

# CITY OF ANOKA

## Popular Annual Financial Report To The Community

FOR THE YEAR ENDED DECEMBER 31 2020

CITY OF ANOKA  
2015 1ST AVE N  
ANOKA, MN 55303  
763-576-2700

**ELECTED  
OFFICIALS:**

**MAYOR:**

PHIL RICE

**CITY COUNCIL :**

ELIZABETH  
BARNETT

ERIK SKOGQUIST

JEFF WEAVER

BRIAN WESP

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Dear Anoka Resident,

We are pleased to present the City of Anoka's Popular Annual Financial Report (PAFR). This report provides a summary of the City's financial information in a simplified, easy to read format. We trust this report gives you a better understanding of city government and our financial condition.

Information in this report comes from Anoka's 2020 Comprehensive Annual Financial Report (Annual Report) The report was prepared in conformity with Generally Accepted Accounting Principles (GAAP), was audited by Wipfli LLP, and received an unmodified opinion, which is the best audit opinion possible.

In order for Anoka to manage the community finances smoothly, it divides various activities into several different funds.

**Governmental funds** account for tax-supported activities and include:

**General Fund** accounts for activities that provide for basic operations of the City, i.e., administration, building maintenance, police & fire, street & park maintenance, recreation activity, community development and planning.

**Special Revenue Funds** account for activities restricted to specific purposes like the Round Up for Change program or parking.

**Debt Service Funds** track revenues and expenses related to repayment of long term debt.

**Capital Project Funds** collect revenue from special assessments, state and county aids and allots them toward construction or major capital expenses.

**Proprietary Funds** account for activities that operate as a public enterprise which are paid for by user fees, i.e., electric, water, sanitary sewer, storm water management, liquor stores and Green Haven golf course.

**Internal Service Funds** account for the acquisition, operation, and maintenance of governmental facilities and services, which are entirely or predominately self-supported by user charges to the governmental funds.



If you'd like a copy of the Annual Report visit the City's website at [www.anokaminnesota.com](http://www.anokaminnesota.com) or contact the Finance Department at (763)576-2700.

*\*Please note that Fiduciary Funds are not recognized in this report, but are included in the CAFR*

### Dividing Up Your Property Tax Dollar

Your tax dollar is divided up into several governmental entities. The City of Anoka collects 41.03 cents of every tax dollar for City services. The remaining portions are divided among Anoka County, the school district and other agencies.

The average residential taxable valuation in Anoka at the end of 2020 was \$223,500.



CITY OF ANOKA 41.03%	ANOKA COUNTY 37.61%	SCHOOL DIST 18.76%	MET COUNCIL 2.61%
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# General Fund Revenue and Expenditures

The City’s General Fund is the largest Governmental fund and also one of the most vital to the City’s operation. The General Fund is the primary fund that accounts for everyday general expenditures like street and park maintenance, police protection, and fire protection while at the same time supplementing portions of the other funds.

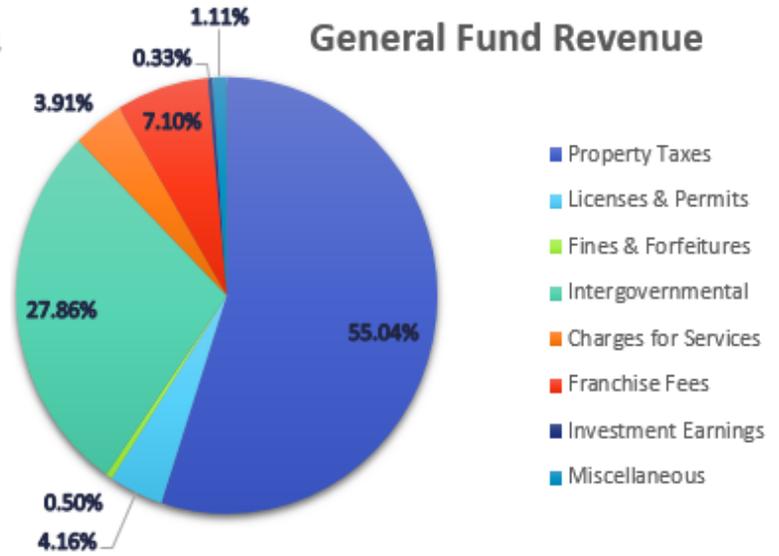
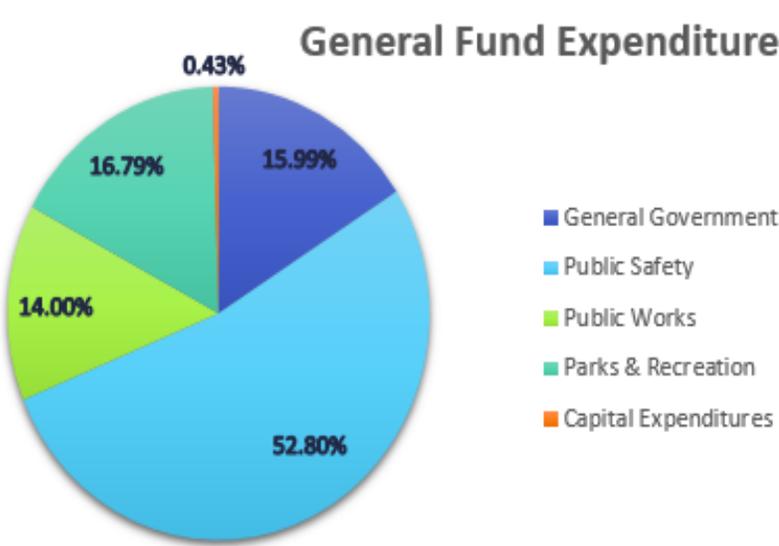
Like most funds, the General Fund relies on the inflow of cash, shown as revenues and subsequently the outflow of cash shown as expenditures. The primary revenue source for the General Fund is property taxes. Intergovernmental revenues are items like state or county aid and grants. At 2020 year-end the City’s revenue total was \$13,232,280 which was a \$1,348,681 or 11.35% increase

compared the previous year. The increase is due to increased property tax revenue and CARES Act grant.

Total General Fund expenditures for 2020 were \$12,707,037 which is \$731,393 or 6.11% higher than the previous year due to increased spending in all divisions. Much of the increased spending was offset by CARES Act grant funds.

Expenditures	2019	2020
General Government	1,921,412	2,031,309
Public Safety	6,260,842	6,708,902
Public Works	1,411,241	1,778,425
Parks & Recreation	2,237,915	2,133,931
Capital Expenditures	144,234	54,470
<b>Total Expenditures</b>	<b>11,975,644</b>	<b>12,707,037</b>

Revenues	2019	2020
Property Taxes	7,000,263	7,282,910
Licenses & Permits	332,927	550,803
Fines & Forfeitures	64,416	65,841
Intergovernmental	2,352,279	3,686,181
Charges for Services	792,428	516,930
Franchise Fees	931,357	939,130
Investment earnings	242,323	44,094
Miscellaneous	167,606	146,391
<b>Total Revenues</b>	<b>11,883,559</b>	<b>13,232,280</b>



Although the financial numbers in this Annual Financial Report come from an audited source, they are presented in this report in a condensed, unaudited, non-GAAP format.

## City Departments

**Administration:** This department provides the overall direction for the City as determined by the City Council. It is responsible for maintaining City records; issuing licenses; administering Council policies; and election procedures.

**Finance:** This department conducts the financial affairs of the City of Anoka in accordance with the Government Accounting Standards Board (GASB) and Generally Accepted Accounting Principals (GAAP). The activities in this department are part of general government.

**Planning & Community Development:** This department is responsible for ensuring that laws, ordinances, and zoning codes are enforced. It is also responsible for Economic Development within the

City. The activities in this department are part of general government.

**Public Safety:** This department is responsible for maintaining the peace and the protection of the community through diligent enforcement of laws and effective response to calls for service.

**Public Works:** This department maintains the City’s infrastructure as it relates to roadways, including snow removal.

**Parks & Recreation:** This department is responsible for providing recreation activities in the City and maintaining the City’s parks and trails.

## Special Revenue Funds

Special Revenue Funds are used to account for general government financial resources that are restricted by law, contractual agreement, or Council designation to specific purposes other than debt service or major capital projects.

**Round Up:** This fund administers Round Up donations from utility billing customers to local charitable organizations.

**Cemetery Maintenance:** This fund is used for upkeep and maintenance of the City’s public cemeteries; Forest Hill and Oakwood

**Urban Redevelopment:** This fund manages Met Council sewer access fees, and loans for WAC/SAC charges.

**Parking:** Two ramps and several parking lots are located in the downtown area. These funds also covers parking enforcement.

**Lodging Tax:** The State of Minnesota charges Hotels and Lodging facilities tax of 3% on short-term lodging. This fund supports tourism in Anoka.

*\*Police forfeiture is not recognized in this report, but is included in the Annual Report*

## Long-Term Debt

Anoka received a “AA+” rating from Standard and Poor’s Global. This is the second highest possible rating you can receive. A high bond rating translates into lower future borrowing costs.

The City retired \$785,000 of bonded debt in 2020.

The City issued new debt in the amount of \$8,545,000 in 2020. This debt was used to pay for street renewal projects in 2019 and 2020 and will be paid with special assessment revenue for those projects.

The City will bond in 2021 to pay for the Park Maintenance Building completed in 2020 and the Law Enforcement Training Center which will go out for bid in 2021.

## Capital Fund Projects in 2020

### Building Improvement:

The Park Maintenance Building project which began in 2019 reached substantial completion in 2020. Plans and specifications for the Law Enforcement Training and Animal Containment Center were approved for work to begin in 2021. Total capital outlay in 2020 was \$4,840,933.

### Street Renewal & State Aid Construction:

The 2020 Street Renewal and Street Surface Repair projects were just over \$4,500,000. Greenhaven Parkway and Highway 10 at Fair oak, both part of the Highway 10 solution, had costs over \$5,500,000 in 2020. Total capital outlay for street renewal and aid supported road projects was \$11,139,732.

### Park Dedication and Park Improvement:

Rudy Johnson Park was redesigned, Aiken Park and Sunny Acres Park received repairs to parking, playgrounds, and courts. Total Parks capital in 2020 was \$330,188.

### Greens of Anoka District:

City is working with developers to revitalize this area. Acquisition of property for this project was completed in 2020. Final demolition and roadway work will occur in 2021. Capital outlay was \$706,229 in 2020.

*\*Please note that Enterprise TIF District (decertified 12/31/16), South Ferry TIF District, Commuter Rail Transit Village and the Historic Rum River TIF District are not recognized in this report, but are included in the Annual Report*

### City of Anoka Fast Facts:

Date of Incorporation: March 2, 1878  
 Population: 18,728 (Met Council 2019 estimate)  
 Average age: 38.4 (US Census Bureau 2019 estimate)  
 Household size: 2.35 (Met Council 2019 estimate)  
 Median Home List Price \$227,940 (Realtor.com, December 2020)

Registered Voters: 11,778 (2020)

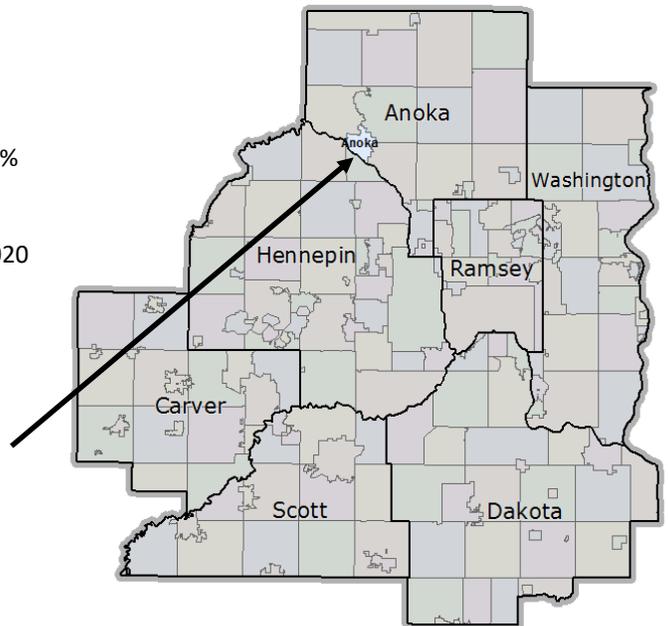
Voter Participation: 82% (2020)

Unemployment Rate: 4.8% (December 2020)

Per capital income: \$59,020 (December 2020)

Acres of park, recreation, and preserves: 595 acres

Area of City: 7.13 square miles



## Enterprise Funds

The Enterprise Funds account for the City’s utilities, liquor stores, golf course and recycling funds. These funds are run like businesses, in that they rely on fees and charges for revenue to cover expenses.

### Utilities: Electric

Anoka Municipal Utility (AMU) has been a community-owned, not-for-profit, electric supplier serving the City of Anoka and portions of the cities of Ramsey, Coon Rapids, Champlin and Dayton since 1909. The citizen’s of Anoka chose to create AMU over a century ago to provide economical, reliable electric power and have local control over an essential service. In 1992, AMU and seven other cities jointed together to form MMPA. Today, MMPA has 12 member cities.

AMU serves 10,941 residential, 1,326 commercial, and 17 industrial customers including several national accounts such as Pentair and Federal Cartridge (a subdivision of Alliant Tech). Annual total revenues topped \$29 million in 2020. The Electric Fund contributed just over \$1.5 million in 2020 through fund transfers and franchise agreements with the City. This provides funding for capital improvements throughout the city.

<b>2020 Operating Revenue</b>	<b>\$29,296,536</b>
<b>2020 Operating Expenses</b>	<b>\$27,485,326</b>
<b>Positions—Full time</b>	<b>18.30</b>
<b>Monthly Average Home</b>	<b>\$79.63</b>



The Parks and Recreation department put on several events throughout the year. Shown above is the bonfire lighting at Winterfest

### Utilities: Water, Sewer and Storm Water

#### Water

Water utility accounts for the operation of the city-owned water system and maintenance and improvements to the water infrastructure.

**2020 Operating Revenue**  
**\$1,803,883**

**2020 Operating Expenses**  
**\$1,517,011**

**Positions—Full time 3.55**

**Monthly Average Home \$18.58**

#### Sewer

The City of Anoka has approximately 66 miles of sanitary sewer mains. Each year about one-fourth of the city’s sanitary sewer mains are inspected and cleaned. This routine maintenance helps to prevent blockages and sewer backups.

**2020 Operating Revenue**  
**\$2,743,766**

**2020 Operating Expenses**  
**\$2,370,544**

**Positions—Full time 2.95**

**Monthly Average Home \$22.51**

#### Storm Drains

The storm water utility accounts for the operation and improvement of the storm water drainage system.

**2020 Operating Revenue**  
**\$756,857**

**2020 Operating Expenses**  
**\$283,714**

**Monthly Average Home \$4.65**

Cookout with the Cops—featuring grill master Chief Peterson



## Liquor Stores

The City owns and operates two municipal liquor stores. The East store is located at 847 East River Road, Anoka, west of Mercy Hospital. The West store is located at 809 West Main Street, Anoka, off of Highway 10. Weekly specials can be found on the stores website [www.bettervalueliqor.com](http://www.bettervalueliqor.com)

**2020 Operating Revenue \$4,876,807**

**2020 Operating Expenses \$4,587,902**

**Positions—Full time 4**

## Golf Course

### ***Green Haven Golf Course & Event Center***

is located in the heart of beautiful and historic Anoka. This course features:

- 18 Championship Holes
- A park-like setting within easy driving distance to all major metro areas
- First class banquet facility
- Restaurant and full bar service
- All carts GPS equipped
- Playable for the high handicap player while providing a solid test for the single digit handicap player

**2020 Operating Revenue \$1,291,034**

**2020 Operating Expenses \$1,145,009**

**Positions—Full time 3.95**

## Recycling

The Recycling Division is responsible for organizing the residential recycling program by providing proper collection, handling, and disposal of recyclables to maintain a safe, healthy, and clean environment for residents of the city. The City of Anoka contracts with Ace Solid Waste for single-sort recycling services - no sorting or separating! Simply put, all of your recycling items in the cart and Ace will take care of the rest.

**In 2020**

**Residential recycling hauled off 987 tons**

**Drop Off Events collected 86 tons of recycling**



**Get the ACE MYTrashMN for Apple and Android devices today!**  
View your recycling schedule, receive collection notifications, and use the Recycle Wizard to determine if your item should be recycling or waste.

## HRA Component Unit

The Anoka Housing and Redevelopment Authority (HRA) is legally separate from the City. It was created by the City to carry out redevelopment projects throughout the city. The governing board is appointed by the City Council. They can give, sell, buy and transfer property; provide grants, loans, leases and abatements; and raise funds. The HRA has levy authority to provide funding for its housing and redevelopment projects. The levy is separate from the City's general fund levy.

### In 2020:

**2020 HRA Tax levy:** \$295,814  
**New home improvement loans:** 8 loans; \$74,280

## Internal Service

Internal service funds are an accounting device used to accumulate and allocate costs internally among the City's various functions. The City maintains internal service funds for the following:

- Vehicle and Equipment Maintenance
- Information Technology
- Insurance
- Benefit Liability

**Revenue—\$2,227,858**

**Expenses—\$2,174,245**

**Net Position—\$3,049,442**

## 2020 Covid-19 and CARES Act

The worldwide Covid-19 pandemic had local impact as businesses were required to temporarily close or change the methods of operation to comply with local, state, and federal regulations to prevent spread. The City made funds available through grants to local businesses and refunded partial license fees. The City entered into a voluntary agreement to halt service disconnections for non-payment to all utility customers and to waive late charges to all customers as well. The City anticipates that late charges and service disconnections will resume in Summer 2021.

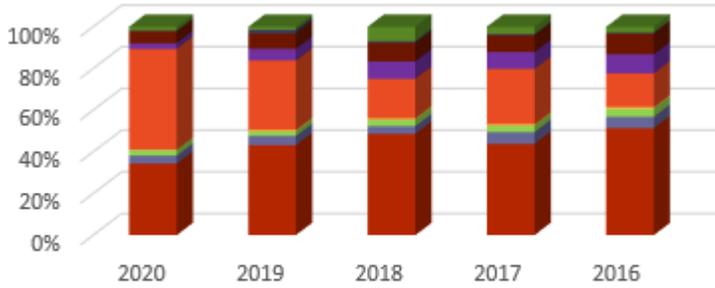
The City received CARES Act funds totaling \$1,399,295. These Federal Funds, dispersed by the State, were used to reimburse departments for purchases made that resulted from the pandemic and were not budgeted, and to cover payroll costs for time spent on duties substantially related to Covid-19 and qualifying leaves. The City hired Wipfli, LLC to conduct a single audit of the CARES Act funds. The audit firm's opinion was that the City complied in all material respects with the compliance requirements from that federal program.

The City saw a peak unemployment rate of 9.1% during the early months of the pandemic. This rate lowered to 4.8% by December 2020, and trends indicate that unemployment will be under 4.0% by the end of 2021. The City did not take into account any long term changes to major revenue sources (property tax, charges for service, utility fees) when creating the 2021 budget.



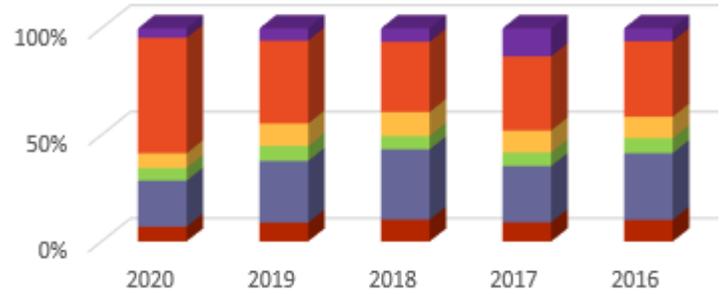
Shown to the left, image of Anoka Dam at sunset.

### 5 Year Revenue Comparison



- Property Taxes
- Franchise Fees
- Fines & forfeitures
- Intergovernmental
- Investment Earnings
- Special Assessments
- Licenses & Permits
- Charges for Services
- Miscellaneous

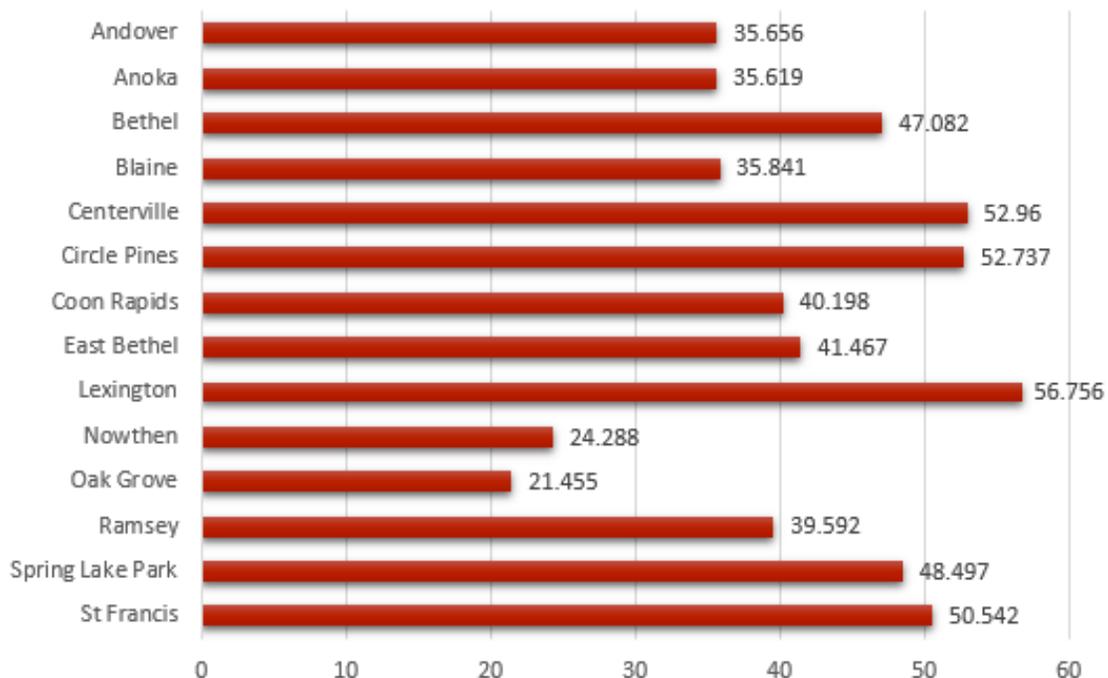
### 5 Year Expenditure Comparison



- General Government
- Parks & Recreation
- Public Safety
- Capital Outlay
- Public Works
- Debt Service

- Charges for service increased by \$530,927. Charges for services vary every year because they are based on projects occurring throughout the city. The largest portions of increase this year were in Public Safety as a result of increased building permits, and Public Works as a result of increased sewer and water access charges. Both increases result from higher than expected construction activity in the city in 2020.
- Operating grants and contributions increased by \$5,001,660 in 2020. The City received CARES Act funds totaling \$1,399,295 and \$1,135,400 of those dollars were used in Governmental Funds to cover specific Covid-19 costs. Additionally, Anoka County provided reimbursement grants for projects related to the ongoing Highway 10 projects.
- Public Safety expenses in the General Fund increased in 2020 by \$448,060. This is largely due to changes in shifts and additional time spent to sanitize equipment and vehicles due to the Covid-19 pandemic. Parks and Recreation expenses in the General Fund decreased by \$103,984 in the same time period, since the pandemic cancelled or curtailed much of the recreational activities offered by the City for 2020.

### Final 2020 Tax Rates for Anoka County Communities



# Anoka, and what it's known for!

Anoka, Minnesota is believed to be the first city in the United States to put on a Halloween celebration to divert its youngsters from Halloween pranks. When Anokans awoke to find their cows roaming Main Street, their windows soaped and their outhouses tipped over, they decided something had to be done.

In 1920, George Green and other Anoka civic leaders suggested the idea of a giant celebration. The idea was adopted by the Anoka Commercial Club and the Anoka Kiwanis Club; both giving their full support. In September of that year, a Halloween committee was organized.

Working hand in hand were businessmen, teachers from the Anoka public and parochial schools, parents, and students. For weeks before the big event, more than a thousand Anoka

school children made plans and costumes for the big event.

A parade was scheduled for the evening. Participants included local and neighboring bands, drum corps, the Anoka police and fire departments, the Kiwanis Club, the Commercial Club, and the Anoka National Guard; all working together to make the evening a success. Afterward, hundreds of bags of popcorn, candy, peanuts and other treats were given away to the children who marched in the parade. Everyone was invited to a large bonfire that was staged at Bridge Square. Celebrations have

been held every year since 1920 with the exception of 1942 and 1943 when the festivities were cancelled because of World War II. By the 1930s, the festivities had expanded as had the attendance at the parades. There were over 2,000 costumed children marching down Main Street. It was estimated that 20,000 spectators lined the streets to watch this night-time spectacle.

In 1937, 12-year-old, Harold Blair, donning a sweater embellished with a Halloween Capital insignia, carried with him to Washington, D.C. a proclamation naming Anoka the Halloween Capital of the World.

Shown below, Veterans Memorial Park in Downtown Anoka with Anoka Grain and Feed in the background



Shown above is the City's roundabout at Anoka Middle School for the Arts. Intersection of Washington Street, 4th Ave, and Military Road.



Government Finance Officers Association

Award for Outstanding Achievement in Popular Annual Financial Reporting

Presented to  
City of Anoka  
Minnesota

For its Annual Financial Report for the Fiscal Year Ended  
December 31, 2019

*Christopher P. Morill*  
Executive Director/CEO

The Government Finance Officers Association of the United States and Canada (GFOA) has given an Award for Outstanding Achievement in Popular Annual Financial Reporting to the City of Anoka for its report for the fiscal year ended December 31, 2019. This is a prestigious national award recognizing conformance with the highest standard for preparation of state and local government reports. This was the 4th year the City submitted the report and received the award from the GFOA.

In order to receive an Award for Outstanding Achievement in Popular Annual Financial Reporting, a government entity must publish a report whose contents conform to program standards of creativity, presentation, understandability and reader appeal.

An Award for Outstanding Achievement in Popular Annual Financial Reporting is valid for a period of one year only. We believe our current report continues to conform to the standards, and we are submitting it to GFOA.