



Five-year Operating Plan

Including fund-specific working capital targets

Prepared by the Finance Department
December 2023

Executive Summary

Introduction

Long-term financial planning has been a part of the normal business process in Shoreview for more than two decades. It started in the late 1980s with a street replacement plan, and expanded into a comprehensive infrastructure replacement policy by 1992.

Through the City's annual Comprehensive Infrastructure Replacement Plan (CHIRP) the City routinely updates capital replacement estimates for a minimum of 40 years; identifies revenue sources to support capital costs; and evaluates the impact of capital costs on inter-fund charges, property tax levies and user fees. The CHIRP policy ensures that capital replacement planning remains a vital and ongoing effort.

Beginning in 2009 Shoreview expanded its long-term financial planning efforts to include a Five-year Operating Plan (FYOP), and adopted its first biennial budget in December of 2011 (for calendar years 2012 and 2013).

This Five-year Operating Plan (FYOP) document contains 3 years of history for each fund, a revised estimate for the current year (2023) and projections for the next 5 years (2024 through 2028). The document also:

- Provides a comprehensive summary and strategy for each fund
- Serves as a supplement to the Biennial Budget, Capital Improvement Program (CIP), and CHIRP
- Estimates potential debt issuance
- Determines necessary tax levy support
- Evaluates future changes in user fees
- Measures the impact of capital projects on operating budgets
- Outlines fund balance goals (an important component of financial stability)
- Predicts fund performance
- Analyzes working capital levels (fund balances) and establishes working capital targets

These long-term financial planning efforts are important steps in protecting the financial flexibility and health of the City through policies that support decision-making, practices that prevent the use of one-time revenues to support ongoing operating expenses, analysis that considers long-term maintenance and operating costs when planning and evaluating capital projects, and document how the City implements its commitment to balanced operations where revenues support operating costs.

Whether these efforts are successful is reflected in how well the City:

- Adapts to changing conditions
- Avoids temporary solutions that cannot be sustained
- Responds to unanticipated events and challenges
- Supports operations with limited new development
- Ensures continuation of essential services
- Protects asset condition
- Navigates economic cycles
- Secures and maintains a high bond rating, thereby reducing borrowing costs
- Prepares for the future
- Moderates changes in tax levies and user fees
- Avoids short-term borrowing to support operations

Fund Balances

Management of fund balance levels is an important part of long-range financial planning, therefore a basic understanding about what fund balances are is helpful in order to understand fund goals. From an accounting perspective, fund balances are simply the difference between assets and liabilities. In general, fund balances give an indication of financial resources available to support ongoing operations. Historically, many terms have been used to describe fund balance, and Governmental Accounting Standards prescribe the use of different terms within the annual financial report. In addition, the terms are changing as financial reporting standards evolve. Some of the terms used now or in the past include: net assets, fund equity, and fund balance; and terms used to describe specific components may include designated, assigned, reserved, committed, etc.

Regardless of the terms used, determining adequate fund balance levels can be a challenging task for both policy makers and management professionals.

Shoreview's fund balance goals are established considering the unique circumstances of each fund, with the goal of protecting the provision of City services to the public. Fund balance goals are stated as working capital targets, and are designed to:

1. Provide working capital for operations, capital and debt service costs
2. Develop financial flexibility
3. Preserve flexibility for unanticipated events

Working capital needs create special circumstances in some operating funds. For instance, property tax receipts in the General Fund provide 78% of total revenue, and are received twice per year (July and December). Consequently, the General Fund supports ongoing operations for nearly 6 months of the year before the first receipt of its largest revenue source. In this case, fund balances provide necessary working capital to avoid cash deficits and short-term borrowing. For the purpose of measuring working capital in this document, fund balances are evaluated by the number of months or years of operating coverage. This calculation includes operating and debt service costs, and may also include capital outlay and transfers to other funds, if they have a significant impact on the fund.

Financial flexibility provides benefits such as financing a portion of capital costs without borrowing, providing interest income for operating and capital funds, and insulating the City from temporary revenue shortfalls or unexpected one-time costs. These benefits help the City moderate changes in levies and user fees over time, and protect service levels from cuts dictated by one-time events.

Unanticipated events or emergencies can create temporary cash flow challenges for a City. Examples for Shoreview included state aid cuts, emergency utility system repairs, community-wide cleanup associated with storm damage, extended periods of drought, sustained periods of heavy rainfall, and economic conditions/pressures.

Operating Assumptions

As stated earlier, the process of determining appropriate fund balances involves an examination of past performance as well as future operating projections. By understanding the challenges of the past and future, coupled with potential opportunities, a strong set of operating goals and objectives can emerge and guide decision-making.

Since any set of projections also employs the use of assumptions, it is important to note that projections were based on several key factors. These include actual contribution rates where known, industry estimates, anticipated contract changes, capital projections, expected debt issuance and inflationary factors. In general, costs were inflated between 0% and 10%. Some of the key assumptions used to assemble these projections include:

- No new development is projected in the next 5 years
- Population remains stable due to a slight decline in residents per household
- Full-time wage adjustments are 3% for 2024 – 2028
- Health insurance costs rise an average of 29% for 2024 and 20% for all subsequent years
- Workers compensation insurance premiums increase an average of 5.0% for 2024 – 2028
- Contractual costs rise an average of 6.6% per year for the period 2023 - 2028
- Property values are projected to increase 5.5% for 2024, and 5% for all subsequent years

The format of this document includes a discussion for each fund, a set of projections (in table form), graphs to help illustrate operating results, a brief narrative examination of past performance, and specific goals/targets tailored for the fund.

Levy, Value and Tax Rate Projections

A number of factors determine the final property tax bill, including the tax levies for each local jurisdiction, state aids and credits, levy limits, special levies, property values, metro-wide pooling of commercial/industrial values (known as fiscal disparities), and tax rates. This section provides a brief overview of these factors.

Property tax levies provide support for General Fund operations, general obligation debt, and capital funds. The table on the next page provides a four-year historical review of levy and value changes as well as consolidated predictions based on individual fund projections included in this document.

Homestead Market Value

Exclusion (HMVE)—Beginning in 2012 the State of Minnesota replaced the Market Value Homestead Credit (MVHC) program with a Homestead Market Value Exclusion (HMVE) program, which excludes a portion of homestead property value from property taxes. The amount of excluded value is equal to 40% of the first \$76,000 in home value, less 9% of the value over \$76,000 but less than \$413,800. No exclusion is given for homes above \$413,800.

Home Value	Excluded Value	Percent of Value Excluded
\$ 76,000	\$ 30,400	40.0%
\$ 100,000	\$ 28,240	28.2%
\$ 150,000	\$ 23,740	15.8%
\$ 200,000	\$ 19,240	9.6%
\$ 235,700	\$ 16,027	6.8%
\$ 250,000	\$ 14,740	5.9%
\$ 300,000	\$ 10,240	3.4%
\$ 350,000	\$ 5,740	1.6%
\$ 400,000	\$ 1,240	0.3%
\$ 413,800	\$ -	0.0%

Levy Limits—During some years State statutes place restrictions on local government levies through levy limits. In the recent past, the levy limit formula has provided special levy authority outside of the levy limit for the cost of police and fire, increased contributions to PERA, debt payments and certain other special levies. For 2024 the City is not subject to a levy limits.

Tax Levy—Even though the largest share of the tax levy is allocated to the General fund, the General Fund share of the tax levy has declined from a high of 85% in 2002 to a low of 66% for 2019, while the combined debt service special revenue and capital project funds share of the tax levy has risen from 15% in 2002 to 34% for 2019. This trend is expected to continue in the future due to increased repair and replacement costs.

Property Values—From 2000 to 2008, property values increased an average of 10% per year. From 2009 to 2013 the economic climate resulted in declining property values at an average rate of 6% per year, 2014 to 2023 property values have increased an average rate of 7% per year. Preliminary information from the county assessor indicates that property values for 2024 taxes are expected to increase about 6%. The projections in this document assume values will increase 5% per year thereafter.

Fiscal Disparities—The fiscal disparities formula, provided in State Statutes, takes 40% of the value of new commercial and industrial development in the metro area and redistributes the value back to each community based on a formula. The result is either a net gain or net loss in tax dollars from the pool. Shoreview's share of the metro-wide fiscal disparities pool is projected to decrease in 2024 and remain consistent over the next four years.

Tax Rates—The tax rate measures the change in tax levies in relation to the change in taxable values. Because values generally grew faster than the tax levy through 2007, the tax rate dropped. From 2008 to 2014, values dropped and levies increased, resulting in growth in the tax rate. Increases in taxable value have resulted in a decreases in the City's tax rate since 2014. For 2024, the expected modest growth in market values and a 6.51% rise in the City's levy are expected to result in a 3.87% increase in the City's tax rate. The tax rate is expected to change between 1.0% and 5.3% for the period 2025 through 2027 and drop 2.0% in 2028.

Levy and Value Projections	2020	2021	2022	2023	2024	2025	2026	2027	2028
	Actual	Actual	Actual	Actual	Budget	Budget	Projected	Projected	Projected
Tax Levy									
General fund	\$ 8,822,826	\$ 9,279,666	\$ 9,809,785	\$ 10,703,345	\$ 11,512,747	\$ 12,293,817	\$ 13,018,645	\$ 14,534,187	\$ 14,980,059
EDA	160,000	165,000	190,000	215,000	240,000	265,000	290,000	340,000	365,000
HRA	260,000	265,000	280,000	295,000	310,000	325,000	340,000	355,000	370,000
Debt-All Debt Funds (combined)	996,000	994,000	887,000	971,000	971,000	971,000	966,000	966,000	884,000
Debt-Central Garage Fund	184,000	184,000	184,000	184,000	184,000	184,000	184,000	210,000	210,000
Capital project-Street Renewal Fund	992,000	1,040,000	1,090,000	1,025,000	1,080,000	1,130,000	1,170,000	1,220,000	1,270,000
Capital project-Capital Asset Fund	1,615,000	1,710,208	1,822,922	1,855,000	1,945,000	2,040,000	2,140,000	2,245,000	2,350,000
Capital project-Capital Acquis Fund (IT)	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000
Edison Tax Abatement	-	43,000	43,000	43,000	43,000	60,500	82,000	82,000	82,000
Total Levy	\$ 13,079,826	\$ 13,730,874	\$ 14,356,707	\$ 15,341,345	\$ 16,335,747	\$ 17,319,317	\$ 18,240,645	\$ 20,002,187	\$ 20,561,059
Market Value (millions)	\$ 3,542.8	\$ 3,744.7	\$ 3,851.5	\$ 4,497.7	\$ 4,745.7	\$ 4,983.0	\$ 5,232.2	\$ 5,493.8	\$ 5,768.5
Taxable Value (millions)	\$ 35.8	\$ 38.0	\$ 38.8	\$ 45.6	\$ 47.1	\$ 49.4	\$ 51.9	\$ 54.5	\$ 57.2
Fiscal Disparities/City	\$ 1,143,065	\$ 1,167,262	\$ 1,280,826	\$ 1,260,930	\$ 1,229,343	\$ 1,310,000	\$ 1,310,000	\$ 1,310,000	\$ 1,310,000
Fiscal Disparities/HRA	\$ 20,641	\$ 23,928	\$ 25,107	\$ 25,118	\$ 24,067	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000
Tax Rate/City	32.626	32.331	32.961	30.258	31.429	31.729	31.964	33.647	32.995
Tax Rate/HRA	0.669	0.634	0.657	0.592	0.607	0.607	0.607	0.606	0.603
Annual Change in City Tax Levy									
General fund	\$ 637,646	\$ 456,840	\$ 530,119	\$ 893,560	\$ 809,402	\$ 781,070	\$ 724,828	\$ 1,515,542	\$ 445,872
EDA and HRA (combined)	60,000	10,000	40,000	40,000	40,000	40,000	40,000	65,000	40,000
Debt (all funds combined)	(131,000)	(2,000)	(107,000)	84,000	-	-	(5,000)	26,000	(82,000)
Capital project funds-replacements	136,000	143,208	162,714	(32,922)	145,000	145,000	140,000	155,000	155,000
Capital project funds-improvements	10,000	-	-	-	-	-	-	-	-
Edison Tax Abatement	-	43,000	-	-	-	17,500	21,500	-	-
Total Change in Tax Levy	\$ 712,646	\$ 651,048	\$ 625,833	\$ 984,638	\$ 994,402	\$ 983,570	\$ 921,328	\$ 1,761,542	\$ 558,872
Percent Change/Tax Data									
Market Value	8.30%	5.70%	2.85%	16.78%	5.51%	5.00%	5.00%	5.00%	5.00%
Taxable Value	6.76%	6.29%	2.06%	17.36%	3.33%	5.00%	5.00%	5.00%	5.00%
Fiscal Disparities	3.13%	2.12%	9.73%	-1.55%	-2.51%	6.56%	0.00%	0.00%	0.00%
City Tax Levy	5.76%	4.98%	4.56%	6.86%	6.48%	6.02%	5.32%	9.66%	2.79%
City Tax Rate	-1.01%	-0.90%	1.95%	-8.20%	3.87%	0.95%	0.74%	5.27%	-1.94%
HRA Tax Levy	23.81%	1.92%	5.66%	5.36%	5.08%	4.84%	4.62%	4.41%	4.23%
HRA Tax Rate	12.44%	-5.23%	3.63%	-9.89%	2.53%	0.00%	0.00%	-0.16%	-0.50%

Debt Policy

Outstanding debt and the annual payment of principal and interest is an important long-term obligation that must be managed within available resources. This includes balancing debt levels, determining the timing for debt issuance, and managing the resources dedicated to debt payment.

The issuance of debt is an important tool in financing large capital costs, and enables the City to balance the present need for capital spending with the benefit provided to existing and future citizens. If all capital costs were financed only through current revenue sources, the cost to current residents would represent an unnecessarily high burden, because assets that will serve the community well into the future would be paid for with fees and levies collected in the current year. Conversely, if all capital costs were supported exclusively by the issuance of debt, then debt balances rise to much higher levels, and interest costs take up a larger share of the operating budget. Therefore, balancing current resources and long-term financing is an important aspect of debt management.

Shoreview's debt policy states that the City will:

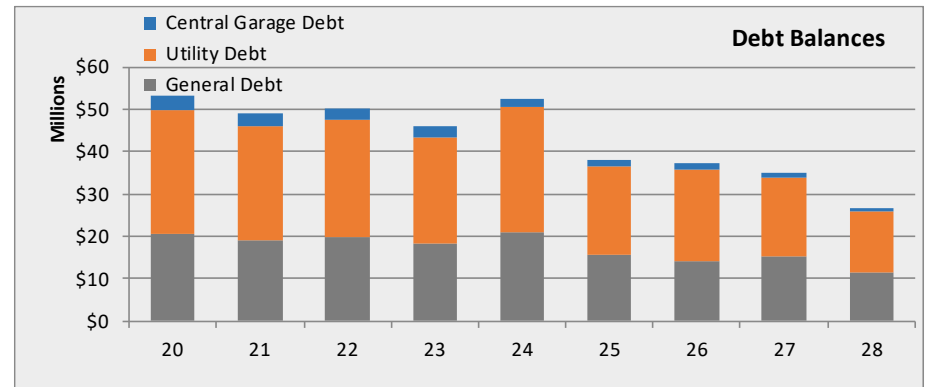
- Remain in compliance with statutory debt limits
- Plan and direct use of debt so that payments are manageable
- Seek to maintain the highest possible credit rating without compromising the delivery of essential services
- Prepare long-term financial planning
- Take advantage of lower interest rates through debt restructuring when appropriate
- Provide developer assistance through the use of "pay as you go financing" in the form of tax increment financing (TIF) notes, and that TIF debt will be issued only for the construction of City assets and where a consistent and reliable revenue stream is identified in advance

The debt policy also addresses debt structure, professional advisors, and debt management practices (investment of proceeds, financial disclosure, arbitrage rebate and monitoring).

Debt Projections

Debt Balances—The list and graph below provide a summary of outstanding debt as of December 31, 2023.

G.O. Improvement Bonds (assessments)	\$ 2,025,000
G.O. Street Improvement Bonds (streets)	5,830,000
G.O. Community Center Abatement Bonds	10,360,000
G.O. Capital Plan Bonds (maint. center)	2,425,000
G.O. Revenue Bonds (utility systems)	<u>25,250,000</u>
Total Existing Debt	\$45,890,000



More information about the change in debt levels and the projected balance at the end of each year of the FYOP is provided on pages 8 and 9.

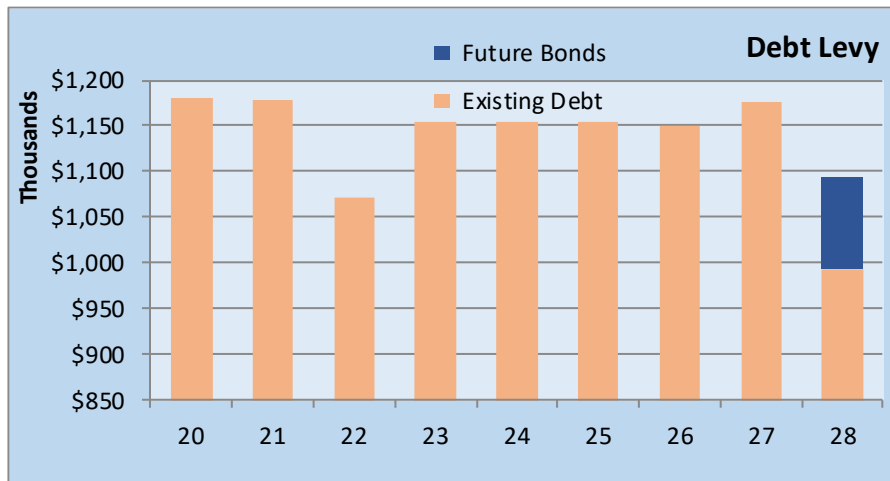
Planning for future debt issuance enables the City to identify the revenue sources necessary to support debt payments well in advance to minimize sharp changes in the tax levies and utility fees dedicated to debt repayment. Maintaining stable revenue sources and sufficient fund balances allows the City to finance some projects internally, and therefore promotes flexibility.

Projected debt issuance over the next 5 years includes:

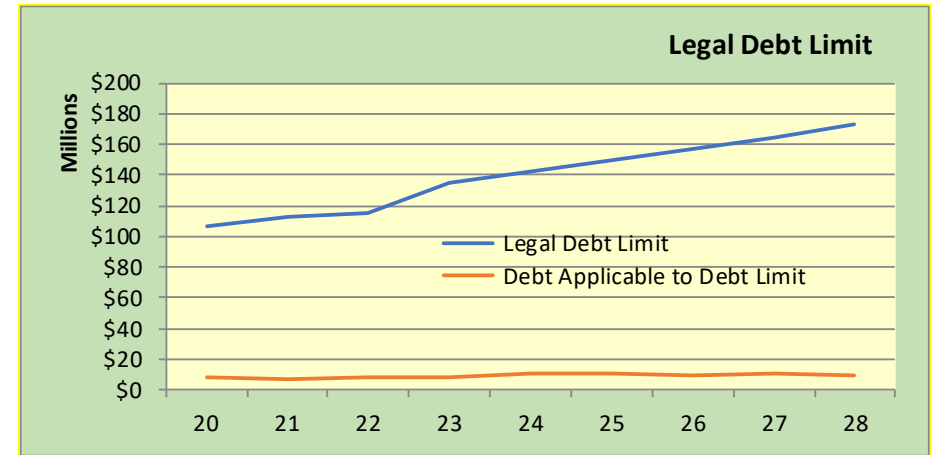
G.O. Park Building Bonds	\$ 4,000,000
G.O. Street Reconstruction Bonds	2,500,000
G.O. Revenue Bonds (utility systems)	<u>11,748,240</u>
Total Planned Debt	\$18,248,240

The City anticipates issuing debt in 2024, 2026, and 2027 to finance projects in the proposed Capital Improvement Program.

Debt Levy—The debt portion of the tax levy supports principal and interest payments on general obligation bonds, including: street bonds, community center tax abatement bonds and the tax-supported share of the maintenance center bonds. As shown in the graph below, the debt share of the property tax levy is projected to remain stable over the next five years.



Debt Limit—Minnesota statutes limit the amount of debt a City may issue for general obligation purposes. Shoreview's current debt is 6% of the debt limit. This leaves 94% of the debt limit available



The stability of this favorable measure, even with projected debt issuance, provides an indication of Shoreview's financial flexibility (historically using debt to finance a relatively small share of the costs planned in the CIP).

Issuance and retirement of debt is shown in the table below.

Outstanding debt balances by type, for the end of each year, are presented on the next page.

Debt Issued and Retired	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028
	Actual	Actual	Actual	Actual	Actual	Budget	Projected	Projected	Projected	Projected	Projected
Debt Balance, beginning of year	\$ 48,040,000	\$ 52,665,000	\$ 47,540,000	\$ 53,045,000	\$ 49,115,000	\$ 50,090,000	\$ 45,890,000	\$ 52,383,240	\$ 48,503,240	\$ 47,628,240	\$ 48,078,240
Debt Issued											
Improvement bonds	150,000	-	850,000	-	-	-	-	-	-	-	-
Park Building Bonds	-	-	-	-	-	-	4,000,000	-	-	-	-
Street Improvements	3,180,000	-	-	-	2,425,000	-	-	-	-	2,500,000	-
Water bonds	2,595,000	-	2,360,000	-	920,000	-	4,330,000	-	1,925,000	1,075,000	-
Sewer bonds	590,000	-	3,545,000	-	1,285,000	-	705,000	-	820,000	65,000	-
Surface Water bonds	1,120,000	-	2,670,000	-	665,000	-	1,268,240	-	620,000	940,000	-
Total Bonds Issued	7,635,000	-	9,425,000	-	5,295,000	-	10,303,240	-	3,365,000	4,580,000	-
Debt Paid											
Improvement bonds	185,000	335,000	185,000	195,000	185,000	195,000	230,000	245,000	190,000	165,000	170,000
Park Building Bonds	-	-	-	-	-	-	-	-	220,000	225,000	235,000
Fire Station	130,000	130,000	130,000	-	-	-	-	-	-	-	-
Street Improvements	340,000	350,000	495,000	525,000	545,000	345,000	520,000	490,000	505,000	525,000	545,000
COPs (commun center)	390,000	400,000	415,000	430,000	440,000	460,000	-	-	-	-	-
G.O. Community Center	-	420,000	505,000	515,000	525,000	540,000	560,000	575,000	590,000	610,000	630,000
Water bonds	1,065,000	2,190,000	1,175,000	1,205,000	1,365,000	1,355,000	1,260,000	1,285,000	1,385,000	1,315,000	1,460,000
Sewer bonds	250,000	525,000	285,000	290,000	475,000	485,000	525,000	560,000	560,000	510,000	570,000
Surface Water bonds	380,000	495,000	445,000	470,000	475,000	500,000	390,000	395,000	450,000	435,000	495,000
Maintenance Center	270,000	280,000	285,000	300,000	310,000	320,000	325,000	330,000	340,000	345,000	355,000
Total Bonds Retired	3,010,000	5,125,000	3,920,000	3,930,000	4,320,000	4,200,000	3,810,000	3,880,000	4,240,000	4,130,000	4,460,000
Debt Balance, end of year	\$ 52,665,000	\$ 47,540,000	\$ 53,045,000	\$ 49,115,000	\$ 50,090,000	\$ 45,890,000	\$ 52,383,240	\$ 48,503,240	\$ 47,628,240	\$ 48,078,240	\$ 43,618,240

Includes refunding bond activity

Debt Balances (at each year end)	2020	2021	2022	2023	2024	2025	2026	2027	2028
	Actual	Actual	Actual	Budget	Projected	Projected	Projected	Projected	Projected
Debt Balances									
General Obligation Bonds									
Improvement	\$ 2,600,000	\$ 2,405,000	\$ 2,220,000	\$ 2,025,000	\$ 1,795,000	\$ 1,550,000	\$ 1,360,000	\$ 1,195,000	\$ 1,025,000
Park Building Bonds	-	-	-	-	4,000,000	4,000,000	3,780,000	3,555,000	3,320,000
Street Improvements	4,820,000	4,295,000	6,175,000	5,830,000	5,310,000	4,820,000	4,315,000	6,290,000	5,745,000
Community Center Expansion G.O.	11,940,000	11,425,000	10,900,000	10,360,000	9,800,000	9,225,000	8,635,000	8,025,000	7,395,000
Total General Bonds	19,360,000	18,125,000	19,295,000	18,215,000	20,905,000	19,595,000	18,090,000	19,065,000	17,485,000
General Obligation Bonds									
Maintenance Center	3,355,000	3,055,000	2,745,000	2,425,000	2,100,000	1,770,000	1,430,000	1,085,000	730,000
General Obligation Revenue Bonds									
Water Improvement	17,465,000	16,260,000	15,815,000	14,460,000	17,530,000	16,245,000	16,785,000	16,545,000	15,085,000
Sewer Improvement	6,035,000	5,745,000	6,555,000	6,070,000	6,250,000	5,690,000	5,950,000	5,505,000	4,935,000
Surface Water Improvement	5,500,000	5,030,000	5,220,000	4,720,000	5,598,240	5,203,240	5,373,240	5,878,240	5,383,240
Total Utility Bonds	29,000,000	27,035,000	27,590,000	25,250,000	29,378,240	27,138,240	28,108,240	27,928,240	25,403,240
Total Bonded Debt	51,715,000	48,215,000	49,630,000	45,890,000	52,383,240	48,503,240	47,628,240	48,078,240	43,618,240
Community Center Expansion COP's	1,330,000	900,000	460,000	-	-	-	-	-	-
Total Combined Debt Balances	\$ 53,045,000	\$ 49,115,000	\$ 50,090,000	\$ 45,890,000	\$ 52,383,240	\$ 48,503,240	\$ 47,628,240	\$ 48,078,240	\$ 43,618,240
Debt Limit Information									
Market value (millions)	\$ 3,542.8	\$ 3,744.7	\$ 3,851.5	\$ 4,497.7	\$ 4,745.7	\$ 4,983.0	\$ 5,232.2	\$ 5,493.8	\$ 5,768.5
Debt Limit Rate	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%
Debt Limit	\$ 106,283,460	\$ 112,341,000	\$ 115,545,000	\$ 134,931,000	\$ 142,371,000	\$ 149,490,000	\$ 156,966,000	\$ 164,814,000	\$ 173,055,000
Debt Applicable to Debt Limit	\$ 8,413,293	\$ 7,189,984	\$ 8,451,791	\$ 7,683,249	\$ 10,920,228	\$ 10,114,761	\$ 9,083,317	\$ 10,523,777	\$ 9,595,977
Debt Margin Available	\$ 97,870,167	\$ 105,151,016	\$ 107,093,209	\$ 127,247,751	\$ 131,450,772	\$ 139,375,239	\$ 147,882,683	\$ 154,290,223	\$ 163,459,023
Percent Debt Margin Used	7.9%	6.4%	7.3%	5.7%	7.7%	6.8%	5.8%	6.4%	5.5%
Percent Debt Margin Available	92.1%	93.6%	92.7%	94.3%	92.3%	93.2%	94.2%	93.6%	94.5%
Debt Levy by Type of Debt									
Improvement -existing	\$ 8,000	\$ 8,000	\$ 7,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Street Improvements-existing	654,000	652,000	546,000	637,000	637,000	637,000	632,000	632,000	448,000
Maintenance Center-existing	184,000	184,000	184,000	184,000	184,000	184,000	184,000	210,000	210,000
Community Center Expansion	334,000	334,000	334,000	334,000	334,000	334,000	334,000	334,000	334,000
Sub-total Levies for Existing Debt	1,180,000	1,178,000	1,071,000	1,155,000	1,155,000	1,155,000	1,150,000	1,176,000	992,000
Improvement -future									
Street Improvements-future	-	-	-	-	-	-	-	-	102,000
Total Debt Levies	\$ 1,180,000	\$ 1,178,000	\$ 1,071,000	\$ 1,155,000	\$ 1,155,000	\$ 1,155,000	\$ 1,150,000	\$ 1,176,000	\$ 1,094,000
Change in Debt Levies	\$ (131,000)	\$ (2,000)	\$ (107,000)	\$ 84,000	\$ -	\$ -	\$ (5,000)	\$ 26,000	\$ (82,000)

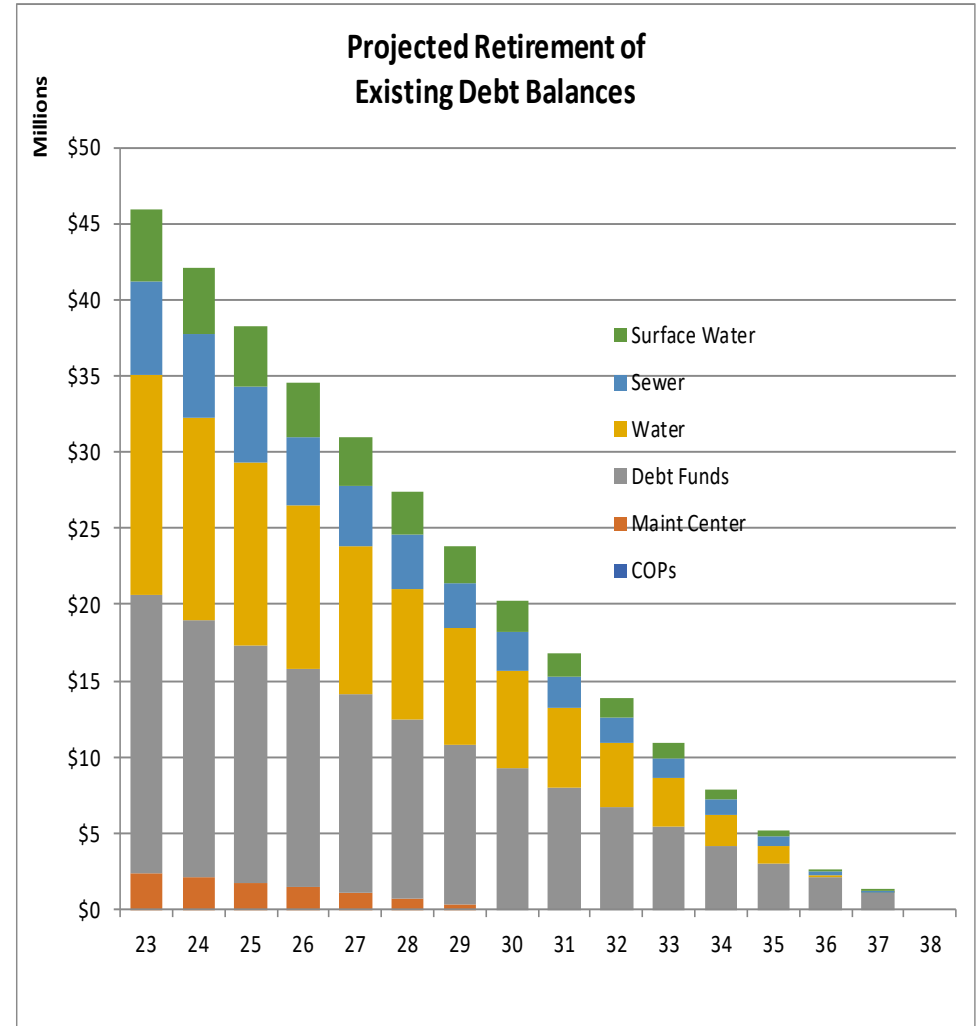
Debt Retirement Rate

Shoreview's rate of debt retirement is a very favorable indicator. When considering the retirement for all debt combined, about 40% of the City's current outstanding debt will be retired over the next 5 years, and more than 76% will be retired within 10 years.

General Obligation Improvement Debt is being retired over the next 17 years and includes special assessment, street and Community Center expansion debt.

About 36% of combined governmental debt (General Obligation Improvement) is retired over the next 5 years, and 70% is retired within 10 years.

Proprietary Debt (Enterprise utility fund and Internal Service maintenance center debt) is being retired over the next 15 years, with 43% retired over the next five years and 80% retired within 10 years.



Retirement of existing debt is shown in the table below.

Year	Debt Balances as of Year End							Percent Paid		
	Proprietary Debt					Governmental		Proprietary Debt	Govern Debt	Total All Debt
	G.O. Water Revenue	G.O. Sewer Revenue	G.O. Surface Water Revenue	G.O. Maintenance Center	Total Proprietary Debt	G.O. Improvement Debt Funds	Total All Debt			
2023	\$ 14,460,000	\$ 6,070,000	\$ 4,720,000	\$ 2,425,000	\$ 27,675,000	\$ 18,215,000	\$ 45,890,000			
2024	13,200,000	5,545,000	4,330,000	2,100,000	25,175,000	16,905,000	42,080,000	9.0%	7.2%	8.3%
2025	11,915,000	4,985,000	3,935,000	1,770,000	22,605,000	15,595,000	38,200,000	18.3%	14.4%	16.8%
2026	10,790,000	4,460,000	3,555,000	1,430,000	20,235,000	14,310,000	34,545,000	26.9%	21.4%	24.7%
2027	9,740,000	3,985,000	3,195,000	1,085,000	18,005,000	13,010,000	31,015,000	34.9%	28.6%	32.4%
2028	8,670,000	3,500,000	2,815,000	730,000	15,715,000	11,665,000	27,380,000	43.2%	36.0%	40.3%
2029	7,565,000	2,995,000	2,425,000	370,000	13,355,000	10,470,000	23,825,000	51.7%	42.5%	48.1%
2030	6,430,000	2,515,000	2,020,000	-	10,965,000	9,235,000	20,200,000	60.4%	49.3%	56.0%
2031	5,265,000	2,020,000	1,605,000	-	8,890,000	7,970,000	16,860,000	67.9%	56.2%	63.3%
2032	4,250,000	1,675,000	1,290,000	-	7,215,000	6,685,000	13,900,000	73.9%	63.3%	69.7%
2033	3,205,000	1,320,000	960,000	-	5,485,000	5,400,000	10,885,000	80.2%	70.4%	76.3%
2034	2,130,000	960,000	630,000	-	3,720,000	4,105,000	7,825,000	86.6%	77.5%	82.9%
2035	1,160,000	595,000	375,000	-	2,130,000	3,050,000	5,180,000	92.3%	83.3%	88.7%
2036	160,000	220,000	115,000	-	495,000	2,065,000	2,560,000	98.2%	88.7%	94.4%
2037	80,000	110,000	60,000	-	250,000	1,050,000	1,300,000	99.1%	94.2%	97.2%
2038	-	-	-	-	-	-	-	100.0%	100.0%	100.0%

Working Capital Targets

Working capital targets are established for each operating fund based on the timing of revenue, and the impact of debt payments and capital costs on cash flow. The fund targets are used when establishing tax levies and user fees during the budget process, and they assist the City in determining how one-time revenues may serve the City to improve fund balances, or support one-time capital costs in an effort to reduce demands on permanent capital project funds.

Working capital targets generally fall into 4 different targeted levels. Governmental Funds maintain 5 to 6 months coverage if revenue is received semi-annually, and 3 months of coverage if revenue is received monthly or quarterly. Enterprise and Internal Service Funds maintain 6 to 8 months coverage, and 2 to 3 years if the primary expense for the fund results from insurance claims. Examples of factors that influence working capital targets include:

- Property tax revenues are received in July and December of each year, which means funds which derive a large portion of revenue from the property tax must operate for half of the year before receiving a major revenue source
- Debt payments occur two times per year
- Utility revenue is received on a monthly basis, however utility funds have higher repair, maintenance and capital costs to keep the systems in proper working order

Fund	Basis	Target	Actual			Estim. 2023	Budget	
			2020	2021	2022		2024	2025
General Fund	months	5.0	6.0	5.9	5.9	5.6	5.4	5.1
Special Revenue Funds								
Recycling	months	5.0	13.7	16.8	20.3	13.5	13.2	12.7
Community Center	months	3.0	2.1	5.8	4.9	4.8	4.5	4.1
Recreation Programs	months	3.0	5.5	6.6	5.9	5.5	5.3	4.8
Cable TV	months	3.0	8.5	7.4	7.3	8.1	9.7	11.4
EDA	months	5.0	4.3	5.3	4.1	3.8	3.6	4.2
HRA	months	5.0	10.0	13.2	16.1	12.9	13.0	13.2
Slice of Shoreview	months	6.0	17.3	12.5	15.3	14.9	14.1	13.8
Debt Funds (combined)	months	6.0	14.3	13.7	13.6	12.4	10.9	9.3
Enterprise Funds								
Water	months	8.0	9.5	9.3	9.6	5.4	11.0	9.3
Sewer	months	6.0	12.8	11.1	10.6	12.3	11.8	9.1
Surface Water	months	6.0	19.0	15.7	10.5	13.1	15.7	13.5
Street Lighting	months	6.0	26.0	33.2	29.6	24.5	31.6	27.9
Internal Service Funds								
Central Garage	months	6.0	13.7	15.3	15.8	15.5	15.1	15.1
Short-term Disability	years	3.0	5.3	5.3	2.8	2.6	2.4	2.3
Liability Claims	years	2.0	4.1	3.4	3.1	2.8	2.6	2.3

Summary

The remainder of this document contains 5-year projections for each operating fund. These estimates inform and help formulate the City's long-term strategies and influence development of the City's Biennial Budget (for 2024 and 2025). The financial planning strategies are intended to:

- Further develop and preserve Shoreview's financial resiliency
- Guide the City through difficult economic times
- Exert greater control over outcomes through each Biennial Budget
- Deliver a consistent program of public services
- Maintain the trust and confidence of the citizens and business owners throughout Shoreview
- Preserve favorable comparisons to surrounding communities

The FYOP is reviewed by the City Council as part of the budget process. Formal acceptance of the plan and adoption of the working capital targets occurs in December.

We thank all departments and the Shoreview City Council for their diligence and commitment to long-term planning.

Fred Espe, Finance Director

Brad Martens, City Manager

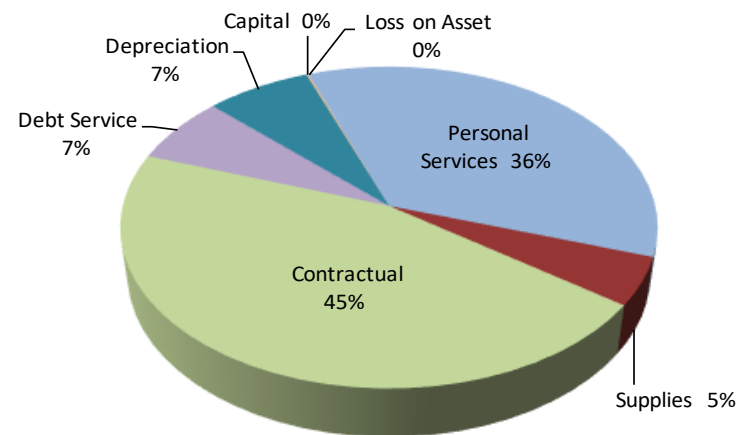
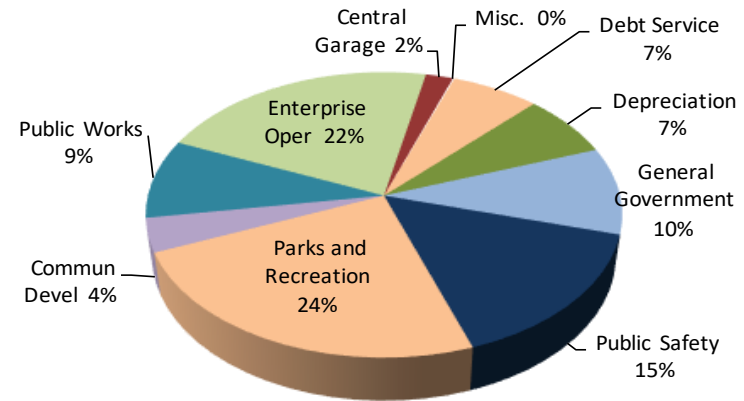
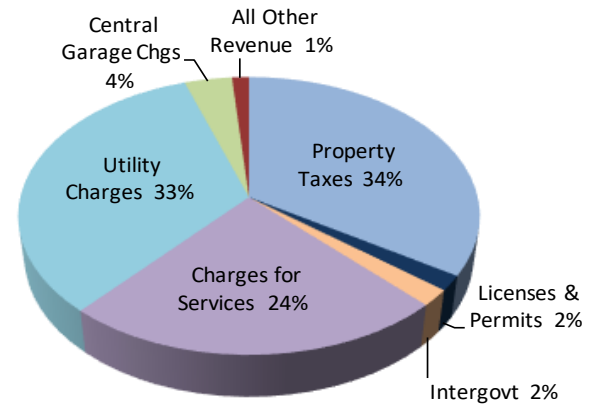
Total Operating Funds

Combined revenue and expense for all operating funds is presented in the table below. Total expense (excluding capital project funds and transfers between funds) is projected to rise 7.5% over the 2023 revised estimate (6.3% over the 2023 budget), and will rise between 4.4% and 5.9% from 2025 through 2028. It should be noted that the property tax totals in the table below exclude tax levies for capital funds. For instance, the 2024 levy in the table below (\$13,217,747) plus capital fund levies of \$3,075,000 and a tax abatement levy of \$43,000 equal a total levy of \$16,335,747.

Revenue for 2024 (shown in the top pie chart at right) is derived from a combination of sources including: 33% from utility charges, 34% from property taxes, 24% from charges for service (including inter-fund charges), 4% from central garage charges, 2% from intergovernmental revenue, 2% from licenses and permits, and 1% for all other sources combined.

Expense for 2024 (shown in the middle pie chart at right) shows that public works accounts for the largest share at 31% (enterprise 22% and other public works functions 9%). Parks and recreation operations accounts for 24%, and includes maintenance of parks and park buildings, park administration, community center operations and recreation programs. Public safety accounts for 15% (police, fire, animal control and emergency services). General government accounts for 10%, debt service and depreciation account for 7% each, followed by central garage at 2% and community development at 4%.

Total 2024 costs by classification are shown in the bottom chart at right. The largest class of expense is for contractual services at 45%. The most significant contractual costs include police and fire contracts, sewage treatment, central garage charges, administrative charges, recycling, electric and insurance. Personal services accounts for 36% of total expense, 7% for debt service, 7% for depreciation of utility and central garage assets and 5% for supplies.



Total Operating Funds	2020	2021	2022	2023		2024	2025	2026	2027	2028
	Actual	Actual	Actual	Budget	Estimate	Budget	Budget	Projected	Projected	Projected
Revenue										
Property Taxes	\$ 10,312,367	\$ 10,998,472	\$11,350,165	\$ 12,368,345	\$ 12,368,345	\$ 13,217,747	\$ 14,041,240	\$ 14,801,289	\$ 16,447,977	\$ 16,894,413
Special Assessments	243,595	319,467	356,205	204,413	198,031	196,294	178,466	166,386	158,823	158,823
Licenses & Permits	1,034,606	1,126,540	1,028,274	634,950	667,443	682,550	628,750	604,050	582,550	557,550
Intergovernmental	2,670,355	3,667,141	870,077	690,600	744,800	747,100	748,350	749,600	750,900	752,250
Charges for Services	4,542,142	6,163,134	8,233,420	8,111,133	8,374,194	9,272,671	9,414,655	9,654,911	9,891,307	10,294,136
Fines & Forfeits	36,689	36,685	42,271	55,000	35,750	35,500	35,500	35,500	35,500	35,500
Utility Charges	11,148,587	12,271,128	12,650,786	12,851,000	13,336,384	12,963,000	13,391,000	13,776,000	14,276,000	14,858,000
Central Garage Chgs	1,383,642	1,415,460	1,449,023	1,449,000	1,403,768	1,473,823	1,516,806	1,593,548	1,681,252	1,713,049
Interest Earnings	374,174	(70,578)	(891,628)	219,620	230,168	220,030	218,560	217,340	216,500	215,050
Other Revenues	58,141	152,205	125,934	65,600	79,950	73,250	75,230	78,030	80,830	83,930
Total Revenue	31,804,298	36,079,654	35,214,527	36,649,661	37,438,833	38,881,965	40,248,557	41,676,654	44,121,639	45,562,701
Expense										
General Government	2,591,734	2,712,000	3,058,790	3,369,618	3,291,205	3,801,257	3,833,132	3,927,343	4,244,578	4,282,511
Public Safety	4,475,639	4,699,927	4,818,371	5,218,514	5,440,428	5,900,090	6,200,833	6,518,052	7,462,659	7,833,916
Public Works	2,389,213	2,417,890	2,535,940	3,031,528	2,716,409	3,455,614	3,639,524	3,833,996	3,993,511	4,488,206
Parks and Recreation	6,001,535	6,683,000	8,007,121	8,679,673	8,605,605	9,226,774	9,652,994	10,115,955	10,513,061	10,950,112
Commun Development	1,426,552	1,564,636	1,223,654	1,388,892	1,247,525	1,475,085	1,526,411	1,612,872	1,702,954	1,780,027
Enterprise Oper	7,300,611	7,191,636	7,626,185	7,906,019	8,065,171	8,354,460	8,939,152	9,391,414	9,956,654	10,409,104
Central Garage	565,621	638,545	741,703	789,028	777,193	815,361	836,822	867,850	891,501	915,749
Miscellaneous	83,778	110,471	62,576	42,000	52,500	42,000	42,000	42,000	42,000	42,000
Debt Service	3,203,841	3,068,772	3,094,398	2,987,916	2,877,536	2,612,423	2,831,991	3,044,364	2,968,883	3,013,218
Depreciation	2,477,888	2,535,632	2,573,169	2,746,000	2,700,000	2,763,798	2,837,732	2,894,470	2,946,648	2,990,191
Total Expense	30,516,412	31,622,509	33,741,907	36,159,188	35,773,572	38,446,862	40,340,591	42,248,316	44,722,449	46,705,034
Other Sources (Uses)										
Sale of Asset-Gain	70,694	13,343	93,471	32,000	20,000	45,000	50,000	50,000	50,000	50,000
Debt Refunded	-	-	-	-	-	-	-	-	-	-
Debt Proceeds	11,513	-	43,558	80,000	-	80,000	-	-	42,000	-
Contrib Cap Assets	1,523,184	93,402	259,017	-	-	-	-	-	-	-
Transfers In	2,577,582	4,965,535	2,654,090	2,324,772	2,491,444	2,448,400	2,647,934	2,834,746	2,829,800	2,862,000
Transfers Out	(3,989,087)	(5,665,044)	(2,328,151)	(1,750,400)	(1,757,900)	(1,938,900)	(1,962,734)	(1,942,046)	(1,934,400)	(1,965,100)
Net Change	\$ 1,481,772	\$ 3,864,381	\$ 2,194,605	\$ 1,176,845	\$ 2,418,805	\$ 1,069,603	\$ 643,166	\$ 371,038	\$ 386,590	\$ (195,433)
Expense percent change	16.1%	3.6%	6.7%		6.0%	6.3%	4.9%	4.7%	5.9%	4.4%

General Fund Operations

The General Fund is the primary operating fund of the City, accounting for all operations not otherwise accounted for in separate funds. In 2024, property taxes provide 78.2% of revenues for the fund (excluding transfers from other funds).

The City's fund balance policy addresses General Fund cash flow needs by designating 50% of the ensuing year tax levy as a minimum fund balance and by designating up to 10% of the ensuing year budgeted expense to provide additional protection against unanticipated events.

Impacts

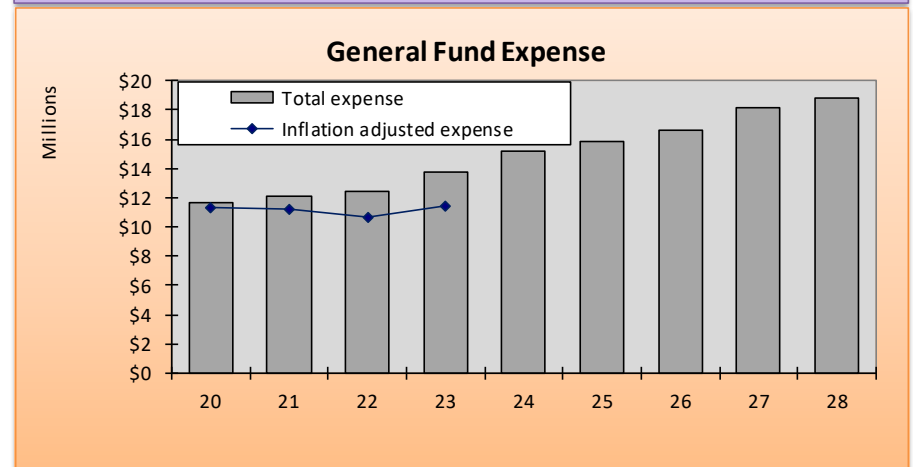
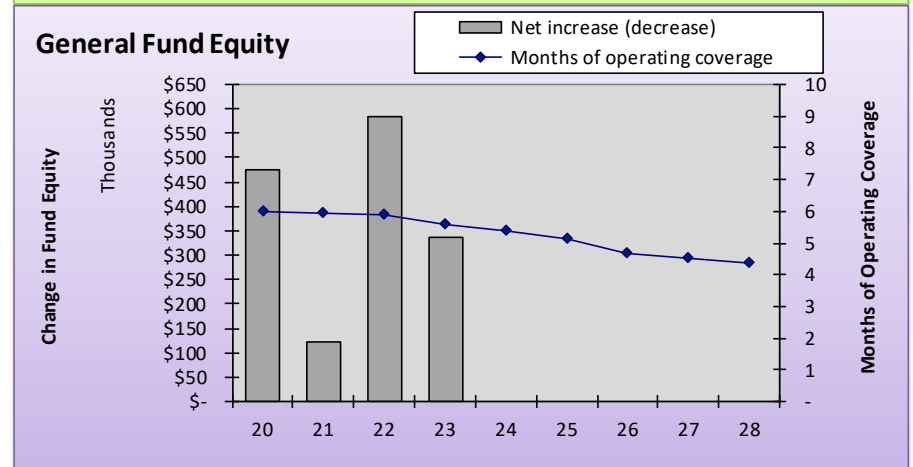
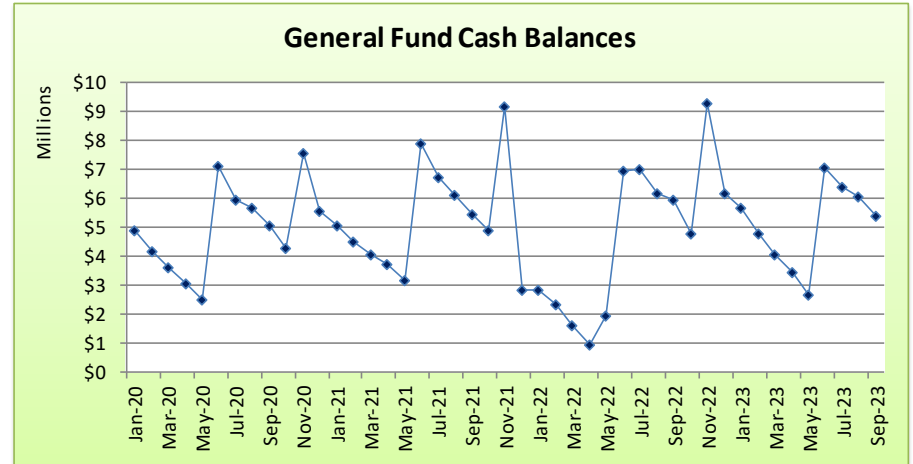
- Shoreview receives less aid than cities of similar size, making it more challenging to maintain competitive property tax levels
- Property taxes are increasing as a percent of total General Fund revenue, providing 78.2% of total revenue in 2024 and 82.6% in 2028
- Property tax collections occur in July and December, creating cash flow challenges for the fund

Performance/History

- Strong fund balances at 48% of current expense
- Operating coverage greater than 5 months in all actual years
- Internal decisions account for over 80% of revenue sources in most years

Fund Goals/Targets

- To manage cash flow needs, preserve working capital allocation equal to 50% of the ensuing year levy (minimum fund equity per City policy)
- To provide flexibility in addressing future budget challenges, preserve the unanticipated event allocation equal to 10% of the ensuing year budget where possible (per City policy)
- Maintain operating coverage equal to 5 months through retention of future operating surplus when available and through levy adjustments when necessary to meet working capital targets



General Fund	2020 Actual	2021 Actual	2022 Actual	2023 Estimate	2024 Budget	2025 Budget	2026 Projected	2027 Projected	2028 Projected
Revenue									
Property Taxes	\$8,731,545	\$9,374,638	\$9,810,225	\$10,703,345	\$11,512,747	\$12,296,240	\$13,021,289	\$14,576,977	\$15,065,413
Licenses & Permits	1,034,606	1,126,540	1,028,274	667,443	582,550	518,750	494,050	472,550	447,550
Intergovernmental	2,428,255	3,598,428	696,790	680,800	682,100	683,350	684,600	685,900	687,250
Charges for Services	1,750,700	1,665,718	1,919,167	1,632,480	1,810,650	1,739,200	1,762,600	1,768,600	1,888,850
Fines & Forfeits	36,689	36,685	42,271	35,750	35,500	35,500	35,500	35,500	35,500
Interest Earnings	97,369	(15,698)	(169,243)	80,000	80,000	80,000	80,000	80,000	80,000
Other Revenues	20,071	18,458	27,449	22,250	15,250	15,250	15,250	15,250	15,250
Total Revenue	14,099,235	15,804,769	13,354,933	13,822,068	14,718,797	15,368,290	16,093,289	17,634,777	18,219,813
Expense									
General Government	2,402,517	2,524,430	2,645,485	3,053,624	3,538,530	3,612,071	3,707,487	4,017,625	4,015,263
Public Safety	4,475,639	4,699,927	4,818,371	5,440,428	5,900,090	6,200,833	6,518,052	7,462,659	7,833,916
Public Works	1,681,351	1,736,204	1,779,536	1,941,175	2,138,747	2,286,829	2,419,390	2,516,254	2,557,753
Parks and Recreation	2,230,343	2,324,355	2,476,058	2,622,793	2,775,799	2,897,624	3,046,178	3,184,137	3,323,040
Community Development	868,431	805,987	766,956	743,315	862,631	873,933	929,182	991,102	1,048,841
Total Expense	11,658,281	12,090,903	12,486,406	13,801,335	15,215,797	15,871,290	16,620,289	18,171,777	18,778,813
Other Sources (Uses)									
Transfers In	920,000	945,000	920,000	945,000	1,127,000	1,133,000	1,157,000	1,167,000	1,189,000
Transfers Out	(2,887,382)	(4,536,509)	(1,202,784)	(630,000)	(630,000)	(630,000)	(630,000)	(630,000)	(630,000)
Net Change	473,572	122,357	585,743	335,733	-	-	-	-	-
Fund Equity, beginning	5,582,951	6,056,523	6,178,880	6,764,623	7,100,356	7,100,356	7,100,356	7,100,356	7,100,356
Fund Equity, ending	\$6,056,523	\$6,178,880	\$6,764,623	\$7,100,356	\$7,100,356	\$7,100,356	\$7,100,356	\$7,100,356	\$7,100,356
Fund equity percent of expense	50.1%	49.5%	49.0%	46.7%	44.7%	42.7%	39.1%	37.8%	36.4%
Months of operating coverage	6.0	5.9	5.9	5.6	5.4	5.1	4.7	4.5	4.4
Transfers out (in) per fund bal policy	\$2,000,000	\$916,470	\$2,000,000	\$(177,598)					
Expense percent change	6.2%	3.7%	3.3%	10.5%	10.2%	4.3%	4.7%	9.3%	3.3%
Average annual percent change				5.9%					6.4%
Tax Levy percent change	6.3%	7.4%	4.6%	9.1%	7.6%	6.8%	5.9%	11.9%	3.4%
Average annual percent change				6.8%					7.1%
Percent revenue/internal decisions	76.0%	70.5%	87.7%	90.0%	91.2%	92.0%	92.5%	93.3%	93.7%
Percent revenue/external decisions	24.0%	29.5%	12.3%	10.0%	8.8%	8.0%	7.5%	6.7%	6.3%

Recycling Fund Operations

The Recycling Fund accounts for the City's curbside recycling program, through a joint powers agreement with Ramsey County. User fees are collected with property tax payments in July and December.

Impacts

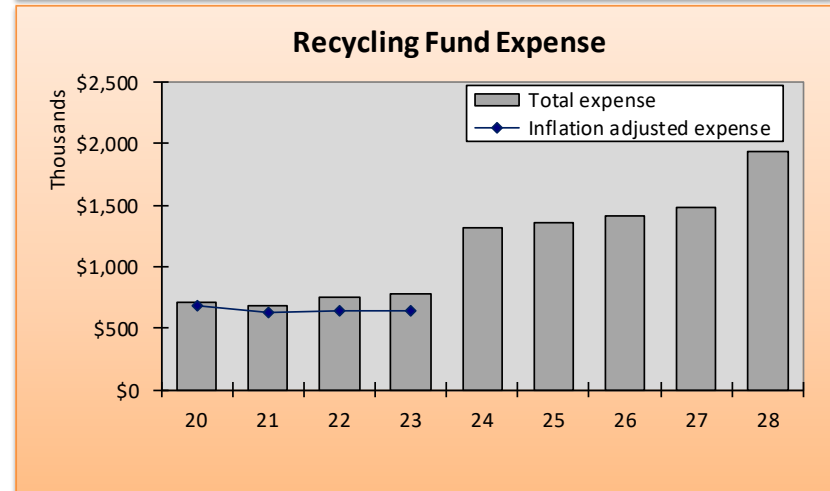
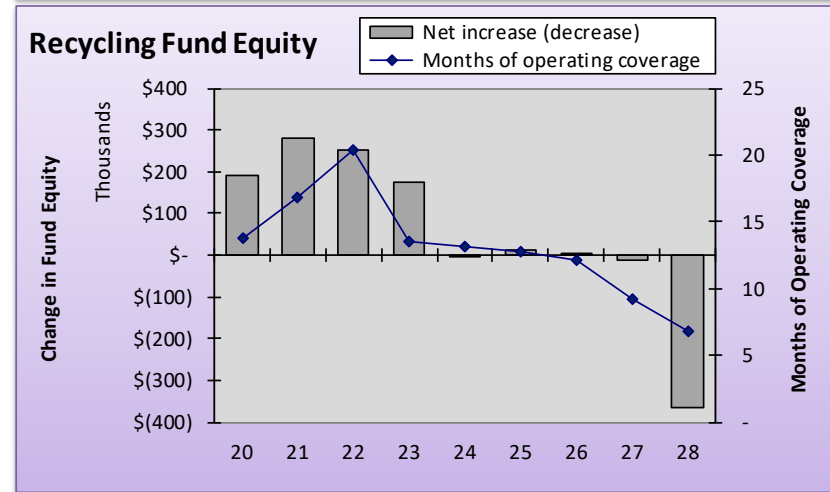
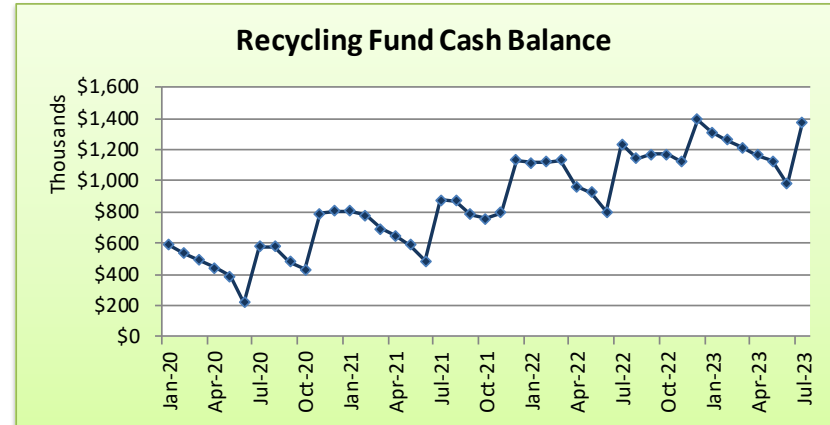
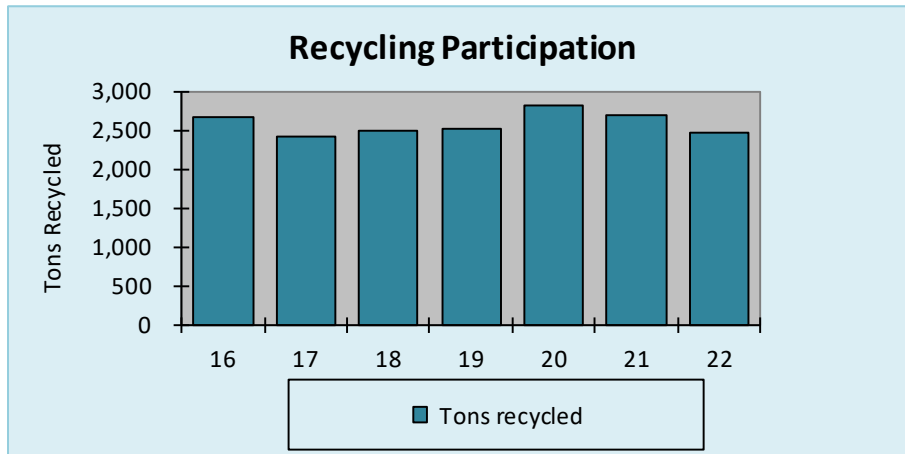
- SCORE grant funding has grown at a slower pace than program costs, and provides between 4.9% and 4.2% of revenue
- Reductions in newspaper circulation have significantly reduced the tons of materials recycled in recent years
- User fees provide between 95.1% and 95.8% of revenue, and are received in July and December, creating cash flow challenges for the fund

Performance/History

- Operating coverage exceeding 5 months in all of the last 4 years
- Eliminated periodic negative cash balances due to the timing of revenue from user fees

Fund Goals/Targets

- Continue to monitor fund balance and improve cash flow performance
- Establish recycling fees sufficient to maintain operating coverage of 5 months



Recycling Fund	2020	2021	2022	2023	2024	2025	2026	2027	2028
	Actual	Actual	Actual	Estimate	Budget	Budget	Projected	Projected	Projected
Revenue									
Intergovernmental									
SCORE Grant	\$ 63,842	\$ 63,888	\$ 67,979	\$ 64,000	\$ 65,000	\$ 65,000	\$ 65,000	\$ 65,000	\$ 65,000
Other Local Governments	-	-	-	-	-	-	-	-	-
Charges for Services									
Recycling Charges	824,392	825,357	857,771	858,400	1,223,500	1,273,500	1,323,500	1,373,500	1,473,500
Cleanup Day Charges	1,596	75,669	129,104	26,500	26,500	26,500	26,500	26,500	26,500
Interest Earnings	8,201	(2,709)	(45,042)	-	-	-	-	-	-
Total Revenue	898,031	962,205	1,009,812	948,900	1,315,000	1,365,000	1,415,000	1,465,000	1,565,000
Expense									
Public Works									
Personal Services	50,000	56,687	57,385	66,808	74,470	80,390	86,910	94,113	99,789
Supplies	-	-	1,675	25,000	10,000	10,000	10,000	10,000	400,000
Contractual Services	657,862	624,999	697,344	683,426	1,232,397	1,262,305	1,317,696	1,373,144	1,430,664
Total Expense	707,862	681,686	756,404	775,234	1,316,867	1,352,695	1,414,606	1,477,257	1,930,453
Net Change	190,169	280,519	253,408	173,666	(1,867)	12,305	394	(12,257)	(365,453)
Fund Equity, beginning	588,868	779,037	1,059,556	1,312,964	1,486,630	1,484,763	1,497,068	1,497,462	1,485,205
Fund Equity, ending	\$ 779,037	\$ 1,059,556	\$ 1,312,964	\$ 1,486,630	\$ 1,484,763	\$ 1,497,068	\$ 1,497,462	\$ 1,485,205	\$ 1,119,752
Fund equity percent of expense	114.3%	140.1%	169.4%	112.9%	109.8%	105.8%	101.4%	76.9%	56.1%
Months of operating coverage	13.7	16.8	20.3	13.5	13.2	12.7	12.2	9.2	6.7
Expense percent change	32.2%	-3.7%	11.0%	2.5%	69.9%	2.7%	4.6%	4.4%	30.7%
Average annual percent change				10.5%					22.5%
Annual charge per parcel/unit	\$ 48.00	\$ 48.00	\$ 70.00	\$ 70.00	\$ 101.00	\$ 105.00	\$ 108.00	\$ 112.00	\$ 120.00
Change in rate-dollars	\$ 1.00	\$ -	\$ 22.00	\$ -	\$ 31.00	\$ 4.00	\$ 3.00	\$ 4.00	\$ 8.00
Number of units	11,233	11,581	11,797	12,268	12,268	12,268	12,268	12,268	12,268

Community Center Fund Operations

The Community Center Fund accounts for the operation and maintenance of the fitness center and studios, the Tropics and Bamboo Bay Indoor Water Parks, Tropical Adventure indoor play area, banquet and meeting rooms, birthday party rooms, gymnasium, locker facilities, picnic pavilion and concessions.

Impacts

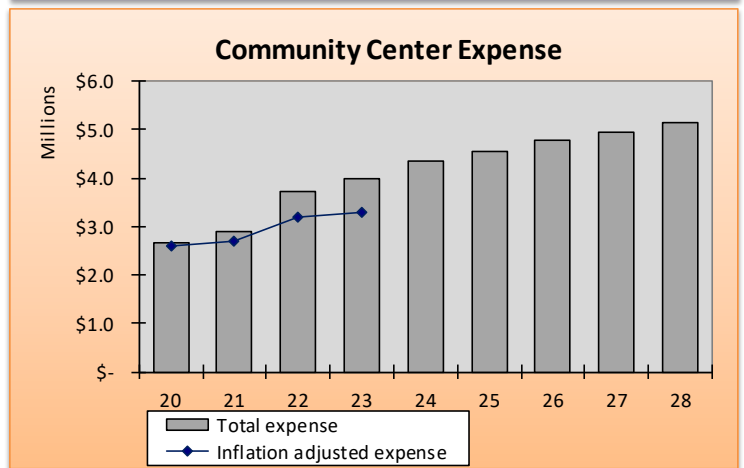
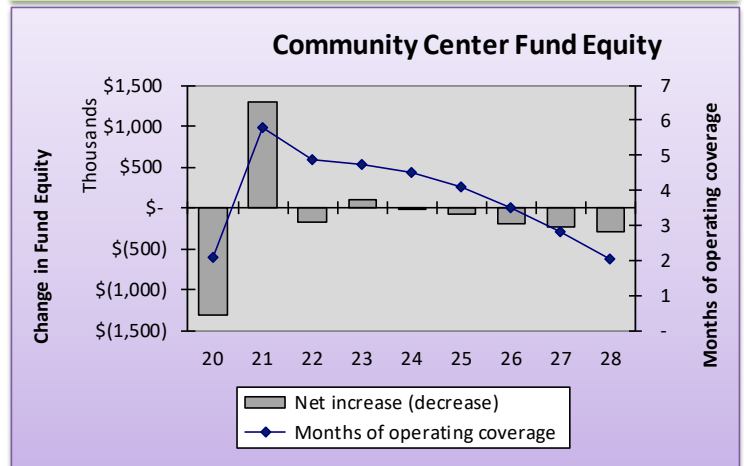
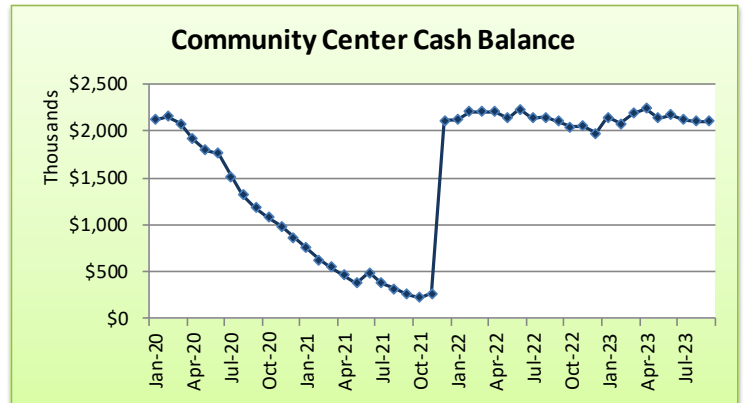
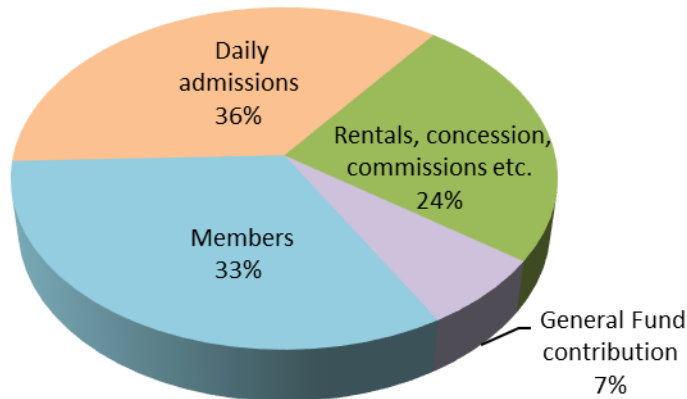
- User fees provide 89% of revenue (memberships, admissions and room rentals)
- General Fund provides \$305,000 in support of operations for 2024 through an inter-fund transfer

Performance/History

- Working capital coverage equal to 2 to 6 months in all years
- Positive cash flows

Fund Goals/Targets

- Adjust rates and operating expense to maintain operating coverage of 3 months
- General Fund support remains at \$305,000 for 2024 – 2028



Community Center Fund	2020	2021	2022	2023	2024	2025	2026	2027	2028
	Actual	Actual	Actual	Estimate	Budget	Budget	Projected	Projected	Projected
Revenue									
Intergovernmental	\$ 316	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Charges for Services									
Memberships	391,141	768,870	1,125,465	1,423,190	1,423,710	1,467,230	1,510,885	1,555,689	1,597,626
Daily Admissions	332,107	549,730	1,187,351	1,374,914	1,561,500	1,608,400	1,656,568	1,706,245	1,757,473
Room Rentals	139,042	380,081	582,197	587,250	612,781	630,875	649,781	669,309	689,850
Concessions & Commissions	66,286	102,011	292,996	265,000	275,900	283,840	292,614	301,424	310,469
All Other Charges	111,045	112,899	143,744	139,460	148,780	153,140	157,631	162,433	167,346
Interest Earnings	25,673	(1,456)	(84,186)	10,000	10,000	10,000	10,000	10,000	10,000
Other Revenues	10	3,500	12,689	12,500	12,800	13,200	13,700	14,000	14,500
Total Revenue	1,065,620	1,915,635	3,260,256	3,812,314	4,045,471	4,166,685	4,291,179	4,419,100	4,547,264
Expense									
Parks and Recreation									
Personal Services	1,728,899	1,890,763	2,307,330	2,474,809	2,851,865	3,011,444	3,168,215	3,324,612	3,488,026
Supplies	298,357	386,629	654,864	687,100	678,150	695,000	744,225	733,590	753,073
Contractual	637,744	629,716	770,384	839,006	828,285	853,460	873,248	893,063	913,419
Total Expense	2,665,000	2,907,108	3,732,578	4,000,915	4,358,300	4,559,904	4,785,688	4,951,265	5,154,518
Other Sources (Uses)									
Transfers In	292,625	2,285,000	295,000	295,000	305,000	305,000	305,000	305,000	305,000
Net Change	(1,306,755)	1,293,527	(177,322)	106,399	(7,829)	(88,219)	(189,509)	(227,165)	(302,254)
Fund Equity, beginning	1,809,318	502,563	1,796,090	1,618,768	1,725,167	1,717,338	1,629,119	1,439,610	1,212,445
Fund Equity, ending	\$ 502,563	\$ 1,796,090	\$ 1,618,768	\$ 1,725,167	\$ 1,717,338	\$ 1,629,119	\$ 1,439,610	\$ 1,212,445	\$ 910,191
Fund equity percent of expense	17.3%	48.1%	40.5%	39.6%	37.7%	34.0%	29.1%	23.5%	16.9%
Months of operating coverage	2.1	5.8	4.9	4.8	4.5	4.1	3.5	2.8	2.0
Tax support as percent of expense	10.1%	9.5%	7.8%	7.1%	6.8%	6.7%	6.6%	6.6%	6.5%
Revenue percent change	-69.2%	79.8%	70.2%	16.9%	6.1%	3.0%	3.0%	3.0%	2.9%
Average annual percent change/rev				24.4%					3.6%
Expense percent change	-23.6%	9.1%	28.4%	7.2%	8.9%	4.6%	5.0%	3.5%	4.1%
Average annual percent change/exp				5.3%					5.2%

Recreation Program Fund Operations

The Recreation Programs Fund accounts for a variety of recreational and social programs offered throughout the City on a fee basis.

Impacts

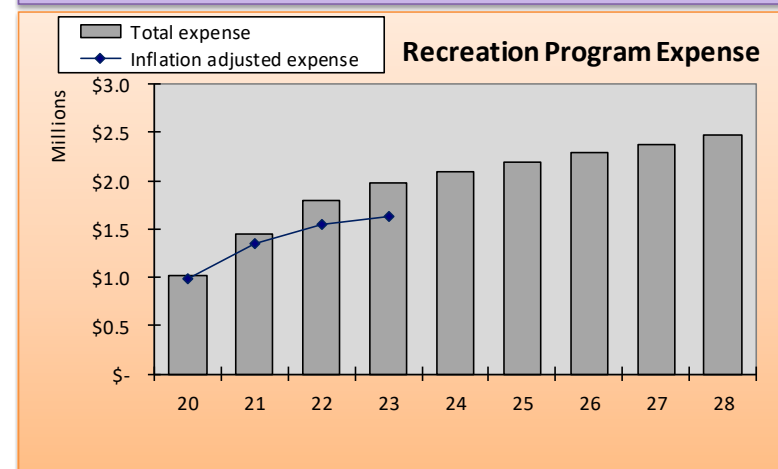
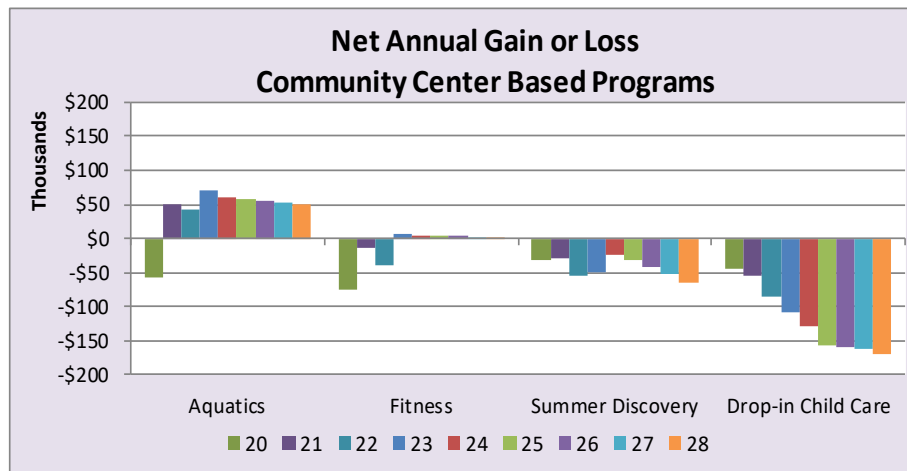
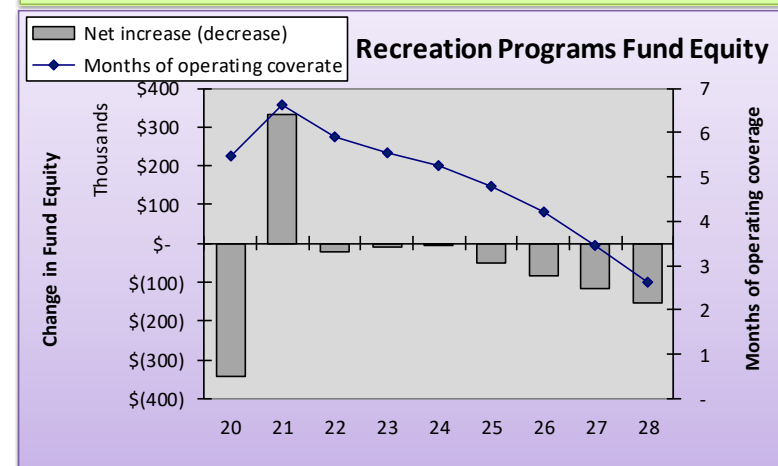
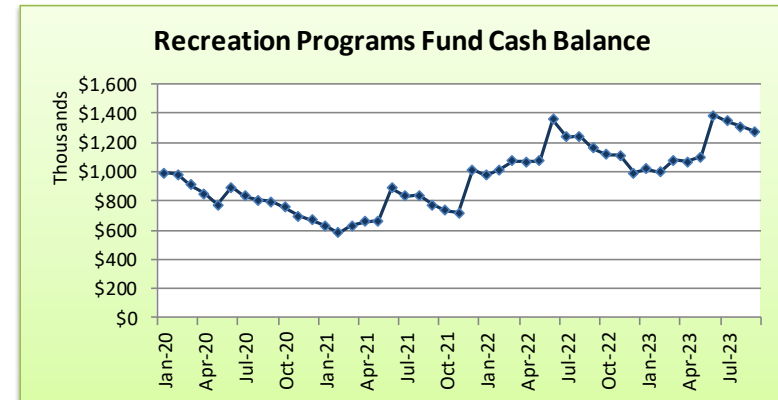
- User fees provide 86% of revenue
- General Fund provides support for community-oriented programs through an annual transfer
- Projected operating losses in all years projected

Performance/History

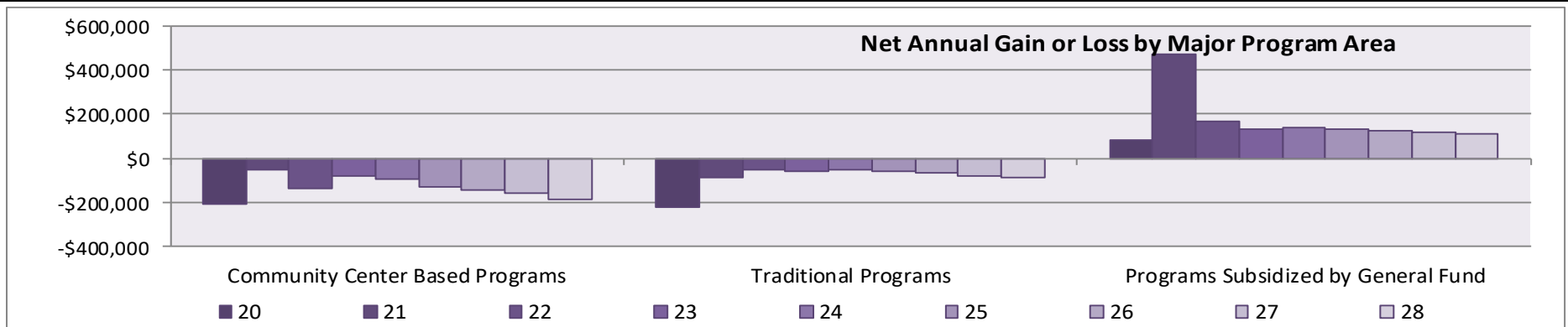
- Operating coverage equal to 5 to 7 months
- Operating losses in 2020 and 2022

Fund Goals/Targets

- Preserve 3 months operating coverage through user fee adjustments
- Cover cost increases through operating efficiencies where possible/practical



Recreation Programs Fund	2020 Actual	2021 Actual	2022 Actual	2023 Estimate	2024 Budget	2025 Budget	2026 Projected	2027 Projected	2028 Projected
Revenue									
Intergovernmental	\$ 1,020	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Charges for Services	512,759	1,237,191	1,572,005	1,671,500	1,789,000	1,844,070	1,900,032	1,957,007	2,015,822
Interest Earnings	13,570	(2,502)	(44,288)	2,000	2,000	2,000	2,000	2,000	2,000
Other Revenues	-	-	745	-	-	-	-	-	-
Total Revenue	527,349	1,234,689	1,528,462	1,673,500	1,791,000	1,846,070	1,902,032	1,959,007	2,017,822
Expense									
Parks and Recreation									
Parks Administration	505,857	559,002	623,082	670,173	719,916	760,709	804,625	848,967	895,511
Program Costs	516,450	892,535	1,175,403	1,311,724	1,372,759	1,434,757	1,479,464	1,528,692	1,577,043
Total Expense	1,022,307	1,451,537	1,798,485	1,981,897	2,092,675	2,195,466	2,284,089	2,377,659	2,472,554
Other Sources (Uses)									
Transfers In	151,947	550,000	250,000	300,000	300,000	300,000	300,000	300,000	300,000
Transfers Out	-	-	-	-	-	-	-	-	-
Net Change	(343,011)	333,152	(20,023)	(8,397)	(1,675)	(49,396)	(82,057)	(118,652)	(154,732)
Fund Equity, beginning	1,003,263	660,252	993,404	973,381	964,984	963,309	913,913	831,856	713,204
Fund Equity, ending	\$ 660,252	\$ 993,404	\$ 973,381	\$ 964,984	\$ 963,309	\$ 913,913	\$ 831,856	\$ 713,204	\$ 558,472
Fund equity percent of expense	45.5%	55.2%	49.1%	46.1%	43.9%	40.0%	35.0%	28.8%	21.8%
Months of operating coverage	5.5	6.6	5.9	5.5	5.3	4.8	4.2	3.5	2.6
Revenue percent change	-70.7%	134.1%	23.8%	9.5%	7.0%	3.1%	3.0%	3.0%	3.0%
Average annual percent change				24.2%					3.8%
Expense percent change	-42.0%	42.0%	23.9%	10.2%	5.6%	4.9%	4.0%	4.1%	4.0%
Average annual percent change				8.5%					4.5%
Percent of revenue from user fees	75.5%	69.3%	88.4%	84.7%	85.6%	85.9%	86.3%	86.6%	87.0%
Percent of revenue from Gen Fund	22.4%	30.8%	14.1%	15.2%	14.3%	14.0%	13.6%	13.3%	12.9%



Cable TV Fund Operations

At the end of 2014, the City withdrew from the North Suburban Cable Commission (NSCC). NSCC was previously responsible for the management and administration of the City's cable franchise and public access programming in Shoreview. The City has negotiated the renewal of the cable franchise with Comcast for 10 years. Revenue for the cable fund is obtained through a 5% franchise fee that is paid by Shoreview cable subscribers to Comcast and through a Public, Educational, and Government (PEG) fee that is also paid by subscribers. This franchise fee and PEG revenue fund the City's management and administration of the cable franchise, staff costs to cablecast City Council and Planning Commission meetings, acquisition and maintenance of cable equipment for the Council Chambers and City Hall, and operating transfers that are used to finance City communication activities.

Impacts

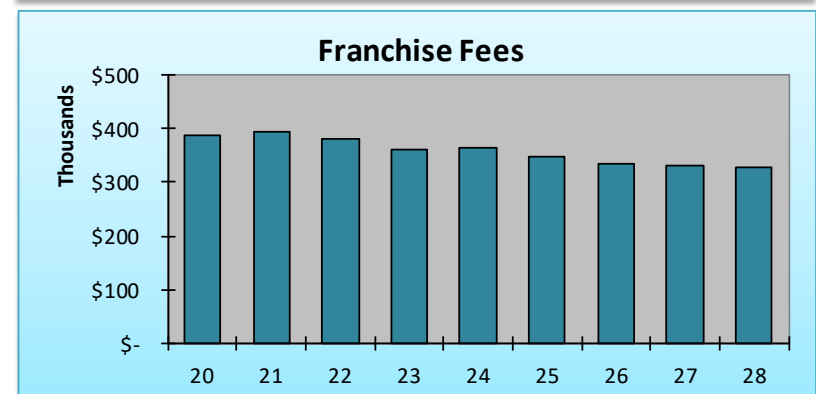
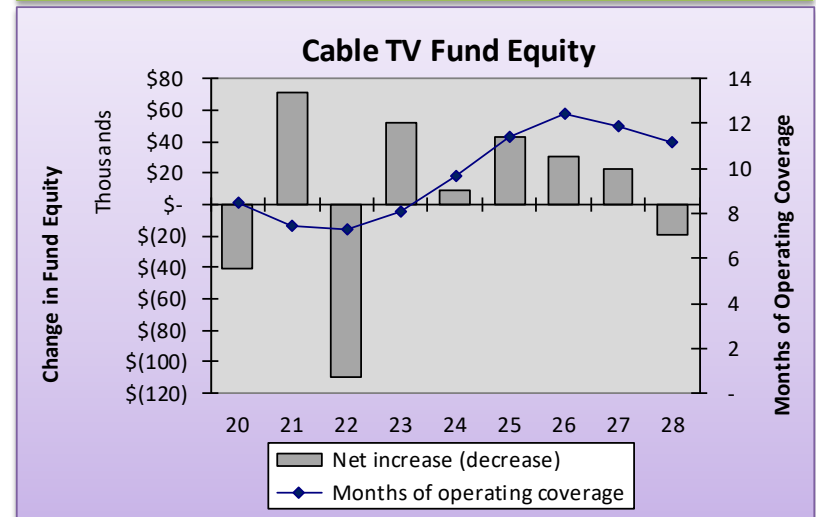
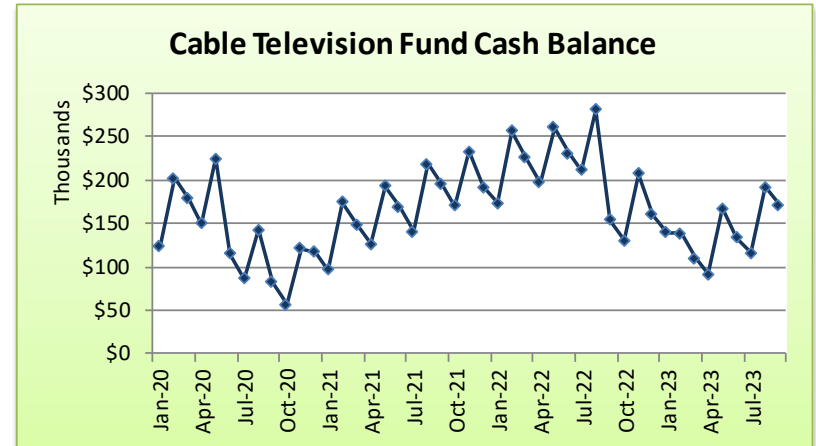
- Cable franchise fees and PEG fees provide more than 99% of revenue
- Contractual costs decreased significantly due to withdrawal from the NSCC
- Transition to in-house production, broadcasting and web streaming of cable programming
- Transfers to the general fund provide support for communication activities
- Provides support for capital purchases associated with the commons master plan and council chamber improvements

Performance/History

- Operating coverage equal to 7 to 8 months
- Franchise fee revenue is declining

Fund Goals/Targets

- Preserve minimum operating coverage of 3 and up to 6 months when anticipated capital costs dictate higher balances
- Monitor fund balance changes



Cable Television Fund	2020	2021	2022	2023	2024	2025	2026	2027	2028
	Actual	Actual	Actual	Estimate	Budget	Budget	Projected	Projected	Projected
Revenue									
Intergovernmental	\$ 30,394	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Charges for Services	388,895	392,917	381,536	361,000	362,850	349,200	335,300	330,700	326,400
Interest Earnings	2,468	(638)	(9,036)	2,000	2,000	2,000	2,000	2,000	2,000
Other Revenues	750	500	600	1,200	1,200	1,200	1,200	1,200	1,200
Total Revenue	422,507	392,779	373,100	364,200	366,050	352,400	338,500	333,900	329,600
Expense									
General Government									
Personal Services	37,755	37,203	38,434	39,644	41,290	42,919	44,679	46,589	48,670
Supplies	1,182	175	48	500	500	500	500	500	500
Contractual	136,134	84,732	57,884	66,888	110,186	89,168	85,178	87,339	122,625
Capital Outlay	89,977	-	236,650	55,000	30,000	2,500	2,500	2,500	2,500
Total Expense	265,048	122,110	333,016	162,032	181,976	135,087	132,857	136,928	174,295
Other Sources (Uses)									
Transfers Out	(200,000)	(200,000)	(150,000)	(150,000)	(175,000)	(175,000)	(175,000)	(175,000)	(175,000)
Net Change	(40,897)	70,669	(109,916)	52,168	9,074	42,313	30,643	21,972	(19,695)
Fund Equity, beginning	269,301	228,404	299,073	189,157	241,325	250,399	292,712	323,355	345,327
Fund Equity, ending	\$ 228,404	\$ 299,073	\$ 189,157	\$ 241,325	\$ 250,399	\$ 292,712	\$ 323,355	\$ 345,327	\$ 325,632
Fund equity percent of expense and transfers out	70.9%	61.9%	60.6%	67.6%	80.8%	95.1%	103.7%	98.9%	93.3%
Months of operating coverage for expense and transfers out	8.5	7.4	7.3	8.1	9.7	11.4	12.4	11.9	11.2
Franchise fee percent change	-3.3%	1.0%	-2.9%	-5.4%	0.5%	-3.8%	-4.0%	-1.4%	-1.3%
Average annual percent change				-2.6%					-2.0%

Economic Development Authority Fund Operations

The Economic Development Authority (EDA) was created in 2008 with an initial \$50,000 transfer from the General Fund and \$2,025 from the former Economic Development Fund. The City's previous deposit in the Twin Cities Community Capital Fund was returned to the City in 2010 (\$165,777). The funds were legally restricted to economic development and business assistance (as governed by Minnesota statutes).

Impacts

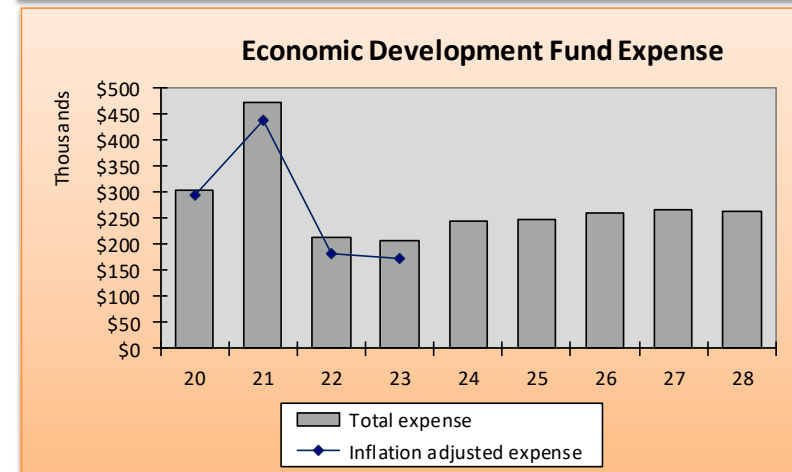
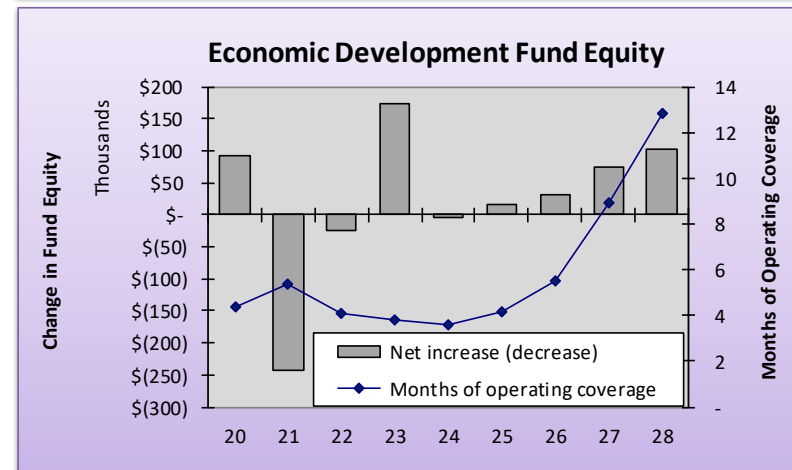
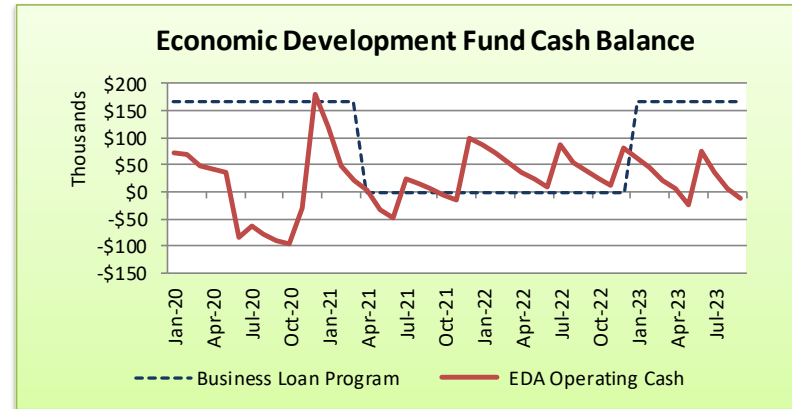
- First tax levy in 2011
- Levy authority is within the City's levy limit, when levy limits are in effect
- Property tax collections occur in July and December, creating cash flow challenges for the fund
- Covers 25% of the Assistant City Manager/Community Development Director position
- Covers 50% of the Assistant Community Development Director position

Performance/History

- Operating coverage equal to 4 to 5 months
- Federal assistance associated with the COVID-19 pandemic

Fund Goals/Targets

- Establish and maintain 5 months of operating coverage
- Monitor fund balance changes



Economic Development Authority Fund	2020	2021	2022	2023	2024	2025	2026	2027	2028
	Actual	Actual	Actual	Estimate	Budget	Budget	Projected	Projected	Projected
Revenue									
Property Taxes	\$ 158,256	\$ 166,492	\$ 189,774	\$ 215,000	\$ 240,000	\$ 265,000	\$ 290,000	\$ 340,000	\$ 365,000
Intergovernmental	145,516	4,562	-	-	-	-	-	-	-
Interest Earnings	2,456	(236)	(2,161)	-	-	-	-	-	-
Other Revenues	-	-	-	-	-	-	-	-	-
Total Revenue	306,228	170,818	187,613	215,000	240,000	265,000	290,000	340,000	365,000
Expense									
Community Development									
Personal Services	86,581	93,650	139,853	134,740	142,535	146,322	154,006	159,823	151,125
Supplies	1,461	1,225	2,512	5,500	12,000	12,000	12,500	13,000	14,000
Contractual Services	216,998	378,590	69,509	66,875	89,420	90,558	92,202	93,054	98,714
Total Expense	305,040	473,465	211,874	207,115	243,955	248,880	258,708	265,877	263,839
Other Sources (Uses)									
Transfers In	91,609	60,000	-	165,777	-	-	-	-	-
Net Change	92,797	(242,647)	(24,261)	173,662	(3,955)	16,120	31,292	74,123	101,161
Fund Equity, beginning	244,041	336,838	94,191	69,930	243,592	239,637	255,757	287,049	361,172
Fund Equity, ending	\$ 336,838	\$ 94,191	\$ 69,930	\$ 243,592	\$ 239,637	\$ 255,757	\$ 287,049	\$ 361,172	\$ 462,333
Fund Equity Breakdown									
Business loan program fund balance	\$ 165,777	\$ -	\$ -	\$ 165,777	\$ 165,777	\$ 165,777	\$ 165,777	\$ 165,777	\$ 165,777
Non loan program fund balance	\$ 171,061	\$ 94,191	\$ 69,930	\$ 77,815	\$ 73,860	\$ 89,980	\$ 121,272	\$ 195,395	\$ 296,556
Months of operating coverage (excluding balances restricted for business loan program)	4.3	5.3	4.1	3.8	3.6	4.2	5.5	8.9	12.8
Tax levy percent change	6.2%	5.2%	14.0%	13.3%	11.6%	10.4%	9.4%	17.2%	7.4%
Annual average percent change				10.4%					11.2%

Housing Redevelopment Authority Fund Operations

The Housing Redevelopment Authority (HRA) was created in 2009 to account for housing-related activities of the EDA, with the first year of operation in 2010.

Impacts

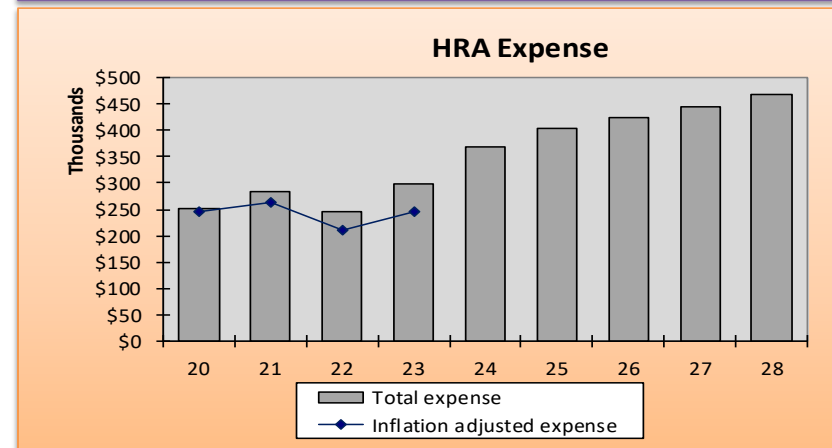
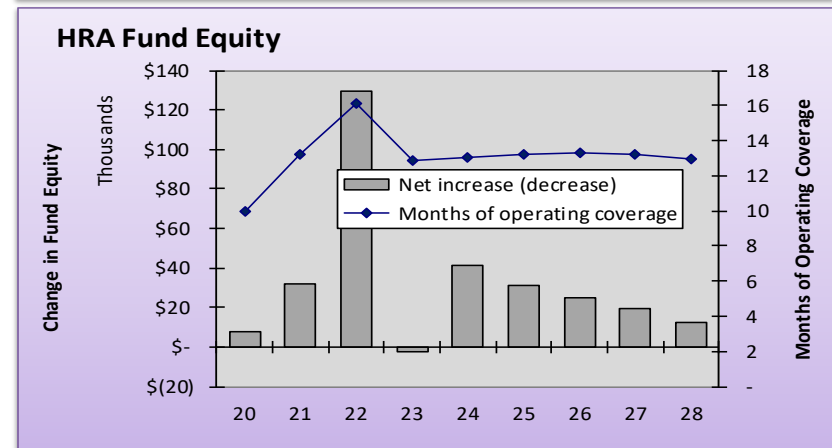
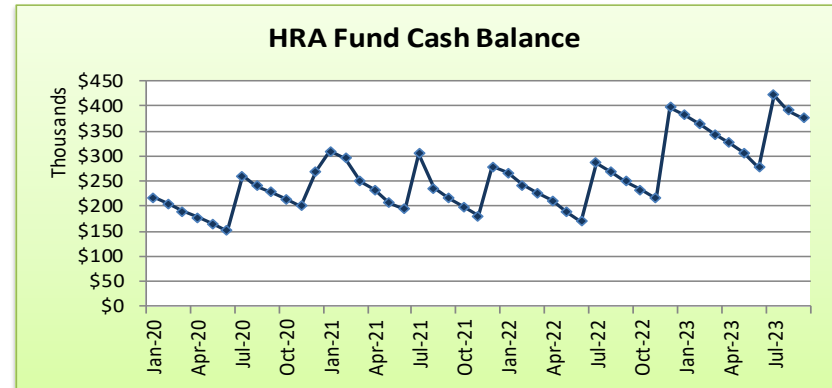
- First tax levy in 2010
- Levy authority for the HRA is outside the City's levy limit
- Covers 25% of the Assistant City Manager/Community Development Director position cost
- Covers 50% of the Assistant Community Development Director position
- Covers 100% of the Housing and Rental Specialist and Code Enforcement Specialist

Performance/History

- Operating coverage from 10 to 16 months

Fund Goals/Targets

- Maintain 5 months of operating coverage
- Monitor fund balance changes



Housing Redevelopment Authority	2020	2021	2022	2023	2024	2025	2026	2027	2028
	Actual	Actual	Actual	Estimate	Budget	Budget	Projected	Projected	Projected
Revenue									
Property Taxes	\$ 256,626	\$ 267,486	\$ 279,665	\$ 295,000	\$ 310,000	\$ 325,000	\$ 340,000	\$ 355,000	\$ 370,000
Interest Earnings	3,544	(860)	(9,887)	-	-	-	-	-	-
Intergovernmental	563	50,253	104,500	-	-	-	-	-	-
Licenses and Permits	-	-	-	-	100,000	110,000	110,000	110,000	110,000
Total Revenue	260,733	316,879	374,278	295,000	410,000	435,000	450,000	465,000	480,000
Expense									
Community Development									
Personal Services	161,255	169,567	216,289	223,749	294,369	314,431	335,476	356,129	377,408
Contractual Services	13,489	59,739	13,535	53,346	54,130	64,167	64,506	64,846	64,939
Capital Outlay	78,337	55,878	15,000	20,000	20,000	25,000	25,000	25,000	25,000
Total Expense	253,081	285,184	244,824	297,095	368,499	403,598	424,982	445,975	467,347
Net Change	7,652	31,695	129,454	(2,095)	41,501	31,402	25,018	19,025	12,653
Fund Equity, beginning	229,443	237,095	268,790	398,244	396,149	437,650	469,052	494,070	513,095
Fund Equity, ending	\$ 237,095	\$ 268,790	\$ 398,244	\$ 396,149	\$ 437,650	\$ 469,052	\$ 494,070	\$ 513,095	\$ 525,748
Fund equity percent of expense	83.1%	109.8%	134.0%	107.5%	108.4%	110.4%	110.8%	109.8%	107.8%
Months of operating coverage	10.0	13.2	16.1	12.9	13.0	13.2	13.3	13.2	12.9
Taxable Value (millions)	\$ 31.3	\$ 33.5	\$ 35.8	\$ 38.0	\$ 38.8	\$ 40.0	\$ 41.2	\$ 42.4	\$ 43.7
Tax Rate (HRA)	0.318%	0.595%	0.669%	0.634%	0.656%	0.670%	0.685%	0.698%	0.709%
Change in tax rate	-2.2%	87.1%	12.4%	-5.2%	3.5%	2.1%	2.2%	1.9%	1.6%
Average annual percent change				23.0%					2.3%
Expense percent change	57.0%	12.7%	-14.2%	21.4%	24.0%	9.5%	5.3%	4.9%	4.8%
Average annual percent change				19.2%					9.7%

Slice of Shoreview Fund Operations

The Slice of Shoreview Fund accounts for costs, donations, sponsorships and vendor fees associated with the Slice of Shoreview event.

Impacts

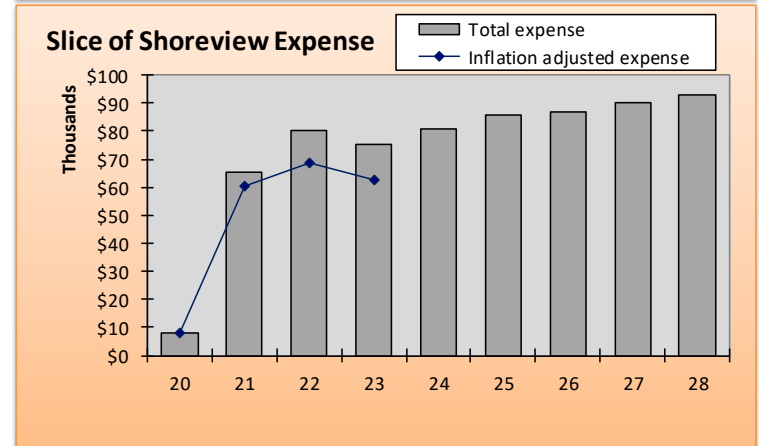
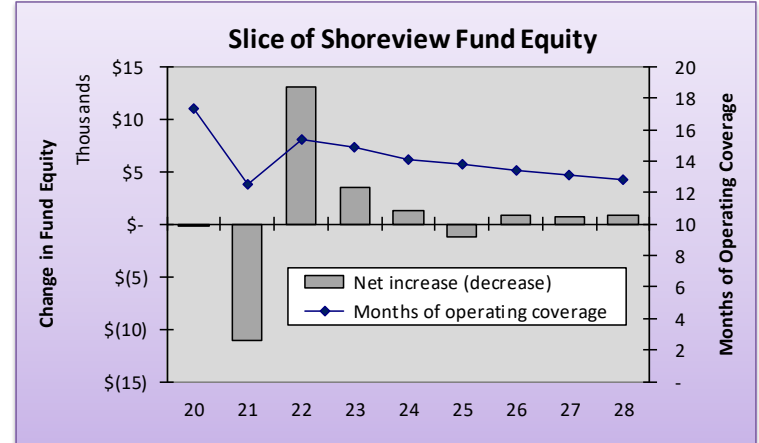
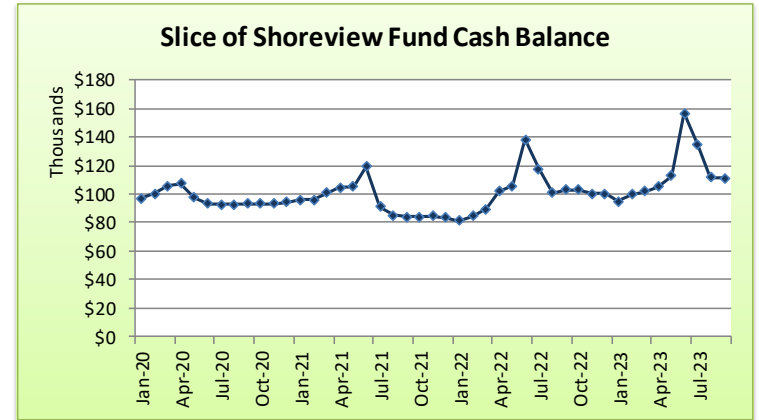
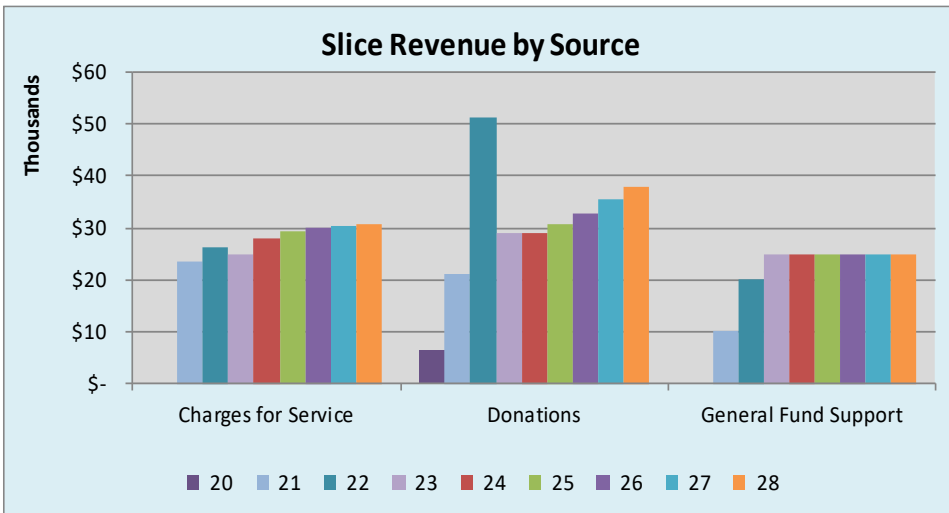
- For 2024, support for the event is provided by donations (35%), fees (34%), and General Fund support (31%)

Performance/History

- Operating coverage equal to 13 to 17 months

Fund Goals/Targets

- Preserve 6 to 12 months of operating coverage to ensure adequate coverage of event costs in the event of a decline in donations
- Hold General Fund support to the rate of inflation or less



Slice of Shoreview Fund	2020	2021	2022	2023	2024	2025	2026	2027	2028
	Actual	Actual	Actual	Estimate	Budget	Budget	Projected	Projected	Projected
Revenue									
Charges for Services	\$ -	\$ 23,538	\$ 26,275	\$ 25,000	\$ 28,000	\$ 29,200	\$ 30,000	\$ 30,400	\$ 30,800
Interest Earnings	1,543	(332)	(4,002)	-	-	-	-	-	-
Other Revenues (donations)	6,323	21,085	51,113	29,000	29,000	30,580	32,880	35,380	37,980
Total Revenue	7,866	44,291	73,386	54,000	57,000	59,780	62,880	65,780	68,780
Expense									
General Government	8,054	65,460	80,289	75,549	80,751	85,974	86,999	90,025	92,953
Total Expense	8,054	65,460	80,289	75,549	80,751	85,974	86,999	90,025	92,953
Other Sources (Uses)									
Transfers In	-	10,000	20,000	25,000	25,000	25,000	25,000	25,000	25,000
Net Change	(188)	(11,169)	13,097	3,451	1,249	(1,194)	881	755	827
Fund Equity, beginning	94,801	94,613	83,444	96,541	99,992	101,241	100,047	100,928	101,683
Fund Equity, ending	\$ 94,613	\$ 83,444	\$ 96,541	\$ 99,992	\$ 101,241	\$ 100,047	\$ 100,928	\$ 101,683	\$ 102,510
Fund equity percent of expense	144.5%	103.9%	127.8%	123.8%	117.8%	115.0%	112.1%	109.4%	106.7%
Months of operating coverage	17.3	12.5	15.3	14.9	14.1	13.8	13.5	13.1	12.8
Expense percent change	-89.2%	712.8%	22.7%	-5.9%	6.9%	6.5%	1.2%	3.5%	3.3%
Annual average percent change				160.1%					4.3%

Combined Debt Service Funds

Debt Service funds account for revenue dedicated to the payment of debt as well as the principal and interest payments (excluding debt accounted for in utility or internal service funds).

Impacts

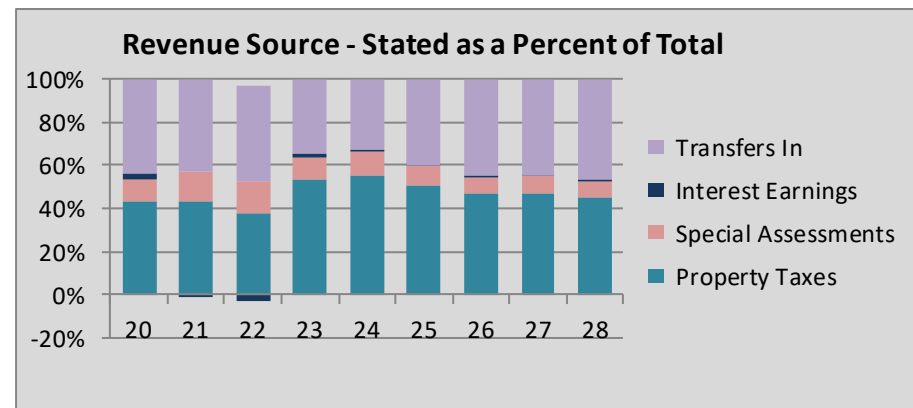
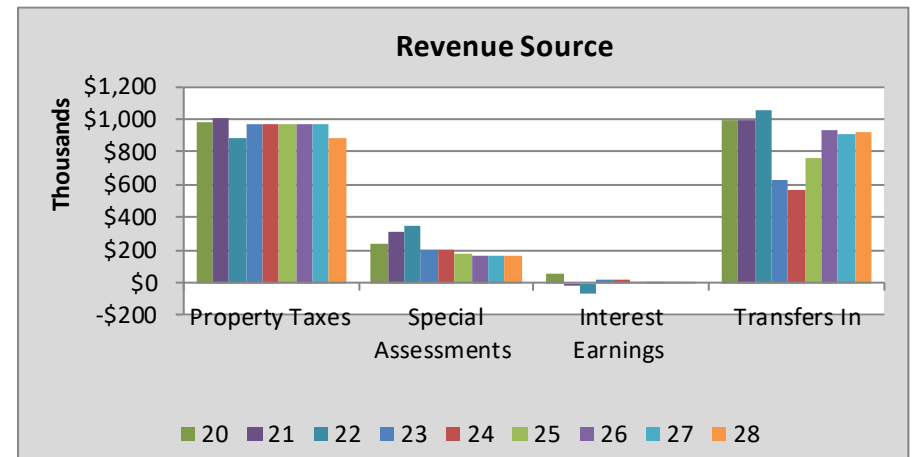
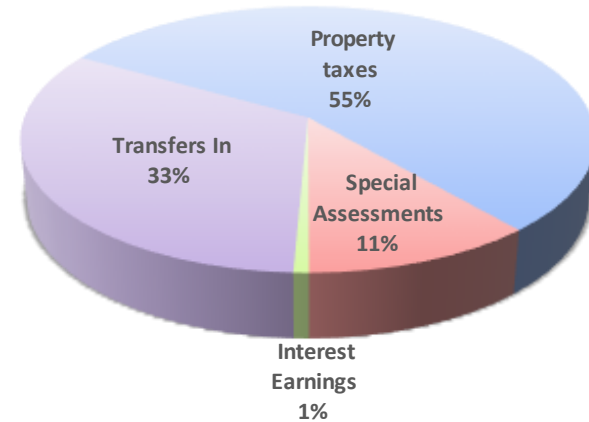
- Revenue in support of debt payments for 2024 is derived from transfers in (33%), property taxes (55%), special assessments (11%) and interest earnings (1%)
- Transfers for debt payments are from the Closed Bond Fund (\$50,000), Capital Asset Replacement Fund (\$200,000) and the Community Investment Fund (\$322,000)
- Transfers to or from the Closed Debt Fund are intended to provide reductions in the debt portion of the tax levy (\$50,000)

Performance/History

- Operating coverage equal to 12 to 14 months
- Advance refunding of the 2002 Certificates of Participation in 2011, saving more than \$200,000 in interest costs on a net present value basis
- Crossover refunding of the 2004 and 2006 G.O. Improvement, Utility, Street and Capital Improvement Plan Bonds (for fire station improvements) during 2013. The combined refunding saves \$280,000 in interest costs on a net present value basis. The crossover refunding transactions occurred on the call dates during 2013, 2014 and 2015.
- Advance refunding of the 2010 G.O. Improvement, Utility and Capital Improvement Plan (Public Works facility) Bonds in 2014, saving more than \$364,000 in interest cost on a net present value basis.

Fund Goals/Targets

- Preserve a minimum of 6 months of operating coverage



Debt Funds	2020 Actual	2021 Actual	2022 Actual	2023 Estimate	2024 Budget	2025 Budget	2026 Projected	2027 Projected	2028 Projected
Revenue									
Property Taxes	\$ 984,127	\$ 1,003,766	\$ 886,591	\$ 971,000	\$ 971,000	\$ 971,000	\$ 966,000	\$ 966,000	\$ 884,000
Special Assessments	237,881	317,332	353,001	198,031	196,294	178,466	166,386	158,823	158,823
Interest Earnings	49,359	(5,230)	(66,434)	23,068	12,930	11,460	10,240	9,400	7,950
Total Revenue	1,271,367	1,315,868	1,173,158	1,192,099	1,180,224	1,160,926	1,142,626	1,134,223	1,050,773
Expense									
Debt Service	2,457,967	2,348,822	2,373,455	2,219,359	1,995,628	2,021,222	2,162,656	2,164,179	2,217,579
Total Expense	2,457,967	2,348,822	2,373,455	2,219,359	1,995,628	2,021,222	2,162,656	2,164,179	2,217,579
Other Sources (Uses)									
Debt Proceeds	11,513	-	43,558	-	80,000	-	-	42,000	-
Debt Refunded	-	-	-	-	-	-	-	-	-
Transfers In	997,922	996,135	1,049,690	631,267	572,000	765,534	928,346	913,400	923,600
Transfers Out	(62,115)	(64,135)	(85,967)	(58,000)	(50,000)	(80,334)	(23,146)	(12,000)	(21,200)
Net Change	(239,280)	(100,954)	(193,016)	(453,993)	(213,404)	(175,096)	(114,830)	(86,556)	(264,406)
Fund Equity, beginning	3,044,099	2,804,819	2,703,865	2,510,849	2,056,856	1,843,452	1,668,356	1,553,526	1,466,970
Fund Equity, ending	\$ 2,804,819	\$ 2,703,865	\$ 2,510,849	\$ 2,056,856	\$ 1,843,452	\$ 1,668,356	\$ 1,553,526	\$ 1,466,970	\$ 1,202,564
Fund equity percent of expense	119.4%	113.9%	113.1%	103.1%	91.2%	77.1%	71.8%	66.2%	56.1%
Months of operating coverage	14.3	13.7	13.6	12.4	10.9	9.3	8.6	7.9	6.7
Unspent bond proceeds	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Expense percent change	11.9%	-4.4%	1.0%	-6.5%	-10.1%	1.3%	7.0%	0.1%	2.5%
Average annual percent change				0.5%					0.1%
Tax Levy percent change	-12.0%	2.0%	-11.7%	9.5%	0.0%	0.0%	-0.5%	0.0%	-8.5%
Average annual percent change				-3.0%					-1.8%

Water Fund Operations

The Water Fund accounts for the distribution of water to residences and businesses, and operation and maintenance of the water system. Fluctuations in water consumption and revenue are expected from year to year, therefore projections use a “base year” approach to estimate gallons sold. Rates are set to support operating costs in a typical “base year,” removing the impact of drought or high rainfall years.

Impacts

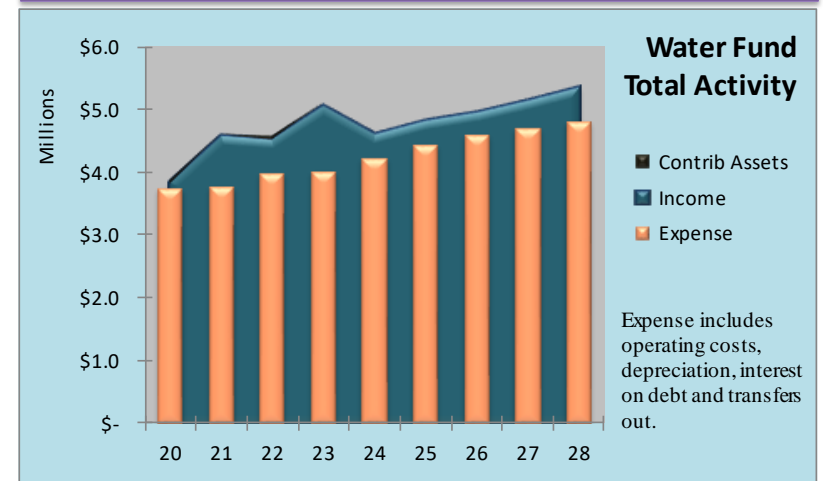
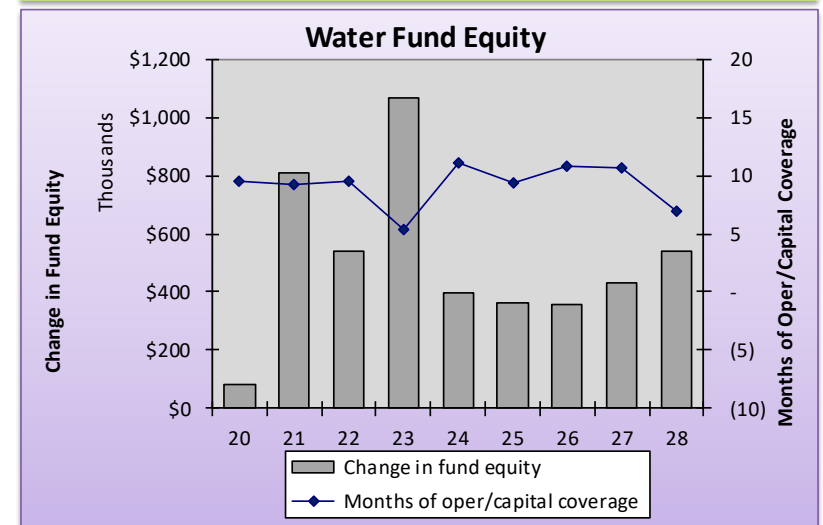
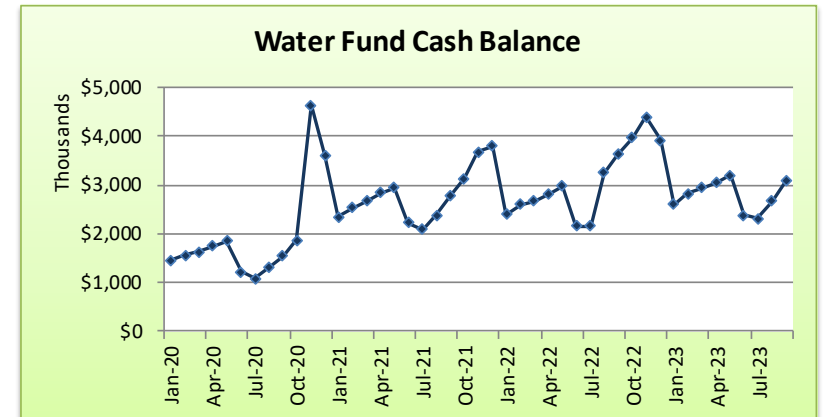
- Average household water consumption continues to decline
- Water use fluctuates significantly based on rainfall during the growing season
- Contributions for maintenance center debt payments began in 2011
- Water treatment plant began operation in last quarter of 2016

Performance/History

- Operating coverage equal to 9 to 10 months of operating and capital costs
- Stable cash balances, fluctuations are the result of bond proceeds
- Operating income generated each year
- Projected base gallons established at 800 million gallons

Fund Goals/Targets

- Preserve a minimum of 8 months of operating and capital coverage
- Increased water rates to achieve overall gains and meet additional debt service requirements associated with the water system
- Maintain positive debt capacity reserves after scheduled transfers



Water Fund	2020	2021	2022	2023	2024	2025	2026	2027	2028
	Actual	Actual	Actual	Estimate	Budget	Budget	Projected	Projected	Projected
Revenue									
Special Assessments	\$ 1,904	\$ 775	\$ 1,070	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Utility Charges	3,660,110	4,415,880	4,531,187	4,998,000	4,545,000	4,740,000	4,897,000	5,060,000	5,281,000
Late Fees/Utility Charges	48,670	55,117	64,979	-	-	-	-	-	-
Water Facility Charges	63,883	89,687	3,230	10,500	10,500	10,500	10,500	10,500	10,500
Other Charges	24,053	30,812	13,237	27,000	27,000	27,000	27,000	27,000	27,000
Other Revenues	-	-	3,125	-	-	-	-	-	-
Total Revenue	3,798,620	4,592,271	4,616,828	5,035,500	4,582,500	4,777,500	4,934,500	5,097,500	5,318,500
Expense									
Enterprise Operations	1,933,769	1,969,935	2,173,359	2,199,624	2,311,664	2,370,911	2,464,151	2,573,456	2,657,957
Depreciation	971,343	971,916	976,858	989,000	1,028,114	1,042,638	1,050,113	1,057,400	1,074,781
Total Expense	2,905,112	2,941,851	3,150,217	3,188,624	3,339,778	3,413,549	3,514,264	3,630,856	3,732,738
Operating Income (Loss)	893,508	1,650,420	1,466,611	1,846,876	1,242,722	1,363,951	1,420,236	1,466,644	1,585,762
Other Sources (Uses)									
Interest Earnings	28,293	(7,261)	(102,315)	30,000	30,000	30,000	30,000	30,000	30,000
Contributed Capital Assets	52,731	4,788	50,500	-	-	-	-	-	-
Intergovernmental	40	-	-	-	-	-	-	-	-
Debt Service	(429,166)	(409,123)	(393,105)	(369,188)	(351,152)	(507,693)	(559,148)	(523,034)	(523,245)
Transfers Out	(413,000)	(423,000)	(433,000)	(443,000)	(525,250)	(525,000)	(532,000)	(545,000)	(550,000)
Net Change	132,406	815,824	588,916	1,064,688	396,320	361,258	359,088	428,610	542,517
Fund Equity, beginning	13,236,292	13,368,698	14,184,522	14,773,438	15,838,126	16,234,446	16,595,704	16,954,792	17,383,402
Fund Equity, ending	\$ 13,368,698	\$ 14,184,522	\$ 14,773,438	\$ 15,838,126	\$ 16,234,446	\$ 16,595,704	\$ 16,954,792	\$ 17,383,402	\$ 17,925,919
Months of operating coverage	9.5	9.3	9.6	5.4	11.0	9.3	10.8	10.7	6.9
Cash balance	\$ 3,617,056	\$ 3,791,861	\$ 3,918,331	\$ 2,237,019	\$ 4,781,453	\$ 4,250,349	\$ 4,924,550	\$ 5,095,560	\$ 3,427,858
Capital costs	\$ 769,731	\$ 1,117,039	\$ 1,366,597	\$ 2,380,000	\$ 1,950,000	\$ 650,000	\$ 1,275,000	\$ 1,075,000	\$ 1,825,000
Unspent bond proceeds	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
General transfer percent of assets	0.87%	0.87%	0.87%	0.80%	0.79%	0.80%	0.80%	0.80%	0.79%
Rate Increase (tiers)	9.0%	4.0%	9.0%	0.0%	3.0%	4.0%	3.0%	3.0%	4.0%
Change in utility charge revenue	22.1%	20.6%	2.6%	10.3%	-9.1%	4.3%	3.3%	3.3%	4.4%
Debt issued	\$ 2,360,000	\$ -	\$ 920,000	\$ -	\$ 4,330,000	\$ -	\$ 1,925,000	\$ 1,075,000	\$ -
Debt payments (principal)	\$ 1,175,000	\$ 1,205,000	\$ 1,365,000	\$ 1,355,000	\$ 1,260,000	\$ 1,285,000	\$ 1,385,000	\$ 1,315,000	\$ 1,460,000
Debt balance (year end)	\$ 11,880,000	\$ 10,675,000	\$ 10,230,000	\$ 8,875,000	\$ 11,945,000	\$ 10,660,000	\$ 11,200,000	\$ 10,960,000	\$ 9,500,000
Debt Capacity after transfers	\$ (124,022)	\$ 577,952	\$ 150,049	\$ 698,688	\$ 164,434	\$ 118,896	\$ 24,201	\$ 171,010	\$ 157,298
Gallons of water sold (000)	791,129	874,449	845,217	904,771	800,000	800,000	800,000	800,000	800,000
Quarterly residential gallons (avg)	15,061	16,831	15,061	-					
Quarterly multi-family gallons (avg)	9,614	8,084	9,614	-					

Sewer Fund Operations

The Sewer Fund accounts for the collection and treatment of wastewater (sewage) from homes and businesses throughout the City. Sewage is routed or pumped into facilities owned and operated by Metropolitan Council Environmental Services. Because sewage treatment costs are more than half of operating costs, rates are designed to charge high volume customers more because they contribute more flow to the system.

Impacts

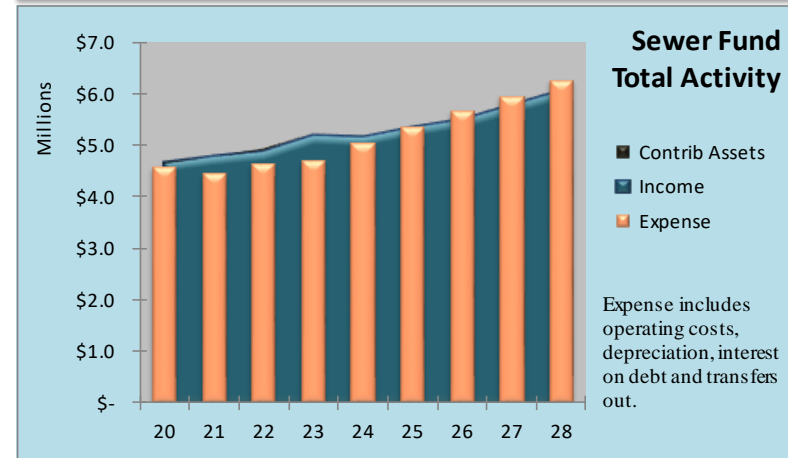
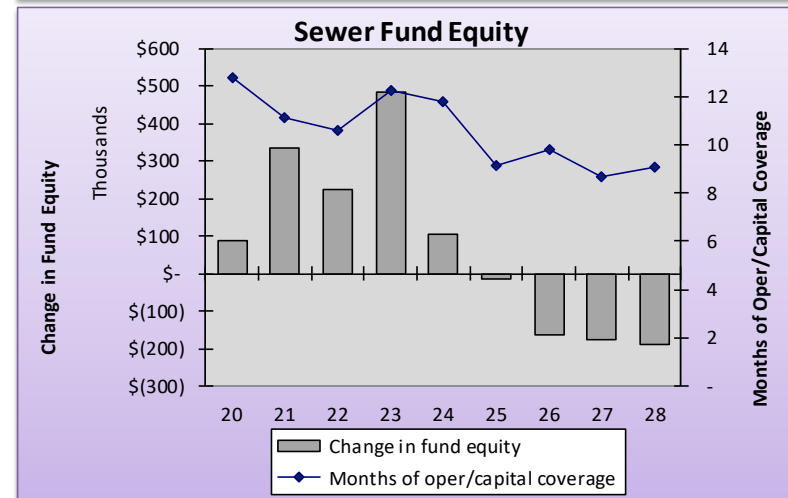
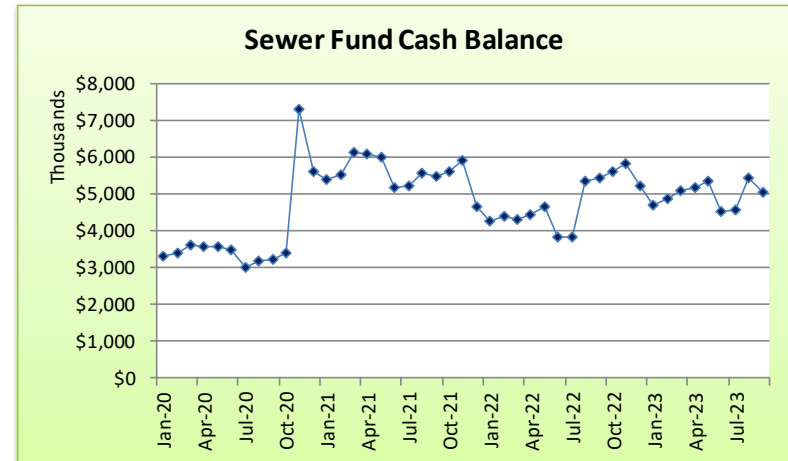
- Residential sewer bills are based on winter water consumption
- Average winter household consumption has dropped an average of 2% per year from 2010 to 2021 (likely influenced by the installation of water saving appliances)
- Inflow and infiltration elimination projects allow the City to avoid an annual sewage treatment surcharge
- Contributions for maintenance center debt payments began in 2011

Performance/History

- Operating coverage equal to 10 to 13 months
- Stable cash balances (apart from spending down of bond proceeds)
- Operating income in all of the last 3 years
- Increase in overall net assets in all of the last 3 years

Fund Goals/Targets

- Preserve 6 months operating and capital coverage



Sewer Fund	2020 Actual	2021 Actual	2022 Actual	2023 Estimate	2024 Budget	2025 Budget	2026 Projected	2027 Projected	2028 Projected
Revenue									
Special Assessments	\$ 2,671	\$ 964	\$ 1,496	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Charges for Services	10,189	7,405	721	1,600	1,600	1,600	1,600	1,600	1,600
Utility Charges	4,466,428	4,640,112	4,921,395	5,152,151	5,120,000	5,290,000	5,450,000	5,723,000	6,010,000
Late Fees/Utility Charges	63,329	60,126	71,775	-	-	-	-	-	-
Sewer Facility Charges	58,985	80,321	3,140	5,000	5,000	5,000	5,000	5,000	5,000
Other Charges	2,634	2,739	-	2,500	2,500	2,500	2,500	2,500	2,500
Total Revenue	4,604,236	4,791,667	4,998,527	5,161,251	5,129,100	5,299,100	5,459,100	5,732,100	6,019,100
Expense									
Enterprise Operations	3,913,925	3,767,841	3,962,386	3,996,655	4,332,273	4,592,646	4,868,760	5,172,961	5,493,473
Depreciation	340,585	346,940	339,855	375,000	356,502	368,280	376,081	372,215	368,359
Total Expense	4,254,510	4,114,781	4,302,241	4,371,655	4,688,775	4,960,926	5,244,841	5,545,176	5,861,832
Operating Income (Loss)	349,726	676,886	696,286	789,596	440,325	338,174	214,259	186,924	157,268
Other Sources (Uses)									
Interest Earnings	55,553	(13,612)	(117,735)	35,000	35,000	35,000	35,000	35,000	35,000
Contributed Capital Assets	1,246	-	30,000	-	-	-	-	-	-
Intergovernmental	40	812	2,617	-	-	-	-	-	-
Debt Service	(115,776)	(122,284)	(145,226)	(124,053)	(115,624)	(130,966)	(150,656)	(134,439)	(118,988)
Transfers In	688	-	-	-	-	-	-	-	-
Transfers Out	(203,000)	(208,000)	(213,000)	(218,000)	(256,250)	(255,000)	(263,000)	(266,000)	(264,000)
Net Change	88,477	333,802	253,261	482,543	103,451	(12,792)	(164,397)	(178,515)	(190,720)
Fund Equity, beginning	9,421,606	9,510,083	9,843,885	10,097,146	10,579,689	10,683,140	10,670,348	10,505,951	10,327,436
Change in Accounting Policy	-	-	-	-	-	-	-	-	-
Fund Equity, ending	\$ 9,510,083	\$ 9,843,885	\$ 10,097,146	\$ 10,579,689	\$ 10,683,140	\$ 10,670,348	\$ 10,505,951	\$ 10,327,436	\$ 10,136,716
Months of operating coverage	12.8	11.1	10.6	12.3	11.8	9.1	9.8	8.7	9.1
Cash balance	\$ 5,629,827	\$ 4,658,119	\$ 5,213,016	\$ 5,450,559	\$ 5,555,512	\$ 4,531,000	\$ 5,042,684	\$ 4,731,384	\$ 5,272,023
Capital costs	\$ 254,130	\$ 1,315,186	\$ 1,789,539	\$ 135,000	\$ 570,000	\$ 820,000	\$ -	\$ 65,000	\$ 32,000
Unspent bond proceeds	\$ 805,671	\$ 104,442	\$ 805,671	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
General transfer percent of assets	1.00%	0.96%	0.89%	0.86%	0.86%	0.85%	0.88%	0.90%	0.92%
Rate Increase (middle tier)	2.0%	3.0%	2.0%	2.0%	2.0%	3.0%	3.0%	5.0%	5.0%
Change in utility charge revenue	1.4%	3.9%	6.1%	4.7%	-0.6%	3.3%	3.0%	5.0%	5.0%
Debt issued	\$ 3,545,000	\$ -	\$ 1,285,000	\$ -	\$ 740,000	\$ -	\$ 860,000	\$ 70,000	\$ 970,000
Debt payments (principal)	\$ 285,000	\$ 290,000	\$ 475,000	\$ 485,000	\$ 525,000	\$ 560,000	\$ 560,000	\$ 510,000	\$ 575,000
Debt balance (year end)	\$ 6,210,000	\$ 5,920,000	\$ 6,730,000	\$ 6,245,000	\$ 6,460,000	\$ 5,900,000	\$ 6,200,000	\$ 5,760,000	\$ 6,155,000
Debt Capacity after transfers	\$ 142,088	\$ 389,930	\$ 85,180	\$ 372,543	\$ (65,047)	\$ (204,512)	\$ (348,316)	\$ (316,300)	\$ (397,361)
Commercial gallons (000)	73,039	78,090	85,487	-	82,000	82,000	82,000	82,000	82,000
Winter gallons-residential (avg)	10,547	10,764	10,547	-	-	-	-	-	-
Winter gallons-multi-family (avg)	8,299	7,754	8,299	-	-	-	-	-	-

Surface Water Management Fund Operations

The Surface Water Management Fund accounts for the City's storm sewers and surface water ponds. The storm system collects and directs surface water runoff and provides protections for ground water quality.

Impacts

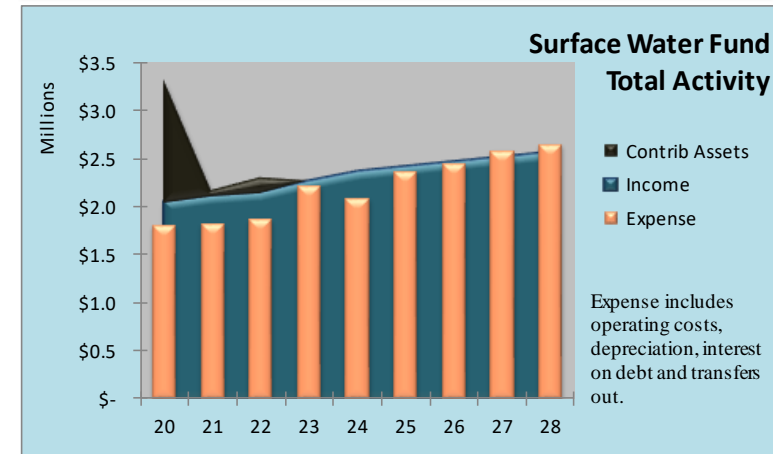
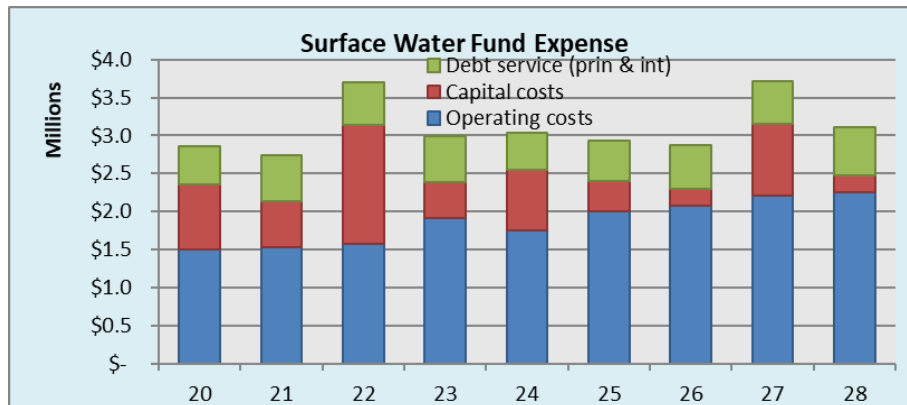
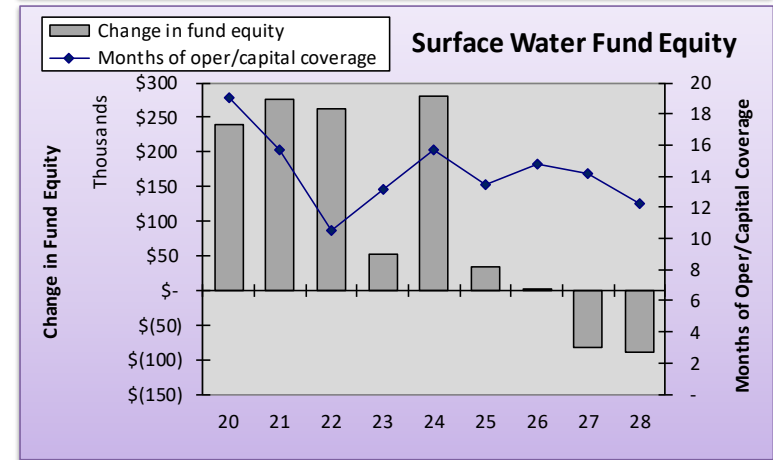
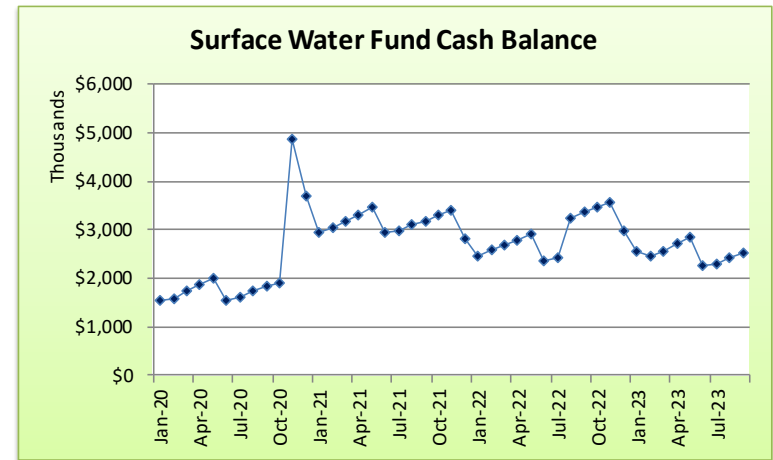
- Contributions for maintenance center debt payments began in 2011

Performance/History

- Operating coverage equal to 10 to 19 months
- Stable cash balances
- Operating increase in each of the last 3 years
- Increase in overall net assets in each of the last 3 years

Fund Goals/Targets

- Establish and preserve 6 months operating and capital coverage (excluding timing differences for project costs and debt issuance)
- Expected operating gain in each of the next 2 years
- Monitor cash and equity balances closely



Surface Water Fund	2020 Actual	2021 Actual	2022 Actual	2023 Estimate	2024 Budget	2025 Budget	2026 Projected	2027 Projected	2028 Projected
Revenue									
Special Assessments	\$ 819	\$ 295	\$ 448	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Charges for Services	5,540	13,300	6,260	-	-	-	-	-	-
Utility Charges	1,950,872	2,021,274	2,149,698	2,209,567	2,305,000	2,350,000	2,400,000	2,445,000	2,500,000
Late Fees/Utility Charges	24,638	25,805	31,405	-	-	-	-	-	-
Snail Lake Augmentation Chgs	35,403	53,764	15,307	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	2,017,272	2,114,438	2,203,118	2,255,567	2,351,000	2,396,000	2,446,000	2,491,000	2,546,000
Expense									
Enterprise Operations	1,169,906	1,177,555	1,185,997	1,517,647	1,311,502	1,556,597	1,619,047	1,748,888	1,775,805
Depreciation	334,337	349,492	382,929	399,000	433,749	445,731	451,931	463,531	475,131
Total Expense	1,504,243	1,527,047	1,568,926	1,916,647	1,745,251	2,002,328	2,070,978	2,212,419	2,250,936
Operating Income (Loss)	513,029	587,391	634,192	338,920	605,749	393,672	375,022	278,581	295,064
Other Sources (Uses)									
Interest Earnings	29,527	(6,143)	(58,444)	15,000	15,000	15,000	15,000	15,000	15,000
Contributed Capital Assets	1,269,785	62,802	162,900	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-	-
Debt Service	(117,550)	(114,115)	(117,448)	(99,792)	(99,506)	(129,425)	(138,834)	(125,249)	(141,986)
Transfers Out	(186,000)	(191,000)	(196,000)	(201,000)	(241,000)	(246,000)	(250,000)	(250,000)	(257,000)
Net Change	1,508,791	338,935	425,282	53,128	280,243	33,247	1,188	(81,668)	(88,922)
Fund Equity, beginning	10,924,681	12,433,472	12,772,407	13,197,689	13,250,817	13,531,060	13,564,307	13,565,495	13,483,827
Fund Equity, ending	\$ 12,433,472	\$ 12,772,407	\$ 13,197,689	\$ 13,250,817	\$ 13,531,060	\$ 13,564,307	\$ 13,565,495	\$ 13,483,827	\$ 13,394,905
Months of oper/capital coverage	19.0	15.7	10.5	13.1	15.7	13.5	14.8	14.2	12.3
Cash balance	\$ 3,700,981	\$ 2,823,248	\$ 2,963,235	\$ 2,445,363	\$ 3,301,115	\$ 2,985,093	\$ 3,418,212	\$ 3,415,075	\$ 3,086,284
Capital costs	\$ 858,867	\$ 602,704	\$ 1,574,083	\$ 470,000	\$ 798,240	\$ 400,000	\$ 220,000	\$ 940,000	\$ 220,000
Unspent bond proceeds	\$ 316,898	\$ 31,258	\$ 752,190	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
General transfer percent of assets	0.93%	0.96%	0.81%	0.82%	0.81%	0.82%	0.84%	0.82%	0.84%
Rate Increase	5.0%	5.0%	3.5%	3.0%	2.0%	2.0%	2.0%	2.0%	2.0%
Change in utility charge revenue	4.0%	3.6%	6.4%	2.8%	4.3%	2.0%	2.1%	1.9%	2.2%
Debt issued	\$ 1,120,000	\$ -	\$ 2,670,000	\$ -	\$ 1,330,000	\$ -	\$ 650,000	\$ 990,000	\$ -
Debt payments (principal)	\$ 380,000	\$ 495,000	\$ 445,000	\$ 500,000	\$ 390,000	\$ 395,000	\$ 450,000	\$ 435,000	\$ 495,000
Debt balance (year end)	\$ 3,770,000	\$ 3,275,000	\$ 5,500,000	\$ 5,000,000	\$ 5,940,000	\$ 5,545,000	\$ 5,745,000	\$ 6,300,000	\$ 5,805,000
Debt Capacity after transfers	\$ 193,343	\$ 130,625	\$ 200,229	\$ (47,872)	\$ 323,992	\$ 83,978	\$ 3,119	\$ (53,137)	\$ (108,791)

Street Lighting Fund Operations

The Street Lighting Fund accounts for street light operations in support of safe vehicle and pedestrian traffic throughout the community. The system includes lights owned by Xcel Energy and the City.

Impacts

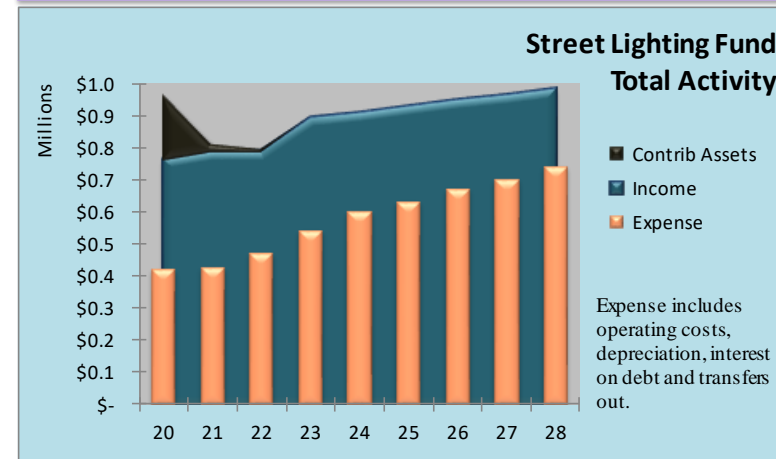
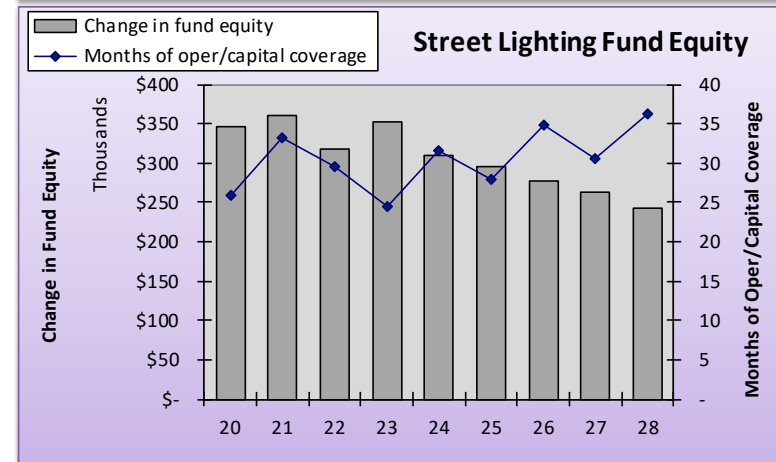
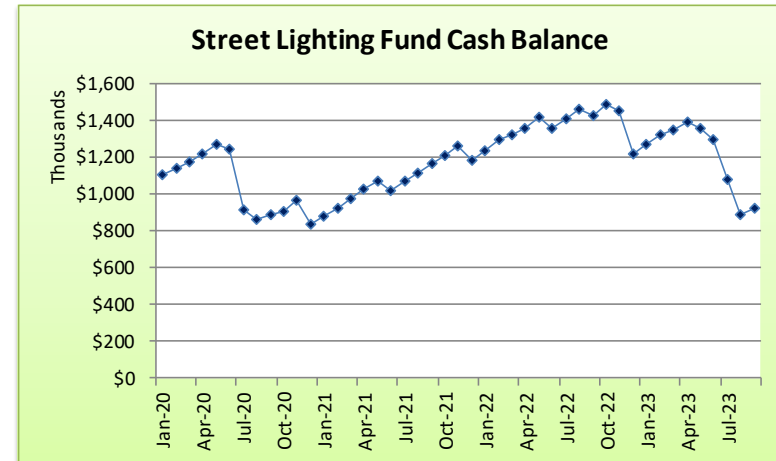
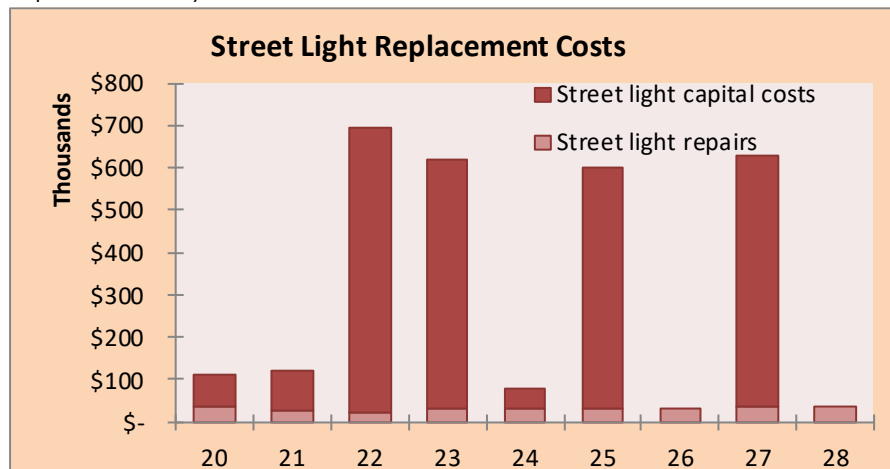
- Street light repair and replacement costs place increasing demands on street light fees, largely due to the scheduled replacement of about 64 street lights typically in every odd numbered year
- Contributions for maintenance center debt repayment began in 2011

Performance/History

- Fund was created in 2004
- Operating coverage equal to 24 to 33 months
- Operating gain and an increase in net assets in each of the last 3 years

Fund Goals/Targets

- Maintain 6 months operating and capital coverage
- Expected operating and overall gain in each of the next 5 years, which is needed to offset anticipated capital costs (street light replacements)



Street Lighting Fund	2020 Actual	2021 Actual	2022 Actual	2023 Estimate	2024 Budget	2025 Budget	2026 Projected	2027 Projected	2028 Projected
Revenue									
Utility Charges	739,327	785,145	833,093	\$ 885,666	\$ 902,000	\$ 920,000	\$ 938,000	\$ 957,000	\$ 976,000
Total Revenue	749,902	795,591	845,623	885,666	902,000	920,000	938,000	957,000	976,000
Expense									
Enterprise Operations	283,011	276,304	304,443	351,245	399,021	418,998	439,456	461,349	481,869
Depreciation	100,979	111,806	122,003	139,000	151,491	163,522	174,553	185,321	199,889
Total Expense	383,990	388,110	426,446	490,245	550,512	582,520	614,009	646,670	681,758
Operating Income (Loss)	365,912	407,481	419,177	395,421	351,488	337,480	323,991	310,330	294,242
Other Sources (Uses)									
Interest Earnings	16,795	(3,748)	(54,984)	10,000	10,000	10,000	10,000	10,000	10,000
Contributed Capital Assets	200,000	25,000	13,000	-	-	-	-	-	-
Intergovernmental	-	-	34	-	-	-	-	-	-
Transfers Out	(37,400)	(42,400)	(47,400)	(52,400)	(51,400)	(51,400)	(56,400)	(56,400)	(62,400)
Net Change	545,307	386,333	329,827	353,021	310,088	296,080	277,591	263,930	241,842
Fund Equity, beginning	2,895,519	3,440,826	3,827,159	4,156,986	4,510,007	4,820,095	5,116,175	5,393,766	5,657,696
Fund Equity, ending	\$ 3,440,826	\$ 3,827,159	\$ 4,156,986	\$ 4,510,007	\$ 4,820,095	\$ 5,116,175	\$ 5,393,766	\$ 5,657,696	\$ 5,899,538
Months of oper/capital coverage	26.0	33.2	29.9	24.5	31.6	27.9	34.9	30.5	36.3
Cash balance	\$ 839,404	\$ 1,180,871	\$ 1,222,617	\$ 1,124,638	\$ 1,536,217	\$ 1,429,359	\$ 1,881,503	\$ 1,735,614	\$ 2,177,345
Capital costs	\$ 72,590	\$ 95,219	\$ 673,641	\$ 590,000	\$ 50,000	\$ 566,460	\$ -	\$ 595,140	\$ -
General transfer percent of assets	1.01%	1.14%	0.90%	0.90%	1.00%	0.98%	1.08%	1.06%	1.14%
Rate Increase	6.0%	5.0%	3.0%	5.0%	2.0%	2.0%	2.0%	2.0%	2.0%

Central Garage Fund Operations

The Central Garage Fund accounts for the operation, replacement and maintenance of the central garage facility (maintenance center) and all equipment. City services supported by the facility pay inter-fund charges that are designed to recover operating costs and provide for future replacements.

Impacts

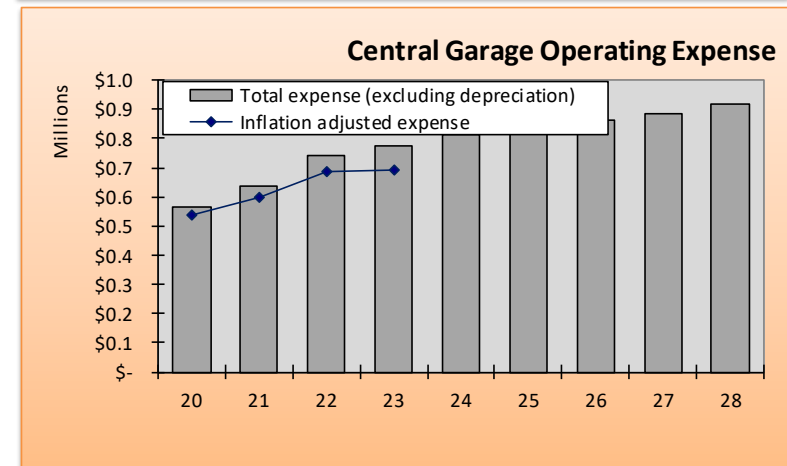
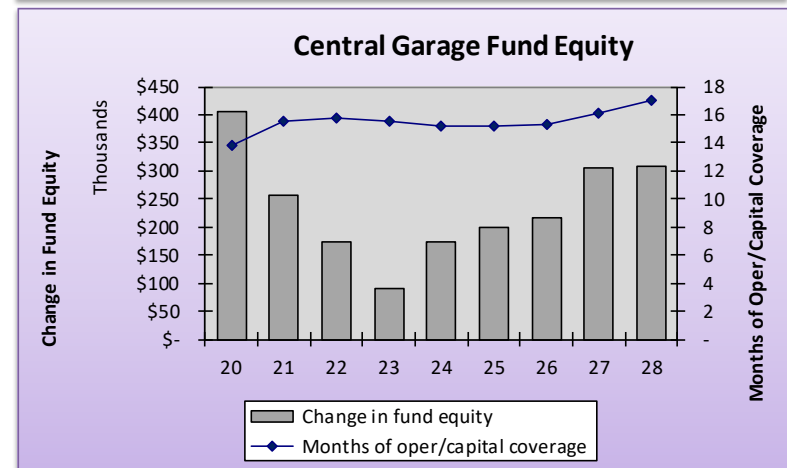
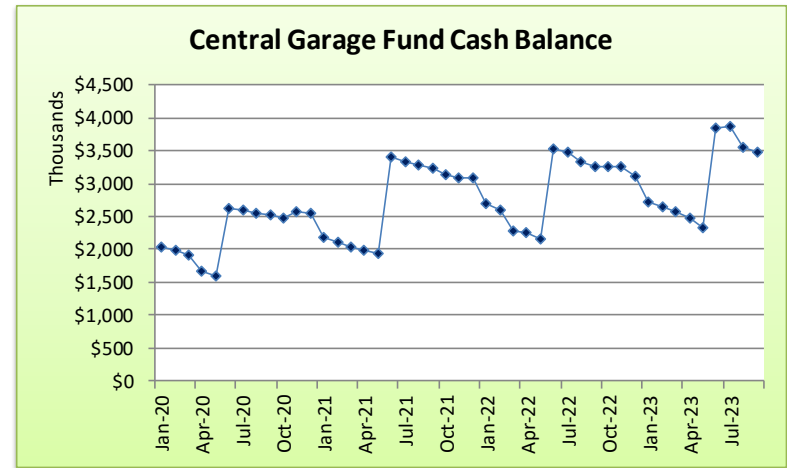
- Capital costs place increasing demands on inter-fund charges
- Fuel costs are expected to rise an average of 1% per year
- Maintenance center debt refunded in 2014, resulted in a present value debt service savings of \$309,777
- Debt payments for maintenance center debt began in 2011

Performance/History

- Operating coverage equal to 14 to 16 months
- Temporary periods of cash decline due to the timing of inter-fund charges and capital costs
- Overall gain in each of the last 5 years

Fund Goals/Targets

- Preserve 6 to 12 months of operating and capital coverage
- Maintain inter-fund charges sufficient to generate an overall gain in each of the next 5 years
- Maintain sufficient cash balance to support debt payments



Central Garage Fund	2020 Actual	2021 Actual	2022 Actual	2023 Estimate	2024 Budget	2025 Budget	2026 Projected	2027 Projected	2028 Projected
Revenue									
Central Garage Charges	\$ 1,383,642	\$ 1,415,460	\$ 1,449,023	\$ 1,403,768	\$ 1,473,823	\$ 1,516,806	\$ 1,593,548	\$ 1,681,252	\$ 1,713,049
Total Revenue	1,383,642	1,415,460	1,449,023	1,403,768	1,473,823	1,516,806	1,593,548	1,681,252	1,713,049
Expense									
Central Garage Operations	565,621	638,545	741,703	777,193	815,361	836,822	867,850	891,501	915,749
Depreciation	730,644	755,478	751,524	798,000	793,942	817,561	841,792	868,181	872,031
Total Expense	1,296,265	1,394,023	1,493,227	1,575,193	1,609,303	1,654,383	1,709,642	1,759,682	1,787,780
Operating Income (Loss)	87,377	21,437	(44,204)	(171,425)	(135,480)	(137,577)	(116,094)	(78,430)	(74,731)
Other Sources (Uses)									
Property Taxes	181,813	186,090	183,910	184,000	184,000	184,000	184,000	210,000	210,000
Interest Earnings	35,076	(9,318)	(115,128)	20,000	20,000	20,000	20,000	20,000	20,000
Other Revenues	886	-	1,949	-	-	-	-	-	-
Sale of Asset-Gain (Loss)	63,943	13,343	92,811	9,500	45,000	50,000	50,000	50,000	50,000
Intergovernmental	370	263	808	-	-	-	-	-	-
Debt Service	(83,382)	(74,428)	(65,164)	(65,144)	(50,513)	(42,685)	(33,070)	(21,982)	(11,420)
Transfers In	120,569	119,400	119,400	119,400	119,400	119,400	119,400	119,400	119,400
Transfers Out	(190)	-	-	(5,500)	(10,000)	-	(12,500)	-	(5,500)
Net Change	406,462	256,787	174,382	90,831	172,407	193,138	211,736	298,988	307,749
Fund Equity, beginning	5,730,883	6,137,345	6,394,132	6,568,514	6,659,345	6,831,752	7,024,890	7,236,626	7,535,614
Fund Equity, ending	\$ 6,137,345	\$ 6,394,132	\$ 6,568,514	\$ 6,659,345	\$ 6,831,752	\$ 7,024,890	\$ 7,236,626	\$ 7,535,614	\$ 7,843,363
Months of oper/cap coverage	13.7	15.3	15.8	15.5	15.1	15.1	15.2	16.0	16.9
Cash balance	\$ 2,020,109	\$ 2,387,033	\$ 2,553,803	\$ 2,546,470	\$ 2,543,319	\$ 2,600,018	\$ 2,683,546	\$ 2,860,715	\$ 3,032,995
Capital costs	\$ 702,786	\$ 144,115	\$ 627,811	\$ 596,164	\$ 659,500	\$ 634,000	\$ 645,000	\$ 660,000	\$ 667,500
Expense percent change	-4.3%	7.5%	7.1%	5.5%	2.2%	2.8%	3.3%	2.9%	1.6%
Average annual percent change				4.0%					2.6%
Interfund charges percent change	-0.2%	2.3%	2.4%	-3.1%	5.0%	2.9%	5.1%	5.5%	1.9%
Average annual percent change				0.3%					4.1%
Debt issued	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Debt payments (principal)	\$ 285,000	\$ 300,000	\$ 310,000	\$ 300,000	\$ 310,000	\$ 320,000	\$ 325,000	\$ 330,000	\$ 340,000
Debt balance (year end)	\$ 3,835,000	\$ 3,535,000	\$ 3,225,000	\$ 2,925,000	\$ 2,615,000	\$ 2,295,000	\$ 1,970,000	\$ 1,640,000	\$ 1,300,000

Short-term Disability Fund Operations

The Short-term Disability Fund accounts for premiums received and losses incurred in providing short-term disability insurance benefits to regular employees on a self-insured basis. Monthly premiums are paid by employees through payroll deduction.

Impacts

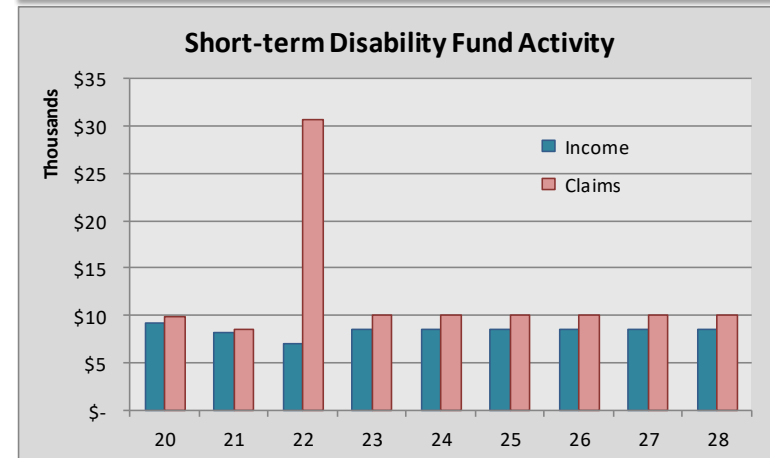
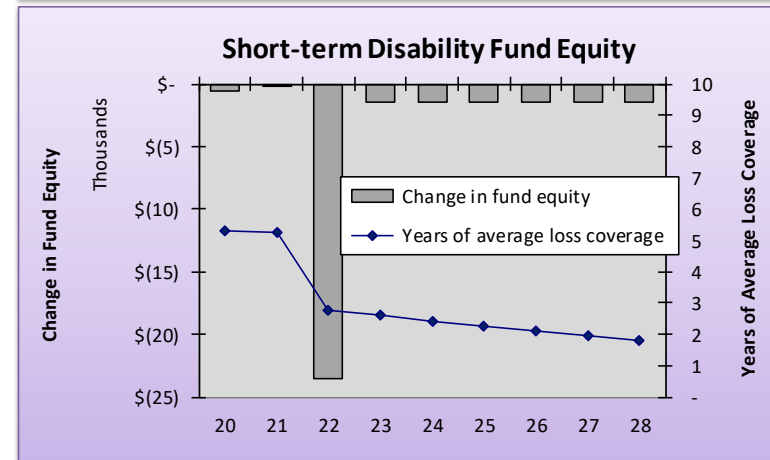
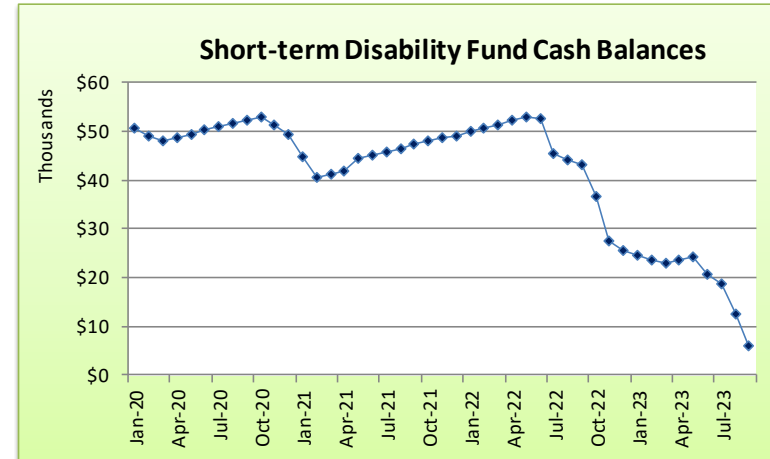
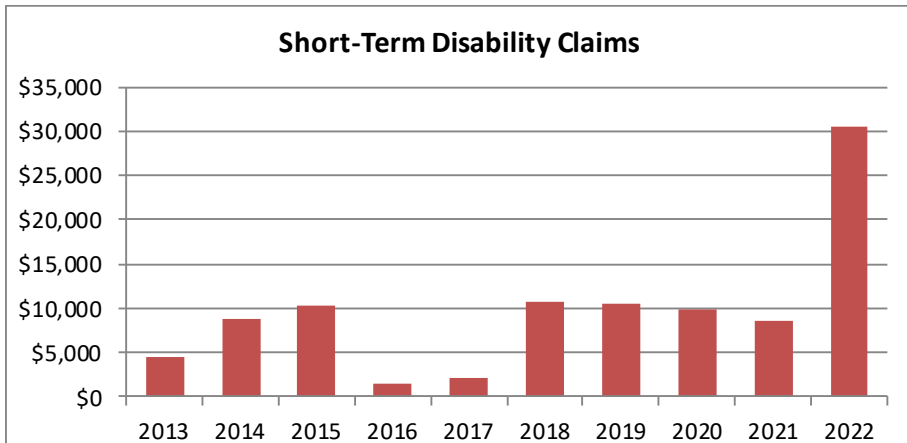
- Losses vary greatly between fiscal years, due to the number and length of employee absences resulting from temporary disabilities
- Monthly premiums have remained at \$8 per employee per month since 1999

Performance/History

- Net assets provide approximately 6 years of average loss coverage
- Premiums and fund balances have been sufficient to offset historical losses

Fund Goals/Targets

- Monitor and evaluate claims and net asset balances for potential premium adjustments (reductions or increases) in the future
- Preserve a minimum of 3 to 4 years' average loss coverage



Short-term Disability Fund	2020	2021	2022	2023	2024	2025	2026	2027	2028
	Actual	Actual	Actual	Estimate	Budget	Budget	Projected	Projected	Projected
Revenue									
Charges for Services	\$ 8,484	\$ 8,448	\$ 8,828	\$ 7,900	\$ 7,900	\$ 7,900	\$ 7,900	\$ 7,900	\$ 7,900
Interest Earnings	804	(159)	(1,785)	600	600	600	600	600	600
Total Revenue	9,288	8,289	7,043	8,500	8,500	8,500	8,500	8,500	8,500
Expense									
Miscellaneous									
Personal Services (claims)	9,911	8,516	30,575	10,000	10,000	10,000	10,000	10,000	10,000
Total Expense	9,911	8,516	30,575	10,000	10,000	10,000	10,000	10,000	10,000
Net Change	(623)	(227)	(23,532)	(1,500)	(1,500)	(1,500)	(1,500)	(1,500)	(1,500)
Fund Equity, beginning	50,024	49,401	49,174	25,642	24,142	22,642	21,142	19,642	18,142
Fund Equity, ending	\$ 49,401	\$ 49,174	\$ 25,642	\$ 24,142	\$ 22,642	\$ 21,142	\$ 19,642	\$ 18,142	\$ 16,642
Years of average loss coverage [1]	5.3	5.3	2.8	2.6	2.4	2.3	2.1	1.9	1.8
[1] Using inflation adjusted average annual claims									
Monthly premium	\$ 8.00	\$ 8.00	\$ 8.00	\$ 8.00	\$ 8.00	\$ 8.00	\$ 8.00	\$ 8.00	\$ 8.00
Participants (annual average)	88.4	88.0	92.0	82.3	82.3	82.3	82.3	82.3	82.3

Liability Claims Fund Operations

The Liability Claims Fund accounts for losses not covered by insurance deductibles. Dividends received annually from the League of Minnesota Cities Insurance Trust are deposited into this fund to cover future losses.

Impacts

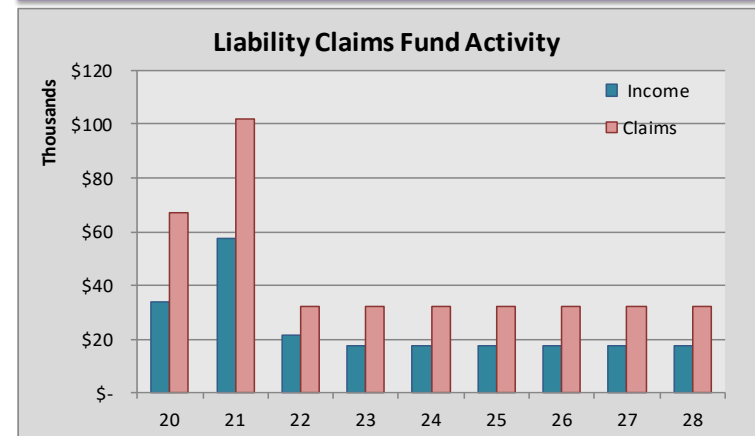
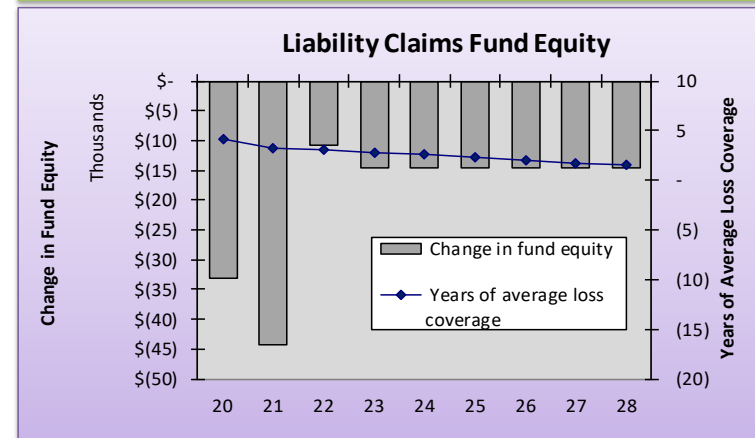
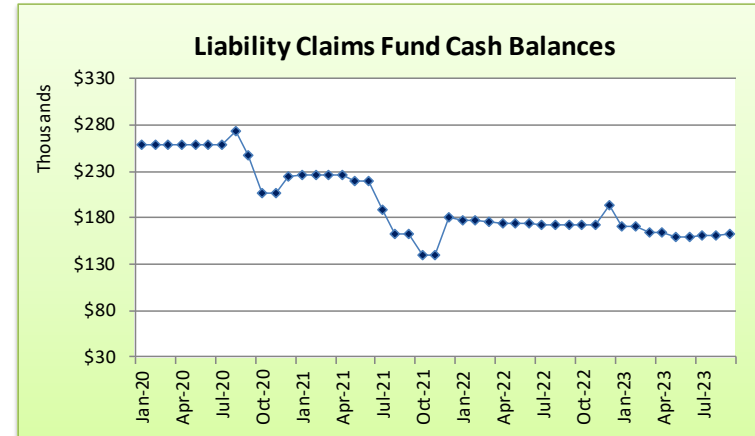
- Losses from internal and outside claims vary between fiscal years due to the number and type of claims

Performance/History

- Higher than normal losses and deductible recovery in 2014 due to the Community Center fire
- Insurance claims surcharge assessed to operating funds in 2009 to restore fund equity
- Net assets provide 2 to 4 years of average annual loss coverage

Fund Goals/Targets

- Monitor and evaluate claims and net asset balances for periodic claims surcharge
- Preserve a minimum of 2 years average annual loss coverage



Liability Claims Fund	2020 Actual	2021 Actual	2022 Actual	2023 Estimate	2024 Budget	2025 Budget	2026 Projected	2027 Projected	2028 Projected
Revenue									
Interest Earnings	\$ 3,942	\$ (676)	\$ (6,958)	\$ 2,500	\$ 2,500	\$ 2,500	\$ 2,500	\$ 2,500	\$ 2,500
Other Revenues	30,067	58,409	28,264	15,000	15,000	15,000	15,000	15,000	15,000
Total Revenue	34,009	57,733	21,306	17,500	17,500	17,500	17,500	17,500	17,500
Expense									
Miscellaneous	67,116	101,955	32,001	32,000	32,000	32,000	32,000	32,000	32,000
Total Expense	67,116	101,955	32,001	32,000	32,000	32,000	32,000	32,000	32,000
Net Change	(33,107)	(44,222)	(10,695)	(14,500)	(14,500)	(14,500)	(14,500)	(14,500)	(14,500)
Fund Equity, beginning	258,533	225,426	181,204	170,509	156,009	141,509	127,009	112,509	98,009
Fund Equity, ending	\$ 225,426	\$ 181,204	\$ 170,509	\$ 156,009	\$ 141,509	\$ 127,009	\$ 112,509	\$ 98,009	\$ 83,509
Years of average loss coverage [1]	4.1	3.3	3.1	2.8	2.6	2.3	2.0	1.8	1.5
[1] Using inflation adjusted average annual claims									

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