

Note: The following pages contain excerpts from recent staff memos relating to the 2023 budget, tax levy, and property taxes. The information is intended to serve as additional support for the budget hearing.

Preliminary Property Tax Levy

The table below provides a comparison of the 2022 adopted levy, the 2023 levy as originally planned in the biennial budget, and the revised city manager's recommended levy. The adopted biennial budget estimated a 5.02% increase in the city's property tax levy in 2023. Changes made during this year's budget review have resulted in a total proposed levy increase of 6.86%, which is a 1.84% increase from the original estimate. When reviewing the areas impacting the total levy (as shown in the column at the far right-hand side of the table), the portion of the levy supporting city services (including the tax supported share of staff costs) causes a 6.35% increase in the tax levy. The remaining .54% increase in the levy is the result of debt, capital replacement funds, capital improvement funds, the EDA, the HRA, and the Edison tax abatement levy. A detailed list of specific items impacting the general fund is provided on the next page of this report.

Description	2022	2023	2023	Change from 2022 Adopted		Impact on Total Levy *
	Adopted Levy	Original Levy	Recommended Levy	Dollars	Percent	
General Fund	\$ 9,809,785	\$ 10,319,645	\$ 10,703,345	\$ 893,560	9.11%	6.35%
EDA	190,000	215,000	215,000	25,000	13.16%	0.18%
Debt (including Cent Garage)	1,071,000	1,160,000	1,155,000	84,000	7.84%	0.60%
Street Renewal Fund	1,090,000	1,140,000	1,025,000	(65,000)	-5.96%	-0.46%
Capital Asset Replacement Fund	1,822,922	1,855,000	1,855,000	32,078	1.76%	0.23%
Capital Acquisition Fund (IT)	50,000	50,000	50,000	-	0.00%	0.00%
Edison Tax Abatement	43,000	43,000	43,000	-	0.00%	0.00%
Total City Levy	\$ 14,076,707	\$ 14,782,645	\$ 15,046,345	\$ 969,638	6.89%	6.89%
HRA tax levy	\$ 280,000	\$ 295,000	\$ 295,000	\$ 15,000	5.36%	
Total Levy (City and HRA)	\$ 14,356,707	\$ 15,077,645	\$ 15,341,345	984,638	6.86%	
Taxable value (estim for 2023)	\$ 38,821,626		\$ 45,571,587	\$ 6,749,961	17.39%	
City tax rate (estim for 2023)	32.961%		30.250%		-8.22%	
HRA tax rate (estim for 2023)	0.657%		0.592%		-9.89%	
Fiscal disparity City (estim for 2023)	\$ 1,280,826		\$ 1,260,930	\$ (19,896)	-1.55%	
Fiscal disparity HRA (estim for 2023)	\$ 25,107		\$ 25,118	\$ 11	0.04%	
Net tax paid by property owners	\$ 13,050,774		\$ 14,055,297	\$ 1,004,523	7.70%	
Change in tax paid by prop owners	4.08%		7.70%			
* Percent change in this column is computed as the impact on the "Total City Levy"						

The proposed 2023 preliminary tax levy that was adopted in September included an estimated 10% and 2% rate increase for health and dental insurance rates respectively. The actual rate increases for health insurance ranged from 1.96% for single coverage to 2.13% for family coverage. The actual rate increases for dental insurance ranged from 7.18% for single coverage to 23.15% for family coverage. These rate changes resulted in a reduction to the levy of \$15,553. Additional increases to the levy from the amount certified to the county in September includes a \$10,000 increase to the communication department budget for Shoreviews printing costs as a result of inflationary pressures. These changes result in a \$5,553 reduction in the recommended final levy certification from the amount that was certified to the county in September.

A listing of specific items impacting the preliminary tax levy is shown on the following page.

The first section of the box shows changes resulting from a reevaluation of all general fund revenues to reflect current development activity, preliminary capital projects, transfers from utility funds. All revenue changes combined account for a 1.85% decrease in the total tax levy.

The second section of the box shows changes in general fund expenditures. These items account for 8.20% increase in the total proposed tax levy.

The net impact of general fund changes is a 6.35% increase in the total tax levy.

The EDA, debt funds, capital funds and Edison tax abatement levy account for a .54% increase in the tax levy for a combined change in the city levy of 6.89% (6.35% + .54%).

Note: (brackets) indicate a decrease in the tax levy	2023	
	Increase (Decrease)	% Impact on Total Levy
General Fund Revenue Changes		
Engineering fees	\$ 80,000	
Administrative charges to other funds	18,630	
Other intergovernmental revenue	(1,200)	
Other revenues	(1,500)	
Transfer from Utility Funds (PILOT)	(25,000)	
MSA Maintenance	(26,000)	
Tree removals/treatments/sales	(46,000)	
Plan check fees	(75,000)	
Non-business license & permits	(185,000)	
General Fund Revenue Changes	(261,070)	-1.85%
General Fund Expenditure Changes		
Personal services:		
Wages full time employees	279,548	
Wages full time employees - overtime	2,200	
Wages part-time employees regular	3,297	
Wages associate employees - regular	4,142	
PERA	17,963	
FICA	21,179	
Group insurance	25,415	
Workers' compensation	12,901	
Police	317,847	
Fire	144,329	
Elections	(51,863)	
Supplies all departments	14,694	
Contractual:		
Forestry	174,012	
Information systems	153,625	
Building inspection	26,500	
Planning and zoning	11,600	
All other departments	(17,759)	
Transfers out		
Community Center	10,000	
Recreation Programs	50,000	
Slice of Shoreview	5,000	
Certificate of Participation of 2011	(50,000)	
General Fund Expenditure Changes	1,154,630	8.20%
Total General Fund changes	893,560	6.35%
Levy Changes in All Other Funds		
EDA Levy	25,000	
Debt (Debt & Central Garage funds)	84,000	
Street Renewal fund	(65,000)	
Capital Asset fund	32,078	
Information Technology fund	-	
Edison tax abatement levy	-	
Levy Changes in All Other Funds	76,078	0.54%
Total Change in City Levy	969,638	6.89%
HRA Levy	15,000	5.36%
Total Levy	\$ 984,638	6.86%

Below is a brief listing of specific items having an impact on the 2023 tax levy:

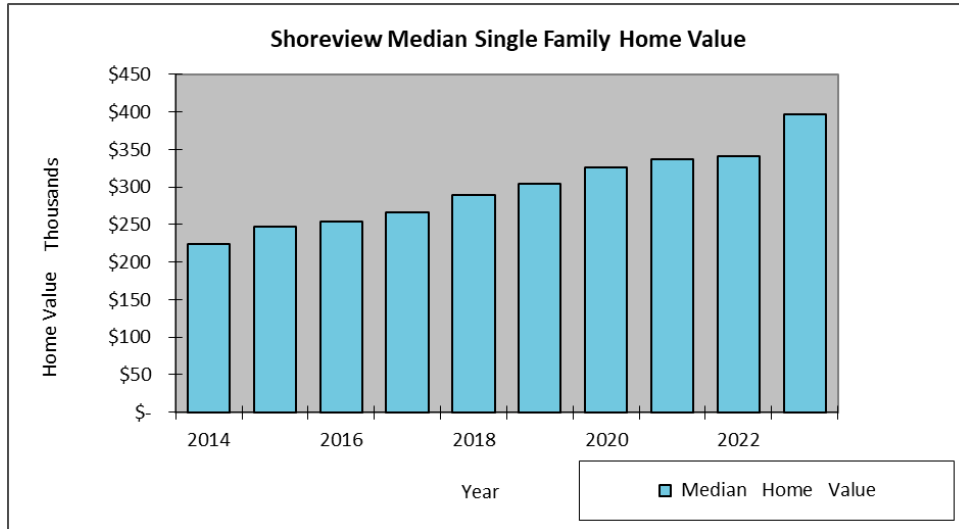
- Revenue decreases resulting in an increase in the levy include engineering fees charged to capital project funds as a result of decreased public works construction activity in 2023 and administrative charges due to an increase in the general fund percentage of expenditures in relation to all other funds included in the administrative charge formula. Revenue increases resulting in a decrease in the levy include higher permit-related revenues and plan check fees, tree removal and treatments related to emerald ash borer disease, MSA maintenance revenue related to the state gas tax, and other miscellaneous revenue adjustments.
- Transfers from utility funds increase in conjunction with the target of no more than 1% of asset value (as a payment in lieu of property taxes).
- Wage and benefit costs include a 3.5% wage adjustment, a \$50 per month increase in the City contribution for health insurance, contributions to PERA and social security, and step increases for employees not yet at the top step for their positions. It also includes the grade reclassification of one full time position and the addition of a new full-time senior accounting position in the finance department and a new park supervisor position and the reclassification of the current park supervisor to a park superintendent position.
- Workers' compensation costs increased by \$12,901 due to rate changes and increased payroll costs
- Police costs are increasing \$317,847 or 11.41%. Cost drivers include wage and salary step adjustments in order for the sheriff's department to remain competitive with other law enforcement agencies, internal service fees, fuel increases and a new contingency line item.
- Fire service costs are increasing \$144,329 or 7.33%.
- Election costs are reduced for 2023 (no election).
- Supply costs are increasing \$14,694 for all departments.
- Contractual costs increased in the forestry department as a result of contracted public tree removal costs related to emerald ash borer disease, in the information technology department as a result of timing of payments on multi-year software service agreements and the purchase of new park and recreation software that was not anticipated when the original budget was prepared, in the building inspection department due to contracted electrical inspections and in planning and zoning as a result of contracted professional fees and training and professional development costs. All other departments resulted in a slight decrease in costs.
- Transfers out increased \$65,000, due to the general fund's contribution to the community center, recreation program and Slice of Shoreview funds. Transfers out of the general fund decreased \$50,000 to the certificate of participation fund due to the final year of debt service on this debt issue for a net increase in the transfers out of the general fund of \$15,000.
- The EDA levy increases \$25,000.
- The HRA levy increases \$15,000.
- Combined debt levies increase \$84,000.
- The street renewal levy decreases \$65,000.
- The levy for the capital asset replacement fund increases \$32,078

- The information technology fund levy remains unchanged.
- The Edison tax abatement levy remains unchanged.

Residential Property Values

According to information provided by the Ramsey County Assessor, the median single-family home value in Shoreview will increase from \$341,700 for 2022 taxes, to \$397,000 for 2023 taxes (a 16.2% increase in value). The table at right and the graph below shows the change in Shoreview’s median single-family home value since 2014.

Year	Median Home Value	Annual Percent Change
2014	\$224,500	1.0%
2015	247,500	10.2%
2016	253,800	2.5%
2017	266,200	4.9%
2018	289,800	8.9%
2019	303,800	4.8%
2020	326,400	7.4%
2021	336,450	3.1%
2022	341,700	1.6%
2023	397,000	16.2%



Impact on Residential Property Taxes

The table below provides estimated changes in the city and HRA share of the property tax bill for a median value home in the Mounds View school district and Rice Creek watershed district. A description of the change in tax for a median home under each assumption follows the table.

Market Value		Value Change		City Portion of Property Tax		Change in City Property Tax		HRA Portion of Property Tax		Change in HRA Property Tax	
Before MVE	2023	Before MVE	After MVE	2022	2023	Dollars	Percent	2022	2023	Dollars	Percent
\$305,400	\$397,000	30.0%	33.8%	\$ 974.33	\$1,196.39	\$ 222.06	22.8%	\$ 19.42	\$ 23.42	\$ 4.00	20.6%
\$317,600	\$397,000	25.0%	28.0%	\$1,018.17	\$1,196.39	\$ 178.22	17.5%	\$ 20.29	\$ 23.42	\$ 3.13	15.4%
\$341,700	\$397,000	16.2%	18.0%	\$1,104.85	\$1,196.39	\$ 91.54	8.3%	\$ 22.02	\$ 23.42	\$ 1.40	6.4%
\$360,900	\$397,000	10.0%	11.1%	\$1,173.74	\$1,196.39	\$ 22.65	1.9%	\$ 23.40	\$ 23.42	\$ 0.02	0.1%
\$397,000	\$397,000	0.0%	0.0%	\$1,303.61	\$1,196.39	\$ (107.22)	-8.2%	\$ 25.98	\$ 23.42	\$ (2.56)	-9.9%
\$417,900	\$397,000	-5.0%	-5.4%	\$1,377.44	\$1,196.39	\$ (181.05)	-13.1%	\$ 27.46	\$ 23.42	\$ (4.04)	-14.7%

- 30% increase in value – city taxes increase \$222.06 and HRA taxes increase \$4.00 for the year
- 25% increase in value – city taxes increase \$178.22 and HRA taxes increase \$3.13 for the year

- 16.2% increase in value – city taxes increase \$91.54 and HRA taxes increase \$1.40 for the year
- 10% increase in value – city taxes increase \$22.65 and HRA taxes increase \$0.02 for the year
- No change in value – city taxes decrease \$107.22 and HRA taxes decrease \$2.56 for the year
- 5% decrease in value – city taxes decrease \$181.05 and HRA taxes decrease \$4.04 for the year

The estimated change in property tax for a median valued home (using preliminary tax rates for each taxing jurisdiction) is shown in the table below. Under these assumptions, taxes for the median valued home increase \$233.55. Shoreview will collect about \$92 more in city tax.

Mounds View Schools & Rice Creek Watershed							
	Payable	Payable	Dollar	Percent			
	2022	2023	Change	Change			
Home value	\$ 341,700	\$ 397,000	\$ 55,300	16.2%			
HMVE home value	\$ 335,200	\$ 395,500	\$ 60,300	18.0%			
Taxable value	\$ 3,352	\$ 3,955	\$ 603	18.0%	Percent of Total		
Property Tax:					2022	2023	
City	\$ 1,104.85	\$ 1,196.39	\$ 91.54	8.3%	23.34%	24.09%	
HRA	22.02	23.42	1.40	6.4%	0.47%	0.47%	
County	1,747.10	1,921.04	173.94	10.0%	36.91%	38.68%	
School District	1,661.15	1,626.26	(34.89)	-2.1%	35.09%	32.74%	
All other jurisdictions	198.33	199.89	1.56	0.8%	4.19%	4.02%	
Total Property Tax	\$ 4,733.45	\$ 4,967.00	\$ 233.55	4.9%	100.00%	100.00%	

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

The first table assumes that property values increase 16.2% (median value home increase). Under this assumption the city portion of the tax bill increases between \$30.64 and \$246.06 (depending on the home value), and the total tax bill increases between \$93.35 to \$634.63.

Market Value			Market Value			City Portion		Change in City		Total		Change in Total	
Before MVE			After MVE			of Property Tax		Property Tax		Property Tax		Property Tax	
2022	2023	Value Change	2022	2023	Value Change	2022	2023	Dollars	Percent	2022	2023	Dollars	Percent
\$ 86,050	\$ 100,000	16.2%	\$ 56,600	\$ 71,800	26.9%	\$ 186.56	\$ 217.20	\$ 30.64	16.4%	\$ 871.95	\$ 965.30	\$ 93.35	10.7%
\$ 129,100	\$ 150,000	16.2%	\$ 103,500	\$ 126,300	22.0%	\$ 341.15	\$ 382.06	\$ 40.91	12.0%	\$ 1,522.04	\$ 1,639.04	\$ 117.00	7.7%
\$ 172,100	\$ 200,000	16.2%	\$ 150,300	\$ 180,800	20.3%	\$ 495.40	\$ 546.92	\$ 51.52	10.4%	\$ 2,170.84	\$ 2,312.78	\$ 141.94	6.5%
\$ 341,700	\$ 397,000	16.2%	\$ 335,200	\$ 395,500	18.0%	\$1,104.85	\$1,196.39	\$ 91.54	8.3%	\$ 4,733.45	\$ 4,967.00	\$ 233.55	4.9%
\$ 344,200	\$ 400,000	16.2%	\$ 337,900	\$ 398,800	18.0%	\$1,113.75	\$1,206.37	\$ 92.62	8.3%	\$ 4,770.93	\$ 5,007.73	\$ 236.80	5.0%
\$ 430,300	\$ 500,000	16.2%	\$ 430,300	\$ 500,000	16.2%	\$1,418.31	\$1,512.50	\$ 94.19	6.6%	\$ 6,054.98	\$ 6,275.08	\$ 220.10	3.6%
\$ 516,400	\$ 600,000	16.2%	\$ 516,400	\$ 600,000	16.2%	\$1,715.62	\$1,890.63	\$ 175.01	10.2%	\$ 7,313.73	\$ 7,786.93	\$ 473.20	6.5%
\$ 602,400	\$ 700,000	16.2%	\$ 602,400	\$ 700,000	16.2%	\$2,069.95	\$2,268.75	\$ 198.80	9.6%	\$ 8,771.29	\$ 9,298.77	\$ 527.48	6.0%
\$ 688,500	\$ 800,000	16.2%	\$ 688,500	\$ 800,000	16.2%	\$2,424.61	\$2,646.88	\$ 222.27	9.2%	\$ 10,230.27	\$ 10,810.62	\$ 580.35	5.7%
\$ 774,500	\$ 900,000	16.2%	\$ 774,500	\$ 900,000	16.2%	\$2,778.94	\$3,025.00	\$ 246.06	8.9%	\$ 11,687.84	\$ 12,322.47	\$ 634.63	5.4%

The next table assumes that property values increase 20%. Under this assumption the City portion of the tax bill increases between \$40.53 and \$346.92 (depending on the home value), and the total tax bill increases between \$134.92 and \$1,049.58.

Market Value			Market Value			City Portion		Change in City		Total		Change in Total	
Before MVE			After MVE			of Property Tax		Property Tax		Property Tax		Property Tax	
2022	2023	Value Change	2022	2023	Value Change	2022	2023	Dollars	Percent	2022	2023	Dollars	Percent
\$ 83,300	\$ 100,000	20.0%	\$ 53,600	\$ 71,800	34.0%	\$ 176.67	\$ 217.20	\$ 40.53	22.9%	\$ 830.38	\$ 965.30	\$ 134.92	16.2%
\$ 125,000	\$ 150,000	20.0%	\$ 99,000	\$ 126,300	27.6%	\$ 326.31	\$ 382.06	\$ 55.75	17.1%	\$ 1,459.74	\$ 1,639.04	\$ 179.30	12.3%
\$ 166,700	\$ 200,000	20.0%	\$ 144,500	\$ 180,800	25.1%	\$ 476.29	\$ 546.92	\$ 70.63	14.8%	\$ 2,090.25	\$ 2,312.78	\$ 222.53	10.6%
\$ 330,800	\$ 397,000	20.0%	\$ 323,300	\$ 395,500	22.3%	\$1,065.63	\$1,196.39	\$ 130.76	12.3%	\$ 4,568.56	\$ 4,967.00	\$ 398.44	8.7%
\$ 333,300	\$ 400,000	20.0%	\$ 326,100	\$ 398,800	22.3%	\$1,074.86	\$1,206.37	\$ 131.51	12.2%	\$ 4,607.19	\$ 5,007.73	\$ 400.54	8.7%
\$ 416,600	\$ 500,000	20.0%	\$ 416,600	\$ 500,000	20.0%	\$1,373.16	\$1,512.50	\$ 139.34	10.1%	\$ 5,862.21	\$ 6,275.08	\$ 412.87	7.0%
\$ 500,000	\$ 600,000	20.0%	\$ 500,000	\$ 600,000	20.0%	\$1,648.05	\$1,890.63	\$ 242.58	14.7%	\$ 7,035.77	\$ 7,786.93	\$ 751.16	10.7%
\$ 583,300	\$ 700,000	20.0%	\$ 583,300	\$ 700,000	20.0%	\$1,991.17	\$2,268.75	\$ 277.58	13.9%	\$ 8,447.29	\$ 9,298.77	\$ 851.48	10.1%
\$ 666,700	\$ 800,000	20.0%	\$ 666,700	\$ 800,000	20.0%	\$2,334.96	\$2,646.88	\$ 311.92	13.4%	\$ 9,861.36	\$ 10,810.62	\$ 949.26	9.6%
\$ 750,000	\$ 900,000	20.0%	\$ 750,000	\$ 900,000	20.0%	\$2,678.08	\$3,025.00	\$ 346.92	13.0%	\$ 11,272.89	\$ 12,322.47	\$ 1,049.58	9.3%

The final table assumes that property value remains the same in both years. Under this assumption the city portion of the tax bill decreases between \$19.46 and \$271.10 (depending on the home value), and the total tax bill decreases between \$117.34 and \$1,492.69.

Market Value Before MVE			Market Value After MVE			City Portion of Property Tax		Change in City Property Tax		Total Property Tax		Change in Total Property Tax	
2022	2023	Value Change	2022	2023	Value Change	2022	2023	Dollars	Percent	2022	2023	Dollars	Percent
\$ 100,000	\$ 100,000	0.0%	\$ 71,800	\$ 71,800	0.0%	\$ 236.66	\$ 217.20	\$ (19.46)	-8.2%	\$ 1,082.64	\$ 965.30	\$ (117.34)	-10.8%
\$ 150,000	\$ 150,000	0.0%	\$ 126,300	\$ 126,300	0.0%	\$ 416.30	\$ 382.06	\$ (34.24)	-8.2%	\$ 1,837.99	\$ 1,639.04	\$ (198.95)	-10.8%
\$ 200,000	\$ 200,000	0.0%	\$ 180,800	\$ 180,800	0.0%	\$ 595.93	\$ 546.92	\$ (49.01)	-8.2%	\$ 2,593.35	\$ 2,312.78	\$ (280.57)	-10.8%
\$ 397,000	\$ 397,000	0.0%	\$ 395,500	\$ 395,500	0.0%	\$1,303.61	\$1,196.39	\$ (107.22)	-8.2%	\$ 5,569.14	\$ 4,967.00	\$ (602.14)	-10.8%
\$ 400,000	\$ 400,000	0.0%	\$ 398,800	\$ 398,800	0.0%	\$1,314.48	\$1,206.37	\$ (108.11)	-8.2%	\$ 5,614.80	\$ 5,007.73	\$ (607.07)	-10.8%
\$ 500,000	\$ 500,000	0.0%	\$ 500,000	\$ 500,000	0.0%	\$1,648.05	\$1,512.50	\$ (135.55)	-8.2%	\$ 7,035.77	\$ 6,275.08	\$ (760.69)	-10.8%
\$ 600,000	\$ 600,000	0.0%	\$ 600,000	\$ 600,000	0.0%	\$2,060.06	\$1,890.63	\$ (169.43)	-8.2%	\$ 8,730.62	\$ 7,786.93	\$ (943.69)	-10.8%
\$ 700,000	\$ 700,000	0.0%	\$ 700,000	\$ 700,000	0.0%	\$2,472.08	\$2,268.75	\$ (203.33)	-8.2%	\$ 10,425.46	\$ 9,298.77	\$ (1,126.69)	-10.8%
\$ 800,000	\$ 800,000	0.0%	\$ 800,000	\$ 800,000	0.0%	\$2,884.09	\$2,646.88	\$ (237.21)	-8.2%	\$ 12,120.31	\$ 10,810.62	\$ (1,309.69)	-10.8%
\$ 900,000	\$ 900,000	0.0%	\$ 900,000	\$ 900,000	0.0%	\$3,296.10	\$3,025.00	\$ (271.10)	-8.2%	\$ 13,815.16	\$ 12,322.47	\$ (1,492.69)	-10.8%

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

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

Description	2022 (Final) Tax Rates				2023 (preliminary) Tax Rates			
Tax Rates:								
City taxes	32.961	32.961	32.961	32.961	30.250	30.250	30.250	30.250
Ramsey County, library	48.067	48.067	48.067	48.067	44.891	44.891	44.891	44.891
County Regional Rail Authority	4.054	4.054	4.054	4.054	3.682	3.682	3.682	3.682
School District regular rates								
School district 621	23.420	23.420	n/a	n/a	18.263	18.263	n/a	n/a
School district 623	n/a	n/a	26.914	26.914	n/a	n/a	25.508	25.508
School District market value rates								
School district 621	0.25639%	0.25639%	n/a	n/a	0.22770%	0.22770%	n/a	n/a
School district 623	n/a	n/a	0.26937%	0.26937%	n/a	n/a	0.21347%	0.21347%
Other Jurisdictions								
Met Council	1.882	1.882	1.882	1.882	1.681	1.681	1.681	1.681
Mosquito Control	0.381	0.381	0.381	0.381	0.339	0.339	0.339	0.339
Metro Watershed	n/a	2.893	2.893	n/a	n/a	2.723	2.723	n/a
Rice Creek Watershed	1.830	n/a	n/a	1.830	1.669	n/a	n/a	1.669
Ramsey County Housing Authority	1.824	1.824	1.824	1.824	1.365	1.365	1.365	1.365
Shoreview HRA	0.657	0.657	0.657	0.657	0.592	0.592	0.592	0.592
Total Regular Tax Rate	115.076	116.139	119.633	118.570	102.732	103.786	111.031	109.977
Change in Regular Tax Rates					-10.7%	-10.6%	-7.2%	-7.2%
Change in Market Valued Tax Rates					-11.2%	-11.2%	-20.8%	-20.8%

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

The four examples on this page show the total property tax for a median value home with a 16.2% increase in value (increasing from \$341,700 to \$397,000 before homestead market value exclusion, and from \$335,200 to \$395,500 after homestead market value exclusion). The highest property tax is paid by the home in the Roseville School District and the Metro Watershed District (the third table in the list), the largest tax increase is also for the home in the Roseville School District and Metro Watershed District.

For a median value home in the Mounds View School District and Rice Creek Watershed District, total property tax increases about \$234.

For a median value home in the Mounds View School District and Metro Watershed District, total property tax increases about \$240.

For a median value home in the Roseville School District and Metro Watershed District, total property tax increases about \$308.

For a median value home in the Roseville School District and Rice Creek Watershed District, total property tax increases about \$302.

	Payable 2022	Payable 2023	Dollar Change	Percent Change
<u>Mounds View schools & Rice Creek watershed</u>				
Property tax				
City	\$ 1,104.85	\$ 1,196.39	\$ 91.54	8.3%
HRA	22.02	23.42	1.40	6.4%
County	1,747.10	1,921.04	173.94	10.0%
Mounds View Schools	1,661.15	1,626.26	(34.89)	-2.1%
Metropolitan districts	136.99	133.89	(3.10)	-2.3%
Watershed district	61.34	66.00	4.66	7.6%
Total Property Tax	\$ 4,733.45	\$ 4,967.00	\$ 233.55	4.9%
	Payable 2022	Payable 2023	Dollar Change	Percent Change
<u>Mounds View Schools & Metro Watershed</u>				
Property tax				
City	\$ 1,104.85	\$ 1,196.39	\$ 91.54	8.3%
HRA	22.02	23.41	1.39	6.3%
County	1,747.10	1,921.06	173.96	10.0%
Mounds View Schools	1,661.12	1,626.27	(34.85)	-2.1%
Metropolitan districts	136.99	133.88	(3.11)	-2.3%
Watershed district	96.97	107.69	10.72	11.1%
Total Property Tax	\$ 4,769.05	\$ 5,008.70	\$ 239.65	5.0%
	Payable 2022	Payable 2023	Dollar Change	Percent Change
<u>Roseville Schools & Metro Watershed</u>				
Property tax				
City	\$ 1,104.85	\$ 1,196.39	\$ 91.54	8.3%
HRA	22.02	23.41	1.39	6.3%
County	1,747.10	1,921.06	173.96	10.0%
Roseville Schools	1,822.60	1,856.32	33.72	1.9%
Metropolitan districts	136.99	133.88	(3.11)	-2.3%
Watershed district	96.97	107.69	10.72	11.1%
Total Property Tax	\$ 4,930.53	\$ 5,238.75	\$ 308.22	6.3%
	Payable 2022	Payable 2023	Dollar Change	Percent Change
<u>Roseville Schools & Rice Creek Watershed</u>				
Property tax				
City	\$ 1,104.85	\$ 1,196.39	\$ 91.54	8.3%
HRA	22.02	23.41	1.39	6.3%
County	1,747.10	1,921.06	173.96	10.0%
Roseville Schools	1,822.60	1,856.32	33.72	1.9%
Metropolitan districts	136.99	133.88	(3.11)	-2.3%
Watershed district	61.34	66.01	4.67	7.6%
Total Property Tax	\$ 4,894.90	\$ 5,197.07	\$ 302.17	6.2%

The four examples on this page show the total property tax for a \$500,000 home with a 16.2% increase in value (from \$430,300 to \$500,000). The homestead market value exclusion does not apply in this example. As shown, the highest property tax is paid by the home in the Roseville School District and the Metro Watershed District (the third table in the list), the largest tax increase is also for the home in the Roseville District and the Metro Watershed District.

For a home in the Mounds View School District and Rice Creek Watershed District, total property tax increases about \$220.

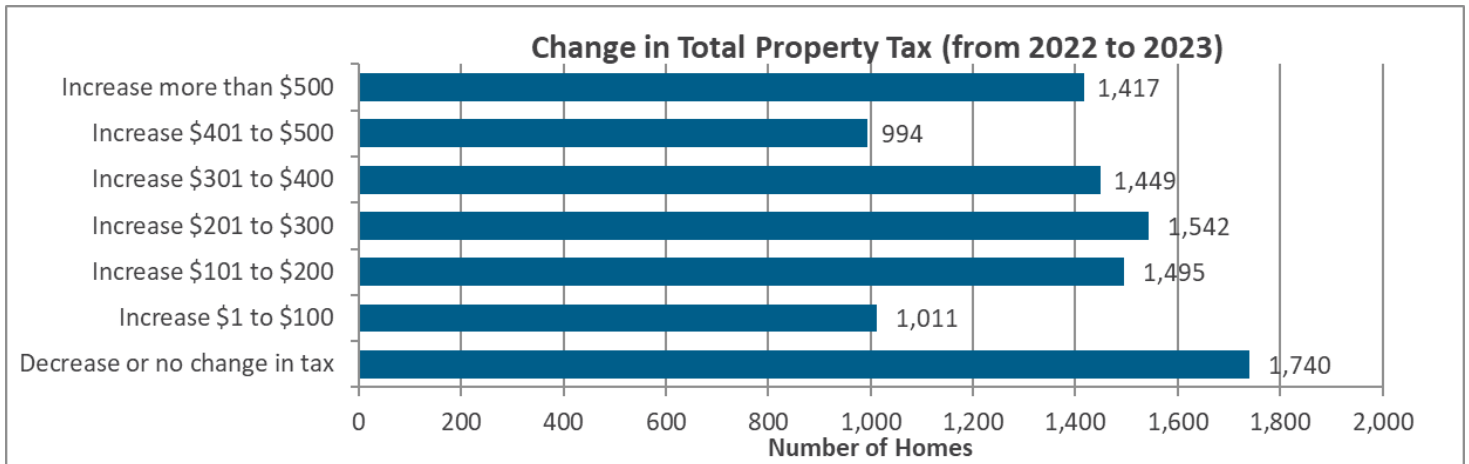
For a home in the Mounds View School District and Metro Watershed District, total property tax increases about \$227.

For a home in the Roseville School District and Metro Watershed District, total property tax increases about \$312.

For a home in the Roseville School District and Rice Creek Watershed District, total property tax increases about \$305.

	Payable 2022	Payable 2023	Dollar Change	Percent Change
<u>Mounds View schools & Rice Creek watershed</u>				
Property tax				
City	\$ 1,418.31	\$ 1,512.50	\$ 94.19	6.6%
HRA	28.27	29.61	1.34	4.7%
County	2,242.76	2,428.63	185.87	8.3%
Mounds View Schools	2,111.03	2,051.64	(59.39)	-2.8%
Metropolitan districts	175.86	169.28	(6.58)	-3.7%
Watershed district	78.74	83.43	4.69	6.0%
Total Property Tax	\$ 6,054.97	\$ 6,275.09	\$ 220.12	3.6%
	Payable 2022	Payable 2023	Dollar Change	Percent Change
<u>Mounds View Schools & Metro Watershed</u>				
Property tax				
City	\$ 1,418.31	\$ 1,512.50	\$ 94.19	6.6%
HRA	28.27	29.60	1.33	4.7%
County	2,242.76	2,428.65	185.89	8.3%
Mounds View Schools	2,111.01	2,051.65	(59.36)	-2.8%
Metropolitan districts	175.86	169.25	(6.61)	-3.8%
Watershed district	124.49	136.15	11.66	9.4%
Total Property Tax	\$ 6,100.70	\$ 6,327.80	\$ 227.10	3.7%
	Payable 2022	Payable 2023	Dollar Change	Percent Change
<u>Roseville Schools & Metro Watershed</u>				
Property tax				
City	\$ 1,418.31	\$ 1,512.50	\$ 94.19	6.6%
HRA	28.27	29.60	1.33	4.7%
County	2,242.76	2,428.65	185.89	8.3%
Roseville Schools	2,317.21	2,342.75	25.54	1.1%
Metropolitan districts	175.86	169.25	(6.61)	-3.8%
Watershed district	124.49	136.15	11.66	9.4%
Total Property Tax	\$ 6,306.90	\$ 6,618.90	\$ 312.00	4.9%
	Payable 2022	Payable 2023	Dollar Change	Percent Change
<u>Roseville Schools & Rice Creek Watershed</u>				
Property tax				
City	\$ 1,418.31	\$ 1,512.50	\$ 94.19	6.6%
HRA	28.27	29.60	1.33	4.7%
County	2,242.76	2,428.65	185.89	8.3%
Roseville Schools	2,317.21	2,342.75	25.54	1.1%
Metropolitan districts	175.86	169.25	(6.61)	-3.8%
Watershed district	78.74	83.45	4.71	6.0%
Total Property Tax	\$ 6,261.15	\$ 6,566.20	\$ 305.05	4.9%

Ramsey County has provided data regarding the change in total property tax from 2022 to 2023 for all residential properties in Shoreview. As shown in the table below 1,740 properties (18.0%) will have a decrease or no change in total property tax, 2,506 properties (26.0%) will have a tax increase of \$1 to \$200, 2,991 properties (31.0%) will have a tax increase of \$201 to \$400 and 994 properties (10.3%) will have a tax increase of \$401 to \$500 and 1,417 properties (14.7%) will have a tax increase of more than \$500.



Operating Budget

The 2023 budget is the second year of the biennial budget. This means that the city will formally amend the second year of the biennial budget and no new formal budget document will be prepared. Instead, the city council will authorize amendments to the budget and CIP, and will pass resolutions setting the funding level and documenting the changes. This section of the memo provides a summary of budget changes for each operating fund, along with general discussion about the changes to each budget. The following schedules assume a 3.5% COLA increase, and a \$50 per month increase in the city contribution to health insurance.

General Fund budget revenue changes include increases to permit revenue, intergovernmental revenue (due to increased street maintenance aid), charges for services and fines and forfeits. A significant portion of expense increases are related to personal services (\$135,210) and contractual services (\$451,305). Public safety contractual cost increases are related to the police contract (\$163,997) and fire contract (\$76,707). Forestry contractual costs increased \$163,963 due to costs associated with public tree removals related to emerald ash borer disease.

	2021 Actual	2022		2023		
		Budget	Revised Estimate	Original Budget	Budget Changes	Amended Budget
General Fund						
Revenue						
Property Taxes	\$ 9,374,638	\$ 9,809,785	\$ 9,809,785	\$ 10,319,645	\$ 383,700	\$ 10,703,345
Licenses and Permits	1,126,540	449,950	957,950	447,950	187,000	634,950
Intergovernmental	3,598,428	598,400	624,083	611,600	14,000	625,600
Charges for Services	1,665,718	1,681,380	1,833,580	1,698,350	5,350	1,703,700
Fines and Forfeits	36,685	53,500	55,000	53,500	1,500	55,000
Interest Earnings	(15,698)	80,000	80,000	80,000	-	80,000
Other Revenues	18,458	11,850	11,900	11,850	50	11,900
Total Revenue	15,804,769	12,684,865	13,372,298	13,222,895	591,600	13,814,495
Expense						
General Government	\$ 2,524,430	\$ 2,857,897	\$ 2,851,658	\$ 2,985,758	\$ 104,489	\$ 3,090,247
Public Safety	4,699,927	4,756,338	4,760,851	4,977,810	240,704	5,218,514
Public Works	1,736,204	1,993,445	1,946,272	2,076,936	134,599	2,211,535
Parks and Recreation	2,324,355	2,574,948	2,555,903	2,655,308	70,519	2,725,827
Community Development	805,987	807,237	811,754	842,083	41,289	883,372
Total Expense	\$ 12,090,903	\$ 12,989,865	\$ 12,926,438	\$ 13,537,895	\$ 591,600	\$ 14,129,495
Other Sources (Uses)						
Transfers In	945,000	920,000	920,000	945,000	-	945,000
Transfers Out	(4,536,509)	(615,000)	(615,000)	(630,000)	-	(630,000)
Net Increase (Decrease)	122,357	-	750,860	-	-	-
Fund Equity, beginning	6,056,523	-	6,178,880	6,929,740		6,929,740
Fund Equity, ending	\$ 6,178,880	\$ -	\$ 6,929,740	\$ 6,929,740		\$ 6,929,740

Recycling Fund Charges for services were reduced due to the elimination of the \$1 recycling fee increase in 2023. Expenditure changes are a result of increases related to the recycling contract and clean-up day charges.

	2021 Actual	2022		2023		
		Budget	Revised Estimate	Budget	Budget Changes	Amended Budget
Recycling Fund						
Revenue						
Intergovernmental	\$ 63,888	\$ 64,000	\$ 67,979	\$ 65,000	\$ -	\$ 65,000
Charges for Services	901,026	884,900	952,570	897,100	(11,840)	885,260
Interest Earnings	(2,709)	-	-	-	-	-
Total Revenue	962,205	948,900	1,020,549	962,100	(11,840)	950,260
Expense						
Public Works	\$ 681,686	\$ 782,327	\$ 837,730	\$ 782,396	\$ 37,597	\$ 819,993
Net Increase (Decrease)	280,519	166,573	182,819	179,704	(49,437)	130,267
Fund Equity, beginning	779,037	1,059,556	1,059,556	1,242,375		1,242,375
Fund Equity, ending	<u>\$1,059,556</u>	<u>\$1,226,129</u>	<u>\$ 1,242,375</u>	<u>\$1,422,079</u>		<u>\$1,372,642</u>

Community Center Fund Expenditure changes include increases to supplies and contractual services as a result of inflationary pressure. A significant portion of contractual fee increases are related to utility costs.

	2021 Actual	2022		2023		
		Budget	Revised Estimate	Budget	Budget Changes	Amended Budget
Community Center Fund						
Revenue						
Charges for Services	\$ 1,913,591	\$ 3,248,240	\$ 3,246,190	\$ 3,404,993	\$ (7,580)	\$ 3,397,413
Interest Earnings	(1,456)	10,000	10,000	10,000	-	10,000
Other Revenues	3,500	12,500	12,500	12,500	-	12,500
Total Revenue	1,915,635	3,270,740	3,268,690	3,427,493	(7,580)	3,419,913
Expense						
Parks and Recreation	\$ 2,907,108	\$ 3,634,826	\$ 3,579,243	\$ 3,778,095	\$ 90,541	\$ 3,868,636
Other Sources (Uses)						
Transfers In	2,285,000	295,000	295,000	305,000	-	305,000
Net Increase (Decrease)	1,293,527	(69,086)	(15,553)	(45,602)	(98,121)	(143,723)
Fund Equity, beginning	502,563	1,796,090	1,796,090	1,780,537		1,780,537
Fund Equity, ending	<u>\$1,796,090</u>	<u>\$1,727,004</u>	<u>\$ 1,780,537</u>	<u>\$1,734,935</u>		<u>\$1,636,814</u>

Recreation Programs Fund revenue changes include increases related to the recovery of program fees affected by the covid pandemic. Expenditure changes include increased wages as program participation recovers from the covid pandemic.

	2021 Actual	2022		2023		
		Budget	Revised Estimate	Budget	Budget Changes	Amended Budget
Recreation Programs Fund						
Revenue						
Charges for Services	\$ 1,237,191	\$ 1,545,900	\$ 1,515,400	\$ 1,594,060	\$ 136,950	\$ 1,731,010
Interest Earnings	(2,502)	2,000	2,000	2,000	-	2,000
Total Revenue	1,234,689	1,547,900	1,517,400	1,596,060	136,950	1,733,010
Expense						
Parks and Recreation	\$ 1,451,537	\$ 1,864,890	\$ 1,923,206	\$ 1,936,296	\$ 148,914	\$ 2,085,210
Other Sources (Uses)						
Transfers In	550,000	250,000	250,000	300,000	-	300,000
Net Increase (Decrease)	333,152	(66,990)	(155,806)	(40,236)	(11,964)	(52,200)
Fund Equity, beginning	660,252	993,404	993,404	837,598		837,598
Fund Equity, ending	\$ 993,404	\$ 926,414	\$ 837,598	\$ 797,362		\$ 785,398

Cable Television Fund changes are the result of the salary and benefit adjustments.

	2021 Actual	2022		2023		
		Budget	Revised Estimate	Budget	Budget Changes	Amended Budget
Cable Television Fund						
Revenue						
Charges for Services	\$ 392,917	\$ 362,000	\$ 362,000	\$ 349,250	\$ -	\$ 349,250
Interest Earnings	(638)	2,000	2,000	2,000	-	2,000
Other Revenues	500	1,200	1,200	1,200	-	1,200
Total Revenue	392,779	365,200	365,200	352,450	-	352,450
Expense						
General Government	\$ 122,110	\$ 319,564	\$ 320,155	\$ 193,332	\$ 659	\$ 193,991
Other Sources (Uses)						
Transfers Out	(200,000)	(150,000)	(150,000)	(150,000)	-	(150,000)
Net Increase (Decrease)	70,669	(104,364)	(104,955)	9,118	(659)	8,459
Fund Equity, beginning	228,404	299,073	299,073	194,118		194,118
Fund Equity, ending	\$ 299,073	\$ 194,709	\$ 194,118	\$ 203,236		\$ 202,577

The EDA Fund expense decreases are primarily related to contractual services.

	2021 Actual	2022		2023		
		Budget	Revised Estimate	Budget	Budget Changes	Amended Budget
EDA Fund						
Revenue						
Property Taxes	\$ 166,492	\$ 190,000	\$ 190,000	\$ 215,000	\$ -	\$ 215,000
Intergovernmental	4,562	-	-	-	-	-
Interest Earnings	(236)	-	-	-	-	-
Total Revenue	170,818	190,000	190,000	215,000	-	215,000
Expense						
Community Development	\$ 473,465	\$ 214,772	\$ 205,047	\$ 222,440	\$ (4,688)	\$ 217,752
Other Sources (Uses)						
Transfers In	60,000	-	-	-	-	-
Net Increase (Decrease)	(242,647)	(24,772)	(15,047)	(7,440)	4,688	(2,752)
Fund Equity, beginning	336,838	94,191	94,191	79,144		79,144
Fund Equity, ending	\$ 94,191	\$ 69,419	\$ 79,144	\$ 71,704		\$ 76,392

HRA Fund expense increases are primarily related to contractual services.

	2021 Actual	2022		2023		
		Budget	Revised Estimate	Budget	Budget Changes	Amended Budget
HRA Fund						
Revenue						
Property Taxes	\$ 267,486	\$ 280,000	\$ 280,000	\$ 295,000	\$ -	\$ 295,000
Interest Earnings	(860)	-	-	-	-	-
Other	50,253	-	-	-	-	-
Total Revenue	316,879	280,000	280,000	295,000	-	295,000
Expense						
Community Development	\$ 285,184	\$ 272,506	\$ 263,263	\$ 286,077	\$ 1,691	\$ 287,768
Net Increase (Decrease)	31,695	7,494	16,737	8,923	(1,691)	7,232
Fund Equity, beginning	237,095	268,790	268,790	285,527		285,527
Fund Equity, ending	\$ 268,790	\$ 276,284	\$ 285,527	\$ 294,450		\$ 292,759

The Slice of Shoreview Fund expenditure adjustments are related to contractual services.

	2021 Actual	2022		2023		
		Budget	Revised Estimate	Budget	Budget Changes	Amended Budget
<u>Slice of Shoreview Fund</u>						
Revenue						
Charges for Services	\$ 23,538	\$ 25,000	\$ 25,000	\$ 25,000	\$ -	\$ 25,000
Interest Earnings	(332)	-	-	-	-	-
Other Revenues	21,085	25,000	25,000	25,000	-	25,000
Total Revenue	44,291	50,000	50,000	50,000	-	50,000
Expense						
General Government	\$ 65,460	\$ 79,570	\$ 85,050	\$ 79,600	\$ 5,780	\$ 85,380
Other Sources (Uses)						
Transfers In	10,000	20,000	20,000	25,000	-	25,000
Net Increase (Decrease)	(11,169)	(9,570)	(15,050)	(4,600)	(5,780)	(10,380)
Fund Equity, beginning	94,613	83,444	83,444	68,394		68,394
Fund Equity, ending	\$ 83,444	\$ 73,874	\$ 68,394	\$ 63,794		\$ 58,014

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

	2021 Actual	2022		2023		
		Budget	Revised Estimate	Budget	Budget Changes	Amended Budget
<u>Debt Service Funds</u>						
Revenue						
Property Taxes	\$ 1,003,766	\$ 887,000	\$ 887,000	\$ 976,000	\$ (5,000)	\$ 971,000
Special Assessments	317,332	206,526	330,462	242,324	(37,911)	204,413
Interest Earnings	(5,230)	17,840	18,329	14,420	(1,900)	12,520
Total Revenue	1,315,868	1,111,366	1,235,791	1,232,744	(44,811)	1,187,933
Expense						
Debt Service	\$ 2,348,822	\$ 2,331,489	\$ 2,375,290	\$ 2,278,985	\$ 17,475	\$ 2,296,460
Other Sources (Uses)						
Debt Proceeds	-	-	43,558	80,000	-	80,000
Transfers In	996,135	1,018,805	1,021,153	620,729	9,643	630,372
Transfers Out	(64,135)	(86,805)	(89,153)	(56,000)	-	(56,000)
Net Increase (Decrease)	(100,954)	(288,123)	(163,941)	(401,512)	(52,643)	(454,155)
Fund Equity, beginning	2,804,819	2,703,865	2,703,865	2,539,924		2,539,924
Fund Equity, ending	\$ 2,703,865	\$ 2,415,742	\$ 2,539,924	\$ 2,138,412		\$ 2,085,769

Central Garage Fund changes to expenses include increases in contractual services. The transfers out decrease is related to information system purchases.

	2021 Actual	2022		2023		
		Budget	Revised Estimate	Budget	Budget Changes	Amended Budget
Central Garage Fund						
Revenue						
Property Taxes	\$ 186,090	\$ 184,000	\$ 184,000	\$ 184,000	\$ -	\$ 184,000
Intergovernmental	263	-	-	-	-	-
Central Garage Charges	1,415,460	1,466,916	1,466,916	1,497,051	(48,051)	1,449,000
Interest Earnings	(9,318)	20,000	20,000	20,000	-	20,000
Total Revenue	1,592,495	1,670,916	1,670,916	1,701,051	(48,051)	1,653,000
Expense						
Central Garage Operations	638,545	711,251	737,637	773,435	15,593	789,028
Debt Service	74,428	65,144	65,144	57,770	-	57,770
Depreciation	755,478	798,000	798,000	817,000	-	817,000
Total Expense	1,468,451	1,574,395	1,600,781	1,648,205	15,593	1,663,798
Other Sources (Uses)						
Sale of Asset-Gain	13,343	-	-	32,000	-	32,000
Sale of Asset-(Loss)	-	(10,500)	(10,500)	-	-	-
Transfers In	119,400	119,400	119,400	119,400	-	119,400
Transfers Out	-	(24,500)	(13,500)	(12,000)	12,000	-
Net Increase (Decrease)	256,787	180,921	165,535	192,246	(51,644)	140,602
Fund Equity, beginning	6,137,345	6,394,132	6,394,132	6,559,667		6,559,667
Fund Equity, ending	\$ 6,394,132	\$ 6,575,053	\$ 6,559,667	\$ 6,751,913		\$ 6,700,269
Note: Excludes contributed assets						
Contributed Capital Assets	-					

The Short-term Disability Fund budget has no proposed changes for 2023.

	2021 Actual	2022		2023		
		Budget	Revised Estimate	Budget	Budget Changes	Amended Budget
Short-term Disability Fund						
Revenue						
Charges for Services (misc)	\$ 8,448	\$ 7,900	\$ 7,900	\$ 7,900	\$ -	\$ 7,900
Interest Earnings	(159)	600	600	600	-	600
Total Revenue	8,289	8,500	8,500	8,500	-	8,500
Expense						
Miscellaneous	8,516	10,000	35,000	10,000	-	10,000
Net Increase (Decrease)	(227)	(1,500)	(26,500)	(1,500)	-	(1,500)
Fund Equity, beginning	49,401	49,174	49,174	22,674		22,674
Fund Equity, ending	\$ 49,174	\$ 47,674	\$ 22,674	\$ 21,174		\$ 21,174

The Liability Claims Fund budget has no proposed changes for 2023.

	2021 Actual	2022		2023		
		Budget	Revised Estimate	Budget	Budget Changes	Amended Budget
Liability Claims Fund						
Revenue						
Interest Earnings	\$ (676)	\$ 2,500	\$ 2,500	\$ 2,500	\$ -	\$ 2,500
Other Revenues	58,409	15,000	15,000	15,000	-	15,000
Total Revenue	57,733	17,500	17,500	17,500	-	17,500
Expense						
Miscellaneous	101,955	32,000	32,000	32,000	-	32,000
Net Increase (Decrease)	(44,222)	(14,500)	(14,500)	(14,500)	-	(14,500)
Fund Equity, beginning	225,426	181,204	181,204	166,704		166,704
Fund Equity, ending	\$ 181,204	\$ 166,704	\$ 166,704	\$ 152,204		\$ 152,204

Water Fund changes include slightly higher personal costs, decreased contractual service costs, slight increases to supplies, and consistent with the most recent Five-year Operating Plan (FYOP) a 3.1% increase to the availability (flat) charge and a 3% increase in the consumption (variable) portion of the water rate for 2023. Revenue adjustments are the result of increased utility customers due to development within the city.

Budget revisions result in a \$158,183 increase in fund balance from what was planned in the FYOP.

	2021 Actual	2022		2023		
		Budget	Revised Estimate	Budget	Budget Changes	Amended Budget
Water Fund						
Revenue						
Special Assessments	\$ 775	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	4,788	-	-	-	-	-
Charges for Services (utility chgs)	4,591,497	4,322,500	4,500,500	4,449,500	70,000	4,519,500
Interest Earnings	(7,261)	30,000	30,000	30,000	-	30,000
Total Revenue	4,589,799	4,352,500	4,530,500	4,479,500	70,000	4,549,500
Expense						
Enterprise Operations	1,969,936	2,211,652	2,161,627	2,263,858	(96,424)	2,167,434
Debt Service	409,123	369,188	393,005	381,203	8,241	389,444
Depreciation	971,916	989,000	989,000	990,000	-	990,000
Total Expense	3,350,975	3,569,840	3,543,632	3,635,061	(88,183)	3,546,878
Other Sources (Uses)						
Transfers Out	(423,000)	(443,000)	(443,800)	(443,000)	-	(443,000)
Net Increase (Decrease)	815,824	339,660	543,068	401,439	158,183	559,622
Note: Excludes contributed assets						

Sewer Fund changes include a 3% sewer rate increase for 2023 (less than the 4% original rate in the five-year operating plan), slightly higher personal costs, and a decrease in MCES sewage disposal costs, lower internal administrative charges and slightly higher debt service interest costs. The decrease in the MCES charge contributed to the reduction of the sewer rate increase.

	2021 Actual	2022		2023		
		Budget	Revised Estimate	Budget	Budget Changes	Amended Budget
Sewer Fund						
Revenue						
Special Assessments	\$ 964	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	812	-	-	-	-	-
Charges for Services (misc)	7,405	1,600	1,600	1,600	-	1,600
Charges for Services (utility chgs)	4,783,298	4,903,500	4,974,500	5,106,500	16,000	5,122,500
Interest Earnings	(13,612)	35,000	35,000	35,000	-	35,000
Total Revenue	4,778,867	4,940,100	5,011,100	5,143,100	16,000	5,159,100
Expense						
Enterprise Operations	3,767,841	4,054,039	4,022,501	4,192,201	(181,431)	4,010,770
Debt Service	122,284	124,053	145,160	126,001	5,666	131,667
Depreciation	346,940	375,000	375,000	362,000	-	362,000
Total Expense	4,237,065	4,553,092	4,542,661	4,680,202	(175,765)	4,504,437
Other Sources (Uses)						
Transfers Out	(208,000)	(213,000)	(213,000)	(218,000)	-	(218,000)
Net Increase (Decrease)	333,802	174,008	255,439	244,898	191,765	436,663
Note: Excludes contributed assets						

Surface Water Fund changes include slightly higher utility charges, salaries and benefits, supplies, contractual services and debt service interest costs. The planned 4% increase in surface water rates for 2023 is unchanged.

	2021 Actual	2022		2023		
		Budget	Revised Estimate	Budget	Budget Changes	Amended Budget
Surface Water Fund						
Revenue						
Special Assessments	\$ 295	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	486	-	-	-	-	-
Charges for Services (utility chgs)	2,100,843	2,197,000	2,250,000	2,282,000	41,000	2,323,000
Interest Earnings	(6,143)	15,000	15,000	15,000	-	15,000
Other Revenues	13,300	-	10,000	-	10,000	10,000
Total Revenue	2,108,781	2,212,000	2,275,000	2,297,000	51,000	2,348,000
Expense						
Enterprise Operations	1,177,555	1,336,357	1,382,949	1,377,152	47,669	1,424,821
Debt Service	114,115	99,792	118,041	101,002	11,573	112,575
Depreciation	349,492	399,000	399,000	415,000	-	415,000
Total Expense	1,641,162	1,835,149	1,899,990	1,893,154	59,242	1,952,396
Other Sources (Uses)						
Transfers Out	(191,000)	(196,000)	(196,000)	(201,000)	-	(201,000)
Net Increase (Decrease)	276,619	180,851	179,010	202,846	(8,242)	194,604
Note: Excludes contributed assets						

Street Lighting Fund changes include slight decreases in supplies and contractual services and internal administrative charges. The planned 5% increase in street lighting rates for 2023 is unchanged

	2021 Actual	2022		2023		
		Budget	Revised Estimate	Budget	Budget Changes	Amended Budget
Street Lighting Fund						
Revenue						
Special Assessments	\$ 101	\$ -	\$ -	\$ -	\$ -	\$ -
Charges for Services (utility chgs)	795,490	832,000	844,400	873,000	\$ 13,000	886,000
Interest Earnings	(3,748)	10,000	10,000	10,000	-	10,000
Total Revenue	791,843	842,000	854,400	883,000	13,000	896,000
Expense						
Enterprise Operations	276,304	301,274	288,933	310,648	(7,654)	302,994
Depreciation	111,806	139,000	139,000	162,000	-	162,000
Total Expense	388,110	440,274	427,933	472,648	(7,654)	464,994
Other Sources (Uses)						
Transfers Out	(42,400)	(47,400)	(47,400)	(52,400)	-	(52,400)
Net Increase (Decrease)	361,333	354,326	379,067	357,952	20,654	378,606
Note: Excludes contributed assets						

Utility Rates

The December 2021 *Five-Year Operating Plan* and 2023 preliminary budget recommended a 3% water variable portion, and 3.1% water flat portion, 4% sewer, 4% surface water and 5% street light rate increase for 2023. Based on preliminary financial information the rate increases for the water, surface water and street light funds appear to be reasonable in order to meet the financial obligations of the utility funds, and no changes are recommended. Staff is recommending a decrease to 3% for the sewer rate. The utility billing information that follows incorporates these rate changes.

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

For the average residential customer (using an average of 15,000 gallons of water per quarter, and 12,000 gallons in the winter) the total utility bill will increase \$7.60 per quarter (3.3%). The majority of the increase is for sewer charges.

Average User	2022	2023	Change
Water	\$ 76.00	\$ 78.30	\$ 2.30
Sewer	103.63	106.74	3.11
Surface water	35.27	36.68	1.41
Street lighting	15.63	16.41	0.78
State fee	2.43	2.43	-
Total	\$ 232.96	\$ 240.56	\$ 7.60

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

Use Level	% of Homes	Water Gallons	Sewer Gallons	Total Quarterly Utility Bill		Quarterly Change	
				2022	2023	\$	%
Very low	13%	5,000	4,000	\$164.12	\$ 169.65	\$ 5.53	3.4%
Low	28%	10,000	10,000	\$193.69	\$ 200.12	\$ 6.43	3.3%
Average	40%	15,000	12,000	\$232.96	\$ 240.56	\$ 7.60	3.3%
Above avg	14%	25,000	22,000	\$293.13	\$ 302.52	\$ 9.39	3.2%
High	3%	55,000	26,000	\$480.13	\$ 495.12	\$ 14.99	3.1%
Very high	2%	80,000	34,000	\$669.10	\$ 689.76	\$ 20.66	3.1%

Major Capital Funds

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

Street Renewal Fund projections indicate that planned tax levy increases ranging from \$40,000 to \$55,000 per year will support planned projects through 2027.

Street Renewal Fund Capital Projections	Projected 2022	Projected 2023	Projected 2024	Projected 2025	Projected 2026	Projected 2027
Revenue						
Property taxes	\$ 1,090,000	\$ 1,025,000	\$ 1,080,000	\$ 1,130,000	\$ 1,170,000	\$ 1,220,000
Assessments	31,430	31,243	26,257	26,257	26,257	26,257
Investment interest	44,400	67,600	62,200	71,800	71,800	71,800
Total Revenues	\$ 1,165,830	\$ 1,123,843	\$ 1,168,457	\$ 1,228,057	\$ 1,268,057	\$ 1,318,057
Expense						
Street rehabilitation various segments	\$ -	\$ -	\$ 2,286,000	\$ -	\$ 2,423,000	\$ -
Total Expense	\$ -	\$ -	\$ 2,286,000	\$ -	\$ 2,423,000	\$ -
Other Sources (Uses)						
Net change	1,165,830	1,123,843	(1,117,543)	1,228,057	(1,154,943)	1,318,057
Fund equity, beginning	2,117,802	3,283,632	4,407,475	3,289,932	4,517,989	3,363,046
Fund equity, ending	\$ 3,283,632	\$ 4,407,475	\$ 3,289,932	\$ 4,517,989	\$ 3,363,046	\$ 4,681,103
Years of capital coverage (avg expense)	4.2	5.6	4.2	5.8	4.3	6.0
Tax levy percent change	3.8%	-6.0%	5.4%	4.6%	3.5%	4.3%
Average annual percent change (taxes) 2022 – 2027						2.6%

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

The summary of MSA Fund activity provided in the table below shows that projected MSA receipts will not be sufficient to cover project costs through the year 2027. The city requested and received a \$4,000,000 advance on future MSA allotments from the Minnesota Department of Transportation in 2020, and the projection below assumes an additional \$2,500,000 advance in 2025, and will require an additional advance in 2023 (not included in the projection below) in order for the fund to have a positive fund balance in 2023 thru 2027.

MSA Fund Capital Projections	Projected 2022	Projected 2023	Projected 2024	Projected 2025	Projected 2026	Projected 2027
Revenue						
Intergovt (MSA allocation)	\$ 911,000	\$ 900,000	\$ 900,000	\$ 900,000	\$ 900,000	\$ 900,000
Intergovt advance or (repay advance)	(911,000)	(900,000)	(900,000)	1,600,000	(900,000)	(900,000)
Investment interest	15,000	10,000	10,000	10,000	10,000	10,000
Total Revenues	\$ 15,000	\$ 10,000	\$ 10,000	\$ 2,510,000	\$ 10,000	\$ 10,000
Expense						
Highway 49/Hodgson (96-Gramsie)	-	1,518,550	-	-	-	-
Lexington Ave. Reconstruction	325,000	-	-	-	-	-
Hodgson Road/Co Road J intersection	-	65,000	-	-	-	-
Hamline Ave. Reconstruction	-	-	-	2,744,000	-	-
Total Expense	\$ 325,000	\$ 1,583,550	\$ -	\$ 2,744,000	\$ -	\$ -
Net change	(310,000)	(1,573,550)	10,000	(234,000)	10,000	10,000
Fund equity, beginning	1,406,165	1,096,165	(477,385)	(467,385)	(701,385)	(691,385)
Fund equity, ending	\$ 1,096,165	\$ (477,385)	\$ (467,385)	\$ (701,385)	\$ (691,385)	\$ (681,385)
Fund equity percent of avg expense	156.8%	-68.3%	-66.8%	-100.3%	-98.9%	-97.5%
Months capital coverage (avg expense)	18.8	(8.2)	(8.0)	(12.0)	(11.9)	(11.7)
MSA advance balance	2,291,386	1,391,386	491,386	2,091,386	1,191,386	291,386

Capital Asset Replacement Fund projections indicate that tax levy increases ranging from \$90,000 to \$105,000 per year through 2027 will not support planned project costs in all years. Possible solutions include increases to the tax levy and/or transfers in of excess general fund balance and the delay of certain capital expenditures.

Capital Asset Replacement Fund Capital Projections	Projected 2022	Projected 2023	Projected 2024	Projected 2025	Projected 2026	Projected 2027
Revenue						
Property taxes	\$ 1,822,922	\$ 1,855,000	\$ 1,945,000	\$ 2,040,000	\$ 2,140,000	\$ 2,245,000
Investment interest	5,000	1,000	10,000	5,000	5,000	10,000
Total Revenues	\$ 1,827,922	\$ 1,856,000	\$ 1,955,000	\$ 2,045,000	\$ 2,145,000	\$ 2,255,000
Expense						
Fire stations & equipment	\$ 558,743	\$ 96,938	\$ 189,688	\$ 1,032,811	\$ 498,699	\$ 576,286
Warning sirens	-	-	31,000	32,000	-	33,000
Municipal buildings	415,000	892,000	425,000	680,000	403,000	1,075,000
Park facilities	138,000	1,487,700	808,000	342,000	527,000	132,000
Trails	181,600	83,200	194,900	436,600	203,200	89,900
Total Expense	\$ 1,293,343	\$ 2,559,838	\$ 1,648,588	\$ 2,523,411	\$ 1,631,899	\$ 1,906,186
Other Sources (Uses)						
Transfers out/Capital Imprv (IT) fund	\$ (371,213)	\$ (241,000)	\$ (102,500)	\$ (87,500)	\$ (103,500)	\$ (112,500)
Transfers out/debt funds	(380,000)	(200,000)	(256,500)	(368,000)	(368,000)	(368,000)
Total Other Sources (Uses)	\$ (751,213)	\$ (441,000)	\$ (359,000)	\$ (455,500)	\$ (471,500)	\$ (480,500)
Net change	(216,634)	(1,144,838)	(52,588)	(933,911)	41,601	(131,686)
Fund equity, beginning	2,283,415	2,066,781	921,943	869,355	(64,556)	(22,955)
Fund equity, ending	\$ 2,066,781	\$ 921,943	\$ 869,355	\$ (64,556)	\$ (22,955)	\$ (154,641)
Months of average capital coverage	11.8	5.3	5.0	(0.4)	(0.1)	(0.9)
Tax levy percent change	5.6%	1.8%	4.9%	4.9%	4.9%	4.9%
Average annual percent change (taxes) 2022 – 2027						4.5%

Information Technology Fund projections indicate that a tax levy increase of \$0 will support planned technology purchases. The small tax levy is intended to assist in funding new technology purchases that cannot be funded through replacement funds.

Information Technology Fund Capital Projections	Projected 2022	Projected 2023	Projected 2024	Projected 2025	Projected 2026	Projected 2027
Revenue						
Property taxes	\$ 50,000	\$ 50,000	\$ 50,000	\$ 50,000	\$ 50,000	\$ 50,000
Investment interest	1,600	1,600	1,600	1,600	1,600	1,600
Total Revenues	\$ 51,600	\$ 51,600	\$ 51,600	\$ 51,600	\$ 51,600	\$ 51,600
Expense						
Computer equipment/software	\$ 481,513	\$ 348,000	\$ 128,500	\$ 112,500	\$ 118,500	\$ 135,500
Total Expense	\$ 481,513	\$ 348,000	\$ 128,500	\$ 112,500	\$ 118,500	\$ 135,500
Other Sources (Uses)						
Transfers in/Capital Asset Fund	371,213	241,000	102,500	87,500	103,500	112,500
Transfers in/Water Fund	10,800	-	-	-	-	2,000
Transfers in/Sewer Fund	-	-	-	-	-	2,000
Transfers in/Central Garage Fund	13,500	-	-	-	-	-
Total Other Sources (Uses)	\$ 395,513	\$ 241,000	\$ 102,500	\$ 87,500	\$ 103,500	\$ 116,500
Net change	(34,400)	(55,400)	25,600	26,600	36,600	32,600
Fund equity, beginning	200,936	166,536	111,136	136,736	163,336	199,936
Fund equity, ending	\$ 166,536	\$ 111,136	\$ 136,736	\$ 163,336	\$ 199,936	\$ 232,536
Months of capital coverage (avg exp)	9.1	6.0	7.4	8.9	10.9	12.6

Community Investment Fund The summary of community investment fund activity provided below shows projected revenue is sufficient to support planned building, park and trail projects providing community wide benefit.

Community Investment Fund	Projected	Projected	Projected	Projected	Projected	Projected
Capital Projections	2022	2023	2024	2025	2026	2027
Revenue						
Franchise fees	\$ 1,247,000	\$ 1,247,000	\$ 1,247,000	\$ 1,247,000	\$ 1,247,000	\$ 1,247,000
PCS Antenna rentals	485,000	480,000	501,000	520,000	541,000	562,000
Billboard fees	63,720	72,190	73,760	75,970	78,250	80,600
Investment interest	40,000	40,000	40,000	40,000	40,000	40,000
Total Revenues	\$ 1,835,720	\$ 1,839,190	\$ 1,861,760	\$ 1,882,970	\$ 1,906,250	\$ 1,929,600
Expense						
Community Center improvements	50,000	50,000	50,000	50,000	50,000	50,000
Park facilities improvements	270,000	533,000	750,000	750,000	-	-
Trails and pathways	-	150,000	-	-	-	-
Total Expense	\$ 320,000	\$ 733,000	\$ 800,000	\$ 800,000	\$ 50,000	\$ 50,000
Other Sources (Uses)						
Transfer out/G.O. debt service	(322,000)	(322,000)	(378,500)	(490,000)	(490,000)	(490,000)
Transfers out/debt service (COP's)	(180,000)	(52,372)	-	-	-	-
Total Other Sources (Uses)	\$ (502,000)	\$ (374,372)	\$ (378,500)	\$ (490,000)	\$ (490,000)	\$ (490,000)
Net change	1,013,720	731,818	683,260	592,970	1,366,250	1,389,600
Fund equity, beginning	2,703,369	3,717,089	4,448,907	5,132,167	5,725,137	7,091,387
Fund equity, ending	\$ 3,717,089	\$ 4,448,907	\$ 5,132,167	\$ 5,725,137	\$ 7,091,387	\$ 8,480,987
Months of capital coverage (avg exp)	49.8	59.6	68.7	76.6	94.9	113.5
Minimum fund balance	\$ 2,189,260	\$ 2,549,098	\$ 2,913,450	\$ 3,000,000	\$ 3,000,000	\$ 3,000,000
Fund balance in excess of minimum	\$ 1,527,829	\$ 1,899,809	\$ 2,218,717	\$ 2,725,137	\$ 4,091,387	\$ 5,480,987
Debt service over (under) policy limit	\$ (217,676)	\$ (354,332)	\$ (358,688)	\$ (256,500)	\$ (265,840)	Unavailable

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

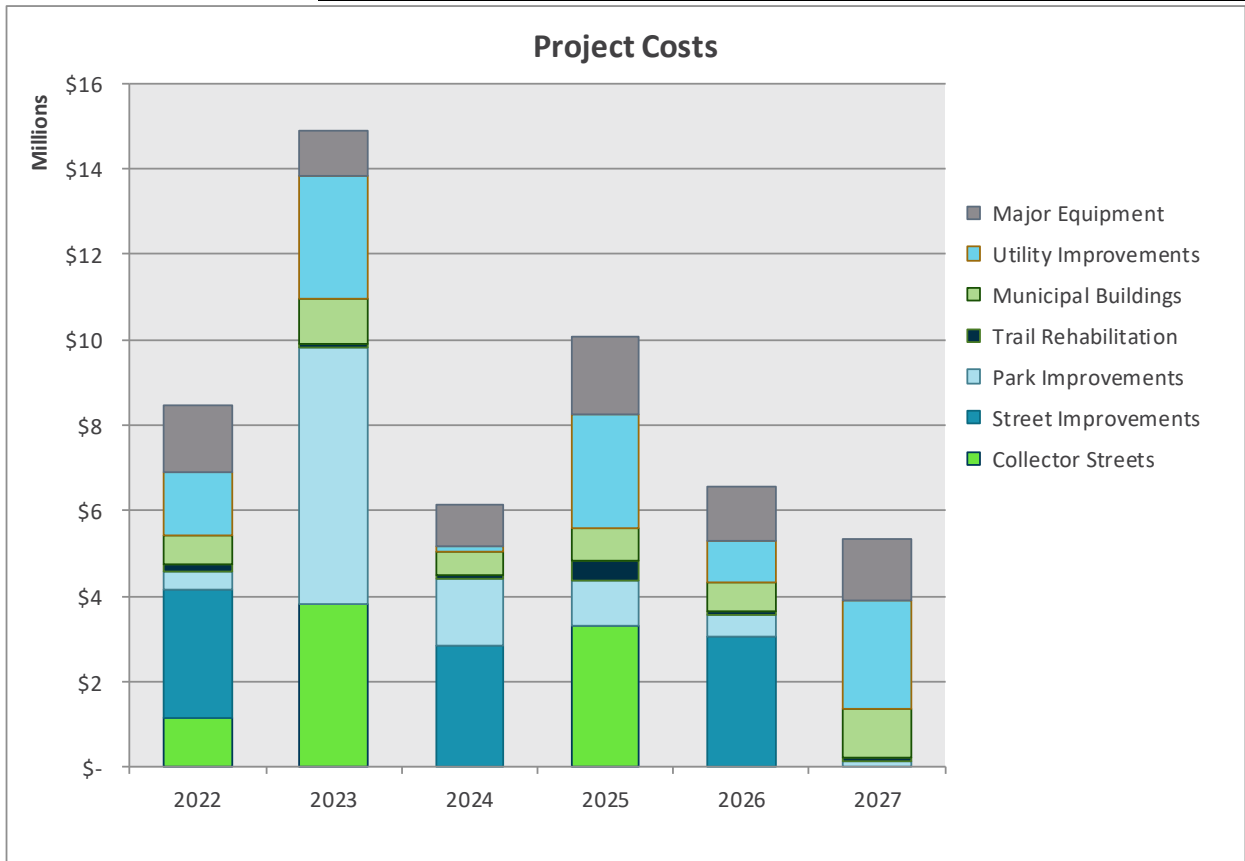
The community investment policy limits the amount of resources that can be used for the repayment of debt issued to acquire qualifying capital assets to 50% of ensuing years' available revenue, defined as revenue derived from franchise fees (electric and gas), wireless telecommunication antenna lease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

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

Capital Improvement Program

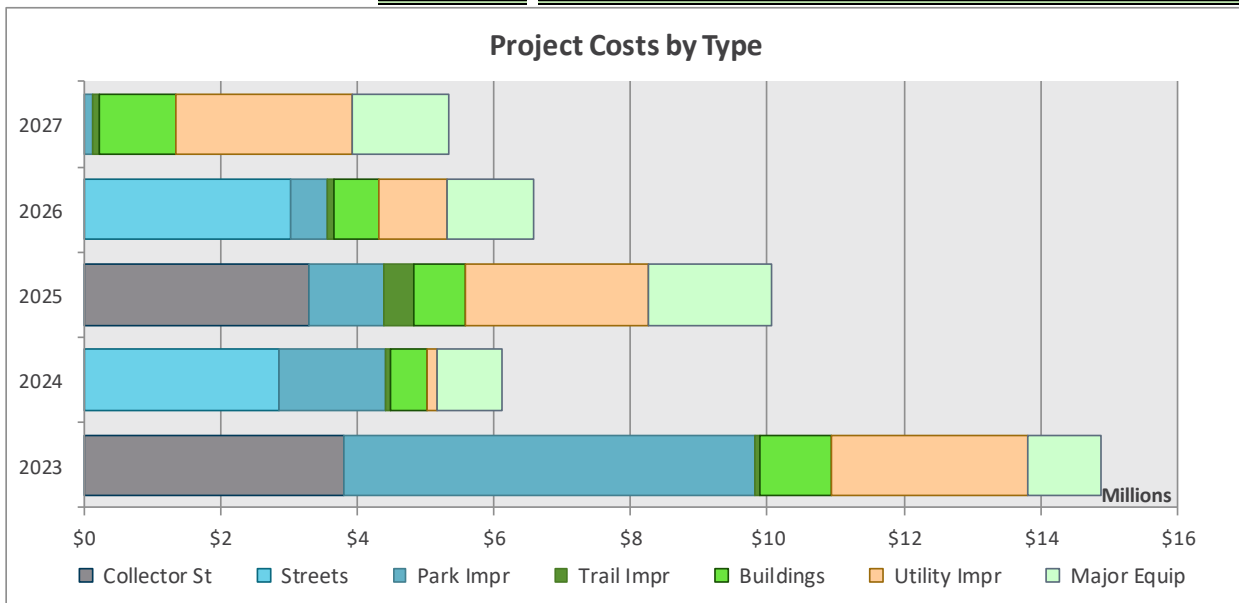
Description	Year 2022	Year 2023	Year 2024	Year 2025	Year 2026	Year 2027
Resources						
Debt Issuance	\$ 4,701,000	\$ 8,492,250	\$ 585,000	\$ 2,216,000	\$ 1,495,000	\$ 1,970,000
Intergovernmental	325,000	1,583,550	-	3,194,000	-	-
Internal Funds	3,441,076	4,804,338	5,533,088	4,645,371	5,078,399	3,356,826
Total Resources	\$ 8,467,076	\$ 14,880,138	\$ 6,118,088	\$ 10,055,371	\$ 6,573,399	\$ 5,326,826

Project Costs						
Collector Streets	\$ 1,145,000	\$ 3,795,800	\$ -	\$ 3,290,000	\$ -	\$ -
Street Improvements	3,000,000	-	2,846,000	-	3,033,000	-
Park Improvements	408,000	6,020,700	1,558,000	1,092,000	527,000	132,000
Trail Rehabilitation	181,600	83,200	84,900	436,600	88,200	89,900
Municipal Buildings	679,322	1,048,148	542,490	760,350	653,000	1,125,000
Utility Improvements	1,496,000	2,870,000	135,000	2,686,460	1,000,000	2,565,140
Major Equipment	1,557,154	1,062,290	951,698	1,789,961	1,272,199	1,414,786
Total Project Costs	\$ 8,467,076	\$ 14,880,138	\$ 6,118,088	\$ 10,055,371	\$ 6,573,399	\$ 5,326,826



Project Resources

Description	Year 2022	Year 2023	Year 2024	Year 2025	Year 2026	Year 2027
Debt						
General Obligation Bonds	\$ 2,550,000	\$ 4,000,000	\$ -	\$ -	\$ -	\$ -
Improvement Bonds (assmts)	175,000	217,250	-	32,000	-	-
Water Revenue Bonds	885,000	3,025,000	385,000	640,000	1,275,000	1,200,000
Sewer Revenue Bonds	671,000	820,000	-	844,000	-	50,000
Surface Water Revenue Bonds	420,000	430,000	200,000	700,000	220,000	720,000
Total Debt	4,701,000	8,492,250	585,000	2,216,000	1,495,000	1,970,000
Intergovernmental						
Ramsey County	-	-	-	450,000	-	-
MSA	325,000	1,583,550	-	2,744,000	-	-
Total Intergovernmental	325,000	1,583,550	-	3,194,000	-	-
Internal Funds						
Cable Television Fund	202,000	50,000	25,000	-	-	-
Street Renewal Fund	-	-	2,286,000	-	2,423,000	-
Capital Asset Replacement Fund	1,664,556	2,800,838	1,751,088	2,610,911	1,735,399	2,018,686
Capital Acquisition Fund (IT)	86,000	107,000	26,000	25,000	15,000	19,000
Community Investment Fund	320,000	733,000	800,000	800,000	50,000	50,000
Water Fund	10,800	-	-	-	-	2,000
Sewer Fund	-	-	-	-	-	2,000
Street Lighting Fund	615,000	440,000	-	566,460	-	595,140
Central Garage Fund	542,720	673,500	645,000	643,000	855,000	670,000
Total Internal Funds	3,441,076	4,804,338	5,533,088	4,645,371	5,078,399	3,356,826
Total Resources	\$ 8,467,076	\$ 14,880,138	\$ 6,118,088	\$ 10,055,371	\$ 6,573,399	\$ 5,326,826



Project Costs						
Description	Year 2022	Year 2023	Year 2024	Year 2025	Year 2026	Year 2027
Collector Streets						
Lexington Ave Reconstruction	\$ 1,145,000	\$ -	\$ -	\$ -	\$ -	\$ -
Highway 49/Hodgson (H96-Gramsie)	-	3,685,800	-	-	-	-
Hodgson Road/Co Road J Intersection	-	110,000	-	-	-	-
Hamline Ave Reconstruction	-	-	-	3,290,000	-	-
Total Collector Streets	1,145,000	3,795,800	-	3,290,000	-	-
Street Improvements						
Street Rehabilitation	3,000,000	-	2,846,000	-	3,033,000	-
Total Street Improvements	3,000,000	-	2,846,000	-	3,033,000	-
Park Improvements						
Park Facility Replacements	123,000	1,368,000	713,000	282,000	72,000	72,000
Park Facility Improvements	270,000	4,533,000	750,000	750,000	-	-
Parking & Driveways	-	45,000	-	-	350,000	-
Tennis & Basketball Court Pavement	-	53,000	45,000	45,000	90,000	45,000
Park Building Rehabilitation	15,000	21,700	50,000	15,000	15,000	15,000
Total Park Improvements	408,000	6,020,700	1,558,000	1,092,000	527,000	132,000
Trail Rehabilitation and Extensions	181,600	83,200	84,900	436,600	88,200	89,900
Municipal Buildings						
Fire Stations	12,322	56,148	42,490	30,350	-	-
General Government Buildings	202,000	50,000	25,000	-	-	-
Community Center Rehabilitation	155,000	415,000	270,000	255,000	185,000	950,000
Banquet Facility	15,000	15,000	55,000	200,000	23,000	15,000
Pool & Locker Room Areas	113,000	320,000	50,000	140,000	110,000	20,000
Furniture & Equipment	132,000	142,000	50,000	85,000	85,000	90,000
Community Center Improvements	50,000	50,000	50,000	50,000	50,000	50,000
Central Garage Floor Rehabilitation	-	-	-	-	200,000	-
Total Municipal Buildings	679,322	1,048,148	542,490	760,350	653,000	1,125,000
Utility Improvements						
Water Systems	135,000	2,000,000	135,000	600,000	1,000,000	1,200,000
Sanitary Sewer Rehabilitation	471,000	-	-	760,000	-	-
Sanitary Sewer Lift Stations	75,000	-	-	60,000	-	50,000
Surface Water Pretreatment Structures	200,000	430,000	-	700,000	-	720,000
Residential Street Lights	615,000	440,000	-	566,460	-	595,140
Total Utility Improvements	1,496,000	2,870,000	135,000	2,686,460	1,000,000	2,565,140
Major Equipment						
Fire Equipment	546,421	40,790	147,198	1,002,461	498,699	576,286
Warning Sirens	-	-	31,000	32,000	-	33,000
Computer Systems	481,513	348,000	128,500	112,500	118,500	135,500
Central Garage Equipment	529,220	673,500	645,000	643,000	655,000	670,000
Total Major Equipment	1,557,154	1,062,290	951,698	1,789,961	1,272,199	1,414,786
Total Capital Projects	\$ 8,467,076	\$ 14,880,138	\$ 6,118,088	\$ 10,055,371	\$ 6,573,399	\$ 5,326,826