

## Budget Hearing Agenda

Published date and time:  
December 3, 2018 at 7:00 p.m.

1. Open public hearing at \_\_\_\_\_ (time)
2. Staff presentation
3. Public testimony and questions (citizen comments)
4. Council comments
5. Announce - Final budget adoption will occur at the regular city council meeting on December 17, 2018 at 7:00 p.m.
6. Motion to close the public hearing by Council member \_\_\_\_\_,

Seconded by Council member \_\_\_\_\_ at \_\_\_\_\_ (time).

Roll Call	Ayes _____	Nays _____
Denkinger	_____	_____
Johnson	_____	_____
Quigley	_____	_____
Springhorn	_____	_____
Martin	_____	_____

Regular Council Meeting  
December 3, 2018

TO: Mayor and City Council  
FROM: Fred Espe, Finance Director  
DATE: November 21, 2018  
RE: Budget Hearing

### **Budget Hearing**

The City's hearing on the revised 2019 budget and the 2019 tax levy is scheduled for 7:00 p.m. on December 3. The **2019 Budget Summary** booklet will serve as the primary handout for the hearing. This informational document has been available at city hall and on the City's website since Wednesday, November 21.

Additional materials that were prepared by the City or Ramsey County will also be available at the budget hearing. These handouts are listed below, and a copy of each is attached to this report.

#### Booklets

1. **2019 Budget Summary**
2. **Community Benchmarks** (dated August 2018)
3. **Utility Operations and 2019 Utility Rates**

#### Other Documents

4. Power Point presentation for budget hearing
5. 2019 Shoreview Property Tax Dollar
6. Budget Hearing notice (copy of notice published in newspaper)
7. State Property Tax Refund information
8. Process to Appeal Estimated Market Value (from Ramsey County)

Final adoption of budget items is scheduled for the December 17 regular Council meeting.

Note: The following pages contain excerpts from recent staff memos relating to the 2019 budget, tax levy, and property taxes. The information is intended to serve as additional support for the budget hearing.

## Preliminary Property Tax Levy

The table below provides a comparison of the 2018 adopted levy, the 2019 levy as originally planned in the biennial budget, and the revised City Manager's recommended 2019 levy that was adopted by the City Council in September. When reviewing the areas impacting the total levy (as shown in the column at the far right-hand side of the table), the portion of the levy supporting City services (including the tax supported share of staff costs) causes a 2.48% increase in the tax levy. The remaining 2.04% increase in the levy is the result of debt, capital replacement funds, capital improvement funds, and the Economic Development Authority (EDA). The increase in the General Fund share of the levy is due primarily to increases in the police and fire contracts (\$112,105 after a reduction of \$50,000 for increased State Fire Aid). The police contract is increasing 2.2% and the fire contract is increasing 4.5%. General Fund wage and benefit adjustments for city employees make up \$324,407 of the proposed tax levy increase including the pay plan adjustments that were discussed with the Council at the November 13<sup>th</sup> Council workshop.

Description	2018	2019	2019	Change from 2018 Adopted		Impact on Total Levy *
	Adopted Levy	Original Levy	Recommended Levy	Dollars	Percent	
General fund	\$ 7,896,736	\$ 8,370,839	\$ 8,185,180	\$ 288,444	3.65%	2.48%
EDA	120,000	125,000	150,000	30,000	25.00%	0.26%
Debt (including Cent Garage)	926,235	1,311,000	1,311,000	384,765	41.54%	3.31%
Street Renewal fund	1,124,000	941,000	941,000	(183,000)	-16.28%	-1.57%
General Fixed Asset Repl fund	1,525,000	1,530,000	1,530,000	5,000	0.33%	0.04%
Capital Acquisition Fund (IT)	40,000	40,000	40,000	-	0.00%	0.00%
<b>Total City Levy</b>	<b>\$ 11,631,971</b>	<b>\$ 12,317,839</b>	<b>\$ 12,157,180</b>	<b>\$ 525,209</b>	<b>4.52%</b>	<b>4.52%</b>
HRA tax levy	\$ 110,000	115,000	\$ 210,000	100,000	90.91%	
Taxable value (estim for 2019)	\$ 31,341,089		\$ 33,286,816	\$ 1,945,727	6.21%	
City tax rate (estim for 2019)	33.617%		33.193%		-1.26%	
HRA tax rate (estim for 2019)	0.318%		0.599%		88.36%	
Fiscal disparity (estim for 2019)	\$ 1,096,008		\$ 1,108,392	\$ 12,384	1.13%	
Net Tax paid by property owners	\$ 10,535,963		\$ 11,048,788	\$ 512,825	4.87%	
<b>Change in Tax Paid by Prop Owners</b>	<b>4.85%</b>		<b>4.87%</b>			
* Percent change in this column is computed as the impact on the "Total City Levy"						

Combined debt levies increase \$384,765. Increases include the new Community Center expansion debt (\$134,765), and the 2018 Street Reconstruction Bonds (\$250,000). In prior years the City spent approximately \$300,000 to \$320,000 on sealcoating City streets. In 2017 the City discontinued sealcoating streets and a majority of the funds dedicated to sealcoating are being redirected toward the repayment of a \$3,065,000 debt issue. Therefore, the debt levy for the street bonds does not have a significant impact on the total levy. The proceeds of the bond issue will be used to finance street rehabilitation projects that are currently under construction and planned for next year.

The proposed 2019 preliminary tax levy that was adopted in September included an estimated 8% and 3% rate increase for health and dental insurance respectively. The actual rate increases are 6% for health and 0% for dental. This resulted in a reduction of the General Fund levy of \$5,178.

A listing of specific items impacting the preliminary tax levy is as follows:

The first section of the box shows changes resulting from a reevaluation of all General Fund revenues to reflect current development activity, preliminary capital projects and transfers from Utility funds. All revenue changes combined account for a 1.54% decrease in the total tax levy.

The second section of the box shows changes in General Fund expenditures. These items account for a 4.01% increase in the total proposed tax levy.

The net impact of General Fund changes is a 2.48% increase in the total tax levy.

The EDA, debt funds and capital funds account for a 2.04% increase in the tax levy for a combined change in the City levy of 4.52% (2.48% + 2.04%).

Note: (brackets) indicate a decrease in the tax levy	2019	
	Increase (Decrease)	% Impact on Total Levy
<b>General Fund Revenue Changes</b>		
License and permits	4,700	
MSA Maintenance	(28,000)	
State Fire Aid (offset by increase in Fire contract)	(50,000)	
Administrative charges to other funds	(50,430)	
Administrative charges to capital projects	(40,000)	
Plan check fees	30,000	
Earnings on investments	(5,000)	
Other revenues	(3,596)	
Transfer from Utility Funds (PILOT)	(37,000)	
<b>General Fund Revenue Changes</b>	<b>(179,326)</b>	<b>-1.54%</b>
<b>General Fund Expenditure Changes</b>		
Wages full time employees	163,022	
Wages full time employees - overtime	1,776	
Wages part-time employees regular	1,292	
Wages associate employees - regular	6,316	
Wage contingency	100,178	
PERA	13,597	
FICA	12,369	
Group insurance	18,233	
Workers' compensation	7,624	
Electrical contracted inspections	5,000	
Election	(32,500)	
Goal Setting	3,500	
Police	49,805	
Fire	112,300	
Central Garage equipment/building charges	26,927	
Supplies	(3,175)	
Community Center building charge	3,200	
Postage	(6,000)	
Software costs reallocated to Enterprise funds	(48,757)	
Legal fees	5,000	
New phone system annual operating costs	19,100	
Network infrastructure	13,808	
Software licenses	(13,654)	
Misc. other adjustments	(3,191)	
Transfers out		
Community Center	7,000	
Recreation Programs	5,000	
<b>General Fund Expenditure Changes</b>	<b>467,770</b>	<b>4.01%</b>
<b>Total General Fund changes</b>	<b>288,444</b>	<b>2.48%</b>
<b>Levy Changes in All Other Funds</b>		
EDA Levy	30,000	
Debt (Debt & Central Garage funds)	384,765	
Street Renewal fund	(183,000)	
General Fixed Asset fund	5,000	
Information Technology fund	-	
<b>Levy Changes in All Other Funds</b>	<b>236,765</b>	<b>2.04%</b>
<b>Total Change in City Levy</b>	<b>525,209</b>	<b>4.52%</b>
<b>HRA Levy</b>	<b>100,000</b>	<b>90.91%</b>
<b>Total Levy</b>	<b>625,209</b>	<b>5.32%</b>

Below is a brief listing of specific items having an impact on the 2019 tax levy:

- Revenue changes reflect slightly lower permit-related revenues, an increase in MSA maintenance revenue, increased state fire aid (which is off-set by a corresponding increase in fire protection costs) increased administrative charges, lower plan check fees and higher earnings on investments. Miscellaneous other revenue adjustments result in a \$3,596 reduction in the tax levy.
- Transfers from utility funds increase in conjunction with the target of no more than 1% of asset value (as a payment in lieu of property taxes).
- Wage costs include a 3.0% wage adjustment, a \$40 per month increase in the City contribution for health insurance, contributions to PERA and social security, and step increases for employees not yet at the regular rate of pay for the position. It also includes a full year of the Park & Recreation Director position.
- Wage contingency includes an allowance for adjustments to the City's pay plan.
- Workers' compensation costs increase by \$7,624 due to rate changes.
- Contracted electrical inspection costs increase \$5,000.
- Election costs are deleted for 2019 (no election).
- An allowance of \$3,500 is included for goal setting.
- Police costs are increasing \$49,805 or 2.2%.
- Fire service costs excluding the State Fire aid are increasing \$62,300 or 4.5%.
- Central garage charges paid by the General Fund are up due to equipment replacements.
- Office and cleaning supplies decrease slightly.
- Community Center building charges increase due to the operation and maintenance of City Hall.
- Postage decreases.
- Software costs related to the SCADA system and a proportionate share of the new financial software were reallocated to the enterprise funds.
- Legal fees increase slightly.
- First year of annual maintenance costs related to the new phone system.
- Information system costs increased for network infrastructure.
- Software license costs decrease due to multi-year licenses.
- The impact of all other General Fund changes net to a \$3,191 decrease.
- Transfers out increase \$12,000, due to the General funds contribution to the Community Center and Recreation Program funds.
- The EDA levy increases \$30,000 to cover the costs related to an intern funded partially by the Ramsey County BIZRecycling grant and other contractual costs.
- The HRA levy increases \$100,000 to cover costs associated with the reallocation of the code enforcement officer from the General Fund, as well as increased contractual costs associated with the housing loan program with NeighborWorks for housing services and expanded housing loan programs.
- Combined debt levies increase \$384,765. Increases include the new Community Center expansion debt (\$134,765), and the 2018 Street Reconstruction Bonds (\$250,000). In prior years the City spent approximately \$300,000 to \$320,000 on sealcoating City streets. In 2017 the City discontinued sealcoating streets and the funds dedicated to sealcoating will be redirect toward the repayment of a \$3,000,000 debt issue, therefore this levy has a 0%

impact on the total levy. The proceeds of the bond issue will be used to finance street rehabilitation projects.

- The Street Renewal levy decreases \$183,000. After considering the redirection of \$250,000 of the levy for debt service the net effect is a \$67,000 increase in the levy.
- The levy for capital replacements in the General Fixed Asset Replacement fund increases \$5,000 and the Information Technology fund remains unchanged.

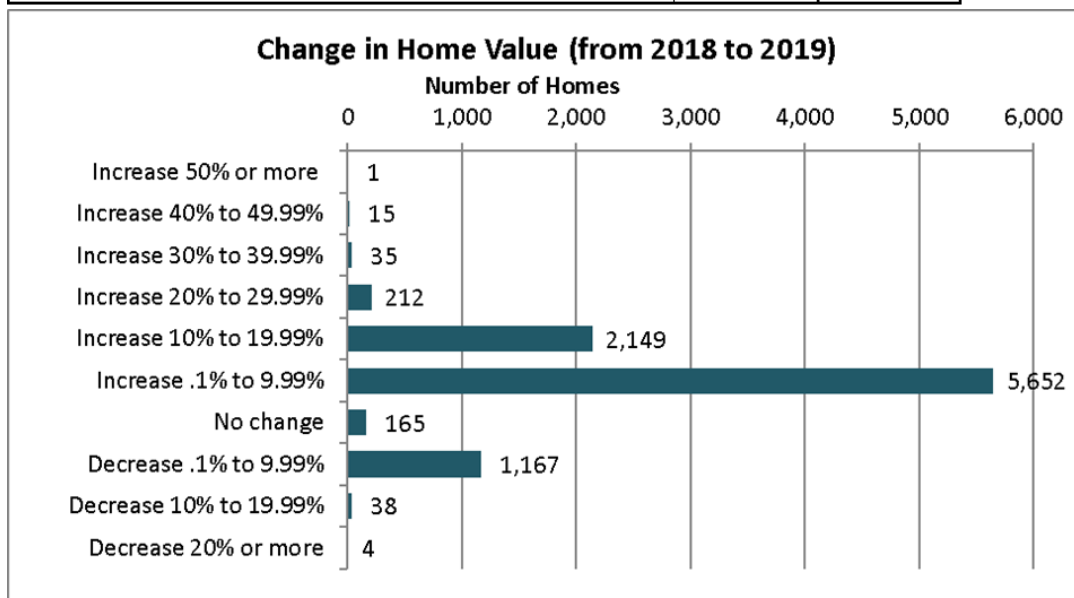
### Residential Property Values

According to information provided by the Ramsey County Assessor, the median single-family home value in Shoreview will increase from \$289,800 for 2018 taxes, to \$303,800 for 2019 taxes (a 4.8% increase in value). The table at right shows the change in Shoreview’s median single family home value since 2010.

Year	Median Home Value	Annual Percent Change
2010	\$262,200	-4.9%
2011	249,350	-4.9%
2012	235,700	-5.5%
2013	222,200	-5.7%
2014	224,500	1.0%
2015	247,500	10.2%
2016	253,800	2.5%
2017	266,200	4.9%
2018	289,800	8.9%
2019	303,800	4.8%

Change in home values (all residential)	Number of Parcels	Percent of Parcels	Sub-totals	
			Number of Parcels	Percent of Parcels
Increase 50% or more	1	0.01%		
Increase 40% to 49.99%	15	0.16%		
Increase 30% to 39.99%	35	0.37%		
Increase 20% to 29.99%	212	2.25%		
Increase 10% to 19.99%	2,149	22.77%		
Increase .1% to 9.99%	5,652	59.89%	8,064	85.44%
No change	165	1.75%	165	1.75%
Decrease .1% to 9.99%	1,167	12.36%		
Decrease 10% to 19.99%	38	0.40%		
Decrease 20% or more	4	0.04%	1,209	12.81%
<b>Total Residential Parcels</b>	<b>9,438</b>	<b>100.00%</b>	<b>9,438</b>	<b>100.00%</b>

As shown in the table to the left and the graph below, 8,064 homes experience an increase in value, 165 home values remain the same, and 1,209 home values decrease.



## Impact on Residential Property Taxes

The table below provides estimated changes in the City and HRA share of the property tax bill (using the assumptions on page 1 of this report) for a median value home. A description of the change in tax for a median home under each assumption follows the table.

Market Value				City Portion of Property Tax		Change in City Property Tax		HRA Portion of Property Tax		Change in HRA Property Tax	
Before MVE		Value Change		2018	2019	Dollars	Percent	2018	2019	Dollars	Percent
2018	2019	Before MVE	After MVE								
\$ 264,200	\$ 303,800	15.0%	17.2%	\$ 842.78	\$ 975.53	\$ 132.75	15.8%	\$ 7.97	\$ 17.62	\$ 9.65	121.1%
\$ 276,200	\$ 303,800	10.0%	11.4%	\$ 886.82	\$ 975.53	\$ 88.71	10.0%	\$ 8.39	\$ 17.62	\$ 9.23	110.0%
\$ 289,800	\$ 303,800	4.8%	5.5%	\$ 936.57	\$ 975.53	\$ 38.96	4.2%	\$ 8.86	\$ 17.62	\$ 8.76	98.9%
\$ 319,800	\$ 303,800	-5.0%	-5.6%	\$ 1,046.50	\$ 975.53	\$ (70.97)	-6.8%	\$ 9.90	\$ 17.62	\$ 7.72	78.0%
\$ 337,600	\$ 303,800	-10.0%	-11.1%	\$ 1,111.71	\$ 975.53	\$ (136.18)	-12.2%	\$ 10.52	\$ 17.62	\$ 7.10	67.5%

- 15% increase in value – City taxes increase \$132.75 and HRA taxes increase \$9.65 for the year
- 10% increase in value – City taxes increase \$88.71 and HRA taxes increase \$9.23 for the year
- 4.8% increase in value – City taxes increase \$38.96 and HRA taxes increase \$8.76 for the year
- 5% decrease in value – City taxes decrease \$70.97 and HRA taxes increase \$7.72 for the year
- 10% decrease in value – City taxes decrease \$136.18 and HRA taxes increase \$7.10 for the year

The estimated change in property tax for a median valued home (using preliminary tax rates for each taxing jurisdiction) is shown in the table at right. Under these assumptions, taxes for the median valued home increase \$82.55. Shoreview will collect about \$39 more in City tax.

Mounds View Schools & Rice Creek Watershed					
	Payable 2018	Payable 2019	Dollar Change	Percent Change	
Home value	\$ 289,800	\$ 303,800	\$ 14,000	4.8%	
HMVE home value	\$ 278,600	\$ 293,900	\$ 15,300	5.5%	
Taxable value	\$ 2,786	\$ 2,939	\$ 153	5.5%	
Property Tax					Percent of Total 2018
City	\$ 936.57	\$ 975.53	\$ 38.96	4.2%	23.16%
HRA	8.86	17.62	8.76	98.9%	0.22%
County	1,610.08	1,661.17	51.09	3.2%	39.82%
School District	1,364.63	1,343.35	(21.28)	-1.6%	33.75%
All other jurisdictions	123.11	128.13	5.02	4.1%	3.05%
Total Property Tax	\$ 4,043.25	\$ 4,125.80	\$ 82.55	2.0%	100.00%
					Percent of Total 2019
					23.64%
					0.43%
					40.26%
					32.56%
					3.11%
					100.00%

The 3 tables on the next page provide the estimated change in the City portion of the tax bill as well as the total tax bill under 3 different sets of value assumptions, for home values ranging from \$100,000 to \$900,000.



The first table assumes that property values increase 4.8% (median value home increase). Under this assumption the City portion of the tax bill increases between \$14.09 and \$129.69 (depending on the home value), and the total tax bill increases from \$36.95 to \$270.19.

Market Value			Market Value			City Portion		Change in City		Total		Change in Total	
Before MVE			After MVE			of Property Tax		Property Tax		Property Tax		Property Tax	
2018	2019	Value Change	2018	2019	Value Change	2018	2019	Dollars	Percent	2018	2019	Dollars	Percent
\$ 95,400	\$ 100,000	4.8%	\$ 66,700	\$ 71,800	7.6%	\$ 224.23	\$ 238.32	\$ 14.09	6.3%	\$ 1,019.32	\$ 1,056.27	\$ 36.95	3.6%
\$ 143,100	\$ 150,000	4.8%	\$ 118,700	\$ 126,300	6.4%	\$ 399.03	\$ 419.22	\$ 20.19	5.1%	\$ 1,761.38	\$ 1,809.47	\$ 48.09	2.7%
\$ 190,800	\$ 200,000	4.8%	\$ 170,700	\$ 180,800	5.9%	\$ 573.84	\$ 600.12	\$ 26.28	4.6%	\$ 2,503.43	\$ 2,562.67	\$ 59.24	2.4%
\$ 289,800	\$ 303,800	4.8%	\$ 278,600	\$ 293,900	5.5%	\$ 936.57	\$ 975.53	\$ 38.96	4.2%	\$ 4,043.25	\$ 4,125.80	\$ 82.55	2.0%
\$ 381,700	\$ 400,000	4.8%	\$ 378,800	\$ 398,800	5.3%	\$1,273.41	\$1,323.72	\$ 50.31	4.0%	\$ 5,473.11	\$ 5,575.46	\$ 102.35	1.9%
\$ 477,000	\$ 500,000	4.8%	\$ 477,000	\$ 500,000	4.8%	\$1,603.53	\$1,659.63	\$ 56.10	3.5%	\$ 6,884.76	\$ 6,987.48	\$ 102.72	1.5%
\$ 572,500	\$ 600,000	4.8%	\$ 572,500	\$ 600,000	4.8%	\$1,985.42	\$2,074.54	\$ 89.12	4.5%	\$ 8,488.70	\$ 8,687.49	\$ 198.79	2.3%
\$ 668,000	\$ 700,000	4.8%	\$ 668,000	\$ 700,000	4.8%	\$2,386.81	\$2,489.45	\$ 102.64	4.3%	\$ 10,164.91	\$10,387.50	\$ 222.59	2.2%
\$ 763,000	\$ 800,000	4.8%	\$ 763,000	\$ 800,000	4.8%	\$2,786.18	\$2,904.36	\$ 118.18	4.2%	\$ 11,832.66	\$12,087.51	\$ 254.85	2.2%
\$ 859,000	\$ 900,000	4.8%	\$ 859,000	\$ 900,000	4.8%	\$3,189.58	\$3,319.27	\$ 129.69	4.1%	\$ 13,517.33	\$13,787.52	\$ 270.19	2.0%

The next table assumes that property values increase 10%. Under this assumption the City portion of the tax bill increases between \$30.57 and \$301.14 (depending on the home value), and the total tax bill increases between \$106.88 and \$986.17.

Market Value			Market Value			City Portion		Change in City		Total		Change in Total	
Before MVE			After MVE			of Property Tax		Property Tax		Property Tax		Property Tax	
2018	2019	Value Change	2018	2019	Value Change	2018	2019	Dollars	Percent	2018	2019	Dollars	Percent
\$ 90,900	\$ 100,000	10.0%	\$ 61,800	\$ 71,800	16.2%	\$ 207.75	\$ 238.32	\$ 30.57	14.7%	\$ 949.39	\$ 1,056.27	\$ 106.88	11.3%
\$ 136,400	\$ 150,000	10.0%	\$ 111,400	\$ 126,300	13.4%	\$ 374.49	\$ 419.22	\$ 44.73	11.9%	\$ 1,657.20	\$ 1,809.47	\$ 152.27	9.2%
\$ 181,800	\$ 200,000	10.0%	\$ 160,900	\$ 180,800	12.4%	\$ 540.90	\$ 600.12	\$ 59.22	10.9%	\$ 2,363.56	\$ 2,562.67	\$ 199.11	8.4%
\$ 276,200	\$ 303,800	10.0%	\$ 263,800	\$ 293,900	11.4%	\$ 886.82	\$ 975.53	\$ 88.71	10.0%	\$ 3,832.00	\$ 4,125.80	\$ 293.80	7.7%
\$ 318,200	\$ 350,000	10.0%	\$ 309,600	\$ 344,300	11.2%	\$1,040.78	\$1,142.82	\$ 102.04	9.8%	\$ 4,485.56	\$ 4,822.27	\$ 336.71	7.5%
\$ 363,600	\$ 400,000	10.0%	\$ 359,100	\$ 398,800	11.1%	\$1,207.19	\$1,323.72	\$ 116.53	9.7%	\$ 5,191.93	\$ 5,575.46	\$ 383.53	7.4%
\$ 454,500	\$ 500,000	10.0%	\$ 454,500	\$ 500,000	10.0%	\$1,527.89	\$1,659.63	\$ 131.74	8.6%	\$ 6,560.00	\$ 6,987.48	\$ 427.48	6.5%
\$ 545,500	\$ 600,000	10.0%	\$ 545,500	\$ 600,000	10.0%	\$1,872.13	\$2,074.54	\$ 202.41	10.8%	\$ 8,015.50	\$ 8,687.49	\$ 671.99	8.4%
\$ 636,400	\$ 700,000	10.0%	\$ 636,400	\$ 700,000	10.0%	\$2,254.02	\$2,489.45	\$ 235.43	10.4%	\$ 9,610.37	\$10,387.50	\$ 777.13	8.1%
\$ 818,200	\$ 900,000	10.0%	\$ 818,200	\$ 900,000	10.0%	\$3,018.13	\$3,319.27	\$ 301.14	10.0%	\$ 12,801.35	\$13,787.52	\$ 986.17	7.7%

The final table assumes that property value remains the same in both years. Under this assumption the City portion of the tax bill decreases between \$3.05 and \$42.43 (depending on the home value), and the total tax bill decreases between \$35.68 and \$448.69.

Market Value			Market Value			City Portion		Change in City		Total		Change in Total	
Before MVE			After MVE			of Property Tax		Property Tax		Property Tax		Property Tax	
2018	2019	Value Change	2018	2019	Value Change	2018	2019	Dollars	Percent	2018	2019	Dollars	Percent
\$ 100,000	\$ 100,000	0.0%	\$ 71,800	\$ 71,800	0.0%	\$ 241.37	\$ 238.32	\$ (3.05)	-1.3%	\$ 1,091.95	\$ 1,056.27	\$ (35.68)	-3.3%
\$ 150,000	\$ 150,000	0.0%	\$ 126,300	\$ 126,300	0.0%	\$ 424.58	\$ 419.22	\$ (5.36)	-1.3%	\$ 1,869.69	\$ 1,809.47	\$ (60.22)	-3.2%
\$ 200,000	\$ 200,000	0.0%	\$ 180,800	\$ 180,800	0.0%	\$ 607.80	\$ 600.12	\$ (7.68)	-1.3%	\$ 2,647.44	\$ 2,562.67	\$ (84.77)	-3.2%
\$ 250,000	\$ 250,000	0.0%	\$ 235,300	\$ 235,300	0.0%	\$ 791.01	\$ 781.02	\$ (9.99)	-1.3%	\$ 3,425.18	\$ 3,315.87	\$ (109.31)	-3.2%
\$ 303,800	\$ 303,800	0.0%	\$ 293,900	\$ 293,900	0.0%	\$ 988.00	\$ 975.53	\$ (12.47)	-1.3%	\$ 4,261.52	\$ 4,125.80	\$ (135.72)	-3.2%
\$ 350,000	\$ 350,000	0.0%	\$ 344,300	\$ 344,300	0.0%	\$1,157.43	\$1,142.82	\$ (14.61)	-1.3%	\$ 4,980.68	\$ 4,822.27	\$ (158.41)	-3.2%
\$ 400,000	\$ 400,000	0.0%	\$ 398,800	\$ 398,800	0.0%	\$1,340.65	\$1,323.72	\$ (16.93)	-1.3%	\$ 5,758.43	\$ 5,575.46	\$ (182.97)	-3.2%
\$ 500,000	\$ 500,000	0.0%	\$ 500,000	\$ 500,000	0.0%	\$1,680.85	\$1,659.63	\$ (21.22)	-1.3%	\$ 7,216.73	\$ 6,987.48	\$ (229.25)	-3.2%
\$ 700,000	\$ 700,000	0.0%	\$ 700,000	\$ 700,000	0.0%	\$2,521.28	\$2,489.45	\$ (31.83)	-1.3%	\$ 10,726.47	\$10,387.50	\$ (338.97)	-3.2%
\$ 900,000	\$ 900,000	0.0%	\$ 900,000	\$ 900,000	0.0%	\$3,361.70	\$3,319.27	\$ (42.43)	-1.3%	\$ 14,236.21	\$13,787.52	\$ (448.69)	-3.2%

## Impact of Metro Watershed District and Roseville School District on Residential Property Taxes

Within Shoreview we have four different total tax rates. Although tax rates are the same throughout the City for many jurisdictions (including the City, County, Met Council, Mosquito Control and HRA), some tax rates are different depending on the school or watershed district. The table below shows tax rate information for each of the four different tax rates.

Description	2018 (Final) Tax Rates				2019 (preliminary) Tax Rates			
<b>Tax Rates:</b>								
City taxes	33.617	33.617	33.617	33.617	33.193	33.193	33.193	33.193
Ramsey County, library	53.962	53.962	53.962	53.962	52.652	52.652	52.652	52.652
County Regional Rail Authority	3.830	3.830	3.830	3.830	3.869	3.869	3.869	3.869
<b>School District regular rates</b>								
School district 621	28.464	28.464	n/a	n/a	26.332	26.332	n/a	n/a
School district 623	n/a	n/a	34.396	34.396	n/a	n/a	31.497	31.497
<b>School District market value rates</b>								
School district 621	0.19725%	0.19725%	n/a	n/a	0.18744%	0.18744%	n/a	n/a
School district 623	n/a	n/a	0.21951%	0.21951%	n/a	n/a	0.22471%	0.22471%
<b>Other Jurisdictions</b>								
Met Council	2.153	2.153	2.153	2.153	2.088	2.088	2.088	2.088
Mosquito Control	0.440	0.440	0.440	0.440	0.421	0.421	0.421	0.421
Metro Watershed	n/a	3.746	3.746	n/a	n/a	3.385	3.385	n/a
Rice Creek Watershed	1.826	n/a	n/a	1.826	1.850	n/a	n/a	1.850
Shoreview HRA	0.318	0.318	0.318	0.318	0.599	0.599	0.599	0.599
<b>Total Regular Tax Rate</b>	<b>124.610</b>	<b>126.530</b>	<b>132.462</b>	<b>130.542</b>	<b>121.006</b>	<b>122.540</b>	<b>127.705</b>	<b>126.170</b>
Change in Regular Tax Rates					-2.9%	-3.2%	-3.6%	-3.3%
Change in Market Valued Tax Rates					-5.0%	-5.0%	2.4%	2.4%

To illustrate how the property tax bill differs depending on the school district and the watershed district, the next two pages show the total tax as well as the change in property tax for each of the four different taxing rates.

The four examples on this page show the total property tax for a median value home with a 4.8% increase in value (increasing from \$289,800 to \$303,800 before homestead market value exclusion, and from \$278,600 to \$293,900 after homestead market value exclusion). The highest property tax is paid by the home in the Roseville School District and the Metro Watershed District (the third table in the list), the largest tax increase is for the home in the Roseville School District and the Rice Creek Watershed District (last table in the list).

For a median value home in the Mounds View School District and Rice Creek Watershed, total property tax increases about \$83.

	Payable 2018	Payable 2019	Dollar Change	Percent Change
<b><u>Mounds View Schools &amp; Rice Creek Watershed</u></b>				
Property tax				
City	\$ 936.57	\$ 975.53	\$ 38.96	4.2%
HRA	8.86	17.62	8.76	98.9%
County	1,610.08	1,661.17	51.09	3.2%
Mounds View Schools	1,364.63	1,343.35	(21.28)	-1.6%
Metropolitan districts	72.24	73.75	1.51	2.1%
Watershed district	50.87	54.38	3.51	6.9%
Total Property Tax	\$ 4,043.25	\$ 4,125.80	\$ 82.55	2.0%

For a median value home in the Mounds View School District and Metro Watershed, total property tax increases about \$74.

	Payable 2018	Payable 2019	Dollar Change	Percent Change
<b><u>Mounds View Schools &amp; Metro Watershed</u></b>				
Property tax				
City	\$ 936.57	\$ 975.53	\$ 38.96	4.2%
HRA	8.86	17.62	8.76	98.9%
County	1,610.08	1,661.17	51.09	3.2%
Mounds View Schools	1,364.63	1,343.35	(21.28)	-1.6%
Metropolitan districts	72.24	73.75	1.51	2.1%
Watershed district	104.36	99.49	(4.87)	-4.7%
Total Property Tax	\$ 4,096.74	\$ 4,170.91	\$ 74.17	1.8%

For a median value home in the Roseville School District and Metro Watershed, total property tax increases about \$109.

	Payable 2018	Payable 2019	Dollar Change	Percent Change
<b><u>Roseville Schools &amp; Metro Watershed</u></b>				
Property tax				
City	\$ 936.57	\$ 975.53	\$ 38.96	4.2%
HRA	8.86	17.62	8.76	98.9%
County	1,610.08	1,661.17	51.09	3.2%
Roseville Schools	1,594.41	1,608.35	13.94	0.9%
Metropolitan districts	72.24	73.75	1.51	2.1%
Watershed district	104.36	99.49	(4.87)	-4.7%
Total Property Tax	\$ 4,326.52	\$ 4,435.91	\$ 109.39	2.5%

For a median value home in the Roseville School District and Rice Creek Watershed, total property tax increases about \$118.

	Payable 2018	Payable 2019	Dollar Change	Percent Change
<b><u>Roseville Schools &amp; Rice Creek Watershed</u></b>				
Property tax				
City	\$ 936.57	\$ 975.53	\$ 38.96	4.2%
HRA	8.86	17.62	8.76	98.9%
County	1,610.08	1,661.17	51.09	3.2%
Roseville Schools	1,594.41	1,608.35	13.94	0.9%
Metropolitan districts	72.24	73.75	1.51	2.1%
Watershed district	50.87	54.38	3.51	6.9%
Total Property Tax	\$ 4,273.03	\$ 4,390.80	\$ 117.77	2.8%

The four examples on this page show the total property tax for a \$500,000 home with a 4.8% increase in value (from \$477,000 to \$500,000). The homestead market value exclusion does not apply in this example. As shown, the highest property tax is paid by the home in the Roseville School District and the Metro Watershed District (the third table in the list), the largest tax increase is for the home in the Roseville School District and the Rice Creek Watershed District (last table in the list).

For a home in the Mounds View School District and Rice Creek Watershed, total property tax increases about \$103.

	Payable 2018	Payable 2019	Dollar Change	Percent Change
<b><u>Mounds View Schools &amp; Rice Creek Watershed</u></b>				
Property tax				
City	\$ 1,603.53	\$ 1,659.63	\$ 56.10	3.5%
HRA	15.17	29.97	14.80	97.6%
County	2,756.68	2,826.07	69.39	2.5%
Mounds View Schools	2,298.59	2,253.81	(44.78)	-1.9%
Metropolitan districts	123.69	125.46	1.77	1.4%
Watershed district	87.10	92.51	5.41	6.2%
<b>Total Property Tax</b>	<b>\$ 6,884.76</b>	<b>\$ 6,987.45</b>	<b>\$ 102.69</b>	<b>1.5%</b>

For a home in the Mounds View School District and Metro Watershed, total property tax increases about \$88.

	Payable 2018	Payable 2019	Dollar Change	Percent Change
<b><u>Mounds View Schools &amp; Metro Watershed</u></b>				
Property tax				
City	\$ 1,603.53	\$ 1,659.63	\$ 56.10	3.5%
HRA	15.17	29.97	14.80	97.6%
County	2,756.68	2,826.07	69.39	2.5%
Mounds View Schools	2,298.59	2,253.81	(44.78)	-1.9%
Metropolitan districts	123.69	125.46	1.77	1.4%
Watershed district	178.68	169.26	(9.42)	-5.3%
<b>Total Property Tax</b>	<b>\$ 6,976.34</b>	<b>\$ 7,064.20</b>	<b>\$ 87.86</b>	<b>1.3%</b>

For a home in the Roseville School District and Metro Watershed, total property tax increases about \$143.

	Payable 2018	Payable 2019	Dollar Change	Percent Change
<b><u>Roseville Schools &amp; Metro Watershed</u></b>				
Property tax				
City	\$ 1,603.53	\$ 1,659.63	\$ 56.10	3.5%
HRA	15.17	29.97	14.80	97.6%
County	2,756.68	2,826.07	69.39	2.5%
Roseville Schools	2,687.75	2,698.39	10.64	0.4%
Metropolitan districts	123.69	125.46	1.77	1.4%
Watershed district	178.68	169.26	(9.42)	-5.3%
<b>Total Property Tax</b>	<b>\$ 7,365.50</b>	<b>\$ 7,508.78</b>	<b>\$ 143.28</b>	<b>1.9%</b>

For a home in the Roseville School District and Rice Creek Watershed, total property tax increases about \$158.

	Payable 2018	Payable 2019	Dollar Change	Percent Change
<b><u>Roseville Schools &amp; Rice Creek Watershed</u></b>				
Property tax				
City	\$ 1,603.53	\$ 1,659.63	\$ 56.10	3.5%
HRA	15.17	29.97	14.80	97.6%
County	2,756.68	2,826.07	69.39	2.5%
Roseville Schools	2,687.75	2,698.39	10.64	0.4%
Metropolitan districts	123.69	125.46	1.77	1.4%
Watershed district	87.10	92.51	5.41	6.2%
<b>Total Property Tax</b>	<b>\$ 7,273.92</b>	<b>\$ 7,432.03</b>	<b>\$ 158.11</b>	<b>2.2%</b>

## Operating Budget

The 2019 budget is the second year of the biennial budget. This means that the City will formally amend the second year of the biennial budget and no new formal budget document will be prepared. Instead, the City Council will authorize amendments to the budget and CIP, and will pass resolutions setting the funding level and documenting the changes. This section of the memo provides a summary of budget changes for each operating fund, along with general discussion about the changes to each budget. The following schedules assume a 3.0% COLA increase and a \$40 increase in the City contribution to health insurance.

General Fund revenue changes include increases to permit revenue, changes to intergovernmental revenue due to street maintenance and state fire aid and increases in administrative charges to other funds and plan check fees. A significant portion of expense reductions are related to contractual services. The majority of the public safety increase relates to the fire contract (see previous comments on increases in state fire aid revenue).

	2017 Actual	2018		2019		
		Budget	Revised Estimate	Original Budget	Budget Changes	Amended Budget
<b>General Fund</b>						
Revenue						
Property Taxes	\$ 7,554,977	\$ 7,896,736	\$ 7,896,736	\$ 8,370,839	\$(185,659)	8,185,180
Licenses and Permits	1,000,637	379,700	560,660	316,000	59,000	375,000
Intergovernmental	570,177	527,622	604,777	528,622	77,000	605,622
Charges for Services	1,509,246	1,362,265	1,388,365	1,347,081	79,010	1,426,091
Fines and Forfeits	47,899	47,500	49,700	47,500	-	47,500
Interest Earnings	53,285	55,000	55,000	60,000	-	60,000
Other Revenues	20,720	14,650	19,650	14,850	-	14,850
Total Revenue	10,756,941	10,283,473	10,574,888	10,684,892	29,351	10,714,243
Expense						
General Government	\$ 2,214,546	\$ 2,471,065	\$ 2,454,614	\$ 2,525,319	\$ (79,262)	\$ 2,446,057
Public Safety	3,813,923	3,908,639	3,915,803	4,040,279	30,505	4,070,784
Public Works	1,471,674	1,600,892	1,581,473	1,690,304	1,544	1,691,848
Parks and Recreation	1,880,903	2,056,398	1,948,367	2,177,029	(13,595)	2,163,434
Community Development	677,612	684,479	666,292	714,961	(10,019)	704,942
Total Expense	10,058,658	\$10,721,473	\$10,566,549	\$11,147,892	\$ (70,827)	\$11,077,065
Other Sources (Uses)						
Transfers In	837,000	863,000	863,000	900,000	-	900,000
Transfers Out	(1,319,046)	(425,000)	(425,000)	(437,000)	-	(437,000)
Salary Contingency	-	-	-	-	(100,178)	(100,178)
Net Increase (Decrease)	216,237	-	446,339	-	-	-
Fund Equity, beginning	4,809,278	4,257,497	5,025,515	5,471,854		5,471,854
Fund Equity, ending	\$5,025,515	\$ 4,257,497	\$ 5,471,854	\$ 5,471,854		\$ 5,471,854

Recycling Fund Charges for services were reduced due to the elimination of the recycling fee increase in 2019 as a result of lower rates with the new recycling hauler. Expenditure changes are a result of lower costs associated with the new hauler.

	2017 Actual	2018		2019		
		Budget	Revised Estimate	Budget	Budget Changes	Amended Budget
<b>Recycling Fund</b>						
Revenue						
Intergovernmental	\$ 85,543	\$ 80,000	\$ 333,000	\$ 80,000	\$ -	\$ 80,000
Charges for Services	546,474	553,500	553,500	565,500	(12,000)	553,500
Interest Earnings	4,650	-	-	-	-	-
Other	299	-	-	-	-	-
Total Revenue	636,966	633,500	886,500	645,500	(12,000)	633,500
Expense						
Public Works	\$ 549,007	\$ 578,959	\$ 1,004,288	\$ 598,560	\$ (97,380)	\$ 501,180
Net Increase (Decrease)	87,959	54,541	(117,788)	46,940	85,380	132,320
Fund Equity, beginning	460,116	548,075	548,075	430,287		430,287
Fund Equity, ending	\$ 548,075	\$ 602,616	\$ 430,287	\$ 477,227		\$ 562,607

Community Center Fund revenue changes include an increase for the silver and fit program as well as other adjustments related to the Community Center expansion project. Expenditure changes include reduced personal costs as well as reductions in supply and printing budgets.

	2017 Actual	2018		2019		
		Budget	Revised Estimate	Budget	Budget Changes	Amended Budget
<b>Community Center Fund</b>						
Revenue						
Charges for Services	\$ 2,578,680	\$ 2,626,140	\$ 2,509,989	\$ 3,021,630	\$ 48,000	\$ 3,069,630
Interest Earnings	19,665	6,000	6,000	7,000	-	7,000
Other Revenues	15,723	12,500	12,500	12,500	-	12,500
Total Revenue	2,614,068	2,644,640	2,528,489	3,041,130	48,000	3,089,130
Expense						
Parks and Recreation	2,706,824	3,012,809	2,925,159	3,299,740	(80,172)	3,219,568
Other Sources (Uses)						
Transfers In	402,000	420,000	420,000	437,000	-	437,000
Transfers Out	-	-	-	-	-	-
Net Increase (Decrease)	309,244	51,831	23,330	178,390	128,172	306,562
Fund Equity, beginning	1,355,411	1,664,655	1,664,655	1,687,985		1,687,985
Fund Equity, ending	\$ 1,664,655	\$ 1,716,486	\$ 1,687,985	\$ 1,866,375		\$ 1,994,547

Recreation Programs Fund revenue changes include reduced estimates for the aquatics, fitness and adult and youth sports programs and an increase to the preschool program. Expense changes include wage and benefit increases and reduced contractual services for the fitness and adult and youth sports programs.

	2017 Actual	2018		2019		
		Budget	Revised Estimate	Budget	Budget Changes	Amended Budget
<b>Recreation Programs Fund</b>						
Revenue						
Charges for Services	\$ 1,465,942	\$ 1,493,159	\$ 1,454,213	\$ 1,660,340	\$ (163,245)	\$ 1,497,095
Interest Earnings	10,839	2,500	2,500	3,000	-	3,000
Other Revenues	1,001	-	160	-	-	-
Total Revenue	1,477,782	1,495,659	1,456,873	1,663,340	(163,245)	1,500,095
Expense						
Parks and Recreation	\$ 1,503,287	\$ 1,532,572	\$ 1,520,026	\$ 1,624,709	\$ (23,676)	\$ 1,601,033
Other Sources (Uses)						
Transfers In	86,000	95,000	95,000	100,000	-	100,000
Transfers Out	(140,000)	(150,000)	(150,000)	(160,000)	-	(160,000)
Net Increase (Decrease)	(79,505)	(91,913)	(118,153)	(21,369)	(139,569)	(160,938)
Fund Equity, beginning	954,469	874,964	874,964	756,811		756,811
Fund Equity, ending	\$ 874,964	\$ 783,051	\$ 756,811	\$ 735,442		\$ 595,873

Cable Television Fund changes are the result of increased contractual costs related to maintenance of the City's website, internet costs and equipment maintenance as well as the purchase of capital assets.

	2017 Actual	2018		2019		
		Budget	Revised Estimate	Budget	Budget Changes	Amended Budget
<b>Cable Television Fund</b>						
Revenue						
Charges for Services	\$ 443,540	\$ 440,000	\$ 440,000	\$ 410,000	\$ -	\$ 410,000
Interest Earnings	5,863	1,800	1,800	1,900	-	1,900
Other Revenues	1,100	1,200	1,200	1,200	-	1,200
Total Revenue	450,503	443,000	443,000	413,100	-	413,100
Expense						
General Government	\$ 164,203	\$ 469,553	\$ 482,700	\$ 123,644	\$ 46,615	\$ 170,259
Other Sources (Uses)						
Transfers Out	(200,000)	(200,000)	(200,000)	(200,000)	-	(200,000)
Net Increase (Decrease)	86,300	(226,553)	(239,700)	89,456	(46,615)	42,841
Fund Equity, beginning	571,961	658,261	658,261	418,561		418,561
Fund Equity, ending	\$ 658,261	\$ 431,708	\$ 418,561	\$ 508,017		\$ 461,402

EDA Fund revenue changes include increases in the property tax levy and intergovernmental revenue to cover costs related to an intern funded partially by the Ramsey County BIZRecycling grant. Expense increases are related to the grant.

	2017 Actual	2018		2019		
		Budget	Revised Estimate	Budget	Budget Changes	Amended Budget
<b>EDA Fund</b>						
Revenue						
Property Taxes	\$ 113,950	\$ 120,000	\$ 120,000	\$ 125,000	\$ 25,000	\$ 150,000
Intergovernmental	-	-	16,000	-	15,000	15,000
Interest Earnings	2,290	-	-	-	-	-
Total Revenue	116,240	120,000	136,000	125,000	40,000	165,000
Expense						
Community Development	\$ 116,180	\$ 119,845	\$ 140,487	\$ 124,774	\$ 36,943	\$ 161,717
Other Sources (Uses)						
Transfers In	20,423	-	-	-	-	-
Net Increase (Decrease)	20,483	155	(4,487)	226	3,057	3,283
Fund Equity, beginning	217,404	237,887	237,887	233,400		233,400
Fund Equity, ending	\$ 237,887	\$ 238,042	\$ 233,400	\$ 233,626		\$ 236,683

HRA Fund changes include an increase in the property tax levy to cover costs associated with the reallocation of the code enforcement officer from the General Fund as well as increased contractual costs associated with the housing loan program with NeighborWorks for housing services and an expanded housing loan program.

	2017 Actual	2018		2019		
		Budget	Revised Estimate	Budget	Budget Changes	Amended Budget
<b>HRA Fund</b>						
Revenue						
Property Taxes	\$ 103,981	\$ 110,000	\$ 110,000	\$ 115,000	\$ 95,000	\$ 210,000
Interest Earnings	1,276	-	-	-	-	-
Total Revenue	105,257	110,000	110,000	115,000	95,000	210,000
Expense						
Community Development	\$ 83,099	\$ 106,973	\$ 139,764	\$ 109,713	\$ 91,639	\$ 201,352
Net Increase (Decrease)	22,158	3,027	(29,764)	5,287	3,361	8,648
Fund Equity, beginning	120,935	143,093	143,093	113,329		113,329
Fund Equity, ending	\$ 143,093	\$ 146,120	\$ 113,329	\$ 118,616		\$ 121,977



The Slice of Shoreview Fund budget has no proposed changes for 2019.

	2017 Actual	2018		2019		
		Budget	Revised Estimate	Budget	Budget Changes	Amended Budget
<b><u>Slice of Shoreview Fund</u></b>						
Revenue						
Charges for Services	\$ 26,554	\$ 27,500	\$ 28,650	\$ 27,500	\$ -	\$ 27,500
Interest Earnings	1,033	-		-	-	-
Other Revenues	38,784	35,000	36,389	35,000	-	35,000
Total Revenue	66,371	62,500	65,039	62,500	-	62,500
Expense						
General Government	\$ 80,938	\$ 77,300	\$ 66,225	\$ 77,700	\$ -	\$ 77,700
Other Sources (Uses)						
Transfers In	10,000	10,000	10,000	10,000	-	10,000
Net Increase (Decrease)	(4,567)	(4,800)	8,814	(5,200)	-	(5,200)
Fund Equity, beginning	87,609	83,042	83,042	91,856		91,856
Fund Equity, ending	\$ 83,042	\$ 78,242	\$ 91,856	\$ 86,656		\$ 86,656

The Debt Service Fund changes are a result of special assessment reductions due to assessment prepayments.

	2017 Actual	2018		2019		
		Budget	Revised Estimate	Budget	Budget Changes	Amended Budget
<b><u>Debt Service Funds</u></b>						
Revenue						
Property Taxes	\$ 541,844	\$ 742,235	\$ 742,235	\$ 1,127,000	\$ -	\$ 1,127,000
Special Assessments	208,899	205,875	202,111	234,875	(3,764)	231,111
Intergovernmental	-	-	-	-	-	-
Interest Earnings	26,067	18,030	21,200	24,220	140	24,360
Total Revenue	776,810	966,140	965,546	1,386,095	(3,624)	1,382,471
Expense						
Debt Service	\$ 1,381,635	\$ 1,594,003	\$ 1,594,003	\$ 2,221,998	\$ -	\$ 2,221,998
Other Sources (Uses)						
Debt Proceeds	118,514	14,794	14,794	-	-	-
Debt Refunded	-	-		-	-	-
Transfers In	455,000	877,000	877,000	982,000	-	982,000
Transfers Out	(50,000)	(50,000)	(50,000)	(50,000)	-	(50,000)
Net Increase (Decrease)	(81,311)	213,931	213,337	96,097	(3,624)	92,473
Fund Equity, beginning	2,805,909	2,724,598	2,724,598	2,937,935		2,937,935
Fund Equity, ending	\$ 2,724,598	\$ 2,938,529	\$ 2,937,935	\$ 3,034,032		\$ 3,030,408

Central Garage Fund changes to expenses include increases in personal costs and contractual services, and decreases in supplies.

	2017 Actual	2018		2019		
		Budget	Revised Estimate	Budget	Budget Changes	Amended Budget
<b>Central Garage Fund</b>						
Revenue						
Property Taxes	\$ 182,211	\$ 184,000	\$ 184,000	\$ 184,000	\$ -	\$ 184,000
Intergovernmental	52					-
Central Garage Charges	1,221,287	1,438,058	1,438,058	1,493,758	-	1,493,758
Interest Earnings	17,640	11,500	11,500	12,500	-	12,500
Other Revenues	2,655	-	-	-	-	-
Total Revenue	1,423,845	1,633,558	1,633,558	1,690,258	-	1,690,258
Expense						
Central Garage Operations	583,214	627,016	635,303	642,616	7,324	649,940
Debt Service	108,501	100,044	100,044	94,644	-	94,644
Depreciation	682,114	727,000	727,000	756,000	-	756,000
Total Expense	1,373,829	1,454,060	1,462,347	1,493,260	7,324	1,500,584
Other Sources (Uses)						
Sale of Asset-Gain	91,798	27,700	27,700	45,000	-	45,000
Transfers In	119,400	119,400	119,400	119,400	-	119,400
Transfers Out	(4,304)	(6,000)	-	-	-	-
Net Increase (Decrease)	256,910	320,598	318,311	361,398	(7,324)	354,074
Fund Equity, beginning	4,787,928	5,044,838	5,044,838	5,363,149		5,363,149
Fund Equity, ending	\$ 5,044,838	\$ 5,365,436	\$ 5,363,149	\$ 5,724,547		\$ 5,717,223
Note: Excludes contributed assets						

The Short-term Disability Fund budget has no proposed changes for 2019.

	2017 Actual	2018		2019		
		Budget	Revised Estimate	Budget	Budget Changes	Amended Budget
<b>Short-term Disability Fund</b>						
Revenue						
Charges for Services (misc)	\$ 7,842	\$ 7,900	\$ 7,900	\$ 7,900	\$ -	\$ 7,900
Interest Earnings	572	550	600	600	-	600
Total Revenue	8,414	8,450	8,500	8,500	-	8,500
Expense						
Miscellaneous	2,079	9,000	9,000	9,000	-	9,000
Net Increase (Decrease)	6,335	(550)	(500)	(500)	-	(500)
Fund Equity, beginning	46,861	53,196	53,196	52,696		52,696
Fund Equity, ending	\$ 53,196	\$ 52,646	\$ 52,696	\$ 52,196		\$ 52,196

The Liability Claims Fund budget has no proposed changes for 2019.

	2017 Actual	2018		2019		
		Budget	Revised Estimate	Budget	Budget Changes	Amended Budget
<b>Liability Claims Fund</b>						
Revenue						
Interest Earnings	\$ 3,225	\$ 2,300	\$ 2,300	\$ 2,400	\$ -	\$ 2,400
Other Revenues	20,309	30,000	30,000	30,000	-	30,000
Total Revenue	23,534	32,300	32,300	32,400	-	32,400
Expense						
Miscellaneous	18,108	32,000	32,000	32,000	-	32,000
Net Increase (Decrease)	5,426	300	300	400	-	400
Fund Equity, beginning	292,292	297,718	297,718	298,018		298,018
Fund Equity, ending	\$ 297,718	\$ 298,018	\$ 298,018	\$ 298,418		\$ 298,418

Water Fund changes include slightly higher personal costs, increased contractual costs due to general consultant fees, internal administrative charges and slightly higher debt service interest costs.

Expenditure budget revisions result in an \$81,727 reduction in fund balance from what was planned in the FYOP. The 4% rate increase is projected to raise an additional \$151,500 of revenue and would generate a net increase to fund balance of \$227,921. Due to lower irrigation usage for the past several summers, the City has not met its revenue projections. In order to maintain the goals established in the FYOP staff will likely be recommending that the base gallons used to estimate water revenue be adjusted when preparing the next five-year operating plan and biennial budget.

	2017 Actual	2018		2019		
		Budget	Revised Estimate	Budget	Budget Changes	Amended Budget
<b>Water Fund</b>						
Revenue						
Special Assessments	\$ 1,357	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	177	-	-	-	-	-
Charges for Services (utility chgs)	3,243,357	3,753,000	3,324,000	3,904,500	-	3,904,500
Interest Earnings	40,930	42,000	42,000	45,000	-	45,000
Other Revenues	-	-	1,500	-	-	-
Total Revenue	3,285,821	3,795,000	3,367,500	3,949,500	-	3,949,500
Expense						
Enterprise Operations	1,609,969	1,712,268	1,766,620	1,855,804	79,770	1,935,574
Debt Service	439,738	412,908	454,395	426,048	1,957	428,005
Depreciation	813,359	960,000	960,000	965,000	-	965,000
Total Expense	2,863,066	3,085,176	3,181,015	3,246,852	81,727	3,328,579
Other Sources (Uses)						
Transfers Out	(381,625)	(383,000)	(383,000)	(393,000)	-	(393,000)
Net Increase (Decrease)	41,130	326,824	(196,515)	309,648	(81,727)	227,921
Note: Excludes contributed assets						

Sewer Fund changes include a 3% sewer rate increase for 2019 (unchanged from the original rate in the five-year operating plan), slightly higher personal costs, increases in general contractual costs and MCES sewage disposal costs, higher internal administrative charges and slightly higher debt service interest costs.

	2017 Actual	2018		2019		
		Budget	Revised Estimate	Budget	Budget Changes	Amended Budget
<b>Sewer Fund</b>						
Revenue						
Special Assessments	\$ 1,858	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	156	-	-	-	-	-
Charges for Services (misc)	7,877	1,500	1,500	1,500	-	1,500
Charges for Services (utility chgs)	4,267,766	4,305,500	4,328,700	4,433,500	-	4,433,500
Interest Earnings	43,781	30,000	30,000	33,000	-	33,000
Other Revenues	2,836	-	-	-	-	-
Total Revenue	4,324,274	4,337,000	4,360,200	4,468,000	-	4,468,000
Expense						
Enterprise Operations	3,403,098	3,575,456	3,593,156	3,761,692	44,379	3,806,071
Debt Service	76,310	68,911	80,910	81,884	536	82,420
Depreciation	327,164	326,000	326,000	344,000	-	344,000
Total Expense	3,806,572	3,970,367	4,000,066	4,187,576	44,915	4,232,491
Other Sources (Uses)						
Transfers Out	(195,625)	(191,000)	(191,000)	(203,000)	-	(203,000)
Net Increase (Decrease)	322,077	175,633	169,134	77,424	(44,915)	32,509
Note: Excludes contributed assets						

Surface Water Fund changes include slightly lower contractual services and administrative charges and slightly higher debt service interest costs. The planned 5% increase in surface water rates for 2019 is unchanged.

	2017 Actual	2018		2019		
		Budget	Revised Estimate	Budget	Budget Changes	Amended Budget
<b>Surface Water Fund</b>						
Revenue						
Special Assessments	\$ 486	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	73	-	-	-	-	-
Charges for Services (utility chgs)	1,781,863	1,848,546	1,862,546	1,938,461	-	1,938,461
Interest Earnings	16,739	10,000	10,000	11,000	-	11,000
Total Revenue	1,799,161	1,858,546	1,872,546	1,949,461	-	1,949,461
Expense						
Enterprise Operations	903,944	1,094,623	943,917	1,131,347	(10,970)	1,120,377
Debt Service	79,194	68,653	71,600	95,497	93	95,590
Depreciation	283,009	296,000	296,000	311,000	-	311,000
Total Expense	1,266,147	1,459,276	1,311,517	1,537,844	(10,877)	1,526,967
Other Sources (Uses)						
Transfers Out	(168,000)	(176,000)	(176,000)	(186,000)	-	(186,000)
Net Increase (Decrease)	365,014	223,270	385,029	225,617	10,877	236,494
Note: Excludes contributed assets						

Street Lighting Fund changes include increased personal costs, contractual services and internal administrative charges. The planned 5% increase in street lighting rates for 2019 is unchanged

	2017 Actual	2018		2019		
		Budget	Revised Estimate	Budget	Budget Changes	Amended Budget
<b>Street Lighting Fund</b>						
Revenue						
Special Assessments	\$ 173	\$ -	\$ -	\$ -	\$ -	\$ -
Charges for Services (utility chgs)	640,703	678,000	681,000	712,000	-	712,000
Interest Earnings	4,314	2,700	2,700	2,900	-	2,900
Total Revenue	645,190	680,700	683,700	714,900	-	714,900
Expense						
Enterprise Operations	226,488	277,268	244,597	279,327	15,276	294,603
Depreciation	78,678	83,000	83,000	94,000	-	94,000
Total Expense	305,166	360,268	327,597	373,327	15,276	388,603
Other Sources (Uses)						
Transfers Out	(28,400)	(32,400)	(32,400)	(37,400)	-	(37,400)
Net Increase (Decrease)	311,624	288,032	323,703	304,173	(15,276)	288,897
Note: Excludes contributed assets						

### Utility Rates

The December 2017 *Five-Year Operating Plan* and 2019 preliminary budget recommended a 4% water, 3% sewer, 5% surface water and 5% street light rate increase for 2019. Based on preliminary financial information these rate increases appear to be reasonable in order to meet the financial obligations of the utility funds, and no changes are recommended. The utility billing information that follows incorporates these rate increases.

The change in the total utility bill will vary based on the amount of water used by each customer and by the type of customer. To put the rate change into perspective, two tables are presented to estimate the change on residential customers at various water usage levels.

For the average residential customer (using an average of 15,000 gallons of water per quarter, and 12,000 gallons in the winter) the total utility bill will increase \$7.22 per quarter. The majority of the increase is for sewer charges.

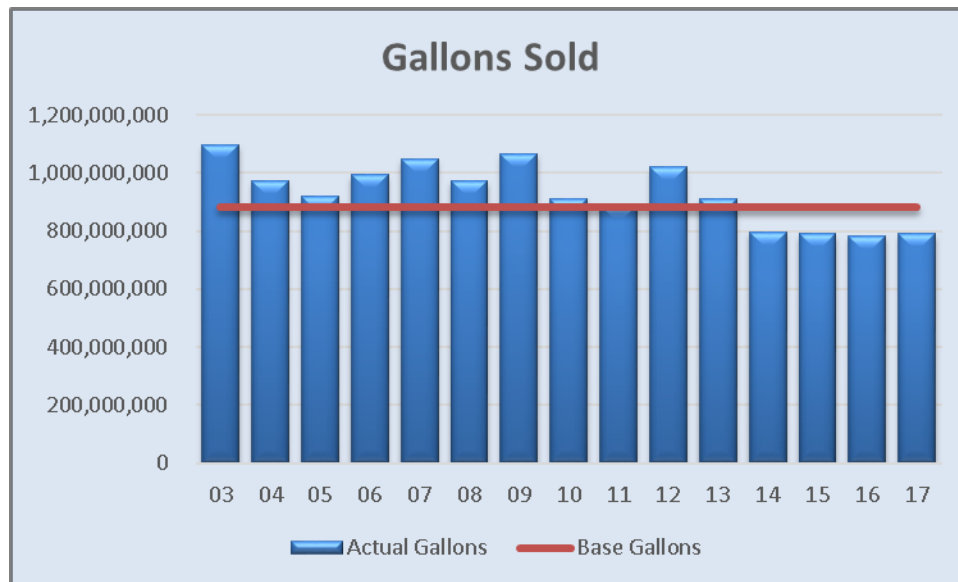
Average User	2018	2019	Change
Water	\$ 57.54	\$ 59.82	\$ 2.28
Sewer	92.99	95.78	2.79
Surface water	29.72	31.21	1.49
Street lighting	13.23	13.89	0.66
State fee	1.59	1.59	-
Total	\$ 195.07	\$ 202.29	\$ 7.22

The next table shows the change in the utility bill for residential customers at 6 different usage levels. Customers with the lowest usage receive the smallest dollar increase. The second column of the table shows the percentage of residential customers that fall within each usage level.

Use Level	% of Homes	Water Gallons	Sewer Gallons	Total Quarterly Utility Bill		Quarterly Change	
				2018	2019	\$	%
Very low	13%	5,000	4,000	\$ 134.46	\$ 139.57	\$ 5.11	3.8%
Low	28%	10,000	10,000	\$ 160.50	\$ 166.51	\$ 6.01	3.7%
Average	40%	15,000	12,000	\$ 195.07	\$ 202.29	\$ 7.22	3.7%
Above avg	14%	25,000	22,000	\$ 247.72	\$ 256.87	\$ 9.15	3.7%
High	3%	55,000	26,000	\$ 409.22	\$ 424.82	\$ 15.60	3.8%
Very high	2%	80,000	34,000	\$ 573.16	\$ 595.11	\$ 21.95	3.8%

### Base Gallons

Next year’s budget process will require the preparation of a new two-year budget and five-year operating plan. At that time staff will likely be recommending that the base gallons used to estimate water revenue be adjusted. Lower consumption is a result of rainy periods during the irrigation season, more efficient household appliances and plumbing fixtures, and the City’s ongoing efforts to promote water conservation, including, the implementation of the Water Smart program. As shown in the graph below, the City has not met or exceeded the base gallon amount since 2013.



## Major Capital Funds

Projected fund balances and capital costs for major capital funds are presented on the next four pages. These schedules show revenue dedicated to each fund, planned project costs, and estimated fund balance.

Street Renewal Fund projections indicate that tax levy increases ranging from \$67,000 to \$85,000 per year through 2023 (after considering the redirection of the 2018 Street Bond levy of \$250,000 in 2019) will support planned projects.

<b>Street Renewal Fund</b> Capital Projections	Estimated 2018	Projected 2019	Projected 2020	Projected 2021	Projected 2022	Projected 2023
<b>Revenue</b>						
Property taxes	\$ 1,124,000	\$ 941,000	\$ 1,012,000	\$ 1,088,000	\$ 1,168,000	\$ 1,253,000
Assessments	99,894	15,000	15,000	15,000	15,000	15,000
Investment interest	26,000	26,000	26,000	26,000	26,000	26,000
Total Revenues	\$ 1,249,894	\$ 982,000	\$ 1,053,000	\$ 1,129,000	\$ 1,209,000	\$ 1,294,000
<b>Expense</b>						
Gramsie Road reconstruction	80,000	-	-	-	-	-
Bridge/Lion neighborhood	875,000	-	-	-	-	-
Wabasso neighborhood	-	472,200	-	-	-	-
Edgetown Acres-Schutta/Lois/Hillview	-	-	1,337,800	1,457,600	-	-
Total Expense	\$ 955,000	\$ 472,200	\$ 1,337,800	\$ 1,457,600	\$ -	\$ -
<b>Other Sources (Uses)</b>						
Transfers out/2018 Street Bonds	(100,000)	-	-	-	-	-
Total Other Sources (Uses)	\$ (100,000)	\$ -	\$ -	\$ -	\$ -	\$ -
Net change	194,894	509,800	(284,800)	(328,600)	1,209,000	1,294,000
Fund equity, beginning	2,476,391	2,671,285	3,181,085	2,896,285	2,567,685	3,776,685
Fund equity, ending	\$ 2,671,285	\$ 3,181,085	\$ 2,896,285	\$ 2,567,685	\$ 3,776,685	\$ 5,070,685
Years of capital coverage (avg expense)	3.8	4.5	4.1	3.6	5.4	7.2
Tax levy percent change	7.0%	-16.3%	7.5%	7.5%	7.4%	7.3%
Average annual percent change (taxes) 2018 –		-4.6%	-0.6%	1.4%	2.6%	3.4%

MSA Fund projections indicate that the City’s annual allocation combined with existing fund balances will not support planned project costs through the year 2023. In order to fund planned street projects, the City could request advances on future MSA allocations or record inter-fund loans.

<b>MSA Fund</b>	Estimated	Projected	Projected	Projected	Projected	Projected
Capital Projections	2018	2019	2020	2021	2022	2023
<b>Revenue</b>						
Intergovt (MSA allocation)	\$ 715,783	\$ 715,783	\$ 715,783	\$ 715,783	\$ 715,783	\$ 715,783
Investment interest	20,000	5,000	-	-	-	-
Total Revenues	\$ 735,783	\$ 720,783	\$ 715,783	\$ 715,783	\$ 715,783	\$ 715,783
<b>Expense</b>						
Gramsie Road	80,000	-	-	-	-	-
MSA Street Rehabilitation	585,000	415,000	-	-	-	-
Rice Street/I-694 Interchange	-	770,000	-	-	-	-
Highway 49/Hodgson (96-Gramsie)	-	-	-	218,000	-	-
Bridge, Lion Neighborhood	200,000	-	-	-	-	-
Lexington Ave. Reconstruction	-	-	150,000	-	-	-
Owasso Blvd N Reconstruction	200,000	150,000	2,380,000	-	-	-
Hamline Ave. Reconstruction	-	-	-	-	-	2,744,000
County Road F Reconstruction	-	275,000	-	-	-	-
Total Expense	\$ 1,065,000	\$ 1,610,000	\$ 2,530,000	\$ 218,000	\$ -	\$ 2,744,000
Net change	(329,217)	(889,217)	(1,814,217)	497,783	715,783	(2,028,217)
Fund equity, beginning	1,373,628	1,044,411	155,194	(1,659,023)	(1,161,240)	(445,457)
Fund equity, ending	\$ 1,044,411	\$ 155,194	\$ (1,659,023)	\$ (1,161,240)	\$ (445,457)	\$ (2,473,674)
Fund equity percent of avg expense	76.7%	11.4%	-121.9%	-85.3%	-32.7%	-181.7%
Months capital coverage (avg expense)	9.2	1.4	(14.6)	(10.2)	(3.9)	(21.8)
Fund equity - from 2018 CHIRP	1,997,515	2,295,298	131,081	629,864	1,347,147	(679,070)
Variance over (under) 2018 CHIRP	(953,104)	(2,140,104)	(1,790,104)	(1,791,104)	(1,792,604)	(1,794,604)

MSA streets are typically City streets with higher traffic volumes. The City may designate up to 20% of local streets as MSA routes, and the routes are subject to certain State design requirements.



General Fixed Asset Fund projections indicate that a tax levy increase of \$5,000 per year through 2023 will support planned projects. The increase in the General Fixed Asset Fund share of the levy is projected to increase .3% annually (unless capital projections change, requiring higher levies).

<b>General Fixed Asset Fund</b>	Estimated	Projected	Projected	Projected	Projected	Projected
Capital Projections	2018	2019	2020	2021	2022	2023
<b>Revenue</b>						
Property taxes	\$ 1,525,000	\$ 1,530,000	\$ 1,535,000	\$ 1,540,000	\$ 1,545,000	\$ 1,550,000
Investment interest	14,000	14,000	25,000	32,000	32,000	32,000
<b>Total Revenues</b>	<b>\$ 1,539,000</b>	<b>\$ 1,544,000</b>	<b>\$ 1,560,000</b>	<b>\$ 1,572,000</b>	<b>\$ 1,577,000</b>	<b>\$ 1,582,000</b>
<b>Expense</b>						
Fire stations & equipment	180,048	184,677	145,623	89,320	475,552	138,600
Warning sirens	38,000	-	-	18,000	-	18,000
Municipal buildings	1,633,168	305,000	255,000	323,000	388,000	446,000
Park facilities	101,410	620,000	301,000	60,000	354,000	140,000
Trails	80,000	80,000	80,000	80,000	181,600	83,200
<b>Total Expense</b>	<b>\$ 2,032,626</b>	<b>\$ 1,189,677</b>	<b>\$ 781,623</b>	<b>\$ 570,320</b>	<b>\$ 1,399,152</b>	<b>\$ 825,800</b>
<b>Other Sources (Uses)</b>						
Transfers out/Capital Imprv (IT) fund	(173,469)	(238,000)	(194,000)	(141,000)	(37,000)	(121,000)
Transfers out/debt funds	(180,000)	(380,000)	(380,000)	(380,000)	(380,000)	(200,000)
<b>Total Other Sources (Uses)</b>	<b>\$ (353,469)</b>	<b>\$ (618,000)</b>	<b>\$ (574,000)</b>	<b>\$ (521,000)</b>	<b>\$ (417,000)</b>	<b>\$ (321,000)</b>
<b>Net change</b>	<b>(847,095)</b>	<b>(263,677)</b>	<b>204,377</b>	<b>480,680</b>	<b>(239,152)</b>	<b>435,200</b>
Fund equity, beginning	1,914,629	1,067,534	803,857	1,008,234	1,488,914	1,249,762
<b>Fund equity, ending</b>	<b>\$ 1,067,534</b>	<b>\$ 803,857</b>	<b>\$ 1,008,234</b>	<b>\$ 1,488,914</b>	<b>\$ 1,249,762</b>	<b>\$ 1,684,962</b>
Months of average capital coverage	10.0	7.5	9.4	13.9	11.7	15.7
Tax levy percent change	1.2%	0.3%	0.3%	0.3%	0.3%	0.3%
Average annual percent change (taxes) 2018 –						0.5%

Information Technology Fund projections indicate that a tax levy increase of \$10,000 in 2020 will support planned technology purchases. The small tax levy is intended to assist in funding new technology purchases that cannot be funded through replacement funds.

<b>Information Technology Fund</b> Capital Projections	Estimated 2018	Projected 2019	Projected 2020	Projected 2021	Projected 2022	Projected 2023
<b>Revenue</b>						
Property taxes	\$ 40,000	\$ 40,000	\$ 50,000	\$ 50,000	\$ 50,000	\$ 50,000
Investment interest	1,100	1,600	1,600	1,600	1,600	1,600
<b>Total Revenues</b>	<b>\$ 41,100</b>	<b>\$ 41,600</b>	<b>\$ 51,600</b>	<b>\$ 51,600</b>	<b>\$ 51,600</b>	<b>\$ 51,600</b>
<b>Expense</b>						
Computer equipment/software	203,469	276,500	215,000	146,000	42,000	135,000
<b>Total Expense</b>	<b>\$ 203,469</b>	<b>\$ 276,500</b>	<b>\$ 215,000</b>	<b>\$ 146,000</b>	<b>\$ 42,000</b>	<b>\$ 135,000</b>
<b>Other Sources (Uses)</b>						
Transfers in/Gen Fixed Asset Fund	173,469	238,000	194,000	141,000	37,000	121,000
Transfers in/Water Fund	-	-	3,000	-	-	-
Transfers in/Sewer Fund	-	-	3,000	-	-	-
Transfers in/Central Garage Fund	-	-	-	5,000	-	5,000
<b>Total Other Sources (Uses)</b>	<b>\$ 173,469</b>	<b>\$ 238,000</b>	<b>\$ 200,000</b>	<b>\$ 146,000</b>	<b>\$ 37,000</b>	<b>\$ 126,000</b>
<b>Net change</b>	<b>11,100</b>	<b>3,100</b>	<b>36,600</b>	<b>51,600</b>	<b>46,600</b>	<b>42,600</b>
Fund equity, beginning	111,130	122,230	125,330	161,930	213,530	260,130
Fund equity, ending	<b>\$ 122,230</b>	<b>\$ 125,330</b>	<b>\$ 161,930</b>	<b>\$ 213,530</b>	<b>\$ 260,130</b>	<b>\$ 302,730</b>
<b>Months of capital coverage (avg exp)</b>	<b>8.6</b>	<b>8.9</b>	<b>11.5</b>	<b>15.1</b>	<b>18.4</b>	<b>21.4</b>

**Community Investment Fund** The summary of Community Investment Fund activity provided below shows projected revenue is sufficient to support planned building, park and trail projects providing community wide benefit. The G.O. debt service transfer beginning in 2018 provides funding for debt payments associated with the \$15,000,000 Community Center expansion/Shoreview Commons improvement bond issue

<b>Community Investment Fund</b> Capital Projections	Estimated 2018	Projected 2019	Projected 2020	Projected 2021	Projected 2022	Projected 2023
<b>Revenue</b>						
Franchise fees	\$ 830,000	\$ 790,000	\$ 790,000	\$ 790,000	\$ 790,000	\$ 790,000
PCS Antenna rentals	411,000	428,000	446,000	465,000	485,000	506,000
Billboard fees	56,600	58,310	60,060	61,860	63,720	72,190
Investment interest	40,000	35,000	30,000	15,000	20,000	20,000
<b>Total Revenues</b>	<b>\$ 1,337,600</b>	<b>\$ 1,311,310</b>	<b>\$ 1,326,060</b>	<b>\$ 1,331,860</b>	<b>\$ 1,358,720</b>	<b>\$ 1,388,190</b>
<b>Expense</b>						
Furniture and equipment	225,000	-	-	-	-	-
Community Center improvements	217,000	50,000	50,000	50,000	50,000	50,000
Community Center addition	1,467,300	-	-	-	-	-
Park facilities improvements	-	2,750,000	-	1,000,000	1,000,000	700,000
Trails and pathways	65,000	400,000	-	94,000	-	-
<b>Total Expense</b>	<b>\$ 1,974,300</b>	<b>\$ 3,200,000</b>	<b>\$ 50,000</b>	<b>\$ 1,144,000</b>	<b>\$ 1,050,000</b>	<b>\$ 750,000</b>
<b>Other Sources (Uses)</b>						
Transfer out/G.O. debt service	(322,000)	(322,000)	(322,000)	(322,000)	(322,000)	(322,000)
Transfers out/debt service (COP's)	(175,000)	(180,000)	(180,000)	(180,000)	(180,000)	(59,021)
<b>Total Other Sources (Uses)</b>	<b>\$ (497,000)</b>	<b>\$ (502,000)</b>	<b>\$ (502,000)</b>	<b>\$ (502,000)</b>	<b>\$ (502,000)</b>	<b>\$ (381,021)</b>
<b>Net change</b>	<b>(1,133,700)</b>	<b>(2,390,690)</b>	<b>774,060</b>	<b>(314,140)</b>	<b>(193,280)</b>	<b>257,169</b>
Fund equity, beginning	5,257,852	4,124,152	1,733,462	2,507,522	2,193,382	2,000,102
Fund equity, ending	\$ 4,124,152	\$ 1,733,462	\$ 2,507,522	\$ 2,193,382	\$ 2,000,102	\$ 2,257,271
Months of capital coverage (avg exp)	36.4	15.3	22.1	19.3	17.6	19.9
Minimum fund balance	\$ 936,173	\$ 1,191,435	\$ 1,450,647	\$ 1,714,019	\$ 1,981,763	\$ 2,255,401
Fund balance in excess of minimum	\$ 3,187,979	\$ 542,027	\$ 1,056,875	\$ 479,363	\$ 18,339	\$ 1,870
Debt service over (under) policy limit	\$ (13,524)	\$ (16,424)	\$ (24,744)	\$ (33,488)	\$ (45,276)	Unavailable

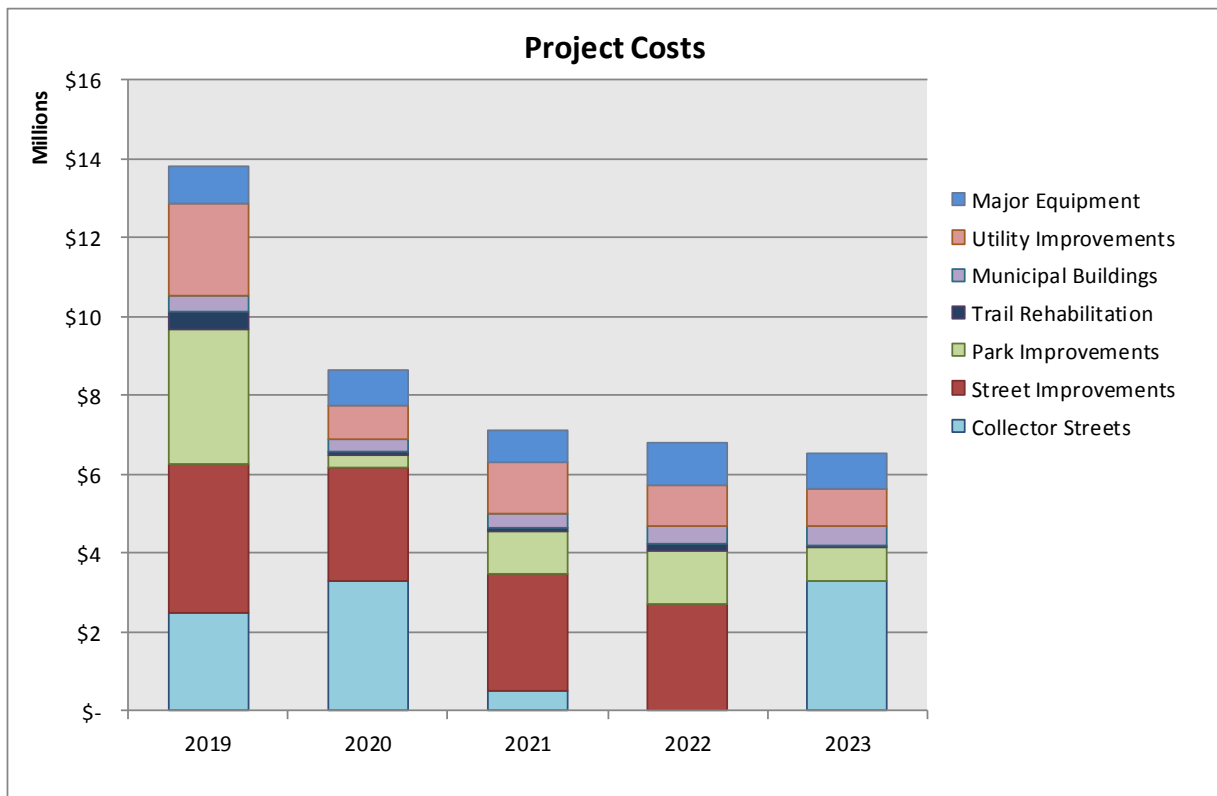
The adopted Community Investment Policy outlines a formula to accumulate a minimum fund balance equal to \$3 million. During the years 2014 through 2018 the policy dedicates 15% of revenue from franchise fees (electric and gas), wireless telecommunication antenna lease receipts and outdoor billboard lease receipts to the accumulation of minimum fund balance. Beginning in 2019, and until the \$3 million minimum fund balance is reached, 20% of these revenues will be dedicated to the accumulation of minimum fund balance. The first two lines highlighted in blue in the table above, show the growth in minimum fund balance, and available fund balances over the next 6 years.

The Community Investment Policy limits the amount of resources that can be used for the repayment of debt issued to acquire qualifying capital assets to 50% of ensuing years' available revenue, defined as revenue derived from franchise fees (electric and gas), wireless telecommunication antenna lease receipts and outdoor billboard lease receipts, less the amount allocated to the accumulation of minimum fund balance. The last line highlighted in blue in the table above, shows the amount of debt service exceeding or below the policy limit

A listing of proposed capital projects and a summary of funding sources is provided on the next 3 pages.

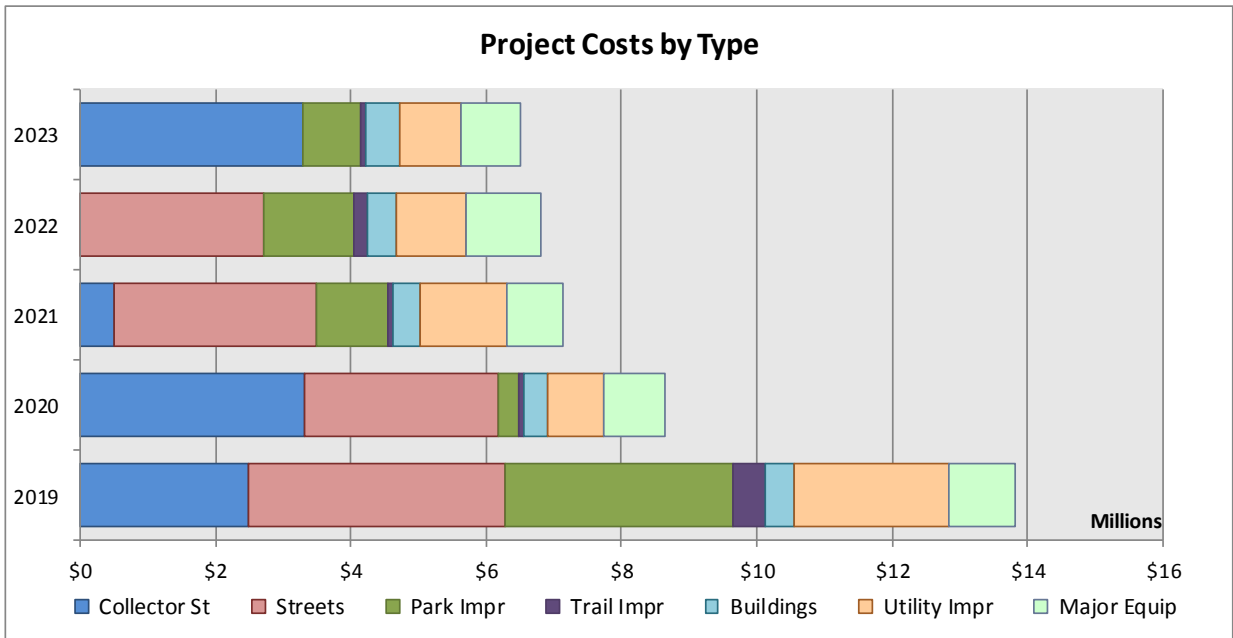
**Capital Improvement Program**

Description	Year 2018	Year 2019	Year 2020	Year 2021	Year 2022	Year 2023
<b>Resources</b>						
Debt Issuance	\$ 13,746,888	\$ 5,732,000	\$ 2,987,200	\$ 2,330,400	\$ 3,736,000	\$ 429,000
Intergovernmental	1,262,500	1,635,000	2,530,000	218,000	-	3,194,000
Internal Funds	6,408,278	6,450,627	3,113,423	4,587,070	3,074,152	2,886,940
<b>Total Resources</b>	<b>\$ 21,417,666</b>	<b>\$ 13,817,627</b>	<b>\$ 8,630,623</b>	<b>\$ 7,135,470</b>	<b>\$ 6,810,152</b>	<b>\$ 6,509,940</b>
<b>Project Costs</b>						
Collector Streets	\$ 360,000	\$ 2,481,000	\$ 3,310,000	\$ 497,000	\$ -	\$ 3,290,000
Street Improvements	3,850,000	3,803,000	2,870,000	2,990,000	2,700,000	-
Park Improvements	101,410	3,370,000	301,000	1,060,000	1,354,000	840,000
Trail Rehabilitation	80,000	480,000	80,000	80,000	181,600	83,200
Municipal Buildings	14,989,156	414,875	343,685	391,480	438,000	496,000
Utility Improvements	1,085,000	2,293,450	820,000	1,288,150	1,036,000	904,140
Major Equipment	952,100	975,302	905,938	828,840	1,100,552	896,600
<b>Total Project Costs</b>	<b>\$ 21,417,666</b>	<b>\$ 13,817,627</b>	<b>\$ 8,630,623</b>	<b>\$ 7,135,470</b>	<b>\$ 6,810,152</b>	<b>\$ 6,509,940</b>



**Project Resources**

Description	Year 2018	Year 2019	Year 2020	Year 2021	Year 2022	Year 2023
<b>Debt</b>						
General Obligation Bonds	\$ 925,000	\$ 2,075,000	\$ -	\$ -	\$ 2,500,000	\$ -
Tax Abatement Bonds	11,011,388	-	-	-	-	-
Improvement Bonds (assmts)	-	-	448,240	385,080	-	-
Water Revenue Bonds	710,000	1,539,000	600,000	854,000	535,000	175,000
Sewer Revenue Bonds	298,000	1,555,000	600,000	669,000	501,000	24,000
Surface Water Revenue Bonds	802,500	563,000	1,338,960	422,320	200,000	230,000
<b>Total Debt</b>	<b>13,746,888</b>	<b>5,732,000</b>	<b>2,987,200</b>	<b>2,330,400</b>	<b>3,736,000</b>	<b>429,000</b>
<b>Intergovernmental</b>						
Ramsey County	-	25,000	-	-	-	450,000
Rice Creek Watershed District	197,500	-	-	-	-	-
MSA	1,065,000	1,610,000	2,530,000	218,000	-	2,744,000
<b>Total Intergovernmental</b>	<b>1,262,500</b>	<b>1,635,000</b>	<b>2,530,000</b>	<b>218,000</b>	<b>-</b>	<b>3,194,000</b>
<b>Internal Funds</b>						
Cable Television Fund	395,000	-	-	-	-	-
Street Renewal Fund	955,000	472,200	1,337,800	1,457,600	-	-
Street Renewal (assmts)	190,000	186,800	-	-	-	32,000
General Fixed Asset Fund	2,206,095	1,427,677	975,623	711,320	1,436,152	946,800
Capital Acquisition Fund (IT)	30,000	38,500	15,000	-	5,000	9,000
Community Investment Fund	1,974,300	3,200,000	50,000	1,144,000	1,050,000	750,000
Water Fund	-	-	3,000	-	-	-
Sewer Fund	-	-	3,000	-	-	-
Street Lighting Fund	87,000	551,450	145,000	675,150	-	539,140
Central Garage Fund	570,883	574,000	584,000	599,000	583,000	610,000
<b>Total Internal Funds</b>	<b>6,408,278</b>	<b>6,450,627</b>	<b>3,113,423</b>	<b>4,587,070</b>	<b>3,074,152</b>	<b>2,886,940</b>
<b>Total Resources</b>	<b>\$21,417,666</b>	<b>\$13,817,627</b>	<b>\$8,630,623</b>	<b>\$7,135,470</b>	<b>\$6,810,152</b>	<b>\$6,509,940</b>



Project Costs						
Description	Year 2018	Year 2019	Year 2020	Year 2021	Year 2022	Year 2023
<b>Collector Streets</b>						
MSA Street Rehabilitation	\$ 160,000	\$ -	\$ -	\$ -	\$ -	\$ -
Rice Street/I-694 Interchange	-	770,000	-	-	-	-
County Rd F Reconstruction	-	691,000	-	-	-	-
Owasso Boulevard N Reconstruction	200,000	1,020,000	2,510,000	-	-	-
Lexington Ave Reconstruction	-	-	800,000	-	-	-
Highway 49/Hodgson (H96-Gramsie)	-	-	-	497,000	-	-
Hamline Ave Reconstruction	-	-	-	-	-	3,290,000
<b>Total Collector Streets</b>	<b>360,000</b>	<b>2,481,000</b>	<b>3,310,000</b>	<b>497,000</b>	<b>-</b>	<b>3,290,000</b>
<b>Street Improvements</b>						
Street Rehabilitation	1,650,000	2,590,000	-	-	2,700,000	-
Bridge, Lion Neighborhood	2,200,000	-	-	-	-	-
Wabasso Neighborhood	-	1,213,000	-	-	-	-
Edgetown Acres-Schutta/Lois/Hillview	-	-	2,870,000	2,990,000	-	-
<b>Total Street Improvements</b>	<b>3,850,000</b>	<b>3,803,000</b>	<b>2,870,000</b>	<b>2,990,000</b>	<b>2,700,000</b>	<b>-</b>
<b>Park Improvements</b>						
Park Facility Replacements	101,410	525,000	248,000	60,000	284,000	100,000
Park Facility Improvements	-	2,750,000	-	1,000,000	1,000,000	700,000
Tennis & Basketball Court Pavement	-	80,000	40,000	-	55,000	40,000
Park Building Rehabilitation	-	15,000	13,000	-	15,000	-
<b>Total Park Improvements</b>	<b>101,410</b>	<b>3,370,000</b>	<b>301,000</b>	<b>1,060,000</b>	<b>1,354,000</b>	<b>840,000</b>
<b>Trail Rehabilitation and Extensions</b>	<b>80,000</b>	<b>480,000</b>	<b>80,000</b>	<b>80,000</b>	<b>181,600</b>	<b>83,200</b>
<b>Municipal Buildings</b>						
Fire Stations	40,300	59,875	38,685	18,480	-	-
General Government Buildings	95,000	-	-	-	-	-
Community Center Rehabilitation	1,315,000	30,000	75,000	95,000	95,000	202,000
Banquet Facility	55,000	20,000	90,000	20,000	15,000	15,000
Pool & Locker Room Areas	137,012	105,000	40,000	138,000	203,000	179,000
Furniture & Equipment	651,156	150,000	50,000	70,000	75,000	50,000
Community Center Improvements	217,000	50,000	50,000	50,000	50,000	50,000
Community Center Expansion	12,478,688	-	-	-	-	-
<b>Total Municipal Buildings</b>	<b>14,989,156</b>	<b>414,875</b>	<b>343,685</b>	<b>391,480</b>	<b>438,000</b>	<b>496,000</b>
<b>Utility Improvements</b>						
Water Systems	550,000	825,000	-	700,000	535,000	135,000
Sanitary Sewer Rehabilitation	-	950,000	-	-	471,000	-
Sanitary Sewer Lift Stations	30,000	30,000	-	75,000	30,000	-
Suzanne/Gramsie Storm Lift Station	-	-	500,000	-	-	-
Surface Water Pretreatment Structure:	505,000	-	320,000	-	-	230,000
Residential Street Lights	-	488,450	-	513,150	-	539,140
<b>Total Utility Improvements</b>	<b>1,085,000</b>	<b>2,293,450</b>	<b>820,000</b>	<b>1,288,150</b>	<b>1,036,000</b>	<b>904,140</b>
<b>Major Equipment</b>						
Fire Equipment	139,748	124,802	106,938	70,840	475,552	138,600
Warning Sirens	38,000	-	-	18,000	-	18,000
Computer Systems	203,469	276,500	215,000	146,000	42,000	135,000
Central Garage Equipment	570,883	574,000	584,000	594,000	583,000	605,000
<b>Total Major Equipment</b>	<b>952,100</b>	<b>975,302</b>	<b>905,938</b>	<b>828,840</b>	<b>1,100,552</b>	<b>896,600</b>
<b>Total Capital Projects</b>	<b>\$21,417,666</b>	<b>\$13,817,627</b>	<b>\$8,630,623</b>	<b>\$7,135,470</b>	<b>\$6,810,152</b>	<b>\$6,509,940</b>

# City of Shoreview Budget Hearing Presentation

**2019 Budget and  
Tax Levy**



# Presentation Notes/Format

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- Handout
  - 2019 Budget Summary (booklet)
  - Page numbers in presentation refer to booklet pages
  - Not all material covered in presentation
- Other information on website
  - Utility Operations
  - Community Benchmarks
  - Biennial Budget and CIP
  - Five-year Operating Plan



# Budget Objectives

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- Balance General fund budget
- Maintain existing services and programs
- Recover utility operating costs
- Fund infrastructure replacements
- Meet debt obligations
- Maintain AAA bond rating
- Amend biennial budget
- Protect and enhance parks and recreational facilities

# Budget Objectives

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- Position the City to address future challenges and opportunities
  - Maintain and revitalize neighborhoods
  - Encourage business expansion and reinvestment
  - Assist redevelopment opportunities
  - Utilize technology to improve services and communications

# Proposed Tax Levy and Estimated Tax Rate

	2018	2019	Change		Impact on Total Levy
	Adopted Levy	Proposed Levy	Amount	Percent	
General Fund	\$ 7,896,736	\$ 8,185,180	\$ 288,444	3.65%	2.48%
EDA Fund	120,000	150,000	30,000	25.00%	0.26%
Debt (all funds combined)	926,235	1,311,000	384,765	41.54%	3.31%
Replacement Funds	2,649,000	2,471,000	(178,000)	-6.72%	-1.53%
Capital Acquisition Fund (IT)	40,000	40,000	-	0.00%	0.00%
<b>Total City Tax Levy</b>	<b>\$ 11,631,971</b>	<b>\$ 12,157,180</b>	<b>\$ 525,209</b>	<b>4.52%</b>	<b>4.52%</b>
HRA tax levy	\$ 110,000	\$ 210,000	\$ 100,000	90.91%	
Taxable Value (millions)	\$ 31.341	\$ 33.287	\$ 1.946	6.21%	
Tax Rate-City	33.617%	33.193%	-0.424%	-1.26%	
Fiscal Disparities Contribution	\$ 1,096,008	\$ 1,108,392	\$ 12,384	1.13%	

Shoreview receives no local government state aid in 2018 or 2019.

Proposed levy is \$160,659 less than the adopted biennial budget.

2019 HRA levy is \$210,000.

# Items Impacting the Tax Levy

- Debt service \$ 384,765
- Wage and benefit adjustments (net) 324,407
- Public safety contracts (police & fire) 162,105
- EDA & HRA levy 130,000
- Plan check fees 30,000
- Central Garage (equipment/building charges) 26,927
- Transfer to Comm. Ctr/Park & Rec 12,000
- Election costs (32,500)
- Transfer from utility funds (37,000)

# Items Impacting the Tax Levy

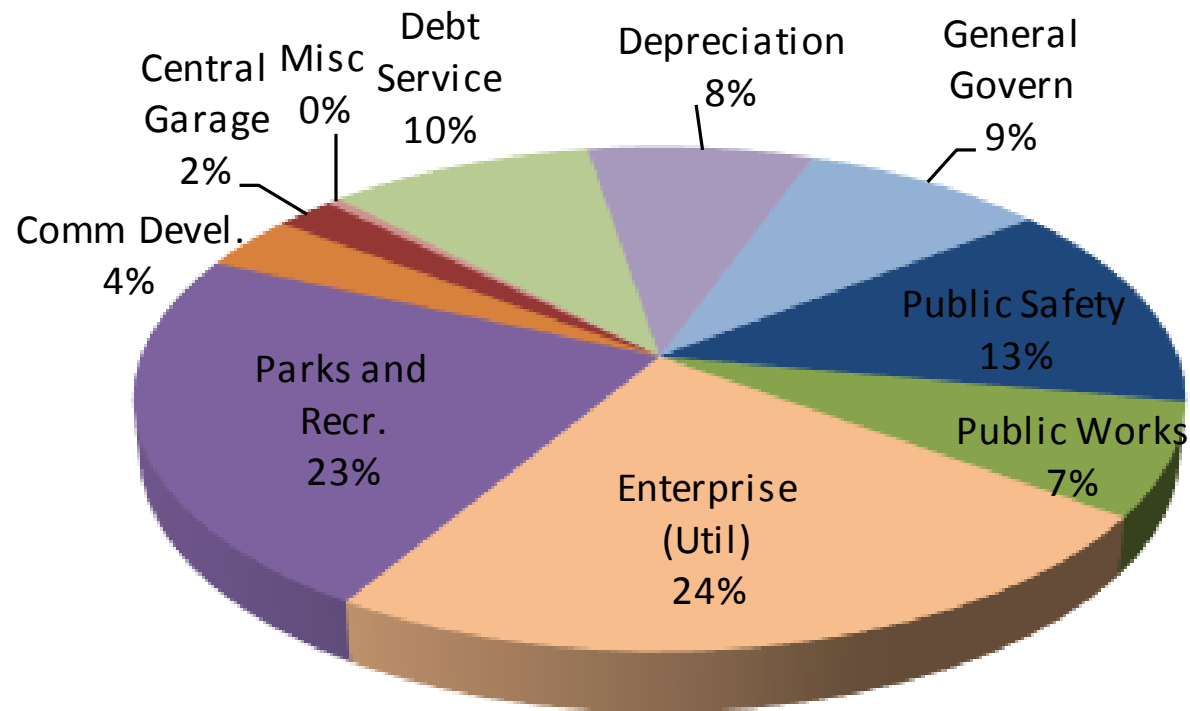
● Software costs (reallocated to utility funds)	\$ (48,757)
● State Aid	(78,000)
● Administrative charges	(90,430)
● Capital funds	(178,000)
● All other changes combined (net)	<u>19,692</u>
Total Levy Changes	\$ 625,209

# Total Operating Expense

Expense	2018		2019	Change from
	Budget	Revised Estimate	Revised Budget	2018 Budget
General Government	\$ 3,017,918	\$ 3,003,539	\$ 2,694,016	\$ (323,902)
Public Safety	3,908,639	3,915,803	4,070,784	162,145
Public Works	2,179,851	2,585,761	2,193,028	13,177
Parks and Recr.	6,601,779	6,393,552	6,984,035	382,256
Community Devel.	911,297	946,543	1,068,011	156,714
Enterprise Oper.	6,659,615	6,548,290	7,156,625	497,010
Central Garage	627,016	635,303	649,940	22,924
Miscellaneous	41,000	41,000	141,178	100,178
Debt Service	2,244,519	2,300,952	2,922,657	678,138
Depreciation	2,392,000	2,392,000	2,470,000	78,000
<b>Total Expense</b>	<b>\$ 28,583,634</b>	<b>\$ 28,762,743</b>	<b>\$ 30,350,274</b>	<b>\$ 1,766,640</b>
				6.2%

Excluding capital funds, debt refunding and transfers between funds.

# Total Operating Expense



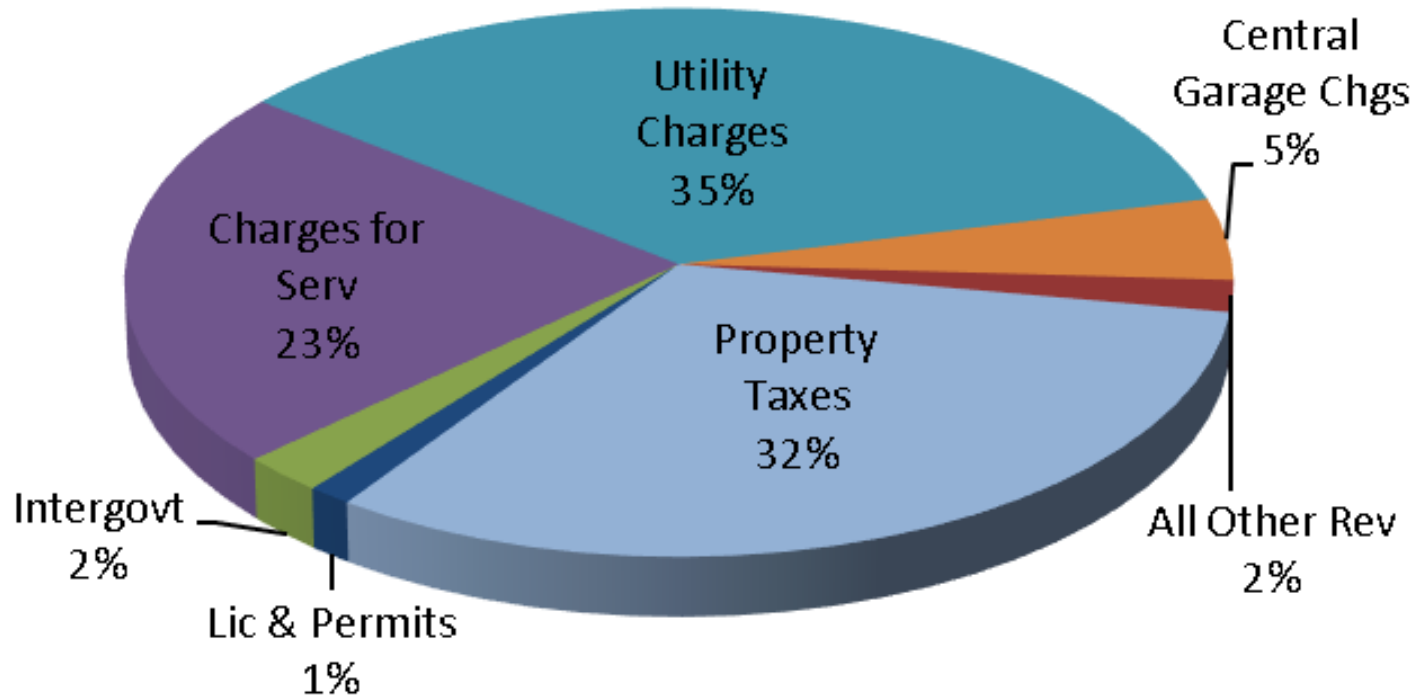
# Total Operating Revenue

	2018		2019	Change from
	Budget	Revised Estimate	Revised Budget	2018 Budget
<b>Revenue</b>				
Property Taxes	\$ 9,052,971	\$ 9,052,971	\$ 9,856,180	\$ 803,209
Special Assessments	205,875	202,111	231,111	25,236
Licenses and Permits	379,700	560,660	375,000	(4,700)
Intergovernmental	607,622	953,777	700,622	93,000
Charges for Services	6,511,964	6,384,117	6,993,216	481,252
Fines and Forfeits	47,500	49,700	47,500	-
Utility Charges	10,585,046	10,196,246	10,988,461	403,415
Central Garage Chgs	1,438,058	1,438,058	1,493,758	55,700
Interest Earnings	182,380	185,600	203,660	21,280
Other Revenues	93,350	101,399	93,550	200
<b>Total Revenue</b>	<b>\$ 29,104,466</b>	<b>\$ 29,124,639</b>	<b>\$ 30,983,058</b>	<b>\$ 1,878,592</b>
				6.5%

Excluding capital funds and transfers between funds.



# Total Operating Revenue



# Budget Reduction/ Efficiency Strategies

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- Contract for police and fire protection
- Continue use of correctional crew
- Maintain no contingency allowance
- Long-term preventative maintenance
- Maintain high-deductible health insurance plan
- Capitalize on debt refunding opportunities
- Maintain AAA bond rating

# Impact on Homes Market Value Changes

Shoreview Residential Property		
Value Change	Number of Homes	Percent of Total
Increase more than 50%	1	0.01%
Increase 40% to 49.99%	15	0.16%
Increase 30% to 39.99%	35	0.37%
Increase 20% to 29.99%	212	2.25%
Increase 10% to 19.99%	2,149	22.77%
Increase .1% to 9.99%	5,652	59.89%
No change	165	1.75%
Decrease .1% to 9.99%	1,167	12.36%
Decrease 10% to 19.99%	38	0.40%
Decrease 20% or more	4	0.04%
<b>Total Parcels</b>	<b>9,438</b>	<b>100.0%</b>

85% of homes increase, 13% of homes decrease, 2% of homes remain unchanged

# Impact on Homes Change in Total Tax

Shoreview Residential Property		
Tax Change	Number of Homes	Percent of Total
Decrease or no change	2,923	30.29%
Increase \$1 to \$100	2,173	22.52%
Increase \$101 to \$200	1,513	15.68%
Increase \$201 to \$300	1,353	14.02%
Increase \$301 to \$400	826	8.56%
Increase \$401 to \$500	432	4.48%
Increase more than \$500	431	4.47%
<b>Total Parcels</b>	<b>9,651</b>	<b>100.0%</b>

30% of homes decrease or stay the same, 38% increase up to \$200, 32% increase more than \$200

# Impact on Homes

## City Tax Change (Median Home Value)

### Shoreview share of tax bill only

Market Value		Value Change	City Portion of Property Tax		Change in City Property Tax	
2018	2019		2018	2019	Dollars	Percent
\$ 264,200	\$ 303,800	15.0%	\$ 842.78	\$ 975.53	\$ 132.75	15.8%
\$ 276,200	\$ 303,800	10.0%	\$ 886.82	\$ 975.53	\$ 88.71	10.0%
<b>\$ 289,800</b>	<b>\$ 303,800</b>	<b>4.8%</b>	<b>\$ 936.57</b>	<b>\$ 975.53</b>	<b>\$ 38.96</b>	<b>4.2%</b>
\$ 319,800	\$ 303,800	-5.0%	\$ 1,046.50	\$ 975.53	\$ (70.97)	-6.8%
\$ 337,600	\$ 303,800	-10.0%	\$ 1,111.71	\$ 975.53	\$ (136.18)	-12.2%

Assumes Mounds View schools, and  
Rice Creek Watershed

# Impact on Homes

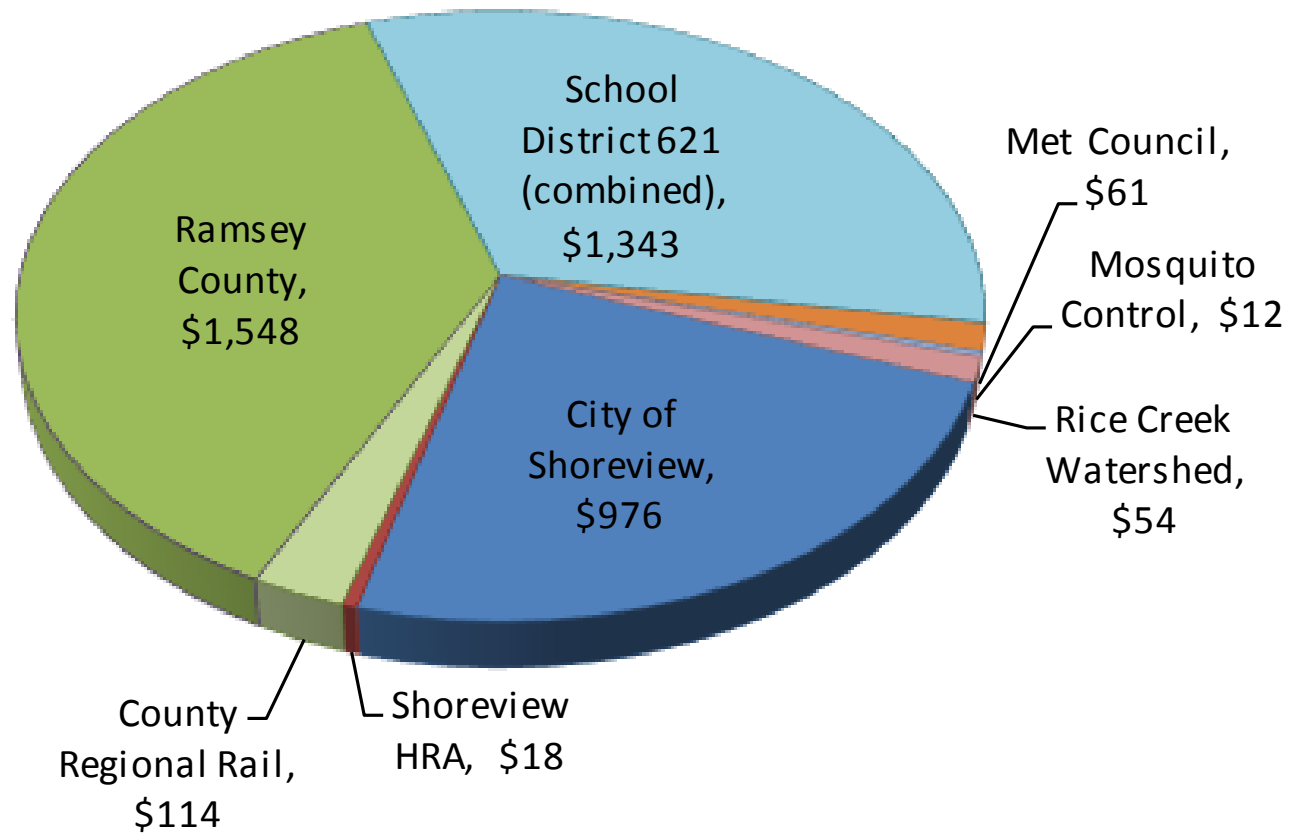
## City Tax Change (Various Home Values)

### Shoreview share of tax bill only

Market Value		Value Change	City Portion of Property Tax		Change in City Property Tax	
2018	2019		2018	2019	Dollars	Percent
\$ 143,100	\$ 150,000	4.8%	\$ 399.03	\$ 419.22	\$ 20.19	5.1%
\$ 190,800	\$ 200,000	4.8%	\$ 573.84	\$ 600.12	\$ 26.28	4.6%
<b>\$ 289,800</b>	<b>\$ 303,800</b>	<b>4.8%</b>	<b>\$ 936.57</b>	<b>\$ 975.53</b>	<b>\$ 38.96</b>	<b>4.2%</b>
\$ 381,700	\$ 400,000	4.8%	\$ 1,273.41	\$ 1,323.72	\$ 50.31	4.0%
\$ 477,000	\$ 500,000	4.8%	\$ 1,603.53	\$ 1,659.63	\$ 56.10	3.5%
\$ 668,000	\$ 700,000	4.8%	\$ 2,386.81	\$ 2,489.45	\$ 102.64	4.3%
\$ 859,000	\$ 900,000	4.8%	\$ 3,189.58	\$ 3,319.27	\$ 129.69	4.1%

Assumes Mounds View schools, Rice Creek Watershed, and 4.8% value increase

# Distribution of 2019 Estimated Total Property Tax Bill = \$4,126



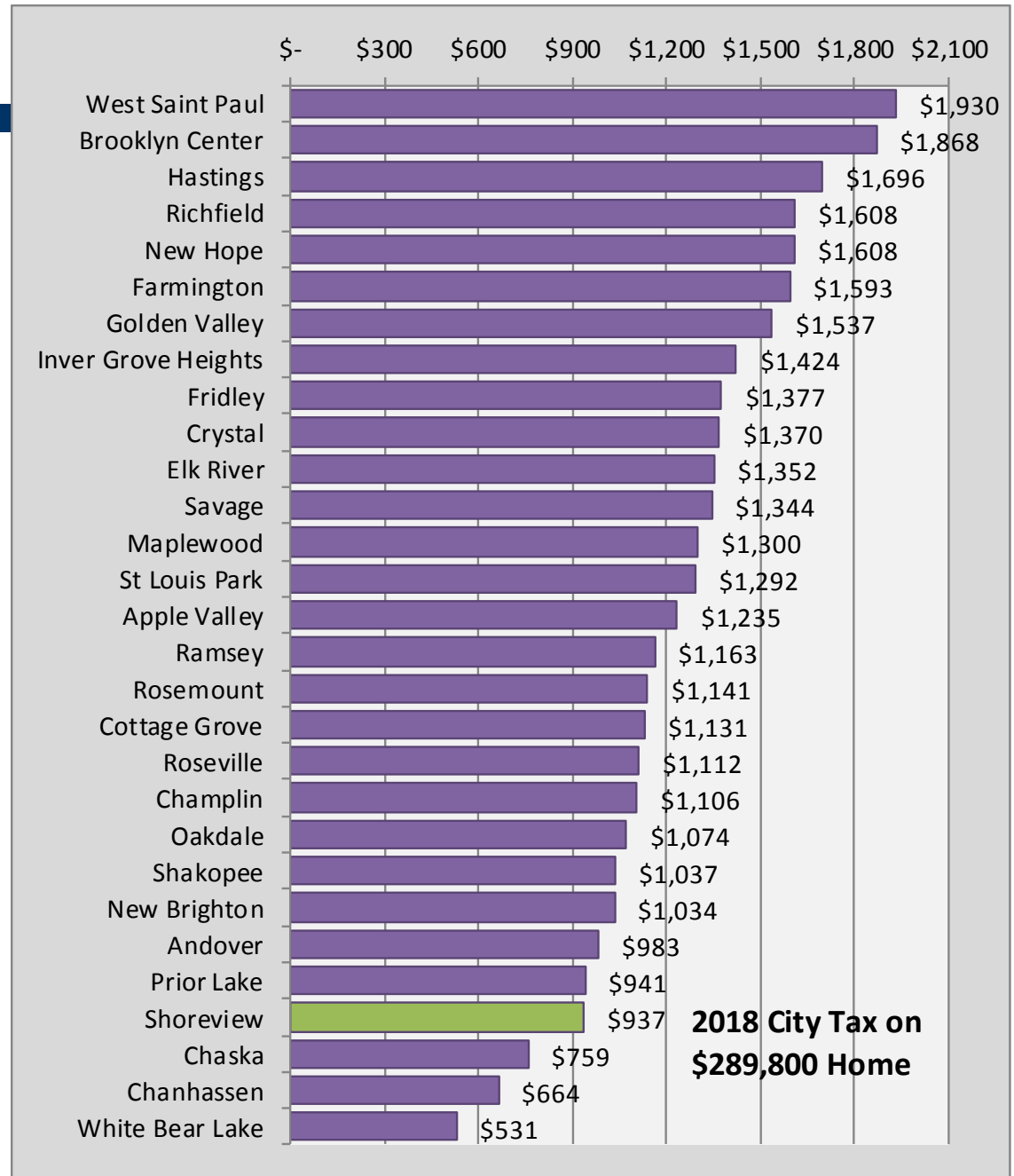
Shoreview is 24% of total

# Property Tax Comparison

2018 City Tax on \$289,800 Home

Shoreview is 25% below average of \$1,246

(Shoreview and 28 other Metro-area comparison Cities)



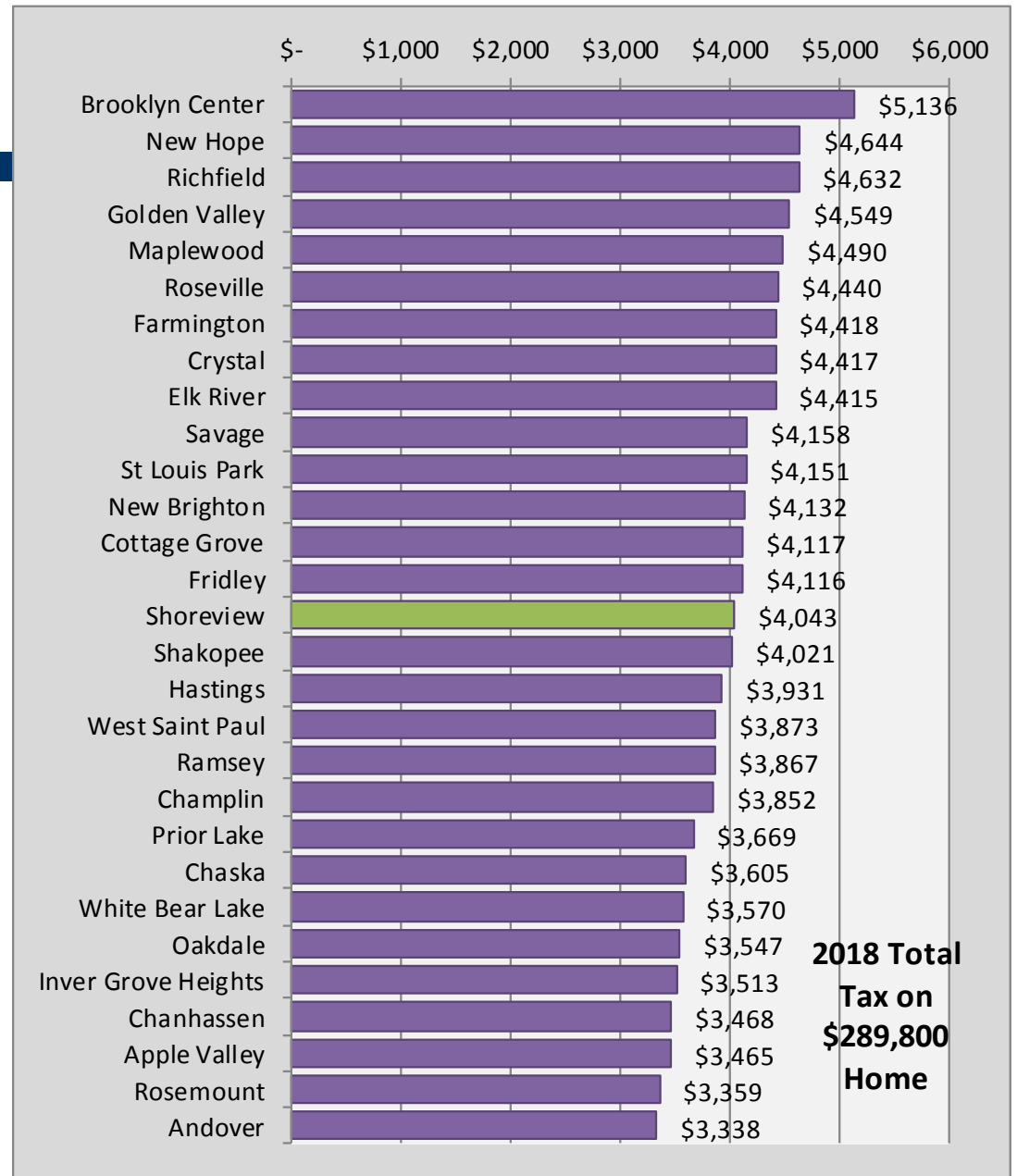


# Property Tax Comparison

2018 Total Tax on \$289,800 Home

Total tax is 0.3% above average of \$4,032

(Shoreview and 28 other Metro-area comparison Cities)



# Additional Handouts

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- Community Benchmarks
- Utility Operations and 2019 Utility Rates
- 2019 Shoreview Property Tax Dollar
- State property tax refunds/deferrals
- Process to appeal estimated market value

[Note: Please refer to the reverse side of estimated tax statement for programs that may reduce property taxes]

# Future Council Action

## December 17, 2018

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- Amend
  - 2019 Budget
  - 2019 to 2023 Capital Improvement Program
- Adopt
  - 2019 Tax levy
  - 2019 Utility rates

# 2019 Shoreview Property Tax Dollar

## For every property tax dollar you pay:

On average, 76 cents of each dollar goes to your county, school district, and other taxing jurisdictions, and

24 cents goes to Shoreview



Shoreview's 24-cent share is allocated as follows in 2019:

- 7 cents Public Safety
- 5 cents Capital Replacements
- 5 cents Parks/Recr. (combined)
- 2 cents General Government
- 3 cents Debt Service
- 1 cents Public Works
- 1 cent Community Development

**Public Safety** – Police, fire, animal control and emergency services

**Capital** – Replacement costs for all general assets: streets, buildings, equipment, fire trucks, trails, park facilities, mechanical systems, computer systems, and warning sirens

**Parks/Recreation** – Park and recreation administration, park maintenance and support for playground and senior programs

**General Government** – Administration, city council, newsletter, human resources, elections, accounting, information systems and legal

**Debt Service** – Payment of bonds issued for past projects

**Public Works** – Engineering, street maintenance, trail management and forestry

**Community Development** – Planning, code enforcement, building inspection and economic development



**Capital replacement costs** make up the second highest share of the City's property tax because of Shoreview's approach to financing infrastructure replacement (such as streets). Many cities utilize special assessments to recover all or a significant portion of the cost of street and utility replacements. In Shoreview, considerable effort is put into planning for infrastructure replacement. The City identifies the resources (taxes and utility fees) that are necessary to support upcoming capital replacement costs well in advance, so resources are available when needed.

Although one might think that this practice would result in higher taxes for Shoreview, it has actually helped the City keep a stable and competitive tax rate. When comparing the City portion of the property tax bill to 28 other metro-area cities similar to Shoreview in size, in 2018 Shoreview ranks 4<sup>th</sup> lowest.

More information about benchmark comparisons is available in the *Community Benchmarks* booklet titled *How Does Shoreview Compare?* (available at city hall or on the City's website)

## **Shoreview Budget and Property Tax Levy**

**The Shoreview City Council will hold a public hearing on its budget and on the amount of property taxes it is proposing to collect to pay for the cost of services the city will provide in 2019. Budget and tax levy information is available on the City's website, at city hall, or by request.**

**All Shoreview City residents are invited to attend the Council's public hearing to express their opinions on the budget and proposed amount of 2019 property taxes.**

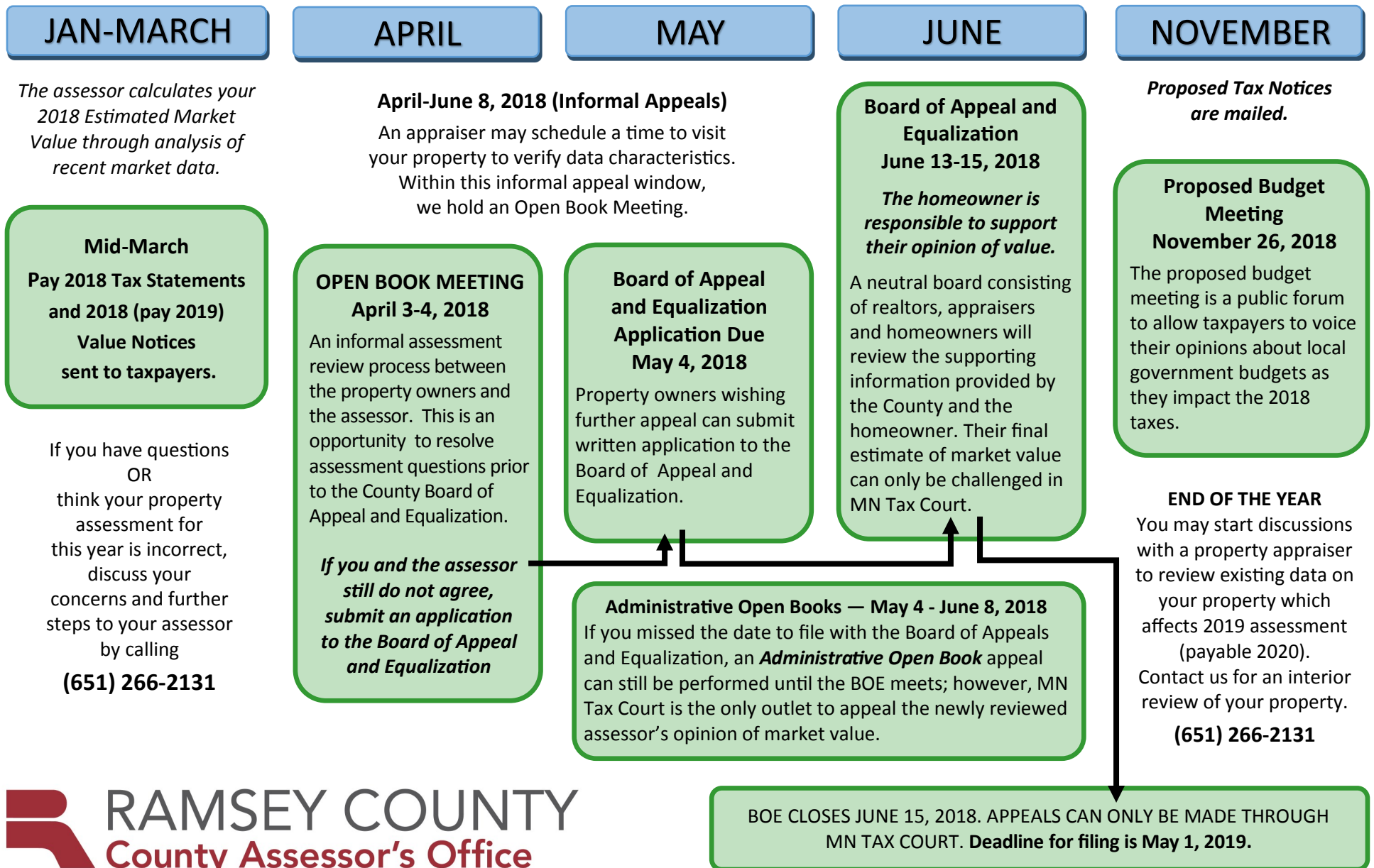
**The hearing will be held on:**

**Monday, December 3, at 7:00 p.m.  
Shoreview City Hall Council Chambers  
4600 Victoria Street North, Shoreview, MN 55126  
651-490-4600**

**Written comments may also be submitted to: City of Shoreview, Finance Director's Office, 4600 Victoria Street North, Shoreview, MN 55126**

# The Property Assessment Appeals Process

Review the Value Notice that you receive during the first quarter of every year. If you do not agree with the property's valuation or classification, the methods of appeal available to you are summarized below.





## Homeowner's Homestead Credit Refund

Minnesota has two property tax refund programs for homeowners: the **regular** Homestead Credit Refund and the **special** Homestead Credit Refund. You may qualify for either or both of these refunds depending on your income and property tax increase.

### Do I qualify for the Homestead Credit Refund?

To qualify for either the regular or special refund, all of the following must be true:

You have a valid Social Security number.

Your property is classified as your homestead. If your property is not homesteaded, you must apply for homestead status through your county and have it approved on or before December 15, 2018 (or May 29, 2018, for mobile home owners).

You have paid your property taxes or made arrangements to pay them by August 15, 2019. You can arrange to pay delinquent property taxes by signing a confession of judgement statement with your county. Include a copy of this statement with your return.

The regular and special refunds have their own requirements. For more information, see the table below:

Type of refund	Requirements to claim the refund
Regular Homestead Credit Refund	<p>You owned and lived in your home on January 2, 2018.</p> <p>Your <a href="#">household income</a> for 2017 was less than \$110,650.</p>
Special Homestead Credit Refund	<p>You owned and lived in the same home on January 2, 2017, and on January 2, 2018.</p> <p>Your homestead's net property tax increased by more than 12 percent from 2017 to 2018.</p> <p>The net property tax increase was at least \$100.</p> <p>The increase was not due to improvements you made to the property.</p> <p><b>Note:</b> There is no income limit for the special refund. You may qualify for the special refund even if you do not qualify for the regular refund.</p>

### Special Homeowner Situations

See "Filing Situations for Homeowners" in the [instructions for Form M1PR, Homestead Credit Refund \(for Homeowners\) and Renter's Property Tax Refund](#), if any of the following are true:

You were married, separated, or divorced during the year.

You were a co-owner of the property.

You had someone other than your spouse living with you.

You were both a renter and a homeowner during the year.

You owned a mobile home.

You rented out part of your home or used it for business.

### How do I claim the refund?

Complete [Form M1PR](#). For more information on filing options, [see Filing for the Homestead Credit Refund \(for Homeowners\)](#). You will need a statement of property taxes payable for the current year to complete the form.

### Which property tax statement should I use to complete Form M1PR?

You should receive a property tax statement from your county in March or April 2018 (or by mid-July 2018, if you own a mobile home). Do not use the Notice of Proposed Taxes that you would have received in November 2017.

### Do I qualify if I have a relative homestead?

No.

### Do I qualify if I have a life estate?

Yes. Since you retain an ownership interest in your home, you may qualify for the property tax refund regardless who pays the property taxes.





*2019  
Budget Summary*

Budget Hearing  
7:00 p.m. December 3, 2018  
City Hall Council Chambers

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4600 Victoria Street N  
Shoreview, MN 55126  
(651) 490-4600  
[www.shoreviewmn.gov](http://www.shoreviewmn.gov)

November 2018

Dear Citizens:

In preparing our 2019 Operating Budget and Capital Improvement Program the City Council is committed to ensuring that Shoreview continues to be one of the premier suburban communities in the Twin Cities Metropolitan area. To accomplish this objective, the Council has identified the following goals:

- Financial Stability. Continuously work to maintain and further improve the long term financial stability of the City
- Organizational Priorities. Update organizational capacities and capabilities to position the City for continued success
- Parks and Public Facilities. Update and expand public facilities and parks to enhance the City's quality of life and provide a "community for all ages"
- Transportation. Improve public transit options and trails to better connect neighborhoods, jobs and public places
- Economic Development and Business Retention. Improve the environment for business expansion and redevelopment
- Housing. Provide a full range of housing choices responsive to the needs of Shoreview - both today's residents and tomorrow's.

It is through these efforts we can ensure Shoreview remains a vibrant community today and also position ourselves for continued success in the future.

We hope you find the information included in this 2019 Budget Summary helpful in explaining how the City puts your tax dollars to work in our community. If you have questions about the City's budget, please contact us at 651-490-4600.

Sandy Martin  
Mayor

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## Budget Objectives

The Operating Budget and Capital Improvement Program are developed considering the current economic climate, resident feedback during the year, periodic community surveys, and City Council goals. Primary budget objectives for 2019 include:

- Balanced General Fund budget
- Maintain existing services and programs through efficient use of tax dollars
- Recover utility operation costs through user fees
- Fund infrastructure replacement
- Continue five-year financial planning for operating funds
- Meet debt obligations
- Maintain AAA bond rating
- Amend the second year of the City’s two-year budget
- Protect and enhance parks and recreational facilities
- Position the City to effectively address future challenges and opportunities (revitalize neighborhoods, encourage reinvestment, assist redevelopment opportunities, and continue to utilize technology to improve services and communications)

## **Executive Summary**

The following listing provides a summary of key information discussed in this document:

- Proposed 2019 tax levy increases 4.52%, which is 1.3% less than what was anticipated in the biennial budget.
- Total market value increases 6.19% and taxable value increases 6.21%.
- City tax rate decreases 1.26% due to the combined impact of the levy and taxable value changes.
- City receives approximately 24% of total property taxes in 2019; other taxing jurisdictions collect the remaining 76%.
- City share of the tax bill ranks 4th lowest among comparison cities in 2018 (25% below the average).
- About 30 cents of each property tax dollar goes to support public safety, followed by replacement costs at 20 cents, parks and recreation at 17 cents, debt service at 11 cents, general government and public works at 7 cents each, community development at 4 cents, community center at 2 cents and 1 cent each for recreation programs and miscellaneous.
- About 85% of home values increased for 2019 taxes, and 15% of home values decreased or remained unchanged.
- The change in individual property tax bills varies depending on the change in property value.

## **Budget Process**

The budget process starts in May with the distribution of budget materials to departments, followed by a series of staff budget discussions. Council budget workshops are held from early August through November, followed by a budget hearing at the first regular Council meeting in December and budget adoption at the second regular Council meeting in December. The budget is published, posted to the City's website, and distributed to the County Library in January.

## Proposed Tax Levy

The table below provides a two-year comparison of Shoreview's tax levy, taxable values, tax rate and the metro-wide fiscal disparities contribution. Key changes for 2019 include:

- Total tax levy increases 4.52%.
- Taxable value increases 6.21% (to \$33.3 million for 2019) due to increases in property values.
- City Tax rate decreases 1.26% due to the combined impact of the levy increase and increasing property values.
- Fiscal disparities contribution from the metro-area pool increases 1.13%.

	2018		2019		Change		Impact on Total Levy
	Adopted Levy	Proposed Levy	Amount	Percent	Amount	Percent	
General Fund	\$ 7,896,736	\$ 8,185,180	\$ 288,444	3.65%			2.48%
EDA Fund	120,000	150,000	30,000	25.00%			0.26%
Debt (all funds combined)	926,235	1,311,000	384,765	41.54%			3.31%
Replacement Funds	2,649,000	2,471,000	(178,000)	-6.72%			-1.53%
Capital Acquisition Fund (IT)	40,000	40,000	-	0.00%			0.00%
<b>Total City Tax Levy</b>	<b>\$ 11,631,971</b>	<b>\$ 12,157,180</b>	<b>\$ 525,209</b>	<b>4.52%</b>			<b>4.52%</b>
HRA tax levy	\$ 110,000	\$ 210,000	\$ 100,000	90.91%			
Taxable Value (millions)	\$ 31.341	\$ 33.287	\$ 1.946	6.21%			
Tax Rate-City	33.617%	33.193%	-0.424%	-1.26%			
Fiscal Disparities Contribution	\$ 1,096,008	\$ 1,108,392	\$ 12,384	1.13%			

The majority of the General Fund levy increase for 2019 is related to wage and benefit adjustments and public safety costs. Police and fire costs increased \$112,105 (after a reduction of \$50,000 for increases in state fire aid), which is 56% of the change in the General Fund levy. Debt service costs account for \$384,765 of the levy increase, followed by \$30,000 for the EDA fund. Replacement fund levies decreased \$178,000. Increases in the debt levy include the new Community Center expansion debt (\$134,765) and the 2018 Street Reconstruction Bonds (\$250,000). In 2017 the City discontinued sealcoating streets, and a majority of the funds dedicated to street sealcoating were redirected to the repayment of the 2018 Street Reconstruction Bonds. Additional information regarding the levy change is provided on the next page.

Items impacting Shoreview’s 2019 levy include:

Debt service	\$ 384,765
Staff changes & wage adjustments/benefits (net)	324,407
Public Safety contracts (police & fire)	162,105
EDA & HRA levy	130,000
Plan check fees	30,000
Central Garage equipment/building charges	26,927
Transfers to Community Center/Park & Rec. funds	12,000
Election costs	(32,500)
Transfer from utility funds	(37,000)
Software costs reallocated to Enterprise funds	(48,757)
State aid	(78,000)
Administrative charges	(90,430)
Capital funds	(178,000)
All other changes combined (net)	19,692
Total levy changes	<u>\$ 625,209</u>

- Debt Service includes levies associated with the 2018 Street Reconstruction Bonds and Community Center Expansion debt. The street bond levy increase is offset by a decrease in the Capital fund levy.
- Personnel costs include a 3% wage adjustment, a \$40 per month increase in the City’s contribution to benefits, step increases for employees in the step process, and other wage adjustments necessary to bring Shoreview’s compensation plan closer to the average of other comparable cities.
- Public Safety includes police patrol, investigations, dispatch, animal control and fire protection.
- EDA and HRA levies increase due to expanded service levels associated with those funds.
- Slightly lower plan check fee revenues.
- Central Garage equipment and building charges cover equipment used in service delivery.
- Annual transfers to the Community Center and Park and Recreation funds increase.
- Election occurs every other year.
- Transfers from utility funds increase \$37,000.

- Software cost associated with Enterprise funds
- State of Minnesota street maintenance and fire aid increase.
- Administrative charges to other funds increase.
- A portion of the Capital levy is reclassified to Debt Service.
- All other changes include increased information technology costs, and other miscellaneous revenue and expenditure changes.

## All Operating Funds Combined

Last year, Shoreview prepared a Biennial Budget, Five-Year Operating Plan covering all operating and debt service funds, and a six-year Capital Improvement Program (CIP). The budget cycle this year focuses on amending the 2019 budget and CIP. The table on the next

General Fund	Enterprise Funds:
Special Revenue Funds:	Water
Recycling	Sewer
Community Center	Surface Water Management
Recreation Programs	Street Lighting
Cable Television	Internal Service Funds:
Economic Development Authority	Central Garage
Housing and Redevelopment Authority	Short-term Disability
Slice of Shoreview	Liability Claims
Debt Funds	

page summarizes the proposed 2019 budget in comparison to prior years. The following funds are included in the table:

The above list, and the table on the next page, include funds that receive tax dollars as well as funds that receive little or no tax support. For instance, the Recycling, Community Center, Recreation Programs, Cable Television, and Enterprise Funds cover the majority of operating costs through user charges and outside revenue.

Capital Project Funds (for the construction and replacement of major assets) are not included in the table on the next page.

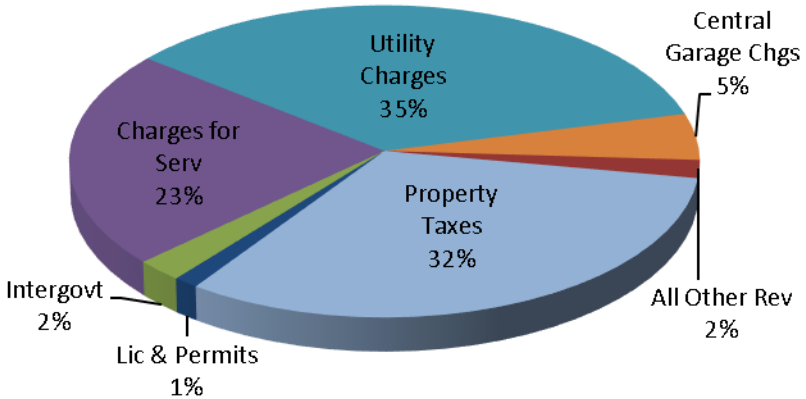
Total expense is expected to increase 6.2% for 2019.

	2017 Actual	2018		2019
		Budget	Revised Estimate	Revised Budget
<b>Revenue</b>				
Property Taxes	\$ 8,496,963	\$ 9,052,971	\$ 9,052,971	\$ 9,856,180
Special Assessments	212,773	205,875	202,111	231,111
Licenses and Permits	1,000,637	379,700	560,660	375,000
Intergovernmental	656,178	607,622	953,777	700,622
Charges for Services	6,586,155	6,511,964	6,384,117	6,993,216
Fines and Forfeits	47,899	47,500	49,700	47,500
Utility Charges	9,933,689	10,585,046	10,196,246	10,988,461
Central Garage Chgs	1,221,287	1,438,058	1,438,058	1,493,758
Interest Earnings	252,169	182,380	185,600	203,660
Other Revenues	103,427	93,350	101,399	93,550
Total Revenue	\$ 28,511,177	\$ 29,104,466	\$ 29,124,639	\$ 30,983,058
<b>Expense</b>				
General Government	\$ 2,459,687	\$ 3,017,918	\$ 3,003,539	\$ 2,694,016
Public Safety	3,813,923	3,908,639	3,915,803	4,070,784
Public Works	2,020,681	2,179,851	2,585,761	2,193,028
Parks and Recr.	6,091,014	6,601,779	6,393,552	6,984,035
Community Devel.	876,891	911,297	946,543	1,068,011
Enterprise Oper.	6,143,499	6,659,615	6,548,290	7,156,625
Central Garage	583,214	627,016	635,303	649,940
Miscellaneous	20,187	41,000	41,000	141,178
Debt Service	2,085,378	2,244,519	2,300,952	2,922,657
Depreciation	2,184,324	2,392,000	2,392,000	2,470,000
Total Expense	\$ 26,278,798	\$ 28,583,634	\$ 28,762,743	\$ 30,350,274
<b>Other Sources (Uses)</b>				
Sale of Asset-Gain	91,798	27,700	27,700	45,000
Debt Proceeds	118,514	14,794	14,794	-
Contrib Assets	111,710	-	-	-
Transfers In	1,929,823	2,384,400	2,384,400	2,548,400
Transfers Out	(2,487,000)	(1,613,400)	(1,607,400)	(1,666,400)
Net Change	\$ 1,997,224	\$ 1,334,326	\$ 1,181,390	\$ 1,559,784

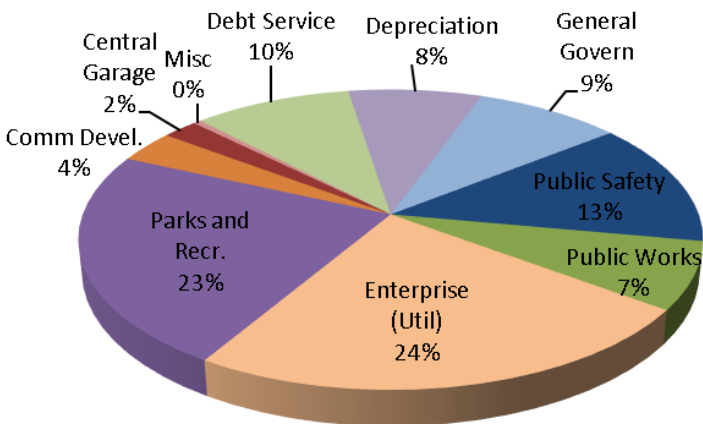
The anticipated increase in fund equity for 2018 occurs primarily in the general fund, debt service, utility and internal service funds. Changes in fund balance in the special revenue, debt service, utility and internal service funds are consistent with the fund balance goals established in the 2018-2022 Five-year Operating Plan (FYOP).



Utility charges (water, sanitary sewer, surface water and street lighting) provide the largest share of operating fund revenue (35%) followed by property taxes (32%), charges for service (23%), central garage charges (5%), intergovernmental revenue (2%), licenses and permits (1%) and all other revenue (2%).



Public works accounts for 31% of operating expense, including 24% for enterprise operations (utility) and 7% for public works (engineering, streets, trails and forestry). Parks accounts for 23%, followed by public safety at 13%, general government at 9%, debt at 10%, depreciation at 8%, community development at 4%, and central garage at 2%.



# General Fund

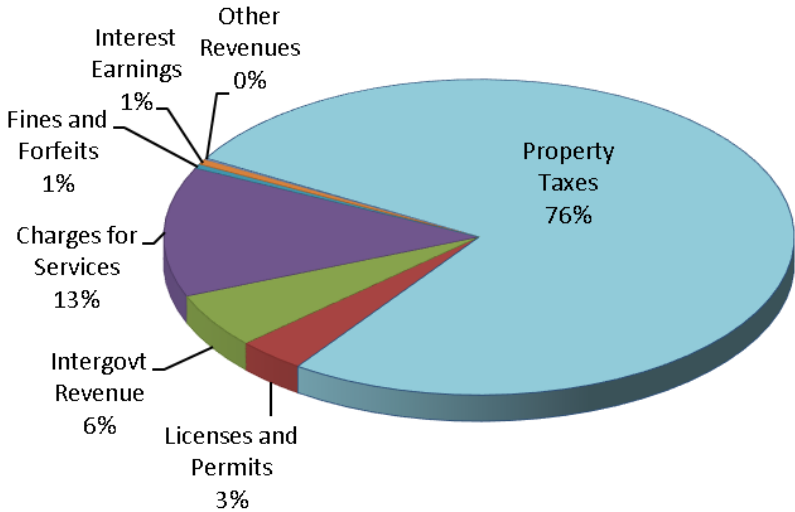
The General Fund is the City’s primary operating fund. As such, it accounts for costs associated with basic government activities not already accounted for elsewhere, including: police and fire, street maintenance and snow plowing, community development, park and trail maintenance, city hall operations, and general government services.

General Fund expense increases \$455,770 for 2019 (4.3%). A significant portion of the expense increase is offset by property tax revenue (63.3%), resulting in a General Fund tax increase of \$288,444 for 2019.

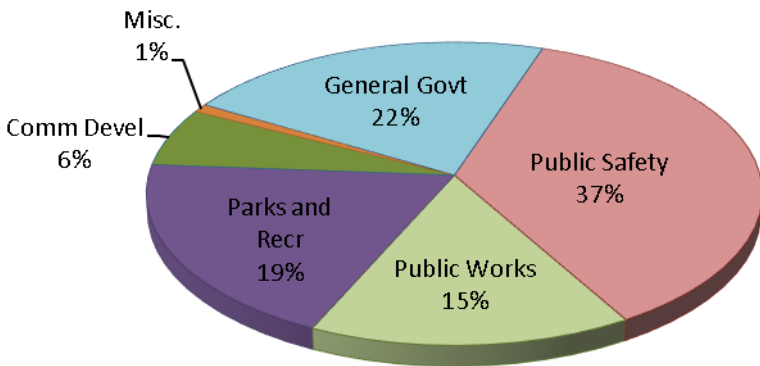
Contractual costs account for 55% of General Fund expense, followed by personal services at 42%, and supplies at 3%.

	2018		2019	
	Budget	Revised Estimate	Original Budget	Amended Budget
<b>Revenue</b>				
Property Taxes	\$ 7,896,736	\$ 7,896,736	\$ 8,370,839	\$ 8,185,180
Licenses and Permits	379,700	560,660	316,000	375,000
Intergovernmental	527,622	604,777	528,622	605,622
Charges for Services	1,362,265	1,388,365	1,347,081	1,426,091
Fines and Forfeits	47,500	49,700	47,500	47,500
Interest Earnings	55,000	55,000	60,000	60,000
Other Revenues	14,650	19,650	14,850	14,850
Total Revenue	\$ 10,283,473	\$ 10,574,888	\$ 10,684,892	\$ 10,714,243
<b>Expense</b>				
General Government	\$ 2,471,065	\$ 2,454,614	\$ 2,525,319	\$ 2,446,057
Public Safety	3,908,639	3,915,803	4,040,279	4,070,784
Public Works	1,600,892	1,581,473	1,690,304	1,691,848
Parks and Recreation	2,056,398	1,948,367	2,177,029	2,163,434
Community Devel.	684,479	666,292	714,961	704,942
Miscellaneous	-	-	-	100,178
Total Expense	\$ 10,721,473	\$ 10,566,549	\$ 11,147,892	\$ 11,177,243
Transfers In	863,000	863,000	900,000	900,000
Transfers Out	(425,000)	(425,000)	(437,000)	(437,000)
Net Change	\$ -	\$ 446,339	\$ -	\$ -

Property taxes account for 76% of General Fund revenue, followed by charges for services (13%), intergovernmental revenue (6%), license and permits (3%) and 2% from all other sources.



Public safety accounts for the largest share of the General Fund budget at 37% of the total, followed by general government (22%), parks and recreation (19%), public works (15%), community development (6%) and miscellaneous (wage contingency) 1%.



## Special Revenue Funds

The City operates seven special revenue funds, as follows:

- Recycling accounts for the bi-weekly curbside collection program.
- Community Center accounts for operation/maintenance of the facility. Admissions/memberships provide about 70% of operating revenue, while rentals, concessions, earnings on investments and other fees provide 30%. Inter-fund transfers include \$277,000 from the General fund (to keep membership rates affordable and offset free or reduced room rental rates for community groups), and \$160,000 from the Recreation Programs fund for building use.
- Recreation Programs accounts for fee-based recreational and social programs, and receives \$100,000 from the General fund for playground and general program costs.
- Cable Television accounts for franchise administration, government cable programming and provides support for City communication activities (through a transfer to the General Fund). The primary revenue is cable franchise fees and a public educational and government (PEG) fee .

	Recycling	Community Center	Recreation Programs	Cable Television
<b>Revenue</b>				
Property Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental	80,000	-	-	-
Charges for Services	553,500	3,069,630	1,497,095	410,000
Interest Earnings	-	7,000	3,000	1,900
Other Revenues	-	12,500	-	1,200
<b>Total Revenue</b>	<b>633,500</b>	<b>3,089,130</b>	<b>1,500,095</b>	<b>413,100</b>
<b>Expense</b>				
General Government	-	-	-	170,259
Public Works	501,180	-	-	-
Parks and Recreation	-	3,219,568	1,601,033	-
Community Development	-	-	-	-
<b>Total Expense</b>	<b>501,180</b>	<b>3,219,568</b>	<b>1,601,033</b>	<b>170,259</b>
<b>Other Sources (Uses)</b>				
Transfers In	-	437,000	100,000	-
Transfers Out	-	-	(160,000)	(200,000)
<b>Net Change</b>	<b>\$ 132,320</b>	<b>\$ 306,562</b>	<b>\$ (160,938)</b>	<b>\$ 42,841</b>

- EDA accounts for Economic Development Authority activities, including: business retention and expansion, targeted redevelopment, employment opportunities, and efforts to strengthen and diversify the City's tax base.
- HRA accounts for Housing Redevelopment Authority efforts to preserve housing stock, and maintain quality neighborhoods through programs and policies designed to promote reinvestment and improvements to homes.
- Slice of Shoreview accounts for donations, sponsorships, revenues and expenses associated with the Slice of Shoreview event. The General Fund provides \$10,000 in support to help defray costs of the event.

	EDA	HRA	Slice of Shoreview	Total
<b>Revenue</b>				
Property Taxes	\$ 150,000	\$ 210,000	\$ -	\$ 360,000
Intergovernmental	15,000	-	-	95,000
Charges for Services	-	-	27,500	5,557,725
Interest Earnings	-	-	-	11,900
Other Revenues	-	-	35,000	48,700
Total Revenue	165,000	210,000	62,500	6,073,325
<b>Expense</b>				
General Government	-	-	77,700	247,959
Public Works	-	-	-	501,180
Parks and Recreation	-	-	-	4,820,601
Community Development	161,717	201,352	-	363,069
Total Expense	161,717	201,352	77,700	5,932,809
<b>Other Sources (Uses)</b>				
Transfers In	-	-	10,000	547,000
Transfers Out	-	-	-	(360,000)
Net Change	\$ 3,283	\$ 8,648	\$ (5,200)	\$ 327,516

## Debt Service Funds

The table below provides a summary of revenue and expense for Debt Service Funds. Revenue derived from the debt levies and special assessments provides about 61% of the funding needed for annual principal and interest payments in 2019. These revenues are legally restricted to the payment of the debt, and therefore are held within the corresponding debt fund until the debt issue is paid in full. The remainder of funding for debt payments is provided by internal sources (in the form of transfers from other funds), interest earnings, etc.

	G.O. Bonds & Capital Lease	G.O. Impr. Bonds	Total Debt Funds
<b>Revenue</b>			
Property Taxes	\$ 1,119,000	\$ 8,000	\$ 1,127,000
Special Assessments	-	231,111	231,111
Interest Earnings	16,500	7,860	24,360
Total Revenue	1,135,500	246,971	1,382,471
<b>Expense</b>			
Debt Service	1,963,316	258,682	2,221,998
Total Expense	1,963,316	258,682	2,221,998
<b>Other Sources (Uses)</b>			
Debt Proceeds	-	-	-
Transfers In	982,000	-	982,000
Transfers Out	-	(50,000)	(50,000)
Net Change	\$ 154,184	\$ (61,711)	\$ 92,473

The planned increase in fund balance is due to the accumulation of resources on new debt issues that will be used to fund future debt service payments.

## Internal Service Funds

The City operates three internal service funds, as follows:

- Central Garage accounts for operation and maintenance of vehicles, heavy machinery, miscellaneous equipment and the maintenance facility. The primary source of revenue is inter-fund equipment and building charges designed to recover operating expense. Property taxes and transfers cover debt payments.
- Short-term Disability is a self-insurance fund that accounts for premiums charged for short-term disability coverage and expense associated with disability claims.
- Liability Claims fund accounts for dividends received annually from the League of Minnesota Cities Insurance Trust for the City's liability insurance coverage as well as losses not covered by the City's insurance (due to deductibles).

	Central Garage	Short-term Disability	Liability Claims	Total
<b>Revenue</b>				
Property Taxes	\$ 184,000	\$ -	\$ -	\$ 184,000
Charges for Services	-	7,900	-	7,900
Central Garage Charges	1,493,758	-	-	1,493,758
Interest Earnings	12,500	600	2,400	15,500
Other Revenues	-	-	30,000	30,000
Total Revenue	1,690,258	8,500	32,400	1,731,158
<b>Expense</b>				
Central Garage	649,940	-	-	649,940
Miscellaneous	-	9,000	32,000	41,000
Debt Service	94,644	-	-	94,644
Depreciation	756,000	-	-	756,000
Total Expense	1,500,584	9,000	32,000	1,541,584
<b>Other Sources (Uses)</b>				
Sale of Asset-Gain	45,000	-	-	45,000
Transfers In	119,400	-	-	119,400
Net Change	\$ 354,074	\$ (500)	\$ 400	\$ 353,974

## Enterprise (Utility) Funds

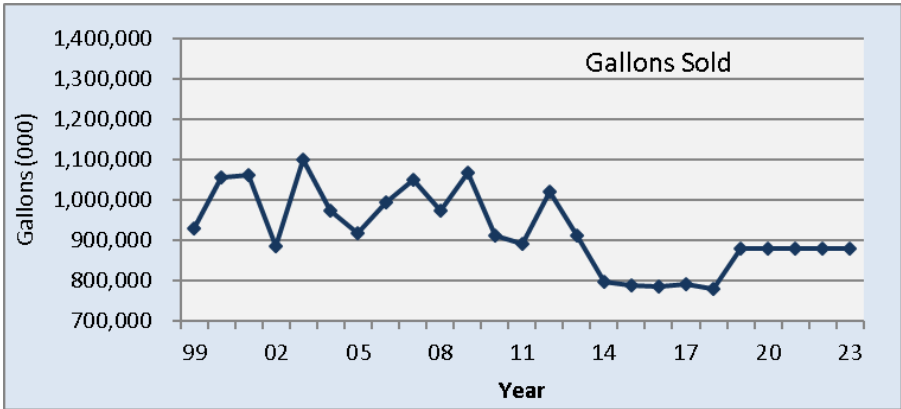
The City operates four utility funds. These funds account for services that are supported primarily through quarterly utility fees designed to cover operating costs, debt service, depreciation expense and replacement costs. The table below shows the proposed 2019 budget for each of these funds.

	Water	Sewer	Surface Water	Street Lighting	Total
<b>Revenue</b>					
Charges for Services	\$ -	\$ 1,500	\$ -	\$ -	\$ 1,500
Utility Charges	3,904,500	4,433,500	1,938,461	712,000	10,988,461
Interest Earnings	45,000	33,000	11,000	2,900	91,900
Other Revenues	-	-	-	-	-
Total Revenue	3,949,500	4,468,000	1,949,461	714,900	11,081,861
<b>Expense</b>					
Enterprise Operations	1,935,574	3,806,071	1,120,377	294,603	7,156,625
Debt Service	428,005	82,420	95,590	-	606,015
Depreciation	965,000	344,000	311,000	94,000	1,714,000
Total Expense	3,328,579	4,232,491	1,526,967	388,603	9,476,640
<b>Other Sources (Uses)</b>					
Transfers Out	(393,000)	(203,000)	(186,000)	(37,400)	(819,400)
Net Change	\$ 227,921	\$ 32,509	\$ 236,494	\$ 288,897	\$ 785,821

Residential water consumption has declined in recent years, due in part to changing demographics (age and number of residents per home), changing usage patterns (lower household use), changing weather patterns (fewer gallons used for summer watering except during periods of drought) and the City's ongoing efforts to promote water conservation, including the implementation of the WaterSmart program. Surpluses in these funds are dedicated to supporting capital replacement costs (water lines, sewer lining, surface water improvements, and street light replacements).



The graph below demonstrates the downward trend for total water consumption by showing the total gallons of water sold each year since 1999, and the estimated gallons used to compute revenue projections in future years (2019 through 2023). The continuing downward trend will likely result in the City revising the base gallon estimates used to project utility revenue. In general, weather (either from sustained periods of drought or heavy rain) is the primary cause of fluctuations in gallons sold from year to year.



Periods of lower consumption mean the City maintains and operates the water system with less opportunity to recover costs due to fewer gallons being sold to customers.

Recent utility rate adjustments, combined with structural changes in water rates resulted in net gains in each of the City’s utility funds in 2012 through 2017.

The budget information, presented at left, for the City’s utility funds shows that each utility fund is projected to have a net gain in 2019. Significant items impacting utility operations include: depreciation of existing assets (\$1.7 million), sewage treatment costs (\$2.2 million), street light repairs, and energy costs.

More information about the City’s utility funds is available in a separate document devoted entirely to utility operations.

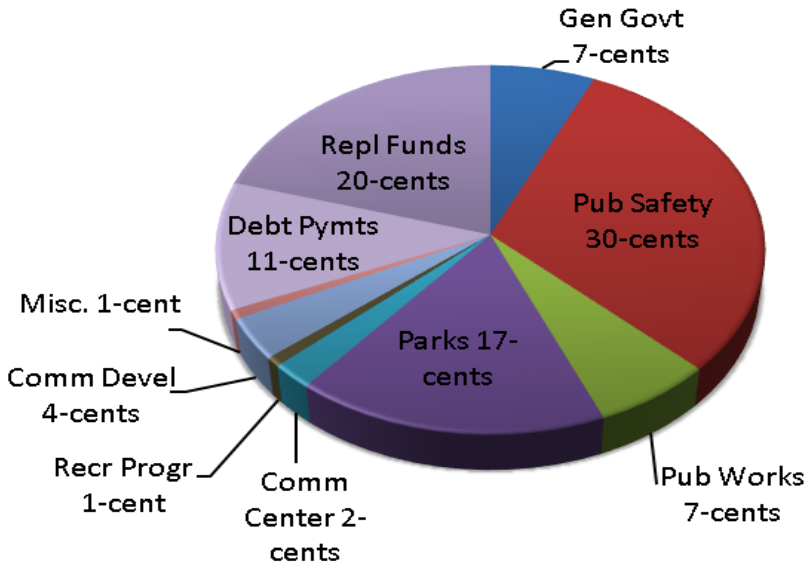
# City Property Tax by Program

Shoreview’s median home will pay about \$39 more in City property taxes in 2019 (assuming a 4.8% increase in value before the Homestead Market Value Exclusion is applied). Because property taxes support a variety of City programs and services, the table below is presented to show tax support by program (on an annual basis).

- Public safety accounts for the largest share of the cost at \$297 per year on a median valued home
- Replacement of assets (streets etc.) accounts for \$198
- Parks administration and maintenance accounts for \$167
- Debt service accounts for \$109
- General government accounts for \$65
- Public works accounts for \$64
- Community development accounts for \$36
- Support for community center and recreation programs accounts for \$30
- Miscellaneous is the pay plan wage contingency for \$8

Program	2018	2019	Change	
	City Tax	City Tax	\$	%
value before MVE->	\$289,800	\$303,800		
value after MVE->	\$278,600	\$293,900		
Home	Home			
General Government	\$ 76.03	\$ 65.18	\$ (10.85)	
Public Safety	289.47	297.35	7.88	
Public Works	61.05	64.13	3.08	
Parks and Recreation:				
Park Admin and Maint	159.46	167.29	7.83	
Community Center Operation	21.74	22.22	0.48	
Recreation Programs	7.65	8.03	0.38	
Community Development	29.27	35.88	6.61	
Miscellaneous	-	7.96	7.96	
Debt Service	78.61	109.21	30.60	
Replacement Funds	213.29	198.28	(15.01)	
Total City Taxes	\$ 936.57	\$ 975.53	\$ 38.96	4.2%

This pie chart illustrates how the City will spend each tax dollar it receives in 2019.



## How have home values changed for 2019?

Market Value Changes—Minnesota’s property tax system uses market value to distribute tax burden (adopted levies) among property served. Per the Ramsey County Assessor, 85% of Shoreview homes will experience a value increase for 2019 taxes, and 13% will experience a value decrease, leaving 2% of homes with no change in value. The table at right shows the change in all home values.

Shoreview Residential Property		
Value Change	Number of Homes	Percent of Total
Increase more than 50%	1	0.01%
Increase 40% to 49.99%	15	0.16%
Increase 30% to 39.99%	35	0.37%
Increase 20% to 29.99%	212	2.25%
Increase 10% to 19.99%	2,149	22.77%
Increase .1% to 9.99%	5,652	59.89%
No change	165	1.75%
Decrease .1% to 9.99%	1,167	12.36%
Decrease 10% to 19.99%	38	0.40%
Decrease 20% or more	4	0.04%
<b>Total Parcels</b>	<b>9,438</b>	<b>100.0%</b>

## What does this mean to my taxes?

Change in Total Property Tax— According to the Ramsey County Assessor, the total property tax on 30% of homes in Shoreview will decrease or stay the same. The estimated change in the total tax is summarized in the table at right for all Shoreview homes . As shown, about 38% of tax bills will increase up to \$200 for the year, and the remaining 32% of homes will increase more than \$200.

Shoreview Residential Property		
Tax Change	Number of Homes	Percent of Total
Decrease or no change	2,923	30.29%
Increase \$1 to \$100	2,173	22.52%
Increase \$101 to \$200	1,513	15.68%
Increase \$201 to \$300	1,353	14.02%
Increase \$301 to \$400	826	8.56%
Increase \$401 to \$500	432	4.48%
Increase more than \$500	431	4.47%
Total Parcels	9,651	100.0%

Change in City Tax on Median Home Value—The table at the top of the next page illustrates how changes in value impact **Shoreview's share of the tax bill only for the median home value**. Each line assumes a different change in market value.

- A median value home with a 15% value increase will pay \$132.75 more City tax
- A median home with a 10% value increase will pay \$88.71 more City tax
- A median home with a 4.8% value increase will pay \$38.96 more City tax
- A median home with a 5% value drop will pay \$70.97 less City tax
- A median home with a 10% value drop will pay \$136.18 less City tax

Market Value		Value Change	City Portion of Property Tax		Change in City Property Tax	
2018	2019		2018	2019	Dollars	Percent
\$ 264,200	\$ 303,800	15.0%	\$ 842.78	\$ 975.53	\$ 132.75	15.8%
\$ 276,200	\$ 303,800	10.0%	\$ 886.82	\$ 975.53	\$ 88.71	10.0%
\$ 289,800	\$ 303,800	4.8%	\$ 936.57	\$ 975.53	\$ 38.96	4.2%
\$ 319,800	\$ 303,800	-5.0%	\$ 1,046.50	\$ 975.53	\$ (70.97)	-6.8%
\$ 337,600	\$ 303,800	-10.0%	\$ 1,111.71	\$ 975.53	\$ (136.18)	-12.2%

Change in City Tax for Various Home Values—The table below shows the estimated change in Shoreview’s share of the property tax bill for a variety of home values (City tax only).

Each line of the table assumes a 4.8% value increase.

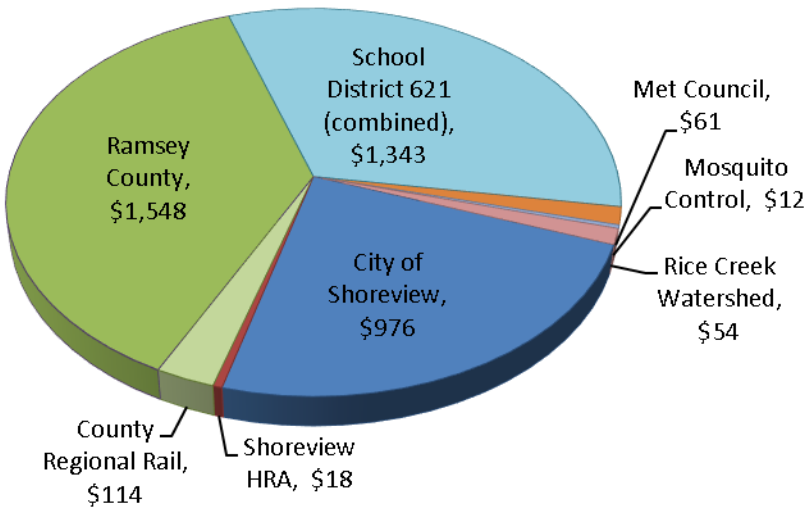
- A home valued at \$150,000 pays \$20.19 more City tax
- A home valued at \$200,000 pays \$26.28 more City tax
- A home valued at \$303,800 pays \$38.96 more City tax
- A home valued at \$400,000 pays \$50.31 more City tax
- A home valued at \$500,000 pays \$56.10 more City tax
- A home valued at \$700,000 pays \$102.64 more City tax
- A home valued at \$900,000 pays \$129.69 more City tax

Market Value		Value Change	City Portion of Property Tax		Change in City Property Tax	
2018	2019		2018	2019	Dollars	Percent
\$ 143,100	\$ 150,000	4.8%	\$ 399.03	\$ 419.22	\$ 20.19	5.1%
\$ 190,800	\$ 200,000	4.8%	\$ 573.84	\$ 600.12	\$ 26.28	4.6%
\$ 289,800	\$ 303,800	4.8%	\$ 936.57	\$ 975.53	\$ 38.96	4.2%
\$ 381,700	\$ 400,000	4.8%	\$ 1,273.41	\$ 1,323.72	\$ 50.31	4.0%
\$ 477,000	\$ 500,000	4.8%	\$ 1,603.53	\$ 1,659.63	\$ 56.10	3.5%
\$ 668,000	\$ 700,000	4.8%	\$ 2,386.81	\$ 2,489.45	\$ 102.64	4.3%
\$ 859,000	\$ 900,000	4.8%	\$ 3,189.58	\$ 3,319.27	\$ 129.69	4.1%

## Distribution of Property Tax Bill

About 24% of the total property tax bill goes to Shoreview. For 2019, the total tax bill on a \$303,800 Shoreview home located in the Mounds View School District is about \$4,126, and Shoreview's share is \$976.

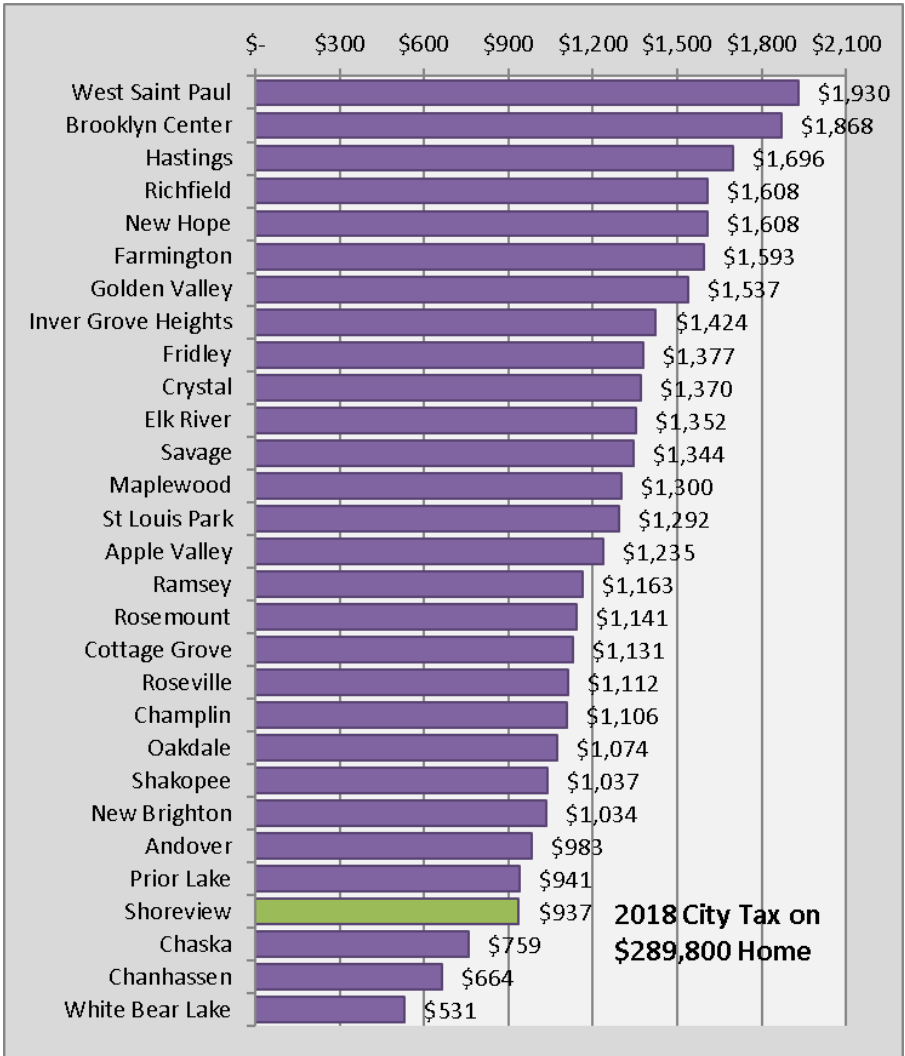
The pie chart below shows the total tax bill by jurisdiction (using preliminary tax rates). Ramsey County receives \$1,548, the Mounds View School District receives \$1,343 for regular and referendum levies, and all other jurisdictions combined receive \$259 (\$114 for County Regional Rail, \$61 for Met Council, \$54 for Rice Creek Watershed, \$12 for Mosquito Control and \$18 for Shoreview HRA).



School district tax for the Roseville School District (for the same \$303,800 home value) would be \$1,608, \$265 more than the \$1,343 total in the Mounds View District.

## Property Tax Comparison - City Taxes

This last graph compares the 2018 City portion of the property tax bill for Shoreview and 28 other metro-area cities. All estimates are for a \$289,800 home value (Shoreview’s median value in 2018). Shoreview ranks 4th lowest (at \$937), and is about 25% lower than the average of \$1,246. West Saint Paul ranks highest at \$1,930, and White Bear Lake ranks lowest at \$531.



# City Directory



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Lake Johanna Fire Dept, non-emergency.....(651) 481-7024





Utility Operations and  
2019 Utility Rates



Water, Sewer,  
Surface Water, and  
Street Lighting

## **What is Safe Drinking Water Worth to You?**

Our water towers and pipes below the street need constant attention in order to keep the drinking water that supports our daily lives flowing at the right pressure without fail. Consistent access to safe water helps:

- Keep us healthy
- Fight fires
- Support our economy
- Enhance our high quality of life

Ensuring continued access to safe water also involves the proper collection and treatment of waste water (sewage), and it doesn't stop there. In order to protect the quality of our lakes and streams it is also necessary to properly collect and direct storm water through the use of storm sewer systems and ponds, and remove debris and other contaminants from surface water runoff.

The process of protecting our varied and numerous water assets requires a coordinated effort to manage each of the resources carefully and to comply with increasing regulations that govern these activities. This document is intended to provide an overview of Shoreview's utility systems and utility rates in an effort to describe what it takes to run the City's utility operations.

The revenue generated by utility bills covers maintenance and replacement efforts, to keep the system strong and reliable.

## **Water Operations**

Shoreview's water system provides drinking water to about 9,000 homes and businesses within City limits, and provides limited service (at higher billing rates) to neighboring communities through service agreements.

The City's water system includes:

- 1,336 fire hydrants
- 6 wells
- 2 elevated storage tanks (water towers)
- 1 water treatment facility
- 1 underground water reservoir
- 103 miles of water lines

In recent years, watering restrictions have become necessary to reduce the peak in daily demand for water, and to more evenly spread water use over different days. This enables the City to avoid the high cost of constructing additional wells and water storage capacity.

Operating and maintaining the system so that water is always available requires managing the following activities:

- Pump and store water
- Water treatment
- Operate distribution pumps
- Flush water mains (semi-annually)
- Repair, replace and maintain water system infrastructure
- Read meters (quarterly) and replace meters as needed
- Sample and test water per Department of Natural Resources and Minnesota Department of Health requirements

Hydrant flushing is performed by utility maintenance crews each spring and fall to remove mineral buildup in the system and to ensure the reliability of hydrants and water valves. The systematic and controlled flushing of the system improves the overall quality of water, assists in overall system maintenance, helps remove sediment and stale water, and maintains chlorine residuals.

In 2016 the City began operation of a new water treatment plant to address rising levels of iron and manganese in the City's water supply. The Environmental Protection Agency has established secondary drinking water standards and the City's manganese levels exceeded these standards. High iron and manganese levels can cause taste and odor problems within the water system.

## Water Rates

Minnesota law requires the City to bill all water customers on a conservation-based rate structure (tiered rates). Further, the law requires billing each residential unit the same allocation of gallons per tier at the same water rates. This means that apartments and condominiums are billed the same rates and with the same allocation of gallons per unit as single-family homes.

Residential water rates are set in 2 components: a quarterly availability charge of \$20.27

(up \$.78 from 2018), and 4 tiered rates for water used in the preceding quarter. Tiered rates for 2019 are shown at right, and are described below:

Residential Water Rates (quarterly)			
Water Tiers	Cost Per Thousand Gallons	Gallons Per Penny	
Tier 1 (5,000 gal per unit)	\$ 1.64	6.10	
Tier 2 (5,000 gal per unit)	\$ 2.63	3.80	
Tier 3 (20,000 gal per unit)	\$ 3.64	2.75	
Tier 4 (remaining water)	\$ 5.99	1.67	

- The first 5 thousand gallons per unit is billed at \$1.64 per thousand gallons (about 6.10 gallons for each penny).
- The second 5 thousand gallons per unit is billed at \$2.63 per thousand gallons (3.80 gallons per penny).
- The next 20 thousand gallons per unit is billed at \$3.64 per thousand gallons (2.75 gallons per penny).
- Remaining water is billed at the highest rate of \$5.99 per thousand gallons (1.67 gallons per penny).

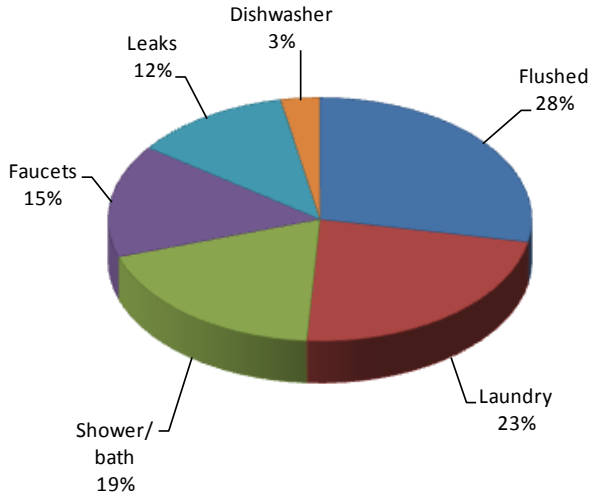
Commercial customers are billed the same tiered rates, excluding the lowest tier (which is for residential customers only).

Tap water is quite inexpensive compared to bottled water. For instance, a gallon of self-serve spring water costs about 30-cents while 30-cents buys 183 gallons of Shoreview tap water at the lowest tier, and even at the highest tier buys 50 gallons of water.

## Household Water Use

According to the American Water Works Association (AWWA), about half of household water use is for flushing and laundry.

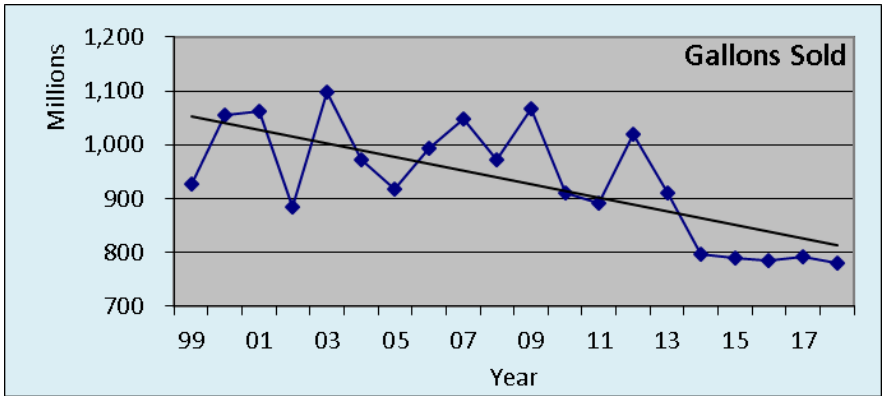
The pie chart at right illustrates average household water consumption. Some easy ways to reduce water consumption may include:



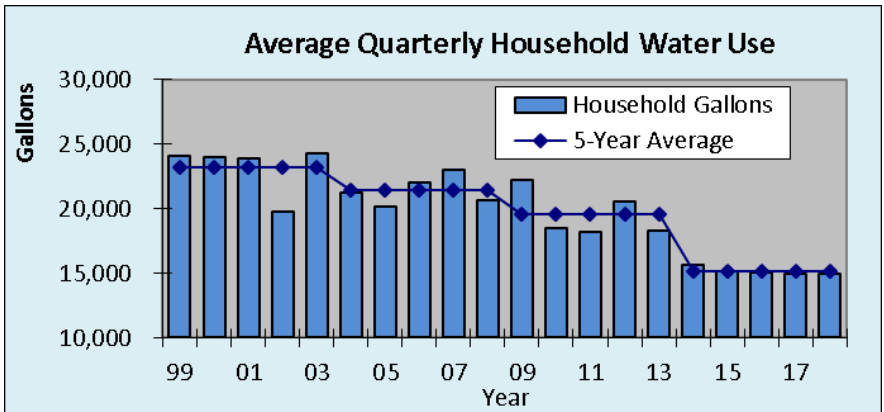
- Turn the water off while washing dishes by hand
- Run the clothes washer only when full, or upgrade to a high efficiency washing machine
- Use a water-efficient shower head (saves 750 gallons a month)
- Shorten shower time (1 to 2 minutes shorter saves 25 gallons a month)
- Upgrade older toilets with water efficient models
- Use sprinklers that deliver big drops of water close to the ground; smaller water drops and mist evaporate more quickly before reaching the ground
- Adjust sprinklers so only the lawn is watered, and not the house, sidewalk or street
- Water the lawn and garden in the morning or evening when temperatures are cooler, minimizing evaporation
- Check soil moisture to determine when to water rather than following set watering schedules
- Set a timer when watering, as a reminder to stop; a running hose can discharge up to 10 gallons a minute
- Adjust the lawn mower to a higher setting, allowing longer grass to shade the root system and hold soil moisture better

## Water Use Trends

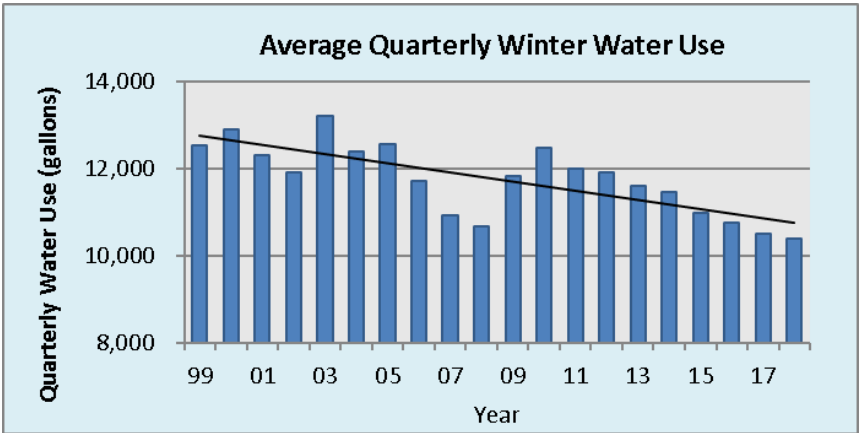
Water use fluctuates from year to year, primarily due to differences in rainfall. About 50% of the water sold is consumed during the four months of the growing season.



Other factors that reduce household water use include water conservation, an aging population, new plumbing fixtures, fewer people per household, and the City's efforts to promote water conservation. The graph below shows average quarterly water consumption per home (estimated gallons are shown for 2018). Because this graph shows total average consumption throughout the year, both rainfall and water conservation efforts impact these results.



Examining winter water consumption is the easiest way to measure inside household water use (without the impact of summer watering). The graph below shows the decline in average quarterly winter water use over more than a decade.



Even though water conservation protects the long-term viability of the City’s water source, it also means that water revenues decline in some years despite an increase in water rates. If the downward water trend in water use continues, existing customers need to pay more for the same level of service in order to sufficiently cover ongoing fixed operating costs.

### Water System Assets

The historical cost of building the water system is amortized over the life of the system and expensed as annual depreciation (\$965,000 for 2019). In the last 5 years the water fund has spent \$16.1 million on water system repairs, replacements, improvements to system controls, water meter replacements and the water treatment facility. Over the next 5 years the City expects to spend \$3.7 million on water system assets. Other capital costs are primarily repairs and maintenance of existing assets (wells, towers and water lines).

## Water Budget

Water rates are set with the knowledge that predicting water income is far more difficult than predicting expenses and capital costs. In setting rates the City expects fluctuations in water consumption from year to year, and therefore expects a net loss in some years and a net gain in others. The rate setting process is designed to make gradual changes in rates whenever possible, focusing on a long-term strategy.

The table below provides a 4-year history of water fund activity. In two of the last four years the City's water fund ended with a net loss (excluding the value of contributed assets). Water income was not sufficient to offset operating costs in 2015 and 2016.

Operating Summary	2014 Actual	2015 Actual	2016 Actual	2017 Actual
<b>Revenue</b>				
Special Assessments	\$ 2,847	\$ 2,080	\$ 5,200	\$ 1,357
Intergovernmental	11,699	973	19,491	177
Utility Charges	2,478,484	2,587,180	2,866,146	3,243,357
Interest Earnings	175,102	48,877	38,343	40,930
Total Revenue	2,668,132	2,639,110	2,929,180	3,285,821
<b>Expense</b>				
Enterprise Operations	1,432,452	1,430,934	1,570,611	1,609,969
Debt Service	178,732	301,702	509,608	439,738
Depreciation	634,561	647,552	671,425	813,359
Total Expense	2,245,745	2,380,188	2,751,644	2,863,066
<b>Other Sources (Uses)</b>				
Sale of Asset-Gain	114	-	-	-
Transfers Out	(303,136)	(345,249)	(363,000)	(381,625)
Net Change	\$ 119,365	\$ (86,327)	\$ (185,464)	\$ 41,130

If lower water consumption becomes a trend rather than a temporary fluctuation, it will become necessary to adjust base gallons downward to maintain the positive gap between income and expense.



The table below shows estimated water fund activity for the 2018-2019 biennial budget. The 2018 estimated net change is significantly less than the 2019 budgeted amount due to the 2018 water consumption being lower than the budgeted base levels (880 million gallons) by 100.5 million gallons. The 2019 budget is based on the expectation that water consumption will continue at base levels.

Operating Summary	2018 Estimate	2019 Budget
<b>Revenue</b>		
Utility Charges	\$ 3,324,000	\$ 3,904,500
Interest Earnings	42,000	45,000
Other Revenues	1,500	-
Total Revenue	3,367,500	3,949,500
<b>Expense</b>		
Enterprise Operations	1,766,620	1,935,574
Debt Service	454,395	428,005
Depreciation	960,000	965,000
Total Expense	3,181,015	3,328,579
<b>Other Sources (Uses)</b>		
Transfers Out	(383,000)	(393,000)
Net Change	\$ (196,515)	\$ 227,921

Over the next 5 years, significant water system costs include:

- Well motor and electrical upgrades.
- Installation of water mains to connect dead-ends on several water main segments.
- Repair and replace water lines.
- North water tower interior rehabilitation and surface recoating.
- Installation of water mains and services to properties on St. Albans Court.

## **Sewer Operations**

Shoreview operates a sanitary sewer system that collects and directs waste water discharged from homes and businesses throughout the City. The City’s sewer system includes:

- 19 lift (pumping) stations
- 109 miles of sanitary sewer lines
- 2,500 manholes

Operating and maintaining the sewer system so that it functions adequately and consistently includes:

- Operating, maintaining and inspecting lift stations daily
- Treating collected sewage (performed by Metropolitan Council Environmental Services)
- Relining sewer pipes
- Replacing, repairing and maintaining sewer system infrastructure
- Inspecting sewer lines
- Cleaning sewer lines

## **Sewer Rates**

Sewer rates are set in 2 components: a quarterly sewer availability charge of \$45.27 per unit plus one of 5 tiered rates for water used in the winter quarter (because winter water use provides the best measure of water entering the sewer lines). The sewer availability charge is billed regardless of whether sewer discharge occurs because the City must maintain, repair, operate and replace the sewer system.

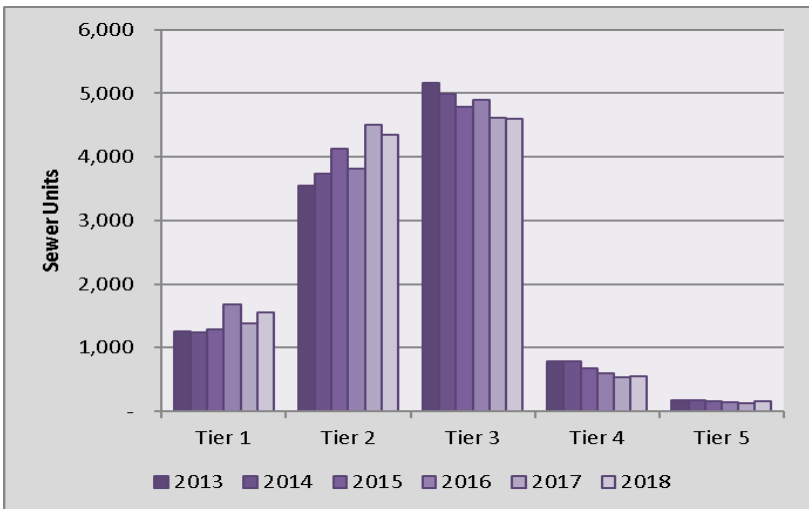
Tiered rates for 2019 are shown in the table at right, and are described at the top of the next page.

Residential Sewer Rates (quarterly)	
Sewer Tiers	Sewer Tiers
Tier 1 (up to 5,000 gal per unit)	\$ 19.14
Tier 2 (5,001-10,000 gal per unit)	\$ 32.93
Tier 3 (10,001-20,000 gal per unit)	\$ 50.51
Tier 4 (20,001-30,000 gal per unit)	\$ 68.69
Tier 5 (more than 30,000 gal per unit)	\$ 89.23

- Tier 1— homes using up to 5 thousand gallons in the winter quarter pay \$19.14 per quarter (plus availability charge).
- Tier 2— homes using between 5 and 10 thousand gallons in the winter quarter pay \$32.93 per quarter (plus availability charge).
- Tier 3— homes using between 10 and 20 thousand gallons in the winter quarter pay \$50.51 per quarter (plus availability charge).
- Tier 4— homes using between 20 and 30 thousand gallons in the winter quarter pay \$68.69 per quarter (plus availability charge).
- Tier 5— homes using more than 30 thousand gallons in the winter quarter pay \$89.23 per quarter (plus availability charge).

Sewer rates are designed to reward low volume customers with lower fees, and to charge high volume customers more since they contribute more flow to the sewer system. Further, rates are designed to treat single-family homes and multi-family units equally by establishing the multi-family cost on a per unit basis. Sewer only customers are billed at the middle tier since actual use cannot be established.

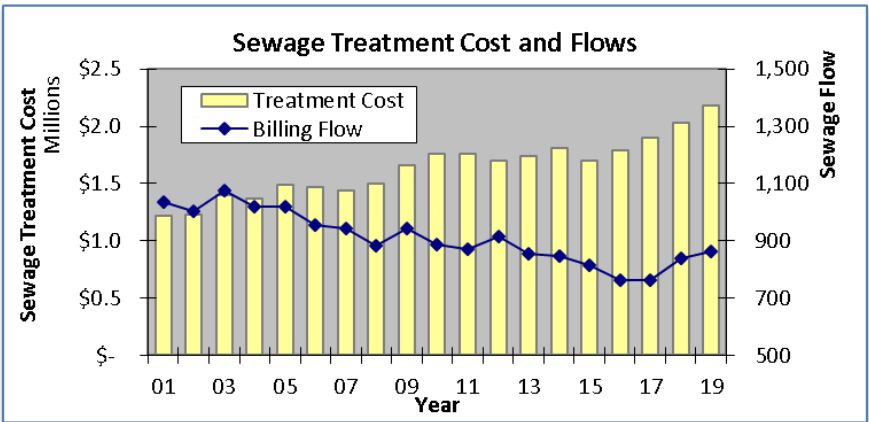
The graph below illustrates the number of residential sewer customers billed in each of the 5 sewer tiers over the last 6 years. As shown, the majority of homes are billed at tier 3, and the fewest number of homes are billed at tier 5. The number of customers in the first 2 tiers is generally rising, while the number of customers in tiers 3 through 5 is declining.



## Sewage Treatment

Sewage is collected in City-owned sanitary sewer mains and is routed or pumped into facilities owned and operated by the Metropolitan Council Environmental Services Division (MCES). Sewage flows are monitored and metered by MCES for the purpose of determining the City's sewage treatment costs. These costs are dependent on the amount of flow contributed to the system, and therefore water use impacts the City's sewage treatment costs.

Unfortunately, even when sewage flow declines sewage treatment costs don't necessarily follow because the rate charged by the MCES continues to rise. As shown in the table below, sewage flow has generally declined, while sewage treatment costs have risen in most years. Shoreview's share of treatment costs will increase 7.4 percent for 2019.



Sewage flows can also be impacted by groundwater infiltration and storm water inflow, particularly during periods of heavy downpours. Cracks in sewer lines, openings in manholes, and illegal connections of roof drains and/or sump pumps to the sewer system allow water to flow directly into sewer pipes, which in turn drives up sewer flows and sewage treatment costs.

In an effort to reduce sewage flow, the City is actively working to evaluate and reline sewers where ground water infiltration occurs. The City also completed a commercial roof and residential sump pump inspection program to eliminate illegal discharges into the sewer system.

The table at right provides a 10-year summary of the City’s sewage treatment costs. The sewage flow estimate for the 2019 bill is 3% lower than 2010 flows. Conversely, the 2019 rate per million gallons is 28% higher than the rate charged in 2010. The net result is a sewage treatment bill that is \$2,185,998 (24% higher than 2010). If sewage flows had continued to grow, the cost would have been even higher.

Year	Billing Flow (millions)	Rate Per Million Gallons	Annual Cost (millions)
2010	888	\$ 1,981	\$ 1.758
2011	871	\$ 2,026	\$ 1.764
2012	917	\$ 1,854	\$ 1.699
2013	856	\$ 2,029	\$ 1.737
2014	846	\$ 2,142	\$ 1.812
2015	816	\$ 2,084	\$ 1.701
2016	762	\$ 2,348	\$ 1.789
2017	763	\$ 2,485	\$ 1.895
2018	840	\$ 2,422	\$ 2.035
2019	865	\$ 2,527	\$ 2.186

Since 2007 the MCES has had the authority to charge an inflow/infiltration surcharge for the estimated increase in sewage flows generated by ground water infiltration. So far, Shoreview has avoided this cost because of the City’s efforts to reduce inflow and infiltration of ground and storm water into the system.

**Sewer System Assets**

The historical cost of building the sanitary sewer system is amortized over the life of the system and expensed as annual depreciation (\$344,000 for 2019). In the last 5 years the sewer fund has spent \$1.7 million on sewer system repairs, replacements, improvements to system controls and new sewer lines, and expects to spend \$3.7 million over the next 5 years.

## Sewer Budget

Establishing sewer rates and predicting sewer revenue is somewhat easier than predicting water revenue, because winter water consumption is used to determine residential sewer charges. Regardless, the gradual decline in water use also impacts sewer revenue because declining winter water use shifts more customers into lower sewer tiers.

The table below provides a 4-year history of sewer fund activity. In all of the last 4 years the City's sewer fund ended with a net gain (excluding the value of contributed assets). This means that sewer income was sufficient to offset operating costs.

Operating Summary	2014 Actual	2015 Actual	2016 Actual	2017 Actual
<b>Revenue</b>				
Special Assessments	\$ 3,858	\$ 2,970	\$ 8,195	\$ 1,858
Intergovernmental	9,321	775	2,198	156
Charges for Services	1,913	919	1,193	7,877
Utility Charges	3,853,868	3,941,395	4,045,175	4,267,766
Interest Earnings	104,576	35,796	28,417	43,781
Other Revenues	-	-	-	2,836
<b>Total Revenue</b>	<b>3,973,536</b>	<b>3,981,855</b>	<b>4,085,178</b>	<b>4,324,274</b>
<b>Expense</b>				
Enterprise Operations	3,163,229	3,191,670	3,328,440	3,403,098
Debt Service	70,243	73,480	84,653	76,310
Depreciation	329,430	339,842	330,973	327,164
<b>Total Expense</b>	<b>3,562,902</b>	<b>3,604,992</b>	<b>3,744,066</b>	<b>3,806,572</b>
<b>Other Sources (Uses)</b>				
Sale of Asset-Gain	210	-	-	-
Transfers In	34,631	-	-	-
Transfers Out	(181,136)	(181,249)	(183,000)	(195,625)
<b>Net Change</b>	<b>\$ 264,339</b>	<b>\$ 195,614</b>	<b>\$ 158,112</b>	<b>\$ 322,077</b>

Rates are designed to change gradually whenever possible, focusing on a long-term strategy. However, if lower consumption becomes a trend, it may become necessary to charge higher rates for the same level of service to offset operating expenses.

The table below shows estimated sewer fund activity for the 2018-2019 biennial budget. Both years are based on the expectation that winter water consumption will continue at current levels, and estimates indicate a net profit in each year.

Operating Summary	2018 Estimate	2019 Budget
<b>Revenue</b>		
Charges for Services	\$ 1,500	\$ 1,500
Utility Charges	4,328,700	4,433,500
Interest Earnings	30,000	33,000
Total Revenue	4,360,200	4,468,000
<b>Expense</b>		
Enterprise Operations	3,593,156	3,806,071
Debt Service	80,910	82,420
Depreciation	326,000	344,000
Total Expense	4,000,066	4,232,491
<b>Other Sources (Uses)</b>		
Transfers Out	(191,000)	(203,000)
Net Change	\$ 169,134	\$ 32,509

Over the next 5 years, significant sewer system costs include:

- Repair and replace sewer lines.
- Sanitary sewer relining.
- Lift station rehabilitation.

## **Surface Water Operations**

The City of Shoreview maintains a storm water system that collects and directs storm water runoff and provides protection for surface and ground water quality. The City's surface water system includes:

- 4 storm water lift (pumping) stations
- 198 storm water ponds
- 485 storm inlets/outlets
- 35 miles of storm lines
- 50 structural pollution control devices

The purpose of the surface water management program is to preserve and use natural water storage and retention systems, as much as is practical, and to reduce the amount of public capital expenditures necessary to:

- Control excessive volumes and runoff rates
- Improve water quality
- Prevent flooding and erosion from surface water flows
- Promote ground water recharge
- Protect and enhance fish and wildlife habitat and water recreational facilities (lakes, streams, etc.)

The City's surface water management program seeks to prevent flooding and improve ground water quality through the best possible utilization of wetlands and artificial detention areas. Wetland management allows the City to maintain the integrity of its wetlands, improve water quality and reduce City maintenance efforts. Emphasis is placed on both sediment removal and storm water infiltration, as the primary methods of water quality improvement.



Operating the surface water system includes these activities:

- Maintain, inspect, replace and improve storm sewer systems (including storm lines)
- Maintain storm sewer lift stations (pumping stations)
- Maintain and inspect storm water ponds
- Construct new storm water ponds
- Collect debris from City streets through street sweeping
- Provide technical support to water management organizations
- Implement Surface Water Management Plan

### Surface Water Rates

Surface water charges are set by type of property, considering the amount of impervious surface typically present (in an attempt to address varying levels of rainfall runoff). The table below shows 2019 surface water rates for all classes of property. Townhomes pay a

slightly higher rate because they have more impervious surface area and therefore generate more rainfall runoff.

Surface Water Rates (quarterly)		
Property Type	Rate	Basis
Residential	\$ 31.21	per unit
Townhomes	\$ 33.05	per unit
Condo, apartment, commercial, industrial, school, church	\$ 260.89	per acre

### Surface Water System Assets

The historical cost of building the storm sewer system is amortized over the life of the system and expensed as annual depreciation (\$311,000 for 2019). In the last 5 years the surface water fund has spent \$2.2 million on storm system repairs, replacements, and improvements (including pond development), and expects to spend \$2.6 million over the next 5 years.

## Surface Water Management Budget

The table below provides a 4-year history of surface water fund activity. As shown, the surface water fund has ended all of the last 4 years with a net gain (excluding the value of contributed assets).

Operating Summary	2014 Actual	2015 Actual	2016 Actual	2017 Actual
<b>Revenue</b>				
Special Assessments	\$ 813	\$ 676	\$ 2,016	\$ 486
Intergovernmental	3,394	282	1,026	73
Utility Charges	1,370,352	1,473,809	1,616,052	1,781,863
Interest Earnings	36,711	10,352	11,465	16,739
<b>Total Revenue</b>	<b>1,411,270</b>	<b>1,485,119</b>	<b>1,630,559</b>	<b>1,799,161</b>
<b>Expense</b>				
Enterprise Operations	695,548	752,030	922,576	903,944
Debt Service	86,406	88,186	91,952	79,194
Depreciation	243,125	260,585	272,829	283,009
<b>Total Expense</b>	<b>1,025,079</b>	<b>1,100,801</b>	<b>1,287,357</b>	<b>1,266,147</b>
<b>Other Sources (Uses)</b>				
Sale of Asset-Gain	52	-	-	-
Transfers Out	(147,000)	(152,000)	(159,000)	(168,000)
<b>Net Change</b>	<b>\$ 239,243</b>	<b>\$ 232,318</b>	<b>\$ 184,202</b>	<b>\$ 365,014</b>

The operating surplus generated in any given year is used to partially support anticipated storm sewer capital costs as mandated by the City's Surface Water Management Plan.

The table below shows estimated surface water fund activity for the 2018-2019 biennial budget. As shown, a net profit is anticipated for both years.

Operating Summary	2018 Estimate	2019 Budget
<b>Revenue</b>		
Utility Charges	\$ 1,862,546	\$ 1,938,461
Interest Earnings	10,000	11,000
Total Revenue	1,872,546	1,949,461
<b>Expense</b>		
Enterprise Operations	943,917	1,120,377
Debt Service	71,600	95,590
Depreciation	296,000	311,000
Total Expense	1,311,517	1,526,967
<b>Other Sources (Uses)</b>		
Transfers Out	(176,000)	(186,000)
Net Change	\$ 385,029	\$ 236,494

Over the next 5 years, significant surface water system costs include:

- Repair and replace storm systems.
- Improve and expand the storm system as part of street projects.
- Replace an existing storm water lift station on Suzanne Pond.
- Make corrections to the Gramsie storm pond to mitigate flooding.

## **Street Lighting Operations**

The City of Shoreview operates a street lighting system throughout the community in support of safe vehicle, bicycle and pedestrian traffic. The City’s street light system includes lighting owned by the City or leased from Xcel Energy.

- 809 city-owned street lights
- Leased street lights

Operation and maintenance of the City’s street light system includes:

- Periodic rewiring of existing lights
- Energy costs associated with operation of the lighting system
- Installation of new street lights
- Repair and replacement of existing poles and/or light fixtures

## **Street Lighting Rates**

Street lighting user charges are based upon property type. The table below shows 2019 street lighting rates for all classes of property. Apartments and mobile homes pay a lower fee than homes because there are significantly more homes per acre in those developments. All properties in Shoreview, regardless of locations or types of street light fixtures, pay street light charges. All properties receive benefit from the street light system through illumination of streets, which in turn enhances safety for drivers and pedestrians.

Street Lighting Rates (quarterly)		
Property Type	Rate	Basis
Residential, townhome	\$ 13.89	per unit
Apartment, condo, mobile home	\$ 10.42	per unit
Comm, industrial, school,church	\$ 41.71	per acre

## Street Lighting Assets

The historical cost of building the street lighting system is amortized over the life of the system and expensed as annual depreciation (\$94,000 for 2019, not including lights owned by Xcel Energy). Over the last 5 years the City has spent \$1.2 million on lighting repairs and replacements, and expects to spend \$1.5 million over the next 5 years due to the age of many of the lights in the system.

## Street Lighting Budget

The table below provides a history of street lighting fund activity for the last 4 years. As shown, the fund ended with a net gain in each year. An operating gain is necessary because the fund lacks sufficient cash balances to absorb the annual impact of street lighting replacement costs. These costs create an immediate drain on street light fund cash while impacting depreciation expense over the useful life of the assets.

Operating Summary	2014 Actual	2015 Actual	2016 Actual	2017 Actual
<b>Revenue</b>				
Special Assessments	\$ 302	\$ 246	\$ 875	\$ 173
Utility Charges	494,945	520,938	554,829	640,703
Interest Earnings	12,148	3,300	2,179	4,314
Other Revenues	120	-	-	-
Total Revenue	507,515	524,484	557,883	645,190
<b>Expense</b>				
Enterprise Operations	252,592	244,207	226,275	226,488
Miscellaneous	992	33	260	-
Depreciation	51,959	61,482	70,079	78,678
Total Expense	305,543	305,722	296,614	305,166
<b>Other Sources (Uses)</b>				
Transfers Out	(20,400)	(22,400)	(25,400)	(28,400)
Net Change	\$ 181,572	\$ 196,362	\$ 235,869	\$ 311,624

The table below shows estimated street lighting fund activity for the 2018-2019 biennial budget. The planned operating surplus is intended to partially offset street light replacements of \$551,450 in 2019.

In the next 5 years, energy, street light repair, and street light replacement costs will be the primary driving force when establishing street lighting charges.

Operating Summary	2018 Estimate	2019 Budget
<b>Revenue</b>		
Utility Charges	\$ 681,000	\$ 712,000
Interest Earnings	2,700	2,900
Total Revenue	683,700	714,900
<b>Expense</b>		
Enterprise Operations	244,597	294,603
Depreciation	83,000	94,000
Total Expense	327,597	388,603
<b>Other Sources (Uses)</b>		
Transfers Out	(32,400)	(37,400)
Net Change	\$ 323,703	\$ 288,897

- Energy costs account for 49% of operating expense in 2019 (the largest expense for the fund)
- Repair costs are expected to rise in the future as street lights continue to age

## What Does This Mean for My Utility Bill?

The impact of the 2019 utility rates on any individual customer depends on the amount of water consumed because rates are based on the philosophy that customers putting greater demands on the system should pay more than customers with lesser demand. The table below provides a breakdown of residential customers in 6 usage levels.

As shown, 40% of residential customers fall into the “average” category (using an average of 15,000 gallons of water per quarter, and using about 12,000 gallons per quarter in the winter months).

Use Level	Water Gallons	(winter) Sewer Gallons	Percent of Residential Customers *
Very low	5,000	4,000	13%
Low	10,000	10,000	28%
Average	15,000	12,000	40%
Above average	25,000	22,000	14%
High	55,000	26,000	3%
Very high	80,000	34,000	2%

\* Based on Water consumption

The table at right illustrates the change in utility bills for 2019 in each of the usage levels, assuming that the same amount of water is used in each year.

Use Level	Total Quarterly Utility Bill		Quarterly Change	
	2018	2019	\$	%
Very low	\$134.46	\$ 139.57	\$ 5.11	3.8%
Low	\$160.50	\$ 166.51	\$ 6.01	3.7%
Average	\$195.07	\$ 202.29	\$ 7.22	3.7%
Above avg	\$247.72	\$ 256.87	\$ 9.15	3.7%
High	\$409.22	\$ 424.82	\$ 15.60	3.8%
Very high	\$573.16	\$ 595.11	\$ 21.95	3.8%

The cost estimates shown above include a water connection fee of \$1.59 per quarter, mandated by and paid to the State of Minnesota.

## **Available Payment Methods**

The City of Shoreview provides a variety of payment methods for utility bills, including:

- On line via the City's website ("Online Payments")
- Automatic credit card withdrawal
- Direct debit (from your bank account)
- By mail
- Drop box at the city hall entrance
- City hall front desk during office hours (8 a.m. to 4:30 p.m.)
- Credit card, by calling utility billing

## **Contact Information**

Utility billing questions information

- Phone - (651) 490-4630
- Email - [utilities@shoreviewmn.gov](mailto:utilities@shoreviewmn.gov)

Utility maintenance questions

- Phone - (651) 490-4688 (customer service representative)
- Phone - (651) 490-4661 (utilities supervisor)
- Email - [kchmielewski@shoreviewmn.gov](mailto:kchmielewski@shoreviewmn.gov)

Water and sewer emergencies

- Mon-Fri, 7:00 a.m.-3:30 p.m. (651) 490-4661
- Evenings, weekends and holidays, call the Ramsey County Sheriff (651) 484-3366. The Sheriff's office will contact the utility maintenance person on call.

We hope this information has been helpful  
in explaining the City's utility systems.

Shoreview Utility Department  
4600 Victoria Street North  
Shoreview, MN 55126  
[www.shoreviewmn.gov](http://www.shoreviewmn.gov)







*Community Benchmarks*

*How does Shoreview compare?*

August 2018

City of Shoreview, Minnesota  
4600 Victoria Street North  
Shoreview, MN 55126

## Introduction

Comparisons of taxes and spending among cities are a topic of interest as the City moves through the annual budget process. Benchmark comparisons are assembled for metro-area cities closest to Shoreview in size (using population levels), and for peer cities that generally receive high quality-of-life ratings from citizens in their respective community surveys.

The comparisons are useful to illustrate how taxes and spending in other cities compare to Shoreview, as well as to evaluate how Shoreview's ranking changes over time. This document provides a summary of the information in preparation for the annual budget hearing.

Statistical information is derived from two key sources:

1. Staff obtained City property values, tax levies, tax rates and state aids for 2018 from County and State of Minnesota websites.
2. Minnesota Office of State Auditor (OSA) publishes a report in the spring on final City revenue, spending, debt levels and enterprise activity for two years prior. The most recent OSA report provides 2016 data.

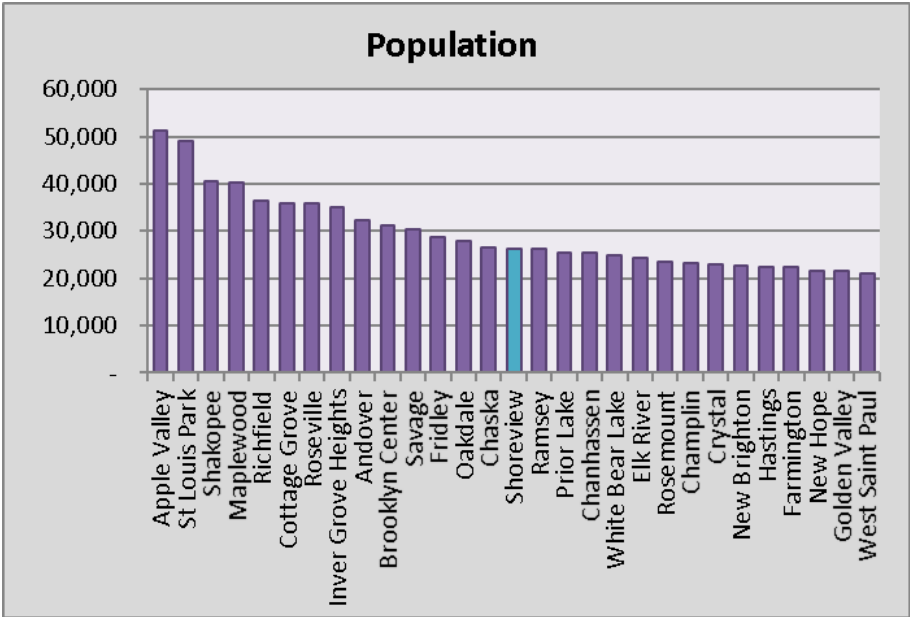
Shoreview uses both sources of information to assemble two sets of data:

1. Comparison Cities - to illustrate how Shoreview ranks in relation to metro-area cities with population levels closest to Shoreview by selecting 14 cities larger and 14 cities smaller. These are cities with populations between 21,000 and 51,000.
2. MLC Cities - to illustrate how Shoreview ranks in relation to cities belonging to the Municipal Legislative Commission (MLC).

The 16 peer cities represented by the Municipal Legislative Commission (MLC) provide important comparisons because these cities have achieved high quality-of-life rankings from their residents in their respective community surveys, and they are often recognized as having sound financial management. In fact, many of the 16 cities have AAA bond ratings, as does Shoreview.

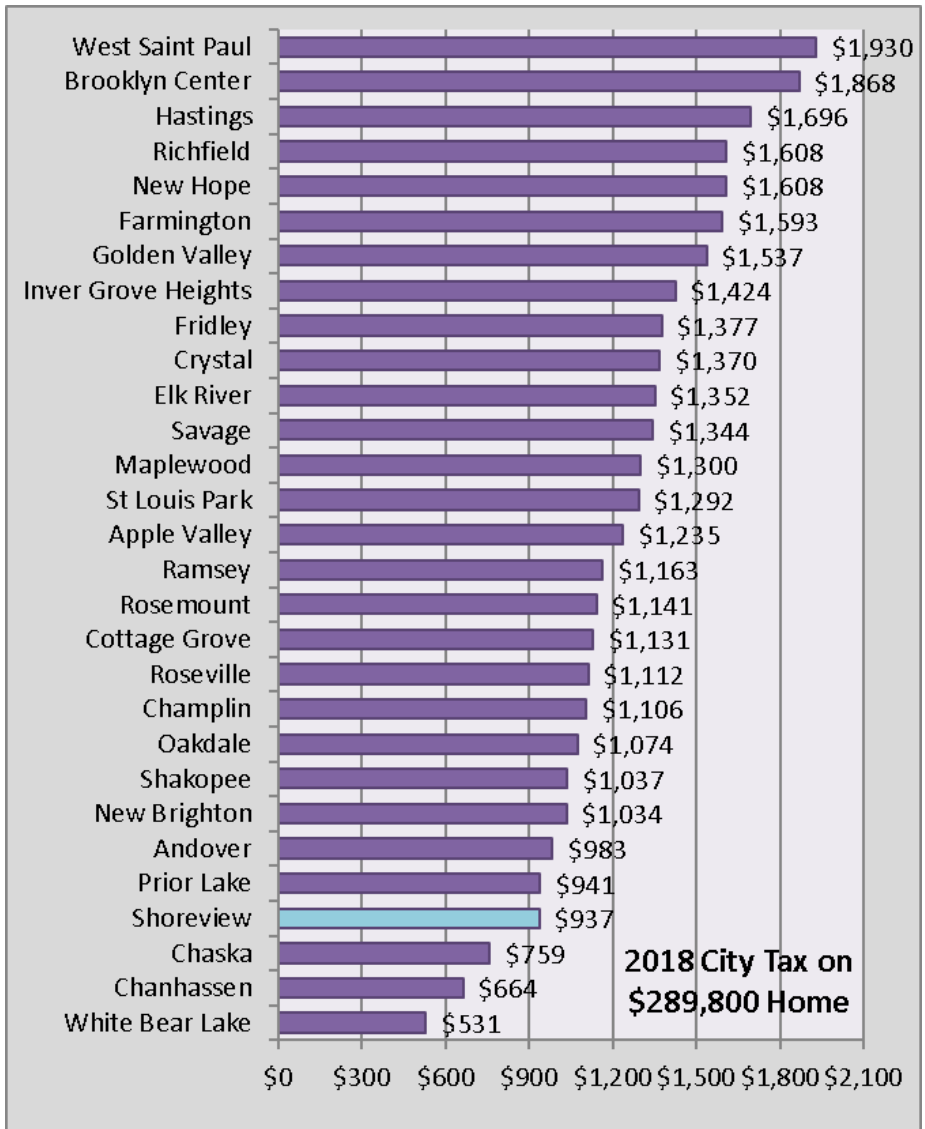
### Population

The graph below contains the 2016 population for each of the comparison cities. By design, Shoreview falls exactly in the middle. A similar graph with population levels for MLC cities is presented on page 13.



## City-Share of Property Taxes

The 2018 City-share of property taxes for a \$289,800 home (Shoreview's median value) is illustrated in the graph below. Shoreview ranks 4th lowest at \$937, and is about 25% below the average of \$1,246. It should be noted that for property tax purposes, the home value is reduced from \$289,800 to \$278,600 due to market value exclusion (MVE).



## Tax Levy Ranking

Shoreview's tax levy rank has risen two positions in the last 10 years in relation to comparison cities. Shoreview ranked 23 in 2008, and has risen 2 positions to rank 21 in 2018. Shoreview's tax levy was 29.7% below the average of comparison cities in 2008, compared to 22.5% below the average for 2018.

2008		
Rank	City	Levy
1	Minnetonka	\$26,329,161
2	Edina	22,011,683
3	St. Louis Park	20,620,564
4	Apple Valley	20,098,664
5	Golden Valley	15,198,813
6	Inver Grove Heigh	14,908,691
7	Maplewood	14,826,564
8	Savage	14,393,971
9	Shakopee	14,000,158
10	Richfield	13,000,345
11	Cottage Grove	12,184,099
12	Roseville	12,071,484
13	Brooklyn Center	11,404,877
14	Hastings	11,280,056
15	Elk River	10,761,442
16	Andover	9,991,162
17	Fridley	9,232,716
18	Oakdale	9,075,034
19	Ramsey	9,059,280
20	Chanhassen	8,918,422
21	New Hope	8,759,768
22	Prior Lake	8,364,208
23	Shoreview	8,323,391
24	Crystal	7,606,055
25	Champlin	7,600,523
26	New Brighton	7,254,499
27	South St. Paul	6,652,713
28	White Bear Lake	4,927,216
29	Chaska	4,313,324
Average		\$11,833,410
Shvw to Avg		-29.7%

2018		
Rank	City	Levy
1	St Louis Park	31,748,368
2	Apple Valley	\$24,843,790
3	Golden Valley	22,420,742
4	Maplewood	21,186,011
5	Inver Grove Heigh	21,041,791
6	Richfield	20,621,911
7	Roseville	20,275,655
8	Shakopee	19,260,548
9	Savage	17,499,645
10	Brooklyn Center	17,105,950
11	Cottage Grove	15,235,000
12	Fridley	14,807,913
13	West Saint Paul	14,344,671
14	Hastings	13,503,307
15	New Hope	12,712,742
16	Farmington	12,681,188
17	Andover	12,416,357
18	Prior Lake	12,077,538
19	Rosemount	11,874,781
20	Oakdale	11,645,249
21	Shoreview	11,631,971
22	Ramsey	11,374,395
23	Elk River	11,063,830
24	Crystal	10,627,889
25	Chanhassen	10,452,571
26	Champlin	9,858,928
27	New Brighton	8,661,170
28	Chaska	8,581,604
29	White Bear Lake	5,507,811
Average		15,002,184
Shvw to Avg		-22.5%

## State Aid

Shoreview receives no local government aid (LGA) to help support the cost of City services. The table below shows the total LGA received by each comparison city, as well as the amount of LGA per capita. The highest city (on a per capita basis) is Crystal at \$76.32 of LGA per capita. Eighteen of the comparison cities receive at least some LGA.

City	Local Govt Aid (LGA)	LGA Per Capita
Crystal	\$ 1,744,269	\$ 76.32
West Saint Paul	\$ 1,341,723	\$ 64.24
White Bear Lake	\$ 1,587,299	\$ 63.49
Richfield	\$ 2,229,280	\$ 61.35
Brooklyn Center	\$ 1,768,919	\$ 56.64
Fridley	\$ 1,486,942	\$ 51.93
New Hope	\$ 693,117	\$ 32.09
Hastings	\$ 704,122	\$ 31.43
New Brighton	\$ 671,484	\$ 29.69
Maplewood	\$ 864,788	\$ 21.49
Farmington	\$ 313,641	\$ 14.04
Elk River	\$ 324,688	\$ 13.32
St Louis Park	\$ 566,591	\$ 11.58
Oakdale	\$ 192,838	\$ 6.90
Cottage Grove	\$ 86,218	\$ 2.40
Roseville	\$ 74,275	\$ 2.07
Golden Valley	\$ 37,185	\$ 1.73
Chaska	\$ 1,306	\$ 0.05
Andover	\$ -	\$ -
Apple Valley	\$ -	\$ -
Champlin	\$ -	\$ -
Chanhassen	\$ -	\$ -
Inver Grove Heights	\$ -	\$ -
Prior Lake	\$ -	\$ -
Ramsey	\$ -	\$ -
Rosemount	\$ -	\$ -
Savage	\$ -	\$ -
Shakopee	\$ -	\$ -
Shoreview	\$ -	\$ -

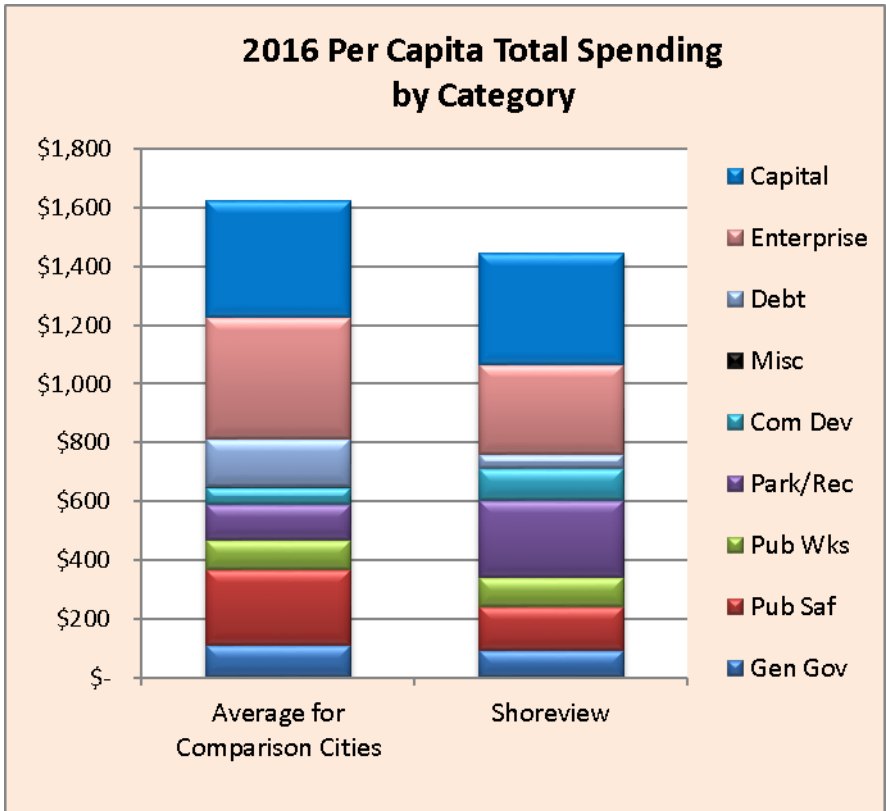
## Tax Rates

Tax rates provide a useful comparison because they measure both levies and values (the levy is divided by the taxable value to compute the tax rate). Shoreview's tax rate has remained constant over the last 10 years, ranking 5th lowest in both 2008 and 2018 . For 2018, Shoreview is about 24% below the average tax rate of 44.32%.

2008			2018		
Rank	City	Tax Rate	Rank	City	Tax Rate
1	Hastings	49.48%	1	West Saint Paul	69.29%
2	Savage	48.36%	2	Brooklyn Center	67.07%
3	Brooklyn Center	43.90%	3	Hastings	60.86%
4	Golden Valley	42.99%	4	Richfield	57.73%
5	Elk River	42.49%	5	New Hope	57.71%
6	New Hope	41.93%	6	Farmington	57.16%
7	Ramsey	39.50%	7	Golden Valley	55.15%
8	Inver Grove Heigh	37.97%	8	Inver Grove Heigh	51.11%
9	Richfield	37.91%	9	Crystal	49.17%
10	South St. Paul	36.14%	10	Fridley	47.91%
11	Apple Valley	35.54%	11	Savage	47.12%
12	Crystal	35.44%	12	St Louis Park	46.38%
13	Cottage Grove	35.12%	13	Elk River	46.01%
14	St. Louis Park	34.76%	14	Maplewood	45.91%
15	Champlin	32.86%	15	Apple Valley	42.48%
16	New Brighton	32.81%	16	Ramsey	41.73%
17	Shakopee	31.93%	17	Rosemount	40.96%
18	Andover	31.39%	18	Cottage Grove	40.58%
19	Maplewood	30.80%	19	Champlin	39.70%
20	Fridley	30.34%	20	Oakdale	38.54%
21	Oakdale	30.21%	21	Roseville	38.18%
22	Prior Lake	28.06%	22	Shakopee	37.21%
23	Mnetonka	27.59%	23	New Brighton	37.10%
24	Chanhassen	23.70%	24	Andover	34.63%
25	Shoreview	23.53%	25	Shoreview	33.62%
26	Roseville	23.38%	26	Prior Lake	33.04%
27	Edina	21.20%	27	Chaska	27.23%
28	Chaska	19.18%	28	Chanhassen	22.67%
29	White Bear Lake	16.52%	29	White Bear Lake	19.06%
	Average	33.28%		Average	44.32%
	Shvw to Avg	-29.3%		Shvw to Avg	-24.2%

# Total Spending Per Capita

Data obtained from the OSA each year helps Shoreview compare total spending per capita. The graph below contrasts the average spending per capita in 2016 for comparison cities along side the per capita spending in Shoreview. Shoreview's total 2016 spending is about \$1,446 per capita, which is about 11% below the average of \$1,623.





## Spending Per Capita by Activity

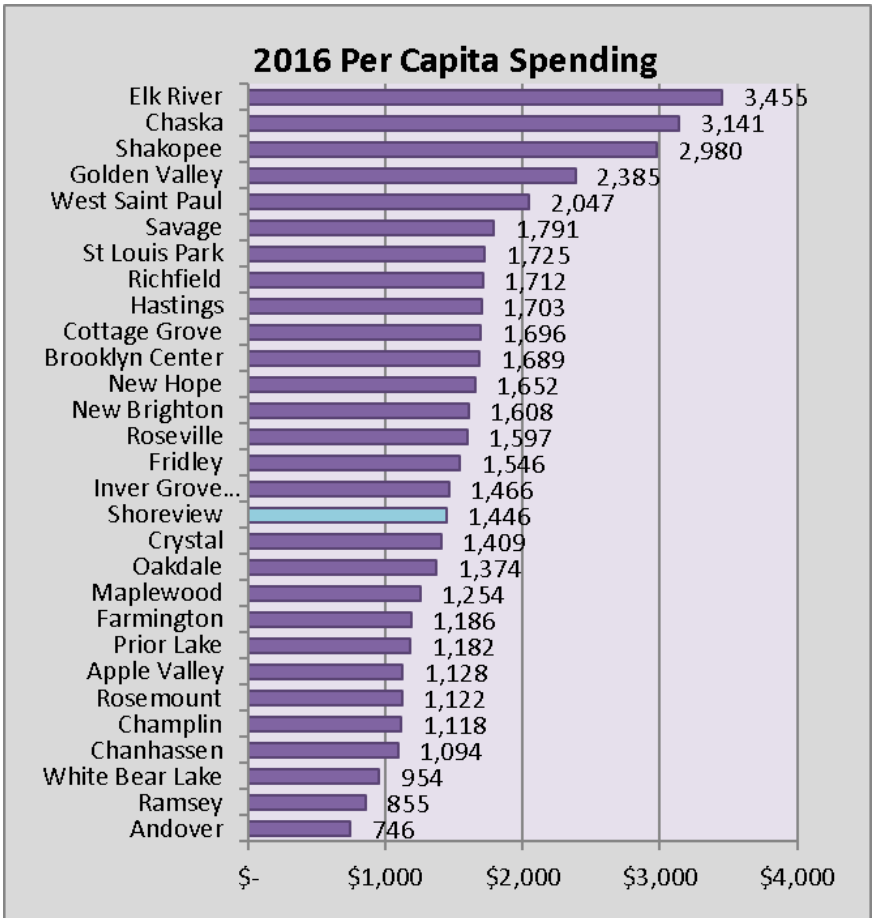
When reviewing spending in more detail, Shoreview is above average in parks and recreation, community development, and utility operations, and below average for all other spending categories.

- Parks and recreation spending is higher in Shoreview due to the Community Center and Recreation Program operations (largely supported by user fees and memberships).
- Community development is higher due to a one-time developer assistance payment.
- Utility spending is higher due to differences in how cities account for storm sewer and street light operations. For instance, some cities support these operations with property tax revenue.
- Public safety spending in Shoreview is third lowest for all comparison cities, at \$149.26 per capita, due to the efficiencies gained by contracting for both police and fire protection.
- Debt payments are 70% below average in Shoreview due to lower overall debt balances.

2016 Per Capita Spending	Average	Shoreview	Shoreview to Average	
			Dollars	Percent
General government	\$ 110.97	\$ 92.61	\$ (18.36)	-16.5%
Public safety	253.67	149.26	(104.41)	-41.2%
Public works	101.10	98.00	(3.10)	-3.1%
Parks and recreation	122.28	262.79	140.51	114.9%
Commun devel/EDA/HRA/Housing	59.01	107.43	48.42	82.1%
All other governmental	1.15	-	(1.15)	-100.0%
Water/sewer/storm/st lights	259.39	306.44	47.05	18.1%
Electric	127.97	-	(127.97)	-100.0%
All other enterprise operations	23.65	-	(23.65)	-100.0%
Debt payments	164.97	49.32	(115.65)	-70.1%
Capital outlay	398.60	379.77	(18.83)	-4.7%
Total All Funds	\$ 1,622.77	\$ 1,445.62	\$ (177.15)	-10.9%

The graph below shows total 2016 spending per capita (spending divided by population) for all comparison cities. Spending levels range from a high of \$3,455 in Elk River to a low of \$746 in Andover.

Shoreview ranks 13th lowest at \$1,446 per capita, and is 11% below the average of \$1,623.



## Revenue Per Capita by Source

Shoreview is below average for every revenue classification in 2016 except franchise tax (utility & cable), charges for service, and traditional utility revenue. Recreation program fees and community center admissions and memberships cause Shoreview to collect charges for service revenue well above average. Shoreview is 5th lowest for special assessments.

2016 Per Capita Revenue	Average	Shoreview	Shoreview to Average	
			Dollars	Percent
Property tax	\$ 461.58	\$ 406.82	\$ (54.76)	-11.9%
Tax increment (TIF)	36.03	28.59	(7.44)	-20.7%
Franchise tax	27.67	48.50	20.83	75.3%
Other tax	2.55	0.61	(1.94)	-76.1%
Special assessments	42.88	12.27	(30.61)	-71.4%
Licenses & permits	37.34	26.37	(10.97)	-29.4%
Federal (all combined)	19.75	-	(19.75)	-100.0%
State (all combined)	90.37	60.58	(29.79)	-33.0%
Local (all combined)	11.13	3.59	(7.54)	-67.7%
Charges for service	152.46	245.40	92.94	61.0%
Fines & forfeits	5.44	1.94	(3.50)	-64.4%
Interest	10.84	7.43	(3.41)	-31.4%
All other governmental	39.53	2.62	(36.91)	-93.4%
Water/sewer/storm/street lighting	268.59	349.04	80.45	30.0%
Electric enterprise	141.90	-	(141.90)	-100.0%
All other enterprise	29.33	-	(29.33)	-100.0%
<b>Total Revenue per capita</b>	<b>\$ 1,377.39</b>	<b>\$ 1,193.76</b>	<b>\$ (183.63)</b>	<b>-13.3%</b>

The combined results for property tax and special assessments is striking because Shoreview's long-term strategy for the replacement of streets shifts a greater burden for replacement costs to property taxes and utility fees, and away from special assessments. Shoreview's Comprehensive Infrastructure Replacement Policy states that "the City, as a whole, is primarily responsible for the payment of replacement and rehabilitation costs".

Shoreview's policy further states "the maximum cost to be assessed for any reconstruction and/or rehabilitation improvements is limited to the cost of added improvements", meaning property owners pay for an improvement only once via assessments. This practice is uncommon among comparison cities.

In order to achieve this result, Shoreview estimates replacement costs for a minimum of 40 years and identifies the resources (tax levies and user fees) necessary to support capital replacement costs well in advance. To comply with the policy requirements, Shoreview prepares an annual Comprehensive Infrastructure Replacement Plan (CHIRP).

This practice would seem to suggest that property taxes would be significantly higher in Shoreview to generate the resources needed to fund capital replacements, yet the tables and graphs provided on previous pages in this document illustrate that Shoreview remains not only competitive but ranks consistently lower than comparison cities.

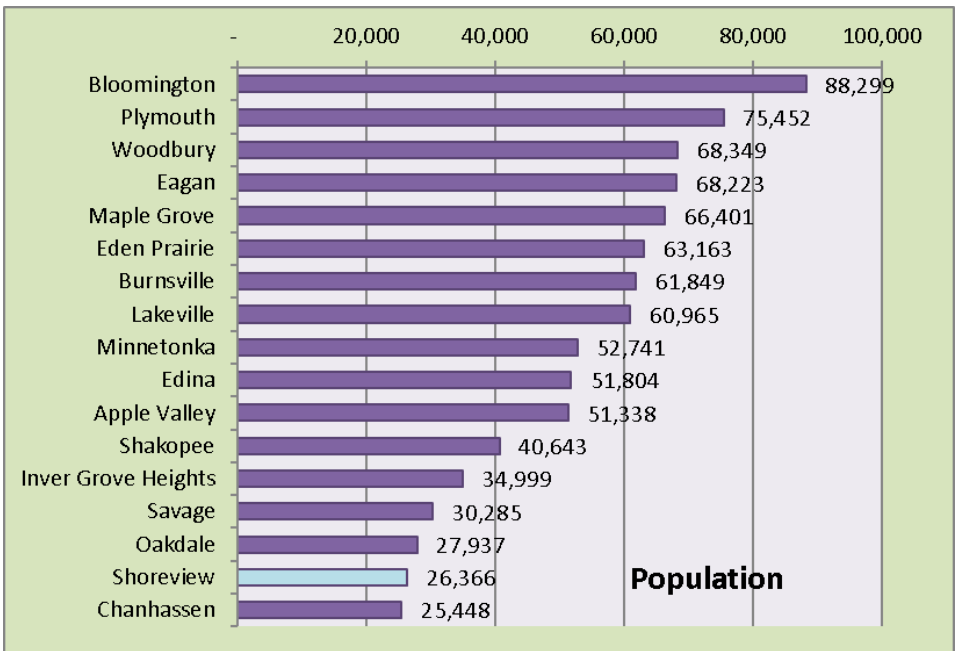
- Shoreview's 2016 spending per capita ranks 13th lowest
- Shoreview's assessment collections per capita are 5th lowest among comparison cities
- Shoreview's share of the 2018 property tax bill, on a home valued at \$289,800, is 4th lowest
- Shoreview receives no state aid (LGA) to help pay for city services and reduce the property tax burden
- Shoreview's tax rate has remained stable and low in relation to comparison cities, ranking 5th lowest among comparison cities in 2018 and 2008.

In short, Shoreview's long-term capital replacement planning has allowed the city to keep pace with replacement needs, and strongly limit the use of assessments while keeping property taxes lower than most comparison cities.

## Comparison to MLC Cities

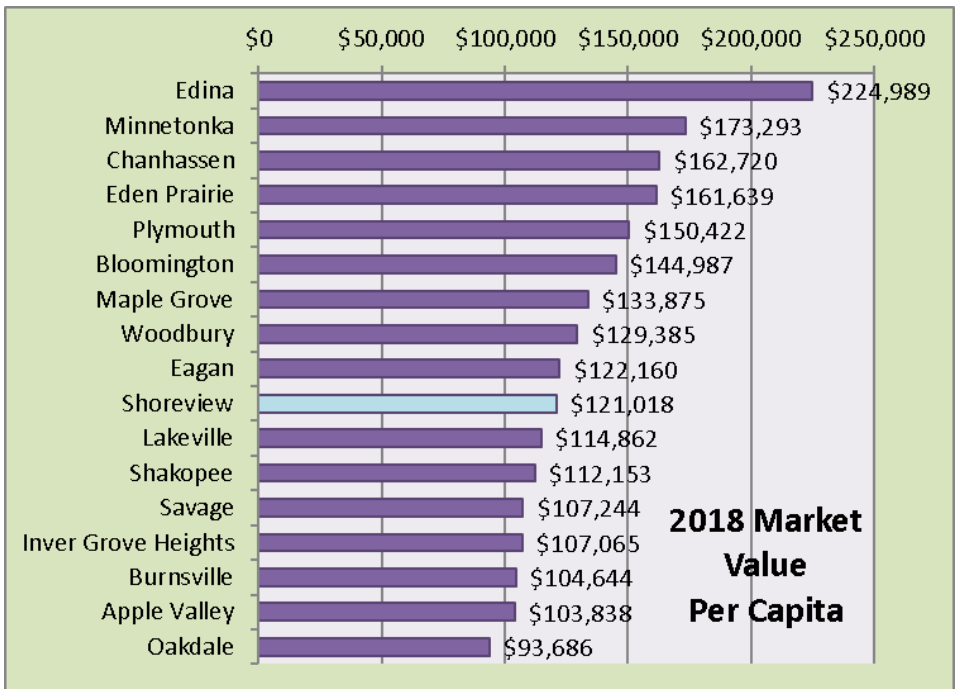
Comparisons for the 17 cities belonging to the Municipal Legislative Commission (MLC) provide an important comparison because these peer cities generally achieve high quality-of-life rankings from their residents in their respective community surveys, and are often recognized as having sound financial management (and many have AAA bond ratings, like Shoreview).

Shoreview has the 2nd lowest population in the group, and is roughly half of the average for the group.



Market Value comparisons are most useful when viewed on a per capita basis, because the geographic size and total market value of each community can vary greatly. For instance, Bloomington has the highest total market value at \$12.80 billion followed by Edina with total market value of \$11.65 billion. Once the value is divided by population, Edina ranks highest at \$224,989 of value per resident, while Bloomington ranks 6th at \$144,987.

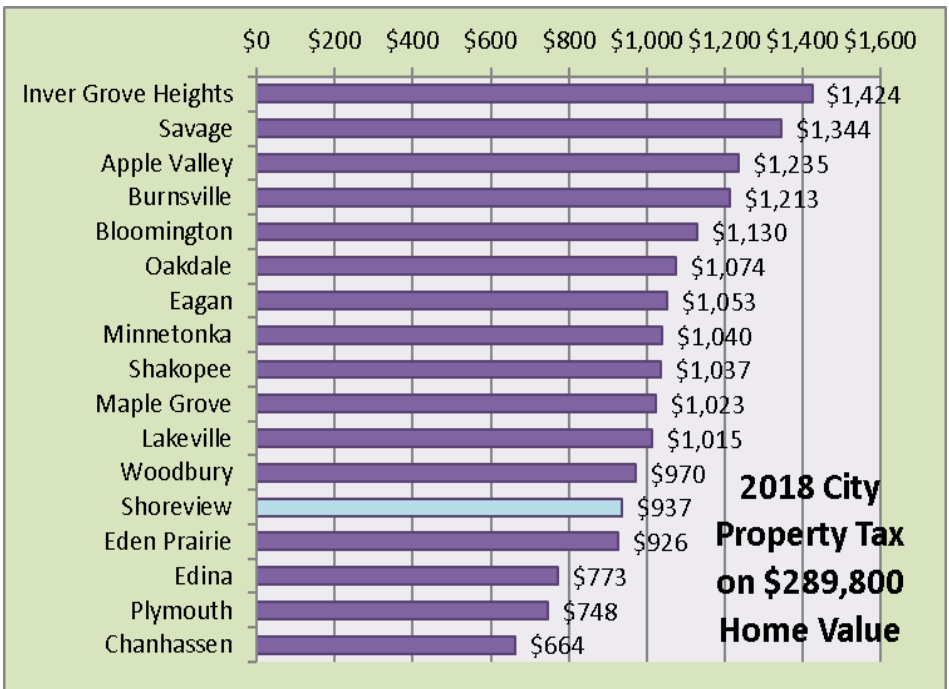
The graph below presents market value per capita for each MLC city. Shoreview is near the middle of the group at \$121,018 (about 9.3% below the average of \$133,411).



Property Tax by Governmental Unit comparisons are perhaps the most revealing because taxes are compared for each type of governmental unit (i.e. city, county, school district and special districts).

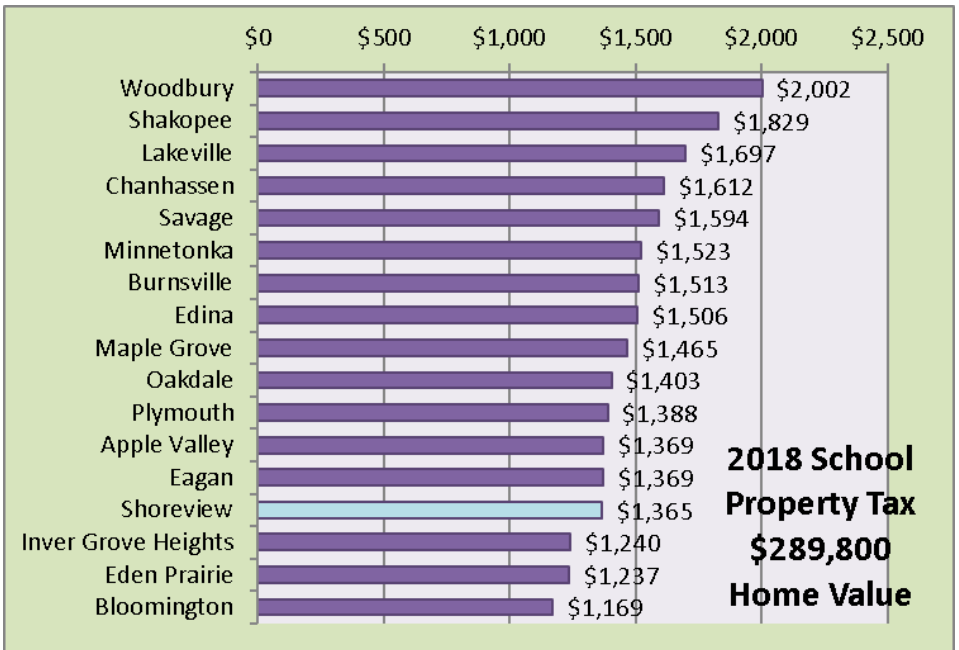
The next 5 graphs compare property taxes by the type of taxing jurisdiction, starting with the city share of the tax bill.

City taxes are presented below for a home valued at \$289,800 (Shoreview’s median value). Shoreview ranks 5th lowest at \$937, compared to a high of \$1,424 in Inver Grove Heights, and a low of \$664 in Chanhassen. The average City tax for MLC cities is \$1,036.



School District property taxes are presented in the table below. It should be noted that the estimate for Shoreview assumes that the property is located in the Mounds View school district. Since MLC cities are located throughout the metro area, this illustration provides a comparison for a variety of school districts.

Property taxes in the Mounds View school district rank about 8.2% below the MLC city average.

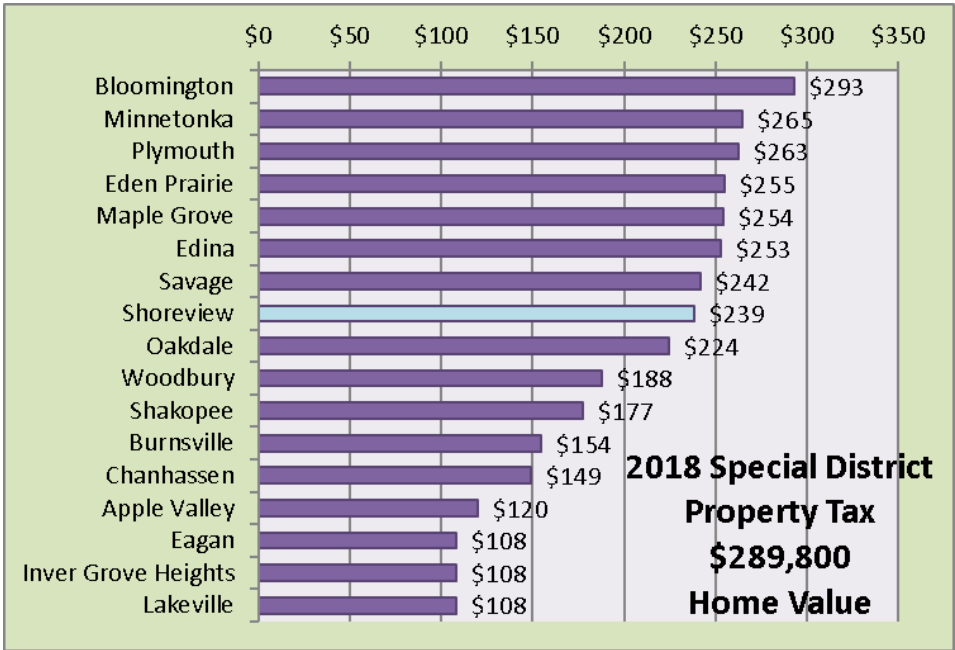




Special Districts also vary throughout the metro area, depending on the watershed districts and local housing districts in each City. In Shoreview, special districts include the Regional Rail Authority, Metropolitan Council, Mosquito Control, Rice Creek Watershed and the Shoreview HRA. The special district tax bill in Shoreview breaks down as follows:

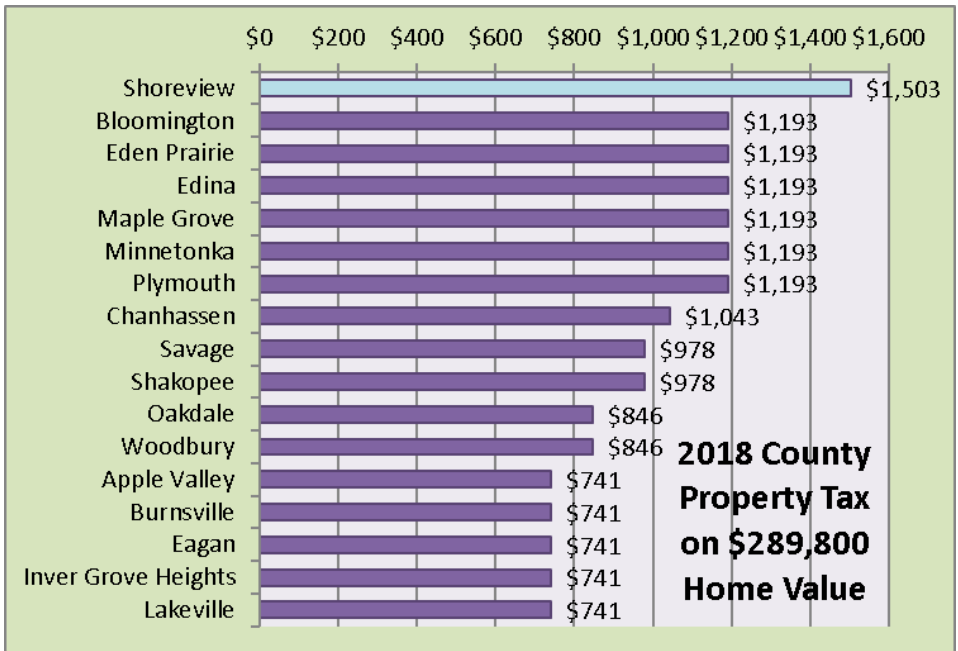
Regional Rail	\$ 107
Metropolitan Council	60
Mosquito Control	12
Rice Creek Watershed	51
Shoreview HRA	9
Total Special District Tax	\$ 239

The graph below presents an estimate for combined special district property taxes in each City. In Shoreview, the combined tax for these districts ranks 19% above the average of \$200.



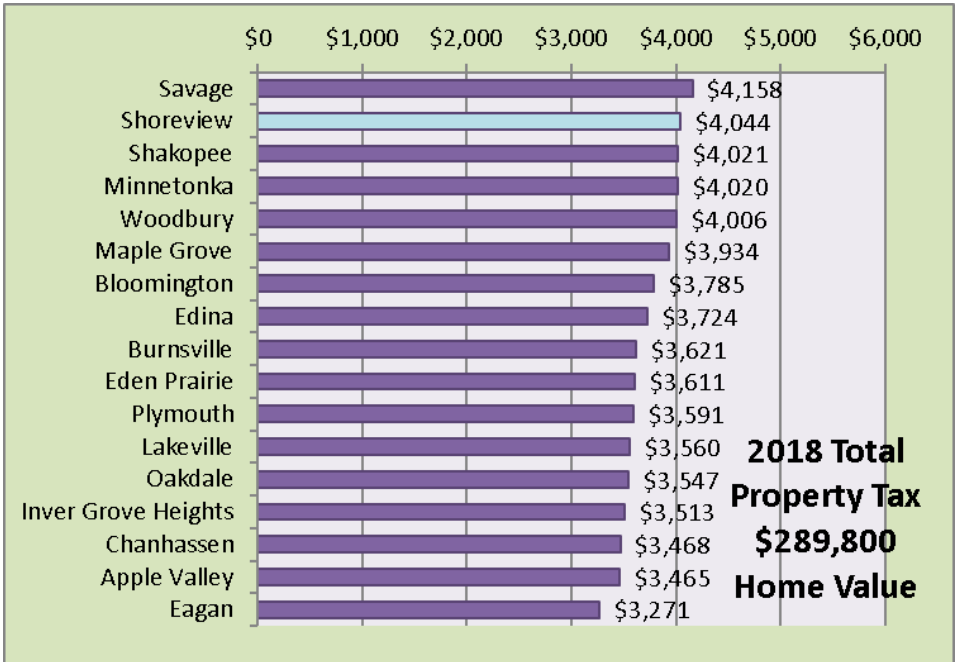
County property taxes vary greatly among MLC cities.

- Ramsey County taxes are \$1,503, the highest for MLC cities. (including the City of Shoreview)
- Hennepin County cities are \$1,193, second highest for MLC cities (including the cities of Bloomington, Eden Prairie, Edina, Maple Grove, Minnetonka and Plymouth).
- Carver County cities are \$1,043 (including the City of Chanhassen)
- Scott County taxes are \$978 (including the cities of Savage and Shakopee).
- Washington County taxes are \$846 (including the cities of Oakdale and Woodbury).
- Dakota County is lowest at \$741 (including the cities of Apple Valley, Burnsville, Eagan, Inver Grove Heights and Lakeville).



Total taxes in Shoreview (for all taxing jurisdictions combined) rank 2nd highest among MLC cities (see graph below).

To further put the difference into perspective, the table below provides a side-by-side comparison of the total tax bill in Shoreview compared to the total tax bill in Eagan (the lowest MLC city). For the same value home, county property taxes are \$762 higher in Shoreview, school district taxes are \$4 lower, special district taxes are \$131 higher and City taxes are \$116 lower.



Jurisdiction	Shoreview	Eagan	Difference
County	\$ 1,503	\$ 741	\$ 762
School District	1,365	1,369	(4)
City	937	1,053	(116)
Special Districts	239	108	131
<b>Total</b>	<b>\$ 4,044</b>	<b>\$ 3,271</b>	<b>\$ 773</b>

## Summary

Additional information on the City's budget, tax levy and utility rates will be made available in late November on the City's website and at city hall through two other informational booklets:

- Budget Summary
- Utility Operations

The budget hearing on the City's 2019 Budget is scheduled for December 3, 2018 at 7:00 p.m., in conjunction with the first regular Council meeting in December.

Adoption of the final tax levy, budget, capital improvement program and utility rates is scheduled for December 17, 2018 (the second regular Council meeting in December).

This document was prepared by the City's finance department.

