



Five-year Operating Plan

Including fund-specific working capital targets

Prepared by the Finance Department
December 2019

Executive Summary

Introduction

Long-term financial planning has been a part of the normal business process in Shoreview for more than two decades. It started in the late 1980s with a street replacement plan, and expanded into a comprehensive infrastructure replacement policy by 1992.

Through the City's annual Comprehensive Infrastructure Replacement Plan (CHIRP) the City routinely updates capital replacement estimates for a minimum of 40 years; identifies revenue sources to support capital costs; and evaluates the impact of capital costs on inter-fund charges, property tax levies and user fees. The CHIRP policy ensures that capital replacement planning remains a vital and ongoing effort.

Beginning in 2009 Shoreview expanded its long-term financial planning efforts to include a Five-year Operating Plan (FYOP), and adopted its first biennial budget in December of 2011 (for calendar years 2012 and 2013).

This Five-year Operating Plan (FYOP) document contains 3 years of history for each fund, a revised estimate for the current year (2019) and projections for the next 5 years (2020 through 2024). The document also:

- Provides a comprehensive summary and strategy for each fund
- Serves as a supplement to the Biennial Budget, Capital Improvement Program (CIP), and CHIRP
- Estimates potential debt issuance
- Determines necessary tax levy support
- Evaluates future changes in user fees
- Measures the impact of capital projects on operating budgets
- Outlines fund balance goals (an important component of financial stability)
- Predicts fund performance
- Analyzes working capital levels (fund balances) and establishes working capital targets

These long-term financial planning efforts are important steps in protecting the financial flexibility and health of the City through policies that support decision-making, practices that prevent the use of one-time revenues to support ongoing operating expenses, analysis that considers long-term maintenance and operating costs when planning and evaluating capital projects, and document how the City implements its commitment to balanced operations where revenues support operating costs.

Whether these efforts are successful is reflected in how well the City:

- Adapts to changing conditions
- Avoids temporary solutions that cannot be sustained
- Responds to unanticipated events and challenges
- Supports operations with limited new development
- Ensures continuation of essential services
- Protects asset condition
- Navigates economic cycles
- Secures and maintains a high bond rating, thereby reducing borrowing costs
- Prepares for the future
- Moderates changes in tax levies and user fees
- Avoids short-term borrowing to support operations

Fund Balances

Management of fund balance levels is an important part of long-range financial planning, therefore a basic understanding about what fund balances are is helpful in order to understand fund goals. From an accounting perspective, fund balances are simply the difference between assets and liabilities. In general, fund balances give an indication of financial resources available to support ongoing operations. Historically, many terms have been used to describe fund balance, and Governmental Accounting Standards prescribe the use of different terms within the annual financial report. In addition, the terms are changing as financial reporting standards evolve. Some of the terms used now or in the past include: net assets, fund equity, and fund balance; and terms used to describe specific components may include designated, assigned, reserved, committed, etc.

Regardless of the terms used, determining adequate fund balance levels can be a challenging task for both policy makers and management professionals.

Shoreview's fund balance goals are established considering the unique circumstances of each fund, with the goal of protecting the provision of City services to the public. Fund balance goals are stated as working capital targets, and are designed to:

1. Provide working capital for operations, capital and debt service costs
2. Develop financial flexibility
3. Preserve flexibility for unanticipated events

Working capital needs create special circumstances in some operating funds. For instance, property tax receipts in the General Fund provide 77% of total revenue, and are received twice per year (July and December). Consequently, the General Fund supports ongoing operations for nearly 6 months of the year before the first receipt of its largest revenue source. In this case, fund balances provide necessary working capital to avoid cash deficits and short-term borrowing. For the purpose of measuring working capital in this document, fund balances are evaluated by the number of months or years of operating coverage. This calculation includes operating and debt service costs, and may also include capital outlay and transfers to other funds, if they have a significant impact on the fund.

Financial flexibility provides benefits such as financing a portion of capital costs without borrowing, providing interest income for operating and capital funds, and insulating the City from temporary revenue shortfalls or unexpected one-time costs. These benefits help the City moderate changes in levies and user fees over time, and protect service levels from cuts dictated by one-time events.

Unanticipated events or emergencies can create temporary cash flow challenges for a City. Examples for Shoreview included state aid cuts, emergency utility system repairs, community-wide cleanup associated with storm damage, extended periods of drought, sustained periods of heavy rainfall, and economic conditions/pressures.

Operating Assumptions

As stated earlier, the process of determining appropriate fund balances involves an examination of past performance as well as future operating projections. By understanding the challenges of the past and future, coupled with potential opportunities, a strong set of operating goals and objectives can emerge and guide decision-making.

Since any set of projections also employs the use of assumptions, it is important to note that projections were based on several key factors. These include actual contribution rates where known, industry estimates, anticipated contract changes, capital projections, expected debt issuance and inflationary factors. In general, costs were inflated between 0% and 10%. Some of the key assumptions used to assemble these projections include:

- No new development is projected in the next 5 years
- Population remains stable due to a slight decline in residents per household
- Full-time wage adjustments are 3% for 2020 – 2024
- Health insurance costs rise an average of 8% annually
- Workers compensation insurance premiums increase an average of 3% for 2020 and rise an average of 3% per year thereafter
- Contractual costs rise an average of 3.4% per year for the period 2019 - 2024
- Property values are projected to increase 8.4% for 2020, and 3% for all subsequent years

The format of this document includes a discussion for each fund, a set of projections (in table form), graphs to help illustrate operating results, a brief narrative examination of past performance, and specific goals/targets tailored for the fund.

Levy, Value and Tax Rate Projections

A number of factors determine the final property tax bill, including the tax levies for each local jurisdiction, state aids and credits, levy limits, special levies, property values, metro-wide pooling of commercial/industrial values (known as fiscal disparities), and tax rates. This section provides a brief overview of these factors.

Property tax levies provide support for General Fund operations, general obligation debt, and capital funds. The table on the next page provides a four-year historical review of levy and value changes as well as consolidated predictions based on individual fund projections included in this document.

Homestead Market Value

Exclusion (HMVE)—Beginning in 2012 the State of Minnesota replaced the Market Value Homestead Credit (MVHC) program with a Homestead Market Value Exclusion (HMVE) program, which excludes a portion of homestead property value from property taxes. The amount of excluded value is equal to 40% of the first \$76,000 in home value, less 9% of the value over \$76,000 but less than \$413,800. No exclusion is given for homes above \$413,800.

Home Value	Excluded Value	Percent of Value Excluded
\$ 76,000	\$ 30,400	40.0%
\$ 100,000	\$ 28,240	28.2%
\$ 150,000	\$ 23,740	15.8%
\$ 200,000	\$ 19,240	9.6%
\$ 235,700	\$ 16,027	6.8%
\$ 250,000	\$ 14,740	5.9%
\$ 300,000	\$ 10,240	3.4%
\$ 350,000	\$ 5,740	1.6%
\$ 400,000	\$ 1,240	0.3%
\$ 413,800	\$ -	0.0%

Levy Limits—During some years State statutes place restrictions on local government levies through levy limits. In the recent past, the levy limit formula has provided special levy authority outside of the levy limit for the cost of police and fire, increased contributions to PERA, debt payments and certain other special levies. For 2020 the City is not subject to a levy limits.

Tax Levy—Even though the largest share of the tax levy is allocated to the General fund, the General Fund share of the tax levy has declined from a high of 85% in 2002 to a low of 66% for 2019, while the combined debt service and capital project funds share of the tax levy has risen from 15% in 2002 to 34% for 2019. This trend is expected to continue in the future due to increased repair and replacement costs.

Property Values—From 2000 to 2008, property values increased an average of 9% per year. From 2009 to 2013 the economic climate resulted in declining property values at an average rate of 5% per year, 2014 to 2020 property values have increased an average rate of 6% per year. Preliminary information from the county assessor indicates that property values for 2020 taxes are expected to increase about 7%. The projections in this document assume values will increase 3% per year thereafter.

Fiscal Disparities—The fiscal disparities formula, provided in State Statutes, takes 40% of the value of new commercial and industrial development in the metro area and redistributes the value back to each community based on a formula. The result is either a net gain or net loss in tax dollars from the pool. Shoreview's share of the metro-wide fiscal disparities pool is projected to increase in 2020 and grow slightly over the next four years.

Tax Rates—The tax rate measures the change in tax levies in relation to the change in taxable values. Because values generally grew faster than the tax levy through 2007, the tax rate dropped. From 2008 to 2014, values dropped and levies increased, resulting in growth in the tax rate. Increases in taxable value have resulted in a decreases in the City's tax rate since 2014. For 2020, the expected modest growth in market values and a 5.76% rise in the City's levy are expected to result in a 1.04% decrease in the City's tax rate. The tax rate is expected to change between 1.0% and 2.6% for the period 2021 through 2024.

Levy and Value Projections	2016	2017	2018	2019	2020	2021	2022	2023	2024
	Actual	Actual	Actual	Actual	Budget	Budget	Projected	Projected	Projected
Tax Levy									
General fund	\$ 7,321,858	\$ 7,623,148	\$ 7,896,736	\$ 8,185,180	\$ 8,822,826	\$ 9,320,184	\$ 9,800,791	\$ 10,136,238	\$ 10,538,937
EDA	110,000	115,000	120,000	150,000	160,000	165,000	170,000	175,000	180,000
HRA	100,000	105,000	110,000	210,000	260,000	265,000	270,000	275,000	280,000
Debt-All Debt Funds (combined)	547,000	547,000	742,235	1,127,000	996,000	994,000	887,000	974,000	993,000
Debt-Central Garage Fund	184,000	184,000	184,000	184,000	184,000	184,000	184,000	184,000	184,000
Capital project-Street Renewal Fund	1,000,000	1,060,000	1,124,000	941,000	992,000	1,040,000	1,090,000	1,140,000	1,190,000
Capital project-Capital Asset Fund	1,475,000	1,521,484	1,525,000	1,530,000	1,615,000	1,690,000	1,770,000	1,855,000	1,945,000
Capital project-Capital Acquis Fund (IT)	30,000	35,000	40,000	40,000	50,000	50,000	50,000	50,000	50,000
Edison Tax Abatement	-	-	-	-	-	43,000	43,000	65,000	65,000
Total Levy	\$ 10,767,858	\$ 11,190,632	\$ 11,741,971	\$ 12,367,180	\$ 13,079,826	\$ 13,751,184	\$ 14,264,791	\$ 14,854,238	\$ 15,425,937
Market Value (millions)	\$ 2,698.4	\$ 2,861.3	\$ 3,068.2	\$ 3,271.4	\$ 3,546.3	\$ 3,652.7	\$ 3,762.0	\$ 3,875.0	\$ 3,991.0
Taxable Value (millions)	\$ 27.5	\$ 29.3	\$ 31.3	\$ 33.5	\$ 35.8	\$ 36.9	\$ 38.0	\$ 39.1	\$ 40.3
Fiscal Disparities/City	\$ 927,390	\$ 1,036,745	\$ 1,096,008	\$ 1,108,392	\$ 1,143,065	\$ 1,150,000	\$ 1,160,000	\$ 1,170,000	\$ 1,180,000
Fiscal Disparities/HRA	\$ 8,585	\$ 9,730	\$ 10,392	\$ 10,479	\$ 20,641	\$ 21,000	\$ 21,500	\$ 22,000	\$ 22,500
Tax Rate/City	35.357	34.302	33.617	32.960	32.618	33.456	33.795	34.279	34.662
Tax Rate/HRA	0.332	0.325	0.318	0.595	0.669	0.662	0.654	0.647	0.639
Annual Change in City Tax Levy									
General fund	\$ 298,523	\$ 301,290	\$ 273,588	\$ 288,444	\$ 637,646	\$ 497,358	\$ 480,607	\$ 335,447	\$ 402,699
EDA and HRA (combined)	25,000	10,000	10,000	130,000	60,000	10,000	10,000	10,000	10,000
Debt (all funds combined)	(21,000)	-	195,235	384,765	(131,000)	(2,000)	(107,000)	87,000	19,000
Capital project funds-replacements	97,417	106,484	67,516	(178,000)	136,000	123,000	130,000	135,000	140,000
Capital project funds-improvements	5,000	5,000	5,000	-	10,000	-	-	-	-
Edison Tax Abatement	-	-	-	-	-	43,000	-	22,000	-
Total Change in Tax Levy	\$ 404,940	\$ 422,774	\$ 551,339	\$ 625,209	\$ 712,646	\$ 671,358	\$ 513,607	\$ 589,447	\$ 571,699
Percent Change/Tax Data									
Market Value	2.18%	6.04%	7.23%	6.62%	8.40%	3.00%	2.99%	3.00%	2.99%
Taxable Value	3.28%	6.34%	6.98%	6.96%	6.79%	3.00%	3.00%	3.00%	3.00%
Fiscal Disparities	-3.99%	11.79%	5.72%	1.13%	3.13%	0.61%	0.87%	0.86%	0.85%
City Tax Levy	3.91%	3.93%	4.93%	5.32%	5.76%	5.13%	3.74%	4.13%	3.85%
City Tax Rate	1.39%	-2.98%	-2.00%	-1.95%	-1.04%	2.57%	1.01%	1.43%	1.12%
HRA Tax Levy	5.26%	5.00%	4.76%	90.91%	23.81%	1.92%	1.89%	1.85%	1.82%
HRA Tax Rate	2.79%	-2.11%	-2.15%	87.11%	12.44%	-1.05%	-1.21%	-1.07%	-1.24%

Debt Policy

Outstanding debt and the annual payment of principal and interest is an important long-term obligation that must be managed within available resources. This includes balancing debt levels, determining the timing for debt issuance, and managing the resources dedicated to debt payment.

The issuance of debt is an important tool in financing large capital costs, and enables the City to balance the present need for capital spending with the benefit provided to existing and future citizens. If all capital costs were financed only through current revenue sources, the cost to current residents would represent an unnecessarily high burden, because assets that will serve the community well into the future would be paid for with fees and levies collected in the current year. Conversely, if all capital costs were supported exclusively by the issuance of debt, then debt balances rise to much higher levels, and interest costs take up a larger share of the operating budget. Therefore, balancing current resources and long-term financing is an important aspect of debt management.

Shoreview's debt policy states that the City will:

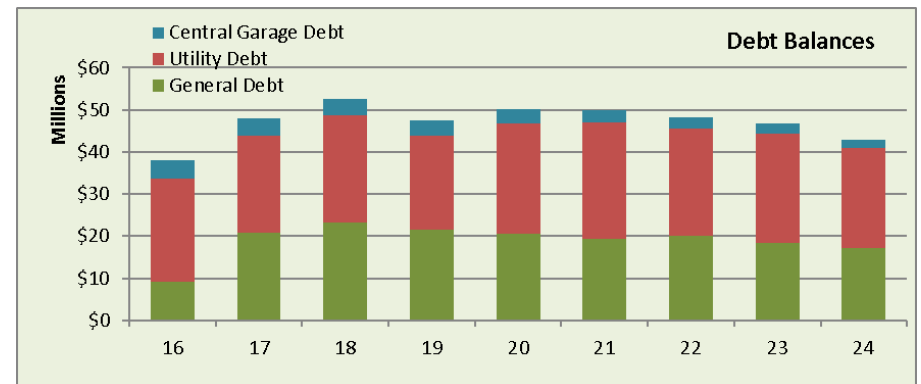
- Remain in compliance with statutory debt limits
- Plan and direct use of debt so that payments are manageable
- Seek to maintain the highest possible credit rating without compromising the delivery of essential services
- Prepare long-term financial planning
- Take advantage of lower interest rates through debt restructuring when appropriate
- Provide developer assistance through the use of "pay as you go financing" in the form of tax increment financing (TIF) notes, and that TIF debt will be issued only for the construction of City assets and where a consistent and reliable revenue stream is identified in advance

The debt policy also addresses debt structure, professional advisors, and debt management practices (investment of proceeds, financial disclosure, arbitrage rebate and monitoring).

Debt Projections

Debt Balances—The list and graph below provide a summary of outstanding debt as of December 31, 2019.

G.O. Improvement Bonds (assessments)	\$ 1,935,000
G.O. Capital Plan Bonds (fire stations)	130,000
G.O. Street Improvement Bonds (streets)	5,315,000
G.O. Community Center Abatement Bonds	12,445,000
Certificates of Participation (comm. center)	1,745,000
G.O. Capital Plan Bonds (maint. center)	3,640,000
G.O. Revenue Bonds (utility systems)	<u>22,330,000</u>
Total Existing Debt	\$47,540,000



More information about the change in debt levels and the projected balance at the end of each year of the FYOP is provided on pages 8 and 9.

Planning for future debt issuance enables the City to identify the revenue sources necessary to support debt payments well in advance to minimize sharp changes in the tax levies and utility fees dedicated to debt repayment. Maintaining stable revenue sources and sufficient fund balances allows the City to finance some projects internally, and therefore promotes flexibility.

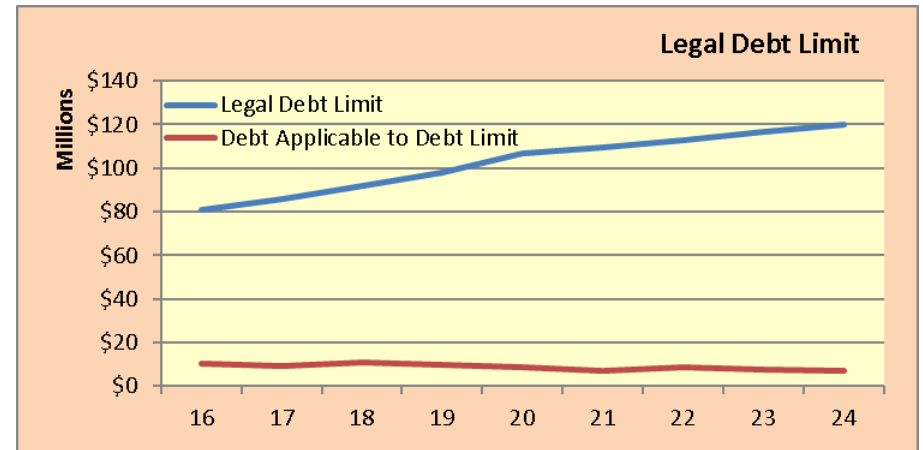
Projected debt issuance over the next 5 years includes:

G.O. Improvement Bonds (assessments)	\$ 1,140,000
G.O. Street Reconstruction Bonds	2,500,000
G.O. Revenue Bonds (utility systems)	<u>11,880,000</u>
Total Planned Debt	\$15,520,000

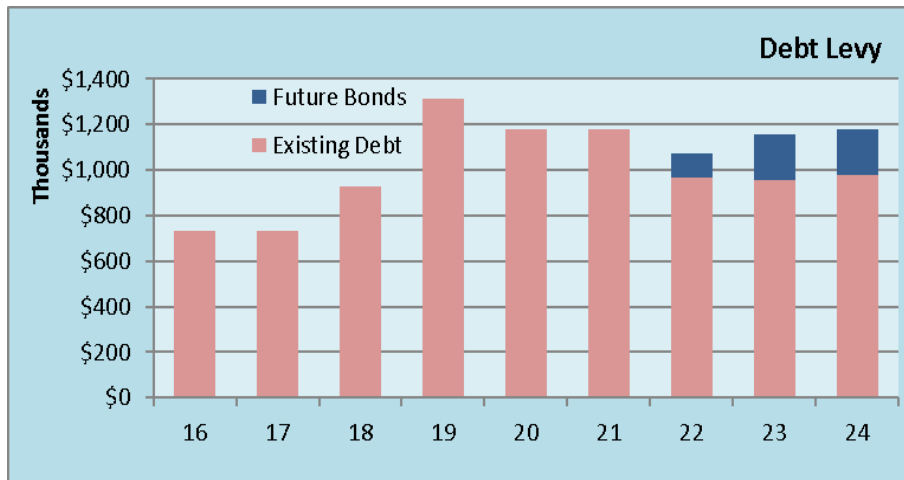
The City anticipates issuing debt in 2020, 2021, 2022 and 2023 to finance projects in the proposed Capital Improvement Program.

Debt Levy—The debt portion of the tax levy supports principal and interest payments on general obligation bonds, including: fire station bonds, street bonds, community center tax abatement bonds and the tax-supported share of the maintenance center bonds. As shown in the graph below, the debt share of the property tax levy is projected to decrease slightly over the next five years.

Debt Limit—Minnesota statutes limit the amount of debt a City may issue for general obligation purposes. Shoreview's current debt is 10% of the debt limit. This leaves 90% of the debt limit available



The stability of this favorable measure, even with projected debt issuance, provides an indication of Shoreview's financial flexibility (historically using debt to finance a relatively small share of the costs planned in the CIP).



Issuance and retirement of debt is shown in the table below.

Outstanding debt balances by type, for the end of each year, are presented on the next page.

Debt Issued and Retired	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
	Actual	Actual	Actual	Actual	Actual	Budget	Projected	Projected	Projected	Projected	Projected
Debt Balance, beginning of year	\$30,965,000	\$33,625,000	\$32,600,000	\$37,995,000	\$48,040,000	\$52,665,000	\$47,540,000	\$50,120,000	\$49,970,000	\$48,215,000	\$46,695,000
Debt Issued											
Improvement bonds	100,000	295,000	-	-	150,000	-	660,000	480,000	-	-	-
Street Improvements	-	-	-	-	3,180,000	-	-	-	2,500,000	-	-
G.O. Community Center	-	-	-	12,865,000	-	-	-	-	-	-	-
Water bonds	915,000	6,885,000	6,995,000	-	2,595,000	-	1,810,000	1,050,000	-	1,500,000	-
Sewer bonds	730,000	1,650,000	230,000	-	590,000	-	2,480,000	1,370,000	-	580,000	-
Surface Water bonds	265,000	860,000	380,000	-	1,120,000	-	1,550,000	880,000	-	660,000	-
Maintenance Center	4,670,000	-	-	-	-	-	-	-	-	-	-
Total Bonds Issued	6,680,000	9,690,000	7,605,000	12,865,000	7,635,000	-	6,500,000	3,780,000	2,500,000	2,740,000	-
Debt Paid											
Improvement bonds	260,000	235,000	200,000	175,000	185,000	335,000	185,000	195,000	235,000	250,000	260,000
Tax Increment bonds	340,000	350,000	-	-	-	-	-	-	-	-	-
Fire Station	870,000	120,000	120,000	120,000	130,000	130,000	130,000	-	-	-	-
Street Improvements	305,000	1,690,000	345,000	340,000	340,000	350,000	495,000	525,000	545,000	345,000	480,000
COPs (commun center)	350,000	360,000	365,000	375,000	390,000	400,000	415,000	430,000	440,000	460,000	-
G.O. Community Center	-	-	-	-	-	420,000	505,000	515,000	525,000	540,000	560,000
Water bonds	965,000	1,410,000	450,000	960,000	1,065,000	2,190,000	1,175,000	1,205,000	1,345,000	1,375,000	1,250,000
Sewer bonds	325,000	915,000	175,000	230,000	250,000	525,000	285,000	290,000	430,000	490,000	490,000
Surface Water bonds	360,000	610,000	335,000	360,000	380,000	495,000	445,000	470,000	425,000	480,000	340,000
Maintenance Center	245,000	5,025,000	220,000	260,000	270,000	280,000	285,000	300,000	310,000	320,000	325,000
Total Bonds Retired	4,020,000	10,715,000	2,210,000	2,820,000	3,010,000	5,125,000	3,920,000	3,930,000	4,255,000	4,260,000	3,705,000
Debt Balance, end of year	\$33,625,000	\$32,600,000	\$37,995,000	\$48,040,000	\$52,665,000	\$47,540,000	\$50,120,000	\$49,970,000	\$48,215,000	\$46,695,000	\$42,990,000
Includes refunding bond activity											

Debt Balances (at each year end)	2016	2017	2018	2019	2020	2021	2022	2023	2024
	Actual	Actual	Actual	Budget	Projected	Projected	Projected	Projected	Projected
Debt Balances									
General Obligation Bonds									
Improvement	\$ 2,480,000	\$ 2,305,000	\$ 2,270,000	\$ 1,935,000	\$ 2,410,000	\$ 2,695,000	\$ 2,460,000	\$ 2,210,000	\$ 1,950,000
Fire Stations	510,000	390,000	260,000	130,000	-	-	-	-	-
Street Improvements	3,165,000	2,825,000	5,665,000	5,315,000	4,820,000	4,295,000	6,250,000	5,905,000	5,425,000
Community Center Expansion G.O.	-	12,865,000	12,865,000	12,445,000	11,940,000	11,425,000	10,900,000	10,360,000	9,800,000
Total General Bonds	6,155,000	18,385,000	21,060,000	19,825,000	19,170,000	18,415,000	19,610,000	18,475,000	17,175,000
General Obligation Revenue Bonds									
Maintenance Center	4,450,000	4,190,000	3,920,000	3,640,000	3,355,000	3,055,000	2,745,000	2,425,000	2,100,000
General Obligation Revenue Bonds									
Water Improvement	17,900,000	16,940,000	18,470,000	16,280,000	16,915,000	16,760,000	15,415,000	15,540,000	14,290,000
Sewer Improvement	3,190,000	2,960,000	3,300,000	2,775,000	4,970,000	6,050,000	5,620,000	5,710,000	5,220,000
Surface Water Improvement	3,390,000	3,030,000	3,770,000	3,275,000	4,380,000	4,790,000	4,365,000	4,545,000	4,205,000
Total Utility Bonds	24,480,000	22,930,000	25,540,000	22,330,000	26,265,000	27,600,000	25,400,000	25,795,000	23,715,000
Total Bonded Debt	35,085,000	45,505,000	50,520,000	45,795,000	48,790,000	49,070,000	47,755,000	46,695,000	42,990,000
Community Center Expansion COP's	2,910,000	2,535,000	2,145,000	1,745,000	1,330,000	900,000	460,000	-	-
Total Combined Debt Balances	\$ 37,995,000	\$ 48,040,000	\$ 52,665,000	\$ 47,540,000	\$ 50,120,000	\$ 49,970,000	\$ 48,215,000	\$ 46,695,000	\$ 42,990,000
Debt Limit Information									
Market value (millions)	\$ 2,698.4	\$ 2,861.3	\$ 3,068.2	\$ 3,271.4	\$ 3,546.3	\$ 3,652.7	\$ 3,762.0	\$ 3,875.0	\$ 3,991.0
Debt Limit Rate	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%
Debt Limit	\$ 80,951,580	\$ 85,839,360	\$ 92,044,530	\$ 98,141,010	\$ 106,388,220	\$ 109,579,860	\$ 112,860,000	\$ 116,250,000	\$ 119,730,000
Debt Applicable to Debt Limit	\$ 10,064,636	\$ 8,985,056	\$ 10,947,380	\$ 9,616,368	\$ 8,423,986	\$ 7,202,199	\$ 8,534,580	\$ 7,733,050	\$ 6,953,556
Debt Margin Available	\$ 70,886,944	\$ 76,854,304	\$ 81,097,150	\$ 88,524,642	\$ 97,964,234	\$ 102,377,661	\$ 104,325,420	\$ 108,516,950	\$ 112,776,444
Percent Debt Margin Used	12.4%	10.5%	11.9%	9.8%	7.9%	6.6%	7.6%	6.7%	5.8%
Percent Debt Margin Available	87.6%	89.5%	88.1%	90.2%	92.1%	93.4%	92.4%	93.3%	94.2%
Debt Levy by Type of Debt									
Improvement -existing	\$ 14,000	\$ 12,000	\$ 8,000	\$ 8,000	\$ 8,000	\$ 8,000	\$ 7,000	\$ -	\$ 19,000
Fire Station-existing	132,000	132,000	132,000	132,000	-	-	-	-	-
Street Improvements-existing	401,000	403,000	403,000	653,000	654,000	652,000	440,000	440,000	440,000
Maintenance Center-existing	184,000	184,000	184,000	184,000	184,000	184,000	184,000	184,000	184,000
Community Center Expansion	-	-	199,235	334,000	334,000	334,000	334,000	334,000	334,000
Sub-total Levies for Existing Debt	731,000	731,000	926,235	1,311,000	1,180,000	1,178,000	965,000	958,000	977,000
Street Improvements-future	-	-	-	-	-	-	106,000	200,000	200,000
Total Debt Levies	\$ 731,000	\$ 731,000	\$ 926,235	\$ 1,311,000	\$ 1,180,000	\$ 1,178,000	\$ 1,071,000	\$ 1,158,000	\$ 1,177,000
Change in Debt Levies	\$ (21,000)	\$ -	\$ 195,235	\$ 384,765	\$ (131,000)	\$ (2,000)	\$ (107,000)	\$ 87,000	\$ 19,000

Debt Retirement Rate

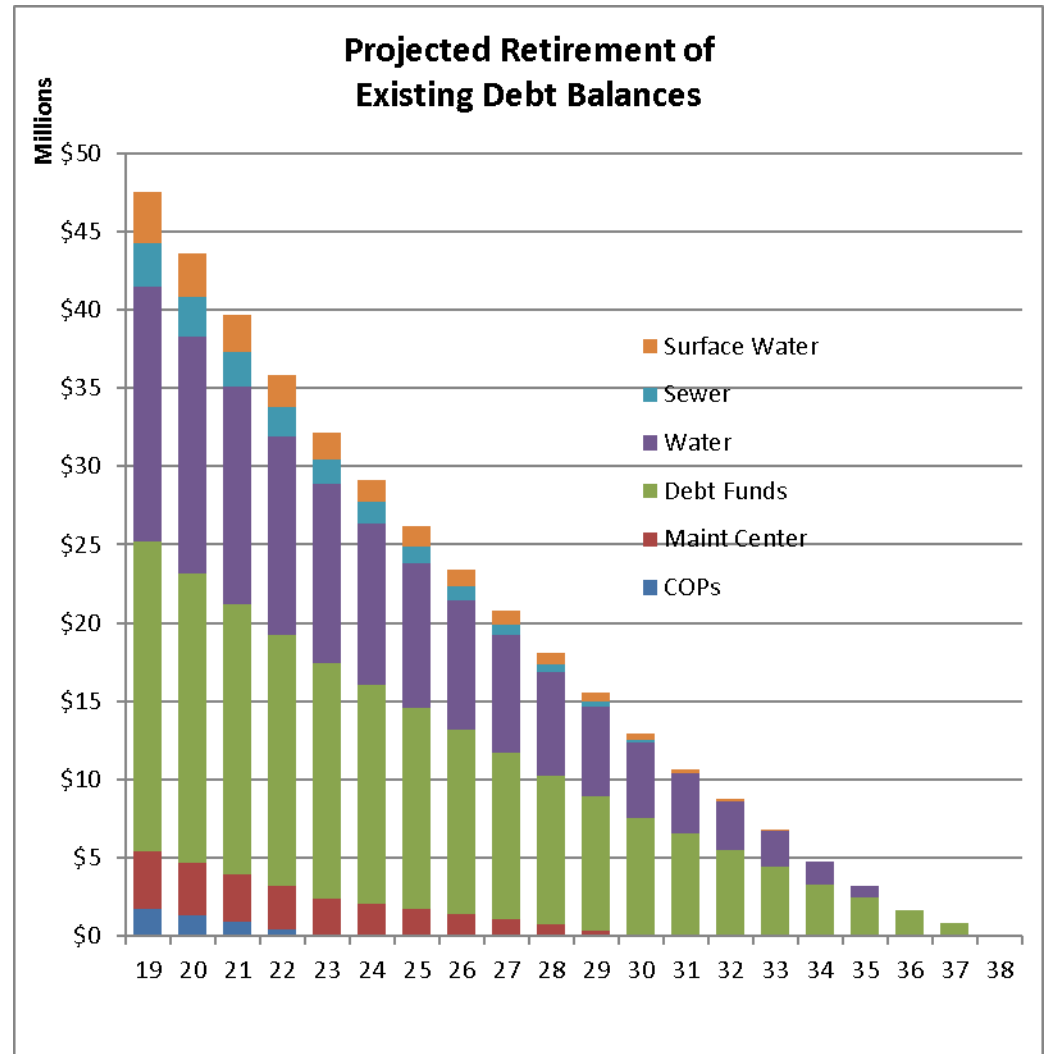
Shoreview's rate of debt retirement is a very favorable indicator. When considering the retirement for all debt combined, about 39% of the City's current outstanding debt will be retired over the next 5 years, and more than 67% will be retired within 10 years.

General Obligation Improvement Debt is being retired over the next 19 years due to the 2017 issuance of improvement bonds for the expansion of the Community Center.

Certificate of Participation Debt (COP) was issued to finance the previous community center expansion in 2002. The final payment will occur in 2022 (in 3 years).

About 35% of combined governmental debt (General Obligation Improvement and COPs) is retired over the next 5 years, and 60% is retired within 10 years.

Proprietary Debt (Enterprise utility fund and Internal Service maintenance center debt) is being retired over the next 17 years due to the 2015 and 2016 Water Treatment Plant debt, with 41% retired over the next five years and 73% retired within 10 years.



Retirement of existing debt is shown in the table below.

Year	Debt Balances as of Year End									Percent Paid			
	Proprietary Debt					Governmental/COP				Total All Debt	Proprietary Debt	Govern and COP Debt	Total All Debt
	G.O. Water Revenue	G.O. Sewer Revenue	G.O. Surface Water Revenue	G.O. Maintenance Center	Total Proprietary Debt	G.O. Improvement Debt Funds	COP's Debt Funds	Total Govern and COP Debt	Total All Debt				
2019	\$ 16,280,000	\$ 2,775,000	\$ 3,275,000	\$ 3,640,000	\$ 25,970,000	\$ 19,825,000	\$ 1,745,000	\$ 21,570,000	\$ 47,540,000				
2020	15,105,000	2,490,000	2,830,000	3,355,000	23,780,000	18,510,000	1,330,000	19,840,000	43,620,000	8.4%	8.0%	8.2%	
2021	13,900,000	2,200,000	2,360,000	3,055,000	21,515,000	17,275,000	900,000	18,175,000	39,690,000	17.2%	15.7%	16.5%	
2022	12,650,000	1,900,000	2,015,000	2,745,000	19,310,000	16,030,000	460,000	16,490,000	35,800,000	25.6%	23.6%	24.7%	
2023	11,430,000	1,615,000	1,665,000	2,425,000	17,135,000	14,995,000	-	14,995,000	32,130,000	34.0%	30.5%	32.4%	
2024	10,340,000	1,340,000	1,455,000	2,100,000	15,235,000	13,925,000	-	13,925,000	29,160,000	41.3%	35.4%	38.7%	
2025	9,245,000	1,060,000	1,260,000	1,770,000	13,335,000	12,810,000	-	12,810,000	26,145,000	48.7%	40.6%	45.0%	
2026	8,320,000	825,000	1,080,000	1,430,000	11,655,000	11,725,000	-	11,725,000	23,380,000	55.1%	45.6%	50.8%	
2027	7,475,000	650,000	925,000	1,085,000	10,135,000	10,640,000	-	10,640,000	20,775,000	61.0%	50.7%	56.3%	
2028	6,615,000	475,000	765,000	730,000	8,585,000	9,515,000	-	9,515,000	18,100,000	66.9%	55.9%	61.9%	
2029	5,725,000	295,000	600,000	370,000	6,990,000	8,555,000	-	8,555,000	15,545,000	73.1%	60.3%	67.3%	
2030	4,815,000	150,000	430,000	-	5,395,000	7,560,000	-	7,560,000	12,955,000	79.2%	65.0%	72.7%	
2031	3,880,000	-	250,000	-	4,130,000	6,545,000	-	6,545,000	10,675,000	84.1%	69.7%	77.5%	
2032	3,100,000	-	170,000	-	3,270,000	5,505,000	-	5,505,000	8,775,000	87.4%	74.5%	81.5%	
2033	2,295,000	-	85,000	-	2,380,000	4,430,000	-	4,430,000	6,810,000	90.8%	79.5%	85.7%	
2034	1,465,000	-	-	-	1,465,000	3,320,000	-	3,320,000	4,785,000	94.4%	84.6%	89.9%	
2035	745,000	-	-	-	745,000	2,455,000	-	2,455,000	3,200,000	97.1%	88.6%	93.3%	
2036	-	-	-	-	-	1,665,000	-	1,665,000	1,665,000	100.0%	92.3%	96.5%	
2037	-	-	-	-	-	845,000	-	845,000	845,000	100.0%	96.1%	98.2%	
2038	-	-	-	-	-	-	-	-	-	100.0%	100.0%	100.0%	

Working Capital Targets

Working capital targets are established for each operating fund based on the timing of revenue, and the impact of debt payments and capital costs on cash flow. The fund targets are used when establishing tax levies and user fees during the budget process, and they assist the City in determining how one-time revenues may serve the City to improve fund balances, or support one-time capital costs in an effort to reduce demands on permanent capital project funds.

Working capital targets generally fall into 4 different targeted levels. Governmental Funds maintain 5 to 6 months coverage if revenue is received semi-annually, and 3 months of coverage if revenue is received monthly or quarterly. Enterprise and Internal Service Funds maintain 6 to 8 months coverage, and 2 to 3 years if the primary expense for the fund results from insurance claims. Examples of factors that influence working capital targets include:

- Property tax revenues are received in July and December of each year, which means funds which derive a large portion of revenue from the property tax must operate for half of the year before receiving a major revenue source
- Debt payments occur two times per year
- Utility revenue is received on a monthly basis, however utility funds have higher repair, maintenance and capital costs to keep the systems in proper working order

Fund	Basis	Target	Actual			Estim.	Budget	
			2016	2017	2018	2019	2020	2021
General Fund	months	5.0	5.7	5.8	5.6	5.6	5.5	5.2
Special Revenue Funds								
Recycling	months	5.0	10.1	6.5	8.9	7.4	8.3	9.2
Community Center	months	3.0	6.0	7.1	5.7	6.4	6.6	6.7
Recreation Programs	months	3.0	7.6	6.7	5.6	4.5	3.7	3.2
Cable TV	months	3.0	18.8	11.1	10.1	9.9	8.1	6.8
EDA	months	5.0	5.3	6.6	4.9	4.4	5.2	6.0
HRA	months	5.0	17.5	22.6	11.0	11.6	14.2	16.4
Slice of Shoreview	months	6.0	13.0	14.5	14.7	13.5	12.2	10.9
Debt Funds (combined)	months	6.0	12.2	20.0	16.8	14.6	13.8	12.8
Enterprise Funds								
Water	months	8.0	12.4	10.1	9.5	6.7	9.0	9.0
Sewer	months	6.0	10.8	11.1	10.6	7.8	10.6	11.8
Surface Water	months	6.0	9.2	9.4	11.0	9.9	11.1	13.8
Street Lighting	months	6.0	9.2	12.7	23.7	19.7	27.4	20.0
Internal Service Funds								
Central Garage	months	6.0	12.1	13.4	14.0	15.5	16.2	17.0
Short-term Disability	years	3.0	5.9	6.6	6.3	6.3	6.2	6.1
Liability Claims	years	2.0	5.9	6.0	5.8	4.9	4.5	4.2

Summary

The remainder of this document contains 5-year projections for each operating fund. These estimates inform and help formulate the City's long-term strategies and influence development of the City's Biennial Budget (for 2020 and 2021). The financial planning strategies are intended to:

- Further develop and preserve Shoreview's financial resiliency
- Guide the City through difficult economic times
- Exert greater control over outcomes through each Biennial Budget
- Deliver a consistent program of public services
- Maintain the trust and confidence of the citizens and business owners throughout Shoreview
- Preserve favorable comparisons to surrounding communities

The FYOP is reviewed by the City Council as part of the budget process. Formal acceptance of the plan and adoption of the working capital targets occurs in December.

We thank all departments and the Shoreview City Council for their diligence and commitment to long-term planning.

Fred Espe, Finance Director

Terry Schwerm, City Manager

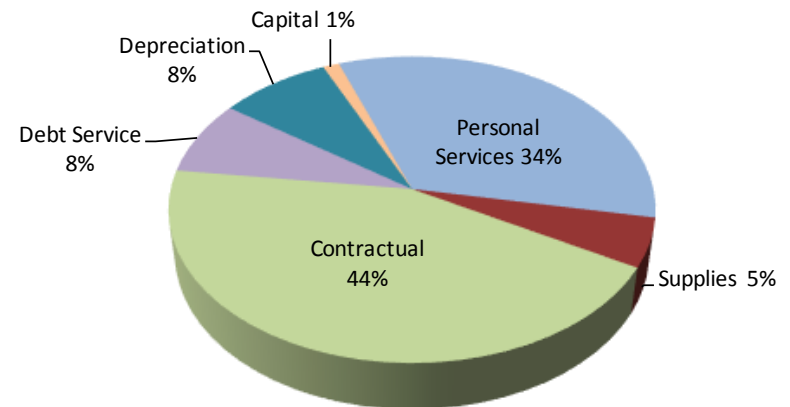
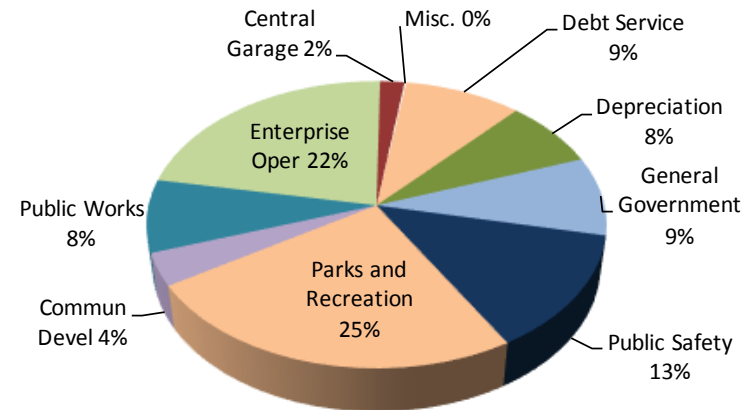
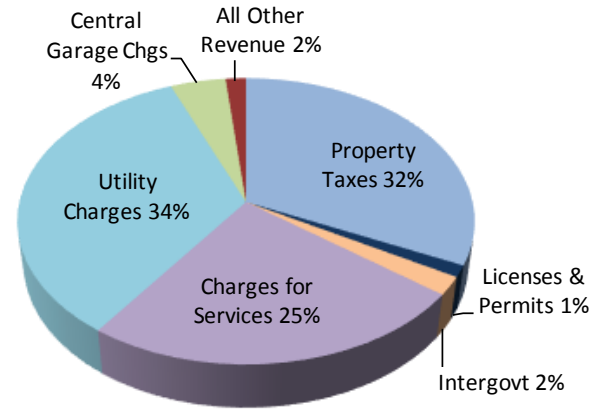
Total Operating Funds

Combined revenue and expense for all operating funds is presented in the table below. Total expense (excluding capital project funds and transfers between funds) is projected to rise 6.7% over the 2019 revised estimate (7.2% over the 2019 budget), and will rise between 2.0% and 3.4% from 2021 through 2024. It should be noted that the property tax totals in the table below exclude tax levies for capital funds. For instance, the 2020 levy in the table below (\$10,422,826) plus capital fund levies of \$2,657,000 equal a total levy of \$13,079,826.

Revenue for 2020 (shown in the top pie chart at right) is derived from a combination of sources including: 34% from utility charges, 32% from property taxes, 25% from charges for service (including inter-fund charges), 4% from central garage charges, 2% from intergovernmental revenue, 1% from licenses and permits, and 2% for all other sources combined.

Expense for 2020 (shown in the middle pie chart at right) shows that public works accounts for the largest share at 30% (enterprise 22% and other public works functions 8%). Parks and recreation operations accounts for 25%, and includes maintenance of parks and park buildings, park administration, community center operations and recreation programs. Public safety accounts for 13% (police, fire, animal control and emergency services). General government and debt service account for 9% each, followed by depreciation at 8%, central garage at 2% and community development at 4%.

Total 2020 costs by classification are shown in the bottom chart at right. The largest class of expense is for contractual services at 44%. The most significant contractual costs include police and fire contracts, sewage treatment, central garage charges, administrative charges, recycling, electric and insurance. Personal services accounts for 34% of total expense, 8% for debt service, 8% for depreciation of utility and central garage assets, 5% for supplies and 1% for capital items.



Total Operating Funds	2016	2017	2018	2019		2020	2021	2022	2023	2024
	Actual	Actual	Actual	Budget	Estimate	Budget	Budget	Projected	Projected	Projected
Revenue										
Property Taxes	\$ 8,401,496	\$ 8,496,963	\$ 8,959,029	\$ 9,856,180	\$ 9,856,180	\$ 10,422,826	\$ 10,928,184	\$ 11,311,791	\$ 11,744,238	\$ 12,175,937
Special Assessments	304,728	212,773	190,977	231,111	175,901	194,024	254,190	286,998	286,998	286,998
Licenses & Permits	695,250	1,000,637	634,797	375,000	607,500	421,900	333,300	339,600	340,900	353,600
Intergovernmental	630,358	655,772	956,105	700,622	700,622	670,022	662,122	661,122	661,122	661,122
Charges for Services	6,358,141	6,586,155	6,257,428	6,993,216	7,552,589	7,981,305	8,125,941	8,312,184	8,521,785	8,715,747
Fines & Forfeits	51,264	47,899	59,366	47,500	53,250	53,500	53,500	53,500	53,500	53,500
Utility Charges	9,082,202	9,936,525	10,190,983	10,988,461	10,269,800	11,085,500	11,664,500	12,270,300	12,758,200	13,209,500
Central Garage Chgs	1,285,231	1,221,287	1,299,202	1,493,758	1,380,000	1,451,000	1,495,000	1,540,000	1,586,000	1,633,000
Interest Earnings	176,393	252,169	307,092	203,660	209,950	211,280	210,140	208,460	207,580	204,780
Other Revenues	178,324	100,591	99,140	93,550	75,050	73,250	78,750	79,250	79,250	79,250
Total Revenue	27,163,387	28,510,771	28,954,119	30,983,058	30,880,842	32,564,607	33,805,627	35,063,205	36,239,573	37,373,434
Expense										
General Government	2,479,897	2,459,687	2,471,053	2,694,016	2,666,578	2,894,287	3,018,383	3,152,779	3,257,241	3,346,816
Public Safety	3,646,138	3,813,923	3,941,112	4,070,784	4,115,046	4,290,600	4,431,128	4,576,687	4,727,352	4,883,124
Public Works	1,991,349	2,020,681	2,493,072	2,193,028	2,319,347	2,663,416	2,751,404	2,841,295	2,923,903	3,012,483
Parks and Recreation	5,953,825	6,091,014	6,585,665	6,984,035	7,313,967	7,989,269	8,309,344	8,551,510	8,827,085	9,128,046
Commun Development	848,713	876,891	948,750	1,068,011	1,156,462	1,186,946	1,175,490	1,209,233	1,250,345	1,304,090
Enterprise Oper	6,047,902	6,143,499	6,235,008	7,156,625	6,886,530	7,270,735	7,581,939	7,777,396	8,034,473	8,356,456
Central Garage	592,227	583,214	573,386	649,940	636,437	635,619	678,304	706,603	717,058	733,547
Miscellaneous	6,447	20,187	96,484	141,178	69,000	41,000	41,000	41,000	41,000	41,000
Debt Service	2,097,058	2,085,378	2,350,446	2,922,657	2,885,576	3,059,131	3,094,605	3,177,431	2,982,576	2,637,691
Depreciation	1,998,879	2,184,324	2,353,274	2,470,000	2,423,000	2,495,000	2,562,000	2,647,000	2,707,000	2,741,000
Total Expense	25,662,435	26,278,798	28,048,250	30,350,274	30,471,943	32,526,003	33,643,597	34,680,934	35,468,033	36,184,253
Other Sources (Uses)										
Sale of Asset-Gain	43,147	91,798	71,356	45,000	73,600	10,700	43,700	34,500	19,000	9,000
Debt Refunded	-	-	-	-	(160,000)	-	-	-	-	-
Debt Proceeds	-	118,514	210,209	-	-	22,936	13,944	-	-	-
Contrib Cap Assets	528,085	112,116	598,404	-	-	-	-	-	-	-
Transfers In	1,880,099	1,929,823	2,234,400	2,548,400	2,388,400	2,467,678	2,557,237	2,647,225	2,369,548	2,370,400
Transfers Out	(2,259,078)	(2,487,000)	(2,090,463)	(1,666,400)	(1,506,400)	(1,594,678)	(1,675,237)	(1,765,225)	(1,793,400)	(1,848,400)
Net Change	\$ 1,693,205	\$ 1,997,224	\$ 1,929,775	\$ 1,559,784	\$ 1,204,499	\$ 945,240	\$ 1,101,674	\$ 1,298,771	\$ 1,366,688	\$ 1,720,181
Expense percent change	-1.9%	2.4%	6.7%		8.6%	7.2%	3.4%	3.1%	2.3%	2.0%

General Fund Operations

The General Fund is the primary operating fund of the City, accounting for all operations not otherwise accounted for in separate funds. In 2020, property taxes provide 76.5% of revenues for the fund (excluding transfers from other funds).

The City's fund balance policy addresses General Fund cash flow needs by designating 50% of the ensuing year tax levy as a minimum fund balance and by designating up to 10% of the ensuing year budgeted expense to provide additional protection against unanticipated events.

Impacts

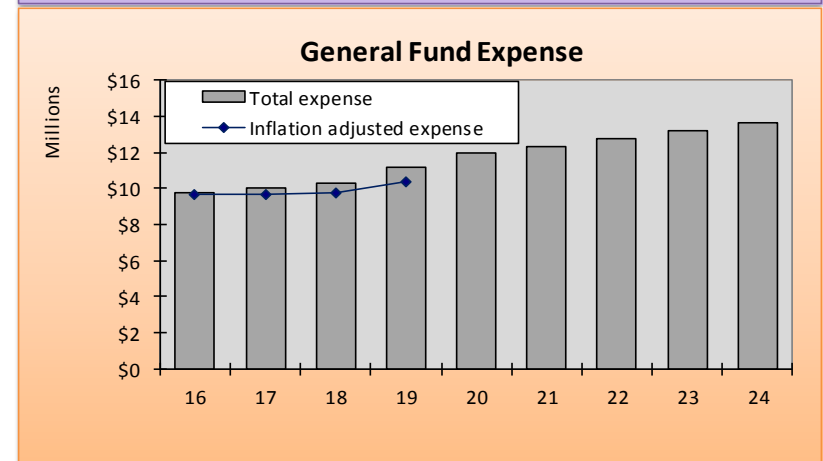
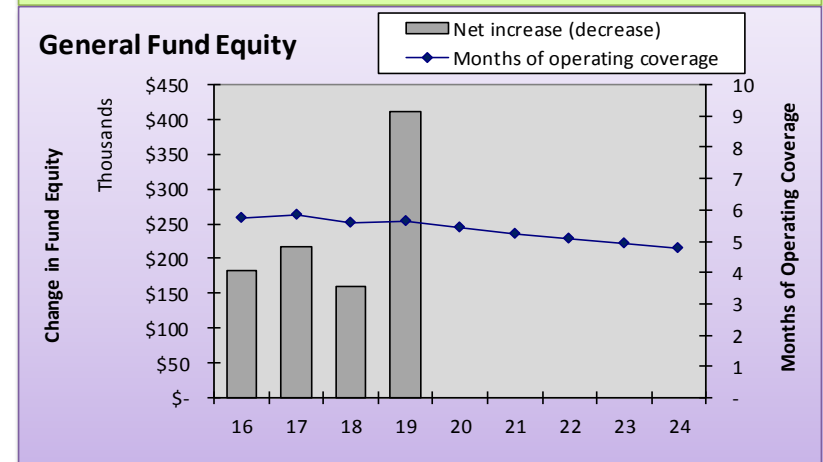
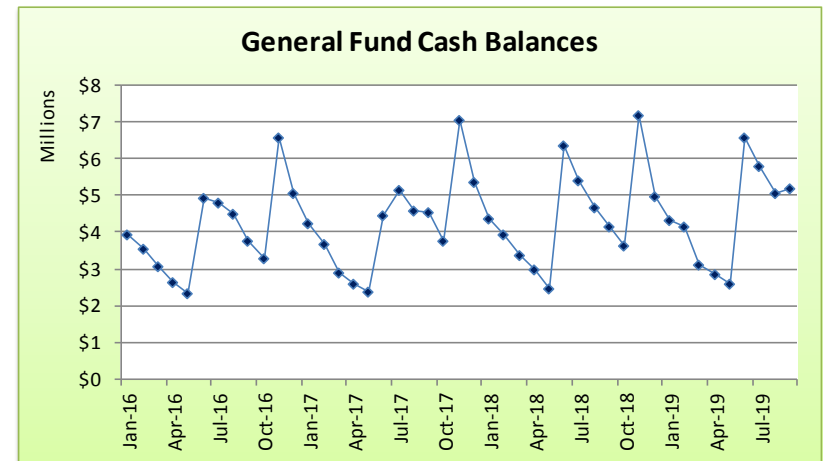
- Shoreview receives less aid than cities of similar size, making it more challenging to maintain competitive property tax levels
- Property taxes are increasing as a percent of total General Fund revenue, providing 76.5% of total revenue in 2020 and 79.4% in 2024
- Property tax collections occur in July and December, creating cash flow challenges for the fund

Performance/History

- Strong fund balances at 47% of current expense
- Operating coverage greater than 5 months in all actual years
- Internal decisions account for over 85% of revenue sources in most years

Fund Goals/Targets

- To manage cash flow needs, preserve working capital allocation equal to 50% of the ensuing year levy (minimum fund equity per City policy)
- To provide flexibility in addressing future budget challenges, preserve the unanticipated event allocation equal to 10% of the ensuing year budget where possible (per City policy)
- Maintain operating coverage equal to 5 months through retention of future operating surplus when available and through levy adjustments when necessary to meet working capital targets



General Fund	2016	2017	2018	2019	2020	2021	2022	2023	2024
	Actual	Actual	Actual	Estimate	Budget	Budget	Projected	Projected	Projected
Revenue									
Property Taxes	\$ 7,459,225	\$ 7,554,977	\$ 7,815,776	\$ 8,185,180	\$ 8,822,826	\$ 9,320,184	\$ 9,800,791	\$ 10,136,238	\$ 10,538,937
Licenses & Permits	695,250	1,000,637	634,797	607,500	421,900	333,300	339,600	340,900	353,600
Intergovernmental	550,656	570,177	616,145	603,622	601,122	601,122	601,122	601,122	601,122
Charges for Services	1,500,000	1,509,246	1,424,744	1,603,919	1,557,680	1,535,140	1,573,860	1,605,170	1,649,350
Fines & Forfeits	51,264	47,899	59,366	53,250	53,500	53,500	53,500	53,500	53,500
Interest Earnings	32,515	53,285	70,115	60,000	60,000	60,000	60,000	60,000	60,000
Other Revenues	27,794	20,720	20,755	15,650	13,350	13,850	14,350	14,350	14,350
Total Revenue	10,316,704	10,756,941	10,641,698	11,129,121	11,530,378	11,917,096	12,443,223	12,811,280	13,270,859
Expense									
General Government	2,255,931	2,214,546	2,283,995	2,349,816	2,612,888	2,688,325	2,864,235	2,927,137	3,040,956
Public Safety	3,646,138	3,813,923	3,941,112	4,115,046	4,290,600	4,431,128	4,576,687	4,727,352	4,883,124
Public Works	1,472,983	1,471,674	1,488,844	1,717,509	1,839,263	1,899,663	1,969,583	2,033,737	2,101,518
Parks and Recreation	1,758,779	1,880,903	1,873,729	2,200,138	2,396,222	2,487,170	2,566,111	2,645,502	2,725,289
Community Development	668,157	677,612	742,012	799,400	826,405	810,810	829,607	854,552	890,972
Total Expense	9,801,988	10,058,658	10,329,692	11,181,909	11,965,378	12,317,096	12,806,223	13,188,280	13,641,859
Other Sources (Uses)									
Transfers In	811,000	837,000	863,000	900,000	920,000	945,000	970,000	995,000	1,025,000
Transfers Out	(1,143,562)	(1,319,046)	(1,015,207)	(437,000)	(485,000)	(545,000)	(607,000)	(618,000)	(654,000)
Net Change	182,154	216,237	159,799	410,212	-	-	-	-	-
Fund Equity, beginning	4,627,124	4,809,278	5,025,515	5,185,314	5,595,526	5,595,526	5,595,526	5,595,526	5,595,526
Fund Equity, ending	\$ 4,809,278	\$ 5,025,515	\$ 5,185,314	\$ 5,595,526	\$ 5,595,526	\$ 5,595,526	\$ 5,595,526	\$ 5,595,526	\$ 5,595,526
Fund equity percent of expense	47.8%	48.7%	46.4%	46.8%	45.4%	43.7%	42.4%	41.0%	39.9%
Months of operating coverage	5.7	5.8	5.6	5.6	5.5	5.2	5.1	4.9	4.8
Transfers out (in) per fund bal policy	\$ 533,749	\$ 419,730	\$ 745,562	\$ 12,575					
Expense percent change	4.7%	2.6%	2.7%	8.3%	7.0%	2.9%	4.0%	3.0%	3.4%
Average annual percent change				4.6%					4.1%
Tax Levy percent change	6.4%	1.3%	3.5%	4.7%	7.8%	5.6%	5.2%	3.4%	4.0%
Average annual percent change				4.0%					5.2%
Percent revenue/internal decisions	88.0%	84.6%	88.6%	88.7%	91.4%	92.4%	92.6%	92.8%	92.9%
Percent revenue/external decisions	12.0%	15.4%	11.4%	11.3%	8.6%	7.6%	7.4%	7.2%	7.1%

Recycling Fund Operations

The Recycling Fund accounts for the City's curbside recycling program, through a joint powers agreement with Ramsey County. User fees are collected with property tax payments in July and December.

Impacts

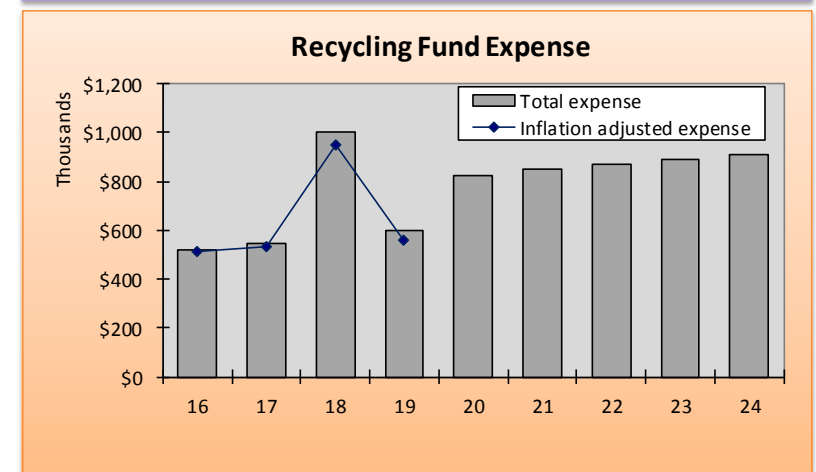
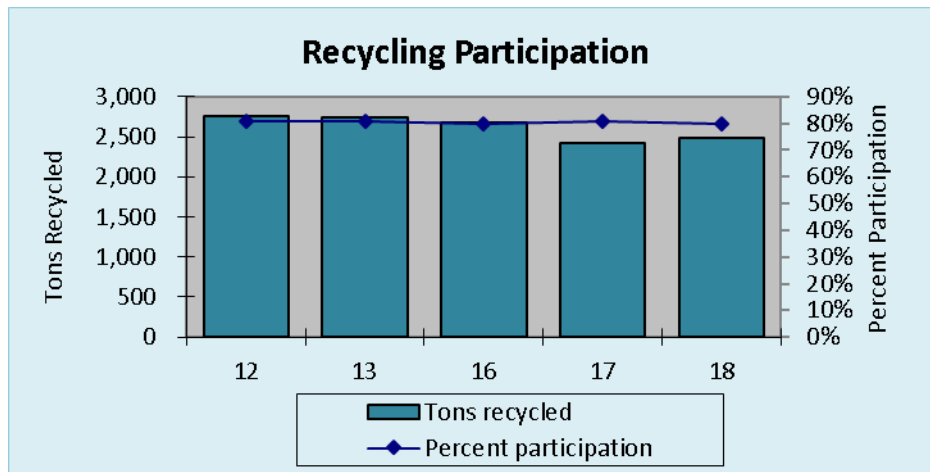
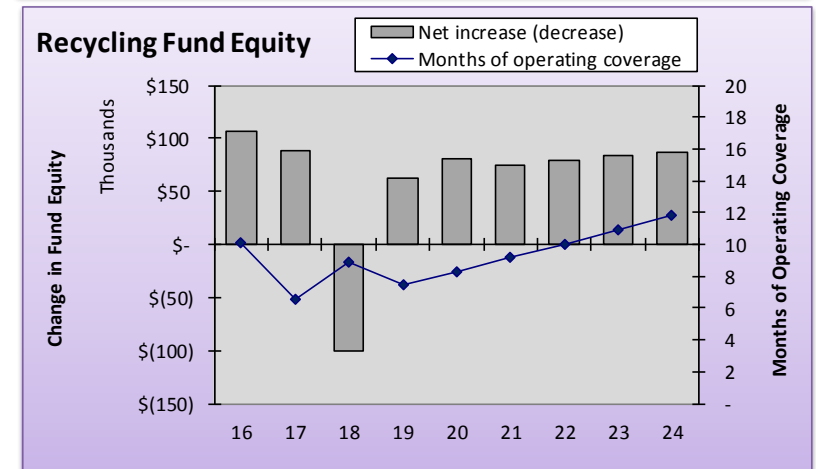
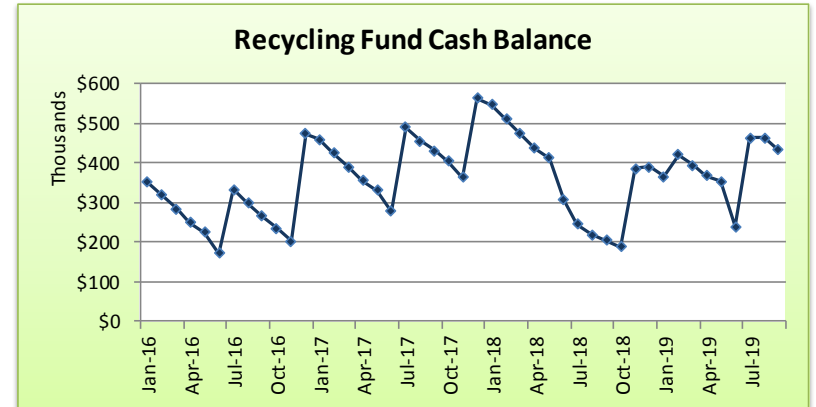
- SCORE grant funding has grown at a slower pace than program costs, and provides between 6.0% and 6.9% of revenue
- Reductions in newspaper circulation have significantly reduced the tons of materials recycled in recent years
- User fees provide between 93.1% and 94.0% of revenue, and are received in July and December, creating cash flow challenges for the fund

Performance/History

- Operating coverage exceeding 5 months in all of the last 4 years
- Eliminated periodic negative cash balances due to the timing of revenue from user fees

Fund Goals/Targets

- Continue to monitor fund balance and improve cash flow performance
- Establish recycling fees sufficient to maintain operating coverage of 5 months



Recycling Fund	2016	2017	2018	2019	2020	2021	2022	2023	2024
	Actual	Actual	Actual	Estimate	Budget	Budget	Projected	Projected	Projected
Revenue									
Intergovernmental									
SCORE Grant	\$ 62,469	\$ 64,762	\$ 316,083	\$ 63,000	\$ 62,000	\$ 61,000	\$ 60,000	\$ 60,000	\$ 60,000
Other Local Governments	17,233	20,781	20,347	30,000	-	-	-	-	-
Charges for Services									
Recycling Charges	526,598	527,050	539,503	555,000	826,100	849,700	873,300	897,000	920,500
Cleanup Day Charges	17,325	19,424	22,633	16,000	16,000	16,000	17,000	17,000	17,000
Interest Earnings	2,095	4,650	4,849	-	-	-	-	-	-
Other Revenues	-	299	249	250	200	200	200	200	200
Total Revenue	625,720	636,966	903,664	664,250	904,300	926,900	950,500	974,200	997,700
Expense									
Public Works									
Personal Services	31,719	40,815	44,912	49,532	59,768	63,133	67,042	69,573	72,213
Supplies	224	155	506,508	500	10,500	500	500	500	500
Contractual Services	486,423	508,037	452,808	551,806	753,885	788,108	804,170	820,093	838,252
Total Expense	518,366	549,007	1,004,228	601,838	824,153	851,741	871,712	890,166	910,965
Net Change	107,354	87,959	(100,564)	62,412	80,147	75,159	78,788	84,034	86,735
Fund Equity, beginning	352,762	460,116	548,075	447,511	509,923	590,070	665,229	744,017	828,051
Fund Equity, ending	\$460,116	\$548,075	\$447,511	\$509,923	\$590,070	\$665,229	\$744,017	\$828,051	\$914,786
Fund equity percent of expense	83.8%	54.6%	74.4%	61.9%	69.3%	76.3%	83.6%	90.9%	98.3%
Months of operating coverage	10.1	6.5	8.9	7.4	8.3	9.2	10.0	10.9	11.8
Expense percent change	-0.6%	5.9%	82.9%	-40.1%	36.9%	3.3%	2.3%	2.1%	2.3%
Average annual percent change				12.1%					9.4%
Annual charge per parcel/unit	\$ 47.00	\$ 47.00	\$ 48.00	\$ 48.00	\$ 70.00	\$ 72.00	\$ 74.00	\$ 76.00	\$ 78.00
Change in rate-dollars	\$ 1.00	\$ -	\$ 1.00	\$ -	\$ 22.00	\$ 2.00	\$ 2.00	\$ 2.00	\$ 2.00
Change in rate-percent	2.2%	0.0%	2.1%	0.0%	45.8%	2.9%	2.8%	2.7%	2.6%
Average annual percent change				1.1%					11.4%
Cost per collection	\$ 1.81	\$ 1.81	\$ 1.85	\$ 1.85	\$ 1.35	\$ 1.38	\$ 1.42	\$ 1.46	\$ 1.50
Participation rate	80.0%	80.0%	90.0%						
Tons recycled	2,682	2,421	2,488						
Number of units	11,174	11,220	11,233	11,581	11,801	11,801	11,801	11,801	11,801

Community Center Fund Operations

The Community Center Fund accounts for the operation and maintenance of the fitness center and studios, the Tropics and Bamboo Bay Indoor Water Parks, Tropical Adventure indoor play area, banquet and meeting rooms, birthday party rooms, gymnasium, locker facilities, picnic pavilion and concessions.

Impacts

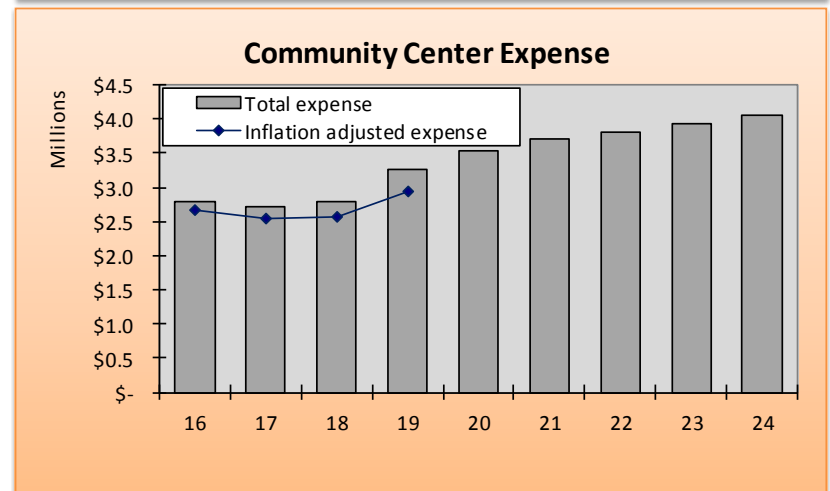
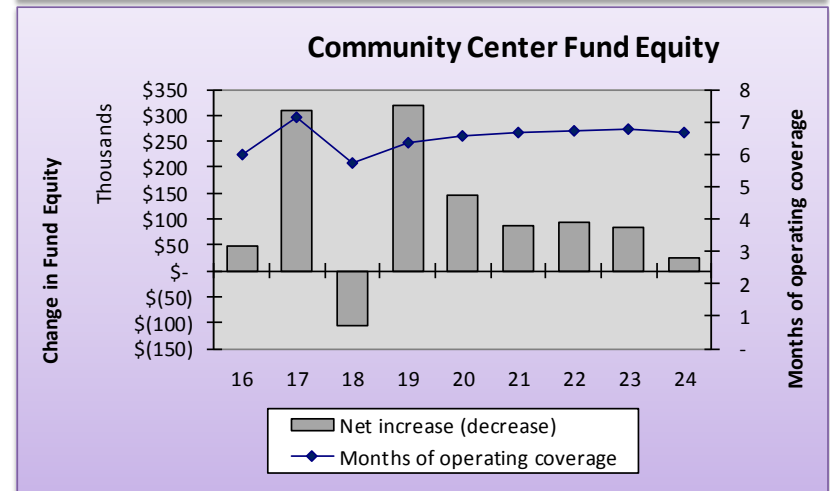
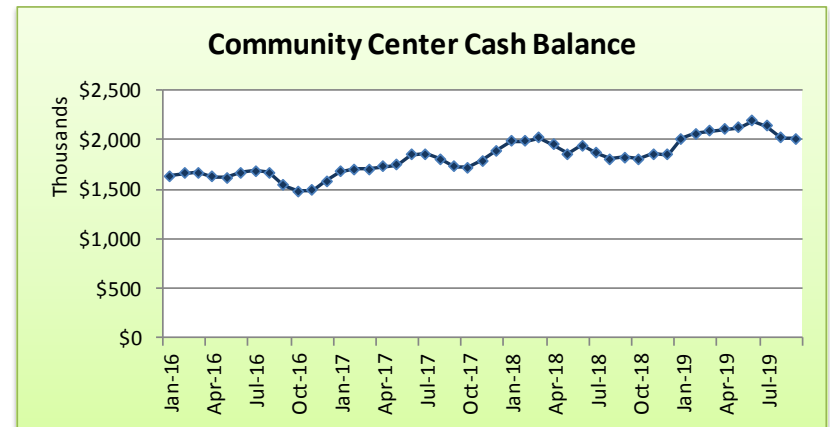
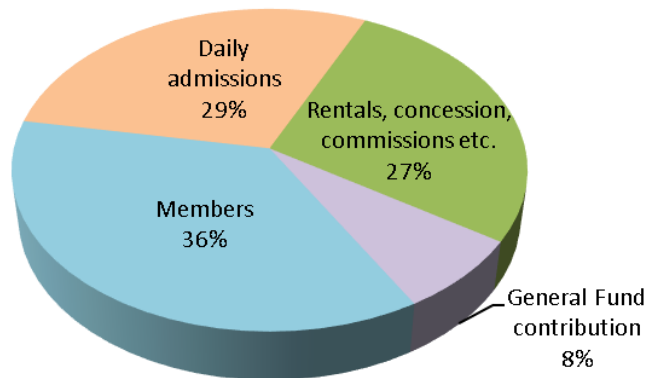
- User fees provide 87% of revenue (memberships, admissions and room rentals)
- General Fund provides \$275,000 in support of operations for 2020 through an inter-fund transfer
- State mandated minimum wage increases

Performance/History

- Enrollment in automatic monthly billing by members has declined from a high of 39% of total membership revenue in 2013 to 32% in 2018
- Insurance incentive credits have decreased from a high of \$202,682 in 2011 to \$122,367 in 2019
- Working capital coverage equal to 5 to 7 months in all years
- Positive cash flows

Fund Goals/Targets

- Adjust rates and operating expense to maintain operating coverage of 3 months
- Increase General Fund support approximately 3% per year



Community Center Fund	2016	2017	2018	2019	2020	2021	2022	2023	2024
	Actual	Actual	Actual	Estimate	Budget	Budget	Projected	Projected	Projected
Revenue									
Charges for Services									
Memberships	\$ 1,056,372	\$ 1,076,032	\$ 991,564	\$ 1,300,000	\$ 1,333,000	\$ 1,366,990	\$ 1,401,999	\$ 1,438,058	\$ 1,475,199
Daily Admissions	655,852	731,366	645,862	1,048,000	1,072,440	1,097,013	1,131,722	1,166,572	1,171,569
Room Rentals	344,492	391,180	407,357	535,580	572,580	589,770	607,521	625,546	644,991
Concessions & Commissions	237,752	255,855	197,920	263,525	274,500	283,195	292,106	301,284	310,130
All Other Charges	131,037	124,247	135,236	124,590	132,020	135,700	138,900	142,700	146,200
Interest Earnings	11,462	19,665	26,433	15,000	15,000	15,000	15,000	15,000	15,000
Other Revenues	22,525	15,723	20,923	12,500	12,500	12,500	12,500	12,500	12,500
Total Revenue	2,459,492	2,614,068	2,425,295	3,299,195	3,412,040	3,500,168	3,599,748	3,701,660	3,775,589
Expense									
Parks and Recreation									
Personal Services	1,602,588	1,615,222	1,457,126	2,039,785	2,288,390	2,407,190	2,466,897	2,543,040	2,638,307
Supplies	504,445	522,227	497,980	598,100	614,594	639,254	661,931	683,636	706,429
Contractual	687,986	569,375	847,228	617,959	637,265	652,541	673,827	696,701	719,955
Total Expense	2,795,019	2,706,824	2,802,334	3,255,844	3,540,249	3,698,985	3,802,655	3,923,377	4,064,691
Other Sources (Uses)									
Transfers In	384,000	402,000	270,000	277,000	275,000	285,000	295,000	305,000	315,000
Net Change	48,473	309,244	(107,039)	320,351	146,791	86,183	92,093	83,283	25,898
Fund Equity, beginning	1,306,938	1,355,411	1,664,655	1,557,616	1,877,967	2,024,758	2,110,941	2,203,034	2,286,317
Fund Equity, ending	\$ 1,355,411	\$ 1,664,655	\$ 1,557,616	\$ 1,877,967	\$ 2,024,758	\$ 2,110,941	\$ 2,203,034	\$ 2,286,317	\$ 2,312,215
Fund equity percent of expense	50.1%	59.4%	47.8%	53.0%	54.7%	55.5%	56.2%	56.2%	55.4%
Months of operating coverage	6.0	7.1	5.7	6.4	6.6	6.7	6.7	6.7	6.6
Tax support as percent of expense	9.1%	9.7%	9.6%	8.5%	7.8%	7.7%	7.8%	7.8%	7.7%
Revenue percent change	0.7%	6.3%	-7.2%	36.0%	3.4%	2.6%	2.8%	2.8%	2.0%
Average annual percent change/rev				9.0%					2.7%
Expense percent change	3.7%	-3.2%	3.5%	16.2%	8.7%	4.5%	2.8%	3.2%	3.6%
Average annual percent change/exp				5.1%					4.6%
Insurance credits (memberships)	\$ 169,921	\$ 145,712	\$ 135,480	\$ 122,367					
Annual membership rev billed monthly	\$ 356,597	\$ 336,275	\$ 319,824	\$ 449,177					
Rate change, daily admissions	2.5%	2.6%	4.7%	8.2%	2.6%	0.0%	0.0%	0.0%	0.0%
Rate change, memberships	1.7%	3.8%	3.2%	2.6%	3.2%	0.0%	0.0%	0.0%	0.0%

Recreation Program Fund Operations

The Recreation Programs Fund accounts for a variety of recreational and social programs offered throughout the City on a fee basis.

Impacts

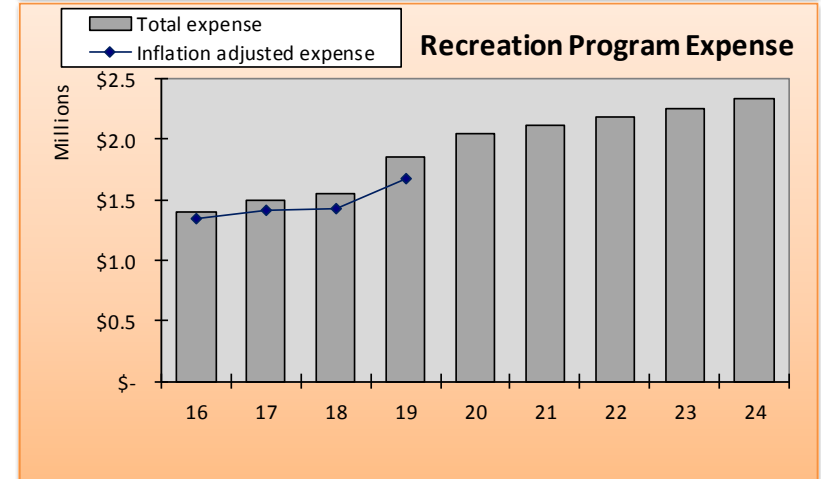
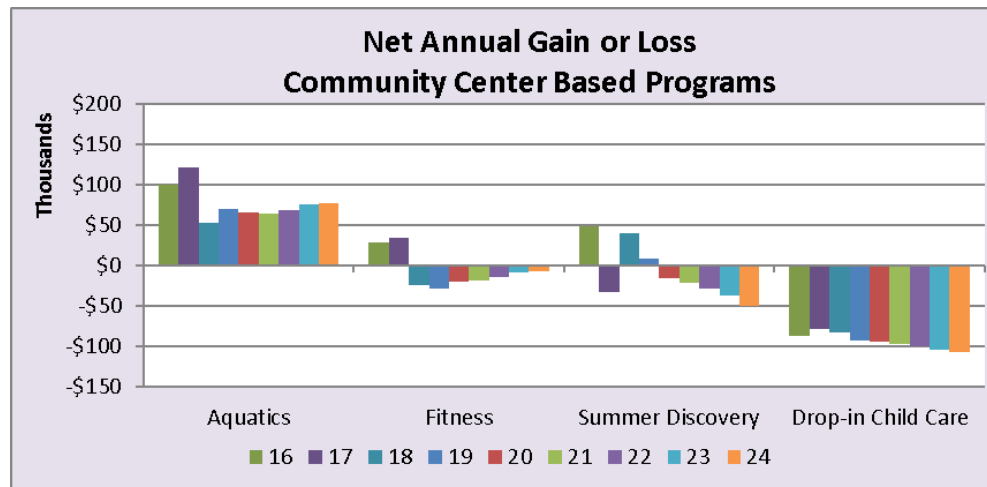
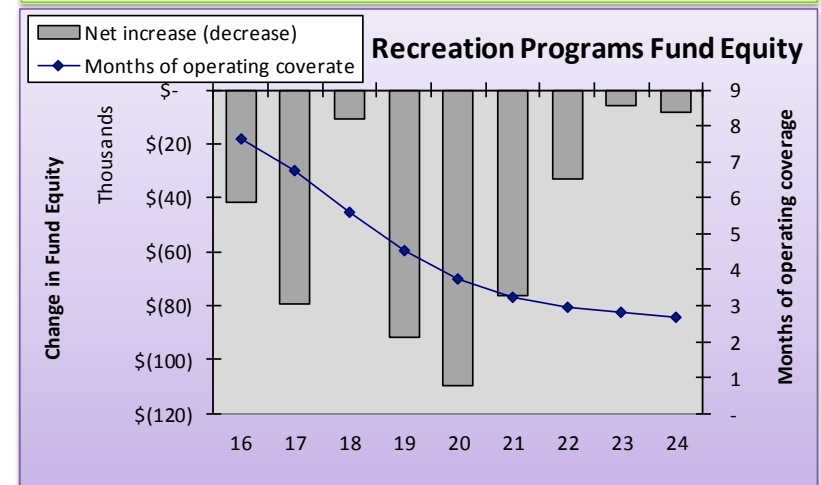
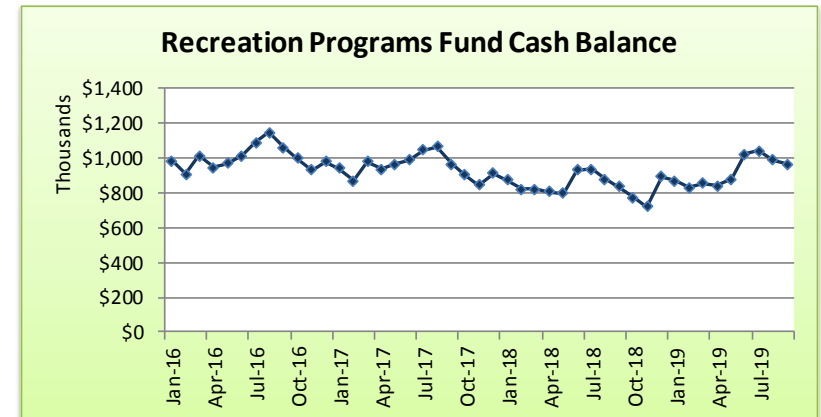
- User fees provide 92% of revenue
- State mandated minimum wage increases
- General Fund provides support for community-oriented programs through an annual transfer
- Projected operating losses in all years projected

Performance/History

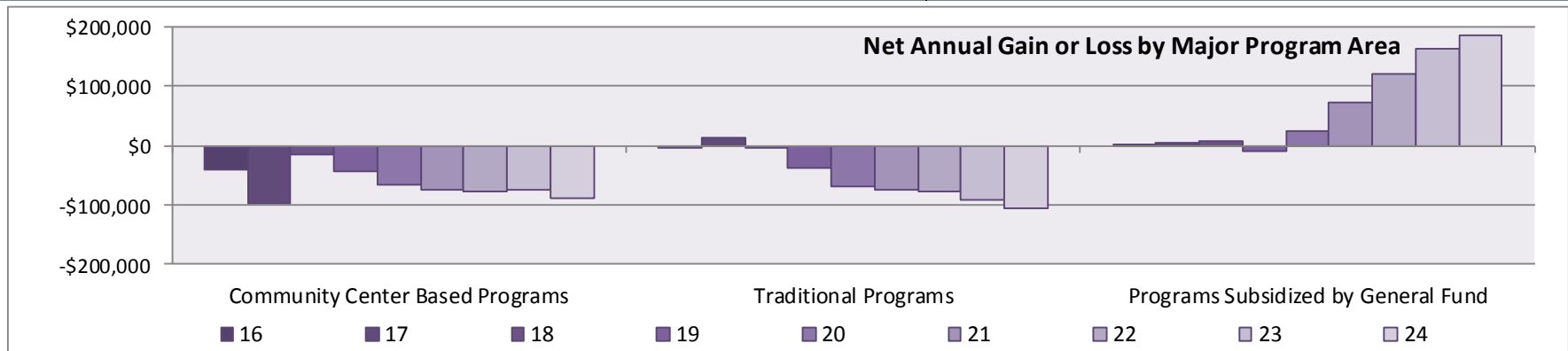
- Operating coverage equal to 6 to 8 months
- Operating loss in 2018

Fund Goals/Targets

- Preserve 3 months operating coverage through user fee adjustments
- Increase General Fund support
- Cover cost increases through operating efficiencies where possible/practical



Recreation Programs Fund	2016	2017	2018	2019	2020	2021	2022	2023	2024
	Actual	Actual	Actual	Estimate	Budget	Budget	Projected	Projected	Projected
Revenue									
Charges for Services	\$1,397,125	\$1,465,942	\$1,438,541	\$1,663,425	\$1,789,885	\$1,843,733	\$1,896,076	\$1,948,755	\$2,001,108
Interest Earnings	7,234	10,839	11,670	3,000	3,000	3,000	3,500	3,500	3,500
Other Revenues	-	1,001	160	-	-	-	-	-	-
Total Revenue	1,404,359	1,477,782	1,450,371	1,666,425	1,792,885	1,846,733	1,899,576	1,952,255	2,004,608
Expense									
Parks and Recreation									
Parks Administration	453,688	402,175	434,599	529,207	614,992	645,984	676,154	709,005	739,811
Program Costs	946,339	1,101,112	1,121,335	1,328,778	1,437,806	1,477,205	1,506,590	1,549,201	1,598,255
Total Expense	1,400,027	1,503,287	1,555,934	1,857,985	2,052,798	2,123,189	2,182,744	2,258,206	2,338,066
Other Sources (Uses)									
Transfers In	84,000	86,000	95,000	100,000	150,000	200,000	250,000	300,000	325,000
Transfers Out	(130,000)	(140,000)	-	-	-	-	-	-	-
Net Change	(41,668)	(79,505)	(10,563)	(91,560)	(109,913)	(76,456)	(33,168)	(5,951)	(8,458)
Fund Equity, beginning	996,137	954,469	874,964	864,401	772,841	662,928	586,472	553,304	547,353
Fund Equity, ending	\$ 954,469	\$ 874,964	\$ 864,401	\$ 772,841	\$ 662,928	\$ 586,472	\$ 553,304	\$ 547,353	\$ 538,895
Fund equity percent of expense	63.5%	56.2%	46.5%	37.6%	31.2%	26.9%	24.5%	23.4%	22.5%
Months of operating coverage	7.6	6.7	5.6	4.5	3.7	3.2	2.9	2.8	2.7
Revenue percent change	-3.9%	5.2%	-1.9%	14.9%	7.6%	3.0%	2.9%	2.8%	2.7%
Average annual percent change				3.6%					3.8%
Expense percent change	0.8%	7.4%	3.5%	19.4%	10.5%	3.4%	2.8%	3.5%	3.5%
Average annual percent change				7.8%					4.7%
Percent of revenue from user fees	93.9%	93.7%	93.1%	94.2%	92.1%	90.1%	88.2%	86.5%	85.9%
Percent of revenue from Gen Fund	5.6%	5.5%	6.1%	5.7%	7.7%	9.8%	11.6%	13.3%	14.0%



Cable TV Fund Operations

At the end of 2014, the City withdrew from the North Suburban Cable Commission (NSCC). NSCC was previously responsible for the management and administration of the City's cable franchise and public access programming in Shoreview. The City has negotiated the renewal of the cable franchise with Comcast for 10 years. Revenue for the cable fund is obtained through a 5% franchise fee that is paid by Shoreview cable subscribers to Comcast and through a Public, Educational, and Government (PEG) fee that is also paid by subscribers. This franchise fee and PEG revenue fund the City's management and administration of the cable franchise, staff costs to cablecast City Council and Planning Commission meetings, acquisition and maintenance of cable equipment for the Council Chambers and City Hall, and operating transfers that are used to finance City communication activities.

Impacts

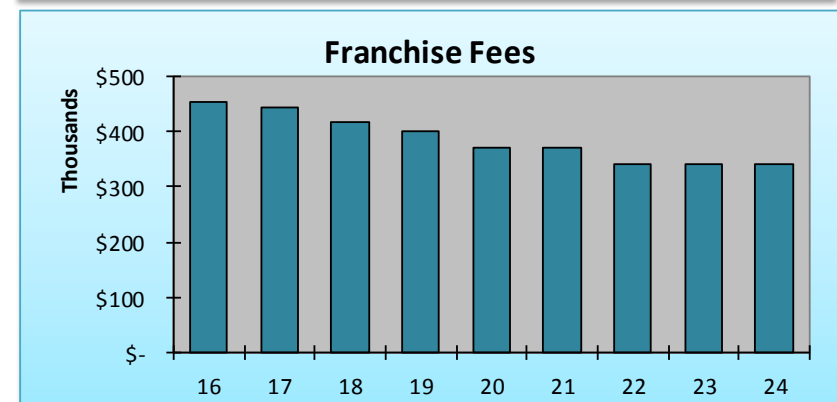
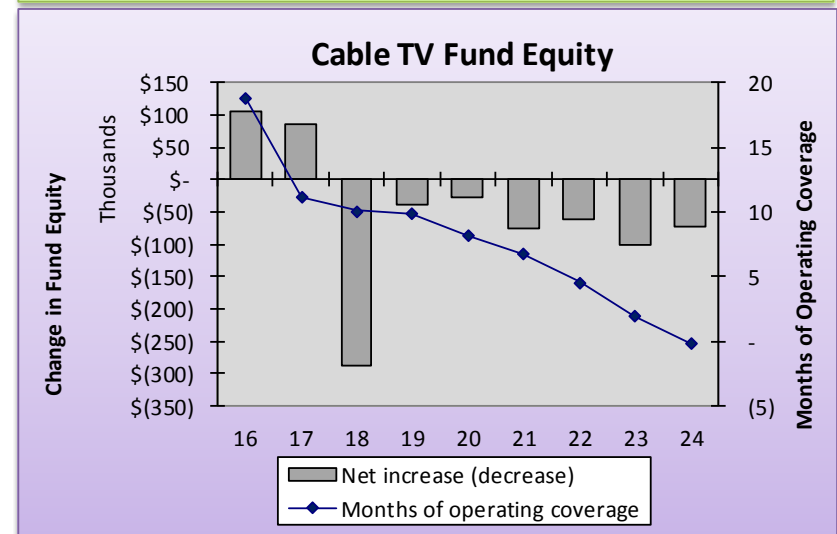
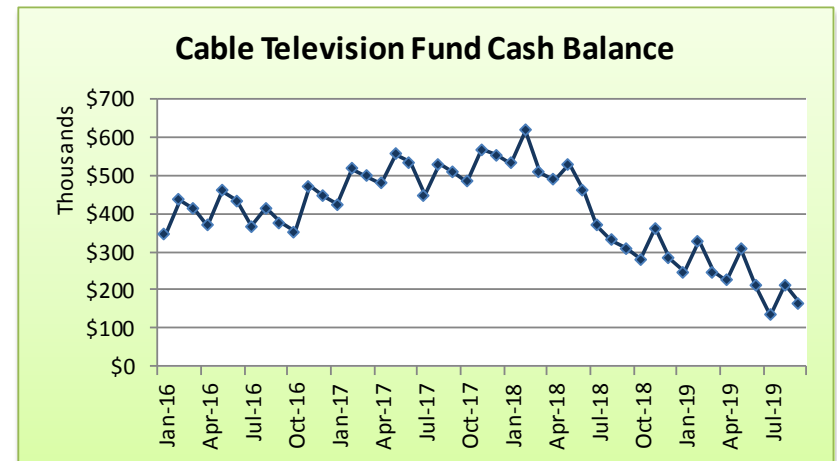
- Cable franchise fees and PEG fees provide more than 99% of revenue
- Contractual costs decrease significantly due to withdrawal from the NSCC
- Transition to in-house production, broadcasting and web streaming of cable programming
- Transfers to the General Fund provide support for communication activities
- Provide support for capital purchases associated with the Community Center expansion and Council Chamber improvements

Performance/History

- Operating coverage equal to 7 to 8 months
- Positive cash flows

Fund Goals/Targets

- Preserve minimum operating coverage of 3 and up to 6 months when anticipated capital costs dictate higher balances
- Monitor fund balance changes



Cable Television Fund	2016	2017	2018	2019	2020	2021	2022	2023	2024
	Actual	Actual	Actual	Estimate	Budget	Budget	Projected	Projected	Projected
Revenue									
Charges for Services	\$452,743	\$443,540	\$416,472	\$400,000	\$370,000	\$370,000	\$340,000	\$340,000	\$ 340,000
Interest Earnings	2,906	5,863	6,410	1,900	2,000	2,000	2,000	2,000	2,000
Other Revenues	1,100	1,100	1,100	1,900	2,400	2,400	2,400	2,400	2,400
Total Revenue	456,749	450,503	423,982	403,800	374,400	374,400	344,400	344,400	344,400
Expense									
General Government									
Personal Services	39,391	33,441	35,797	40,782	42,669	43,700	44,768	46,010	47,296
Supplies	32	82	-	100	500	500	500	500	500
Contractual	96,939	120,828	82,636	127,058	159,319	154,836	159,943	198,150	170,508
Capital Outlay	16,606	9,852	353,668	75,000	-	50,000	-	-	-
Total Expense	152,968	164,203	472,101	242,940	202,488	249,036	205,211	244,660	218,304
Other Sources (Uses)									
Transfers Out	(200,000)	(200,000)	(238,564)	(200,000)	(200,000)	(200,000)	(200,000)	(200,000)	(200,000)
Net Change	103,781	86,300	(286,683)	(39,140)	(28,088)	(74,636)	(60,811)	(100,260)	(73,904)
Fund Equity, beginning	468,180	571,961	658,261	371,578	332,438	304,350	229,714	168,903	68,643
Fund Equity, ending	\$571,961	\$658,261	\$371,578	\$332,438	\$304,350	\$229,714	\$168,903	\$ 68,643	\$ (5,261)
Fund equity percent of expense and transfers out	157.0%	92.6%	83.9%	82.6%	67.8%	56.7%	38.0%	16.4%	-1.2%
Months of operating coverage (for expense and transfers out)	18.8	11.1	10.1	9.9	8.1	6.8	4.6	2.0	(0.1)
Franchise fee percent change	-25.1%	-2.0%	-6.1%	-4.0%	-7.5%	0.0%	-8.1%	0.0%	0.0%
Average annual percent change				-9.3%					-3.1%

Economic Development Authority Fund Operations

The Economic Development Authority (EDA) was created in 2008 with an initial \$50,000 transfer from the General Fund and \$2,025 from the former Economic Development Fund. The City's previous deposit in the Twin Cities Community Capital Fund was returned to the City in 2010 (\$165,777). Because the funds are legally restricted to economic development and business assistance (as governed by Minnesota statutes), the EDA is exploring other options for a business loan program. The funds will be invested until a loan program is selected or developed.

Impacts

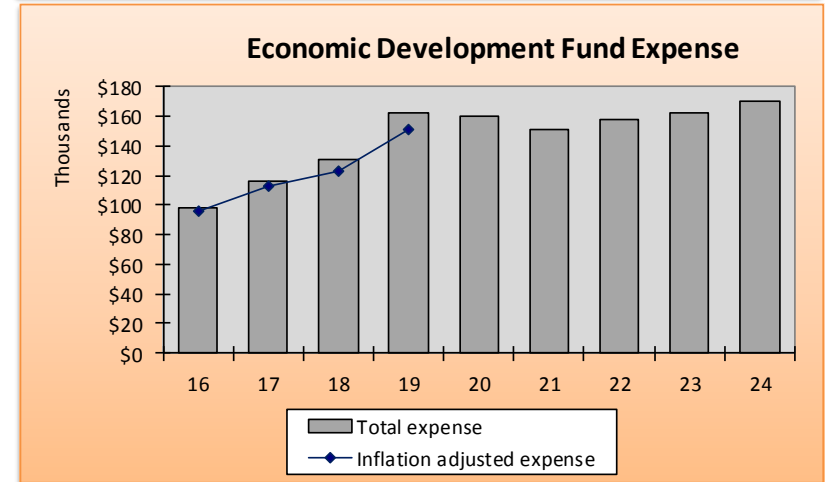
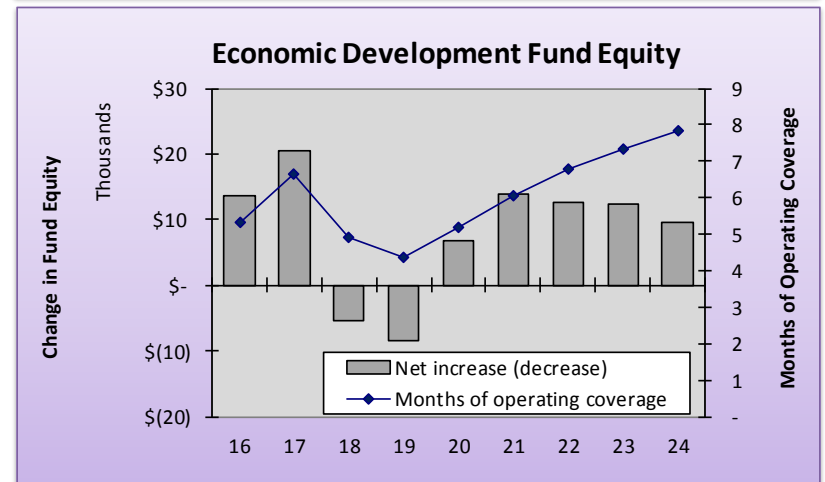
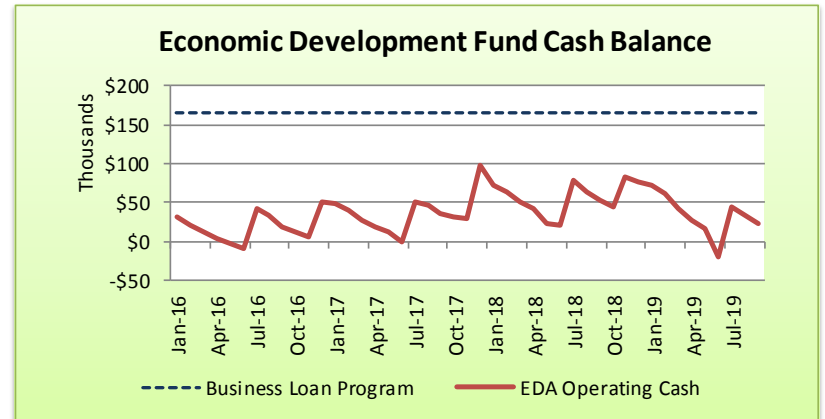
- First tax levy in 2011
- Levy authority is within the City's levy limit, when levy limits are in effect
- Property tax collections occur in July and December, creating cash flow challenges for the fund
- Covers 25% of the Assistant City Manager/Community Development Director position
- Covers 25% of the Economic Development and Planning Associate position

Performance/History

- Operating coverage equal to 5 to 6 months

Fund Goals/Targets

- Establish and maintain 5 months of operating coverage
- Monitor fund balance changes



Economic Development Authority Fund	2016	2017	2018	2019	2020	2021	2022	2023	2024
	Actual	Actual	Actual	Estimate	Budget	Budget	Projected	Projected	Projected
Revenue									
Property Taxes	\$ 110,037	\$ 113,950	\$ 118,579	\$ 150,000	\$ 160,000	\$ 165,000	\$ 170,000	\$ 175,000	\$ 180,000
Intergovernmental	-	-	2,584	4,000	6,900	-	-	-	-
Interest Earnings	1,341	2,290	3,142	-	-	-	-	-	-
Other Revenues	-	-	1,000	-	-	-	-	-	-
Total Revenue	111,378	116,240	125,305	154,000	166,900	165,000	170,000	175,000	180,000
Expense									
Community Development									
Personal Services	61,983	64,035	71,249	86,456	88,893	73,604	75,719	78,172	81,070
Supplies	3,150	2,308	5,414	7,000	7,500	9,000	9,000	10,000	10,000
Contractual Services	32,540	49,837	53,947	69,101	63,643	68,386	72,631	74,427	79,424
Total Expense	97,673	116,180	130,610	162,557	160,036	150,990	157,350	162,599	170,494
Other Sources (Uses)									
Transfers In	-	20,423	-	-	-	-	-	-	-
Net Change	13,705	20,483	(5,305)	(8,557)	6,864	14,010	12,650	12,401	9,506
Fund Equity, beginning	203,699	217,404	237,887	232,582	224,025	230,889	244,899	257,549	269,950
Fund Equity, ending	\$ 217,404	\$ 237,887	\$ 232,582	\$ 224,025	\$ 230,889	\$ 244,899	\$ 257,549	\$ 269,950	\$ 279,456
Fund Equity Breakdown									
Business loan program fund balance	\$ 165,777	\$ 165,777	\$ 165,777	\$ 165,777	\$ 165,777	\$ 165,777	\$ 165,777	\$ 165,777	\$ 165,777
Non loan program fund balance	\$ 51,627	\$ 72,110	\$ 66,805	\$ 58,248	\$ 65,112	\$ 79,122	\$ 91,772	\$ 104,173	\$ 113,679
Months of operating coverage (excluding balances restricted for business loan program)	5.3	6.6	4.9	4.4	5.2	6.0	6.8	7.3	7.8
Tax levy percent change	22.9%	3.6%	4.1%	26.5%	6.7%	3.1%	3.0%	2.9%	2.9%
Annual average percent change				16.7%					3.7%

Housing Redevelopment Authority Fund Operations

The Housing Redevelopment Authority (HRA) was created in 2009 to account for housing-related activities of the EDA, with the first year of operation in 2010.

Impacts

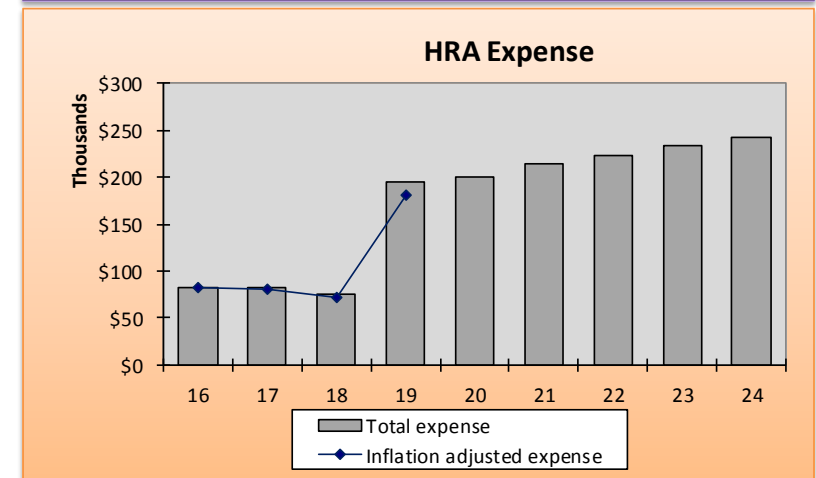
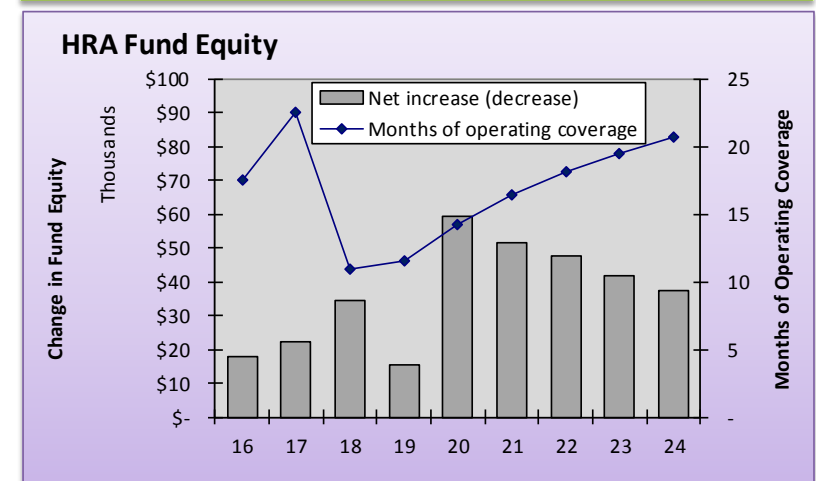
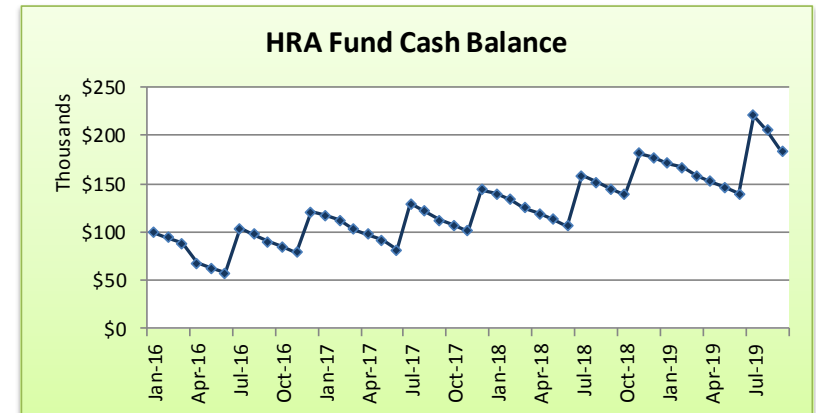
- First tax levy in 2010
- Levy authority for the HRA is outside the City's levy limit
- Covers 25% of the Assistant City Manager/Community Development Director position cost
- Covers 35% of the Economic Development and Planning Associate
- Covers 100% of the Housing and Code Enforcement Officer

Performance/History

- Operating coverage from 13 to 14 months

Fund Goals/Targets

- Maintain 5 months of operating coverage
- Monitor fund balance changes



Housing Redevelopment Authority	2016	2017	2018	2019	2020	2021	2022	2023	2024
	Actual	Actual	Actual	Estimate	Budget	Budget	Projected	Projected	Projected
Revenue									
Property Taxes	\$ 100,001	\$ 103,981	\$ 108,623	\$ 210,000	\$ 260,000	\$ 265,000	\$ 270,000	\$ 275,000	\$ 280,000
Interest Earnings	637	1,276	1,961	-	-	-	-	-	-
Total Revenue	100,638	105,257	110,584	210,000	260,000	265,000	270,000	275,000	280,000
Expense									
Community Development									
Personal Services	69,883	72,555	72,865	91,105	159,105	166,190	174,776	184,494	193,924
Contractual Services	13,000	10,544	3,263	103,400	41,400	47,500	47,500	48,700	48,700
Total Expense	82,883	83,099	76,128	194,505	200,505	213,690	222,276	233,194	242,624
Net Change	17,755	22,158	34,456	15,495	59,495	51,310	47,724	41,806	37,376
Fund Equity, beginning	103,180	120,935	143,093	177,549	193,044	252,539	303,849	351,573	393,379
Fund Equity, ending	\$ 120,935	\$ 143,093	\$ 177,549	\$ 193,044	\$ 252,539	\$ 303,849	\$ 351,573	\$ 393,379	\$ 430,755
Fund equity percent of expense	145.5%	188.0%	91.3%	96.3%	118.2%	136.7%	150.8%	162.1%	172.4%
Months of operating coverage	17.5	22.6	11.0	11.6	14.2	16.4	18.1	19.5	20.7
Taxable Value (millions)	\$ 27.5	\$ 29.3	\$ 31.3	\$ 33.5	\$ 36.2	\$ 37.3	\$ 38.4	\$ 39.6	\$ 40.7
Tax Rate (HRA)	0.332%	0.325%	0.318%	0.595%	0.661%	0.654%	0.647%	0.640%	0.632%
Change in tax rate	2.8%	-2.1%	-2.2%	87.1%	11.1%	-1.1%	-1.1%	-1.1%	-1.3%
Average annual percent change				21.4%					1.3%
Expense percent change	3.3%	0.3%	-8.4%	155.5%	3.1%	6.6%	4.0%	4.9%	4.0%
Average annual percent change				37.7%					4.5%

Slice of Shoreview Fund Operations

The Slice of Shoreview Fund accounts for costs, donations, sponsorships and vendor fees associated with the Slice of Shoreview event.

Impacts

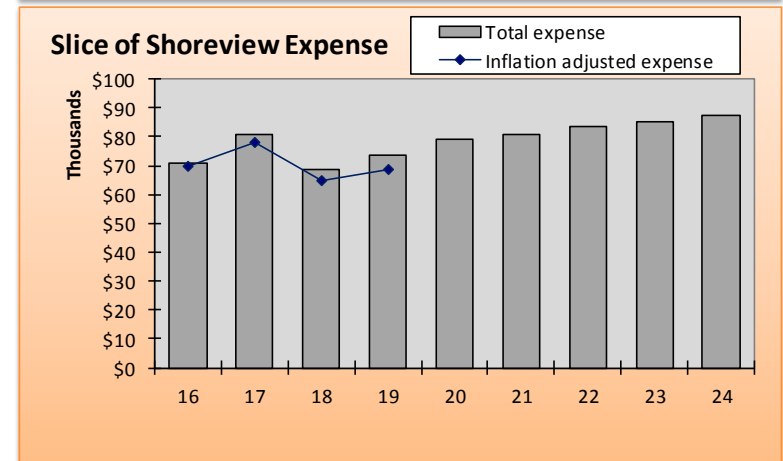
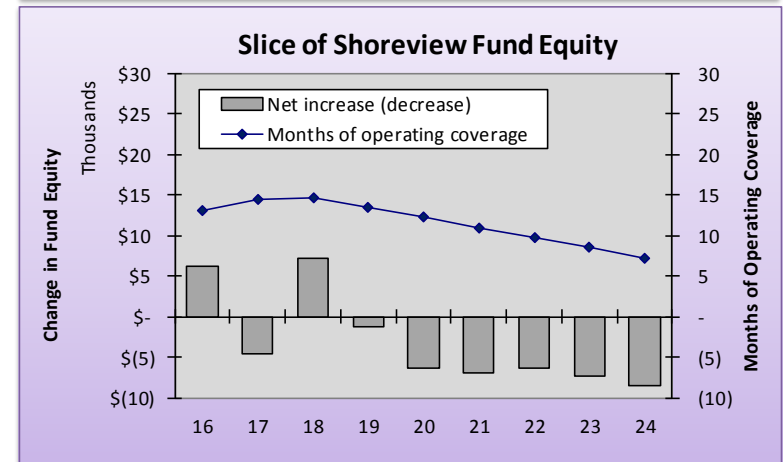
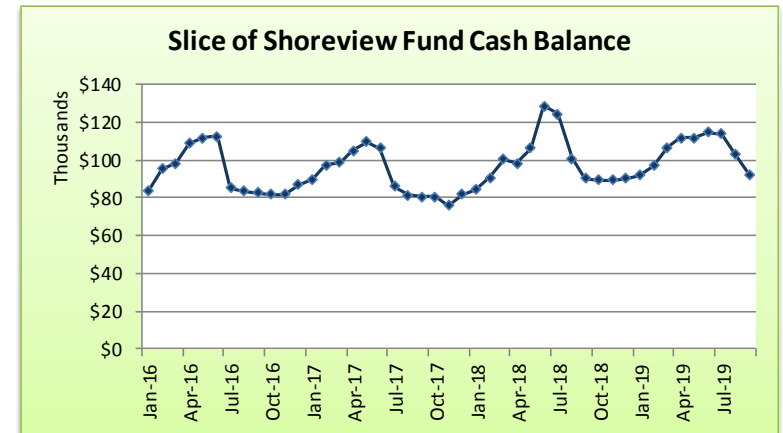
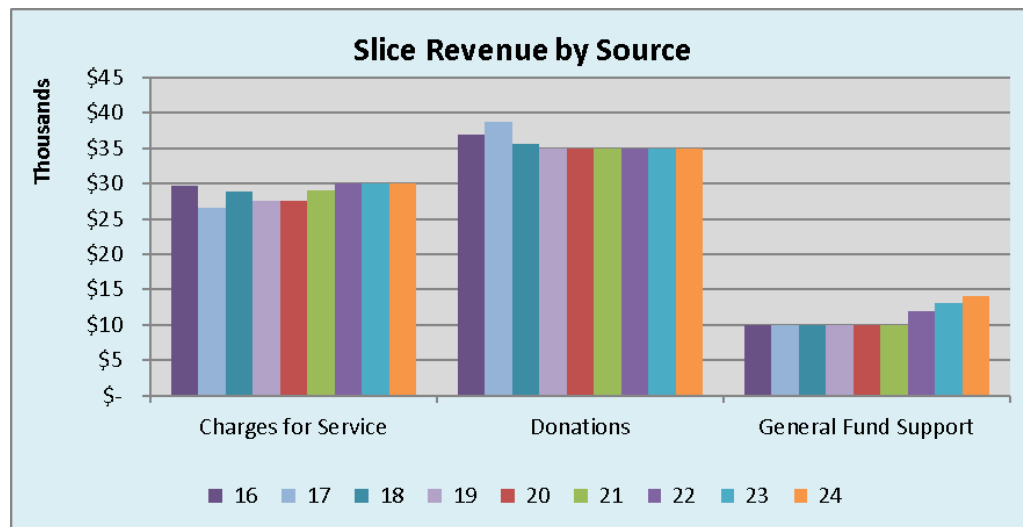
- For 2020, support for the event is provided by donations (48%), fees (38%), and General Fund support (14%)

Performance/History

- Operating coverage equal to 8 to 13 months

Fund Goals/Targets

- Preserve 6 to 12 months of operating coverage to ensure adequate coverage of event costs in the event of a decline in donations
- Hold General Fund support to the rate of inflation or less



Slice of Shoreview Fund	2016	2017	2018	2019	2020	2021	2022	2023	2024
	Actual	Actual	Actual	Estimate	Budget	Budget	Projected	Projected	Projected
Revenue									
Charges for Services	\$ 29,660	\$ 26,554	\$ 28,869	\$ 27,500	\$ 27,500	\$ 29,000	\$ 30,000	\$ 30,000	\$ 30,000
Interest Earnings	660	1,033	1,383	-	-	-	-	-	-
Other Revenues (donations)	36,882	38,784	35,621	35,000	35,000	35,000	35,000	35,000	35,000
Total Revenue	67,202	66,371	65,873	62,500	62,500	64,000	65,000	65,000	65,000
Expense									
General Government	70,998	80,938	68,625	73,822	78,911	81,022	83,333	85,444	87,556
Total Expense	70,998	80,938	68,625	73,822	78,911	81,022	83,333	85,444	87,556
Other Sources (Uses)									
Transfers In	10,000	10,000	10,000	10,000	10,000	10,000	12,000	13,000	14,000
Net Change	6,204	(4,567)	7,248	(1,322)	(6,411)	(7,022)	(6,333)	(7,444)	(8,556)
Fund Equity, beginning	81,405	87,609	83,042	90,290	88,968	82,557	75,535	69,202	61,758
Fund Equity, ending	\$ 87,609	\$ 83,042	\$ 90,290	\$ 88,968	\$ 82,557	\$ 75,535	\$ 69,202	\$ 61,758	\$ 53,202
Fund equity percent of expense	108.2%	121.0%	122.3%	112.7%	101.9%	90.6%	81.0%	70.5%	59.3%
Months of operating coverage	13.0	14.5	14.7	13.5	12.2	10.9	9.7	8.5	7.1
Expense percent change	5.0%	14.0%	-15.2%	7.6%	6.9%	2.7%	2.9%	2.5%	2.5%
Annual average percent change				2.8%					3.5%

Combined Debt Service Funds

Debt Service funds account for revenue dedicated to the payment of debt as well as the principal and interest payments (excluding debt accounted for in utility or internal service funds).

Impacts

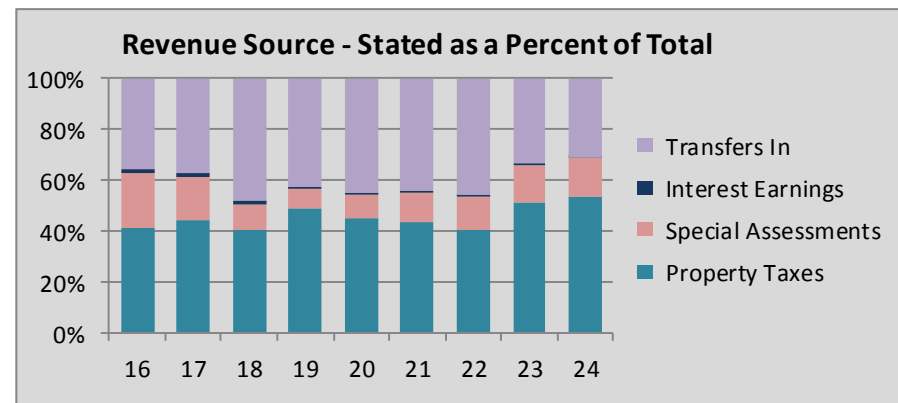
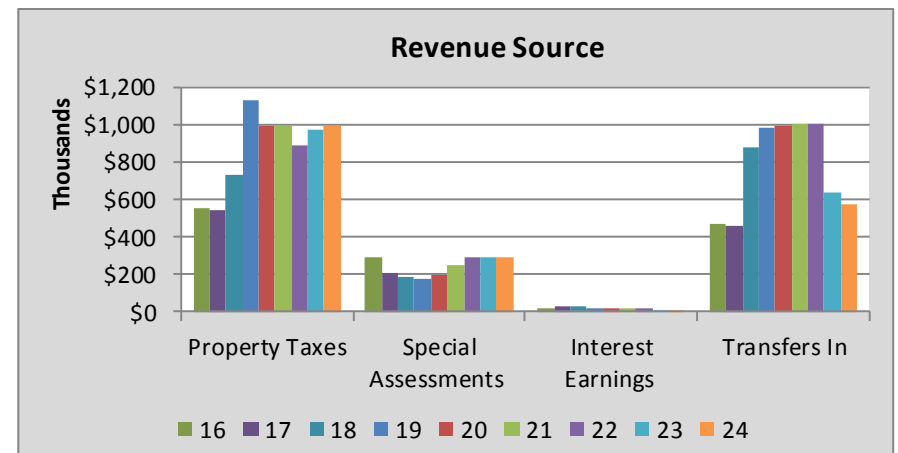
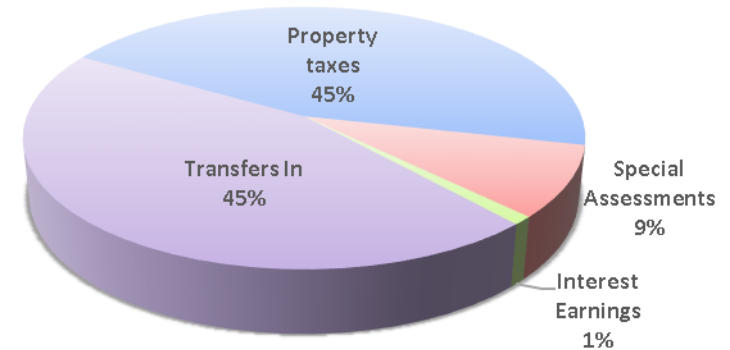
- Revenue in support of debt payments for 2020 is derived from transfers in (45%), property taxes (45%), special assessments (9%) and interest earnings (1%)
- Transfers for debt payments are from the General Fund (\$50,000), Capital Asset Replacement Fund (\$380,000) and the Community Investment Fund (\$502,000)
- Transfers to or from the Closed Debt Fund are intended to close out balances for retired debt (\$11,278), or to provide reductions in the debt portion of the tax levy (\$50,000)

Performance/History

- Operating coverage equal to 12 to 20 months
- Advance refunding of the 2002 Certificates of Participation in 2011, saving more than \$200,000 in interest costs on a net present value basis
- Crossover refunding of the 2004 and 2006 G.O. Improvement, Utility, Street and Capital Improvement Plan Bonds (for fire station improvements) during 2013. The combined refunding saves \$280,000 in interest costs on a net present value basis. The crossover refunding transactions occurred on the call dates during 2013, 2014 and 2015.
- Advance refunding of the 2010 G.O. Improvement, Utility and Capital Improvement Plan (Public Works facility) Bonds in 2014, saving more than \$364,000 in interest cost on a net present value basis.

Fund Goals/Targets

- Preserve a minimum of 6 months of operating coverage
- Hold General Fund support for debt payments to \$50,000 per year until retirement of the community center expansion debt, then reduce General Fund support to zero in 2023



Debt Funds	2016	2017	2018	2019	2020	2021	2022	2023	2024
	Actual	Actual	Actual	Estimate	Budget	Budget	Projected	Projected	Projected
Revenue									
Property Taxes	\$ 548,016	\$ 541,844	\$ 734,489	\$ 1,127,000	\$ 996,000	\$ 994,000	\$ 887,000	\$ 974,000	\$ 993,000
Special Assessments	288,442	208,899	185,258	175,901	194,024	254,190	286,998	286,998	286,998
Interest Earnings	24,545	26,067	33,269	25,150	22,380	20,040	15,360	11,980	7,480
Total Revenue	861,003	776,810	953,016	1,328,051	1,212,404	1,268,230	1,189,358	1,272,978	1,287,478
Expense									
Debt Service	1,300,313	1,381,635	1,635,090	2,195,820	2,447,310	2,356,563	2,398,163	2,273,429	1,906,231
Total Expense	1,300,313	1,381,635	1,635,090	2,195,820	2,447,310	2,356,563	2,398,163	2,273,429	1,906,231
Other Sources (Uses)									
Debt Proceeds	-	118,514	210,209	-	22,936	13,944	-	-	-
Debt Refunded	-	-	-	(160,000)	-	-	-	-	-
Transfers In	471,699	455,000	877,000	982,000	993,278	997,837	1,000,825	637,148	572,000
Transfers Out	(54,543)	(50,000)	(50,000)	(50,000)	(61,278)	(65,837)	(68,825)	(56,000)	(50,000)
Net Change	(22,154)	(81,311)	355,135	(95,769)	(279,970)	(142,389)	(276,805)	(419,303)	(96,753)
Fund Equity, beginning	2,828,063	2,805,909	2,724,598	3,079,733	2,983,964	2,703,994	2,561,605	2,284,800	1,865,497
Fund Equity, ending	\$ 2,805,909	\$ 2,724,598	\$ 3,079,733	\$ 2,983,964	\$ 2,703,994	\$ 2,561,605	\$ 2,284,800	\$ 1,865,497	\$ 1,768,744
Fund equity percent of expense	203.1%	166.6%	140.3%	121.9%	114.7%	106.8%	100.5%	97.9%	93.1%
Months of operating coverage	12.2	20.0	16.8	14.6	13.8	12.8	12.1	11.7	11.2
Unspent bond proceeds	\$ 1,397,098	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Expense percent change	-18.8%	6.3%	18.3%	34.3%	11.5%	-3.7%	1.8%	-5.2%	-16.2%
Average annual percent change				10.0%					-2.4%
Tax Levy percent change	1.2%	-1.1%	35.6%	53.4%	-11.6%	-0.2%	-10.8%	9.8%	2.0%
Average annual percent change				22.3%					-2.2%

Water Fund Operations

The Water Fund accounts for the distribution of water to residences and businesses, and operation and maintenance of the water system. Fluctuations in water consumption and revenue are expected from year to year, therefore projections use a “base year” approach to estimate gallons sold. Rates are set to support operating costs in a typical “base year,” removing the impact of drought or high rainfall years.

Impacts

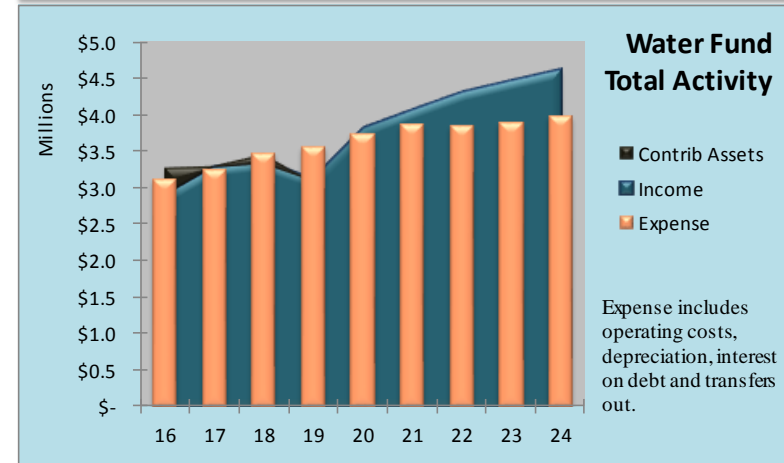
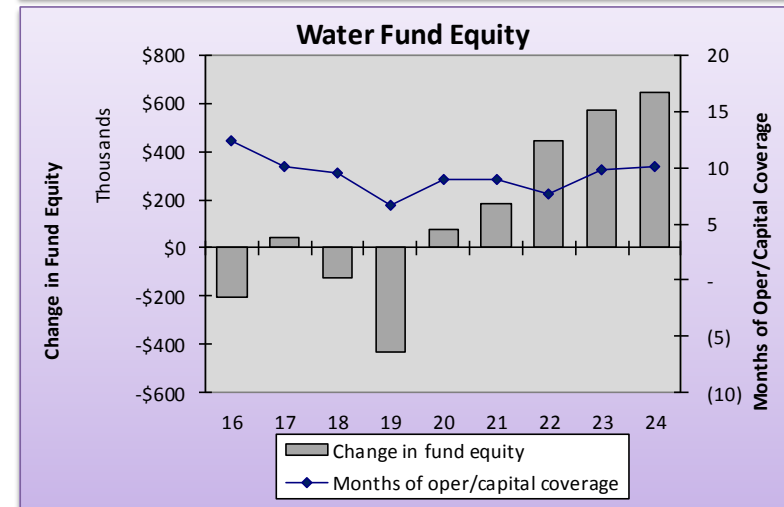
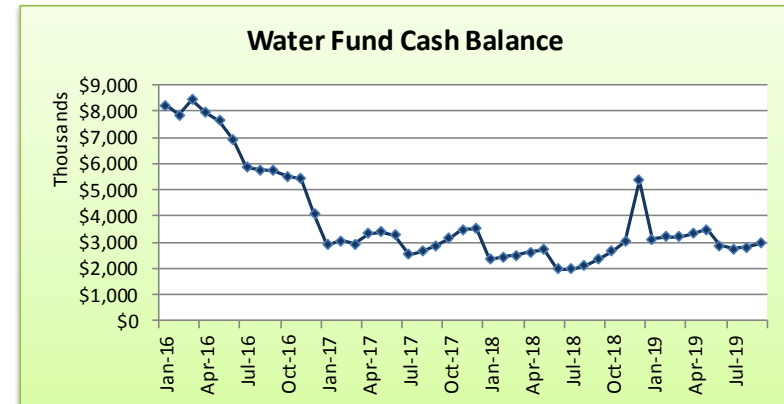
- Average household water consumption continues to decline
- Water use fluctuates significantly based on rainfall during the growing season
- Contributions for maintenance center debt payments began in 2011
- Water treatment plant began operation in last quarter of 2016

Performance/History

- Operating coverage equal to 6 to 12 months of operating and capital costs
- Stable cash balances, fluctuations are the result of bond proceeds
- Operating income generated each year
- Projected base gallons established at 880 million gallons
- In 2012 the lowest residential billing tier was split into two tiers resulting in revenue increases

Fund Goals/Targets

- Preserve a minimum of 8 months of operating and capital coverage
- Increased water rates to achieve overall gains and meet additional debt service requirements associated with the Water Treatment Plant
- Maintain positive debt capacity reserves after scheduled transfers



Water Fund	2016 Actual	2017 Actual	2018 Actual	2019 Estimate	2020 Budget	2021 Budget	2022 Projected	2023 Projected	2024 Projected
Revenue									
Special Assessments	\$ 5,200	\$ 1,357	\$ 1,898	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Utility Charges	2,781,428	3,065,899	3,222,620	3,054,000	3,732,000	3,973,000	4,223,000	4,377,000	4,537,000
Late Fees/Utility Charges	43,399	52,704	52,155	-	-	-	-	-	-
Water Facility Charges	19,959	99,657	10,284	10,000	10,000	10,500	11,000	11,000	11,000
Other Charges	21,360	25,097	26,662	26,500	26,500	27,000	27,500	27,500	27,500
Total Revenue	2,871,346	3,244,714	3,313,619	3,090,500	3,768,500	4,010,500	4,261,500	4,415,500	4,575,500
Expense									
Enterprise Operations	1,570,611	1,609,969	1,693,957	1,781,388	1,951,684	2,060,962	2,034,933	2,082,230	2,147,505
Depreciation	671,425	813,359	943,063	959,000	971,000	970,000	976,000	988,000	989,000
Total Expense	2,242,036	2,423,328	2,637,020	2,740,388	2,922,684	3,030,962	3,010,933	3,070,230	3,136,505
Operating Income (Loss)	629,310	821,386	676,599	350,112	845,816	979,538	1,250,567	1,345,270	1,438,995
Other Sources (Uses)									
Interest Earnings	38,343	40,930	37,520	40,000	40,000	40,000	42,000	44,000	45,000
Contributed Capital Assets	397,271	29,135	115,317	-	-	-	-	-	-
Debt Service	(509,608)	(439,738)	(452,642)	(429,618)	(391,336)	(416,445)	(416,320)	(377,437)	(389,881)
Transfers Out	(363,000)	(381,625)	(385,521)	(393,000)	(416,000)	(423,000)	(433,000)	(443,000)	(453,000)
Net Change	192,316	70,088	(8,727)	(432,506)	78,480	180,093	443,247	568,833	641,114
Fund Equity, beginning	13,256,009	13,448,325	13,518,413	13,509,686	13,077,180	13,155,660	13,335,753	13,779,000	14,347,833
Fund Equity, ending	\$13,448,325	\$13,518,413	\$13,509,686	\$13,077,180	\$13,155,660	\$13,335,753	\$13,779,000	\$14,347,833	\$14,988,947
Months of operating coverage	12.4	10.1	9.5	6.7	9.0	9.0	7.6	9.8	10.1
Cash balance	\$ 4,060,557	\$ 3,507,877	\$ 5,362,443	\$ 2,501,772	\$ 3,484,452	\$ 3,579,545	\$ 3,064,792	\$ 3,911,625	\$ 4,156,739
Capital costs	\$ 5,536,146	\$ 333,944	\$ 769,731	\$ 1,193,500	\$ 701,800	\$ 900,000	\$ 589,000	\$ 835,000	\$ 135,000
Unspent bond proceeds	\$ 108,224	\$ -	\$ 1,105,344	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
General transfer percent of assets	0.78%	0.79%	0.80%	0.80%	0.83%	0.84%	0.85%	0.86%	0.87%
Rate Increase (tiers)	12.0%	12.0%	4.0%	4.0%	2.0%	5.0%	5.0%	4.0%	4.0%
Change in utility charge revenue	11.5%	10.2%	5.1%	-5.2%	22.2%	6.5%	6.3%	3.6%	3.7%
Debt issued	\$ 6,995,000	\$ -	\$ 2,595,000	\$ -	\$ 1,810,000	\$ 1,050,000	\$ -	\$ 1,500,000	\$ -
Debt payments (principal)	\$ 450,000	\$ 960,000	\$ 1,065,000	\$ 2,190,000	\$ 1,175,000	\$ 1,205,000	\$ 1,345,000	\$ 1,375,000	\$ 1,250,000
Debt balance (year end)	\$17,900,000	\$16,940,000	\$18,470,000	\$16,280,000	\$16,915,000	\$16,760,000	\$15,415,000	\$15,540,000	\$14,290,000
Debt Capacity after transfers	\$ 16,470	\$ (105,688)	\$ (245,981)	\$ (1,663,506)	\$ (125,520)	\$ (54,907)	\$ 74,247	\$ 181,833	\$ 380,114
Gallons of water sold (000)	783,613	791,072	775,137	702,469	800,000	800,000	800,000	800,000	800,000
Quarterly residential gallons (avg)	15,021	14,996	14,820	-	-	-	-	-	-
Quarterly multi-family gallons (avg)	9,340	9,270	8,087	-	-	-	-	-	-

Sewer Fund Operations

The Sewer Fund accounts for the collection and treatment of wastewater (sewage) from homes and businesses throughout the City. Sewage is routed or pumped into facilities owned and operated by Metropolitan Council Environmental Services. Because sewage treatment costs are more than half of operating costs, rates are designed to charge high volume customers more because they contribute more flow to the system.

Impacts

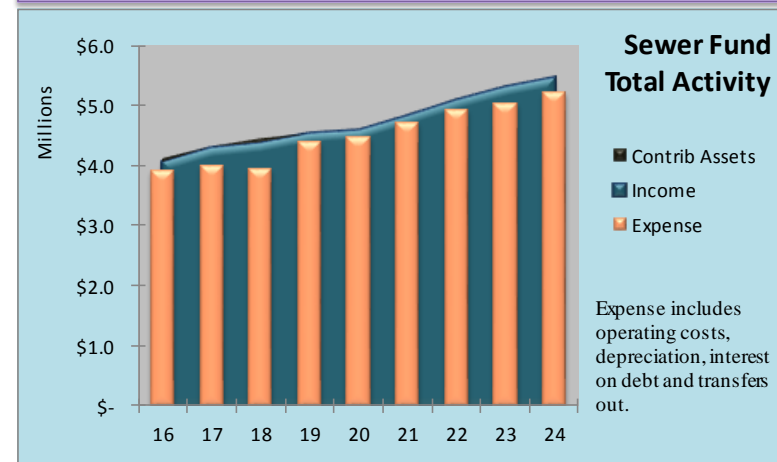
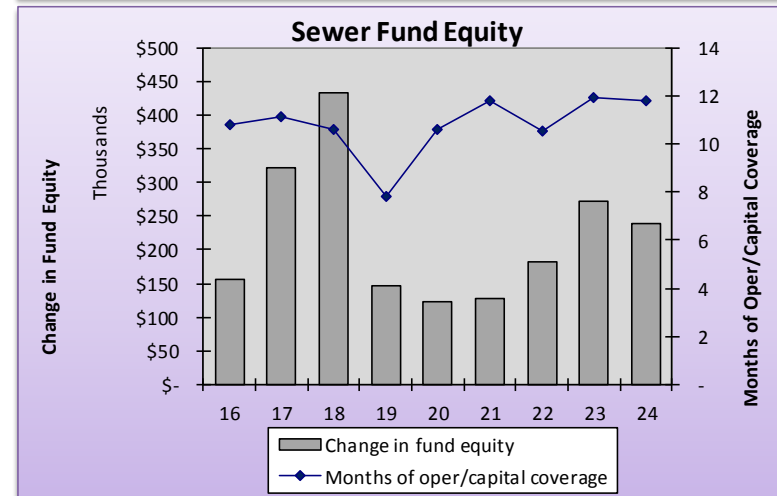
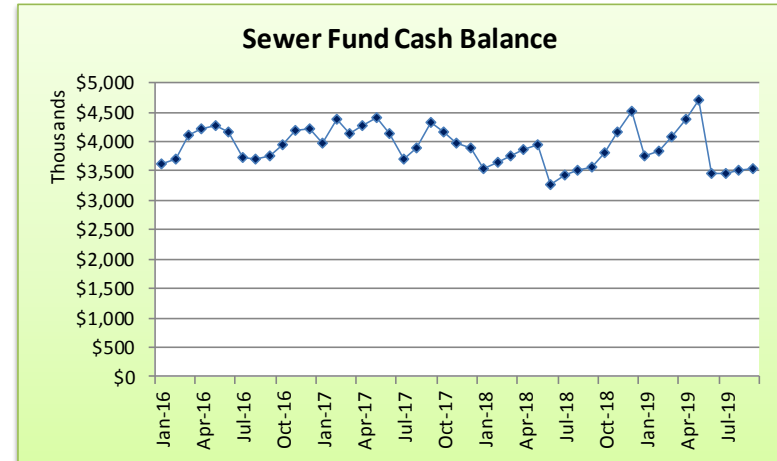
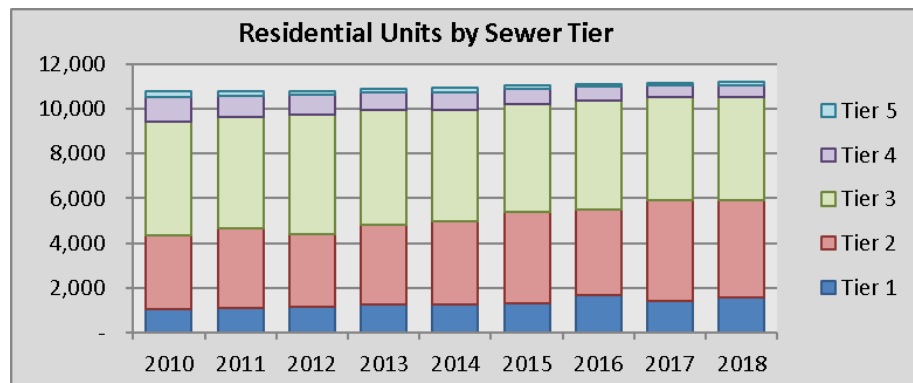
- Residential sewer bills are based on winter water consumption
- Average winter household consumption has dropped an average of 2% per year from 2010 to 2019 (likely influenced by the installation of water saving appliances)
- Inflow and infiltration elimination projects allow the City to avoid an annual sewage treatment surcharge
- Contributions for maintenance center debt payments began in 2011

Performance/History

- Operating coverage equal to 8 to 11 months
- Stable cash balances (apart from spending down of bond proceeds)
- Operating income in all of the last 3 years
- Increase in overall net assets in all of the last 3 years

Fund Goals/Targets

- Preserve 6 months operating and capital coverage



Sewer Fund	2016	2017	2018	2019	2020	2021	2022	2023	2024
	Actual	Actual	Actual	Estimate	Budget	Budget	Projected	Projected	Projected
Revenue									
Special Assessments	\$ 8,195	\$ 1,858	\$ 2,757	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Charges for Services	1,193	7,877	1,143	6,900	1,500	1,600	1,600	1,600	1,600
Utility Charges	3,957,146	4,094,163	4,261,163	4,488,000	4,560,000	4,800,000	5,071,000	5,273,000	5,431,000
Late Fees/Utility Charges	68,978	74,548	71,603	-	-	-	-	-	-
Sewer Facility Charges	11,099	99,054	7,741	20,000	5,000	5,000	5,000	5,000	5,000
Other Charges	7,952	2,837	2,317	2,500	2,500	2,500	2,500	2,500	2,500
Total Revenue	4,054,563	4,280,337	4,346,724	4,517,400	4,569,000	4,809,100	5,080,100	5,282,100	5,440,100
Expense									
Enterprise Operations	3,328,440	3,403,098	3,377,484	3,790,038	3,862,722	4,019,300	4,194,035	4,329,119	4,518,271
Depreciation	330,973	327,164	321,544	339,000	350,000	357,000	358,000	343,000	336,000
Total Expense	3,659,413	3,730,262	3,699,028	4,129,038	4,212,722	4,376,300	4,552,035	4,672,119	4,854,271
Operating Income (Loss)	395,150	550,075	647,696	388,362	356,278	432,800	528,065	609,981	585,829
Other Sources (Uses)									
Interest Earnings	28,417	43,781	53,345	33,000	35,000	35,000	35,000	35,000	35,000
Contributed Capital Assets	64,625	156	72,838	-	-	-	-	-	-
Debt Service	(84,653)	(76,310)	(78,027)	(71,890)	(61,239)	(132,903)	(168,521)	(154,210)	(157,816)
Transfers Out	(183,000)	(195,625)	(191,000)	(203,000)	(206,000)	(208,000)	(213,000)	(218,000)	(223,000)
Net Change	220,539	322,077	504,852	146,472	124,039	126,897	181,544	272,771	240,013
Fund Equity, beginning	7,844,544	8,065,083	8,387,160	8,892,012	9,038,484	9,162,523	9,289,420	9,470,964	9,743,735
Change in Accounting Policy	-	-	-	-	-	-	-	-	-
Fund Equity, ending	\$ 8,065,083	\$ 8,387,160	\$ 8,892,012	\$ 9,038,484	\$ 9,162,523	\$ 9,289,420	\$ 9,470,964	\$ 9,743,735	\$ 9,983,748
Months of operating coverage	10.8	11.1	10.6	7.8	10.6	11.8	10.5	11.9	11.8
Cash balance	\$ 4,214,811	\$ 3,881,550	\$ 4,524,183	\$ 2,958,031	\$ 4,237,670	\$ 5,051,567	\$ 4,606,111	\$ 5,381,882	\$ 5,492,895
Capital costs	\$ 543,739	\$ 491,429	\$ 254,130	\$ 1,527,000	\$ 1,389,400	\$ 750,000	\$ 555,000	\$ -	\$ 50,000
Unspent bond proceeds	\$ 583,226	\$ 143,692	\$ 361,819	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
General transfer percent of assets	0.93%	0.92%	0.93%	0.92%	0.85%	0.84%	0.84%	0.87%	0.89%
Rate Increase (middle tier)	3.0%	3.0%	3.0%	3.0%	2.0%	5.0%	5.0%	4.0%	3.0%
Change in utility charge revenue	2.5%	3.5%	4.1%	5.3%	1.6%	5.3%	5.6%	4.0%	3.0%
Debt issued	\$ 230,000	\$ -	\$ 590,000	\$ -	\$ 2,480,000	\$ 1,370,000	\$ -	\$ 580,000	\$ -
Debt payments (principal)	\$ 175,000	\$ 230,000	\$ 250,000	\$ 525,000	\$ 285,000	\$ 290,000	\$ 430,000	\$ 420,000	\$ 415,000
Debt balance (year end)	\$ 3,190,000	\$ 2,960,000	\$ 3,300,000	\$ 2,775,000	\$ 4,970,000	\$ 6,050,000	\$ 5,620,000	\$ 5,780,000	\$ 5,365,000
Debt Capacity after transfers	\$ 311,887	\$ 419,085	\$ 503,558	\$ (39,528)	\$ 189,039	\$ 193,897	\$ 109,544	\$ 195,771	\$ 161,013
Commercial gallons (000)	81,224	90,953	90,498	-	86,500	86,500	86,500	86,500	86,500
Winter gallons-residential (avg)	-	-	-	-	-	-	-	-	-
Winter gallons-multi-family (avg)	-	-	-	-	-	-	-	-	-

Surface Water Management Fund Operations

The Surface Water Management Fund accounts for the City's storm sewers and surface water ponds. The storm system collects and directs surface water runoff and provides protections for ground water quality.

Impacts

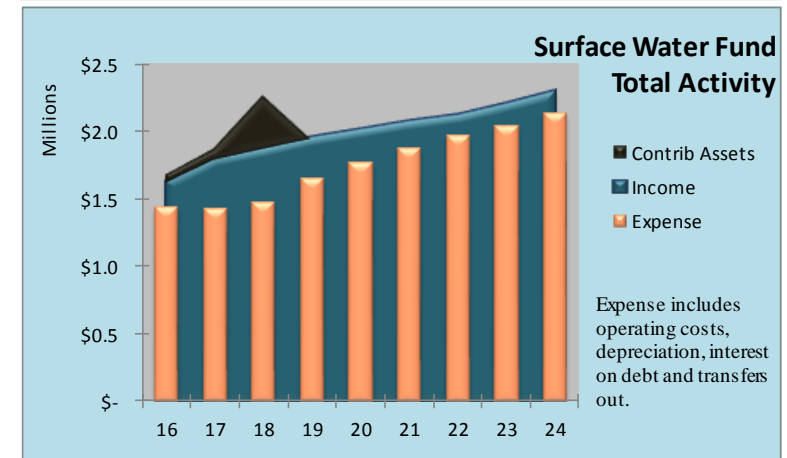
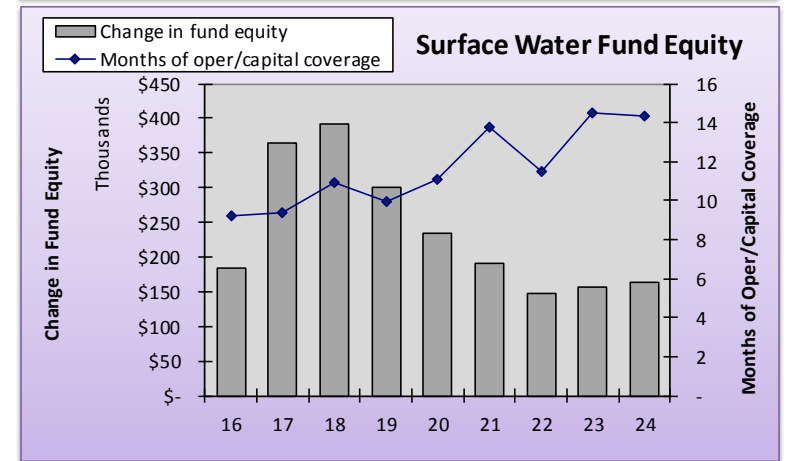
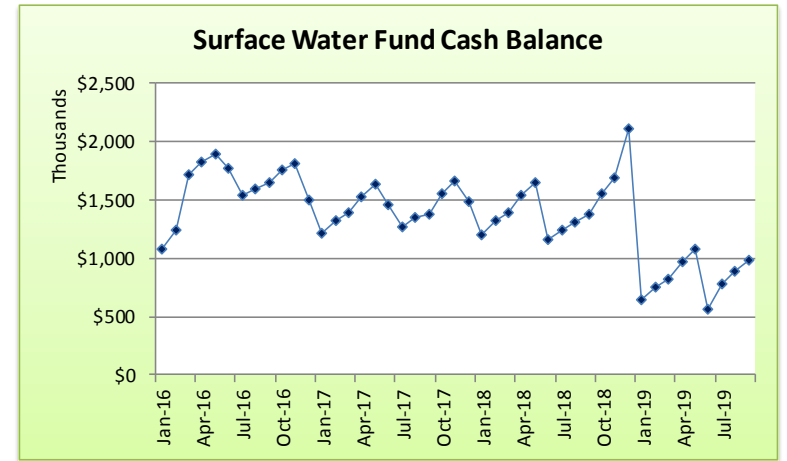
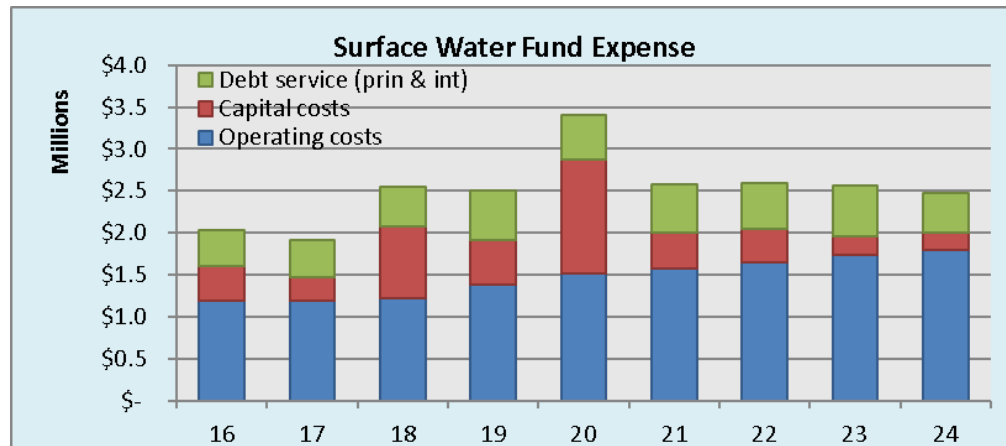
- Contributions for maintenance center debt payments began in 2011

Performance/History

- Operating coverage equal to 9 to 11 months
- Stable cash balances
- Operating increase in each of the last 3 years
- Increase in overall net assets in each of the last 3 years

Fund Goals/Targets

- Establish and preserve 6 months operating and capital coverage (excluding timing differences for project costs and debt issuance)
- Expected operating gain in each of the next 5 years
- Monitor cash and equity balances closely
- Increase rates to reestablish operating/capital coverage within 4 years



Surface Water Fund	2016 Actual	2017 Actual	2018 Actual	2019 Estimate	2020 Budget	2021 Budget	2022 Projected	2023 Projected	2024 Projected
Revenue									
Special Assessments	\$ 2,016	\$ 486	\$ 769	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Utility Charges	1,548,143	1,710,058	1,785,526	1,902,000	1,950,000	2,010,000	2,080,000	2,170,000	2,260,000
Late Fees/Utility Charges	24,407	30,712	26,946	-	-	-	-	-	-
Snail Lake Augmentation Chgs	33,982	35,363	33,933	35,800	44,500	44,500	17,800	18,700	19,000
Other Charges	9,520	5,730	8,700	8,000	8,000	8,000	8,500	8,500	8,500
Total Revenue	1,618,068	1,782,349	1,855,874	1,945,800	2,002,500	2,062,500	2,106,300	2,197,200	2,287,500
Expense									
Enterprise Operations	922,576	903,944	930,275	1,069,591	1,191,515	1,224,428	1,259,687	1,328,004	1,390,047
Depreciation	272,829	283,009	293,046	308,000	327,000	353,000	385,000	403,000	409,000
Total Expense	1,195,405	1,186,953	1,223,321	1,377,591	1,518,515	1,577,428	1,644,687	1,731,004	1,799,047
Operating Income (Loss)	422,663	595,396	632,553	568,209	483,985	485,072	461,613	466,196	488,453
Other Sources (Uses)									
Interest Earnings	11,465	16,739	20,966	11,000	12,000	12,000	12,000	12,000	12,000
Contributed Capital Assets	61,456	80,825	395,249	-	-	-	-	-	-
Debt Service	(91,952)	(79,194)	(84,665)	(93,604)	(75,871)	(114,300)	(129,309)	(119,756)	(130,573)
Transfers Out	(159,000)	(168,000)	(176,000)	(186,000)	(186,000)	(191,000)	(196,000)	(201,000)	(206,000)
Net Change	244,632	445,766	788,103	299,605	234,114	191,772	148,304	157,440	163,880
Fund Equity, beginning	8,974,652	9,219,284	9,665,050	10,453,153	10,752,758	10,986,872	11,178,644	11,326,948	11,484,388
Fund Equity, ending	\$9,219,284	\$9,665,050	\$10,453,153	\$10,752,758	\$10,986,872	\$11,178,644	\$11,326,948	\$11,484,388	\$11,648,268
Months of oper/capital coverage	9.2	9.4	11.0	9.9	11.1	13.8	11.5	14.5	14.3
Cash balance	\$1,496,556	\$1,489,840	\$2,113,119	\$1,689,439	\$1,996,593	\$2,529,045	\$2,237,349	\$2,747,789	\$2,780,669
Capital costs	\$403,648	\$291,308	\$858,867	\$531,585	\$1,358,960	\$422,320	\$400,000	\$230,000	\$200,000
Unspent bond proceeds	\$251,764	\$170,415	\$316,898	\$-	\$-	\$-	\$-	\$-	\$-
General transfer percent of assets	0.90%	0.94%	0.93%	0.96%	0.82%	0.83%	0.83%	0.85%	0.86%
Rate Increase	10.0%	10.0%	5.0%	5.0%	3.5%	3.0%	3.5%	4.0%	4.0%
Change in utility charge revenue	10.2%	10.5%	4.4%	6.5%	2.5%	3.1%	3.5%	4.3%	4.1%
Debt issued	\$380,000	\$-	\$1,120,000	\$-	\$1,550,000	\$880,000	\$-	\$660,000	\$-
Debt payments (principal)	\$335,000	\$360,000	\$380,000	\$495,000	\$445,000	\$470,000	\$425,000	\$480,000	\$340,000
Debt balance (year end)	\$3,390,000	\$3,030,000	\$3,770,000	\$3,275,000	\$4,380,000	\$4,790,000	\$4,365,000	\$4,545,000	\$4,205,000
Debt Capacity after transfers	\$121,005	\$287,950	\$305,900	\$112,605	\$116,114	\$74,772	\$108,304	\$80,440	\$232,880

Street Lighting Fund Operations

The Street Lighting Fund accounts for street light operations in support of safe vehicle and pedestrian traffic throughout the community. The system includes lights owned by Xcel Energy and the City.

Impacts

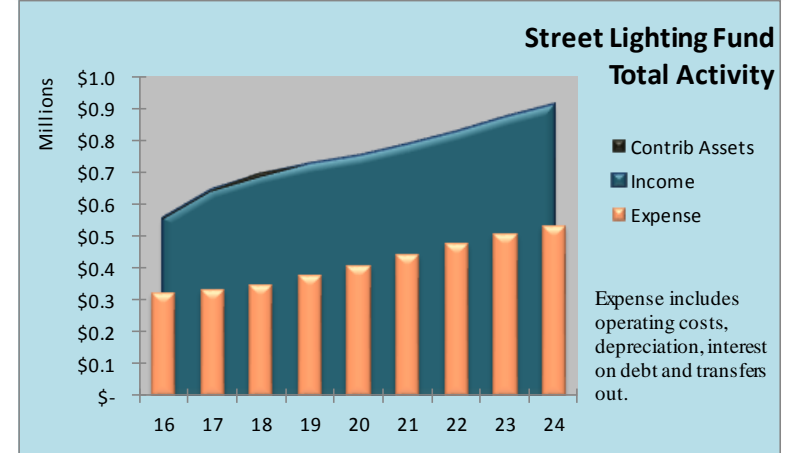
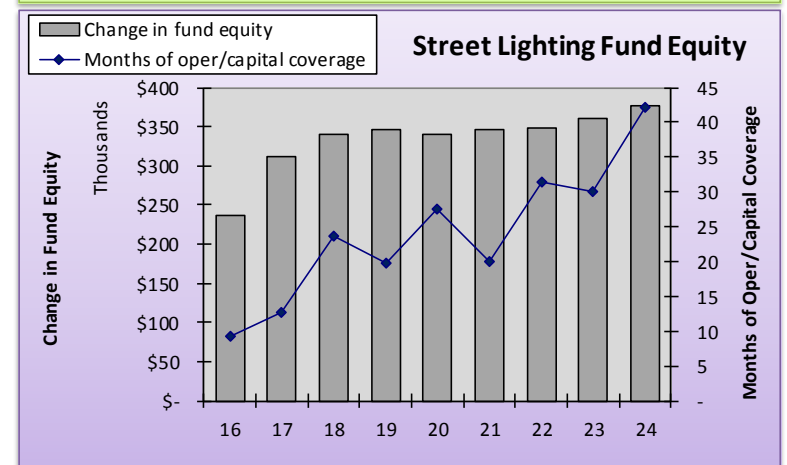
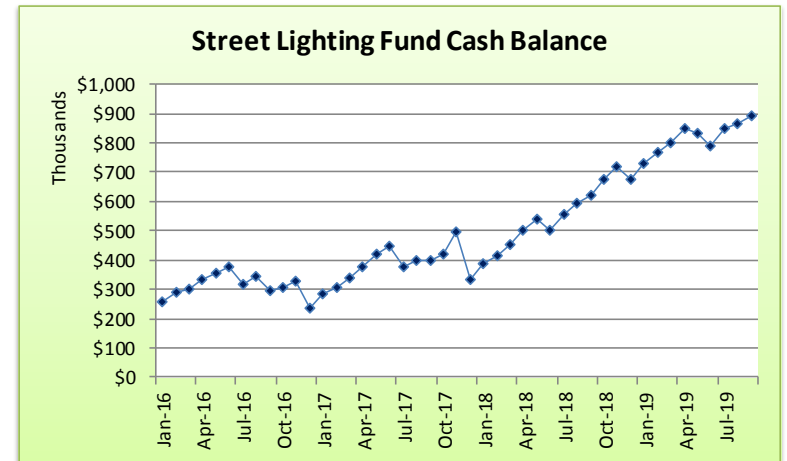
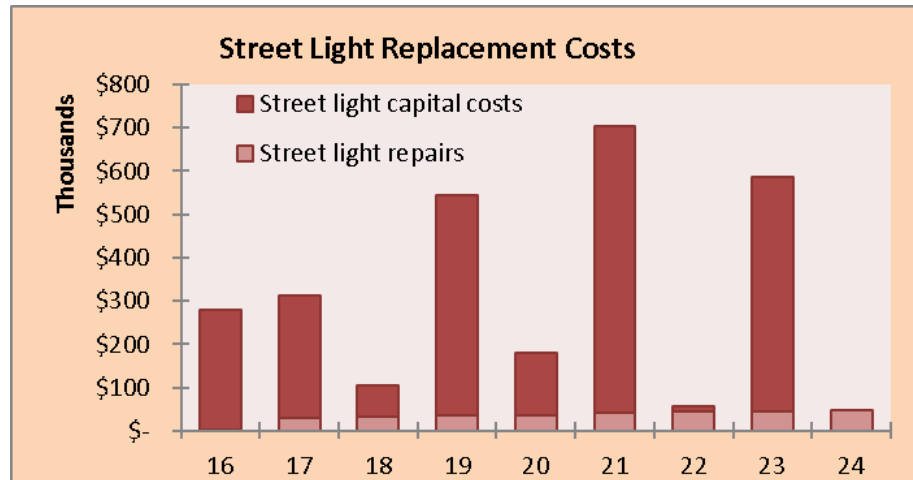
- Street light repair and replacement costs place increasing demands on street light fees, largely due to the scheduled replacement of about 64 street lights in every odd numbered year
- Contributions for maintenance center debt repayment began in 2011

Performance/History

- Fund was created in 2004
- Operating coverage equal to 7 to 8 months
- Operating gain and an increase in net assets in each of the last 3 years

Fund Goals/Targets

- Maintain 6 months operating and capital coverage
- Expected operating and overall gain in each of the next 5 years, which is needed to offset anticipated capital costs (street light replacements)



Street Lighting Fund	2016	2017	2018	2019	2020	2021	2022	2023	2024
	Actual	Actual	Actual	Estimate	Budget	Budget	Projected	Projected	Projected
Revenue									
Special Assessments	\$ 875	\$ 173	\$ 295	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Utility Charges	545,501	629,216	670,370	723,000	747,000	784,000	824,000	865,000	908,000
Late Fees/Utility Charges	9,328	11,487	10,963	-	-	-	-	-	-
Total Revenue	555,704	640,876	681,628	723,000	747,000	784,000	824,000	865,000	908,000
Expense									
Enterprise Operations	226,275	226,488	233,292	245,513	264,814	277,249	288,741	295,120	300,633
Miscellaneous	260	-	-	-	-	-	-	-	-
Depreciation	70,079	78,678	84,306	96,000	107,000	122,000	142,000	160,000	171,000
Total Expense	296,614	305,166	317,598	341,513	371,814	399,249	430,741	455,120	471,633
Operating Income (Loss)	259,090	335,710	364,030	381,487	375,186	384,751	393,259	409,880	436,367
Other Sources (Uses)									
Interest Earnings	2,179	4,314	7,730	2,900	3,000	3,100	3,100	3,100	3,300
Contributed Capital Assets	4,000	2,000	15,000	-	-	-	-	-	-
Transfers Out	(25,400)	(28,400)	(32,400)	(37,400)	(37,400)	(42,400)	(47,400)	(52,400)	(62,400)
Net Change	239,869	313,624	354,360	346,987	340,786	345,451	348,959	360,580	377,267
Fund Equity, beginning	1,598,216	1,838,085	2,151,709	2,506,069	2,853,056	3,193,842	3,539,293	3,888,252	4,248,832
Fund Equity, ending	\$ 1,838,085	\$ 2,151,709	\$ 2,506,069	\$ 2,853,056	\$ 3,193,842	\$ 3,539,293	\$ 3,888,252	\$ 4,248,832	\$ 4,626,099
Months of oper/capital coverage	9.2	12.7	23.7	19.7	27.4	20.0	31.5	29.9	42.0
Cash balance	\$ 233,695	\$ 334,851	\$ 675,652	\$ 609,289	\$ 912,075	\$ 716,376	\$ 1,195,335	\$ 1,176,775	\$ 1,725,042
Capital costs	\$ 278,063	\$ 284,802	\$ 72,590	\$ 508,450	\$ 145,000	\$ 663,150	\$ 12,000	\$ 539,140	\$ -
General transfer percent of assets	0.87%	0.90%	1.01%	1.00%	0.91%	0.89%	0.99%	0.98%	1.18%
Rate Increase	6.0%	15.0%	6.0%	5.0%	3.0%	5.0%	5.0%	5.0%	5.0%

Central Garage Fund Operations

The Central Garage Fund accounts for the operation, replacement and maintenance of the central garage facility (maintenance center) and all equipment. City services supported by the facility pay inter-fund charges that are designed to recover operating costs and provide for future replacements.

Impacts

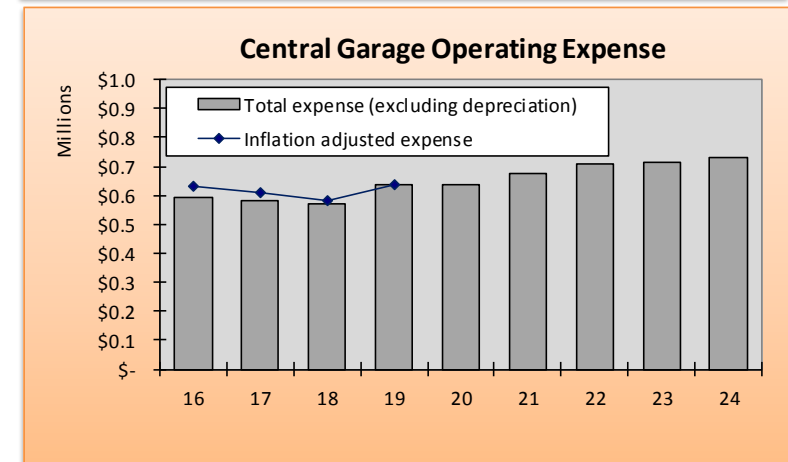
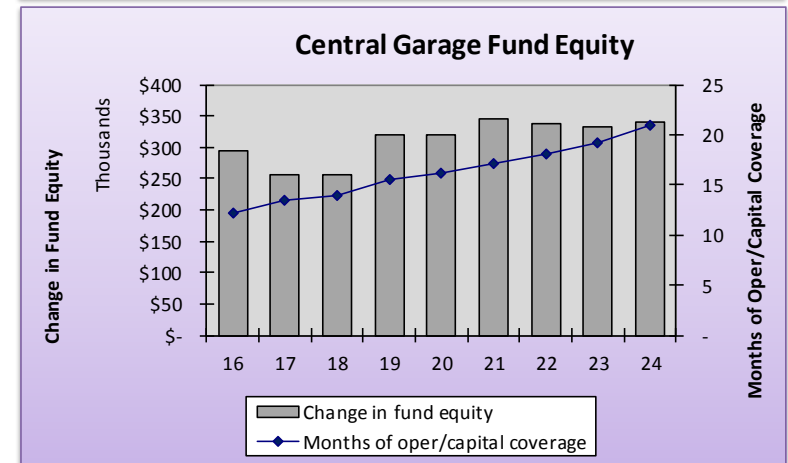
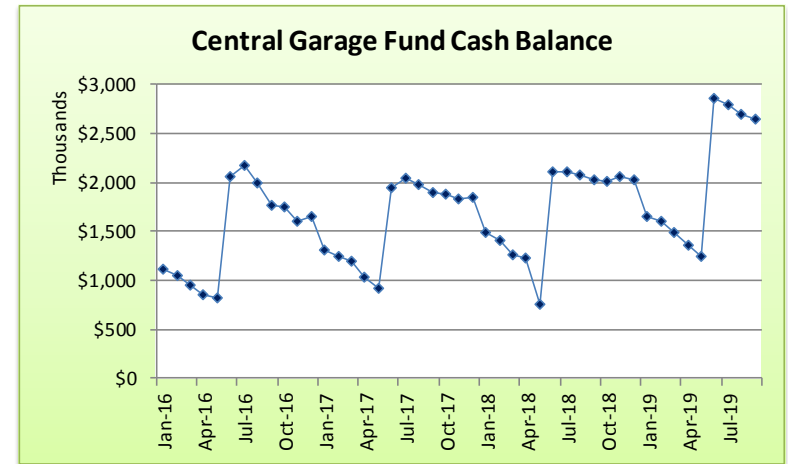
- Capital costs place increasing demands on inter-fund charges
- Fuel costs are expected to rise an average of 4% per year
- Maintenance center debt refunded in 2014, resulted in a present value debt service savings of \$309,777
- Debt payments for maintenance center debt began in 2011

Performance/History

- Operating coverage equal to 12 to 14 months
- Temporary periods of cash decline due to the timing of inter-fund charges and capital costs
- Overall gain in each of the last 3 years

Fund Goals/Targets

- Preserve 6 to 12 months of operating and capital coverage
- Maintain inter-fund charges sufficient to generate an overall gain in each of the next 5 years
- Maintain sufficient cash balance to support debt payments



Central Garage Fund	2016	2017	2018	2019	2020	2021	2022	2023	2024
	Actual	Actual	Actual	Estimate	Budget	Budget	Projected	Projected	Projected
Revenue									
Central Garage Charges	\$ 1,285,231	\$ 1,221,287	\$ 1,299,202	\$ 1,380,000	\$ 1,451,000	\$ 1,495,000	\$ 1,540,000	\$ 1,586,000	\$ 1,633,000
Total Revenue	1,285,231	1,221,287	1,299,202	1,380,000	1,451,000	1,495,000	1,540,000	1,586,000	1,633,000
Expense									
Central Garage Operations	592,227	583,214	573,386	636,437	635,619	678,304	706,603	717,058	733,547
Depreciation	653,573	682,114	711,315	721,000	740,000	760,000	786,000	813,000	836,000
Total Expense	1,245,800	1,265,328	1,284,701	1,357,437	1,375,619	1,438,304	1,492,603	1,530,058	1,569,547
Operating Income (Loss)	39,431	(44,041)	14,501	22,563	75,381	56,696	47,397	55,942	63,453
Other Sources (Uses)									
Property Taxes	184,217	182,211	181,562	184,000	184,000	184,000	184,000	184,000	184,000
Interest Earnings	10,661	17,640	23,533	15,000	16,000	17,000	17,500	18,000	18,500
Other Revenues	7,474	2,655	4,150	-	-	-	-	-	-
Sale of Asset-Gain (Loss)	43,147	91,798	14,901	73,600	10,700	43,700	34,500	19,000	9,000
Contributed Capital Assets	733	-	-	-	-	-	-	-	-
Intergovernmental	-	52	946	-	-	-	-	-	-
Debt Service	(110,532)	(108,501)	(100,022)	(94,644)	(83,375)	(74,394)	(65,118)	(57,744)	(53,190)
Transfers In	119,400	119,400	119,400	119,400	119,400	119,400	119,400	119,400	119,400
Transfers Out	(573)	(4,304)	(1,771)	-	(3,000)	-	-	(5,000)	-
Net Change	293,958	256,910	257,200	319,919	319,106	346,402	337,679	333,598	341,163
Fund Equity, beginning	4,493,970	4,787,928	5,044,838	5,302,038	5,621,957	5,941,063	6,287,465	6,625,144	6,958,742
Fund Equity, ending	\$ 4,787,928	\$ 5,044,838	\$ 5,302,038	\$ 5,621,957	\$ 5,941,063	\$ 6,287,465	\$ 6,625,144	\$ 6,958,742	\$ 7,299,905
Months of oper/cap coverage	12.1	13.4	14.0	15.5	16.2	17.0	18.1	19.2	20.9
Cash balance	\$ 1,648,976	\$ 1,848,828	\$ 2,020,109	\$ 2,254,471	\$ 2,441,877	\$ 2,653,579	\$ 2,883,758	\$ 3,116,356	\$ 3,414,019
Capital costs	\$ 519,272	\$ 502,443	\$ 630,721	\$ 537,015	\$ 631,500	\$ 597,000	\$ 588,000	\$ 600,000	\$ 579,000
Expense percent change	1.0%	1.6%	1.5%	5.7%	1.3%	4.6%	3.8%	2.5%	2.6%
Average annual percent change				2.4%					3.0%
Interfund charges percent change	1.7%	-5.0%	6.4%	6.2%	5.1%	3.0%	3.0%	3.0%	3.0%
Average annual percent change				2.3%					3.4%
Debt issued	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Debt payments (principal)	\$ 220,000	\$ 260,000	\$ 270,000	\$ 280,000	\$ 285,000	\$ 300,000	\$ 310,000	\$ 320,000	\$ 325,000
Debt balance (year end)	\$ 4,450,000	\$ 4,190,000	\$ 3,920,000	\$ 3,640,000	\$ 3,355,000	\$ 3,055,000	\$ 2,745,000	\$ 2,425,000	\$ 2,100,000

Short-term Disability Fund Operations

The Short-term Disability Fund accounts for premiums received and losses incurred in providing short-term disability insurance benefits to regular employees on a self-insured basis. Monthly premiums are paid by employees through payroll deduction.

Impacts

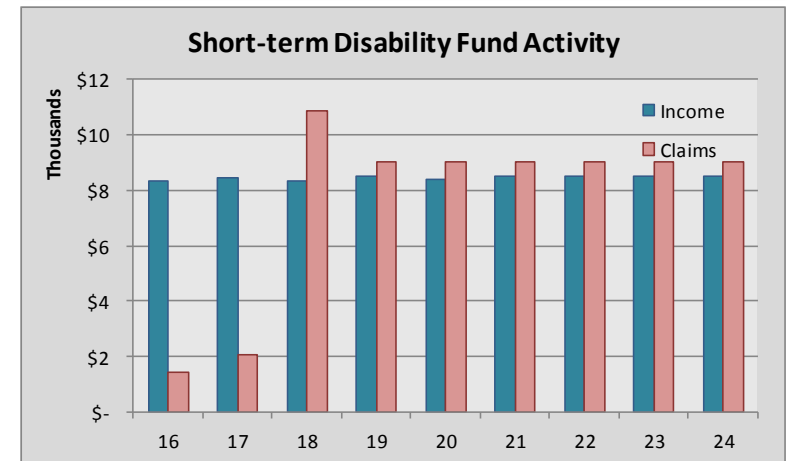
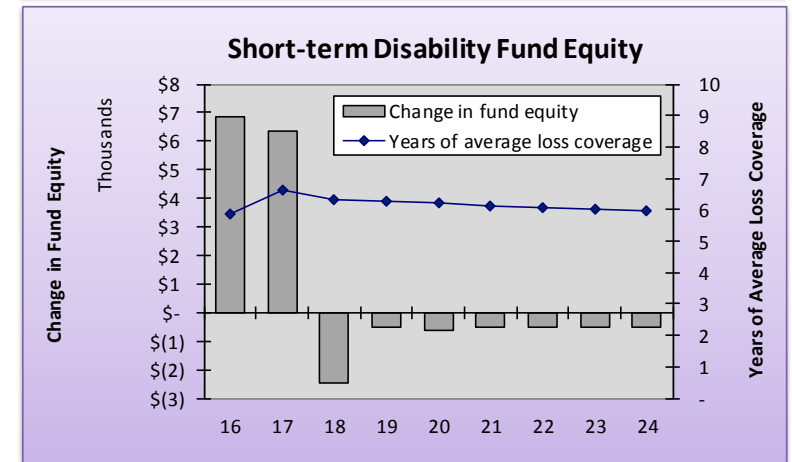
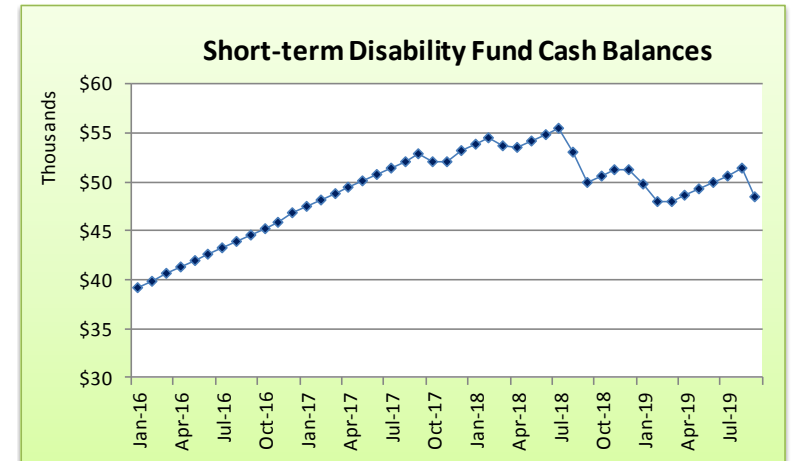
- Losses vary greatly between fiscal years, due to the number and length of employee absences resulting from temporary disabilities
- Monthly premiums have remained at \$8 per employee per month since 1999

Performance/History

- Net assets provide approximately 5 years of average loss coverage
- Premiums and fund balances have been sufficient to offset historical losses

Fund Goals/Targets

- Monitor and evaluate claims and net asset balances for potential premium adjustments (reductions or increases) in the future
- Preserve a minimum of 3 to 4 years average loss coverage



Short-term Disability Fund	2016	2017	2018	2019	2020	2021	2022	2023	2024
	Actual	Actual	Actual	Estimate	Budget	Budget	Projected	Projected	Projected
Revenue									
Charges for Services	\$ 7,992	\$ 7,842	\$ 7,584	\$ 7,900	\$ 7,900	\$ 7,900	\$ 7,900	\$ 7,900	\$ 7,900
Interest Earnings	310	572	744	600	500	600	600	600	600
Total Revenue	8,302	8,414	8,328	8,500	8,400	8,500	8,500	8,500	8,500
Expense									
Miscellaneous									
Personal Services (claims)	1,461	2,079	10,824	9,000	9,000	9,000	9,000	9,000	9,000
Total Expense	1,461	2,079	10,824	9,000	9,000	9,000	9,000	9,000	9,000
Net Change	6,841	6,335	(2,496)	(500)	(600)	(500)	(500)	(500)	(500)
Fund Equity, beginning	40,020	46,861	53,196	50,700	50,200	49,600	49,100	48,600	48,100
Fund Equity, ending	\$ 46,861	\$ 53,196	\$ 50,700	\$ 50,200	\$ 49,600	\$ 49,100	\$ 48,600	\$ 48,100	\$ 47,600
Years of average loss coverage [1]	5.9	6.6	6.3	6.3	6.2	6.1	6.1	6.0	5.9
[1] Using inflation adjusted average annual claims									
Monthly premium	\$ 8.00	\$ 8.00	\$ 8.00	\$ 8.00	\$ 8.00	\$ 8.00	\$ 8.00	\$ 8.00	\$ 8.00
Participants (annual average)	83.3	81.7	79.0	82.3	82.3	82.3	82.3	82.3	82.3

Liability Claims Fund Operations

The Liability Claims Fund accounts for losses not covered by insurance deductibles. Dividends received annually from the League of Minnesota Cities Insurance Trust are deposited into this fund to cover future losses.

Impacts

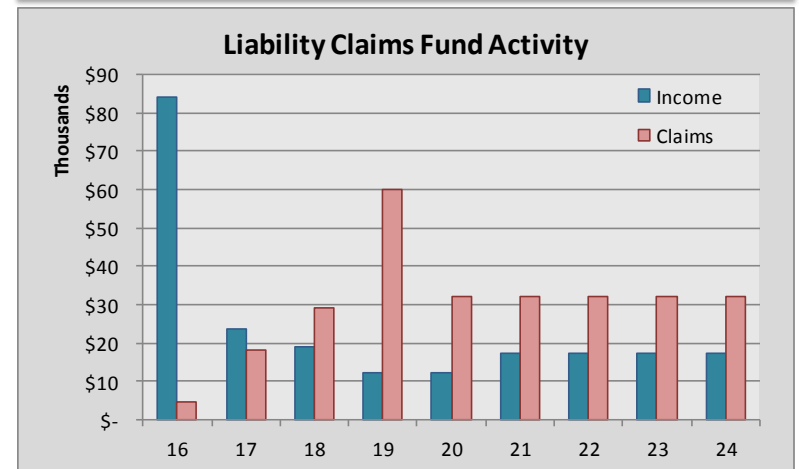
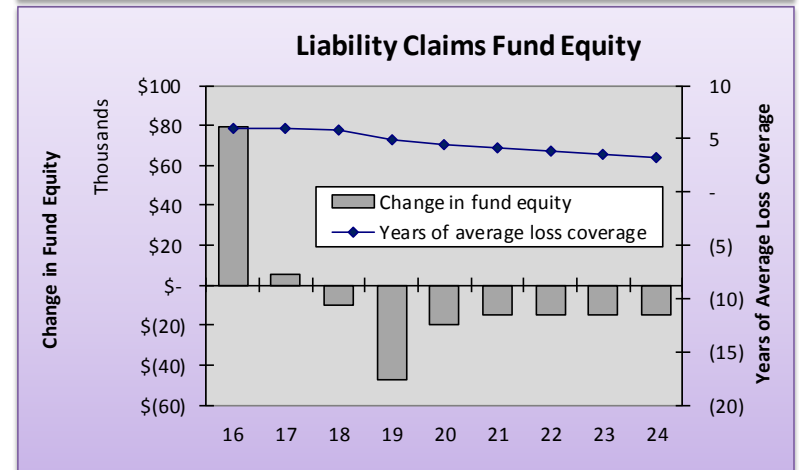
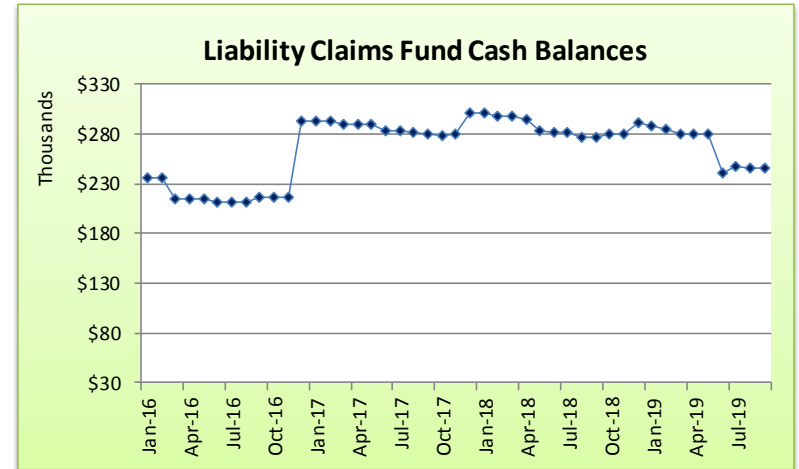
- Losses from internal and outside claims vary between fiscal years due to the number and type of claims

Performance/History

- Higher than normal losses and deductible recovery in 2014 due to the Community Center fire
- Insurance claims surcharge assessed to operating funds in 2009 to restore fund equity
- Net assets provide 4 to 5 years of average annual loss coverage

Fund Goals/Targets

- Monitor and evaluate claims and net asset balances for periodic claims surcharge
- Preserve a minimum of 2 years average annual loss coverage



Liability Claims Fund	2016	2017	2018	2019	2020	2021	2022	2023	2024
	Actual	Actual	Actual	Estimate	Budget	Budget	Projected	Projected	Projected
Revenue									
Interest Earnings	\$ 1,623	\$ 3,225	\$ 4,022	\$ 2,400	\$ 2,400	\$ 2,400	\$ 2,400	\$ 2,400	\$ 2,400
Other Revenues	82,549	20,309	15,182	10,000	10,000	15,000	15,000	15,000	15,000
Total Revenue	84,172	23,534	19,204	12,400	12,400	17,400	17,400	17,400	17,400
Expense									
Miscellaneous	4,726	18,108	29,205	60,000	32,000	32,000	32,000	32,000	32,000
Total Expense	4,726	18,108	29,205	60,000	32,000	32,000	32,000	32,000	32,000
Net Change	79,446	5,426	(10,001)	(47,600)	(19,600)	(14,600)	(14,600)	(14,600)	(14,600)
Fund Equity, beginning	212,846	292,292	297,718	287,717	240,117	220,517	205,917	191,317	176,717
Fund Equity, ending	\$ 292,292	\$ 297,718	\$ 287,717	\$ 240,117	\$ 220,517	\$ 205,917	\$ 191,317	\$ 176,717	\$ 162,117
Years of average loss coverage [1]	5.9	6.0	5.8	4.9	4.5	4.2	3.9	3.6	3.3
[1] Using inflation adjusted average annual claims									

Index

Topic	Page Number
Executive Summary	2-13
Levy, value and tax rate projections	4-5
Debt projections	6-11
Summary of Working Capital Targets	12
Total Operating Funds	14-15
General Fund	16-17
Recycling Fund	18-19
Community Center Fund	20-21
Recreation Programs Fund	22-23
Cable TV Fund	24-25
Economic Development Authority Fund	26-27
Housing Redevelopment Authority Fund	28-29
Slice of Shoreview Fund	30-31
Combined Debt Service Funds	32-33
Water Fund	34-35
Sewer Fund	36-37
Surface Water Management Fund	38-39
Street Lighting Fund	40-41
Central Garage Fund	42-43
Short-term Disability Fund	44-45
Liability Claims Fund	46-47



City Council

Sandy Martin, Mayor	651-490-4618
smartin@shoreviewmn.gov	
Emy Johnson	763-443-5218
ejohnson@shoreviewmn.gov	
Terry Quigley	651-484-5418
tquigley@shoreviewmn.gov	
Cory Springhorn.....	651-403-3422
cspringhorn@shoreviewmn.gov	
Sue Denkinger	651-490-3166
sdenkinger@shoreviewmn.gov	

City Staff

Terry Schwerm, City Manager.....	651-490-4611
tschwerm@shoreviewmn.gov	
Fred Espe, Finance Director.....	651-490-4622
fespe@shoreviewmn.gov	
Deborah Maloney, Assistant Finance Director	651-490-4621
dmaloney@shoreviewmn.gov	
Tom Simonson, Asst City Mgr/Comm Dev Director	651-490-4612
tsimonson@shoreviewmn.gov	
Mark Maloney, Public Works Director	651-490-4651
mmaloney@shoreviewmn.gov	
Tracy Petersen, Parks and Recreation Director	651-490-4754
tpetersen@shoreviewmn.gov	

Public Safety

Ramsey County Sheriff, non-emergency	651-484-3366
Lake Johanna Fire Dept, non-emergency	651-481-7024