



City of Shoreview, Minnesota

Amended Operating Budget 2017
Amended Capital Improvement Program 2016-2021

4600 Victoria Street North
Shoreview MN 55126
651-490-4600
www.shoreviewmn.gov
finance@shoreviewmn.gov



City of Shoreview, Minnesota

Amended 2017 Operating Budget

(Second year of the 2016-2017 Biennial Budget)

And Amended Capital Improvement Program 2016-2021

Principal City Officials

| City Council | Name | Term Expires |
|----------------|-----------------|-------------------|
| Mayor | Sandy Martin | December 31, 2018 |
| Council member | Emy Johnson | December 31, 2020 |
| Council member | Terry Quigley | December 31, 2018 |
| Council member | Cory Springhorn | December 31, 2018 |
| Council member | Ady Wickstrom | December 31, 2016 |

| Administrative Staff | Name | Date of Hire |
|---|--------------------|-------------------|
| City Manager | Terry Schwerm | June 16, 1993 |
| Assistant City Manager/ Community Development Director | Thomas C. Simonson | February 19, 1985 |
| Finance Director/Treasurer | Fred Espe | October 27, 1998 |
| Public Works Director | Mark J. Maloney | September 6, 1994 |

Prepared by the Finance Department

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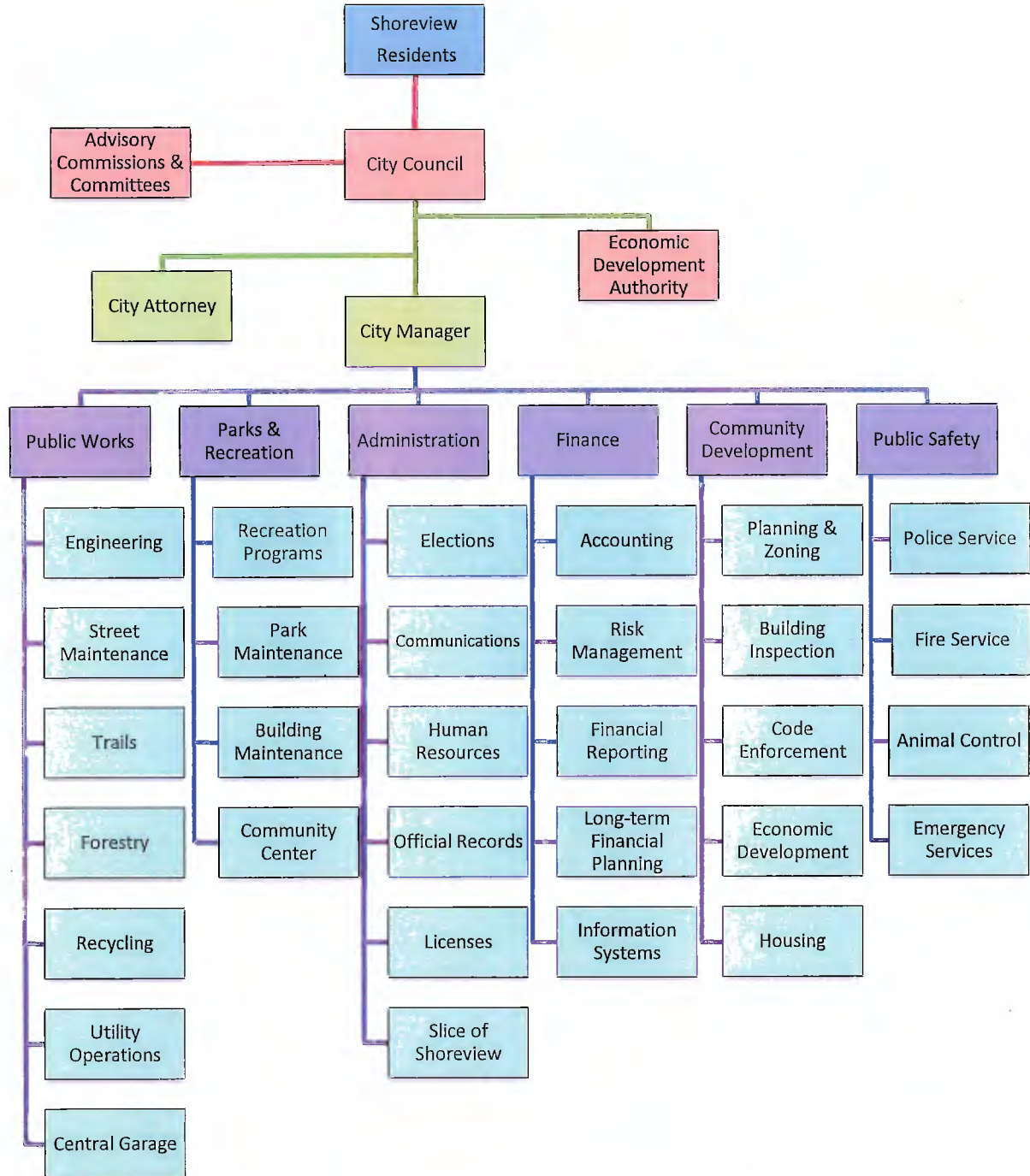
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Organization Structure

Shoreview operates under the Minnesota Statutory Plan B (Council – Manager) form of government. Policy-making and legislative authority are vested in a City Council consisting of the Mayor and four Council members, all elected on a non-partisan basis. The City Council appoints the City Manager, who in turn appoints directors of the various departments. Council members serve four-year terms, with two members elected every two years. The mayor is elected for a two-year term. Functional areas of city operations are shown in the organizational chart below.



Mayor and City Council and Citizens of Shoreview

Budget Process

Shoreview prepares and adopts a biennial budget during odd-numbered years, and considers potential budget amendments for the second year of the biennial budget during even-numbered years. The budget process begins in May and continues through adoption in December. Finance staff members coordinate budget preparation, provide analytical support to City Administration, evaluate budget requests in relation to resource limitations, and analyze any new program or service level changes along with any corresponding impact on revenue sources. The City Manager meets with Department Directors over a number of formal and informal meetings (during the summer and fall) to discuss issues impacting budget requests and potential budget revisions. Changes resulting from department meetings are incorporated into the budget prior to Council review. City Council work sessions begin in late summer and continue until the budget hearing (routinely held at the first regular Council meeting in December) and adoption in December. State law requires adoption and certification of a preliminary tax levy by September 30, and certification of the final tax levy and budget by December 28.

Budget Objectives

Primary objectives for City budget preparation are to provide an operational plan for the effective delivery of City services to residents and businesses, and to ensure protection of the City's financial strength and flexibility through a revenue structure and long-term planning efforts that are consistent with financial policies, Council goals, and the working capital targets established in the City's *Five-Year Operating Plan (FYOP)*. Specific goals that guide budget development include: maintain existing services and programs; protect and maintain parks, lakes and open space areas; improve communications with residents and businesses; encourage maintenance and reinvestment in neighborhoods; explore targeted development and redevelopment to ensure a diverse tax base, quality housing, jobs, and a good mix of commercial services for residents; provide for future housing and capital improvement initiatives; and address economic challenges.

Service efficiency is measured by comparing Shoreview's taxing levels, revenue by source, and expense by function to cities of similar size. Data obtained from the Office of State Auditor and the League of Minnesota Cities is used to prepare benchmark comparisons for 28 metro-area cities closest to Shoreview in population (selecting 14 larger and 14 smaller). The most recent revenue and expense data available from the Office of State Auditor (for the year 2014) and the most recent property tax data (for the year 2016) show that Shoreview's:

- City share of the property tax bill (on a median valued home value of \$253,800) is 5th lowest among comparison cities (\$846 in Shoreview compared to \$1,068 on average).
- City tax rate is 6th lowest among comparison cities (20 percent below average).
- Special assessment revenue per capita is 4th lowest of comparison cities, due to Shoreview's capital policy which limits the use of special assessments to the cost of new improvements.
- Charges for service revenues are 3rd highest per capita, due to memberships and daily admission revenue for the community center as well as recreation program fees.

- Public safety spending per capita is second lowest among comparison cities (41 percent below average) due to efficiencies gained through contracts with other local agencies.
- Total spending per capita is 6th lowest among comparison cities (27 percent below average).

Funding strategies are designed to balance revenue from diversified sources such as taxes, utility rates and user fees, as well as the use of current resources versus debt issuance. The overall revenue structure is established with a long-term view, and is designed to protect service delivery, ensure adequate resources in support of operations, protect asset function and condition by providing sufficient funding for repair and replacement costs when needed, and provide long-term stability and sustainability.

Financial planning, and the policies that support decision-making, are critical to achieving and sustaining financial strength and flexibility. These efforts provide short and long-term operating and capital projections, as well as integrated financial strategies for the future. The City’s financial policies for fund equity levels, infrastructure replacement, and debt issuance; the City’s efforts in long-term financial planning through the budget, *Capital Improvement Program (CIP)*, *FYOP* and *Comprehensive Infrastructure Replacement Plan (CHIRP)*; and established fund goals and targets (in the *FYOP*), support one another to protect the financial health of the City and to ensure:

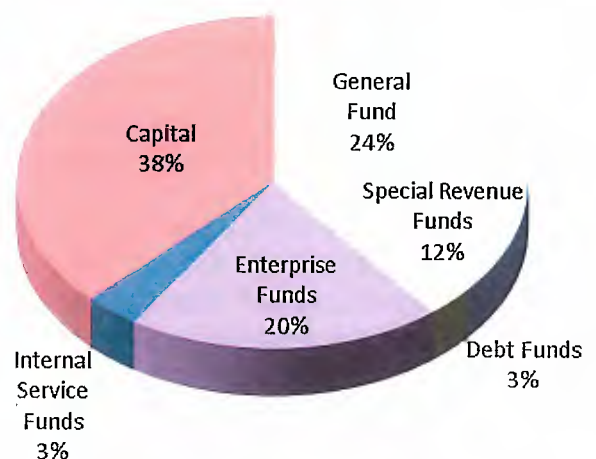
- Decision-making considers a long-term view of community needs.
- Practices prevent the use of one-time revenues to support ongoing operating expenses.
- Analysis considers long-term maintenance and operating costs when planning and evaluating capital projects.
- Commitment to balanced operations where revenues support operating costs.

Financial strength and flexibility is measured by how well the City is able to adapt to changing conditions, avoid temporary solutions that cannot be sustained, respond to unanticipated events and challenges, support operations with limited new development, ensure continuation of essential services, protect asset condition, navigate economic cycles, secure and maintain a high bond rating (reducing borrowing costs), prepare for the future, moderate changes in tax levies, utility rates and user fees whenever possible, and avoid short-term borrowing to support operations.

Since November of 2010 Standard and Poor’s has assigned a AAA bond rating to Shoreview’s general obligation debt, the highest bond rating awarded, due in part to the City’s commitment to sustainable long-term financial practices and planning.

Budget Overview

Municipalities account for operations through the use of separate “funds” that account for services and associated revenue sources. Each fund can be thought of as a separate business entity that is created for a specific purpose. Not only does each fund have its own purpose, but each fund has different constraints on its resources.



Total Operating Budget – The total amended 2017 budget for operating funds is summarized in the table below (excluding planned capital projects). Budgeted expense is \$26,720,571, an increase of \$763,674 over the 2016 budget (2.9 percent). Major areas of increase include public safety; park and recreation administration; community center expense, which is covered by memberships and admissions; and increased utility fund expense due to sewer treatment costs and depreciation.

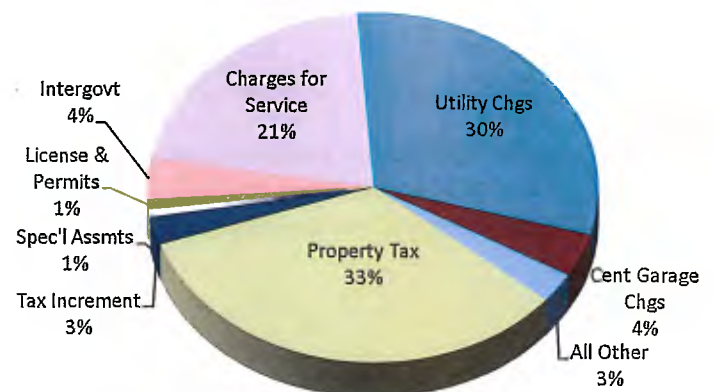
| | 2014 | 2015 | 2016 | 2016 | 2017 | 2017 |
|-----------------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| | Actual | Actual | Budget | Revised Estimate | Budget | Revised Budget |
| Revenue | | | | | | |
| Property Taxes | \$ 7,579,552 | \$ 7,941,549 | \$ 8,262,858 | \$ 8,262,858 | \$ 8,591,713 | \$ 8,574,148 |
| Special Assessments | 251,555 | 276,547 | 203,008 | 199,249 | 203,595 | 202,119 |
| Licenses and Permits | 628,033 | 500,102 | 354,000 | 515,250 | 317,700 | 323,050 |
| Intergovernmental | 744,647 | 634,041 | 556,091 | 560,091 | 549,622 | 562,384 |
| Charges for Services | 6,039,583 | 6,419,063 | 6,200,276 | 6,324,176 | 6,333,081 | 6,256,551 |
| Fines and Forfeits | 49,430 | 52,581 | 42,500 | 42,500 | 42,500 | 42,500 |
| Utility Charges | 8,197,649 | 8,523,322 | 9,425,003 | 9,064,267 | 10,042,038 | 10,175,011 |
| Central Garage Charges | 1,240,763 | 1,264,028 | 1,281,150 | 1,281,150 | 1,338,660 | 1,338,660 |
| Interest Earnings | 820,014 | 246,025 | 165,000 | 165,000 | 181,540 | 181,540 |
| Other Revenues | 236,480 | 160,230 | 101,150 | 98,009 | 101,350 | 101,350 |
| Total Revenue | \$ 25,787,706 | \$ 26,017,488 | \$ 26,591,036 | \$ 26,512,550 | \$ 27,701,799 | \$ 27,757,313 |
| Expense | | | | | | |
| General Government | \$ 2,313,708 | \$ 2,385,021 | \$ 2,642,012 | \$ 2,665,500 | \$ 2,583,463 | \$ 2,556,837 |
| Public Safety | 3,326,747 | 3,461,565 | 3,570,920 | 3,570,920 | 3,691,870 | 3,751,370 |
| Public Works | 1,987,837 | 1,939,739 | 2,125,901 | 2,113,902 | 2,181,316 | 2,184,896 |
| Parks and Recreation | 5,588,910 | 5,817,872 | 5,997,291 | 5,972,191 | 6,136,753 | 6,153,599 |
| Community Development | 749,016 | 791,981 | 845,766 | 869,586 | 871,191 | 865,091 |
| Enterprise Operations | 5,543,821 | 5,618,841 | 6,189,264 | 6,180,097 | 6,301,543 | 6,404,215 |
| Central Garage | 633,542 | 577,415 | 638,373 | 590,089 | 651,523 | 614,470 |
| Miscellaneous | 177,780 | 62,263 | 41,000 | 41,000 | 41,000 | 41,000 |
| Debt Service | 2,332,838 | 2,197,566 | 1,882,370 | 2,052,220 | 1,956,434 | 1,960,093 |
| Depreciation | 1,913,615 | 1,965,224 | 2,024,000 | 2,024,000 | 2,189,000 | 2,189,000 |
| Total Expense | \$ 24,567,814 | \$ 24,817,487 | \$ 25,956,897 | \$ 26,079,505 | \$ 26,604,093 | \$ 26,720,571 |
| Other Sources (Uses) | | | | | | |
| Sale of Asset-Gain | 78,722 | 44,577 | 32,000 | 32,000 | 43,000 | 43,000 |
| Debt Proceeds | 105,822 | 9,493 | - | - | 7,700 | 7,700 |
| Debt Refunding | (860,000) | (1,490,000) | - | - | - | - |
| Contributed Capital Assets | 304,122 | 897,027 | - | - | - | - |
| Transfers In | 2,675,045 | 2,133,522 | 1,868,145 | 1,867,959 | 1,909,400 | 1,909,400 |
| Transfers Out | (1,926,240) | (1,835,628) | (1,528,145) | (1,526,233) | (1,961,200) | (2,008,726) |
| Net Change | \$ 1,597,363 | \$ 958,992 | \$ 1,006,139 | \$ 806,771 | \$ 1,096,606 | \$ 988,116 |

The property tax amount shown in the table above does not include tax levies for capital funds. A summary of 2017 revenue and expense for all funds is presented on the next page, and a discussion of the total property tax levy is presented later in this document.

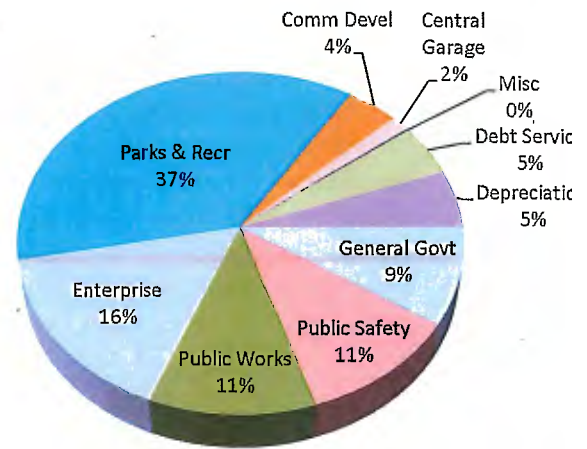
Combined Revenue and Expense in 2017 for all funds, including capital projects, is provided in the table below (by type of fund). Total estimated expense is \$40,277,524 for the year (\$26,720,571 in operating funds plus \$13,556,953 in capital funds). An additional \$2,487,000 of capital project costs will be capitalized and depreciated in Utility and Central Garage funds (for a combined 2017 CIP estimate of \$15,295,208).

| | Operating Funds | | | | | | Total All Funds |
|-----------------------------|-------------------|---------------------|--------------------|-------------------|-------------------|-----------------------|-----------------------|
| | General | Special Revenue | Debt | Utility | Internal Service | Capital Funds | |
| Revenue | | | | | | | |
| Property Taxes | \$7,623,148 | \$ 220,000 | \$ 547,000 | \$ - | \$ 184,000 | \$ 2,616,484 | \$11,190,632 |
| Tax Increment | - | - | - | - | - | 869,944 | 869,944 |
| Special Assessments | - | - | 202,119 | - | - | 12,696 | 214,815 |
| Licenses and Permits | 323,050 | - | - | - | - | - | 323,050 |
| Intergovernmental | 482,622 | 79,762 | - | - | - | 715,783 | 1,278,167 |
| Charges for Services | 1,246,070 | 5,001,481 | - | 1,500 | 7,500 | 790,000 | 7,046,551 |
| Fines and Forfeits | 42,500 | - | - | - | - | - | 42,500 |
| Utility Charges | - | - | - | 10,175,011 | - | - | 10,175,011 |
| Central Garage Charges | - | - | - | - | 1,338,660 | - | 1,338,660 |
| Interest Earnings | 55,000 | 10,300 | 17,190 | 84,700 | 14,350 | 117,400 | 298,940 |
| Other Revenues | 25,650 | 45,700 | - | - | 30,000 | 489,840 | 591,190 |
| Total Revenue | 9,798,040 | 5,357,243 | 766,309 | 10,261,211 | 1,574,510 | 5,612,147 | 33,369,460 |
| Expense | | | | | | | |
| General Government | 2,337,488 | 219,349 | - | - | - | 1,166,330 | 3,723,167 |
| Public Safety | 3,751,370 | - | - | - | - | 591,178 | 4,342,548 |
| Public Works | 1,601,842 | 583,054 | - | - | - | 2,259,700 | 4,444,596 |
| Parks and Recreation | 1,879,433 | 4,274,166 | - | - | - | 8,791,000 | 14,944,599 |
| Community Development | 656,907 | 208,184 | - | - | - | 748,745 | 1,613,836 |
| Enterprise Operations | - | - | - | 6,404,215 | - | - | 6,404,215 |
| Central Garage | - | - | - | - | 614,470 | - | 614,470 |
| Miscellaneous | - | - | - | - | 41,000 | - | 41,000 |
| Debt Service | - | - | 1,258,476 | 596,115 | 105,502 | - | 1,960,093 |
| Depreciation | - | - | - | 1,499,000 | 690,000 | - | 2,189,000 |
| Total Expense | 10,227,040 | 5,284,753 | 1,258,476 | 8,499,330 | 1,450,972 | 13,556,953 | 40,277,524 |
| Other Sources (Uses) | | | | | | | |
| Sale of Asset-Gain | - | - | - | - | 43,000 | - | 43,000 |
| Debt Proceeds | - | - | 7,700 | - | - | 4,128,000 | 4,135,700 |
| Debt Refunded | - | - | - | - | - | - | - |
| Transfers In | 837,000 | 498,000 | 455,000 | - | 119,400 | 2,366,030 | 4,275,430 |
| Transfers Out | (408,000) | (740,000) | (50,000) | (796,726) | (14,000) | (2,266,704) | (4,275,430) |
| Net Change | \$ - | \$ (169,510) | \$ (79,467) | \$ 965,155 | \$ 271,938 | \$ (3,717,480) | \$ (2,729,364) |

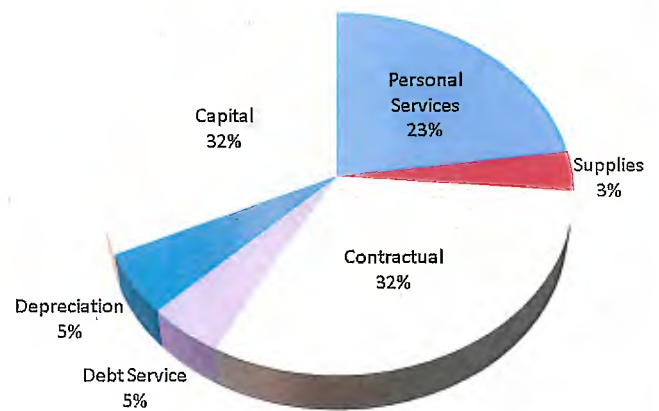
Revenue by Source – Revenue (for combined operating and capital funds) is derived from a combination of sources including: property tax, utility charges, charges for service, intergovernmental revenue, central garage charges, license and permit revenue and other miscellaneous sources. More information is provided on property tax levies and utility rates later in this document.



Total Expense by Function – Parks and recreation accounts for 37 percent of total expense. Public works accounts for 27 percent (11 percent for engineering, street and trail maintenance, and forestry; plus 16 percent for enterprise operations). Public safety accounts for 11 percent (police, fire, animal control, and emergency services). General government accounts for 9 percent, followed by debt service and depreciation at 5 percent each (for depreciation of utility system and central garage assets), community development and central garage operations account for 4 and 2 percent of total spending respectively.



Total Expense by Class – Contractual and capital costs account for the largest share of total spending (32 percent each). Capital costs include: sewage treatment; contracted police, fire and recycling; inter-fund charges; and repair and maintenance. Personal services accounts for 23 percent, and includes: wages, health insurance, required contributions to social security, medicare and PERA, and workers compensation insurance. Debt payments and depreciation expense account for 5 percent each (for the depreciation of utility system and central garage assets) and supplies at 3 percent.



The City has held the cost of health insurance premiums down through the use of a high-deductible insurance plan.

Net Change – The General Fund budget, as shown on the previous page, is designed to balance each year because all revenue received during the budget year is available to support current year expense. Budgets in other funds are designed to accomplish a variety of long-term objectives, therefore, the net difference between revenue and expense may result in an increase or a decrease in fund equity during any given budget year. For instance:

- Revenue in Debt Funds is legally restricted for debt payments and must be held until the related debt is paid in full. For 2017 the budget assumes a decrease in accumulated fund balances because of prior year assessment prepayments that are being used to repay debt in 2017.
- Expense totals in Utility Funds do not include planned capital costs because these funds must be reported using full accrual accounting (recording depreciation of assets over their useful life). For a relatively small fund with modest cash balances, such as the Street Lighting Fund, capital costs can have a dramatic impact on cash balances and cash flow, which means that an operating surplus (where revenue is greater than expense) is necessary to support planned capital costs.

A discussion of budget amendments for each operating fund budget is presented on the next several pages.

General Fund – The General Fund budget includes revenue and expense associated with a wide range of services, accounts for the largest share of the budget, and receives the largest share of the property tax levy. Major functions include general government, public safety, public works, parks and recreation and community development. Revenue changes include modifications to license and permit revenue, changes to intergovernmental revenue due to MSA street maintenance aid, a decrease in charges for services as a result of decreased engineering fees offset by an increase in administrative charges and zoning and subdivision fees. A significant portion of expense reductions are related to health insurance savings. The majority of the public safety increase relates to the police contract, and is a result of cost of living and health insurance adjustments and an additional investigator position due to increased caseloads.

| | 2015 Actual | 2016 | | 2017 | | |
|-------------------------|----------------|--------------|---------------------|--------------------|-------------------|-------------------|
| | | Budget | Revised Estimate | Original Budget | Budget Changes | Amended Budget |
| General Fund | | | | | | |
| Revenue | | | | | | |
| Property Taxes | \$ 7,008,972 | \$ 7,321,858 | \$ 7,321,858 | \$ 7,638,713 | \$ (15,565) | 7,623,148 |
| Licenses and Permits | 500,102 | 354,000 | 515,250 | 317,700 | 5,350 | 323,050 |
| Intergovernmental | 541,105 | 480,622 | 482,622 | 480,622 | 2,000 | 482,622 |
| Charges for Services | 1,400,266 | 1,224,520 | 1,414,720 | 1,252,000 | (5,930) | 1,246,070 |
| Fines and Forfeits | 52,581 | 42,500 | 42,500 | 42,500 | - | 42,500 |
| Interest Earnings | 54,212 | 50,000 | 50,000 | 55,000 | - | 55,000 |
| Other Revenues | 30,077 | 25,450 | 22,309 | 25,650 | - | 25,650 |
| Total Revenue | 9,587,315 | 9,498,950 | 9,849,259 | 9,812,185 | (14,145) | 9,798,040 |
| Expense | | | | | | |
| General Government | \$ 2,128,723 | \$ 2,353,929 | \$ 2,357,022 | \$ 2,394,470 | \$ (56,982) | \$ 2,337,488 |
| Public Safety | 3,461,565 | 3,570,920 | 3,570,920 | 3,691,870 | 59,500 | 3,751,370 |
| Public Works | 1,418,473 | 1,559,750 | 1,547,441 | 1,597,377 | 4,465 | 1,601,842 |
| Parks and Recreation | 1,734,769 | 1,781,505 | 1,772,439 | 1,892,649 | (13,216) | 1,879,433 |
| Community Development | 614,329 | 645,846 | 667,270 | 664,819 | (7,912) | 656,907 |
| Total Expense | 9,357,859 | \$ 9,911,950 | \$ 9,915,092 | \$ 10,241,185 | \$ (14,145) | \$ 10,227,040 |
| Other Sources (Uses) | | | | | | |
| Transfers In | 748,000 | 811,000 | 811,000 | 837,000 | - | 837,000 |
| Transfers Out | (797,730) | (398,000) | (398,000) | (408,000) | - | (408,000) |
| Net Increase (Decrease) | 179,726 | - | 347,167 | - | - | - |
| Fund Equity, beginning | 4,447,398 | 4,257,497 | 4,627,124 | 4,974,291 | | 4,974,291 |
| Fund Equity, ending | \$ 4,627,124 | \$ 4,257,497 | \$ 4,974,291 | \$ 4,974,291 | | \$ 4,974,291 |

Special Revenue Funds are used to account for revenue that is dedicated by State statute, local ordinance, resolution, or practice to support specific operations or expenses. Establishment of these funds enables the City to closely monitor both revenue and expense associated with a given program.

Recycling Fund – Accounts for the operation of the City’s curbside recycling program through a joint powers agreement with Ramsey County; and two clean-up day events (in the spring and fall) in cooperation with the City of Arden Hills. Revenue is derived from grant funding and user fees. Intergovernmental revenue changes are the result of increases in the County grant and revenue from Arden Hills for clean-up day events. Charges for services were reduced due to the elimination of the recycling fee increase in 2017. Expense changes are the result of lower administrative charges.

| | 2015 Actual | 2016 | | 2017 | | |
|-------------------------|----------------|------------|---------------------|------------|-------------------|-------------------|
| | | Budget | Revised Estimate | Budget | Budget Changes | Amended Budget |
| Recycling Fund | | | | | | |
| Revenue | | | | | | |
| Intergovernmental | \$ 83,913 | \$ 75,469 | \$ 77,469 | \$ 69,000 | \$ 10,762 | 79,762 |
| Charges for Services | 520,695 | 536,500 | 538,500 | 547,500 | (7,000) | 540,500 |
| Interest Earnings | 2,766 | - | - | - | - | - |
| Total Revenue | 607,374 | 611,969 | 615,969 | 616,500 | 3,762 | 620,262 |
| Expense | | | | | | |
| Public Works | \$ 521,266 | \$ 566,151 | \$ 566,461 | \$ 583,939 | \$ (885) | \$ 583,054 |
| Net Increase (Decrease) | 86,108 | 45,818 | 49,508 | 32,561 | 4,647 | 37,208 |
| Fund Equity, beginning | 266,654 | 352,762 | 352,762 | 402,270 | | 402,270 |
| Fund Equity, ending | \$ 352,762 | \$ 398,580 | \$ 402,270 | \$ 434,831 | | \$ 439,478 |

Community Center Fund – Accounts for revenue and expense associated with the operation and maintenance of the fitness center and studios, the Tropics Indoor Water Park, Tropical Adventure indoor play area, banquet and meeting rooms, birthday party rooms, gymnasium, locker facilities, picnic pavilion, and the Wave Café. Revenue changes include an increase in building charges to the general fund. Expenditure changes include reduced personal costs relating to health insurance and position changes and an increase in capital outlay related to fitness equipment purchases.

| | 2015 Actual | 2016 | | 2017 | | |
|------------------------------|----------------|--------------|---------------------|--------------|-------------------|-------------------|
| | | Budget | Revised Estimate | Budget | Budget Changes | Amended Budget |
| Community Center Fund | | | | | | |
| Revenue | | | | | | |
| Charges for Services | \$ 2,410,658 | \$ 2,468,215 | \$ 2,474,915 | \$ 2,518,300 | \$ 6,400 | \$ 2,524,700 |
| Interest Earnings | 18,953 | 5,000 | 5,000 | 6,000 | - | 6,000 |
| Other Revenues | 12,063 | 12,500 | 12,500 | 12,500 | - | 12,500 |
| Total Revenue | 2,441,674 | 2,485,715 | 2,492,415 | 2,536,800 | 6,400 | 2,543,200 |
| Expense | | | | | | |
| Parks and Recreation | 2,694,278 | 2,733,905 | 2,715,963 | 2,786,944 | 22,664 | 2,809,608 |
| Other Sources (Uses) | | | | | | |
| Transfers In | 366,000 | 384,000 | 384,000 | 402,000 | - | 402,000 |
| Transfers Out | - | - | - | (200,000) | - | (200,000) |
| Net Increase (Decrease) | 113,396 | 135,810 | 160,452 | (48,144) | (16,264) | (64,408) |
| Fund Equity, beginning | 1,193,542 | 1,306,938 | 1,306,938 | 1,467,390 | | 1,467,390 |
| Fund Equity, ending | \$ 1,306,938 | \$ 1,442,748 | \$ 1,467,390 | \$ 1,419,246 | | \$ 1,402,982 |

Recreation Programs Fund – Accounts for a variety of recreational and social programs offered on a fee basis. Revenue is generated through user fees and an inter-fund transfer from the General Fund to assist in supporting programs that provide overall community benefit (drop-in child care, preschool, youth/teen and community programs). Revenue changes include reduced revenue estimates for the Summer Discovery program. Expense changes include personal costs (health insurance, full-time, part-time and associate wage changes).

| | 2015 Actual | 2016 | | 2017 | | |
|---------------------------------|----------------|--------------|---------------------|--------------|-------------------|-------------------|
| | | Budget | Revised Estimate | Budget | Budget Changes | Amended Budget |
| Recreation Programs Fund | | | | | | |
| Revenue | | | | | | |
| Charges for Services | \$ 1,446,360 | \$ 1,500,041 | \$ 1,425,041 | \$ 1,543,711 | \$ (70,000) | \$ 1,473,711 |
| Interest Earnings | 13,214 | 2,000 | 2,000 | 2,500 | - | 2,500 |
| Other Revenues | 1,606 | - | - | - | - | - |
| Total Revenue | 1,461,180 | 1,502,041 | 1,427,041 | 1,546,211 | (70,000) | 1,476,211 |
| Expense | | | | | | |
| Parks and Recreation | \$ 1,388,825 | \$ 1,481,881 | \$ 1,483,789 | \$ 1,457,160 | \$ 7,398 | \$ 1,464,558 |
| Other Sources (Uses) | | | | | | |
| Transfers In | 72,000 | 84,000 | 84,000 | 86,000 | - | 86,000 |
| Transfers Out | (120,000) | (130,000) | (130,000) | (340,000) | - | (340,000) |
| Net Increase (Decrease) | 24,355 | (25,840) | (102,748) | (164,949) | (77,398) | (242,347) |
| Fund Equity, beginning | 971,782 | 996,137 | 996,137 | 893,389 | | 893,389 |
| Fund Equity, ending | \$ 996,137 | \$ 970,297 | \$ 893,389 | \$ 728,440 | | \$ 651,042 |

Cable Television Fund – Accounts for the receipt of cable franchise fees (from the cable provider) designated for communications and cable television uses. Costs supported by the fund include operation and promotion of cable communications, staff costs for communication activities, partial support for publication and distribution of the *ShoreViews* city newsletter, and funding for operating and capital costs associated with broadcasting public meetings. Expense changes include increased costs related to the maintenance and redesign of the City’s website and reductions in personal costs.

| | 2015 Actual | 2016 | | 2017 | | |
|------------------------------|----------------|------------|---------------------|------------|-------------------|-------------------|
| | | Budget | Revised Estimate | Budget | Budget Changes | Amended Budget |
| Cable Television Fund | | | | | | |
| Revenue | | | | | | |
| Charges for Services | \$ 604,810 | \$ 435,000 | \$ 435,000 | \$ 435,000 | \$ - | \$ 435,000 |
| Interest Earnings | 3,840 | 1,700 | 1,700 | 1,800 | - | 1,800 |
| Other Revenues | 23,061 | 1,200 | 1,200 | 1,200 | - | 1,200 |
| Total Revenue | 631,711 | 437,900 | 437,900 | 438,000 | - | 438,000 |
| Expense | | | | | | |
| General Government | \$ 188,690 | \$ 220,183 | \$ 240,578 | \$ 120,623 | \$ 30,356 | \$ 150,979 |
| Other Sources (Uses) | | | | | | |
| Transfers Out | (167,000) | (200,000) | (200,000) | (200,000) | - | (200,000) |
| Net Increase (Decrease) | 276,021 | 17,717 | (2,678) | 117,377 | (30,356) | 87,021 |
| Fund Equity, beginning | 192,159 | 468,180 | 468,180 | 465,502 | | 465,502 |
| Fund Equity, ending | \$ 468,180 | \$ 485,897 | \$ 465,502 | \$ 582,879 | | \$ 552,523 |

Economic Development Authority Fund – Accounts for revenue dedicated to support activities of the EDA, including retention and expansion of local business, targeted redevelopment areas, providing employment opportunities and to strengthen and diversify the City’s tax base. Expense changes include increases in personal and contractual service costs.

| | 2015 Actual | 2016 | | 2017 | | |
|-------------------------|----------------|------------|---------------------|------------|-------------------|-------------------|
| | | Budget | Revised Estimate | Budget | Budget Changes | Amended Budget |
| EDA Fund | | | | | | |
| Revenue | | | | | | |
| Property Taxes | \$ 89,517 | \$ 110,000 | \$ 110,000 | \$ 115,000 | \$ - | \$ 115,000 |
| Interest Earnings | 2,449 | - | - | - | - | - |
| Total Revenue | 91,966 | 110,000 | 110,000 | 115,000 | - | 115,000 |
| Expense | | | | | | |
| Community Development | \$ 97,443 | \$ 107,013 | \$ 108,710 | \$ 109,526 | \$ 1,416 | \$ 110,942 |
| Net Increase (Decrease) | (5,477) | 2,987 | 1,290 | 5,474 | (1,416) | 4,058 |
| Fund Equity, beginning | 209,176 | 203,699 | 203,699 | 204,989 | | 204,989 |
| Fund Equity, ending | \$ 203,699 | \$ 206,686 | \$ 204,989 | \$ 210,463 | | \$ 209,047 |

Housing and Redevelopment Authority Fund – Accounts for revenue dedicated to support the housing-related activities of Shoreview’s EDA, including the development of affordable housing, protection of property values and neighborhoods by promoting reinvestment and home improvements. Expense changes include increases in personal service costs.

| | 2015 Actual | 2016 | | 2017 | | |
|-------------------------|----------------|------------|---------------------|------------|-------------------|-------------------|
| | | Budget | Revised Estimate | Budget | Budget Changes | Amended Budget |
| HRA Fund | | | | | | |
| Revenue | | | | | | |
| Property Taxes | \$ 94,525 | \$ 100,000 | \$ 100,000 | \$ 105,000 | \$ - | \$ 105,000 |
| Interest Earnings | 921 | - | - | - | - | - |
| Total Revenue | 95,446 | 100,000 | 100,000 | 105,000 | - | 105,000 |
| Expense | | | | | | |
| Community Development | \$ 80,209 | \$ 92,907 | \$ 93,606 | \$ 96,846 | \$ 396 | \$ 97,242 |
| Net Increase (Decrease) | 15,237 | 7,093 | 6,394 | 8,154 | (396) | 7,758 |
| Fund Equity, beginning | 87,943 | 103,180 | 103,180 | 109,574 | | 109,574 |
| Fund Equity, ending | \$ 103,180 | \$ 110,273 | \$ 109,574 | \$ 117,728 | | \$ 117,332 |

Slice of Shoreview Fund – Accounts for revenue and expense associated with a three-day community festival held in July at Island Lake Park. Revenue is derived from donations, event charges, and a \$10,000 inter-fund transfer from the General Fund. There were no amendments to the 2017 budget.

| | 2015 Actual | 2016 | | 2017 | | |
|--------------------------------|----------------|-----------|---------------------|-----------|-------------------|-------------------|
| | | Budget | Revised Estimate | Budget | Budget Changes | Amended Budget |
| Slice of Shoreview Fund | | | | | | |
| Revenue | | | | | | |
| Charges for Services | \$ 27,535 | \$ 27,000 | \$ 27,000 | \$ 27,570 | \$ - | \$ 27,570 |
| Interest Earnings | 1,077 | - | - | - | - | - |
| Other Revenues | 34,050 | 32,000 | 32,000 | 32,000 | - | 32,000 |
| Total Revenue | 62,662 | 59,000 | 59,000 | 59,570 | - | 59,570 |
| Expense | | | | | | |
| General Government | \$ 67,608 | \$ 67,900 | \$ 67,900 | \$ 68,370 | \$ - | \$ 68,370 |
| Other Sources (Uses) | | | | | | |
| Transfers In | 10,000 | 10,000 | 10,000 | 10,000 | - | 10,000 |
| Net Increase (Decrease) | 5,054 | 1,100 | 1,100 | 1,200 | - | 1,200 |
| Fund Equity, beginning | 76,351 | 81,405 | 81,405 | 82,505 | | 82,505 |
| Fund Equity, ending | \$ 81,405 | \$ 82,505 | \$ 82,505 | \$ 83,705 | | \$ 83,705 |

Debt Funds account for payment of debt obligations not already accounted for in Enterprise (utility) or Internal Service (central garage) funds. Separate Debt Service funds are maintained for each debt issue because tax levies and special assessment collections are legally restricted to the payment of specific debt issues. Changes are a result of tax levy reductions and special assessment reductions due to assessment prepayments in prior years.

| | 2015 Actual | 2016 | | 2017 | | |
|---------------------------|----------------|--------------|---------------------|--------------|-------------------|-------------------|
| | | Budget | Revised Estimate | Budget | Budget Changes | Amended Budget |
| Debt Service Funds | | | | | | |
| Revenue | | | | | | |
| Property Taxes | \$ 541,270 | \$ 547,000 | \$ 547,000 | \$ 549,000 | \$ (2,000) | \$ 547,000 |
| Special Assessments | 270,575 | 203,008 | 199,249 | 203,595 | (1,476) | 202,119 |
| Intergovernmental | 580 | - | - | - | - | - |
| Interest Earnings | 30,815 | 16,600 | 16,600 | 17,190 | - | 17,190 |
| Total Revenue | 843,240 | 766,608 | 762,849 | 769,785 | (3,476) | 766,309 |
| Expense | | | | | | |
| Debt Service | \$ 1,600,539 | \$ 1,303,301 | \$ 1,303,301 | \$ 1,258,476 | \$ - | \$ 1,258,476 |
| Other Sources (Uses) | | | | | | |
| Debt Proceeds | 9,493 | - | - | 7,700 | - | 7,700 |
| Debt Refunded | (1,490,000) | - | - | - | - | - |
| Transfers In | 818,122 | 459,745 | 459,559 | 455,000 | - | 455,000 |
| Transfers Out | (50,000) | (54,745) | (54,559) | (50,000) | - | (50,000) |
| Net Increase (Decrease) | (1,469,684) | (131,693) | (135,452) | (75,991) | (3,476) | (79,467) |
| Fund Equity, beginning | 4,297,747 | 2,828,063 | 2,828,063 | 2,692,611 | | 2,692,611 |
| Fund Equity, ending | \$ 2,828,063 | \$ 2,696,370 | \$ 2,692,611 | \$ 2,616,620 | | \$ 2,613,144 |

Enterprise Funds are used to account for self-supporting utility operations that are managed similar to private business enterprises. Customer charges provide the sole support for operating costs, capital needs and debt service payments. Debt issued to finance utility infrastructure is accounted for within these funds.

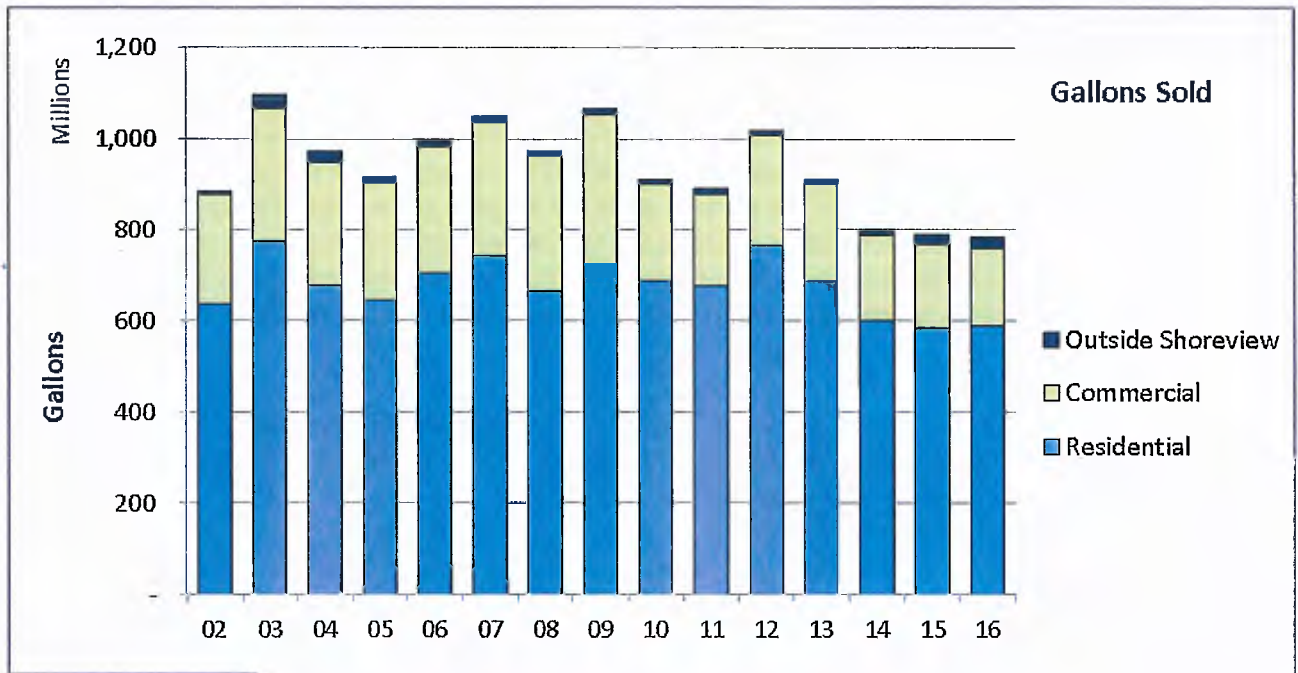
Water Fund – Accounts for the distribution of drinking water to approximately nine thousand residences and businesses within City limits, and provides limited service at higher billing rates to neighboring communities through service agreements. Utility rates are designed to support operations and maintenance, debt payments, expansion of the system when necessary, as well as water system replacements. Changes include a slight revision to the allocation of gallons per tier, a 12percent water rate increase for 2017 (changed from the planned 8percent increase in the original budget), slightly lower personal costs, higher chemical costs, increased contractual costs due to general consultant fees and costs associated with the new financial software (\$57,200), slightly higher debt service interest costs, and higher transfers to the Capital Acquisition/IS fund to cover planned computer/technology capital costs.

Expenditure budget revisions result in a \$96,873 reduction in fund balance from what was planned in the original budget. The 12percent rate increase is projected to raise an additional \$125,000 of revenue and would generate a net increase to fund balance of \$347,773.

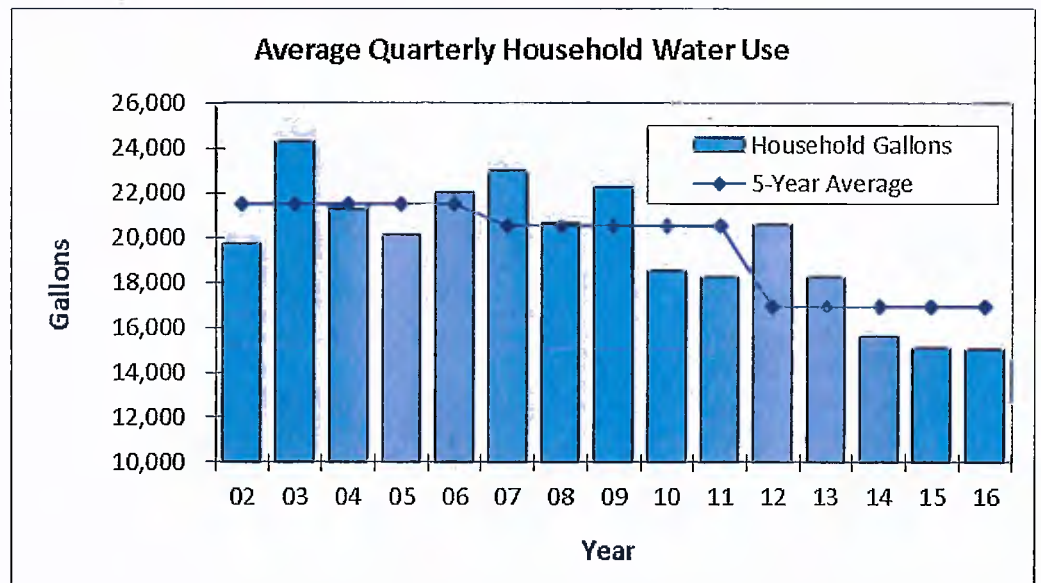
| | 2015 Actual | 2016 | | 2017 | | |
|-------------------------------------|----------------|-----------|---------------------|-----------|-------------------|-------------------|
| | | Budget | Revised Estimate | Budget | Budget Changes | Amended Budget |
| Water Fund | | | | | | |
| Revenue | | | | | | |
| Special Assessments | \$ 2,080 | \$ - | \$ - | \$ - | \$ - | \$ - |
| Intergovernmental | 973 | - | - | - | - | - |
| Charges for Services (utility chgs) | 2,587,180 | 3,218,500 | 2,863,500 | 3,477,000 | 125,000 | 3,602,000 |
| Interest Earnings | 48,877 | 38,000 | 38,000 | 42,000 | - | 42,000 |
| Total Revenue | 2,639,110 | 3,256,500 | 2,901,500 | 3,519,000 | 125,000 | 3,644,000 |
| Expense | | | | | | |
| Enterprise Operations | 1,430,934 | 1,581,485 | 1,573,450 | 1,569,265 | 93,605 | 1,662,870 |
| Debt Service | 301,702 | 307,431 | 465,047 | 437,926 | 3,268 | 441,194 |
| Depreciation | 647,552 | 669,000 | 669,000 | 799,000 | - | 799,000 |
| Total Expense | 2,380,188 | 2,557,916 | 2,707,497 | 2,806,191 | 96,873 | 2,903,064 |
| Other Sources (Uses) | | | | | | |
| Transfers Out | (345,249) | (363,000) | (369,137) | (376,400) | (16,763) | (393,163) |
| Net Increase (Decrease) | (86,327) | 335,584 | (175,134) | 336,409 | 11,364 | 347,773 |
| Note: Excludes contributed assets | | | | | | |

Shoreview uses a conservation based water rate structure, as required by Minnesota law, with graduated rates that increase as customer water use increases. The rate structure is designed to protect the City's ability to deliver consistent and reliable water service to all properties at current water storage and delivery capacity. The City's water system (wells, water towers, water treatment plant, underground water reservoir, distribution lines, valves and fire hydrants) is sufficient to deliver water service to all properties in Shoreview for the future.

Water use over the last 15 years is shown in the table below. Fluctuations in water consumption are expected from year to year, and are due primarily to weather patterns each growing season. Frequent rainfall during summer months can lead to lower water consumption just as periods of drought can lead to higher water consumption.



Other factors that reduce household water use include water conservation efforts, an aging population, more efficient plumbing fixtures, an increase in landscape sprinkler systems, and fewer people per household. The graph at right shows the change in average quarterly household water consumption over the last 15 years.



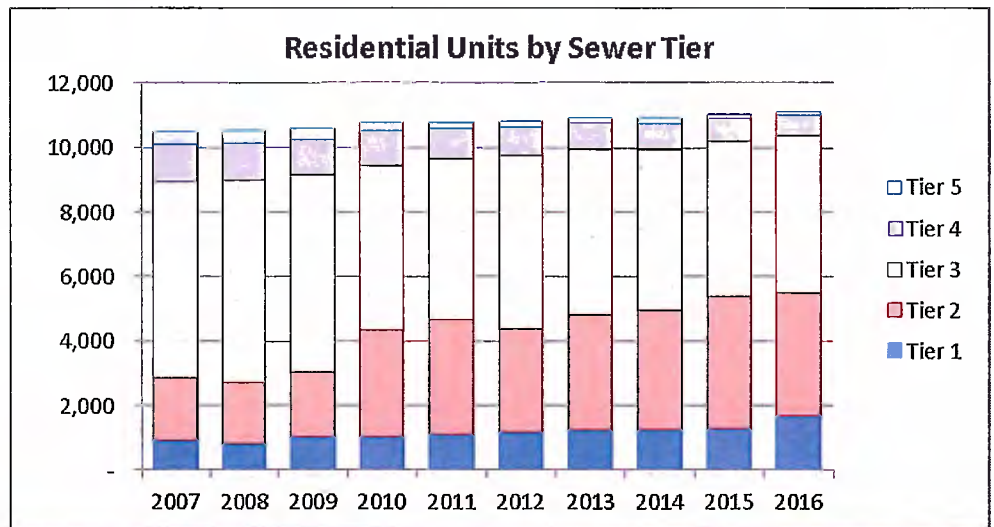
As water consumption drops, it becomes necessary to revise water rates to generate sufficient income to support operating, maintenance, debt service and replacement costs. Water rates will increase 12 percent for 2017, and are expected to generate income sufficient to cover all operating and debt costs, as well as transfers out.

Sewer Fund – Accounts for the collection and treatment of wastewater (sewage) from residences and businesses throughout Shoreview. Sewage is routed to facilities owned and operated by Metropolitan Council Environmental Services (MCES), and Shoreview is billed for its prorated share of overall sewage flow. For 2017, sewage treatment costs account for 54 percent of operating expense, and will increase 6 percent over 2016. Revenue changes include a 3 percent sewer rate adjustment for 2017. Expense changes include reductions of personal services and administrative costs; increases include contractual services, interest on debt service and transfers out for computer capital costs.

| | 2015 Actual | 2016 | | 2017 | | |
|-------------------------------------|------------------|------------------|---------------------|------------------|-------------------|-------------------|
| | | Budget | Revised Estimate | Budget | Budget Changes | Amended Budget |
| Sewer Fund | | | | | | |
| Revenue | | | | | | |
| Special Assessments | \$ 2,970 | \$ - | \$ - | \$ - | \$ - | \$ - |
| Intergovernmental | 775 | - | - | - | - | - |
| Charges for Services (misc) | 919 | 1,500 | 1,500 | 1,500 | - | 1,500 |
| Charges for Services (utility chgs) | 3,941,395 | 4,057,500 | 4,030,500 | 4,179,500 | - | 4,179,500 |
| Interest Earnings | 35,796 | 27,000 | 27,000 | 30,000 | - | 30,000 |
| Total Revenue | 3,981,855 | 4,086,000 | 4,059,000 | 4,211,000 | - | 4,211,000 |
| Expense | | | | | | |
| Enterprise Operations | 3,191,670 | 3,359,142 | 3,357,775 | 3,497,181 | (344) | 3,496,837 |
| Debt Service | 73,480 | 78,764 | 83,372 | 75,469 | 135 | 75,604 |
| Depreciation | 339,842 | 354,000 | 354,000 | 348,000 | - | 348,000 |
| Total Expense | 3,604,992 | 3,791,906 | 3,795,147 | 3,920,650 | (209) | 3,920,441 |
| Other Sources (Uses) | | | | | | |
| Transfers Out | (181,249) | (183,000) | (189,137) | (190,400) | (16,763) | (207,163) |
| Net Increase (Decrease) | 195,614 | 111,094 | 74,716 | 99,950 | (16,554) | 83,396 |
| Note: Excludes contributed assets | | | | | | |

Sewer rates are designed to charge high volume customers more because they contribute more flow to the system than low volume customers. In recent years the City completed a city-wide inspection program to eliminate the discharge of storm water (from roof systems or ground water) into the City's sewer system. This effort is an important part of keeping sewage treatment costs down by reducing sewage flow and removing a potential surcharge on the City's sewage treatment bill.

The graph at right illustrates the shifts in residential sewer tiers. Shifts in units between tier 2 and 3 in 2010 are the result of changes in winter water consumption for residential, apartment and condominium units. Staff will continue to monitor shifts in sewer tiers as part of the annual rate setting process.



Surface Water Fund – Accounts for operation, maintenance, replacement and improvement of the City’s storm water system. The surface water management program is designed to preserve and use natural water storage and retention systems as much as is practical to reduce the amount of public capital expense necessary to control excessive volumes and runoff rates, improve water quality, prevent flooding and erosion from surface water flows, promote ground water recharge, and protect and enhance fish and wildlife habitat and water recreational facilities (lakes etc.). Surface water charges are established by property type and the amount of impervious surface area.

Revenue changes include slightly higher utility charges (due to development). Expense changes include increases in contractual charges, administrative charges and debt service interest costs.

| | 2015 Actual | 2016 | | 2017 | | |
|-------------------------------------|----------------|-----------|---------------------|-----------|-------------------|-------------------|
| | | Budget | Revised Estimate | Budget | Budget Changes | Amended Budget |
| Surface Water Fund | | | | | | |
| Revenue | | | | | | |
| Special Assessments | \$ 676 | \$ - | \$ - | \$ - | \$ - | \$ - |
| Intergovernmental | 282 | - | - | - | - | - |
| Charges for Services (utility chgs) | 1,473,809 | 1,598,003 | 1,616,267 | 1,751,538 | 4,973 | 1,756,511 |
| Interest Earnings | 10,352 | 9,000 | 9,000 | 10,000 | - | 10,000 |
| Total Revenue | 1,485,119 | 1,607,003 | 1,625,267 | 1,761,538 | 4,973 | 1,766,511 |
| Expense | | | | | | |
| Enterprise Operations | 752,030 | 969,519 | 969,987 | 947,460 | 16,229 | 963,689 |
| Debt Service | 88,186 | 82,239 | 89,865 | 79,061 | 256 | 79,317 |
| Depreciation | 260,585 | 269,000 | 269,000 | 277,000 | - | 277,000 |
| Total Expense | 1,100,801 | 1,320,758 | 1,328,852 | 1,303,521 | 16,485 | 1,320,006 |
| Other Sources (Uses) | | | | | | |
| Transfers Out | (152,000) | (159,000) | (159,000) | (168,000) | - | (168,000) |
| Net Increase (Decrease) | 232,318 | 127,245 | 137,415 | 290,017 | (11,512) | 278,505 |
| Note: Excludes contributed assets | | | | | | |

Total Surface Water expense is projected to decrease 0.06 percent for 2017. Planned capital costs over the next few years due to street reconstruction projects and the addition of storm water facilities continue to place pressure on the surface water rates. As a result, residential surface water rates will increase 10 percent for 2017.

Street Lighting Fund – Accounts for the operation, maintenance and replacement of the street lighting system throughout the community, in support of safe vehicle and pedestrian traffic. The City’s street light system includes lighting owned by the City as well as lights leased from Xcel Energy. Street light replacement costs over the next two years address a growing trend of street light outages. Lights will be replaced on a neighborhood basis as repairs become less effective. Expense changes result from lower personal costs and administrative charges. Residential street light rates will increase 15 percent for 2017.

| | 2015 Actual | 2016 | | 2017 | | |
|-------------------------------------|----------------|----------|---------------------|----------|-------------------|-------------------|
| | | Budget | Revised Estimate | Budget | Budget Changes | Amended Budget |
| Street Lighting Fund | | | | | | |
| Revenue | | | | | | |
| Special Assessments | \$ 246 | \$ - | \$ - | \$ - | \$ - | \$ - |
| Charges for Services (utility chgs) | 520,938 | 551,000 | 554,000 | 634,000 | 3,000 | 637,000 |
| Interest Earnings | 3,300 | 2,500 | 2,500 | 2,700 | - | 2,700 |
| Total Revenue | 524,484 | 553,500 | 556,500 | 636,700 | 3,000 | 639,700 |
| Expense | | | | | | |
| Enterprise Operations | 244,207 | 279,118 | 278,885 | 287,637 | (6,818) | 280,819 |
| Depreciation | 61,482 | 69,000 | 69,000 | 75,000 | - | 75,000 |
| Total Expense | 305,689 | 348,118 | 347,885 | 362,637 | (6,818) | 355,819 |
| Other Sources (Uses) | | | | | | |
| Sale of Asset-Gain (Loss) | (33) | - | - | - | - | - |
| Transfers Out | (22,400) | (25,400) | (25,400) | (28,400) | - | (28,400) |
| Net Increase (Decrease) | 196,362 | 179,982 | 183,215 | 245,663 | 9,818 | 255,481 |
| Note: Excludes contributed assets | | | | | | |

Impact on Total Utility Bill – The quarterly utility bill for an average home (quarterly water use of 15,000 gallons, and winter water use of 12,000 gallons) is expected to increase \$12.74 per quarter. The largest share of the increase is for water service.

| Average User | | | |
|-----------------|-----------|-----------|----------|
| | 2016 | 2017 | Change |
| Water | \$ 49.43 | \$ 55.34 | \$ 5.91 |
| Sewer | 87.65 | 90.28 | 2.63 |
| Surface water | 25.73 | 28.30 | 2.57 |
| Street lighting | 10.85 | 12.48 | 1.63 |
| State fee | 1.59 | 1.59 | - |
| Total | \$ 175.25 | \$ 187.99 | \$ 12.74 |

The table at right provides the estimated change in the total utility bill at 6 different usage levels. Depending on the amount of water consumed the increase in the quarterly utility bill ranges from \$8.78 to \$48.70.

| Use Level | % of Homes | Water Gallons | Sewer Gallons | Total Quarterly Utility Bill | | Quarterly Change | |
|-----------|------------|---------------|---------------|------------------------------|-----------|------------------|------|
| | | | | 2016 | 2017 | \$ | % |
| Very low | 13% | 5,000 | 4,000 | \$ 120.64 | \$ 129.42 | \$ 8.78 | 7.3% |
| Low | 27% | 10,000 | 10,000 | \$ 144.12 | \$ 154.57 | \$ 10.45 | 7.3% |
| Average | 40% | 15,000 | 12,000 | \$ 175.25 | \$ 187.99 | \$ 12.74 | 7.3% |
| Above avg | 16% | 25,000 | 22,000 | \$ 221.99 | \$ 238.83 | \$ 16.84 | 7.6% |
| High | 2% | 55,000 | 26,000 | \$ 360.79 | \$ 394.18 | \$ 33.39 | 9.3% |
| Very high | 2% | 80,000 | 34,000 | \$ 503.34 | \$ 552.04 | \$ 48.70 | 9.7% |

Internal Service Funds are used for activities that provide goods or services to other funds or departments on a cost reimbursement basis.

Central Garage Fund – Accounts for operation, maintenance and replacement of the maintenance center building, vehicles, heavy equipment and other miscellaneous equipment owned by the fund and used in service delivery to the public. Operating funds, which use vehicles and equipment to provide services, pay inter-fund charges to the Central Garage Fund: This fund also accounts for debt issued to finance the maintenance center renovation. Debt payments are supported by tax levies and inter-fund transfers from utility funds. Changes to expenses include reductions of personal costs, motor fuel and equipment parts, and increases to contractual services and higher transfers to cover planned computer/technology capital costs.

| | 2015 Actual | 2016 | | 2017 | | |
|-----------------------------------|--------------------|--------------------|---------------------|--------------------|-------------------|--------------------|
| | | Budget | Revised Estimate | Budget | Budget Changes | Amended Budget |
| Central Garage Fund | | | | | | |
| Revenue | | | | | | |
| Property Taxes | \$ 207,265 | \$ 184,000 | \$ 184,000 | \$ 184,000 | \$ - | \$ 184,000 |
| Intergovernmental | 6,413 | | | | | - |
| Central Garage Charges | 1,264,028 | 1,281,150 | 1,281,150 | 1,338,660 | - | 1,338,660 |
| Interest Earnings | 16,398 | 10,500 | 10,500 | 11,500 | - | 11,500 |
| Other Revenues | 4,985 | - | - | - | - | - |
| Total Revenue | 1,499,089 | 1,475,650 | 1,475,650 | 1,534,160 | - | 1,534,160 |
| Expense | | | | | | |
| Central Garage Operations | 577,415 | 638,373 | 590,089 | 651,523 | (37,053) | 614,470 |
| Debt Service | 133,659 | 110,635 | 110,635 | 105,502 | - | 105,502 |
| Depreciation | 655,763 | 663,000 | 663,000 | 690,000 | - | 690,000 |
| Total Expense | 1,366,837 | 1,412,008 | 1,363,724 | 1,447,025 | (37,053) | 1,409,972 |
| Other Sources (Uses) | | | | | | |
| Sale of Asset-Gain | 44,577 | 32,000 | 32,000 | 43,000 | - | 43,000 |
| Transfers In | 119,400 | 119,400 | 119,400 | 119,400 | - | 119,400 |
| Transfers Out | - | (15,000) | (1,000) | - | (14,000) | (14,000) |
| Net Increase (Decrease) | 296,229 | 200,042 | 262,326 | 249,535 | 23,053 | 272,588 |
| Fund Equity, beginning | 4,197,741 | 4,493,970 | 4,493,970 | 4,756,296 | | 4,756,296 |
| Fund Equity, ending | <u>\$4,493,970</u> | <u>\$4,694,012</u> | <u>\$4,756,296</u> | <u>\$5,005,831</u> | | <u>\$5,028,884</u> |
| Note: Excludes contributed assets | | | | | | |

Short-term Disability Fund – Accounts for city-paid premiums for regular employees and disability payments to employees on a self-insured basis. Annual losses are monitored closely for the purpose of establishing appropriate disability premiums and retaining sufficient fund balances. There were no amendments to the 2017 budget.

| | 2015 Actual | 2016 | | 2017 | | |
|-----------------------------------|----------------|-----------|---------------------|-----------|-------------------|-------------------|
| | | Budget | Revised Estimate | Budget | Budget Changes | Amended Budget |
| Short-term Disability Fund | | | | | | |
| Revenue | | | | | | |
| Charges for Services (misc) | \$ 7,820 | \$ 7,500 | \$ 7,500 | \$ 7,500 | \$ - | \$ 7,500 |
| Interest Earnings | 533 | 500 | 500 | 550 | - | 550 |
| Total Revenue | 8,353 | 8,000 | 8,000 | 8,050 | - | 8,050 |
| Expense | | | | | | |
| Miscellaneous | 10,281 | 9,000 | 9,000 | 9,000 | - | 9,000 |
| Total Expense | 10,281 | 9,000 | 9,000 | 9,000 | - | 9,000 |
| Net Increase (Decrease) | (1,928) | (1,000) | (1,000) | (950) | - | (950) |
| Fund Equity, beginning | 41,948 | 40,020 | 40,020 | 39,020 | | 39,020 |
| Fund Equity, ending | \$ 40,020 | \$ 39,020 | \$ 39,020 | \$ 38,070 | | \$ 38,070 |

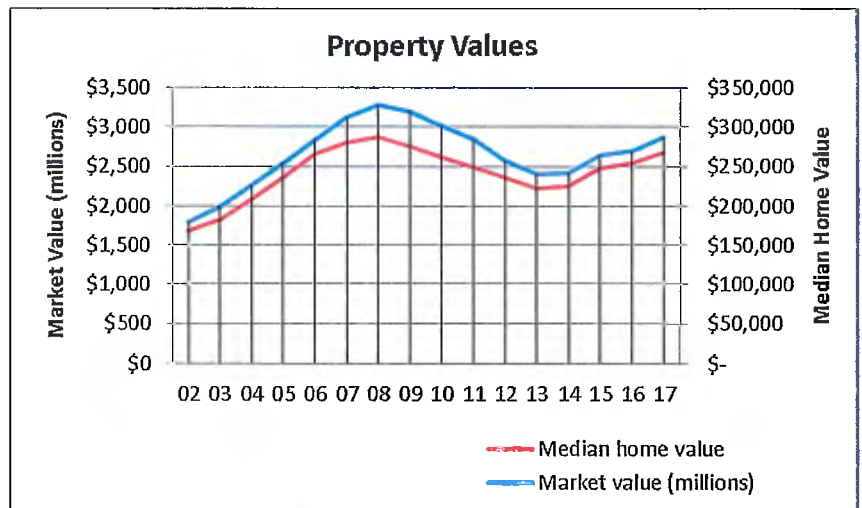
Liability Claims Fund – Accounts for losses below the City’s insurance deductible and the receipt of annual dividends from the League of Minnesota Cities Insurance Trust (the City’s insurance provider). The fund is monitored closely to preserve two to three years of average annual loss coverage. Periodic insurance surcharges are assessed to operating funds to restore fund balances when necessary. There were no amendments to the 2017 budget.

| | 2015 Actual | 2016 | | 2017 | | |
|------------------------------|----------------|------------|---------------------|------------|-------------------|-------------------|
| | | Budget | Revised Estimate | Budget | Budget Changes | Amended Budget |
| Liability Claims Fund | | | | | | |
| Revenue | | | | | | |
| Interest Earnings | \$ 2,522 | \$ 2,200 | \$ 2,200 | \$ 2,300 | \$ - | \$ 2,300 |
| Other Revenues | 54,388 | 30,000 | 30,000 | 30,000 | - | 30,000 |
| Total Revenue | 56,910 | 32,200 | 32,200 | 32,300 | - | 32,300 |
| Expense | | | | | | |
| Miscellaneous | 51,949 | 32,000 | 32,000 | 32,000 | - | 32,000 |
| Total Expense | 51,949 | 32,000 | 32,000 | 32,000 | - | 32,000 |
| Net Increase (Decrease) | 4,961 | 200 | 200 | 300 | - | 300 |
| Fund Equity, beginning | 207,885 | 212,846 | 212,846 | 213,046 | | 213,046 |
| Fund Equity, ending | \$ 212,846 | \$ 213,046 | \$ 213,046 | \$ 213,346 | | \$ 213,346 |

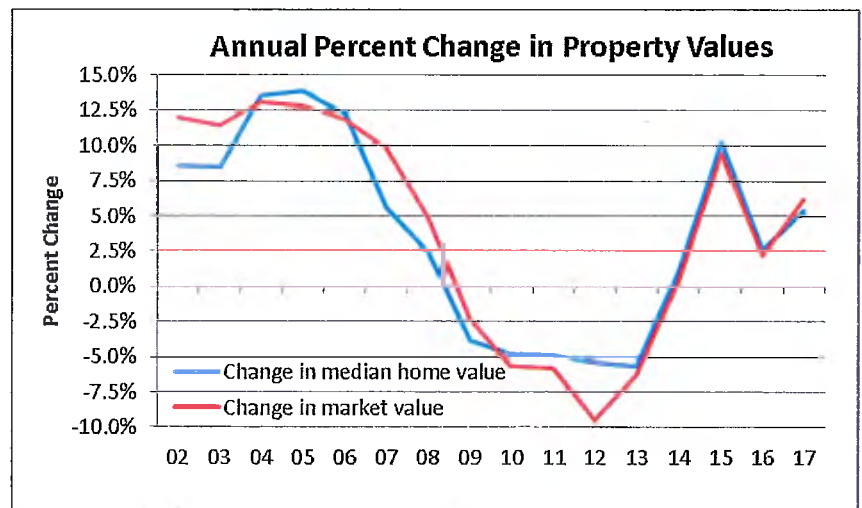
Economy – Although the City can influence property value growth through new development approvals and economic development efforts, the City has limited ability to offset the effects of the real estate market correction because less than 5 percent of property in Shoreview is considered undeveloped. As Shoreview continues to near full development, opportunities for tax base growth from new construction diminish. This means that existing property must support operating cost changes because little if any new value is available to offset a portion of rising costs. Despite the dramatic decline in new development throughout the metro area, Shoreview has had some recent success in achieving new development and redevelopment through several development and redevelopment projects.

Because the City has budgeted conservatively for permit revenue, the decline in building permit activity is having little effect on the City’s budget or tax levy. Shoreview has anticipated and planned for a decline in permit revenue for more than a decade.

Market Value – Total market value is expected to increase 6.1 percent for 2017 taxes. Shoreview’s values grew an average of 10.8 percent per year from 2002 to 2008, followed by an average decline of 6.0 percent per year from 2009 to 2013, values have recovered an average of 4.5 percent since 2013. Total market values and median home values are shown in the first table at right. The second table shows the percent change in total market value and median home value over the same period.



Median Home Value – According to the Ramsey County Assessor, Shoreview’s median home value will increase from \$253,800 in 2016 to \$267,300 in 2017, an increase of 5.3 percent (including the effect of the Homestead Market Value Exclusion program).



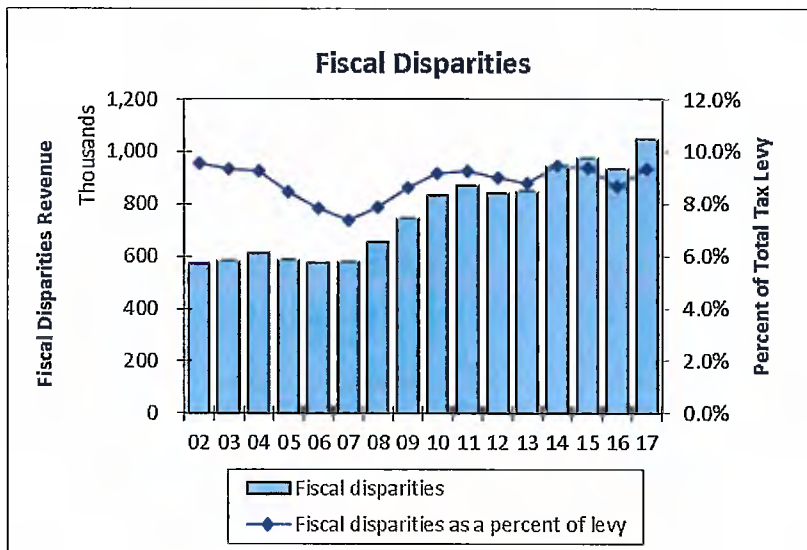
Property Taxes – The 2017 property tax levy, as shown in the table below, is 3.93 percent higher than the 2016 levy. Public safety costs are the primary cause of the levy increase for the General Fund share of the levy. It should be noted that the 2017 levy is \$8,919 higher than originally planned as part of the biennial budget.

| Property Tax Levy | 2015 Adopted | 2016 Adopted | 2017 Adopted | Dollar Change | | Percent Change | | Percent Impact on Total Levy | |
|-----------------------------|-----------------|-----------------|-----------------|---------------|--------------|----------------|--------------|---------------------------------|-----------|
| | | | | 2016 | 2017 | 2016 | 2017 | 2016 | 2017 |
| | | | | General Fund | \$ 7,023,335 | \$ 7,321,858 | \$ 7,623,148 | \$298,523 | \$301,290 |
| Debt | | | | | | | | | |
| Debt Funds | 544,000 | 547,000 | 547,000 | 3,000 | - | 0.55% | 0.00% | 0.03% | 0.00% |
| Central Garage Fund | 208,000 | 184,000 | 184,000 | (24,000) | - | -11.54% | 0.00% | -0.23% | 0.00% |
| Total Debt Funds | 752,000 | 731,000 | 731,000 | (21,000) | - | -2.79% | 0.00% | -0.20% | 0.00% |
| Capital Costs | | | | | | | | | |
| Street Renewal Fund | 950,000 | 1,000,000 | 1,060,000 | 50,000 | 60,000 | 5.26% | 6.00% | 0.48% | 0.56% |
| General Fixed Asset Fund | 1,427,583 | 1,475,000 | 1,521,484 | 47,417 | 46,484 | 3.32% | 3.15% | 0.46% | 0.43% |
| Information Technology Fund | 25,000 | 30,000 | 35,000 | 5,000 | 5,000 | 20.00% | 16.67% | 0.05% | 0.05% |
| Total Capital Funds | 2,402,583 | 2,505,000 | 2,616,484 | 102,417 | 111,484 | 4.26% | 4.45% | 0.99% | 1.04% |
| EDA | | | | | | | | | |
| EDA Fund | 90,000 | 110,000 | 115,000 | 20,000 | 5,000 | 22.22% | 4.55% | 0.19% | 0.05% |
| HRA Fund | 95,000 | 100,000 | 105,000 | 5,000 | 5,000 | 5.26% | 5.00% | 0.05% | 0.05% |
| Total EDA Funds | 185,000 | 210,000 | 220,000 | 25,000 | 10,000 | 13.51% | 4.76% | 0.24% | 0.09% |
| Total Levy | \$10,362,918 | \$10,767,858 | \$11,190,632 | \$404,940 | \$422,774 | 3.91% | 3.93% | 3.91% | 3.93% |

Tax Rates – Shoreview’s tax rate will decrease to 34.196 for 2017, due to the combined impact of the levy increase and increases in taxable value. The table below provides a comparison of preliminary 2017 tax rates to three previous years. Shoreview accounts for about 23 percent of the total tax bill once market value based taxes are included (for voter approved school district levies).

| | Tax Rates | | | | Percent Change | | |
|---|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|
| | Payable 2014 | Payable 2015 | Payable 2016 | Payable 2017 | Payable 2015 | Payable 2016 | Payable 2017 |
| Tax Rates | | | | | | | |
| City of Shoreview | 37.490% | 34.873% | 35.357% | 34.196% | -7.0% | 1.4% | -3.3% |
| Shoreview HRA | 0.345% | 0.323% | 0.332% | 0.324% | -6.4% | 2.8% | -2.4% |
| Ramsey County | 63.735% | 58.922% | 58.885% | 55.921% | -7.6% | -0.1% | -5.0% |
| School district 621 | 29.734% | 27.378% | 26.245% | 25.323% | -7.9% | -4.1% | -3.5% |
| School district 623 | 16.251% | 17.180% | 20.958% | 18.904% | 5.7% | 22.0% | -9.8% |
| All other [1] | 9.825% | 9.179% | 9.052% | 8.565% | -6.6% | -1.4% | -5.4% |
| Total-621 Schools | 141.129% | 130.675% | 129.871% | 124.329% | -7.4% | -0.6% | -4.3% |
| Total-623 Schools | 127.646% | 120.477% | 124.584% | 117.910% | -5.6% | 3.4% | -5.4% |
| [1] Regional rail, Met Council, Mosquito Control and Rice Creek Watershed combined. | | | | | | | |
| Market Value Rates | | | | | | | |
| School district 621 | 0.22834% | 0.21069% | 0.22261% | 0.20690% | -7.7% | 5.7% | -7.1% |
| School district 623 | 0.24553% | 0.25826% | 0.21044% | 0.19352% | 5.2% | -18.5% | -8.0% |

Fiscal disparities – The fiscal disparities program is a mechanism established by the State to provide a sharing of property tax revenues generated by commercial and industrial (C/I) growth since 1971. The program pools 40 percent of C/I value since the program began and redistributes the value to each community based on a formula. The result is either a net gain or a net loss in tax dollars from the pool. The table at right shows the amount of Shoreview’s annual levy has been paid by fiscal disparities and as a percent of the total levy.



Tax on Median Home – The estimated change in property tax for a median valued home (using preliminary tax rates for each jurisdiction as provided by Ramsey County), is shown in the table at right. Shoreview’s share of the tax bill will increase an estimated 2.7 percent (\$22.47 per year), and the combined tax for all other taxing jurisdictions (including the HRA) will increase approximately \$15.67 per year, for a total increase of 1 percent.

| Mounds View Schools & Rice Creek Watershed | Payable 2016 | Payable 2017 | Dollar Change | Percent Change |
|--|-------------------|-------------------|-----------------|----------------|
| Home value | \$ 253,800 | \$ 267,300 | \$ 13,500 | 5.3% |
| HMVE home value | \$ 239,400 | \$ 254,100 | \$ 14,700 | 6.1% |
| Taxable value | \$ 2,394 | \$ 2,541 | \$ 147 | 6.1% |
| Property Tax: | | | | |
| City | \$ 846.45 | \$ 868.92 | \$ 22.47 | 2.7% |
| HRA | 7.95 | 8.23 | 0.28 | 3.5% |
| All other jurisdictions | 2,819.70 | 2,835.09 | 15.39 | 0.5% |
| Total Property Tax | \$3,674.10 | \$3,712.24 | \$ 38.14 | 1.0% |

Since the change in home value will vary from property to property, which in turn influences the change in property tax (even if preliminary levies remain the same); the estimated change in the City portion of property taxes is presented in the table below using 7 different assumptions about value changes. The City portion of the 2017 tax bill for a median home value (\$267,300) under each assumption is \$868.92; however, the change in the City share of the property tax varies depending on the change in value from the previous year. As shown, the change in City tax for a median value home ranges from a 19.6percent decrease to a 13.7percent increase because of how state statutes allocate property taxes based on value.

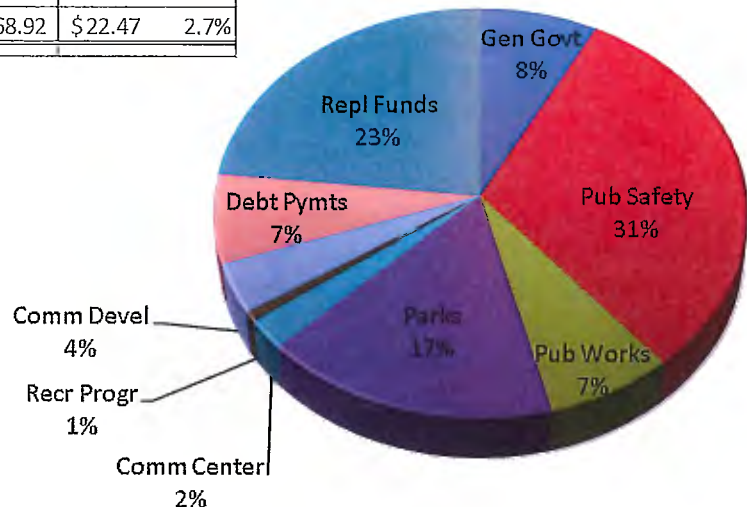
| Market Value Before MVE | | | Market Value After MVE | | | Taxable Value | | City Portion of Property Tax | | Change in City Property Tax | |
|-------------------------|------------|--------------|------------------------|------------|--------------|---------------|----------|------------------------------|-----------|-----------------------------|---------|
| 2016 | 2017 | Value Change | 2016 | 2017 | Value Change | 2016 | 2017 | 2016 | 2017 | Dollars | Percent |
| \$ 232,400 | \$ 267,300 | 15.0% | \$ 216,100 | \$ 254,100 | 17.6% | \$ 2,161 | \$ 2,541 | \$ 764.06 | \$ 868.92 | \$ 104.86 | 13.7% |
| \$ 243,000 | \$ 267,300 | 10.0% | \$ 227,600 | \$ 254,100 | 11.6% | \$ 2,276 | \$ 2,541 | \$ 804.73 | \$ 868.92 | \$ 64.19 | 8.0% |
| \$ 254,600 | \$ 267,300 | 5.0% | \$ 240,300 | \$ 254,100 | 5.7% | \$ 2,403 | \$ 2,541 | \$ 849.63 | \$ 868.92 | \$ 19.29 | 2.3% |
| \$ 253,800 | \$ 267,300 | 5.3% | \$ 239,400 | \$ 254,100 | 6.1% | \$ 2,394 | \$ 2,541 | \$ 846.45 | \$ 868.92 | \$ 22.47 | 2.7% |
| \$ 281,400 | \$ 267,300 | -5.0% | \$ 269,500 | \$ 254,100 | -5.7% | \$ 2,695 | \$ 2,541 | \$ 952.87 | \$ 868.92 | \$ (83.95) | -8.8% |
| \$ 297,000 | \$ 267,300 | -10.0% | \$ 286,500 | \$ 254,100 | -11.3% | \$ 2,865 | \$ 2,541 | \$1,012.98 | \$ 868.92 | \$ (144.06) | -14.2% |
| \$ 314,500 | \$ 267,300 | -15.0% | \$ 305,600 | \$ 254,100 | -16.9% | \$ 3,056 | \$ 2,541 | \$1,080.51 | \$ 868.92 | \$ (211.59) | -19.6% |

The next table provides the estimated change in the City portion of the tax bill for home values ranging from \$100,000 to \$900,000 for 2017, and each line assumes a 5.3 percent increase in value. The change in Shoreview's portion of the property tax bill varies from a 1.8 percent increase for a home valued at \$500,000, to a 4.7 percent increase for a home valued at \$100,000.

| Market Value Before MVE | | | Market Value After MVE | | | Taxable Value | | City Portion of Property Tax | | Change in City Property Tax | |
|-------------------------|------------|--------------|------------------------|------------|--------------|---------------|-----------|------------------------------|------------|-----------------------------|---------|
| 2016 | 2017 | Value Change | 2016 | 2017 | Value Change | 2016 | 2017 | 2016 | 2017 | Dollars | Percent |
| \$ 95,000 | \$ 100,000 | 5.3% | \$ 66,300 | \$ 71,800 | 8.3% | \$ 663 | \$ 718 | \$ 234.42 | \$ 245.53 | \$ 11.11 | 4.7% |
| \$ 142,500 | \$ 150,000 | 5.3% | \$ 118,100 | \$ 126,300 | 6.9% | \$ 1,181 | \$ 1,263 | \$ 417.57 | \$ 431.90 | \$ 14.33 | 3.4% |
| \$ 190,000 | \$ 200,000 | 5.3% | \$ 169,900 | \$ 180,800 | 6.4% | \$ 1,699 | \$ 1,808 | \$ 600.72 | \$ 618.26 | \$ 17.54 | 2.9% |
| \$ 253,800 | \$ 267,300 | 5.3% | \$ 239,400 | \$ 254,100 | 6.1% | \$ 2,394 | \$ 2,541 | \$ 846.45 | \$ 868.92 | \$ 22.47 | 2.7% |
| \$ 285,000 | \$ 300,000 | 5.3% | \$ 273,400 | \$ 289,800 | 6.0% | \$ 2,734 | \$ 2,898 | \$ 966.66 | \$ 991.00 | \$ 24.34 | 2.5% |
| \$ 380,000 | \$ 400,000 | 5.3% | \$ 377,000 | \$ 398,800 | 5.8% | \$ 3,770 | \$ 3,988 | \$1,332.96 | \$1,363.74 | \$ 30.78 | 2.3% |
| \$ 475,000 | \$ 500,000 | 5.3% | \$ 475,000 | \$ 500,000 | 5.3% | \$ 4,750 | \$ 5,000 | \$1,679.46 | \$1,709.80 | \$ 30.34 | 1.8% |
| \$ 570,000 | \$ 600,000 | 5.3% | \$ 570,000 | \$ 600,000 | 5.3% | \$ 5,875 | \$ 6,250 | \$2,077.22 | \$2,137.25 | \$ 60.03 | 2.9% |
| \$ 665,000 | \$ 700,000 | 5.3% | \$ 665,000 | \$ 700,000 | 5.3% | \$ 7,063 | \$ 7,500 | \$2,497.26 | \$2,564.70 | \$ 67.44 | 2.7% |
| \$ 855,000 | \$ 900,000 | 5.3% | \$ 855,000 | \$ 900,000 | 5.3% | \$ 9,438 | \$ 10,000 | \$3,336.99 | \$3,419.60 | \$ 82.61 | 2.5% |

| Program | 2016 | 2017 | Change | |
|----------------------------|------------|------------|-----------|------|
| | City Tax | City Tax | \$ | % |
| value before MVE-> | \$ 247,500 | \$ 253,800 | | |
| value after MVE-> | \$ 232,500 | \$ 239,400 | | |
| Home | Home | | | |
| General Government | \$ 71.07 | \$ 66.99 | \$ (4.08) | |
| Public Safety | 259.92 | 270.69 | 10.77 | |
| Public Works | 61.39 | 62.14 | 0.75 | |
| Parks and Recreation: | | | | |
| Park Admin and Maint | 138.52 | 144.36 | 5.84 | |
| Community Center Operation | 20.15 | 20.53 | 0.38 | |
| Recreation Programs | 6.66 | 6.74 | 0.08 | |
| Community Development | 30.39 | 33.90 | 3.51 | |
| Debt Service | 61.97 | 61.22 | (0.75) | |
| Replacement Funds | 196.38 | 202.35 | 5.97 | |
| Total City Taxes | \$ 846.45 | \$ 868.92 | \$22.47 | 2.7% |

Property Taxes per Function – As discussed previously in this document, Shoreview's annual share of the property tax bill on a median home (after HMVE) is \$868.92. To illustrate how property taxes support a variety of City programs and services, the table to the left and the graph below show the breakdown of property tax by program.



Inter-fund Transfers – Transfers between funds are used when resources are accumulated in one fund and will be used to support costs in another fund. Planned transfers for the year 2017 are shown in the table below.

- General Fund transfers to the Community Center Fund offset the room rental subsidy for community-oriented use of the building; to the Recreation Programs Fund cover a portion of playground and general program costs; to the Slice of Shoreview Fund support event costs; to the Refunding COP debt fund assist in paying community center debt payments
- Community Center transfers cover planned Community Center expansion costs
- Recreation Program transfers to the Community Center Fund pay for use of the building; to the Community Center Expansion Fund cover planned Community Center expansion costs
- Cable TV transfers to the General Fund support a portion of communication costs
- Closed Bond Fund transfer to the Refunding COP debt fund provides funding for debt payments in an effort to reduce the portion of the tax levy dedicated to debt payment
- Community Investment Fund transfers to the Refunding COP debt fund assist in paying Community Center debt payments
- MSA Fund transfer covers planned street rehabilitation costs
- Street Renewal transfer covers planned street rehabilitation costs
- GFA Replacement transfers cover planned capital costs and support for community center debt payments
- Utility Fund transfers (from Water, Sewer, Surface Water and Street Lighting Funds) to the General Fund are for payments in lieu of taxes (and represent no more than one percent of asset value); and to the Central Garage Fund represent a prorated share of debt payments (maintenance center renovation) and to the Capital Acquisition /IS Fund covers planned computer/technology capital costs
- Central Garage transfer to the Capital Acquisition I/S Fund covers planned capital technology costs.

| From Fund | To Fund | 2017 Transfers |
|----------------------|------------------------|---------------------|
| General Fund | Community Center | \$ 262,000 |
| General Fund | Recreation Programs | 86,000 |
| General Fund | Slice of Shoreview | 10,000 |
| General Fund | Refunding COPs (debt) | 50,000 |
| Community Center | Comm Cntr Expansion | 200,000 |
| Recreation Programs | Community Center | 140,000 |
| Recreation Programs | Comm Cntr Expansion | 200,000 |
| Cable TV | General Fund | 200,000 |
| Closed Bond | Refunding COPs (debt) | 50,000 |
| Community Investment | Refunding COPs (debt) | 175,000 |
| MSA Fund | Street Rehabilitation | 800,000 |
| Street Renewal | Windward Heights | 766,500 |
| GFA Replacement | Capital Acquisition/IS | 345,204 |
| GFA Replacement | Refunding COPs (debt) | 180,000 |
| Water | General Fund | 330,000 |
| Water | Central Garage | 43,000 |
| Water | Capital Acquisition/IS | 20,163 |
| Sewer | General Fund | 144,000 |
| Sewer | Central Garage | 43,000 |
| Sewer | Capital Acquisition/IS | 20,163 |
| Surface Water | General Fund | 137,000 |
| Surface Water | Central Garage | 31,000 |
| Street Lighting | General Fund | 26,000 |
| Street Lighting | Central Garage | 2,400 |
| Central Garage | Capital Acquisition/IS | 14,000 |
| Total Transfers | | <u>\$ 4,275,430</u> |
| From Operating Funds | | \$ 2,008,726 |
| From Capital Funds | | <u>2,266,704</u> |
| Total Transfers | | <u>4,275,430</u> |
| To Operating Funds | | \$ 1,909,400 |
| To Capital Funds | | <u>2,366,030</u> |
| Total Transfers | | <u>\$ 4,275,430</u> |

Full-time Equivalents (FTE) for all staff positions, including temporary staff, are shown in the table below.

| Description | 2014 Budget | 2015 Budget | 2016 Budget | 2016 Estimate | 2017 Budget |
|--------------------------------|----------------|----------------|----------------|------------------|----------------|
| Full-time | | | | | |
| General Fund | 41.02 | 41.92 | 40.55 | 42.49 | 40.95 |
| Recycling | 0.35 | 0.35 | 0.45 | 0.45 | 0.45 |
| Community Center Operations | 14.39 | 15.30 | 15.25 | 15.25 | 15.25 |
| Recreation Programs | 5.05 | 4.30 | 5.75 | 5.75 | 4.95 |
| Cable Television | 0.25 | 0.25 | 0.25 | 0.25 | 0.25 |
| Economic Development Authority | 0.40 | 0.45 | 0.50 | 0.50 | 0.50 |
| HRA Programs of EDA | 0.60 | 0.60 | 0.60 | 0.60 | 0.60 |
| Water Enterprise Fund | 7.71 | 7.82 | 7.77 | 7.92 | 7.82 |
| Sewer Enterprise Fund | 6.72 | 6.83 | 6.78 | 6.93 | 6.83 |
| Surface Water Mgmt Utility | 3.37 | 3.49 | 3.82 | 3.82 | 3.90 |
| Street Light Utility | 0.20 | 0.20 | 0.20 | 0.20 | 0.10 |
| Central Garage | 2.40 | 2.40 | 2.40 | 2.50 | 2.40 |
| Total Full-time | 82.46 | 83.91 | 84.32 | 86.66 | 84.00 |
| Part-time | | | | | |
| General Fund | 0.52 | 0.87 | 0.92 | 0.74 | 0.38 |
| Community Center Operations | 0.21 | 0.15 | 0.23 | 0.18 | - |
| Recreation Programs | 0.21 | 0.15 | 0.23 | 0.18 | - |
| Water Enterprise Fund | 0.04 | 0.04 | 0.08 | 0.03 | 0.03 |
| Sewer Enterprise Fund | 0.04 | 0.04 | 0.08 | 0.03 | 0.03 |
| Surface Water Mgmt Utility | - | 0.02 | 0.01 | 0.01 | 0.01 |
| Street Light Utility | - | 0.08 | 0.05 | 0.05 | 0.05 |
| Total Part-time | 1.02 | 1.35 | 1.60 | 1.22 | 0.50 |
| Associate | | | | | |
| General Fund | 4.42 | 3.69 | 3.86 | 3.33 | 3.23 |
| Community Center Operations | 23.06 | 21.52 | 22.07 | 21.39 | 21.79 |
| Recreation Programs | 25.97 | 27.38 | 28.49 | 28.05 | 27.99 |
| Cable Television | 0.10 | 0.10 | 0.47 | 0.47 | 0.47 |
| Water Enterprise Fund | 0.39 | 0.29 | 0.33 | 0.39 | 0.44 |
| Sewer Enterprise Fund | 0.39 | 0.29 | 0.34 | 0.39 | 0.45 |
| Surface Water Mgmt Utility | 0.22 | 0.13 | 0.13 | 0.13 | 0.13 |
| Total Associate | 54.55 | 53.40 | 55.69 | 54.15 | 54.50 |
| Total FTEs | 138.03 | 138.66 | 141.61 | 142.03 | 139.00 |

Changes in full-time FTE's include a reduction in 2017 of .32 FTE's as a result of a phased retirement in 2016. Phased retirements result in a duplication of wages during the period when both the retiring and new employee are employed at the City. Part-time FTE's decreased in 2017 as a result of the elimination of the park and recreation office tech (.60) and human resources management assistant (.50) positions. Associate FTE's decreased for: temporary positions to assist with elections, Community Center and Recreation Program Funds and a public works intern position (1.41). Utility associate FTE's increased by .22 for a utility maintenance position.

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Capital Improvement Program Summary

Introduction

The Administration and Finance departments are pleased to present the amended Capital Improvement Program (CIP) for the years 2017 through 2021 (including revised estimates for 2016). This CIP reflects the City's assessment of community needs and the ability to pay for major improvements, and is guided by the belief that reinvestment for replacement, maintenance or increased efficiency of existing systems shall have priority over expansion of existing systems or the provision of new services. All City departments have participated in the preparation of the CIP, including identifying major public improvements needed to serve existing development or to support future growth, projecting the timing of necessary replacements, establishing when replacements and improvements should be provided, and determining how to finance capital costs.

Capital spending decisions for the five-year CIP are generally made according to the following funding priorities, and reflect the City's efforts to allocate the City's limited resources to projects:

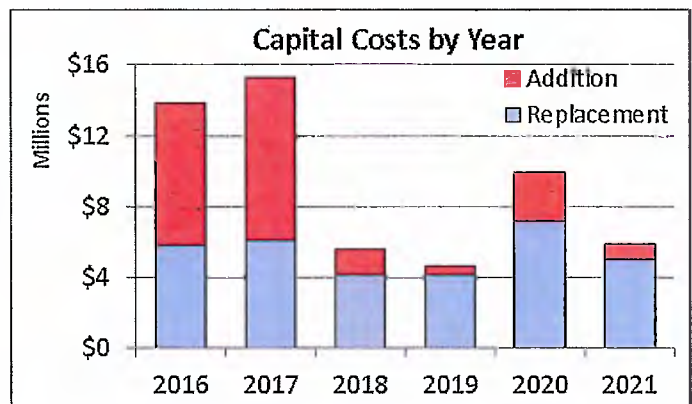
1. Contribute to the public health and welfare
2. Maintain an existing system
3. Improve efficiency of an existing system
4. Expand or add a system or service
5. Expand, renovate or add public facilities/parks

Although the CIP represents a tentative commitment to proceed with planned projects in the future, the commitment is more certain in early years and becomes increasingly more tenuous in subsequent years. Regardless, the CIP represents the City's present plan and priority for capital spending, and provides a framework for projected tax levies and utility rates.

Infrastructure Replacement Planning

Because Shoreview is more than 96 percent developed, replacement costs account for the majority of capital spending. Over the next five years, excluding the \$6.4 million in water treatment facility costs in 2016/2017 and \$8 million of Community Center expansion costs in 2017, approximately 80 percent of costs are for repair, rehabilitation or reconstruction projects.

The City's Comprehensive Infrastructure Replacement Plan (CHIRP) and Policy ensure that capital replacement planning is a routine part of the annual budget process by requiring a comprehensive and integrated examination of the impact of capital replacement costs on inter-fund charges, user fees (including utility rates) and tax levies. In addition, the policy directs that the City avoid assessing property owners more than once for any given facility because the City is viewed as being primarily responsible for the payment of replacement and rehabilitation costs. The maximum cost to be assessed is limited to the cost of added improvements plus a proportionate share of project engineering and administrative costs.



Debt Issuance

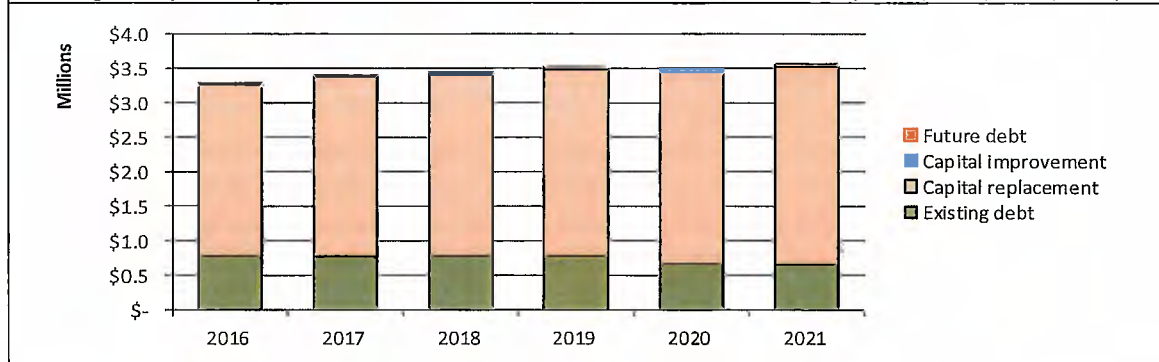
Proposed debt issuance over the next six years is \$21.9 million, in comparison to project costs of \$55.2 million (40 percent of project costs). If the water treatment plant and Community Center expansion debt are excluded from the totals (because of the cost and one-time nature of the projects), approximately 28 percent of costs are supported by debt issuance. This favorable indicator is possible due to long-term financial planning efforts, described on the previous page, which require the identification of resources and funding mechanisms well in advance of capital needs. It also should be noted that the majority of debt issuance is for utility systems, and therefore does not impact tax levies.

| Description | 2016 | 2017 | 2019 | 2021 |
|------------------------------------|--------------|--------------|--------------|--------------|
| GO Improvement Bonds (assmts) | \$ - | \$ 274,987 | \$ 279,800 | \$ 833,320 |
| GO Improvement Bonds | - | 4,000,000 | - | - |
| GO Water Bonds | 6,813,800 | 953,500 | 141,000 | 1,524,000 |
| GO Sewer Bonds | 54,500 | 250,000 | 1,590,000 | 1,519,000 |
| GO Surface Water Bonds | 373,813 | 505,000 | 767,000 | 1,001,280 |
| Estimated Total Debt Issued | \$ 7,242,113 | \$ 5,983,487 | \$ 2,777,800 | \$ 4,877,600 |
| 2015 debt issued for 2016 projects | 970,000 | - | - | - |
| Total debt proceeds | \$ 8,212,113 | \$ 5,983,487 | \$ 2,777,800 | \$ 4,877,600 |

Capital and Debt Levies

Capital and debt levies necessary to support planned projects in this CIP are projected to have an average annual impact of .6 percent on the total tax levy. The City has maintained this low level through setting aside General Fund operating surpluses in recent years. These surpluses are being used to buy down the annual debt levy, in an effort to smooth out temporary fluctuations in the tax levy and ease the impact on property owners.

| Description | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 |
|------------------------------------|--------------|--------------|--------------|--------------|--------------|--------------|
| Capital Repl-Street Renewal | \$ 1,000,000 | \$ 1,060,000 | \$ 1,124,000 | \$ 1,191,000 | \$ 1,262,000 | \$ 1,338,000 |
| Capital Repl-Gen Fixed Asset Repl. | 1,475,000 | 1,521,484 | 1,505,000 | 1,515,000 | 1,525,000 | 1,535,000 |
| Capital Acquisition (IT) | 30,000 | 35,000 | 40,000 | 40,000 | 50,000 | 50,000 |
| Existing Debt-Central Garage | 184,000 | 184,000 | 184,000 | 184,000 | 184,000 | 184,000 |
| Existing Debt-Debt funds | 547,000 | 547,000 | 544,000 | 538,000 | 425,000 | 423,000 |
| Existing Debt-General fund contrib | 50,000 | 50,000 | 50,000 | 50,000 | 50,000 | 50,000 |
| Future Debt-Debt funds | - | - | - | - | - | - |
| Total Capital and Debt Levies | \$ 3,286,000 | \$ 3,397,484 | \$ 3,447,000 | \$ 3,518,000 | \$ 3,496,000 | \$ 3,580,000 |
| Change in Debt Levy | \$ (21,000) | \$ - | \$ (3,000) | \$ (6,000) | \$ (113,000) | \$ (2,000) |
| Change in Capital Levy | \$ 102,417 | \$ 111,484 | \$ 52,516 | \$ 77,000 | \$ 91,000 | \$ 86,000 |



Collector Streets

MSA streets are typically City streets with higher traffic volumes. The City may designate up to 20 percent of local streets as MSA routes, and the routes are subject to certain State design requirements. The CIP contains 4 projects that use MSA funding over the next five years.

- Rehabilitation of the Victoria Street segment (Lexington Avenue to County Road F) is planned for 2017
- Participation in Ramsey County's reconstruction of the Rice Street/I-694 Interchange is planned for 2018
- Rehabilitation of Highway 49 between Highway 96 and Gramsie Road is planned for 2020
- Reconstruction of Owasso Boulevard North is planned for 2020

Street Improvements

In 2006 the City Council changed the course of the City's street renewal program by utilizing street bonds for large-scale rehabilitation of City streets. This change enabled the City to simultaneously direct street renewal dollars toward reconstruction of substandard street segments (and reconstruct all substandard streets by 2021) while maintaining street condition ratings and preserving pavement condition through pavement strategies such as seal coating and full depth reclamation. The City sold \$2.4 million of street rehabilitation bond in 2013; the next street bond is planned for 2022. The following street reconstruction projects are planned over the next five years.

- Windward Heights Neighborhood (2016 and 2017) – Complete reconstruction of streets, storm drainage improvements, replacement of a cast iron water main and sanitary sewer repairs
- Bridge/Lion Neighborhood (2018) – Complete reconstruction of streets, installation of curb and gutter, storm water systems, and the installation of water main services to Dale Court N & S
- Wabasso Neighborhood (2019) – Complete reconstruction of streets, installation of curb and gutter, storm water systems, and street lights and repairs of water mains and sewer lines
- Dale Alley (2019) – Removal and replacement of pavement
- Edgetown Acres , Schutta/Lois/Hillview (2020 and 2021) – Complete reconstruction of streets, installation of curb and gutter, storm water systems, and street lights and repairs of water mains and sewer lines

Park Improvements

Park improvements include replacement costs, renovations and facility additions/expansions. Major projects planned over the next five years include:

Community Investment Fund supported:

- McCullough Park – park renovation in 2018 (\$700,000)
- Shamrock Park – park renovation in 2020 (\$750,000)

General Fixed Asset Replacement Fund supported:

- Bucher Park – fencing replacement in 2019 (\$44,000), parking lot replacement in 2017 (\$98,000)
- Commons Park – skate park replacement in 2017 (\$175,000), playground replacement in 2018 (\$90,000), court resurfacing in 2018 (\$40,000)
- City Hall/Community Center – sealcoat parking lot in 2018 (\$50,000)

- McCullough Park – playground replacement in 2017 (\$115,000)
- Ponds Park – playground replacement in 2018 (\$55,000)
- Rice Creek Fields – scoreboard replacement in 2017 (\$50,000), playground replacement in 2018 (\$65,000), replace fencing in 2021 (\$60,000)
- Shamrock Park – playground replacement in 2019 (\$130,000), pavement rehabilitation in 2017 (\$85,000)
- Sitzer Park – court resurfacing in 2019 (\$40,000)
- Theisen Park – resurface basketball court in 2017 (\$30,000), pavement rehabilitation in 2017 (\$110,000)
- Wilson Park – replace ballfield and tennis/basketball courts fencing in 2017 (\$35,000), court resurfacing in 2020 (\$40,000)

Trail Rehabilitation and Extension

The trail improvement program continues to use rehabilitation strategies that include replacing certain segments of trail, as well as resurfacing of trails with a slurry seal. This seal coat system has proven to be a very cost effective method to extend the life of the trail system. Additional trail segments include the extension of the Gramsie Road trail in 2016 (\$85,000) and the addition of a segment in the Snail Lake Open Space area in 2017 (\$80,000).

Municipal Buildings

Municipal buildings include repair/replacement items for the community center/city hall, and fire stations as well as facility additions/expansions. Major items include:

Community Investment Fund supported:

- Annual allowance of \$45,000 in 2017 and \$50,000 per year for 2018 thru 2021 for improvements to the Community Center facility
- Community Center expansion/Shoreview Commons improvements in 2017 (\$3,600,000)

General Fixed Asset Replacement Fund supported:

- Replace banquet room chairs and tables in 2017 (\$190,000)
- Replace wooden lockers in fitness locker rooms in 2018 (\$45,000)
- Replace Community Room carpet in 2018 (\$35,000)
- Repaint pool ceiling in 2019 (\$75,000)
- Refurbish modular office furniture (city hall) in 2019 (\$100,000)
- Replace moveable walls in the Community Room in 2020 (\$90,000)
- Replace lockers in pool locker room in 2021 (\$179,000)
- Remodel locker rooms in 2021 (\$33,600)

Utility Improvements

There are several planned improvements to the City's utility systems in the next five years. The most significant project is a water treatment plant in 2015-2017 at an estimated cost of \$12.1 million. The water treatment plant is necessary to address growing concerns about iron and manganese in the City's water supply. Other major utility system improvements include:

- North tower interior wet/dry rehabilitation and surface recoating in 2021 (\$700,000)

- Sanitary sewer rehabilitation (including pipe relining) in 2019 (\$950,000)
- Storm water reuse to irrigate Rice Creek Fields in 2017 (\$160,000)
- Annual sanitary sewer lift station repair allowance 2017-2019 (\$30,000), 2021 (\$75,000)
- Allowance for rehabilitation and replacement of various storm water collection systems throughout the City in 2020 (\$160,000)
- Street Light replacements over the next six years to address a growing number of street light outages occurring for lighting originally installed in the 1970s and early 1980s.

Major Equipment

Most of the equipment costs identified in this section of the CIP are for the replacement of existing equipment. Major items include:

- Fire engine and Chief's vehicle replacement in 2017 (\$486,700), Fire Marshal's vehicle in 2018 (\$38,440), rescue vehicle in 2019 (\$114,700), utility and Chief's vehicle in 2020 (\$128,960), Chief's vehicle in 2021 (\$62,000)
- Computer system replacements and improvements
- An allowance for mechanical equipment related to the Community Center and City Hall
- Central garage equipment

Ongoing Capital Project Fund Cash Flows

Funding for capital costs is provided by operating funds, ongoing capital funds and other sources. For operating funds, planned revenue sources in the operating budget are allocated to capital costs according to the Capital Improvement Plan as each project is approved by the City Council. Because ongoing capital project funds (which also provide funding for projects) do not appear in the operating budget, cash flow projections for these funds are provided on the next few pages.

MSA Fund

The summary of MSA Fund activity provided in the table below shows that projected MSA receipts will be sufficient to cover project costs through the year 2021.

| MSA Fund Capital Projections | Estimated 2016 | Projected 2017 | Projected 2018 | Projected 2019 | Projected 2020 | Projected 2021 |
|---------------------------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
| Revenue | | | | | | |
| Intergovt (MSA allocation) | \$ 715,783 | \$ 715,783 | \$ 715,783 | \$ 715,783 | \$ 715,783 | \$ 715,783 |
| Investment interest | 3,000 | 6,000 | 7,000 | 2,000 | - | 2,000 |
| Total Revenues | \$ 718,783 | \$ 721,783 | \$ 722,783 | \$ 717,783 | \$ 715,783 | \$ 717,783 |
| Expense | | | | | | |
| MSA Street Rehabilitation | 819,000 | 800,000 | - | - | - | - |
| Rice Street/I-694 Interchange | - | - | 420,000 | - | - | - |
| Highway 49/Hodgson (96-Gramsie) | - | - | - | - | 218,000 | - |
| Bridge, Lion Neighborhood | - | - | 150,000 | - | - | - |
| Owasso Blvd N Reconstruction | - | - | - | - | 2,730,000 | - |
| Total Expense | \$ 819,000 | \$ 800,000 | \$ 570,000 | \$ - | \$ 2,948,000 | \$ - |
| Net change | (100,217) | (78,217) | 152,783 | 717,783 | (2,232,217) | 717,783 |
| Fund equity, beginning | 1,579,142 | 1,478,925 | 1,400,708 | 1,553,491 | 2,271,274 | 39,057 |
| Fund equity, ending | \$ 1,478,925 | \$ 1,400,708 | \$ 1,553,491 | \$ 2,271,274 | \$ 39,057 | \$ 756,840 |
| Fund equity percent of avg expense | 201.0% | 190.4% | 211.1% | 308.7% | 5.3% | 102.9% |
| Months capital coverage (avg expense) | 24.1 | 22.8 | 25.3 | 37.0 | 0.6 | 12.3 |
| Fund equity - from 2016 CHIRP | 734,381 | 1,456,164 | 1,608,947 | 2,108,730 | 94,513 | 812,296 |
| Variance over (under) 2016 CHIRP | 744,544 | (55,456) | (55,456) | 162,544 | (55,456) | (55,456) |

Street Renewal Fund

The summary of Street Renewal Fund activity provided in the table below shows planned increases in the tax levy are sufficient to support projects through 2021 while maintaining the minimum \$2 million fund balance. The 2021 Edgetown Acres project causes the Fund balance to fall within \$25,624 of the required minimum \$2 million fund balance, which will likely require the project to be spread out over three years.

| Street Renewal Fund Capital Projections | Estimated 2016 | Projected 2017 | Projected 2018 | Projected 2019 | Projected 2020 | Projected 2021 |
|--|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
| Revenue | | | | | | |
| Property taxes | \$ 1,000,000 | \$ 1,060,000 | \$ 1,124,000 | \$ 1,191,000 | \$ 1,262,000 | \$ 1,338,000 |
| Assessments | 12,696 | 12,696 | 127,696 | 6,880 | 6,880 | 6,880 |
| Investment interest | 28,000 | 33,000 | 34,000 | 42,000 | 47,000 | 41,000 |
| Total Revenues | \$ 1,040,696 | \$ 1,105,696 | \$ 1,285,696 | \$ 1,239,880 | \$ 1,315,880 | \$ 1,385,880 |
| Expense | | | | | | |
| Street condition survey | 8,000 | 8,500 | 8,500 | 9,000 | 9,000 | 9,500 |
| Sealcoat and crack fill | 325,400 | 336,700 | 339,700 | 346,000 | 352,500 | 359,100 |
| Street rehabilitation current projects: | | | | | | |
| Railroad crossing quiet zones | 1,017 | - | - | - | - | - |
| Grand Avenue reconstruction | 257,000 | - | - | - | - | - |
| Turtle Lane neighborhood | - | - | - | - | - | - |
| Windward Heights neighborhood | 665,400 | 766,500 | - | - | - | - |
| Bridge/Lion neighborhood | - | - | 873,000 | - | - | - |
| Wabasso neighborhood | - | - | - | 472,200 | - | - |
| Dale Alley | - | - | - | 125,000 | - | - |
| Edgetown Acres-Schutta/Lois/Hillview | - | - | - | - | 1,337,800 | 1,457,600 |
| Total Expense | \$ 1,256,817 | \$ 1,111,700 | \$ 1,221,200 | \$ 952,200 | \$ 1,699,300 | \$ 1,826,200 |
| Net change | (216,121) | (6,004) | 64,496 | 287,680 | (383,420) | (440,320) |
| Fund equity, beginning | 2,719,313 | 2,503,192 | 2,497,188 | 2,561,684 | 2,849,364 | 2,465,944 |
| Fund equity, ending | \$ 2,503,192 | \$ 2,497,188 | \$ 2,561,684 | \$ 2,849,364 | \$ 2,465,944 | \$ 2,025,624 |
| Years of capital coverage (avg expense) | 1.9 | 1.9 | 2.0 | 2.2 | 1.9 | 1.5 |
| Tax levy percent change | 5.8% | 6.0% | 6.0% | 6.0% | 6.0% | 6.0% |
| Average annual percent change (taxes) 2016 – | | 5.9% | 5.9% | 6.0% | 6.0% | 6.0% |

Community Investment Fund

The summary of Community Investment Fund activity provided below shows projected revenue is sufficient to support planned building, park and trail projects providing community wide benefit. The G.O. debt service transfer beginning in 2018 provides funding for debt payments associated with the proposed \$4,000,000 Community Center expansion/Shoreview Commons improvement bond issue.

| Community Investment Fund Capital Projections | Estimated 2016 | Projected 2017 | Projected 2018 | Projected 2019 | Projected 2020 | Projected 2021 |
|--|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
| Revenue | | | | | | |
| Franchise fees | \$ 790,000 | \$ 790,000 | \$ 790,000 | \$ 790,000 | \$ 790,000 | \$ 790,000 |
| PCS Antenna rentals | 399,900 | 434,880 | 453,675 | 473,300 | 493,800 | 515,220 |
| Billboard fees | 53,360 | 54,960 | 56,600 | 58,310 | 60,060 | 61,860 |
| Investment interest | 35,000 | 30,000 | 16,000 | 22,000 | 31,000 | 40,000 |
| Total Revenues | \$ 1,278,260 | \$ 1,309,840 | \$ 1,316,275 | \$ 1,343,610 | \$ 1,374,860 | \$ 1,407,080 |
| Expense | | | | | | |
| Community Center improvements | 15,035 | 45,000 | 50,000 | 50,000 | 50,000 | 50,000 |
| Community Center addition | - | 3,600,000 | - | - | - | - |
| Park facilities improvements | - | - | 700,000 | - | 750,000 | - |
| Trails and pathways | 206,000 | 80,000 | - | - | 94,000 | - |
| Total Expense | \$ 221,035 | \$ 3,725,000 | \$ 750,000 | \$ 50,000 | \$ 894,000 | \$ 50,000 |
| Other Sources (Uses) | | | | | | |
| Transfer out/G.O. debt service | - | - | (355,000) | (355,000) | (350,000) | (350,000) |
| Transfers out/debt service (COP's) | (175,000) | (175,000) | (175,000) | (180,000) | (180,000) | (180,000) |
| Total Other Sources (Uses) | \$ (175,000) | \$ (175,000) | \$ (530,000) | \$ (535,000) | \$ (530,000) | \$ (530,000) |
| Net change | 882,225 | (2,590,160) | 36,275 | 758,610 | (49,140) | 827,080 |
| Fund equity, beginning | 2,543,558 | 3,425,783 | 835,623 | 871,898 | 1,630,508 | 1,581,368 |
| Fund equity, ending | \$ 3,425,783 | \$ 835,623 | \$ 871,898 | \$ 1,630,508 | \$ 1,581,368 | \$ 2,408,448 |
| Months of capital coverage (avg exp) | 49.7 | 12.1 | 12.7 | 23.7 | 22.9 | 35.0 |
| Minimum fund balance | \$ 537,856 | \$ 729,832 | \$ 924,873 | \$ 1,189,195 | \$ 1,457,967 | \$ 1,731,383 |
| Fund balance in excess of minimum | \$ 2,887,927 | \$ 105,791 | \$ (52,975) | \$ 441,313 | \$ 123,401 | \$ 677,065 |
| Debt service over (under) policy limit | \$ (368,932) | \$ (377,617) | \$ 1,356 | \$ (2,544) | \$ (16,832) | Unavailable |

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

The Community Investment Policy limits the amount of resources that can be used for the repayment of debt issued to acquire qualifying capital assets to 50% of ensuing years' available revenue, defined as, revenue derived from franchise fees (electric and gas), wireless telecommunication antenna lease receipts and outdoor billboard lease receipts, less the amount allocated to the accumulation of minimum fund balance. The third line in the table above, highlighted in blue, shows the amount of debt service exceeding or below the policy limit. The debt service issued on the proposed Community Center expansion results in a violation of the policy in the year 2018.

Information Technology Fund

The summary of Capital Acquisition Fund activity shown below, for the planned replacement and/or improvement of computer systems, shows that the small tax levy and contributions from other funds is sufficient to cover projected costs. The small tax levy is intended to assist in funding new capital asset purchases that cannot be funded by replacement funds.

| Information Technology Fund Capital Projections | Estimated 2016 | Projected 2017 | Projected 2018 | Projected 2019 | Projected 2020 | Projected 2021 |
|---|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
| Revenue | | | | | | |
| Property taxes | \$ 30,000 | \$ 35,000 | \$ 40,000 | \$ 40,000 | \$ 50,000 | \$ 50,000 |
| Investment interest | 400 | 400 | 1,100 | 1,600 | 1,600 | 1,600 |
| Total Revenues | \$ 30,400 | \$ 35,400 | \$ 41,100 | \$ 41,600 | \$ 51,600 | \$ 51,600 |
| Expense | | | | | | |
| Computer equipment/software | 304,976 | 443,330 | 211,900 | 192,800 | 182,200 | 215,800 |
| Total Expense | \$ 304,976 | \$ 443,330 | \$ 211,900 | \$ 192,800 | \$ 182,200 | \$ 215,800 |
| Other Sources (Uses) | | | | | | |
| Transfers in/Gen Fixed Asset Fund | 281,302 | 345,204 | 205,000 | 186,000 | 161,000 | 132,000 |
| Transfers in/Water Fund | 6,137 | 20,163 | - | 400 | - | - |
| Transfers in/Sewer Fund | 6,137 | 20,163 | - | 400 | 400 | 400 |
| Transfers in/Central Garage Fund | 1,000 | 14,000 | - | - | - | - |
| Total Other Sources (Uses) | \$ 294,576 | \$ 399,530 | \$ 205,000 | \$ 186,800 | \$ 161,400 | \$ 132,400 |
| Net change | 20,000 | (8,400) | 34,200 | 35,600 | 30,800 | (31,800) |
| Fund equity, beginning | 32,815 | 52,815 | 44,415 | 78,615 | 114,215 | 145,015 |
| Fund equity, ending | \$ 52,815 | \$ 44,415 | \$ 78,615 | \$ 114,215 | \$ 145,015 | \$ 113,215 |
| Months of capital coverage (avg exp) | 2.5 | 2.1 | 3.8 | 5.5 | 6.9 | 5.4 |

General Fixed Asset Replacement Fund

The brief summary of General Fixed Asset Replacement Fund activity provided below indicates that fund balance drops in 2017. Major costs in 2017 include replacement of the City's financial software (\$255,204), replacement of the City Hall/Community Center back-up generator (\$250,000), skate park replacement (\$175,000), banquet room chair and table replacements (\$190,000), fire department vehicle replacements (\$486,700) and Shamrock, Theisen and Bucher Parks parking lot improvements (\$293,000). Other major costs include fire department vehicles in 2019 and 2020 (\$114,700/\$128,960), Community Center boiler replacement in 2019 (\$180,000) and locker room improvements in 2021 (\$212,600).

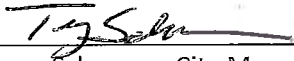
| General Fixed Asset Fund Capital Projections | Estimated 2016 | Projected 2017 | Projected 2018 | Projected 2019 | Projected 2020 | Projected 2021 |
|---|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
| Revenue | | | | | | |
| Property taxes | \$ 1,475,000 | \$ 1,521,484 | \$ 1,505,000 | \$ 1,515,000 | \$ 1,525,000 | \$ 1,535,000 |
| Investment interest | 10,000 | 7,000 | 7,000 | 14,000 | 25,000 | 32,000 |
| Other | 75,000 | - | - | - | - | - |
| Total Revenues | \$ 1,560,000 | \$ 1,528,484 | \$ 1,512,000 | \$ 1,529,000 | \$ 1,550,000 | \$ 1,567,000 |
| Expense | | | | | | |
| Fire stations & equipment | 114,917 | 559,178 | 124,992 | 141,050 | 128,960 | 62,000 |
| Warning sirens | 20,990 | 32,000 | - | 33,000 | - | 22,000 |
| Municipal buildings | 598,949 | 723,000 | 286,000 | 425,000 | 230,000 | 438,600 |
| Park facilities | 180,000 | 746,000 | 328,000 | 233,200 | 86,000 | 65,800 |
| Trails | 75,000 | 140,000 | 80,000 | 80,000 | 80,000 | 80,000 |
| Total Expense | \$ 989,856 | \$ 2,200,178 | \$ 818,992 | \$ 912,250 | \$ 524,960 | \$ 668,400 |
| Other Sources (Uses) | | | | | | |
| Sale of capital assets | - | - | - | - | - | - |
| Transfers out/Capital Imprv (IT) fund | (281,302) | (345,204) | (205,000) | (186,000) | (161,000) | (132,000) |
| Transfers out/debt funds | (180,000) | (180,000) | (180,000) | (180,000) | (180,000) | (180,000) |
| Total Other Sources (Uses) | \$ (461,302) | \$ (525,204) | \$ (385,000) | \$ (366,000) | \$ (341,000) | \$ (312,000) |
| Net change | 108,842 | (1,196,898) | 308,008 | 250,750 | 684,040 | 586,600 |
| Fund equity, beginning | 1,125,088 | 1,233,930 | 37,032 | 345,040 | 595,790 | 1,279,830 |
| Fund equity, ending | \$ 1,233,930 | \$ 37,032 | \$ 345,040 | \$ 595,790 | \$ 1,279,830 | \$ 1,866,430 |
| Months of average capital coverage | 10.6 | 0.3 | 3.0 | 5.1 | 11.0 | 16.1 |
| Tax levy percent change | 3.9% | 3.2% | -1.1% | 0.7% | 0.7% | 0.7% |
| Average annual percent change (taxes) 2016- | | | | | | 1.3% |

Summary

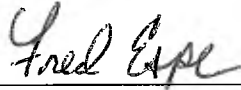
This document is intended to be used in conjunction with the 2016-2017 Biennial Budget, in that it describes amendments to the 2017 Budget, and conveys the City's amended Capital Improvement Plan for the years 2017-2021. The remainder of this document provides information about the specific capital projects, including resources and capital costs. We sincerely hope that regular users and other interested parties will find these documents to be an interesting and useful resource for the evaluation of City programs and services.

We express our appreciation to all City staff for their contributions to the budget, and to the City Council for the guidance and direction provided during the budget process. It is an honor to service the citizens of Shoreview.

Respectfully submitted,



Terry Schwerm, City Manager

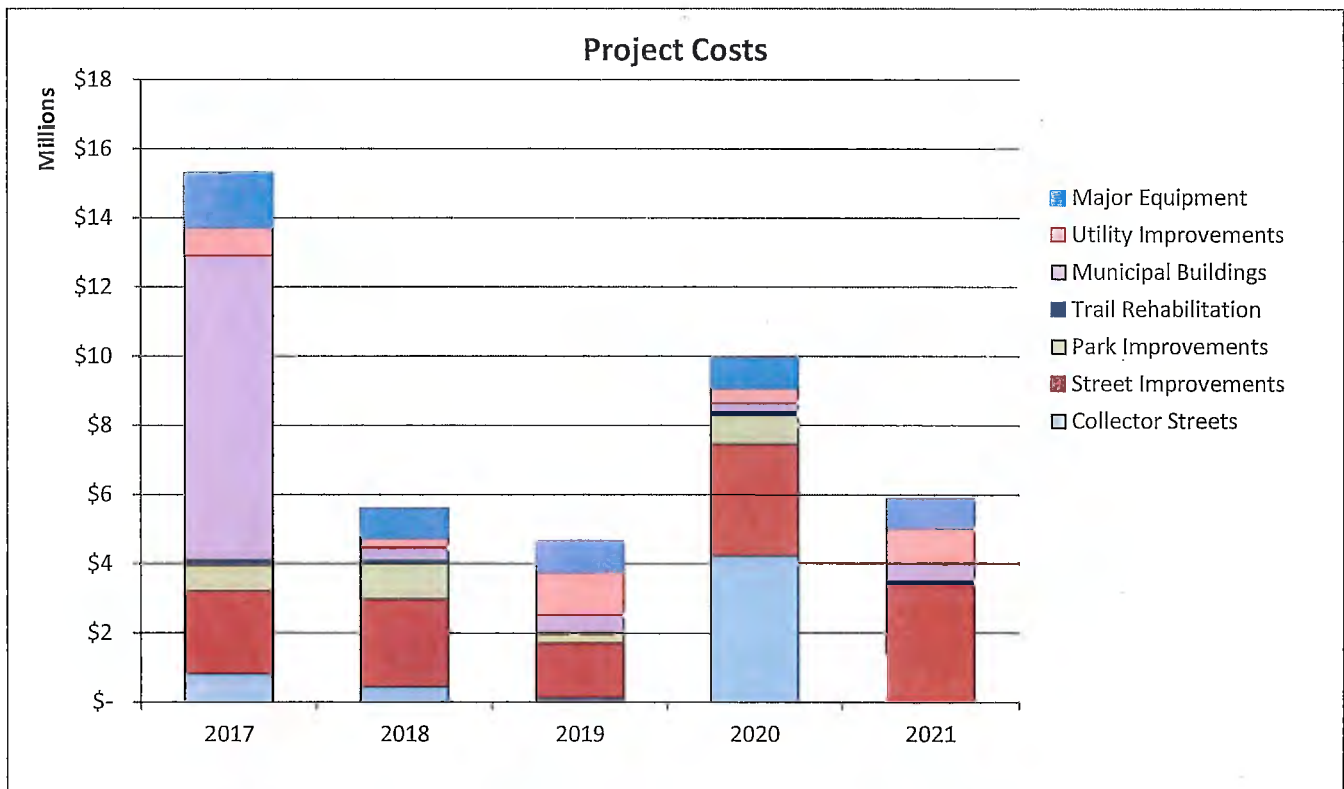


Fred Espe, Finance Director

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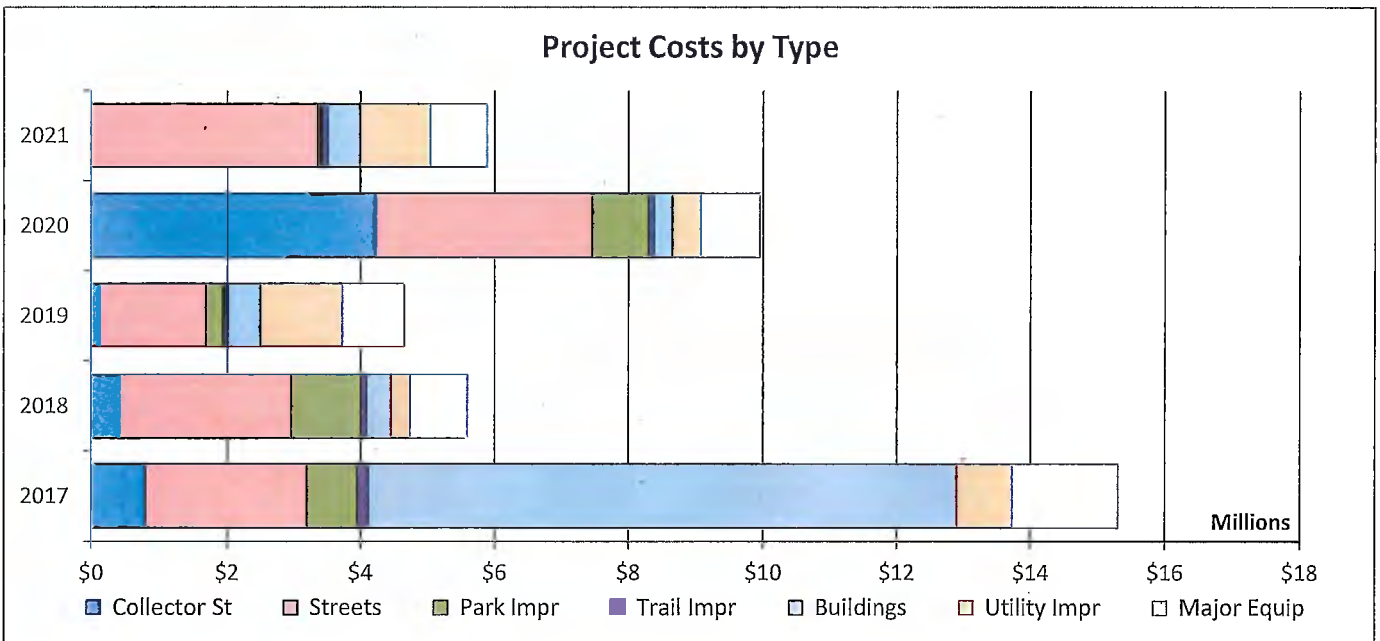
Capital Improvement Program

| Description | Year 2016 | Year 2017 | Year 2018 | Year 2019 | Year 2020 | Year 2021 |
|----------------------------|----------------------|----------------------|---------------------|---------------------|---------------------|---------------------|
| Resources | | | | | | |
| Debt Issuance | \$ 8,462,600 | \$ 5,733,000 | \$ 1,120,000 | \$ 1,657,800 | \$ 2,720,200 | \$ 2,157,400 |
| Intergovernmental | 1,609,500 | 800,000 | 570,000 | - | 2,948,000 | - |
| Internal Funds | 3,810,629 | 8,762,208 | 3,895,312 | 2,983,480 | 4,274,870 | 3,721,140 |
| Total Resources | \$ 13,882,729 | \$ 15,295,208 | \$ 5,585,312 | \$ 4,641,280 | \$ 9,943,070 | \$ 5,878,540 |
| Project Costs | | | | | | |
| Collector Streets | \$ 950,000 | \$ 800,000 | \$ 420,000 | \$ 125,000 | \$ 4,227,000 | \$ - |
| Street Improvements | 2,826,917 | 2,399,700 | 2,548,200 | 1,568,000 | 3,231,500 | 3,358,600 |
| Park Improvements | 180,000 | 746,000 | 1,028,000 | 233,200 | 836,000 | 65,800 |
| Trail Rehabilitation | 160,000 | 160,000 | 80,000 | 80,000 | 80,000 | 80,000 |
| Municipal Buildings | 749,944 | 8,785,670 | 376,300 | 498,560 | 280,000 | 488,600 |
| Utility Improvements | 8,052,000 | 825,000 | 271,220 | 1,227,230 | 413,410 | 1,034,740 |
| Major Equipment | 963,868 | 1,578,838 | 861,592 | 909,290 | 875,160 | 850,800 |
| Total Project Costs | \$ 13,882,729 | \$ 15,295,208 | \$ 5,585,312 | \$ 4,641,280 | \$ 9,943,070 | \$ 5,878,540 |



Project Resources

| Description | Year 2016 | Year 2017 | Year 2018 | Year 2019 | Year 2020 | Year 2021 |
|--------------------------------|----------------------|----------------------|---------------------|---------------------|---------------------|---------------------|
| Debt | | | | | | |
| General Obligation Bonds | \$ - | \$ 4,000,000 | \$ - | \$ - | \$ - | \$ - |
| Improvement Bonds (assmts) | 146,987 | 128,000 | 190,000 | 89,800 | 523,240 | 310,080 |
| Water Revenue Bonds | 6,917,300 | 850,000 | 66,000 | 75,000 | 724,000 | 800,000 |
| Sewer Revenue Bonds | 854,500 | 250,000 | 410,000 | 1,180,000 | 894,000 | 625,000 |
| Surface Water Revenue Bonds | 543,813 | 505,000 | 454,000 | 313,000 | 578,960 | 422,320 |
| Total Debt | 8,462,600 | 5,733,000 | 1,120,000 | 1,657,800 | 2,720,200 | 2,157,400 |
| Intergovernmental | | | | | | |
| State of MN - MNDOT | 790,500 | - | - | - | - | - |
| MSA | 819,000 | 800,000 | 570,000 | - | 2,948,000 | - |
| Total Intergovernmental | 1,609,500 | 800,000 | 570,000 | - | 2,948,000 | - |
| Internal Funds | | | | | | |
| Community Center Fund | - | 200,000 | - | - | - | - |
| Recreation Programs Fund | - | 200,000 | - | - | - | - |
| Cable Television Fund | 100,000 | - | - | - | - | - |
| Street Renewal Fund | 1,256,817 | 1,111,700 | 1,221,200 | 952,200 | 1,699,300 | 1,826,200 |
| Street Renewal (assmts) | 115,000 | - | - | - | - | - |
| General Fixed Asset Fund | 1,271,158 | 2,545,382 | 1,023,992 | 1,098,250 | 685,960 | 800,400 |
| Capital Acquisition Fund (IT) | 10,400 | 43,800 | 6,900 | 6,000 | 20,800 | 83,400 |
| Community Investment Fund | 221,035 | 3,725,000 | 750,000 | 50,000 | 894,000 | 50,000 |
| Water Fund | 6,137 | 20,163 | - | 400 | - | - |
| Sewer Fund | 6,137 | 20,163 | - | 400 | 400 | 400 |
| Street Lighting Fund | 264,000 | 320,000 | 328,220 | 310,230 | 410,410 | 409,740 |
| Central Garage Fund | 559,945 | 576,000 | 565,000 | 566,000 | 564,000 | 551,000 |
| Total Internal Funds | 3,810,629 | 8,762,208 | 3,895,312 | 2,983,480 | 4,274,870 | 3,721,140 |
| Total Resources | \$ 13,882,729 | \$ 15,295,208 | \$ 5,585,312 | \$ 4,641,280 | \$ 9,943,070 | \$ 5,878,540 |



Project Costs

| Description | Year 2016 | Year 2017 | Year 2018 | Year 2019 | Year 2020 | Year 2021 |
|--|----------------------|----------------------|---------------------|---------------------|---------------------|---------------------|
| Collector Streets | | | | | | |
| Street Rehabilitation | \$ 900,000 | \$ 800,000 | \$ - | \$ 125,000 | \$ - | \$ - |
| Lexington Ave Reconstruction | 50,000 | - | - | - | - | - |
| Rice Street/I-694 Interchange | - | - | 420,000 | - | - | - |
| Highway 49/Hodgson (H96-Gramsie) | - | - | - | - | 497,000 | - |
| Owasso Boulevard N Reconstruction | - | - | - | - | 3,730,000 | - |
| Total Collector Streets | 950,000 | 800,000 | 420,000 | 125,000 | 4,227,000 | - |
| Street Improvements | | | | | | |
| Sealcoat Streets | 333,400 | 345,200 | 348,200 | 355,000 | 361,500 | 368,600 |
| Railroad Crossing Quiet Zones | 441,517 | - | - | - | - | - |
| Grand Avenue Reconstruction | 624,000 | - | - | - | - | - |
| Windward Heights Neighborhood | 1,428,000 | 2,054,500 | - | - | - | - |
| Bridge, Lion Neighborhood | - | - | 2,200,000 | - | - | - |
| Wabasso Neighborhood | - | - | - | 1,213,000 | - | - |
| Edgetown Acres-Schutta/Lois/Hillview | - | - | - | - | 2,870,000 | 2,990,000 |
| Total Street Improvements | 2,826,917 | 2,399,700 | 2,548,200 | 1,568,000 | 3,231,500 | 3,358,600 |
| Park Improvements | | | | | | |
| Park Facility Replacements | 180,000 | 423,000 | 238,000 | 174,000 | 28,000 | 60,000 |
| Park Facility Improvements | - | - | 700,000 | - | 750,000 | - |
| Parking & Driveways | - | 293,000 | 50,000 | 4,200 | 5,000 | 5,800 |
| Tennis & Basketball Court Pavement | - | 30,000 | 40,000 | 40,000 | 40,000 | - |
| Park Building Rehabilitation | - | - | - | 15,000 | 13,000 | - |
| Total Park Improvements | 180,000 | 746,000 | 1,028,000 | 233,200 | 836,000 | 65,800 |
| Trail Rehabilitation and Extensions | 160,000 | 160,000 | 80,000 | 80,000 | 80,000 | 80,000 |
| Municipal Buildings | | | | | | |
| Fire Stations | 35,960 | 17,670 | 40,300 | 23,560 | - | - |
| General Government Buildings | 142,168 | - | - | - | - | - |
| Community Center Rehabilitation | 468,997 | 383,000 | 52,000 | 180,000 | 90,000 | 95,000 |
| Banquet Facility | 7,345 | 190,000 | 55,000 | 20,000 | 90,000 | 20,000 |
| Pool & Locker Room Areas | 50,439 | 62,000 | 129,000 | 95,000 | 20,000 | 253,600 |
| Furniture & Equipment | 30,000 | 88,000 | 50,000 | 130,000 | 30,000 | 70,000 |
| Community Center Improvements | 15,035 | 45,000 | 50,000 | 50,000 | 50,000 | 50,000 |
| Community Center Expansion | - | 8,000,000 | - | - | - | - |
| Total Municipal Buildings | 749,944 | 8,785,670 | 376,300 | 498,560 | 280,000 | 488,600 |
| Utility Improvements | | | | | | |
| Water Systems | 1,025,000 | - | - | - | - | 700,000 |
| Water Treatment Plant | 5,957,000 | 400,000 | - | - | - | - |
| Sanitary Sewer Rehabilitation | 150,000 | - | - | 950,000 | - | - |
| Sewer Lift Stations | 650,000 | 30,000 | 30,000 | 30,000 | - | 75,000 |
| Pretreatment Structures | 120,000 | 160,000 | - | - | 160,000 | - |
| Residential Street Lights | 150,000 | 235,000 | 241,220 | 247,230 | 253,410 | 259,740 |
| Total Utility Improvements | 8,052,000 | 825,000 | 271,220 | 1,227,230 | 413,410 | 1,034,740 |
| Major Equipment | | | | | | |
| Fire Equipment | 78,957 | 541,508 | 84,692 | 117,490 | 128,960 | 62,000 |
| Warning Sirens | 20,990 | 32,000 | - | 33,000 | - | 22,000 |
| Computer Systems | 304,976 | 443,330 | 211,900 | 192,800 | 182,200 | 215,800 |
| Central Garage Equipment | 558,945 | 562,000 | 565,000 | 566,000 | 564,000 | 551,000 |
| Total Major Equipment | 963,868 | 1,578,838 | 861,592 | 909,290 | 875,160 | 850,800 |
| Total Capital Projects | \$ 13,882,729 | \$ 15,295,208 | \$ 5,585,312 | \$ 4,641,280 | \$ 9,943,070 | \$ 5,878,540 |

Street Rehabilitation

PWA 4

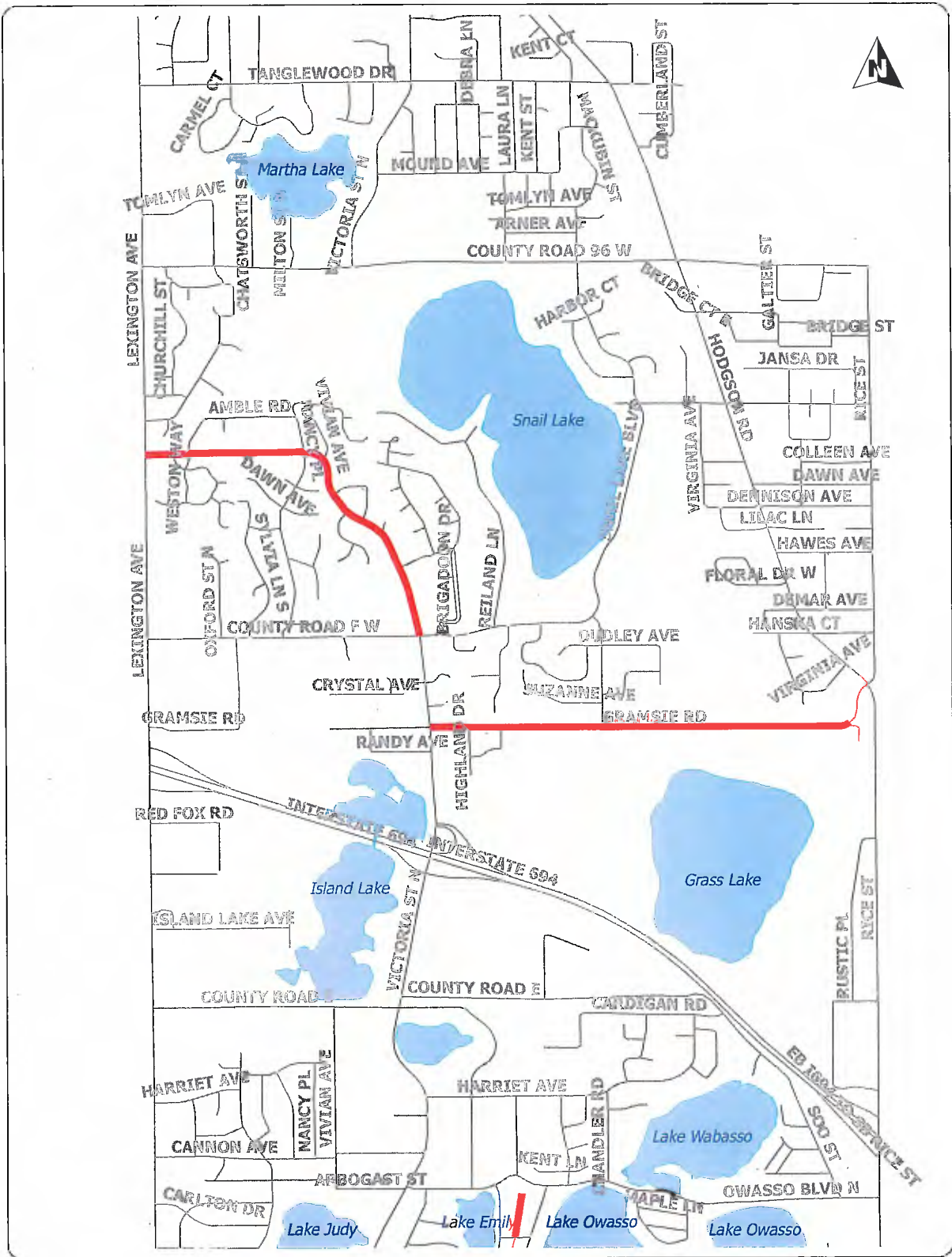
Rehabilitation of street segments throughout the City:

- 2016 includes rehabilitation of the Gramsie (Victoria Street to Gramsie Court) Municipal Aid Street segment. Includes a \$150,000 change order to raise a portion of Gramsie Road due to flooding issues, as well as constructing a new trail segment.
- 2017 includes rehabilitation of the Victoria Street (Lexington Avenue to County Road F) Municipal Aid Street segment.
- 2019 includes the removal and replacement of pavement on Dale Alley.

| | 2016 Estimate | 2017 Planned | 2018 Planned | 2019 Planned | 2020 Planned | 2021 Planned |
|-------------------------------|-------------------|-------------------|-----------------|-------------------|-----------------|-----------------|
| Resources | | | | | | |
| MSA | \$ 819,000 | \$ 800,000 | | | | |
| Street Renewal Fund | | | | \$ 125,000 | | |
| Community Investment | 81,000 | | | | | |
| Total Sources of Funds | \$ 900,000 | \$ 800,000 | \$ - | \$ 125,000 | \$ - | \$ - |
| Uses | | | | | | |
| Street | \$ 819,000 | \$ 800,000 | | \$ 125,000 | | |
| Trail | 81,000 | | | | | |
| Total Uses of Funds | \$ 900,000 | \$ 800,000 | \$ - | \$ 125,000 | \$ - | \$ - |

Projects will be modeled after Shoreview's 2013 Street Rehabilitation initiative, and address resurfacing needs at various locations throughout the City.

The existing Dale Alley pavement has many low areas and cracks and will continue to deteriorate. It is necessary to remove and replace the pavement.



Street Rehabilitation

PWA 00004

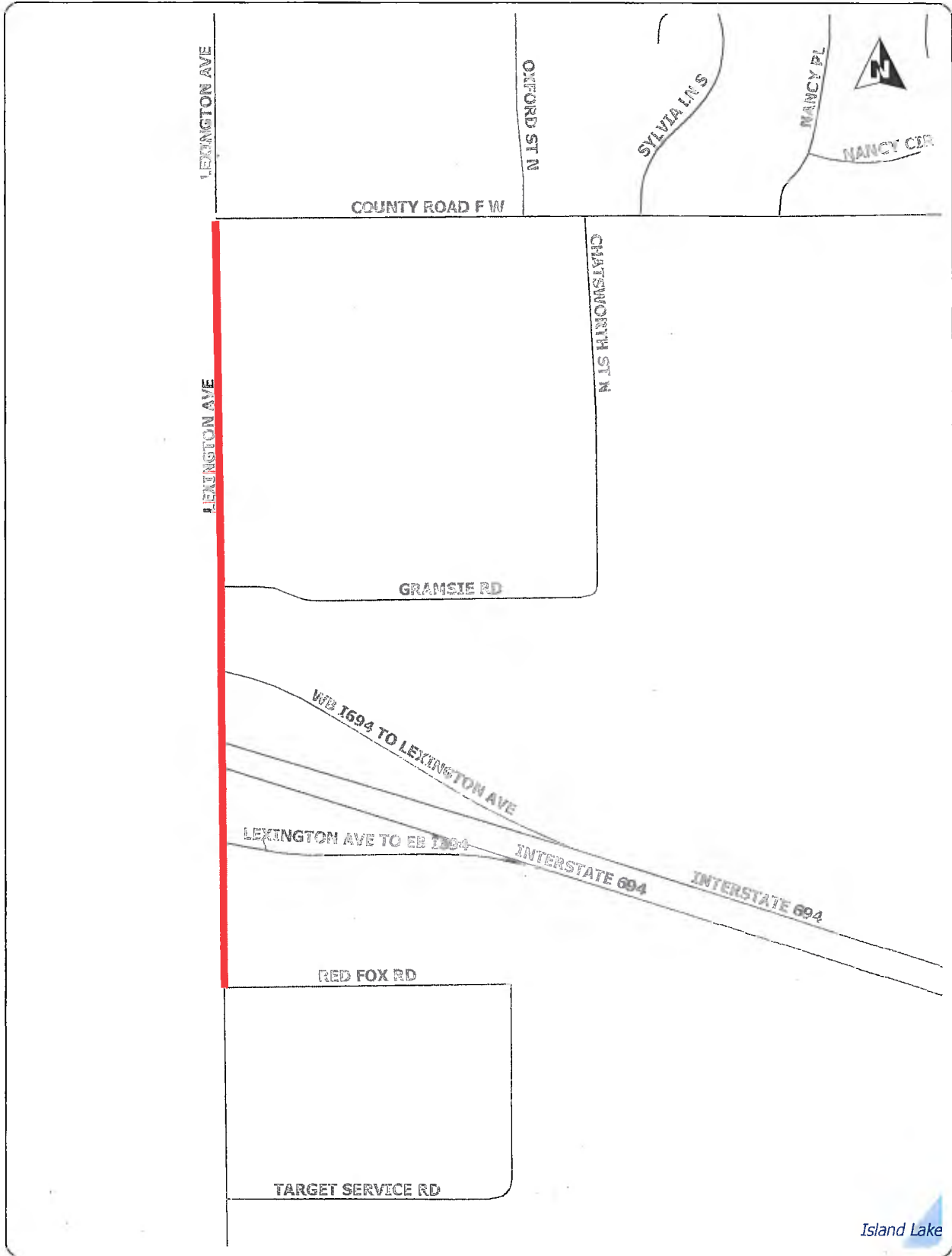
Lexington Avenue Reconstruction

PWA 10

City participation in Ramsey County's reconstruction of Lexington Avenue from County Road F to Red Fox Road. The proposed project would consist of improvements to Lexington Avenue and associated intersections to address traffic congestion issues. The project would also include drainage improvements.

| | 2016 Estimate | 2017 Planned | 2018 Planned | 2019 Planned | 2020 Planned | 2021 Planned |
|-------------------------------|------------------|-----------------|-----------------|-----------------|-----------------|-----------------|
| Resources | | | | | | |
| Debt-Surface Water Revenue | \$ 50,000 | | | | | |
| Total Sources of Funds | \$ 50,000 | \$ - | \$ - | \$ - | \$ - | \$ - |
| Uses | | | | | | |
| Storm Sewer | \$ 50,000 | | | | | |
| Total Uses of Funds | \$ 50,000 | \$ - | \$ - | \$ - | \$ - | \$ - |

Per Ramsey County's State Aid Highway (CSAH) cost participation policy and practices, the City will be required to fund portions of the costs related to the project. An understanding of the extent of the improvements and funding requirements of the City is being developed through participation in the planning process.



Rice Street/I-694 Interchange

PWA 11

City participation in Ramsey County's reconstruction of the Rice Street (County Highway 49) and I-694 interchange. The proposed project would consist of the replacement of the existing Rice Street Bridge over I-694 and the associated access ramps.

| | 2016 Estimate | 2017 Planned | 2018 Planned | 2019 Planned | 2020 Planned | 2021 Planned |
|------------------------|------------------|-----------------|-----------------|-----------------|-----------------|-----------------|
| Resources | | | | | | |
| MSA | | | \$ 420,000 | | | |
| Total Sources of Funds | \$ - | \$ - | \$ 420,000 | \$ - | \$ - | \$ - |
| Uses | | | | | | |
| Street | | | \$ 420,000 | | | |
| Total Uses of Funds | \$ - | \$ - | \$ 420,000 | \$ - | \$ - | \$ - |

Per Ramsey County's County State Aid Highway (CSAH) cost participation policy and practices, corresponding to Minnesota Trunk Highway Turnback funding, the City will be required to fund portions of the costs related to the project. An understanding of the extent of the improvements and funding requirements of the City is being developed through participation in the planning process.



Rice Street/I - 694 Interchange

PWA 00011

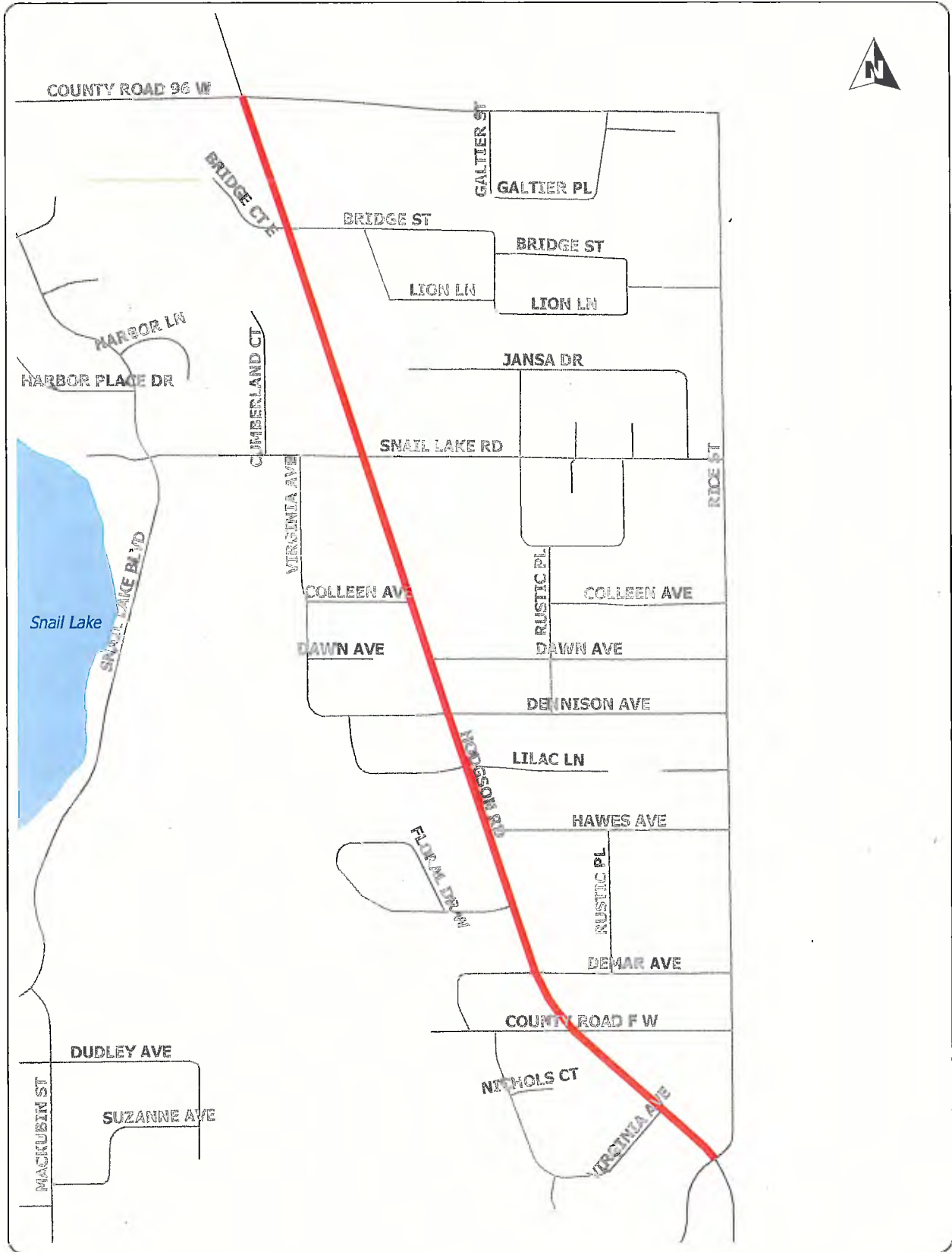
Highway 49/Hodgson (H96-Gramsie)

PWA 12

City participation in Ramsey County's reconstruction of Highway 49, from Gramsie Road to Highway 96. The proposed project would consist of road construction to modern suburban standards, and potentially include the installation of concrete curb and gutter, drainage improvements, sidewalks/trails, additional through and turn lanes, and relocation or rehabilitation of City-owned water main and sanitary sewers. The project would also include geometric revisions and permanent signalization of the Snail Lake Road intersection. Assessments for the project totaling \$75,000 are for storm sewer.

| | 2016 Estimate | 2017 Planned | 2018 Planned | 2019 Planned | 2020 Planned | 2021 Planned |
|-------------------------------|------------------|-----------------|-----------------|-----------------|-------------------|-----------------|
| Resources | | | | | | |
| MSA | | | | | \$ 218,000 | |
| Street Lighting Fund | | | | | 12,000 | |
| Community Investment | | | | | 94,000 | |
| Debt-Special Assessments | | | | | 75,000 | |
| Debt-Water Revenue | | | | | 54,000 | |
| Debt-Sewer Revenue | | | | | 44,000 | |
| Total Sources of Funds | \$ - | \$ - | \$ - | \$ - | \$ 497,000 | \$ - |
| Uses | | | | | | |
| Traffic Signal | | | | | \$ 158,000 | |
| Trail | | | | | 94,000 | |
| Water Main | | | | | 54,000 | |
| Sanitary Sewer | | | | | 44,000 | |
| Storm Sewer | | | | | 107,000 | |
| Street Lighting | | | | | 40,000 | |
| Total Uses of Funds | \$ - | \$ - | \$ - | \$ - | \$ 497,000 | \$ - |

Per Ramsey County's County State Aid Highway (CSAH) cost participation policy and practices, corresponding to Minnesota Trunk Highway Turnback funding, the City will be required to fund portions of the costs related to right-of-way acquisition, parking and/or turn lanes, drainage improvements, city-owned utility upgrades or repairs and off-street pedestrian improvements. An understanding of the extent of the improvements and funding requirements of the City is being developed through participation in a corridor planning process that is expected to identify Highway 49 priorities.



Highway 49/Hodgson (Highway 96 to Gramsie)

PWA 00012

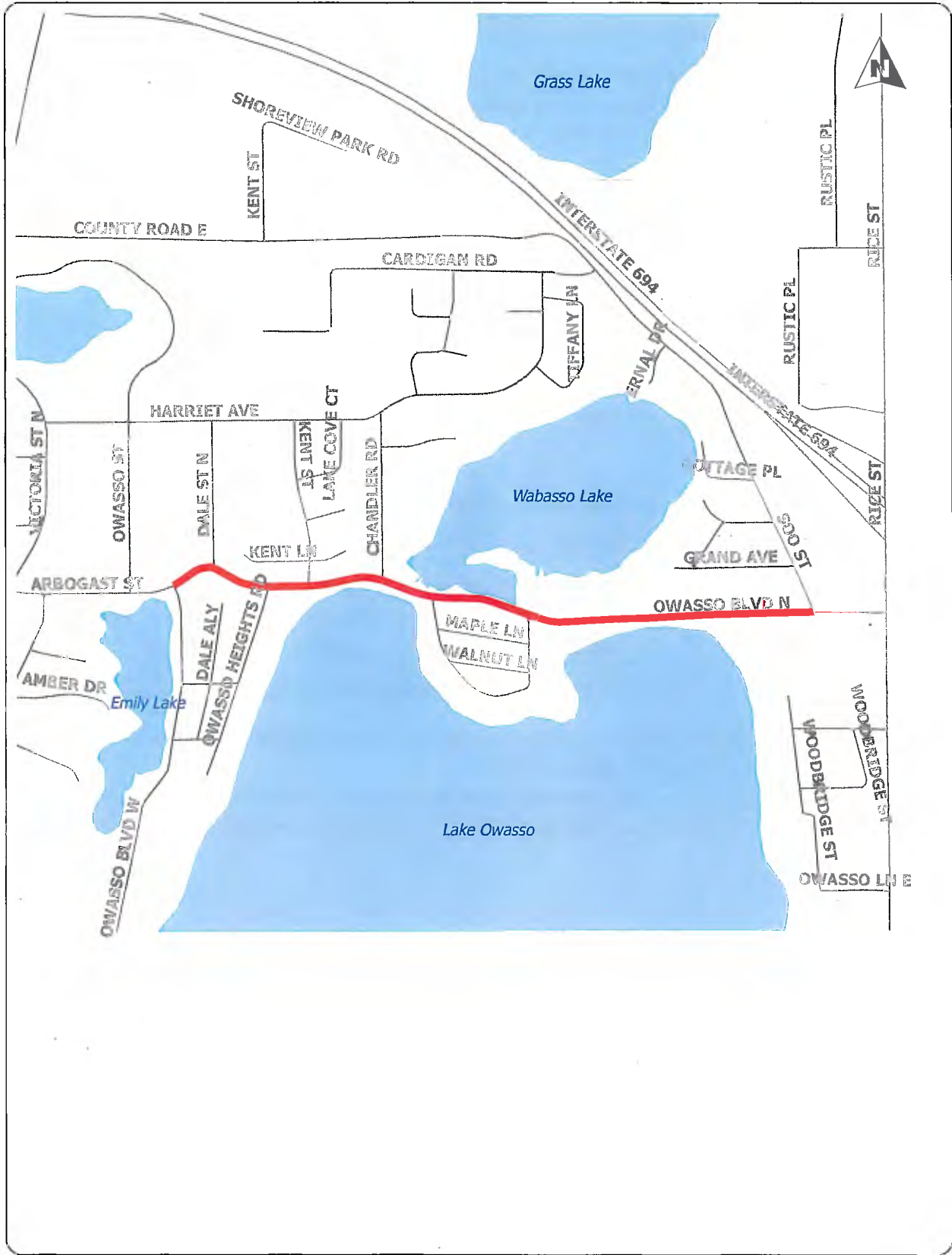
Owasso Boulevard N Reconstruction

PWA 25

Complete reconstruction of the road surface and upgrade of Owasso Boulevard North (from Owasso Boulevard West to Soo Street) and Arbogast Street (from Victoria Street to Owasso Boulevard West). The project would also include the addition of concrete curb and gutter, replacement of watermain, repairs to sanitary sewer piping, and the addition of storm water collection and treatment systems. Assessments for the project, totalling \$130,000 are for storm (\$50,000) and street (\$80,000).

| | 2016 Estimate | 2017 Planned | 2018 Planned | 2019 Planned | 2020 Planned | 2021 Planned |
|-------------------------------|------------------|-----------------|-----------------|-----------------|---------------------|-----------------|
| Resources | | | | | | |
| Debt-Special Assessments | | | | | \$ 130,000 | |
| MSA | | | | | 2,730,000 | |
| Debt-Water Revenue | | | | | 570,000 | |
| Debt-Sewer Revenue | | | | | 300,000 | |
| Total Sources of Funds | \$ - | \$ - | \$ - | \$ - | \$ 3,730,000 | \$ - |
| Uses | | | | | | |
| Street | | | | | \$ 1,950,000 | |
| Water Main | | | | | 570,000 | |
| Sanitary Sewer | | | | | 300,000 | |
| Storm Sewer | | | | | 730,000 | |
| Street Lighting | | | | | 180,000 | |
| Total Uses of Funds | \$ - | \$ - | \$ - | \$ - | \$ 3,730,000 | \$ - |

These improvements would be consistent with the City's street/infrastructure efforts in recent years and in accordance with the City's street renewal assessment policies. The streets in these areas do not have concrete curb and gutter and have minimal storm water collection and treatment systems.



Owasso Boulevard N Reconstruction

PWA 00025

Sealcoat Streets

PWA 1

Street sealcoating and crackfilling are performed annually throughout the City, per the recommendation of the City's Pavement Management Program. The work involves sealcoating and crackfilling one seventh of city streets each year (approximately 12.9 miles) with support from the Street Renewal Fund.

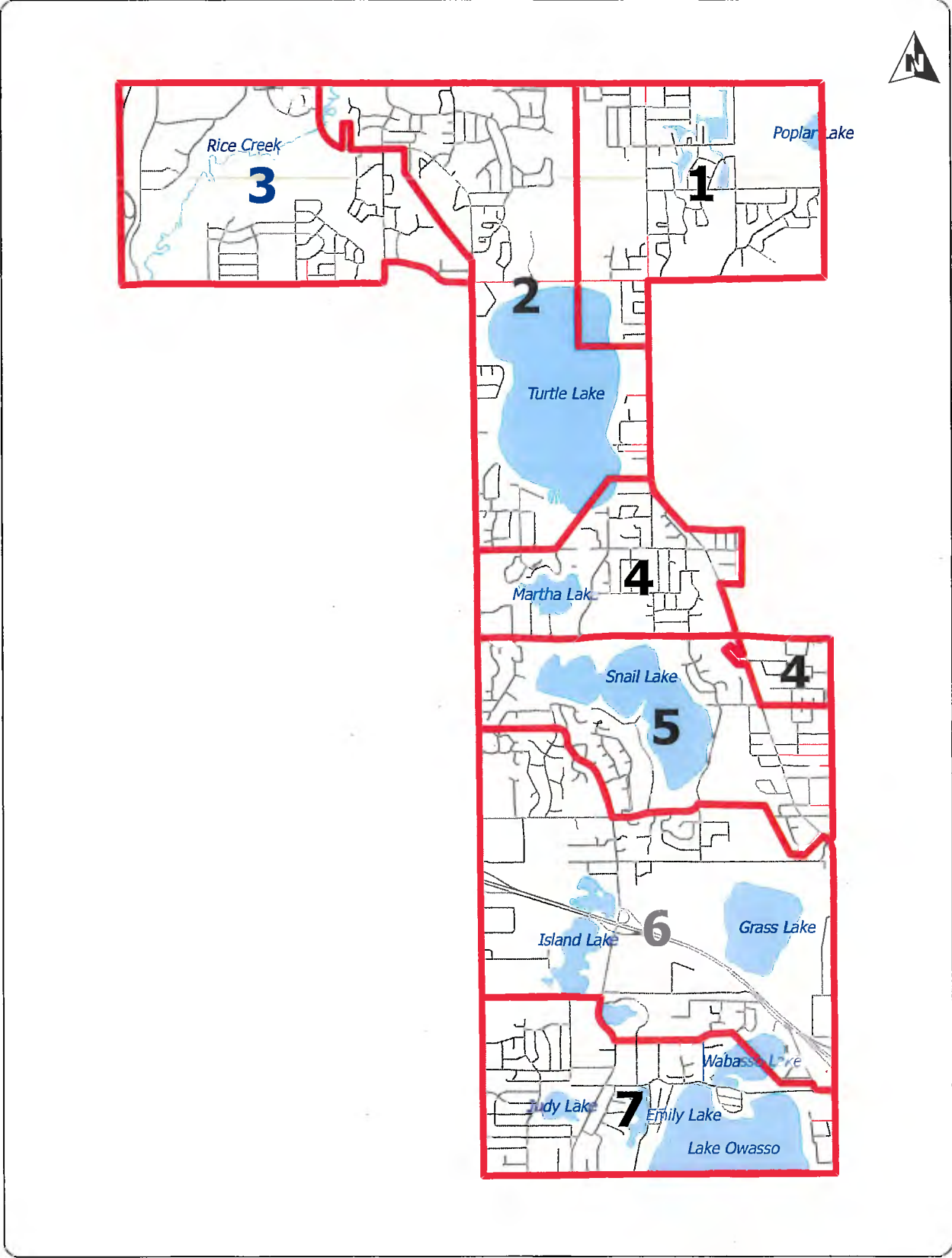
Planned street zones include:

- 2016 - zone 1 streets (210,299 SY)
- 2017 - zone 2 streets (210,133 SY)
- 2018 - zone 4 streets (205,519 SY)
- 2019 - zone 5 streets (205,688 SY)
- 2020 - zone 6 streets (208,273 SY)
- 2021 - zone 7 streets (210,503 SY)

| | 2016 Estimate | 2017 Planned | 2018 Planned | 2019 Planned | 2020 Planned | 2021 Planned |
|-------------------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
| Resources | | | | | | |
| Street Renewal Fund | \$ 333,400 | \$ 345,200 | \$ 348,200 | \$ 355,000 | \$ 361,500 | \$ 368,600 |
| Total Sources of Funds | \$ 333,400 | \$ 345,200 | \$ 348,200 | \$ 355,000 | \$ 361,500 | \$ 368,600 |
| Uses | | | | | | |
| Crack Fill Streets | \$ 21,000 | \$ 21,000 | \$ 23,000 | \$ 23,000 | \$ 23,000 | \$ 23,000 |
| Sealcoat Streets | 304,400 | 315,700 | 316,700 | 323,000 | 329,500 | 336,100 |
| Street Condition Survey | 8,000 | 8,500 | 8,500 | 9,000 | 9,000 | 9,500 |
| Total Uses of Funds | \$ 333,400 | \$ 345,200 | \$ 348,200 | \$ 355,000 | \$ 361,500 | \$ 368,600 |

Street condition surveys (data collection measures used to evaluate street condition as part of the Pavement Management Program) are performed over 1/3 of city streets each year.

Sealcoating and crackfilling are two maintenance strategies used to prolong the useful life of streets. The Pavement Management Program estimates the future funding necessary for cost-effective management of streets and protection of street condition.



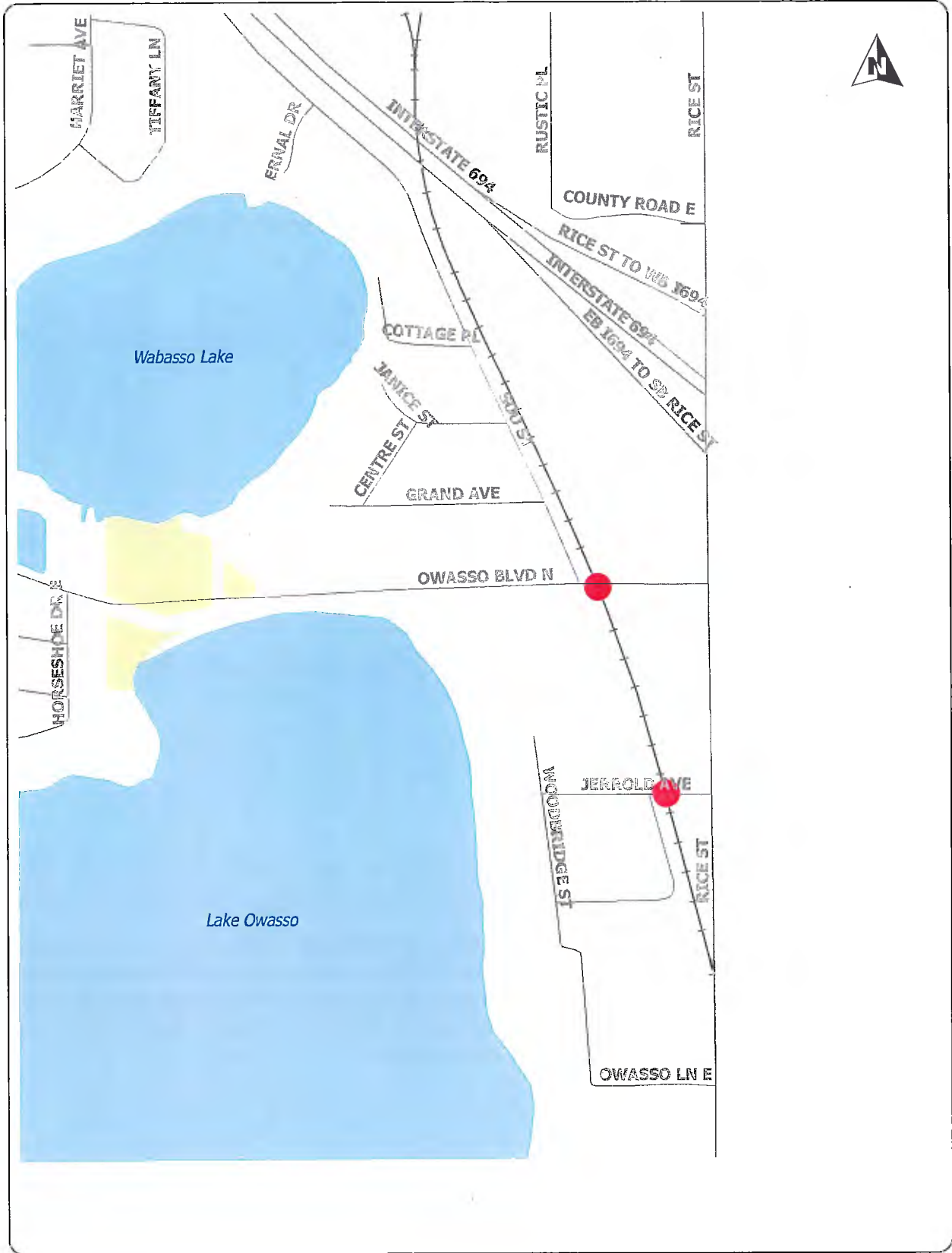
Railroad Crossing Quiet Zone Improvement

PWA 19

Upgrade railroad crossing signals at Jerrold Avenue and North Owasso Blvd.

| | 2016 Estimate | 2017 Planned | 2018 Planned | 2019 Planned | 2020 Planned | 2021 Planned |
|-------------------------------|-------------------|-----------------|-----------------|-----------------|-----------------|-----------------|
| Resources | | | | | | |
| Grant | \$ 440,500 | | | | | |
| Street Renewal Fund | 1,017 | | | | | |
| Total Sources of Funds | \$ 441,517 | \$ - | \$ - | \$ - | \$ - | \$ - |
| Uses | | | | | | |
| Street | \$ 441,517 | | | | | |
| Total Uses of Funds | \$ 441,517 | \$ - | \$ - | \$ - | \$ - | \$ - |

Upgraded crossing signals will allow quiet zones to be established at crossings.



Jerrold Avenue and North Owasso Blvd. Rail Crossing Upgrade

PWA 00019

Grand Avenue Reconstruction

PWA 24

Complete reconstruction of the road surface of Grand Avenue and extension south to Janice Street. The project would include the addition of concrete curb and gutter, watermain repair, sanitary sewer repair, installation of a stormwater collection and treatment system, and installation of street lights. Assessments to the residents for the project totaling \$23,787 are for street (\$13,600) and storm (\$10,187). Assessments to a developer that is creating six lots along Grand Avenue totaling \$115,000 are for street(\$83,400), storm (\$25,600), and street light (\$6,000) and will be financed by the Street Renewal Fund. The developer agreement requires all developer related assessments be paid by the end of 2018.

| | 2016 Estimate | 2017 Planned | 2018 Planned | 2019 Planned | 2020 Planned | 2021 Planned |
|-------------------------------|-------------------|-----------------|-----------------|-----------------|-----------------|-----------------|
| Resources | | | | | | |
| Debt-Special Assessments | \$ 23,787 | | | | | |
| Street Renewal-Special Assmts | 115,000 | | | | | |
| Street Renewal Fund | 257,000 | | | | | |
| Community Investment | 40,000 | | | | | |
| Debt-Water Revenue | 3,500 | | | | | |
| Debt-Sewer Revenue | 1,500 | | | | | |
| Debt-Surface Water Revenue | 149,213 | | | | | |
| Street Lighting Fund | 34,000 | | | | | |
| Total Sources of Funds | \$ 624,000 | \$ - | \$ - | \$ - | \$ - | \$ - |
| Uses | | | | | | |
| Street | \$ 354,000 | | | | | |
| Water Main | 3,500 | | | | | |
| Sanitary Sewer | 1,500 | | | | | |
| Storm Sewer | 185,000 | | | | | |
| Street Lighting | 40,000 | | | | | |
| Trail | 40,000 | | | | | |
| Total Uses of Funds | \$ 624,000 | \$ - | \$ - | \$ - | \$ - | \$ - |

These improvements are consistent with the City's street/infrastructure efforts in recent years and in accordance with the City's street renewal and assessment policies. The reconstruction of Grand Avenue was originally included as part of the Wabasso Neighborhood reconstruction scheduled for 2019 in the City's current CIP. The schedule of the reconstruction of Grand Avenue was moved to 2016 in anticipation of the development of six new lots located along the south side of Grand Avenue. Grand Avenue does not currently have concrete curb and gutter.



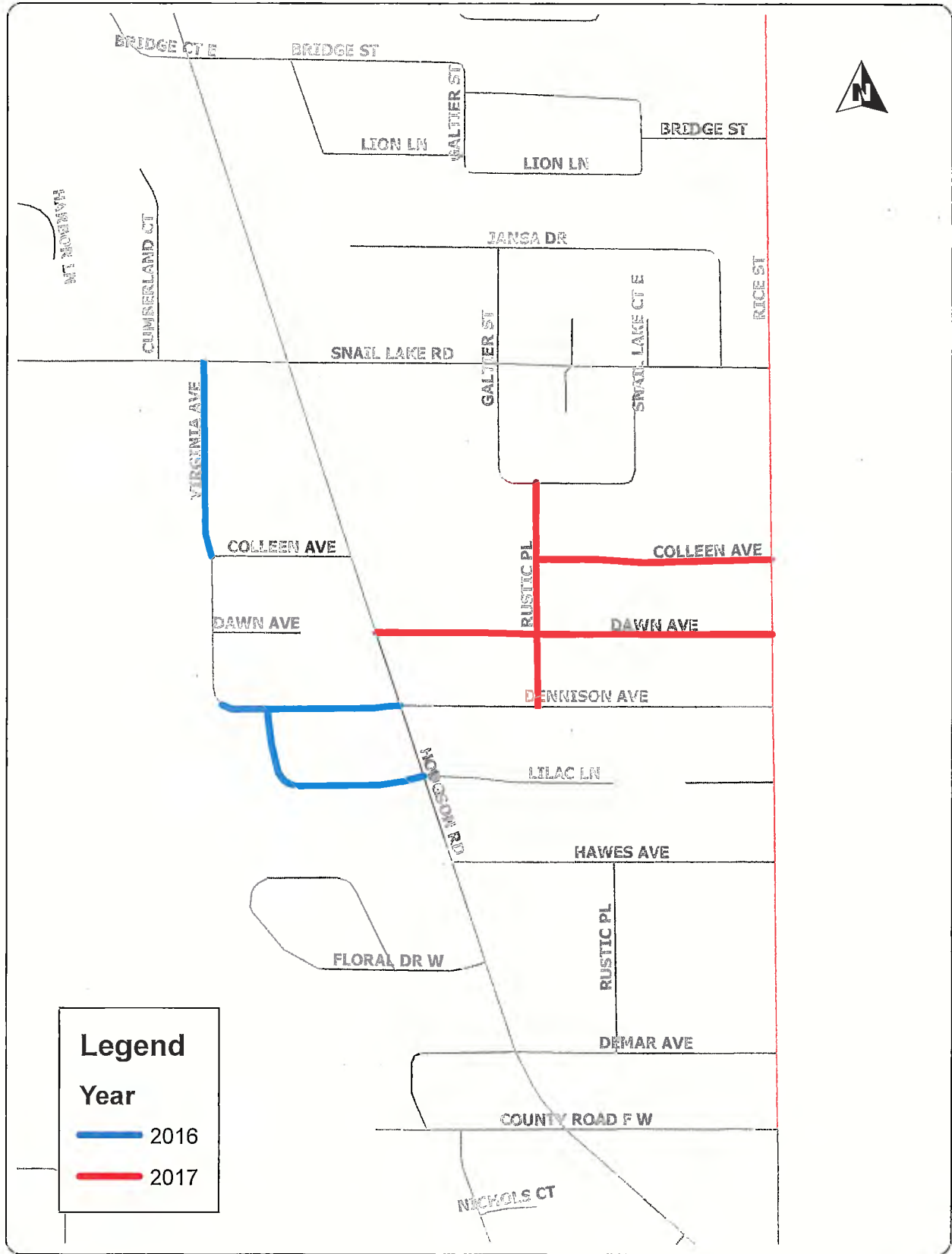
Windward Heights Neighborhood

PWA 16

Complete reconstruction and upgrade of road surfaces on Dawn Avenue, Rustic Place, and Colleen Avenue on the east side of Highway 49; and Dennison Avenue, Lilac Lane and Virginia Avenue on the west of Highway 49. The project would also include storm drainage improvements as well as replacement of cast iron water main and any necessary sanitary sewer repairs. Assessments for the project, totaling \$251,200, are for storm (\$98,000), street (\$130,000) and water (\$23,200).

| | 2016 Estimate | 2017 Planned | 2018 Planned | 2019 Planned | 2020 Planned | 2021 Planned |
|-------------------------------|---------------------|---------------------|-----------------|-----------------|-----------------|-----------------|
| Resources | | | | | | |
| General Fixed Asset Fund | | \$ 60,000 | | | | |
| Street Renewal Fund | \$ 665,400 | 766,500 | | | | |
| Street Lighting Fund | 80,000 | 85,000 | | | | |
| Debt-Special Assessments | 123,200 | 128,000 | | | | |
| Debt-Water Revenue | 281,800 | 450,000 | | | | |
| Debt-Sewer Revenue | 53,000 | 220,000 | | | | |
| Debt-Surface Water Revenue | 224,600 | 345,000 | | | | |
| Total Sources of Funds | \$ 1,428,000 | \$ 2,054,500 | \$ - | \$ - | \$ - | \$ - |
| Uses | | | | | | |
| Street | \$ 724,000 | \$ 839,500 | | | | |
| Trail | | 60,000 | | | | |
| Water Main | 305,000 | 450,000 | | | | |
| Sanitary Sewer | 53,000 | 220,000 | | | | |
| Storm Sewer | 266,000 | 400,000 | | | | |
| Street Lighting | 80,000 | 85,000 | | | | |
| Total Uses of Funds | \$ 1,428,000 | \$ 2,054,500 | \$ - | \$ - | \$ - | \$ - |

These improvements would be consistent with the City's street/infrastructure efforts in recent years, and in accordance with the City's street renewal and assessment policies. The streets in this neighborhood do not currently have curb and gutter.



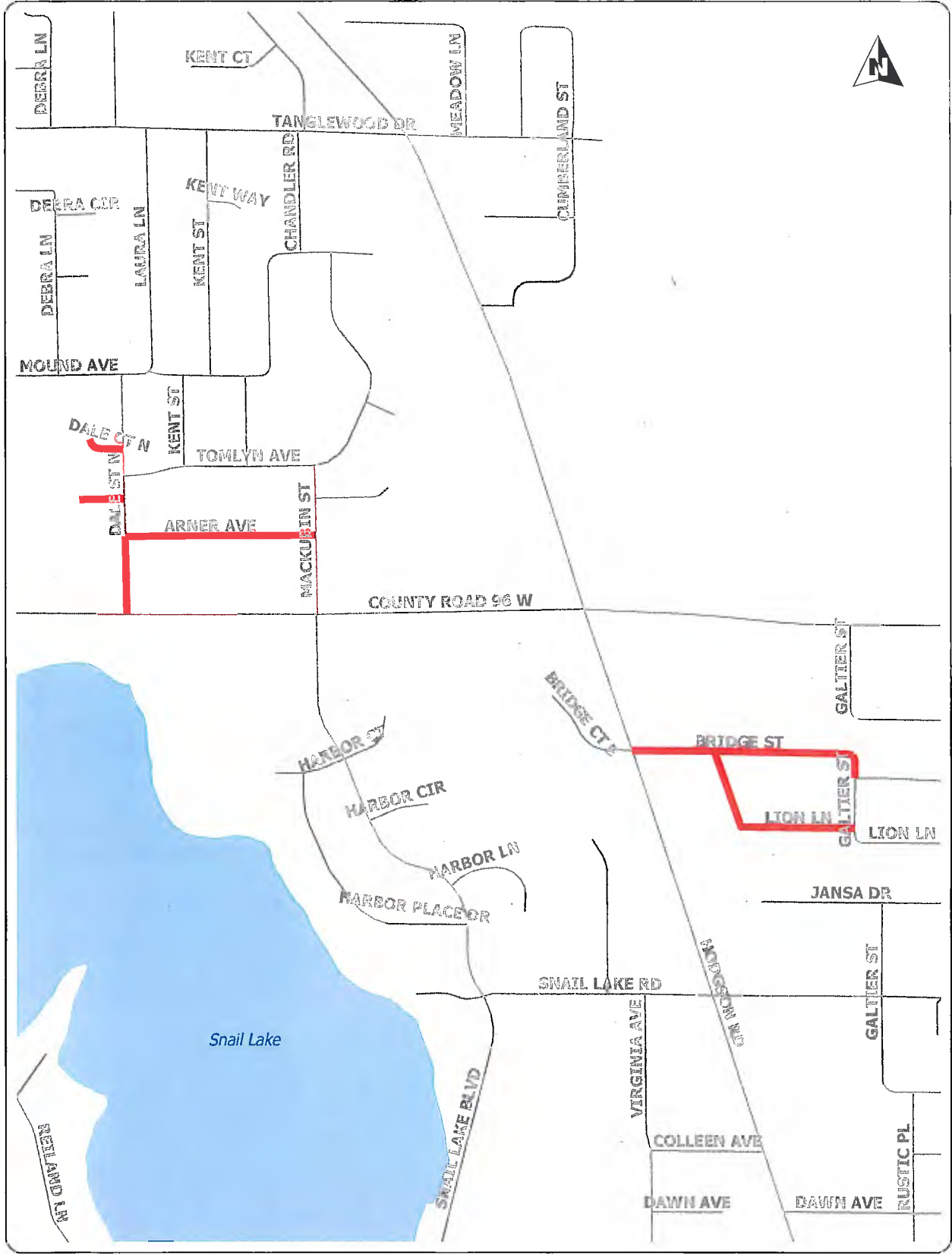
Bridge, Lion Neighborhood

PWA 26

Complete reconstruction of the road surfaces of Arner Avenue (Dale St to Mackubin St), Dale Street (96-Arner Ave), Dale Court N & S, Bridge Street (Hodgson Rd to Galtier St), and Lion Lane (Bridge St to Galtier St). The project would also include the addition of concrete curb and gutter, installation of watermain and services to Dale Court N & S, and installation of storm water collection and treatment systems. Assessments for the project, totalling \$190,000 are for storm (\$46,000), street (\$95,000) and water (\$49,000).

| | 2016 Estimate | 2017 Planned | 2018 Planned | 2019 Planned | 2020 Planned | 2021 Planned |
|-------------------------------|------------------|-----------------|---------------------|-----------------|-----------------|-----------------|
| Resources | | | | | | |
| Debt-Special Assessments | | | \$ 190,000 | | | |
| MSA | | | 150,000 | | | |
| Debt-Water Revenue | | | 66,000 | | | |
| Debt-Sewer Revenue | | | 380,000 | | | |
| Debt-Surface Water Revenue | | | 454,000 | | | |
| Street Lighting Fund | | | 87,000 | | | |
| Street Renewal Fund | | | 873,000 | | | |
| Total Sources of Funds | \$ - | \$ - | \$ 2,200,000 | \$ - | \$ - | \$ - |
| Uses | | | | | | |
| Street | | | \$ 1,100,000 | | | |
| Street Lighting | | | 105,000 | | | |
| Water Main | | | 115,000 | | | |
| Sanitary Sewer | | | 380,000 | | | |
| Storm Sewer | | | 500,000 | | | |
| Total Uses of Funds | \$ - | \$ - | \$ 2,200,000 | \$ - | \$ - | \$ - |

The improvements are consistent with the City's street/infrastructure efforts in recent years and in accordance with the City's street renewal and assessment policies. The streets in these areas do not have curb and gutter.



Bridge, Lion Neighborhood

PWA 00026

Wabasso Neighborhood

PWA 8

Complete reconstruction of the road surface of streets located on the east side of Lake Wabasso with access off Soo Street. This area includes Cottage Place, Janice Street, Wabasso Avenue, Centre Street, and the Janice Street alley. The project would also include the addition of concrete curb and gutter, water main repair, sanitary sewer repair and replacement of services, installation of a storm water collection and treatment system and the installation of street lights. Assessments for the project, totaling \$89,800, are for storm (\$37,000) and street (\$52,800).

| | 2016 Estimate | 2017 Planned | 2018 Planned | 2019 Planned | 2020 Planned | 2021 Planned |
|-------------------------------|------------------|-----------------|-----------------|---------------------|-----------------|-----------------|
| Resources | | | | | | |
| Street Renewal Fund | | | | \$ 472,200 | | |
| Street Lighting Fund | | | | 63,000 | | |
| Debt-Special Assessments | | | | 89,800 | | |
| Debt-Water Revenue | | | | 75,000 | | |
| Debt-Sewer Revenue | | | | 200,000 | | |
| Debt-Surface Water Revenue | | | | 313,000 | | |
| Total Sources of Funds | \$ - | \$ - | \$ - | \$ 1,213,000 | \$ - | \$ - |
| Uses | | | | | | |
| Street | | | | \$ 525,000 | | |
| Water Main | | | | 75,000 | | |
| Sanitary Sewer | | | | 200,000 | | |
| Storm Sewer | | | | 350,000 | | |
| Street Lighting | | | | 63,000 | | |
| Total Uses of Funds | \$ - | \$ - | \$ - | \$ 1,213,000 | \$ - | \$ - |

These improvements are consistent with the City's street/infrastructure efforts in recent years, and in accordance with the City's street renewal and assessment policies. The streets in these areas do not currently have curb and gutter.



Wabasso Neighborhood

PWA 00008

Edgetown Acres-Schutta/Lois/Hillview

PWA 13

Complete reconstruction of the road surface of Lois Drive & Hillview Road from Fairview Avenue to Snelling Avenue, Aldine Street, Fairview Avenue, and Pinewood Drive, Terrace Drive, and Oakwood Drive from Fairview Avenue to Aldine Street. The project would include the addition of concrete curb & gutter, water main repair, sanitary sewer repair, installation of a stormwater collection & treatment system, and installation of street lights. Assessments to the residents for the project totaling \$628,320 are for street (\$369,600) and storm (\$258,720).

| | 2016 Estimate | 2017 Planned | 2018 Planned | 2019 Planned | 2020 Planned | 2021 Planned |
|-------------------------------|------------------|-----------------|-----------------|-----------------|---------------------|---------------------|
| Resources | | | | | | |
| Debt-Special Assessments | | | | | \$ 318,240 | \$ 310,080 |
| Street Renewal Fund | | | | | 1,337,800 | 1,457,600 |
| Debt-Water Revenue | | | | | 100,000 | 100,000 |
| Debt-Sewer Revenue | | | | | 550,000 | 550,000 |
| Debt-Surface Water Revenue | | | | | 418,960 | 422,320 |
| Street Lighting Fund | | | | | 145,000 | 150,000 |
| Total Sources of Funds | \$ - | \$ - | \$ - | \$ - | \$ 2,870,000 | \$ 2,990,000 |
| Uses | | | | | | |
| Street | | | | | \$ 1,525,000 | \$ 1,640,000 |
| Water Main | | | | | 100,000 | 100,000 |
| Sanitary Sewer | | | | | 550,000 | 550,000 |
| Storm Sewer | | | | | 550,000 | 550,000 |
| Street Lighting | | | | | 145,000 | 150,000 |
| Total Uses of Funds | \$ - | \$ - | \$ - | \$ - | \$ 2,870,000 | \$ 2,990,000 |

These improvements are consistent with the City's street/infrastructure efforts in recent years, and in accordance with the City's street renewal and assessment policies. The streets in these areas do not currently have curb and gutter.



Park Facility Replacements

PKA 1

This project provides an allowance for park replacements, funded by the General Fixed Asset Replacement Fund. A description of planned costs by park is provided below.

Bucher Park costs include:

- 2019 - \$ 44,000 fencing replacement

Commons Park costs include:

- 2016 - \$ 20,000 Commons area and Highway 96 landscaping
- 2017 - \$ 20,000 Commons area and Highway 96 landscaping
- 2017 - \$175,000 Skate park replacement
- 2018 - \$ 90,000 playground replacement

Lake Judy Park costs include:

- 2017 - \$ 10,000 replace timber edge of playground with concrete

McCullough Park costs include:

- 2017 - \$115,000 playground replacement including concrete curbing
- 2020 - \$ 28,000 replace park lighting

Ponds Park costs include:

- 2018 - \$55,000 playground replacements including concrete curbing

Rice Creek Park costs include:

- 2017 - \$ 50,000 scoreboard replacement
- 2017 - \$ 8,000 replace gates on ballfields
- 2018 - \$ 65,000 playground replacement
- 2021 - \$ 60,000 replace fencing

Shamrock Park costs include:

- 2019 - \$130,000 playground replacement including concrete curbing

Theisen Park costs include:

- 2017 - \$ 10,000 repair fencing on basketball court
- 2018 - \$ 28,000 replace park lighting

Wilson Park costs include:

- 2016 - \$160,000 playground replacement including concrete curbing
- 2017 - \$ 35,000 replace ballfields and tennis/basketball courts fencing

| | 2016 Estimate | 2017 Planned | 2018 Planned | 2019 Planned | 2020 Planned | 2021 Planned |
|-------------------------------|-------------------|-------------------|-------------------|-------------------|------------------|------------------|
| Resources | | | | | | |
| General Fixed Asset Fund | \$ 180,000 | \$ 423,000 | \$ 238,000 | \$ 174,000 | \$ 28,000 | \$ 60,000 |
| Total Sources of Funds | \$ 180,000 | \$ 423,000 | \$ 238,000 | \$ 174,000 | \$ 28,000 | \$ 60,000 |
| Uses | | | | | | |
| Commons Park | \$ 20,000 | \$ 195,000 | \$ 90,000 | | | |
| Wilson Park | 160,000 | 35,000 | | | | |
| Rice Creek Park | | 58,000 | 65,000 | | | \$ 60,000 |
| Ponds Park | | | 55,000 | | | |
| Theisen Park | | 10,000 | 28,000 | | | |
| Bucher Park | | | | \$ 44,000 | | |
| McCullough Park | | 115,000 | | | \$ 28,000 | |
| Shamrock Park | | | | 130,000 | | |
| Lake Judy Park | | 10,000 | | | | |
| Total Uses of Funds | \$ 180,000 | \$ 423,000 | \$ 238,000 | \$ 174,000 | \$ 28,000 | \$ 60,000 |

An allowance is included in the City's infrastructure replacement plan for routine repair and replacement of amenities in City parks. Periodic replacement of park improvements is necessary to maintain the appearance and condition of the parks, and to remain in compliance with legal standards.

Park Facility Improvements

PKA 2

Park improvements planned throughout the community, and supported by the Community Investment Fund, include:

McCullough Park:

- 2018 - \$700,000 refurbish park

Shamrock Park:

- 2020 - \$750,000 refurbish park

| | 2016 Estimate | 2017 Planned | 2018 Planned | 2019 Planned | 2020 Planned | 2021 Planned |
|------------------------|------------------|-----------------|-----------------|-----------------|-----------------|-----------------|
| Resources | | | | | | |
| Community Investment | | | \$ 700,000 | | \$ 750,000 | |
| Total Sources of Funds | \$ - | \$ - | \$ 700,000 | \$ - | \$ 750,000 | \$ - |
| Uses | | | | | | |
| McCullough Park | | | \$ 700,000 | | | |
| Shamrock Park | | | | | \$ 750,000 | |
| Total Uses of Funds | \$ - | \$ - | \$ 700,000 | \$ - | \$ 750,000 | \$ - |

Periodic improvements to park facilities are necessary to keep the parks in good condition and an asset to the neighborhoods.

Parking & Driveways/City-Owned Facilities

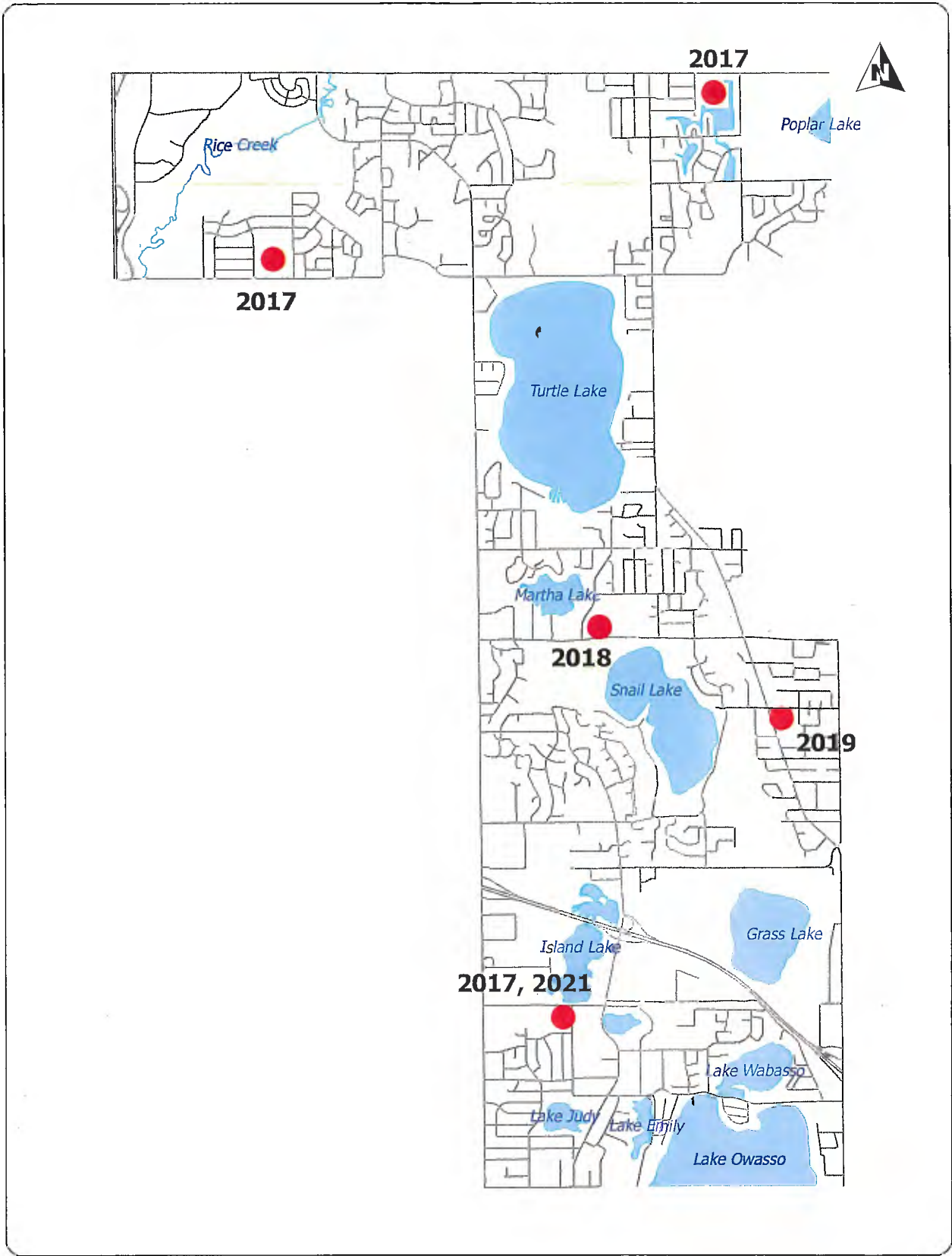
PWA 30

Sealcoating; rehabilitation or replacement of parking lots and driveways at City-owned facilities, including: City Hall, Community Center, and City parks. Sealcoating of parking lots is completed in conjunction with the City's street sealcoating program. Planned costs include:

- 2017 - \$ 85,000 Shamrock Park pavement rehabilitation
- 2017 - \$110,000 Theisen Park pavement rehabilitation
- 2017 - \$ 98,000 Bucher Park parking lot replacement
- 2018 - \$ 50,000 Community Center sealcoat parking lot
- 2019 - \$ 4,200 Sitzer Park sealcoat parking lot
- 2020 - \$ 5,000 Wilson Park sealcoat parking lot
- 2021 - \$ 5,800 Theisen Park sealcoat parking lot

| | 2016 Estimate | 2017 Planned | 2018 Planned | 2019 Planned | 2020 Planned | 2021 Planned |
|-------------------------------|------------------|-------------------|------------------|-----------------|-----------------|-----------------|
| Resources | | | | | | |
| General Fixed Asset Fund | | \$ 293,000 | \$ 50,000 | \$ 4,200 | \$ 5,000 | \$ 5,800 |
| Total Sources of Funds | \$ - | \$ 293,000 | \$ 50,000 | \$ 4,200 | \$ 5,000 | \$ 5,800 |
| Uses | | | | | | |
| Wilson Park | | | | | \$ 5,000 | |
| Shamrock Park | | \$ 85,000 | | | | |
| Theisen Park | | 110,000 | | | | \$ 5,800 |
| Bucher Park | | 98,000 | | | | |
| City Hall/Community Ctr | | | \$ 50,000 | | | |
| Sitzer Park | | | | \$ 4,200 | | |
| Total Uses of Funds | \$ - | \$ 293,000 | \$ 50,000 | \$ 4,200 | \$ 5,000 | \$ 5,800 |

Sealcoating and crack filling are pavement management strategies that prolong the useful life of pavement. Shoreview's comprehensive infrastructure replacement plan, which is updated annually, provides for the replacement and maintenance of these areas.



Tennis & Basketball Court Pavement

PKA 6

Periodic sealcoat and/or color coat of tennis and basketball courts in City parks. Planned costs include:

- 2017 - \$30,000 Theisen Park basketball court resurfacing
- 2018 - \$40,000 Commons Park court resurfacing
- 2019 - \$40,000 Sitzer Park court resurfacing
- 2020 - \$40,000 Wilson Park court resurfacing

| | 2016 Estimate | 2017 Planned | 2018 Planned | 2019 Planned | 2020 Planned | 2021 Planned |
|-------------------------------|------------------|-----------------|-----------------|-----------------|-----------------|-----------------|
| Resources | | | | | | |
| General Fixed Asset Fund | | \$ 30,000 | \$ 40,000 | \$ 40,000 | \$ 40,000 | |
| Total Sources of Funds | \$ - | \$ 30,000 | \$ 40,000 | \$ 40,000 | \$ 40,000 | \$ - |
| Uses | | | | | | |
| Theisen Park | | \$ 30,000 | | | | |
| Commons Park | | | \$ 40,000 | | | |
| Sitzer Park | | | | \$ 40,000 | | |
| Wilson Park | | | | | \$ 40,000 | |
| Total Uses of Funds | \$ - | \$ 30,000 | \$ 40,000 | \$ 40,000 | \$ 40,000 | \$ - |

An allowance is included in the City's comprehensive infrastructure replacement plan for routine repair and replacement of park amenities. Routine replacement of court surfaces is necessary to maintain the appearance and condition, as well as to preserve the use for residents.

Park Building Rehabilitation

PKA 7

Provide an allowance for park building replacements. Planned costs include:

Rice Creek Park:

- 2020 - \$13,000 staining of all cedar on buildings

Replacement Allowance

- 2019 - \$15,000 miscellaneous park building repairs

| | 2016 Estimate | 2017 Planned | 2018 Planned | 2019 Planned | 2020 Planned | 2021 Planned |
|-------------------------------|------------------|-----------------|-----------------|-----------------|-----------------|-----------------|
| Resources | | | | | | |
| General Fixed Asset Fund | | | | \$ 15,000 | \$ 13,000 | |
| Total Sources of Funds | \$ - | \$ - | \$ - | \$ 15,000 | \$ 13,000 | \$ - |
| Uses | | | | | | |
| Rice Creek Park | | | | | \$ 13,000 | |
| Repair/Replacement Allowance | | | | \$ 15,000 | | |
| Total Uses of Funds | \$ - | \$ - | \$ - | \$ 15,000 | \$ 13,000 | \$ - |

An allowance for park building repairs and replacements is included in the City's comprehensive infrastructure replacement plan. Periodic repair and replacement is necessary to maintain the condition of park buildings.

Trail Rehabilitation and Extension

PWA 20

Rehabilitation of the pavement surface on paved trails throughout the City. This project may consist of replacement of the pavement surface, or providing a protective coating, such as a sealcoat, to extend the life of the trail segments.

Scheduled rehabilitation of paths located in these areas:

- 2016 - for trail segments to be determined in the future
- 2017 - for trail segments to be determined in the future
- 2018 - for trail segments to be determined in the future
- 2019 - for trail segments to be determined in the future
- 2020 - for trail segments to be determined in the future
- 2021 - for trail segments to be determined in the future

Scheduled extensions include:

- 2016 - \$85,000 Gramsie Road trail extension
- 2017 - \$80,000 Snail Lake Open Space secondary trail segment

| | 2016 Estimate | 2017 Planned | 2018 Planned | 2019 Planned | 2020 Planned | 2021 Planned |
|-------------------------------|-------------------|-------------------|------------------|------------------|------------------|------------------|
| Resources | | | | | | |
| General Fixed Asset Fund | \$ 75,000 | \$ 80,000 | \$ 80,000 | \$ 80,000 | \$ 80,000 | \$ 80,000 |
| Community Investment | 85,000 | 80,000 | | | | |
| Total Sources of Funds | \$ 160,000 | \$ 160,000 | \$ 80,000 | \$ 80,000 | \$ 80,000 | \$ 80,000 |
| Uses | | | | | | |
| Trail | \$ 160,000 | \$ 160,000 | \$ 80,000 | \$ 80,000 | \$ 80,000 | \$ 80,000 |
| Total Uses of Funds | \$ 160,000 | \$ 160,000 | \$ 80,000 | \$ 80,000 | \$ 80,000 | \$ 80,000 |

To preserve the integrity and extend the life of bituminous trails and concrete sidewalks throughout the City's trail system. Replacement or rehabilitation of trail assets are planned in accordance with the City's comprehensive infrastructure replacement plan, updated annually.

The extension of the trail along Gramsie Road will provide a connection between Victoria Street and Dale Street. The Snail Lake Open Space trail will provide an alternate link from the open space to the Gramsie Road trail that is less susceptible to flooding.

Fire Stations

ADM 1

A repair and replacement allowance for fire stations, intended to cover equipment, furnishings and minor maintenance items. The cost shown in the table below represents Shoreview's share of costs (62%). Specific items planned for each station are listed below.

Station #2 costs include:

- 2016 - \$ 3,720 pressure washer/reel
- 2016 - \$ 12,400 replace north fence
- 2017 - \$ 7,440 replace furnace
- 2017 - \$ 4,464 firefighter lockers
- 2018 - \$ 9,300 paint bay ceilings/walls

Station #3 costs include:

- 2016 - \$ 19,840 audio/visual equipment training room
- 2018 - \$ 31,000 replace roof over bays
- 2019 - \$ 23,560 resurface bay floors

Station #4 costs include:

- 2017 - \$ 5,766 firefighter lockers/storage cabinets

| | 2016 Estimate | 2017 Planned | 2018 Planned | 2019 Planned | 2020 Planned | 2021 Planned |
|--------------------------|------------------|-----------------|-----------------|-----------------|-----------------|-----------------|
| Resources | | | | | | |
| General Fixed Asset Fund | \$ 35,960 | \$ 17,670 | \$ 40,300 | \$ 23,560 | | |
| Total Sources of Funds | \$ 35,960 | \$ 17,670 | \$ 40,300 | \$ 23,560 | \$ - | \$ - |
| Uses | | | | | | |
| Fire Station #2 | 16,120 | 11,904 | 9,300 | | | |
| Fire Station #3 | 19,840 | | 31,000 | 23,560 | | |
| Fire Station #4 | | 5,766 | | | | |
| Total Uses of Funds | \$ 35,960 | \$ 17,670 | \$ 40,300 | \$ 23,560 | \$ - | \$ - |

Routine repairs and replacements are necessary to maintain the condition and appearance of the buildings, and to protect the investment in the buildings. In addition, there is a need for replacement of equipment and furnishings within the fire stations.

General Government Buildings

ADM 6

Replacements, rehabilitation and improvements to municipal buildings, including the council chambers, and general government equipment.

Equipment includes:

- 2016 - \$ 42,168 election equipment replacement (voting machines)
- 2016 - \$100,000 council chamber improvements

| | 2016 Estimate | 2017 Planned | 2018 Planned | 2019 Planned | 2020 Planned | 2021 Planned |
|-------------------------------|-------------------|-----------------|-----------------|-----------------|-----------------|-----------------|
| Resources | | | | | | |
| General Fixed Asset Fund | \$ 42,168 | | | | | |
| Cable Television Fund | 100,000 | | | | | |
| Total Sources of Funds | \$ 142,168 | \$ - | \$ - | \$ - | \$ - | \$ - |
| Uses | | | | | | |
| Equipment-General | 142,168 | | | | | |
| Total Uses of Funds | \$ 142,168 | \$ - | \$ - | \$ - | \$ - | \$ - |

Periodic replacement of camera and sound equipment is necessary to maintain functionality for broadcasting public meetings.

Election equipment replacements are coordinated with Ramsey County (the cost shown is Shoreview's share of election equipment).

Community Center Rehabilitation

CC 1

A repair/replacement allowance for mechanical systems and other building replacements provides for the following costs:

Building costs include:

- 2016 - \$146,400 lighting project
- 2016 - \$118,160 replace hot water tank and heater
- 2016 - \$121,302 Park and Recreation office remodel
- 2020 - \$ 30,000 repair/replacement allowance

Carpet/flooring costs include:

- 2016 - \$ 58,975 replace running track surface
- 2017 - \$ 48,000 replace lower level carpet
- 2017 - \$ 30,000 replace rubber floor in fitness studio #3
- 2017 - \$ 55,000 pool deck rehabilitation
- 2018 - \$ 52,000 replace carpet in Council Chambers
- 2021 - \$ 95,000 replace carpet on upper level

Mechanical System costs include:

- 2017 - \$250,000 replace generator for City Hall and Community Center
- 2019 - \$180,000 replace three main boilers in mechanical room
- 2020 - \$ 60,000 replace two pool AHU boilers on mezzanine

Gymnasium costs include:

- 2016 - \$ 24,160 paint track railings and walls

| | 2016 Estimate | 2017 Planned | 2018 Planned | 2019 Planned | 2020 Planned | 2021 Planned |
|-------------------------------|-------------------|-------------------|------------------|-------------------|------------------|------------------|
| Resources | | | | | | |
| General Fixed Asset Fund | \$ 468,997 | \$ 383,000 | \$ 52,000 | \$ 180,000 | \$ 90,000 | \$ 95,000 |
| Total Sources of Funds | \$ 468,997 | \$ 383,000 | \$ 52,000 | \$ 180,000 | \$ 90,000 | \$ 95,000 |
| Uses | | | | | | |
| Municipal Buildings | \$ 385,862 | | | | \$ 30,000 | |
| Carpet/flooring | 58,975 | 133,000 | 52,000 | | | 95,000 |
| Mechanical Systems | | 250,000 | | 180,000 | 60,000 | |
| Gymnasium | 24,160 | | | | | |
| Total Uses of Funds | \$ 468,997 | \$ 383,000 | \$ 52,000 | \$ 180,000 | \$ 90,000 | \$ 95,000 |

The age of mechanical systems and volume of use at the Community Center increase the need for mechanical system repairs and other building replacements. Completion of these repairs in a timely manner is necessary to maintain the appearance of the building, to protect the investment in the building, and to retain customers. An allowance is included in the City's infrastructure replacement plan so that routine and periodic repairs can be made without impacting the Community Center operating budget.

Banquet Facility

CC 2

A repair and replacement allowance for the banquet room facilities and furnishings. Planned costs are listed below.

Furniture costs include:

- 2017 - \$150,000 replace banquet room chairs
- 2017 - \$ 40,000 replace banquet room tables

Banquet room repairs include:

- 2016 - \$ 7,345 Shoreview room wallpaper and wood refurbish
- 2018 - \$ 20,000 miscellaneous repairs
- 2019 - \$ 20,000 miscellaneous repairs
- 2020 - \$ 90,000 replace movable walls in Community Room
- 2021 - \$ 20,000 miscellaneous repairs

Carpet replacement includes:

- 2018 - \$ 35,000 Community Room carpet

| | 2016 Estimate | 2017 Planned | 2018 Planned | 2019 Planned | 2020 Planned | 2021 Planned |
|-------------------------------|------------------|-------------------|------------------|------------------|------------------|------------------|
| Resources | | | | | | |
| General Fixed Asset Fund | \$ 7,345 | \$ 190,000 | \$ 55,000 | \$ 20,000 | \$ 90,000 | \$ 20,000 |
| Total Sources of Funds | \$ 7,345 | \$ 190,000 | \$ 55,000 | \$ 20,000 | \$ 90,000 | \$ 20,000 |
| Uses | | | | | | |
| Furniture | | \$ 190,000 | | | | |
| Equipment-General | | | | | | |
| Banquet Room Repairs | 7,345 | | 20,000 | 20,000 | 90,000 | 20,000 |
| Carpet/flooring | | | 35,000 | | | |
| Total Uses of Funds | \$ 7,345 | \$ 190,000 | \$ 55,000 | \$ 20,000 | \$ 90,000 | \$ 20,000 |

The volume of banquet room use, for weddings, receptions, Summer Discovery, and other activities causes wear and tear on the facility. Completion of these repairs in a timely manner is necessary to maintain the appearance of the facility, to protect the investment in the building and to retain customers. An allowance is included in the City's comprehensive infrastructure replacement plan so that routine and periodic repairs can be made without impacting the Community Center operating budget.

Pool & Locker Room Areas

CC 3

A repair and replacement allowance for the pool and locker room areas at the community center. Planned costs are listed below.

Pool/whirlpool replacement costs include:

- 2016 - \$ 7,500 refurbish pool floatables
- 2016 - \$ 42,939 replace main pool UV system
- 2017 - \$ 20,000 replace pool floatable
- 2017 - \$ 25,000 regrout main pool
- 2018 - \$ 12,000 replace main pool drain covers
- 2018 - \$ 12,000 replace sand and elements in main pool and whirlpool filters
- 2019 - \$ 20,000 replace pool floatable
- 2021 - \$ 11,000 replace whirlpool UV system

Locker room replacement includes:

- 2018 - \$ 45,000 replace wooden lockers in fitness locker rooms
- 2021 - \$179,000 replace lockers in pool locker rooms
- 2021 - \$ 33,600 remodel locker rooms

Water slide repair/replacements include:

- 2017 - \$ 17,000 replace slide lights and music system
- 2018 - \$ 40,000 water slide refurbish

Repair and replacement allowances include:

- 2018 - \$ 20,000 replace internal steel supports on boat slide
- 2019 - \$ 75,000 repaint pool ceiling
- 2020 - \$ 20,000 replace lily pads on water walk
- 2021 - \$ 30,000 replace both landing pads on water walk

| | 2016 Estimate | 2017 Planned | 2018 Planned | 2019 Planned | 2020 Planned | 2021 Planned |
|-------------------------------|------------------|------------------|-------------------|------------------|------------------|-------------------|
| Resources | | | | | | |
| General Fixed Asset Fund | \$ 50,439 | \$ 62,000 | \$ 129,000 | \$ 95,000 | \$ 20,000 | \$ 253,600 |
| Total Sources of Funds | \$ 50,439 | \$ 62,000 | \$ 129,000 | \$ 95,000 | \$ 20,000 | \$ 253,600 |
| Uses | | | | | | |
| Pool/Whirlpool | \$ 50,439 | \$ 45,000 | \$ 24,000 | \$ 20,000 | | \$ 11,000 |
| Locker Rooms | | | 45,000 | | | 212,600 |
| Water Slide | | 17,000 | 40,000 | | | |
| Repair/Replacement Allowance | | | 20,000 | 75,000 | 20,000 | 30,000 |
| Total Uses of Funds | \$ 50,439 | \$ 62,000 | \$ 129,000 | \$ 95,000 | \$ 20,000 | \$ 253,600 |

The volume of use of pool and locker room facilities throughout the year causes wear and tear on the facility. Completion of these repairs in a timely manner is necessary to maintain the appearance of the facility, to protect the investment in the building and to retain customers. An allowance is included in the City's comprehensive infrastructure replacement plan so that routine and periodic repairs can be made without impacting the Community Center operating budget.

Furniture & Equipment

CC 4

A repair and replacement allowance for community center furniture and equipment. Planned costs are listed below.

Fitness equipment replacement allowances include:

- 2016 - \$30,000
- 2017 - \$35,000
- 2018 - \$30,000
- 2019 - \$30,000
- 2020 - \$30,000
- 2021 - \$70,000

Furniture replacement costs include:

- 2017 - \$ 25,000 replace/recover fireside furniture
- 2018 - \$ 20,000 miscellaneous furniture repairs/replacement
- 2019 - \$100,000 refurbish modular office furniture in city hall

Equipment Community Center costs include:

- 2017 - \$ 15,000 replace sound system in gym activity room and studio #2
- 2017 - \$ 13,000 replace Wave Café freezers and refrigerators

| | 2016 Estimate | 2017 Planned | 2018 Planned | 2019 Planned | 2020 Planned | 2021 Planned |
|-------------------------------|------------------|------------------|------------------|-------------------|------------------|------------------|
| Resources | | | | | | |
| General Fixed Asset Fund | \$ 30,000 | \$ 88,000 | \$ 50,000 | \$ 130,000 | \$ 30,000 | \$ 70,000 |
| Total Sources of Funds | \$ 30,000 | \$ 88,000 | \$ 50,000 | \$ 130,000 | \$ 30,000 | \$ 70,000 |
| Uses | | | | | | |
| Equipment-Fitness | \$ 30,000 | \$ 35,000 | \$ 30,000 | \$ 30,000 | \$ 30,000 | \$ 70,000 |
| Furniture | | 25,000 | 20,000 | 100,000 | | |
| Equipment-Community Center | | 28,000 | | | | |
| Total Uses of Funds | \$ 30,000 | \$ 88,000 | \$ 50,000 | \$ 130,000 | \$ 30,000 | \$ 70,000 |

The volume of use of the community center facility throughout the year causes wear and tear on furniture and equipment. Completion of these repair/replacements in a timely manner is necessary to maintain the appearance of the facility, to protect the investment in the building and to retain customers. An allowance is included in the City's comprehensive infrastructure replacement plan so that routine and periodic repairs can be made without impacting the Community Center operating budget.

Community Center Improvements

CC 10

Planned community center improvements and allowances for improvements to be determined in the future are listed below.

Building costs include:

- 2016 - \$15,035 add large birthday party lockers
- 2017 - \$45,000 add landscaping by waterslide and rock work by whirlpool

Improvement allowances include:

- 2018 - \$50,000 for items to be determined later
- 2019 - \$50,000 for items to be determined later
- 2020 - \$50,000 for items to be determined later
- 2021 - \$50,000 for items to be determined later

| | 2016 Estimate | 2017 Planned | 2018 Planned | 2019 Planned | 2020 Planned | 2021 Planned |
|------------------------|------------------|-----------------|-----------------|-----------------|-----------------|-----------------|
| Resources | | | | | | |
| Community Investment | \$ 15,035 | \$ 45,000 | \$ 50,000 | \$ 50,000 | \$ 50,000 | \$ 50,000 |
| Total Sources of Funds | \$ 15,035 | \$ 45,000 | \$ 50,000 | \$ 50,000 | \$ 50,000 | \$ 50,000 |
| Uses | | | | | | |
| Municipal Buildings | \$ 15,035 | \$ 45,000 | | | | |
| Improvement Allowance | | | \$ 50,000 | \$ 50,000 | \$ 50,000 | \$ 50,000 |
| Total Uses of Funds | \$ 15,035 | \$ 45,000 | \$ 50,000 | \$ 50,000 | \$ 50,000 | \$ 50,000 |

To preserve the vitality of the Community Center and continue to generate income in support of operating costs, it is important to offer new experiences to customers through periodic changes to the community center facility.

Community Ctr Expansion/Commons Park Imp

CC 12

This project involves the construction of an addition onto the Community Center, as well as several other improvements to the Shoreview Commons area, including an outdoor water play area and access improvements to the new regional library.

| | 2016 Estimate | 2017 Planned | 2018 Planned | 2019 Planned | 2020 Planned | 2021 Planned |
|-------------------------------|------------------|---------------------|-----------------|-----------------|-----------------|-----------------|
| Resources | | | | | | |
| Community Center Fund | | \$ 200,000 | | | | |
| Recreation Programs Fund | | 200,000 | | | | |
| Community Investment | | 3,600,000 | | | | |
| Debt-Property Taxes | | 4,000,000 | | | | |
| Total Sources of Funds | \$ - | \$ 8,000,000 | \$ - | \$ - | \$ - | \$ - |
| Uses | | | | | | |
| Municipal Buildings | | \$ 4,500,000 | | | | |
| Pool/Whirlpool | | 1,200,000 | | | | |
| Other Building | | 2,300,000 | | | | |
| Total Uses of Funds | \$ - | \$ 8,000,000 | \$ - | \$ - | \$ - | \$ - |

The Community Center is more than 25 years old and certain areas of the center need updating and additional space is needed for recreational/fitness programs.

Water Systems

PWA 5

This project includes improvements to the City's water system.

2016 costs include:

- \$75,000 - install natural gas/alternate power backup generator for Well 6.
- \$500,000 - install raw waterline from Well #6 to the existing raw water header piping.
- \$360,000 - relocation of the water main under I-694 just east of the Victoria Street overpass.
- \$90,000 - connect relocated water main in the I-694 right-of-way to the existing water main under Victoria Street south of the I-694 overpass.

2021 costs include:

- \$700,000 - North tower interior wet/dry rehabilitation and surface recoating.

| | 2016 Estimate | 2017 Planned | 2018 Planned | 2019 Planned | 2020 Planned | 2021 Planned |
|-------------------------------|---------------------|-----------------|-----------------|-----------------|-----------------|-------------------|
| Resources | | | | | | |
| Debt-Water Revenue | \$ 675,000 | | | | | \$ 700,000 |
| Grant | 350,000 | | | | | |
| Total Sources of Funds | \$ 1,025,000 | \$ - | \$ - | \$ - | \$ - | \$ 700,000 |
| Uses | | | | | | |
| Water Miscellaneous | \$ 75,000 | | | | | |
| Water Tower | | | | | | \$ 700,000 |
| Water Main | 950,000 | | | | | |
| Total Uses of Funds | \$ 1,025,000 | \$ - | \$ - | \$ - | \$ - | \$ 700,000 |

Improvements, rehabilitation, cleaning and inspection of the City's water system are planned in accordance with the City's Comprehensive Infrastructure Replacement Plan, which is reviewed and updated annually.

MNDOTs reconstruction of I-694 required the City to lower the depth of its water main under I-694.

Due to the depth of the existing water main south of the I-694 overpass, the new water main installed under I-694 will need to be connected to the existing water main under Victoria Street.

Water Treatment Plant

PWA 17

The addition of a water treatment plant will address the issue of rising levels of iron and manganese in the City's wells. Water treatment will effectively remove dissolved iron and manganese from the City's water supply.

- 2015, 2016 and 2017 - Construction and engineering consultant fees associated with construction of the water treatment plant

| | 2016 Estimate | 2017 Planned | 2018 Planned | 2019 Planned | 2020 Planned | 2021 Planned |
|-------------------------------|---------------------|-------------------|-----------------|-----------------|-----------------|-----------------|
| Resources | | | | | | |
| Debt-Water Revenue | \$ 5,957,000 | \$ 400,000 | | | | |
| Total Sources of Funds | \$ 5,957,000 | \$ 400,000 | \$ - | \$ - | \$ - | \$ - |
| Uses | | | | | | |
| Buildings-Proprietary | \$ 5,957,000 | \$ 400,000 | | | | |
| Total Uses of Funds | \$ 5,957,000 | \$ 400,000 | \$ - | \$ - | \$ - | \$ - |

The water in most of the City's wells has manganese levels higher than the secondary standards set by the EPA. Some wells are showing signs of high levels of iron as well. Iron and manganese, at the levels found in Shoreview's water, are not considered harmful to health, but they can cause esthetic problems as well as taste and odor issues within the water system. Increasing levels of iron and manganese is supported by the steadily growing number of customer concerns or complaints regarding the color and/or look and feel of the City's water.

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Sanitary Sewer Rehabilitation

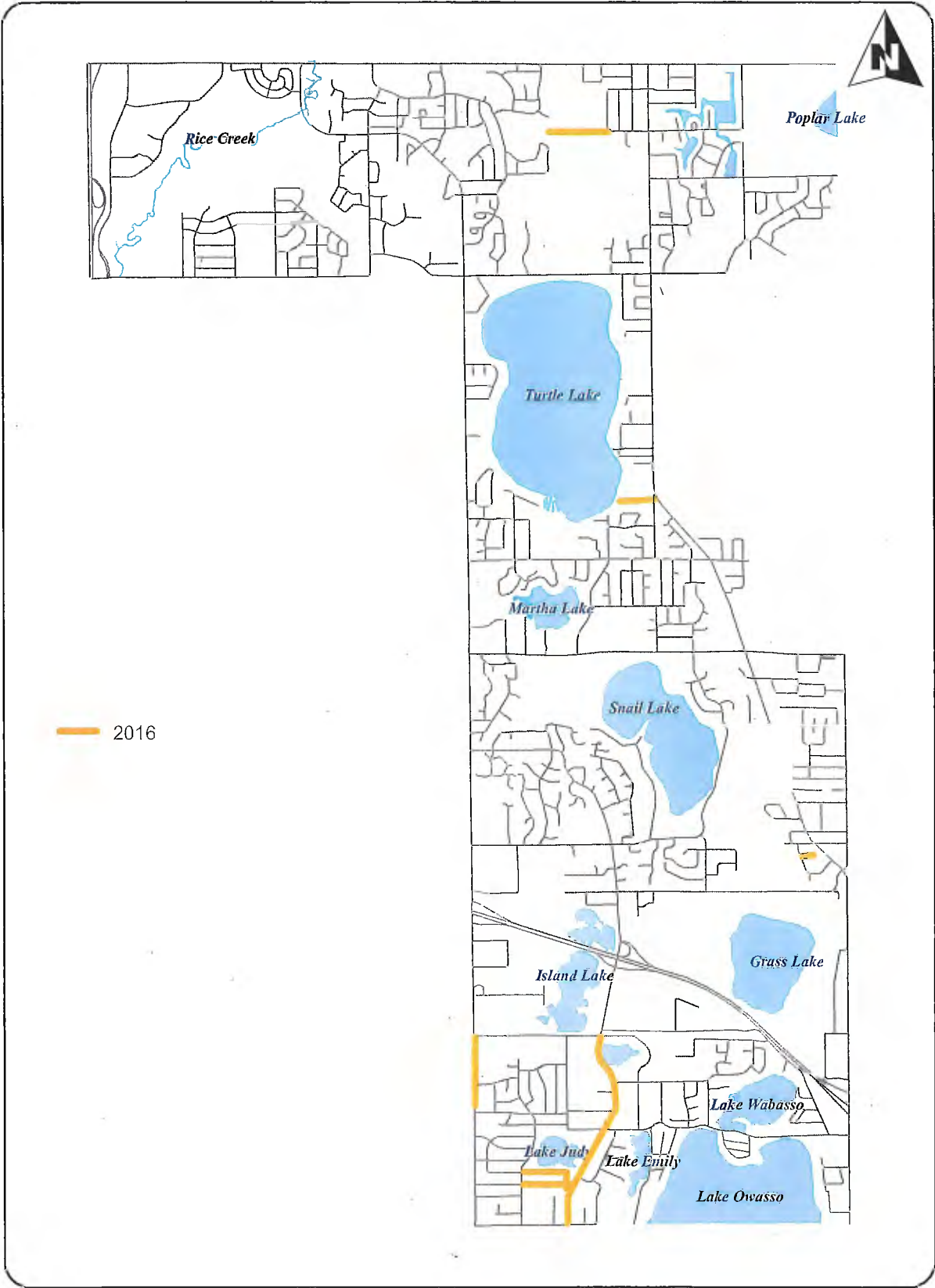
PWA 6

The repair or rehabilitation of high-maintenance or defective sanitary sewer segments located within the City utilizing technology or construction techniques which are unavailable to City maintenance crews. For instance, the City is actively pursuing the use of trenchless methods, and/or pipe re-lining, as an alternative to excavating in existing streets/neighborhoods.

- 2016 - \$150,000 miscellaneous areas throughout the City identified as highly susceptible to infiltration
- 2019 - \$950,000 miscellaneous areas throughout the City identified as highly susceptible to infiltration

| | 2016 Estimate | 2017 Planned | 2018 Planned | 2019 Planned | 2020 Planned | 2021 Planned |
|------------------------|------------------|-----------------|-----------------|-----------------|-----------------|-----------------|
| Resources | | | | | | |
| Debt-Sewer Revenue | \$ 150,000 | | | \$ 950,000 | | |
| Total Sources of Funds | \$ 150,000 | \$ - | \$ - | \$ 950,000 | \$ - | \$ - |
| Uses | | | | | | |
| Sanitary Sewer | \$ 150,000 | | | \$ 950,000 | | |
| Total Uses of Funds | \$ 150,000 | \$ - | \$ - | \$ 950,000 | \$ - | \$ - |

Various sections of the City's sanitary sewer system are in need of repair or rehabilitation. Often, leaky and/or broken pipes and manholes are responsible for groundwater infiltration into the sewage system, resulting in higher sewage treatment costs for the City. The pipes and manholes in need of repair are also more likely to fail, resulting in sewage back-ups and resulting damage claims.



Sewer Lift Stations

PWA 3

Sewer lift station improvements include updates and replacement of lift station equipment as well as system controls and monitoring capability.

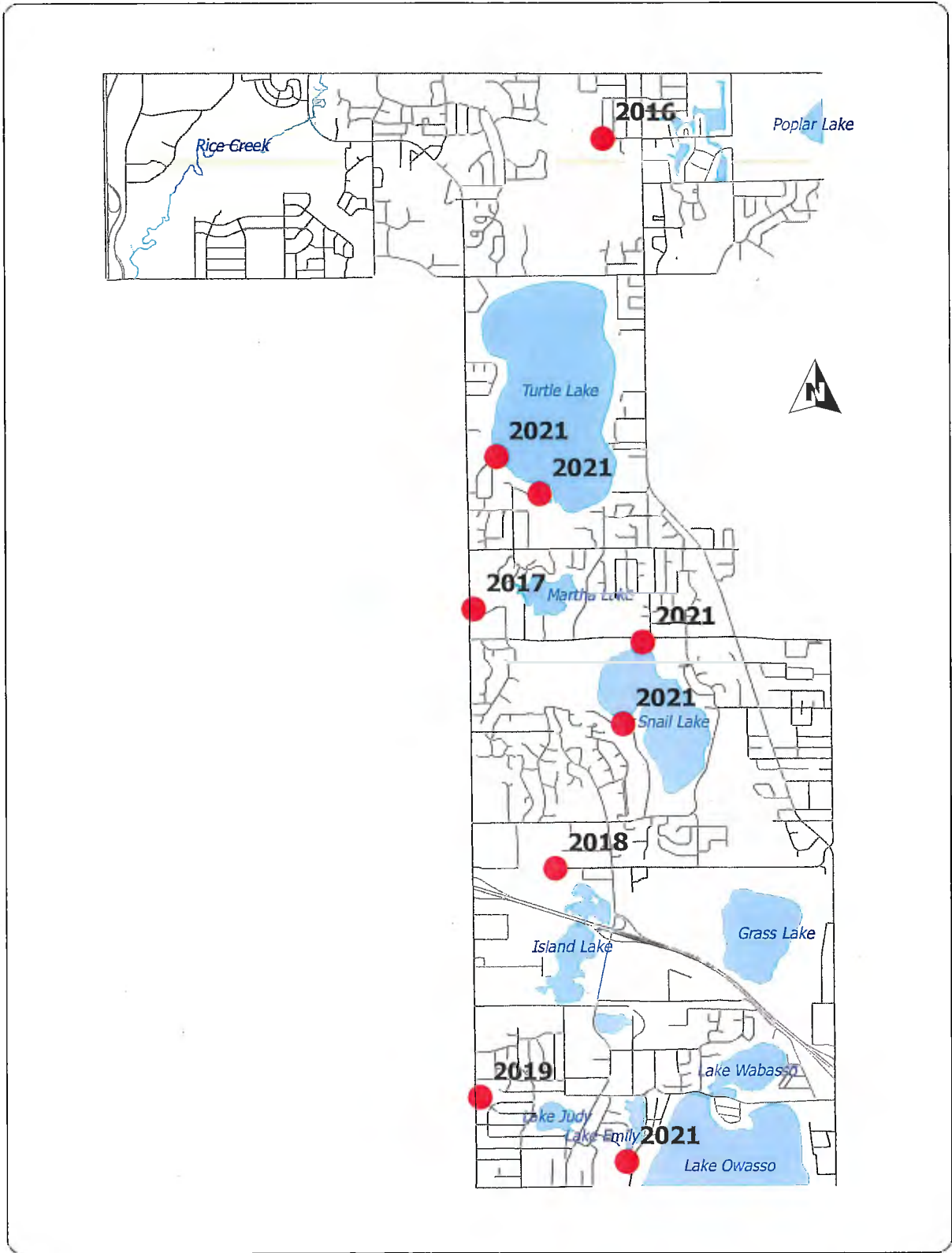
Scheduled replacements and upgrades include:

- 2016 - construct lift station and forcemain east of Bucher Avenue
- 2017 - update and improve controls and components at the North Lexington lift station
- 2018 - update and improve controls and components at the Gramsie lift station
- 2019 - update and improvement of controls and pumps/components at the South Lexington lift station
- 2021 - update 5 lift stations including: South Carlson, Reiland Lane, Turtle Lake, Dale & 96, and Oakridge

| | 2016 Estimate | 2017 Planned | 2018 Planned | 2019 Planned | 2020 Planned | 2021 Planned |
|------------------------|------------------|-----------------|-----------------|-----------------|-----------------|-----------------|
| Resources | | | | | | |
| Debt-Sewer Revenue | \$ 650,000 | \$ 30,000 | \$ 30,000 | \$ 30,000 | | \$ 75,000 |
| Total Sources of Funds | \$ 650,000 | \$ 30,000 | \$ 30,000 | \$ 30,000 | \$ - | \$ 75,000 |
| Uses | | | | | | |
| Sewer Lift Station | \$ 650,000 | \$ 30,000 | \$ 30,000 | \$ 30,000 | | \$ 75,000 |
| Total Uses of Funds | \$ 650,000 | \$ 30,000 | \$ 30,000 | \$ 30,000 | \$ - | \$ 75,000 |

Updates and improvements are planned in accordance with the City's comprehensive infrastructure replacement plan, which is reviewed and updated annually. Improvements include replacing transducers, floats, controls and pumps as necessary.

The existing gravity sanitary sewer main and associated manholes east of Bucher Avenue are structurally deficient and allow groundwater to infiltrate into the sewage system. The pipe and manholes are also more likely to fail, resulting in sewage backups and damage claims. It was determined that replacing the existing pipe and manholes with the lift station and force main was the best long-term solution.



Sewer Lift Stations

PWA 00003

Surface Water Collection/Treatment/Reuse

PWA 2

Includes improvements to the City's surface water collection and treatment system. The following improvements are planned:

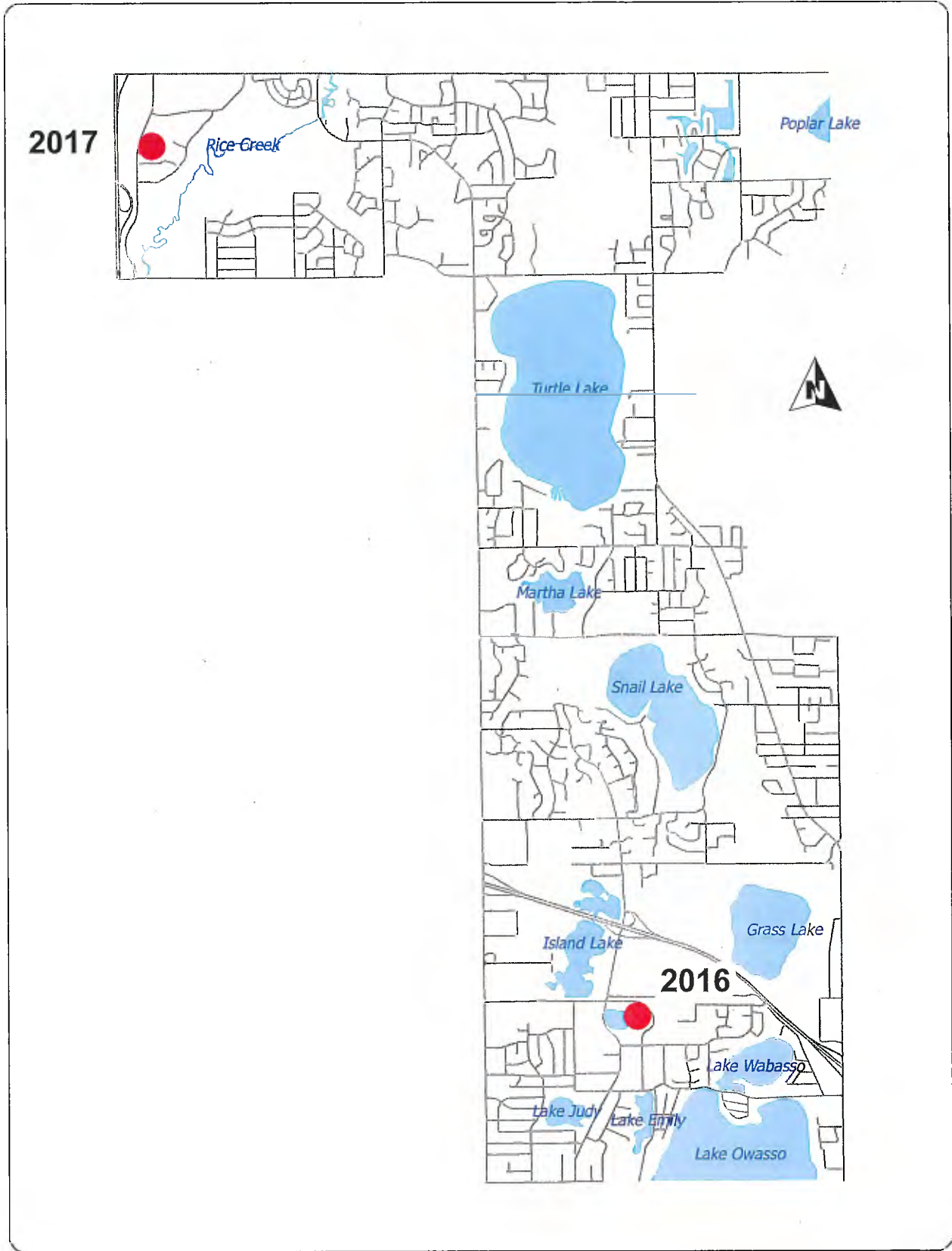
- 2016 - pretreatment structure installed on a storm pipe that discharges directly in the east shore of Shoreview Lake, subject to potential redevelopment of the adjacent multi-unit dwellings
- 2017 - storm water reuse to irrigate Rice Creek fields with water from Rice Creek Parkway ponds
- 2020 - rehabilitate or replace portions of the City's surface water and collection system in various locations throughout the City

| | 2016 Estimate | 2017 Planned | 2018 Planned | 2019 Planned | 2020 Planned | 2021 Planned |
|----------------------------|------------------|-----------------|-----------------|-----------------|-----------------|-----------------|
| Resources | | | | | | |
| Debt-Surface Water Revenue | \$ 120,000 | \$ 160,000 | | | \$ 160,000 | |
| Total Sources of Funds | \$ 120,000 | \$ 160,000 | \$ - | \$ - | \$ 160,000 | \$ - |
| Uses | | | | | | |
| Storm Sewer | \$ 120,000 | \$ 160,000 | | | \$ 160,000 | |
| Total Uses of Funds | \$ 120,000 | \$ 160,000 | \$ - | \$ - | \$ 160,000 | \$ - |

Based on the City's Surface Water Management Plan, the projects have been identified to eliminate direct discharges and improve the quality of surface water runoff.

Recent trends for ground water conservation include the reuse of storm water for irrigation. Working in partnership with local watersheds, projects for reuse of storm water to irrigate City property have been identified.

Improvements, rehabilitation, cleaning and inspection of the City's surface water collection and treatment system are planned in accordance with the City's Comprehensive Infrastructure Replacement Plan, which is reviewed and updated annually.



Residential Street Lights

PWA 7

Replacement of City-owned street lighting components each year. This work typically includes poles, luminaries, power sources, wiring, etc. in residential neighborhoods. Based on factors including age, material types, and reliability, the City will identify high priority areas and work with a lighting contractor on the selection and installation of the components.

Replacement allowances reflect conversion of City-owned street lights to more efficient LED fixtures and the gradual replacement and transfer of ownership from Xcel Energy lights to City-owned lights.

Allowances for street light replacements are as follows:

- 2016 - 21 lights
- 2017 - 32 lights
- 2018 - 32 lights
- 2019 - 32 lights
- 2020 - 32 lights
- 2021 - 32 lights

| | 2016 Estimate | 2017 Planned | 2018 Planned | 2019 Planned | 2020 Planned | 2021 Planned |
|------------------------|------------------|-----------------|-----------------|-----------------|-----------------|-----------------|
| Resources | | | | | | |
| Street Lighting Fund | \$ 150,000 | \$ 235,000 | \$ 241,220 | \$ 247,230 | \$ 253,410 | \$ 259,740 |
| Total Sources of Funds | \$ 150,000 | \$ 235,000 | \$ 241,220 | \$ 247,230 | \$ 253,410 | \$ 259,740 |
| Uses | | | | | | |
| Street Lighting | \$ 150,000 | \$ 235,000 | \$ 241,220 | \$ 247,230 | \$ 253,410 | \$ 259,740 |
| Total Uses of Funds | \$ 150,000 | \$ 235,000 | \$ 241,220 | \$ 247,230 | \$ 253,410 | \$ 259,740 |

To address the growing trend and costs associated with street lighting outages and repairs in residential neighborhoods. This project proposes to address street lighting needs on a neighborhood basis, as opposed to responding to customer complaints.

A substantial amount of residential development occurred in the 1970's and the 1980's, and the components typically used for street lighting in those neighborhoods are reaching the end of their useful life. For instance, hollow wood poles are subject to rotting and bird/insect damage, and direct-buried wiring (as opposed to wiring in conduit) causes increased lighting outages. The upgraded system (with metal or fiberglass poles, efficient luminaries and wiring) is expected to have lower operating costs, and a service life of at least 35 years.

Fire Equipment

ADM 2

An allowance for the replacement of fire vehicles and equipment is planned for Shoreviews share (at 62% of the total cost) of fire equipment, as estimated by the Lake Johanna Fire Department.

Truck replacements include:

- 2017 - \$486,700 fire truck and Chiefs vehicle
- 2018 - \$ 38,440 Fire Marshal vehicle
- 2019 - \$114,700 rescue vehicle
- 2020 - \$128,960 utility and Chiefs vehicle
- 2021 - \$ 62,000 Chiefs vehicle

Information systems estimates:

- 2016-2018 - \$ 2,232 each year for computer replacement

Self-Contained Breathing Apparatus (SCBA) equipment includes:

- 2019 - \$ 2,790 hydro test of SCBA bottles

Rescue equipment includes:

- 2016 - \$ 9,300 technical rescue equipment
- 2016 - \$ 2,480 replace AEDs
- 2016 - \$15,345 helmets w/ integrated eye shields
- 2017 - \$ 3,720 replace K-12 saw
- 2018 - \$ 2,480 replace AEDs

Miscellaneous equipment includes:

- 2016-2018 - \$ 41,540 each year to replace 1/3 of portable radios
- 2016 - \$ 1,860 replace K-12 saw
- 2016 - \$ 6,200 supply hose/nozzle replacement
- 2017 - \$ 4,960 tire replacement
- 2017 - \$ 2,356 mobile CAD

| | 2016 Estimate | 2017 Planned | 2018 Planned | 2019 Planned | 2020 Planned | 2021 Planned |
|-------------------------------|------------------|-------------------|------------------|-------------------|-------------------|------------------|
| Resources | | | | | | |
| General Fixed Asset Fund | \$ 78,957 | \$ 541,508 | \$ 84,692 | \$ 117,490 | \$ 128,960 | \$ 62,000 |
| Total Sources of Funds | \$ 78,957 | \$ 541,508 | \$ 84,692 | \$ 117,490 | \$ 128,960 | \$ 62,000 |
| Uses | | | | | | |
| Fire Vehicles/Equipment | | \$ 486,700 | \$ 38,440 | \$ 114,700 | \$ 128,960 | \$ 62,000 |
| Other Information Systems | 2,232 | 2,232 | 2,232 | | | |
| SCBA Equipment | | | | 2,790 | | |
| Equipment-Rescue | 27,125 | 3,720 | 2,480 | | | |
| Equipment-Miscellaneous | 49,600 | 48,856 | 41,540 | | | |
| Total Uses of Funds | \$ 78,957 | \$ 541,508 | \$ 84,692 | \$ 117,490 | \$ 128,960 | \$ 62,000 |

Replacement of fire apparatus, rescue equipment and other equipment for the Fire Department is important to providing quality fire protection service to the community.

Warning Sirens

ADM 3

An allowance for the replacement/repair of warning sirens for each year is provided below.

- 2016 - \$20,990 Turtle Lake School siren
- 2017 - \$10,000 Shoreview's share of Rice and Country Drive siren
- 2017 - \$22,000 Lake Judy Park
- 2019 - \$11,000 Shoreview's share of Rice and Snail Lake Rd siren
- 2019 - \$22,000 Sherwood Road
- 2021 - \$22,000 Well #6

| | 2016 Estimate | 2017 Planned | 2018 Planned | 2019 Planned | 2020 Planned | 2021 Planned |
|--------------------------|------------------|-----------------|-----------------|-----------------|-----------------|-----------------|
| Resources | | | | | | |
| General Fixed Asset Fund | \$ 20,990 | \$ 32,000 | | \$ 33,000 | | \$ 22,000 |
| Total Sources of Funds | \$ 20,990 | \$ 32,000 | \$ - | \$ 33,000 | \$ - | \$ 22,000 |
| Uses | | | | | | |
| Public Safety | \$ 20,990 | \$ 32,000 | | \$ 33,000 | | \$ 22,000 |
| Total Uses of Funds | \$ 20,990 | \$ 32,000 | \$ - | \$ 33,000 | \$ - | \$ 22,000 |

Regular maintenance/replacement of sirens is necessary to maintain the effectiveness of the warning system.

Computer Systems

FINA 1

An allowance for periodic upgrades and replacements to the City's information systems (hardware and software) is planned to ensure the continued effectiveness of the network. The five-year information systems plan has expanded in recent years to address system-wide technology needs, in part due to the increased integration between systems. As such, the plan provides for personal computers, printers (member card, desktop, multi-function, high-speed, CAD plotter/scanner), file servers, miscellaneous hardware/systems (card access, security cameras, image scanners, card scanners, mobile devices, building monitors, phone system, wireless capability), network storage, LAN infrastructure, LAN software (backup protection, server virtualization, email, calendar, etc.), and periodic upgrades and enhancements to specialized software (accounting, recreation, CAD, GIS, office, permits, etc.).

Replacement of the City's accounting software is planned for the years 2016 and 2017 at an estimated cost of \$394,440.

| | 2016 Estimate | 2017 Planned | 2018 Planned | 2019 Planned | 2020 Planned | 2021 Planned |
|-------------------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
| Resources | | | | | | |
| Capital Acquisition (IT) | \$ 10,400 | \$ 43,800 | \$ 6,900 | \$ 6,000 | \$ 20,800 | \$ 83,400 |
| General Fixed Asset Fund | 281,302 | 345,204 | 205,000 | 186,000 | 161,000 | 132,000 |
| Water Fund | 6,137 | 20,163 | | 400 | | |
| Sewer Fund | 6,137 | 20,163 | | 400 | 400 | 400 |
| Central Garage Fund | 1,000 | 14,000 | | | | |
| Total Sources of Funds | \$ 304,976 | \$ 443,330 | \$ 211,900 | \$ 192,800 | \$ 182,200 | \$ 215,800 |
| Uses | | | | | | |
| Computers | \$ 11,000 | \$ 10,000 | \$ 13,500 | \$ 10,000 | \$ 10,000 | \$ 10,000 |
| Printers | 2,000 | 24,000 | 6,000 | 18,000 | 2,000 | 6,000 |
| Servers | 12,700 | 30,000 | 15,000 | 30,000 | | 30,000 |
| Security Systems | 2,000 | 34,000 | 23,000 | 6,000 | 21,000 | 36,000 |
| Recovery/Backup Systems | 65,000 | | | 100,000 | | 50,000 |
| Communication Systems | 31,495 | 2,400 | 27,000 | 2,000 | 2,400 | 12,000 |
| LAN/Network | 61,695 | 36,000 | 111,000 | 16,000 | 63,000 | 11,000 |
| Imaging/Records Storage | | | | | | 50,000 |
| Specialized Applications | 116,086 | 298,730 | 12,000 | 5,000 | 67,000 | 5,000 |
| Other Information Systems | 3,000 | 8,200 | 4,400 | 5,800 | 16,800 | 5,800 |
| Total Uses of Funds | \$ 304,976 | \$ 443,330 | \$ 211,900 | \$ 192,800 | \$ 182,200 | \$ 215,800 |

The City's computer systems are used extensively by staff, and the range and amount of use is continuing to expand. Timely replacements are necessary to maintain the productivity of the network, to protect the various systems, to provide adequate redundancy in the event of an emergency, and to keep pace with technology. Personal computers are replaced every 4 to 6 years, depending on the level of use. Other hardware is replaced as necessary for the productivity of the applicable system.

Central Garage Equipment

PWA 18

Central Garage equipment is scheduled for replacement based on an evaluation of equipment condition, repair records, incidence of breakdowns, and changing operational needs. The cost of operation and replacement of all Central Garage equipment is recovered through annual rent charges (paid by funds and activities that use the equipment throughout the year). Maintaining an efficient and effective fleet of equipment is essential to consistent service delivery.

| | 2016 Estimate | 2017 Planned | 2018 Planned | 2019 Planned | 2020 Planned | 2021 Planned |
|-------------------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
| Resources | | | | | | |
| Central Garage Fund | \$ 558,945 | \$ 562,000 | \$ 565,000 | \$ 566,000 | \$ 564,000 | \$ 551,000 |
| Total Sources of Funds | \$ 558,945 | \$ 562,000 | \$ 565,000 | \$ 566,000 | \$ 564,000 | \$ 551,000 |
| Uses | | | | | | |
| Truck/s | \$ 220,000 | \$ 327,000 | \$ 286,000 | \$ 173,000 | \$ 290,000 | \$ 265,000 |
| Staff Vehicle/s | | | 29,000 | | 30,000 | 32,000 |
| Tractor/Mower/Loader/Cart | | 70,000 | 45,000 | | 55,000 | 140,000 |
| Field & Grounds Maint Equip | 40,271 | 68,000 | 53,000 | | 25,000 | |
| Chipper | | | 60,000 | | | |
| Street Repair Equipment | | | | 35,000 | | |
| Sweeper | 31,674 | | | 220,000 | | |
| Sewer Inspecting Equipment | 175,000 | | | | 20,000 | |
| Generator | | | | 45,000 | | |
| Bobcat (annual rotation) | 42,000 | 42,000 | 42,000 | 43,000 | 44,000 | 44,000 |
| Equipment-Central Garage | 50,000 | 55,000 | 50,000 | 50,000 | 100,000 | 70,000 |
| Total Uses of Funds | \$ 558,945 | \$ 562,000 | \$ 565,000 | \$ 566,000 | \$ 564,000 | \$ 551,000 |

This project provides for an annual equipment rotation for the bobcat skid steer, currently used by public works maintenance personnel in conjunction with excavating projects, pond maintenance, street patching, snow removal and treeplanting/landscaping projects. The annual replacement (rotation) is cost effective because the annual cost to maintain the equipment (covering routine maintenance, tire repairs and replacements) continues to rise. The trade-in program for State and Local government agencies allows the City to trade in a piece of equipment that is 1-2 years old, and purchase a new piece of equipment using state purchasing contract pricing. The annual cost of repairs/replacements for the equipment is eliminated, and the City obtains a new bobcat skid steer for a net annual cost of approximately \$2,000. The City may elect to participate in the program each year, and is under no obligation to continue participation in the program in the future. This CIP project assumes using the annual rotation each year, and also assumes a net gain on the disposal of the equipment each year, because the trade-in value is high in the first 1-2 years.