

2020 Preliminary Financial Results

City Council

April 6, 2021



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COMMUNITY PRIDE SINCE 1857

City of Shakopee | 485 Gorman St., Shakopee MN 55379 | 952-233-9300 | www.ShakopeeMN.gov

General Fund

- Positive operating results of \$2.5 million compared to \$3.3 million in 2019 (prior to transfers)
- Net increase in Unassigned fund balance of \$2.4 million
 - City had one-time transfer of \$835,510 to pay off debt service early
 - Decrease in Committed Funds of \$484,000 (Building Permit Revenue)
(Difference = Changes in payables/receivables, budgeted transfer in)
- General Fund unassigned fund balance represents 55.5% of next year's budgeted expenditures
 - \$1.65 million above 50%
 - General Fund Balance Policy (35 – 50%)



General Fund Revenues

- Revenues over original budget by \$3.3 million

2020 Significant Budget Variances (from original budget)	Amount
Intergovernmental Revenue (Primarily Coronavirus Relief Funds)	\$3.4 million
Licenses & Permits (Building permits include: 165 single family homes, Cherne Industries, Scott County Government Center, Greystone, Shakopee Flats, KEB America)	\$1.4 million
Miscellaneous Revenue (Primarily Investment Earnings/Unrealized Gain)	\$0.4 million
Taxes (Property tax collections at 98.4%)	(\$0.3) million
Charges for Services General Government -\$295k (SPUC Pilot Fee), Public Safety -\$162k (Police contracted services), Public Works -\$195k (engineering fees), Parks & Recreation -\$895K (recreational facilities)	(\$1.5) million



General Fund Expenses

- Expenses under original budget by \$258K

2020 Significant Budget Variances	Amount
Culture & Recreation (Reductions in recreational programming)	\$501k
Public Works	\$106k
Public Safety (Fire Staffing Model Change)	(\$335k)



Recreation Facilities

- Sand Venture
 - Operating loss of \$139k, compared to \$150k in 2019.
- Ice Arena
 - Operating loss of \$187k compared to an operating loss of \$29k in 2019.
- Community Center
 - Operating loss of \$1.23 million, compared to an operating lost of \$577k in 2019.

Capital Project/Internal Service Funds – Cash Balance

Capital Project Fund	2020	2019	Change
Capital Improvement Fund	\$2,333,537	\$3,838,086	\$(1,504,549)
Park Improvement	3,575,054	3,469,908	238,609
Tree Replacement	196,940	213,143	(16,386)

Internal Service Fund	2020	2019	Change
Equipment	\$5,713,125	\$4,622,575	\$1,090,550
Building	6,164,352	5,480,066	684,286
Park Asset	1,648,837	1,220,377	428,460
Information Technology	924,572	714,075	210,497



Utility Funds

Sanitary Sewer	2020	2019	Change
Customer Revenues	\$4,056,714	\$4,222,236	\$(165,522)
Operating Income(loss)	(392,338)	(5,764)	(386,574)
Cash Balance	7,673,095	8,149,310	(476,215)

Storm Drainage	2020	2019	Change
Customer Revenues	\$1,522,226	\$1,304,738	\$217,488
Operating Income(loss)	(255,438)	(502,169)	246,731
Cash Balance	11,886,574	14,305,215	(2,418,641)*

*Storm Drainage interfund advance of \$2.08 million (for TIF #20)



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Other

Significant capital investments made during the year (\$16.9 million)

- 12th Avenue Trail- \$0.8 million
- Unbridled Street/Storm - \$4.4 million
- 2020 Street Reconstruction - \$2.1 million
- Developer Contributed - \$1.7 million (Windermere/Powers/Canterbury)
- Equipment Added/Replaced - \$1.3 million (23 vehicles/equipment)

Debt – retired \$1.75 million of principal on previous issued bonds and issued \$8.165 million in new TIF Bonds (Canterbury Commons - Public Improvements)

Other Continued...

- Net investment gain of \$2.0 million, compared to an investment gain of \$2.2 million in 2019
 - Interest income \$1.4 million vs \$1.2 million
 - Unrealized gain of \$0.6 million vs \$1.1 million
- Land held for resale at year-end \$0.53 million
 - Properties Acquired
 - 600 Canterbury Rd. (potential to combine with nearby property owner)
 - Properties Sold
 - Riverfront parcels (Gaughan)
 - MN DOT parcels (Cherne Industries)



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Proposed 2020 Year End Transfer

Capital Improvements Funds	Amount
Current Projected 12/31/2021 Cash Balance*	\$(2,500,000)
Proposed Addition:	
Gateway Monuments	<u>(100,000)</u>
Funding Needed	\$(2,600,000)

Proposed Funding Sources	Amount
Proposed 2020 YE Transfer (GF Balance > 50%)	\$1,700,000
Bond Sale (Approximately \$300K levy)**	<u>4,000,000</u>
Total Proposed Funding	\$5,700,000

*Projects included in 2021 mill and overlay (\$2.7 million), 2020 reconstruction (\$1.7 million), alley reconstruction (\$175k), CSAH 83 (\$2.3)

**Bond sale contemplated in the 2021-2025 CIP/ 2021 Budget



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Next Steps

- Tonight - City Council consideration of a resolution to transfer \$1.7 million from the City's General Fund to the Capital Improvements Fund
- April 19-23rd – Audit field work
- June - Final audit report and presentation



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