



2023 Community Benchmarks

How does Shoreview compare?

Introduction

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

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

Statistical information is derived from two key sources:

1. League of Minnesota Cities (LMC) publishes a report each fall on City property values, tax levies, tax rates and state aid for the current year. The most recent report provides 2022 data.
2. Minnesota Office of State Auditor (OSA) publishes a report in the spring on final city revenue, spending, debt levels and enterprise activity for two years prior. The most recent OSA report provides 2021 data.

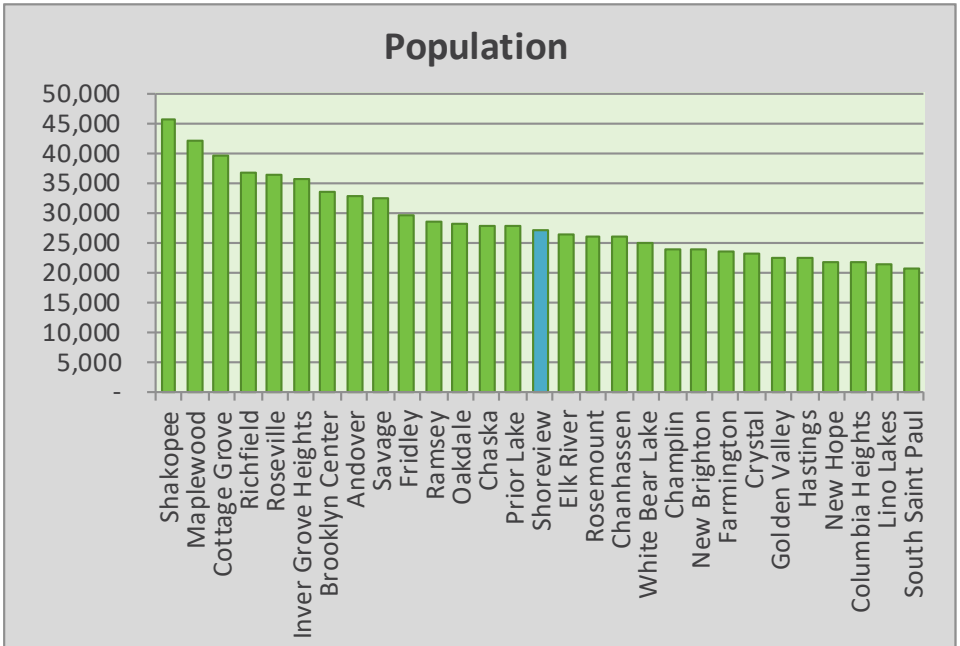
Shoreview uses both sources of information to assemble two sets of data:

1. Comparison cities - to illustrate how Shoreview ranks in relation to metro-area cities with population levels closest to Shoreview by selecting 14 cities larger and 14 cities smaller in the years presented. These are cities with populations between 21,000 and 46,000.
2. MLC cities - to illustrate how Shoreview ranks in relation to cities belonging to the Municipal Legislative Commission (MLC).

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

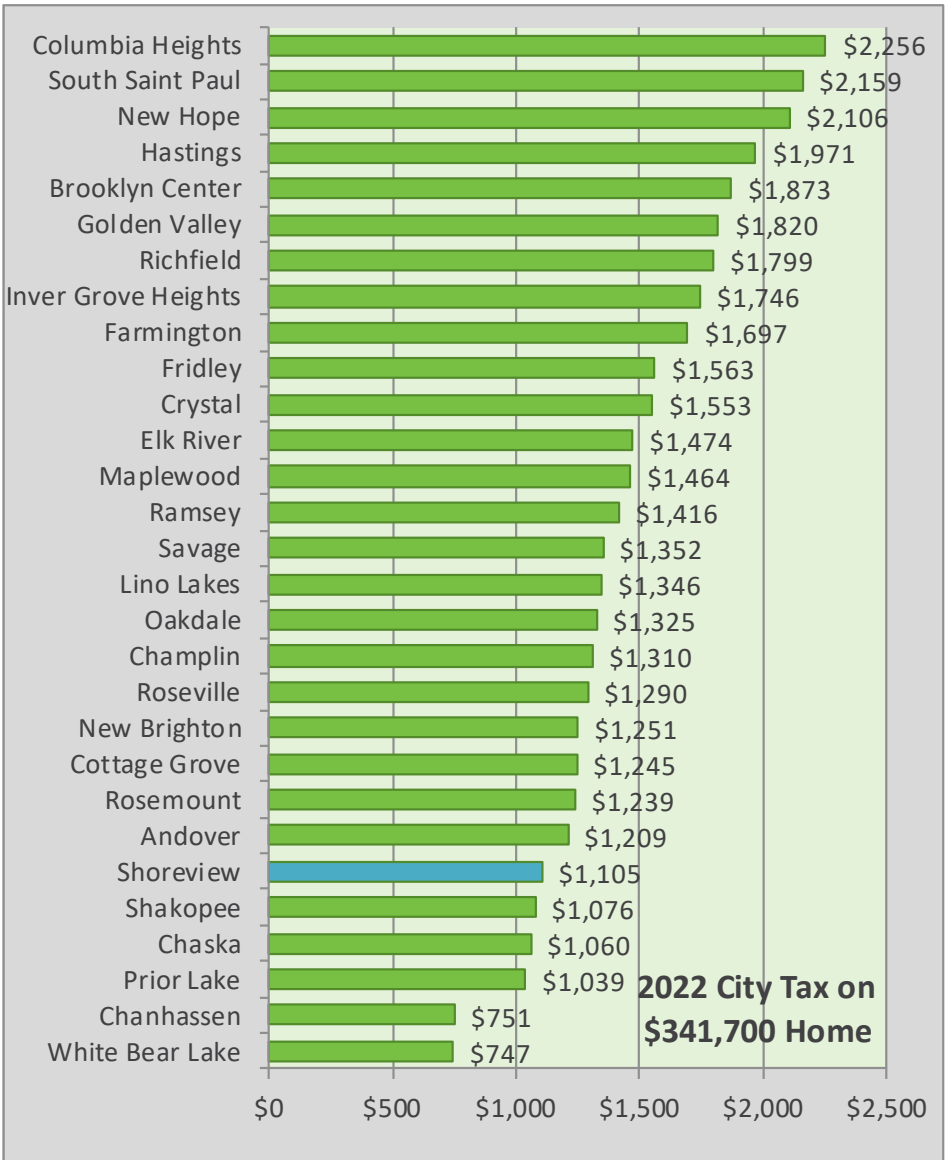
Population

The graph below contains the 2021 population for each of the comparison cities. By design, Shoreview falls exactly in the middle. Shoreview’s population is 6.0% below the average of all comparison cities. A similar graph with population levels for MLC cities is presented on page 13.



City-Share of Property Taxes

The 2022 city-share of property taxes for a \$341,700 home (Shoreview’s median value) is illustrated in the graph below. Shoreview ranks 6th lowest at \$1,105, and is about 24% below the average of \$1,457. It should be noted that for property tax purposes, the home value is reduced from \$341,700 to \$335,200 due to the market value exclusion (MVE).



Tax Levy Ranking

Shoreview's tax levy rank has remained unchanged in the last 10 years in relation to comparison cities. Shoreview ranked 20 in 2012, and has remained at 20 in 2022. Shoreview's tax levy was 23.7% below the average of comparison cities in 2012, compared to 17.2% below the average for 2022.

2012		
Rank	City	Levy
1	Edina	\$ 25,641,719
2	St Louis Park	23,763,589
3	Apple Valley	20,223,318
4	Maplewood	17,167,391
5	Richfield	16,981,362
6	Golden Valley	16,410,340
7	Inver Grove Hgts	14,958,700
8	Shakopee	14,717,435
9	Savage	14,670,008
10	Roseville	14,137,295
11	Brooklyn Center	13,208,169
12	Cottage Grove	12,241,249
13	Hastings	11,746,070
14	Andover	10,448,972
15	Fridley	10,383,597
16	Rosemount	10,331,935
17	Elk River	10,275,572
18	Oakdale	9,880,974
19	Chanhausen	9,802,043
20	Shoreview	9,290,085
21	New Hope	9,229,295
22	Crystal	8,792,834
23	Ramsey	8,414,125
24	Prior Lake	8,285,601
25	Lino Lakes	8,227,487
26	New Brighton	7,289,559
27	Champlin	7,239,634
28	Chaska	4,880,331
29	White Bear Lake	4,665,427
Average		\$ 12,182,901
Shvw to Avg		-23.7%

2022		
Rank	City	Levy
1	Inver Grove Heigh	\$28,064,915
2	Golden Valley	27,932,696
3	Roseville	25,308,107
4	Richfield	25,202,977
5	Maplewood	24,369,851
6	Shakopee	22,486,072
7	Brooklyn Center	21,324,065
8	Savage	20,037,010
9	Cottage Grove	18,339,004
10	New Hope	17,823,236
11	Fridley	16,930,903
12	Hastings	16,294,317
13	Andover	16,107,544
14	Ramsey	15,313,102
15	Columbia Heights	14,824,927
16	Prior Lake	14,668,975
17	South Saint Paul	14,620,833
18	Farmington	14,384,023
19	Oakdale	14,343,623
20	Shoreview	14,076,708
21	Rosemount	14,026,448
22	Elk River	13,885,536
23	Crystal	13,519,621
24	Chanhausen	12,663,061
25	Champlin	12,511,935
26	Chaska	12,489,438
27	Lino Lakes	11,819,588
28	New Brighton	11,481,450
29	White Bear Lake	8,079,999
Average		\$16,997,585
Shvw to Avg		-17.2%

State Aid

Shoreview receives no local government aid (LGA) to help support the cost of city services. The table below shows the total LGA received by each comparison city, as well as the amount of LGA per capita. The highest city (on a per capita basis) is South Saint Paul at \$135.52 of LGA per capita. Fourteen of the comparison cities receive at least some LGA.

City	Local Govt Aid (LGA)	LGA Per Capita
South Saint Paul	\$ 2,811,341	\$ 135.52
Columbia Heights	\$ 1,902,817	\$ 87.05
Brooklyn Center	\$ 2,373,617	\$ 70.67
Crystal	\$ 1,512,734	\$ 65.53
Fridley	\$ 1,835,592	\$ 62.15
Richfield	\$ 2,010,927	\$ 54.85
White Bear Lake	\$ 1,333,615	\$ 53.20
Hastings	\$ 903,259	\$ 40.50
New Hope	\$ 866,708	\$ 39.63
New Brighton	\$ 755,071	\$ 31.85
Maplewood	\$ 1,298,933	\$ 30.82
Elk River	\$ 451,094	\$ 17.23
Oakdale	\$ 262,721	\$ 9.34
Farmington	\$ 105,587	\$ 4.46
Andover	\$ -	\$ -
Champlin	\$ -	\$ -
Chanhassen	\$ -	\$ -
Chaska	\$ -	\$ -
Cottage Grove	\$ -	\$ -
Golden Valley	\$ -	\$ -
Inver Grove Heights	\$ -	\$ -
Lino Lakes	\$ -	\$ -
Prior Lake	\$ -	\$ -
Ramsey	\$ -	\$ -
Rosemount	\$ -	\$ -
Roseville	\$ -	\$ -
Savage	\$ -	\$ -
Shakopee	\$ -	\$ -
Shoreview	\$ -	\$ -

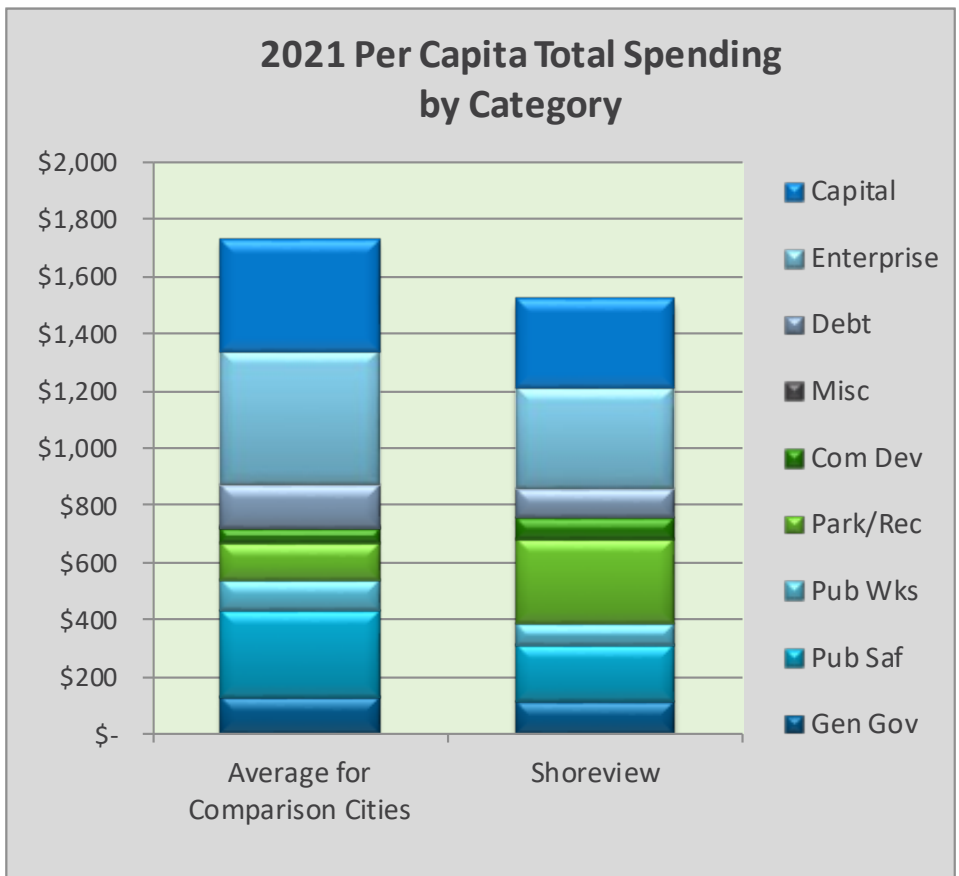
Tax Rates

Tax rates provide a useful comparison because they measure both levies and values (the levy is divided by the taxable value to compute the tax rate). Shoreview's tax rate has remained consistent over the last 10 years, ranking 6th lowest in 2012 and 2022. For 2022, Shoreview is about 24% below the average tax rate of 43.39%.

2012			2022		
Rank	City	Tax Rate	Rank	City	Tax Rate
1	Hastings	66.08%	1	Columbia Heights	67.30%
2	Brooklyn Center	64.36%	2	South Saint Paul	64.41%
3	Richfield	60.81%	3	New Hope	62.83%
4	Golden Valley	55.80%	4	Hastings	58.81%
5	New Hope	55.11%	5	Brooklyn Center	55.86%
6	Crystal	51.34%	6	Golden Valley	54.31%
7	Savage	51.12%	7	Richfield	53.68%
8	Elk River	47.59%	8	Inver Grove Heigh	52.07%
9	Rosemount	46.99%	9	Farmington	50.62%
10	Inver Grove Hgts	45.36%	10	Crystal	46.32%
11	Ramsey	44.17%	11	Fridley	45.24%
12	Apple Valley	44.11%	12	Elk River	43.97%
13	Maplewood	44.06%	13	Maplewood	43.66%
14	St Louis Park	43.87%	14	Ramsey	42.24%
15	Lino Lakes	42.89%	15	Savage	40.33%
16	Andover	42.26%	16	Lino Lakes	40.15%
17	New Brighton	41.43%	17	Oakdale	39.53%
18	Cottage Grove	41.29%	18	Champlin	39.07%
19	Champlin	41.20%	19	Roseville	38.48%
20	Fridley	39.62%	20	New Brighton	37.32%
21	Oakdale	39.25%	21	Cottage Grove	37.15%
22	Shakopee	36.66%	22	Rosemount	36.95%
23	Roseville	33.45%	23	Andover	36.08%
24	Shoreview	33.25%	24	Shoreview	32.96%
25	Prior Lake	29.74%	25	Shakopee	32.11%
26	Chanhassen	28.52%	26	Chaska	31.63%
27	Edina	26.25%	27	Prior Lake	30.47%
28	Chaska	25.49%	28	Chanhassen	22.40%
29	White Bear Lake	19.94%	29	White Bear Lake	22.27%
Average		42.83%	Average		43.39%
Shvw to Avg		-22.4%	Shvw to Avg		-24.0%

Total Spending Per Capita

Data obtained from the OSA each year helps Shoreview compare total spending per capita. The graph below contrasts the average spending per capita in 2021 for comparison cities along side the per capita spending in Shoreview. Shoreview's total 2021 spending is \$1,522 per capita, which is about 12.0% below the average of \$1,729. It should be noted that Shoreview's operating expenditures per capita (total expenditures less capital expenditures) is \$1,213, which is about 9.8% below the average of \$1,344.



Spending Per Capita by Activity

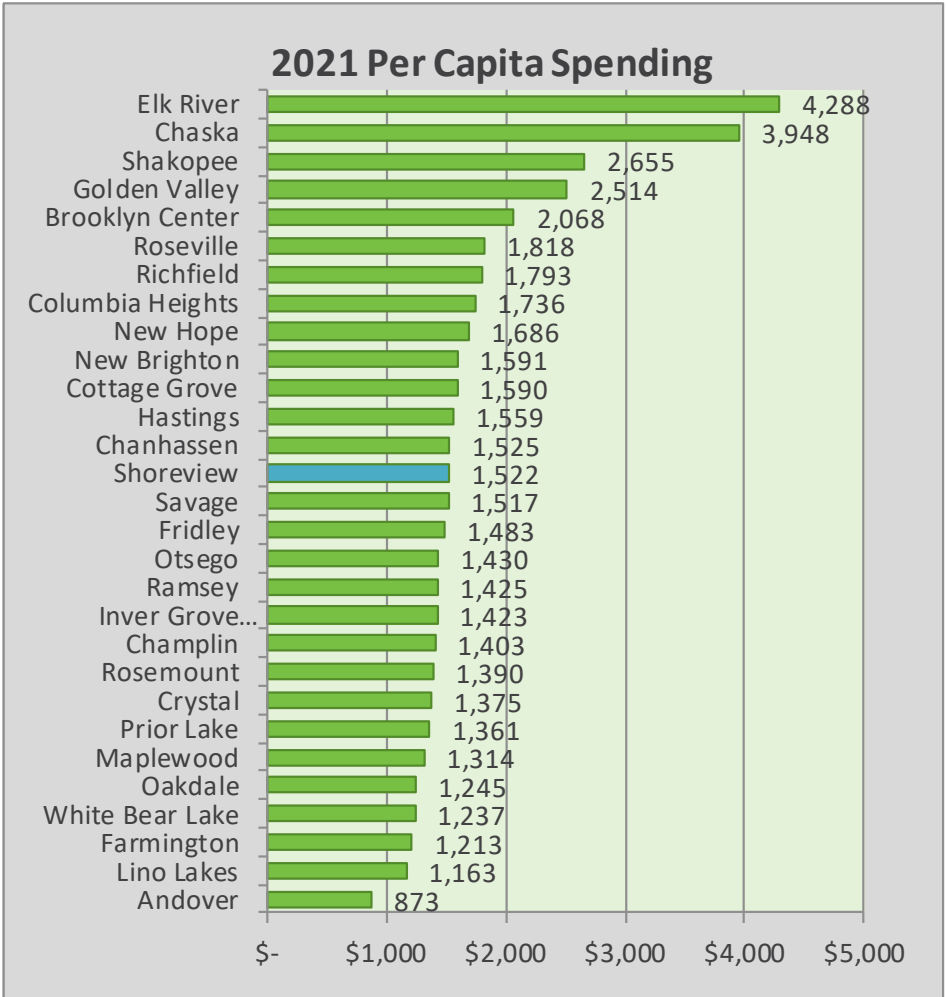
When reviewing spending in more detail, Shoreview is above average in parks and recreation, community development and utility operations and below average for all other spending categories.

- Parks and recreation spending is higher in Shoreview due to the community center and recreation program operations (largely supported by user fees and memberships).
- Utility spending is higher due to differences in how cities account for storm sewer and street light operations. For instance, some cities support these operations with property tax revenue.
- Community development is higher due to tax increment activity.
- Public safety spending in Shoreview is fourth lowest for all comparison cities, at \$197.35 per capita, due to the efficiencies gained by contracting for both police and fire protection.
- Debt payments are 32.9% below average in Shoreview due to lower overall debt balances.

2021 Per Capita Spending	Average	Shoreview	Shoreview to Average	
			Dollars	Percent
General government	\$ 127.36	\$ 113.24	\$ (14.12)	-11.1%
Public safety	301.44	197.35	(104.09)	-34.5%
Public works	107.46	77.00	(30.46)	-28.3%
Parks & recreation	130.81	291.30	160.49	122.7%
Commun devel/EDA/HRA/Hous	49.52	76.56	27.04	54.6%
All other governmental	3.47	-	(3.47)	-100.0%
Water/sewer/storm/st lights	304.88	356.63	51.75	17.0%
Electric	141.25	-	(141.25)	-100.0%
All other enterprise operations	27.82	-	(27.82)	-100.0%
Debt payments	150.48	100.98	(49.50)	-32.9%
Capital outlay	384.67	308.62	(76.05)	-19.8%
Total All Funds	\$ 1,729.16	\$ 1,521.68	\$ (207.48)	-12.0%

The graph below shows total 2021 spending per capita (spending divided by population) for all comparison cities. Spending levels range from a high of \$4,288 in Elk River to a low of \$873 in Andover.

Shoreview ranks 14th highest at \$1,522 per capita, and is 12.0% below the average of \$1,729.



Revenue Per Capita by Source

Shoreview is below average for every revenue classification in 2021 except tax increment collections, franchise tax (utility & cable), federal revenue, charges for service, interest, and traditional utility revenue. Recreation program fees and community center admissions and memberships cause Shoreview to collect charges for service revenue well above average. Shoreview is 7th lowest for special assessments.

2021 Per Capita Revenue	Average	Shoreview	Shoreview to Average	
			Dollars	Percent
Property tax	\$ 560.90	\$ 507.34	\$ (53.56)	-9.5%
Tax increment (TIF)	52.09	65.01	12.92	24.8%
Franchise tax	28.16	59.45	31.29	111.1%
Other tax	6.56	0.51	(6.05)	-92.2%
Special assessments	46.92	13.26	(33.66)	-71.7%
Licenses & permits	50.08	41.77	(8.31)	-16.6%
Federal (all combined)	35.64	109.94	74.30	208.5%
State (all combined)	109.80	51.61	(58.19)	-53.0%
Local (all combined)	16.91	12.35	(4.56)	-27.0%
Charges for service	164.01	223.85	59.84	36.5%
Fines & forfeits	3.99	1.36	(2.63)	-65.9%
Interest	(3.72)	(1.76)	1.96	-52.7%
All other governmental	36.40	3.65	(32.75)	-90.0%
Water/sewer/storm/street lighting	337.18	454.97	117.79	34.9%
Electric enterprise	158.27	-	(158.27)	-100.0%
All other enterprise	31.52	-	(31.52)	-100.0%
Total Revenue per capita	\$ 1,634.70	\$ 1,543.31	\$ (91.39)	-5.6%

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

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

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

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

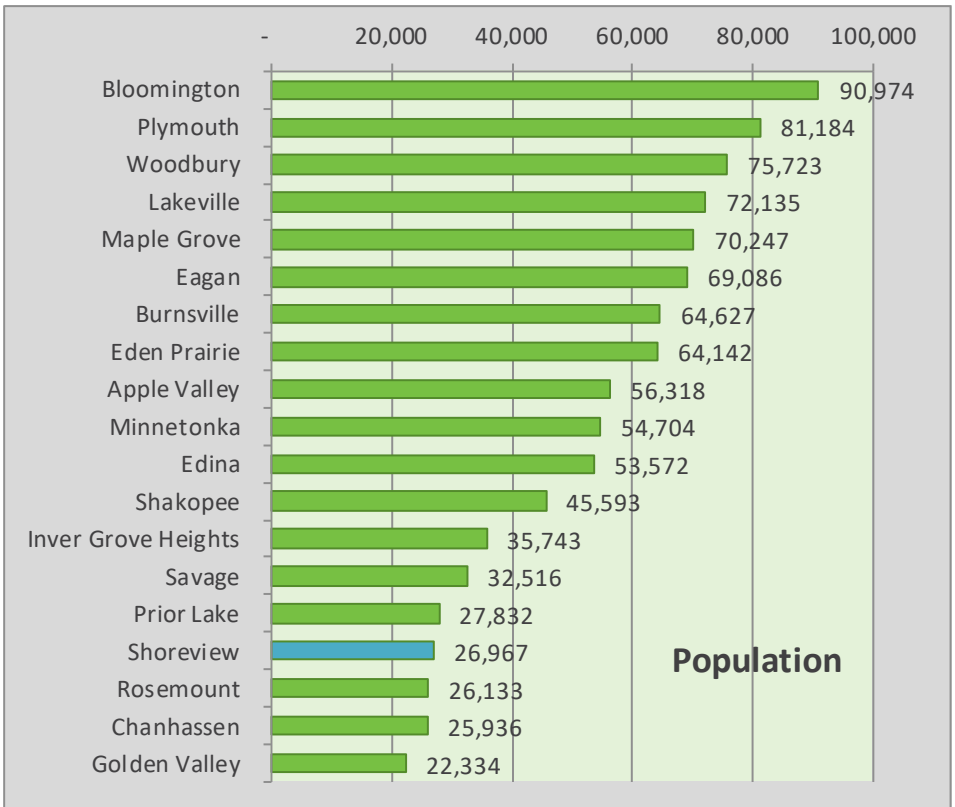
- Shoreview's 2021 spending per capita ranks 14th highest
- Shoreview's assessment collections per capita are 7th lowest among comparison cities
- Shoreview's share of the 2021 property tax bill, on a home valued at \$341,700, is 6th lowest
- Shoreview receives no state aid (LGA) to help pay for city services and reduce the property tax burden
- Shoreview's tax rate has remained stable and low in relation to comparison cities, ranking 6th lowest among comparison cities in 2012 and 2022.

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

Comparison to MLC Cities

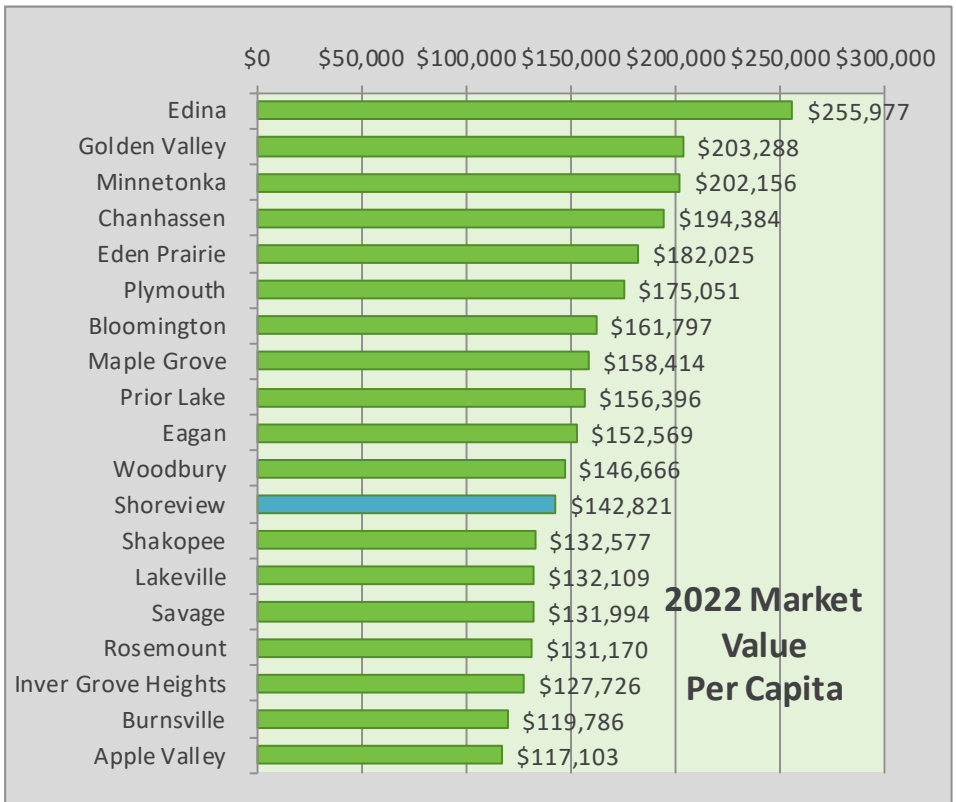
Comparisons for the 19 cities belonging to the Municipal Legislative Commission (MLC) provide an important comparison because these peer cities generally achieve high quality-of-life rankings from their residents in their respective community surveys, and are often recognized as having sound financial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

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



Market Value comparisons are most useful when viewed on a per capita basis, because the geographic size and total market value of each community can vary greatly. For instance, Bloomington has the highest total taxable market value at \$14.72 billion followed by Plymouth with total taxable market value of \$14.21 billion. Once the value is divided by population, Plymouth ranks 6th at \$175,051 of value per resident, while Bloomington ranks 7th at \$161,797.

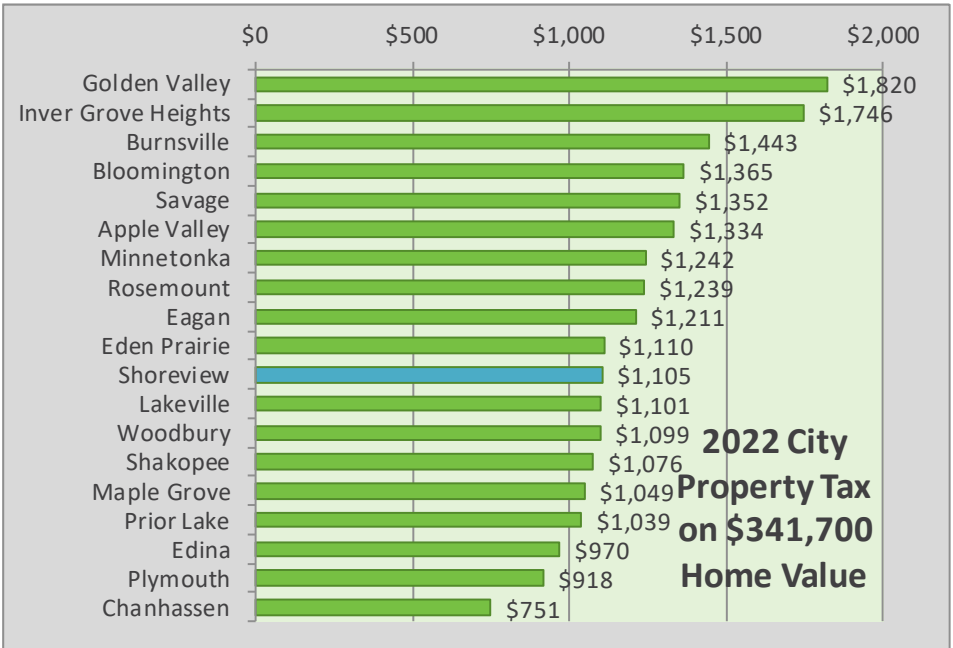
The graph below presents market value per capita for each MLC city. Shoreview is in the lower half of the group at \$142,821 (about 10.3% below the average of \$159,158).



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

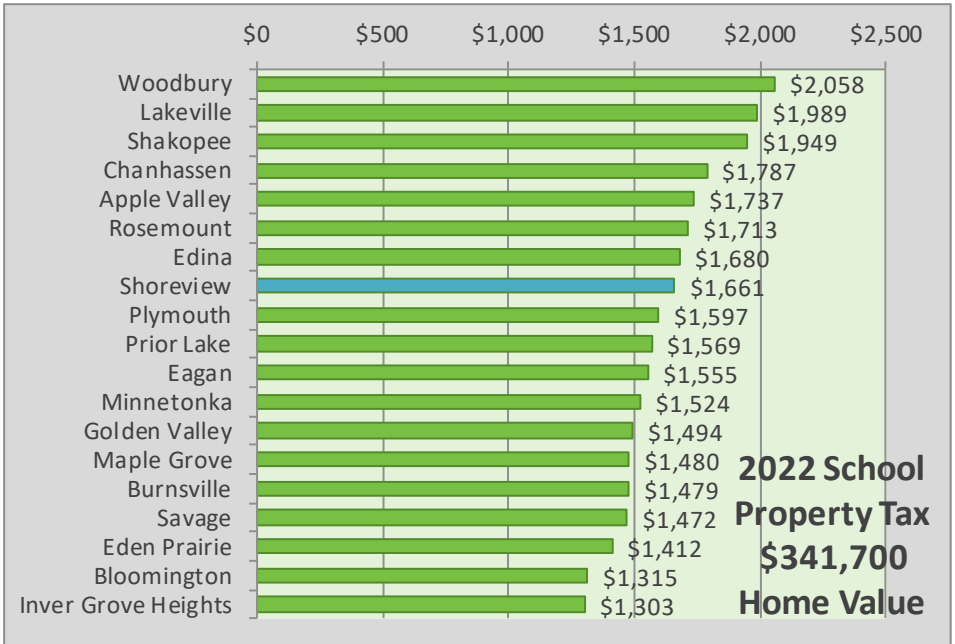
The next 5 graphs compare property taxes by the type of taxing jurisdiction, starting with the city share of the tax bill.

City Taxes are presented below for a home valued at \$341,700 (Shoreview’s median value). Shoreview ranks 9th lowest at \$1,105, compared to a high of \$1,820 in Golden Valley, and a low of \$751 in Chanhassen. The average city tax for MLC cities is \$1,209, Shoreview is about 8.6% below the average.



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

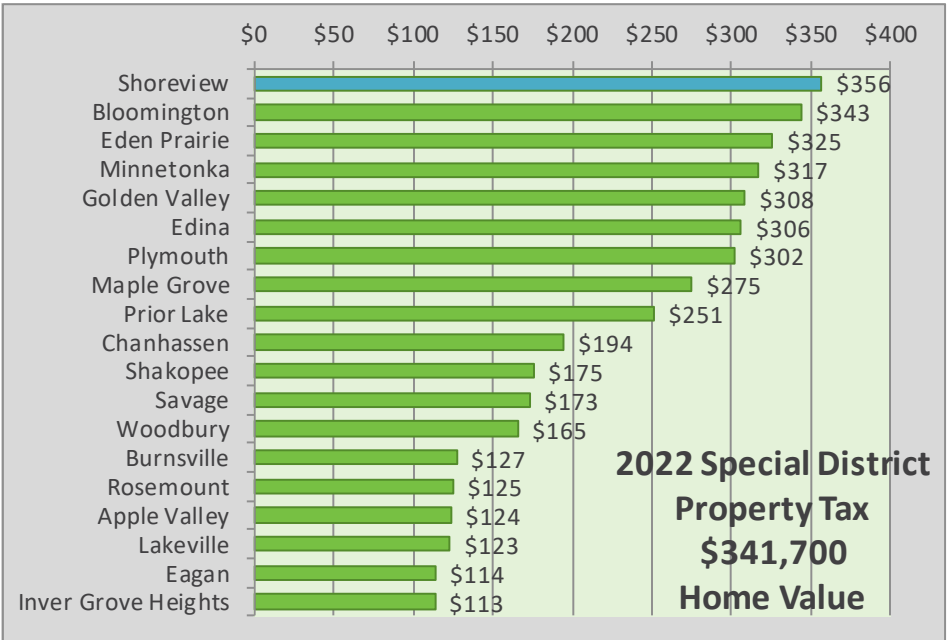
Property taxes in the Mounds View school district rank about 2.6% above the MLC city average.



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

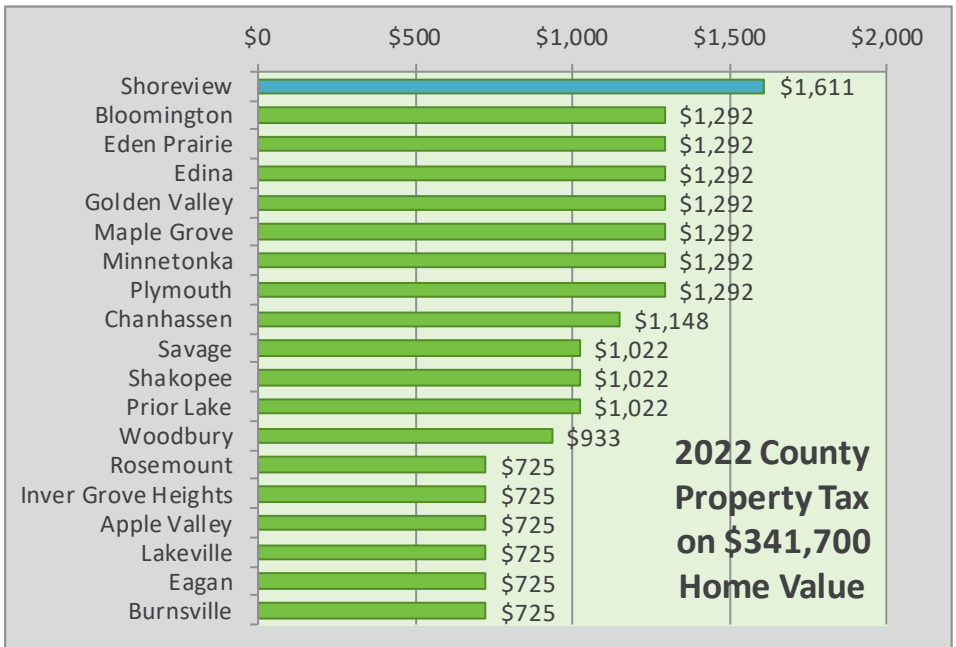
Regional Rail	\$	136
Metropolitan Council		63
Rice Creek Watershed		61
Ramsey County Housing Authority		61
Shoreview HRA		22
Mosquito Control		13
Total Special District Tax	\$	356

The graph below presents an estimate for combined special district property taxes in each city. In Shoreview, the combined tax for these districts ranks 60.6% above the average of \$222.



County property taxes vary greatly among MLC cities.

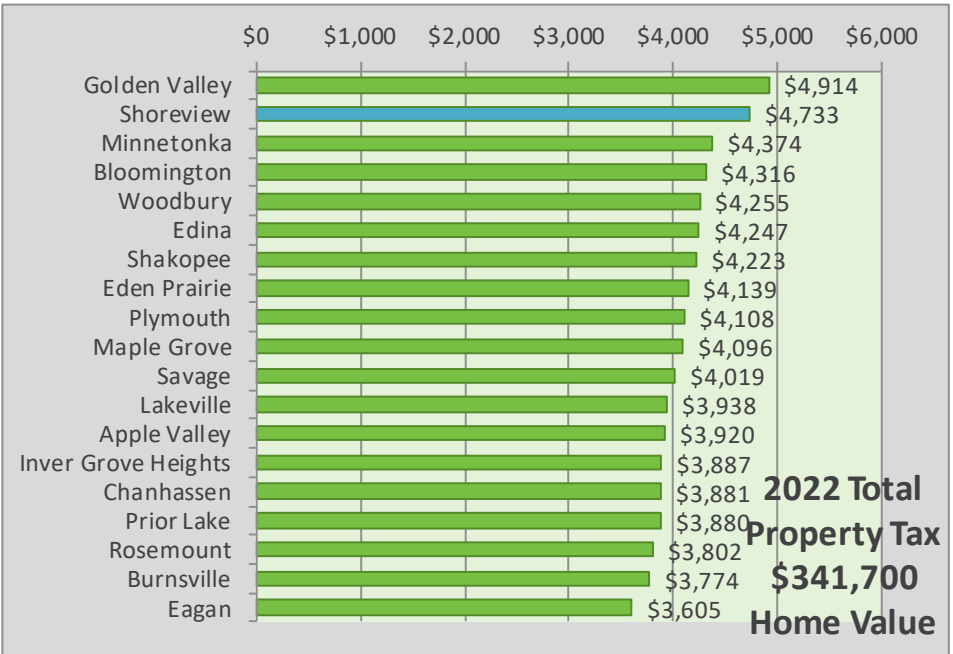
- Ramsey County taxes are \$1,611, the highest for MLC cities. (and includes the City of Shoreview)
- Hennepin County cities are \$1,292, second highest for MLC cities (including the cities of Bloomington, Eden Prairie, Edina, Golden Valley, Maple Grove, Minnetonka and Plymouth).
- Carver County cities are \$1,148 (including the City of Chanhassen)
- Scott County taxes are \$1,022 (including the cities of Savage, Shakopee and Prior Lake).
- Washington County taxes are \$933 (including the city of Woodbury).
- Dakota County is lowest at \$725 (including the cities of Lakeville, Apple Valley, Eagan, Burnsville, Rosemount and Inver Grove Heights).



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

To further put the difference into perspective, the table below provides a side-by-side comparison of the total tax bill in Shoreview compared to the total tax bill in Eagan (the lowest MLC city). For the same value home, county property taxes are \$886 higher in Shoreview, school district taxes are \$106 higher, special district taxes are \$242 higher and city taxes are \$106 lower.

Jurisdiction	Shoreview	Eagan	Difference
County	\$ 1,611	\$ 725	\$ 886
School District	1,661	1,555	106
City	1,105	1,211	(106)
Special Districts	356	114	242
Total	\$ 4,733	\$ 3,605	\$ 1,128



Summary

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

- Budget Summary
- Utility Operations

The budget hearing on the city's 2024 budget is scheduled for December 4, 2023 at 7:00 pm, in conjunction with the first regular council meeting in December.

Adoption of the final tax levy, budget, capital improvement program and utility rates is scheduled for December 18, 2023 (the second regular council meeting in December).



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