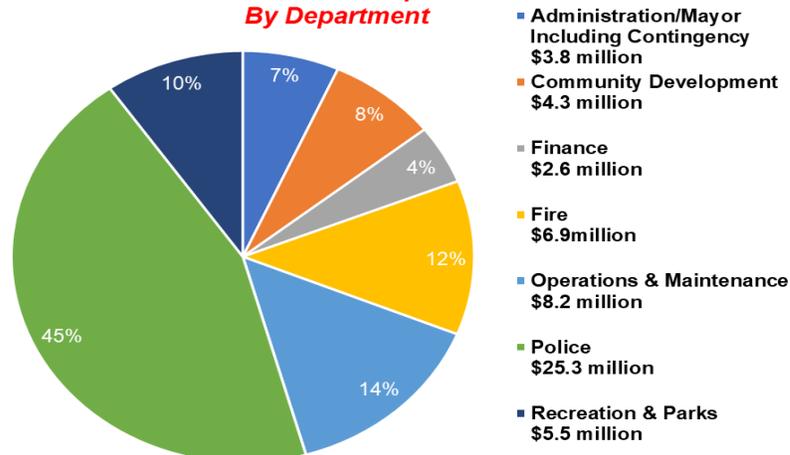
Below is the adopted Budget for 2021



TOTAL 2020 REVENUE BY TYPE

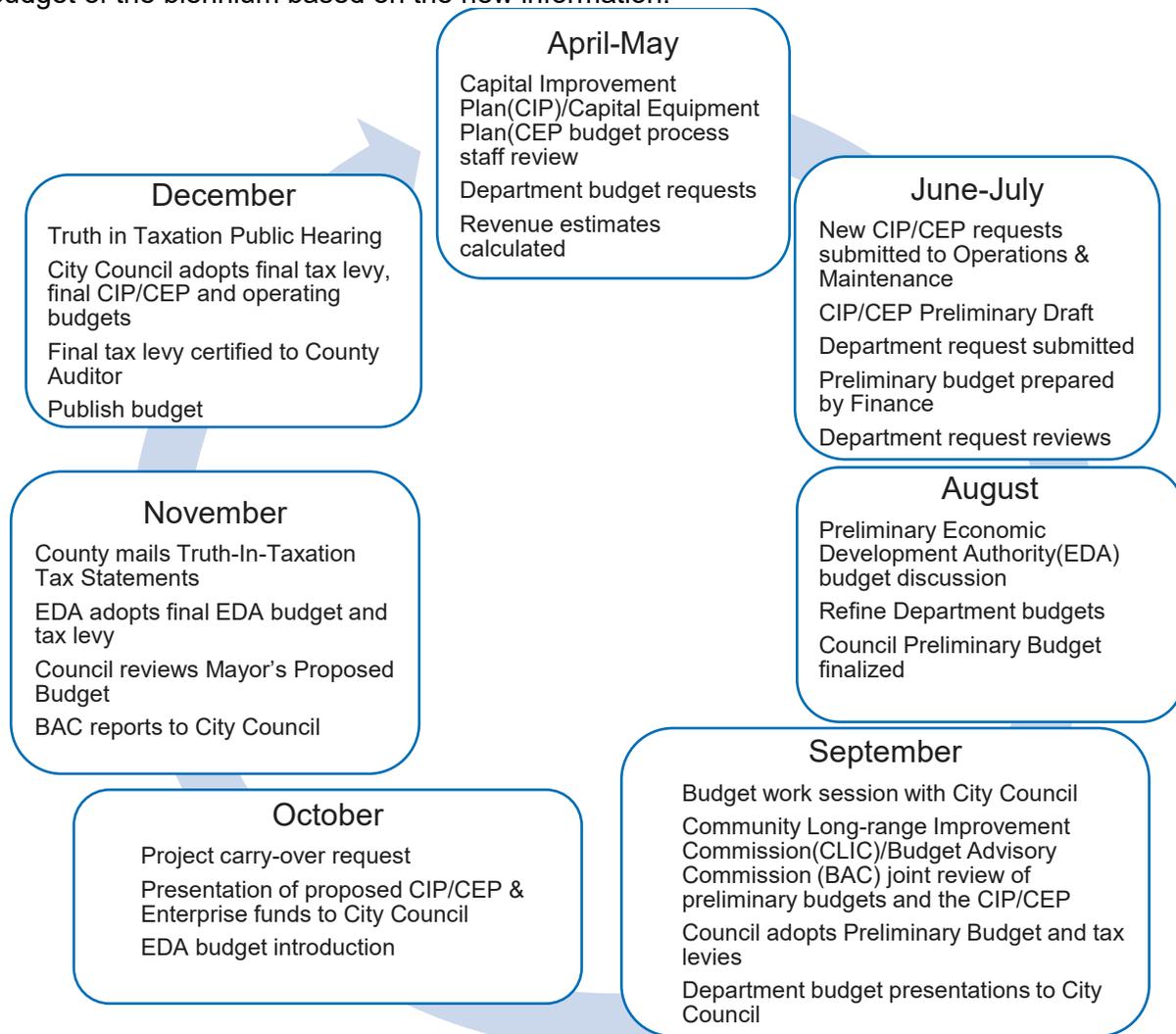


2021 General Fund Expenditures By Department



BUDGET CYCLE AND PROCESS

The City operates on a two-year budget cycle. 2020 is the first year of the financial plan cycle. The multi-year approach is a strategy that allows the City to forecast its expected impacts and begin proactively addressing financial challenges that it faces. Under Minnesota State Statute the City is still required to adopt a tax levy annually. In the second year of the biennium in accordance with the State Statutes the City adopts a tax levy and amends the second-year budget of the biennium based on the new information.

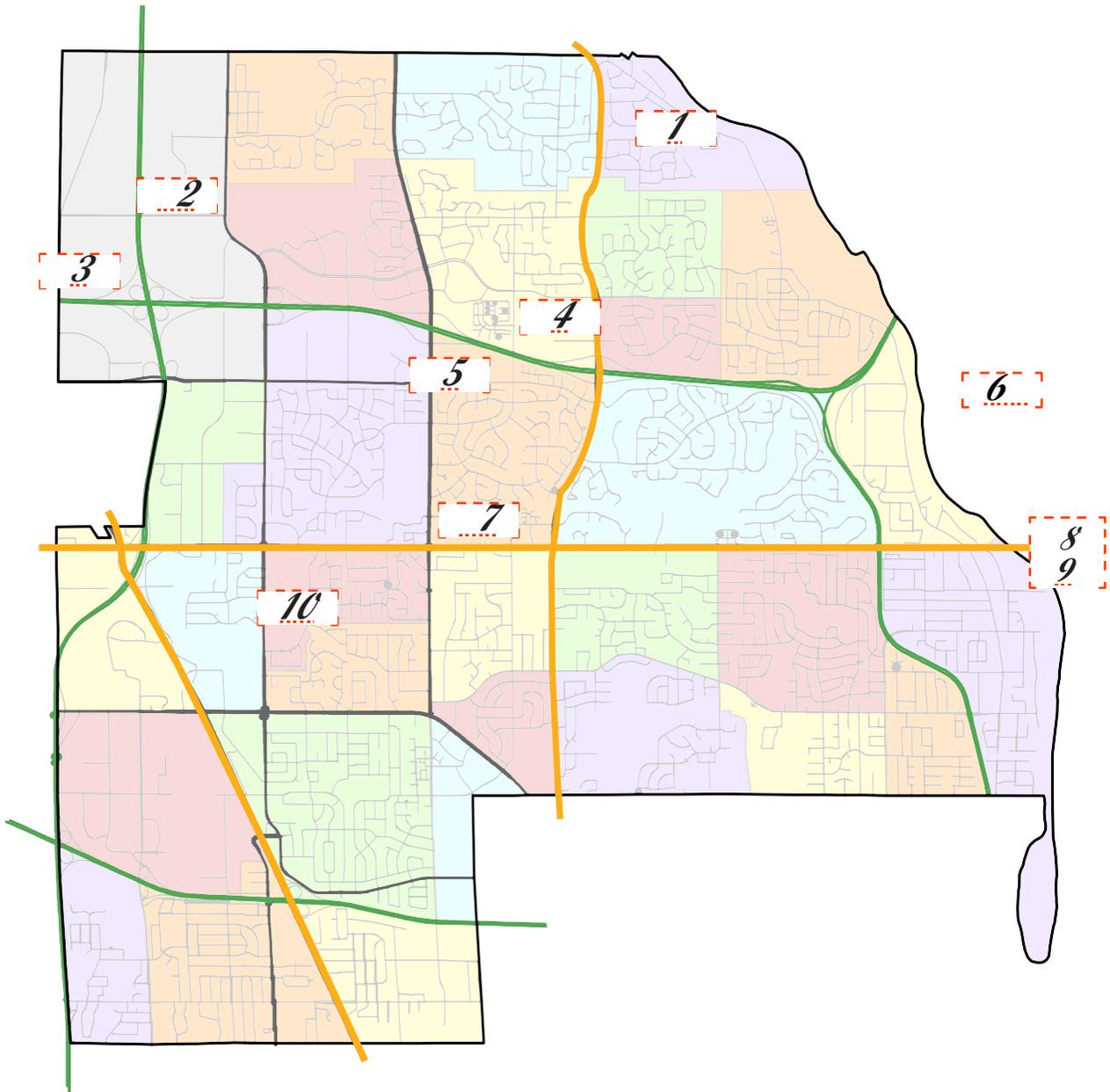


The budget is one component in an annual cycle of collaboration among the community, City Council, City Commissions and City staff. The City Council looks to the community for feedback through survey responses, board, or commission participation to inform its agenda.

Residents can participate in the process!

- Attend public meetings –Brooklyn Park’s elected officials periodically hold public hearings to give residents and business owners the opportunity to voice concerns on budget priorities.
- Watch public meetings – City Council meetings are broadcast live on Comcast Cable Channel 16 or at the City’s website https://nwsccbrooklynpark.granicus.com/ViewPublisher.php?view_id=5
- Contact your elected officials – Contact the Mayor or City Council members with budget concerns or comments as they have the final decision on budget issues. <https://www.brooklynpark.org/city-council/>
- VOTE! – vote in municipal elections

Top 10 projects in 2020



The Critical Improvement Plan (CIP) is a planning tool and it includes the City's capital needs over a five-year period. Each project is detailed including priority, location, and funding source.

The CIP is divided into four categories:

- *General Public Building*
- *Park and Recreation Facilities*
- *Public Utilities Facilities*
- *Transportation Facilities*

The complete CIP for 2020-2024 can be found on the city website at www.brooklynpark.org/city-projects.

Top 10 projects in 2020

Project 1

Major Maintenance of Water Reservoirs
\$700,000 of a \$2.9 million total project cost

In 2015 an analysis was conducted to estimate the cost of major maintenance for the City's reservoirs. Inspections were performed to determine the scope and urgency of the repairs.

Project 2

Local Street Reconstruction Program
\$5.2 million total project cost

This reconstruction program targets areas where the streets have concrete curb and gutter and storm sewer, however the bituminous surface and concrete curb has deteriorated beyond a reasonable maintenance level. There will also be public and private utility repairs associated with this reconstruction.

Project 3

169/101st Avenue Interchange
\$16 million of a \$23.4 million total project cost

The interchange is needed to adequately service the expected traffic demand and provide access for the future development of the northwest area of Brooklyn Park. The interchange was a recommendation of the "TH 169 Corridor Study" and the recently completed TH 169/101st Avenue Interchange Studies and is included in the Brooklyn Park 2040 Comprehensive Plan. Involves the construction of a full movement interchange on TH 1669 at the current 101st Avenue and the reconstruction of 101st Avenue from future Xylon Avenue to Jefferson Highway. The interchange would include a four-lane bridge deck and provisions for pedestrians.

Project 4

Field and Court Improvements
\$1.3 million of a \$1.6 million total project cost

Develop a baseball field with grandstand seating, bathrooms, concessions and enhanced dugouts, bullpens and field amenities Noble Baseball Field additional bleachers, restrooms, batting cages, bullpen, dugouts, scorekeeper/announcer area to create a stadium facility including design work, \$1.3 million

Project 5

93rd Avenue Reconstruction (Zane/Regent)
\$3.2 million total project cost

On December 9, 2019 the City Council passed a motion 7-0 to change the 2020-2024 Capital Improvement Plan to include this reconstruction project. Reconstructing 93rd Avenue N from Zane Avenue to Regent Avenue as a 2-3 lane road with limited access to development on the north side of the road. The new road will include traffic calming measures and storm water improvements. It will also include a new 10-foot trail on the north side of the road and a 6-foot sidewalk on the south side of the road. As part of the project the sidewalk on the north side of the road from Regent Avenue to Noble Parkway will be replaced by a trail, consistent with the City's Pedestrian and Bicycle plan.

Project 6

Xylon Avenue Construction
\$1.4 million of a \$3.6 million total project cost

This project is intended to provide collector type roadways in the northwest area of the city. This project is for construction of a new two-lane urban collector type roadway to service the Northpark Development area. Construction of Xylon Avenue from Oak Grove

Project 7

City Hall Rehabilitation and Renovation
\$4.1 million of a \$4.35 million total project cost

This facility houses several of the City's department offices and serves as the site for City Council and many of the Commission, Committee and special meetings. It is also the main customer/resident services for licensing, permits, and many of the other City services provided to Brooklyn Park residents. The remodel of the entire building began in 2019, including a 3,300 square foot addition adding a new space for the deputy register and upper level conference suite. City Hall was built in 1991. Buildings of this type typically need major rehabilitation every 20-25 years. A space needs study was done in 2012 which outlined a 5-phase rehabilitation which was updated in 2016.

Project 8

River Park Improvements
\$3.2 million of a \$3.4 million total project cost

River Park owned by the City that connects people to the Mississippi River and provides opportunities for outdoor water recreation. As a part of the Park System Plan, Mississippi River Recreation Area Master Plan, and Mississippi Gateway Regional Park/Environmental Nature Area Master Plan, a park redevelopment master plan for River Park was developed to tie the vision and planning efforts together making River Park a crown jewel of the park system. 2020 will see Phase I of the project.

Project 9

Park Reinvestment
\$5.2 million of a \$9.5 million total project cost

Park Reinvestment; \$5.2 million of \$9.5 million project
In 2017, The Recreation & Park Department Park System planning process identified redevelopment priorities building upon the priorities of the 2012 Master Plan. Hartkopf Park, Lakeland Park, and Norwood Park were identified as a priority for re-investment. Currently no park shelters large enough to accommodate groups larger than 300 people. The project includes development of these picnic shelters, along with a way to accommodate amplified sound; \$3.7 million. Park building renovation at Willowstone, Monroe and Northwoods, \$1.2 million Kitchen additions to Central and River Park shelters, \$.3 million.

Project 10

Storm Sewer Rehabilitation and Replacement
\$840,000 of a \$1 million total project cost

Storm sewer rehabilitation and replacement are necessary to keep the drainage system operating effectively and in conjunction with street resurfacing and reconstruction. This project involves the replacement of the large storm sewer structures. These structures were built in the 1960s, 1970s and 1980s. 2020 Shingle Creek Crossing and Candlewood Drive will be replaced. Parkway to just north of trail to tie into existing Xylon Avenue.

For questions please contact us

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