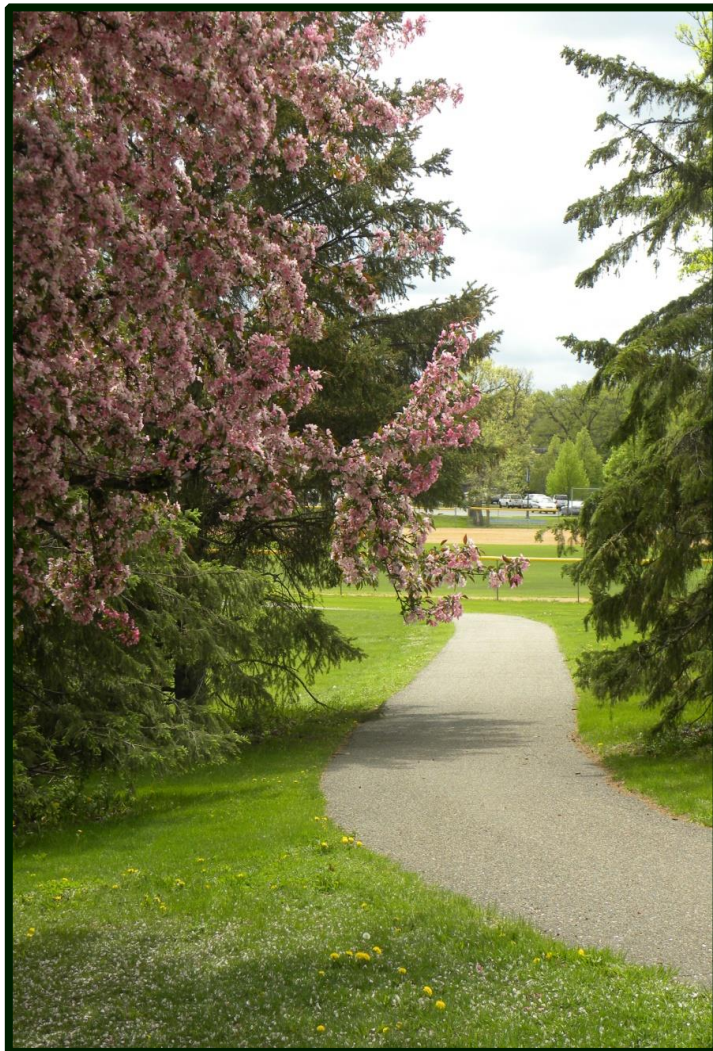


City of Shoreview, Minnesota

2018 Comprehensive Infrastructure Replacement Plan and Policy



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Overview

Comprehensive Infrastructure Replacement Plan

Introduction

Planning and providing financing for capital replacement costs is a difficult challenge that involves evaluating assets and their expected useful lives, determining appropriate repair and replacement strategies (including timing), projecting repair and replacement costs, examining financing options, determining bonding levels, estimating user fees and tax levies, and evaluating the impact on property owners.

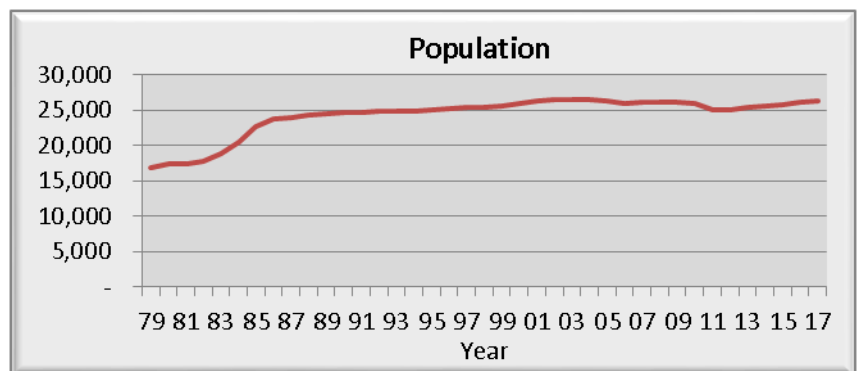
Government entities across the country address this issue in different ways. Some governments plan for capital repair and replacement costs on an annual basis through the budget process; while others plan for replacement needs through a broader capital improvement program (CIP) that typically covers five to six years. Both of these approaches are important components of any capital planning process; but neither provides enough information about future replacement needs to completely evaluate the long-term impact on citizens and property owners.

To expand the discussion and improve long-term planning efforts, the Shoreview City Council adopted a Comprehensive Infrastructure Replacement Policy in 1992. The policy requires the preparation of an annual Comprehensive Infrastructure Replacement Plan (CHIRP) addressing estimated replacement costs (for a minimum of 40 years) and an analysis of the impact on financing sources (primarily tax levies and user fees). The plan provides an ongoing analytical framework for capital projections (replacements and additions) as well as the resulting impact on tax levies and user fees. This document contains the current result of that analysis.

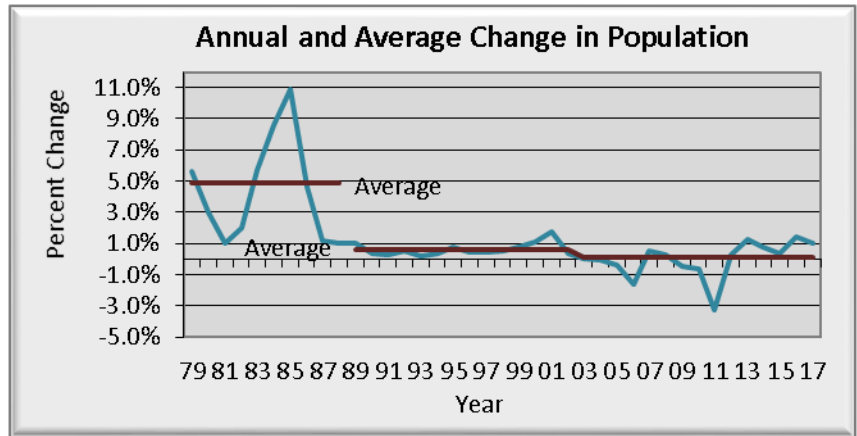
Community Profile

Shoreview offers a full range of services to its 26,000 residents. The annual operating budget is \$29 million, including debt service funds (and excluding transfers between funds). Of that amount, the general fund budget is \$11 million. These budget levels are low in comparison to communities of similar size in the metro area and result in City property taxes and spending per capita well below the average for comparison cities. This puts additional pressure on the City to plan ahead for capital costs in an effort to avoid sharp increases in taxes and user fees.

From 1970 to 1986 Shoreview experienced high population growth, with an average annual change near 5% per year. Growth in total property value during these years provided substantial increases in revenues which helped the City develop high quality community services and facilities.



In more recent years the City has moved closer toward full development. For instance, population growth slowed to an annual average of less than one percent per year from the mid 1980s through the year 2000, and since the year 2000 population has increased an average of .16 percent annually.



Because Shoreview has been near full development for more than two decades, repair and replacement costs account for approximately 74 percent of total capital in the most recent 5-year CIP. Recognizing this shift in the City’s life cycle in the 1980s (from a developing community to fully developed), adopting policies designed to address the changing emphasis, and executing the plan on an annual basis has been essential to maintaining a quality infrastructure system that meets the needs of the community.

Policy Objectives

Shoreview’s CHIRP policy and plan are designed to achieve several objectives including:

- **Create a permanent program** – For more than two decades, the City has incorporated infrastructure replacement estimates into short and long-term financial planning; in part, because examining capital needs well in advance helps identify trends, creates opportunities to carefully consider financing strategies and helps the City maintain quality systems that support services.
- **Moderate changes in the tax levy and user fees** – Sharp changes in tax levies and user fees are unacceptable to citizens, business owners and elected officials. Since large unanticipated capital costs would likely force significant changes in these revenue sources, Shoreview’s policy emphasizes the examination of capital replacement needs on a long-term basis which allows the City to adjust levies and user fees in a more gradual manner.
- **Plan carefully for new debt** – By considering capital costs over the long term, the City has greater ability to balance the use of current resources versus bonded debt well in advance. This allows the City to accumulate necessary resources in advance, avoiding bonding for capital costs in some instances, which reduces reliance on bonded debt where appropriate.
- **Limit special assessments** – Shoreview’s strict assessment policy limits the use of property assessments to once per improvement type, due to the belief the entire community shares the responsibility for the replacement of infrastructure. Therefore, tax levies and user fees (rather than future special assessments) are designed to support replacement costs.

To ensure Shoreview’s long-term planning is successful in meeting these objectives, the infrastructure replacement policy also requires:

- Disclosure of proposed financing mechanisms
- Compliance with the City’s fund balance policy and the fund balance objectives stated in the policy
- Analysis of revenue sources used to finance capital replacements, including tax levies, utility rates, user charges and inter-fund charges

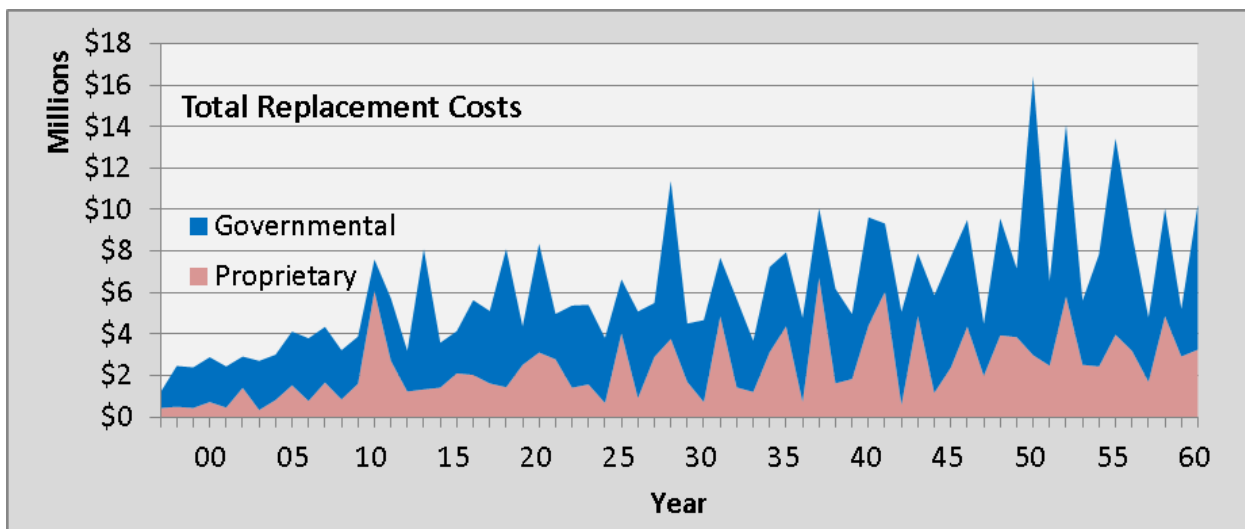
The City’s infrastructure replacement policy identifies potential funding sources for each class of asset, provides restrictions for resources dedicated to replacement costs, and establishes a formal process to authorize a deviation from the policy. In order to deviate from the restrictions outlined in the CHIRP policy, the City Council must follow one of two procedures: 1) declare a financial emergency by at least a four-fifths vote, or 2) conduct a public hearing to declare its intent and invite public input. Notice of the hearing must be provided to the public in each newspaper of general circulation throughout Shoreview at least 30 days prior to the hearing, and the notice must also include the amount and intended purpose of the proposed expenditure.

The policy also defines eligible replacement costs for each fund and establishes a structure for the accumulation of resources dedicated to replacement costs. Capital project funds, enterprise funds and an internal service fund account for capital replacement costs. These funds are described in the next section.

Capital Replacements

Replacement projections and the associated funding mechanisms are separated into two sections, governmental assets (formerly referred to as general fixed assets) and proprietary assets. Replacement of governmental assets is accounted for within capital project funds, and proprietary assets are accounted for within enterprise and internal service funds.

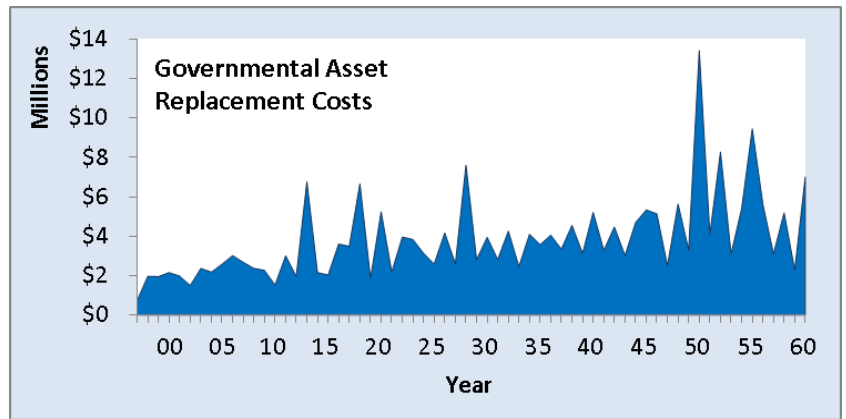
Over the next 40 years this plan provides for the replacement of \$178 million in governmental assets and \$112 million in proprietary assets, for a total of \$290 million in asset replacements. The graph below shows historical and projected replacement estimates.



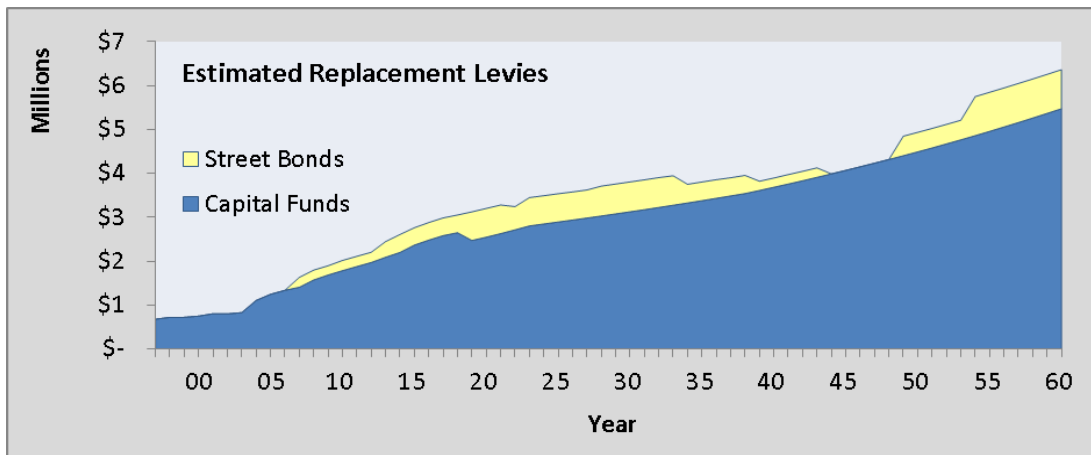
Governmental Assets

Governmental asset replacement costs are accounted for within three capital project revolving funds: the Street Renewal Fund, MSA Fund, and the General Fixed Asset Fund. Replacement costs include residential streets, public safety buildings, public safety equipment, city hall and community center remodeling, furnishings, mechanical systems, data processing systems, park buildings, park improvements and trails. Because expenditures for these assets are accounted for within governmental funds, depreciation is recorded at the entity-wide level only.

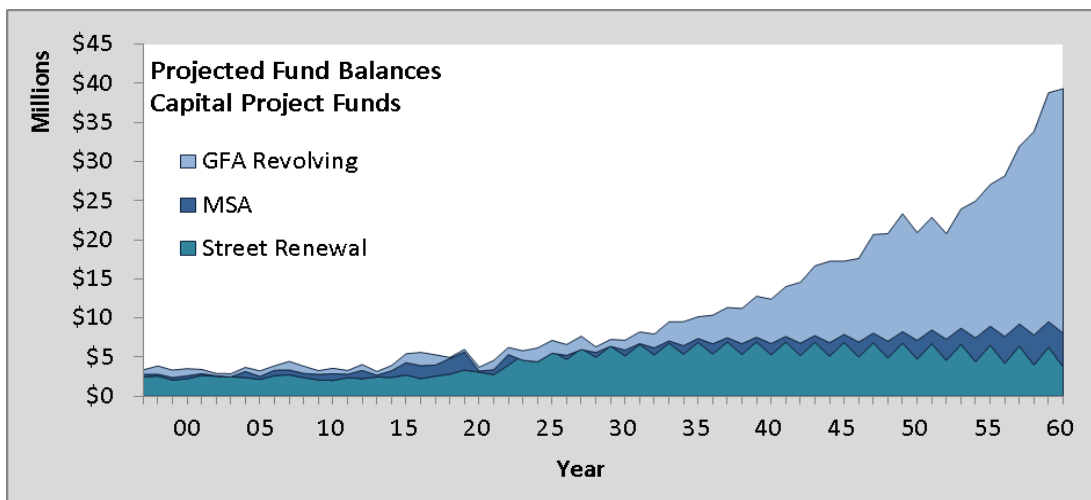
Projections indicate that this plan provides for the replacement of \$75 million in general assets during the first twenty years and another \$103 million in the next 20 year period. As shown in the graph at right, projected replacement costs vary greatly between years (due to the size and nature of specific projects). Resources and fund balances are designed to provide a stable source of funds to finance capital costs.



Primary sources of funds for governmental asset replacements include tax levies, MSA (state aid for collector streets), investment interest earnings and street improvement bonds. Over the next 6 years, changes in the replacement portion of the City’s levy (including levies for street bonds) cause an average annual increase in the total tax of .9 percent annually. After 2023, the average impact drops to about .1 percent per year. The portion of the annual property tax levy dedicated to replacement costs is shown in the graph below.

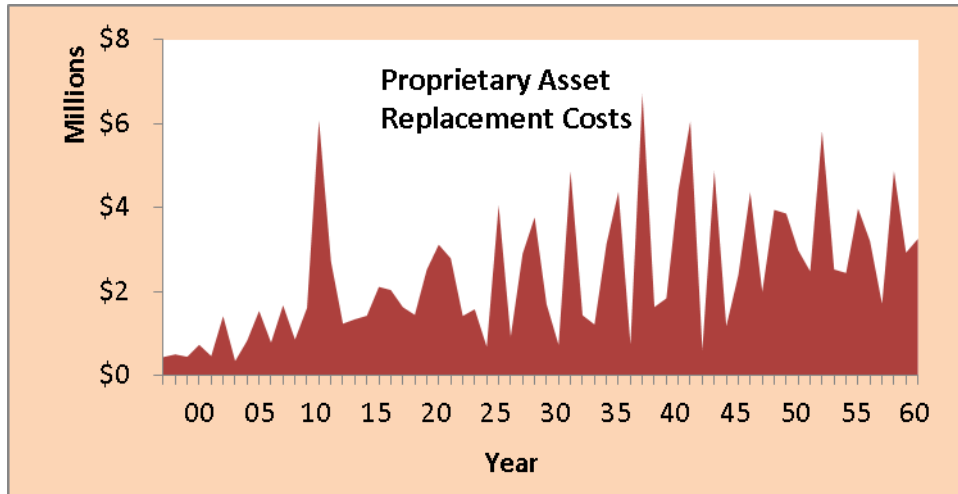


Fund balances in governmental funds are maintained at or above policy objectives, despite capital costs that vary dramatically from year to year, and tax levies that grow at modest rates. The graph below illustrates combined fund balances for the Infrastructure Reserve (street renewal), MSA and General Fixed Asset Revolving Funds.



Proprietary Assets

Replacements of proprietary assets are accounted for within four enterprise funds and one internal service fund. Eligible replacement costs include all water, sewer, surface water, street lighting, buildings, vehicles and equipment owned by each fund. Projections indicate this plan provides for the replacement of \$50 million in proprietary assets during the first twenty years and another \$62 million in the next twenty year period. As with governmental assets, the size and nature of some improvements cause total replacement costs to vary greatly from year to year. The graph below shows historical and projected proprietary asset replacement costs. Detailed replacement projections for all proprietary assets are presented later in this report.



To ensure adequate funding of proprietary asset replacements, the City's policy requires the preparation of a 20-year operating plan at least once every five years. The plan must include examination of operating projections, capital replacement costs, estimated debt issuance, and capital additions, and the information must be used to analyze and recommend future utility rates and inter-fund charges. As a practical matter, the City prepares 5-year operating projections as part of the Biennial Budget and Five-Year Operating Plan (FYOP).

For 2018, the projected annual change in the average total utility bill is 3.8 percent (covering water, sewer, surface water, and street lighting).

Operating projections for the Central Garage Fund (an internal service fund), including inter-fund charges, are included in this plan. The inter-fund charges are designed to support operating costs of the maintenance center facility, as well as repair and maintenance of the building, vehicles and equipment. Projections, which are updated annually, indicate rental fees are projected to be at or below inflation rates over the next twenty years.

Bonded Debt

This infrastructure replacement plan assumes the use of bonding to support a portion of replacement costs. Estimated debt issuance over the next 6 years (2018 – 2023) is as follows:

\$ 4.66 million	Water system replacements
\$ 4.09 million	Sewer system replacements
\$ 3.30 million	Surface water system replacements
\$ 5.50 million	Street rehabilitation
<u>\$ 1.52 million</u>	Special assessment debt, added improvements
\$19.07 million	Total Projected 10-Year Debt Issuance

During this same period, the City will retire \$12.6 million in replacement related debt.

Summary

The City Council has, through the adoption of the infrastructure replacement policy, demonstrated their commitment to maintaining quality services and facilities through regular long-term financial planning efforts. This support has been essential to achieving this goal, and will be a key component in the future as assets continue to age.

Over the last 20 years Shoreview has funded replacement costs and preserved high quality services while maintaining lower tax rates and user fees. To evaluate how Shoreview compares to 28 metro area cities (of similar size), a Community Benchmarks booklet is prepared annually for property tax, tax rate and spending comparisons. The 2016 data indicates that Shoreview is 5th lowest among comparison cities for the city-share of the property tax bill, is 6th lowest for the city property tax rate, and is 18% below the average per capita total spending. Shoreview's emphasis on long-range planning will help the City maintain this favorable comparison into the future, and remain an attractive location for area businesses and homeowners.

We hope our efforts to provide for infrastructure replacement will encourage other government jurisdictions to be innovative in planning for the future financing of government services and facilities.

Cities are often being challenged to run their organizations more like a business. Because proprietary operations are the only funds that record depreciation expense within the fund, this infrastructure replacement plan was developed to pick up where traditional accounting leaves off. We believe government must plan and budget beyond yearly budget cycles or periodic economic fluctuations to avoid jumping from crisis to crisis.

This infrastructure replacement plan helps the City identify current and future resources needed to maintain quality facilities for Shoreview citizens. This, in turn, helps maintain reasonable tax levies and user fees, strong financial condition, moderate debt levels, and high bond ratings in the future.

Comprehensive Infrastructure Replacement Policy

Summary of Policy Requirements and Provisions

Policy Adopted November 16, 1992, Resolution #92-1984 and Revised October 21, 1996, Resolution #96-119

An abbreviated summary of the City's replacement policy is provided in the table below and on the facing page. It should be noted that in all cases investment interest remains in the fund, and inter-fund loans are subject to Council approval (repaid with interest).

Description	Governmental (General) Assets		
	Infrastructure Reserve (Street Renewal)	General Fixed Asset Revolving	Internal Service Assets
			Central Garage
Replacement projections	40 years	40 years	40 years
New improvement projections	Not applicable	Not applicable	10 years
Operating projections	40 years	40 years	20 years
Source of revenue	Property taxes Investment interest Other future revenues	Property taxes Investment interest Other future revenues	Rental fees Investment interest All other revenues
Eligible expenditures	Street reconstruction Street resurfacing Sealcoating Crack filling	Public safety equipment, public safety buildings, street lights, city hall building, furnishings and mechanical systems, data processing system, park buildings and improvements and trails	Central garage equipment, buildings and other central garage fund assets
Minimum fund or cash balance	Two million dollars	None	Half of operating costs
Targeted working capital target	2-3 years	1 year	4 months
Debt restrictions	Declare replacement monies as source of funding when bonds are authorized and/or Council approves transfers to the debt fund.		Equipment certificates allowed, however current resources are preferred
Procedure required to deviate from definition of eligible costs	4/5 vote of City Council or public notice and public hearing		Not applicable

Description	Enterprise Assets			
	Enterprise Assets			
	Water	Sewer	Surface Water	Street Lighting
Replacement projections	40 years	40 years	40 years	40 years
New improvement projections	10 years	10 years	10 years	10 years
Operating projections	20 years	20 years	20 years	20 years
Source of revenue	User fees Interest earnings Area charges Other revenue	User fees Interest earnings Area charges Other revenue	User fees Interest earnings All other revenues Other revenue	User fees Interest earnings All other revenues Other revenue
Eligible expenditures	Water systems and other water fund assets	Sewer systems and other sewer fund assets	Surface water systems and other surface water fund assets	Street lighting systems and other street lighting fund assets
Minimum fund or cash balance	One million minimum, and desired cash balance over two million dollars.	One million minimum, and desired cash balance over two million dollars.	None	None
Minimum operating, capital, debt coverage	8 months	6 months	5 months	4 months
Debt restrictions	No restrictions	No restrictions	No restrictions	No restrictions
Procedure required to deviate from definition of eligible costs	Not applicable	Not applicable	Not applicable	Not applicable

Governmental Funds

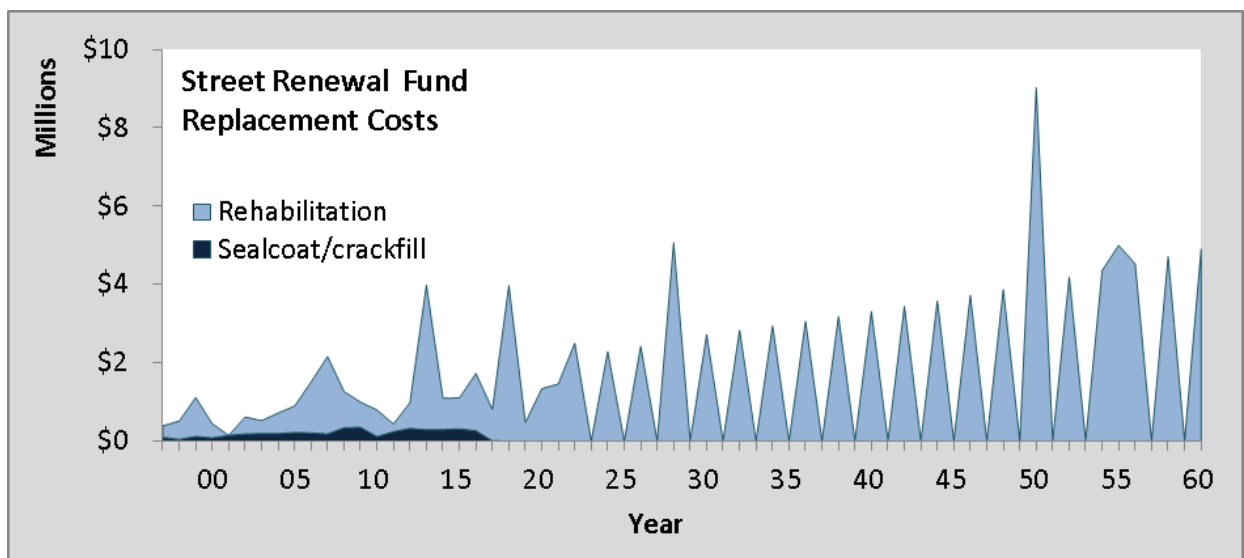
Replacement of governmental assets is accounted for within three capital project funds: the Street Renewal Fund, MSA Fund, and the General Fixed Asset Fund. This section of the CHIRP provides operating and capital projections for these funds.

Street Renewal Fund

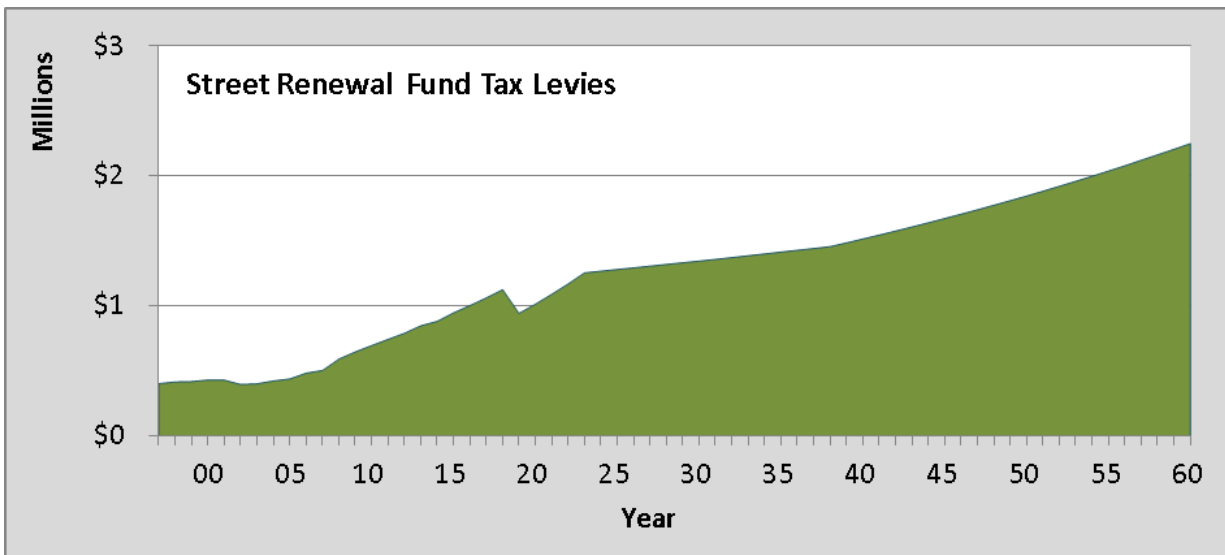
The City's Street Renewal Fund is an ongoing capital fund used to manage, finance and implement street rehabilitation efforts. The fund was created in 1985 with an initial contribution of two million dollars (obtained from bond defeasance savings) and this initial contribution is maintained as a minimum fund balance to provide an ongoing revenue stream from investment earnings. Allowable costs from the Street Renewal Fund include: street reconstruction, rehabilitation (resurfacing or full depth reclamation), seal coating and crack filling.

Long term projections indicate that the City's street rehabilitation strategies will shift away from replacements and toward pavement rehabilitation starting in 2022, because all City streets will be brought up to modern City standards by 2021. By the year 2045, the strategy will shift back to reconstruction because the concrete curb and gutter for most streets will be in excess of 50 years old, and the pavement surface will have been rehabilitated twice. To ensure adequate funding for street reconstruction (given the expected 25-year life of streets), street bonds are proposed every 5 years beginning in 2050 (at \$5 million for each bond issue). Between the annual tax levy and the street bonds the City will endeavor to replace each City street by the year 2070.

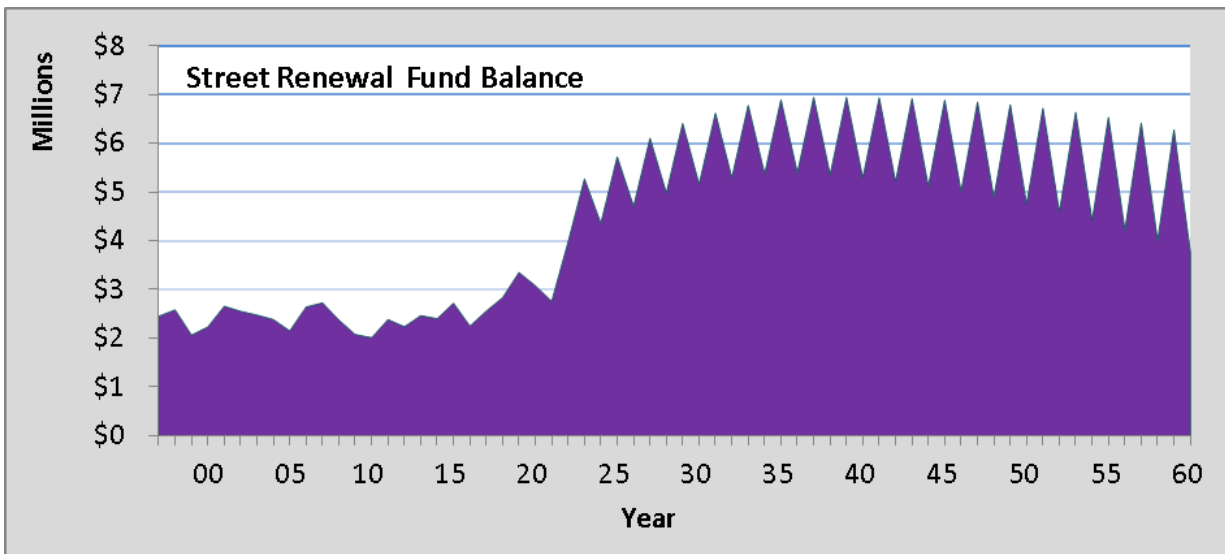
To put the scale of the street rehabilitation into perspective, over the next twenty years the Street Renewal Fund will provide for approximately \$32 million in street renewal efforts. The graph below illustrates historical and anticipated replacement costs, including those financed by street bonds.



Annual property tax levies, interest earnings and street bonds are the primary revenue sources for street rehabilitation and street replacement costs. Taxing levels for the street renewal portion of the replacement program are established to provide a predictable revenue stream with moderate increases in this portion of the tax levy, so resources are available to support rehabilitation efforts when needed.



Moderate changes in the street renewal portion of the annual tax levy provide sufficient annual revenues to maintain minimum fund balances at or above minimum requirements, and support replacement costs, even though rehabilitation needs fluctuate between years, and strategies shift between rehabilitation and complete replacement. The graph below shows historical and projected Street Renewal Fund balances.



**Street Renewal Fund
Operating Summary**

Year	Revenue			Street Bonds	Total Replacement Costs	Fund Balance
	Property Taxes	Interest Earnings	Special Assessments			
2017	\$ 1,060,000	\$ 33,000	\$ 22,882	\$ -	\$ 808,500	\$ 2,555,921
2018	1,124,000	34,000	91,882	3,000,000	3,973,000	2,832,803
2019	941,000	42,000	6,130	-	472,200	3,349,733
2020	1,012,000	47,000	6,130	-	1,337,800	3,077,063
2021	1,088,000	41,000	6,130	-	1,457,600	2,754,593
2022	1,168,000	41,000	6,130	2,500,000	2,500,000	3,969,723
2023	1,253,000	41,000	5,943	-	-	5,269,666
2024	1,266,000	105,400	401	-	2,286,000	4,355,467
2025	1,279,000	87,100	401	-	-	5,721,968
2026	1,292,000	114,400	401	-	2,423,000	4,705,769
2027	1,305,000	94,100	401	-	-	6,105,270
2028	1,318,000	122,100	-	2,500,000	5,068,000	4,977,370
2029	1,331,000	99,500	-	-	-	6,407,870
2030	1,344,000	128,200	-	-	2,722,000	5,158,070
2031	1,357,000	103,200	-	-	-	6,618,270
2032	1,371,000	132,400	-	-	2,831,000	5,290,670
2033	1,385,000	105,800	-	-	-	6,781,470
2034	1,399,000	135,600	-	-	2,944,000	5,372,070
2035	1,413,000	107,400	-	-	-	6,892,470
2036	1,427,000	137,800	-	-	3,062,000	5,395,270
2037	1,441,000	107,900	-	-	-	6,944,170
2038	1,455,000	138,900	-	-	3,184,000	5,354,070
2039	1,484,000	107,100	-	-	-	6,945,170
2040	1,514,000	138,900	-	-	3,311,000	5,287,070
2041	1,544,000	105,700	-	-	-	6,936,770
2042	1,575,000	138,700	-	-	3,443,000	5,207,470
2043	1,607,000	104,100	-	-	-	6,918,570
2044	1,639,000	138,400	-	-	3,581,000	5,114,970
2045	1,672,000	102,300	-	-	-	6,889,270
2046	1,705,000	137,800	-	-	3,724,000	5,008,070
2047	1,739,000	100,200	-	-	-	6,847,270
2048	1,774,000	136,900	-	-	3,873,000	4,885,170
2049	1,809,000	97,700	-	-	-	6,791,870
2050	1,845,000	135,800	-	5,000,000	9,028,000	4,744,670
2051	1,882,000	94,900	-	-	-	6,721,570
2052	1,920,000	134,400	-	-	4,189,000	4,586,970
2053	1,958,000	91,700	-	-	-	6,636,670
2054	1,997,000	132,700	-	-	4,357,000	4,409,370
2055	2,037,000	88,200	-	5,000,000	5,000,000	6,534,570
2056	2,078,000	130,700	-	-	4,531,000	4,212,270
2057	2,120,000	84,200	-	-	-	6,416,470
2058	2,162,000	128,300	-	-	4,712,000	3,994,770
2059	2,205,000	79,900	-	-	-	6,279,670
2060	2,249,000	125,600	-	-	4,901,000	3,753,270

**Street Renewal Fund
Capital Summary**

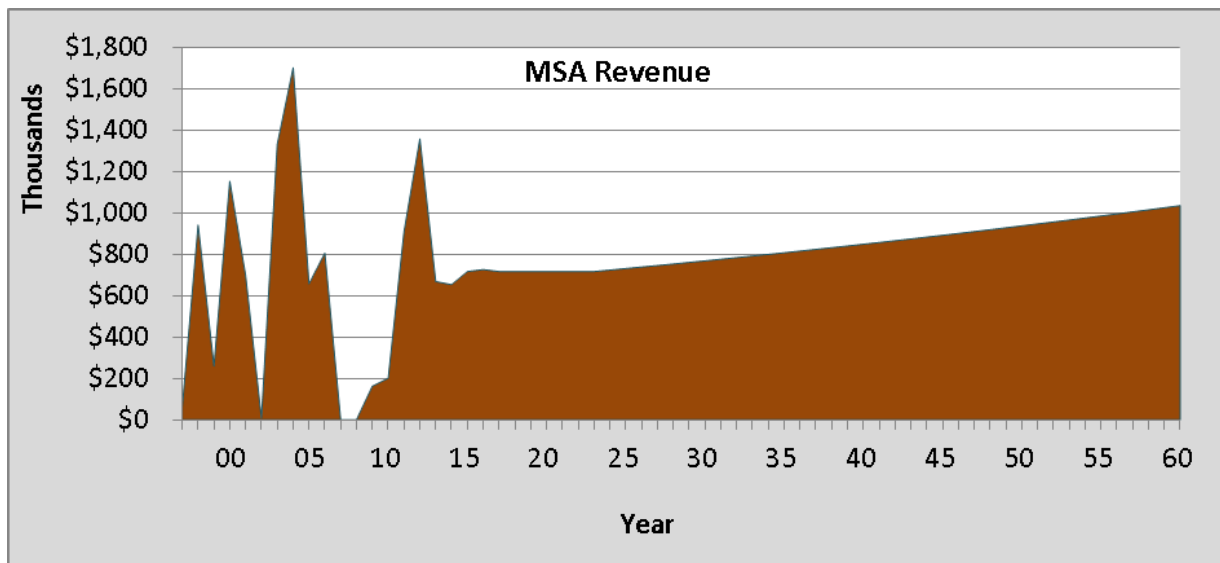
Year	Maintenance		Rehabilitation and Reconstruction		Neighborhood/Project	Total Capital Repl Costs
	Street Condition Survey		Street Bonds	Street Renewal		
2017	\$ 8,500		\$ -	\$ 800,000	Windward Hts/Amble Road	\$ 808,500
2018	-		3,000,000	973,000	Bridge, Lion/Debt Svc contributic	3,973,000
2019	-		-	472,200	Wabasso Neigh.	472,200
2020	-		-	1,337,800	Edgetown Acres	1,337,800
2021	-		-	1,457,600	Edgetown Acres	1,457,600
2022	-		2,500,000	-		2,500,000
2023	-		-	-		-
2024	-		-	2,286,000		2,286,000
2025	-		-	-		-
2026	-		-	2,423,000		2,423,000
2027	-		-	-		-
2028	-		2,500,000	2,568,000		5,068,000
2029	-		-	-		-
2030	-		-	2,722,000		2,722,000
2031	-		-	-		-
2032	-		-	2,831,000		2,831,000
2033	-		-	-		-
2034	-		-	2,944,000		2,944,000
2035	-		-	-		-
2036	-		-	3,062,000		3,062,000
2037	-		-	-		-
2038	-		-	3,184,000		3,184,000
2039	-		-	-		-
2040	-		-	3,311,000		3,311,000
2041	-		-	-		-
2042	-		-	3,443,000		3,443,000
2043	-		-	-		-
2044	-		-	3,581,000		3,581,000
2045	-		-	-		-
2046	-		-	3,724,000		3,724,000
2047	-		-	-		-
2048	-		-	3,873,000		3,873,000
2049	-		-	-		-
2050	-		5,000,000	4,028,000		9,028,000
2051	-		-	-		-
2052	-		-	4,189,000		4,189,000
2053	-		-	-		-
2054	-		-	4,357,000		4,357,000
2055	-		5,000,000	-		5,000,000
2056	-		-	4,531,000		4,531,000
2057	-		-	-		-
2058	-		-	4,712,000		4,712,000
2059	-		-	-		-
2060	-		-	4,901,000		4,901,000

MSA Fund

The MSA Fund receives the construction portion of the state-collected highway user tax, to be used for the rehabilitation and construction of collector routes within the City. The maintenance portion of the allocation is received by the City's General Fund (for street maintenance efforts on collector routes).

Although projections indicate little growth in the City's share of the highway user tax in the future, over the next twenty years the MSA Fund will provide for approximately \$16 million for the rehabilitation of collector routes, on an every other year rotation.

Operating and capital projections in the table at right indicate the City will not have sufficient funding for a rehabilitation project approximately every other year in the future.



MSA Fund

Operating and Capital Summary

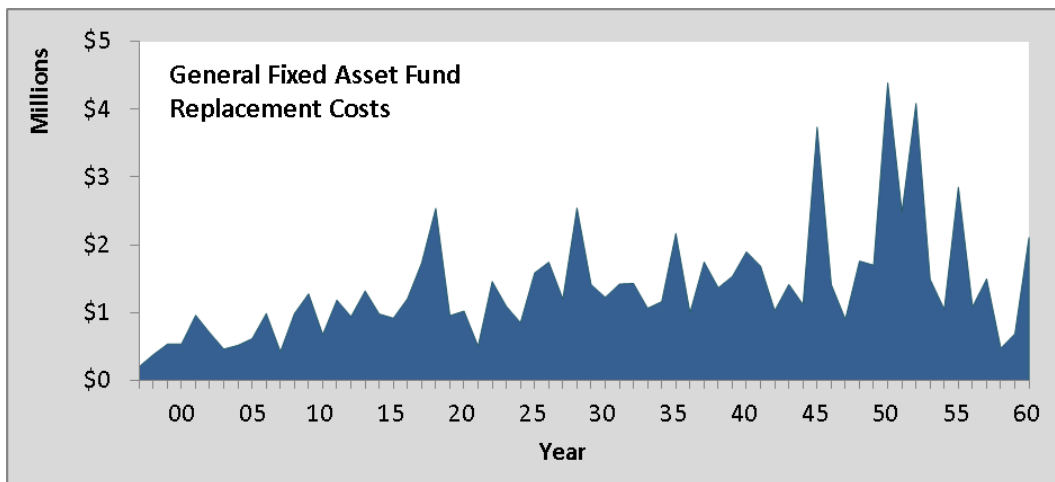
Year	Revenue			Expense	Fund Balance
	MSA Received	Investment Interest	Total Revenue	Project Costs	
2017	\$ 715,783	\$ 6,000	\$ 721,783	\$ 950,000	\$ 1,424,732
2018	715,783	7,000	722,783	150,000	1,997,515
2019	715,783	2,000	717,783	420,000	2,295,298
2020	715,783	-	715,783	2,880,000	131,081
2021	715,783	1,000	716,783	218,000	629,864
2022	715,783	1,500	717,283	-	1,347,147
2023	715,783	2,000	717,783	2,744,000	(679,070)
2024	722,941	-	722,941	-	43,871
2025	730,170	-	730,170	1,000,000	(225,959)
2026	737,472	-	737,472	-	511,513
2027	744,847	-	744,847	1,400,000	(143,640)
2028	752,295	-	752,295	-	608,655
2029	759,818	-	759,818	1,400,000	(31,527)
2030	767,416	-	767,416	-	735,889
2031	775,090	-	775,090	1,400,000	110,979
2032	782,841	-	782,841	-	893,820
2033	790,669	-	790,669	1,400,000	284,489
2034	798,576	-	798,576	-	1,083,065
2035	806,562	-	806,562	1,400,000	489,627
2036	814,628	-	814,628	-	1,304,255
2037	822,774	-	822,774	1,600,000	527,029
2038	831,002	-	831,002	-	1,358,031
2039	839,312	-	839,312	1,600,000	597,343
2040	847,705	-	847,705	-	1,445,048
2041	856,182	-	856,182	1,600,000	701,230
2042	864,744	-	864,744	-	1,565,974
2043	873,391	-	873,391	1,600,000	839,365
2044	882,125	-	882,125	-	1,721,490
2045	890,946	-	890,946	1,600,000	1,012,436
2046	899,855	-	899,855	-	1,912,291
2047	908,854	-	908,854	1,600,000	1,221,145
2048	917,943	-	917,943	-	2,139,088
2049	927,122	-	927,122	1,600,000	1,466,210
2050	936,393	-	936,393	-	2,402,603
2051	945,757	-	945,757	1,600,000	1,748,360
2052	955,215	-	955,215	-	2,703,575
2053	964,767	-	964,767	1,600,000	2,068,342
2054	974,415	-	974,415	-	3,042,757
2055	984,159	-	984,159	1,600,000	2,426,916
2056	994,001	-	994,001	-	3,420,917
2057	1,003,941	-	1,003,941	1,600,000	2,824,858
2058	1,013,980	-	1,013,980	-	3,838,838
2059	1,024,120	-	1,024,120	1,600,000	3,262,958
2060	1,034,361	-	1,034,361	-	4,297,319

General Fixed Asset Replacement Fund

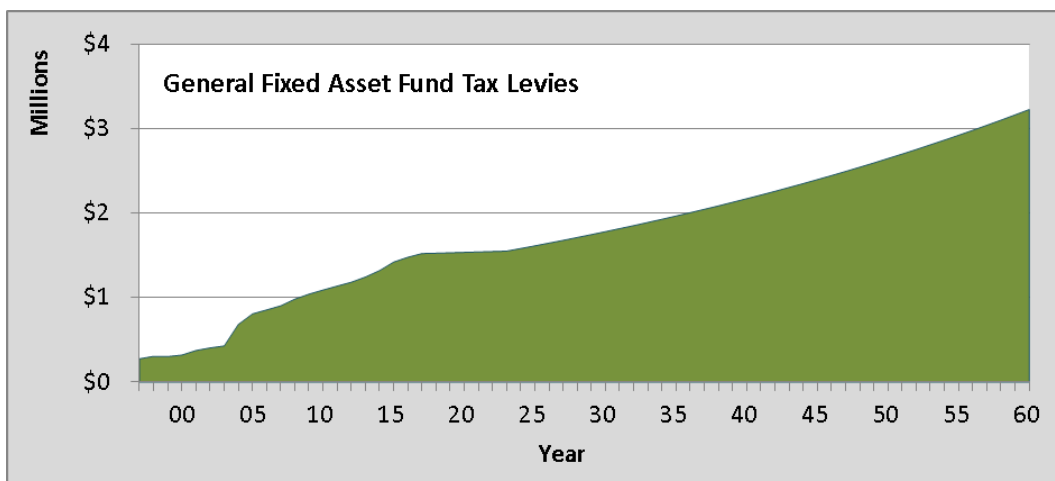
The General Fixed Asset Replacement (GFAR) Fund created in 1989, finances the replacement of all governmental assets. These include fire stations, fire equipment and warning sirens; street signs; community center and city hall buildings and furnishings; building mechanical systems; computer hardware and software; park buildings and improvements; as well as trails and pathways.

Annual tax levies and investment income are designed to cover annual capital replacement costs as well as to build sufficient fund balances for major replacement costs in the future. This approach enables the City to gradually increase tax levies, to accumulate fund balances as a long-term strategy in support replacement costs, and help avoid the issuance of large amounts of debt to finance most replacement needs. The City may choose to issue debt for large scale replacement costs, such as building replacements, because of the cash flow benefits.

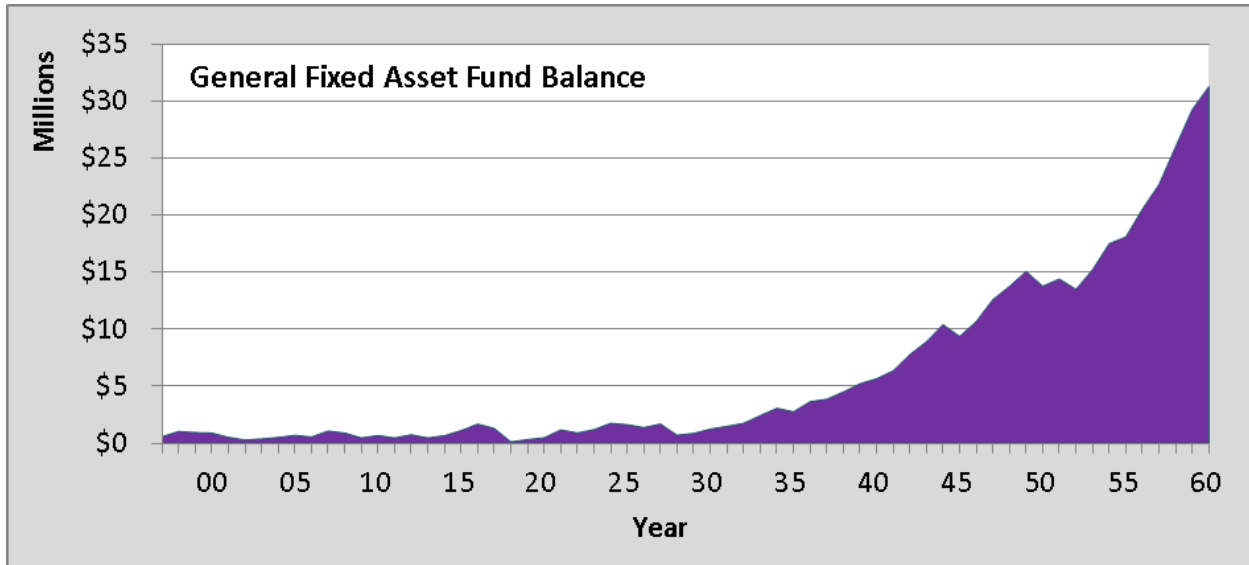
Over the next twenty years, the GFAR Fund will provide for approximately \$28 million in general fixed asset replacements, and will provide an additional \$4.7 million for debt service payments on governmental asset replacements. The first graph below illustrates historical and anticipated replacement costs.



Despite replacement costs that rise and fall sharply, the growth in the GFAR portion of the tax levy is predictable and stable. The next graph (below) illustrates the historical and future GFAR tax levies.



These taxing levels provide a predictable revenue stream with moderate increases in this portion of the tax levy, while fund balance is allowed to fluctuate. As shown in the graph below, despite varying needs for capital replacements, and slow predictable growth in the GFAR portion of the tax levy, the City is able to support projected replacement costs and increase the fund balance to a level that will improve the City's flexibility with regard to the timing of replacement costs.



Because projected capital costs are less certain further into the future, it is likely that long-term fund balance projections will be lower.

General Fixed Asset Replacement Fund
Operating Summary

Year	Revenue		Expense		Fund Balance
	Tax Levy	Interest Earnings	Replacement Costs	Transfers Out	
2017	\$ 1,521,484	\$ 7,000	\$ 1,731,662	\$ 180,000	\$ 1,318,134
2018	1,525,000	7,000	2,538,048	180,000	132,086
2019	1,530,000	14,000	956,143	380,000	339,943
2020	1,535,000	25,000	1,022,960	380,000	496,983
2021	1,540,000	32,000	506,000	380,000	1,182,983
2022	1,545,000	32,000	1,459,600	380,000	920,383
2023	1,550,000	32,000	1,092,700	200,000	1,209,683
2024	1,581,000	26,000	853,310	200,000	1,763,373
2025	1,612,600	53,000	1,587,600	200,000	1,641,373
2026	1,644,900	49,000	1,745,300	200,000	1,389,973
2027	1,677,800	43,000	1,202,100	200,000	1,708,673
2028	1,711,400	49,000	2,544,900	200,000	724,173
2029	1,745,600	23,000	1,414,200	200,000	878,573
2030	1,780,500	28,000	1,225,600	200,000	1,261,473
2031	1,816,100	39,000	1,422,000	200,000	1,494,573
2032	1,852,400	46,000	1,430,400	200,000	1,762,573
2033	1,889,400	55,000	1,065,200	200,000	2,441,773
2034	1,927,200	76,000	1,162,500	200,000	3,082,473
2035	1,965,700	92,000	2,169,600	200,000	2,770,573
2036	2,005,000	86,000	997,700	200,000	3,663,873
2037	2,045,100	111,000	1,747,300	200,000	3,872,673
2038	2,086,000	118,000	1,367,290	200,000	4,509,383
2039	2,127,700	137,000	1,536,300	-	5,237,783
2040	2,170,300	158,000	1,898,400	-	5,667,683
2041	2,213,700	172,000	1,685,100	-	6,368,283
2042	2,258,000	195,000	1,029,190	-	7,792,093
2043	2,303,200	236,000	1,417,200	-	8,914,093
2044	2,349,300	271,000	1,119,700	-	10,414,693
2045	2,396,300	308,000	3,739,200	-	9,379,793
2046	2,444,200	284,000	1,415,000	-	10,692,993
2047	2,493,100	326,000	902,900	-	12,609,193
2048	2,543,000	381,000	1,761,300	-	13,771,893
2049	2,593,900	416,000	1,701,300	-	15,080,493
2050	2,645,800	447,000	4,392,000	-	13,781,293
2051	2,698,700	414,000	2,481,700	-	14,412,293
2052	2,752,700	428,000	4,088,900	-	13,504,093
2053	2,807,800	409,000	1,493,400	-	15,227,493
2054	2,864,000	462,000	1,050,800	-	17,502,693
2055	2,921,300	525,000	2,851,200	-	18,097,793
2056	2,979,700	549,000	1,087,000	-	20,539,493
2057	3,039,300	621,000	1,497,800	-	22,701,993
2058	3,100,100	689,000	475,500	-	26,015,593
2059	3,162,100	788,000	689,700	-	29,275,993
2060	3,225,300	882,000	2,108,900	-	31,274,393

General Fixed Asset Replacement Fund
Capital Summary

Year	Estimated Replacements							Transfer Out to Debt Funds	Total Expense
	Fire Stations & Equip	Warning Sirens	Info. Systems	Municipal Buildings	Park Facilities	Trails & Pathways	Total Costs		
2017	\$ 559,178	\$ 40,000	\$ 279,648	\$ 364,711	\$ 408,125	\$ 80,000	\$ 1,731,662	\$ 180,000	\$ 1,911,662
2018	180,048	35,000	210,000	1,840,000	193,000	80,000	2,538,048	180,000	2,718,048
2019	72,143	-	174,000	225,000	405,000	80,000	956,143	380,000	1,336,143
2020	128,960	-	260,000	283,000	271,000	80,000	1,022,960	380,000	1,402,960
2021	62,000	18,000	33,000	253,000	60,000	80,000	506,000	380,000	886,000
2022	465,000	-	39,000	420,000	354,000	181,600	1,459,600	380,000	1,839,600
2023	139,500	18,000	128,000	544,000	180,000	83,200	1,092,700	200,000	1,292,700
2024	28,410	20,000	107,000	555,000	58,000	84,900	853,310	200,000	1,053,310
2025	40,000	-	89,000	935,000	437,000	86,600	1,587,600	200,000	1,787,600
2026	1,142,000	-	94,000	286,000	135,000	88,300	1,745,300	200,000	1,945,300
2027	40,000	-	167,000	385,000	520,000	90,100	1,202,100	200,000	1,402,100
2028	1,515,000	25,000	94,000	459,000	360,000	91,900	2,544,900	200,000	2,744,900
2029	287,500	-	389,000	297,000	347,000	93,700	1,414,200	200,000	1,614,200
2030	28,000	-	107,000	747,000	123,000	220,600	1,225,600	200,000	1,425,600
2031	289,300	-	89,000	786,200	160,000	97,500	1,422,000	200,000	1,622,000
2032	451,900	-	94,000	580,000	205,000	99,500	1,430,400	200,000	1,630,400
2033	108,000	-	102,000	508,700	245,000	101,500	1,065,200	200,000	1,265,200
2034	30,000	-	94,000	660,000	275,000	103,500	1,162,500	200,000	1,362,500
2035	1,178,000	-	89,000	518,000	279,000	105,600	2,169,600	200,000	2,369,600
2036	98,000	-	107,000	490,000	195,000	107,700	997,700	200,000	1,197,700
2037	687,400	85,000	154,000	405,000	306,000	109,900	1,747,300	200,000	1,947,300
2038	135,190	-	94,000	627,000	259,000	252,100	1,367,290	200,000	1,567,290
2039	140,000	16,000	102,000	780,000	384,000	114,300	1,536,300	-	1,536,300
2040	89,800	33,000	102,000	906,000	494,000	273,600	1,898,400	-	1,898,400
2041	852,500	34,000	94,000	485,700	100,000	118,900	1,685,100	-	1,685,100
2042	197,890	35,000	112,000	448,000	115,000	121,300	1,029,190	-	1,029,190
2043	51,000	-	97,000	710,500	435,000	123,700	1,417,200	-	1,417,200
2044	257,500	35,000	102,000	415,000	184,000	126,200	1,119,700	-	1,119,700
2045	139,500	-	107,000	2,031,000	1,159,000	302,700	3,739,200	-	3,739,200
2046	337,700	35,000	99,000	463,000	349,000	131,300	1,415,000	-	1,415,000
2047	162,000	-	162,000	365,000	80,000	133,900	902,900	-	902,900
2048	486,800	40,000	115,000	431,900	551,000	136,600	1,761,300	-	1,761,300
2049	148,000	45,000	462,000	655,000	252,000	139,300	1,701,300	-	1,701,300
2050	117,900	-	101,000	3,096,000	935,000	142,100	4,392,000	-	4,392,000
2051	1,690,800	-	111,000	320,000	215,000	144,900	2,481,700	-	2,481,700
2052	1,352,100	-	104,000	1,206,000	1,089,000	337,800	4,088,900	-	4,088,900
2053	164,900	-	96,000	636,700	445,000	150,800	1,493,400	-	1,493,400
2054	40,000	-	115,000	580,000	162,000	153,800	1,050,800	-	1,050,800
2055	823,300	-	101,000	1,004,000	556,000	366,900	2,851,200	-	2,851,200
2056	41,000	-	106,000	455,000	325,000	160,000	1,087,000	-	1,087,000
2057	941,600	75,000	118,000	100,000	100,000	163,200	1,497,800	-	1,497,800
2058	42,000	-	106,000	146,000	15,000	166,500	475,500	-	475,500
2059	228,900	-	106,000	55,000	130,000	169,800	689,700	-	689,700
2060	972,700	-	118,000	55,000	790,000	173,200	2,108,900	-	2,108,900

General Fixed Asset Replacement Fund
Capital Summary - Fire Equipment, Vehicles and Stations

Year	Shoreview share 60.7%		Breathing Apparatus	Radio System	Other Equipment	Vehicles	Total Fire Equipment & Buildings
	Buildings	Parking/Driveways Station #3 Station #4					
2017	\$ 17,670	\$ - \$ -	\$ -	\$41,540	\$ 13,268	\$ 486,700	\$ 559,178
2018	40,300	- -	-	9,300	9,548	120,900	180,048
2019	24,800	- -	2,790	-	4,960	39,593	72,143
2020	-	- -	-	-	-	128,960	128,960
2021	-	- -	-	-	-	62,000	62,000
2022	-	- -	-	-	-	465,000	465,000
2023	-	- -	-	-	-	139,500	139,500
2024	25,000	- -	-	-	3,410	-	28,410
2025	40,000	- -	-	-	-	-	40,000
2026	26,000	- -	-	-	-	1,116,000	1,142,000
2027	40,000	- -	-	-	-	-	40,000
2028	27,000	- -	-	-	-	1,488,000	1,515,000
2029	40,000	- -	-	75,000	8,000	164,500	287,500
2030	28,000	- -	-	-	-	-	28,000
2031	40,000	- -	241,300	-	8,000	-	289,300
2032	29,000	- -	-	-	-	422,900	451,900
2033	40,000	- -	-	-	9,000	59,000	108,000
2034	30,000	- -	-	-	-	-	30,000
2035	40,000	- -	-	-	9,000	1,129,000	1,178,000
2036	31,000	- -	-	-	-	67,000	98,000
2037	40,000	- -	-	-	10,000	637,400	687,400
2038	32,000	103,190	-	-	-	-	135,190
2039	40,000	- -	90,000	-	10,000	-	140,000
2040	33,000	- -	-	-	-	56,800	89,800
2041	40,000	- -	-	-	11,000	801,500	852,500
2042	34,000	- 163,890	-	-	-	-	197,890
2043	40,000	- -	-	-	11,000	-	51,000
2044	35,000	- -	-	-	-	222,500	257,500
2045	40,000	- -	-	-	12,000	87,500	139,500
2046	36,000	- -	301,700	-	-	-	337,700
2047	40,000	- -	-	110,000	12,000	-	162,000
2048	37,000	- -	-	-	-	449,800	486,800
2049	40,000	- -	-	-	13,000	95,000	148,000
2050	38,000	- -	-	-	-	79,900	117,900
2051	40,000	- -	110,000	-	13,000	1,527,800	1,690,800
2052	39,000	- -	-	-	-	1,313,100	1,352,100
2053	40,000	- -	-	-	14,000	110,900	164,900
2054	40,000	- -	-	-	-	-	40,000
2055	40,000	- -	-	-	14,000	769,300	823,300
2056	41,000	- -	-	-	-	-	41,000
2057	41,000	- -	-	-	15,000	885,600	941,600
2058	42,000	- -	-	-	-	-	42,000
2059	42,000	- -	-	-	15,000	171,900	228,900
2060	43,000	- -	-	-	-	929,700	972,700

General Fixed Asset Replacement Fund
Capital Summary - Warning Sirens

By Siren Number and Location													
Year	#1	#2	#3	#4	#5	#6	#7	#8	LC		VH		Total Siren Costs
	Maint Center	Sherwd Road	Lake Judy	Victoria & 694	Turtle Lake School	Well #6	Rice Crk Park/ Pkvw Dr	Shamrock Park	50% of cost		Rice & Country Dr	Rice & Snl Lk Rd	
2017	\$ -	\$ -	\$ 20,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 10,000	\$ 5,000	\$ 5,000	\$ 40,000
2018	-	-	-	-	-	-	-	-	-	-	-	35,000	35,000
2019	-	-	-	-	-	-	-	-	-	-	-	-	-
2020	-	-	-	-	-	-	-	-	-	-	-	-	-
2021	-	-	-	-	-	18,000	-	-	-	-	-	-	18,000
2022	-	-	-	-	-	-	-	-	-	-	-	-	-
2023	-	-	-	-	-	-	18,000	-	-	-	-	-	18,000
2024	20,000	-	-	-	-	-	-	-	-	-	-	-	20,000
2025	-	-	-	-	-	-	-	-	-	-	-	-	-
2026	-	-	-	-	-	-	-	-	-	-	-	-	-
2027	-	-	-	-	-	-	-	-	-	-	-	-	-
2028	-	-	-	-	-	-	-	25,000	-	-	-	-	25,000
2029	-	-	-	-	-	-	-	-	-	-	-	-	-
2030	-	-	-	-	-	-	-	-	-	-	-	-	-
2031	-	-	-	-	-	-	-	-	-	-	-	-	-
2032	-	-	-	-	-	-	-	-	-	-	-	-	-
2033	-	-	-	-	-	-	-	-	-	-	-	-	-
2034	-	-	-	-	-	-	-	-	-	-	-	-	-
2035	-	-	-	-	-	-	-	-	-	-	-	-	-
2036	-	-	-	-	-	-	-	-	-	-	-	-	-
2037	-	-	-	-	-	-	-	-	-	15,000	-	70,000	85,000
2038	-	-	-	-	-	-	-	-	-	-	-	-	-
2039	-	-	-	-	-	-	-	-	-	-	16,000	-	16,000
2040	-	-	-	33,000	-	-	-	-	-	-	-	-	33,000
2041	-	-	-	-	34,000	-	-	-	-	-	-	-	34,000
2042	-	-	35,000	-	-	-	-	-	-	-	-	-	35,000
2043	-	-	-	-	-	-	-	-	-	-	-	-	-
2044	-	35,000	-	-	-	-	-	-	-	-	-	-	35,000
2045	-	-	-	-	-	-	-	-	-	-	-	-	-
2046	-	-	-	-	-	35,000	-	-	-	-	-	-	35,000
2047	-	-	-	-	-	-	-	-	-	-	-	-	-
2048	-	-	-	-	-	-	-	40,000	-	-	-	-	40,000
2049	45,000	-	-	-	-	-	-	-	-	-	-	-	45,000
2050	-	-	-	-	-	-	-	-	-	-	-	-	-
2051	-	-	-	-	-	-	-	-	-	-	-	-	-
2052	-	-	-	-	-	-	-	-	-	-	-	-	-
2053	-	-	-	-	-	-	-	-	-	-	-	-	-
2054	-	-	-	-	-	-	-	-	-	-	-	-	-
2055	-	-	-	-	-	-	-	-	-	-	-	-	-
2056	-	-	-	-	-	-	-	-	-	-	-	-	-
2057	-	-	-	-	-	-	-	-	-	-	-	75,000	75,000
2058	-	-	-	-	-	-	-	-	-	-	-	-	-
2059	-	-	-	-	-	-	-	-	-	-	-	-	-
2060	-	-	-	-	-	-	-	-	-	-	-	-	-

General Fixed Asset Replacement Fund
Capital Summary - Information Systems

Year	Computers	Printers	Servers	Security Systems	Recovery/ Backup	Communica-tions	LAN/ Network	Specialized Software	Other	Estimated Replacement Cost
2017	\$ 10,000	\$ 4,000	\$ -	\$ 5,552	\$ 7,166	\$ -	\$ 8,000	\$242,930	\$ 2,000	\$ 279,648
2018	12,000	2,000	54,000	23,000	-	60,000	28,000	10,000	21,000	210,000
2019	12,000	24,000	-	16,000	-	-	113,000	5,000	4,000	174,000
2020	12,000	12,000	36,000	6,000	180,000	5,000	8,000	-	1,000	260,000
2021	10,000	2,000	-	6,000	-	2,000	8,000	5,000	-	33,000
2022	10,000	4,000	-	16,000	-	-	8,000	-	1,000	39,000
2023	10,000	8,000	54,000	6,000	-	10,000	35,000	5,000	-	128,000
2024	24,000	12,000	30,000	2,000	11,000	7,000	8,000	-	13,000	107,000
2025	24,000	12,000	25,000	2,000	-	5,000	8,000	-	13,000	89,000
2026	24,000	12,000	30,000	2,000	-	5,000	8,000	-	13,000	94,000
2027	24,000	12,000	25,000	2,000	9,000	7,000	8,000	-	80,000	167,000
2028	24,000	12,000	30,000	2,000	-	5,000	8,000	-	13,000	94,000
2029	26,000	12,000	25,000	2,000	-	7,000	4,000	300,000	13,000	389,000
2030	26,000	12,000	30,000	2,000	9,000	7,000	8,000	-	13,000	107,000
2031	26,000	12,000	25,000	2,000	-	5,000	6,000	-	13,000	89,000
2032	26,000	12,000	30,000	2,000	-	5,000	6,000	-	13,000	94,000
2033	26,000	12,000	25,000	2,000	9,000	7,000	8,000	-	13,000	102,000
2034	28,000	12,000	30,000	2,000	-	4,000	5,000	-	13,000	94,000
2035	28,000	12,000	25,000	2,000	-	4,000	5,000	-	13,000	89,000
2036	28,000	12,000	30,000	2,000	7,000	7,000	8,000	-	13,000	107,000
2037	28,000	12,000	23,000	2,000	-	4,000	5,000	-	80,000	154,000
2038	28,000	12,000	30,000	2,000	-	4,000	5,000	-	13,000	94,000
2039	30,000	12,000	25,000	2,000	5,000	7,000	8,000	-	13,000	102,000
2040	30,000	12,000	30,000	2,000	-	7,000	8,000	-	13,000	102,000
2041	30,000	12,000	25,000	2,000	-	7,000	5,000	-	13,000	94,000
2042	30,000	12,000	30,000	2,000	13,000	7,000	5,000	-	13,000	112,000
2043	30,000	12,000	25,000	2,000	-	7,000	8,000	-	13,000	97,000
2044	32,000	12,000	30,000	2,000	-	5,000	8,000	-	13,000	102,000
2045	32,000	12,000	25,000	2,000	11,000	7,000	5,000	-	13,000	107,000
2046	32,000	12,000	30,000	2,000	-	5,000	5,000	-	13,000	99,000
2047	32,000	12,000	23,000	2,000	-	5,000	8,000	-	80,000	162,000
2048	32,000	12,000	30,000	2,000	11,000	7,000	8,000	-	13,000	115,000
2049	34,000	12,000	25,000	2,000	-	5,000	5,000	366,000	13,000	462,000
2050	34,000	12,000	30,000	2,000	-	5,000	5,000	-	13,000	101,000
2051	34,000	12,000	25,000	2,000	12,000	5,000	8,000	-	13,000	111,000
2052	34,000	12,000	30,000	2,000	-	5,000	8,000	-	13,000	104,000
2053	34,000	12,000	25,000	2,000	-	5,000	5,000	-	13,000	96,000
2054	36,000	12,000	30,000	2,000	12,000	5,000	5,000	-	13,000	115,000
2055	36,000	12,000	25,000	2,000	-	5,000	8,000	-	13,000	101,000
2056	36,000	12,000	30,000	2,000	-	5,000	8,000	-	13,000	106,000
2057	36,000	12,000	30,000	2,000	12,000	5,000	8,000	-	13,000	118,000
2058	36,000	12,000	30,000	2,000	-	5,000	8,000	-	13,000	106,000
2059	36,000	12,000	30,000	2,000	-	5,000	8,000	-	13,000	106,000
2060	36,000	12,000	30,000	2,000	12,000	5,000	8,000	-	13,000	118,000

General Fixed Asset Replacement Fund

Capital Summary - Municipal Buildings (including city hall and community center)

Year	Mechanicals, Roof & Exterior	Carpet	Banquet Rooms	Pool Equip Water Treatment Pool Stairs Water Features	All Other Equipment	Locker Rooms and Other Replacement Allowances	Total Building Replacement Costs
2017	\$ -	\$ -	\$ 142,045	\$ 41,050	\$ 59,725	\$ 121,891	\$ 364,711
2018	1,130,000	121,000	20,000	391,000	133,000	45,000	1,840,000
2019	-	-	20,000	40,000	150,000	15,000	225,000
2020	-	-	90,000	110,000	50,000	33,000	283,000
2021	-	95,000	20,000	68,000	70,000	-	253,000
2022	-	-	15,000	330,000	75,000	-	420,000
2023	50,000	-	15,000	100,000	50,000	329,000	544,000
2024	-	102,000	60,000	43,000	50,000	300,000	555,000
2025	550,000	-	70,000	20,000	75,000	220,000	935,000
2026	-	-	-	-	131,000	155,000	286,000
2027	-	-	-	10,000	75,000	300,000	385,000
2028	-	184,000	15,000	50,000	50,000	160,000	459,000
2029	-	-	50,000	32,000	50,000	165,000	297,000
2030	281,000	-	90,000	126,000	50,000	200,000	747,000
2031	-	56,000	129,000	106,000	280,000	215,200	786,200
2032	-	-	-	330,000	80,000	170,000	580,000
2033	-	-	-	243,700	50,000	215,000	508,700
2034	300,000	65,000	15,000	55,000	50,000	175,000	660,000
2035	-	95,000	60,000	20,000	80,000	263,000	518,000
2036	-	-	-	-	190,000	300,000	490,000
2037	-	-	75,000	65,000	80,000	185,000	405,000
2038	-	161,000	75,000	-	206,000	185,000	627,000
2039	525,000	-	-	10,000	55,000	190,000	780,000
2040	-	-	115,000	316,000	285,000	190,000	906,000
2041	-	-	-	95,000	55,000	335,700	485,700
2042	-	105,000	-	58,000	90,000	195,000	448,000
2043	-	-	15,000	220,500	55,000	420,000	710,500
2044	-	60,000	-	-	55,000	300,000	415,000
2045	1,331,000	68,000	215,000	10,000	90,000	317,000	2,031,000
2046	-	-	85,000	73,000	100,000	205,000	463,000
2047	-	-	-	65,000	90,000	210,000	365,000
2048	-	65,000	-	101,900	55,000	210,000	431,900
2049	-	110,000	15,000	260,000	55,000	215,000	655,000
2050	255,000	58,000	120,000	228,000	220,000	2,215,000	3,096,000
2051	-	-	-	45,000	55,000	220,000	320,000
2052	-	72,000	95,000	724,000	95,000	220,000	1,206,000
2053	-	-	80,000	276,700	55,000	225,000	636,700
2054	-	70,000	-	-	110,000	400,000	580,000
2055	89,000	115,000	85,000	10,000	355,000	350,000	1,004,000
2056	-	-	-	-	55,000	400,000	455,000
2057	-	-	-	20,000	80,000	-	100,000
2058	-	76,000	15,000	-	55,000	-	146,000
2059	-	-	-	-	55,000	-	55,000
2060	-	-	-	-	55,000	-	55,000

General Fixed Asset Replacement Fund
Capital Summary - Park Facilities

Year	Buildings	Picnic Shelters	Playground Equipment	Pavement			Misc. Items	Total All Parks	
				Courts	Parking/ Driveway	Fencing/ Backboards			
2017	\$ -	\$ -	\$ 8,750	\$ 30,000	\$ 293,000	\$ 27,300	\$ -	\$ 49,075	\$ 408,125
2018	-	30,000	55,000	50,000	-	-	28,000	30,000	193,000
2019	15,000	-	90,000	40,000	-	55,000	-	205,000	405,000
2020	13,000	-	190,000	40,000	-	-	28,000	-	271,000
2021	-	-	-	-	-	60,000	-	-	60,000
2022	15,000	-	230,000	55,000	-	25,000	29,000	-	354,000
2023	-	-	-	80,000	-	-	-	100,000	180,000
2024	18,000	-	-	40,000	-	-	-	-	58,000
2025	62,000	-	-	-	375,000	-	-	-	437,000
2026	-	-	-	-	-	35,000	-	100,000	135,000
2027	-	-	-	45,000	375,000	-	-	100,000	520,000
2028	15,000	-	100,000	85,000	-	-	-	160,000	360,000
2029	27,000	20,000	-	55,000	200,000	45,000	-	-	347,000
2030	30,000	-	-	40,000	-	-	-	53,000	123,000
2031	15,000	-	-	45,000	-	-	27,000	73,000	160,000
2032	33,000	-	-	45,000	-	60,000	-	67,000	205,000
2033	-	-	185,000	-	-	-	-	60,000	245,000
2034	55,000	-	120,000	-	-	-	-	100,000	275,000
2035	52,000	-	95,000	90,000	-	-	42,000	-	279,000
2036	-	-	-	95,000	-	-	-	100,000	195,000
2037	15,000	-	130,000	61,000	-	-	-	100,000	306,000
2038	-	-	144,000	65,000	-	-	-	50,000	259,000
2039	-	89,000	-	50,000	105,000	140,000	-	-	384,000
2040	35,000	38,000	142,000	50,000	-	164,000	-	65,000	494,000
2041	-	-	-	-	-	-	-	100,000	100,000
2042	-	-	115,000	-	-	-	-	-	115,000
2043	15,000	-	-	60,000	260,000	-	-	100,000	435,000
2044	33,000	-	-	110,000	-	-	41,000	-	184,000
2045	84,000	-	-	73,000	790,000	-	-	212,000	1,159,000
2046	15,000	-	-	60,000	164,000	-	36,000	74,000	349,000
2047	-	-	-	80,000	-	-	-	-	80,000
2048	49,000	-	142,000	60,000	200,000	-	-	100,000	551,000
2049	64,000	30,000	-	-	-	60,000	98,000	-	252,000
2050	20,000	-	-	-	750,000	165,000	-	-	935,000
2051	-	-	-	75,000	-	-	40,000	100,000	215,000
2052	75,000	-	144,000	120,000	750,000	-	-	-	1,089,000
2053	-	-	265,000	80,000	-	-	-	100,000	445,000
2054	-	-	-	80,000	82,000	-	-	-	162,000
2055	96,000	-	325,000	85,000	-	-	-	50,000	556,000
2056	-	-	155,000	70,000	-	-	-	100,000	325,000
2057	-	-	-	-	-	-	-	100,000	100,000
2058	15,000	-	-	-	-	-	-	-	15,000
2059	-	40,000	-	80,000	-	-	-	10,000	130,000
2060	-	-	-	215,000	400,000	-	-	175,000	790,000

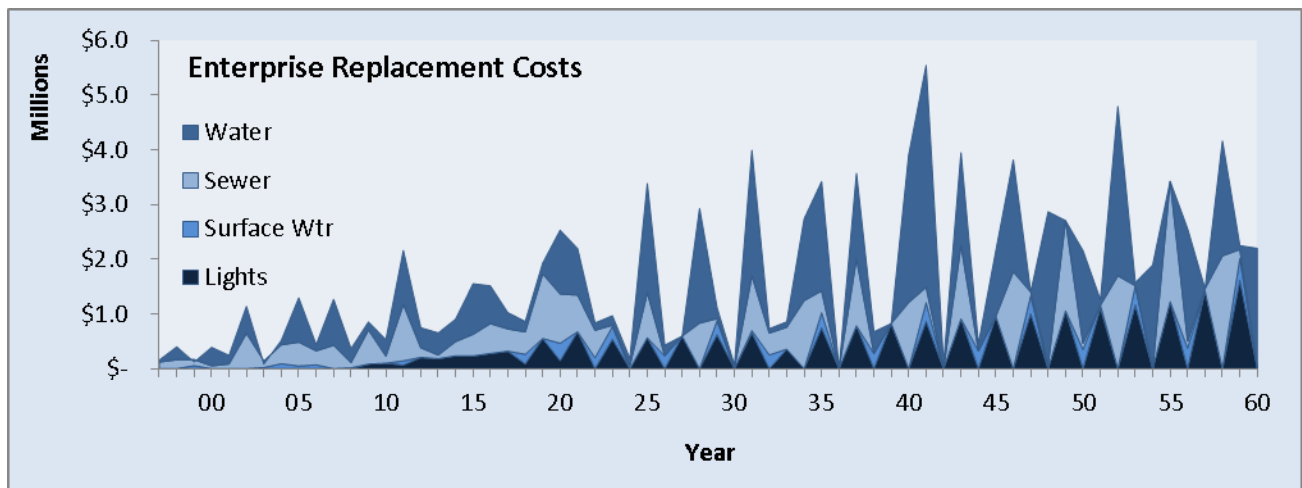
**General Fixed Asset Replacement Fund
Capital Summary - Trails and Pathways**

Year	Park	Description	Trail Rehabilitation & Replacement		Total Cost
			Rehab.	Replace	
2017	Allowance	Asphalt path	\$ 80,000	\$ -	\$ 80,000
2018	Allowance	Asphalt path	80,000	-	80,000
2019	Allowance	Asphalt path	80,000	-	80,000
2020	Allowance	Asphalt path	80,000	-	80,000
2021	Allowance	Asphalt path	80,000	-	80,000
2022	Allowance	Asphalt path	81,600	100,000	181,600
2023	Allowance	Asphalt path	83,200	-	83,200
2024	Allowance	Asphalt path	84,900	-	84,900
2025	Allowance	Asphalt path	86,600	-	86,600
2026	Allowance	Asphalt path	88,300	-	88,300
2027	Allowance	Asphalt path	90,100	-	90,100
2028	Allowance	Asphalt path	91,900	-	91,900
2029	Allowance	Asphalt path	93,700	-	93,700
2030	Allowance	Asphalt path	95,600	125,000	220,600
2031	Allowance	Asphalt path	97,500	-	97,500
2032	Allowance	Asphalt path	99,500	-	99,500
2033	Allowance	Asphalt path	101,500	-	101,500
2034	Allowance	Asphalt path	103,500	-	103,500
2035	Allowance	Asphalt path	105,600	-	105,600
2036	Allowance	Asphalt path	107,700	-	107,700
2037	Allowance	Asphalt path	109,900	-	109,900
2038	Allowance	Asphalt path	112,100	140,000	252,100
2039	Allowance	Asphalt path	114,300	-	114,300
2040	Allowance	Asphalt path	116,600	157,000	273,600
2041	Allowance	Asphalt path	118,900	-	118,900
2042	Allowance	Asphalt path	121,300	-	121,300
2043	Allowance	Asphalt path	123,700	-	123,700
2044	Allowance	Asphalt path	126,200	-	126,200
2045	Allowance	Asphalt path	128,700	174,000	302,700
2046	Allowance	Asphalt path	131,300	-	131,300
2047	Allowance	Asphalt path	133,900	-	133,900
2048	Allowance	Asphalt path	136,600	-	136,600
2049	Allowance	Asphalt path	139,300	-	139,300
2050	Allowance	Asphalt path	142,100	-	142,100
2051	Allowance	Asphalt path	144,900	-	144,900
2052	Allowance	Asphalt path	147,800	190,000	337,800
2053	Allowance	Asphalt path	150,800	-	150,800
2054	Allowance	Asphalt path	153,800	-	153,800
2055	Allowance	Asphalt path	156,900	210,000	366,900
2056	Allowance	Asphalt path	160,000	-	160,000
2057	Allowance	Asphalt path	163,200	-	163,200
2058	Allowance	Asphalt path	166,500	-	166,500
2059	Allowance	Asphalt path	169,800	-	169,800
2060	Allowance	Asphalt path	173,200	-	173,200

Proprietary Funds

Proprietary operations are accounted for through enterprise funds (for utility operations) and internal service funds (for operation of the maintenance center). The infrastructure replacement policy requires preparation of 20-year operating projections at least every 5 years. City staff prepares the analysis in most years, and on occasion an outside consultant is hired to prepare a utility rate study. Both methods include a comprehensive twenty-year analysis of operations and capital costs; and provide a recommendation for utility rates and inter-fund charges (in support of Internal Service operations). The 2017 utility rate study was prepared by staff, and the last study prepared by an outside consultant occurred in 2002.

Enterprise capital costs are financed through a combination of debt issuance and the use of current resources. Over the next twenty years enterprise funds will provide for the replacement of approximately \$33 million in water, sewer and surface water system replacements. The following graph provides an illustration of historical and anticipated replacement costs.



The replacement projections for utility assets, presented in this document, are prepared in aggregate considering the overall age and condition of the assets. Repair and replacement projections are not prepared for specific neighborhoods or projects until the anticipated project is included in the five-year capital improvement program. For example, a review of water and sewer lines indicates that materials used during different stages of Shoreview's development resulted in different expected lives. Lines installed in the 1960's and early 1970's were made of materials that cannot be expected to last as long as the lines installed later in the 1970's and in the 1980's. Newer materials and construction techniques allow us to assume longer life spans for lines installed during the latter stages of the rapid residential growth.

The City's Enterprise Funds include:

- Water Fund
- Sewer Fund
- Surface Water Management Fund
- Street Lighting Fund

Factors considered as part of the annual utility analysis, the FYOP, and periodic 20-year operating projections include:

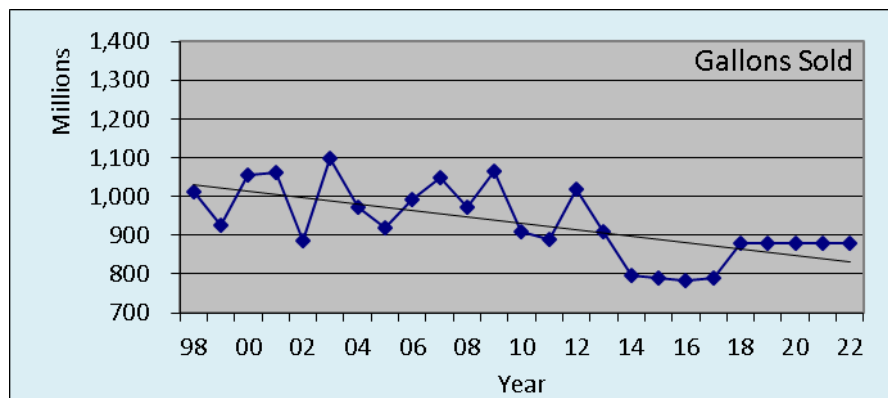
- Cash balances and cash balance objectives
- Debt levels, future debt issuance and debt payments
- New connections to utility services
- Capital costs (additions, repairs and replacements)
- Water consumption trends
- Sewage flows and treatment costs
- Operating costs
- Maintenance strategies

Operating projections provided on the following pages were prepared as part of the City's FYOP, and were compiled based on a number of assumptions; including the rate of inflation, water consumption levels, estimated replacement costs and others. These projections, in conjunction with historical activity, help identify and address potential changes in advance, provide the basis for the operating projections, and influence utility rate adjustments. Establishing utility rates as a long-term strategy helps the City adjust rates gradually whenever possible, reducing the impact in any single year.

Usage Trends

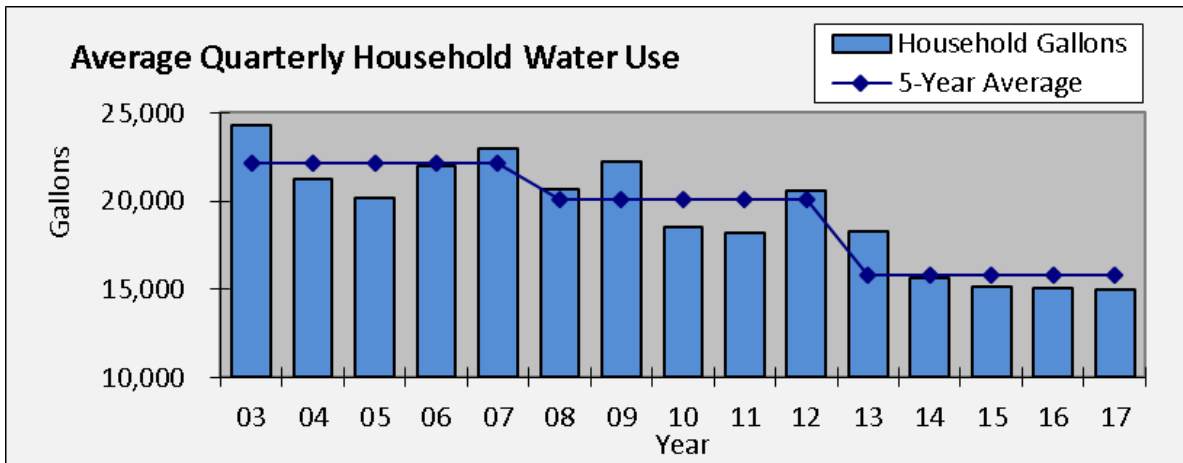
In recent years a combination of weather (rainfall), an aging population, and changes in usage patterns have contributed to an overall decline in average household water use. Although the City expects variations in water consumption from year to year, mainly due to rainfall fluctuations and timing, a trend among residential customers in winter months also demonstrates reduced water consumption.

The graph at right shows the fluctuations in total water use from year to year, and also illustrates an overall trend toward lower water consumption. Major changes from year to year are primarily the result of rainfall, because 50% of water is sold during the four months that make up the growing season.

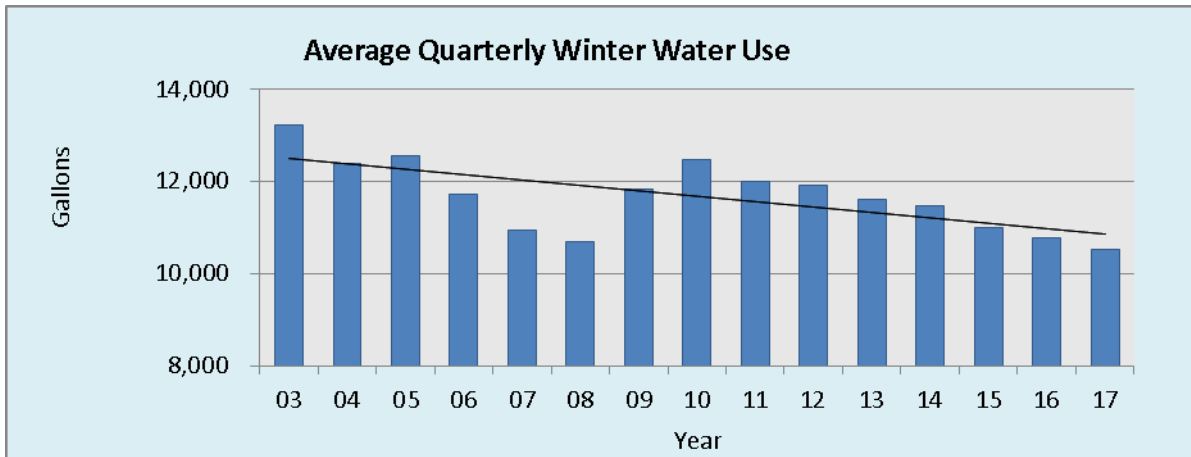


Over the last fifteen years household water use has accounted for 68% to 76% of total gallons consumed. Two graphs provided on the next page illustrate a decline in quarterly household water use.

Average quarterly household water use in the last five years (2013 to 2017) is approximately 21.2 percent lower than the previous 5 years, and about 36.9 percent lower than the late 1990s.



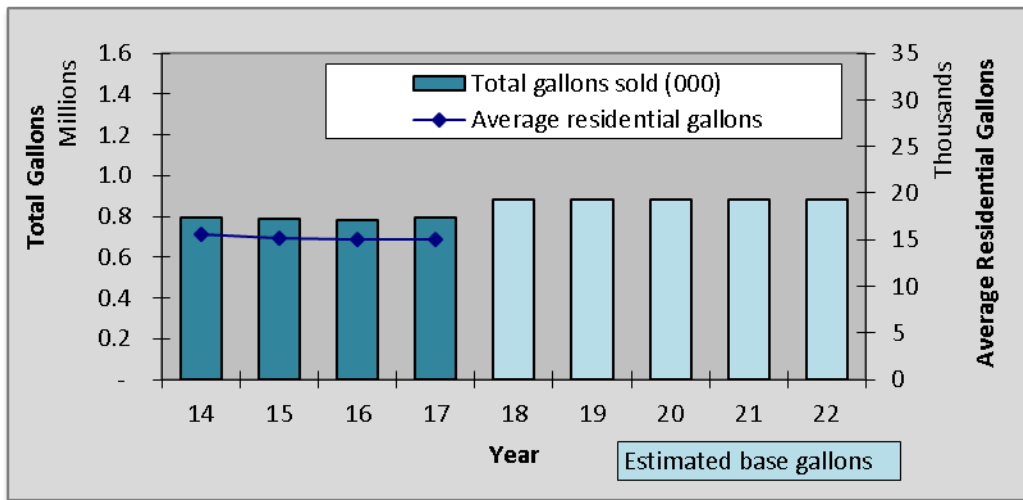
Overall, average quarterly household water use during winter months is also declining. The graph below shows average quarterly winter water use as well as a trend line for winter consumption since 2003.



Water Fund

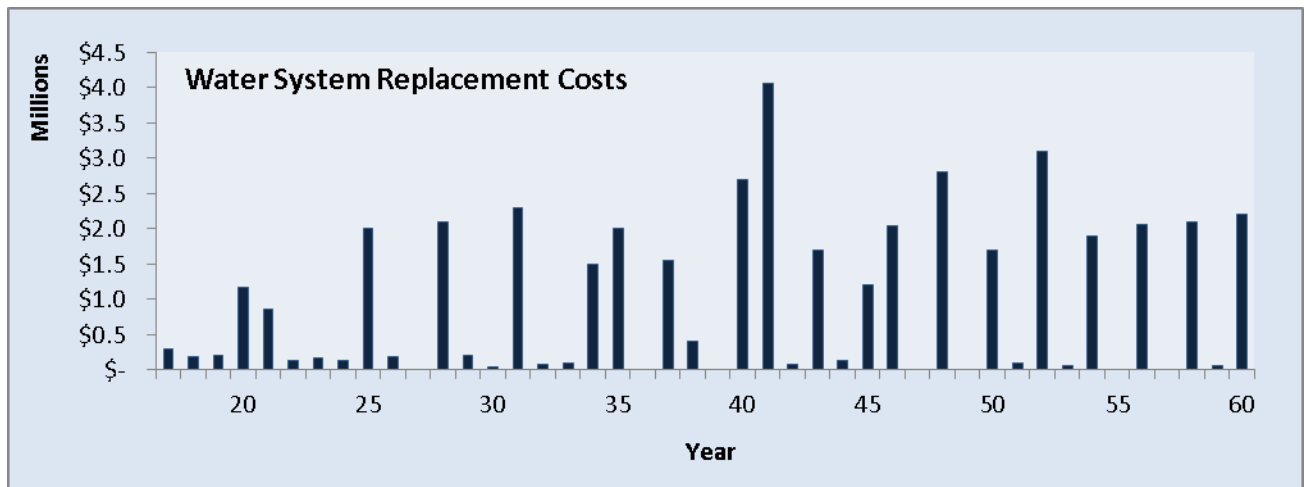
In setting water rates the City expects fluctuations in water consumption from year to year, and the resulting fluctuations in water revenue. Revenue projections utilize a “base year” approach for estimating gallons sold, which enables the City to set rates at levels that support operations, without allowing temporary fluctuations in revenue to increase gallon projections.

Due to the historical trend toward reduced water consumption, the “base year” gallon estimate is set near record low water consumption, and is projected to remain low in the future.



Despite the challenges that fluctuating water consumption can cause, the operating projections on the next page show that planned adjustments to the City’s water rates will adequately support operations and capital costs with operating and overall net gains in all years.

Significant water system costs for the near future include water line replacements and rehabilitation of the north tower.



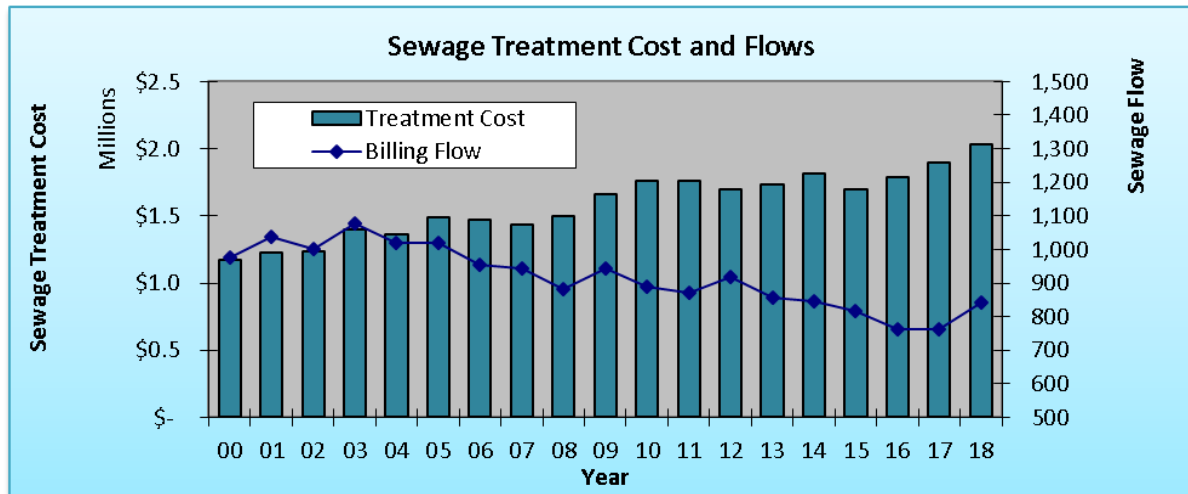
Water Fund	2017 Estimate	2018 Budget	2019 Budget	2020 Projected	2021 Projected	2022 Projected
Revenue						
Utility Charges	\$ 3,094,000	\$ 3,718,000	\$ 3,868,000	\$ 4,027,000	\$ 4,187,000	\$ 4,354,000
Water Facility Charges	44,000	9,000	10,000	10,000	10,500	11,000
Other Charges	30,000	26,000	26,500	26,500	27,000	27,500
Total Revenue	3,168,000	3,753,000	3,904,500	4,063,500	4,224,500	4,392,500
Expense						
Enterprise Operations	1,643,402	1,712,268	1,855,804	1,789,918	1,957,612	1,890,745
Depreciation	821,000	960,000	965,000	962,000	978,000	993,000
Total Expense	2,464,402	2,672,268	2,820,804	2,751,918	2,935,612	2,883,745
Operating Income (Loss)	703,598	1,080,732	1,083,696	1,311,582	1,288,888	1,508,755
Other Sources (Uses)						
Interest Earnings	42,000	42,000	45,000	45,000	47,000	47,000
Debt Service	(438,594)	(412,908)	(426,048)	(396,712)	(411,618)	(379,158)
Transfers Out	(395,900)	(383,000)	(393,000)	(406,000)	(413,000)	(423,000)
Net Change	(88,896)	326,824	309,648	553,870	511,270	753,597
Fund Equity, beginning	13,448,325	13,359,429	13,686,253	13,995,901	14,549,771	15,061,041
Fund Equity, ending	\$ 13,359,429	\$ 13,686,253	\$ 13,995,901	\$ 14,549,771	\$ 15,061,041	\$ 15,814,638
Months of operating coverage	8.4	11.3	10.6	12.1	10.5	13.9
Cash balance	\$ 2,908,563	\$ 4,099,387	\$ 3,834,035	\$ 4,616,905	\$ 4,027,175	\$ 5,344,772
Capital costs	\$ 922,900	\$ 431,000	\$ 440,000	\$ 1,173,000	\$ 854,000	\$ 529,000
General transfer percent of assets	0.78%	0.80%	0.81%	0.81%	0.82%	0.83%
Rate Increase	12.0%	4.0%	4.0%	4.0%	4.0%	4.0%
Change in utility charge revenue	11.2%	20.2%	4.0%	4.1%	4.0%	4.0%
Debt issued	\$ -	\$ 1,400,000	\$ -	\$ 1,630,000	\$ -	\$ 1,450,000
Debt payments (principal)	\$ 960,000	\$ 1,065,000	\$ 1,100,000	\$ 1,190,000	\$ 1,225,000	\$ 1,350,000
Debt balance (year end)	\$ 16,940,000	\$ 17,275,000	\$ 16,175,000	\$ 16,615,000	\$ 15,390,000	\$ 15,490,000
Debt Capacity after transfers	\$ (227,896)	\$ 221,824	\$ 174,648	\$ 325,870	\$ 264,270	\$ 396,597
Gallons of water sold (000)	773,647	880,000	880,000	880,000	880,000	880,000
Quarterly residential gallons (avg)	14,996					
Quarterly multi-family gallons (avg)	9,270					

**Water Fund
Capital Summary**

Year	Replacements						Misc. Capital	Total Capital Costs
	Water Lines	Treatment Plant	Wells, Generator, & Controls	Towers/ Reservoir	Additions			
2017	\$ 300,000	\$ -	\$ -	\$ -	\$ 600,000	\$ -	\$ 900,000	
2018	66,000	-	125,000	-	240,000	-	431,000	
2019	75,000	-	125,000	-	240,000	-	440,000	
2020	1,170,000	-	-	-	-	-	1,170,000	
2021	154,000	-	-	700,000	-	-	854,000	
2022	-	-	135,000	-	394,000	-	529,000	
2023	40,000	-	135,000	-	-	-	175,000	
2024	-	-	135,000	-	-	-	135,000	
2025	1,100,000	-	-	900,000	-	-	2,000,000	
2026	-	-	195,000	-	-	-	195,000	
2027	-	-	-	-	-	-	-	
2028	1,300,000	-	-	800,000	3,000,000	-	5,100,000	
2029	-	200,000	-	-	-	-	200,000	
2030	-	-	50,000	-	-	-	50,000	
2031	1,300,000	-	-	1,000,000	-	-	2,300,000	
2032	-	-	-	80,000	-	-	80,000	
2033	-	-	100,000	-	-	-	100,000	
2034	1,500,000	-	-	-	-	-	1,500,000	
2035	-	-	2,000,000	-	-	-	2,000,000	
2036	-	-	-	-	-	-	-	
2037	1,500,000	-	60,000	-	-	-	1,560,000	
2038	-	-	400,000	-	-	-	400,000	
2039	-	-	-	-	-	-	-	
2040	1,700,000	-	-	1,000,000	-	-	2,700,000	
2041	-	4,000,000	60,000	-	-	-	4,060,000	
2042	-	-	-	85,000	-	-	85,000	
2043	1,700,000	-	-	-	-	-	1,700,000	
2044	-	-	130,000	-	-	-	130,000	
2045	-	-	-	1,200,000	-	-	1,200,000	
2046	2,000,000	-	50,000	-	-	-	2,050,000	
2047	-	-	-	-	-	-	-	
2048	1,600,000	-	-	1,200,000	-	-	2,800,000	
2049	-	-	-	-	3,500,000	-	3,500,000	
2050	1,700,000	-	-	-	-	-	1,700,000	
2051	-	-	-	100,000	-	-	100,000	
2052	1,800,000	-	-	1,300,000	-	-	3,100,000	
2053	-	-	60,000	-	-	-	60,000	
2054	1,900,000	-	-	-	-	-	1,900,000	
2055	-	-	-	-	-	-	-	
2056	2,000,000	-	60,000	-	-	-	2,060,000	
2057	-	-	-	-	-	-	-	
2058	2,100,000	-	-	-	-	-	2,100,000	
2059	-	-	70,000	-	-	-	70,000	
2060	2,200,000	-	-	-	-	-	2,200,000	

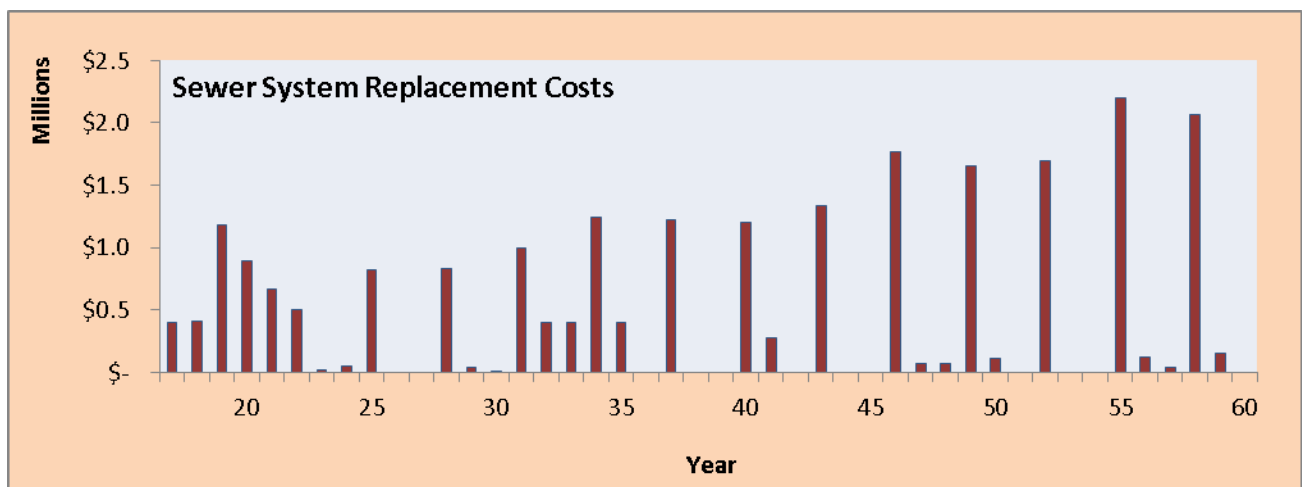
Sewer Fund

The City's Sewer Fund accounts for the collection and treatment of wastewater (sewage) from homes and businesses throughout the community. Sewage is routed or pumped into facilities owned and operated by Metropolitan Council Environmental Services. Sewer rates are designed to reward low volume customers with lower sewer rates, and to charge high volume customers more due to contributing more flow to the sewer system. As shown in the graph below, even though sewage flow has declined, sewage treatment costs have not declined at the same rate.



Groundwater infiltration and storm water inflow, particularly during periods of heavy rain, impact the volume of sewage flow as well. Cracks in sewer lines, openings in manholes, and connections of roof drains to the sewer system allow water to flow directly into sewer pipes, driving up flows and sewage treatment costs. In an effort to reduce sewage flow the City is actively working to evaluate sewer lines and is using relining techniques to repair lines more effectively. The City completed a commercial roof and residential sump pump inspection program in an effort to identify inappropriate discharge into the sewer system and further reduce sewage flows.

The operating projections on the following page show planned adjustments to the City's sewer rates will adequately support operations and capital costs.



Sewer Fund	2017 Estimate	2018 Budget	2019 Budget	2020 Projected	2021 Projected	2022 Projected
Revenue						
Charges for Services	\$ 1,500	\$ 1,500	\$ 1,500	\$ 1,600	\$ 1,600	\$ 1,600
Utility Charges	4,178,000	4,298,000	4,426,000	4,647,000	4,877,000	5,071,000
Sewer Facility Charges	5,000	5,000	5,000	5,000	5,000	5,000
Other Charges	2,500	2,500	2,500	2,500	2,500	2,500
Total Revenue	4,187,000	4,307,000	4,435,000	4,656,100	4,886,100	5,080,100
Expense						
Enterprise Operations	3,526,078	3,575,456	3,761,692	3,986,630	4,187,405	4,404,868
Depreciation	342,000	326,000	344,000	360,000	366,000	362,000
Total Expense	3,868,078	3,901,456	4,105,692	4,346,630	4,553,405	4,766,868
Operating Income (Loss)	318,922	405,544	329,308	309,470	332,695	313,232
Other Sources (Uses)						
Interest Earnings	30,000	30,000	33,000	33,000	35,000	35,000
Debt Service	(75,354)	(68,911)	(81,884)	(73,779)	(130,345)	(121,669)
Transfers Out	(209,900)	(191,000)	(203,000)	(211,000)	(213,000)	(218,000)
Net Change	63,668	175,633	77,424	57,691	24,350	8,563
Fund Equity, beginning	8,065,083	8,128,751	8,304,384	8,381,808	8,439,499	8,463,849
Fund Equity, ending	\$ 8,128,751	\$ 8,304,384	\$ 8,381,808	\$ 8,439,499	\$ 8,463,849	\$ 8,472,412
Months of operating coverage	11.3	12.0	8.7	11.7	9.6	10.8
Cash balance	\$ 3,962,955	\$ 4,454,588	\$ 3,436,012	\$ 4,835,703	\$ 4,262,053	\$ 4,931,616
Capital costs	\$ 427,900	\$ 410,000	\$ 1,180,000	\$ 903,000	\$ 669,000	\$ 501,000
General transfer percent of assets	0.93%	0.93%	0.93%	0.91%	0.91%	0.91%
Rate Increase (middle tier)	3.0%	3.0%	3.0%	5.0%	5.0%	4.0%
Change in utility charge revenue	5.6%	2.9%	3.0%	5.0%	4.9%	4.0%
Debt issued	\$ -	\$ 650,000	\$ -	\$ 2,180,000	\$ -	\$ 1,230,000
Debt payments (principal)	\$ 230,000	\$ 250,000	\$ 260,000	\$ 295,000	\$ 295,000	\$ 430,000
Debt balance (year end)	\$ 2,960,000	\$ 3,360,000	\$ 3,100,000	\$ 4,985,000	\$ 4,690,000	\$ 5,490,000
Debt Capacity after transfers	\$ 175,668	\$ 251,633	\$ 161,424	\$ 122,691	\$ 95,350	\$ (59,437)

**Sewer Fund
Capital Summary**

Year	Replacements				Total Capital Costs
	Sewer Lines	Relining- Televising	Lift Stations	Additions	
2017	\$ 175,000	\$ 200,000	\$ 30,000	\$ -	\$ 405,000
2018	380,000	-	30,000	-	410,000
2019	200,000	950,000	30,000	-	1,180,000
2020	900,000	-	-	-	900,000
2021	594,000	-	75,000	-	669,000
2022	-	471,000	30,000	-	501,000
2023	24,000	-	-	-	24,000
2024	-	-	50,000	-	50,000
2025	-	760,000	60,000	-	820,000
2026	-	-	-	-	-
2027	-	-	-	-	-
2028	-	831,000	-	-	831,000
2029	-	-	40,000	-	40,000
2030	-	-	15,000	-	15,000
2031	-	909,000	90,000	-	999,000
2032	-	-	400,000	-	400,000
2033	-	-	400,000	-	400,000
2034	-	993,000	250,000	-	1,243,000
2035	-	-	400,000	-	400,000
2036	-	-	-	-	-
2037	-	1,086,000	140,000	-	1,226,000
2038	-	-	-	-	-
2039	-	-	-	-	-
2040	-	1,188,000	20,000	-	1,208,000
2041	-	-	280,000	-	280,000
2042	-	-	-	-	-
2043	-	1,299,000	40,000	-	1,339,000
2044	-	-	-	-	-
2045	-	-	-	-	-
2046	-	1,419,000	350,000	-	1,769,000
2047	-	-	70,000	-	70,000
2048	-	-	70,000	-	70,000
2049	-	1,552,000	100,000	-	1,652,000
2050	-	-	110,000	-	110,000
2051	-	-	-	-	-
2052	-	1,696,000	-	-	1,696,000
2053	-	-	-	-	-
2054	-	-	-	-	-
2055	-	1,852,000	350,000	-	2,202,000
2056	-	-	125,000	-	125,000
2057	-	-	40,000	-	40,000
2058	-	2,023,000	40,000	-	2,063,000
2059	-	-	160,000	-	160,000
2060	-	-	-	-	-

Surface Water Management Fund

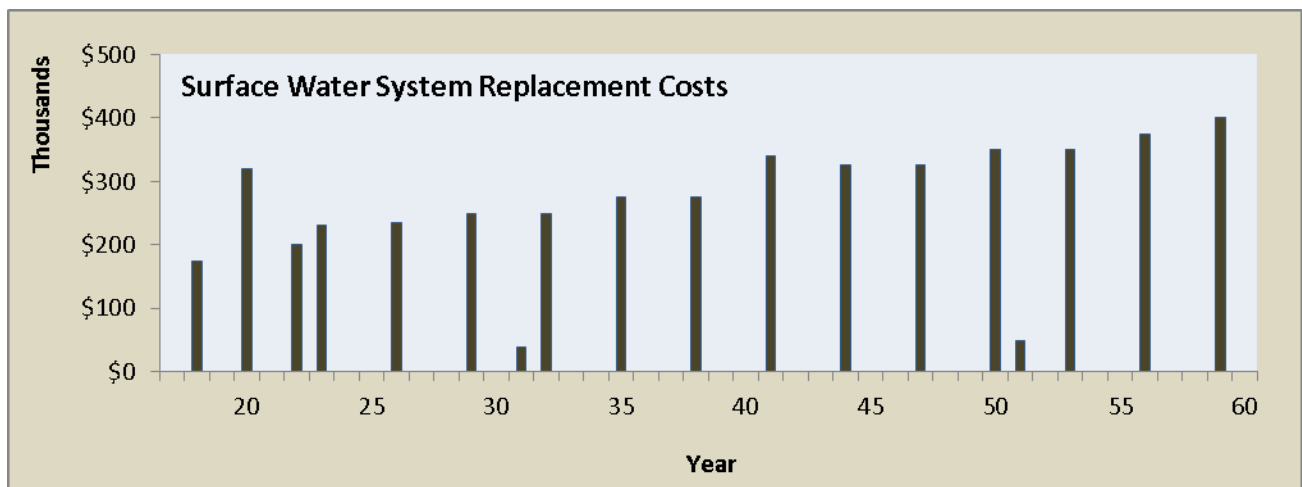
The City's surface water system collects and directs storm water runoff and provides protections for ground water quality. The program is designed to preserve and use natural water storage and retention systems, as much as practical, to reduce capital expenditures necessary to:

- Control excessive volumes and reduce the rate of ground water runoff
- Improve ground water quality
- Prevent flooding and erosion from surface water flows
- Promote ground water recharge
- Protect and enhance fish and wildlife habitat
- Protect lake water quality

The program seeks to prevent flooding and improve ground water quality through utilization of wetlands, ponds and artificial detention areas. Wetland management allows the City to improve water quality and reduce City maintenance efforts through efforts such as sediment removal.

The operating projections, on the next page, show planned adjustments to the City's surface water rates will adequately support operating and capital costs.

Significant surface water system costs planned for the near future include: storm system repairs and replacements, improvements, pond dredging, lift station controls, and storm improvements in conjunction with street renewal projects.



Surface Water Fund	2017 Estimate	2018 Budget	2019 Budget	2020 Projected	2021 Projected	2022 Projected
Revenue						
Utility Charges	\$ 1,717,000	\$ 1,796,000	\$ 1,885,000	\$ 1,978,000	\$ 2,056,000	\$ 2,137,000
Snail Lake Augmentation Chgs	38,549	45,046	45,461	46,107	46,316	19,699
Other Charges	7,500	7,500	8,000	8,000	8,000	8,500
Total Revenue	1,763,049	1,848,546	1,938,461	2,032,107	2,110,316	2,165,199
Expense						
Enterprise Operations	960,566	1,094,623	1,131,347	1,156,787	1,184,375	1,215,914
Depreciation	283,000	296,000	311,000	321,000	342,000	365,000
Total Expense	1,243,566	1,390,623	1,442,347	1,477,787	1,526,375	1,580,914
Operating Income (Loss)	519,483	457,923	496,114	554,320	583,941	584,285
Other Sources (Uses)						
Interest Earnings	10,000	10,000	11,000	11,000	12,000	12,000
Debt Service	(78,877)	(68,653)	(95,497)	(80,841)	(104,635)	(91,358)
Transfers Out	(168,000)	(176,000)	(186,000)	(191,000)	(196,000)	(201,000)
Net Change	282,606	223,270	225,617	293,479	295,306	303,927
Fund Equity, beginning	9,219,284	9,501,890	9,725,160	9,950,777	10,244,256	10,539,562
Fund Equity, ending	\$ 9,501,890	\$ 9,725,160	\$ 9,950,777	\$ 10,244,256	\$ 10,539,562	\$ 10,843,489
Months of oper/capital coverage	14.0	11.3	11.9	7.5	10.7	10.5
Cash balance	\$ 2,139,241	\$ 1,814,511	\$ 2,008,128	\$ 1,318,647	\$ 1,863,633	\$ 1,907,560
Capital costs	\$ 421,600	\$ 844,000	\$ 313,000	\$ 838,960	\$ 422,320	\$ 200,000
General transfer percent of assets	0.94%	0.93%	0.97%	0.90%	0.90%	0.92%
Rate Increase	10.0%	5.0%	5.0%	5.0%	4.0%	4.0%
Change in utility charge revenue	10.9%	4.6%	5.0%	4.9%	3.9%	3.9%
Debt issued	\$ 860,000	\$ 380,000	\$ 360,000	\$ -	\$ 810,000	\$ -
Debt payments (principal)	\$ 360,000	\$ 380,000	\$ 390,000	\$ 465,000	\$ 480,000	\$ 425,000
Debt balance (year end)	\$ 3,890,000	\$ 3,890,000	\$ 3,860,000	\$ 3,395,000	\$ 3,725,000	\$ 3,300,000
Debt Capacity after transfers	\$ 205,606	\$ 139,270	\$ 146,617	\$ 149,479	\$ 157,306	\$ 243,927

**Surface Water Management Fund
Capital Summary**

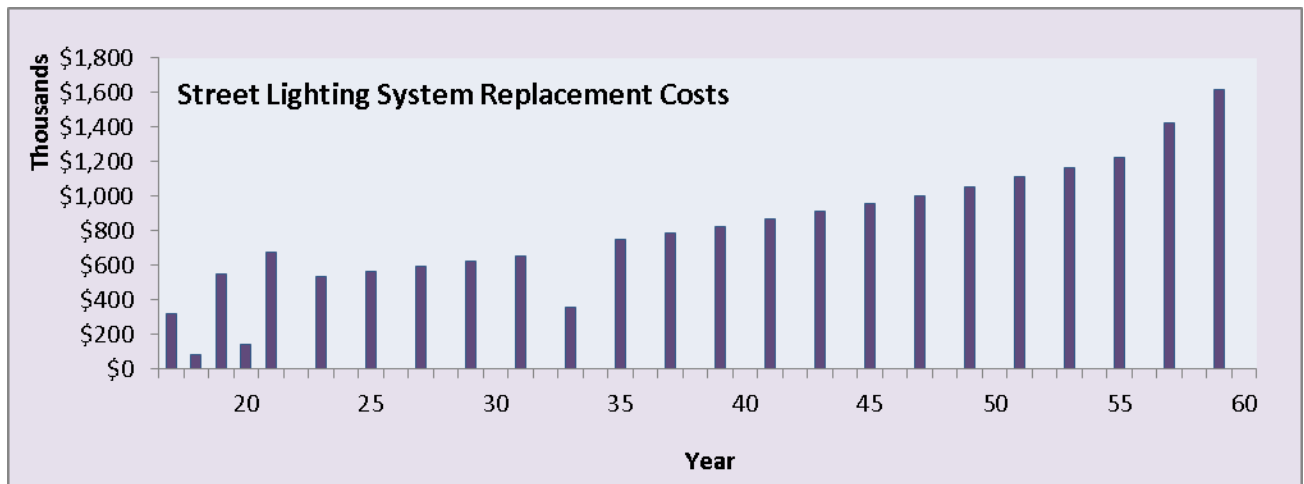
Year	Replacements			Total Capital Costs
	Storm Systems	Controls	Additions	
2017	\$ -	\$ -	\$ 421,600	\$ 421,600
2018	175,000	-	669,000	844,000
2019	-	-	313,000	313,000
2020	320,000	-	518,960	838,960
2021	-	-	422,320	422,320
2022	200,000	-	-	200,000
2023	230,000	-	-	230,000
2024	-	-	-	-
2025	-	-	-	-
2026	235,000	-	-	235,000
2027	-	-	-	-
2028	-	-	-	-
2029	250,000	-	-	250,000
2030	-	-	-	-
2031	-	40,000	-	40,000
2032	250,000	-	-	250,000
2033	-	-	-	-
2034	-	-	-	-
2035	275,000	-	-	275,000
2036	-	-	-	-
2037	-	-	-	-
2038	275,000	-	-	275,000
2039	-	-	-	-
2040	-	-	-	-
2041	300,000	40,000	-	340,000
2042	-	-	-	-
2043	-	-	-	-
2044	325,000	-	-	325,000
2045	-	-	-	-
2046	-	-	-	-
2047	325,000	-	-	325,000
2048	-	-	-	-
2049	-	-	-	-
2050	350,000	-	-	350,000
2051	-	50,000	-	50,000
2052	-	-	-	-
2053	350,000	-	-	350,000
2054	-	-	-	-
2055	-	-	-	-
2056	375,000	-	-	375,000
2057	-	-	-	-
2058	-	-	-	-
2059	400,000	-	-	400,000
2060	-	-	-	-

Street Lighting Fund

Street lighting operations provide support for safe vehicle and pedestrian traffic throughout the community. The system includes lights owned by the City; as well as lights leased from Xcel Energy. The City's Street Lighting Fund was created in 2004 in an effort to recover operating and replacement costs through user fees. Operation and maintenance of the street lighting system includes periodic rewiring of lights, energy costs, street light repairs, and complete replacement of lights.

Street light additions, replacements, repairs and energy costs have the most significant impact on the street lighting budget and rates. Repair and energy costs account for two-thirds of the street lighting budget, and replacement costs are expected to increase steadily as the oldest lights in the City are replaced.

The operating projections on the next page show planned adjustments to the City's street lighting rates will adequately support operating and capital costs.



Street Lighting Fund	2017 Estimate	2018 Budget	2019 Budget	2020 Projected	2021 Projected	2022 Projected
Revenue						
Utility Charges	\$ 639,000	\$ 678,000	\$ 712,000	\$ 747,000	\$ 784,000	\$ 824,000
Total Revenue	639,000	678,000	712,000	747,000	784,000	824,000
Expense						
Enterprise Operations	281,101	277,268	279,327	289,355	297,439	307,160
Depreciation	79,000	83,000	94,000	107,000	124,000	145,000
Total Expense	360,101	360,268	373,327	396,355	421,439	452,160
Operating Income (Loss)	278,899	317,732	338,673	350,645	362,561	371,840
Other Sources (Uses)						
Interest Earnings	2,700	2,700	2,900	2,900	3,100	3,100
Transfers Out	(28,400)	(32,400)	(37,400)	(42,400)	(47,400)	(52,400)
Net Change	253,199	288,032	304,173	311,145	318,261	322,540
Fund Equity, beginning	1,838,085	2,091,284	2,379,316	2,683,489	2,994,634	3,312,895
Fund Equity, ending	\$ 2,091,284	\$ 2,379,316	\$ 2,683,489	\$ 2,994,634	\$ 3,312,895	\$ 3,635,435
Months of oper/capital coverage	8.2	17.0	11.4	18.5	11.1	22.8
Cash balance	\$ 245,636	\$ 529,668	\$ 376,391	\$ 649,536	\$ 416,647	\$ 884,187
Capital costs	\$ 320,000	\$ 87,000	\$ 551,450	\$ 145,000	\$ 675,150	\$ -
General transfer percent of assets	0.88%	0.98%	0.97%	1.01%	0.97%	1.07%
Rate Increase	15.0%	6.0%	5.0%	5.0%	5.0%	5.0%

**Street Lighting Fund
Capital Summary**

Year	Replacements		Total Capital Costs
	Allowance	Street Projects	
2017	\$ 235,000	\$ 85,000	\$ 320,000
2018	-	87,000	87,000
2019	488,450	63,000	551,450
2020	-	145,000	145,000
2021	513,150	162,000	675,150
2022	-	-	-
2023	539,140	-	539,140
2024	-	-	-
2025	566,460	-	566,460
2026	-	-	-
2027	595,140	-	595,140
2028	-	-	-
2029	625,220	-	625,220
2030	-	-	-
2031	656,830	-	656,830
2032	-	-	-
2033	355,840	-	355,840
2034	-	-	-
2035	747,720	-	747,720
2036	-	-	-
2037	785,530	-	785,530
2038	-	-	-
2039	825,340	-	825,340
2040	-	-	-
2041	867,110	-	867,110
2042	-	-	-
2043	911,000	-	911,000
2044	-	-	-
2045	957,130	-	957,130
2046	-	-	-
2047	1,005,640	-	1,005,640
2048	-	-	-
2049	1,056,530	-	1,056,530
2050	-	-	-
2051	1,109,990	-	1,109,990
2052	-	-	-
2053	1,166,150	-	1,166,150
2054	-	-	-
2055	1,225,220	-	1,225,220
2056	-	-	-
2057	1,423,790	-	1,423,790
2058	-	-	-
2059	1,618,870	-	1,618,870
2060	-	-	-

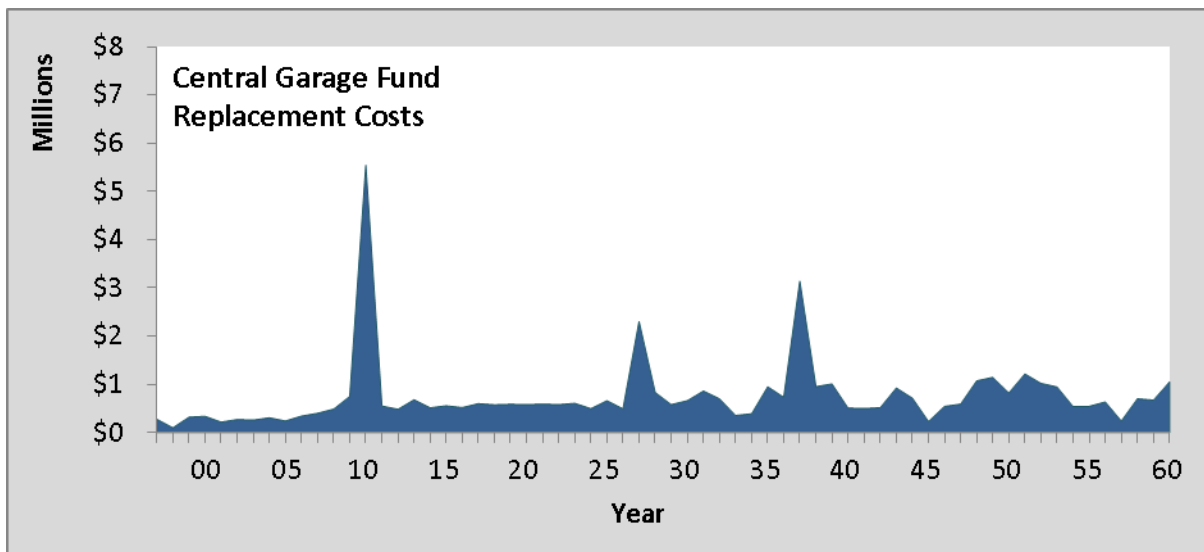
Central Garage Fund

The Central Garage Fund supports operating costs, acquisition and replacement of vehicles and equipment, and maintenance of the garage facility. In turn, activities which use equipment pay inter-fund charges (equipment and building fees) to the fund. These charges are reviewed annually and are set based on projected operating costs, capital replacement needs, and anticipated capital additions.

When establishing equipment and building fees, the City's strategy is to consider a long-range view. Therefore, fees are designed to increase gradually over time. Since capital needs vary yearly, it is desirable to smooth out the impact on operating funds to avoid sharp increases and decreases in the resources which ultimately finance rental charges. For this reason, fund equity and cash balances are expected to rise and fall from year to year. In order to ensure that adequate balances are preserved, the City has established a minimum guideline for the Central Garage Fund cash balances equal to one half of annual operating costs.

Over the next twenty years the Central Garage Fund will provide for the replacement of approximately \$17 million in garage assets. The graph below shows historical and projected replacement costs.

Operating projections are presented on the next page.



Central Garage Fund	2017 Estimate	2018 Budget	2019 Budget	2020 Projected	2021 Projected	2022 Projected
Revenue						
Central Garage Charges	\$ 1,378,137	\$ 1,438,058	\$ 1,493,758	\$ 1,544,164	\$ 1,592,133	\$ 1,603,112
Total Revenue	1,378,137	1,438,058	1,493,758	1,544,164	1,592,133	1,603,112
Expense						
Central Garage Operations	586,268	627,016	642,616	676,933	687,788	719,796
Depreciation	691,000	727,000	756,000	782,000	809,000	816,000
Total Expense	1,277,268	1,354,016	1,398,616	1,458,933	1,496,788	1,535,796
Operating Income (Loss)	100,869	84,042	95,142	85,231	95,345	67,316
Other Sources (Uses)						
Property Taxes	184,000	184,000	184,000	184,000	184,000	184,000
Interest Earnings	11,500	11,500	12,500	12,500	13,500	14,000
Sale of Asset-Gain (Loss)	28,200	27,700	45,000	37,100	28,500	28,000
Debt Service	(105,427)	(100,044)	(94,644)	(83,356)	(74,394)	(65,118)
Transfers In	119,400	119,400	119,400	119,400	119,400	119,400
Transfers Out	(4,304)	(6,000)	-	-	(5,000)	-
Net Change	334,238	320,598	361,398	354,875	361,351	347,598
Fund Equity, beginning	4,787,928	5,122,166	5,442,764	5,804,162	6,159,037	6,520,388
Fund Equity, ending	\$ 5,122,166	\$ 5,442,764	\$ 5,804,162	\$ 6,159,037	\$ 6,520,388	\$ 6,867,986
Months of oper/cap coverage	12.9	14.2	15.6	17.3	19.2	21.0
Cash balance	\$ 1,855,599	\$ 2,099,497	\$ 2,380,395	\$ 2,694,170	\$ 3,054,021	\$ 3,388,619
Capital costs	\$ 599,958	\$ 578,000	\$ 588,000	\$ 580,000	\$ 590,000	\$ 580,000
Expense percent change	2.5%	6.0%	3.3%	4.3%	2.6%	2.6%
Average annual percent change	1.8%					3.8%
Interfund charges percent change	7.2%	4.3%	3.9%	3.4%	3.1%	0.7%
Average annual percent change	3.8%					3.1%
Debt issued	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Debt payments (principal)	\$ 260,000	\$ 270,000	\$ 280,000	\$ 285,000	\$ 300,000	\$ 310,000
Debt balance (year end)	\$ 4,190,000	\$ 3,920,000	\$ 3,640,000	\$ 3,355,000	\$ 3,055,000	\$ 2,745,000

**Central Garage Fund
Capital Summary**

Year	Estimated Replacement Costs				Total Capital Costs
	Buildings		Machinery, Vehicles Equipment	Other	
	Buildings	Parking/ Driveways			
2017			\$ 502,704	\$97,254	\$ 599,958
2018			522,000	56,000	578,000
2019			513,000	75,000	588,000
2020			530,000	50,000	580,000
2021			515,000	75,000	590,000
2022			490,000	90,000	580,000
2023			547,000	60,000	607,000
2024	50,000		387,000	60,000	497,000
2025			603,000	60,000	663,000
2026			433,000	60,000	493,000
2027	1,500,000		743,000	60,000	2,303,000
2028	55,000		720,000	60,000	835,000
2029			521,000	60,000	581,000
2030			602,000	60,000	662,000
2031	60,000		743,000	60,000	863,000
2032			643,000	60,000	703,000
2033			296,000	60,000	356,000
2034	65,000		267,000	60,000	392,000
2035		300,000	592,000	60,000	952,000
2036			664,000	70,000	734,000
2037	2,000,000		1,069,000	70,000	3,139,000
2038			884,000	70,000	954,000
2039			940,000	70,000	1,010,000
2040	75,000		365,000	70,000	510,000
2041			430,000	70,000	500,000
2042			447,000	70,000	517,000
2043	80,000		776,000	70,000	926,000
2044			646,000	70,000	716,000
2045			161,000	70,000	231,000
2046	85,000		390,000	70,000	545,000
2047			521,000	70,000	591,000
2048			1,003,000	70,000	1,073,000
2049	90,000		986,000	70,000	1,146,000
2050			753,000	70,000	823,000
2051			1,148,000	70,000	1,218,000
2052			952,000	70,000	1,022,000
2053			876,000	70,000	946,000
2054			470,000	70,000	540,000
2055	75,000		401,000	70,000	546,000
2056			566,000	70,000	636,000
2057			171,000	70,000	241,000
2058			633,000	70,000	703,000
2059			604,000	70,000	674,000
2060		556,000	427,000	70,000	1,053,000

Comprehensive Infrastructure Replacement Policy (Adopted October 15, 1996)

Introduction

The City of Shoreview is nearing full development, making replacement of its aging infrastructure of critical importance. Council members and management staff have deemed it necessary to adopt this comprehensive infrastructure replacement policy in order to facilitate the financial planning necessary to accommodate the timely replacement of assets, and to accommodate the following concerns.

- Providing for future replacements of infrastructure is a priority incorporated into the City of Shoreview's short and long term financial planning.
- Financing replacement costs is a difficult challenge for governmental entities throughout the country.
- Implementing replacement efforts at the appropriate time is considered necessary for national economic recovery.
- Maintaining reasonable tax levies and user fees, strong financial condition, moderate debt levels, and high bond ratings are priorities of the City.

I. Objectives - This infrastructure replacement plan is designed to:

- Create a permanent program** including a plan that shall be updated annually during the budget process. The replacement estimates and cash flow projections in the plan will be used to determine tax levies and user fees.
- Moderate annual increases in the tax levy and user fees** by taking a long-term view of the revenue sources used to finance capital replacements.
- Carefully plan for new debt** by requiring a long-term emphasis on rate setting because capital costs fluctuate from year to year. The long-term emphasis is desirable because capital replacement costs if funded exclusively through current revenues, would cause the citizens and business owners to experience dramatic annual changes in tax and utility bills.
- Avoid assessing property owner twice** for the same improvement. Special assessments for any given improvement will be levied against a property only once. The City, as a whole, is primarily responsible for the payment of replacement and rehabilitation costs. The maximum cost to be assessed for any reconstruction and/or rehabilitation improvement is limited to the cost of added improvements plus a proportionate share of project engineering and administrative costs. The street renewal policy, attached, specifically addresses special assessments against benefited properties for street reconstruction, rehabilitation and resurfacing.

II. General Assets - Capital costs associated with the replacement of general assets are accounted for in two capital project revolving funds, including the Street Renewal Fund, and the General Fixed Asset Replacement (GFAR) Fund. These funds accumulate resources dedicated for eligible capital replacements. Annual appropriations are made in the capital improvement program.

- Requirements** which apply to both the Street Renewal and GFAR Funds include:
 1. Expenditures shall be limited to eligible capital replacement costs as described for each fund.
 2. Replacement projections shall be prepared for a minimum of forty years.

3. Investment interest earned within each fund shall remain in the fund.
 4. Inter-fund loans are subject to City Council approval and must be repaid with interest at the average rate of return on the City's investment portfolio. The finance department will determine the annual interest rate to be charged on inter-fund loans.
 5. Expenditures for purposes outside of the eligible costs for general assets are allowed only under one of the following two procedures:
 - The City Council declares a financial emergency by at least a four fifths vote, or
 - The City Council conducts a public hearing to declare its intent and to invite public input. Notice must be provided to the public and to each newspaper of general circulation throughout the City at least 30 days prior to the hearing. The notice shall include the amount and intended purpose of the proposed expenditure.
- B. **Street Renewal** - The Street Renewal fund was created in 1985 with an initial contribution of two million dollars from savings realized from a major bond defeasance in 1984. The fund provides a permanent program to manage, finance and implement the reconstruction, rehabilitation and resurfacing of residential streets within the City. The street renewal policy attached outlines design standards and the use of special assessments for new improvements. The following requirements are established for the Street Renewal Fund:
1. **Eligible capital costs** include the reconstruction, rehabilitation and resurfacing of residential streets. Property owners shall be assessed the estimated cost of added improvements and the street replacement cost shall be paid by the street renewal fund. Costs associated with the construction of new streets, water, sewer or storm improvements are not eligible capital costs in this fund.
 2. **Sources of revenue** include property taxes, investment interest and any additional monies the City may dedicate to residential street replacement in the future.
 3. **Minimum fund balances** of two million dollars shall be reserved and maintained so that an ongoing revenue stream from investment interest will be available. Capital replacement costs, which would cause a drop in fund balance below the initial contribution of two million dollars, shall not be allowed.
 4. **Use of bonding.** The street renewal fund shall have no direct outstanding debt. It is the intent of the City to finance the street renewal share of capital costs through the use of current resources. Transfers may be made to a debt service fund for the street renewal share of any project which is financed through the use of bonds provided that:
 - The street renewal monies are shown as a source of funding when the bond sale is authorized, and/or
 - The transfer is approved by the City Council in the budget document or through separate authorization.
- C. **General Fixed Asset Replacement Fund (GFAR)** was created in 1989 to collect revenues dedicated to the replacement and/or rehabilitation of general fixed assets. The fund provides a permanent program to manage and finance the replacement of assets accounted for in the general fixed asset account group. The following requirements are established for the GFAR fund:

1. **Eligible capital costs** include any replacement or rehabilitation costs for general fixed assets. Capital costs for new assets, or operating costs are not eligible. Assets reported in this account group include:
 - Public safety buildings and equipment
 - City hall building and furnishings
 - Community center building, furnishings and mechanical systems
 - Data processing systems
 - Park improvements and buildings
 - Trails
2. **Sources of revenue** include property taxes, investment interest and any additional monies the City may dedicate to general fixed asset replacements in the future.
3. **Minimum fund balances** are not required for the GFAR fund. Because of dramatic shifts in capital costs from year to year, no minimum fund balance is specified. However, capital costs, which would create a deficit, shall not be allowed.
4. **Use of bonding.** The GFAR fund shall have no direct outstanding debt. It is the intent of the City to finance most general fixed asset replacement costs through the use of current resources. However, on occasion the City may finance certain capital costs through the use of bonds, certificates of participation, equipment certificates, capital leases or some other financing mechanism. In these instances transfers may be made from the GFAR Fund to a debt service fund for the replacement portion of general fixed assets provided that:
 - The GFAR Fund is shown as a source of funding when the debt issue is authorized, and/or
 - The transfer is approved by the City Council in the budget document or through separate authorization.

III. Proprietary Assets - Capital costs associated with the replacement of proprietary assets are accounted for within three enterprise funds and one internal service fund. User fees charged by enterprise and internal service funds are designed to support operating and debt service expenses as well as capital replacements, additions and improvements that provide a citywide benefit.

- A. **Requirements** for the enterprise and internal service funds are general in nature because asset replacement is only one aspect of enterprise and internal service fund operations. For these funds the objective of this policy is to encourage long range thinking when establishing current user fees.
 1. **Replacement costs** shall be projected for a minimum of forty years.
 2. **Future system expansion** estimates (new improvements) shall be prepared for a minimum of ten years.
 3. **Operating projections** shall be prepared at least once every five years, and shall cover a period of twenty years.
 4. **User fees** shall be established each year based on operating, debt service and capital cost projections.

- B. **Enterprise Funds** account for the operations of utility services in a manner similar to private business enterprises. Each fund is designed so that the costs of providing goods and services to the public are recovered primarily through user charges, and depreciation is recognized for all assets. The City's enterprise funds include the Water Fund, Sewer Fund and the Surface Water Management (SWM) Fund. The following requirements are established for the City's enterprise funds:
1. **Sources of revenue** include all revenues collected by the enterprise funds. These typically include users fees (water, sewer and surface water), connection charges, area charges, investment interest and any additional monies the City may dedicate to enterprise operations.
 2. **Minimum cash balances** of one million dollars each in the Water and Sewer Funds are required. However, it is the City's intent to maintain Water and Sewer Fund cash balances in the amount of two million dollars or more for the majority of the years covered in the operating projections. Because the SWM fund has been in operation for less than one year, no minimum cash balance is required at this time.
 3. **Use of bonding.** It is the intent of the City to utilize operating and cash flow projections to determine the appropriate level of bonding in enterprise funds for capital costs on an annual basis. Capital cost projections, minimum cash balance requirements and projected increases in user fees will provide the basis for projected debt levels. Most capital costs financed through the use of general obligation revenue bonds will be repaid over ten to fifteen years. However, revenue bonds issued for large capital costs such as water towers, treatment facilities, trunk lines etc. may be repaid over twenty years if projected user fees, as a result of ten to fifteen year bonds, would be substantially higher than the rate of inflation.
- C. **Internal Service Fund.** The Central Garage Fund was created in 1984 to provide for the operation of the maintenance garage, as well as the operation, maintenance, replacement and acquisition of central garage equipment. The Central Garage Fund charges motor pool and building charges to all departments on a cost-reimbursement basis for the use of equipment and the maintenance facility. The following requirements are established for the Central Garage Fund:
1. **Sources of revenue** include investment interest and fees charged to departments, funds and outside organizations.
 2. **Minimum cash balances** equal to one half of annual operating costs are required.
 3. **Use of bonding.** It is the intent of the City to finance most central garage capital costs through the use of current resources. However, when financing large capital costs with current resources would cause the cash balance of the fund to drop below two hundred thousand, or when projected increases in user fees would be substantially higher than the rate of inflation the City may choose to finance capital costs with general obligation equipment certificates. Equipment certificates will be repaid over a period of no more than five years, as provided by state statutes.

Street Renewal Policy (Amended October 21, 1996)

I. Intent

It is the intent and purpose of this policy to maintain a permanent program to manage, finance and implement the reconstruction or rehabilitation of the streets within the City of Shoreview. This policy is intended to allow the City to adequately plan for the major capital costs that will ultimately occur as the City's existing streets age and deteriorate. It is also the intent of this policy to create a financing and payment system that will be fair and equitable to all property owners within the City during future years as it becomes necessary to reconstruct or rehabilitate the City's street system.

II. Eligible Projects

Street improvement projects eligible under this policy consist of improvements to existing paved public streets within the City, which are in public use and which are maintained by the City. Unimproved, unmaintained public rights-of-way are not eligible. Street improvements to Ramsey County roadways or State highways located within the City, which are performed as a joint City/County or City/State project, under the terms of an agreement that obligates the City to participate in the cost of the improvement, are also eligible for this policy.

No street improvement project shall be initiated under this policy until all underground utilities that are or will be located within the roadway area have been inspected and determined to be adequate, or have been repaired or rehabilitated to a condition that will provide a projected useful life of the utility in excess of the anticipated useful life of the new or rehabilitated roadway. In addition, all future publicly-owned underground utility systems that will be required for the ultimate development and service of the project area must be installed prior to the implementation of street improvements under this policy.

The rehabilitation, replacement, or installation of new sanitary sewer, water systems or storm drainage systems, which are required to satisfy this policy, shall not be considered as an element of the street improvement program. Such underground utility improvements, which are required in advance or at the time of the street improvement project, shall be implemented by the City under the prevailing policies and regulations for such utility improvements, and the costs involved in such utility improvements shall not be included as a cost of the street improvement project. Minor modifications to utility systems, which are required to facilitate the new street, such as manhole, catch basin, and valve adjustments, shall be considered as an element of the street project.

The City shall perform a detailed inventory of all City streets that are eligible for improvement under this policy, and maintain such information in an automated Pavement Management Program (PMP). The PMP shall measure and document the condition of all City streets, taking into account such factors as surface texture and wear, the extent of cracking, the roughness, adequacy of drainage and such other factors that will assist in the evaluation of the roadway. The data collected by the PMP shall be evaluated by the City Engineer and, based on that evaluation; the City shall prepare a comprehensive schedule and cost estimate for the anticipated street improvements. In addition, a Capital Improvement Program (CIP) shall be prepared which shall identify the estimated cost, sequence, and schedule in which projects should be implemented. The PMP shall be reviewed and updated every four years, and a new cost estimate, rating, and CIP shall be prepared with each update of the PMP.

III. Design Standards

All City streets, except those streets on the Municipal State Aid Street System (MSA) shall be designed to a uniform performance standard. The basic standards shall be a 32-foot width measured from face of curb, a pavement and base section adequate for a 7-ton loading based upon the characteristics of the underlying sub grade soils, and it shall include concrete curb and gutter. In areas where platted right-of-ways and/or existing land uses make the consideration of 32-foot-wide streets impractical, the City shall analyze the feasibility of narrower streets. Such analysis shall include emergency service needs, existing topography, access issues, cost, and other factors deemed appropriate. The specific design details, specifications and material standards used for a street improvement project shall generally conform to the City's ordinances and procedures, applicable at the time the project is implemented.

To the maximum extent possible, the existing streets and in-place materials shall be used or left in place. Seal coating, crack-filling and pavement overlay strategies will be used to rehabilitate roadways when deemed cost-effective through analysis of the City's Pavement Management Program. Existing concrete curb shall be left in place if its condition is adequate for the anticipated life of the new or rehabilitated pavement. In-place pavement and aggregate base materials shall be recycled and reused when it is determined that it is the most cost-effective method.

Design standards for City streets that are on the MSA system shall be as required by the MSA regulations. Design standards for Ramsey County or Mn/DOT roadways shall be determined by each respective agency.

IV. Payment and Financial Program

It is the intent of this policy that the City, as a whole, is primarily responsible for the payment of the street replacement and rehabilitation program. It is also the intent of this policy to identify the specific benefits that are created by the street improvements to the adjacent properties, specifically the enhancement of property values as a result of the adjacent street improvements.

The financial program shall consist of the following elements:

- A. The City shall designate, to the maximum extent possible, all of its available MSA mileage allocation, with the objective of security the maximum amount of MSA funds for use in conjunction with the Street Renewal Program.
- B. The City will maintain a permanent Street Renewal Fund from which the majority of the cost of the street renewal program shall be paid. The Street Renewal Fund shall be reviewed periodically, and adjustments to the policy shall be made where necessary to assure the adequacy of the fund.
- C. The City shall levy special assessments on adjacent benefiting properties when the street improvement project includes the installation of concrete curb and gutter in locations where concrete curb and gutter did not exist prior to the improvement.

The cost to be assessed to abutting properties shall be a portion of the cost to bring the street up to a modern standard, being approximately equal to the cost of new concrete curb and gutter, including a proportionate share of all project Engineering and Administrative costs of the improvement. The assessment rate shall be computed on a per-lot unit basis, with a lot unit being defined as a platted single-family residential lot or equivalent which, according to current Shoreview code, cannot be further subdivided for R-1 detached residential. A lot unit dimension may be set as the average width based on detached residential/R-1 lots within the improvement area.

In computing the assessable units, consideration shall be given to properties that can be further subdivided into lot units. All properties other than single family residential (R-1 detached residential) such as parks, attached and detached residential, high-density, residential, churches, schools, offices, commercial and industrial properties shall be superficially subdivided to determine the assessable lot units or part thereof. To reflect the number of increased traffic generation by commercial, industrial, and high-density residential properties, a factor of 2 will be applied to determine the rate of assessment for properties of these types.

Benefits from street renewal improvements shall be considered to extend a minimum of 130 feet each side of the street right-of-way. A half-unit width shall be considered on corner lots where both streets are not currently being improved. Lots fronting on or immediately adjacent to more than one improved public street shall not be doubly assessed.

If a street renewal project is requested to be constructed to a greater width and/or thickness than the standard by the abutting property owners, then the excess cost above that of the standard reconstruction cost shall be fully assessed to those properties.

If a property has been assessed on a lot unit basis for a public improvement, and subsequently a property division is made creating additional lot units, then a supplemental charge shall be made to the property at the same rate which applied under the original assessments.

The assessment process shall be carried out in accordance with Minnesota Statutes Chapter 429. The assessment rate shall be on a per-lot unit basis and shall be calculated and processed in accordance with the current City Street Renewal Program and Unit Assessment Policy.

No special assessments shall be levied in situations with existing concrete curb and gutter.

V. Implementation Procedures

- A. Consideration of a street for improvement under this policy shall be initiated by any of the following:
 1. Petition by the adjacent property owners.
 2. Recommendation by the City staff based upon the Capital Improvement Program (CIP) and/or the Pavement Management Program (PMP).
 3. Request by Ramsey County and/or Mn/DOT for City participation in a joint improvement.
 4. Initiation by City Council.
- B. If the City Council determines that it is desirable to consider the project, an engineering feasibility study shall be prepared. The study shall examine the need for the project, its relative priority to other streets that are in need of improvement, the extent of utility repairs and improvements required in advance of the street improvement, and the cost and financial considerations. If the proposed project includes special assessments, all subsequent work and activities shall be performed in accordance with the applicable provisions of the MSA regulations, current City policy, and Minnesota Statutes Chapter 429.
- C. Following the Public Hearing, the Council will either order the work or reject the project.

Adopted by the Shoreview City Council on the 21st day of October 1996.