



2022 Comprehensive Infrastructure Replacement Plan and Policy

Prepared by the Finance Department
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Overview – comprehensive infrastructure replacement plan

Introduction

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

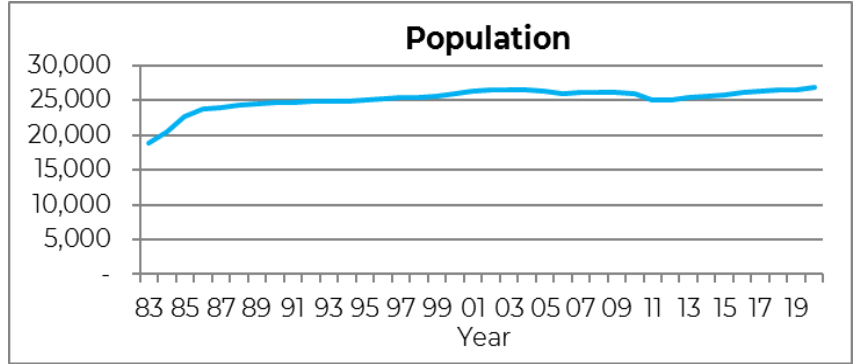
Government entities across the country address this issue in different ways. Some governments plan for capital repair and replacement costs on an annual basis through the budget process; while others plan for replacement needs through a broader capital improvement program (CIP) that typically covers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

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

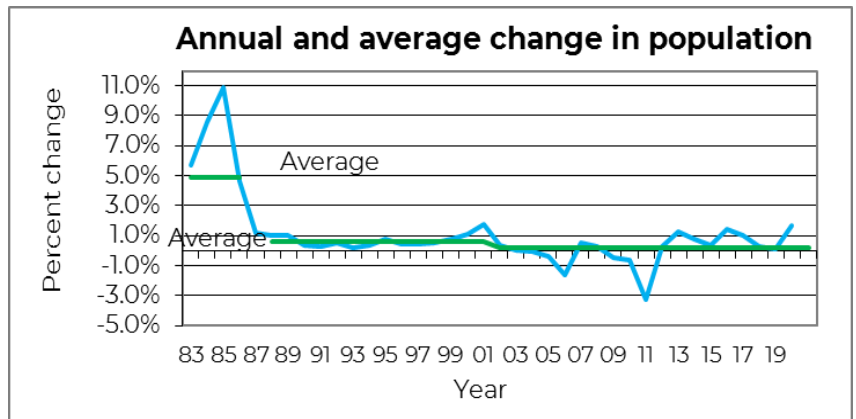
Community profile

Shoreview offers a full range of services to its 26,900 residents. The annual operating budget is \$34.5 million, including debt service funds (and excluding transfers between funds). Of that amount, the general fund budget is \$13.0 million. These budget levels are low in comparison to communities of similar size in the metro area and result in city property taxes and spending per capita well below the average for comparison cities. This puts additional pressure on the city to plan ahead for capital costs in an effort to avoid sharp increases in taxes and user fees.

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



In more recent years the city has moved closer toward full development. For instance, population growth slowed to an annual average of less than 1% per year from the mid-1980s through the year 2000, and since the year 2000 population has increased an average of 0.24% annually.



Because Shoreview has been near full development for more than two decades, repair and replacement costs account for approximately 84% of total capital in the most recent 5-year CIP. Recognizing this shift in the city's life cycle in the 1980s (from a developing community to fully developed), adopting policies designed to address the changing emphasis, and executing the plan on an annual basis has been essential to maintaining a quality infrastructure system that meets the needs of the community.

Policy objectives

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

- **Create a permanent program** – For more than two decades, the city has incorporated infrastructure replacement estimates into short and long-term financial planning; in part, because examining capital needs well in advance helps identify trends, creates opportunities to carefully

consider financing strategies and helps the city maintain quality systems that support services.

- **Moderate changes in the tax levy and user fees** – Sharp changes in tax levies and user fees are unacceptable to citizens, business owners and elected officials. Since large unanticipated capital costs would likely force significant changes in these revenue sources, Shoreview’s policy emphasizes the examination of capital replacement needs on a long-term basis which allows the city to adjust levies and user fees in a more gradual manner.
- **Plan carefully for new debt** – By considering capital costs over the long term, the city has greater ability to balance the use of current resources versus bonded debt well in advance. This allows the city to accumulate necessary resources in advance, avoiding bonding for capital costs in some instances, which reduces reliance on bonded debt where appropriate.
- **Limit special assessments** – Shoreview’s strict assessment policy limits the use of property assessments to once per improvement type, due to the belief the entire community shares the responsibility for the replacement of infrastructure. Therefore, tax levies and user fees (rather than future special assessments) are designed to support replacement costs.

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

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

The city’s infrastructure replacement policy identifies potential funding sources for each class of asset, provides restrictions for resources dedicated to replacement costs, and establishes a formal process to authorize a deviation from the policy. In order to deviate from the restrictions outlined in the CHIRP policy, the city council must follow one of two procedures: 1) declare a financial emergency by at least a four-fifths vote, or 2) conduct a public hearing to declare its intent and invite public input. Notice of the hearing must be

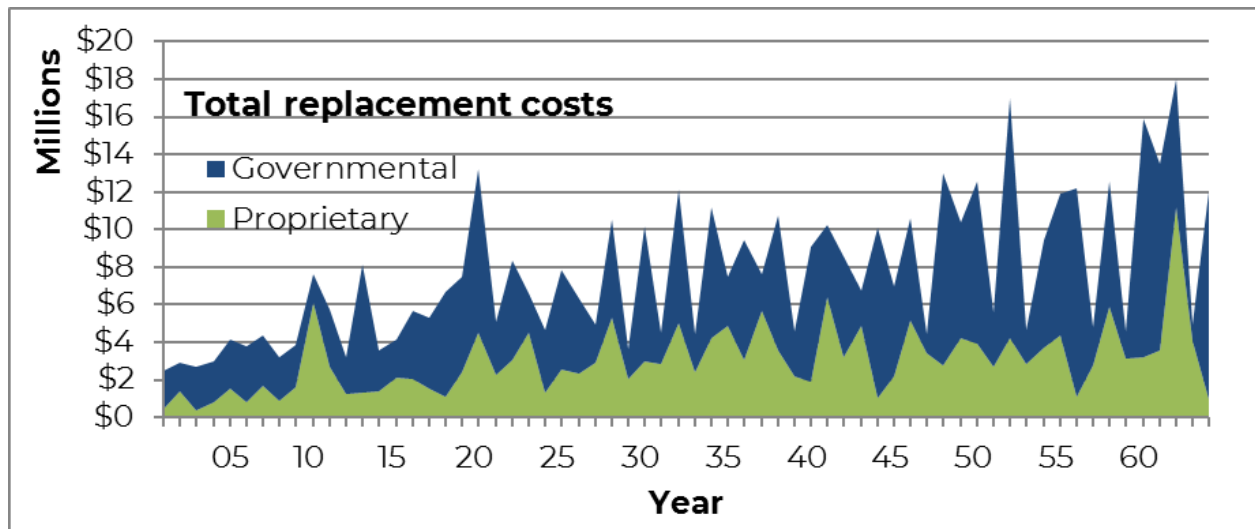
provided to the public in each newspaper of general circulation throughout Shoreview at least 30 days prior to the hearing, and the notice must also include the amount and intended purpose of the proposed expenditure.

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

Capital replacements

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

Over the next 40 years this plan provides for the replacement of \$213 million in governmental assets and \$137 million in proprietary assets, for a total of \$350 million in asset replacements. The graph below shows historical and projected replacement estimates.

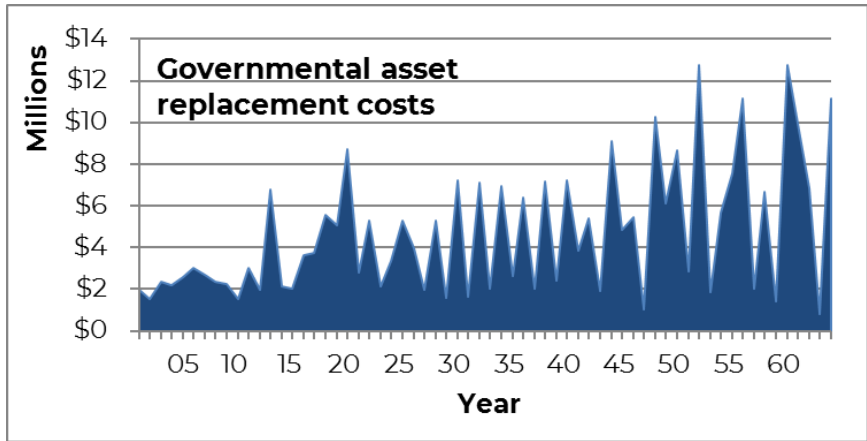


Governmental assets

Governmental asset replacement costs are accounted for within three capital project revolving funds: the street renewal fund, MSA fund, and the capital asset fund. Replacement costs include residential streets, public safety buildings, public safety equipment, city hall and community center remodeling, furnishings, mechanical systems, data processing systems, park buildings, park improvements and trails. Because expenditures for these

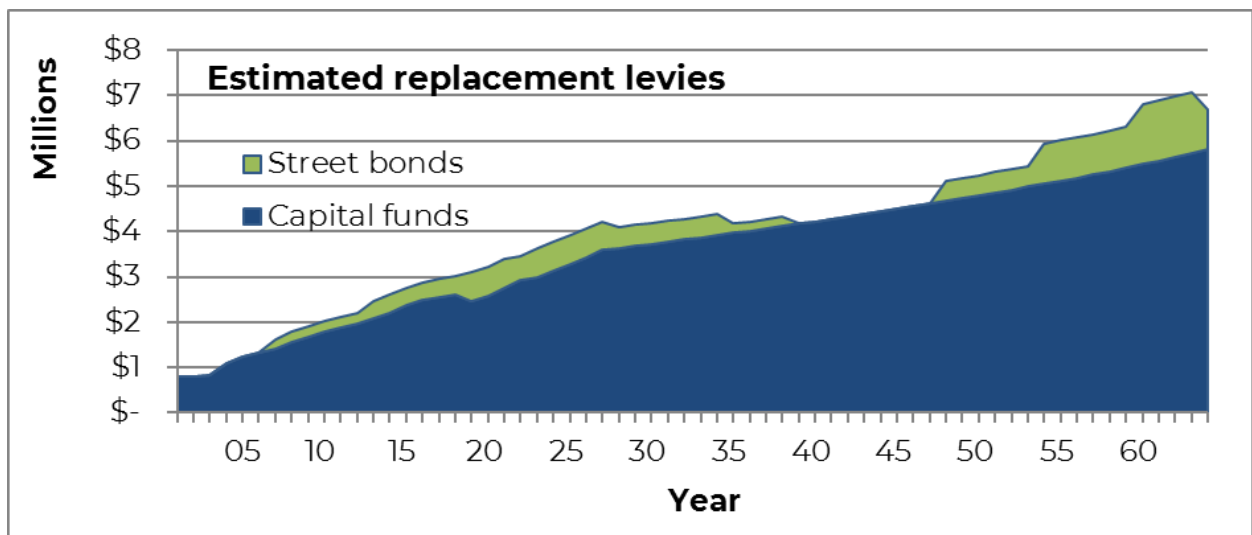
assets are accounted for within governmental funds, depreciation is recorded at the entity-wide level only.

Projections indicate that this plan provides for the replacement of \$85 million in general assets during the first 20 years and another \$127 million in the next 20-year period. As shown in the graph at right, projected replacement costs

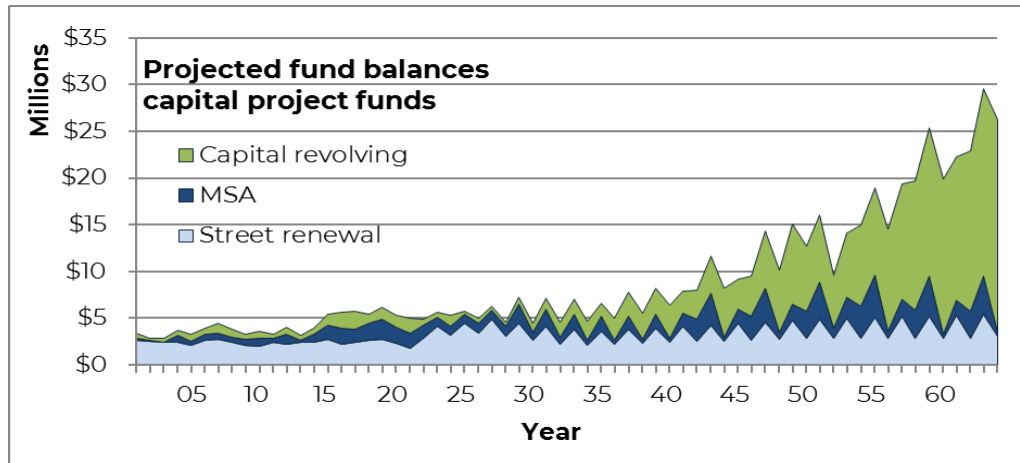


vary greatly between years (due to the size and nature of specific projects). Resources and fund balances are designed to provide a stable source of funds to finance capital costs.

Primary sources of funds for governmental asset replacements include tax levies, MSA (state aid for collector streets), investment interest earnings and street improvement bonds. Over the next 6 years, changes in the replacement portion of the city's levy (including levies for street bonds) cause an average annual increase in the total tax of 0.9% annually. After 2026, the average impact drops to about 0.2% per year. The portion of the annual property tax levy dedicated to replacement costs is shown in the graph below.

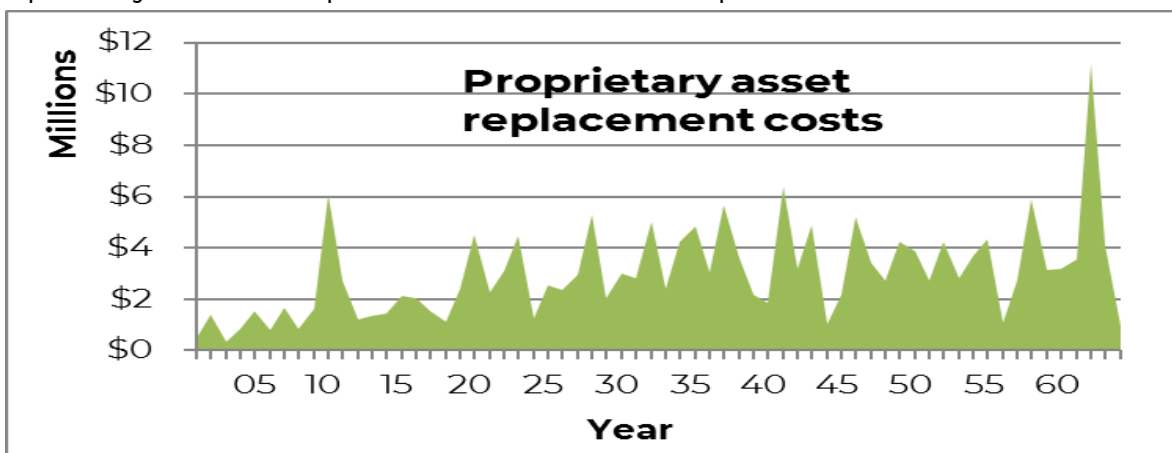


Fund balances in governmental funds are maintained at or above policy objectives, despite capital costs that vary dramatically from year to year, and tax levies that grow at modest rates. The graph below illustrates combined fund balances for the infrastructure reserve (street renewal), MSA and capital asset revolving funds.



Proprietary assets

Replacements of proprietary assets are accounted for within four enterprise funds and one internal service fund. Eligible replacement costs include all water, sewer, surface water, street lighting, buildings, vehicles and equipment owned by each fund. Projections indicate this plan provides for the replacement of \$69 million in proprietary assets during the first 20 years and another \$68 million in the next 20-year period. As with governmental assets, the size and nature of some improvements cause total replacement costs to vary greatly from year to year. The graph below shows historical and projected proprietary asset replacement costs. Detailed replacement projections for all proprietary assets are presented later in this report.



To ensure adequate funding of proprietary asset replacements, the city's policy requires the preparation of a 20-year operating plan at least once every five years. The plan must include examination of operating projections, capital replacement costs, estimated debt issuance, and capital additions, and the information must be used to analyze and recommend future utility rates and inter-fund charges. As a practical matter, the city prepares 5-year operating projections as part of the biennial budget and five-year operating plan (FYOP). For 2022, the projected annual change in the average total utility bill is 4.9% (covering water, sewer, surface water, and street lighting).

Operating projections for the central garage fund (an internal service fund), including inter-fund charges, are included in this plan. The inter-fund charges are designed to support operating costs of the maintenance center facility, as well as repair and maintenance of the building, vehicles and equipment. Projections, which are updated annually, indicate rental fees are projected to be at or below inflation rates over the next 20 years.

Bonded debt

This infrastructure replacement plan assumes the use of bonding to support a portion of replacement costs. Estimated debt issuance over the next 6 years (2022 – 2027) is as follows:

- \$ 5.63 million water system replacements
- \$ 3.02 million sewer system replacements
- \$ 2.67 million surface water system replacements
- \$ 2.55 million street rehabilitation
- \$ 4.00 million park building bonds
- \$17.87 million total projected 6-year debt issuance

During this same period, the city will retire \$19.9 million in replacement related debt.

Summary

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

Over the last 20 years, Shoreview has funded replacement costs and preserved high quality services while maintaining lower tax rates and user fees. To evaluate how Shoreview compares to 28 metro area cities (of similar size), a community benchmarks booklet is prepared annually for property tax, tax rate and spending comparisons. The 2021 data indicates that Shoreview is sixth lowest among comparison cities for the city-share of the property tax bill, is sixth lowest for the city property tax rate, and is 13% below the average per capita total spending. Shoreview's emphasis on long-range planning will help the city maintain this favorable comparison into the future, and remain an attractive location for area businesses and homeowners.

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

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

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

Summary – comprehensive infrastructure replacement policy requirements and provisions

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

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

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

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

Operating and capital projections

Governmental funds

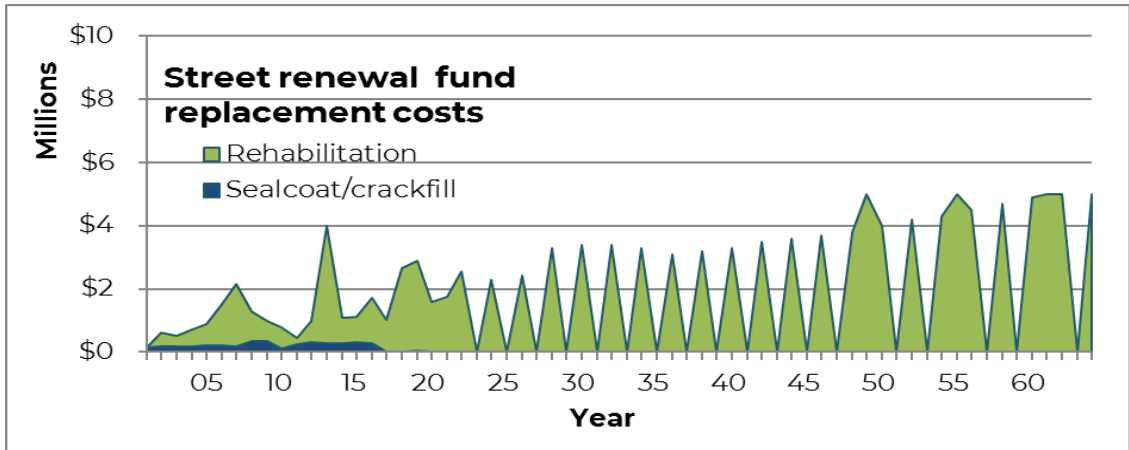
Replacement of governmental assets is accounted for within three capital project funds: the street renewal fund, MSA fund, and the capital asset fund. This section of the CHIRP provides operating and capital projections for these funds.

Street renewal fund

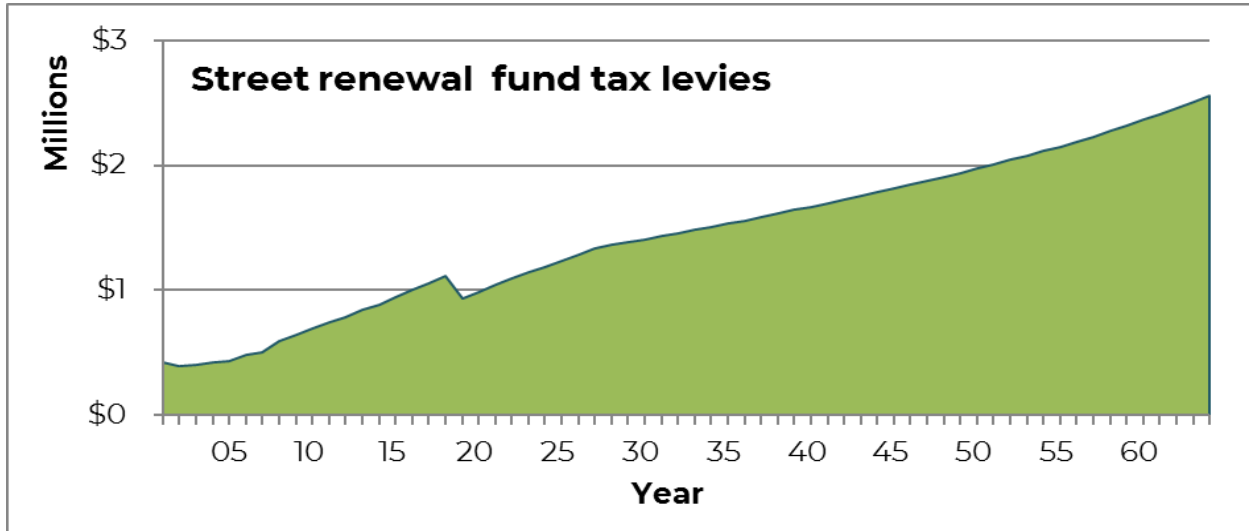
The city’s street renewal fund is an ongoing capital fund used to manage, finance and implement street rehabilitation efforts. The fund was created in 1985 with an initial contribution of two million dollars (obtained from bond defeasance savings) and this initial contribution is maintained as a minimum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

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

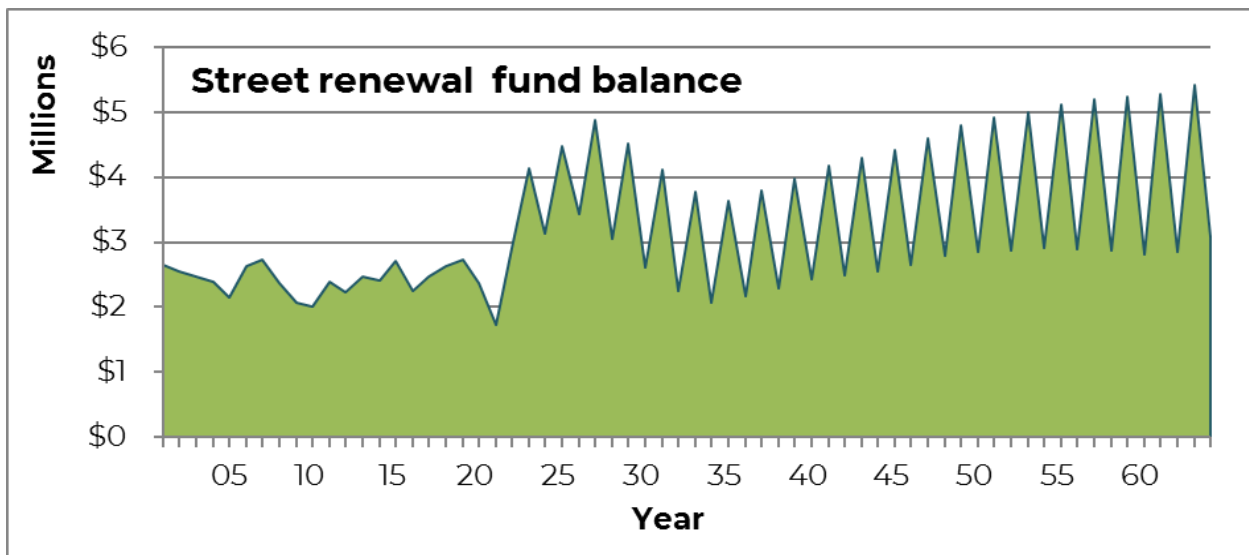
To put the scale of the street rehabilitation into perspective, over the next 20 years the street renewal fund will provide for approximately \$30 million in street renewal efforts. The graph below illustrates historical and anticipated replacement costs, including those financed by street bonds.



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



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



Street renewal fund
Operating summary

Year	Revenue			Street bonds	Total replacement costs	Fund balance
	Property taxes	Interest earnings	Special assessments			
2021	\$ 1,040,000	\$ 41,200	\$ 32,006	\$ -	\$ 1,746,400	\$ 1,738,466
2022	1,090,000	44,400	31,430	2,550,000	2,550,000	2,904,296
2023	1,140,000	67,600	31,243	-	-	4,143,139
2024	1,190,000	62,200	26,257	-	2,286,000	3,135,596
2025	1,240,000	71,800	26,257	-	-	4,473,653
2026	1,290,000	71,800	26,257	-	2,423,000	3,438,710
2027	1,340,000	71,800	26,257	-	-	4,876,767
2028	1,363,000	97,500	19,177	-	3,300,000	3,056,444
2029	1,386,000	61,100	9,980	-	-	4,513,524
2030	1,410,000	90,300	2,304	-	3,400,000	2,616,128
2031	1,434,000	52,300	2,304	-	-	4,104,732
2032	1,458,000	82,100	2,304	-	3,400,000	2,247,136
2033	1,483,000	44,900	2,304	-	-	3,777,340
2034	1,508,000	75,500	2,304	-	3,300,000	2,063,144
2035	1,534,000	41,300	-	-	-	3,638,444
2036	1,560,000	72,800	-	-	3,100,000	2,171,244
2037	1,587,000	43,400	-	-	-	3,801,644
2038	1,614,000	76,000	-	-	3,200,000	2,291,644
2039	1,641,000	45,800	-	-	-	3,978,444
2040	1,669,000	79,600	-	-	3,300,000	2,427,044
2041	1,697,000	48,500	-	-	-	4,172,544
2042	1,726,000	83,500	-	-	3,500,000	2,482,044
2043	1,755,000	49,600	-	-	-	4,286,644
2044	1,785,000	85,700	-	-	3,600,000	2,557,344
2045	1,815,000	51,100	-	-	-	4,423,444
2046	1,846,000	88,500	-	-	3,700,000	2,657,944
2047	1,877,000	53,200	-	-	-	4,588,144
2048	1,909,000	91,800	-	-	3,800,000	2,788,944
2049	1,941,000	55,800	-	5,000,000	5,000,000	4,785,744
2050	1,974,000	95,700	-	-	4,000,000	2,855,444
2051	2,008,000	57,100	-	-	-	4,920,544
2052	2,042,000	98,400	-	-	4,200,000	2,860,944
2053	2,077,000	57,200	-	-	-	4,995,144
2054	2,112,000	99,900	-	-	4,300,000	2,907,044
2055	2,148,000	58,100	-	5,000,000	5,000,000	5,113,144
2056	2,185,000	102,300	-	-	4,500,000	2,900,444
2057	2,229,000	58,000	-	-	-	5,187,444
2058	2,274,000	103,700	-	-	4,700,000	2,865,144
2059	2,319,000	57,300	-	-	-	5,241,444
2060	2,365,000	104,800	-	-	4,900,000	2,811,244
2061	2,412,000	56,200	-	5,000,000	5,000,000	5,279,444
2062	2,460,000	105,600	-	-	5,000,000	2,845,044
2063	2,509,000	56,900	-	-	-	5,410,944
2064	2,559,000	108,200	-	-	5,000,000	3,078,144

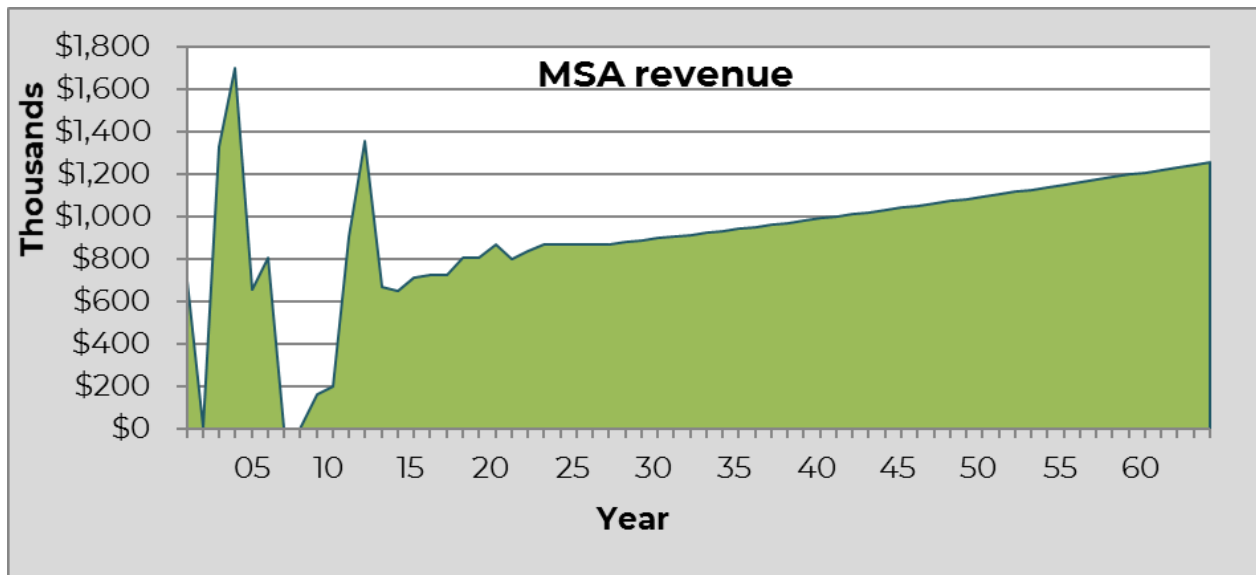
Street renewal fund
Capital summary

Year	Rehabilitation and reconstruction		Neighborhood/project	Total capital repl costs
	Street bonds	Street renewal		
2021	\$ -	\$ 1,746,400	Edgetown Acres	\$ 1,746,400
2022	2,550,000	-		2,550,000
2023	-	-		-
2024	-	2,286,000	Street rehabilitation	2,286,000
2025	-	-		-
2026	-	2,423,000	Street rehabilitation	2,423,000
2027	-	-		-
2028	-	3,300,000	Street rehabilitation	3,300,000
2029	-	-		-
2030	-	3,400,000	Street rehabilitation	3,400,000
2031	-	-		-
2032	-	3,400,000	Street rehabilitation	3,400,000
2033	-	-		-
2034	-	3,300,000	Street rehabilitation	3,300,000
2035	-	-		-
2036	-	3,100,000	Street rehabilitation	3,100,000
2037	-	-		-
2038	-	3,200,000	Street rehabilitation	3,200,000
2039	-	-		-
2040	-	3,300,000	Street rehabilitation	3,300,000
2041	-	-		-
2042	-	3,500,000	Street rehabilitation	3,500,000
2043	-	-		-
2044	-	3,600,000	Street rehabilitation	3,600,000
2045	-	-		-
2046	-	3,700,000	Street rehabilitation	3,700,000
2047	-	-		-
2048	-	3,800,000	Street rehabilitation	3,800,000
2049	5,000,000	-	Street reconstruction	5,000,000
2050	-	4,000,000	Street rehabilitation	4,000,000
2051	-	-		-
2052	-	4,200,000	Street rehabilitation	4,200,000
2053	-	-		-
2054	-	4,300,000	Street rehabilitation	4,300,000
2055	5,000,000	-	Street reconstruction	5,000,000
2056	-	4,500,000	Street rehabilitation	4,500,000
2057	-	-		-
2058	-	4,700,000	Street rehabilitation	4,700,000
2059	-	-		-
2060	-	4,900,000	Street rehabilitation	4,900,000
2061	5,000,000	-	Street reconstruction	5,000,000
2062	-	5,000,000	Street rehabilitation	5,000,000
2063	-	-		-
2064	-	5,000,000	Street rehabilitation	5,000,000

MSA fund

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

Although projections indicate little growth in the city's share of the highway user tax in the future, over the next 20 years the MSA fund will provide for approximately \$15 million for the rehabilitation of collector routes.



MSA fund

Operating and capital summary

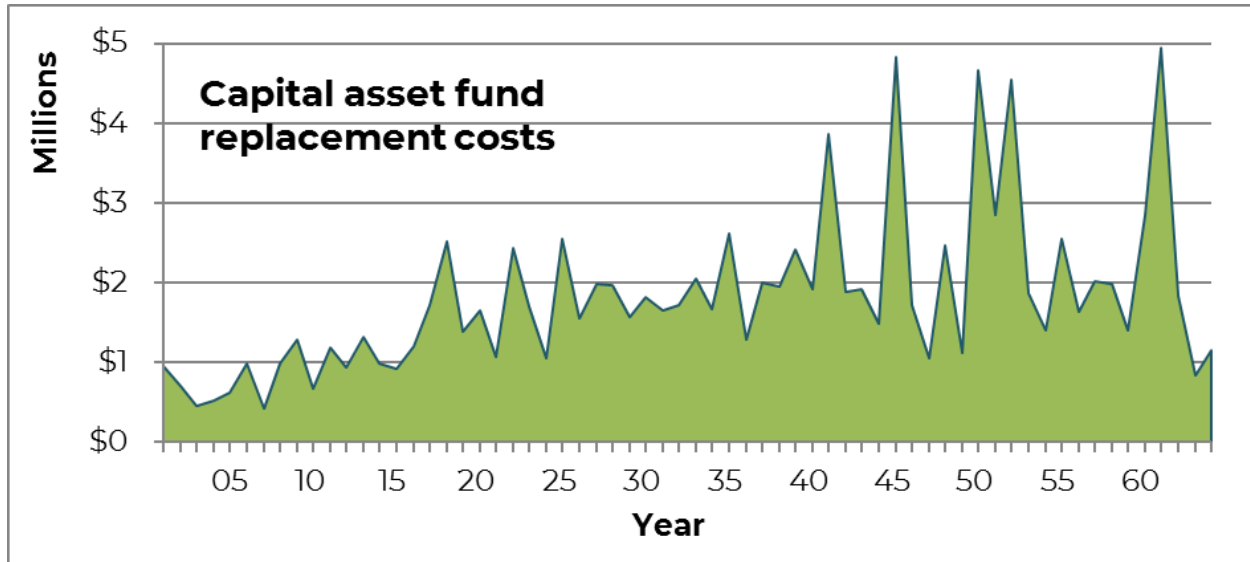
Year	Revenue				Expense	Fund balance
	MSA received	Unearned or (Accrual)	Investment interest	Total revenue	Project costs	
2021	\$ 797,641	\$ (797,641)	\$ 20,000	\$ 20,000	\$ -	\$ 1,673,792
2022	835,000	(835,000)	15,000	15,000	310,000	1,378,792
2023	871,000	(871,000)	10,000	10,000	432,750	956,042
2024	871,000	(871,000)	10,000	10,000	-	966,042
2025	871,000	1,874,641	10,000	2,755,641	2,744,000	977,683
2026	871,000	(871,000)	10,000	10,000	-	987,683
2027	871,000	(871,000)	10,000	10,000	-	997,683
2028	879,710	(758,000)	-	121,710	-	1,119,393
2029	888,507		-	888,507	-	2,007,900
2030	897,392		-	897,392	2,000,000	905,292
2031	906,366		-	906,366		1,811,658
2032	915,430		-	915,430	2,000,000	727,088
2033	924,584		-	924,584		1,651,672
2034	933,830		-	933,830	2,000,000	585,502
2035	943,168		-	943,168		1,528,670
2036	952,600		-	952,600	2,000,000	481,270
2037	962,126		-	962,126		1,443,396
2038	971,747		-	971,747	2,000,000	415,143
2039	981,464		-	981,464		1,396,607
2040	991,279		-	991,279	2,000,000	387,886
2041	1,001,192		-	1,001,192		1,389,078
2042	1,011,204		-	1,011,204	-	2,400,282
2043	1,021,316		-	1,021,316		3,421,598
2044	1,031,529		-	1,031,529	4,000,000	453,127
2045	1,041,844		-	1,041,844		1,494,971
2046	1,052,262		-	1,052,262	-	2,547,233
2047	1,062,785		-	1,062,785		3,610,018
2048	1,073,413		-	1,073,413	4,000,000	683,431
2049	1,084,147		-	1,084,147		1,767,578
2050	1,094,988		-	1,094,988	-	2,862,566
2051	1,105,938		-	1,105,938		3,968,504
2052	1,116,997		-	1,116,997	4,000,000	1,085,501
2053	1,128,167		-	1,128,167		2,213,668
2054	1,139,449		-	1,139,449	-	3,353,117
2055	1,150,843		-	1,150,843		4,503,960
2056	1,162,351		-	1,162,351	5,000,000	666,311
2057	1,173,975		-	1,173,975		1,840,286
2058	1,185,715		-	1,185,715	-	3,026,001
2059	1,197,572		-	1,197,572		4,223,573
2060	1,209,548		-	1,209,548	5,000,000	433,121
2061	1,221,643			1,221,643		1,654,764
2062	1,233,859			1,233,859	-	2,888,623
2063	1,246,198			1,246,198		4,134,821
2064	1,258,660			1,258,660	5,000,000	393,481

Capital asset replacement fund

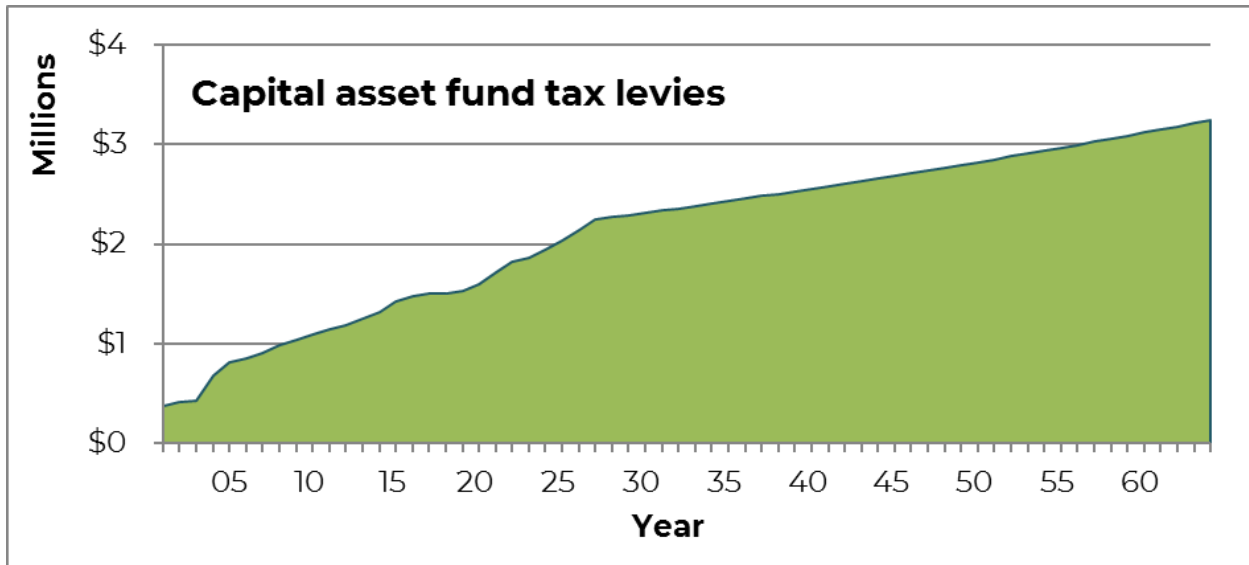
The capital asset replacement fund created in 1989, finances the replacement of all governmental assets. These include fire stations, fire equipment and warning sirens; street signs; community center and city hall buildings and furnishings; building mechanical systems; computer hardware and software; park buildings and improvements; as well as trails and pathways.

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

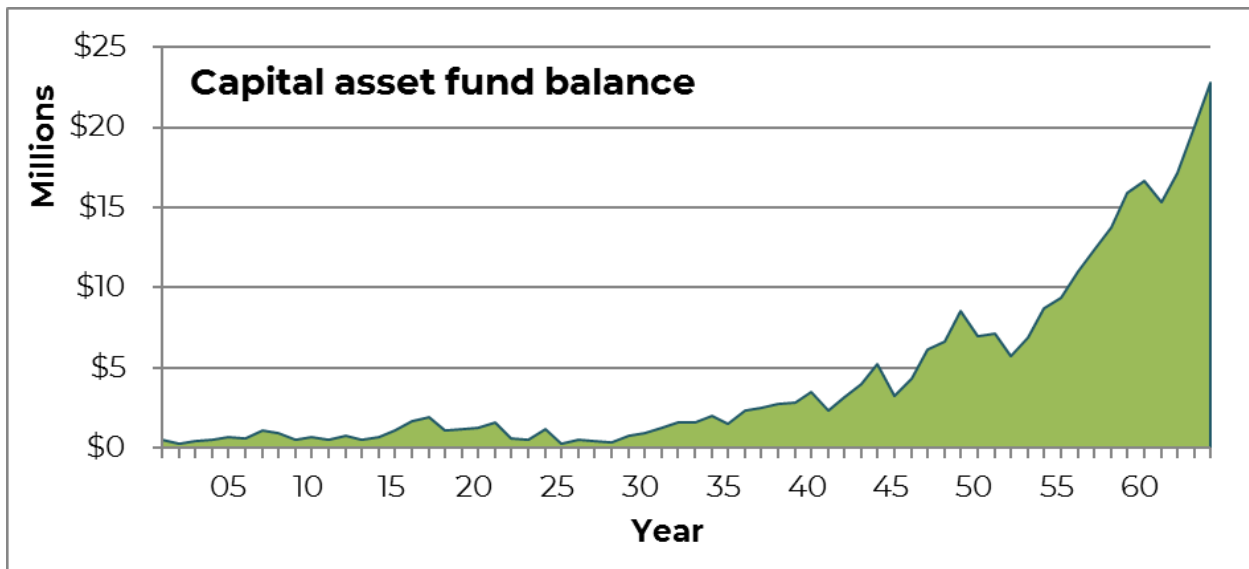
Over the next 20 years, the capital asset replacement fund will provide for approximately \$39.8 million in capital asset replacements, and will provide an additional \$6.2 million for debt service payments on governmental asset replacements. The first graph below illustrates historical and anticipated replacement costs.



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



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



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

Capital asset replacement fund

Operating summary

Year	Revenue		Expense		Fund balance
	Tax levy	Interest earnings	Replacement costs	Transfers out	
2021	\$ 1,710,208	\$ 14,000	\$ 1,068,485	\$ 380,000	\$ 1,555,016
2022	1,822,922	5,000	2,430,343	380,000	572,595
2023	1,855,000	1,000	1,707,838	200,000	520,757
2024	1,945,000	10,000	1,052,155	256,500	1,167,102
2025	2,040,000	5,000	2,547,465	368,000	296,637
2026	2,140,000	5,000	1,551,404	368,000	522,233
2027	2,245,000	10,000	1,990,644	368,000	418,589
2028	2,267,500	13,000	1,961,927	368,000	369,162
2029	2,290,200	13,000	1,564,000	368,000	740,362
2030	2,313,100	24,000	1,813,400	368,000	896,062
2031	2,336,200	29,000	1,654,800	368,000	1,238,462
2032	2,359,600	39,000	1,719,100	368,000	1,549,962
2033	2,383,200	48,000	2,043,400	368,000	1,569,762
2034	2,407,000	49,000	1,663,200	368,000	1,994,562
2035	2,431,100	59,000	2,623,300	370,000	1,491,362
2036	2,455,400	48,000	1,288,400	370,000	2,336,362
2037	2,480,000	72,000	1,996,900	370,000	2,521,462
2038	2,504,800	77,000	1,956,420	370,000	2,776,842
2039	2,529,800	84,000	2,409,900	168,700	2,812,042
2040	2,555,100	86,000	1,925,000	-	3,528,142
2041	2,580,700	102,000	3,866,700	-	2,344,142
2042	2,606,500	72,000	1,893,220	-	3,129,422
2043	2,632,600	96,000	1,912,800	-	3,945,222
2044	2,658,900	122,000	1,485,300	-	5,240,822
2045	2,685,500	151,000	4,821,800	-	3,255,522
2046	2,712,400	101,000	1,723,600	-	4,345,322
2047	2,739,500	135,000	1,054,500	-	6,165,322
2048	2,766,900	186,000	2,465,000	-	6,653,222
2049	2,794,600	205,000	1,115,900	-	8,536,922
2050	2,822,500	251,000	4,658,600	-	6,951,822
2051	2,850,700	209,000	2,854,300	-	7,157,222
2052	2,879,200	210,000	4,546,500	-	5,699,922
2053	2,908,000	174,000	1,862,900	-	6,919,022
2054	2,937,100	212,000	1,398,300	-	8,669,822
2055	2,966,500	261,000	2,554,700	-	9,342,622
2056	2,996,200	284,000	1,632,500	-	10,990,322
2057	3,026,200	333,000	2,014,300	-	12,335,222
2058	3,056,500	373,000	1,986,000	-	13,778,722
2059	3,087,100	418,000	1,399,200	-	15,884,622
2060	3,118,000	477,000	2,847,400	-	16,632,222
2061	3,149,200	494,000	4,941,900	-	15,333,522
2062	3,180,700	464,000	1,829,220	-	17,149,002
2063	3,212,500	522,000	835,300	-	20,048,202
2064	3,244,600	608,000	1,158,000	-	22,742,802

Capital asset replacement fund

Capital summary

Year	Estimated replacements							Transfer out to debt funds	Total expense
	Fire stations & equip	Warning sirens	Info. systems	Municipal buildings	Park facilities	Trails & pathways	Total costs		
2021	\$ 47,662	\$ 30,030	\$ 394,513	\$ 299,440	\$ 216,840	\$ 80,000	\$ 1,068,485	\$ 380,000	\$ 1,448,485
2022	558,743	-	245,500	548,000	896,500	181,600	2,430,343	380,000	2,810,343
2023	20,638	31,000	187,000	695,000	691,000	83,200	1,707,838	200,000	1,907,838
2024	164,255	32,000	85,000	390,000	296,000	84,900	1,052,155	256,500	1,308,655
2025	1,028,865	-	87,000	680,000	315,000	436,600	2,547,465	368,000	2,915,465
2026	347,204	33,000	75,000	403,000	605,000	88,200	1,551,404	368,000	1,919,404
2027	569,244	-	101,500	1,135,000	95,000	89,900	1,990,644	368,000	2,358,644
2028	1,007,227	25,000	224,000	489,000	125,000	91,700	1,961,927	368,000	2,329,927
2029	287,500	-	36,000	780,000	367,000	93,500	1,564,000	368,000	1,932,000
2030	28,000	-	195,000	1,195,000	175,000	220,400	1,813,400	368,000	2,181,400
2031	289,300	-	186,000	917,200	165,000	97,300	1,654,800	368,000	2,022,800
2032	451,900	-	489,000	474,000	205,000	99,200	1,719,100	368,000	2,087,100
2033	108,000	-	127,000	1,422,200	285,000	101,200	2,043,400	368,000	2,411,400
2034	30,000	-	111,000	779,000	640,000	103,200	1,663,200	368,000	2,031,200
2035	1,178,000	-	129,000	1,058,000	153,000	105,300	2,623,300	370,000	2,993,300
2036	98,000	-	42,000	651,000	390,000	107,400	1,288,400	370,000	1,658,400
2037	687,400	85,000	204,000	711,000	200,000	109,500	1,996,900	370,000	2,366,900
2038	136,720	-	181,000	1,177,000	210,000	251,700	1,956,420	370,000	2,326,420
2039	140,000	16,000	111,000	1,535,000	494,000	113,900	2,409,900	168,700	2,578,600
2040	89,800	33,000	87,000	1,193,000	249,000	273,200	1,925,000	-	1,925,000
2041	852,500	34,000	256,000	505,700	2,100,000	118,500	3,866,700	-	3,866,700
2042	200,320	35,000	446,000	811,000	280,000	120,900	1,893,220	-	1,893,220
2043	51,000	-	132,000	946,500	660,000	123,300	1,912,800	-	1,912,800
2044	257,500	35,000	259,000	440,000	368,000	125,800	1,485,300	-	1,485,300
2045	139,500	-	41,000	3,118,000	1,221,000	302,300	4,821,800	-	4,821,800
2046	337,700	35,000	131,000	471,000	618,000	130,900	1,723,600	-	1,723,600
2047	162,000	-	58,000	556,000	145,000	133,500	1,054,500	-	1,054,500
2048	486,800	40,000	228,000	944,000	630,000	136,200	2,465,000	-	2,465,000
2049	148,000	45,000	134,000	442,000	208,000	138,900	1,115,900	-	1,115,900
2050	117,900	-	111,000	3,483,000	805,000	141,700	4,658,600	-	4,658,600
2051	1,690,800	-	349,000	430,000	240,000	144,500	2,854,300	-	2,854,300
2052	1,352,100	-	362,000	1,461,000	1,034,000	337,400	4,546,500	-	4,546,500
2053	164,900	-	217,000	885,700	445,000	150,300	1,862,900	-	1,862,900
2054	40,000	-	52,000	961,000	192,000	153,300	1,398,300	-	1,398,300
2055	823,300	-	121,000	999,000	245,000	366,400	2,554,700	-	2,554,700
2056	41,000	-	235,000	795,000	402,000	159,500	1,632,500	-	1,632,500
2057	941,600	75,000	65,000	560,000	210,000	162,700	2,014,300	-	2,014,300
2058	42,000	-	294,000	1,049,000	435,000	166,000	1,986,000	-	1,986,000
2059	228,900	-	46,000	555,000	400,000	169,300	1,399,200	-	1,399,200
2060	972,700	-	137,000	725,000	840,000	172,700	2,847,400	-	2,847,400
2061	1,554,700	-	201,000	370,000	2,390,000	426,200	4,941,900	-	4,941,900
2062	253,520	-	306,000	627,000	463,000	179,700	1,829,220	-	1,829,220
2063	60,000	-	142,000	-	450,000	183,300	835,300	-	835,300
2064	45,000	-	97,000	235,000	594,000	187,000	1,158,000	-	1,158,000

Capital asset replacement fund

Capital summary - fire equipment, vehicles and stations

Year	Shoreview share 60.7%		Breathing apparatus	Radio system	Other equipment	Vehicles	Total fire equipment & buildings
	Buildings	Parking/driveways					
	Station #3	Station #4					
2021	\$ -	\$ -	\$ -	\$ -	\$ 47,662	\$ -	\$ 47,662
2022	-	-	-	-	53,719	505,024	558,743
2023	-	-	-	-	20,638	-	20,638
2024	18,210	-	3,339	2,489	-	140,217	164,255
2025	30,350	-	-	-	27,315	971,200	1,028,865
2026	-	-	-	-	-	347,204	347,204
2027	-	-	-	-	4,613	564,631	569,244
2028	27,000	-	-	-	-	980,227	1,007,227
2029	40,000	-	-	75,000	8,000	164,500	287,500
2030	28,000	-	-	-	-	-	28,000
2031	40,000	-	241,300	-	8,000	-	289,300
2032	29,000	-	-	-	-	422,900	451,900
2033	40,000	-	-	-	9,000	59,000	108,000
2034	30,000	-	-	-	-	-	30,000
2035	40,000	-	-	-	9,000	1,129,000	1,178,000
2036	31,000	-	-	-	-	67,000	98,000
2037	40,000	-	-	-	10,000	637,400	687,400
2038	32,000	103,190	-	-	-	-	135,190
2039	40,000	-	90,000	-	10,000	-	140,000
2040	33,000	-	-	-	-	56,800	89,800
2041	40,000	-	-	-	11,000	801,500	852,500
2042	34,000	-	163,890	-	-	-	197,890
2043	40,000	-	-	-	11,000	-	51,000
2044	35,000	-	-	-	-	222,500	257,500
2045	40,000	-	-	-	12,000	87,500	139,500
2046	36,000	-	301,700	-	-	-	337,700
2047	40,000	-	-	110,000	12,000	-	162,000
2048	37,000	-	-	-	-	449,800	486,800
2049	40,000	-	-	-	13,000	95,000	148,000
2050	38,000	-	-	-	-	79,900	117,900
2051	40,000	-	110,000	-	13,000	1,527,800	1,690,800
2052	39,000	-	-	-	-	1,313,100	1,352,100
2053	40,000	-	-	-	14,000	110,900	164,900
2054	40,000	-	-	-	-	-	40,000
2055	40,000	-	-	-	14,000	769,300	823,300
2056	41,000	-	-	-	-	-	41,000
2057	41,000	-	-	-	15,000	885,600	941,600
2058	42,000	-	-	-	-	-	42,000
2059	42,000	-	-	-	15,000	171,900	228,900
2060	43,000	-	-	-	-	929,700	972,700
2061	43,000	-	377,200	-	16,000	1,118,500	1,554,700
2062	44,000	209,520	-	-	-	-	253,520
2063	44,000	-	-	-	16,000	-	60,000
2064	45,000	-	-	-	-	-	45,000

Capital asset replacement fund
Capital summary - warning sirens

By siren number and location														
Year	#1	#2	#3	#4	#5	#6	#7	#8	LC		VH		Total siren costs	
	Maint center	Sherwd Road	Lake Judy	Victoria & 694	Turtle Lake school	Well #6	Rice Crk Park/ Pkvw Dr	Shamrock Park	50% of cost		Rice & Country Dr	Rice & Snl Lk Rd		Radio controls
2021	\$ -	\$ 30,030	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 30,030
2022	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2023	-	-	-	-	-	31,000	-	-	-	-	-	-	-	31,000
2024	-	-	-	-	-	-	-	32,000	-	-	-	-	-	32,000
2025	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2026	-	-	-	-	-	-	33,000	-	-	-	-	-	-	33,000
2027	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2028	-	-	-	-	-	-	-	25,000	-	-	-	-	-	25,000
2029	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2030	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2031	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2032	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2033	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2034	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2035	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2036	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2037	-	-	-	-	-	-	-	-	15,000	-	-	70,000	-	85,000
2038	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2039	-	-	-	-	-	-	-	-	-	16,000	-	-	-	16,000
2040	-	-	-	33,000	-	-	-	-	-	-	-	-	-	33,000
2041	-	-	-	-	34,000	-	-	-	-	-	-	-	-	34,000
2042	-	-	35,000	-	-	-	-	-	-	-	-	-	-	35,000
2043	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2044	-	35,000	-	-	-	-	-	-	-	-	-	-	-	35,000
2045	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2046	-	-	-	-	-	35,000	-	-	-	-	-	-	-	35,000
2047	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2048	-	-	-	-	-	-	-	40,000	-	-	-	-	-	40,000
2049	45,000	-	-	-	-	-	-	-	-	-	-	-	-	45,000
2050	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2051	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2052	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2053	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2054	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2055	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2056	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2057	-	-	-	-	-	-	-	-	-	-	-	75,000	-	75,000
2058	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2059	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2060	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2061	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2062	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2063	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2064	-	-	-	-	-	-	-	-	-	-	-	-	-	-

Capital asset replacement fund

Capital summary - Information systems

Year	Computers	Printers	Servers	Security systems	Recovery/ backup	Communica-tions	LAN/ network	Imaging/ records	Specialized software	Other	Estimated replacement cost
2021	\$ 12,000	\$ -	\$ 54,000	\$132,170	\$ -	\$ 7,607	\$ 98,736	\$ -	\$ -	\$ 90,000	\$ 394,513
2022	12,000	6,500	-	6,000	-	-	195,000	-	19,000	7,000	245,500
2023	12,000	1,500	-	-	-	13,000	155,500	-	-	5,000	187,000
2024	12,000	-	-	6,000	-	25,000	35,000	-	-	7,000	85,000
2025	12,000	-	58,000	-	-	-	5,000	-	7,000	5,000	87,000
2026	12,000	-	-	51,000	-	-	5,000	-	-	7,000	75,000
2027	12,000	13,500	58,000	-	-	3,000	5,000	-	5,000	5,000	101,500
2028	15,000	-	-	6,000	9,000	4,000	100,000	-	80,000	10,000	224,000
2029	15,000	-	-	-	-	4,000	7,000	-	-	10,000	36,000
2030	15,000	-	-	6,000	-	4,000	160,000	-	-	10,000	195,000
2031	15,000	-	-	-	-	4,000	7,000	-	150,000	10,000	186,000
2032	15,000	14,000	65,000	65,000	-	30,000	200,000	-	-	100,000	489,000
2033	15,000	-	-	-	-	15,000	7,000	-	80,000	10,000	127,000
2034	15,000	-	60,000	6,000	9,000	4,000	7,000	-	-	10,000	111,000
2035	15,000	-	-	-	-	4,000	100,000	-	-	10,000	129,000
2036	15,000	-	-	6,000	-	4,000	7,000	-	-	10,000	42,000
2037	15,000	15,000	-	-	-	4,000	160,000	-	-	10,000	204,000
2038	15,000	-	-	65,000	-	4,000	7,000	-	80,000	10,000	181,000
2039	20,000	-	70,000	-	-	4,000	7,000	-	-	10,000	111,000
2040	20,000	-	-	6,000	9,000	35,000	7,000	-	-	10,000	87,000
2041	20,000	-	65,000	-	-	4,000	7,000	-	150,000	10,000	256,000
2042	20,000	16,000	-	6,000	-	4,000	300,000	-	-	100,000	446,000
2043	20,000	-	-	-	-	15,000	7,000	-	80,000	10,000	132,000
2044	20,000	-	-	65,000	-	4,000	160,000	-	-	10,000	259,000
2045	20,000	-	-	-	-	4,000	7,000	-	-	10,000	41,000
2046	20,000	-	75,000	6,000	9,000	4,000	7,000	-	-	10,000	131,000
2047	20,000	17,000	-	-	-	4,000	7,000	-	-	10,000	58,000
2048	20,000	-	70,000	6,000	-	35,000	7,000	-	80,000	10,000	228,000
2049	20,000	-	-	-	-	4,000	100,000	-	-	10,000	134,000
2050	25,000	-	-	65,000	-	4,000	7,000	-	-	10,000	111,000
2051	25,000	-	-	-	-	4,000	160,000	-	150,000	10,000	349,000
2052	25,000	18,000	-	6,000	9,000	4,000	200,000	-	-	100,000	362,000
2053	25,000	-	80,000	-	-	15,000	7,000	-	80,000	10,000	217,000
2054	25,000	-	-	6,000	-	4,000	7,000	-	-	10,000	52,000
2055	25,000	-	75,000	-	-	4,000	7,000	-	-	10,000	121,000
2056	25,000	-	-	65,000	-	35,000	100,000	-	-	10,000	235,000
2057	25,000	19,000	-	-	-	4,000	7,000	-	-	10,000	65,000
2058	25,000	-	-	6,000	9,000	4,000	160,000	-	80,000	10,000	294,000
2059	25,000	-	-	-	-	4,000	7,000	-	-	10,000	46,000
2060	25,000	-	85,000	6,000	-	4,000	7,000	-	-	10,000	137,000
2061	30,000	-	-	-	-	4,000	7,000	-	150,000	10,000	201,000
2062	30,000	20,000	80,000	65,000	-	4,000	7,000	-	-	100,000	306,000
2063	30,000	-	-	-	-	15,000	7,000	-	80,000	10,000	142,000
2064	30,000	-	-	6,000	9,000	35,000	7,000	-	-	10,000	97,000

Capital asset replacement fund

Capital summary - municipal buildings (including city hall and community center)

Year	Mechanicals, roof & exterior	Carpet	Banquet rooms	Pool equip water treatment pool stairs water features	All other equipment	Locker rooms and other replacement allowances	Total building replacement costs
2021	\$ -	\$ -	\$ 28,640	\$ 220,800	\$ 50,000	\$ -	\$ 299,440
2022	50,000	95,000	15,000	80,000	168,000	140,000	548,000
2023	100,000	52,000	15,000	99,000	59,000	370,000	695,000
2024	80,000	120,000	15,000	50,000	50,000	75,000	390,000
2025	20,000	50,000	175,000	140,000	85,000	210,000	680,000
2026	-	35,000	23,000	80,000	115,000	150,000	403,000
2027	800,000	60,000	15,000	20,000	90,000	150,000	1,135,000
2028	-	-	15,000	144,000	170,000	160,000	489,000
2029	-	150,000	50,000	365,000	50,000	165,000	780,000
2030	281,000	-	90,000	419,000	85,000	320,000	1,195,000
2031	-	150,000	129,000	143,000	280,000	215,200	917,200
2032	-	-	100,000	124,000	80,000	170,000	474,000
2033	800,000	75,000	49,000	203,200	80,000	215,000	1,422,200
2034	350,000	45,000	15,000	89,000	50,000	230,000	779,000
2035	-	-	60,000	20,000	565,000	413,000	1,058,000
2036	-	115,000	-	46,000	190,000	300,000	651,000
2037	-	60,000	75,000	41,000	130,000	405,000	711,000
2038	-	170,000	75,000	241,000	341,000	350,000	1,177,000
2039	525,000	50,000	-	700,000	55,000	205,000	1,535,000
2040	-	20,000	125,000	573,000	285,000	190,000	1,193,000
2041	-	-	-	115,000	55,000	335,700	505,700
2042	-	-	-	376,000	90,000	345,000	811,000
2043	75,000	195,000	15,000	286,500	90,000	285,000	946,500
2044	-	55,000	-	30,000	55,000	300,000	440,000
2045	2,281,000	190,000	215,000	25,000	90,000	317,000	3,118,000
2046	-	-	85,000	81,000	100,000	205,000	471,000
2047	-	25,000	11,000	160,000	150,000	210,000	556,000
2048	-	70,000	50,000	344,000	205,000	275,000	944,000
2049	-	65,000	15,000	92,000	55,000	215,000	442,000
2050	255,000	135,000	120,000	418,000	265,000	2,290,000	3,483,000
2051	-	-	-	155,000	55,000	220,000	430,000
2052	-	290,000	95,000	511,000	95,000	470,000	1,461,000
2053	-	-	80,000	315,700	95,000	395,000	885,700
2054	-	100,000	12,000	159,000	110,000	580,000	961,000
2055	89,000	-	85,000	120,000	355,000	350,000	999,000
2056	-	-	-	340,000	55,000	400,000	795,000
2057	-	145,000	-	35,000	150,000	230,000	560,000
2058	-	180,000	15,000	399,000	225,000	230,000	1,049,000
2059	-	205,000	-	35,000	55,000	260,000	555,000
2060	-	-	-	355,000	55,000	315,000	725,000
2061	-	-	-	70,000	55,000	245,000	370,000
2062	-	90,000	-	187,000	105,000	245,000	627,000
2063	-	-	-	-	-	-	-
2064	-	235,000	-	-	-	-	235,000

Capital asset replacement fund
Capital summary - park facilities

Year	Buildings	Picnic shelters	Playground equipment	Pavement			Fencing/backboards	Lights	Misc. items	Total all parks
				Courts	Parking/driveway					
2021	\$ 56,840	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 160,000	\$ 216,840	
2022	199,500	-	225,000	90,000	-	158,000	33,000	191,000	896,500	
2023	45,000	-	350,000	45,000	-	75,000	40,000	136,000	691,000	
2024	48,000	-	-	45,000	-	85,000	-	118,000	296,000	
2025	70,000	-	175,000	45,000	-	25,000	-	-	315,000	
2026	-	-	120,000	90,000	350,000	5,000	-	40,000	605,000	
2027	-	-	-	45,000	-	50,000	-	-	95,000	
2028	20,000	-	-	105,000	-	-	-	-	125,000	
2029	27,000	-	-	70,000	200,000	70,000	-	-	367,000	
2030	70,000	-	-	40,000	-	-	-	65,000	175,000	
2031	20,000	-	-	45,000	-	-	27,000	73,000	165,000	
2032	33,000	-	-	45,000	-	60,000	-	67,000	205,000	
2033	-	-	225,000	-	-	-	-	60,000	285,000	
2034	90,000	-	-	-	-	-	-	550,000	640,000	
2035	63,000	-	-	90,000	-	-	-	-	153,000	
2036	-	-	150,000	120,000	-	-	-	120,000	390,000	
2037	20,000	-	-	80,000	-	-	-	100,000	200,000	
2038	-	-	95,000	65,000	-	-	-	50,000	210,000	
2039	-	24,000	175,000	50,000	105,000	140,000	-	-	494,000	
2040	50,000	38,000	95,000	50,000	-	-	-	16,000	249,000	
2041	-	-	2,000,000	-	-	-	-	100,000	2,100,000	
2042	-	-	245,000	-	-	35,000	-	-	280,000	
2043	20,000	-	220,000	60,000	260,000	-	-	100,000	660,000	
2044	33,000	-	195,000	140,000	-	-	-	-	368,000	
2045	84,000	-	195,000	90,000	790,000	-	-	62,000	1,221,000	
2046	90,000	-	-	60,000	164,000	140,000	-	164,000	618,000	
2047	-	-	-	80,000	-	65,000	-	-	145,000	
2048	89,000	-	140,000	60,000	200,000	-	41,000	100,000	630,000	
2049	69,000	30,000	-	-	-	60,000	49,000	-	208,000	
2050	35,000	-	-	-	750,000	-	-	20,000	805,000	
2051	-	-	-	75,000	-	-	40,000	125,000	240,000	
2052	80,000	-	-	155,000	750,000	-	49,000	-	1,034,000	
2053	-	-	245,000	100,000	-	-	-	100,000	445,000	
2054	-	-	-	80,000	82,000	-	30,000	-	192,000	
2055	160,000	-	-	85,000	-	-	-	-	245,000	
2056	-	-	170,000	70,000	-	-	62,000	100,000	402,000	
2057	-	-	-	-	-	110,000	-	100,000	210,000	
2058	20,000	50,000	365,000	-	-	-	-	-	435,000	
2059	-	40,000	195,000	80,000	-	75,000	-	10,000	400,000	
2060	-	50,000	115,000	170,000	400,000	-	-	105,000	840,000	
2061	20,000	-	2,100,000	110,000	15,000	-	45,000	100,000	2,390,000	
2062	50,000	-	265,000	85,000	18,000	45,000	-	-	463,000	
2063	-	-	240,000	90,000	20,000	-	-	100,000	450,000	
2064	65,000	130,000	215,000	80,000	19,000	85,000	-	-	594,000	

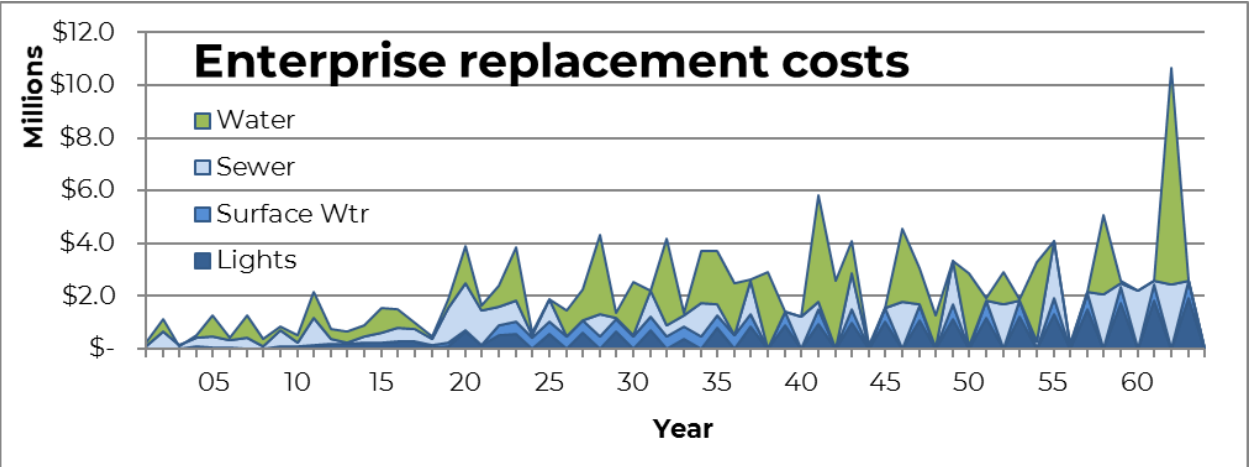
Capital asset replacement fund
Capital summary - trails and pathways

Year	Park	Description	Trail rehabilitation & replacement		Total cost
			Rehab.	Replace	
2021	Allowance	Asphalt path	\$ 80,000	\$ -	\$ 80,000
2022	Allowance	Asphalt path	181,600	-	181,600
2023	Allowance	Asphalt path	83,200	-	83,200
2024	Allowance	Asphalt path	84,900	-	84,900
2025	Allowance	Asphalt path	86,600	350,000	436,600
2026	Allowance	Asphalt path	88,200	-	88,200
2027	Allowance	Asphalt path	89,900	-	89,900
2028	Allowance	Asphalt path	91,700	-	91,700
2029	Allowance	Asphalt path	93,500	-	93,500
2030	Allowance	Asphalt path	95,400	125,000	220,400
2031	Allowance	Asphalt path	97,300	-	97,300
2032	Allowance	Asphalt path	99,200	-	99,200
2033	Allowance	Asphalt path	101,200	-	101,200
2034	Allowance	Asphalt path	103,200	-	103,200
2035	Allowance	Asphalt path	105,300	-	105,300
2036	Allowance	Asphalt path	107,400	-	107,400
2037	Allowance	Asphalt path	109,500	-	109,500
2038	Allowance	Asphalt path	111,700	140,000	251,700
2039	Allowance	Asphalt path	113,900	-	113,900
2040	Allowance	Asphalt path	116,200	157,000	273,200
2041	Allowance	Asphalt path	118,500	-	118,500
2042	Allowance	Asphalt path	120,900	-	120,900
2043	Allowance	Asphalt path	123,300	-	123,300
2044	Allowance	Asphalt path	125,800	-	125,800
2045	Allowance	Asphalt path	128,300	174,000	302,300
2046	Allowance	Asphalt path	130,900	-	130,900
2047	Allowance	Asphalt path	133,500	-	133,500
2048	Allowance	Asphalt path	136,200	-	136,200
2049	Allowance	Asphalt path	138,900	-	138,900
2050	Allowance	Asphalt path	141,700	-	141,700
2051	Allowance	Asphalt path	144,500	-	144,500
2052	Allowance	Asphalt path	147,400	190,000	337,400
2053	Allowance	Asphalt path	150,300	-	150,300
2054	Allowance	Asphalt path	153,300	-	153,300
2055	Allowance	Asphalt path	156,400	210,000	366,400
2056	Allowance	Asphalt path	159,500	-	159,500
2057	Allowance	Asphalt path	162,700	-	162,700
2058	Allowance	Asphalt path	166,000	-	166,000
2059	Allowance	Asphalt path	169,300	-	169,300
2060	Allowance	Asphalt path	172,700	-	172,700
2061	Allowance	Asphalt path	176,200	250,000	426,200
2062	Allowance	Asphalt path	179,700	-	179,700
2063	Allowance	Asphalt path	183,300	-	183,300
2064	Allowance	Asphalt path	187,000	-	187,000

Proprietary funds

Proprietary operations are accounted for through enterprise funds (for utility operations) and internal service funds (for operation of the maintenance center). The infrastructure replacement policy requires preparation of 20-year operating projections at least every 5 years. City staff prepares the analysis in most years, and on occasion an outside consultant is hired to prepare a utility rate study. Both methods include a comprehensive 20-year analysis of operations and capital costs; and provide a recommendation for utility rates and inter-fund charges (in support of Internal Service operations). The 2022 utility rate study was prepared by staff, and the last study prepared by an outside consultant occurred in 2002.

Enterprise capital costs are financed through a combination of debt issuance and the use of current resources. Over the next 20 years, enterprise funds will provide for the replacement of approximately \$52 million in water, sewer and surface water system replacements. The following graph provides an illustration of historical and anticipated replacement costs.



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

construction techniques allow us to assume longer life spans for lines installed during the latter stages of the rapid residential growth.

The city's enterprise funds include:

- Water fund
- Sewer fund
- Surface water management fund
- Street lighting fund

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

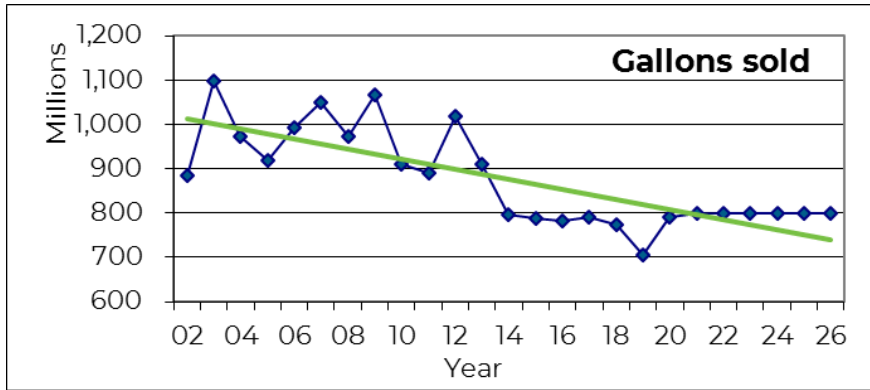
- Cash balances and cash balance objectives
- Debt levels, future debt issuance and debt payments
- New connections to utility services
- Capital costs (additions, repairs and replacements)
- Water consumption trends
- Sewage flows and treatment costs
- Operating costs
- Maintenance strategies

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

Usage trends

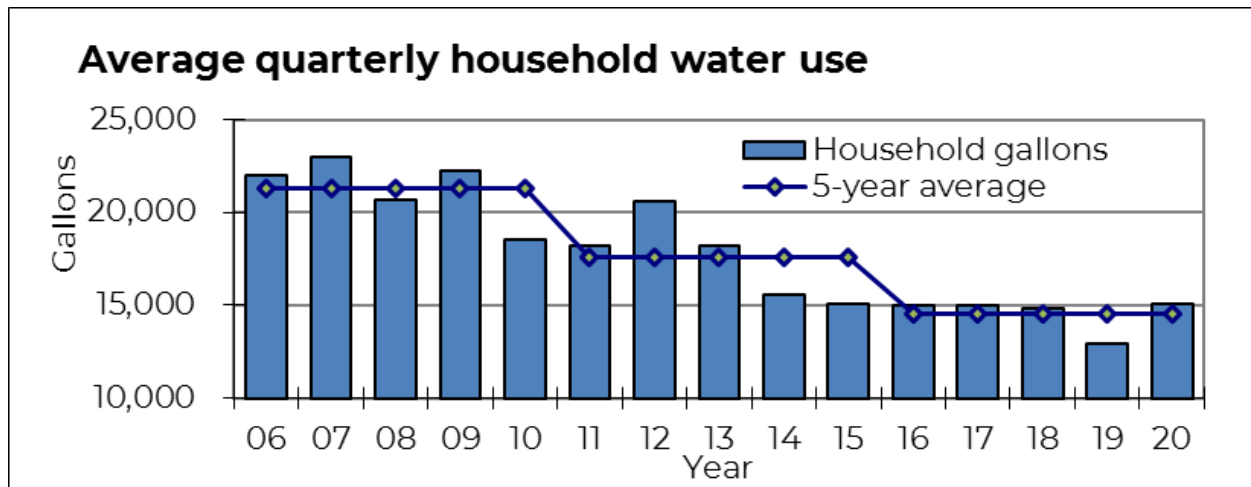
In recent years a combination of weather (rainfall), an aging population, and changes in usage patterns have contributed to an overall decline in average household water use. Although the city expects variations in water consumption from year to year, mainly due to rainfall fluctuations and timing, a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

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

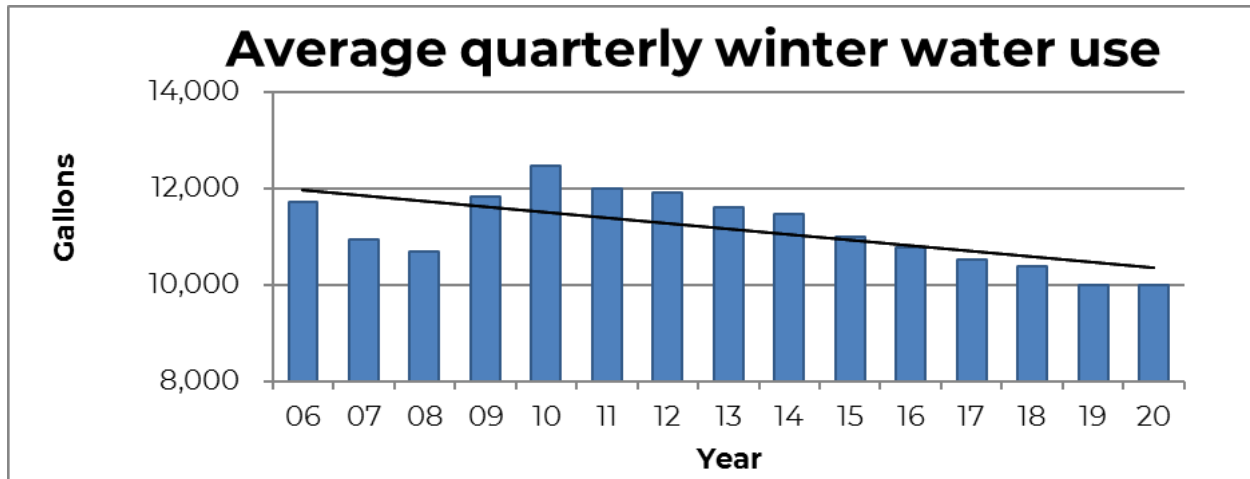


Over the last nine years, household water use has accounted for an average of 75% of total gallons consumed. The following two graphs illustrate a decline in quarterly household water use.

Average quarterly household water use in the last five years (2016 to 2020) is approximately 17% lower than the previous 5 years, and about 31% lower than the early 2000s.



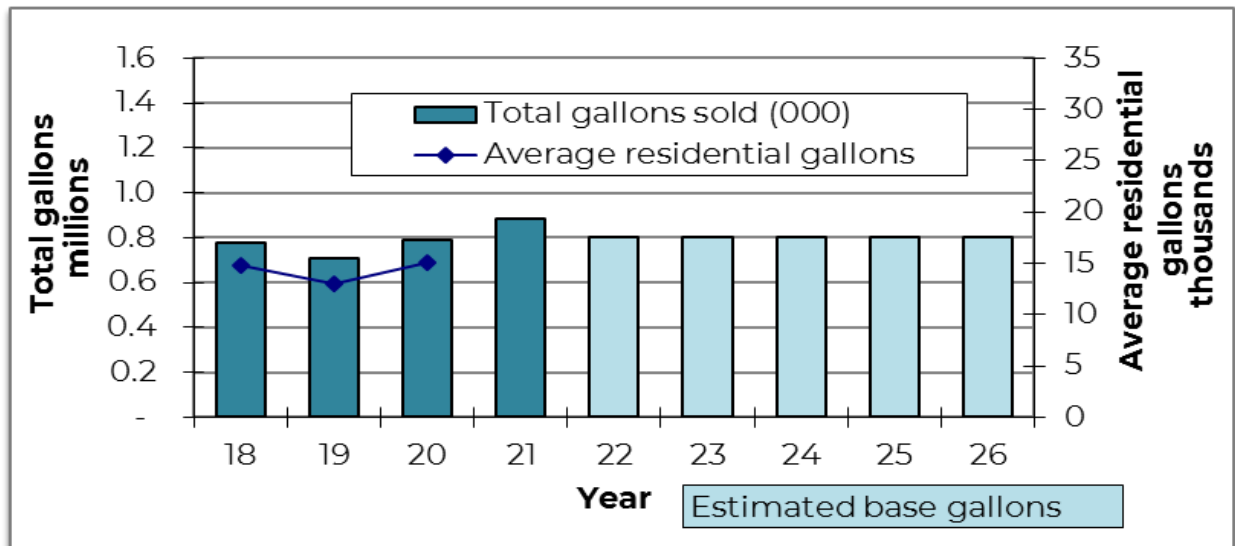
Overall, average quarterly household water use during winter months is also declining. The graph below shows average quarterly winter water use as well as a trend line for winter consumption since 2006.



Water fund

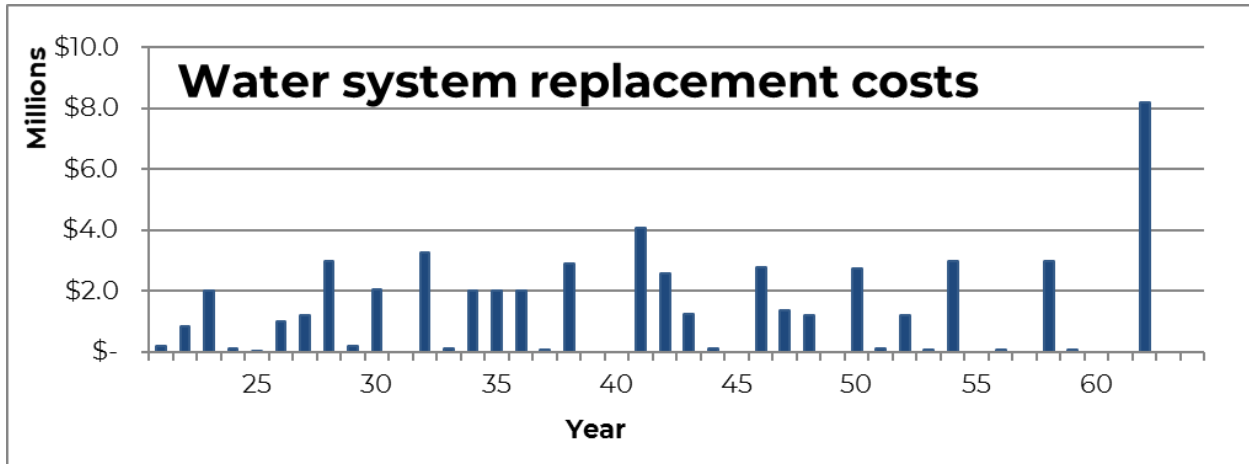
In setting water rates, the city expects fluctuations in water consumption from year to year, and the resulting fluctuations in water revenue. Revenue projections utilize a “base year” approach for estimating gallons sold, which enables the city to set rates at levels that support operations, without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

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



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

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



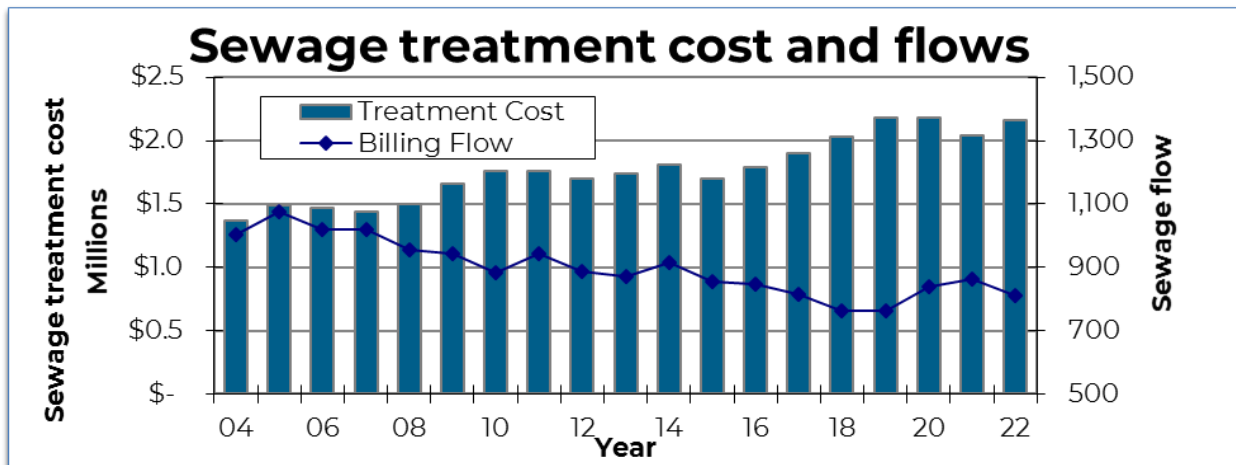
Water Fund	2021 Estimate	2022 Budget	2023 Budget	2024 Projected	2025 Projected	2026 Projected
Revenue						
Utility Charges	\$ 4,476,000	\$ 4,285,000	\$ 4,412,000	\$ 4,571,000	\$ 4,705,000	\$ 4,841,000
Late Fees/Utility Charges	-	-	-	-	-	-
Water Facility Charges	10,500	10,500	10,500	10,500	10,500	10,500
Other Charges	27,000	27,000	27,000	27,000	27,000	27,000
Other Revenues	-	-	-	-	-	-
Total Revenue	4,513,500	4,322,500	4,449,500	4,608,500	4,742,500	4,878,500
Expense						
Enterprise Operations	2,205,192	2,211,652	2,263,858	2,404,179	2,534,985	2,509,877
Depreciation	992,000	989,000	990,000	1,002,000	1,002,000	1,000,000
Total Expense	3,197,192	3,200,652	3,253,858	3,406,179	3,536,985	3,509,877
Operating Income (Loss)	1,316,308	1,121,848	1,195,642	1,202,321	1,205,515	1,368,623
Other Sources (Uses)						
Interest Earnings	30,000	30,000	30,000	30,000	30,000	30,000
Contributed Capital Assets	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-
Debt Service	(404,172)	(369,188)	(381,203)	(387,285)	(368,477)	(342,873)
Transfers Out	(424,286)	(443,000)	(443,000)	(453,000)	(463,000)	(473,000)
Net Change	517,850	339,660	401,439	392,036	404,038	582,750
Fund Equity, beginning	13,368,698	13,886,548	14,226,208	14,627,647	15,019,683	15,423,721
Fund Equity, ending	\$ 13,886,548	\$ 14,226,208	\$ 14,627,647	\$ 15,019,683	\$ 15,423,721	\$ 16,006,471
Months of operating coverage	9.0	8.0	8.2	7.8	8.4	6.7
Cash balance	\$ 3,705,620	\$ 3,324,620	\$ 3,481,059	\$ 3,465,095	\$ 3,586,133	\$ 2,903,883
Capital costs	\$ 216,286	\$ 845,000	\$ 2,420,000	\$ 135,000	\$ 40,000	\$ 1,000,000
Unspent bond proceeds	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
General transfer percent of assets	0.84%	0.85%	0.82%	0.84%	0.86%	0.87%
Rate Increase (tiers)	0.0%	3.0%	3.0%	4.0%	3.0%	3.0%
Change in utility charge revenue	22.3%	-4.3%	3.0%	3.6%	2.9%	2.9%
Debt issued	\$ -	\$ 840,000	\$ 2,540,000	\$ -	\$ 180,000	\$ -
Debt payments (principal)	\$ 1,205,000	\$ 1,365,000	\$ 1,355,000	\$ 1,275,000	\$ 1,425,000	\$ 1,265,000
Debt balance (year end)	\$ 16,260,000	\$ 15,735,000	\$ 16,920,000	\$ 15,645,000	\$ 14,400,000	\$ 13,135,000
Debt Capacity after transfers	\$ 304,850	\$ (36,340)	\$ 36,439	\$ 119,036	\$ (18,962)	\$ 317,750
Gallons of water sold (000)	881,297	800,000	800,000	800,000	800,000	800,000

Water fund
Capital summary

Year	Replacements					Total capital costs
	Water lines	Treatment plant	Wells, generator, & controls	Towers/reservoir	Additions	
2021	\$ 215,000	\$ -	\$ -	\$ -	\$ -	\$ 215,000
2022	700,000	-	135,000	-	-	835,000
2023	1,020,000	-	-	1,000,000	400,000	2,420,000
2024	-	-	135,000	-	-	135,000
2025	40,000	-	-	-	-	40,000
2026	1,000,000	-	-	-	-	1,000,000
2027	-	-	-	1,200,000	-	1,200,000
2028	2,000,000	-	-	1,000,000	600,000	3,600,000
2029	-	200,000	-	-	-	200,000
2030	2,000,000	-	50,000	-	-	2,050,000
2031	-	-	-	-	3,000,000	3,000,000
2032	2,000,000	-	-	1,280,000	-	3,280,000
2033	-	-	100,000	-	-	100,000
2034	2,000,000	-	-	-	-	2,000,000
2035	-	-	2,000,000	-	-	2,000,000
2036	2,000,000	-	-	-	-	2,000,000
2037	-	-	60,000	-	-	60,000
2038	2,500,000	-	400,000	-	-	2,900,000
2039	-	-	-	-	-	-
2040	-	-	-	-	-	-
2041	-	4,000,000	60,000	-	-	4,060,000
2042	2,500,000	-	-	85,000	-	2,585,000
2043	-	-	-	1,250,000	-	1,250,000
2044	-	-	130,000	-	-	130,000
2045	-	-	-	-	-	-
2046	2,750,000	-	50,000	-	-	2,800,000
2047	-	-	-	1,350,000	-	1,350,000
2048	-	-	-	1,200,000	-	1,200,000
2049	-	-	-	-	-	-
2050	2,750,000	-	-	-	-	2,750,000
2051	-	-	-	100,000	-	100,000
2052	-	-	-	1,200,000	-	1,200,000
2053	-	-	60,000	-	-	60,000
2054	3,000,000	-	-	-	3,500,000	6,500,000
2055	-	-	-	-	-	-
2056	-	-	60,000	-	-	60,000
2057	-	-	-	-	-	-
2058	3,000,000	-	-	-	-	3,000,000
2059	-	-	70,000	-	-	70,000
2060	-	-	-	-	-	-
2061	-	-	-	-	-	-
2062	3,000,000	5,000,000	75,000	115,000	-	8,190,000
2063	-	-	-	-	-	-
2064	-	-	-	-	-	-

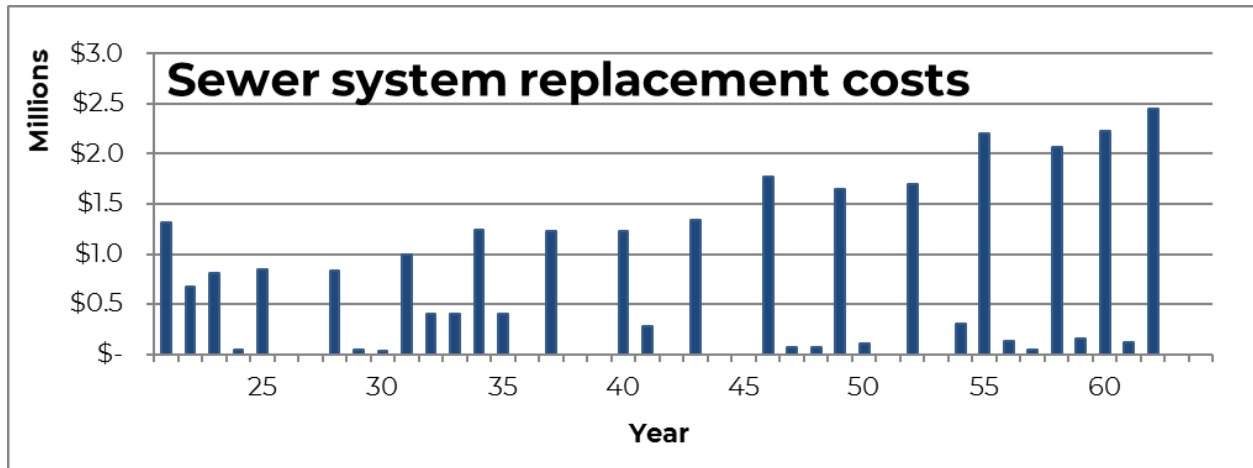
Sewer fund

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



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

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



Sewer Fund	2021 Estimate	2022 Budget	2023 Budget	2024 Projected	2025 Projected	2026 Projected
Revenue						
Charges for Services	\$ 1,600	\$ 1,600	\$ 1,600	\$ 1,600	\$ 1,600	\$ 1,600
Utility Charges	4,678,000	4,896,000	5,099,000	5,304,000	5,516,000	5,684,000
Sewer Facility Charges	5,000	5,000	5,000	5,000	5,000	5,000
Other Charges	2,500	2,500	2,500	2,500	2,500	2,500
Total Revenue	4,687,100	4,905,100	5,108,100	5,313,100	5,525,100	5,693,100
Expense						
Enterprise Operations	3,804,530	4,054,039	4,192,201	4,348,855	4,504,344	4,658,781
Depreciation	367,000	375,000	362,000	364,000	380,000	388,000
Total Expense	4,171,530	4,429,039	4,554,201	4,712,855	4,884,344	5,046,781
Operating Income (Loss)	515,570	476,061	553,899	600,245	640,756	646,319
Other Sources (Uses)						
Interest Earnings	35,000	35,000	35,000	35,000	35,000	35,000
Debt Service	(121,813)	(124,053)	(126,001)	(136,298)	(134,272)	(137,494)
Transfers Out	(209,286)	(213,000)	(218,000)	(223,000)	(228,000)	(233,000)
Net Change	219,471	174,008	244,898	275,947	313,484	310,825
Fund Equity, beginning	9,510,083	9,729,554	9,903,562	10,148,460	10,424,407	10,737,891
Fund Equity, ending	\$ 9,729,554	\$ 9,903,562	\$ 10,148,460	\$ 10,424,407	\$ 10,737,891	\$ 11,048,716
Months of operating coverage	11.0	14.1	15.8	15.7	17.7	18.0
Cash balance	\$ 4,615,012	\$ 6,059,020	\$ 7,040,918	\$ 7,195,865	\$ 8,334,349	\$ 8,578,174
Capital costs	\$ 1,311,286	\$ 671,000	\$ 815,000	\$ 50,000	\$ 844,000	\$ -
Unspent bond proceeds	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
General transfer percent of assets	0.81%	0.81%	0.80%	0.82%	0.81%	0.84%
Rate Increase (middle tier)	2.0%	4.0%	4.0%	4.0%	4.0%	3.0%
Change in utility charge revenue	4.7%	4.7%	4.1%	4.0%	4.0%	3.0%
Debt issued	\$ -	\$ 1,370,000	\$ 860,000	\$ -	\$ 940,000	\$ -
Debt payments (principal)	\$ 290,000	\$ 475,000	\$ 485,000	\$ 485,000	\$ 495,000	\$ 455,000
Debt balance (year end)	\$ 5,745,000	\$ 6,640,000	\$ 7,015,000	\$ 6,530,000	\$ 6,975,000	\$ 6,520,000
Debt Capacity after transfers	\$ 296,471	\$ 74,008	\$ 121,898	\$ 154,947	\$ 198,484	\$ 243,825

Sewer fund

Capital summary

Year	Replacements			Total capital costs
	Sewer lines	Relining-televising	Lift stations	
2021	\$ 1,210,000	\$ -	\$ 100,000	\$ 1,310,000
2022	125,000	471,000	75,000	671,000
2023	815,000	-	-	815,000
2024	-	-	50,000	50,000
2025	24,000	760,000	60,000	844,000
2026	-	-	-	-
2027	-	-	-	-
2028	-	831,000	-	831,000
2029	-	-	40,000	40,000
2030	-	-	35,000	35,000
2031	-	909,000	90,000	999,000
2032	-	-	400,000	400,000
2033	-	-	400,000	400,000
2034	-	993,000	250,000	1,243,000
2035	-	-	400,000	400,000
2036	-	-	-	-
2037	-	1,086,000	140,000	1,226,000
2038	-	-	-	-
2039	-	-	-	-
2040	-	1,188,000	40,000	1,228,000
2041	-	-	280,000	280,000
2042	-	-	-	-
2043	-	1,299,000	40,000	1,339,000
2044	-	-	-	-
2045	-	-	-	-
2046	-	1,419,000	350,000	1,769,000
2047	-	-	70,000	70,000
2048	-	-	70,000	70,000
2049	-	1,552,000	100,000	1,652,000
2050	-	-	110,000	110,000
2051	-	-	-	-
2052	-	1,696,000	-	1,696,000
2053	-	-	-	-
2054	-	-	300,000	300,000
2055	-	1,852,000	350,000	2,202,000
2056	-	-	125,000	125,000
2057	-	-	40,000	40,000
2058	-	2,023,000	40,000	2,063,000
2059	-	-	160,000	160,000
2060	-	2,225,000	-	2,225,000
2061	-	-	120,000	120,000
2062	-	2,445,000	-	2,445,000
2063	-	-	-	-
2064	-	-	-	-

Surface water management fund

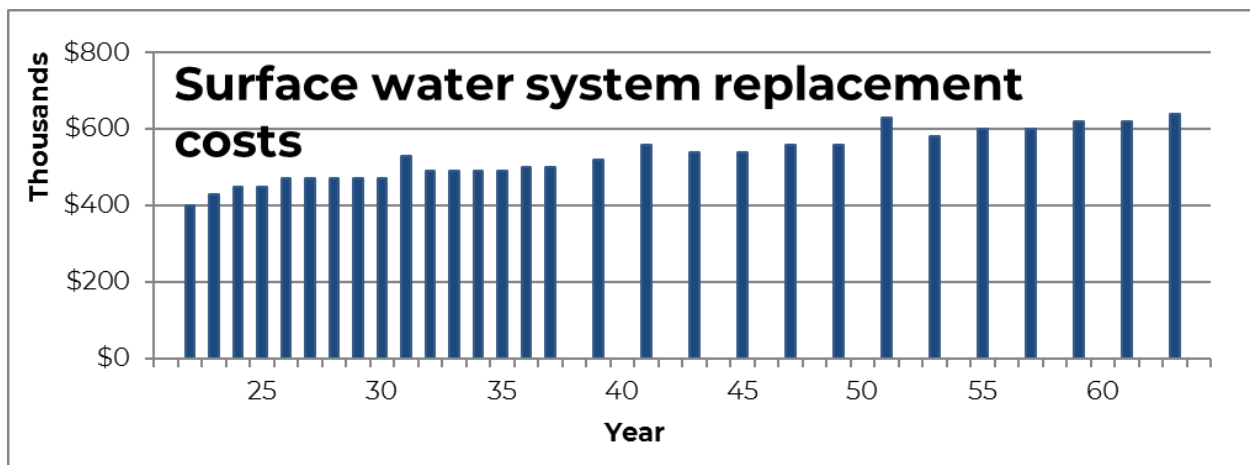
The city's surface water system collects and directs storm water runoff and provides protections for ground water quality. The program is designed to preserve and use natural water storage and retention systems, as much as practical, to reduce capital expenditures necessary to:

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

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

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

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



Surface Water Fund	2021 Estimate	2022 Budget	2023 Budget	2024 Projected	2025 Projected	2026 Projected
Revenue						
Utility Charges	\$ 2,039,000	\$ 2,151,000	\$ 2,236,000	\$ 2,313,000	\$ 2,405,000	\$ 2,500,000
Snail Lake Augmentation Chgs	38,000	38,000	38,000	38,000	38,000	38,000
Other Charges	8,000	8,000	8,000	8,000	8,000	8,000
Total Revenue	2,085,000	2,197,000	2,282,000	2,359,000	2,451,000	2,546,000
Expense						
Enterprise Operations	1,236,128	1,336,357	1,377,152	1,409,050	1,454,727	1,489,639
Depreciation	369,000	399,000	415,000	427,000	440,000	456,000
Total Expense	1,605,128	1,735,357	1,792,152	1,836,050	1,894,727	1,945,639
Operating Income (Loss)	479,872	461,643	489,848	522,950	556,273	600,361
Other Sources (Uses)						
Interest Earnings	15,000	15,000	15,000	15,000	15,000	15,000
Debt Service	(113,844)	(99,792)	(101,002)	(98,519)	(101,745)	(108,757)
Transfers Out	(191,000)	(196,000)	(201,000)	(206,000)	(211,000)	(216,000)
Net Change	190,028	180,851	202,846	233,431	258,528	290,604
Fund Equity, beginning	12,433,472	12,623,500	12,804,351	13,007,197	13,240,628	13,499,156
Fund Equity, ending	\$12,623,500	\$12,804,351	\$13,007,197	\$13,240,628	\$13,499,156	\$13,789,760
Months of oper/capital coverage	15.8	13.1	14.2	12.8	16.4	15.4
Cash balance	\$ 3,043,994	\$ 2,609,815	\$ 2,747,661	\$ 2,568,092	\$ 3,356,620	\$ 3,238,224
Capital costs	\$ 746,015	\$ 400,000	\$ 430,000	\$ 450,000	\$ 450,000	\$ 470,000
Unspent bond proceeds	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
General transfer percent of assets	0.81%	0.81%	0.81%	0.81%	0.79%	0.80%
Rate Increase	3.0%	6.0%	4.0%	3.5%	4.0%	4.0%
Change in utility charge revenue	4.5%	5.5%	4.0%	3.4%	4.0%	4.0%
Debt issued	\$ -	\$ 420,000	\$ 450,000	\$ -	\$ 950,000	\$ -
Debt payments (principal)	\$ 470,000	\$ 475,000	\$ 500,000	\$ 390,000	\$ 410,000	\$ 395,000
Debt balance (year end)	\$ 5,030,000	\$ 4,975,000	\$ 4,925,000	\$ 4,535,000	\$ 5,075,000	\$ 4,680,000
Debt Capacity after transfers	\$ 89,028	\$ 104,851	\$ 117,846	\$ 270,431	\$ 288,528	\$ 351,604

Surface water management fund
Capital summary

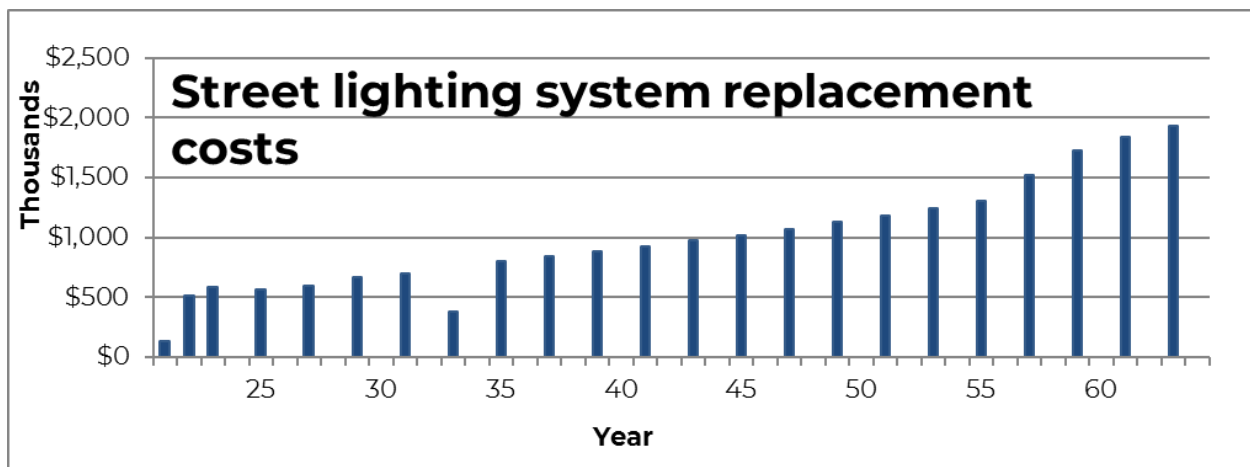
Year	Replacements			Total capital costs
	Storm systems	Controls	Additions	
2021	\$ -	\$ -	\$ 746,015	\$ 746,015
2022	400,000	-	-	400,000
2023	430,000	-	-	430,000
2024	450,000	-	-	450,000
2025	450,000	-	-	450,000
2026	470,000	-	-	470,000
2027	470,000	-	-	470,000
2028	470,000	-	200,000	670,000
2029	470,000	-	-	470,000
2030	470,000	-	200,000	670,000
2031	490,000	40,000	-	530,000
2032	490,000	-	-	490,000
2033	490,000	-	-	490,000
2034	490,000	-	-	490,000
2035	490,000	-	-	490,000
2036	500,000	-	-	500,000
2037	500,000	-	-	500,000
2038	-	-	-	-
2039	520,000	-	-	520,000
2040	-	-	-	-
2041	520,000	40,000	-	560,000
2042	-	-	-	-
2043	540,000	-	-	540,000
2044	-	-	-	-
2045	540,000	-	-	540,000
2046	-	-	-	-
2047	560,000	-	-	560,000
2048	-	-	-	-
2049	560,000	-	-	560,000
2050	-	-	-	-
2051	580,000	50,000	-	630,000
2052	-	-	-	-
2053	580,000	-	-	580,000
2054	-	-	-	-
2055	600,000	-	-	600,000
2056	-	-	-	-
2057	600,000	-	-	600,000
2058	-	-	-	-
2059	620,000	-	-	620,000
2060	-	-	-	-
2061	620,000	-	-	620,000
2062	-	-	-	-
2063	640,000	-	-	640,000
2064	-	-	-	-

Street lighting fund

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

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

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



Street Lighting Fund	2021 Estimate	2022 Budget	2023 Budget	2024 Projected	2025 Projected	2026 Projected
Revenue						
Utility Charges	\$ 797,000	\$ 832,000	\$ 873,000	\$ 917,000	\$ 962,000	\$ 1,010,000
Total Revenue	797,000	832,000	873,000	917,000	962,000	1,010,000
Expense						
Enterprise Operations	291,511	301,274	310,648	314,657	320,488	326,361
Depreciation	119,000	139,000	162,000	174,000	186,000	200,000
Total Expense	410,511	440,274	472,648	488,657	506,488	526,361
Operating Income (Loss)	386,489	391,726	400,352	428,343	455,512	483,639
Other Sources (Uses)						
Interest Earnings	10,000	10,000	10,000	10,000	10,000	10,000
Transfers Out	(42,400)	(47,400)	(52,400)	(57,400)	(62,400)	(67,400)
Net Change	354,089	354,326	357,952	380,943	403,112	426,239
Fund Equity, beginning	3,440,826	3,794,915	4,149,241	4,507,193	4,888,136	5,291,248
Fund Equity, ending	\$ 3,794,915	\$ 4,149,241	\$ 4,507,193	\$ 4,888,136	\$ 5,291,248	\$ 5,717,487
Months of oper/capital coverage	32.1	29.4	26.7	38.9	38.0	50.3
Cash balance	\$ 1,177,493	\$ 1,157,669	\$ 1,088,481	\$ 1,643,424	\$ 1,666,076	\$ 2,292,315
Capital costs	\$ 135,000	\$ 513,150	\$ 589,140	\$ -	\$ 566,460	\$ -
General transfer percent of assets	1.00%	0.99%	0.98%	1.08%	1.03%	1.11%
Rate Increase	5.0%	4.0%	5.0%	5.0%	5.0%	5.0%

**Street lighting fund
Capital summary**

Year	Replacements		Total capital costs
	Allowance	Street projects	
2021	\$ -	\$ 135,000	\$ 135,000
2022	513,150	-	513,150
2023	539,140	50,000	589,140
2024	-	-	-
2025	566,460	-	566,460
2026	-	-	-
2027	595,140	-	595,140
2028	-	-	-
2029	666,940	-	666,940
2030	-	-	-
2031	700,730	-	700,730
2032	-	-	-
2033	379,630	-	379,630
2034	-	-	-
2035	797,740	-	797,740
2036	-	-	-
2037	838,130	-	838,130
2038	-	-	-
2039	880,510	-	880,510
2040	-	-	-
2041	925,120	-	925,120
2042	-	-	-
2043	971,920	-	971,920
2044	-	-	-
2045	1,021,080	-	1,021,080
2046	-	-	-
2047	1,072,760	-	1,072,760
2048	-	-	-
2049	1,127,080	-	1,127,080
2050	-	-	-
2051	1,184,170	-	1,184,170
2052	-	-	-
2053	1,244,170	-	1,244,170
2054	-	-	-
2055	1,307,130	-	1,307,130
2056	-	-	-
2057	1,518,980	-	1,518,980
2058	-	-	-
2059	1,727,020	-	1,727,020
2060	-	-	-
2061	1,837,440	-	1,837,440
2062	-	-	-
2063	1,930,480	-	1,930,480
2064	-	-	-

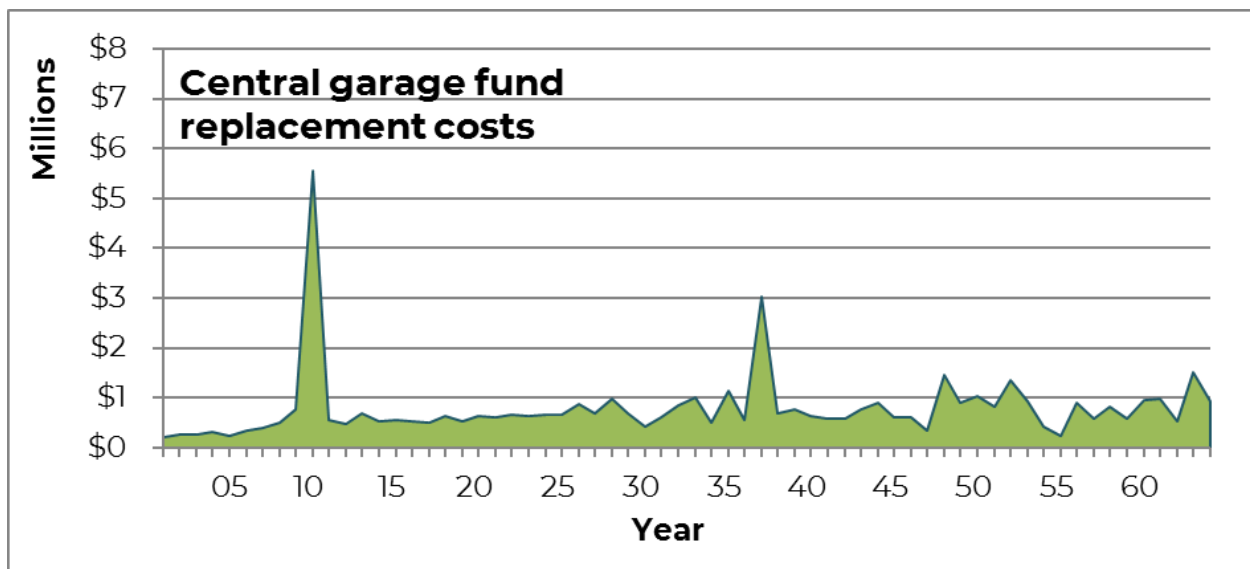
Central garage fund

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

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

Over the next 20 years the central garage fund will provide for the replacement of approximately \$16.6 million in garage assets. The graph below shows historical and projected replacement costs.

Operating projections are presented on the next page.



Central garage fund	2019 estimate	2020 budget	2021 budget	2022 projected	2023 projected	2024 projected
Revenue						
Central Garage Charges	\$ 1,380,000	\$ 1,451,000	\$ 1,495,000	\$ 1,540,000	\$ 1,586,000	\$ 1,633,000
Total Revenue	1,380,000	1,451,000	1,495,000	1,540,000	1,586,000	1,633,000
Expense						
Central Garage Operations	636,437	635,619	678,304	706,603	717,058	733,547
Depreciation	721,000	740,000	760,000	786,000	813,000	836,000
Total Expense	1,357,437	1,375,619	1,438,304	1,492,603	1,530,058	1,569,547
Operating Income (Loss)	22,563	75,381	56,696	47,397	55,942	63,453
Other Sources (Uses)						
Property Taxes	184,000	184,000	184,000	184,000	184,000	184,000
Interest Earnings	15,000	16,000	17,000	17,500	18,000	18,500
Sale of Asset-Gain (Loss)	73,600	10,700	43,700	34,500	19,000	9,000
Debt Service	(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
Transfers Out	-	(3,000)	-	-	(5,000)	-
Net Change	319,919	319,106	346,402	337,679	333,598	341,163
Fund Equity, beginning	5,302,038	5,621,957	5,941,063	6,287,465	6,625,144	6,958,742
Fund Equity, ending	\$ 5,621,957	\$ 5,941,063	\$ 6,287,465	\$ 6,625,144	\$ 6,958,742	\$ 7,299,905
Months of oper/cap coverage	15.5	16.2	17.0	18.1	19.2	20.9
Cash balance	\$ 2,254,471	\$ 2,441,877	\$ 2,653,579	\$ 2,883,758	\$ 3,116,356	\$ 3,414,019
Capital costs	\$ 537,015	\$ 631,500	\$ 597,000	\$ 588,000	\$ 600,000	\$ 579,000
Expense percent change	5.7%	1.3%	4.6%	3.8%	2.5%	2.6%
Average annual percent change	2.4%					3.0%
Interfund charges percent change	6.2%	5.1%	3.0%	3.0%	3.0%	3.0%
Average annual percent change	2.3%					3.4%
Debt payments (principal)	\$ 280,000	\$ 285,000	\$ 300,000	\$ 310,000	\$ 320,000	\$ 325,000
Debt balance (year end)	\$ 3,640,000	\$ 3,355,000	\$ 3,055,000	\$ 2,745,000	\$ 2,425,000	\$ 2,100,000

**Central garage fund
Capital summary**

Year	Estimated replacement costs				Total capital costs
	Buildings		Machinery, vehicles equipment	Other	
	Buildings	Parking/ driveways			
2021			\$ 519,328	\$ 76,836	\$ 596,164
2022			555,000	104,500	659,500
2023			530,000	104,000	634,000
2024	-		570,000	75,000	645,000
2025			540,000	120,000	660,000
2026	200,000		600,000	67,500	867,500
2027	-		595,000	80,500	675,500
2028	55,000		843,000	75,000	973,000
2029			608,000	75,000	683,000
2030			354,000	75,000	429,000
2031	60,000		467,000	75,000	602,000
2032			763,000	75,000	838,000
2033			939,000	75,000	1,014,000
2034	65,000		370,000	75,000	510,000
2035		300,000	771,000	75,000	1,146,000
2036			472,000	75,000	547,000
2037	2,000,000		945,000	75,000	3,020,000
2038			613,000	75,000	688,000
2039			687,000	75,000	762,000
2040	75,000		486,000	75,000	636,000
2041			503,000	75,000	578,000
2042			506,000	75,000	581,000
2043	80,000		612,000	75,000	767,000
2044			835,000	75,000	910,000
2045			517,000	75,000	592,000
2046	85,000		449,000	75,000	609,000
2047			273,000	75,000	348,000
2048			1,390,000	75,000	1,465,000
2049	90,000		738,000	75,000	903,000
2050			955,000	75,000	1,030,000
2051			734,000	75,000	809,000
2052			1,279,000	75,000	1,354,000
2053			851,000	75,000	926,000
2054			332,000	75,000	407,000
2055	75,000		75,000	75,000	225,000
2056			821,000	75,000	896,000
2057			514,000	75,000	589,000
2058			744,000	75,000	819,000
2059			493,000	75,000	568,000
2060		556,000	314,000	75,000	945,000
2061			909,000	75,000	984,000
2062			462,000	75,000	537,000
2063			1,412,000	100,000	1,512,000
2064			826,000	100,000	926,000

Capital replacement policies

Comprehensive infrastructure replacement policy

Adopted October 15, 1996

Introduction

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

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

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

- A. **Create a permanent program** including a plan that shall be updated annually during the budget process. The replacement estimates and cash flow projections in the plan will be used to determine tax levies and user fees.
- B. **Moderate annual increases in the tax levy and user fees** by taking a long-term view of the revenue sources used to finance capital replacements.
- C. **Carefully plan for new debt** by requiring a long-term emphasis on rate setting because capital costs fluctuate from year to year. The long-term emphasis is desirable because capital replacement costs if funded exclusively through current revenues, would cause the citizens and

business owners to experience dramatic annual changes in tax and utility bills.

D. **Avoid assessing property owner twice** for the same improvement. Special assessments for any given improvement will be levied against a property only once. The city, as a whole, is primarily responsible for the payment of replacement and rehabilitation costs. The maximum cost to be assessed for any reconstruction and/or rehabilitation improvement is limited to the cost of added improvements plus a proportionate share of project engineering and administrative costs. The street renewal policy, attached, specifically addresses special assessments against benefited properties for street reconstruction, rehabilitation and resurfacing.

II. **General assets** - Capital costs associated with the replacement of general assets are accounted for in two capital project revolving funds, including the street renewal fund, and the general fixed asset replacement (GFAR) fund. These funds accumulate resources dedicated for eligible capital replacements. Annual appropriations are made in the capital improvement program.

A. **Requirements** which apply to both the street renewal and GFAR funds include:

1. Expenditures shall be limited to eligible capital replacement costs as described for each fund.
2. Replacement projections shall be prepared for a minimum of forty years.
3. Investment interest earned within each fund shall remain in the fund.
4. Inter-fund loans are subject to city council approval and must be repaid with interest at the average rate of return on the city's investment portfolio. The finance department will determine the annual interest rate to be charged on inter-fund loans.
5. Expenditures for purposes outside of the eligible costs for general assets are allowed only under one of the following two procedures:
 - The city council declares a financial emergency by at least a four fifths vote, or
 - The city council conducts a public hearing to declare its intent and to invite public input. Notice must be provided to the

public and to each newspaper of general circulation throughout the city at least 30 days prior to the hearing. The notice shall include the amount and intended purpose of the proposed expenditure.

B. **Street renewal** - The street renewal fund was created in 1985 with an initial contribution of two million dollars from savings realized from a major bond defeasance in 1984. The fund provides a permanent program to manage, finance and implement the reconstruction, rehabilitation and resurfacing of residential streets within the city. The street renewal policy attached outlines design standards and the use of special assessments for new improvements. The following requirements are established for the street renewal fund:

1. **Eligible capital costs** include the reconstruction, rehabilitation and resurfacing of residential streets. Property owners shall be assessed the estimated cost of added improvements and the street replacement cost shall be paid by the street renewal fund. Costs associated with the construction of new streets, water, sewer or storm improvements are not eligible capital costs in this fund.
2. **Sources of revenue** include property taxes, investment interest and any additional monies the city may dedicate to residential street replacement in the future.
3. **Minimum fund balances** of two million dollars shall be reserved and maintained so that an ongoing revenue stream from investment interest will be available. Capital replacement costs, which would cause a drop in fund balance below the initial contribution of two million dollars, shall not be allowed.
4. **Use of bonding.** The street renewal fund shall have no direct outstanding debt. It is the intent of the city to finance the street renewal share of capital costs through the use of current resources. Transfers may be made to a debt service fund for the street renewal share of any project which is financed through the use of bonds provided that:
 - The street renewal monies are shown as a source of funding when the bond sale is authorized, and/or
 - The transfer is approved by the city council in the budget document or through separate authorization.

C. **General fixed asset replacement fund** (GFAR) was created in 1989 to collect revenues dedicated to the replacement and/or rehabilitation of general fixed assets. The fund provides a permanent program to manage and finance the replacement of assets accounted for in the general fixed asset account group. The following requirements are established for the GFAR fund:

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

- The transfer is approved by the city council in the budget document or through separate authorization.

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

A. **Requirements** for the enterprise and internal service funds are general in nature because asset replacement is only one aspect of enterprise and internal service fund operations. For these funds the objective of this policy is to encourage long range thinking when establishing current user fees.

1. **Replacement costs** shall be projected for a minimum of forty years.
2. **Future system expansion** estimates (new improvements) shall be prepared for a minimum of ten years.
3. **Operating projections** shall be prepared at least once every five years, and shall cover a period of 20 years.
4. **User fees** shall be established each year based on operating, debt service and capital cost projections.

B. **Enterprise funds** account for the operations of utility services in a manner similar to private business enterprises. Each fund is designed so that the costs of providing goods and services to the public are recovered primarily through user charges, and depreciation is recognized for all assets. The city's enterprise funds include the water fund, sewer fund and the surface water management (SWM) fund. The following requirements are established for the city's enterprise funds:

1. **Sources of revenue** include all revenues collected by the enterprise funds. These typically include users fees (water, sewer and surface water), connection charges, area charges, investment interest and any additional monies the city may dedicate to enterprise operations.
2. **Minimum cash balances** of one million dollars each in the water and sewer funds are required. However, it is the city's intent to maintain water and sewer fund cash balances in the amount of two million dollars or more for the majority of the years covered in the operating

projections. Because the SWM fund has been in operation for less than one year, no minimum cash balance is required at this time.

3. **Use of bonding.** It is the intent of the city to utilize operating and cash flow projections to determine the appropriate level of bonding in enterprise funds for capital costs on an annual basis. Capital cost projections, minimum cash balance requirements and projected increases in user fees will provide the basis for projected debt levels. Most capital costs financed through the use of general obligation revenue bonds will be repaid over ten to fifteen years. However, revenue bonds issued for large capital costs such as water towers, treatment facilities, trunk lines etc. may be repaid over 20 years if projected user fees, as a result of ten to fifteen year bonds, would be substantially higher than the rate of inflation.

C. **Internal service fund.** The central garage fund was created in 1984 to provide for the operation of the maintenance garage, as well as the operation, maintenance, replacement and acquisition of central garage equipment. The central garage fund charges motor pool and building charges to all departments on a cost-reimbursement basis for the use of equipment and the maintenance facility. The following requirements are established for the central garage fund:

1. **Sources of revenue** include investment interest and fees charged to departments, funds and outside organizations.
2. **Minimum cash balances** equal to one half of annual operating costs are required.
3. **Use of bonding.** It is the intent of the city to finance most central garage capital costs through the use of current resources. However, when financing large capital costs with current resources would cause the cash balance of the fund to drop below two hundred thousand, or when projected increases in user fees would be substantially higher than the rate of inflation the city may choose to finance capital costs with general obligation equipment certificates. Equipment certificates will be repaid over a period of no more than five years, as provided by state statutes.

Street renewal policy

Amended October 21, 1996

I. Intent

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

II. Eligible projects

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

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

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

which are required to facilitate the new street, such as manhole, catch basin, and valve adjustments, shall be considered as an element of the street project.

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

III. Design standards

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

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

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

IV. Payment and financial program

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

The financial program shall consist of the following elements:

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

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

In computing the assessable units, consideration shall be given to properties that can be further subdivided into lot units. All properties other than single family residential (R-1 detached residential) such as parks, attached and detached residential, high-density, residential, churches, schools, offices,

commercial and industrial properties shall be superficially subdivided to determine the assessable lot units or part thereof. To reflect the number of increased traffic generation by commercial, industrial, and high-density residential properties, a factor of 2 will be applied to determine the rate of assessment for properties of these types.

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

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

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

The assessment process shall be carried out in accordance with Minnesota Statutes Chapter 429. The assessment rate shall be on a per-lot unit basis and shall be calculated and processed in accordance with the current city street renewal program and unit assessment policy.

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

V. Implementation procedures

- A. Consideration of a street for improvement under this policy shall be initiated by any of the following:
 1. Petition by the adjacent property owners.
 2. Recommendation by the city staff based upon the capital improvement program (CIP) and/or the pavement management program (PMP).
 3. Request by Ramsey County and/or MNDOT for city participation in a joint improvement.
 4. Initiation by city council.

- B. If the city council determines that it is desirable to consider the project, an engineering feasibility study shall be prepared. The study shall examine the need for the project, its relative priority to other streets that are in need of improvement, the extent of utility repairs and improvements required in advance of the street improvement, and the cost and financial considerations. If the proposed project includes special assessments, all subsequent work and activities shall be performed in accordance with the applicable provisions of the MSA regulations, current city policy, and Minnesota Statutes Chapter 429.
- C. Following the Public Hearing, the council will either order the work or reject the project.

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

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