

# City of Shoreview Budget Hearing Presentation

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2023 BUDGET AND TAX LEVY

# Presentation Notes/Format

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- Handout
  - 2023 Budget Summary (booklet)
  - Page numbers in presentation refer to booklet pages
  - Not all material will be covered in the presentation
- Other information on website
  - Community Benchmarks
  - Five-Year Operating Plan
  - Utility Operations
  - CIP



# Budget Objectives

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- Balanced General Fund budget
- Maintain existing services and programs
- Recover utility operating costs
- Fund infrastructure replacements
- Continue five-year financial planning for operating funds
- Meet debt obligations
- Maintain AAA bond rating
- Amend biennial budget
- Protect, enhance and expand parks and recreational facilities

# Budget Objectives (continued)

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

# Proposed Tax Levy and Estimated Tax Rate

	2022	2023	Change		Impact on Total Levy
	Adopted Levy	Proposed Levy	Amount	Percent	
General Fund	\$ 9,809,785	\$ 10,703,345	\$ 893,560	9.11%	6.35%
EDA Fund	190,000	215,000	25,000	13.16%	0.18%
Debt (all funds combined)	1,071,000	1,155,000	84,000	7.84%	0.60%
Replacement Funds	2,912,922	2,880,000	(32,922)	-1.13%	-0.23%
Capital Acquisition Fund (IT)	50,000	50,000	-	0.00%	0.00%
Edison Tax Abatement	43,000	43,000	-	100.00%	0.00%
<b>Total City Tax Levy</b>	<b>\$ 14,076,707</b>	<b>\$ 15,046,345</b>	<b>\$ 969,638</b>	<b>6.89%</b>	<b>6.89%</b>
Taxable Value (millions)	\$ 38.822	\$ 45.572	\$ 6.750	17.39%	
Tax Rate-City	32.961%	30.250%	-2.711%	-8.22%	
Fiscal Disparities Contribution	\$ 1,280,826	\$ 1,260,930	\$ (19,896)	-1.55%	

Shoreview receives no local governmental state aid in 2022 or 2023. 2023 HRA levy is \$295,000.

# Items Impacting the Tax Levy

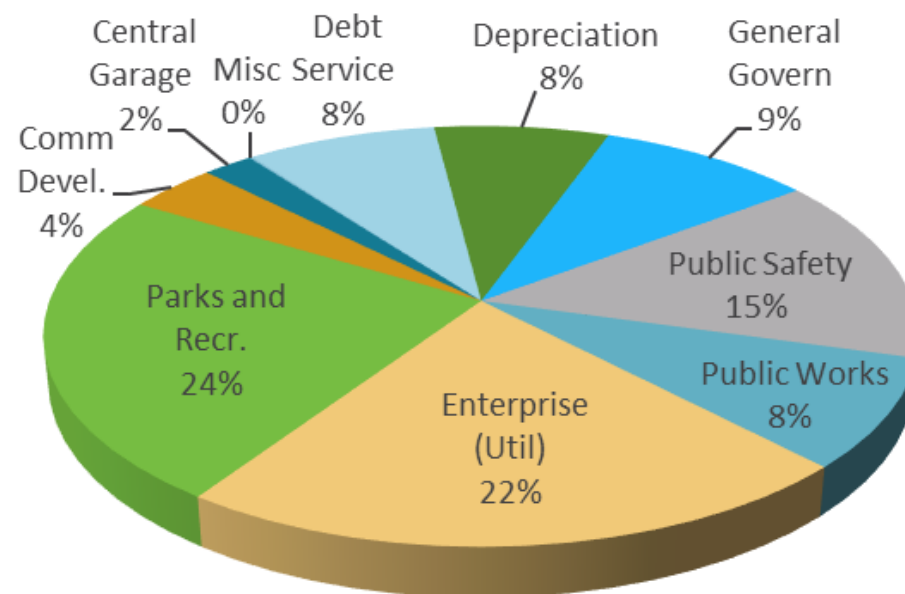
Public Safety contracts (police & fire)	\$	462,176
Staff changes & wage adjustments/benefits (net)		366,645
Contractual - forestry		174,012
Contractual - information systems		153,625
Debt levies		84,000
Engineering fees		80,000
EDA levy		25,000
Contractual - all other		20,341
Administrative charges to other funds		18,630
Transfers to other funds		15,000
Supplies - all departments		14,694
All other revenue changes combined (net)		(2,700)
Transfer from utility funds		(25,000)
State aid		(26,000)
Capital fund levies		(32,922)
Tree removals/treatments/sales		(46,000)
Election costs		(51,863)
Building permit/plan check fees		(260,000)
Total city levy changes		<u>969,638</u>
HRA levy		<u>15,000</u>
Total levy changes	\$	<u><u>984,638</u></u>

# Total Operating Expenses

Expense	2022		2023	Change from
	Budget	Revised Estimate	Revised Budget	2022 Budget
General Government	\$ 3,257,031	\$ 3,256,863	\$ 3,369,618	\$ 112,587
Public Safety	4,756,338	4,760,851	5,218,514	462,176
Public Works	2,775,772	2,784,002	3,031,528	255,756
Parks and Recr.	8,074,664	8,058,352	8,679,673	605,009
Community Devel.	1,294,515	1,280,064	1,388,892	94,377
Enterprise Oper.	7,903,322	7,856,010	7,906,019	2,697
Central Garage	711,251	737,637	789,028	77,777
Miscellaneous	42,000	67,000	42,000	-
Debt Service	2,989,666	3,096,640	2,987,916	(1,750)
Depreciation	2,700,000	2,700,000	2,746,000	46,000
Total Expense	\$ 34,504,559	\$ 34,597,419	\$ 36,159,188	\$ 1,654,629
				4.8%

Excluding capital funds and transfers between funds

# Total Operating Expenses



Excluding capital funds and transfers between funds

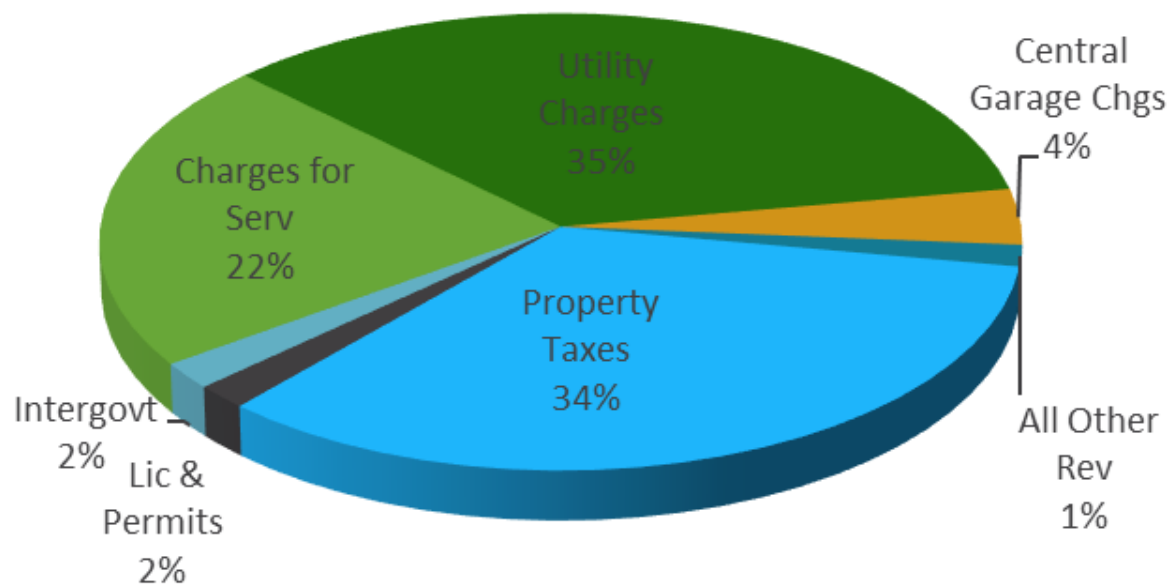


# Total Operating Revenue

	2022		2023	Change from
	Budget	Revised Estimate	Revised Budget	2022 Budget
<b>Revenue</b>				
Property Taxes	\$ 11,350,785	\$ 11,350,785	\$ 12,368,345	\$ 1,017,560
Special Assessments	206,526	330,462	204,413	(2,113)
Licenses and Permits	449,950	957,950	634,950	185,000
Intergovernmental	662,400	692,062	690,600	28,200
Charges for Services	7,756,920	7,944,240	8,101,133	344,213
Fines and Forfeits	53,500	55,000	55,000	1,500
Utility Charges	12,255,000	12,569,400	12,851,000	596,000
Central Garage Chgs	1,466,916	1,466,916	1,449,000	(17,916)
Interest Earnings	224,940	225,429	219,620	(5,320)
Other Revenues	65,550	75,600	75,600	10,050
<b>Total Revenue</b>	<b>\$ 34,492,487</b>	<b>\$ 35,667,844</b>	<b>\$ 36,649,661</b>	<b>\$ 2,157,174</b>
				6.3%

Excluding capital funds and transfers between funds

# Total Operating Revenue



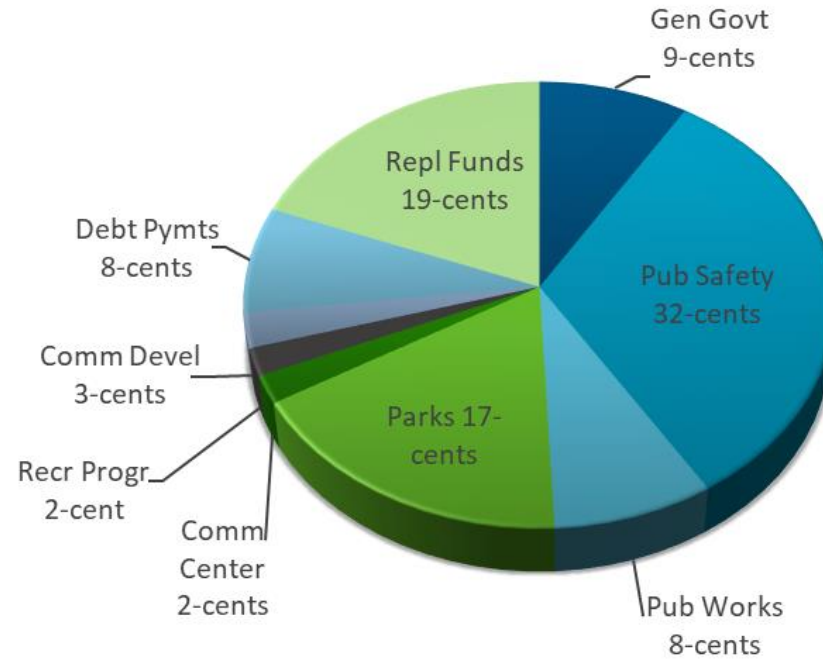
Excluding capital funds and transfers between funds

# Budget Reduction/ Efficiency Strategies

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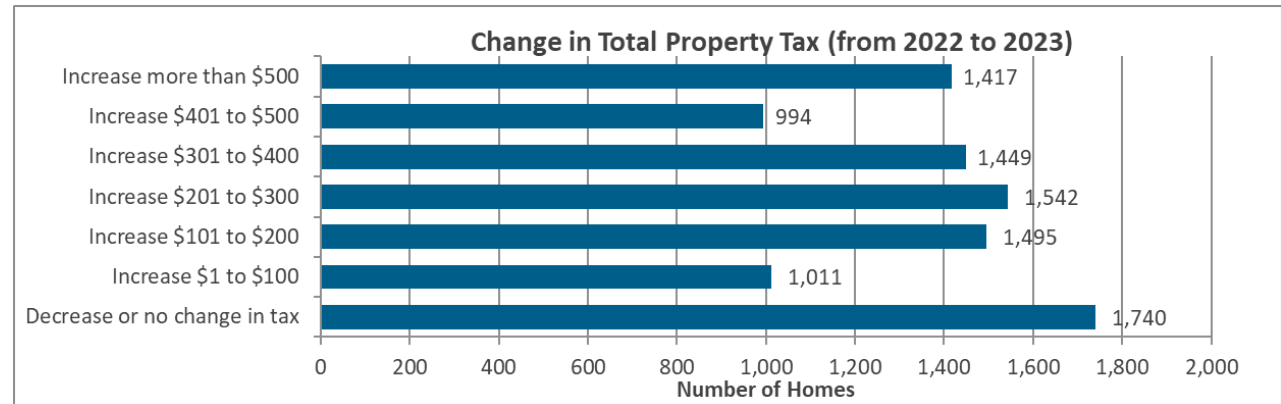
- Contract for police and fire protection
- Continue use of correctional crew
- Maintain no contingency allowance
- Long-term preventative maintenance
- Maintain high-deductible health insurance plan
- Capitalize on debt refunding opportunities
- Maintain AAA bond rating

# How The City Spends Each Tax Dollar Received



# Impact on Homes Change in Total Tax

Shoreview Residential Property		
Tax Change	Number of Homes	Percent of Total
Decrease or no change	1,740	18.03%
Increase \$1 to \$100	1,011	10.48%
Increase \$101 to \$200	1,495	15.50%
Increase \$201 to \$300	1,542	15.98%
Increase \$301 to \$400	1,449	15.02%
Increase \$401 to \$500	994	10.30%
Increase more than \$500	1,417	14.69%
<b>Total Parcels</b>	<b>9,648</b>	<b>100.0%</b>



# Impact on Homes

## City Tax Change (Median Home Value)

Shoreview share of tax bill only

Market Value		Value Change	City Portion of Property Tax		Change in City Property Tax	
2022	2023		2022	2023	Dollars	Percent
\$ 305,400	\$ 397,000	30.0%	\$ 974.33	\$ 1,196.39	\$ 222.06	22.8%
\$ 317,600	\$ 397,000	25.0%	\$ 1,018.17	\$ 1,196.39	\$ 178.22	17.5%
\$ 341,700	\$ 397,000	16.2%	\$ 1,104.85	\$ 1,196.39	\$ 91.54	8.3%
\$ 360,900	\$ 397,000	10.0%	\$ 1,173.74	\$ 1,196.39	\$ 22.65	1.9%
\$ 397,000	\$ 397,000	0.0%	\$ 1,303.61	\$ 1,196.39	\$ (107.22)	-8.2%
\$ 417,900	\$ 397,000	-5.0%	\$ 1,378.76	\$ 1,196.39	\$ (182.37)	-13.2%

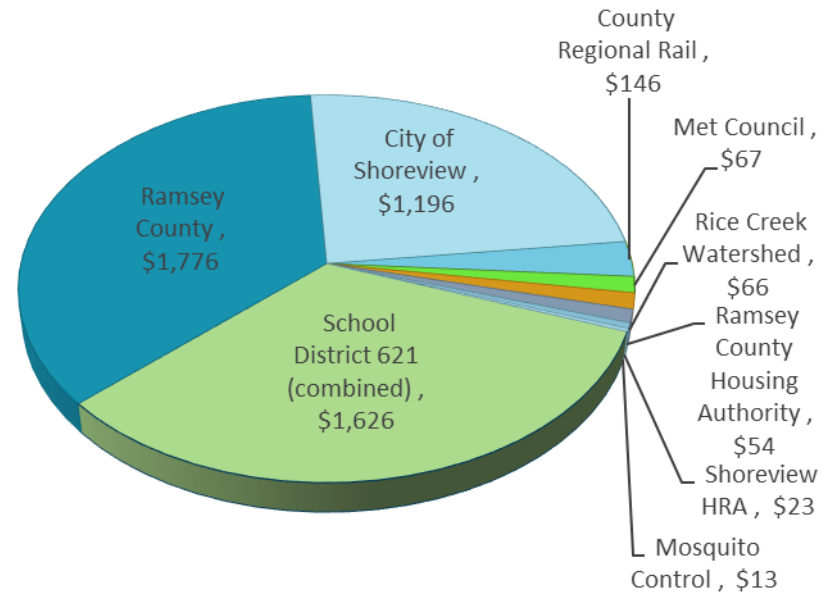
# Impact on Homes City Tax Change (Various Home Values)

Shoreview share of tax bill only

Market Value		Value Change	City Portion of Property Tax		Change in City Property Tax	
2022	2023		2022	2023	Dollars	Percent
\$ 86,050	\$ 100,000	16.2%	\$ 186.56	\$ 217.20	\$ 30.64	16.4%
\$ 172,100	\$ 200,000	16.2%	\$ 495.40	\$ 546.92	\$ 51.52	10.4%
\$ 341,700	\$ 397,000	16.2%	\$ 1,104.85	\$ 1,196.39	\$ 91.54	8.3%
\$ 430,300	\$ 500,000	16.2%	\$ 1,418.31	\$ 1,512.50	\$ 94.19	6.6%
\$ 516,400	\$ 600,000	16.2%	\$ 1,715.62	\$ 1,890.63	\$ 175.01	10.2%
\$ 602,400	\$ 700,000	16.2%	\$ 2,069.95	\$ 2,268.75	\$ 198.80	9.6%
\$ 774,500	\$ 900,000	16.2%	\$ 2,778.94	\$ 3,025.00	\$ 246.06	8.9%

# Distribution of 2023 Estimated Total Property Tax Bill = \$4,967

School District 621 (combined)	\$ 1,626	32.74%
Ramsey County	\$ 1,776	35.75%
City of Shoreview	\$ 1,196	24.08%
County Regional Rail	\$ 146	2.94%
Met Council	\$ 67	1.35%
Rice Creek Watershed	\$ 66	1.33%
Ramsey County Housing Authority	\$ 54	1.09%
Shoreview HRA	\$ 23	0.46%
Mosquito Control	\$ 13	0.26%
	<u>\$ 4,967</u>	



Shoreview is 24% of total

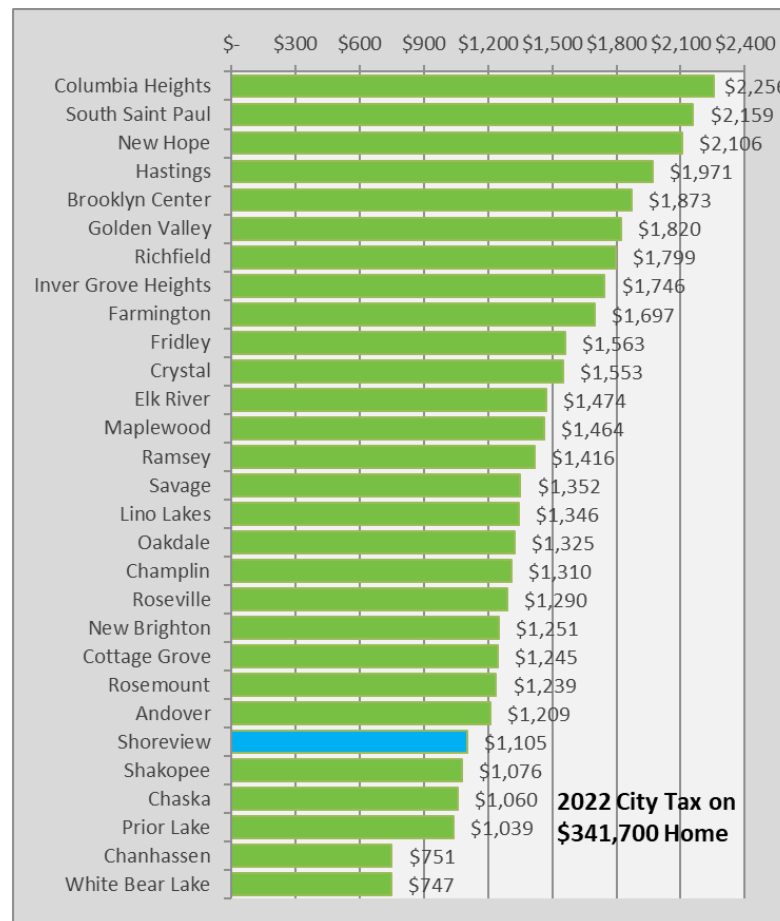


# Property Tax Comparison

2022 City Tax on  
\$341,700 Home

Shoreview is 24%  
below average of  
\$1,457

(Shoreview and 28  
other Metro area  
comparison cities)

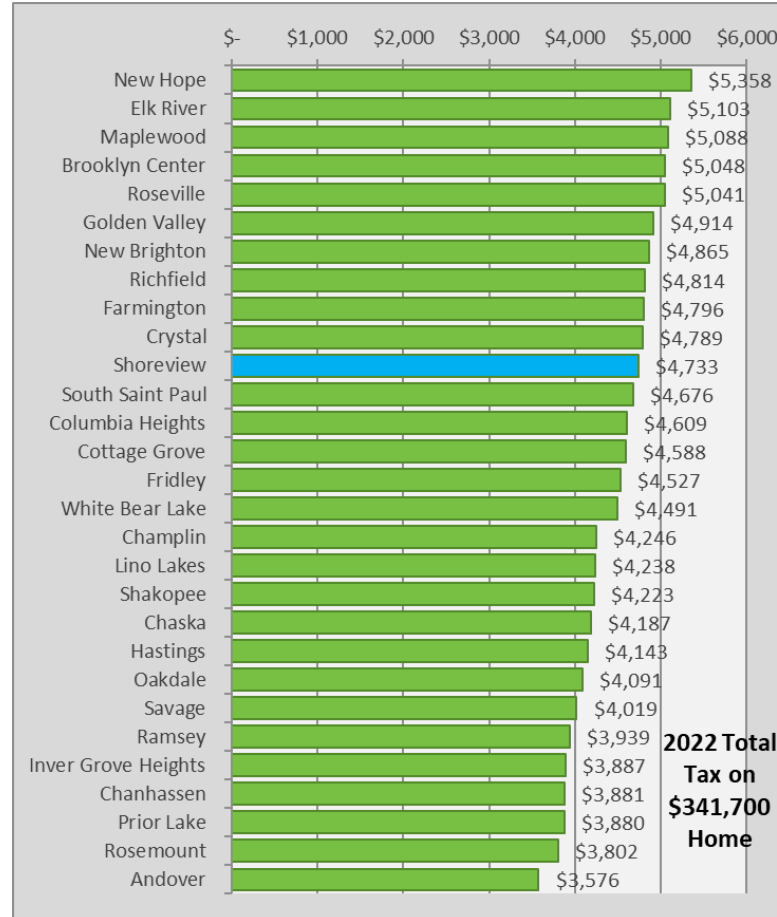


# Property Tax Comparison

2022 Total Tax on  
\$341,700 Home

Shoreview is 6.0%  
above average of  
\$4,467

(Shoreview and 28  
other Metro area  
comparison cities)



# Additional City Handouts

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- Community Benchmarks
- Utility Operations and 2023 Utility Rates
- 2023 Shoreview Property Tax Dollar
- State property tax refunds/deferrals
- Process to appeal estimated market value

[Note: Please refer to the reverse side of estimated tax statement]

# Future Council Action December 19, 2022

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- Amend
  - 2023 Budget
  - 2023 to 2027 Capital Improvement Program
- Adopt
  - 2023 Tax levy
  - 2023 Utility rates