



2021 Community Benchmarks

How does Shoreview compare?

Introduction

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

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

Statistical information is derived from two key sources:

1. League of Minnesota Cities (LMC) publishes a report each fall on City property values, tax levies, tax rates and state aid for the current year. The most recent report provides 2021 data.
2. Minnesota Office of State Auditor (OSA) publishes a report in the spring on final city revenue, spending, debt levels and enterprise activity for two years prior. The most recent OSA report provides 2019 data.

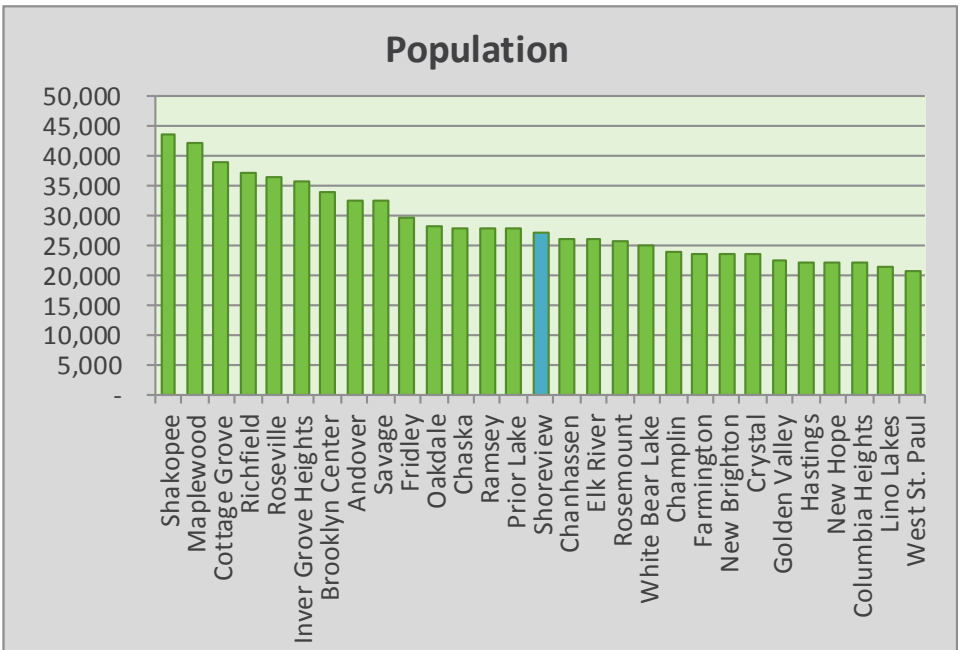
Shoreview uses both sources of information to assemble two sets of data:

1. Comparison cities - to illustrate how Shoreview ranks in relation to metro-area cities with population levels closest to Shoreview by selecting 14 cities larger and 14 cities smaller. These are cities with populations between 21,000 and 44,000.
2. MLC cities - to illustrate how Shoreview ranks in relation to cities belonging to the Municipal Legislative Commission (MLC).

The 19 peer cities represented by the Municipal Legislative Commission (MLC) provide important comparisons because these cities have achieved high quality-of-life rankings from their residents in their respective community surveys, and they are often recognized as having sound financial management. In fact, many of the 19 cities have AAA bond ratings, as does Shoreview.

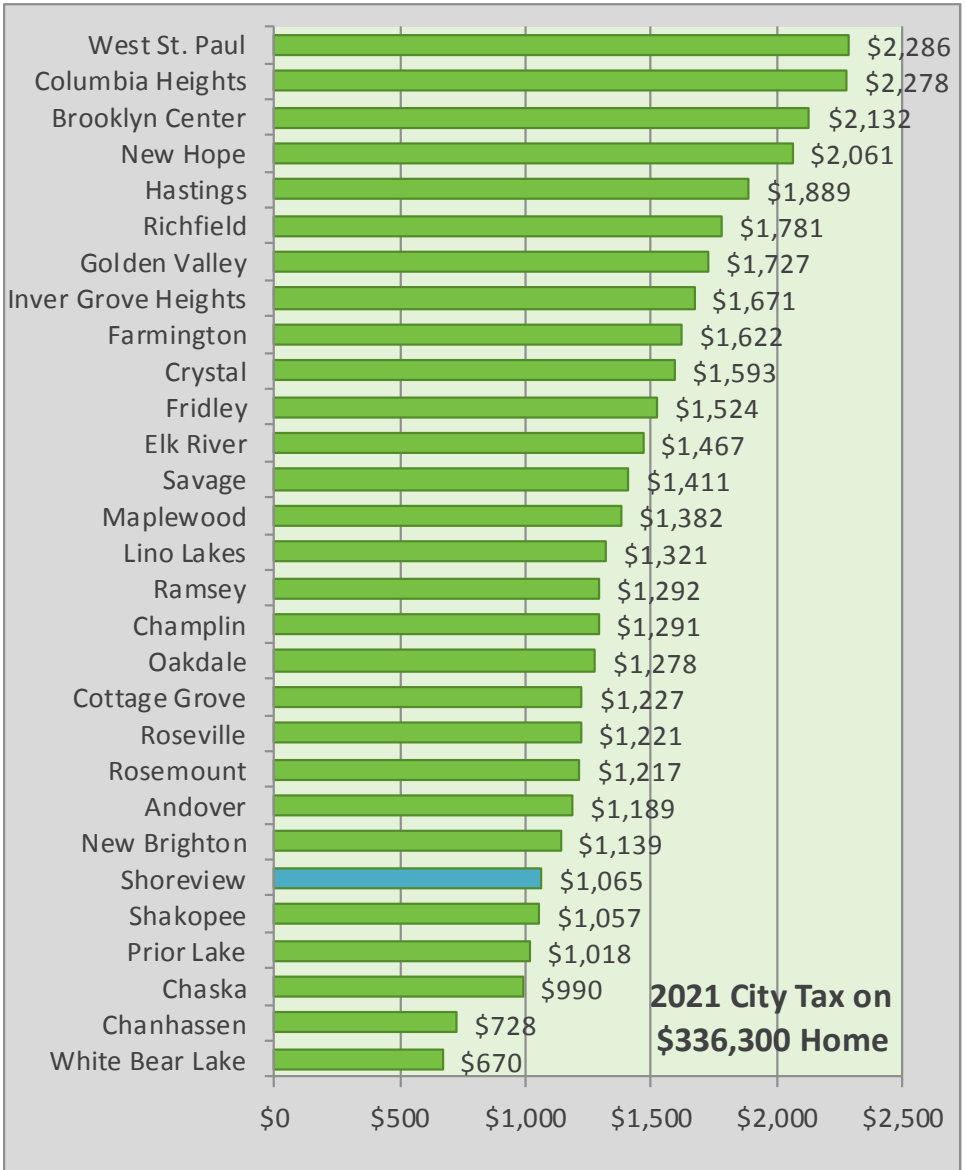
Population

The graph below contains the 2020 population for each of the comparison cities. By design, Shoreview falls exactly in the middle. Shoreview’s population is 5.7% below the average of all comparison cities. A similar graph with population levels for MLC cities is presented on page 13.



City-Share of Property Taxes

The 2021 city-share of property taxes for a \$336,300 home (Shoreview's median value) is illustrated in the graph below. Shoreview ranks 6th lowest at \$1,065, and is about 26% below the average of \$1,432. It should be noted that for property tax purposes, the home value is reduced from \$336,300 to \$329,300 due to the market value exclusion (MVE).



Tax Levy Ranking

Shoreview's tax levy rank has risen 3 positions in the last 10 years in relation to comparison cities. Shoreview ranked 20 in 2011, and has risen 3 position to rank 17 in 2021. Shoreview's tax levy was 23.8% below the average of comparison cities in 2011, compared to 14.5% below the average for 2021.

2011		
Rank	City	Levy
1	Edina	\$ 25,174,000
2	St Louis Park	23,364,067
3	Apple Valley	21,036,001
4	Maplewood	16,785,754
5	Golden Valley	16,410,253
6	Richfield	16,330,772
7	Inver Grove Heigh	15,633,338
8	Savage	15,162,314
9	Shakopee	14,717,436
10	Roseville	13,878,068
11	Brooklyn Center	12,905,748
12	Cottage Grove	12,241,250
13	Hastings	11,263,990
14	Elk River	11,112,447
15	Rosemount	10,818,697
16	Andover	10,717,442
17	Fridley	10,195,151
18	Oakdale	9,980,087
19	Chanhassen	9,772,002
20	Shoreview	9,345,734
21	New Hope	9,229,405
22	Prior Lake	9,008,763
23	Crystal	8,988,830
24	Lino Lakes	8,660,077
25	Ramsey	8,128,869
26	Champlin	7,766,249
27	New Brighton	7,397,958
28	Chaska	4,880,352
29	White Bear Lake	4,665,990
Average		\$ 12,261,070
Shvw to Avg		-23.8%

2021		
Rank	City	Levy
1	Inver Grove Heigh	26,202,594
2	Golden Valley	26,110,787
3	Roseville	24,152,667
4	Richfield	23,986,493
5	Maplewood	23,217,286
6	Shakopee	\$21,017,830
7	Brooklyn Center	20,153,846
8	Savage	19,562,412
9	West St. Paul	17,753,515
10	Cottage Grove	17,586,037
11	New Hope	17,061,619
12	Hastings	15,313,930
13	Fridley	13,901,456
14	Prior Lake	13,711,901
15	Farmington	13,545,973
16	Oakdale	13,533,007
17	Shoreview	13,465,859
18	Rosemount	13,429,584
19	Elk River	13,103,822
20	Crystal	12,837,757
21	Andover	12,806,123
22	Chanhassen	12,066,645
23	Champlin	11,859,320
24	Chaska	11,241,336
25	Ramsey	11,080,534
26	New Brighton	10,608,113
27	Columbia Heights	10,450,999
28	Lino Lakes	9,670,769
29	White Bear Lake	7,369,996
Average		\$15,751,800
Shvw to Avg		-14.5%

State Aid

Shoreview receives no local government aid (LGA) to help support the cost of city services. The table below shows the total LGA received by each comparison city, as well as the amount of LGA per capita. The highest city (on a per capita basis) is Columbia Heights at \$85.20 of LGA per capita. Fourteen of the comparison cities receive at least some LGA.

City	Local Govt Aid (LGA)	LGA Per Capita
Columbia Heights	\$ 1,872,127	\$ 85.20
West St. Paul	\$ 1,508,881	\$ 73.19
Brooklyn Center	\$ 2,283,830	\$ 67.60
Crystal	\$ 1,512,734	\$ 64.84
Fridley	\$ 1,823,221	\$ 61.62
Richfield	\$ 2,001,686	\$ 54.11
White Bear Lake	\$ 1,333,615	\$ 53.60
Hastings	\$ 891,583	\$ 40.24
New Hope	\$ 861,726	\$ 39.19
New Brighton	\$ 755,071	\$ 32.19
Maplewood	\$ 1,242,600	\$ 29.52
Elk River	\$ 443,940	\$ 17.18
Oakdale	\$ 262,721	\$ 9.28
Farmington	\$ 105,587	\$ 4.47
Shakopee	\$ -	\$ -
Cottage Grove	\$ -	\$ -
Roseville	\$ -	\$ -
Inver Grove Heights	\$ -	\$ -
Andover	\$ -	\$ -
Savage	\$ -	\$ -
Chaska	\$ -	\$ -
Ramsey	\$ -	\$ -
Prior Lake	\$ -	\$ -
Chanhassen	\$ -	\$ -
Rosemount	\$ -	\$ -
Champlin	\$ -	\$ -
Golden Valley	\$ -	\$ -
Lino Lakes	\$ -	\$ -
Shoreview	\$ -	\$ -

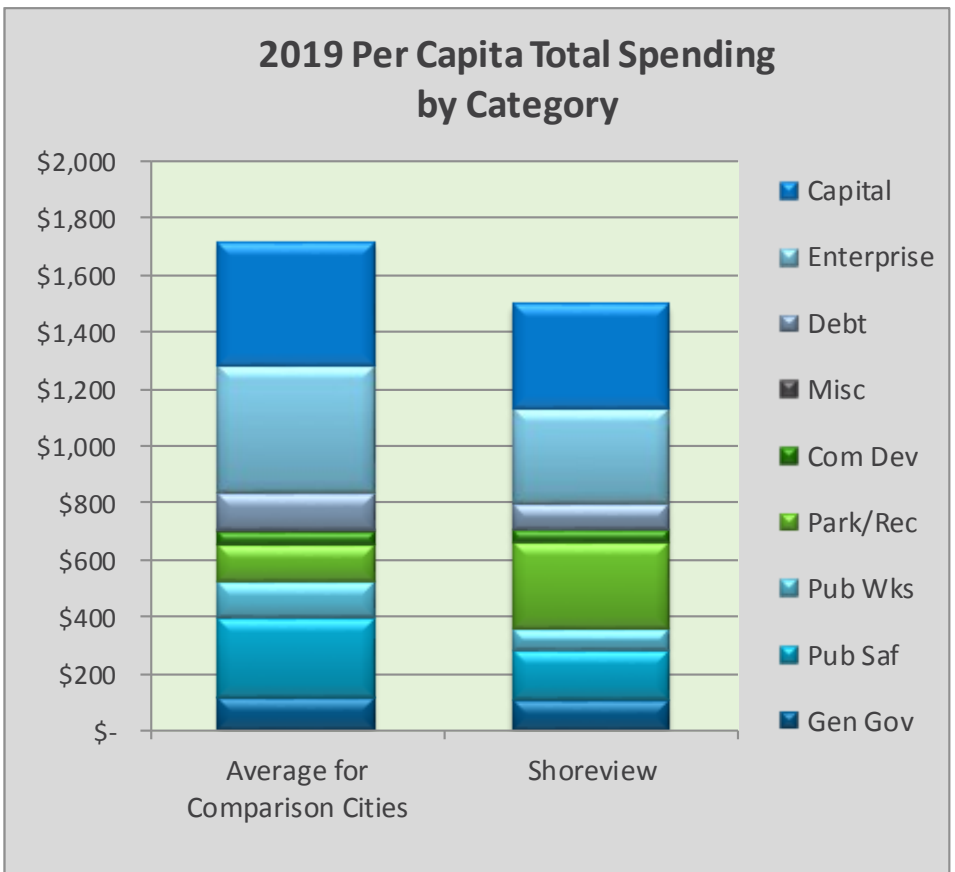
Tax Rates

Tax rates provide a useful comparison because they measure both levies and values (the levy is divided by the taxable value to compute the tax rate). Shoreview's tax rate has remained consistent over the last 10 years, ranking 6th lowest in 2011 and 2021 . For 2021, Shoreview is about 25% below the average tax rate of 43.38%.

2011			2021		
Rank	City	Tax Rate	Rank	City	Tax Rate
1	Brooklyn Center	57.22%	1	West St. Paul	69.43%
2	Richfield	54.98%	2	Columbia Heights	69.18%
3	Golden Valley	53.06%	3	Brooklyn Center	64.74%
4	New Hope	49.22%	4	New Hope	62.60%
5	Savage	48.28%	5	Hastings	57.35%
6	Crystal	47.35%	6	Richfield	54.08%
7	Elk River	45.72%	7	Golden Valley	52.44%
8	Rosemount	44.66%	8	Inver Grove Heigh	50.74%
9	Inver Grove Heigh	43.61%	9	Farmington	49.25%
10	Apple Valley	42.39%	10	Crystal	48.37%
11	Lino Lakes	42.04%	11	Fridley	44.93%
12	St Louis Park	41.46%	12	Elk River	44.56%
13	Ramsey	39.80%	13	Savage	42.25%
14	Champlin	39.21%	14	Maplewood	41.95%
15	Maplewood	39.05%	15	Lino Lakes	40.10%
16	Andover	38.54%	16	Ramsey	39.24%
17	Cottage Grove	38.11%	17	Champlin	39.20%
18	New Brighton	37.88%	18	Oakdale	38.82%
19	Fridley	37.01%	19	Cottage Grove	37.25%
20	Hastings	36.80%	20	Roseville	37.07%
21	Oakdale	35.87%	21	Rosemount	36.95%
22	Shakopee	34.73%	22	Andover	35.67%
23	Prior Lake	30.71%	23	New Brighton	34.59%
24	Shoreview	30.67%	24	Shoreview	32.33%
25	Roseville	29.76%	25	Shakopee	32.10%
26	Edina	24.66%	26	Prior Lake	30.27%
27	Chaska	23.21%	27	Chaska	30.07%
28	Chanhassen	17.73%	28	Chanhassen	22.11%
29	White Bear Lake	11.80%	29	White Bear Lake	20.36%
Average		38.47%	Average		43.38%
Shvw to Avg		-20.3%	Shvw to Avg		-25.5%

Total Spending Per Capita

Data obtained from the OSA each year helps Shoreview compare total spending per capita. The graph below contrasts the average spending per capita in 2019 for comparison cities along side the per capita spending in Shoreview. Shoreview's total 2019 spending is \$1,499 per capita, which is about 13% below the average of \$1,715. It should be noted that Shoreview's operating expenditures per capita (total expenditures less capital expenditures) is \$1,130, which is about 12% below the average of \$1,278.



Spending Per Capita by Activity

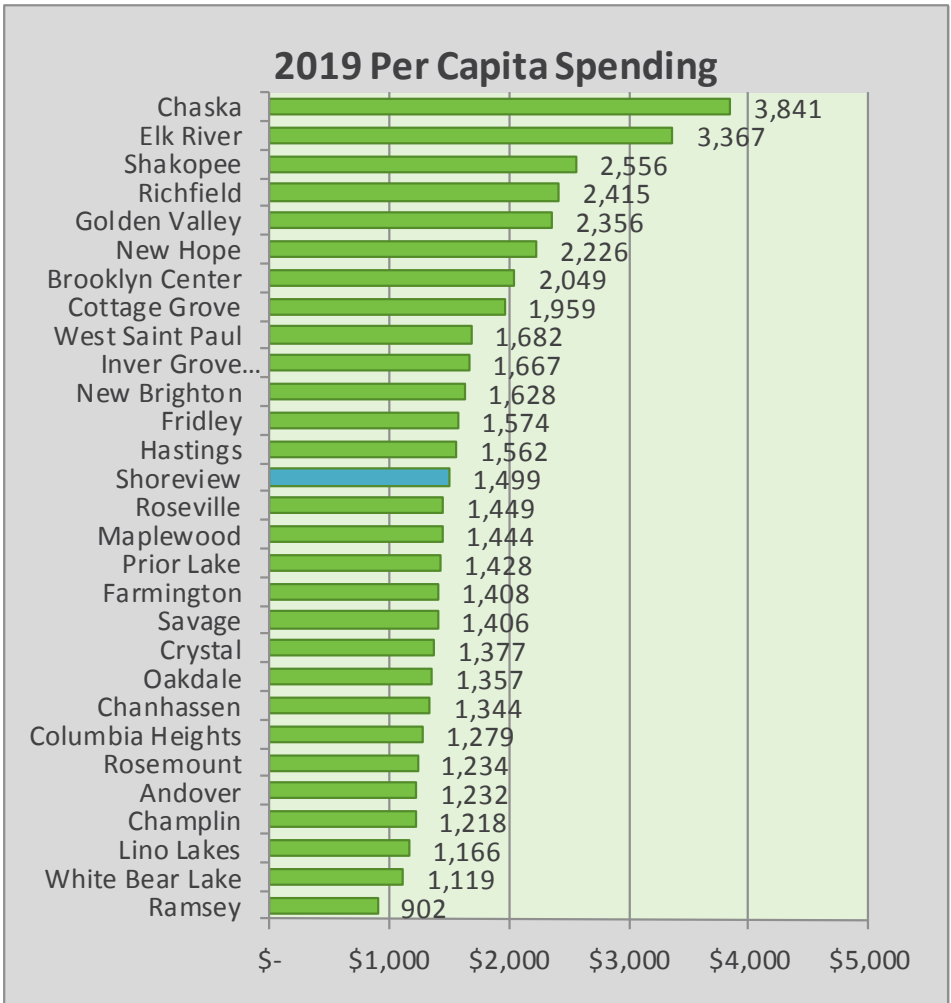
When reviewing spending in more detail, Shoreview is above average in parks and recreation, and utility operations and below average for all other spending categories.

- Parks and recreation spending is higher in Shoreview due to the community center and recreation program operations (largely supported by user fees and memberships).
- Utility spending is higher due to differences in how cities account for storm sewer and street light operations. For instance, some cities support these operations with property tax revenue.
- Public safety spending in Shoreview is third lowest for all comparison cities, at \$173.87 per capita, due to the efficiencies gained by contracting for both police and fire protection.
- Debt payments are 33.2% below average in Shoreview due to lower overall debt balances.

2019 Per Capita Spending	Average	Shoreview	Shoreview to Average	
			Dollars	Percent
General government	\$ 116.83	\$ 109.71	\$ (7.12)	-6.1%
Public safety	280.58	173.87	(106.71)	-38.0%
Public works	123.36	72.60	(50.76)	-41.1%
Parks and recreation	130.03	305.74	175.71	135.1%
Commun devel/EDA/HRA/Housing	48.97	44.79	(4.18)	-8.5%
All other governmental	2.47	-	(2.47)	-100.0%
Water/sewer/storm/st lights	283.14	334.68	51.54	18.2%
Electric	131.25	-	(131.25)	-100.0%
All other enterprise operations	29.40	-	(29.40)	-100.0%
Debt payments	132.13	88.26	(43.87)	-33.2%
Capital outlay	437.10	369.29	(67.81)	-15.5%
Total All Funds	\$ 1,715.25	\$ 1,498.94	\$ (216.31)	-12.6%

The graph below shows total 2019 spending per capita (spending divided by population) for all comparison cities. Spending levels range from a high of \$3,841 in Chaska to a low of \$902 in Ramsey.

Shoreview ranks 14th highest at \$1,499 per capita, and is 13% below the average of \$1,715.



Revenue Per Capita by Source

Shoreview is below average for every revenue classification in 2019 except franchise tax (utility & cable), charges for service, and traditional utility revenue. Recreation program fees and community center admissions and memberships cause Shoreview to collect charges for service revenue well above average. Shoreview is 6th lowest for special assessments.

2019 Per Capita Revenue	Average	Shoreview	Shoreview to Average	
			Dollars	Percent
Property tax	\$ 519.74	\$ 456.64	\$ (63.10)	-12.1%
Tax increment (TIF)	43.70	35.85	(7.85)	-18.0%
Franchise tax	24.68	46.99	22.31	90.4%
Other tax	3.27	0.64	(2.63)	-80.4%
Special assessments	41.68	11.62	(30.06)	-72.1%
Licenses & permits	42.69	41.10	(1.59)	-3.7%
Federal (all combined)	12.30	0.17	(12.13)	-98.6%
State (all combined)	128.42	52.47	(75.95)	-59.1%
Local (all combined)	22.52	10.31	(12.21)	-54.2%
Charges for service	163.84	309.03	145.19	88.6%
Fines & forfeits	5.51	2.09	(3.42)	-62.1%
Interest	34.66	31.89	(2.77)	-8.0%
All other governmental	39.40	3.15	(36.25)	-92.0%
Water/sewer/storm/street lighting	308.00	396.85	88.85	28.8%
Electric enterprise	150.34	-	(150.34)	-100.0%
All other enterprise	35.85	-	(35.85)	-100.0%
Total Revenue per capita	\$ 1,576.60	\$ 1,398.80	\$ (177.80)	-11.3%

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

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

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

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

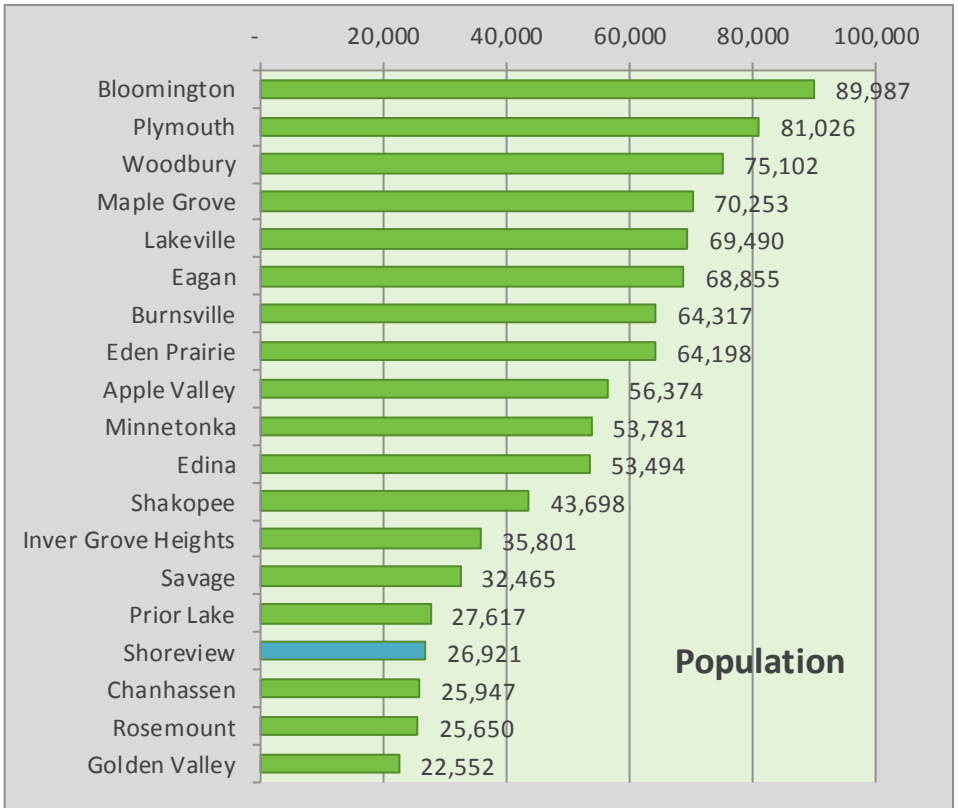
- Shoreview's 2019 spending per capita ranks 14th highest
- Shoreview's assessment collections per capita are 6th lowest among comparison cities
- Shoreview's share of the 2021 property tax bill, on a home valued at \$336,300, is 6th lowest
- Shoreview receives no state aid (LGA) to help pay for city services and reduce the property tax burden
- Shoreview's tax rate has remained stable and low in relation to comparison cities, ranking 6th lowest among comparison cities in 2011 and 2021.

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

Comparison to MLC Cities

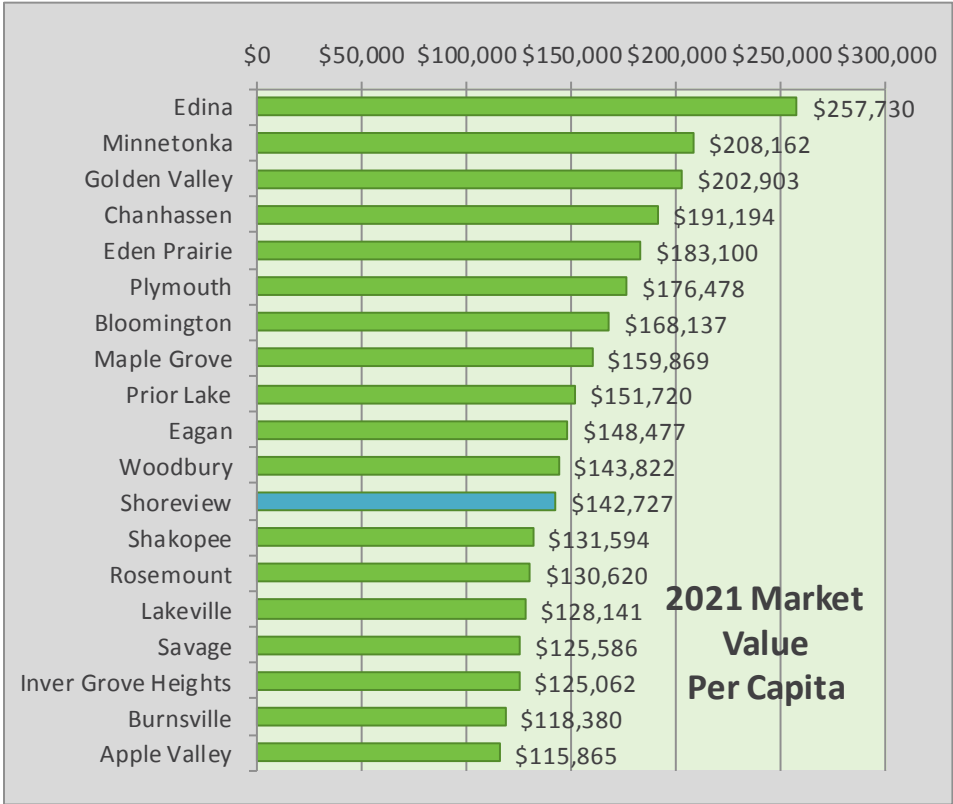
Comparisons for the 19 cities belonging to the Municipal Legislative Commission (MLC) provide an important comparison because these peer cities generally achieve high quality-of-life rankings from their residents in their respective community surveys, and are often recognized as having sound financial management (and many have AAA bond ratings, like Shoreview).

Shoreview has the 4th lowest population in the group, and is roughly half of the average for the group.



Market Value comparisons are most useful when viewed on a per capita basis, because the geographic size and total market value of each community can vary greatly. For instance, Bloomington has the highest total market value at \$15.13 billion followed by Plymouth with total market value of \$14.30 billion. Once the value is divided by population, Plymouth ranks 6th at \$176,478 of value per resident, while Bloomington ranks 7th at \$168,137.

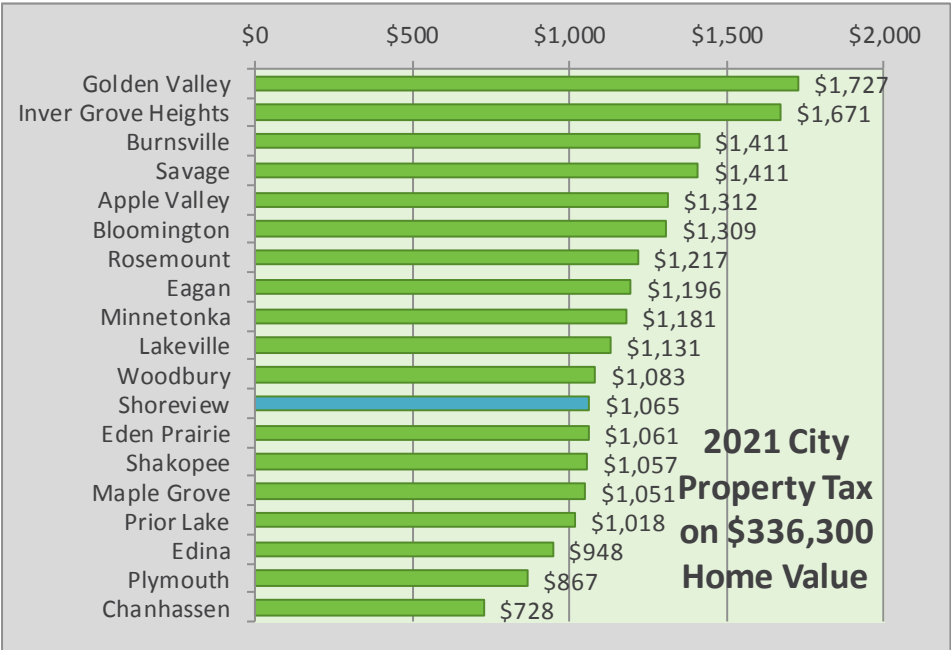
The graph below presents market value per capita for each MLC city. Shoreview is in the lower half of the group at \$142,727 (about 9.9% below the average of \$158,398).



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

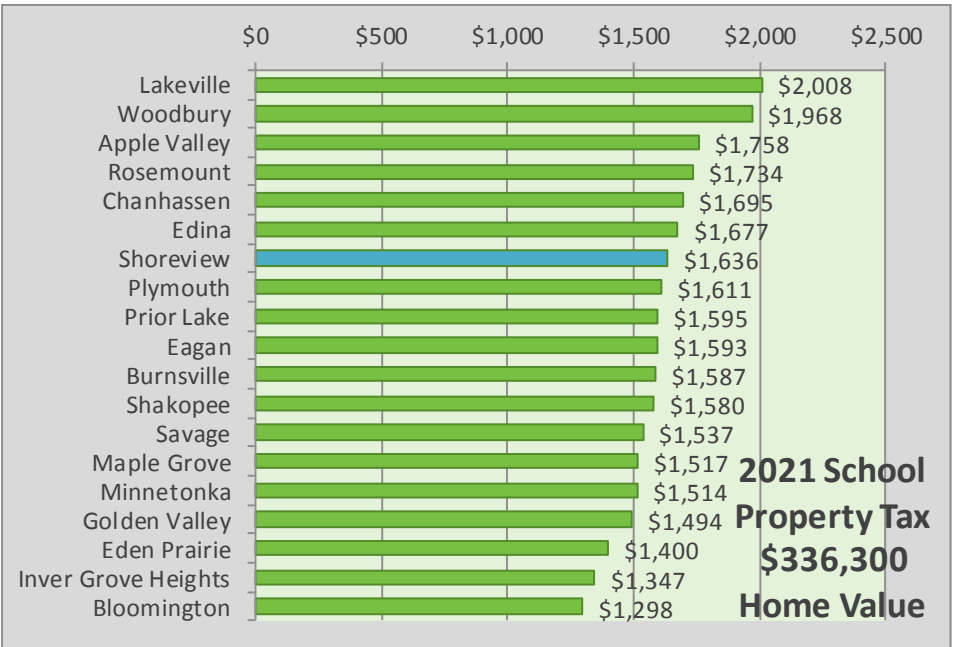
The next 5 graphs compare property taxes by the type of taxing jurisdiction, starting with the city share of the tax bill.

City Taxes are presented below for a home valued at \$336,300 (Shoreview’s median value). Shoreview ranks 8th lowest at \$1,065, compared to a high of \$1,727 in Golden Valley, and a low of \$728 in Chanhassen. The average city tax for MLC cities is \$1,181, Shoreview is about 9.9% below the average.



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

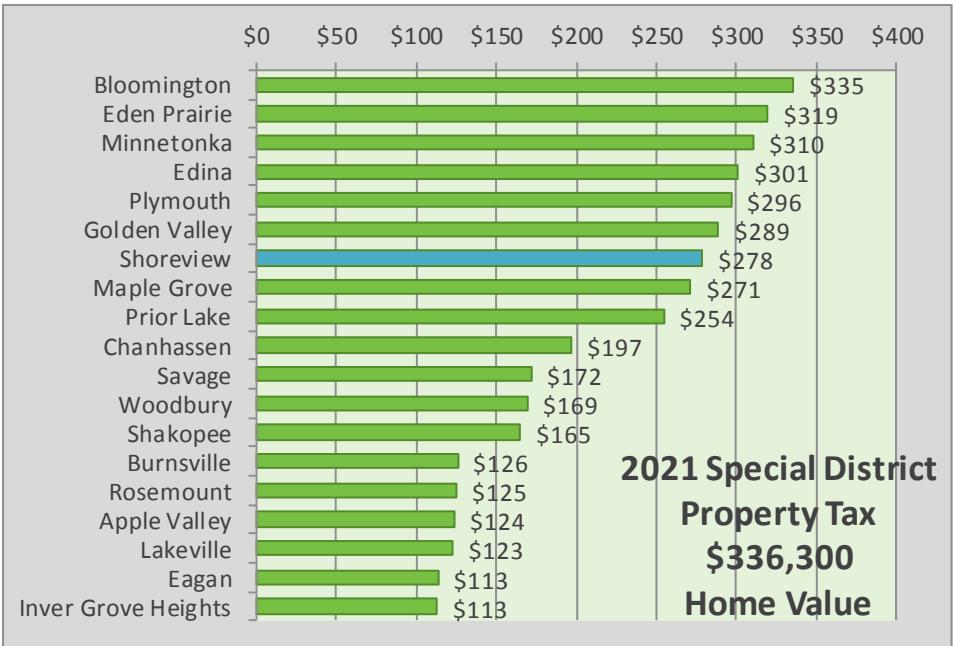
Property taxes in the Mounds View school district rank about 1.8% above the MLC city average.



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

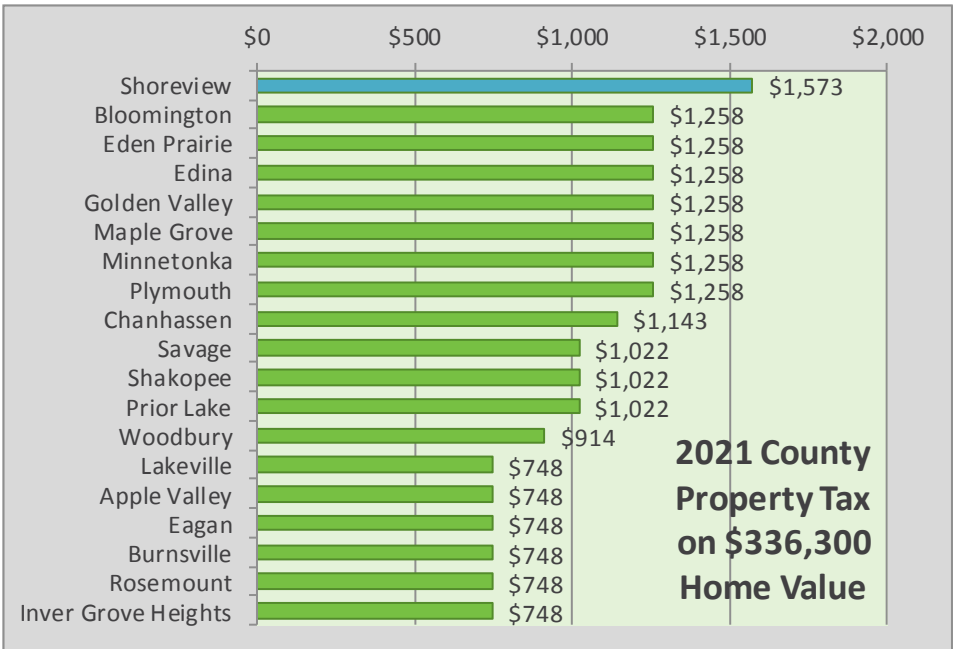
Regional Rail	\$	126
Metropolitan Council		59
Mosquito Control		12
Rice Creek Watershed		60
Shoreview HRA		21
Total Special District Tax	\$	278

The graph below presents an estimate for combined special district property taxes in each city. In Shoreview, the combined tax for these districts ranks 29.6% above the average of \$215.



County property taxes vary greatly among MLC cities.

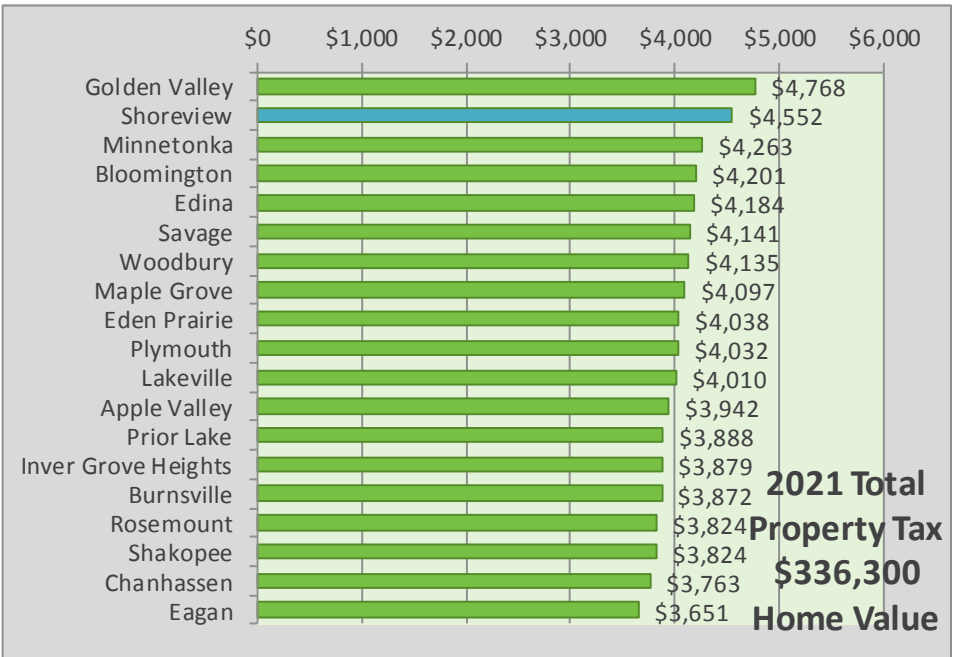
- Ramsey County taxes are \$1,573, the highest for MLC cities. (and includes the City of Shoreview)
- Hennepin County cities are \$1,258, second highest for MLC cities (including the cities of Bloomington, Eden Prairie, Edina, Golden Valley, Maple Grove, Minnetonka and Plymouth).
- Carver County cities are \$1,143 (including the City of Chanhassen)
- Scott County taxes are \$1,022 (including the cities of Savage, Shakopee and Prior Lake).
- Washington County taxes are \$914 (including the city of Woodbury).
- Dakota County is lowest at \$748 (including the cities of Lakeville, Apple Valley, Eagan, Burnsville, Rosemount and Inver Grove Heights).



Total Taxes Shoreview (for all taxing jurisdictions combined) ranks 2nd highest among MLC cities (see graph below).

To further put the difference into perspective, the table below provides a side-by-side comparison of the total tax bill in Shoreview compared to the total tax bill in Eagan (the lowest MLC city). For the same value home, county property taxes are \$825 higher in Shoreview, school district taxes are \$43 higher, special district taxes are \$165 higher and city taxes are \$132 lower.

Jurisdiction	Shoreview	Eagan	Difference
County	\$ 1,573	\$ 748	\$ 825
School District	1,636	1,593	43
City	1,065	1,197	(132)
Special Districts	278	113	165
Total	\$ 4,552	\$ 3,651	\$ 901



Summary

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

- Budget Summary
- Utility Operations

The budget hearing on the city's 2022 budget is scheduled for December 6, 2021 at 7:00 pm, in conjunction with the first regular council meeting in December.

Adoption of the final tax levy, budget, capital improvement program and utility rates is scheduled for December 20, 2021 (the second regular council meeting in December).



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