

**CITY OF SHOREVIEW  
AGENDA  
CITY COUNCIL WORKSHOP  
NOVEMBER 12, 2013  
6:00 P.M.**

1. ROLL CALL
2. DISCUSSION REGARDING THE COMMUNITY CENTER EXPANSION PROJECT WITH BWBR ARCHITECTS
3. REVIEW OF THE PROPOSED 2014-2015 BUDGET AND FIVE-YEAR OPERATING PLAN
4. OTHER ISSUES
5. ADJOURNMENT

**TO: MAYOR AND COUNCILMEMBERS**

**FROM: TERRY SCHWERM  
CITY MANAGER**

**DATE: NOVEMBER 8, 2013**

**SUBJECT: REVIEW OF COMMUNITY CENTER EXPANSION OPTIONS**

### **INTRODUCTION**

At the October 14 and November 4 workshop meetings, the City Council met with BWBR Architects to begin discussions on the planned Community Center expansion project. The purpose of these discussions was to identify key areas of the Community Center that should be considered for potential expansion. At the November 12<sup>th</sup> workshop meeting, BWBR will be presenting some preliminary concept plan ideas to the Council for review and consideration. The architects are looking for feedback from the City Council, Park and Recreation Commission and staff prior to moving forward with more detailed concept plan options.

### **BACKGROUND**

In September, the City Council authorized the hiring of BWBR Architects to assist in the development of concept plans and cost estimates for an expansion of the Community Center. The proposed 2014-2019 Capital Improvement Program includes the Community Center expansion project at an estimated cost of \$2.0 million in 2015. The outdoor water play area is scheduled in 2016 at an estimated cost of \$500,000. Some of the areas of the building that were identified for potential expansion by the Council, Commission and staff include:

- Fitness Center
- Multi-Purpose Activity Rooms
- Indoor Playground
- Family Locker Rooms
- Renovation of Outdoor Wading Pool Area
- Banquet Room Expansion/Improvements

One of the critical issues during any type of facility expansion project is how the City will maintain its current operations during the construction process. Our current membership has grown to a level that it would be difficult to close the fitness center for any length of time without dramatically impacting our revenue stream. In addition, our banquet facilities are often booked several months ahead for major events such as weddings and corporate training.

Any significant or long term work within these areas would require cancellation of events and significant lost revenue.

The staff has also been obtaining feedback from Community Center members and guests about what improvements should be made to certain areas of the community center. We have talked to fitness center users, playground users, pool users and fitness program participants. Attached are the responses that we have received to date from these groups.

BWBR Architect has now prepared some general concept plans (attached) showing how different areas and building functions could be expanded or modified. Each plan has some distinct advantages and disadvantages. They will present the plans at the workshop meeting on Monday night and are looking for City Council feedback on the different plans. Once they have received feedback on the plans from the Council and Park and Recreation Commission they will prepare some more detailed concepts and cost estimates.

## CUSTOMER AND MEMBER SURVEY AND TASK FORCE RESULTS

### Fitness Center

What is your overall impression of the Fitness Center? Positives and negatives.

Do you believe there is a need for additional equipment in the Fitness Center? Cardio equipment or strength training equipment?

Do you feel the fitness center is well laid out or do you feel it is too crowded?

- The fitness center is too warm, upkeep is good, trainers are very helpful, equipment shortage, need to enforce time limits on some equipment.
- Positives are always clean, like the high ceilings, good amount of cardio equipment. Negatives are need a larger weight area, gets crowded during peak times, be nice to have a couple of spinning bikes in cardio area.
- Positive impression, I would like later hours on Sundays.
- The positive... affordable, nice location, friendly people. The Negative... over crowded in weight area, need a fitness class timer.
- I think the Fitness Center is fine. I noticed some of the machines are showing some age. I hope that when replacement time comes that the replacements will provide the same muscle workout.
- Overall impression is OK. The positive is that it is clean considering the amount of use. The negative is that it is not very friendly, it does not need to be a social club but it could be better.
- Positive is average equipment. Negative is no space.
- There are a lot of pieces of equipment, but not a lot of variety. The TVs are great with the option to listen with head phones. The stretching area needs to be larger. When it gets crowded people end up moving into the hallway.
- There is a decent amount of equipment in the fitness center but more is needed. Need more space, squat racks and back extension.
- There was a machine here for a while that had lateral movement but there was not enough room to keep it, was good for skiers.
- Yes, during peak times machines are full. More people are lifting weights so it would be nice to have more weights and benches.
- I do not think there is a need for more equipment.
- It would be nice to have some more variety in the fitness center.
- There are four distinct areas in the Fitness Center....a section for stretching, a cardio area, free weight area, and weight training machines. There is obvious overlap but it would be nice to have four different distinct areas.
- I love the open space with natural light and high ceilings.
- No more cardio equipment is needed but there is a need for strength equipment, especially a squat rack.
- I do not think there is any room for anything else.
- There is enough weight equipment but it would be nice to have a few more cardio machines.
- The Fitness Center is crowded and unorganized.

- The Fitness Center is laid out well.
- The Fitness Center is O.K, I would not add anymore.
- Weight lifting area feels tight, no extra room for stretching.
- People are always in the hall for stretching.
- Need a stretching area that is not as you walk into the fitness center, a little more private.
- I do not use during busier times because I do not like waiting for equipment.
- The front area with mats is way too small, most people spill out into the hallway to do stretching after they workout.
- Too crowded!
- Too crowded in the entry area.
- Yes, need more space.
- There should be a larger area for people that lift weights.
- The equipment is too cramped.
- Two separate areas for cardio and weights would be nice.
- The center could use more treadmills.
- The Fitness Center needs more squat racks.

### **Group Fitness**

**What is your overall impression of the current group fitness studios? Positives and negatives?**

**What improvements do you think would be beneficial in the current group fitness studios?**

**Would you like the Community Center to offer more group fitness classes? What type and time?**

- I like that the fitness studios are separate rooms not just a room with folding walls. There is a need to get more updated spin bikes. There are too many things packed into the rooms. I would like a bigger room.
- Studio one is way too small, not enough space to store equipment.
- It would be nice if the rooms were the same size and more space available for storage, more cubbies.
- The studios need more space.
- It would be nice to have full length mirrors in the studios.
- It would be nice to have more storage space in the studios.
- I like the times of the classes.
- It would be nice to offer some healthy eating classes, meditation classes, and core training.
- I would love classes for older people that are active.
- I love the group fitness classes. I would like a class that was a step up from Senior Fit but not power pump.
- It would be nice to have bigger group fitness class spaces, open to members.
- I would like to see more yoga options.
- If there were more options for seniors in the evenings, I might participate.
- I would like a dedicated spin class area.
- The studios could stand to be a little larger, and have storage space for all the equipment.

- I like the space of the studio past the gym but do like the sound and people around the track.

### Water Park

**What is your overall impression of the Tropics Water Park? Positives and Negatives.**

**Are there any improvements or additional facilities that you would like to the Water Park or locker area?**

**One addition being considered is an outdoor interactive water play area that would be located in the patio area where there used to be a wading pool. Is this something that you would use during the summer months?**

- I don't use the water park, seems like it is not available for free swimming.
- I like the kid's area away from the larger pool. I wish this area was larger.
- I enjoy the Water Park.
- I wish there was more for smaller children in the zero depth area.
- I like that additional features are added to the water park, please make sure you keep adding or exchanging amenities.
- I really like the areas at Como that has more interactive play for younger children.
- Great facility, like it better during the week when it is less crowded.
- As a new member, I would love to see the hot tub moved, maybe closer to the locker rooms. I would like to see some more slides and play areas up in that area. The large slide is fine for older children but I do not like that the slide is so dark. The only other slide is for very small children. It would be nice to have something in-between.
- Positive, the layout is good. Most of the facility is clean. The negative is that when pool groups come here, the locker rooms are trashed. I do not even want to go in, they are filthy.
- It is a fun place for families with small children.
- I would like larger lockers.
- There needs to be more area for smaller children.
- Either more activities or room in the zero depth beach.
- There needs to be additional family locker rooms.
- It would be nice to have a warmer pool area.
- It would be great to have a sauna in the locker rooms.
- I would like a sauna up by the hot tub where children are not allowed.
- Try and get a medium size water slide.
- Yes, I would like to see the shower before you enter the pool strongly enforced. I would be willing to pay more for my membership if there was a designated person to make sure that entry to the pool would be denied if they did not shower with soap!
- I would like to see more cleanliness in locker rooms especially during school breaks when large groups use the pool.
- I would like paper towel dispensers in the locker rooms.
- I would like a larger 18+ area that was enforced.
- Please add additional family locker rooms.

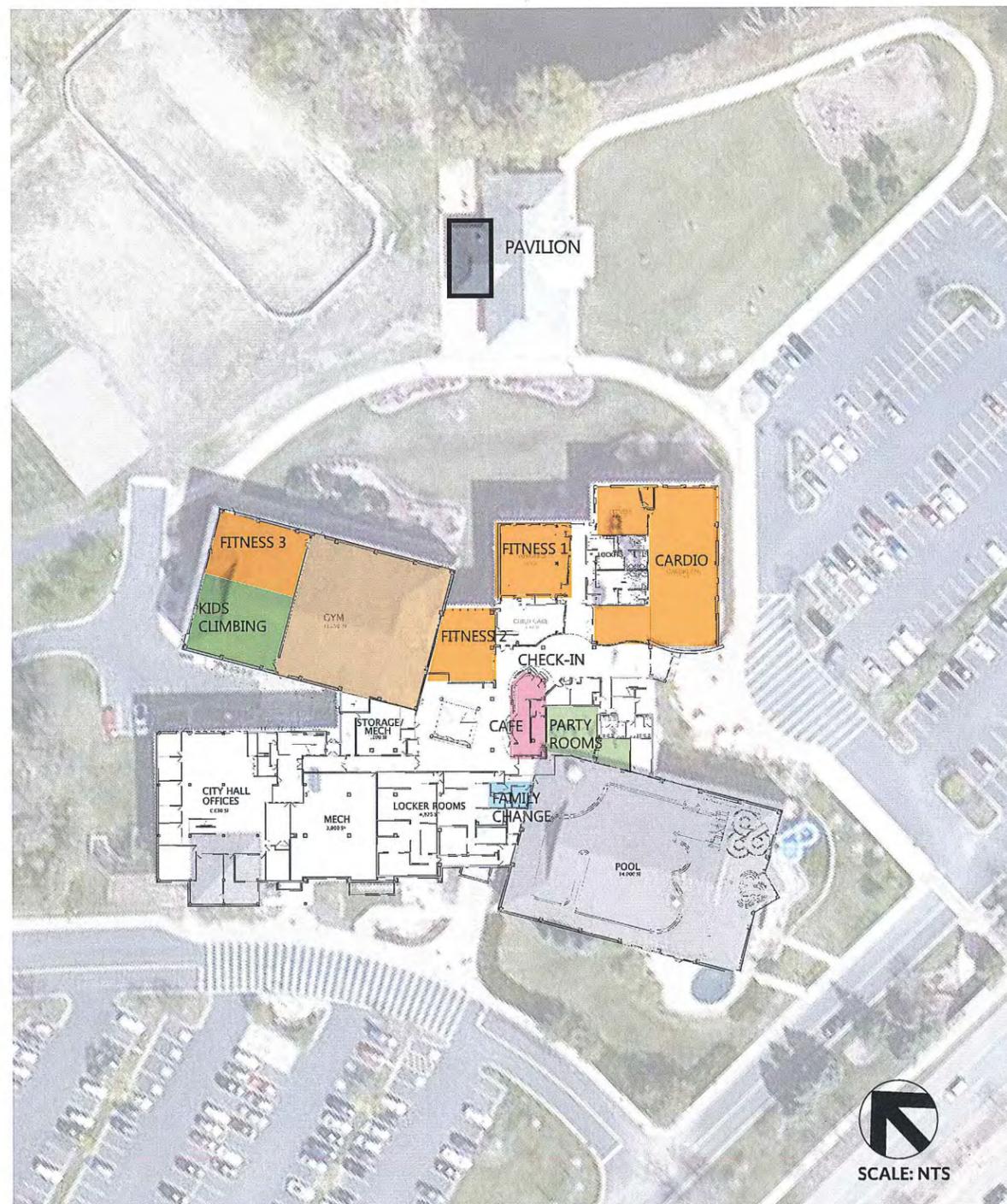
- There is not enough family locker rooms.
- I would not use an outdoor water area.
- I would not pay for a splash pad because they are free at many parks.
- I would love something outside, a place to play even if it was just a playground and not a water feature even just an area outside to eat.
- Yes definitely I would love a place outside, a water feature!!!
- I would not use an outdoor area but I would think families with small children would enjoy using it.
- Yes I would love an outdoor extension to the water park!!!!
- Please add something outside. It would make the water park seem less crowded on busy days.

### Playground

**What are your overall impressions of the Tropical Adventure Indoor Playground? Positives and negatives.**

**Are there any improvements or additions that you would like the City to consider in this playground area? What would improve the experience for you and your children?**

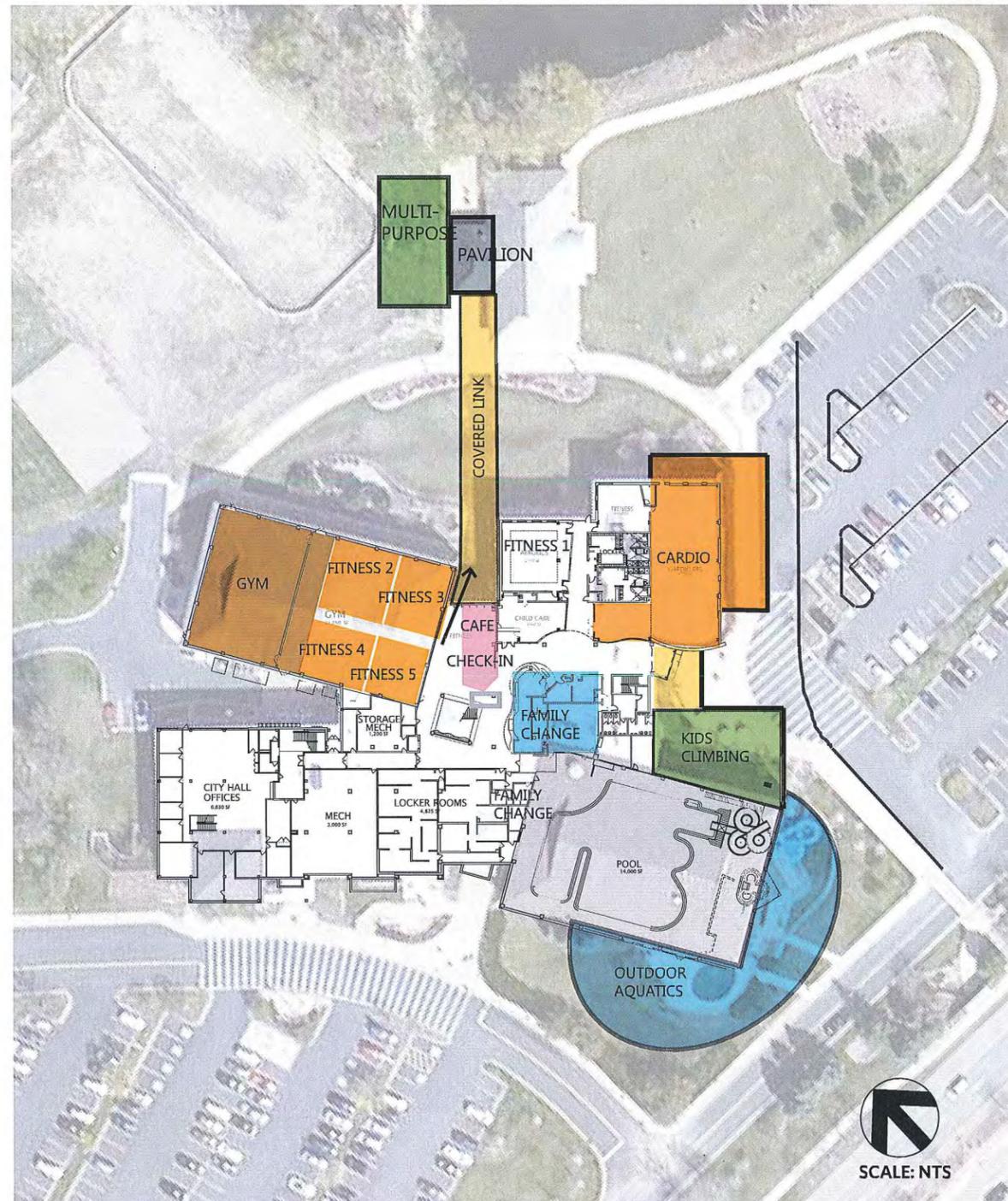
- I like that you have a water park and indoor playground.
- I think the playground structure is big enough.
- I think you need more for smaller children.
- I never used this but it looks great from the track.
- It would be nice to have some type of basketball hoops for younger children. The gym hoops are way too high for smaller children.
- You need a gym area for that in-between age.
- I like the fact that adults can fit in it. It does not seem that bad inside. I wish I could see more from the floor.
- You need a separate area for children to use scooters and balls.
- I wish there were some smaller basketball hoops for boys to play because the gym ones are too high and the 8-10 year old boys go back and forth from the gym and playground.
- I would like an open gym area for preschoolers.
- A bigger toddler area that is separate from the big kids, similar to Eagles Nest in New Brighton would be great.



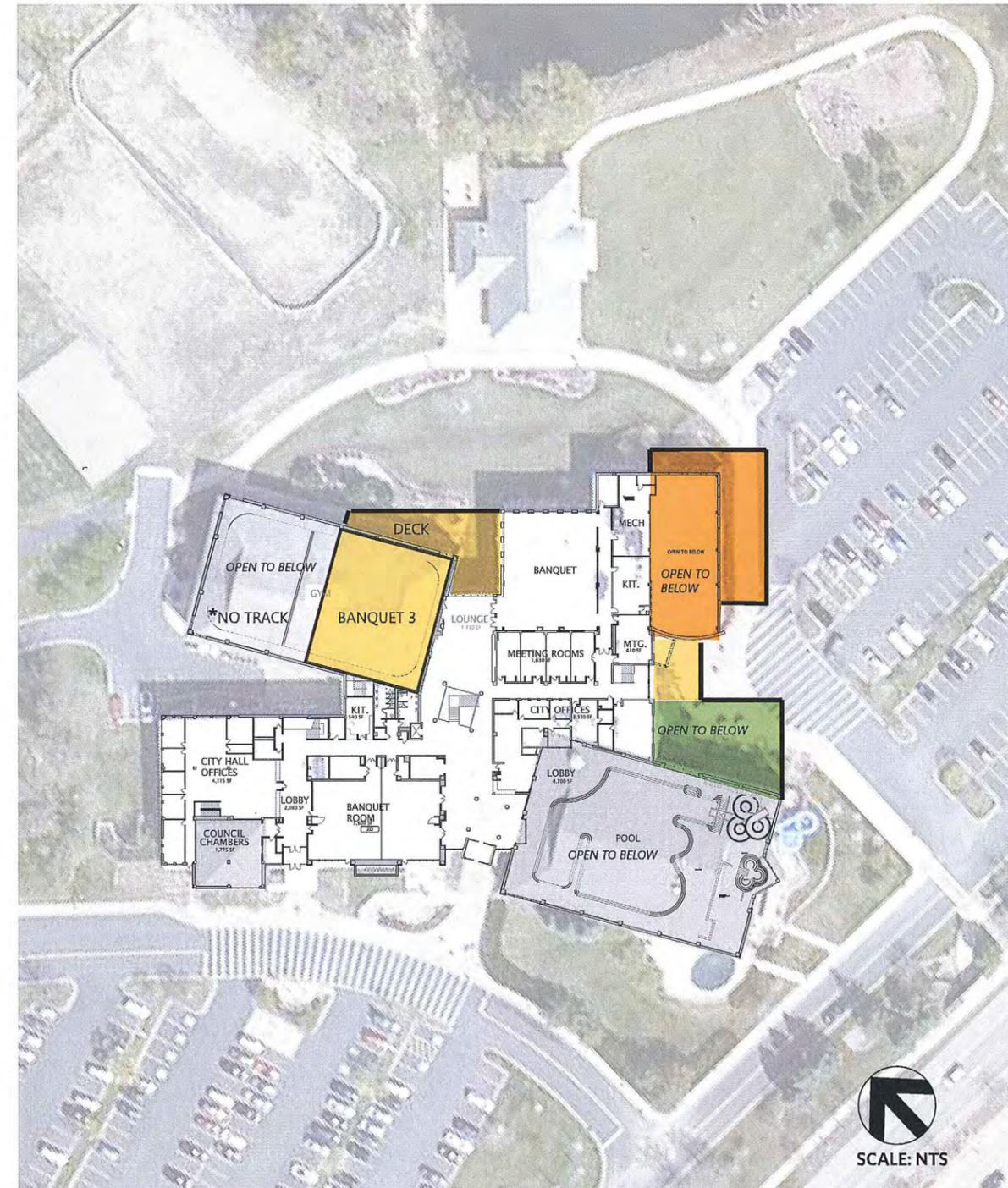
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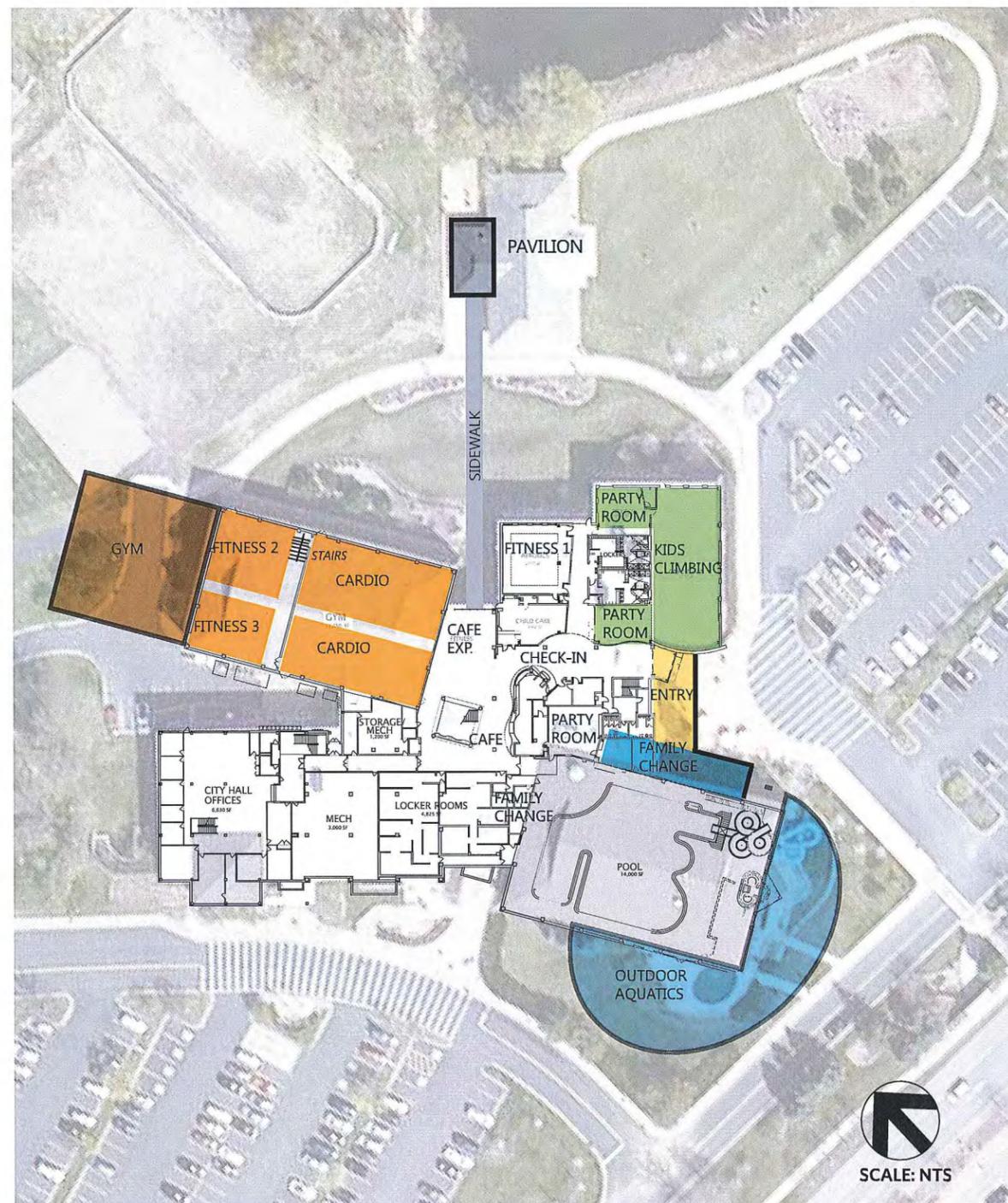
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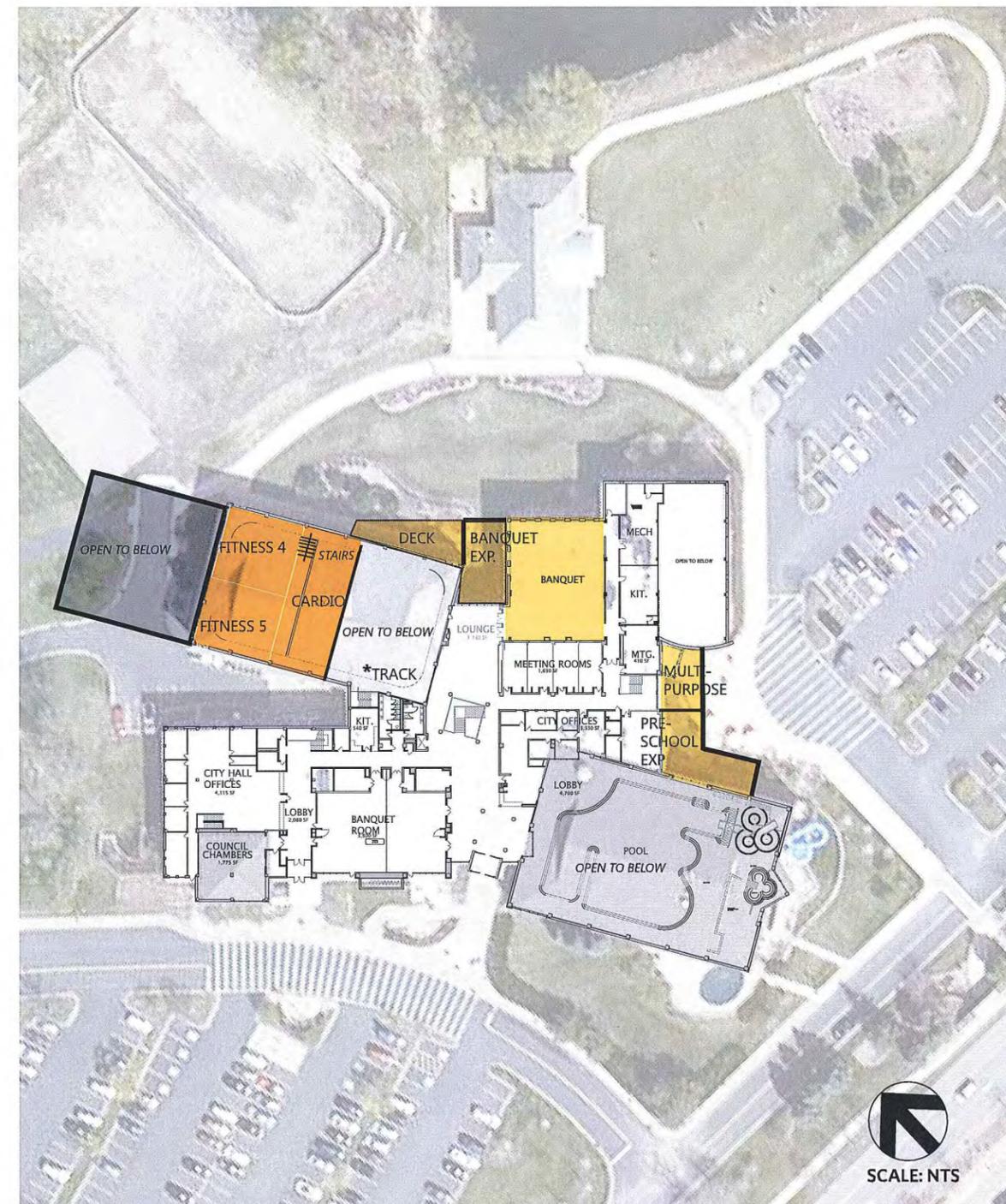
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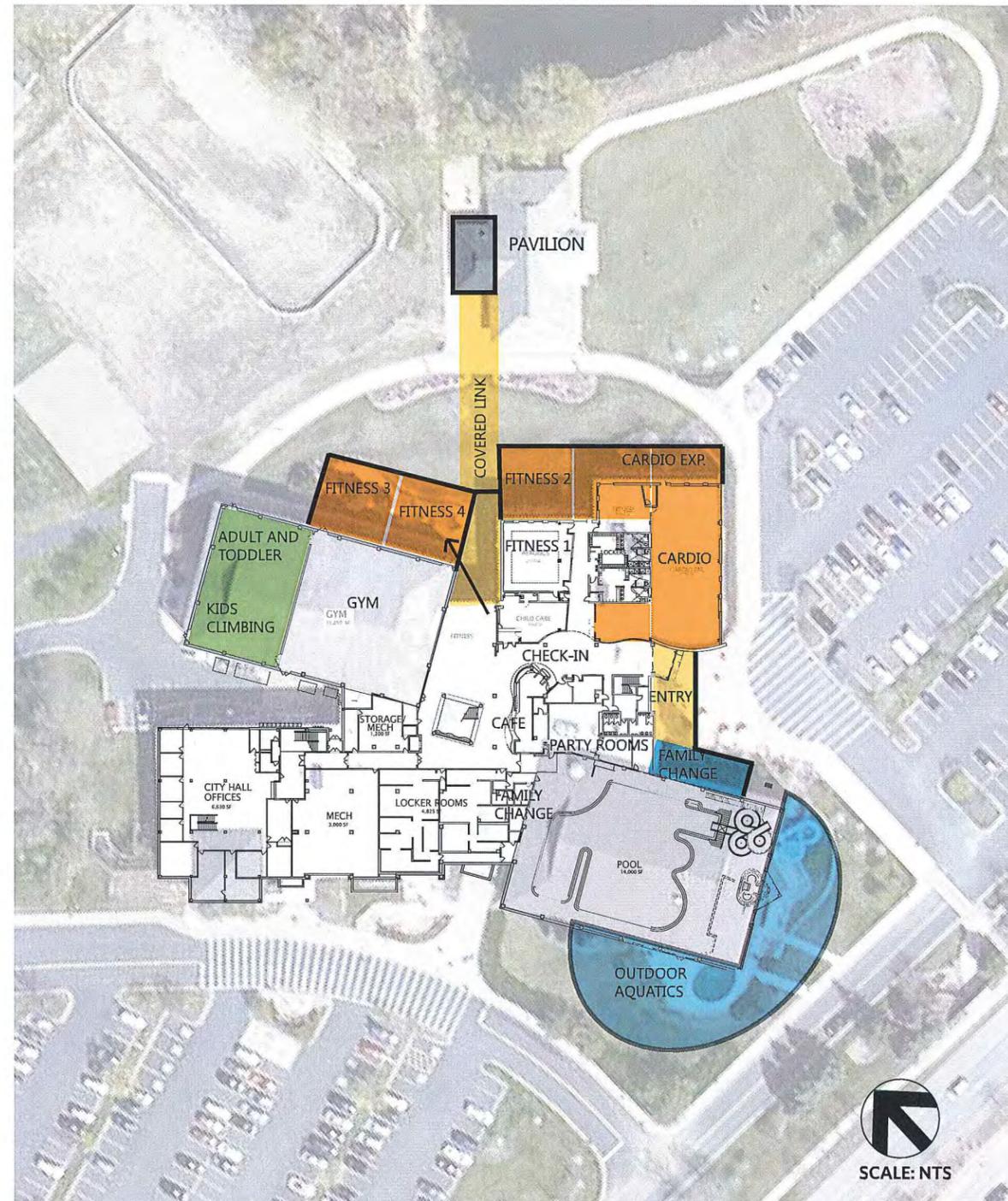
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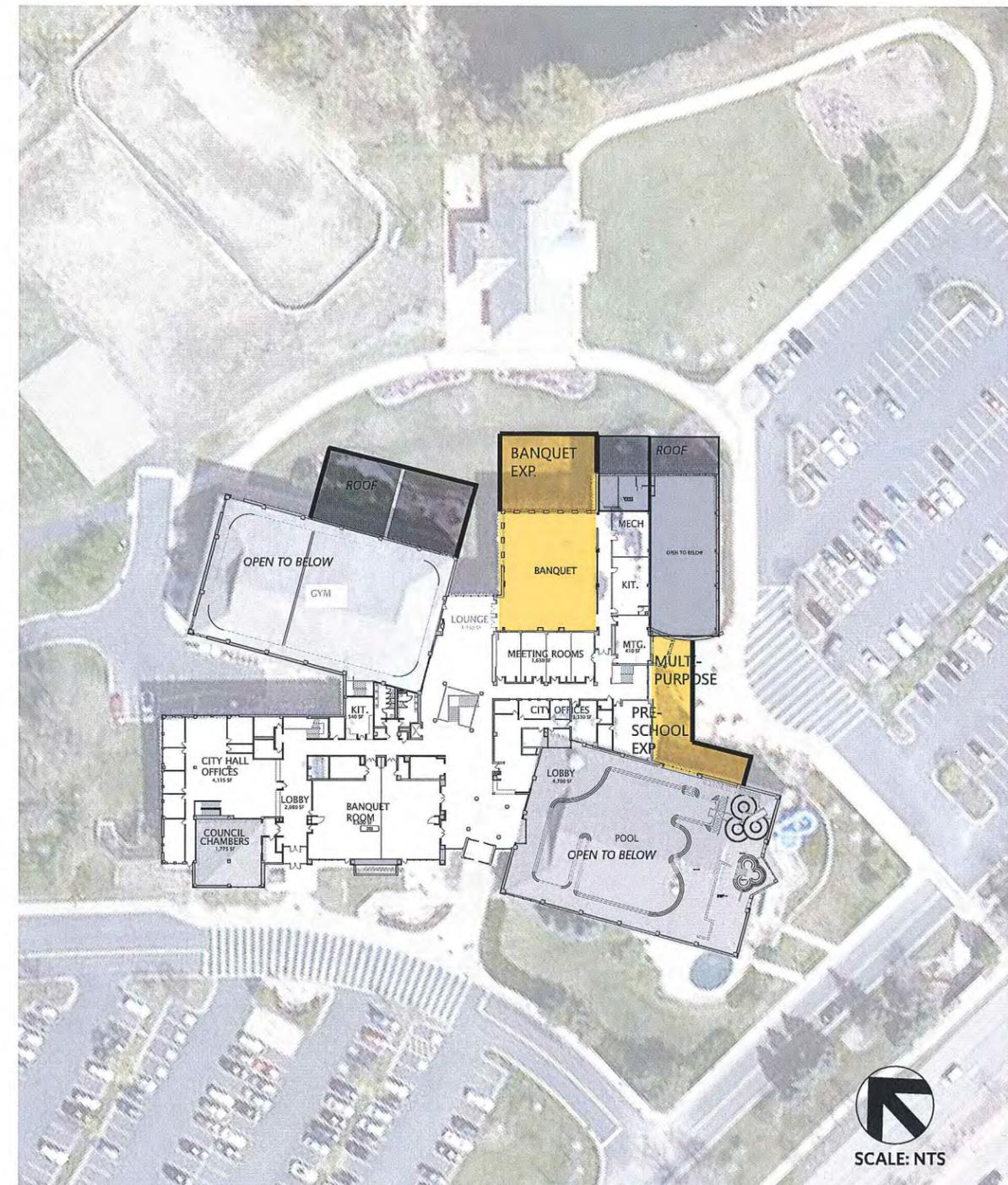
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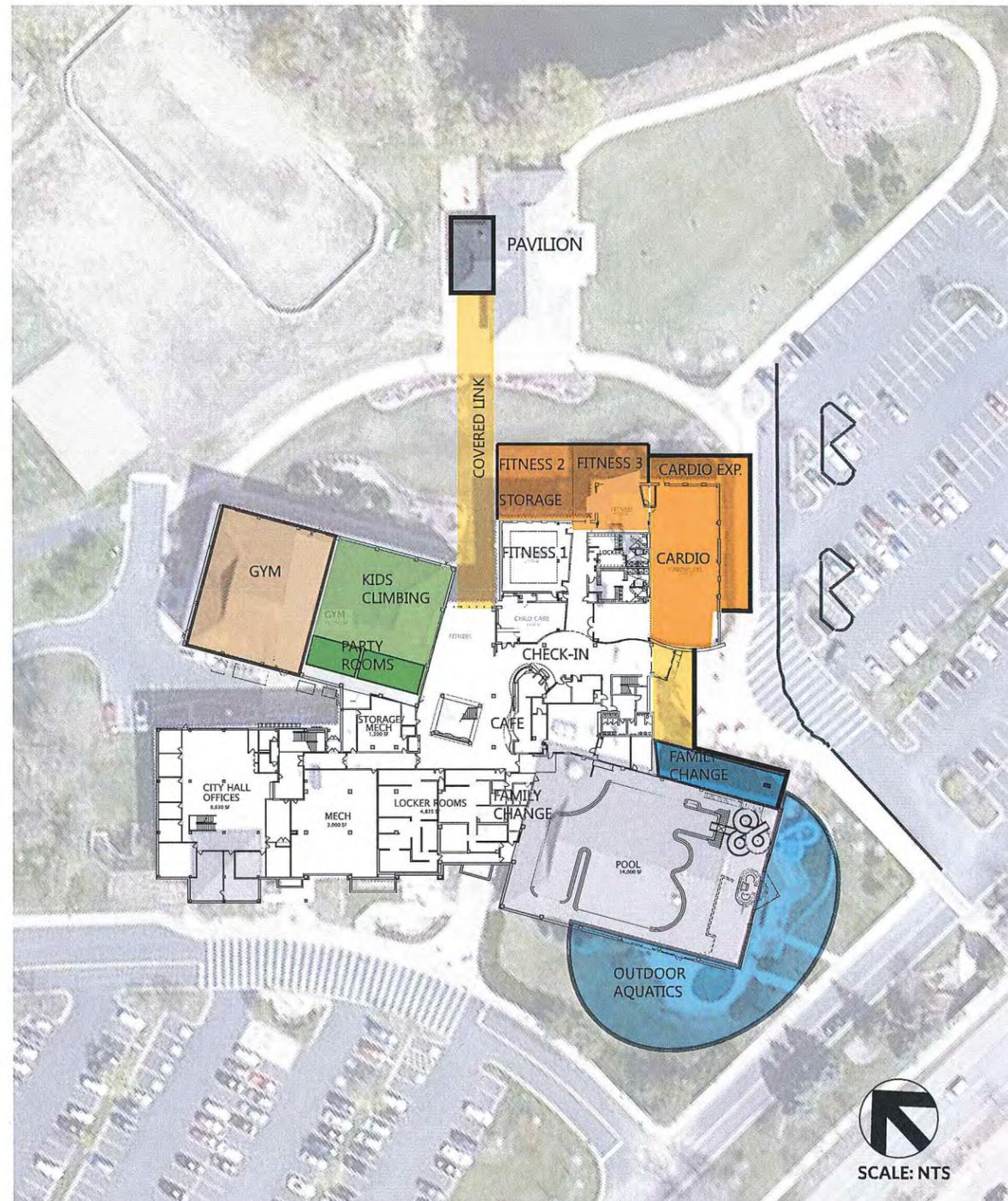
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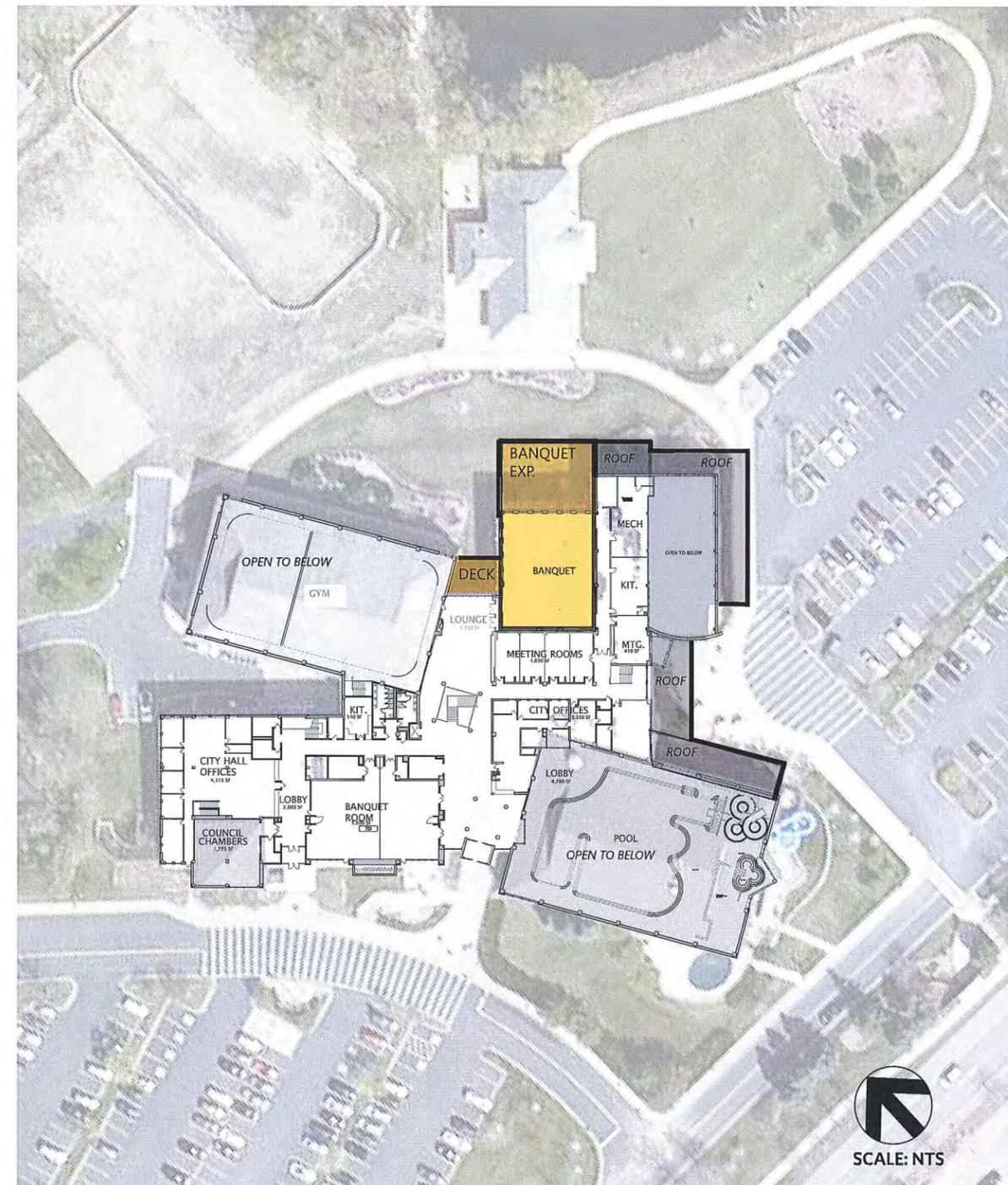
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2nd Floor



1st Floor



2nd Floor

TO: Mayor and City Council

FROM: Terry C. Schwerm, City Manager  
Jeanne A. Haapala, Finance Director  
Fred Espe, Assistant Finance Director

DATE: November 7, 2013

RE: 2014-2015 Budget and Tax Levy Estimates

## **Introduction**

Monday's workshop discussion will include a review of the Executive Budget Summary of the proposed Biennial Budget, the proposed Five-Year Operating Plan, and any other sections of the proposed Biennial Budget that the City Council would like to review. Since those documents contain a substantial amount of information, this memo will only address topics not already covered by those documents.

## **Two-Year Budget**

This is the second two-year budget to be adopted by Shoreview. Under this model, the City Council will be asked to formally adopt the first year of the budget in December, and the second year will remain as a financial plan. During 2014, which is considered the off-year budget, staff will evaluate whether any changes are necessary and will submit proposed revisions to the City Council according to the same time frame as the normal budget process. No formal budget document will be prepared during 2014.

## **Tax Levy Changes**

As shown on page number 19 of the budget document, the proposed 2014 tax levy increases from \$9,679,567 to \$10,009,154 (City and HRA combined), an increase of 3.4%. The planned 2015 tax levy increases from \$10,009,154 to \$10,517,671, an increase of 5.1%.

Items impacting the tax levy over the next two years are summarized on the next two pages.

2014 Levy – The first section of the table at right shows changes resulting from a reevaluation of all General Fund revenues to reflect current development activity, preliminary capital projects, transfers from the Cable TV fund for communication costs, and transfers from utility funds. All revenue changes combined account for a 2% decrease in the total tax levy.

The second section of the table shows changes in General Fund expense. These items account for a 4.05% increase in the tax levy. The most significant items include:

- Increased fire costs, including continued implementation of the duty-crew program
- Increased police costs for patrol, investigations, dispatch and animal control
- Pay plan adjustment of 2% and a \$75 increase in the City's monthly health insurance contribution
- Staffing changes and cost reallocations including the addition of a Parks and Recreation Director position in August of 2014 and a part-time Human Resources position
- Central garage charges increase, for operation and replacement of equipment and use of the maintenance facility
- Legal costs increase due to higher prosecution costs and the transition to a new law firm
- The transfer to debt funds is reduced \$50,000 for payment of the COPs (the closed debt fund will pay this portion in the future), and transfers increase \$7,000 for contributions to the Community Center fund and the Recreation Programs fund

The combined impact of General Fund revenue and expense changes is a 2.06% increase in the tax levy.

The last section of the table contains a list of tax levy changes for all other funds. These funds combined account for a 1.37% increase in the 2014 tax levy.

	2014 Change	
	Increase (Decrease)	% Impact on Total Tax Levy
Note: (brackets) indicate a decrease in the levy.		
General Fund Revenue Changes		
Building permits	\$ (12,000)	
Forestry tree charges (net of expense)	(14,870)	
Administrative citations	8,000	
Transfer from Cable TV (communic)	(45,000)	
Transfers from utility funds	(128,000)	
General Fund Revenue Changes	(191,870)	-2.00%
General Fund Expense Changes		
Fire	75,880	
Police	41,565	
Wage adjustment (2%)	45,419	
Health insurance (\$75/mo)	36,858	
Step & other increases	27,494	
Staff changes		
Reallocate Comm Devel Dir	\$(8,470)	
Staff additions		
Park & Recreation Director	27,923	
Park staff changes/turnover	15,835	
Asst to City Manager to full-time	17,481	
Admin Tech/Econ Dev	12,921	
Comm Devel customer serv	4,112	
Part-time HR	12,173	
Associate staff changes		
Park maintenance/associate	5,070	
Acctg assistance/associate	16,822	
Forestry intern	12,349	
Election assistance & overtime	8,058	
Finance position turnover (2)	(25,240)	
Other position turnover (5)	(7,630)	
Overtime	3,924	95,328
PERA,FICA, workers comp insurance	(19,912)	
Central garage charges	75,755	
Ice and snow supplies	22,000	
Elections	28,200	
Community survey	(26,000)	
Newsletter printing & postage	8,800	
Legal	25,000	
All other misc changes combined	(3,930)	
Transfers out	(43,000)	
General Fund Expense Changes	\$ 389,457	4.05%
Total General Fund Changes	\$ 197,587	2.06%
Levy Changes in All Other Funds		
EDA & HRA Levy	35,000	
Debt (Debt and Central Garage funds)	47,000	
Street Renewal fund	50,000	
General Fixed Asset Repl fund	100,000	
Capital Improvement fund	(120,000)	
Information Technology fund	20,000	
Levy Changes in All Other Funds	\$ 132,000	1.37%
Total Change in City Levy	\$ 329,587	3.43%

2015 Levy –The first section of the table at right outlines changes in General Fund revenue. Development related revenue is expected to show a slight decrease in 2015 while transfers in are expected to increase modestly. The net impact of these changes accounts for a .43% reduction in the tax levy.

The second section of the table outlines changes in General Fund expense. These items account for a 3.9% increase in the tax levy. Major changes include:

- Continued increases in contracted public safety costs
- Anticipated 3% wage adjustment and \$70 per month increase in the health insurance contribution
- Remaining costs associated with the addition of the Park and Recreation Director position in August of 2014
- Modest increases to central garage charges

The combined impact of General Fund revenue and expense changes is a 3.46% increase in the tax levy.

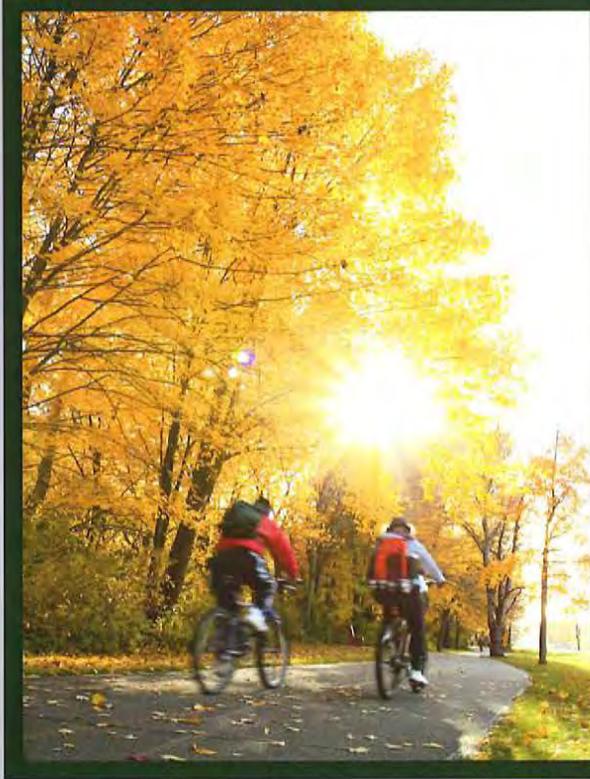
The last section of the table contains a list of tax levy changes for all other funds. These funds combined account for a 1.66% increase in the 2015 tax levy.

The final impact of all changes is a 5.13% increase in the 2015 tax levy. Staff will continue to look for opportunities to reduce the 2015 levy further during the 2014 budget process and prior to adoption of the 2015 levy next year.

### Summary

The proposed budget is consistent with Council direction received prior to adoption of the preliminary tax levy. Staff is seeking feedback from the City Council on the budget, proposed tax levy, utility rate adjustments and Five-year Operating Plan before designing the budget hearing presentation and completing the budget handout materials (Budget Summary and Utility Operations booklets).

Note: (brackets) indicate a decrease in the levy.	2015 Change	
	Increase (Decrease)	% Impact on Total Tax Levy
General Fund Revenue Changes		
Building permits	\$ 13,000	
Transfer from Cable TV (comm costs)	(7,000)	
Transfers from utility funds	(49,000)	
General Fund Revenue Changes	(43,000)	-0.43%
General Fund Expense Changes		
Fire	60,000	
Police	83,690	
Wage adjustment (3%)	85,339	
Step & other increases	24,751	
Staff changes		
Reallocate Comm Devel Dir	\$ (8,194)	
Park & Recreation Director	51,647	
Associate staff changes		
Park maintenance/associate	2,289	
Election assistance & overtime	(8,058)	
Finance position turnover (2)	(3,516)	
Overtime	1,820	35,988
Health insurance (\$70/mo)	32,000	
PERA, FICA, workers comp insurance	22,966	
Central garage charges	22,565	
Street supplies	8,200	
Elections	(27,500)	
Community survey	13,000	
Council training	3,000	
Legal	5,000	
All other misc combined	8,518	
Transfers out	9,000	
General Fund Expense Changes	386,517	3.90%
Total General Fund Changes	343,517	3.46%
Levy Changes in All Other Funds		
EDA & HRA Levy	15,000	
Debt (Debt and Central Garage funds)	20,000	
Street Renewal fund	50,000	
General Fixed Asset Repl fund	75,000	
Capital Acquisition fund	5,000	
Levy Changes in All Other Funds	165,000	1.66%
Total Change in City Levy	508,517	5.13%



# City of Shoreview, Minnesota

## Proposed Biennial Operating Budget 2014-2015

**4600 Victoria Street North  
Shoreview MN 55126  
651-490-4600  
[www.shoreviewmn.gov](http://www.shoreviewmn.gov)  
e-mail: [finance@shoreviewmn.gov](mailto:finance@shoreviewmn.gov)**



## *City of Shoreview, Minnesota*

### **Proposed Biennial Operating Budget 2014-2015**

#### Principal City Officials

City Council	Name	Term Expires
Mayor	Sandy Martin	December 31, 2014
Council member	Emy Johnson	December 31, 2016
Council member	Terry Quigley	December 31, 2014
Council member	Ady Wickstrom	December 31, 2016
Council member	Ben Withhart	December 31, 2014

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	Jeanne A. Haapala	September 26, 1988
Public Works Director	Mark J. Maloney	September 6, 1994

*Prepared by the Finance Department*

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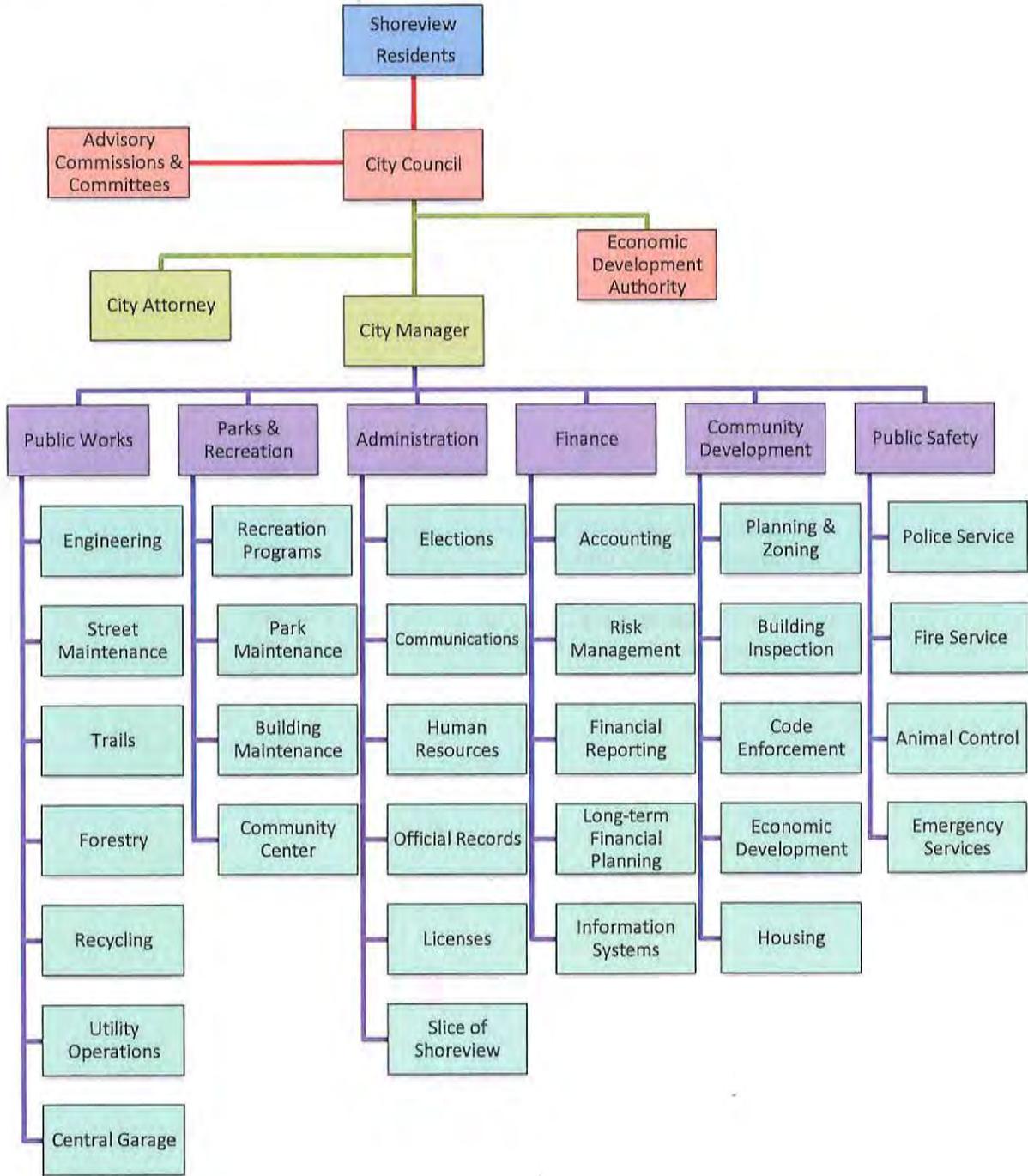
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# Organization Structure

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 (first meeting in December) and budget adoption (second meeting in December). State law requires adoption and certification of a preliminary tax levy by September 16, and certification of the final tax levy and budget by December 30.

### 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 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 the 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 2011) and the most recent property tax data (for the year 2013) show that Shoreview's:

- City share of the property tax bill (on a median valued home value of \$222,200) is 6<sup>th</sup> lowest among comparison cities (\$758 in Shoreview compared to \$960 on average).
- City tax rate is 6<sup>th</sup> lowest among comparison cities (19 percent below average).
- Special assessment revenue per capita is 2<sup>nd</sup> 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 3<sup>rd</sup> 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 the lowest among comparison cities (half of the average) due to efficiencies gained through contracts with other local governments.
- Total spending per capita is 6<sup>th</sup> lowest among comparison cities (23 percent below average).

**Funding strategies** 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 planning and 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 governing fund equity levels, infrastructure replacement, and debt issuance support one another and are designed to protect the financial health of the City. Financial planning efforts through the budget, CIP, FYOP, CHIRP, and the establishment of fund goals and targets help ensure:

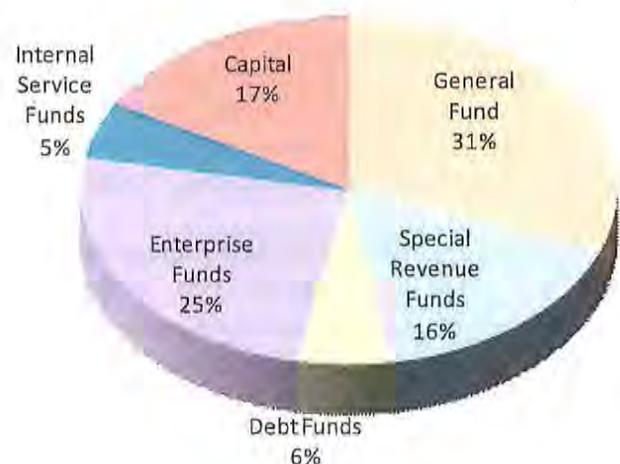
- Decision-making considers a long-term view of community needs.
- Practices prevent the use of one-time revenues to support ongoing operating expenses.
- Analysis considers long-term maintenance and operating costs when planning and evaluating capital projects.
- Commitment to balanced operations where 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 long-term 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 proposed 2014 and 2015 budget for operating funds is summarized in the table below (excluding planned capital projects). Budgeted expense in 2014 is \$24,636,946, an increase of \$754,346 over the 2013 budget (3.2 percent). Budgeted expense in 2015 is \$25,466,226, an increase of \$829,280 over the 2014 budget (3.4 percent).

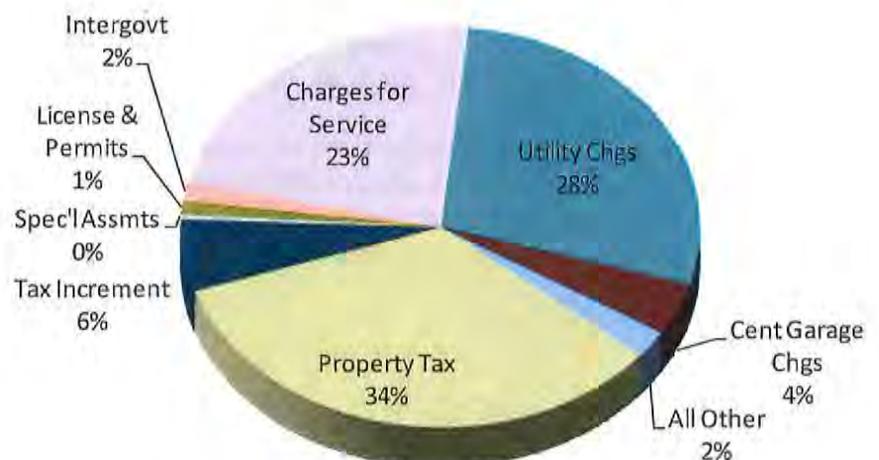
	2011	2012	2013	2013	2014	2015
	Actual	Actual	Budget	Revised Estimate	Budget	Budget
<b>Revenue</b>						
Property Taxes	\$ 6,966,068	\$ 7,147,896	\$ 7,459,567	\$ 7,459,567	\$ 7,739,154	\$ 8,117,671
Special Assessments	186,281	174,842	107,971	94,428	100,850	199,945
Licenses and Permits	441,243	540,755	314,050	475,600	324,500	308,300
Intergovernmental	375,466	376,158	366,152	363,727	365,392	361,152
Charges for Services	5,568,549	5,689,999	5,809,731	5,942,760	6,037,173	6,190,130
Fines and Forfeits	62,135	67,000	62,500	52,800	52,800	52,800
Utility Charges	7,100,858	8,086,327	7,993,640	7,993,640	8,294,577	8,663,303
Central Garage Charges	1,060,926	1,143,847	1,153,020	1,196,240	1,242,855	1,256,090
Interest Earnings	351,119	185,417	163,350	137,950	153,000	160,070
Other Revenues	126,918	174,000	80,740	103,556	102,808	102,427
<b>Total Revenue</b>	<b>\$ 22,239,563</b>	<b>\$ 23,586,241</b>	<b>\$ 23,510,721</b>	<b>\$ 23,820,268</b>	<b>\$ 24,413,109</b>	<b>\$ 25,411,888</b>
<b>Expense</b>						
General Government	\$ 2,037,408	\$ 2,243,504	\$ 2,345,660	\$ 2,455,800	\$ 2,442,375	\$ 2,515,522
Public Safety	2,556,068	2,706,424	2,882,693	2,861,662	3,000,223	3,144,020
Public Works	1,747,326	1,864,122	1,979,986	1,979,026	2,086,295	2,150,401
Parks and Recreation	5,291,572	5,282,365	5,470,139	5,458,672	5,759,484	6,116,013
Community Development	621,534	612,405	680,735	690,928	742,615	780,031
Enterprise Operations	5,272,823	5,244,732	5,705,039	5,583,226	5,817,212	6,015,448
Central Garage	537,045	550,659	593,566	577,942	599,799	617,652
Miscellaneous	156,808	67,522	40,000	40,000	40,000	40,000
Debt Service	2,407,716	2,331,187	2,277,782	2,429,890	2,213,943	2,096,139
Depreciation	1,636,971	1,813,983	1,907,000	1,867,000	1,935,000	1,991,000
<b>Total Expense</b>	<b>\$ 22,265,271</b>	<b>\$ 22,716,903</b>	<b>\$ 23,882,600</b>	<b>\$ 23,944,146</b>	<b>\$ 24,636,946</b>	<b>\$ 25,466,226</b>
<b>Other Sources (Uses)</b>						
Sale of Asset-Gain	64,457	26,311	41,000	40,000	29,000	-
Debt Proceeds	4,620,000	-	20,000	2,596,503	-	10,000
Debt Refunding	(4,410,000)	-	-	(135,000)	(860,000)	(1,385,000)
Contributed Capital Assets	17,281	194,313	-	-	-	-
Transfers In	2,261,833	2,063,714	2,359,186	2,362,009	2,070,010	2,130,321
Transfers Out	(1,496,802)	(1,374,262)	(1,340,320)	(1,349,850)	(1,347,010)	(1,829,400)
<b>Net Change</b>	<b>\$ 1,031,061</b>	<b>\$ 1,779,414</b>	<b>\$ 707,987</b>	<b>\$ 3,389,784</b>	<b>\$ (331,837)</b>	<b>\$ (1,128,417)</b>

It should be noted that property taxes are also levied for capital funds therefore the property taxes shown on the first line of the above table do not reflect the total adopted City tax levy. A summary of 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.

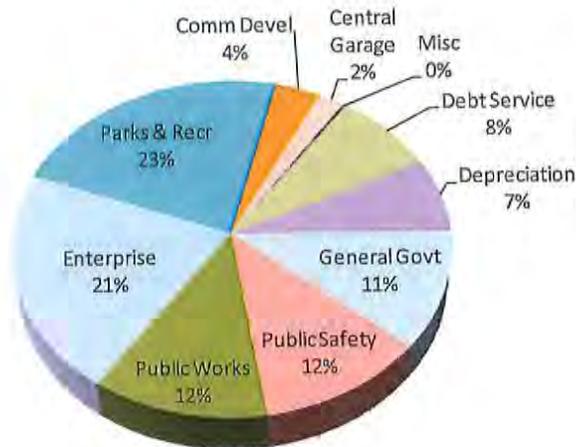
**Combined Revenue and Expense** for all funds in 2014 (including capital projects) is provided in the table below (by type of fund). Total estimated expense is \$27,153,344 for the year (\$24,636,946 in operating funds plus \$2,516,398 in capital funds). An additional \$2,447,000 of capital project costs will be capitalized and depreciated in Utility and Central Garage funds (for a combined 2014 CIP estimate of \$4,963,398).

	Operating Funds					Capital Funds	Total All Funds
	General	Special Revenue	Debt	Utility	Internal Service		
<b>Revenue</b>							
Property Taxes	\$ 6,837,154	\$ 170,000	\$ 548,000	\$ -	\$ 184,000	\$ 2,270,000	\$ 10,009,154
Tax Increment	-	-	-	-	-	1,723,380	1,723,380
Special Assessments	-	-	100,850	-	-	12,821	113,671
Licenses and Permits	324,500	-	-	-	-	-	324,500
Intergovernmental	188,622	66,000	1,270	26,330	83,170	91,975	457,367
Charges for Services	1,303,110	4,725,563	-	1,000	7,500	804,000	6,841,173
Fines and Forfeits	52,800	-	-	-	-	-	52,800
Utility Charges	-	-	-	8,294,577	-	-	8,294,577
Central Garage Charges	-	-	-	-	1,242,855	-	1,242,855
Interest Earnings	45,000	13,800	13,950	68,200	12,050	42,700	195,700
Other Revenues	26,108	46,200	-	500	30,000	330,227	433,035
<b>Total Revenue</b>	<b>8,777,294</b>	<b>5,021,563</b>	<b>664,070</b>	<b>8,390,607</b>	<b>1,559,575</b>	<b>5,275,103</b>	<b>29,688,212</b>
<b>Expense</b>							
General Government	2,227,053	215,322	-	-	-	621,650	3,064,025
Public Safety	3,000,223	-	-	-	-	116,848	3,117,071
Public Works	1,556,726	529,569	-	-	-	1,136,900	3,223,195
Parks and Recreation	1,726,055	4,033,429	-	-	-	407,000	6,166,484
Community Development	590,237	152,378	-	-	-	234,000	976,615
Enterprise Operations	-	-	-	5,817,212	-	-	5,817,212
Central Garage	-	-	-	-	599,799	-	599,799
Miscellaneous	-	-	-	-	40,000	-	40,000
Debt Service	-	-	1,674,973	300,916	238,054	-	2,213,943
Depreciation	-	-	-	1,275,000	660,000	-	1,935,000
<b>Total Expense</b>	<b>9,100,294</b>	<b>4,930,698</b>	<b>1,674,973</b>	<b>7,393,128</b>	<b>1,537,853</b>	<b>2,516,398</b>	<b>27,153,344</b>
<b>Other Sources (Uses)</b>							
Sale of Asset-Gain	-	-	-	-	29,000	-	29,000
Debt Refunding	-	-	(860,000)	-	-	-	(860,000)
Transfers In	692,000	419,000	839,610	-	119,400	759,000	2,829,010
Transfers Out	(369,000)	(260,000)	(66,610)	(651,400)	-	(1,482,000)	(2,829,010)
<b>Net Change</b>	<b>\$ -</b>	<b>\$ 249,865</b>	<b>\$ (1,097,903)</b>	<b>\$ 346,079</b>	<b>\$ 170,122</b>	<b>\$ 2,035,705</b>	<b>\$ 1,703,868</b>

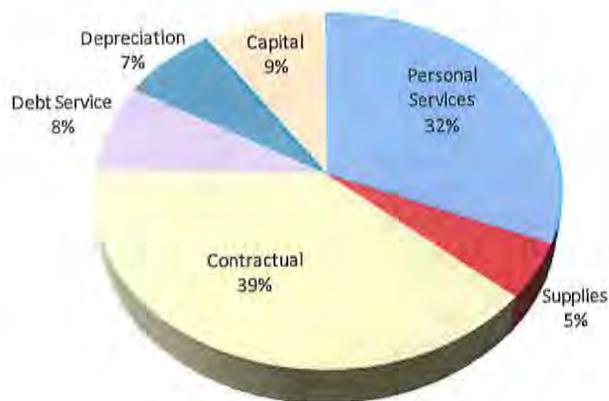
**Revenue by Source** – Revenue (for combined operating and capital funds) is derived from a combination of sources including: property tax, utility charges, charges for service, tax increment, intergovernmental revenue, central garage charges, license and permit revenue and other miscellaneous sources.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



**Total Expense by Function** – Public works accounts for 33 percent of expense (12 percent for engineering, street and trail maintenance, and forestry; and 21 percent for enterprise (utility) operations). Parks and recreation operations account for 23 percent. Public safety accounts for 12 percent (police, fire, animal control, and emergency services). General government accounts for 11 percent, followed by debt service at 8 percent, and depreciation at 7 percent (for utility system and central garage assets). Community development and central garage operations account for 4 and 2 percent respectively.



**Total Expense by Class** – Contractual costs account for the largest share of total spending (39 percent), and include: sewage treatment; contracted police, fire and recycling; inter-fund charges; and repair and maintenance. Personal services accounts for 32 percent, and includes: wages, health insurance, required contributions to social security, medicare and PERA, and workers compensation insurance. Capital costs account for 9 percent of total operating spending, followed by 8 percent for debt payments, and 7 percent for depreciation expense (for the depreciation of utility system and central garage assets). Supplies account for the smallest share of spending at 5 percent.



In recent years the City has held the cost of health insurance premiums down through use of a high-deductible plan. Premiums are significantly lower than the Ramsey County plan (the City's former health insurance provider).

**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 expense. Budgets in other funds are designed to accomplish a variety of long-term objectives and 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 to debt payment and must be held until the related debt is paid in full. Therefore, the 2014 budget assumes spending a portion of accumulated fund balances to cover debt payments.
- 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 new 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.

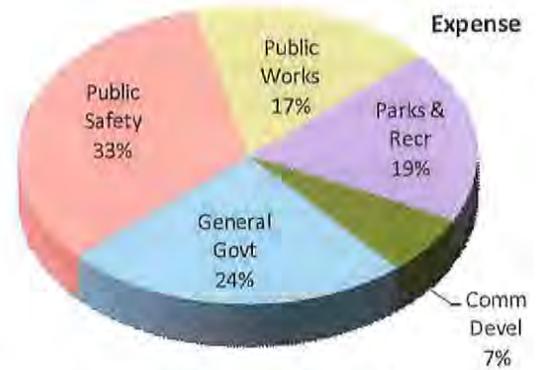
**Combined Revenue and Expense** for all funds in 2015 is provided in the table below (by type of fund). Total estimated expense is \$30,152,224 for the year (\$25,466,226 in operating funds plus \$4,685,998 in capital funds). An additional \$6,550,926 of capital project costs will be capitalized and depreciated in Utility and Central Garage funds (for a combined 2015 CIP estimate of \$11,236,924).

Even though a budget is adopted for 2015, the City will continue to hold a budget hearing during 2014 (for the 2015 budget), and will adopt both a preliminary and final tax levy for the 2015 budget, by following the normal budget process (and as is consistent with State law). Any necessary modifications to 2015 revenue or expense will be handled through a budget amendment in December of 2014, after the normal budget hearing.

	Operating Funds					Capital Funds	Total All Funds
	General	Special Revenue	Debt	Utility Funds	Internal Service		
<b>Revenue</b>							
Property Taxes	\$ 7,180,671	\$ 185,000	\$ 544,000	\$ -	\$ 208,000	\$ 2,400,000	\$10,517,671
Tax Increment	-	-	-	-	-	914,000	914,000
Special Assessments	-	-	199,945	-	-	12,821	212,766
Licenses and Permits	308,300	-	-	-	-	-	308,300
Intergovernmental	188,622	65,000	1,210	25,470	80,850	712,774	1,073,926
Charges for Services	1,302,400	4,879,230	-	1,000	7,500	804,000	6,994,130
Fines and Forfeits	52,800	-	-	-	-	-	52,800
Utility Charges	-	-	-	8,663,303	-	-	8,663,303
Central Garage Charges	-	-	-	-	1,256,090	-	1,256,090
Interest Earnings	50,000	8,700	11,670	76,500	13,200	62,000	222,070
Other Revenues	26,227	45,700	-	500	30,000	343,908	446,335
<b>Total Revenue</b>	<b>9,109,020</b>	<b>5,183,630</b>	<b>756,825</b>	<b>8,766,773</b>	<b>1,595,640</b>	<b>5,249,503</b>	<b>30,661,391</b>
<b>Expense</b>							
General Government	2,269,274	246,248	-	-	-	919,600	3,435,122
Public Safety	3,144,020	-	-	-	-	110,598	3,254,618
Public Works	1,603,772	546,629	-	-	-	1,179,800	3,330,201
Parks and Recreation	1,850,037	4,265,976	-	-	-	2,258,000	8,374,013
Community Development	611,917	168,114	-	-	-	218,000	998,031
Enterprise Operations	-	-	-	6,015,448	-	-	6,015,448
Central Garage	-	-	-	-	617,652	-	617,652
Miscellaneous	-	-	-	-	40,000	-	40,000
Debt Service	-	-	1,587,156	274,796	234,187	-	2,096,139
Depreciation	-	-	-	1,331,000	660,000	-	1,991,000
<b>Total Expense</b>	<b>9,479,020</b>	<b>5,226,967</b>	<b>1,587,156</b>	<b>7,621,244</b>	<b>1,551,839</b>	<b>4,685,998</b>	<b>30,152,224</b>
<b>Other Sources (Uses)</b>							
Debt Proceeds	-	-	10,000	-	-	295,200	305,200
Debt Refunding	-	-	(1,385,000)	-	-	-	(1,385,000)
Transfers In	748,000	448,000	814,921	-	119,400	2,664,600	4,794,921
Transfers Out	(378,000)	(687,000)	(50,000)	(700,400)	(14,000)	(2,965,521)	(4,794,921)
<b>Net Change</b>	<b>\$ -</b>	<b>\$ (282,337)</b>	<b>\$ (1,440,410)</b>	<b>\$ 445,129</b>	<b>\$ 149,201</b>	<b>\$ 557,784</b>	<b>\$ (570,633)</b>

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

**General Fund** – The General Fund 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.



General Government includes activities related to City Council and Commissions, elections, legal, administration, human resources, finance, information systems, and communications.

Changes in general government for 2014 include an administrative staff position converting to full-time, a new part-time management assistant position in the human resources department, the cost of a general election, a two percent wage adjustment for regular staff, and a \$75 per month increase in the City’s share of health insurance. Communication costs are partially supported through a transfer from the Cable Television Fund in the amount of \$160,000. After consideration of the transfer, general government expense is expected to rise 2.4 percent in 2014 and 1.7 percent in 2015.

Public Safety includes contract costs associated with police, fire, and animal control as well as operation of the City’s warning sirens. Shoreview achieves significant savings in public safety costs through contracts with Ramsey County for police service, and Lake Johanna Fire Department for fire service. Changes in public safety include higher costs for dispatch, a 4.8 percent increase in policing costs due primarily to the County now charging for the costs associated with its retiree health insurance program, continued expansion of the fire duty crew program (for paid on-call firefighters working different shifts at fire stations) and pay increases to reflect current market rates. Overall, public safety costs are expected to increase 4.1 percent for 2014 and 4.8 percent for 2015.

Public Works includes administration and engineering, street and trail maintenance, and forestry. Changes in 2014 include higher asphalt prices, increased sign replacement costs due to new federal regulations regarding sign reflectivity, and potentially higher forestry expenses due to the Emerald Ash Borer response. Public works costs increase 5.5 percent for 2014 and 3 percent for 2015.

Parks and Recreation includes park administration, building operation/maintenance and park maintenance. Total parks and recreation costs are projected to increase 7.1 percent in 2014 and 7.2 percent in 2015 due in part to the reestablishment of the park and recreation director position in August of 2014.

Community Development includes planning and zoning administration, and building inspection. Over the next 2 years the EDA and HRA funds will pay an increasing share of the Community Development Director position, until the total charged to the two funds reaches 50 percent of the position, additional personal changes include the creation of a new full-time regular planning and economic development position (duties and funding shared with the EDA) and a part-time customer service representative position (duties and funding shared with public works). Overall, community development costs will increase 5.7 percent for 2014 and 3.7 percent for 2015.

**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 and promotion of the City’s curbside recycling program through a joint powers agreement with Ramsey County. The program also provides two clean-up day events (in the spring and fall) in conjunction with the City of Arden Hills. Revenue is derived from grant funding and user fees.

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. Because the facility was designed to serve as a community gathering place, room space is provided to community-oriented groups at reduced rates or free. The General Fund provides a contribution (through an inter-fund transfer) equal to \$239,000 for 2014, and \$246,000 for 2015, to offset discounted room rentals (covering approximately 9 percent of operating costs). The Recreation Program Fund provides a 2014 inter-fund transfer equal to \$100,000, and a 2015 inter-fund transfer equal to \$120,000 for use of the facility throughout the year. All remaining revenue is from memberships, daily admissions, room rentals, concessions and interest earnings.

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). The General Fund provides \$70,000 of support in 2014 and \$72,000 in 2015.

Cable Television Fund – Accounts for the receipt of cable franchise fees designated for communications and cable television uses. Costs supported by the fund include operation and promotion of cable communications via North Suburban Communications Commission, 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.

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.

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.

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 transfer from the General Fund.

**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.

Debt Issuance planned over the next 5 years is shown in the table below. G.O. Improvement Bonds support the assessment portion of street, utility and surface water projects, and generally represent the cost of new improvements. G.O. Water, Sewer and Surface Water Bonds finance the Enterprise Fund share of capital projects, as well as the addition of a \$9 million water treatment plant in 2015. Water rates will be adjusted starting in 2014 to cover debt service associated with the new water treatment plant.

Description	2014	2015	2016	2017	2018
GO Improvement bonds (assmts)	\$ -	\$ 310,000	\$ -	\$ 340,000	\$ 440,000
GO Water bonds	-	9,900,000	-	630,000	560,000
GO Sewer bonds	-	1,200,000	-	330,000	1,400,000
GO Surface Water bonds	-	840,000	-	520,000	870,000
Estimated Total Debt Issued	\$ -	\$ 12,250,000	\$ -	\$ 1,820,000	\$ 3,270,000

Debt Repayment – Over the next 5 years approximately 47 percent of the City’s current outstanding debt will be retired, and 82 percent will be retired within 10 years. This is considered a very favorable indicator by bond rating agencies.

- **General Obligation/Certificate of Participation Debt** is retired at a slightly faster rate with 54 percent paid within 5 years and 86 percent paid within 10 years.
- **Enterprise and Internal Service** debt is retired over a slightly slower rate with approximately 41 percent paid within 5 years and 77 percent paid within 10 years.

Debt Limit – Minnesota statutes limit the amount of general obligation debt and certificates of participation debt to 3 percent of total market value. As of December 31, 2012 Shoreview’s legal debt limit is \$77.1 million, and Shoreview’s debt levels were approximately 15 percent of the limit. Debt issued in 2013, including crossover refunding bonds, result in debt levels rising to 18 percent of the limit for 2013. After the refunding bond call dates, debt levels will return to 15 percent.

Debt Levies – The debt portion of the tax levy is managed with the goal of providing a predictable and gradual change in the debt levy. In 2010 and 2011 the City set aside General Fund surplus in the amount of \$378,064 and \$311,728 respectively to mitigate changes in future debt levies, and expects to set aside \$82,000 at the end of 2013.

Description	2014	2015	2016	2017	2018
Existing Debt-Central Garage	\$ 184,000	\$ 208,000	\$ 208,000	\$ 200,000	\$ 200,000
Existing Debt-Debt Funds	548,000	544,000	545,000	551,000	542,000
Future Debt -Debt Funds	-	-	-	-	-
Total Debt Levies	\$ 732,000	\$ 752,000	\$ 753,000	\$ 751,000	\$ 742,000
Change in Debt Levy	\$ (47,000)	\$ (20,000)	\$ (1,000)	\$ 2,000	\$ 9,000

Bond Rating – Shoreview receives favorable interest rates on debt relative to the marketplace due to its AAA credit rating. The rating was reaffirmed in October of 2013, and excerpts from the October 2013 Standard & Poor’s rationale and outlook sections of the rating summary are reproduced below:

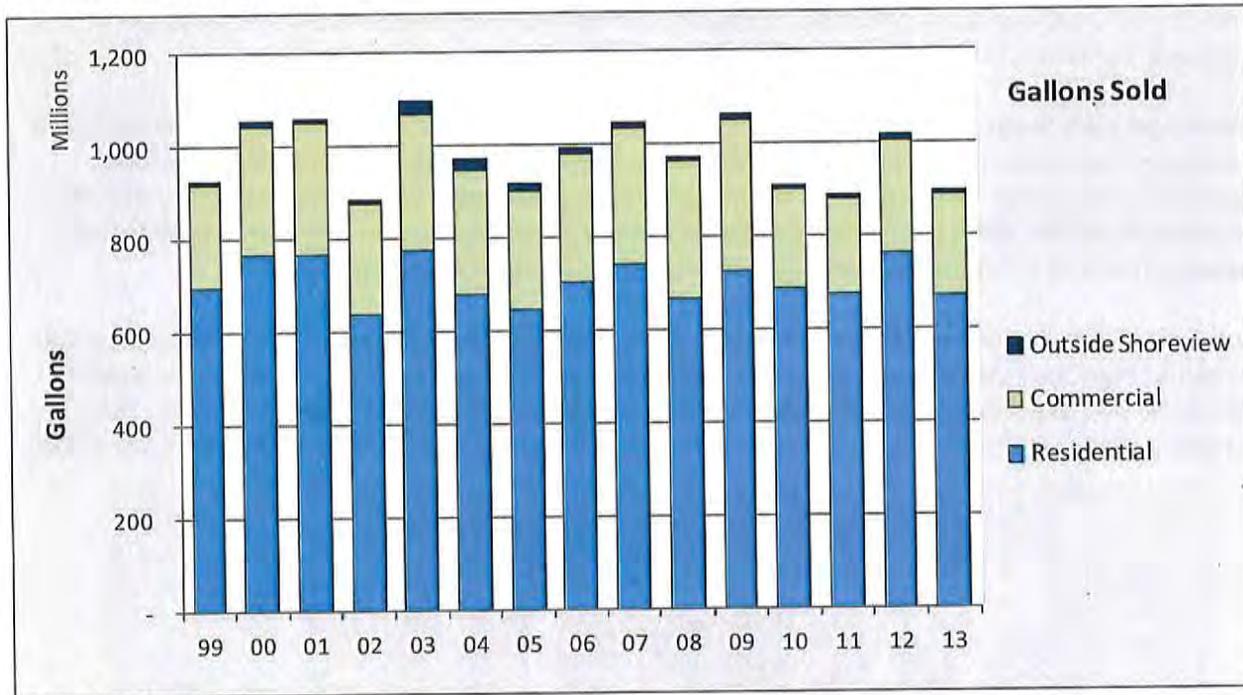
- Very strong economy, which benefits from participation in the broad and diverse economy of Minneapolis-St. Paul (the Twin Cities);
- Very strong budgetary flexibility, with 2012 audited available reserves at 49% of general fund expenditures;
- Strong budgetary performance, which takes into account the small use of reserves for the total governmental budget in 2012.
- Very strong liquidity, providing very strong cash levels to cover both debt service and expenditures;
- Very strong management with strong financial policies reflective in consistent ability to maintain balanced budgets; and
- Adequate debt and contingent liabilities position, driven mostly by the city's moderate carrying charges and high net direct debt as a percent of total governmental funds revenue.
- The stable outlook reflects our view of the city’s consistent economy and financial performance, which is supported by very strong management. We do not expect to revise the rating in the next two years because we believe the city will maintain very strong reserves. However, the rating could be negatively impacted by a further decline in market value along with a decline in the combined available fund balances, should the combined balances fall below 75% of general fund expenditures

**Enterprise Funds** are used to account for self-supporting utility operations that are managed similar to private business enterprises. Charges for service, which are billed to customers, 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.

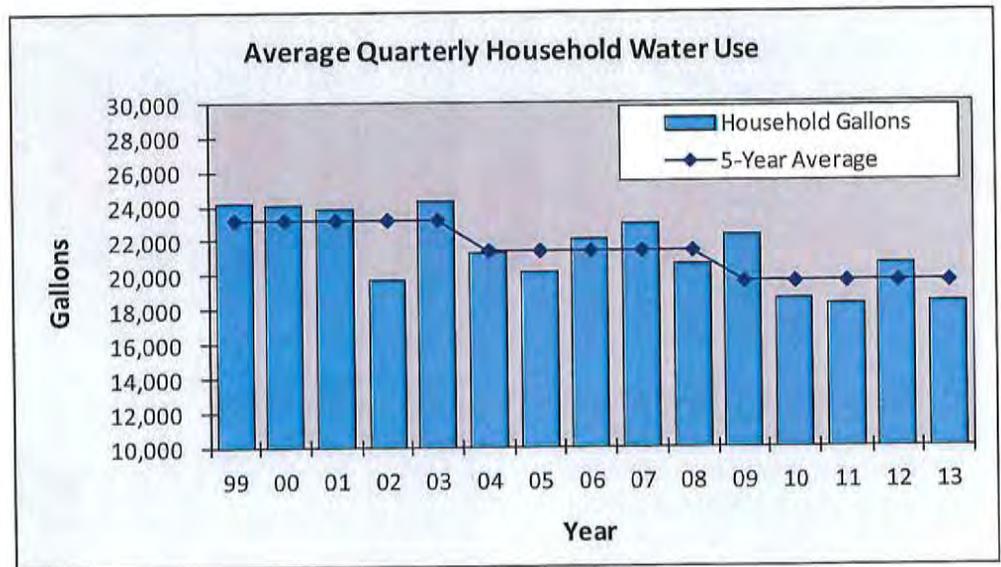
Water Fund – Accounts for the distribution of drinking water to approximately 9 thousand residences and businesses within City limits, and provides limited service at higher billing rates to neighboring communities through service agreements. Utility rates are designed to support operations and maintenance, debt payments, expansion of the system when necessary, as well as water system replacements.

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, underground water reservoir, distribution lines, valves and fire hydrants) is sufficient to deliver water service to all properties in Shoreview for the future. A water treatment plant is planned for the year 2015 to address concerns about iron and manganese levels in the water supply.

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.

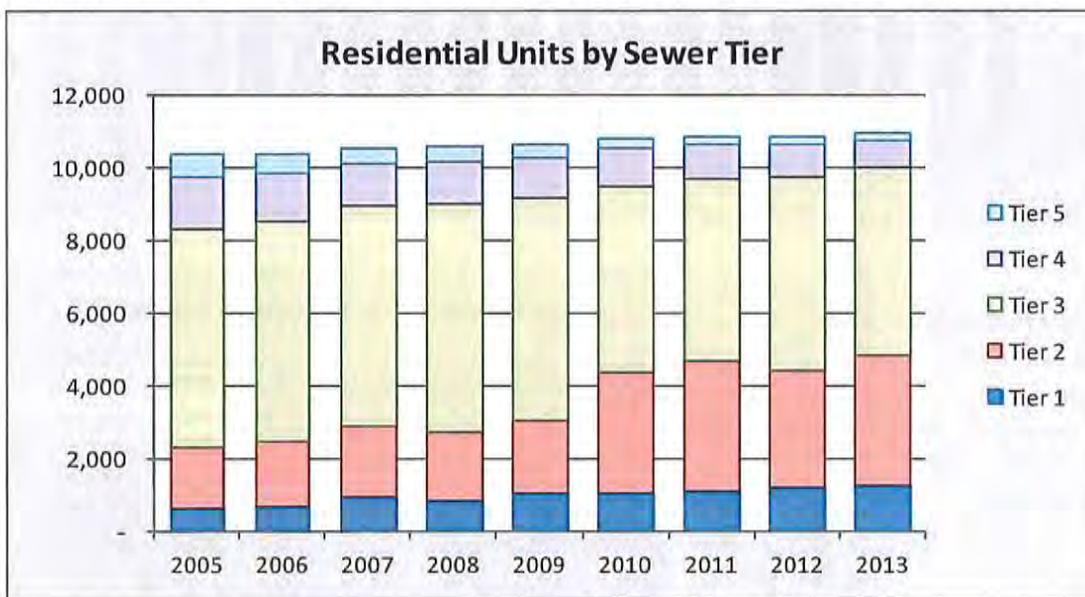


As water consumption drops, water rates must be revised to generate sufficient income necessary to support operating, maintenance, debt service and replacement costs. For 2014, water rates are proposed to increase 4.2 percent in order to support operating, debt service, capital costs and transfers out.

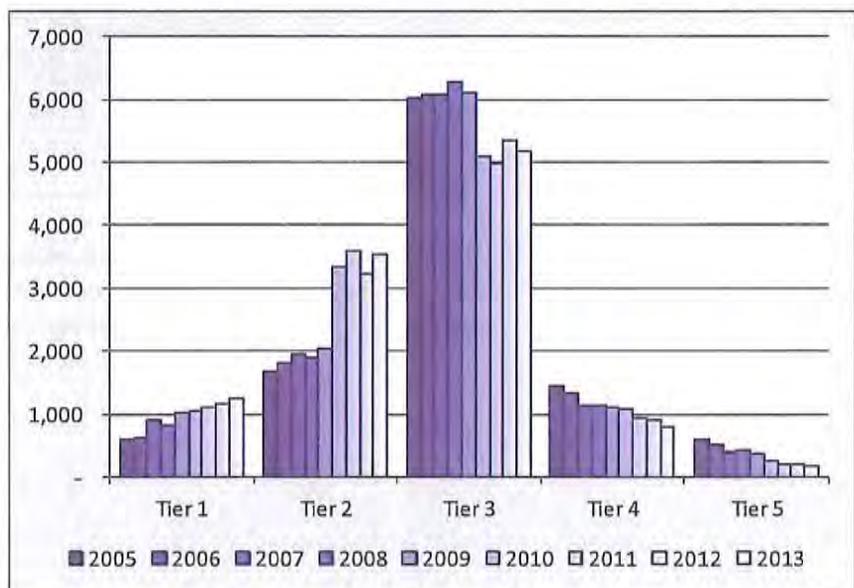
**Sewer Fund** – Accounts for the collection and treatment of wastewater (sewage) from residences and businesses throughout Shoreview. Sewage is routed to facilities owned and operated by Metropolitan Council Environmental Services (MCES), and Shoreview is billed for its prorated share of overall sewage flow. Sewage treatment costs account for 50 percent of Sewer Fund expense in 2014. Operating, maintenance and replacement costs are supported entirely by user charges which are proposed to increase 3 percent in 2014.

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 by removing an \$86,000 surcharge on the City's sewage treatment bill.

Two factors have caused a shift in residential sewer billings: first, beginning in 2010 Minnesota statutes required that cities charge apartment and condominium units according to the same rates as single-family homes; and second, declining water use shifts sewer customers into lower sewer tiers. Two graphs provided below illustrate a pronounced shift in customers from tier 3 into lower tiers since 2009.



Even though residential sewer bills are based on winter water consumption (which excludes summer watering) the shift in customers to lower tiers will require careful monitoring in the future. Fortunately (as stated earlier) recent efforts to reduce sewage flow will allow sewer operating costs to remain relatively constant over the next two years.



**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.

Total Surface Water expense is projected to increase 14.2 percent for 2014, a significant portion of this increase (59%) is related to pond dredging costs. 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 surface water rates. As a result, residential surface water rates will increase \$1.93 per quarter for 2014, an increase of 10 percent.

**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. Residential rates are projected to increase 4% in 2014.

**Impact on Utility Bill** – The quarterly utility bill for an average home (quarterly water use of 17.5 thousand gallons, and winter water use of 12 thousand gallons) is expected to increase \$6.63 per quarter. The largest share of the increase is for sewer service. As discussed earlier in this document, the increase in water and sewer rates is designed to offset the trend of declining water use.

Average User			
	2013	2014	Change
Water	\$ 45.58	\$ 47.49	\$ 1.91
Sewer	80.20	82.61	2.41
Surface water	19.33	21.26	1.93
Street lighting	9.47	9.85	0.38
State fee	1.59	1.59	-
<b>Total</b>	<b>\$ 156.17</b>	<b>\$ 162.80</b>	<b>\$ 6.63</b>

The table at right provides the estimated change in the utility bill at 6 different usage levels. Depending on the amount of water consumed, the change in the quarterly bill ranges from an increase of \$4.74 to \$17.35.

Use Level	% of Homes	Water Gallons	Sewer Gallons	Total Utility Bill		Change in Quarterly Bill	Use Level
				2013	2014		
Very low	10%	5,000	4,000	\$ 103.12	\$ 107.86	\$ 4.74	Very low
Low	22%	10,000	8,000	\$ 123.38	\$ 128.82	\$ 5.44	Low
Average	42%	17,500	12,000	\$ 156.17	\$ 162.80	\$ 6.63	Average
Above avg	19%	25,000	22,000	\$ 189.47	\$ 197.31	\$ 7.84	Above avg
High	5%	55,000	26,000	\$ 300.52	\$ 313.11	\$ 12.59	High
Very high	2%	80,000	34,000	\$ 416.73	\$ 434.08	\$ 17.35	Very high

**Internal Service Funds** are used to account for services that are provided by one department to another 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 2010 maintenance center renovation. Debt payments are supported by a combination of tax levies, intergovernmental revenue (for federal interest credits associated with the Build America Bond program) and transfers from utility funds.

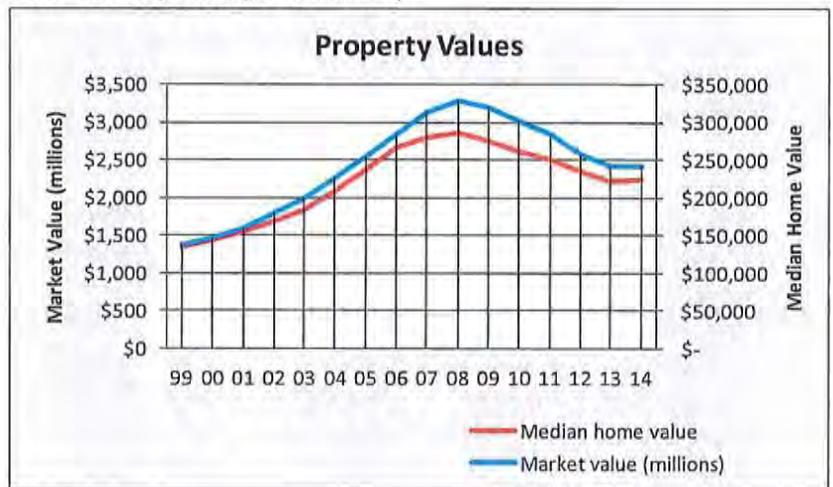
**Short-term Disability Fund** – Accounts for premiums paid by regular employees (through payroll deduction) and disability payments to employees on a self-insured basis. Annual losses are monitored closely for the purpose of establishing appropriate disability premiums and retaining sufficient fund balances.

**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.

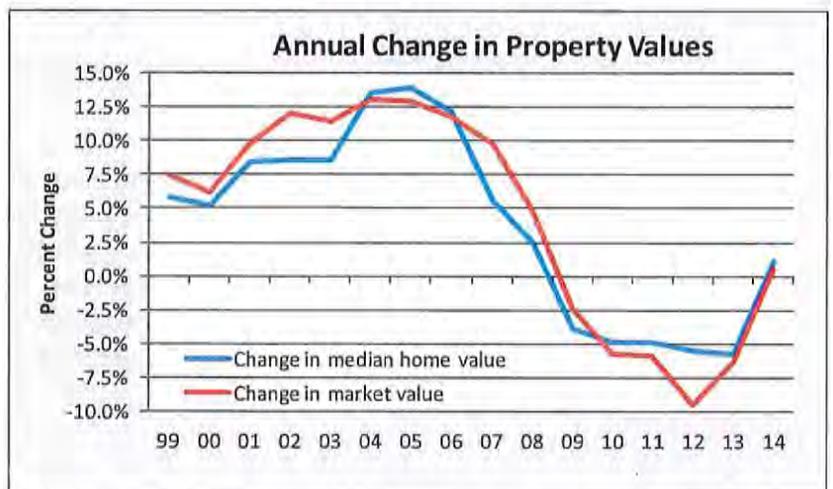
**Economy** – Although the City can influence property value growth through new development approvals and economic development efforts, the City has limited ability to offset the effects of the real estate market correction because less than 5 percent of property in Shoreview is considered undeveloped. 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 retention of PaR Systems, expansion of TSI, new retail along Red Fox Road, construction of TCF Bank facilities, and relocation of Cummins Power Generation into Shoreview.

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

**Market Value** – Total market value is expected to increase .6 percent for 2014 taxes, and taxable value is expected to increase 1.6%. Shoreview’s values grew an average of 9.9 percent per year from 1999 to 2008, followed by an average decline of 4.9 per year since 2008. 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 \$222,200 in 2013 to \$224,500 in 2014, an increase of 1 percent before the effect of the new Homestead Market Value Exclusion (HMVE) program. Once the HMVE is applied the median home value drops to \$207,500 (a total value increase of 1.2 from 2013).



**Property Taxes** – The preliminary 2014 property tax levy, as shown in the table below, is 3.4 percent higher than the adopted 2013 levy. Current tax levy projections for the second budget year (2015) reflect a 5.1 percent increase. Public safety costs are the primary cause of the levy increase for the General Fund share of the levy. It should be noted that even though the largest share of the tax levy is allocated to the General Fund, over the last 11 years (since 2004) the General Fund share of the tax levy has declined from a high of 77% in 2004 to a low of 69% for 2014, while combined debt service and capital share of the tax levy has risen from 23% in 2004 to 31% for 2014. This trend is expected to continue in the future due to increased repair and replacement costs.

Property Tax Levy	2013 Adopted	2014 Adopted	2015 Adopted	Dollar Change		Percent Change		Percent Impact on Total Levy	
				2014	2015	2014	2015	2014	2015
				General Fund	\$ 6,639,567	\$ 6,837,154	\$ 7,180,671	\$ 197,587	\$ 343,517
Debt									
Debt Funds	501,000	548,000	544,000	47,000	(4,000)	9.38%	-0.73%	0.49%	-0.04%
Central Garage Fund	184,000	184,000	208,000	-	24,000	0.00%	13.04%	0.00%	0.24%
Total Debt Funds	685,000	732,000	752,000	47,000	20,000	6.86%	2.73%	0.49%	0.20%
Capital Costs									
Street Renewal Fund	850,000	900,000	950,000	50,000	50,000	5.88%	5.56%	0.52%	0.50%
General Fixed Asset Fund	1,250,000	1,350,000	1,425,000	100,000	75,000	8.00%	5.56%	1.03%	0.75%
Capital Acquisition Fund (IT)	-	20,000	25,000	20,000	5,000	100.00%	25.00%	0.21%	0.05%
Capital Impr. Fund	120,000	-	-	(120,000)	-	-100.00%		-1.24%	0.00%
Total Capital Funds	2,220,000	2,270,000	2,400,000	50,000	130,000	2.25%	5.73%	0.52%	1.30%
EDA									
EDA Fund	60,000	80,000	90,000	20,000	10,000	33.33%	12.50%	0.21%	0.10%
HRA Fund	75,000	90,000	95,000	15,000	5,000	20.00%	5.56%	0.15%	0.05%
Total EDA Funds	135,000	170,000	185,000	35,000	15,000	25.93%	8.82%	0.36%	0.15%
<b>Total Levy</b>	<b>\$ 9,679,567</b>	<b>\$ 10,009,154</b>	<b>\$ 10,517,671</b>	<b>\$ 329,587</b>	<b>\$ 508,517</b>	<b>3.40%</b>	<b>5.08%</b>	<b>3.40%</b>	<b>5.08%</b>

**Homestead Market Value Exclusion (HMVE)** – Beginning with 2012 property taxes, a portion of home value is excluded from property taxes, for homes valued below \$413,800. This credit is designed to work in a similar manner to the Market Value Homestead Credit program (previous property tax relief program), by reducing the property value used to calculate taxes. The formula excludes 40 percent of the first \$76,000 in home value less 9 percent of the value over \$76,000.

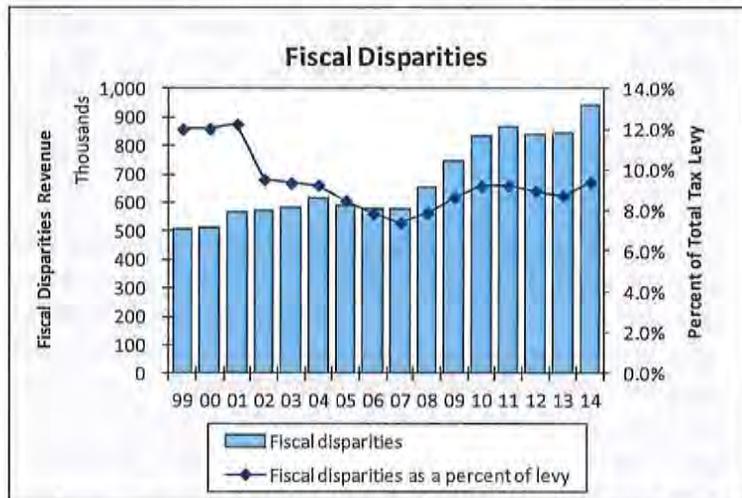
Sample home values and the portion of value excluded from taxes is provided in the table at right.

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

**Tax Rates** – Shoreview’s tax rate will increase to 37.474 for 2014, due to the combined impact of the levy increase and a minor increase in taxable value. The table below provides a comparison of preliminary 2014 tax rates to three previous years. Shoreview accounts for about 23% of the total tax bill once market value based taxes are included (for voter approved school district levies).

	Tax Rates				Percent Change		
	Payable 2011	Payable 2012	Payable 2013	Payable 2014	Payable 2012	Payable 2013	Payable 2014
<b>Tax Rates</b>							
City of Shoreview	30.671%	33.252%	36.970%	37.474%	8.4%	11.2%	1.4%
Shoreview HRA	0.198%	0.254%	0.289%	0.345%	28.3%	13.8%	19.4%
Ramsey County	54.678%	61.316%	65.240%	63.743%	12.1%	6.4%	-2.3%
School district 621	25.573%	29.044%	29.444%	29.667%	13.6%	1.4%	0.8%
School district 623	14.566%	17.065%	15.464%	23.301%	17.2%	-9.4%	50.7%
All other [1]	8.355%	9.956%	10.199%	9.822%	19.2%	2.4%	-3.7%
<b>Total-621 Schools</b>	<b>119.475%</b>	<b>133.822%</b>	<b>142.142%</b>	<b>141.051%</b>	<b>12.0%</b>	<b>6.2%</b>	<b>-0.8%</b>
<b>Total-623 Schools</b>	<b>108.468%</b>	<b>121.843%</b>	<b>128.162%</b>	<b>134.685%</b>	<b>12.3%</b>	<b>5.2%</b>	<b>5.1%</b>
[1] Regional rail, Met Council, Mosquito Control and Rice Creek Watershed combined.							
<b>Market Value Rates</b>							
School district 621	0.19536%	0.21242%	0.22834%	0.21045%	8.7%	7.5%	-7.8%
School district 623	0.19715%	0.19591%	0.24553%	0.09604%	-0.6%	25.3%	-60.9%

**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.



**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 2.6 percent (\$19.70 per year), and the combined tax for all other taxing jurisdictions will decrease approximately \$41.70 per year (\$1.24 increase for the HRA and \$42.94 decrease for all other jurisdictions), for a total decrease of .6 percent.

Mounds View Schools & Rice Creek Watershed	Payable 2013	Payable 2014	Dollar Change	Percent Change
Home value	\$ 222,200	\$ 224,500	\$ 2,300	1.0%
HMVE home value	\$ 205,000	\$ 207,500	\$ 2,500	1.2%
Taxable value	\$ 2,050	\$ 2,075	\$ 25	1.2%
<b>Property Tax</b>				
City	\$ 757.89	\$ 777.59	\$ 19.70	2.6%
HRA	5.92	7.16	1.24	20.9%
All other jurisdictions	2,657.47	2,614.53	(42.94)	-1.6%
<b>Total Property Tax</b>	<b>\$ 3,421.28</b>	<b>\$ 3,399.28</b>	<b>\$ (22.00)</b>	<b>-0.6%</b>

Since the change in home value will vary from property to property, and the change in value impacts 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 share of the tax bill for a median home value of \$224,500 under each assumption is described after the table, and ranges from a 10.3 percent decrease to a 19.8 percent 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	
2013	2014	Value Change	2013	2014	Value Change	2013	2014	2013	2014	Dollars	Percent
\$ 249,440	\$ 224,500	-10.0%	\$ 234,600	\$ 207,500	-11.6%	\$ 2,346	\$ 2,075	\$ 867.32	\$ 777.59	\$ (89.73)	-10.3%
\$ 236,320	\$ 224,500	-5.0%	\$ 220,300	\$ 207,500	-5.8%	\$ 2,203	\$ 2,075	\$ 814.45	\$ 777.59	\$ (36.86)	-4.5%
\$ 226,240	\$ 224,500	-0.8%	\$ 209,300	\$ 207,500	-0.9%	\$ 2,093	\$ 2,075	\$ 773.78	\$ 777.59	\$ 3.81	0.5%
\$ 222,200	\$ 224,500	1.0%	\$ 205,000	\$ 207,500	1.2%	\$ 2,050	\$ 2,075	\$ 757.89	\$ 777.59	\$ 19.70	2.6%
\$ 213,800	\$ 224,500	5.0%	\$ 195,800	\$ 207,500	6.0%	\$ 1,958	\$ 2,075	\$ 723.87	\$ 777.59	\$ 53.72	7.4%
\$ 204,100	\$ 224,500	10.0%	\$ 185,200	\$ 207,500	12.0%	\$ 1,852	\$ 2,075	\$ 684.68	\$ 777.59	\$ 92.91	13.6%
\$ 195,220	\$ 224,500	15.0%	\$ 175,500	\$ 207,500	18.2%	\$ 1,755	\$ 2,075	\$ 648.82	\$ 777.59	\$ 128.77	19.8%

- A median home with a 10% value decrease will pay \$89.73 less City tax for the year.
- A median home with a 5% value decrease will pay \$36.86 less City tax for the year.
- A median home with a 0.8% value decrease will pay \$3.81 more City tax for the year.
- A median home with a 1% value increase will pay \$19.70 more City tax for the year.
- A median home with a 5% value increase will pay \$53.72 more City tax for the year.
- A median home with a 10% value increase will pay \$92.91 more City tax for the year.
- A median home with a 15% value increase will pay \$128.77 more City tax for the year.

The next table provides the estimated change in the City share of the tax bill for home values ranging from \$100,000 to \$900,000, assuming a 1 percent increase in value. If everything else remains the same, the change in Shoreview's share of the property tax bill ranges from a 2.9 percent increase for a home valued at \$100,000, to a 2.5 percent increase for a home valued at \$900,000.

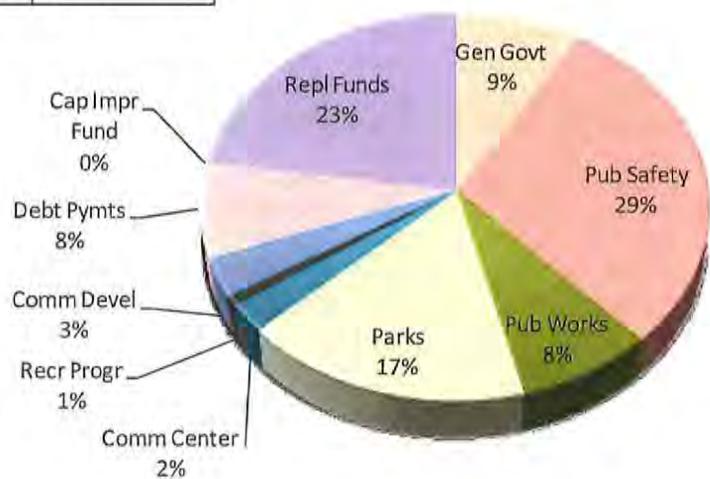
Market Value Before MVE			Market Value After MVE			Taxable Value		City Portion of Property Tax		Change in City Property Tax	
2013	2014	Value Change	2013	2014	Value Change	2013	2014	2013	2014	Dollars	Percent
\$ 99,000	\$ 100,000	1.0%	\$ 70,700	\$ 71,800	1.6%	\$ 707	\$ 718	\$ 261.38	\$ 269.06	\$ 7.68	2.9%
\$ 148,510	\$ 150,000	1.0%	\$ 124,600	\$ 126,300	1.4%	\$ 1,246	\$ 1,263	\$ 460.65	\$ 473.30	\$ 12.65	2.7%
\$ 198,000	\$ 200,000	1.0%	\$ 178,600	\$ 180,800	1.2%	\$ 1,786	\$ 1,808	\$ 660.28	\$ 677.53	\$ 17.25	2.6%
\$ 222,200	\$ 224,500	1.0%	\$ 205,000	\$ 207,500	1.2%	\$ 2,050	\$ 2,075	\$ 757.89	\$ 777.59	\$ 19.70	2.6%
\$ 247,500	\$ 250,000	1.0%	\$ 232,500	\$ 235,300	1.2%	\$ 2,325	\$ 2,353	\$ 859.55	\$ 881.76	\$ 22.21	2.6%
\$ 297,000	\$ 300,000	1.0%	\$ 286,500	\$ 289,800	1.2%	\$ 2,865	\$ 2,898	\$1,059.19	\$1,086.00	\$ 26.81	2.5%
\$ 346,500	\$ 350,000	1.0%	\$ 340,400	\$ 344,300	1.1%	\$ 3,404	\$ 3,443	\$1,258.46	\$1,290.23	\$ 31.77	2.5%
\$ 495,000	\$ 500,000	1.0%	\$ 495,000	\$ 500,000	1.0%	\$ 4,950	\$ 5,000	\$1,830.02	\$1,873.70	\$ 43.68	2.4%
\$ 693,000	\$ 700,000	1.0%	\$ 693,000	\$ 700,000	1.0%	\$ 7,413	\$ 7,500	\$2,740.59	\$2,810.55	\$ 69.96	2.6%
\$ 891,000	\$ 900,000	1.0%	\$ 891,000	\$ 900,000	1.0%	\$ 9,888	\$ 10,000	\$3,655.59	\$3,747.40	\$ 91.81	2.5%

The table below provides the estimated change in the City share of the tax bill for home values ranging from \$100,000 to \$900,000, assuming a 5 percent increase in value. If everything else remains the same, the change in Shoreview's share of the property tax bill ranges from a 9.4 percent increase for a home valued at \$100,000, to a 7.1 percent increase for a home valued at \$900,000.

Market Value Before MVE			Market Value After MVE			Taxable Value		City Portion of Property Tax		Change in City Property Tax	
2013	2014	Value Change	2013	2014	Value Change	2013	2014	2013	2014	Dollars	Percent
\$ 95,240	\$ 100,000	5.0%	\$ 66,500	\$ 71,800	8.0%	\$ 665	\$ 718	\$ 245.85	\$ 269.06	\$ 23.21	9.4%
\$ 142,860	\$ 150,000	5.0%	\$ 118,500	\$ 126,300	6.6%	\$ 1,185	\$ 1,263	\$ 438.09	\$ 473.30	\$ 35.21	8.0%
\$ 190,480	\$ 200,000	5.0%	\$ 170,400	\$ 180,800	6.1%	\$ 1,704	\$ 1,808	\$ 629.97	\$ 677.53	\$ 47.56	7.5%
\$ 213,810	\$ 224,500	5.0%	\$ 195,800	\$ 207,500	6.0%	\$ 1,958	\$ 2,075	\$ 723.87	\$ 777.59	\$ 53.72	7.4%
\$ 238,095	\$ 250,000	5.0%	\$ 222,300	\$ 235,300	5.8%	\$ 2,223	\$ 2,353	\$ 821.84	\$ 881.76	\$ 59.92	7.3%
\$ 285,715	\$ 300,000	5.0%	\$ 274,200	\$ 289,800	5.7%	\$ 2,742	\$ 2,898	\$1,013.72	\$1,086.00	\$ 72.28	7.1%
\$ 333,333	\$ 350,000	5.0%	\$ 326,100	\$ 344,300	5.6%	\$ 3,261	\$ 3,443	\$1,205.59	\$1,290.23	\$ 84.64	7.0%
\$ 476,190	\$ 500,000	5.0%	\$ 476,190	\$ 500,000	5.0%	\$ 4,762	\$ 5,000	\$1,760.51	\$1,873.70	\$ 113.19	6.4%
\$ 666,670	\$ 700,000	5.0%	\$ 666,700	\$ 700,000	5.0%	\$ 7,084	\$ 7,500	\$2,618.95	\$2,810.55	\$ 191.60	7.3%
\$ 857,145	\$ 900,000	5.0%	\$ 857,145	\$ 900,000	5.0%	\$ 9,464	\$ 10,000	\$3,498.84	\$3,747.40	\$ 248.56	7.1%

Program	2013	2014	Change	
	City Tax	City Tax	\$	%
value before MVE->	\$ 222,200	\$ 224,500		
value after MVE->	\$ 205,000	\$ 207,500		
	Home	Home		
General Government	\$ 70.41	\$ 66.51	\$ (3.90)	
Public Safety	220.10	228.69	8.59	
Public Works	59.95	62.78	2.83	
Parks and Recreation:				
Park Admin and Maint	124.14	132.30	8.16	
Community Center Operation	18.34	18.74	0.40	
Recreation Programs	5.53	5.49	(0.04)	
Community Development	22.28	25.39	3.11	
Debt Service	62.00	61.31	(0.69)	
Capital Improvement Fund	9.47	-	(9.47)	
Replacement Funds	165.67	176.38	10.71	
<b>Total City Taxes</b>	<b>\$ 757.89</b>	<b>\$ 777.59</b>	<b>\$ 19.70</b>	<b>2.6%</b>

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 \$777.59. 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 2014 and 2015 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 transfers to debt funds provide funding for debt payments in an effort to reduce the debt share of the levy
- TIF #2 transfers to debt funds cover tax increment debt payments
- Community Investment transfers to the Refunding COP debt fund assist in paying community center debt payments; to the Community Center Expansion Fund for planned Community Center expansion costs
- Street Renewal transfers cover planned street rehabilitation costs
- GFA Replacement transfers cover planned computer/technology 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).

From Fund	To Fund	2014 Transfers	2015 Transfers
General Fund	Community Center	\$ 239,000	\$ 246,000
General Fund	Recreation Programs	70,000	72,000
General Fund	Slice of Shoreview	10,000	10,000
General Fund	Refunding COPs (debt)	50,000	50,000
Community Center	Comm Cntr Expansion	-	200,000
Recreation Programs	Community Center	100,000	120,000
Recreation Programs	Comm Cntr Expansion	-	200,000
Cable TV	General Fund	160,000	167,000
Closed Bond	Refunding COPs (debt)	50,000	50,000
Closed Bond	2002 G.O. Impr. Bonds	16,610	-
TIF #2 City Center	2007 G.O. TIF Bonds	368,000	359,921
Community Investment	Refunding COPs (debt)	175,000	175,000
Community Investment	Comm Cntr Expansion	100,000	1,476,000
Street Renewal	Hanson, Oakridge Nbr	537,000	-
Street Renewal	Turtle Lane Nbr	-	630,600
GFA Replacement	Capital Acquisition/IS	122,000	144,000
GFA Replacement	Refunding COPs (debt)	180,000	180,000
Water	General Fund	260,000	302,000
Water	Central Garage	43,000	43,000
Sewer	General Fund	138,000	138,000
Sewer	Central Garage	43,000	43,000
Surface Water	General Fund	116,000	121,000
Surface Water	Central Garage	31,000	31,000
Street Lighting	General Fund	18,000	20,000
Street Lighting	Central Garage	2,400	2,400
Central Garage	Capital Acquisition/IS	-	14,000
Total Transfers		<u>\$2,829,010</u>	<u>\$4,794,921</u>
From Operating Funds		\$1,347,010	\$1,829,400
From Capital Funds		1,482,000	2,965,521
Total Transfers		<u>2,829,010</u>	<u>4,794,921</u>
To Operating Funds		\$2,070,010	\$2,130,321
To Capital Funds		759,000	2,664,600
Total Transfers		<u>\$2,829,010</u>	<u>\$4,794,921</u>

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

Description	2011 Budget	2012 Budget	2013 Budget	2013 Estimate	2014 Budget	2015 Budget
<b>Full-time</b>						
General Fund	40.81	39.77	39.75	39.58	41.34	41.94
Recycling	0.35	0.35	0.35	0.35	0.35	0.35
Community Center Operations	13.05	14.05	14.05	13.15	14.51	14.62
Recreation Programs	3.75	3.75	3.75	3.22	4.41	4.27
Cable Television	0.25	0.25	0.25	0.25	0.25	0.25
Economic Development Authority	0.16	0.15	0.15	0.29	0.40	0.45
HRA Programs of EDA	0.14	0.16	0.18	0.30	0.60	0.60
Water Enterprise Fund	7.75	7.75	7.75	7.37	7.75	7.75
Sewer Enterprise Fund	6.75	6.76	6.76	6.50	6.76	6.76
Surface Water Mgmt Utility	3.39	3.41	3.41	3.32	3.41	3.41
Street Light Utility	0.20	0.20	0.20	0.18	0.20	0.20
Central Garage	2.40	2.40	2.40	2.38	2.40	2.40
Total Full-time	79.00	79.00	79.00	76.89	82.38	83.00
<b>Part-time</b>						
General Fund	-	0.80	0.80	0.80	0.22	0.24
Community Center Operations	-	-	-	-	0.06	0.08
Recreation Programs	0.75	0.75	0.75	0.75	1.06	1.08
Water Enterprise Fund	-	-	-	-	0.04	0.05
Sewer Enterprise Fund	-	-	-	-	0.04	0.05
Total Part-time	0.75	1.55	1.55	1.55	1.42	1.50
<b>Associate</b>						
General Fund	2.34	3.84	3.26	3.29	3.96	3.81
Community Center Operations	23.63	22.39	22.56	25.21	23.87	23.93
Recreation Programs	24.04	24.63	25.24	25.83	27.46	28.83
Cable Television	0.10	0.10	0.10	0.10	0.10	0.10
Economic Development Authority	-	-	-	0.08	-	-
HRA Programs of EDA	-	-	0.36	0.10	-	-
Water Enterprise Fund	0.60	0.65	0.64	0.32	0.62	0.62
Sewer Enterprise Fund	0.60	0.65	0.65	0.32	0.64	0.64
Surface Water Mgmt Utility	0.13	0.14	0.14	0.11	0.26	0.26
Street Light Utility	-	-	-	-	0.08	0.08
Total Associate	51.44	52.40	52.95	55.36	56.99	58.27
Total FTEs	131.19	132.95	133.50	133.80	140.79	142.77

Changes in full-time FTEs include reestablishment of a parks and recreation director for part of the year (.36), reclassification of the assistant to the city manager to full-time, the addition of a community center coordinator, and the addition of an administrative tech position in community development (added after the 2013 budget was adopted). Part-time FTEs decrease in 2014 due to the net effect of the reclassification of the assistant to the city manager position, an increase for an administrative tech in human resources and increased recreation supervisor hours. Associate FTEs increase for: temporary positions to assist with elections, accounting (due to finance department staff transitions), GIS and forestry; increased hours at the community center for the manager on duty, service desk and concession positions; and additional recreation program hours.

## Summary

The remaining portion of this document provides greater detail on City programs and services, funding sources and planned capital projects. We sincerely hope that regular users and other interested parties will find this document to be an interesting and useful resource for evaluating the City's 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,

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Terry Schwerm, City Manager

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Jeanne A. Haapala, Finance Director

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## City of Shoreview, Minnesota – 2014-2015 Biennial Budget

### General Fund

The General Fund accounts for the revenue and expense associated with basic government activities. Governmental accounting guidelines describe the General Fund as accounting for all financial transactions not accounted for in another fund, because each of the other fund types is used to account for operations that have special funding sources that may carry legal or policy restrictions for specified uses. The General Fund accounts for day-to-day operations that are supported by property taxes and a variety of other sources.

Revenue in support of basic services is recorded by source according to the following classifications:

- Property Taxes
- Licenses and Permits
- Intergovernmental
- Charges for Services
- Fines and Forfeits
- Interest Earnings
- Other Revenue

Expense is accounted for within five main groupings:

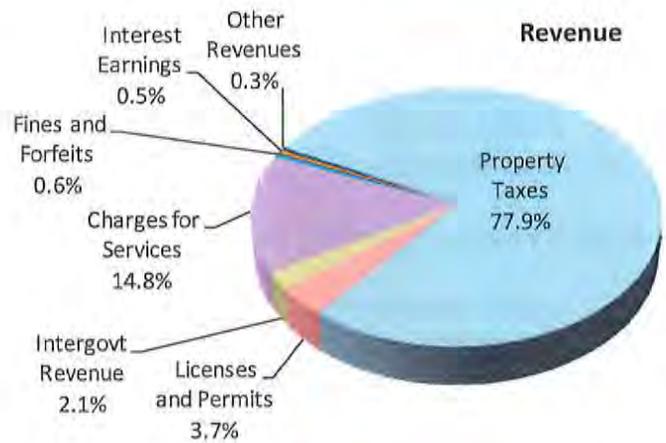
- General Government
- Public Safety
- Public Works
- Parks and Recreation
- Community Development

General Fund Summary

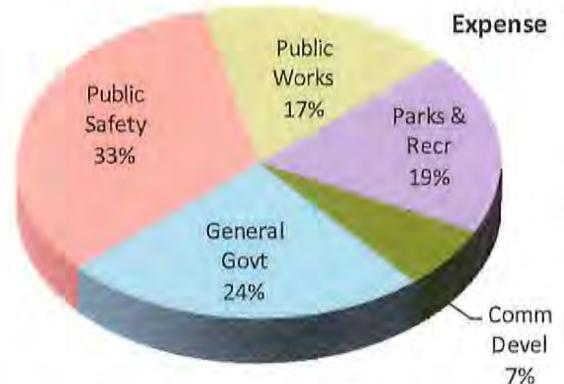
**Fund Description** – The General Fund is the primary operating fund of the City, and accounts for revenue and expense associated with providing basic government services. Principal revenue sources include property taxes, charges for services and licenses and permits. Expenses are accounted for by function and activity. Public safety accounts for the largest share of General Fund expense, followed by general government, parks and recreation and public works.

**Background** – Preserving the financial health of the General Fund and its ability to deliver essential City services throughout the year requires careful management of fund balances. Primary revenue sources are received in July and December of each year while operating costs occur throughout the year. The City’s fund balance policy requires a minimum fund balance equal to 50 percent of property taxes and state aids, as well as a maximum unanticipated expense allocation of up to 10 percent of budgeted expense. Fund balances in excess of these amounts are transferred out of the fund for purposes determined by the City Council on an annual basis (typically for one-time costs).

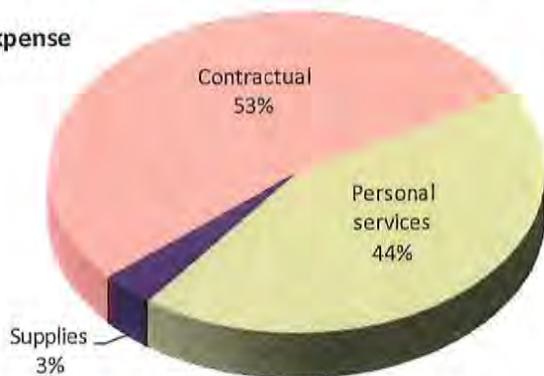
**Revenue** – Property taxes account for the largest share of General Fund revenue (77.9%) because the services provided are typically not associated with user fees or charges. Charges for services provide 14.8% of General Fund revenue, primarily from inter-fund charges that allocate administrative costs to operating funds and capital projects, or that allocate engineering costs to capital projects. Licenses and permit revenue provide 3.7 percent of revenue. Intergovernmental revenue provides 2.1% of General Fund revenue and is primarily Municipal State Aid for street maintenance.



**Expense** – General Fund costs are accounted for within five functional classifications (general government, public safety, public works, parks and recreation, and community development), as well as by expense type. Contractual costs account for 53% of total expense, for contracted police and fire service, central garage equipment, building charges and other contractual costs. Personal services accounts for 44% of the General Fund budget, leaving 3% for supplies.



Expense



**Transfers in** reflect payments in lieu of property taxes from utility funds and support from the Cable TV Fund for communication costs. Transfers out provide support for debt service (\$50,000 in 2014 and 2015), the Slice of Shoreview event (\$10,000 in 2014 and 2015), Recreation Programs (\$70,000 in 2014 and \$72,000 in 2015), and Community Center operations (\$239,000 in 2014 and \$246,000 in 2015).

City of Shoreview, Minnesota – 2014-2015 Biennial Budget

General Fund Summary

	2011 Actual	2012 Actual	2013 Budget	2013 Estimate	2014 Budget	2015 Budget	2014 Percent of Total
<b>Revenue</b>							
Property Taxes	\$ 6,265,673	\$ 6,374,969	\$ 6,639,567	\$ 6,639,567	\$ 6,837,154	\$ 7,180,671	77.9%
Licenses and Permits	441,243	540,755	314,050	475,600	324,500	308,300	3.7%
Intergovernmental	188,521	187,149	185,622	187,407	188,622	188,622	2.1%
Charges for Services	1,198,357	1,262,088	1,284,970	1,313,670	1,303,110	1,302,400	14.8%
Fines and Forfeits	62,135	67,000	62,500	52,800	52,800	52,800	0.6%
Interest Earnings	79,714	47,253	45,000	40,000	45,000	50,000	0.5%
Other Revenues	40,264	52,529	24,040	26,956	26,108	26,227	0.3%
<b>Total Revenue</b>	<b>8,275,907</b>	<b>8,531,743</b>	<b>8,555,749</b>	<b>8,736,000</b>	<b>8,777,294</b>	<b>9,109,020</b>	<b>100.0%</b>
<b>Expense</b>							
<b>General Government</b>							
Council and Commissions	\$ 130,687	\$ 142,559	\$ 146,343	\$ 142,878	\$ 145,385	\$ 152,092	1.60%
Administration	475,215	529,535	549,989	550,655	539,688	556,313	5.93%
Human Resources	220,382	221,451	258,301	265,331	278,161	292,157	3.06%
Elections	2,983	33,194	3,300	2,983	39,559	4,000	0.43%
Communications	141,404	196,779	195,504	200,365	209,370	216,534	2.30%
Finance and Accounting	529,100	533,464	558,561	554,298	559,990	576,455	6.15%
Information Systems	260,108	290,661	327,064	299,604	334,900	346,723	3.68%
Legal	79,933	90,207	95,000	112,000	120,000	125,000	1.32%
<b>General Government</b>	<b>1,839,812</b>	<b>2,037,850</b>	<b>2,134,062</b>	<b>2,128,114</b>	<b>2,227,053</b>	<b>2,269,274</b>	<b>24.47%</b>
<b>Public Safety</b>							
Police	1,753,514	1,838,635	1,927,465	1,908,605	1,969,030	2,052,720	21.64%
Fire	789,897	861,450	947,610	947,356	1,023,220	1,083,270	11.24%
Emergency Services	12,657	6,339	7,618	5,701	7,973	8,030	0.09%
<b>Public Safety</b>	<b>2,556,068</b>	<b>2,706,424</b>	<b>2,882,693</b>	<b>2,861,662</b>	<b>3,000,223</b>	<b>3,144,020</b>	<b>32.97%</b>
<b>Public Works</b>							
Public Works Adm and Engin.	420,754	429,014	453,274	454,399	460,442	477,523	5.06%
Streets	749,473	767,986	791,653	781,254	837,694	872,552	9.21%
Trail Management	81,567	113,786	115,797	126,153	126,347	133,322	1.39%
Forestry and Nursery	46,425	78,327	115,096	113,241	132,243	120,375	1.45%
<b>Public Works</b>	<b>1,298,219</b>	<b>1,389,113</b>	<b>1,475,820</b>	<b>1,475,047</b>	<b>1,556,726</b>	<b>1,603,772</b>	<b>17.11%</b>
<b>Parks and Recreation</b>							
Municipal Buildings	131,436	125,612	130,035	123,572	127,775	131,866	1.40%
Park/Recreation Admin.	487,669	337,545	341,562	347,831	397,368	466,226	4.37%
Park Maintenance	1,097,443	1,130,995	1,139,696	1,127,839	1,200,912	1,251,945	13.20%
<b>Parks and Recreation</b>	<b>1,716,548</b>	<b>1,594,152</b>	<b>1,611,293</b>	<b>1,599,242</b>	<b>1,726,055</b>	<b>1,850,037</b>	<b>18.97%</b>
<b>Community Development</b>							
Planning and Zoning Admin.	372,874	347,568	402,507	395,670	434,522	451,050	4.77%
Building Inspection	157,414	170,209	155,874	179,777	155,715	160,867	1.71%
<b>Community Development</b>	<b>530,288</b>	<b>517,777</b>	<b>558,381</b>	<b>575,447</b>	<b>590,237</b>	<b>611,917</b>	<b>6.49%</b>
<b>Total Expense</b>	<b>7,940,935</b>	<b>8,245,316</b>	<b>8,662,249</b>	<b>8,639,512</b>	<b>9,100,294</b>	<b>9,479,020</b>	<b>100.00%</b>
<b>Other Sources (Uses)</b>							
Transfers In	471,450	481,000	519,000	519,000	692,000	748,000	
Transfers Out	(751,145)	(607,830)	(412,500)	(494,000)	(369,000)	(378,000)	
<b>Net Increase (Decrease)</b>	<b>55,277</b>	<b>159,597</b>	<b>-</b>	<b>121,488</b>	<b>-</b>	<b>-</b>	
<b>Fund Equity, beginning</b>	<b>3,921,135</b>	<b>3,976,412</b>	<b>4,136,009</b>	<b>4,136,009</b>	<b>4,257,497</b>	<b>4,257,497</b>	
<b>Fund Equity, ending</b>	<b>\$ 3,976,412</b>	<b>\$ 4,136,009</b>	<b>\$ 4,136,009</b>	<b>\$ 4,257,497</b>	<b>\$ 4,257,497</b>	<b>\$ 4,257,497</b>	
Months of operating coverage	5.8	5.7		5.6	5.4	5.2	

**Council & Commissions**

101-40100

Shoreview is a Plan B statutory City where the Mayor and four Council members are responsible for legislative actions and policymaking. The Council appoints a City Manager who is responsible for administration and operation of City government in accordance with policies and direction from the City Council. The Council and Commissions activity accounts for memberships and contributions to outside organizations. The City Council interacts with other governmental units, organizations, representatives, cities and community groups; adopts the annual budget, capital improvement plan and five-year operating plan; and conducts regular goal setting to establish priorities and future direction of the City.

**Goals and Objectives:**

- Financial Stability - continuously work to maintain and further improve long-term financial stability of the City.
- Community Facilities - update and expand public facilities, parks, and trails to enhance the City's quality of life and provide a "community for all ages".
- Economic Development - improve the environment for business expansion, redevelopment, and neighborhoods through outreach and selected financial participation.
- Community for All Ages - continue to develop Shoreview as a "community for all ages" that provides housing choices, public amenities, services, and resources for all residents.

Financial Summary	2011 Actual	2012 Actual	2013 Budget	2013 Estimate	2014 Budget	2015 Budget
Funding Uses by Type						
Personal services	\$ 47,639	\$ 47,651	\$ 48,893	\$ 48,522	\$ 48,515	\$ 49,522
Supplies	\$ 63	\$ 353	\$ 300	\$ 300	\$ 250	\$ 300
Contractual	\$ 82,985	\$ 94,555	\$ 97,150	\$ 94,056	\$ 96,620	\$ 102,270
Total	\$ 130,687	\$ 142,559	\$ 146,343	\$ 142,878	\$ 145,385	\$ 152,092
Percent change		9.1%	2.7%	0.2%	-0.7%	4.6%
Full-time equivalents						
Total	-	-	-	-	-	-
Percent of total General Fund	1.65%	1.73%	1.69%	1.65%	1.60%	1.60%

**Budget Impacts:**

- Council salaries are adjusted every two years based on an adopted Council policy.
- Contributions to community organizations are projected to have little growth through 2015.
- Training and professional development allowances provide approximately \$800 per Councilmember for training as well as \$3,000 every other year for goal setting.
- The annual Volunteer Recognition Dinner is funded from this activity, providing an opportunity to express appreciation for the many volunteers active in the City on commissions and committees and in other areas.

**Council & Commissions**

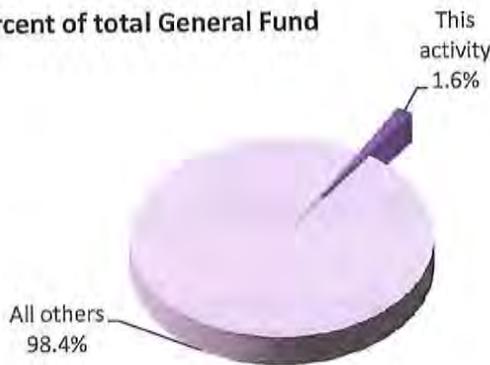
Activity Measures	2010 Actual	2011 Actual	2012 Actual
Population	\$ 5.10	\$ 5.22	\$ 5.68
% change from prior year		2.4%	8.8%
Council & Commissions annual cost per household	\$ 12.69	\$ 12.56	\$ 13.66
% change from prior year		-1.0%	8.8%
Median home value	\$ 262,200	\$ 249,350	\$ 235,700
% change from prior year		-4.9%	-5.5%
Total market value (thousands)	\$ 3,015,578	\$ 2,838,577	\$ 2,568,567
% change from prior year		-5.9%	-9.5%

Community Survey Results	2005 Survey	2010 Survey	2013 Survey
Residents rating quality of life as excellent or good	98%	96%	99%
Residents rating quality of life as excellent	62%	55%	58%
Residents indicating the City is headed in the right direction	87%	84%	94%
Residents that somewhat or strongly approve of how Mayor and Council are doing	84%	87%	92%
Residents rating the sense of community identity as somewhat strong or strong	87%	91%	96%
Residents indicating they expect to live in Shoreview 10 years or more	72%	78%	81%
Residents rating the quality and value of city services as excellent or good	75%	80%	87%

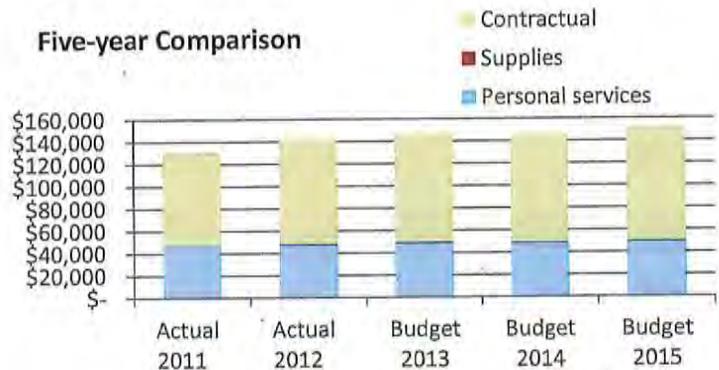
**Recent Achievements:**

- Partnered with several developers on both economic development and multi-family redevelopment projects.
- Maintained AAA bond rating and implemented electric and gas franchise fees to create Community Investment Fund.
- Continued environmental focus with recent Green Step City (MPCA) recognition, as well as becoming involved in Regional Indicators Initiative (ULI MN).

**Percent of total General Fund**



**Five-year Comparison**



**Administration**

101-40200

The Administration activity provides administrative leadership and direction for all day to day operations and activities of the City; ensure the execution of policies and direction of the City Council; coordinate municipal functions; and serve as the primary liaison to contractual public safety services. Specific responsibilities include preparation of Council agendas, weekly communication to the City Council; perform City Clerk functions including management of the City's official records and response to data requests; serve as primary staff liaison to the Human Rights Commission and Public Safety Committee; work directly with various community groups; and administer liquor, tobacco, massage, gambling and peddler licenses.

**Goals and Objectives:**

- Update records management policies to permit more electronic record storage. This would allow the City to reduce the quantity of permanent records kept in paper form, and allow for electronic backup of records.
- Research and implement a Citizen's Academy for residents of Shoreview to promote greater understanding about City operations, promote participation in the City, encourage citizen involvement, and create additional City boosters through the community.
- Update City ordinance pertaining to peddler licensing and fireworks.

Financial Summary	2011 Actual	2012 Actual	2013 Budget	2013 Estimate	2014 Budget	2015 Budget
<b>Funding Uses by Type</b>						
Personal services	\$ 311,529	\$ 361,786	\$ 372,949	\$ 374,484	\$ 386,027	\$ 391,789
Supplies	\$ 16,333	\$ 13,546	\$ 20,000	\$ 16,990	\$ 17,300	\$ 18,300
Contractual	\$ 147,353	\$ 154,203	\$ 157,040	\$ 159,181	\$ 136,361	\$ 146,224
<b>Total</b>	<b>\$ 475,215</b>	<b>\$ 529,535</b>	<b>\$ 549,989</b>	<b>\$ 550,655</b>	<b>\$ 539,688</b>	<b>\$ 556,313</b>
Percent change		11.4%	3.9%	4.0%	-1.9%	3.1%
<b>Full-time equivalents</b>						
Full-time	2.65	2.40	2.40	2.40	3.10	3.05
Part-time		0.60	0.60	0.60		
<b>Total</b>	<b>2.65</b>	<b>3.00</b>	<b>3.00</b>	<b>3.00</b>	<b>3.10</b>	<b>3.05</b>
Percent of total General Fund	5.98%	6.42%	6.35%	6.37%	5.93%	5.87%

**Budget Impacts:**

- Personnel costs reflect the Assistant to City Manager position change from a .8 position to full-time.
- Contractual fees fluctuate in odd and even years to allow for community surveys.

**Administration**

Activity Measures	2010 Actual	2011 Actual	2012 Actual
Administration annual cost per capita	\$ 17.93	\$ 18.98	\$ 21.08
% change from prior year		5.9%	11.1%
Administration annual cost per household	\$ 44.66	\$ 45.69	\$ 50.74
% change from prior year		2.3%	11.1%

Community Survey Results	2005 Survey	2010 Survey	2013 Survey
Residents rating staff job performance as excellent or good	78%	87%	93%
Residents rating service at City Hall or on the phone as excellent or good	no data	97%	95%
Residents who feel the closest connection to the City	15%	21%	18%
Residents rating the quality of life as excellent or good	98%	96%	99%

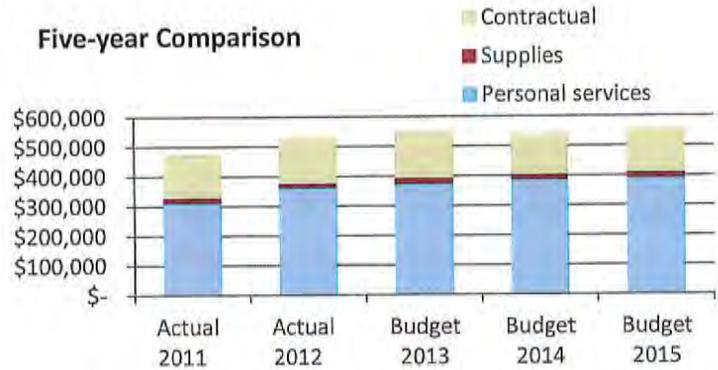
**Recent Achievements:**

- Community Survey completed in summer of 2013.
- Provided staff support for the Community for all Ages initiative.

**Percent of total General Fund**



**Five-year Comparison**



**Human Resources**

101-40210

The purpose of Human Resources (HR) is to provide cost-effective HR programs and services that attract, promote and retain a well qualified, diverse and motivated workforce to provide excellent services to residents and visitors. HR provides the following key services: recruiting and hiring, ensuring compliance with Federal and State laws and regulations, developing and implementing HR policies, managing compensation and classification programs, administering benefit plans, performance management, OSHA/safety administration and security, employee-wide training, and serving as an internal consultant to management, supervisors and employees.

**Goals and Objectives:**

- Draw on a variety of methods to ensure a deep group of qualified applicants in the recruiting process. The quality of our staff is dependent upon the quality of the candidate pool in the hiring process. This HR function has the greatest impact on organizational effectiveness.
- Use hiring processes that select the right candidate for the job, for the organization and for our mission.
- Ensure the City is prepared for all mandates included in the Health Care Reform Act effective in 2010 through 2018, as well as other state and federal mandates and law revisions.
- Continue to implement technology improvements in HR processes, such as: tracking FMLA usage and safety training, and greater use of electronic media for promoting job openings.
- Prepare a Retiree Reference Guide to assist employees in planning for retirement.
- Prepare succession plan for the next 10 years.
- Watch for health cost containment ideas, healthy work place initiatives, and other leading edge ideas that can be adapted to Shoreview and improve productivity, save costs and retain quality employees.

Financial Summary	2011 Actual	2012 Actual	2013 Budget	2013 Estimate	2014 Budget	2015 Budget
<b>Funding Uses by Type</b>						
Personal services	\$ 189,410	\$ 189,015	\$ 198,886	\$ 201,194	\$ 220,471	\$ 233,732
Supplies	\$ 2,868	\$ 816	\$ 5,355	\$ 5,330	\$ 3,600	\$ 2,555
Contractual	\$ 28,104	\$ 31,620	\$ 54,060	\$ 58,807	\$ 54,090	\$ 55,870
<b>Total</b>	<b>\$ 220,382</b>	<b>\$ 221,451</b>	<b>\$ 258,301</b>	<b>\$ 265,331</b>	<b>\$ 278,161</b>	<b>\$ 292,157</b>
Percent change		0.5%	16.6%	19.8%	7.7%	5.0%
<b>Full-time equivalents</b>						
Full-time	2.00	2.00	2.00	2.00	2.00	2.00
Part-time					0.22	0.24
<b>Total</b>	<b>2.00</b>	<b>2.00</b>	<b>2.00</b>	<b>2.00</b>	<b>2.22</b>	<b>2.24</b>
Percent of total General Fund	2.78%	2.69%	2.98%	3.07%	3.06%	3.08%

**Budget Impacts:**

- Health insurance premiums are expected to increase between 8% and 13% for 2014.
- Contractual services continues to be the largest HR budget item, and includes CDL drug testing, OSHA/Safety services, employee assistance program, and employee training.
- National Health Care is impacting COBRA insurance continuation expenses and will require significant HR administrative time, and the addition of a new position beginning 2014.
- Recruitment of a Parks & Recreation Director in 2014 will incur greater advertising costs and recruitment expenses.

**Human Resources**

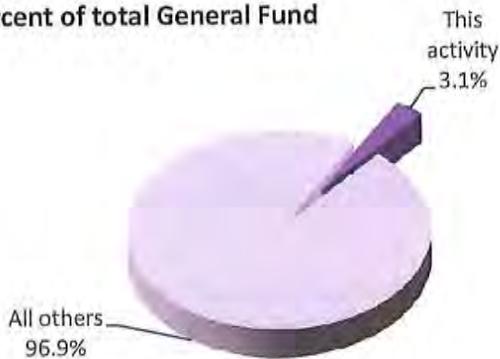
Activity Measures	2010 Actual	2011 Actual	2012 Actual
Human Resources annual cost per capita	\$ 8.11	\$ 8.80	\$ 8.82
% change from prior year		8.5%	0.2%
Total number of regular and associate staff served	412	400	406
Hiring: full-time/associate (new hires and rehires)	3 / 270	2 / 165	3 / 169
Number of applications processed: regular/associate positions	790 / 1,038	198 / 811	133 / 703
Unexpected Leaves: Impacting HR administrative workload			
- FMLA (number of employees/total hours)	11 / 1,526	10 / 275	7 / 1,179
- Short-term Disability (number of employees/total hours)	2 / 520	4 / 950	2 / 464
- Workers' Compensation (number of recordable injuries/lost work days)	3 / 14	5 / 17	4 / 0

Community Survey Results	2005 Survey	2010 Survey	2013 Survey
Residents rating staff job performance as excellent or good	78%	87%	93%
Residents rating service at City Hall or on the phone as excellent or good	no data	97%	95%

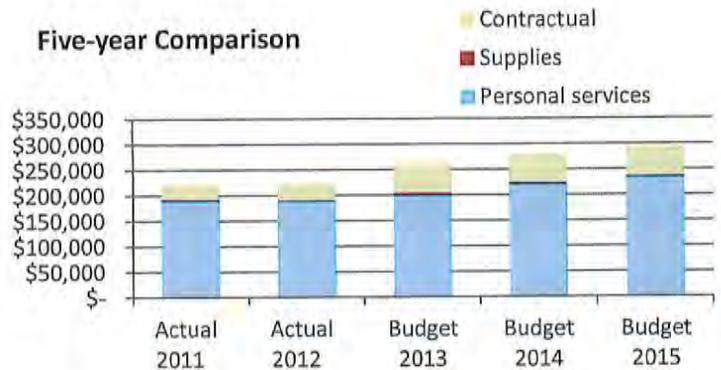
**Recent Achievements:**

- Serves on the League of Minnesota Cities (LMC) Human Resources and Data Practices Policy Committee which influences LMC policy direction on HR matters.
- Wrote a comprehensive CDL loss of license policy.
- Gave presentations at the MN Public Employees Labor Relations Association Winter Conference and the MN Safety and Health Annual Conference.
- Implemented Automated Job Application System.

**Percent of total General Fund**



**Five-year Comparison**



**Elections**

101-40300

Under the direction of Ramsey County, and in accordance with State election laws, the City is responsible for oversight and coordination of all City and State elections for general and primary elections (held in even numbered years). The Deputy City Clerk is responsible for all aspects of the City's involvement in election activities including: securing designated polling places; ensuring accessibility of locations; recruiting, training and supervising election judges; election day activities; communicating election and polling place information to the public; promoting citizen participation; and working with Ramsey County Elections staff on issues such as voting equipment and voting procedures.

**Goals and Objectives:**

- Work with Ramsey County Elections staff on election law changes.
- The Deputy City Clerk serves as a member of the Ramsey County Task Force for selection and purchase of new voting equipment for implementation in 2014.
- Prepare for 'no excuse' absentee voting which is expected to substantially increase the number of absentee voters.
- Transition to new voting equipment in 2014.

Financial Summary	2011 Actual	2012 Actual	2013 Budget	2013 Estimate	2014 Budget	2015 Budget
Funding Uses by Type						
Personal services		\$ 27,265			\$ 8,059	
Supplies		\$ 2,946			\$ 3,500	
Contractual	\$ 2,983	\$ 2,983	\$ 3,300	\$ 2,983	\$ 28,000	\$ 4,000
Total	\$ 2,983	\$ 33,194	\$ 3,300	\$ 2,983	\$ 39,559	\$ 4,000
Percent change		1012.8%	-90.1%	-91.0%	1098.8%	-89.9%
Full-time equivalents						
Associate		1.23			0.15	
Total	-	1.23	-	-	0.15	-
Percent of total General Fund	0.04%	0.40%	0.04%	0.03%	0.43%	0.04%

**Budget Impacts:**

- Elections are held in even-numbered years; therefore the budget has significant fluctuations between election years.
- Part time staff was added for a few weeks prior to the election in 2012 to assist with absentee voting and additional part time staff will be needed in 2014 to handle projected increases in absentee voting numbers.
- Election Judge services will be accounted for in contractual services, rather than personal services, beginning in 2014.

**Elections**

Activity Measures	2010 Actual	2011 Actual	2012 Actual
Elections annual cost per household	\$ 2.71	\$ 0.29	\$ 3.18
Number of registered voters	17,301		16,867
Elections annual cost per registered voter	\$ 1.63		\$ 1.97
Election judges trained	129		147
Number of ballots cast	13,036		16,618
Elections annual cost per ballot cast	\$ 2.17		\$ 2.00
Number of absentee ballots processed	937		1,983

Community Survey Results	2005 Survey	2010 Survey	2013 Survey
Community survey data not available for this activity	no data	no data	no data

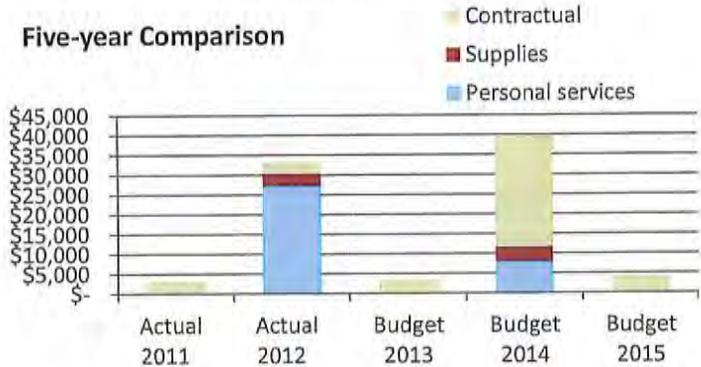
**Recent Achievements:**

- Facilitated improvements to the absentee voting process, including counting absentee ballots at City Hall, rather than at the precinct level.
- Successfully conducted 2012 General Election that included processing more than 2000 absentee votes.

**Percent of total General Fund**



**Five-year Comparison**



**Communications**

101-40400

The Communications activity includes coordination and production of six issues of the ShoreViews newsletter (including three issues that include the Parks and Recreation catalog), modifications and updates to the City's website, preparation and distribution of press releases and Access Shoreview for inclusion on the City's website and in local newspapers, as well as writing and editing messages for cable television and the electronic sign at Victoria Street and Highway 96. Use of email distributions and social media are maintained by communications staff.

**Goals and Objectives:**

Improve communication with citizens through the following efforts:

- Continue to increase communication and services, and promote the City through the use of new website.
- Continue to expand Access Shoreview and explore further promotion of the e-mail notification system for residents to receive City information.
- Explore use of advertising to defray costs of ShoreViews publication.

Financial Summary	2011 Actual	2012 Actual	2013 Budget	2013 Estimate	2014 Budget	2015 Budget
<b>Funding Uses by Type</b>						
Personal services	\$ 54,483	\$ 59,407	\$ 86,004	\$ 86,335	\$ 94,220	\$ 100,384
Supplies		\$ 24	\$ 2,000	\$ 2,000	\$ 2,000	\$ 2,000
Contractual	\$ 86,921	\$ 82,568	\$ 107,500	\$ 112,030	\$ 113,150	\$ 114,150
Capital outlay		\$ 54,780				
Total	\$ 141,404	\$ 196,779	\$ 195,504	\$ 200,365	\$ 209,370	\$ 216,534
Percent change		39.2%	-0.6%	1.8%	7.1%	3.4%
<b>Full-time equivalents</b>						
Full-time	0.75	1.00	1.00	1.00	1.25	1.25
Part-time		0.20	0.20	0.20		
Total	0.75	1.20	1.20	1.20	1.25	1.25
Percent of total General Fund	1.78%	2.39%	2.26%	2.32%	2.30%	2.28%

**Budget Impacts:**

- Communications Costs increased substantially in 2013 due to hiring of full-time Communications Coordinator.
- The 2012 Capital Outlay expenditure represents the one-time payment for website design services for the City and Community Center websites.
- ShoreViews printing costs have increased about 10% due to full-color publication.

**Communications**

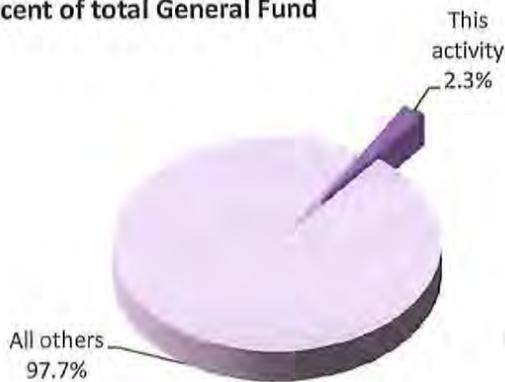
Activity Measures	2010 Actual	2011 Actual	2012 Actual
Issues of ShoreViews newsletter	4	6	6
Number of Unique annual visitors to City website	736,211	611,194	720,120
Communications annual cost per website visit	\$ 0.02	\$ 0.23	\$ 0.27
% change from prior year		1050.0%	17.4%
Number of Electronic e-mail blasts	6	24	24
Number of e-mail subscribers	1,530	1,446	1,416
Number of local meetings/events provided via cable cast including:			
Shoreview Today	-		2
Council meetings	24	24	24
Planning	11	11	11
Community Events (Parade, Band, Speaker Series, etc.)	8	10	10

Community Survey Results	2005 Survey	2010 Survey	2013 Survey
Residents indicating they receive the ShoreViews City publication	88%	92%	90%
Residents indicating they read the ShoreViews City publication	91%	89%	96%
Residents rating the ShoreViews City publication as somewhat or very effective	93%	89%	96%
Residents indicating that they access the City website	51%	67%	67%
Residents rating the website content as excellent or good	no data	93%	95%

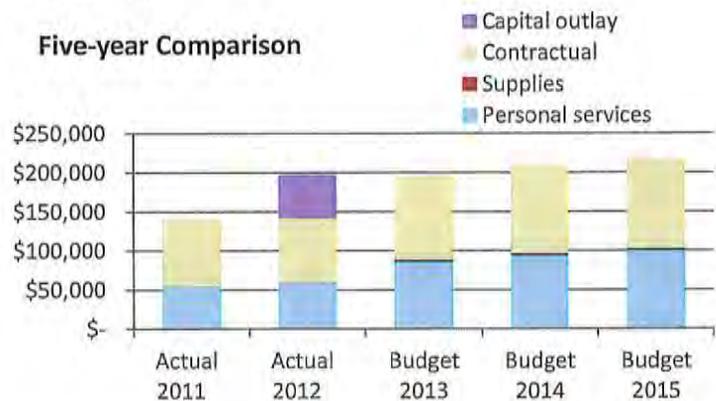
**Recent Achievements:**

- Unveiled the complete redesign of the City and Community Center websites in July 2013. The City has received positive feedback on the new look and easier navigation to the website.
- Implemented full-color ShoreViews publication, which greatly improved readability.
- Continued online Access Shoreview publication with a 30% open rate.

**Percent of total General Fund**



**Five-year Comparison**



**Finance & Accounting**

101-40500

The Finance & Accounting activity is responsible for overall financial management, accounting, financial reporting, insurance, treasury functions, coordination of long-term financial planning efforts, and providing support and financial guidance to all City departments and funds. Functions include day-to-day accounting operations, annual and interim financial reporting, budgeting, capital improvement planning, long-term operating planning, utility rate analysis, risk management, debt issuance and management, investment of City funds, accounts payable, payroll, utility billing, internal controls and performing financial analysis in support of the City Council and administration. Other activities provided include staffing the City Hall front desk, providing assistance to walk-in customers, answering the main phone line, collecting and balancing daily receipts and issuance of various City licenses.

**Goals and Objectives:**

- Issue timely and accurate monthly and annual financial reports.
- Minimize audit costs through accurate and complete accounting processes and financial reporting.
- Continue to expand budget software functionality, in support of the two-year budget and five-year operating plan process, and provide integration to other City financial systems.
- Provide benchmark comparisons annually and communicate changes and trends.
- Prepare property tax estimates in support of the annual budget process.

Financial Summary	2011 Actual	2012 Actual	2013 Budget	2013 Estimate	2014 Budget	2015 Budget
<b>Funding Uses by Type</b>						
Personal services	\$ 437,253	\$ 445,552	\$ 464,861	\$ 468,128	\$ 467,590	\$ 482,475
Supplies	\$ 4,753	\$ 3,330	\$ 4,000	\$ 3,950	\$ 3,250	\$ 4,000
Contractual	\$ 87,094	\$ 84,582	\$ 89,700	\$ 82,220	\$ 89,150	\$ 89,980
<b>Total</b>	<b>\$ 529,100</b>	<b>\$ 533,464</b>	<b>\$ 558,561</b>	<b>\$ 554,298</b>	<b>\$ 559,990</b>	<b>\$ 576,455</b>
Percent change		0.8%	4.7%	3.9%	0.3%	2.9%
<b>Full-time equivalents</b>						
Full-time	4.95	4.95	4.95	4.95	4.95	4.95
Associate	0.01	0.01	0.01	0.01	0.25	0.25
<b>Total</b>	<b>4.96</b>	<b>4.96</b>	<b>4.96</b>	<b>4.96</b>	<b>5.20</b>	<b>5.20</b>
Percent of total General Fund	6.66%	6.47%	6.45%	6.42%	6.15%	6.08%

**Budget Impacts:**

- Full-time staff members in the step program (length of service less than 4 years employment in the position) are currently paid less than the regular rate of pay. Therefore, estimated wages for the period 2011-2015 include both cost of living and step increases.
- Audit costs are projected to rise 2% per year. The 3-year audit contract is up for renewal in 2014.
- General liability insurance is expected to increase 16.7% for 2014, as a result of rating changes by the City's insurance carrier.
- Personal services decreases in 2014 due to the retirement of a long-term employee.

**Finance & Accounting**

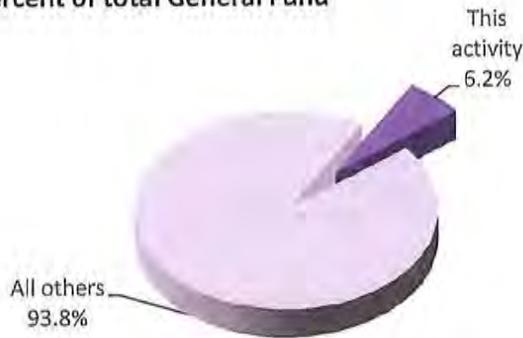
Activity Measures	2010 Actual	2011 Actual	2012 Actual
Finance & Accounting annual cost per household	\$ 49.41	\$ 50.87	\$ 51.12
% change from prior year		3.0%	0.5%
Bond rating from Standard & Poor's (from Moody's in 2008)	AAA	AAA	AAA
Outstanding debt (in millions)	\$ 28.1	\$ 26.4	\$ 24.1
Investment portfolio at year-end (in millions)	\$ 24.6	\$ 23.9	\$ 24.8
Average investment yield	1.68%	1.65%	0.83%
Investment Benchmark (2-year Treasury Bill)	0.70%	0.45%	0.28%
Unqualified Audit Opinion	Yes	Yes	Yes
Years the GFOA Certificate of Achievement has been received	25	26	27
Paychecks issued	6,101	6,122	6,194
Accounts payable invoices processed	8,709	8,277	7,849
Workers Compensation injuries processed	12	14	16

Community Survey Results	2005 Survey	2010 Survey	2013 Survey
Residents rating services received for property taxes paid excellent or good	75%	80%	87%
Residents rating customer service at City Hall or on phone as excellent or good	no data	97%	95%

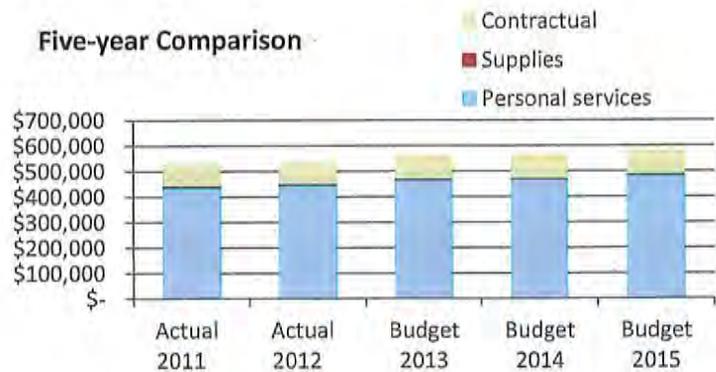
**Recent Achievements:**

- City bond rating upgraded to AAA by Standard and Poor's in November of 2010 (14 months after an upgrade to Aa+). The AAA rating is the highest bond rating awarded.
- Completed the first Five-year Operating Plan in 2009, and implemented improvements in 2010.
- Fourth lowest 2010 per capita total spending among comparison cities (32% below average).
- Sixth lowest 2011 per capita total spending among comparison cities (23% below average).
- Fifth lowest 2012 City property tax on a median home value among comparison cities.
- City tax levy ranking dropped 2 rank positions from 2002 to 2012 among comparison cities.
- The City's Finance Director received the League of Minnesota Cities Leadership Award in 2013 for contributions to City government, one of LMC's highest individual honors.

**Percent of total General Fund**



**Five-year Comparison**



## Information Systems

101-40550

The Information Systems activity provides administrative and technical support to all departments through the procurement, maintenance and replacement of computer hardware and software, data management (storage, protection and backup systems) and general system support. Computerized systems provide the structure for an array of diverse applications including accounting and financial systems, utility billing, building permitting, recreation and fitness registration and tracking, computer aided design (CAD), geographic information systems and mapping (GIS), website and intranet design/support, telephone services, network and building security/access, wireless coverage, water systems monitoring and control (SCADA), fuel & salt system, digital signage, virtual infrastructure, and audio/visual systems as well as routine office functions.

### Goals and Objectives:

- Conversion of personal computers to virtual desktops where appropriate, to reduce energy and replacement costs, and to simplify data protection and workstation management.
- Improve production, assembly and access to documents through a workflow module addition to the document imaging system.
- Continue development of intranet applications to provide information to employees, promote efficiency in information sharing between departments (internal budget reporting, property database management, etc.), and provide useful applications in support of departments and functions.
- Update and enhance calendaring systems and Google Apps.
- Continue to expand mobile devices/products, providing real time monitoring of systems and assistance when needed.
- Add/enhance High Availability and Disaster Recovery functionality at the Maintenance Center.

Financial Summary	2011 Actual	2012 Actual	2013 Budget	2013 Estimate	2014 Budget	2015 Budget
<b>Funding Uses by Type</b>						
Personal services	\$ 112,709	\$ 144,705	\$ 179,856	\$ 159,573	\$ 185,300	\$ 195,923
Supplies	\$ 12,718	\$ 10,079	\$ 12,800	\$ 12,000	\$ 13,200	\$ 13,400
Contractual	\$ 89,655	\$ 109,344	\$ 134,408	\$ 128,031	\$ 136,400	\$ 137,400
Capital outlay	\$ 45,026	\$ 26,533				
Total	\$ 260,108	\$ 290,661	\$ 327,064	\$ 299,604	\$ 334,900	\$ 346,723
Percent change		11.7%	12.5%	3.1%	2.4%	3.5%
<b>Full-time equivalents</b>						
Full-time	1.95	1.95	1.95	1.69	1.95	1.95
Total	1.95	1.95	1.95	1.69	1.95	1.95
Percent of total General Fund	3.28%	3.53%	3.78%	3.47%	3.68%	3.66%

### Budget Impacts:

- Software maintenance and license fees continue to account for a majority of the budget increase (for new or expanded systems, virtual servers, virtual desktops, phone system, financial system, document management, etc).
- One full-time staff member is in the step program, due to the length of service in the position, is paid below the regular rate of pay for the position.
- One full-time staff position was vacant for more than 4 months in 2013.
- Capital costs shown for 2011 and 2012 reflect the portion of personal services costs capitalized for the development of new software

**Information Systems**

Activity Measures	2010 Actual	2011 Actual	2012 Actual
Information Systems annual cost per household	\$ 23.47	\$ 25.01	\$ 27.85
% change from prior year		6.6%	11.4%
Data switches	20	13	13
Desktop VOIP phones	88	89	90
Multi-function copiers	11	11	9
Servers, virtual	19	23	23
Servers, physical	10	10	10
Wireless access points	9	16	17
Workstations, physical	75	54	45
Workstations, conf rooms/pt use	10	15	18
Workstations, virtual	5	10	40

Community Survey Results	2005 Survey	2010 Survey	2013 Survey
Residents rating ease of navigating the City website as excellent or good	no data	92%	91%

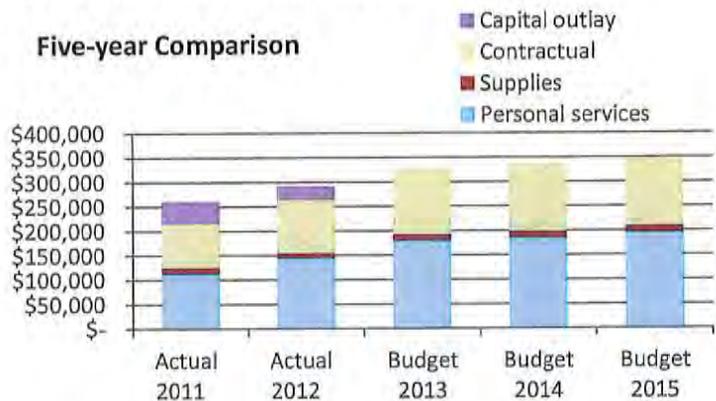
**Recent Achievements:**

- Implemented for all city staff an automated timesheet and leave time request system. Seasonal and part time workers can swipe their employee ID cards at touch screen enabled stations to clock in and out. Regular staff can access the functions through a browser to request leave time, submit timesheets, and get approvals.
- Continued to enhance the budgeting and financial systems, adding features such as a more automated expense reimbursement process and capacity for sub-accounts..
- Added a city "web store" interface to handle incoming customer payments for various products and services offered by the city. This will be available through a convenient internet based web portal on the city web site.
- Rolled out completely updated city and community center websites. This was done in conjunction with several staff members from city departments
- Continuing to convert from the traditional environment of staff personal computers to a virtual computer (VDI) infrastructure. There are currently over 60 virtual desktops in production.
- Wave Cafe area was updated with additional digital displays for community center program information, and upgraded signage for the Wave Cafe and Membership areas.
- Updated entire virtual network infrastructure to latest software and hardware versions.
- Added a new method of secure access for remote connection to city network for eligible staff and support vendors.
- Updated Council chambers with new audio/video technology. This includes new displays for council members, and new controls and inputs for displaying and controlling video and audio for various meeting requirements.
- Provided storage and other network resources for the Red Zone/Public Works sanitary sewer video project.

**Percent of total General Fund**



**Five-year Comparison**



**Legal**

101-40600

The legal budget provides for the City's contracted legal services with the firm Kelly & Lemmons. Patrick Kelly currently serves as the appointed City Attorney providing general legal counsel to the City Council, Planning Commission, and staff; as well as handling all civil litigation for the City. Their firm also handles criminal prosecutions on a variety of misdemeanor penalties.

**Goals and Objectives:**

- Continue to work more aggressively with City staff on code enforcement, including nuisance and property maintenance complaints.
- Continue to evaluate new legal firm and develop a formal contractual arrangement.

Financial Summary	2011 Actual	2012 Actual	2013 Budget	2013 Estimate	2014 Budget	2015 Budget
Funding Uses by Type						
Contractual	\$ 79,933	\$ 90,207	\$ 95,000	\$ 112,000	\$ 120,000	\$ 125,000
Total	\$ 79,933	\$ 90,207	\$ 95,000	\$ 112,000	\$ 120,000	\$ 125,000
Percent change		12.9%	5.3%	24.2%	26.3%	4.2%
Full-time equivalents						
Total	-	-	-	-	-	-
Percent of total General Fund	1.01%	1.09%	1.10%	1.30%	1.32%	1.32%

**Budget Impacts:**

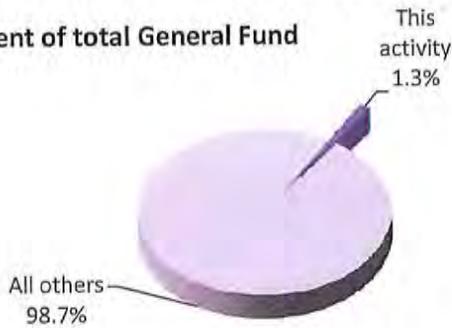
- 2014 and 2015 budgets show increases of about 10% to reflect changes in law firm and increased criminal prosecutions.

Legal			
Activity Measures	2010 Actual	2011 Actual	2012 Actual
Legal annual cost per household	\$ 8.88	\$ 7.68	\$ 8.64
% change from prior year		-13.5%	12.5%
Community Survey Results	2005 Survey	2010 Survey	2013 Survey
Community survey data not available for this activity	no data	no data	no data

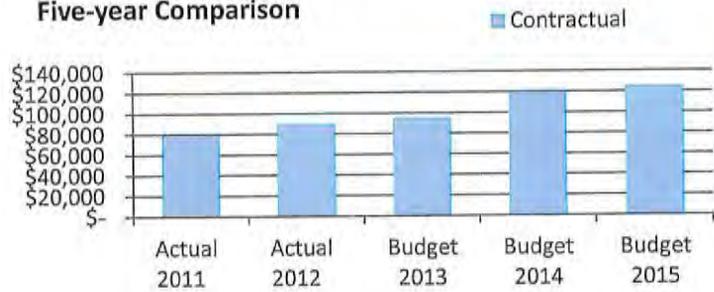
**Recent Achievements:**

- Successfully transitioned to new firm Kelly & Lemmons in 2012 and to new City Attorney, Patrick Kelly, in 2013.

**Percent of total General Fund**



**Five-year Comparison**



**Police**

101-41100

The City contracts with the Ramsey County Sheriffs Department for police services including patrol, traffic enforcement, and criminal investigation and apprehension. The City also contracts for supplemental water patrol on Shoreview lakes. Ramsey County also provides dispatch services for the City under a joint powers agreement. In 2012, Ramsey County began providing animal control services on a contract basis.

**Goals and Objectives:**

- Continue active traffic enforcement on City streets by dedicated traffic deputies using district citations, administrative citations, and use of speed carts.
- Expand neighborhood watch programs through better outreach and advertising in ShoreViews newsletters and Night to Unite participation.

Financial Summary	2011 Actual	2012 Actual	2013 Budget	2013 Estimate	2014 Budget	2015 Budget
Funding Uses by Type						
Contractual	\$ 1,753,514	\$ 1,838,635	\$ 1,927,465	\$ 1,908,605	\$ 1,969,030	\$ 2,052,720
Total	\$ 1,753,514	\$ 1,838,635	\$ 1,927,465	\$ 1,908,605	\$ 1,969,030	\$ 2,052,720
Percent change		4.9%	4.8%	3.8%	2.2%	4.3%
Full-time equivalents						
Total	-	-	-	-	-	-
Percent of total General Fund	22.08%	22.30%	22.25%	22.09%	21.64%	21.66%

**Budget Impacts:**

- Police budget reflects a 4.8% increase in 2014 due primarily to the County now charging for costs associated with its retiree health insurance program.
- Dispatch costs are increasing in accordance with cost allocations negotiated at time of dispatch consolidation, and planned implementation of a new computer aided dispatch system.

**Police**

Activity Measures	2010 Actual	2011 Actual	2012 Actual
Police annual cost per household	\$ 164.08	\$ 168.57	\$ 176.18
% change from prior year		2.7%	4.5%
Number of Police calls for service	6,298	6,443	6,661
Police annual cost per call for service	\$ 270.76	\$ 272.16	\$ 276.03
% change from prior year		0.5%	1.4%
Part I crime rate (per 100,000 inhabitants)	1,256	1,204	1,184
Part II crime rate (per 100,000 inhabitants)	1,184	1,420	1,353
Response time for top priority calls (average in min:sec)	5:05	6:06	5:33

Community Survey Results	2005 Survey	2010 Survey	2013 Survey
Residents rating quality of police protection as excellent or good	96%	95%	97%
Percent of residents who feel amount of patrol is about right	78%	76%	90%
Percent of residents who feel traffic speeding is very/somewhat serious problem	49%	46%	37%

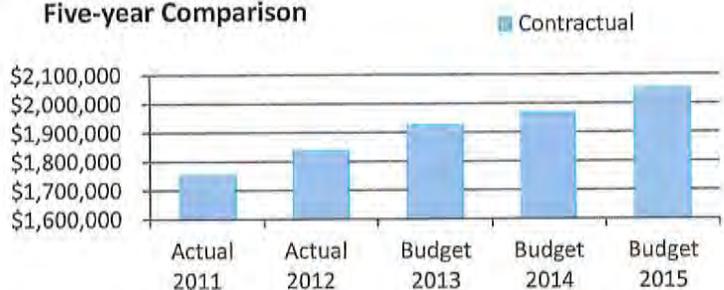
**Recent Achievements:**

- Administrative citation system was implemented in 2010.
- Transition to new Ramsey County Sheriff, who took office January 3, 2011, has been smooth.

**Percent of total General Fund**



**Five-year Comparison**



**Fire**

101-41200

Shoreview, in conjunction with the cities of Arden Hills and North Oaks, contract for fire services with the Lake Johanna Fire Department. The Department provides fire suppression and investigation, as well as fire prevention, public education services, and emergency medical response when stations are staffed. The Department is considered a paid on-call department, but is in the process of a multi-year implementation plan that will provide 24 hour station staffing with paid on-call firefighters. The Department is managed through a Board of Directors; Shoreview has two representatives that serve on the Board.

**Goals and Objectives:**

- Continue to expand Duty Crews hours until 24/7 coverage is achieved in accordance with implementation plan.

Financial Summary	2011 Actual	2012 Actual	2013 Budget	2013 Estimate	2014 Budget	2015 Budget
Funding Uses by Type						
Contractual	\$ 789,897	\$ 861,450	\$ 947,610	\$ 947,356	\$ 1,023,220	\$ 1,083,270
Total	\$ 789,897	\$ 861,450	\$ 947,610	\$ 947,356	\$ 1,023,220	\$ 1,083,270
Percent change		9.1%	10.0%	10.0%	8.0%	5.9%
Full-time equivalents						
Total	-	-	-	-	-	-
Percent of total General Fund	9.95%	10.45%	10.94%	10.97%	11.24%	11.43%

**Budget Impacts:**

- Duty Crew implementation accounts for a significant portion of cost increases due to additional staffing hours, as well as pay increases to better reflect current market rates.
- Future budget increase is expected to be 6-10% for the next 2-3 years, and will then level off once Duty Crew is fully implemented.
- During the past few years, Shoreview's percentage of the budget has increased based on the cost share formula due to a higher volume of medical calls than either Arden Hills or North Oaks.
- General Engineering (vehicle maintenance) costs have also increased in 2014 to better reflect annual costs.

Fire			
Activity Measures	2010 Actual	2011 Actual	2012 Actual
Fire annual cost per household	\$ 70.99	\$ 75.94	\$ 82.55
% change from prior year		7.0%	8.7%
Number of fire and medical calls (*including medical calls starting in 2010)	806*	988	1,060
Average response time (average for all cities, calls in min:sec)	5:36	5:11	5:07
Average response time during shift crew hours Day/Evening		4:06/4:38	4:18/4:17
ISO Fire Rating	3	3	3
Community Survey Results	2005 Survey	2010 Survey	2013 Survey
Percent rating quality of fire protection services as excellent or good	94%	97%	98%

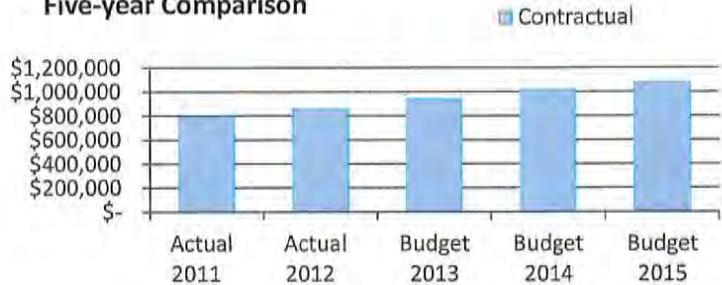
**Recent Achievements:**

- Duty Crews now cover all weekday hours from 7:30 a.m. to 10:00 p.m. and weekends from 8:00 a.m. to 1:00 p.m.
- Received a \$338,000 FEMA grant for purchase of replacement Self Contained Breathing Apparatus.
- Completed renovations to add sleeping quarters and complete deferred maintenance to Fire Stations #2 and #4.

**Percent of total General Fund**



**Five-year Comparison**



**Emergency Services**

101-41500

A part-time emergency services coordinator is responsible for preparation and updating of the City's emergency plans, coordination with the State and County emergency services personnel, maintenance and replacement of warning sirens, and serving as staff liaison to the Public Safety Committee.

**Goals and Objectives:**

- Coordinate replacement of radio control systems for warning sirens with Ramsey County; and improvements to Victoria Street warning siren.
- Begin discussions regarding transition options for emergency services coordination.
- Work with Public Safety Committee to revise mission statement, committee responsibilities, and committee structure.

Financial Summary	2011 Actual	2012 Actual	2013 Budget	2013 Estimate	2014 Budget	2015 Budget
<b>Funding Uses by Type</b>						
Personal services	\$ 2,011	\$ 2,113	\$ 2,888	\$ 2,881	\$ 2,873	\$ 2,880
Supplies		\$ 9	\$ 100	\$ 100	\$ 100	\$ 100
Contractual	\$ 10,646	\$ 4,217	\$ 4,630	\$ 2,720	\$ 5,000	\$ 5,050
<b>Total</b>	<b>\$ 12,657</b>	<b>\$ 6,339</b>	<b>\$ 7,618</b>	<b>\$ 5,701</b>	<b>\$ 7,973</b>	<b>\$ 8,030</b>
Percent change		-49.9%	20.2%	-10.1%	4.7%	0.7%
<b>Full-time equivalents</b>						
Associate	0.08	0.07	0.08	0.08	0.08	0.08
<b>Total</b>	<b>0.08</b>	<b>0.07</b>	<b>0.08</b>	<b>0.08</b>	<b>0.08</b>	<b>0.08</b>
<b>Percent of total General Fund</b>	<b>0.16%</b>	<b>0.08%</b>	<b>0.09%</b>	<b>0.07%</b>	<b>0.09%</b>	<b>0.08%</b>

**Budget Impacts:**

- The largest variable in operating budget is the potential cost of maintenance/repair of warning sirens. The budget includes a \$2,000 allowance for warning siren repair, which is sufficient in most years.

Emergency Services			
Activity Measures	2010 Actual	2011 Actual	2012 Actual
Emergency Services annual cost per household	\$ 0.52	\$ 1.22	\$ 0.61
% change from prior year		134.6%	-50.0%
Number of warning sirens	10	10	10
Emergency Services annual cost per warning siren	\$ 535.40	\$ 1,265.70	\$ 633.90
% change from prior year		136.4%	-49.9%
Community Survey Results	2005 Survey	2010 Survey	2013 Survey
Community survey data not available for this activity	no data	no data	no data

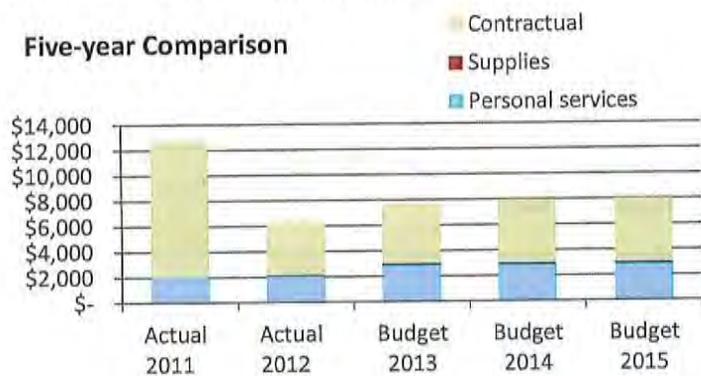
**Recent Achievements:**

- Started discussions with Public Safety Committee regarding their mission statement and committee responsibilities.

**Percent of total General Fund**



**Five-year Comparison**



**Public Works Admin. & Engineering**

101-42050

Public Works Administration & Engineering provides for the management, administration and policy development for the department; planning, design and construction oversight for City infrastructure systems; technical support for public works operating divisions; administrative support, oversight, and data management for Engineering, Street and Utility Maintenance, and Environmental Services Divisions; management of community traffic issues, complaints, and processing of traffic control requests; administrative support and technical assistance to Bikeway/Trailway and Environmental Quality Committees.

**Goals and Objectives:**

- Coordinate long-range infrastructure replacement and 5 year capital Improvement plans to balance system needs, customer feedback and available resources, specifically with regard to pavement management and street renewal to achieve improvement in the pavement condition index (PCI).
- Coordinate assessment of City's sustainability and environmental practices and develop plan for implementing improvements.
- Manage sealcoat project efforts, including all aspects of project design, inspection and communication with the public. The City's Sealcoating effort is an important part of the Pavement Management Program.
- Manage the reconstruction of streets and utilities in the Hanson/Oakridge and Turtle Lane Neighborhoods, including all aspects of project design, inspection and communication with the public. This is a continuation of the City's Street Renewal Program, and is anticipated to be the key component for engineering project charges for the year.

Financial Summary	2011 Actual	2012 Actual	2013 Budget	2013 Estimate	2014 Budget	2015 Budget
Funding Uses by Type						
Personal services	\$ 380,343	\$ 404,308	\$ 411,154	\$ 415,049	\$ 426,092	\$ 442,403
Supplies	\$ 8,068	\$ 1,371	\$ 7,000	\$ 3,000	\$ 4,000	\$ 2,500
Contractual	\$ 32,343	\$ 23,335	\$ 35,120	\$ 36,350	\$ 30,350	\$ 32,620
Total	\$ 420,754	\$ 429,014	\$ 453,274	\$ 454,399	\$ 460,442	\$ 477,523
Percent change		2.0%	5.7%	5.9%	1.6%	3.7%
Full-time equivalents						
Full-time	4.05	4.03	4.03	4.03	4.03	4.03
Total	4.05	4.03	4.03	4.03	4.03	4.03
Percent of total General Fund	5.30%	5.20%	5.23%	5.26%	5.06%	5.04%

**Budget Impacts:**

- Addition of a part time position to address Geographic Information System (GIS) needs of the department will result in higher personal services costs in the water and sewer funds in the future.

**Public Works Admin. & Engineering**

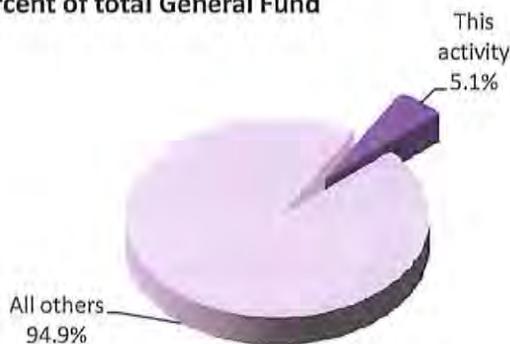
Activity Measures	2010 Actual	2011 Actual	2012 Actual
Public Works Admin/Engineering annual cost per household	\$ 38.25	\$ 40.45	\$ 41.11
% change from prior year		5.8%	1.6%
Capital project expenditures (department total, in millions)	\$ 7.6	\$ 4.7	\$ 2.6
Erosion control inspections	48	45	70
Average City street pavement condition rating	72	67	64
On-street parking waivers processed(*new proces Sept 2012)	365	192	38
Neighborhood traffic studies/reports	11	9	50

Community Survey Results	2005 Survey	2010 Survey	2013 Survey
Residents rating street repair and maintenance as excellent or good	82%	88%	76%
Residents rating the quality if snowplowing City streets as excellent or good	84%	96%	94%
Residents indicating that street maintenance should be improved	21%	9%	10%
Residents indicating that speeding is a major concern	38%	22%	23%

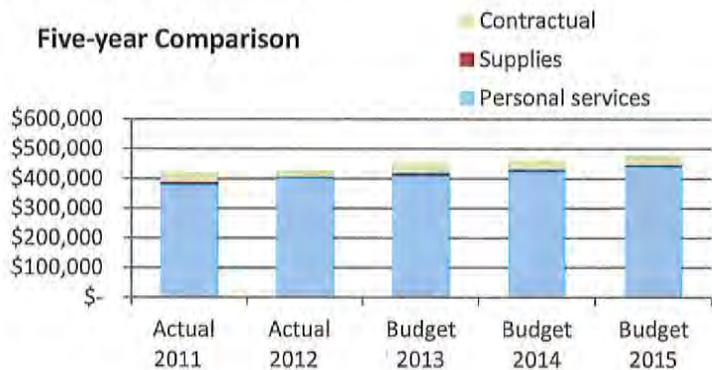
**Recent Achievements:**

- City was recognized by transportation research organizations like Mn-LRRB, TERRA and LTAP for advancing concrete and full-depth asphalt paving technologies. This publicity has resulted in other communities adopting the strategies, which in turn increases demand and improves the market for the products and services.
- Federal agencies (FHWA and EPA) recognized Shoreview for Green Roads initiatives stemming from the advancement of the use of pervious concrete.
- Public Works Director recognized as the 2011 American Public Works Associate Manager of the Year in the area of Engineering & Technology. The award strongly correlates with the integration of innovative street construction and rehabilitation strategies with Shoreviews Street Renewal Program.

**Percent of total General Fund**



**Five-year Comparison**



**Streets**

101-42200

Streets provides for the safe and reliable structural maintenance and management of all City owned pavement, curbs, and gutters; snow removal and ice control operations; operation and maintenance of all aspects of traffic control on roadways under the City's jurisdiction including pavement messages, striping, signs, crosswalks and traffic signals; and integration of sealcoating, crack filling and asphalt repair into the City's Pavement Management Program. The overall condition of the City's pavements is tracked by the Pavement Condition Index (PCI) which is used to determine the timing of various maintenance and rehabilitation strategies and gives an indication of the effectiveness of their policies and/or funding levels.

**Goals and Objectives:**

- Perform crack filling and asphalt repair to prepare streets and parking lots for the contracted 2014 Sealcoating Project.
- Maintain or improve Pavement Condition Index (PCI) for both residential and collector streets. The PCI is the main indicator of pavement condition, and is based on the data kept by the City's Pavement Management Program.
- Maintain positive trend in customer satisfaction ratings for snow removal and ice control.
- Deploy speed trailers and traffic counter to be more responsive to neighborhood traffic concerns.
- Develop sign inventory and/or database to assist in mandated retro reflectivity assessment and response.
- Reduce the number of citizen concerns about the sight distance at street intersections and manage right of way by removing/trimming trees, limbs and brush which obstruct movement and sight lines.

Financial Summary	2011 Actual	2012 Actual	2013 Budget	2013 Estimate	2014 Budget	2015 Budget
<b>Funding Uses by Type</b>						
Personal services	\$ 410,808	\$ 401,518	\$ 432,733	\$ 419,954	\$ 429,454	\$ 449,592
Supplies	\$ 108,676	\$ 99,947	\$ 93,600	\$ 92,000	\$ 112,000	\$ 118,000
Contractual	\$ 229,989	\$ 266,521	\$ 265,320	\$ 269,300	\$ 296,240	\$ 304,960
<b>Total</b>	<b>\$ 749,473</b>	<b>\$ 767,986</b>	<b>\$ 791,653</b>	<b>\$ 781,254</b>	<b>\$ 837,694</b>	<b>\$ 872,552</b>
Percent change		2.5%	3.1%	1.7%	5.8%	4.2%
<b>Full-time equivalents</b>						
Full-time	5.06	5.05	5.05	4.88	5.05	5.05
Associate	0.32	0.32	0.32	0.28	0.33	0.33
<b>Total</b>	<b>5.38</b>	<b>5.37</b>	<b>5.37</b>	<b>5.16</b>	<b>5.38</b>	<b>5.38</b>
Percent of total General Fund	9.44%	9.31%	9.14%	9.04%	9.21%	9.21%

**Budget Impacts:**

- Supply costs for asphalt and crack filling are projected to rise due to rising oil prices.
- While the City has greatly improved the precision and efficiency of ice control in recent years, the amount of road salt and calcium chloride use fluctuates dramatically from year to year based on weather.
- Training/education costs increase more rapidly due to younger crewmembers showing more interest in Public Works Certificates.

Streets			
Activity Measures	2010 Actual	2011 Actual	2012 Actual
Street maintenance annual cost per street mile	\$ 8,068	\$ 8,421	\$ 8,629
% change from prior year		4.4%	2.5%
Street maint, ice and snow removal, crack fill, & sealcoat annual cost per mile	\$ 9,371	\$ 11,117	\$ 12,654
Average City street pavement condition rating	72	67	64
Tons of road salt used	525	438	373
Number of snow plowing events	14	36	6
Number of de-icing and/or anti-icing events	22	11	16
Number of regular (overtime) hours spent plowing and de-icing	581(1,016)	588 (659)	426 (427)
Pounds of crack sealer used (miles of street crack sealed)	9,000(10.4)	13,500 (22)	9000 (24)
Tons of asphalt used for repairing streets	579	775	505
Hours mowing boulevards (annual total)	80	80	80

Community Survey Results	2005 Survey	2010 Survey	2013 Survey
Residents rating street repair and maintenance as excellent or good	82%	88%	76%
Residents rating snow plowing as either excellent or good	84%	96%	94%

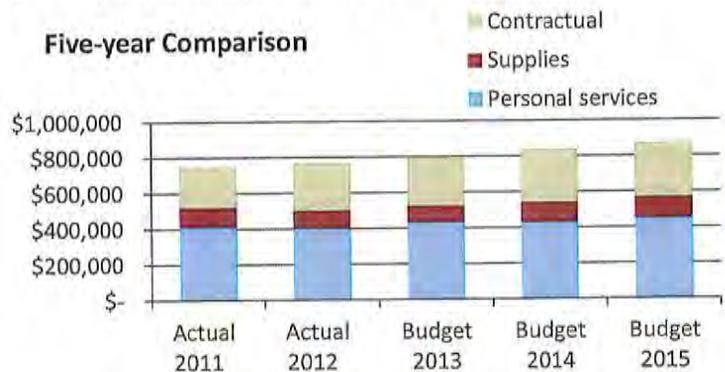
**Recent Achievements:**

- All street division employees are certified in salt calibration and application techniques, and actively participate in ice control classes. This helps manage the costs of deicing materials without compromising public safety.
- The replacement of a tailgate paver with a self propelled track paver allows for more efficient and better quality asphalt patch and street and trail repairs.
- Continued improvement in maintenance strategies using full depth reclamation (FDR) to 7 miles of streets.

**Percent of total General Fund**



**Five-year Comparison**



**Trail Management**

101-43450

This activity provides for the programming, maintenance and management of the City's sidewalk and trail infrastructure for resident use for the full year; prioritizing resident requests for additional sidewalk/trail segments and coordination with other agencies or private development infrastructure projects; maintaining an inventory of the locations and conditions of sidewalk/trail segments, and programs future replacement projects; providing edge mowing, brush trimming/removal, crack sealing, asphalt trail resurfacing operations and snow removal as well as maintenance of pedestrian bridge and boardwalk segments.

**Goals and Objectives:**

- Repair and or replace unsafe sidewalk panels noted in 2013 inspections, consistent with the Risk Management practices recommended by the League of Minnesota Cities Insurance Trust.
- Complete 2013 Trail Slurry Seal Project in North & Southeastern portion of City as part of the overall long-range asset management strategy of the City.
- Maintain safe sidewalk and trail pavement surfaces by snow removal efforts as a secondary priority after streets.
- Trim trees, bushes and shrubs and mow maintenance strips along trails to provide a safe and obstruction free walkway area.

Financial Summary	2011 Actual	2012 Actual	2013 Budget	2013 Estimate	2014 Budget	2015 Budget
<b>Funding Uses by Type</b>						
Personal services	\$ 30,690	\$ 45,976	\$ 50,197	\$ 47,483	\$ 51,397	\$ 54,742
Supplies	\$ 6,177	\$ 9,991	\$ 10,000	\$ 10,000	\$ 10,000	\$ 12,000
Contractual	\$ 44,700	\$ 57,819	\$ 55,600	\$ 68,670	\$ 64,950	\$ 66,580
<b>Total</b>	<b>\$ 81,567</b>	<b>\$ 113,786</b>	<b>\$ 115,797</b>	<b>\$ 126,153</b>	<b>\$ 126,347</b>	<b>\$ 133,322</b>
Percent change		39.5%	1.8%	10.9%	9.1%	5.5%
<b>Full-time equivalents</b>						
Full-time	0.65	0.65	0.65	0.63	0.65	0.65
Associate	0.10	0.11	0.10	0.08	0.10	0.10
<b>Total</b>	<b>0.75</b>	<b>0.76</b>	<b>0.75</b>	<b>0.71</b>	<b>0.75</b>	<b>0.75</b>
Percent of total General Fund	1.03%	1.38%	1.34%	1.46%	1.39%	1.41%

**Budget Impacts:**

- Contractual costs include \$8,600 for continued use of Department of Corrections labor for trail maintenance activities such as tree, shrub, and brush trimming and removal.
- The budget anticipates continued rising trends for oil dependent materials, including asphalt.
- The budget reflects a more aggressive approach to repairs and replacement of trail segments related to School District transportation policies and the needs for safe walking alternatives for school age children.

**Trail Management**

Activity Measures	2010 Actual	2011 Actual	2012 Actual
Trail management annual cost per household	\$ 9.20	\$ 7.84	\$ 10.90
% change from prior year		-14.8%	39.0%
Miles of trails resurfaced	4.5	5.0	9.9
Tons of asphalt used for trail repairs	264	91	308
Hours of mowing maintenance areas along trails	730	314	285
Hours of snow removal from trails	423	373	353

Community Survey Results	2005 Survey	2010 Survey	2013 Survey
Residents rating city trails as a very important aspect to quality of life	69%	76%	65%
Residents rating maintenance of trails as either excellent or good	no data	88%	95%
Residents rating park and trail characteristics as excellent or good	97%	99%	99%

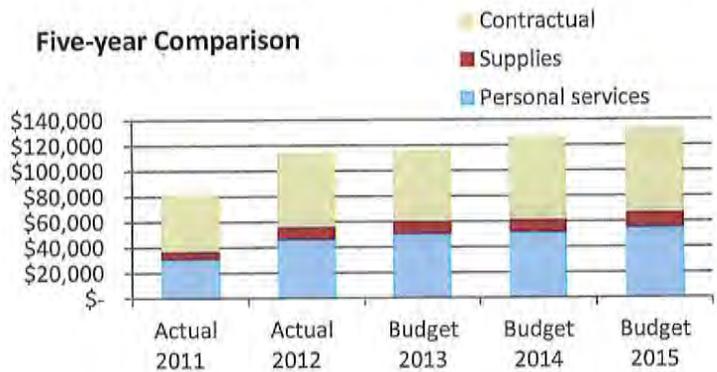
**Recent Achievements:**

- The City evaluated and tested the best maintenance strategy to maintain the smoothness of trails while also extending the life. Positive feedback has been received regarding these improvements to trail maintenance, and over the last 5 years 95% of the City's asphalt trails have been slurry seal coated.
- The replacement of the articulated sidewalk tractor allows a quicker and more efficient response to snow removal.
- The addition of a concrete scarifier permits repairs to sidewalk panels, versus costly replacements, to eliminate trip hazards.

**Percent of total General Fund**



**Five-year Comparison**



## Forestry & Nursery

101-43900

The Forestry activity accounts for the Public Works Departments active role in the preservation of the community's forest and in the prevention and control of tree pests and diseases that threaten urban trees in Shoreview. Forestry services provided by the Public Works Department include administration of the Diseased Tree Inspection and Removal Program including Emerald Ash Borer (EAB) response, reforestation of public rights of ways and parklands and providing technical assistance to Shoreview property owners with common pest issues and to promote tree species diversity. The natural resources in the area are cited by residents as a significant Quality of Life Indicator for the community, and the City has a long history of strong service delivery in this activity.

**Goals and Objectives:**

- Review and revise Tree Contractor Licensing program and City Code to address requirements and make updates as rules change.
- Pursuit of grant opportunities for tree inventories and/or forestry programs. The City may qualify for grants or other outside funding to help with EAB costs.
- Coordinate civic volunteers for Arbor Day and other public property planting or clean-up activities.
- Development of a tree inventory that helps assess the potential costs for public property ash tree replacement. This effort will aid in the development of policies for future Ash tree treatments and/or removals.
- Seek forestry volunteers to assist in inventory efforts and EAB detection.

Financial Summary	2011 Actual	2012 Actual	2013 Budget	2013 Estimate	2014 Budget	2015 Budget
<b>Funding Uses by Type</b>						
Personal services	\$ 5,201	\$ 17,562	\$ 32,896	\$ 32,071	\$ 45,813	\$ 47,696
Supplies	\$ 6,543	\$ 11,525	\$ 26,000	\$ 27,130	\$ 33,000	\$ 19,000
Contractual	\$ 34,681	\$ 49,240	\$ 56,200	\$ 54,040	\$ 53,430	\$ 53,679
Total	\$ 46,425	\$ 78,327	\$ 115,096	\$ 113,241	\$ 132,243	\$ 120,375
Percent change		68.7%	46.9%	44.6%	14.9%	-9.0%
<b>Full-time equivalents</b>						
Full-time	0.25	0.25	0.25	0.25	0.25	0.25
Associate	0.10	0.11	0.40	0.51	0.95	0.95
Total	0.35	0.36	0.65	0.76	1.20	1.20
Percent of total General Fund	0.58%	0.95%	1.33%	1.31%	1.45%	1.27%

**Budget Impacts:**

- Emerald Ash Borer Response in the community may result in tree removal costs in excess of budget allowances, including public property tree removals and replacements.
- Contractual costs include \$8,500 allowance for Department of Corrections contract cost.
- The need to develop a tree inventory while offering EAB injection services to residents requires additional hours to be added to the forestry intern positions, causing an increase to personal services costs for 2014 and later years.

**Forestry & Nursery**

Activity Measures	2010 Actual	2011 Actual	2012 Actual
Forestry annual cost per household	\$ 7.70	\$ 4.46	\$ 7.51
% change from prior year		-42.1%	68.4%
Tree removal cost (public and private property, after 2011 incl treatments)	\$ 34,037	\$ 27,269	\$ 42,600
Number of licensed tree contractors	17	18	22

Community Survey Results	2005 Survey	2010 Survey	2013 Survey
Community survey data not available for this activity	no data	no data	no data

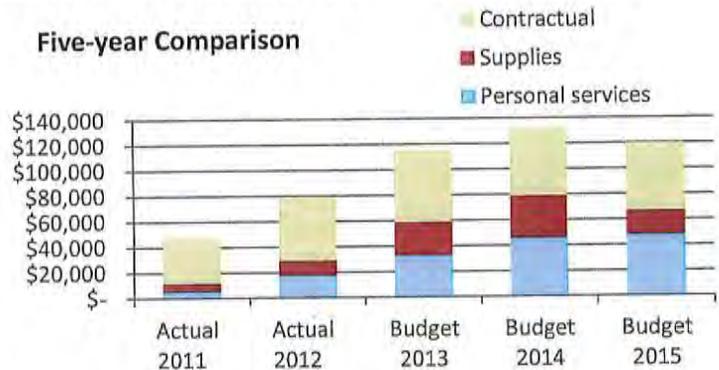
**Recent Achievements:**

- Started an Emerald Ash Borer preventative injection program for residents.
- Hired Environmental Officer.
- Secured a grant from the MN Department of Natural Resources for ash removal and replacements on public property.

**Percent of total General Fund**



**Five-year Comparison**



**Municipal Buildings**

101-40800

Municipal Buildings accounts for the operation and maintenance of the City hall and the historic Lepak/Larson House. For City hall, costs include maintenance and repairs, utility costs and cleaning. The Lepak/Larson House is currently leased by the Housing Resource Center.

**Goals and Objectives:**

- Replace variable air volume (VAV) controls for the City hall and Council chambers, for improved energy management of the building.
- Provide a healthy and safe environment for staff and visitors.
- Initiate repairs and replacements as needed.
- Maintain all mechanical systems.

Financial Summary	2011 Actual	2012 Actual	2013 Budget	2013 Estimate	2014 Budget	2015 Budget
<b>Funding Uses by Type</b>						
Personal services	\$ 14,192	\$ 14,721	\$ 15,215	\$ 15,152	\$ 15,495	\$ 16,106
Supplies	\$ 5,390	\$ 4,723	\$ 4,750	\$ 4,750	\$ 5,000	\$ 5,250
Contractual	\$ 102,959	\$ 106,168	\$ 110,070	\$ 103,670	\$ 107,280	\$ 110,510
Capital outlay	\$ 8,895					
<b>Total</b>	<b>\$ 131,436</b>	<b>\$ 125,612</b>	<b>\$ 130,035</b>	<b>\$ 123,572</b>	<b>\$ 127,775</b>	<b>\$ 131,866</b>
Percent change		-4.4%	3.5%	-1.6%	-1.7%	3.2%
<b>Full-time equivalents</b>						
Full-time	0.20	0.20	0.20	0.20	0.20	0.20
<b>Total</b>	<b>0.20</b>	<b>0.20</b>	<b>0.20</b>	<b>0.20</b>	<b>0.20</b>	<b>0.20</b>
Percent of total General Fund	1.66%	1.52%	1.50%	1.43%	1.40%	1.39%

**Budget Impacts:**

- An inter-fund charge covering the City hall share of utility, cleaning and repair costs accounts for the majority of the annual increase in the building costs.
- Planned wage adjustments for 2014 will result in an increased cost to personal services.
- Repair costs are higher for the Lepak/Larson house due to the age of the building and its classification as a historic building. This classification requires specifically qualified period pieces, which are often more expensive, for repairs.
- Cleaning of the City hall building is provided by the Community Center custodial crew.
- Building maintenance is provided by Community Center staff for the City hall, and Parks Maintenance crew for the Lepak/Larson house.

**Municipal Buildings**

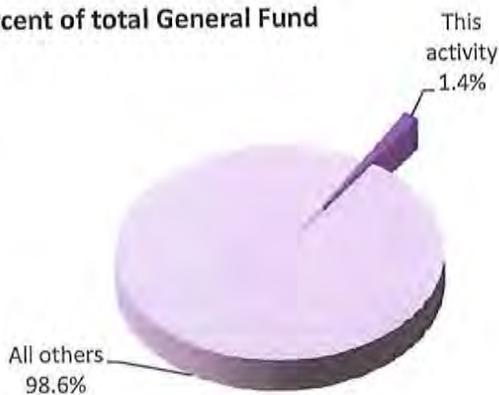
Activity Measures	2010 Actual	2011 Actual	2012 Actual
Municipal Buildings annual cost per household	\$ 11.42	\$ 12.64	\$ 12.04
% change from prior year		10.7%	-4.8%
Municipal Buildings annual cost per square foot	\$ 8.93	\$ 9.89	\$ 9.45
% change from prior year		10.8%	-4.5%
Total square footage maintained at City hall	12,040	12,040	12,040
Total square footage maintained at Lepak/Larson house	1,248	1,248	1,248
Percentage of total work orders related to City hall	12%	13%	12%

Community Survey Results	2005 Survey	2010 Survey	2013 Survey
Community survey data not available for this activity	no data	no data	no data

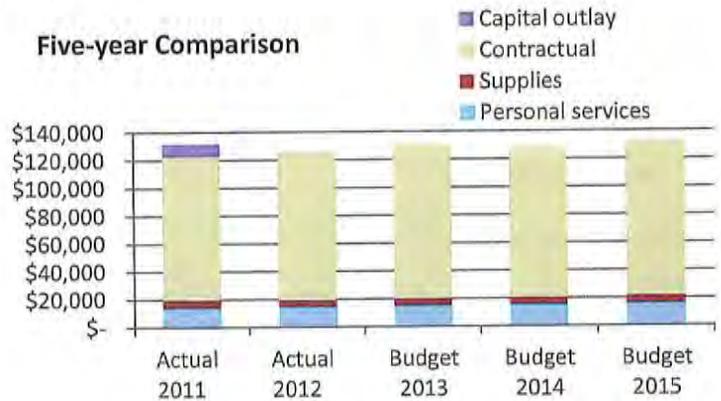
**Recent Achievements:**

- Upgraded cooling system for computer server room.
- Upgraded fire panel, smoke detectors, and alarms in City Hall. The new fire panel separates calls to Fire Department to let them know which side of the building they should respond to first.

**Percent of total General Fund**



**Five-year Comparison**



**Park/Recreation Administration**

101-43400

This activity is responsible for overall administrative support for park facilities, recreation programs and community center operations, including the development of policies, procedures and operational guidelines. The work program includes promoting the community center (for memberships, receptions and banquet events), providing administrative services (to register program participants, sell community center memberships, and process facility reservations), maintain department records and reports, coordinate staff training, provide computer support, produce marketing materials, and provide building signage.

**Goals and Objectives:**

- Continue to expand and promote park and recreation facilities and programs through updated website.
- Coordinate and expand cross training between Recreation Program staff, Community Center staff, and Administrative Services staff.
- Coordinate and be actively involved in the development of concept and final development plans for the Community Center expansion; and in the planned additions to the building.

Financial Summary	2011 Actual	2012 Actual	2013 Budget	2013 Estimate	2014 Budget	2015 Budget
<b>Funding Uses by Type</b>						
Personal services	\$ 468,312	\$ 315,095	\$ 321,112	\$ 327,111	\$ 374,583	\$ 442,396
Supplies	\$ 5,559	\$ 6,718	\$ 5,100	\$ 5,100	\$ 5,200	\$ 5,300
Contractual	\$ 13,798	\$ 15,732	\$ 15,350	\$ 15,620	\$ 17,585	\$ 18,530
<b>Total</b>	<b>\$ 487,669</b>	<b>\$ 337,545</b>	<b>\$ 341,562</b>	<b>\$ 347,831</b>	<b>\$ 397,368</b>	<b>\$ 466,226</b>
Percent change		-30.8%	1.2%	3.0%	16.3%	17.3%
<b>Full-time equivalents</b>						
Full-time	5.00	4.00	4.00	3.92	4.44	4.86
Associate				0.34		
<b>Total</b>	<b>5.00</b>	<b>4.00</b>	<b>4.00</b>	<b>4.26</b>	<b>4.44</b>	<b>4.86</b>
Percent of total General Fund	6.14%	4.09%	3.94%	4.03%	4.37%	4.92%

**Budget Impacts:**

- Personnel services will increase in 2014 due to addition of Park and Recreation Director position at mid-year.

**Park/Recreation Administration**

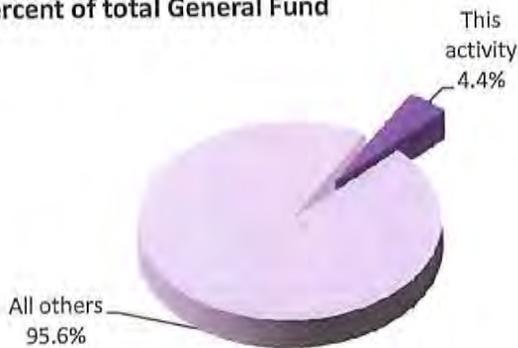
Activity Measures	2010 Actual	2011 Actual	2012 Actual
Park/Recreation Administration annual cost per household	\$ 47.20	\$ 46.88	\$ 32.34
% change from prior year		-0.7%	-31.0%
Online payments processed for park-related activities	\$ 380,185	\$ 472,812	\$ 526,934

Community Survey Results	2005 Survey	2010 Survey	2013 Survey
Residents rating the quality of park and trail facilities as excellent or good	97%	99%	99%
Residents rating recreational program opportunities as excellent or good	83%	91%	94%
Residents stating recreational/sports facilities meet their household needs	90%	96%	98%
Residents station mix of recreational programs meet their household needs	83%	94%	96%

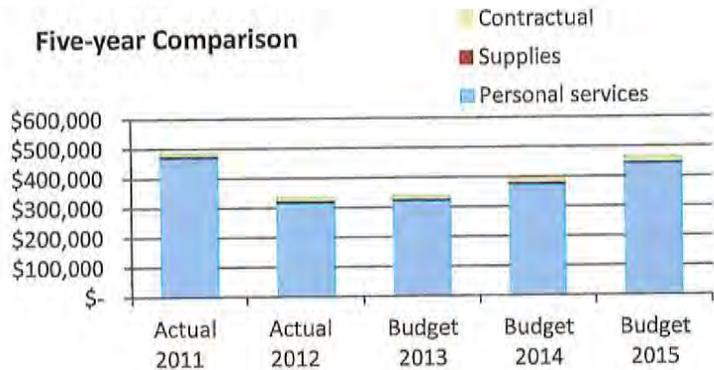
**Recent Achievements:**

- Coordinated and managed the Bucher Park redevelopment and construction.
- Assisted in the development and implementation of the updated Community Center website.
- Successfully transitioned to a streamlined management structure.
- Increased use of social media tools such as Facebook, Constant Contact, and Yelp.

**Percent of total General Fund**



**Five-year Comparison**



**Park Maintenance**

101-43710

Park Maintenance includes all turf areas, competitive sports areas, landscape beds, playgrounds, picnic shelters, parks and park buildings (including City hall, the Lepak/Larson house, and public grounds) in both winter and summer. Winter maintenance includes hockey rinks, general skating rinks, warming shelters, as well as snow and ice removal from walks and parking lots at the County Library, Lepak/Larson house and fire stations.

**Goals and Objectives:**

- Provide high quality, safe, clean and well groomed parks and play areas with timely and effective service.
- Improve and maintain quality landscaped areas at Commons Park, the community center and along highway 96 and Lexington Avenue corridors.
- Ensure safe conditions as a top priority for users and staff.
- Provide timely snow and ice removal at the community center, library, fire stations and Lepak/Larson house walks and parking lots.

Financial Summary	2011 Actual	2012 Actual	2013 Budget	2013 Estimate	2014 Budget	2015 Budget
Funding Uses by Type						
Personal services	\$ 635,382	\$ 656,526	\$ 674,091	\$ 661,309	\$ 693,597	\$ 720,060
Supplies	\$ 97,170	\$ 87,857	\$ 103,875	\$ 96,775	\$ 101,950	\$ 104,875
Contractual	\$ 364,891	\$ 386,612	\$ 361,730	\$ 369,755	\$ 405,365	\$ 427,010
Total	\$ 1,097,443	\$ 1,130,995	\$ 1,139,696	\$ 1,127,839	\$ 1,200,912	\$ 1,251,945
Percent change		3.1%	0.8%	-0.3%	5.4%	4.2%
Full-time equivalents						
Full-time	8.00	8.00	8.00	7.80	8.00	8.00
Associate	1.51	1.75	1.75	1.80	1.80	1.80
Total	9.51	9.75	9.75	9.60	9.80	9.80
Percent of total General Fund	13.82%	13.72%	13.16%	13.05%	13.20%	13.21%

**Budget Impacts:**

- Redevelopment of Bucher Park took place in 2013.
- Staff member out on workers compensation for over 2 months in 2013 caused personal services costs to be lower for 2013 only.
- Planned wage increase for 2014 will increase the cost of personal services.

**Park Maintenance**

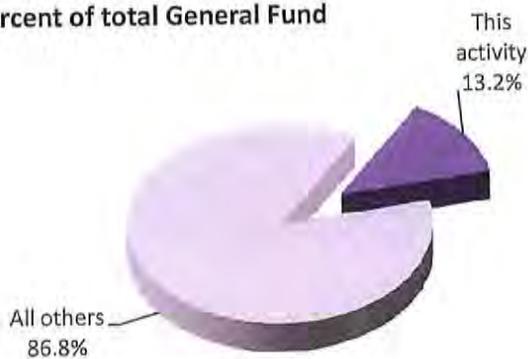
Activity Measures	2010 Actual	2011 Actual	2012 Actual
Park Maintenance cost per household	\$ 101.58	\$ 105.50	\$ 108.37
% change from prior year		3.9%	2.7%
Park acreage	268	268	268
Park Maintenance annual cost per acre	\$ 3,939	\$ 4,095	\$ 4,220
% change from prior year		4.0%	3.1%
Number of ballfields maintained	16	16	16
Number of soccer/lacrosse fields maintained	12	12	12
Number of hockey/pleasure skating rinks maintained	14	14	14
Number of irrigation systems/zones maintained	17/284	17/284	17/284
Number of park buildings and picnic shelters maintained	13	13	13

Community Survey Results	2005 Survey	2010 Survey	2013 Survey
Residents rating park and recreational facilities as excellent or good	93%	96%	99%
Residents rating upkeep and maintenance of parks as excellent or good	93%	96%	98%

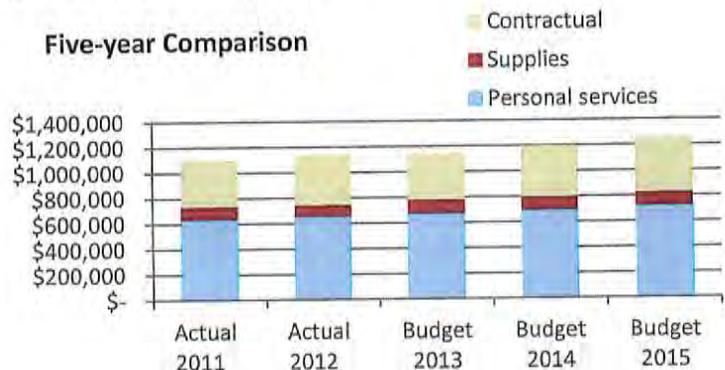
**Recent Achievements:**

- Redevelopment of Bucher Park took place in 2013.
- Upgrade to landscaping on Highway 96, Lexington Avenue, and the Community Center.

**Percent of total General Fund**



**Five-year Comparison**



**Planning & Zoning Administration**

101-44100

The Planning activity provides planning and zoning, and housing and code enforcement services to support and enhance the quality of life, provides support to the Planning Commission and Lake Regulations Committee, manages physical development of the City through the Comprehensive Plan and Development Code, implements the Housing Action Plan, and administers a proactive code enforcement program designed to maintain quality neighborhoods and housing (through complaint driven inspections, educational programs, and the Rental Housing Licensing program and SHINE neighborhood inspections).

**Goals and Objectives:**

- Undertake a Highway Corridor Transition Areas Study, initiated by the Economic Development Authority, engaging the services of a planning consulting firm to evaluate conditions and effects of single-family properties along major arterial roads and develop land use policies and reinvestment strategies that will protect residential properties and values.
- Complete new regulations for temporary business signs and digital/electronic message center signs working with the Planning Commission, Economic Development Commission and City Council.
- Complete the enactment of zoning regulations for in-fill development on residential properties in established neighborhoods.
- Continue work towards amending Development Code regulations to update allowable uses in commercial zoning districts, revise height standards, and other updates consistent with current policies and land use/zoning standards.
- Continue to assist and support the EDA work plan relating to housing programs including developing a comprehensive hoarding/garbage house response plan.

Financial Summary	2011 Actual	2012 Actual	2013 Budget	2013 Estimate	2014 Budget	2015 Budget
<b>Funding Uses by Type</b>						
Personal services	\$ 365,797	\$ 343,291	\$ 388,997	\$ 381,710	\$ 417,982	\$ 434,860
Supplies	\$ 879	\$ 494	\$ 1,200	\$ 1,200	\$ 1,250	\$ 1,300
Contractual	\$ 6,198	\$ 3,783	\$ 12,310	\$ 12,760	\$ 15,290	\$ 14,890
<b>Total</b>	<b>\$ 372,874</b>	<b>\$ 347,568</b>	<b>\$ 402,507</b>	<b>\$ 395,670</b>	<b>\$ 434,522</b>	<b>\$ 451,050</b>
Percent change		-6.8%	15.8%	13.8%	8.0%	3.8%
<b>Full-time equivalents</b>						
Full-time	4.30	4.29	4.27	4.33	4.65	4.65
Associate	0.11	0.12	0.48	0.18	0.30	0.30
<b>Total</b>	<b>4.41</b>	<b>4.41</b>	<b>4.75</b>	<b>4.51</b>	<b>4.95</b>	<b>4.95</b>
Percent of total General Fund	4.70%	4.22%	4.65%	4.58%	4.77%	4.76%

**Budget Impacts:**

- Created a new full-time regular planning and economic development position with the Community Development Department shared (both in duties and funding) between Planning/Zoning and the EDA a portion of the costs of the position were offset by savings within the personnel area
- Eliminated a temporary part-time associate scanning position and will be creating a new part-time customer service position shared between Community Development and Public Works to provide support at information service counter, permit issuance and provide information to public

**Planning & Zoning Administration**

Activity Measures	2010 Actual	2011 Actual	2012 Actual
Planning & Zoning Administration annual cost per household	\$ 36.47	\$ 35.85	\$ 33.30
% change from prior year		-1.7%	-7.1%
Number of code enforcement complaints received and investigated	151	159	198
Number of weed abatements initiated/Council ordered	44/6	24/9	12/2
Number of rental licenses issued/properties inspected	361/177	397/203	512/273
Number of planning case files	25	30	36
Properties inspected through the SHINE Neighborhood program (bi-annual)	289	432	442

Community Survey Results	2005 Survey	2010 Survey	2013 Survey
Residents rating appearance of homes in neighborhood as excellent or good	98%	97%	98%
Residents rating appearance of yards in neighborhood as excellent or good	95%	97%	94%
Residents indicating neighborhood appearance has improved or remained the same	95%	94%	94%
Residents indicating the City does enough to promote property maintenance	no data	83%	88%
Residents indicating awareness of the HousingResource Center	no data	54%	53%
Residents indicating they favor or strongly favor more code enforcement	42%	46%	68%

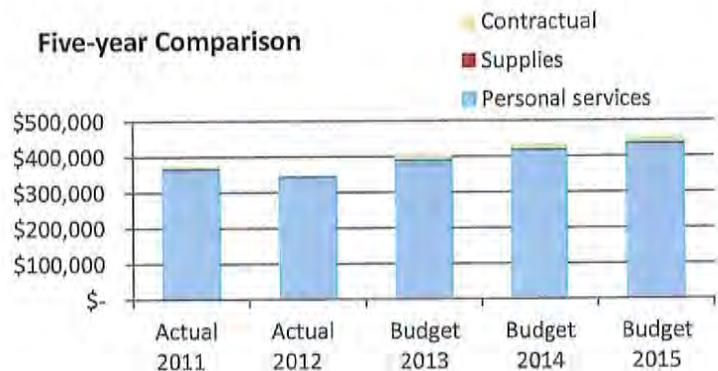
**Recent Achievements:**

- Coordinate the successful restoration and relocation of the Guerin Gas Station building on display on the grounds of the Lepak-Larson Historic Farmhouse property.
- Created new building setback regulations providing greater flexibility to homeowners seeking to reinvest in their properties.
- Implemented quarterly workshops with the Planning Commission.
- Coordinated workshops on message center signs, surface water management, and hoarding training for area cities.
- Implemented amendments to rental licensing regulations to improve enforcement and program effectiveness including late fees, re-inspection charges and crime free lease addendum requirements.
- Developed database and procedures of foreclosure and vacant properties; analyzed by neighborhoods and trends towards resale as rental properties.
- Coordinated site and building development approvals of Lakeview Terrace Apartments project; obtained \$655,000 grant from Met Council to assist redevelopment of Midland Plaza center.
- Assisted EDA to expand the eligible improvements of the Home Improvement Loan Program, and developed new marketing plan.

**Percent of total General Fund**



**Five-year Comparison**



**Building Inspection**

101-44300

The Building Inspection Division of the Community Development Department is responsible for the application and enforcement of the building code and related ordinances regulating construction, alterations and the use of buildings within the city. The division also supports administration of the fire safety property maintenance codes. Building inspection services are managed by the Building Official with assistance of a department support position and, receives inspection services from a licensed contract inspector during Building Official absences. In addition to building permit inspections and plan review, the Building Official also conducts HVAC, Plumbing and Septic inspection services for the City and contracts with an outside private electrical inspector. The Shoreview Municipal Code adopts the Minnesota State Building Code, which in turn adopts the International Building Code, International Residential Code and other codes and standards relating to building construction. The Building Inspection Division works closely with the Planning Division of the Community Development Department, Engineering Division of the Public Works Department, and the Fire Marshal from the Lake Johanna Fire Department.

**Goals and Objectives:**

- Provide quality customer service by completing plan reviews for residential permits in 3 days or less, commercial permits in 2 weeks or less, and field inspections within 24-48 hours of request.
- Complete implementation of on-line permitting and payment by Spring, 2014 to improve customer convenience, lessening need for customers to visit City offices for processing.

Financial Summary	2011 Actual	2012 Actual	2013 Budget	2013 Estimate	2014 Budget	2015 Budget
<b>Funding Uses by Type</b>						
Personal services	\$ 102,083	\$ 103,978	\$ 106,414	\$ 102,607	\$ 104,865	\$ 108,817
Supplies	\$ 949	\$ 180	\$ 1,200	\$ 1,200	\$ 1,300	\$ 1,400
Contractual	\$ 54,382	\$ 66,051	\$ 48,260	\$ 75,970	\$ 49,550	\$ 50,650
<b>Total</b>	<b>\$ 157,414</b>	<b>\$ 170,209</b>	<b>\$ 155,874</b>	<b>\$ 179,777</b>	<b>\$ 155,715</b>	<b>\$ 160,867</b>
Percent change		8.1%	-8.4%	5.6%	-0.1%	3.3%
<b>Full-time equivalents</b>						
Full-time	1.00	1.00	1.00	1.00	1.00	1.00
Associate	0.11	0.12	0.12	0.01		
<b>Total</b>	<b>1.11</b>	<b>1.12</b>	<b>1.12</b>	<b>1.01</b>	<b>1.00</b>	<b>1.00</b>
Percent of total General Fund	1.98%	2.06%	1.80%	2.08%	1.71%	1.70%

**Budget Impacts:**

- All building related permit revenues are projected to decline over the next few years with lack of available land for new development. Permit revenue will derive mostly from housing maintenance and renovations and commercial building upgrades and expansions.

**Building Inspection**

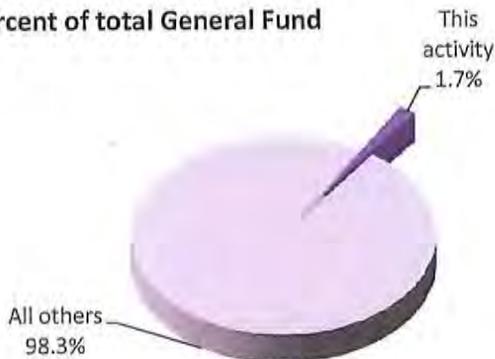
Activity Measures	2010 Actual	2011 Actual	2012 Actual
Building Inspection annual cost per household	\$ 14.55	\$ 15.13	\$ 16.31
% change from prior year		4.0%	7.8%
Number of building permits issued	1,044	922	867
Building permit valuation (in millions)	\$ 42.1	\$ 21.9	\$ 29.9
Total number of inspections	1,918	1,958	2,094

Community Survey Results	2005 Survey	2010 Survey	2013 Survey
Residents rating building inspection services as excellent or good	72%	78%	86%

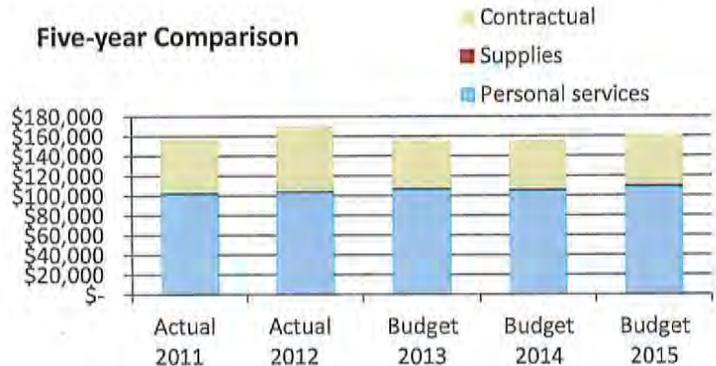
**Recent Achievements:**

- According to Decision Resources, the 78% positive rating of building inspection services is the highest satisfaction percentage of metropolitan communities that they have recorded.
- Improved information and records availability to the public through website by providing issued building permits/plans and other property records allowing for greater and easier access to contractors, builders, and residents.
- On-line access to permit applications, building regulations, fee calculator and inspection requests on website with following results:
  - o Customers can calculate permit fees in advance to budget building projects.
  - o Reduce number of phone calls for permit fees and application requests, and incorrect mail-in payments.
  - o Streamline inspection scheduling and improve customer satisfaction.
  - o Accepting credit card payments for added customer convenience.

**Percent of total General Fund**



**Five-year Comparison**



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## City of Shoreview, Minnesota – 2014-2015 Biennial Budget

### Special Revenue Funds

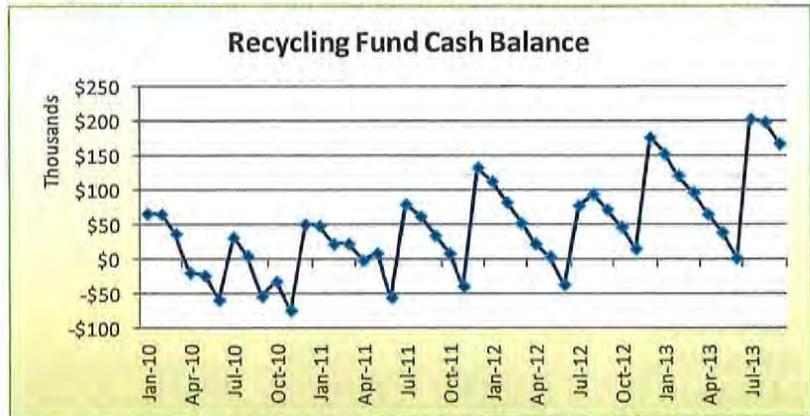
Special Revenue Funds are used to account for revenue that is dedicated by State statute, local ordinance, resolution or practice to support specific expenses. Establishment of these funds enables the City to closely monitor both revenue and expense associated with a given program. Special Revenue Fund budgets for 2014 and 2015 are shown in the table below.

	Recycling	Community Center	Recreation Programs	Cable Television	EDA	HRA	Slice of Shoreview	Total
<b>2014 Budget</b>								
<b>Revenue</b>								
Property Taxes	\$ -	\$ -	\$ -	\$ -	\$ 80,000	\$ 90,000	\$ -	\$ 170,000
Intergovernmental	66,000	-	-	-	-	-	-	66,000
Charges for Services	493,500	2,431,850	1,460,213	314,000	-	-	26,000	4,725,563
Interest Earnings	-	8,000	4,200	1,600	-	-	-	13,800
Other Revenues	-	13,000	-	1,200	-	-	32,000	46,200
<b>Total Revenue</b>	<b>559,500</b>	<b>2,452,850</b>	<b>1,464,413</b>	<b>316,800</b>	<b>80,000</b>	<b>90,000</b>	<b>58,000</b>	<b>5,021,563</b>
<b>Expense</b>								
General Government	-	-	-	149,587	-	-	65,735	215,322
Public Works	529,569	-	-	-	-	-	-	529,569
Parks and Recreation	-	2,667,676	1,365,753	-	-	-	-	4,033,429
Community Development	-	-	-	-	71,007	81,371	-	152,378
<b>Total Expense</b>	<b>529,569</b>	<b>2,667,676</b>	<b>1,365,753</b>	<b>149,587</b>	<b>71,007</b>	<b>81,371</b>	<b>65,735</b>	<b>4,930,698</b>
<b>Other Sources (Uses)</b>								
Transfers In	-	339,000	70,000	-	-	-	10,000	419,000
Transfers Out	-	-	(100,000)	(160,000)	-	-	-	(260,000)
<b>Net Change</b>	<b>29,931</b>	<b>124,174</b>	<b>68,660</b>	<b>7,213</b>	<b>8,993</b>	<b>8,629</b>	<b>2,265</b>	<b>249,865</b>
Fund Equity, beginning	198,703	1,110,564	807,571	182,063	189,378	82,795	62,635	2,633,709
<b>Fund Equity, ending</b>	<b>\$228,634</b>	<b>\$ 1,234,738</b>	<b>\$ 876,231</b>	<b>\$189,276</b>	<b>\$198,371</b>	<b>\$ 91,424</b>	<b>\$ 64,900</b>	<b>\$2,883,574</b>
<b>2015 Budget</b>								
<b>Revenue</b>								
Property Taxes	\$ -	\$ -	\$ -	\$ -	\$ 90,000	\$ 95,000	\$ -	\$ 185,000
Intergovernmental	65,000	-	-	-	-	-	-	65,000
Charges for Services	515,500	2,470,330	1,548,900	318,000	-	-	26,500	4,879,230
Interest Earnings	-	5,000	2,000	1,700	-	-	-	8,700
Other Revenues	-	12,500	-	1,200	-	-	32,000	45,700
<b>Total Revenue</b>	<b>580,500</b>	<b>2,487,830</b>	<b>1,550,900</b>	<b>320,900</b>	<b>90,000</b>	<b>95,000</b>	<b>58,500</b>	<b>5,183,630</b>
<b>Expense</b>								
General Government	-	-	-	178,763	-	-	67,485	246,248
Public Works	546,629	-	-	-	-	-	-	546,629
Parks and Recreation	-	2,792,201	1,473,775	-	-	-	-	4,265,976
Community Development	-	-	-	-	82,629	85,485	-	168,114
<b>Total Expense</b>	<b>546,629</b>	<b>2,792,201</b>	<b>1,473,775</b>	<b>178,763</b>	<b>82,629</b>	<b>85,485</b>	<b>67,485</b>	<b>5,226,967</b>
<b>Other Sources (Uses)</b>								
Transfers In	-	366,000	72,000	-	-	-	10,000	448,000
Transfers Out	-	(200,000)	(320,000)	(167,000)	-	-	-	(687,000)
<b>Net Change</b>	<b>33,871</b>	<b>(138,371)</b>	<b>(170,875)</b>	<b>(24,863)</b>	<b>7,371</b>	<b>9,515</b>	<b>1,015</b>	<b>(282,337)</b>
Fund Equity, beginning	228,634	1,234,738	876,231	189,276	198,371	91,424	64,900	2,883,574
<b>Fund Equity, ending</b>	<b>\$262,505</b>	<b>\$ 1,096,367</b>	<b>\$ 705,356</b>	<b>\$164,413</b>	<b>\$205,742</b>	<b>\$100,939</b>	<b>\$ 65,915</b>	<b>\$ 2,601,237</b>

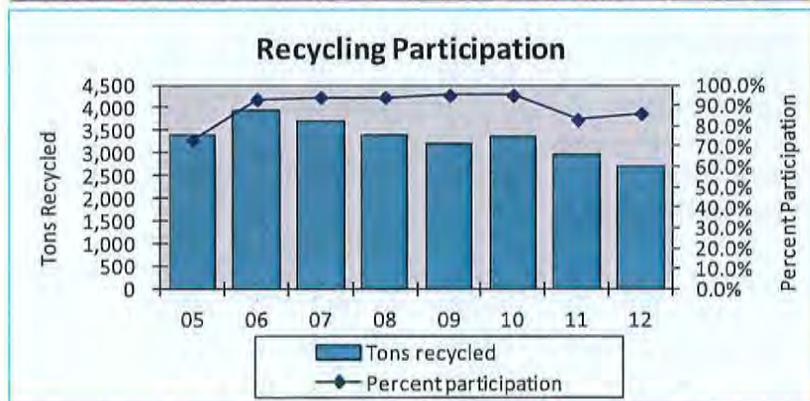
Recycling Fund Summary

**Fund Description** – The Recycling Fund accounts for the operation and promotion 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 (held in conjunction with the City of Arden Hills).

**Background** – The short-term strategy for establishing recycling charges in the next few years is driven by a combination of rising costs and the cash flow needs of the fund. Because revenue is collected via the annual property tax statement, revenue collection follows the same timing as the property tax payment cycle. This means that user revenues are received in July and December of each year. As such, the Recycling Fund operates the program and pays contract costs for nearly half the year before the first revenue is received. Over the next two years user fees are scheduled to rise more than expenses in order to build sufficient operating coverage equal to 6 months.

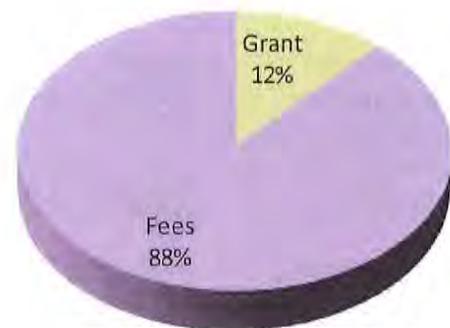


Participation in the recycling program continues at strong levels, and has grown from 78 percent of households in 2005 to 86 percent in 2012. Materials recycled in 2012 amounted to 2,696 tons, which reflects a downward trend caused by reduced paper recycling as more households move toward electronic sources of information.



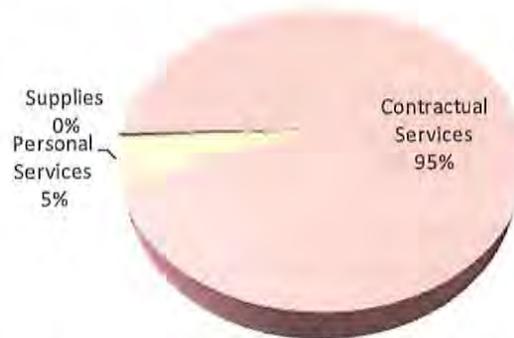
**Revenue** – User fees provide 88 percent of total revenue, and SCORE grant funding from Ramsey County provides the remaining 12 percent of total revenue.

The proposed annual residential fee for bi-weekly curbside recycling in 2014 is \$45.00, resulting in a cost of \$1.73 per collection per household. The 2014 fee is \$3.00 more than 2013 to help offset the cost of a trial program offering free clean-up day events in both the spring and fall.



**Recycling Fund Summary**

Expense – Shoreview contracts with a private refuse hauler for the curbside collection of all recyclable materials. Contractual costs for the private hauler and clean-up day events account for 95 percent of total expense. Personal services accounts for 5 percent of expense (for staff necessary to operate the program). Supplies account for less than percent.



	2011 Actual	2012 Actual	2013 Budget	2013 Estimate	2014 Budget	2015 Budget
<b>Revenue</b>						
Intergovernmental	\$ 70,845	\$ 66,794	\$ 67,000	\$ 69,000	\$ 66,000	\$ 65,000
Charges for Services	432,868	454,552	480,980	471,500	493,500	515,500
Interest Earnings	683	885	-	-	-	-
<b>Total Revenue</b>	<b>504,396</b>	<b>522,231</b>	<b>547,980</b>	<b>540,500</b>	<b>559,500</b>	<b>580,500</b>
<b>Expense</b>						
Public Works	449,107	475,009	504,166	503,979	529,569	546,629
Net Change	55,289	47,222	43,814	36,521	29,931	33,871
Fund Equity, beginning	59,671	114,960	162,182	162,182	198,703	228,634
<b>Fund Equity, ending</b>	<b>\$ 114,960</b>	<b>\$ 162,182</b>	<b>\$ 205,996</b>	<b>\$ 198,703</b>	<b>\$ 228,634</b>	<b>\$ 262,505</b>
Months of operating coverage	2.9	3.9		4.5	5.0	5.6

**Recycling**

210-42750

The Recycling activity provides for the City's recycling efforts and staffing for Shoreviews Environmental Quality Committee. The Public Works Department acts as the facilitator for the City's bi-weekly curbside recycling collection program, while recycling collection services and recycling carts are provided by a contracted vendor. Two clean-up day events (Spring and Fall) are administered by the Shoreview Public Works Department, are held in conjunction with the City of Arden Hills, and are staffed by employees of both cities.

**Goals and Objectives:**

- Monitor vendor reports on resident participation and overall effectiveness of the recycling program and clean-up day events.
- Promote community education in the areas of recycling, composting of yard waste, proper disposal of household hazardous waste, and overall reduction in the amount of residential solid waste.
- Coordinate City recycling programs and objectives along with Ramsey County solid waste programs.
- Work with the City's recycling vendor to implement a pilot program for curbside collection of compostable waste if determined to be feasible.
- Explore the feasibility of a document shredding event for residents.

Financial Summary	2011 Actual	2012 Actual	2013 Budget	2013 Estimate	2014 Budget	2015 Budget
<b>Funding Uses by Type</b>						
Personal services	\$ 6,983	\$ 24,583	\$ 25,546	\$ 25,159	\$ 26,579	\$ 28,069
Supplies	\$ 1,039	\$ 2,804	\$ 1,200	\$ 1,000	\$ 1,100	\$ 1,100
Contractual	\$ 441,085	\$ 447,622	\$ 477,420	\$ 477,820	\$ 501,890	\$ 517,460
<b>Total</b>	<b>\$ 449,107</b>	<b>\$ 475,009</b>	<b>\$ 504,166</b>	<b>\$ 503,979</b>	<b>\$ 529,569</b>	<b>\$ 546,629</b>
Percent change		5.8%	6.1%	6.1%	5.0%	3.2%
<b>Full-time equivalents</b>						
Full-time	0.35	0.35	0.35	0.35	0.35	0.35
<b>Total</b>	<b>0.35</b>	<b>0.35</b>	<b>0.35</b>	<b>0.35</b>	<b>0.35</b>	<b>0.35</b>
Percent of Total Expense	1.68%	2.09%	2.11%	2.09%	2.08%	2.04%

**Budget Impacts:**

- The City's contract cost for recycling collection services will increase each year by the Annual Consumer Price Index for the Midwest Region or 3%, whichever is lower.
- Changes to Clean Up Day events will require separate mailings to each household, as well as be advertised the ShoreViews city newsletter.

Recycling			
Activity Measures	2010	2011	2012
	Actual	Actual	Actual
Recycling annual cost per household	\$ 41.30	\$ 43.18	\$ 45.52
% change from prior year		4.6%	5.4%
Tons of materials recycled annually	3,342	2,985	2,696
% change from prior year		-10.7%	-9.7%
Number of vehicles at clean-up day events (Spring and Fall combined)	1,812	1,092	1,138
% change from prior year		-39.7%	4.2%

Community Survey Results	2005	2010	2013
	Survey	Survey	Survey
Residents indicating that reducing waste is very or somewhat important	no data	97%	88%

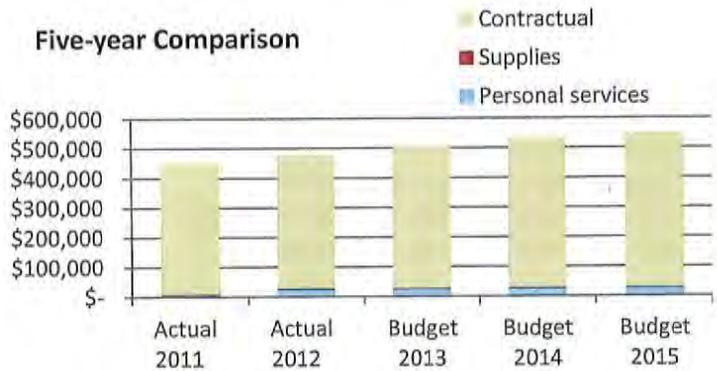
**Recent Achievements:**

- A new vendor was selected in 2011 for residential recycling collection, because the previous contract expired. The new contract covers from 2011 to 2015.

**Percent of Total Expense**



**Five-year Comparison**

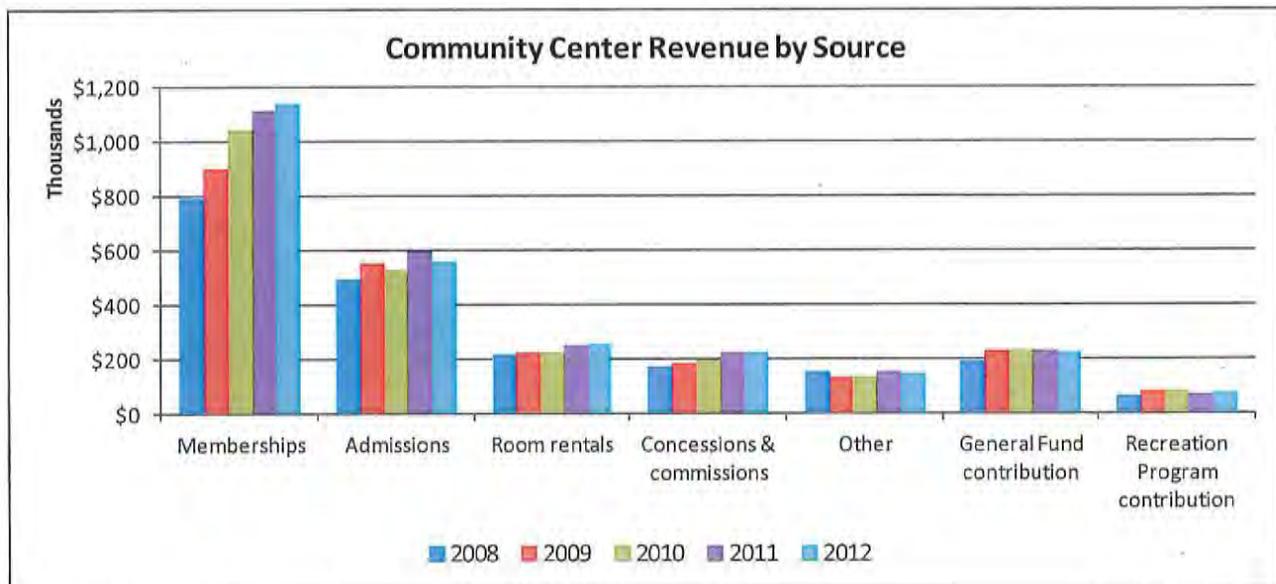
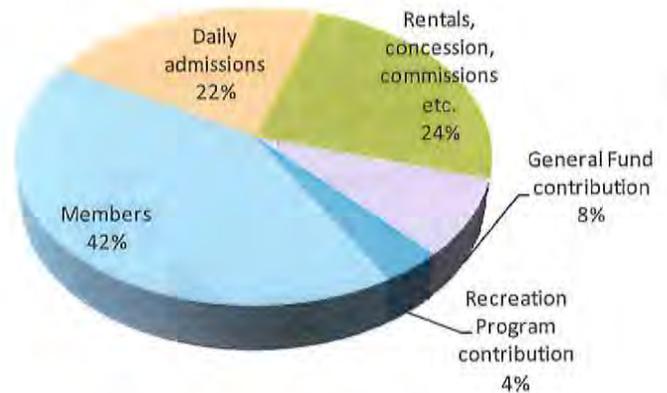


**Community Center Fund Summary**

**Fund Description** – The 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 concessions.

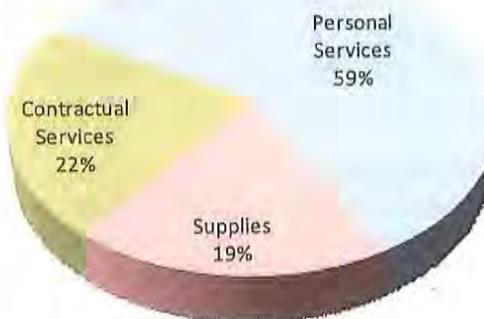
**Background** – One of the goals of the Community Center since it opened in 1990 has been to serve as a gathering space for the community by providing free or reduced room rental rates to community-oriented groups. The facility attracts neighborhood associations, scouting troops, local arts organizations, area churches as well as fitness and recreation users. To offset the rental revenue subsidy, the General Fund provides an annual contribution (through an inter-fund transfer) to cover a portion of operating costs.

**Revenue** – Daily admissions and memberships provide about 64 percent of community center revenue. Another 24 percent comes from room rentals, concessions, banquet commissions, building charges, and locker/vending fees. The Recreation Programs Fund provides about 8 percent of total revenue (to offset program use of the facility) and the General Fund provides 4 percent of total revenue, through inter-fund transfers.



Community Center Fund Summary

Expense – Operating costs are projected to increase an average of 3 percent annually due to repair and maintenance costs and personal services. Personal services accounts for the largest share of expense at 59%, followed by contractual costs at 22% and supplies and capital costs at 19%.



Transfers in reflect a contribution from the General Fund to offset the room rental subsidy for community-oriented groups (\$239,000 in 2014 and \$246,000 in 2015), and from the Recreation Programs Fund for program use of the facility (\$100,000 in 2014 and \$120,000 for 2015). A planned transfer out in 2015 provides \$200,000 in support for a community center expansion.

	2011 Actual	2012 Actual	2013 Budget	2013 Estimate	2014 Budget	2015 Budget
<b>Revenue</b>						
Charges for Services	\$ 2,311,071	\$ 2,298,345	\$ 2,323,755	\$ 2,376,100	\$ 2,431,850	\$ 2,470,330
Interest Earnings	20,674	14,100	9,000	7,500	8,000	5,000
Other Revenues	756	60	-	13,000	13,000	12,500
<b>Total Revenue</b>	<b>2,332,501</b>	<b>2,312,505</b>	<b>2,332,755</b>	<b>2,396,600</b>	<b>2,452,850</b>	<b>2,487,830</b>
<b>Expense</b>						
Parks and Recreation	2,401,866	2,451,456	2,561,724	2,587,372	2,667,676	2,792,201
<b>Total Expense</b>	<b>2,401,866</b>	<b>2,451,456</b>	<b>2,561,724</b>	<b>2,587,372</b>	<b>2,667,676</b>	<b>2,792,201</b>
<b>Other Sources (Uses)</b>						
Transfers In	297,000	300,000	312,000	312,000	339,000	366,000
Transfers Out	-	-	-	-	-	(200,000)
<b>Net Change</b>	<b>227,635</b>	<b>161,049</b>	<b>83,031</b>	<b>121,228</b>	<b>124,174</b>	<b>(138,371)</b>
Fund Equity, beginning	600,652	828,287	989,336	989,336	1,110,564	1,234,738
<b>Fund Equity, ending</b>	<b>\$ 828,287</b>	<b>\$ 989,336</b>	<b>\$ 1,072,367</b>	<b>\$ 1,110,564</b>	<b>\$ 1,234,738</b>	<b>\$ 1,096,367</b>
Months of operating coverage	4.1	4.6		5.0	5.3	4.6

**Community Center**

220-43800

The Community Center facility provides a quality health and wellness facility, a venue for corporate and family events, and a gathering place for the community. The Community Center activity accounts for member services, facility rentals, daily admissions, group events, concessions, recreation program use of the facility, and special events. Maintenance efforts include the repair and replacement of equipment and building amenities throughout the facility. A combination of full-time and associate staff members deliver services 7 days per week.

**Goals and Objectives:**

- Provide quality facility, operate efficiently, support community needs, and generate operating revenue.
- Keep the Tropics Waterpark an exciting destination for customers through innovative pool amenities.
- Ensure cost effective and efficient staffing and service delivery through ongoing evaluation and adjustments to staffing levels.
- Continue restructuring the rental process for pool groups, birthday parties, corporate and banquet events.
- Research the possibility of booking events online and the potential for electronically signed contracts.
- Keep membership retention at or above 90%.
- Research and evaluate various fitness equipment for Fitness Center.

Financial Summary	2011 Actual	2012 Actual	2013 Budget	2013 Estimate	2014 Budget	2015 Budget
<b>Funding Uses by Type</b>						
Personal services	\$ 1,352,471	\$ 1,399,967	\$ 1,465,784	\$ 1,515,582	\$ 1,570,841	\$ 1,674,045
Supplies	\$ 448,853	\$ 446,078	\$ 481,115	\$ 469,600	\$ 499,815	\$ 510,461
Contractual	\$ 600,542	\$ 599,684	\$ 614,825	\$ 602,190	\$ 597,020	\$ 607,695
Capital outlay		\$ 5,727				
<b>Total</b>	<b>\$ 2,401,866</b>	<b>\$ 2,451,456</b>	<b>\$ 2,561,724</b>	<b>\$ 2,587,372</b>	<b>\$ 2,667,676</b>	<b>\$ 2,792,201</b>
Percent change		2.1%	4.5%	5.5%	4.1%	4.7%
<b>Full-time equivalents</b>						
Full-time	13.05	14.05	14.05	13.65	14.51	14.62
Part-time					0.06	0.08
Associate	23.63	22.39	22.56	25.21	23.87	23.93
<b>Total</b>	<b>36.68</b>	<b>36.44</b>	<b>36.61</b>	<b>38.86</b>	<b>38.44</b>	<b>38.63</b>
Percent of Total Expense	9.00%	10.79%	10.73%	10.75%	10.46%	10.40%

**Budget Impacts:**

- Add full-time Building Coordinator in 2013 to promote continuity during all hours of building operation. The cost for the position will be partially offset by reductions in associate staff hours.
- Nominal annual increases in membership, rental and daily pass fees have continued to support operating costs.

**Community Center**

Activity Measures	2010 Actual	2011 Actual	2012 Actual
Number of Community Center memberships (annual/seasonal)	2,473	2,590	2,332
% change from prior year		4.7%	-10.0%
Number of Community Center members (all combined)	6,464	6,436	6,064
% change from prior year		-0.4%	-5.8%
Total member visits	308,404	332,762	317,509
% change from prior year		7.9%	-4.6%
Total Community Center visits (members and nonmembers)	627,822	699,025	660,678
% change from prior year		11.3%	-5.5%
Number of installment billing transactions (monthly billing)	8,811	9,661	9,843
Members enrolled in health insurance reimbursement programs	1,085	1,783	1,450
General Fund support as a percent of Community Center expense	10.1%	9.5%	9.2%

Community Survey Results	2005 Survey	2010 Survey	2013 Survey
Residents stating they are members of the Community Center	29%	45%	64%
Residents rating Community Center customer service as excellent or good	92%	98%	98%
Residents rating Community Center cleanliness as excellent or good	93%	92%	95%
Residents rating membership prices as excellent or good	57%	67%	71%
Residents rating the overall Community Center experience as excellent or good	96%	95%	98%

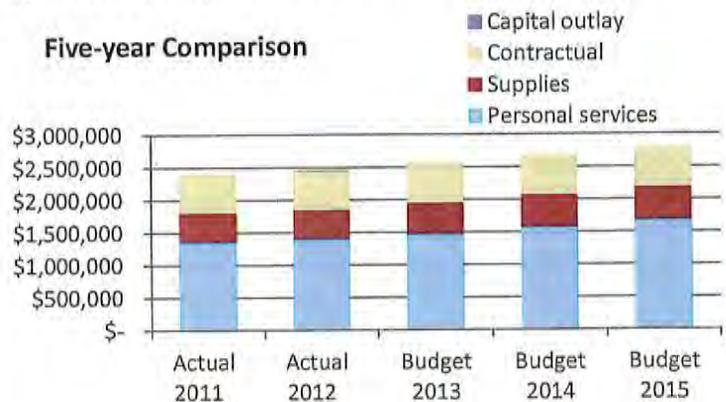
**Recent Achievements:**

- Received the Readers Choice Award for the Best Community Center in 2012 and 2013.
- Membership revenue exceeded \$1 million in 2011 and 2012.
- Received the 2012 Ellis Silver International Aquatics Safety Award.
- Created and expanded patio outside waterpark to accommodate pool groups.
- Created a Senior Fit program to replace the discontinued Silver Sneakers program.
- Redesigned the rental process in 2013 to ensure a rental staff person can meet with customers on evenings and weekends; as a result, rental revenue had increased by \$30,000 midyear 2013 as compared to 2012.

**Percent of Total Expense**



**Five-year Comparison**



Recreation Programs Fund Summary

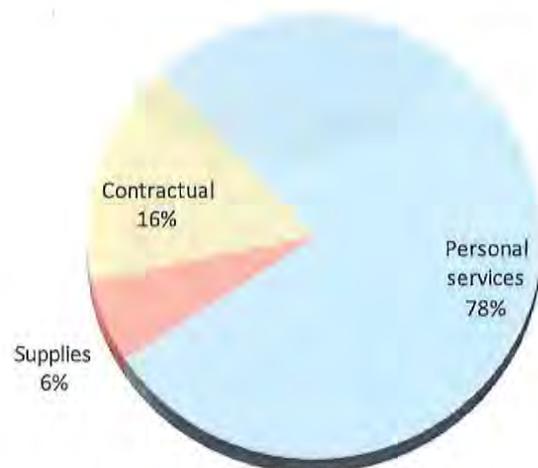
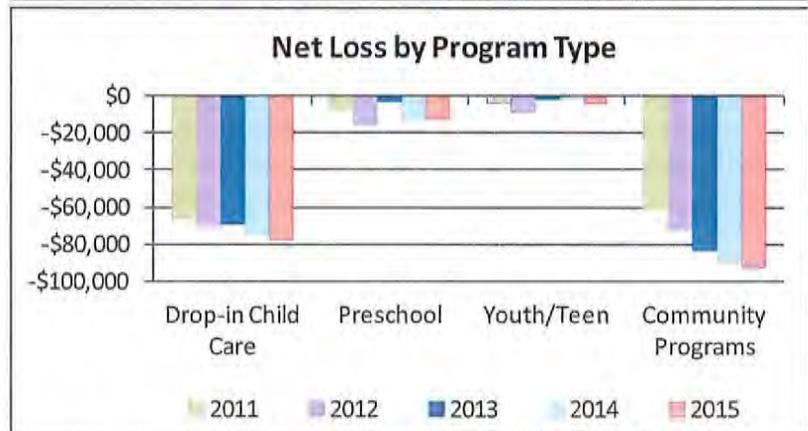
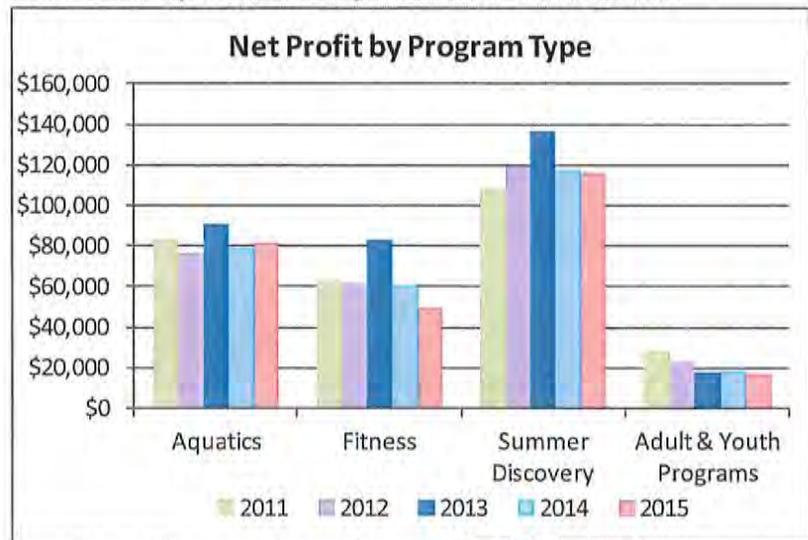
**Fund Description** – The Recreation Programs Fund accounts for a variety of recreational and social programs offered on a fee basis. Revenues are generated through user fees and a transfer from the General Fund to assist in supporting programs that provide overall community benefit, such as: Drop-in Child Care, Preschool, Youth/Teen and Community Programs. Program costs include the direct expense of providing the program, an allocation for administrative costs, and an annual transfer to the Community Center Fund for recreation program use of the facility. User fees are updated on a regular basis to reflect market conditions and program costs.

**Background** – Fund balances provide working capital to cover program costs and start-up costs for new or expanded programs (until programs develop a customer base to offset costs). The programs shown in the first graph at right generate an annual profit, which helps support community-based programs that do not generate a profit.

Community-based programs that receive support from the profit-oriented programs listed above include the Farmers Market, Concert in the Commons, Movie Nights, Preschool Programs and the Drop-in Child Care program at the Community Center.

**Revenue** – Program fees provide 95 percent of revenue. The Recreation Programs Fund also receives an inter-fund transfer from the General Fund to help pay for community-oriented programs (providing 5 percent of total revenue).

**Expense** – Personal services account for staff time for recreation instructors, supervisors and coordinators (78 percent of recreation program expense). Contractual costs cover transportation, building fees, insurance and other miscellaneous contracted expense (16 percent of expense). Program supplies account for the remaining 6 percent of expense.



City of Shoreview, Minnesota – 2014-2015 Biennial Budget

Recreation Programs Fund Summary

Transfers in reflect a contribution from the General Fund to offset a portion of community-oriented program costs (\$70,000 in 2014 and \$72,000 in 2015). Transfers out provide support to the Community Center Fund for recreation program use of the Community Center facility (\$100,000 in 2014 and \$120,000 in 2014), and provide \$200,000 for the planned community center expansion in 2015.

	2011 Actual	2012 Actual	2013 Budget	2013 Estimate	2014 Budget	2015 Budget
<b>Revenue</b>						
Charges for Services						
Adult and Youth Sports	\$ 165,810	\$ 152,011	\$ 174,800	\$ 141,821	\$ 152,346	\$ 155,432
Aquatics Programs	243,929	261,063	243,819	283,283	289,645	297,337
Fitness Programs	317,167	327,509	357,272	339,161	351,817	360,589
Summer Discovery	328,312	354,766	371,758	402,321	405,423	416,120
Preschool Programs	92,311	93,843	105,546	95,510	145,843	202,103
Drop-in Child Care	19,657	11,306	11,844	12,408	12,408	12,972
Youth/teen Programs	92,848	84,900	82,184	76,086	49,922	50,746
Community Programs	43,048	55,433	53,703	86,400	52,809	53,601
Interest Earnings	12,323	8,388	4,800	4,000	4,200	2,000
Other Revenues	60	972	-	-	-	-
Total Revenue	1,315,465	1,350,191	1,405,726	1,440,990	1,464,413	1,550,900
<b>Expense</b>						
Parks and Recreation						
Park/Recreation Admin	305,442	318,947	344,288	304,171	387,969	437,077
Adult and Youth Sports	103,318	96,427	109,874	94,800	96,256	97,813
Aquatics Programs	120,363	138,093	131,212	146,847	151,242	152,223
Fitness Programs	189,922	199,180	201,306	195,740	209,023	218,916
Summer Discovery	164,814	175,840	196,598	202,925	206,689	211,297
Preschool Programs	74,645	81,794	74,516	75,721	113,540	151,377
Drop-in Child Care	64,496	60,893	68,196	62,257	61,751	63,636
Youth/teen Programs	72,589	69,963	70,949	59,718	36,621	38,410
Community Programs	77,569	95,620	100,183	129,879	102,662	103,026
Total Expense	1,173,158	1,236,757	1,297,122	1,272,058	1,365,753	1,473,775
<b>Other Sources (Uses)</b>						
Transfers In	65,000	65,000	70,000	70,000	70,000	72,000
Transfers Out	(70,000)	(75,000)	(80,000)	(80,000)	(100,000)	(320,000)
Net Change	137,307	103,434	98,604	158,932	68,660	(170,875)
Fund Equity, beginning	407,898	545,205	648,639	648,639	807,571	876,231
Fund Equity, ending	\$ 545,205	\$ 648,639	\$ 747,243	\$ 807,571	\$ 876,231	\$ 705,356
Months of operating coverage	5.3	6.1		7.1	7.1	5.6

**Park/Recreation Administration**

225-43400

The Park/Recreation Administration activity provides support and management of the Recreation Programs division. Recreation Programs provide leisure activities and services for customers of all ages living in Shoreview and the surrounding area. Programs are designed to fulfill customer needs and desires for fun, skill improvement, physical fitness, play, personal safety and social interaction. Program areas are divided into nine budgetary activities based on program topics/similarities. The Park/Administration activity accounts for regular staff costs, Slice of Shoreview staff liason, printing costs, credit card fees, staff training and general supplies.

**Goals and Objectives:**

- Continue to review and update program offerings to insure proper mix of recreation and cultural programs to serve all ages in the community.
- Review facility usage and explore expanded use of school and other facilities for recreation programs.
- Improve marketing of recreation program offerings on updated Community Center and City websites, and through social media.

Financial Summary	2011 Actual	2012 Actual	2013 Budget	2013 Estimate	2014 Budget	2015 Budget
<b>Funding Uses by Type</b>						
Personal services	\$ 269,243	\$ 280,528	\$ 300,308	\$ 262,191	\$ 346,449	\$ 394,937
Supplies	\$ 530	\$ 471	\$ 800	\$ 800	\$ 800	\$ 800
Contractual	\$ 35,669	\$ 37,948	\$ 43,180	\$ 41,180	\$ 40,720	\$ 41,340
<b>Total</b>	<b>\$ 305,442</b>	<b>\$ 318,947</b>	<b>\$ 344,288</b>	<b>\$ 304,171</b>	<b>\$ 387,969</b>	<b>\$ 437,077</b>
Percent change		4.4%	7.9%	-4.6%	12.7%	12.7%
<b>Full-time equivalents</b>						
Full-time	3.75	3.75	3.75	3.22	4.21	4.32
Part-time	0.75	0.75	0.75	0.75	1.06	1.08
<b>Total</b>	<b>4.50</b>	<b>4.50</b>	<b>4.50</b>	<b>3.97</b>	<b>5.27</b>	<b>5.40</b>
Percent of Total Expense	1.15%	1.40%	1.44%	1.26%	1.52%	1.63%

**Budget Impacts:**

- Credit card processing fees are expected to continue to increase at a rate greater than inflation due to growing percentage of people who register online and pay with credit.

**Park/Recreation Administration**

Activity Measures	2010 Actual	2011 Actual	2012 Actual
Administration annual cost per program participant	\$ 14.77	\$ 11.61	\$ 11.15
% change from prior year		-21.4%	-4.0%
Total rec program participants (all programs, includes unregistered)	20,679	26,317	28,601
% change from prior year		27.3%	8.7%
In person registrations	8,347	6,930	7,368
Online registrations	4,961	6,461	7,103
Online registrations, as a percent of total registrations	37.3%	48.2%	49.1%
Percent supported by general fund	4.9%	5.2%	5.0%

Community Survey Results	2005 Survey	2010 Survey	2013 Survey
Citizens rating recreational programs as excellent or good	83%	91%	90%
Citizens participating in recreation programs	31%	39%	38%
Citizens stating that Shoreview's Rec programs meet their needs	83%	94%	96%

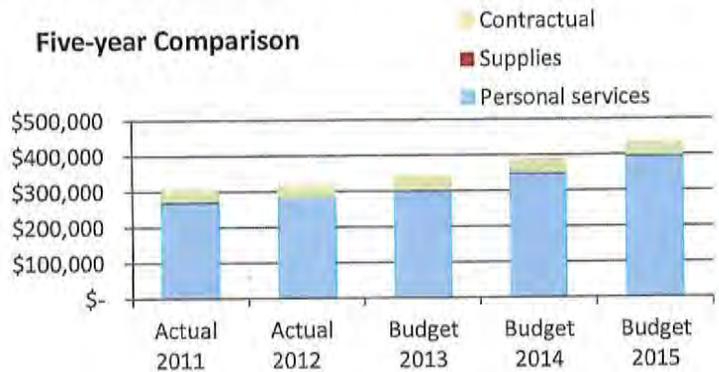
**Recent Achievements:**

- Greatly expanded the Summer Discovery program by using added space in the building.
- Continue to grow fitness program offerings and participants.
- Received positive feedback on updated website and successful integration of Vision Internet website with Vermont Systems (VSI) program registration.

**Percent of Total Expense**



**Five-year Comparison**



**Adult & Youth Sports**

225-43510

The Youth and Adult Sports program provides leagues and individual instruction in a variety of athletics. Adult leagues are offered for basketball, softball, volleyball, kickball, broomball, and dodgeball using Shoreview and Mounds View School District facilities. Individual instruction is available for tennis and golf. Summer sports camps include a variety of topics ranging from basketball to volleyball; from bowling to skateboarding. Shoreview contracts with private businesses to provide these camps. Youth leagues are offered for soccer, baseball, softball and volleyball. Shoreview often combines with neighboring cities to facilitate the youth league program. The primary focus of the youth sports program is to promote sportsmanship, skill-building, and have fun in a low-competitive atmosphere. The youth sports program relies on parent volunteers to serve as coaches.

**Goals and Objectives:**

- Recruit volunteer parents and community members to coach youth teams.
- Explore methods of using school district facilities in a more efficient and cost-effective manner.
- Expand the tennis program to include winter classes.
- Expand the pickleball program offerings and create a league.
- Research and offer a new youth sports league, such as Futsal 'indoor soccer.'
- Research and evaluate youth and adult sports registration fees to ensure that they are competitive with neighboring cities, and that overhead costs are met.

Financial Summary	2011 Actual	2012 Actual	2013 Budget	2013 Estimate	2014 Budget	2015 Budget
Funding Uses by Type						
Personal services	\$ 11,521	\$ 12,969	\$ 14,057	\$ 12,653	\$ 12,712	\$ 12,975
Supplies	\$ 17,836	\$ 15,273	\$ 14,756	\$ 16,508	\$ 16,969	\$ 17,192
Contractual	\$ 73,961	\$ 68,185	\$ 81,061	\$ 65,639	\$ 66,575	\$ 67,646
Total	\$ 103,318	\$ 96,427	\$ 109,874	\$ 94,800	\$ 96,256	\$ 97,813
Percent change		-6.7%	13.9%	-1.7%	-12.4%	1.6%
Full-time equivalents						
Associate	0.49	0.51	0.48	0.44	0.44	0.44
Total	0.49	0.51	0.48	0.44	0.44	0.44
Percent of Total Expense	0.39%	0.42%	0.46%	0.39%	0.38%	0.36%

**Budget Impacts:**

- As a method of recruiting volunteers, coaches are reimbursed for their child's registration fee at the end of the season at a cost of \$7,000 per year. Starting in 2014, reimbursement will apply to only one coach per team, reducing the cost to \$3,500 annually. The volunteer reimbursement practice is expected to be eliminated in the future.
- Mounds View School District facility fees have increased by \$3,000 annually.
- One regular staff dedicates .75 FTE to youth and adult sports supported by the general fund.

**Adult & Youth Sports**

Activity Measures	2010 Actual	2011 Actual	2012 Actual
Youth league participants	884	963	945
Youth sports volunteers	130	147	126
Adult sports teams	153	121	81
Other sports participants (individual and after-school)	1,148	1,005	1,102
Mounds View School District facility use fees	\$ 6,283	\$ 9,254	\$ 9,521

Community Survey Results	2005 Survey	2010 Survey	2013 Survey
Community survey data not available for this activity	no data	no data	no data

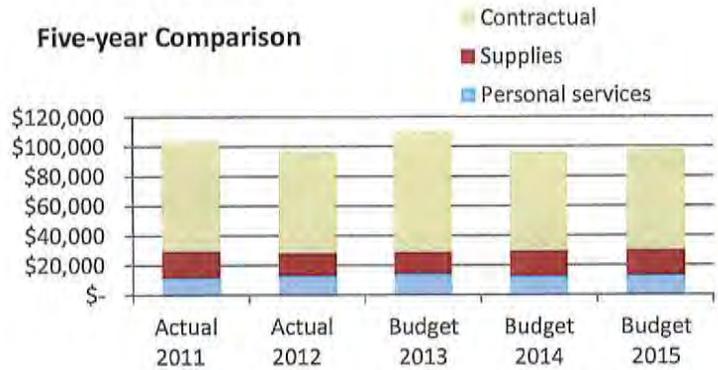
**Recent Achievements:**

- Added Pickleball courts on Commons and Shamrock Park tennis courts.
- Added Pickleball courts in the Community Center gymnasium, and designated Pickleball times.
- Girls Volleyball participation increased 20% in 2012.
- Elementary Track program increased 6% in 2013.

**Percent of Total Expense**



**Five-year Comparison**



## Aquatics

225-43520

The Aquatics program focuses on providing group and individual swimming instruction, specialty aquatic classes, CPR, first aid, and safety-related activities for youth and adults. Custom private lessons are also available to the public whereby the customer can arrange a class at a time and day that is convenient to them. On-going staff training is an important component of Aquatics program. Swim lesson staff attend 8 in-services per year to keep their skills sharp and learn new skills. Aquatics staff train city staff in CPR/AED and First Aid and respond to medical emergency situations in the community center. The Tropics Indoor Water Park is a multi-use facility. Staff must balance open recreational use with swim lessons, lap swimmers, and water exercise.

**Goals and Objectives:**

- Determine the feasibility of expanding the swim lesson program by using Chippewa Middle School Pool.
- Offer aquatic programs for adults including swim lessons, stroke technique clinics and triathlon clinic.
- Increase the number of participants in Red Cross Lifeguard Classes.
- Research different safety programs to implement in place of Safety Camp.
- Increase the total number of participants in Group Swimming Lessons by 3% annually.

Financial Summary	2011 Actual	2012 Actual	2013 Budget	2013 Estimate	2014 Budget	2015 Budget
<b>Funding Uses by Type</b>						
Personal services	\$ 113,665	\$ 128,246	\$ 121,233	\$ 138,359	\$ 142,689	\$ 142,988
Supplies	\$ 5,936	\$ 8,284	\$ 8,262	\$ 7,800	\$ 7,033	\$ 7,585
Contractual	\$ 762	\$ 1,563	\$ 1,717	\$ 688	\$ 1,520	\$ 1,650
Total	\$ 120,363	\$ 138,093	\$ 131,212	\$ 146,847	\$ 151,242	\$ 152,223
Percent change		14.7%	-5.0%	6.3%	15.3%	0.6%
<b>Full-time equivalents</b>						
Associate	5.92	5.43	5.54	6.69	6.76	6.77
Total	5.92	5.43	5.54	6.69	6.76	6.77
Percent of Total Expense	0.45%	0.61%	0.55%	0.61%	0.59%	0.57%

**Budget Impacts:**

- Safety Camp was eliminated due to consistent low enrollment.
- Participant fees have been adjusted to compensate for the increase in cost for CPR/AED and First Aid cards.
- All Aquatic programs had a 2% - 6% fee increase in 2012. Fees will continue to increase 2% to 3% annually to keep pace with rising expenses and to prevent larger increases in the future.

**Aquatics**

Activity Measures	2010 Actual	2011 Actual	2012 Actual
Group lesson participants	2,723	2,838	3,070
Private lesson participants	388	404	455
Speciality/safety related participants	221	276	203

Community Survey Results	2005 Survey	2010 Survey	2013 Survey
Community survey data not available for this activity	no data	no data	no data

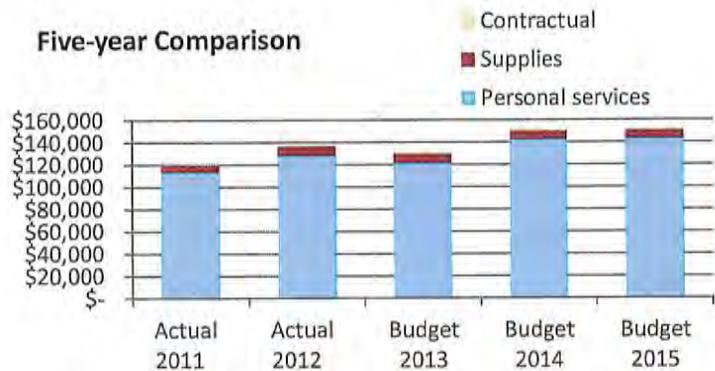
**Recent Achievements:**

- Pool staff was awarded a Silver International Aquatic Safety Award by Jeff Ellis and Associates early in 2012, based on the results of multiple random and unannounced aquatic facility operational safety audits throughout the year. Receiving this award demonstrates that Shoreview consistently exceeds industry standards in risk management and aquatic safety.
- Entered into a contract with U.S. Coast Guard Auxiliary to offer a Boating Safety Class.
- Developed a program that bridges parent and toddler class to independent swimming lessons.
- Adjusted lesson schedule in the mornings to help accommodate locker room congestion.
- Added Sunday evening lessons to develop and expand the program.
- Developed a punch card, allowing swimming lesson participants to stay at the waterpark after lessons.

**Percent of Total Expense**



**Five-year Comparison**



## Fitness Programs

225-43530

The Fitness Program Activity provides an opportunity for adults, youth, and families to improve their health, wellness, and fitness level through participation in group fitness classes, personal training, and specialty fitness and wellness classes. Specialty classes include but are not limited to Tae Kwon Do, Get Fit! Body Challenge, and perinatal exercise. Fitness staff members hold certifications from accredited fitness organizations and attend on-going trainings. Free weeks are offered in between sessions as a way for community members to try a class before registering. The Fitness Program also funds 12 hours per week of staffing in the fitness center.

### Goals and Objectives:

- Explore expanding the fitness program to include sport-specific training to appeal to athletes.
- Expand group fitness class offerings by using gym activity room as a third studio.
- In addition to the one week of free fitness classes, implement specialty classes which incorporate a nominal fee.
- Explore options of high intensity group training programs.
- Continue to explore new group fitness classes and programs and keep current on cutting edge offerings.

Financial Summary	2011 Actual	2012 Actual	2013 Budget	2013 Estimate	2014 Budget	2015 Budget
<b>Funding Uses by Type</b>						
Personal services	\$ 164,012	\$ 176,066	\$ 179,747	\$ 177,312	\$ 187,113	\$ 196,746
Supplies	\$ 10,337	\$ 7,914	\$ 8,080	\$ 5,755	\$ 8,000	\$ 8,000
Contractual	\$ 15,573	\$ 15,200	\$ 13,479	\$ 12,673	\$ 13,910	\$ 14,170
<b>Total</b>	<b>\$ 189,922</b>	<b>\$ 199,180</b>	<b>\$ 201,306</b>	<b>\$ 195,740</b>	<b>\$ 209,023</b>	<b>\$ 218,916</b>
Percent change		4.9%	1.1%	-1.7%	3.8%	4.7%
<b>Full-time equivalents</b>						
Associate	3.70	4.01	3.99	3.89	4.08	4.18
<b>Total</b>	<b>3.70</b>	<b>4.01</b>	<b>3.99</b>	<b>3.89</b>	<b>4.08</b>	<b>4.18</b>
Percent of Total Expense	0.71%	0.88%	0.84%	0.81%	0.82%	0.82%

### Budget Impacts:

- Residents receive a \$5 discount and Annual Community Center Members receive a 30% discount off standard group fitness classes.
- The cost of free classes has been reduced to \$4,500 annually.
- One full-time staff, dedicating .75 FTE, is assigned to manage the fitness program and is funded through the Parks and Recreation Administration Activity.
- The Silver Sneakers Program has been discontinued and replaced with a Senior Fit program at an annual cost of \$14,000.

**Fitness Programs**

Activity Measures	2010 Actual	2011 Actual	2012 Actual
Fitness class participants	3,522	3,671	3,886
Personal training sessions sold	1,313	1,076	1,421
Punch cards sold (for 5 fitness class attendances)	888	1,116	1,104
Drop-in passes sold (for 1 fitness class attendance)	820	801	797
Speciality fitness participants	369	591	722

Community Survey Results	2005 Survey	2010 Survey	2013 Survey
Community survey data not available for this activity	no data	no data	no data

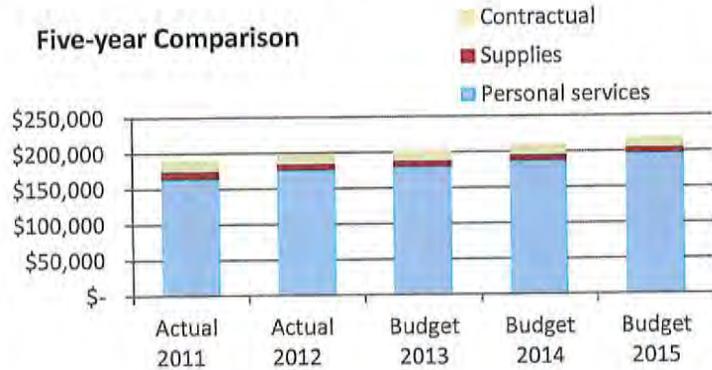
**Recent Achievements:**

- Averaged an additional 12 class offerings per year in 2012 and 2013.
- Class registrations increased by an average of two participants per class.
- Group training sessions increased 29% in 2012.
- Expanded Group Fitness offerings by moving revving 'indoor cycling' to the Gym Activity Room to allow more studio space.

**Percent of Total Expense**



**Five-year Comparison**



## Summer Discovery

225-43535

Summer Discovery is a full-day summer childcare program for children in grades K-8. The program offers a mix of recreation and education for a fun-filled summer. Staff members prepare daily activities including art, science, dramatic play, nature, and gym and library time. Participants have the option to partake in a variety of enrichment classes, field trips, and open swim at Tropics Indoor Water Park. A healthy hot lunch program is also available. Summer Discovery has become the premier summer child care option in the Shoreview area.

**Goals and Objectives:**

- Examine feasibility of combining lunches and child care costs into one fee structure.
- Offer new enrichment activities to keep children engaged.
- Develop different schedules with increased enrollment to decrease the impact on the facility.

Financial Summary	2011 Actual	2012 Actual	2013 Budget	2013 Estimate	2014 Budget	2015 Budget
<b>Funding Uses by Type</b>						
Personal services	\$ 110,627	\$ 118,535	\$ 136,348	\$ 137,331	\$ 139,788	\$ 143,571
Supplies	\$ 17,993	\$ 16,922	\$ 19,250	\$ 18,450	\$ 18,900	\$ 19,200
Contractual	\$ 36,194	\$ 40,383	\$ 41,000	\$ 47,144	\$ 48,001	\$ 48,526
<b>Total</b>	<b>\$ 164,814</b>	<b>\$ 175,840</b>	<b>\$ 196,598</b>	<b>\$ 202,925</b>	<b>\$ 206,689</b>	<b>\$ 211,297</b>
Percent change		6.7%	11.8%	15.4%	5.1%	2.2%
<b>Full-time equivalents</b>						
Associate	5.53	5.68	6.17	6.38	6.38	6.38
<b>Total</b>	<b>5.53</b>	<b>5.68</b>	<b>6.17</b>	<b>6.38</b>	<b>6.38</b>	<b>6.38</b>
Percent of Total Expense	0.62%	0.77%	0.82%	0.84%	0.81%	0.79%

**Budget Impacts:**

- Transportation and field trips account for \$21,500 of expenses.
- Lunches and snacks account for \$19,000 of expenses.
- One full-time staff, funded through the Recreation Program Administration Activity, dedicates .5 FTE to the Summer Discovery program.
- Two additional classrooms in 2013 will affect revenues and expenses.

**Summer Discovery**

Activity Measures	2010 Actual	2011 Actual	2012 Actual
Number of Summer Discovery participants	199	202	215
Summer Discovery annual cost per participant	\$ 752.76	\$ 815.91	\$ 817.86
% change from prior year		8.4%	0.2%

Community Survey Results	2005 Survey	2010 Survey	2013 Survey
Community survey data not available for this activity	no data	no data	no data

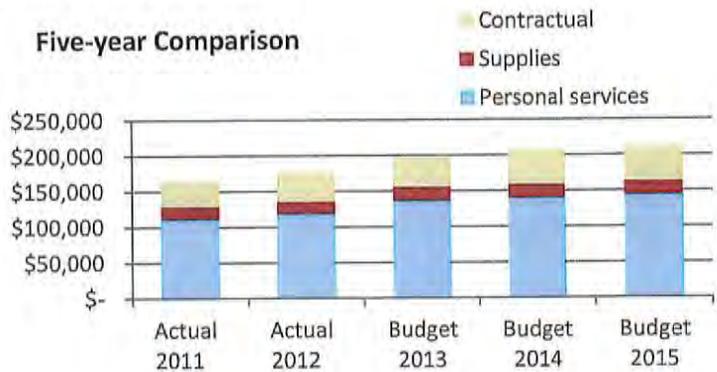
**Recent Achievements:**

- Parents can register children for enrichment classes and print out child care statements on-line.
- Trained coordinators in Manager on Duty procedures to reduce the programs reliance on building staff.
- All families are enrolled in automated billing.
- Added an Eighth grade classroom which increased program enrollment 14%.
- Added two additional classrooms, increasing capacity to over 250 participants.

**Percent of Total Expense**



**Five-year Comparison**



## Preschool Programs

225-43555

The preschool Program is school-year program known as Kids Corner Preschool to the general public. This activity provides preschool classes tailored to stimulate the emotional, social, intellectual, and cognitive development of children ages 2.5 to 5 years old. Classes focus on the areas of art, music, dramatic play, physical fitness, reading, and arithmetic while preparing the child for kindergarten. Classes are primarily held in room 207 of the community center, however, expanded class offerings have been held in Beachcomber Bay and the Gym Activity Room.

**Goals and Objectives:**

- Offer new preschool classes during non-traditional days and times (evenings and weekends).
- Increase number of families enrolled in auto-pay to 100%.
- Research cost analysis and profit margin for offering all day preschool.
- Research opportunities for summer preschool classes.
- Research benefits of program accreditation.

Financial Summary	2011 Actual	2012 Actual	2013 Budget	2013 Estimate	2014 Budget	2015 Budget
<b>Funding Uses by Type</b>						
Personal services	\$ 66,937	\$ 72,136	\$ 65,375	\$ 66,746	\$ 104,115	\$ 140,502
Supplies	\$ 7,408	\$ 9,283	\$ 8,787	\$ 8,600	\$ 9,050	\$ 10,500
Contractual	\$ 300	\$ 375	\$ 354	\$ 375	\$ 375	\$ 375
Total	\$ 74,645	\$ 81,794	\$ 74,516	\$ 75,721	\$ 113,540	\$ 151,377
Percent change		9.6%	-8.9%	-7.4%	52.4%	33.3%
<b>Full-time equivalents</b>						
Associate	2.10	2.06	2.11	2.15	3.52	4.75
Total	2.10	2.06	2.11	2.15	3.52	4.75
Percent of Total Expense	0.28%	0.36%	0.31%	0.31%	0.45%	0.56%

**Budget Impacts:**

- Additional classes offered in Fall 2014 will increase revenue and expenses.
- Staff work schedule will be increased to accommodate changes in program structure, causing an increase in personal services costs.

Preschool Programs			
Activity Measures	2010 Actual	2011 Actual	2012 Actual
Preschool program participants	120	101	110
% change from prior year		-15.8%	8.9%
Average program cost per participant	\$ 584	\$ 739	\$ 744
% change from prior year		26.5%	0.7%

Community Survey Results	2005 Survey	2010 Survey	2013 Survey
Community survey data not available for this activity	no data	no data	no data

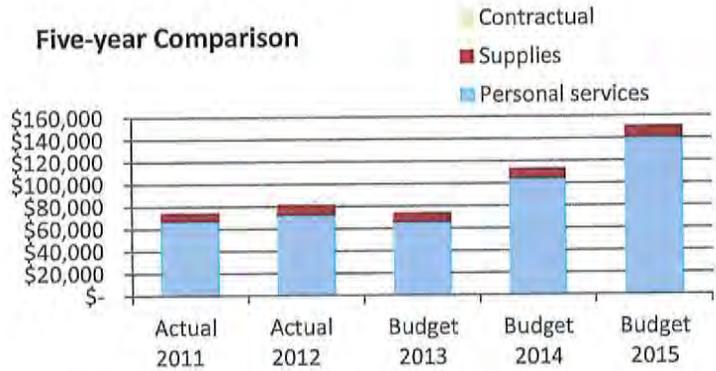
**Recent Achievements:**

- The program has changed from a seasonal program to a school-year program, allowing participants to register once for the entire year.
- Families will be required to enroll in an auto-billing option.
- Teachers attend an annual Early Childhood Education Conference.
- Added seasonal evening parent/child classes.

**Percent of Total Expense**



**Five-year Comparison**



**Drop-in Child Care**

225-43560

The Kids Care program provides drop-in day care for infants and children ages 6 months to 8 years of age for users of the Community Center. Kids Care was created as a benefit to community center members, fitness class participants, and general community center users and not designed to cover costs, but rather to provide a convenience to members. A low fee is charged and the parent/guardians must remain in the building. The revenue from group fitness and memberships will ideally offset the financial loss this activity encumbers.

**Goals and Objectives:**

- Research methods of administering this program in 2013 in order to reduce expenditures, yet maintain the current level of service.
- Ensure that we are operating during peak community center and group fitness hours by monitoring Kids Care and group fitness attendance.
- Research possible benefits of child care licensure.
- Evaluate opportunities for child care in other parts of the Community Center, such as the gym or indoor playground.
- Develop new programs allowing parents/guardians to leave the facility while children are in care.

Financial Summary	2011 Actual	2012 Actual	2013 Budget	2013 Estimate	2014 Budget	2015 Budget
<b>Funding Uses by Type</b>						
Personal services	\$ 61,671	\$ 58,497	\$ 65,317	\$ 59,407	\$ 58,901	\$ 60,786
Supplies	\$ 2,825	\$ 2,396	\$ 2,879	\$ 2,850	\$ 2,850	\$ 2,850
<b>Total</b>	<b>\$ 64,496</b>	<b>\$ 60,893</b>	<b>\$ 68,196</b>	<b>\$ 62,257</b>	<b>\$ 61,751</b>	<b>\$ 63,636</b>
Percent change		-5.6%	12.0%	2.2%	-9.5%	3.1%
<b>Full-time equivalents</b>						
Associate	2.57	3.35	3.36	3.05	3.05	3.05
<b>Total</b>	<b>2.57</b>	<b>3.35</b>	<b>3.36</b>	<b>3.05</b>	<b>3.05</b>	<b>3.05</b>
Percent of Total Expense	0.24%	0.27%	0.29%	0.26%	0.24%	0.24%

**Budget Impacts:**

- Kids Care has increased open hours by 20%, to better accommodate fitness class participants and fitness center users, resulting in a corresponding increase in personal services.

**Drop-in Child Care**

Activity Measures	2010 Actual	2011 Actual	2012 Actual
Drop-in child care participants	5,961	10,497	9,653
Drop-in child care average cost per participant	\$ 9.38	\$ 6.14	\$ 6.31
Drop-in child care hours used by participants	7,111	13,005	11,929
Drop-in child care average cost per hour of child care provided	\$ 7.87	\$ 4.96	\$ 5.10
% change from prior year		-37.0%	2.8%

Community Survey Results	2005 Survey	2010 Survey	2013 Survey
Community survey data not available for this activity	no data	no data	no data

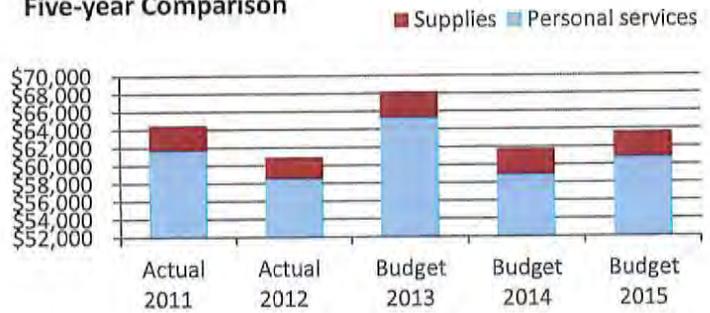
**Recent Achievements:**

- Kids Care has increased the number of hours that it is open to better accommodate fitness class participants and fitness center users.
- Adjusted ages of participants to provide a better experience.
- Implemented program changes to remain in compliance with MN statutes.

**Percent of Total Expense**



**Five-year Comparison**



**Youth/Teen Programs**

225-43580

The Youth/Teen activity includes a variety of recreational programs focused on youth ages 2-12 such as ice skating lessons, tumbling, summer enrichment camps, schools out programs, and family events. Specific programs vary according to current trends and the public's interests. Several of these activities are contracted services with businesses to provide art camps, dance and drama programs, and computer camps.

**Goals and Objectives:**

- Utilize volunteers at family oriented special events, and collaborate with Emmanuel Covenant Church as a way to promote community involvement and decrease program costs.
- Collaborate with neighboring cities, which reduces staffing and supply costs and offers an opportunity to host programs in other facilities such as local schools.
- Adjust ice skating fees to accommodate the continuous increase in ice arena rental.
- Evaluate expanding the tumbling program, offering more days for classes.

Financial Summary	2011 Actual	2012 Actual	2013 Budget	2013 Estimate	2014 Budget	2015 Budget
<b>Funding Uses by Type</b>						
Personal services	\$ 21,812	\$ 19,007	\$ 20,106	\$ 17,467	\$ 15,811	\$ 16,828
Supplies	\$ 7,089	\$ 7,388	\$ 7,378	\$ 6,644	\$ 7,045	\$ 7,525
Contractual	\$ 43,688	\$ 43,568	\$ 43,465	\$ 35,607	\$ 13,765	\$ 14,057
<b>Total</b>	<b>\$ 72,589</b>	<b>\$ 69,963</b>	<b>\$ 70,949</b>	<b>\$ 59,718</b>	<b>\$ 36,621</b>	<b>\$ 38,410</b>
Percent change		-3.6%	1.4%	-14.6%	-48.4%	4.9%
<b>Full-time equivalents</b>						
Associate	0.75	0.81	0.85	0.76	0.69	0.72
<b>Total</b>	<b>0.75</b>	<b>0.81</b>	<b>0.85</b>	<b>0.76</b>	<b>0.69</b>	<b>0.72</b>
Percent of Total Expense	0.27%	0.31%	0.30%	0.25%	0.14%	0.14%

**Budget Impacts:**

- Some camps have been moved to other facilities to accommodate other recreation programs.
- Facility expenses have increased, especially ice arena expenses.
- Eliminated School's Out Camp and Enrichment Camps due to low enrollment, which lowered revenue and expense.

**Youth/Teen Programs**

Activity Measures	2010 Actual	2011 Actual	2012 Actual
Ice skating participants	231	204	204
Enrichment Camp participants	219	206	220
Tumbling participants	135	131	155
Family event participants	921	966	1,214
General youth participants	478	512	525

Community Survey Results	2005 Survey	2010 Survey	2013 Survey
Community survey data not available for this activity	no data	no data	no data

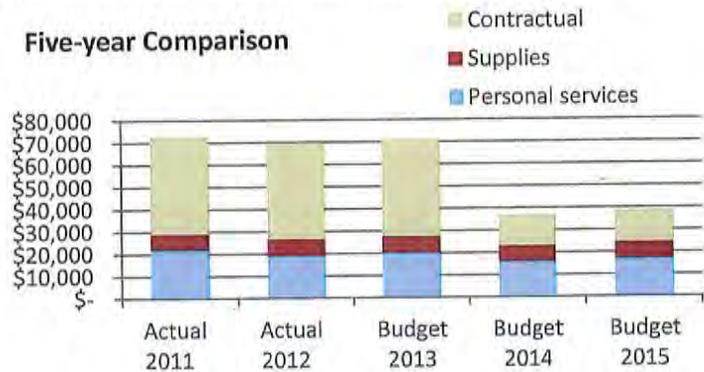
**Recent Achievements:**

- The Family New Years Eve Party continues to be the most popular family event of the year. Attendance remained over 500 in 2011 and 2012.
- Increased class levels and participant numbers in tumbling program.
- Used Survey Monkey, Facebook, Constant Contact, and other social media tools to evaluate and market special events.

**Percent of Total Expense**



**Five-year Comparison**



## Community Programs

225-43590

The Community Program activity encompasses programs that provide services to the public and bring in little or no revenue. Programs in this activity include warming house supervision, concerts, movies, Slice of Shoreview support, puppet wagon, summer playgrounds, Farmers Market, and senior programs. These programs are not designed to cover costs and a portion of the expenses are supported by a transfer from the general fund.

**Goals and Objectives:**

- Work with our marketing staff to reach a broader audience to promote special events using social media tools such as Constant Contact and Facebook.
- Monitor and evaluate daily ice skating attendance patterns at each of the outdoor rinks.
- Offer two additional Friday field trips that have not been offered in the past two years.

Financial Summary	2011 Actual	2012 Actual	2013 Budget	2013 Estimate	2014 Budget	2015 Budget
<b>Funding Uses by Type</b>						
Personal services	\$ 39,897	\$ 45,613	\$ 55,674	\$ 50,224	\$ 52,651	\$ 52,690
Supplies	\$ 10,794	\$ 12,516	\$ 12,879	\$ 13,746	\$ 13,119	\$ 12,985
Contractual	\$ 26,878	\$ 37,491	\$ 31,630	\$ 65,909	\$ 36,892	\$ 37,351
Total	\$ 77,569	\$ 95,620	\$ 100,183	\$ 129,879	\$ 102,662	\$ 103,026
Percent change		23.3%	4.8%	35.8%	2.5%	0.4%
<b>Full-time equivalents</b>						
Associate	2.98	2.78	2.74	2.47	2.54	2.54
Total	2.98	2.78	2.74	2.47	2.54	2.54
Percent of Total Expense	0.29%	0.42%	0.42%	0.54%	0.40%	0.38%

**Budget Impacts:**

- A transfer from the general fund of approximately \$65,000 per year supports these programs.
- Warming house supervision accounts for \$24,000 of the Community Programs budget.

**Community Programs**

Activity Measures	2010 Actual	2011 Actual	2012 Actual
Skating rink attendance	12,294	11,960	8,508
Concert and movie attendance (program began in 2010)	3,790	3,325	3,020
Senior program participants	757	508	721
Summer playground and field trip participants	221	415	434

Community Survey Results	2005 Survey	2010 Survey	2013 Survey
Community survey data not available for this activity	no data	no data	no data

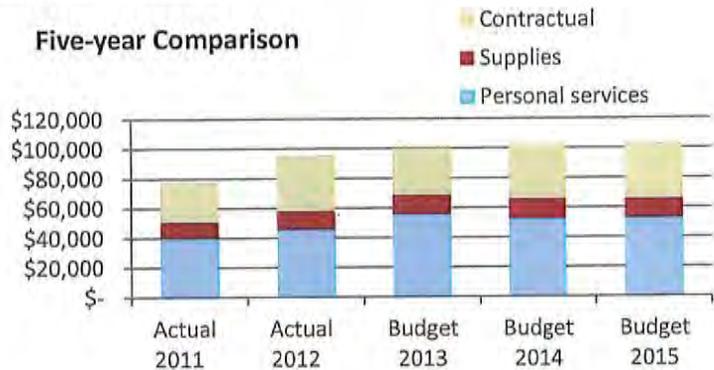
**Recent Achievements:**

- The Farmers Market, Concert Series, and Friday Night Flix continue to be extremely popular for Shoreview residents. Youth activities have been added prior to Friday Night Flix to create a family friendly environment.
- Added a weekly special event in the Farmers Market in 2013 and worked with neighboring businesses such as Land O Lakes and MN Pork Board to cross promote, educate, and distribute free items, which reduced supply costs.
- The Farmers Market moved to the North lot of the Community Center to allow a safer flow of traffic and larger stalls for vendors, and included the Haffeman Pavilion for entertainment and seating.

**Percent of Total Expense**



**Five-year Comparison**

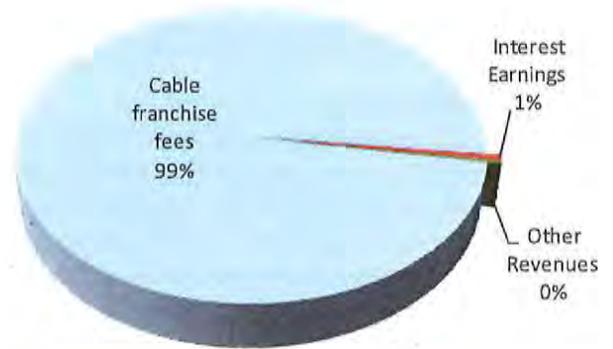


**Cable Television Fund Summary**

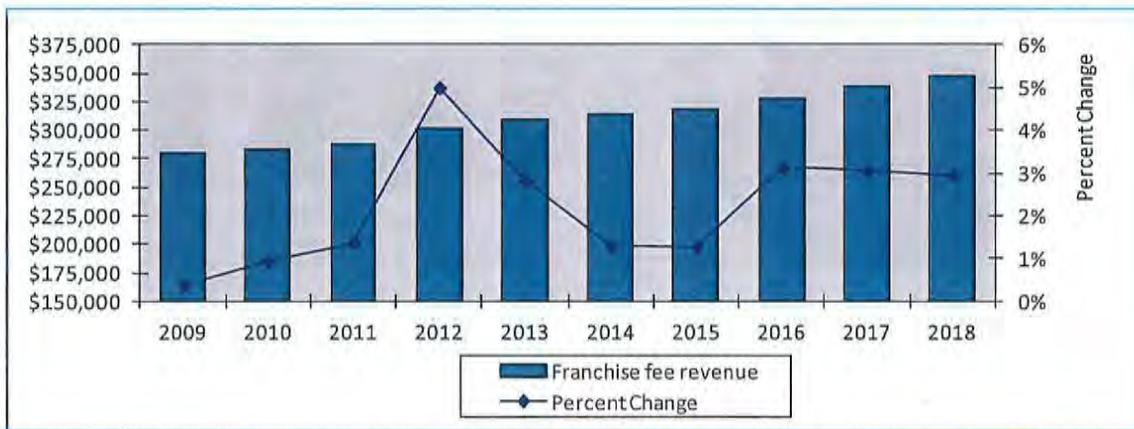
**Fund Description** – The Cable Television Fund accounts for the receipt of franchise fees (from the cable television provider Comcast) that are restricted to communications and cable television uses. Costs supported by the fund include operation and promotion of cable communications (via North Suburban Communications Commission), partial support for publication and distribution of the *ShoreViews* City newsletter, and funding for operating and capital costs associated with broadcasting public meetings.

**Background** – The Cable Television Fund provides support for communication-related costs occurs through an annual transfer to the General Fund.

**Revenue** – Cable franchise fees provide more than 99 percent of revenue for the fund. Future use of this revenue source could be impacted by changes in State law which could limit the franchising authority of cities as well as franchise fee revenue.

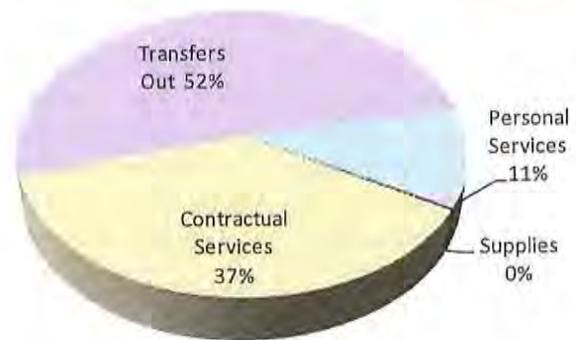


Franchise revenue has grown an average of 3.1 percent per year over the last 5 years, and is 11% higher in 2013 than it was in 2008.



**Cable Television Fund Summary**

Expense – Contractual costs account for Shoreview’s share of North Suburban Communications Commission costs, administrative costs, and maintenance of production equipment (37 percent of expense). The transfer to the General Fund accounts for 52 percent of Cable Television Fund expense (in support of communication costs). Personal services (television production and information systems support) accounts for 11 percent of expense.



Transfers out provide support to the General Fund for communications activities (\$160,000 in 2014 and \$167,000 in 2015).

	2011 Actual	2012 Actual	2013 Budget	2013 Estimate	2014 Budget	2015 Budget
<b>Revenue</b>						
Charges for Services	\$ 287,206	\$ 301,530	\$ 288,400	\$ 310,000	\$ 314,000	\$ 318,000
Interest Earnings	3,174	2,056	1,800	1,500	1,600	1,700
Other Revenues	1,200	1,100	1,200	1,100	1,200	1,200
<b>Total Revenue</b>	<b>291,580</b>	<b>304,686</b>	<b>291,400</b>	<b>312,600</b>	<b>316,800</b>	<b>320,900</b>
<b>Expense</b>						
General Government	140,936	141,737	153,398	260,211	149,587	178,763
<b>Total Expense</b>	<b>140,936</b>	<b>141,737</b>	<b>153,398</b>	<b>260,211</b>	<b>149,587</b>	<b>178,763</b>
<b>Other Sources (Uses)</b>						
Transfers Out	(154,057)	(127,989)	(116,920)	(120,950)	(160,000)	(167,000)
<b>Net Change</b>	<b>(3,413)</b>	<b>34,960</b>	<b>21,082</b>	<b>(68,561)</b>	<b>7,213</b>	<b>(24,863)</b>
Fund Equity, beginning	219,077	215,664	250,624	250,624	182,063	189,276
<b>Fund Equity, ending</b>	<b>\$ 215,664</b>	<b>\$ 250,624</b>	<b>\$ 271,706</b>	<b>\$ 182,063</b>	<b>\$ 189,276</b>	<b>\$ 164,413</b>
Months of operating coverage	9.6	7.9		7.1	6.6	5.7

**Cable Television**

230-40900

Through a ten city Joint Powers Agreement, the City is a member of the North Suburban Communications Commission which oversees the management and administration of the cable franchise currently held by Comcast. The NSCC also operates as a public access corporation that provides public access television to the franchise area. Revenue for this fund is obtained from a 5% franchise fee paid by Comcast. Their revenue funds the City share of cable franchise administration, staff costs to cablecast City Council and Planning Commission meetings, acquisition and maintenance of cable equipment for the Council Chambers and City Hall, and operating transfers that are used to finance City communication activities.

**Goals and Objectives:**

- Actively participate with other NSCC member cities in franchise renewal process with Comcast.
- Continue to be actively involved in the governance of the NSCC (Councilmember Wickstrom serves as Vice-Chair.)

Financial Summary	2011 Actual	2012 Actual	2013 Budget	2013 Estimate	2014 Budget	2015 Budget
<b>Funding Uses by Type</b>						
Personal services	\$ 28,904	\$ 31,128	\$ 33,688	\$ 33,433	\$ 34,217	\$ 35,403
Supplies		\$ 1,367	\$ 500	\$ 500	\$ 500	\$ 500
Contractual	\$ 112,032	\$ 109,242	\$ 119,210	\$ 110,778	\$ 114,870	\$ 117,860
Capital outlay				\$ 115,500		\$ 25,000
<b>Total</b>	<b>\$ 140,936</b>	<b>\$ 141,737</b>	<b>\$ 153,398</b>	<b>\$ 260,211</b>	<b>\$ 149,587</b>	<b>\$ 178,763</b>
Percent change		0.6%	8.2%	83.6%	-2.5%	19.5%
<b>Full-time equivalents</b>						
Full-time	0.25	0.25	0.25	0.25	0.25	0.25
Associate	0.10	0.10	0.10	0.10	0.10	0.10
<b>Total</b>	<b>0.35</b>	<b>0.35</b>	<b>0.35</b>	<b>0.35</b>	<b>0.35</b>	<b>0.35</b>
Percent of Total Expense	0.53%	0.62%	0.64%	1.08%	0.59%	0.67%

**Budget Impacts:**

- Contractual costs include payment to the NSCC for cable administration and oversight, webstreaming, and administrative charges.
- Cable television fund balance decreased significantly due to capital costs associated with Council Chamber project.

**Cable Television**

Activity Measures	2010 Actual	2011 Actual	2012 Actual
Council and Planning Commission meetings cablecast	35	35	35

Community Survey Results	2005 Survey	2010 Survey	2013 Survey
Percent of Residents with Cable Broadband internet access	40%	57%	36%
Percent of Residents who subscribe to cable	59%	63%	55%
Percent of Residents who watch City Council meetings monthly	19%	13%	7%
Percent of Residents who watch Planning Commission meetings monthly	16%	8%	3%
Percent of Residents who watch other public access programming monthly	20%	7%	1%

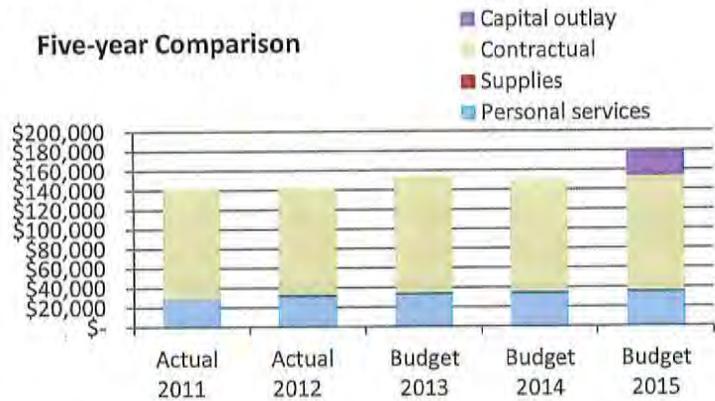
**Recent Achievements:**

- Completed upgrade to Council Chambers sound system and audio-visual control system.
- Participation in the franchise renewal process with Comcast.

**Percent of Total Expense**



**Five-year Comparison**



**Economic Development Authority Fund Summary**

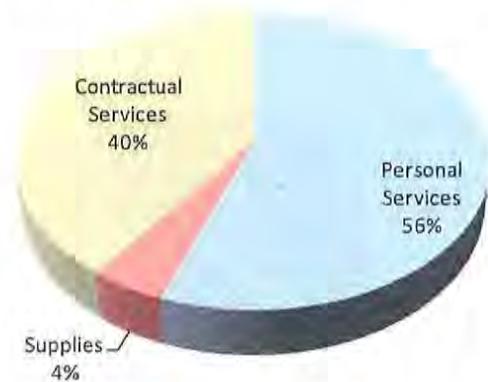
**Fund Description** – The Economic Development Authority (EDA) Fund accounts for revenue dedicated to support the activities of Shoreview’s EDA.

**Background** – The EDA was created by the City Council in 2008 to encourage the retention and expansion of local business, to attract new business, to emphasize targeted redevelopment areas and meet service demands of the community, to provide employment opportunities, and to strengthen and diversify the City’s tax base. Support for the City’s economic development program is provided by the Administration and Community Development departments through a combination of staff and consultant resources.

The EDA fund was created with an initial \$50,000 transfer from the General Fund to cover startup costs for two years, and the fund began levying property taxes 2011. During 2010 the Twin Cities Community Capital Fund closed and returned the City’s investment in the business loan program to the EDA. Since the funds returned to the City are legally restricted to economic development and business assistance (as governed by Minnesota Statutes), the funds are not available to support general operating costs. The EDA is currently exploring options for a business loan program.

**Revenue** – Property taxes provide the sole support for EDA operations.

**Expense** – Contractual services account for 40 percent of total expense. Personal service costs account for 44 percent of the EDA budget, and cover approximately 15 percent of the City’s Assistant City Manager/Community Development Director position and 25 percent of the Administrative Tech/Planning position. Supplies make up the remaining 4 percent of the EDA budget.



	2011 Actual	2012 Actual	2013 Budget	2013 Estimate	2014 Budget	2015 Budget
<b>Revenue</b>						
Property Taxes	\$ 24,818	\$ 54,358	\$ 60,000	\$ 60,000	\$ 80,000	\$ 90,000
Interest Earnings	3,969	2,367	-	-	-	-
<b>Total Revenue</b>	<b>28,787</b>	<b>56,725</b>	<b>60,000</b>	<b>60,000</b>	<b>80,000</b>	<b>90,000</b>
<b>Expense</b>						
Community Development	44,469	51,765	52,547	61,106	71,007	82,629
<b>Total Expense</b>	<b>44,469</b>	<b>51,765</b>	<b>52,547</b>	<b>61,106</b>	<b>71,007</b>	<b>82,629</b>
<b>Other Sources (Uses)</b>						
Transfers In	26,556	-	-	-	-	-
Net Change	10,874	4,960	7,453	(1,106)	8,993	7,371
Fund Equity, beginning	174,650	185,524	190,484	190,484	189,378	198,371
<b>Fund Equity, ending</b>	<b>\$ 185,524</b>	<b>\$ 190,484</b>	<b>\$ 197,937</b>	<b>\$ 189,378</b>	<b>\$ 198,371</b>	<b>\$ 205,742</b>
Restricted fund equity	\$ 165,777	\$ 165,777	\$ 165,777	\$ 165,777	\$ 165,777	\$ 165,777
Operating fund equity	\$ 19,747	\$ 24,707	\$ 32,160	\$ 23,601	\$ 32,594	\$ 39,965
Months of operating coverage	4.6	4.9		4.0	4.7	5.1

Economic Development Authority Fund Summary

Development Project Initiatives currently in process include:

- **TIF Legislation** – Seek special legislation for the extension of Tax Increment District No. 1, set to expire in 2014, to continue providing funding resources to retain and grow local businesses through expansions and redevelopment
- **BRE Program** – Continue implementing and expanding the Business Retention and Expansion (BRE) program and other strategic economic plans for enhancing important local business relationships to ensure that Shoreview sustains a strong, healthy, and positive business climate that promotes and fosters continued economic development, business growth and reinvestment in the community.
- **Children’s Hospital Property** – Plan for possible sale of 18-acre parcel in Rice Creek Corporate Park by current owner and work with potential buyers/developers to secure new businesses consistent with PUD office uses
- **Rice Street/691 Interchange** – Explore major building improvements to declining retail center or redevelopment potential (possibly in coordination with interchange upgrades by MnDOT)
- **Shoreview Corporate Center** – Work with business park ownership to seek and secure new business tenants for two vacant buildings including one in need of substantial improvements or redevelopment
- **Shoreview Town Center** – Update and revise redevelopment strategies (including phasing, financial feasibility and potential property assembly) for long-range plan
- **Shoreview Village Mall** – Pursue with current mall owner the possible sale for a comprehensive redevelopment by of aging and underutilized retail center and solicit interest from qualified developers
- **Westinghouse/PaR Nuclear** – Assist key company to explore options (both short and long term) to retain and facilitate expansion and growth needs

**Economic Development (EDA)**

240-44400

The Economic Development activity manages, promotes, and facilitates economic development, redevelopment, business retention and expansion to create a strong and economic tax base, employment opportunities and desired which sustain the high quality of life in the community. Overall policy direction and decision-making is through the City Council with both the Economic Development Authority (EDA) and Economic Development Commission (EDC) serving in a policy advisory capacity. The EDA facilitates economic growth by supporting existing businesses, reinvestment in residential neighborhoods and commercial areas to enhance the economic vitality and quality of life. The EDC is the primary link between the City and the business community, recognizing that business retention and economic growth are essential elements to maintaining a healthy and vibrant business environment.

**Goals and Objectives:**

EDA conducts an annual strategic planning session to develop goals.

- Childrens Hospital Property - work with potential developer of largest vacant commercial parcel.
- Rice Street/694 - explore redevelopment of declining retail center.
- Shoreview Corporate Center - potential redevelopment of aging vacant facility.
- Shoreview Town Center - update redevelopment strategies for long-range plan.
- Shoreview Village Mall - pursue sale for redeveloping aging retail center and seek developer.
- Westinghouse - assist key company to retain and facilitate expansion and growth needs.

EDC adopted a new mission statement and updated work plan in 2013.

- Continue implementation of Business Retention and Expansion Program and expand to next level emerging companies.
- Host two Business Exchange social networking events annually.
- Develop tactical strategy for assisting/supporting smaller businesses in community.
- Conduct one special workshop for small businesses each year.
- Improve communications to business community including feature articles and reviving Business Matters as e-newsletter.
- Coordinate and collaborate with EDA including periodic joint meetings to share work plan priorities.

Financial Summary	2011 Actual	2012 Actual	2013 Budget	2013 Estimate	2014 Budget	2015 Budget
<b>Funding Uses by Type</b>						
Personal services	\$ 23,339	\$ 27,698	\$ 22,807	\$ 34,496	\$ 39,497	\$ 49,609
Supplies	\$ 1,776	\$ 2,583	\$ 2,000	\$ 3,200	\$ 3,200	\$ 3,400
Contractual	\$ 19,354	\$ 21,484	\$ 27,740	\$ 23,410	\$ 28,310	\$ 29,620
<b>Total</b>	<b>\$ 44,469</b>	<b>\$ 51,765</b>	<b>\$ 52,547</b>	<b>\$ 61,106</b>	<b>\$ 71,007</b>	<b>\$ 82,629</b>
Percent change		16.4%	1.5%	18.0%	35.1%	16.4%
<b>Full-time equivalents</b>						
Full-time	0.16	0.15	0.15	0.29	0.40	0.45
Associate				0.08		
<b>Total</b>	<b>0.16</b>	<b>0.15</b>	<b>0.15</b>	<b>0.37</b>	<b>0.40</b>	<b>0.45</b>
Percent of Total Expense	0.17%	0.23%	0.22%	0.25%	0.28%	0.31%

**Budget Impacts:**

- Personnel along with Contractual costs for TIF consulting and legal services make up the majority of the EDA operating budget.
- Contractual costs for consulting and legal were lower the past year due to majority being charged to developers on projects the City supported through tax increment.
- Financial assistance for business expansions and new commercial development supported by the EDA are funded through existing special funds or new TIF districts.

**Economic Development (EDA)**

Activity Measures	2010 Actual	2011 Actual	2012 Actual
Economic Development Authority annual cost per household	\$ 3.22	\$ 4.28	\$ 4.96
% change from prior year		32.9%	15.9%
Number of Business Retention and Expansion (BRE) visits	10	3	6
Number of Tax Increment Districts	6	6	8

Community Survey Results	2005 Survey	2010 Survey	2013 Survey
Residents rating shopping as very or somewhat important to quality of life	80%	85%	84%
Residents rating shopping opportunities in Shoreview as excellent or good	52%	72%	71%
Residents rating service and retail prospects as too few/too little	34%	29%	38%
Residents rating entertainment/dining prospects as too few/too little	56%	43%	52%
Residents rating "Sit Down Dining" as lacking or limited	30%	24%	37%

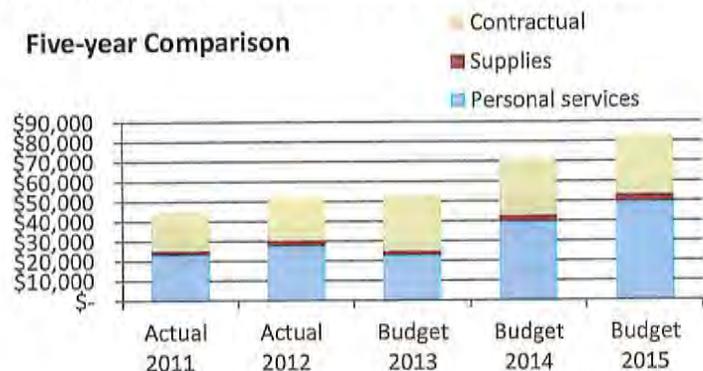
**Recent Achievements:**

- Continued BRE (Business Retention and Expansion program) visits to key local businesses.
- Revised format of Business Exchange from morning drop-in to twice annual evening social event with number of attendees increasing substantially.
- Assisted PaR Systems constructed new \$5.5 million 48,000 sq ft building bringing new jobs and space to meet continued growth projections.
- Assisted TSI, Inc. on a \$7 million-58,000 sq ft expansion to headquarters facility that will add 180 new jobs.
- Assisted Red Fox Rd retail development; retail center opened in 2012, including three restaurants.
- City TIF secured Trader Joes store as anchor to the Red Fox retail project; opened Fall, 2013.
- Assisted redevelopment of Sinclair gas station for a new TCF Bank opened in early 2013; project also providing funding support for Red Fox Rd improvements.
- City facilitated Cummins Power Generation purchase and relocation of Medtronic property and after major renovations in 2012 now is global headquarters with 600 workers.
- City received the EDAM award for business retention project of the year for the PaR Systems and TSI expansions in 2013.

**Percent of Total Expense**



**Five-year Comparison**



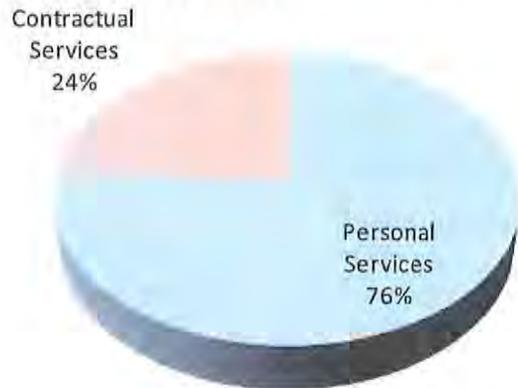
**Housing Redevelopment Authority Fund Summary**

**Fund Description** – The Housing Redevelopment Authority (HRA) Fund accounts for revenue dedicated to support the housing-related activities of Shoreview’s EDA.

**Background** – The HRA was created by the City Council in 2009 to assist in the development of affordable housing and to protect property values and neighborhoods by promoting reinvestment and improvements to homes. Other housing-related efforts include monitoring of vacant property and promoting a Home Energy Improvement Loan program in cooperation with the Housing Resource Center.

**Revenue** – Property taxes provide the sole support for HRA operations.

**Expense** – Personal services account for 76 percent of the HRA Personal service costs account for 44 percent of the HRA budget (for 25 percent of the City’s Assistant City Manager/Community Development Director position and 35 percent of the Administrative Tech/Planning position. Contractual services account for 24 percent of total expense, for consultant costs.



	2011 Actual	2012 Actual	2013 Budget	2013 Estimate	2014 Budget	2015 Budget
<b>Revenue</b>						
Property Taxes	\$ 57,380	\$ 68,909	\$ 75,000	\$ 75,000	\$ 90,000	\$ 95,000
Interest Earnings	269	424	-	-	-	-
<b>Total Revenue</b>	<b>57,649</b>	<b>69,333</b>	<b>75,000</b>	<b>75,000</b>	<b>90,000</b>	<b>95,000</b>
<b>Expense</b>						
Community Development	46,777	42,863	69,807	54,375	81,371	85,485
<b>Total Expense</b>	<b>46,777</b>	<b>42,863</b>	<b>69,807</b>	<b>54,375</b>	<b>81,371</b>	<b>85,485</b>
<b>Other Sources (Uses)</b>						
Transfers In	10,861	-	-	-	-	-
<b>Net Change</b>	<b>21,733</b>	<b>26,470</b>	<b>5,193</b>	<b>20,625</b>	<b>8,629</b>	<b>9,515</b>
Fund Equity, beginning	13,967	35,700	62,170	62,170	82,795	91,424
<b>Fund Equity, ending</b>	<b>\$ 35,700</b>	<b>\$ 62,170</b>	<b>\$ 67,363</b>	<b>\$ 82,795</b>	<b>\$ 91,424</b>	<b>\$ 100,939</b>
Months of operating coverage	10.0	13.7		12.2	12.8	13.3

**Housing Redevelopment Authority Fund Summary**

Housing Project Initiatives currently in process include:

- **Foreclosures/Vacant Properties** – Analysis of foreclosures and vacant properties including numbers by areas and trends to determine need for additional strategies and policies
- **Highway Corridor** – Transition Areas Study Planning study of residential properties along Highways 96 and 49 arterial corridors to develop long-term land use strategies and actions to buffer/protect nearby neighborhoods
- **Hoarding/Garbage House Response Plan** – Development of a multi-agency and coordinated process for effectively addressing the increasing number of major hoarding/garbage houses in the community
- **Home Improvement Loan Program** – Review Shoreview Home Improvement Loan Program to determine effectiveness, possible changes to guidelines, and expanded promotion
- **Housing Improvement Areas** – Engage townhome/condominium associations to encourage reinvestment using the HIA as a financing tool and adopt formal City policy
- **Lakeview Terrace Apartments (Midland Plaza Redevelopment)** – Private redevelopment project in partnership with the City to remove aging retail center, realignment of Owasso Street and construct new luxury 104-unit apartment building to serve community
- **Rental Property Strategies** – Analysis of rental properties in single-family neighborhoods and townhome areas to assess impacts and potential policy changes to licensing program and explore potential fix-up program
- **Scattered Site Blighted Properties** – Review existing blighted and/or major code enforcement properties to assess the need for City actions to acquire to protect surrounding neighborhoods

**Housing Programs (HRA)**

241-44500

The HRA Programs activity accounts for the Housing and Redevelopment Authority (HRA) functions of the EDA, including efforts to increase housing choices in the community, to maintain quality housing stock, and preserve residential neighborhoods. Housing programs are managed by the Assistant City Manager/Community Development Director with assistance from the City Planner and other staff members of the Community Development Department.

**Goals and Objectives:**

The EDA conducts an annual strategic planning to develop their goals - work plan priorities for housing include:

- Foreclosures/Vacant Properties - analysis of foreclosures/vacant properties including by areas and trends to determine need for new policies.
- Highway Corridor Transition Areas - planning study of residential properties along highway corridors to develop long-term strategies to buffer nearby neighborhoods.
- Hoarding/Garbage House Policy - develop a coordinated process for addressing growing number of major hoarding/garbage houses in community.
- Housing Improvement Areas - engage townhome/condominium associations to encourage reinvestment using the HIA as a financing tool and adopt formal City policy.
- Scattered Blighted Properties - review existing blighted/major code enforcement properties to assess the need for aggressive City action to acquire.

Financial Summary	2011 Actual	2012 Actual	2013 Budget	2013 Estimate	2014 Budget	2015 Budget
<b>Funding Uses by Type</b>						
Personal services	\$ 31,070	\$ 29,344	\$ 37,807	\$ 36,625	\$ 61,621	\$ 64,535
Contractual	\$ 15,707	\$ 13,519	\$ 32,000	\$ 17,750	\$ 19,750	\$ 20,950
<b>Total</b>	<b>\$ 46,777</b>	<b>\$ 42,863</b>	<b>\$ 69,807</b>	<b>\$ 54,375</b>	<b>\$ 81,371</b>	<b>\$ 85,485</b>
Percent change		-8.4%	62.9%	26.9%	16.6%	5.1%
<b>Full-time equivalents</b>						
Full-time	0.14	0.16	0.18	0.30	0.60	0.60
Associate			0.36	0.10		
<b>Total</b>	<b>0.14</b>	<b>0.16</b>	<b>0.54</b>	<b>0.40</b>	<b>0.60</b>	<b>0.60</b>
<b>Percent of Total Expense</b>	<b>0.18%</b>	<b>0.19%</b>	<b>0.29%</b>	<b>0.23%</b>	<b>0.32%</b>	<b>0.32%</b>

**Budget Impacts:**

- Contractual costs for TIF consulting and legal services relating to the HRA were diminished the past year due to most costs being charged to developers of housing projects the City supported TIF.
- Financial assistance towards housing projects and programs supported by the EDA are funded through existing special funds or new revenues generated from tax increment.
- The HRA fund covers the annual contractual agreement for services of the Housing Resource Center providing free housing improvement counseling and access to home improvement loans to residents.

**Housing Programs (HRA)**

Activity Measures	2010 Actual	2011 Actual	2012 Actual
Housing Redevelopment Authority annual cost per household	\$ 3.20	\$ 4.50	\$ 4.11
% change from prior year		40.6%	-8.7%
Services provided/clients served by the HousingResource Center	488/261	267/138	179/179
Shoreview Home Energy Improvement Loan Program applications/closed loans	6/5	5/4	2/1

Community Survey Results	2005 Survey	2010 Survey	2013 Survey
Residents rating condition of homes in neighborhood as excellent or good	98%	97%	98%
Residents rating condition of yards in neighborhood as excellent or good	95%	97%	94%
Residents indicating neighborhood appearance as improved or remained the same	95%	94%	94%
Residents indicating the City is doing enough to promote property maintenance	no data	83%	88%
Residents indicating an awareness of the Housing Resource Center	no data	54%	53%

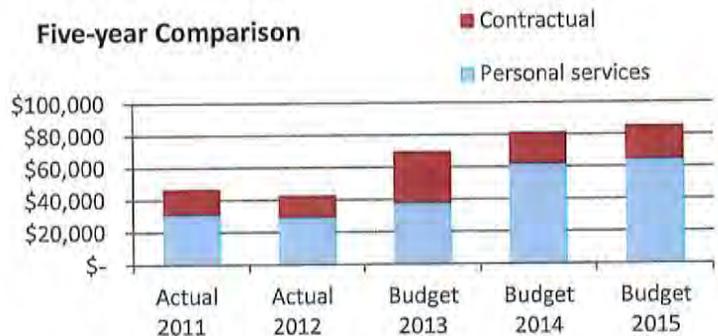
**Recent Achievements:**

- Expanded eligible improvements and revised the Shoreview Home Improvement Loan program.
- Revised and improved rental licensing regulations for more effective enforcement including requiring drug free lease addendum for multi-family crime free program.
- Approved and supported with new TIF district the redevelopment of the vacant Midland Plaza center to construct new \$24 million upscale 104-unit luxury apartment building Lakeview Terrace with 2014 opening.
- Provided TIF assistance for construction of new \$15 million 105-unit senior housing project Shoreview Senior Living, completed in 2012, with mix of congregate, assisted living, and memory care rental apartments and up to 12 units for Elderly Waivers for eligible residents.

**Percent of Total Expense**



**Five-year Comparison**



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**Slice of Shoreview Fund Summary**

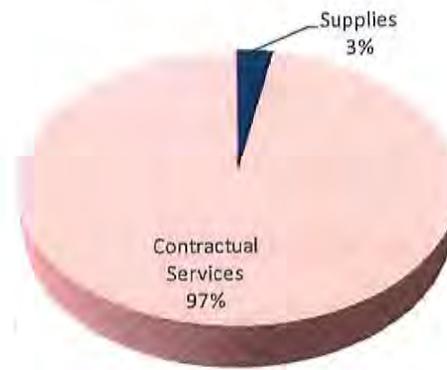
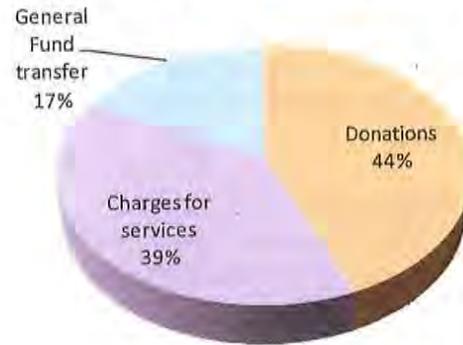
**Fund Description** – The Slice of Shoreview Fund accounts for the revenue and expense associated with a three day community festival held in July at Island Lake Park.

**Background** – The Slice of Shoreview Fund was created in 2007 when the City took financial responsibility for the annual event. All revenue associated with the event (donations, sponsorships and entrance fees) is received by the City in support of related costs. Support for the event is provided by an Event Coordinator (under contract with the City), numerous volunteers and City staff.

**Revenue** – Donations from local businesses provide 44 percent of revenue. Entrance fees paid by vendors provide 39 percent of revenue.

**Expense** – Contractual costs account for the majority of expense (97 percent of total cost) followed by 3 percent for supplies.

**Transfers** in reflect a contribution from the General Fund provides to support event costs (\$10,000 in 2014 and 2015). The General Fund transfer provides approximately 17 percent of total resources for the event.



	2011 Actual	2012 Actual	2013 Budget	2013 Estimate	2014 Budget	2015 Budget
<b>Revenue</b>						
Charges for Services	\$ 24,818	\$ 23,720	\$ 23,000	\$ 26,000	\$ 26,000	\$ 26,500
Interest Earnings	1,189	853	-	-	-	-
Other Revenues	37,864	38,896	25,000	32,000	32,000	32,000
<b>Total Revenue</b>	<b>63,871</b>	<b>63,469</b>	<b>48,000</b>	<b>58,000</b>	<b>58,000</b>	<b>58,500</b>
<b>Expense</b>						
General Government	56,660	63,917	58,200	67,475	65,735	67,485
<b>Total Expense</b>	<b>56,660</b>	<b>63,917</b>	<b>58,200</b>	<b>67,475</b>	<b>65,735</b>	<b>67,485</b>
<b>Other Sources (Uses)</b>						
Transfers In	10,000	10,000	10,000	10,000	10,000	10,000
<b>Net Change</b>	<b>17,211</b>	<b>9,552</b>	<b>(200)</b>	<b>525</b>	<b>2,265</b>	<b>1,015</b>
Fund Equity, beginning	35,347	52,558	62,110	62,110	62,635	64,900
<b>Fund Equity, ending</b>	<b>\$ 52,558</b>	<b>\$ 62,110</b>	<b>\$ 61,910</b>	<b>\$ 62,635</b>	<b>\$ 64,900</b>	<b>\$ 65,915</b>
Months of operating coverage	9.9	11.0		11.4	11.5	11.6

## Slice of Shoreview

270-40250

The Slice of Shoreview is a three day community festival held in late July at Island Lake Park. The event includes entertainment, arts and crafts, food vendors, carnival, fireworks and a parade. An Event Coordinator, contracted by the City, works with numerous volunteers to coordinate activities. Funding is provided through a combination of a City contribution, sponsorship from local businesses and fees. A Taste of Slice event is also held in the winter to thank sponsors and promote the event for the following year.

**Goals and Objectives:**

- Expand the Slice website to promote the event and provide up-to-date Slice information.
- Continue to provide a high quality 3-day family oriented event for the community at Island Lake Park.

Financial Summary	2011 Actual	2012 Actual	2013 Budget	2013 Estimate	2014 Budget	2015 Budget
<b>Funding Uses by Type</b>						
Supplies	\$ 2,554	\$ 2,578	\$ 3,000	\$ 2,000	\$ 2,000	\$ 2,200
Contractual	\$ 54,106	\$ 61,339	\$ 55,200	\$ 65,475	\$ 63,735	\$ 65,285
Total	\$ 56,660	\$ 63,917	\$ 58,200	\$ 67,475	\$ 65,735	\$ 67,485
Percent change		12.8%	-8.9%	5.6%	12.9%	2.7%
<b>Full-time equivalents</b>						
Total	-	-	-	-	-	-
Percent of Total Expense	0.21%	0.28%	0.24%	0.28%	0.26%	0.25%

**Budget Impacts:**

- The Slice Fund receives a \$10,000 annual contribution from the General Fund, which supports approximately 16% of total costs.
- The Slice budget has grown steadily during the past five years, but has been supported by increased contributions and fees.

**Slice of Shoreview**

Activity Measures	2010 Actual	2011 Actual	2012 Actual
Annual event cost per household (including costs covered by fees & donations)	\$ 5.18	\$ 5.45	\$ 6.12
% change from prior year		5.2%	12.3%
General fund support for the Slice of Shoreview event	\$ 15,000	\$ 10,000	\$ 10,000
General fund support as an annual cost per household (city support)	\$ 1.44	\$ 0.96	\$ 0.96
General fund support as a percent of the total event cost	27.8%	17.6%	15.6%

Community Survey Results	2005 Survey	2010 Survey	2013 Survey
Residents attending the Slice of Shoreview event	61%	no data	no data
Residents rating the Slice of Shoreview event as excellent or good	93%	no data	no data

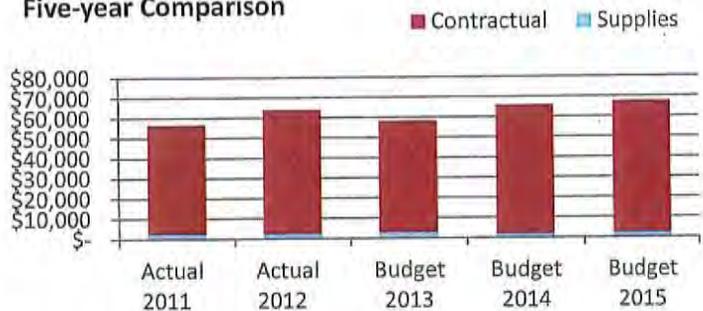
**Recent Achievements:**

- The Slice Fund has been able to build a solid fund balance in the past five years, due primarily to increased contributions and higher fee revenue.

**Percent of Total Expense**



**Five-year Comparison**



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## City of Shoreview, Minnesota – 2014-2015 Biennial Budget

### Debt Service Funds

Debt Service Funds account for accumulating legally restricted revenue for the payment of long-term debt (principal, interest and related fees). Debt associated with Enterprise and Internal Service funds are reported in those funds because resources are accumulated in and payments are made from those funds. For instance, debt issued for water improvements is accounted for and paid by the City's Water Fund, as is debt associated with the Sewer Fund, Surface Water Fund and Central Garage Fund. Debt Service Fund payments for 2014 and 2015 are shown in the table below, grouped by type of debt. The Closed Debt Fund holds funds set aside by Council action or policy for future debt payments as well as funds that are no longer pledged to a specific debt issue, typically because the debt is fully retired.

	Improvement Bonds	Fire Stations	Tax Increment	Street Improvement	Capital Lease	Closed Debt	Total
<b>2014 Budget</b>							
<b>Revenue</b>							
Property Taxes	\$ 8,000	\$ 132,000	\$ -	\$ 408,000	\$ -	\$ -	\$ 548,000
Special Assessments	87,120	-	-	-	-	13,730	100,850
Intergovernmental	1,270	-	-	-	-	-	1,270
Interest Earnings	2,400	750	-	4,000	5,000	1,800	13,950
<b>Total Revenue</b>	<b>98,790</b>	<b>132,750</b>	<b>-</b>	<b>412,000</b>	<b>5,000</b>	<b>15,530</b>	<b>664,070</b>
<b>Expense</b>							
Debt Service	222,934	144,566	367,975	469,983	469,515	-	1,674,973
<b>Total Expense</b>	<b>222,934</b>	<b>144,566</b>	<b>367,975</b>	<b>469,983</b>	<b>469,515</b>	<b>-</b>	<b>1,674,973</b>
<b>Other Sources (Uses)</b>							
Debt Refunding	(100,000)	(760,000)	-	-	-	-	(860,000)
Transfers In	16,610	-	368,000	-	455,000	-	839,610
Transfers Out	-	-	-	-	-	(66,610)	(66,610)
<b>Net Change</b>	<b>(207,534)</b>	<b>(771,816)</b>	<b>25</b>	<b>(57,983)</b>	<b>(9,515)</b>	<b>(51,080)</b>	<b>(1,097,903)</b>
Fund Equity, beginning	574,316	907,568	4,054	1,837,006	520,762	803,511	4,647,217
<b>Fund Equity, ending</b>	<b>\$ 366,782</b>	<b>\$ 135,752</b>	<b>\$ 4,079</b>	<b>\$ 1,779,023</b>	<b>\$ 511,247</b>	<b>\$ 752,431</b>	<b>\$ 3,549,314</b>
<b>2015 Budget</b>							
<b>Revenue</b>							
Property Taxes	\$ 16,000	\$ 132,000	\$ -	\$ 396,000	\$ -	\$ -	\$ 544,000
Special Assessments	186,215	-	-	-	-	13,730	199,945
Intergovernmental	1,210	-	-	-	-	-	1,210
Interest Earnings	1,470	500	-	2,000	6,000	1,700	11,670
<b>Total Revenue</b>	<b>204,895</b>	<b>132,500</b>	<b>-</b>	<b>398,000</b>	<b>6,000</b>	<b>15,430</b>	<b>756,825</b>
<b>Expense</b>							
Debt Service	203,062	133,895	364,000	413,684	472,515	-	1,587,156
<b>Total Expense</b>	<b>203,062</b>	<b>133,895</b>	<b>364,000</b>	<b>413,684</b>	<b>472,515</b>	<b>-</b>	<b>1,587,156</b>
<b>Other Sources (Uses)</b>							
Debt Proceeds	10,000	-	-	-	-	-	10,000
Contributed Capital Asse	-	-	-	(1,385,000)	-	-	(1,385,000)
Transfers In	-	-	359,921	-	455,000	-	814,921
Transfers Out	-	-	-	-	-	(50,000)	(50,000)
<b>Net Change</b>	<b>11,833</b>	<b>(1,395)</b>	<b>(4,079)</b>	<b>(1,400,684)</b>	<b>(11,515)</b>	<b>(34,570)</b>	<b>(1,440,410)</b>
Fund Equity, beginning	366,782	135,752	4,079	1,779,023	511,247	752,431	3,549,314
<b>Fund Equity, ending</b>	<b>\$ 378,615</b>	<b>\$ 134,357</b>	<b>\$ -</b>	<b>\$ 378,339</b>	<b>\$ 499,732</b>	<b>\$ 717,861</b>	<b>\$ 2,108,904</b>

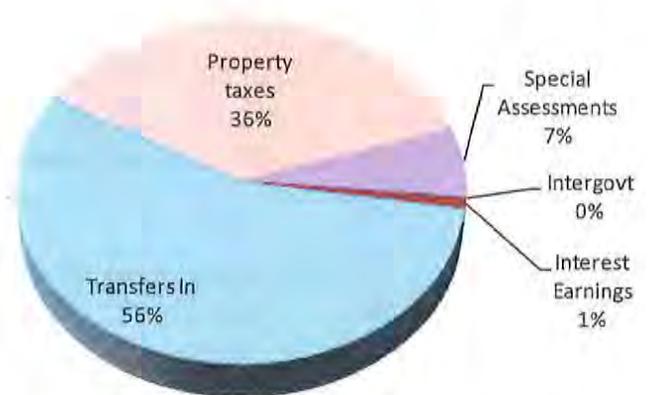
**Debt Funds Summary**

**Fund Description** – Debt Service Funds are used to account for payment of all debt obligations except for debt associated with the City’s Enterprise or Internal Service Funds. A distinct Debt Service Fund is maintained for each debt issue because tax levies and assessment collections are legally restricted to the payment of a specific debt issues.

**Background** – The City of Shoreview receives a low interest rate on debt relative to the marketplace due to its AAA credit rating from Standard and Poor’s. Consistent with the City’s long-term planning efforts, the debt portion of the tax levy is managed with the goal of providing a predictable and gradual change in the levy. During 2010 and 2011 the City set aside General Fund operating surpluses equal to \$378,064 and \$311,728 respectively, and expects to set aside \$82,000 at the end of 2013 to be used to mitigate the impact of future street improvement and maintenance center debt. The table below provides a summary of all planned debt levies in all funds (for the years 2011 through 2015).

Debt Levies	2011 Budget	2012 Budget	2013 Budget	2014 Budget	2015 Budget
<b>Tax Levies-Debt Funds</b>					
Street bonds	\$ 232,000	\$ 232,000	\$ 358,000	\$ 408,000	\$ 396,000
Improvement bonds	150,000	67,026	-	8,000	16,000
Fire Station bonds	145,000	143,000	143,000	132,000	132,000
Sub-total Debt Fund Levies	527,000	442,026	501,000	548,000	544,000
<b>Tax Levies-Internal Service Funds</b>					
Maintenance Center bonds	98,000	216,000	184,000	184,000	208,000
<b>Total Debt Levy</b>	<b>\$ 625,000</b>	<b>\$ 658,026</b>	<b>\$ 685,000</b>	<b>\$ 732,000</b>	<b>\$ 752,000</b>

**Revenue** – Transfers in account for 56 percent of revenue needed to cover debt payments (from tax increment funds, the Community investment Fund, the General Fixed Asset Replacement Fund and the General Fund). Property taxes provide 36 percent of total revenue, followed by special assessments at 7 percent.



**Transfers in** reflect support for debt payments from the Closed Bond Fund (\$66,610 in 2014 and \$50,000 in 2015), from TIF District #2 (\$368,000 in 2014 and \$359,921 in 2015), from the General Fixed Asset Replacement Fund (\$180,000 in 2014 and 2015), from the Community Investment Fund (\$175,000 in 2014 and 2015), and from the General Fund \$50,000 in 2014 and 2015). Transfers out provide for closing the 2002 G.O. Improvement Bond Fund with a transfer from the Closed Bond Fund (\$16,610 in 2014), and providing support for debt payments from the Closed Bond Fund (\$50,000 in 2014 and 2015).

City of Shoreview, Minnesota – 2014-2015 Biennial Budget

**Debt Funds Summary**

The table below provides a summary of planned revenue as well as payments by specific debt issue for all debt funds combined.

	2011 Actual	2012 Actual	2013 Budget	2013 Estimate	2014 Budget	2015 Budget
<b>Revenue</b>						
Property Taxes	\$ 520,311	\$ 435,278	\$ 501,000	\$ 501,000	\$ 548,000	\$ 544,000
Special Assessments	182,939	171,872	107,971	94,428	100,850	199,945
Intergovernmental	831	1,330	-	1,255	1,270	1,210
Interest Earnings	43,030	22,458	19,050	14,050	13,950	11,670
<b>Total Revenue</b>	<b>747,111</b>	<b>647,232</b>	<b>628,021</b>	<b>610,733</b>	<b>664,070</b>	<b>756,825</b>
<b>Expense</b>						
<b>Debt Service</b>						
2011 Ref Capital Lease (comm cntr)	676,298	465,353	472,515	471,215	469,515	472,515
2004 Capital Plan Bonds (fire)	142,674	139,298	140,711	161,887	144,566	133,895
2006 Street Improvement Bonds	230,211	232,061	228,210	267,172	254,685	226,765
2013 Street Improvement Bonds	-	-	3,000	28,220	215,298	186,919
2004 Ref Tax Increment Bonds	380,286	389,024	379,470	376,290	-	-
2007 Ref Tax Increment Bonds	43,975	184,475	298,375	298,375	367,975	364,000
1995 Improvement Bonds	70,777	67,126	-	-	-	-
2001 Improvement Bonds	85,028	83,328	-	-	-	-
2002 Improvement Bonds	50,968	50,468	52,860	52,854	51,513	-
2004 Improvement Bonds	48,645	52,313	50,798	53,168	47,270	51,320
2006 Improvement Bonds	20,754	20,228	19,700	22,601	19,505	21,815
2008 Improvement Bonds	28,240	27,696	32,300	32,300	31,265	30,465
2009 Improvement Bonds	7,934	27,633	27,033	27,033	26,893	30,757
2010 Improvement Bonds	2,413	3,820	13,769	13,769	13,656	18,622
2013 Improvement Bonds	-	-	-	-	32,832	50,083
<b>Total Expense</b>	<b>1,788,203</b>	<b>1,742,823</b>	<b>1,718,741</b>	<b>1,804,884</b>	<b>1,674,973</b>	<b>1,587,156</b>
<b>Other Sources (Uses)</b>						
Debt Proceeds	4,620,000	-	20,000	2,596,503	-	10,000
Debt Refunded	(4,410,000)	-	-	(135,000)	(860,000)	(1,385,000)
Transfers In	1,200,366	1,027,114	1,247,286	1,250,109	839,610	814,921
Transfers Out	-	(9,114)	(126,000)	(50,000)	(66,610)	(50,000)
<b>Net Change</b>	<b>369,274</b>	<b>(77,591)</b>	<b>50,566</b>	<b>2,467,461</b>	<b>(1,097,903)</b>	<b>(1,440,410)</b>
Fund Equity, beginning	1,888,073	2,257,347	2,179,756	2,179,756	4,647,217	3,549,314
<b>Fund Equity, ending</b>	<b>\$2,257,347</b>	<b>\$2,179,756</b>	<b>\$2,230,322</b>	<b>\$4,647,217</b>	<b>\$3,549,314</b>	<b>\$ 2,108,904</b>
Months of operating coverage	15.5	14.5		16.9	16.3	19.5

Debt Limit – Minnesota statutes limit the amount of debt a City may issue for general obligation purposes. Currently, the City has used about 18 percent of the available debt limit, leaving 82 percent available.

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## City of Shoreview, Minnesota – 2014-2015 Biennial Budget

### Enterprise Funds

Enterprise Funds account for self-supporting utility operations that are managed similar to private enterprises. Charges for service, which are billed to customers, provide the sole support for operating costs, capital needs and debt service payments. Enterprise Fund budgets for the year 2014 and 2015 are shown in the table below.

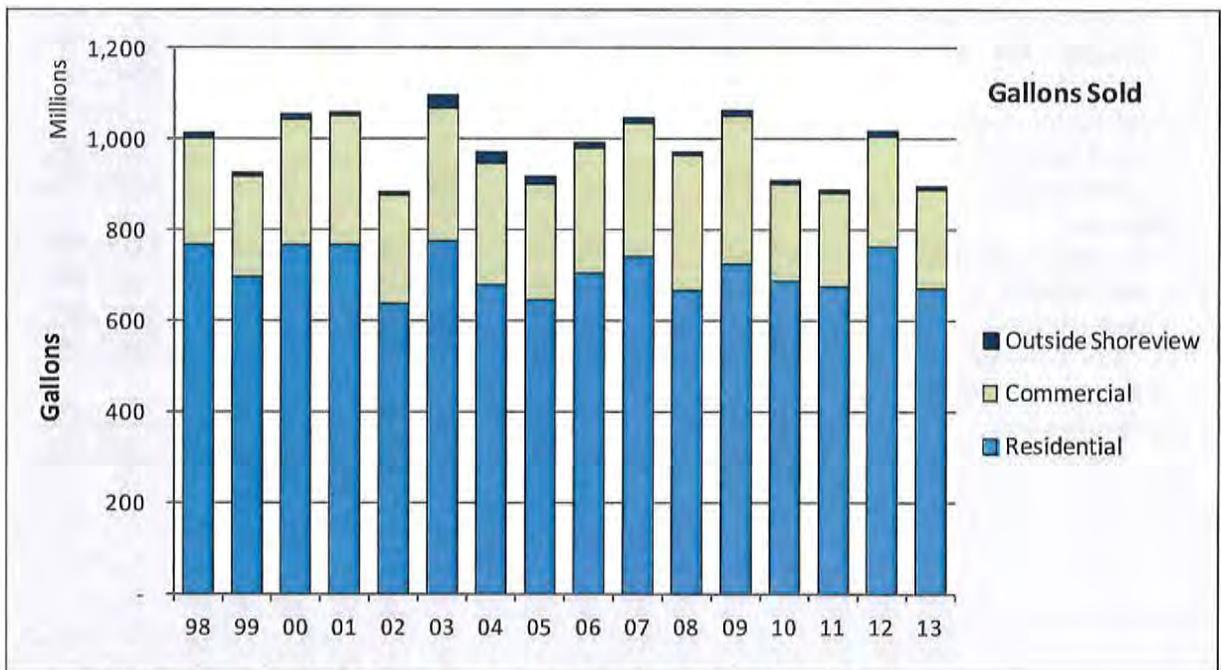
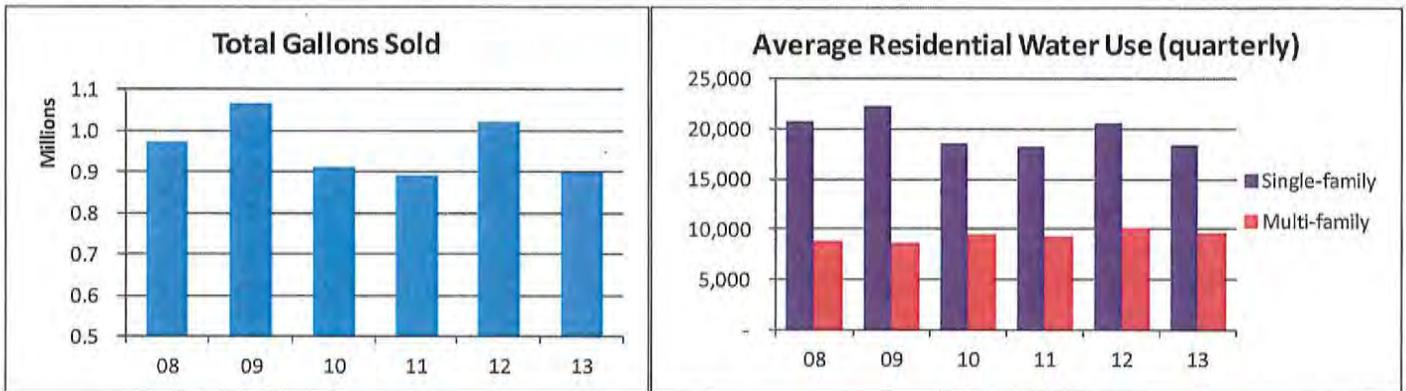
	Water	Sewer	Surface Water	Street Lighting	Total
<b>2014 Budget</b>					
<b>Revenue</b>					
Intergovernmental	\$ 12,620	\$ 10,050	\$ 3,660	\$ -	\$ 26,330
Charges for Services	-	1,000	-	-	1,000
Utility Charges	2,653,500	3,822,500	1,325,577	493,000	8,294,577
Interest Earnings	34,000	24,000	8,000	2,200	68,200
Other Revenues	-	-	-	500	500
<b>Total Revenue</b>	<b>2,700,120</b>	<b>3,857,550</b>	<b>1,337,237</b>	<b>495,700</b>	<b>8,390,607</b>
<b>Expense</b>					
Enterprise Operations	1,503,536	3,219,590	826,595	267,491	5,817,212
Debt Service	160,623	58,177	82,116	-	300,916
Depreciation	639,000	330,000	248,000	58,000	1,275,000
<b>Total Expense</b>	<b>2,303,159</b>	<b>3,607,767</b>	<b>1,156,711</b>	<b>325,491</b>	<b>7,393,128</b>
<b>Other Sources (Uses)</b>					
Transfers Out	(303,000)	(181,000)	(147,000)	(20,400)	(651,400)
<b>Net Change</b>	<b>\$ 93,961</b>	<b>\$ 68,783</b>	<b>\$ 33,526</b>	<b>\$ 149,809</b>	<b>\$ 346,079</b>
<b>2015 Budget</b>					
<b>Revenue</b>					
Intergovernmental	\$ 12,200	\$ 9,720	\$ 3,550	\$ -	\$ 25,470
Charges for Services	-	1,000	-	-	1,000
Utility Charges	2,760,000	3,936,500	1,453,803	513,000	8,663,303
Interest Earnings	38,000	27,000	9,000	2,500	76,500
Other Revenues	-	-	-	500	500
<b>Total Revenue</b>	<b>2,810,200</b>	<b>3,974,220</b>	<b>1,466,353</b>	<b>516,000</b>	<b>8,766,773</b>
<b>Expense</b>					
Enterprise Operations	1,565,163	3,308,671	865,205	276,409	6,015,448
Debt Service	148,243	54,309	72,244	-	274,796
Depreciation	651,000	348,000	266,000	66,000	1,331,000
<b>Total Expense</b>	<b>2,364,406</b>	<b>3,710,980</b>	<b>1,203,449</b>	<b>342,409</b>	<b>7,621,244</b>
<b>Other Sources (Uses)</b>					
Transfers Out	\$ (345,000)	\$ (181,000)	\$ (152,000)	\$ (22,400)	\$ (700,400)
<b>Net Change</b>	<b>\$ 100,794</b>	<b>\$ 82,240</b>	<b>\$ 110,904</b>	<b>\$ 151,191</b>	<b>\$ 445,129</b>

**Water Fund Summary**

**Fund Description** – The Water Fund accounts for revenue and expense associated with the distribution of water to property owners (residences and businesses) and the administration, operation, maintenance and replacement of the City’s water system.

**Background** – Shoreview uses a conservation based water rate structure that is designed to protect the City’s ability to deliver consistent and reliable water service to all properties at the current water storage and delivery capacity. The City’s water system, (wells, water towers, underground water reservoir, distribution lines, valves and fire hydrants) is sufficient to deliver water service to all properties in Shoreview for the future. A water treatment plant is planned for the year 2015 to address concerns about iron and manganese levels in the water supply.

**Revenue** – The primary source of revenue is water use charges paid by residents and business owners. Fluctuations in water consumption and revenue are expected from year to year, and are due primarily to weather patterns each growing season. Frequent rainfall through the summer months can lead to lower water consumption much like periods of sustained drought can lead to higher water consumption.

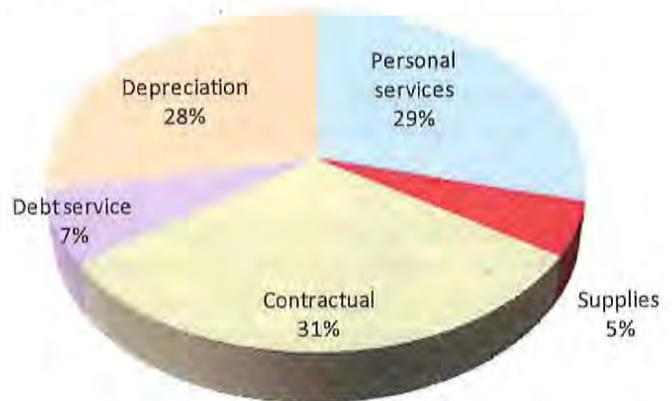


City of Shoreview, Minnesota – 2014-2015 Biennial Budget

Water Fund Summary

Expense – Personal services accounts for 29 percent of water expense (for operation, billing and maintenance staff costs). Contractual costs account for 31 percent of water expense (for repairs, equipment and building charges, insurance, electric costs and administrative charges). Depreciation expense accounts for 28 percent of expense, followed by 7 percent for principal and interest payments on debt service, and 5 percent for supplies.

Transfers – Planned transfers out provide support to the General Fund for a payment in lieu of property taxes (\$260,000 in 2014 and \$302,000 in 2015) and to the Central Garage Fund for the Water Fund share of debt service payments on the maintenance center (\$43,000 in 2014 and 2015).



	2011 Actual	2012 Actual	2013 Budget	2013 Estimate	2014 Budget	2015 Budget
<b>Revenue</b>						
Special Assessments	\$ 1,187	\$ 1,002	\$ -	\$ -	\$ -	\$ -
Intergovernmental	13,366	13,198	12,940	11,815	12,620	12,200
Utility Charges	2,184,742	2,917,020	2,591,000	2,607,000	2,653,500	2,760,000
Interest Earnings	80,297	35,077	35,000	30,000	34,000	38,000
Other Revenues	210	-	-	-	-	-
<b>Total Revenue</b>	<b>2,279,802</b>	<b>2,966,297</b>	<b>2,638,940</b>	<b>2,648,815</b>	<b>2,700,120</b>	<b>2,810,200</b>
<b>Expense</b>						
Enterprise Operations	1,368,874	1,405,259	1,569,417	1,489,821	1,503,536	1,565,163
Miscellaneous	108,152	1,901	-	-	-	-
Debt Service	202,063	183,921	171,435	207,718	160,623	148,243
Depreciation	609,067	614,991	630,000	624,000	639,000	651,000
<b>Total Expense</b>	<b>2,288,156</b>	<b>2,206,072</b>	<b>2,370,852</b>	<b>2,321,539</b>	<b>2,303,159</b>	<b>2,364,406</b>
<b>Other Sources (Uses)</b>						
Contributed Capital Assets	-	31,823	-	-	-	-
Transfers Out	(225,000)	(240,000)	(262,500)	(262,500)	(303,000)	(345,000)
<b>Net Change</b>	<b>\$ (233,354)</b>	<b>\$ 552,048</b>	<b>\$ 5,588</b>	<b>\$ 64,776</b>	<b>\$ 93,961</b>	<b>\$ 100,794</b>
Cash balance (year end)	\$ 2,935,896	\$ 3,023,577		\$ 4,246,339	\$ 2,559,436	\$ 8,310,608
Months of oper/capital coverage	12.2	12.9		12.7	10.9	13.2

## Water Operations

601-45050

The Water Operations activity provides for overall administration, operation, maintenance, replacement and infrastructure security for Shoreviews drinking water system. The system depends on two elevated water towers, an underground water storage reservoir, six wells and over 110 miles of water mains to deliver high quality water and efficient distribution throughout the City. The activity ensures the integrity of drinking water and facilities by monitoring and analyzing water samples and well conditions as required by the Department of Health and the Department of Natural Resources; coordinates water meter data with the utility billing function; performs preventative maintenance measures including leak detection, water main flushing, hydrant and valve exercising, and provides locations for the City's underground infrastructure; repairs broken hydrants and water mains; and enforces water use restrictions.

**Goals and Objectives:**

- Rehabilitate Well No. 5 to ensure reliability and reduce future maintenance costs.
- Maintain and continue to monitor unaccounted for water through a variety of activities (meter upgrades, lead detection, and hydrant and valve replacement) to strive to stay at 5% or less.
- Prepare and deliver 2014 Annual Drinking Water Report explaining the results of water testing, and as required by the Minnesota Department of Health.
- Manage the design and initial construction of a water treatment plant to address water quality issues related to iron and manganese in the City's water supply.
- The addition of water main on Gaston, Grove, and St. Albans streets to provide water service for residents and for fire protection.

Financial Summary	2011 Actual	2012 Actual	2013 Budget	2013 Estimate	2014 Budget	2015 Budget
<b>Funding Uses by Type</b>						
Personal services	\$ 645,143	\$ 633,905	\$ 694,297	\$ 635,193	\$ 672,596	\$ 707,483
Supplies	\$ 72,895	\$ 92,296	\$ 115,000	\$ 111,500	\$ 117,000	\$ 117,000
Contractual	\$ 644,976	\$ 675,618	\$ 757,920	\$ 743,128	\$ 713,940	\$ 740,680
Total	\$ 1,363,014	\$ 1,401,819	\$ 1,567,217	\$ 1,489,821	\$ 1,503,536	\$ 1,565,163
Percent change		2.8%	11.8%	6.3%	-4.1%	4.1%
<b>Full-time equivalents</b>						
Full-time	7.75	7.75	7.75	7.37	7.75	7.75
Part-time					0.04	0.05
Associate	0.60	0.65	0.64	0.32	0.62	0.62
Total	8.35	8.40	8.39	7.69	8.41	8.42
Percent of Total Expense	5.11%	6.17%	6.56%	6.19%	5.90%	5.83%

**Budget Impacts:**

- Contractual costs reflect rehabilitation of a well, a booster pump, feasibility study costs for a future water treatment plant, and 25% of the Department of Corrections contract costs.
- Training and development costs rise due to the increased incidence of staff certifications and the corresponding required training hours per year.
- The cost of electric utilities is predicted to rise in the future.
- The addition of booster pumps to increase water pressure in an area with below average water pressure.

**Water Operations**

Activity Measures	2010 Actual	2011 Actual	2012 Actual
Average daily gallons of water pumped (millions)	2.91	2.69	3.01
Maximum daily gallons pumped (million gallons)	9.46	5.91	6.97
Water main break repairs	14	3	3
Hydrants repaired	42	75	82
Unaccounted for water as a percent of total water	8.2%	3.6%	3.2%
Operating cost per million gallons of water pumped/produced	\$ 1,774	\$ 2,012	\$ 1,836
% change from prior year		13.4%	-8.8%

Community Survey Results	2005 Survey	2010 Survey	2013 Survey
Residents rating drinking water quality as excellent or good	no data	89%	95%
Residents rating water and sewer services as excellent or good	93%	96%	96%

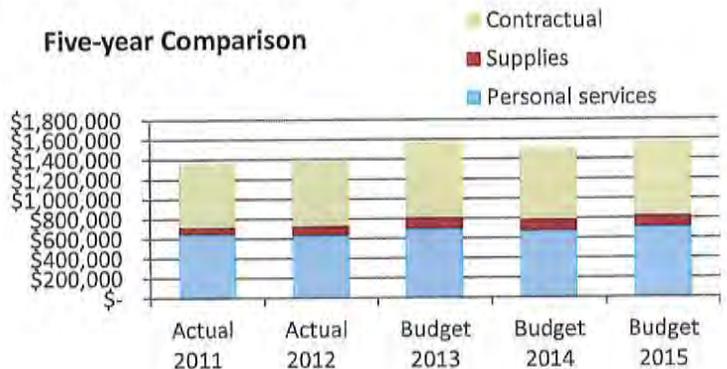
**Recent Achievements:**

- The Minnesota Department of Health requires that utility maintenance employees hold a Class D water operators certificate. Five of our eight personnel hold a higher certificate than is actually required.
- The City's one million gallon water storage reservoir was recently cleaned and inspected, verifying minimal structural repair needs that will be addressed with the addition of the water treatment facility.
- Recent improvements/upgrades to the City's SCADA system allow for remote monitoring and control.

**Percent of Total Expense**



**Five-year Comparison**

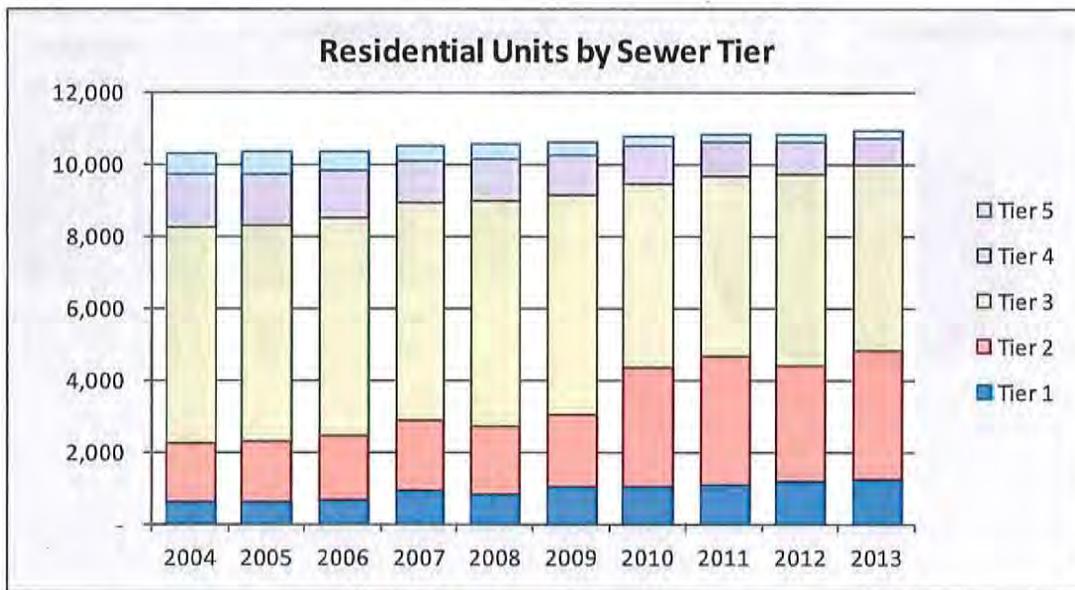


**Sewer Fund Summary**

**Fund Description** – The Sewer Fund accounts for revenue and expense associated with the collection and treatment of wastewater (sewage) from residences and businesses throughout Shoreview, as well as the administration, operation, maintenance and replacement of the City’s sewer system.

**Background** – Sewage is routed or pumped into facilities owned and operated by Metropolitan Council Environmental Services (MCES). Because sewage treatment costs are more than half of operating costs, 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 Shoreview completed a city-wide inspection program to eliminate the illegal discharge of storm water into the City’s sewer system. This effort is an important step in reducing sewage treatment costs in two ways: 1) to remove a potential \$86,000 surcharge on the City’s 2014 sewage treatment bill from MCES, and 2) to reduce the sewage flows routed into the sewage treatment system.

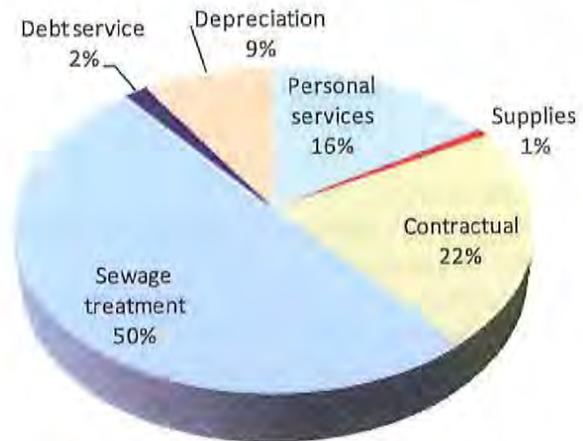
Trends in water conservation also impact residential sewer bills. Even though residential sewer bills are based on winter water consumption, and therefore not subject to the fluctuations caused by summer weather, the trend toward lower water consumption is evident in winter months. During the last few years the City has seen a shift in the number of residential customers billed in each of the five sewer tiers. The number of homes billed in the lowest two tiers is rising while the number of homes billed in the highest three tiers is declining.



**Revenue** – The primary source of revenue for the Sewer Fund is sewer use charges paid by residents and business owners.

**Sewer Fund Summary**

Expense – Sewage treatment costs account for 50 percent of sewer expense. Remaining contractual costs (for repairs, equipment and building charges, insurance, electric costs and administrative charges) account for 22 percent of sewer expense. Personal services accounts for 16 percent of expense (for operation, billing and maintenance staff costs). Depreciation expense accounts for 9 percent of expense, followed by 2 percent for principal and interest payments on debt service, and 1 percent for supplies.



Transfers – Planned transfers out provide support to the General Fund for a payment in lieu of property taxes (\$138,000 in 2014 and 2015) and to the Central Garage Fund for the Sewer Fund share of debt service payments on the maintenance center (\$43,000 in 2014 and 2015).

	2011 Actual	2012 Actual	2013 Budget	2013 Estimate	2014 Budget	2015 Budget
<b>Revenue</b>						
Special Assessments	\$ 1,541	\$ 1,525	\$ -	\$ -	\$ -	\$ -
Intergovernmental	10,649	10,516	10,310	9,415	10,050	9,720
Charges for Services	3,680	1,325	200	1,000	1,000	1,000
Utility Charges	3,543,104	3,565,927	3,716,500	3,700,500	3,822,500	3,936,500
Interest Earnings	58,518	24,964	25,000	21,000	24,000	27,000
<b>Total Revenue</b>	<b>3,617,492</b>	<b>3,604,257</b>	<b>3,752,010</b>	<b>3,731,915</b>	<b>3,857,550</b>	<b>3,974,220</b>
<b>Expense</b>						
Enterprise Operations	2,953,041	2,893,667	3,152,625	3,120,250	3,219,590	3,308,671
Debt Service	76,061	72,489	68,884	74,499	58,177	54,309
Depreciation	295,893	317,853	310,000	326,000	330,000	348,000
<b>Total Expense</b>	<b>3,324,995</b>	<b>3,284,009</b>	<b>3,531,509</b>	<b>3,520,749</b>	<b>3,607,767</b>	<b>3,710,980</b>
<b>Other Sources (Uses)</b>						
Contributed Capital Assets	-	25,068	-	-	-	-
Transfers Out	(187,000)	(188,000)	(196,500)	(196,500)	(181,000)	(181,000)
<b>Net Change</b>	<b>\$ 105,497</b>	<b>\$ 157,316</b>	<b>\$ 24,001</b>	<b>\$ 14,666</b>	<b>\$ 68,783</b>	<b>\$ 82,240</b>
Cash balance (year end)	\$ 2,103,096	\$ 2,029,363	\$ -	\$ 2,288,614	\$ 2,137,397	\$ 2,611,837
Months of oper/capital coverage	7.4	6.4		6.0	6.6	7.6

## Sewer Operations

602-45550

The Sewer Operations activity provides for administration, operation, maintenance and replacement of the City's sanitary sewer collection system; provides for the safe and effective conveyance of sewage through the City; as well as preparation of quarterly utility bills. The sewer system includes 17 lift stations, approximately 108 miles of sanitary sewer pipe and 2,036 sanitary sewer manholes.

**Goals and Objectives:**

- Inspect, monitor, repair and maintain potential infiltration and inflow areas and administer credit/rebate applications for MCES surcharge program.
- Implement LMC (League of Minnesota Cities) recommendations regarding preventative maintenance and inspection measures to ensure reliability and minimize City exposure to sewage back-up claims/damages.
- Continue annual sewer cleaning and manhole inspections and direct emergency response to failures.
- Perform televised inspections of sewer lines in conjunction with improvement projects for preventative maintenance and identify and program sewer lining projects.

Financial Summary	2011 Actual	2012 Actual	2013 Budget	2013 Estimate	2014 Budget	2015 Budget
Funding Uses by Type						
Personal services	\$ 564,114	\$ 563,492	\$ 609,775	\$ 561,630	\$ 590,500	\$ 622,011
Supplies	\$ 19,629	\$ 22,089	\$ 24,000	\$ 23,000	\$ 25,500	\$ 25,500
Contractual	\$ 2,367,627	\$ 2,307,396	\$ 2,516,850	\$ 2,535,620	\$ 2,603,590	\$ 2,661,160
Total	\$ 2,951,370	\$ 2,892,977	\$ 3,150,625	\$ 3,120,250	\$ 3,219,590	\$ 3,308,671
Percent change		-2.0%	8.9%	7.9%	2.2%	2.8%
Full-time equivalents						
Full-time	6.75	6.76	6.76	6.50	6.76	6.76
Part-time					0.04	0.05
Associate	0.60	0.65	0.65	0.32	0.64	0.64
Total	7.35	7.41	7.41	6.82	7.44	7.45
Percent of Total Expense	11.06%	12.73%	13.19%	12.96%	12.63%	12.32%

**Budget Impacts:**

- Out-sourced sewage treatment and disposal costs paid to the Met Council (MCES) account for the 2014 sewer budget. Sewage flows are monitored and metered by Met Council and are subject to their pricing, which can consider infiltration and inflow impacts attributable to the maintenance of the City's sewer system.
- Implementation of Redzone project to inspect, inventory, and televise all of the sanitary sewer lines throughout the City. This will provide accurate GPS and mapping information of the City's sanitary sewer infrastructure.

**Sewer Operations**

Activity Measures	2010 Actual	2011 Actual	2012 Actual
Annual sewage treatment costs (paid to MCES)	\$ 1,757,550	\$ 1,764,310	\$ 1,699,069
Miles of sewer lines inspected	40	60	40
Miles of sewer lines jetted/rodded/cleaned	110	114	35
Number of times lift station pumps serviced	44	56	44
Number of responses to homeowner responsible sewer backups	25	26	24
Number of sanitary sewer backups with City responsibility	7	6	6
Number of sanitary sewer blockages per thousand connections	0.8	0.7	0.7

Community Survey Results	2005 Survey	2010 Survey	2013 Survey
Residents rating water and sewer services as excellent or good	93%	96%	96%

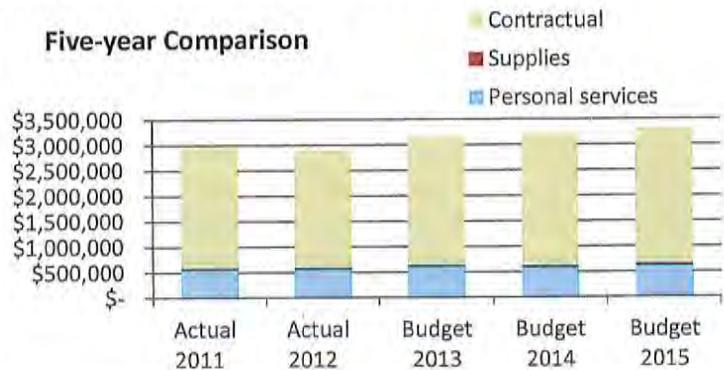
**Recent Achievements:**

- Integrating 94% of all sanitary sewer lift stations into the Supervisory Controls and Data Acquisition (SCADA) system allowing for monitoring by remote devices, and reducing staff costs and overtime charges.
- Continue to track and monitor all maintenance activities related to the remediation of inflow and infiltration within the meter shed 49 district and to submit for Met Council credit.
- Recent improvements/upgrades to the City's SCADA system allow for remote monitoring and control.

**Percent of Total Expense**



**Five-year Comparison**

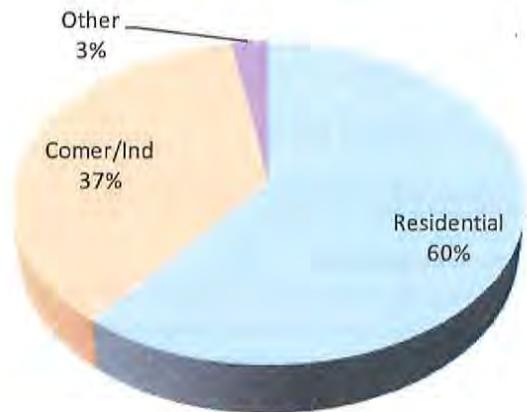


**Surface Water Fund Summary**

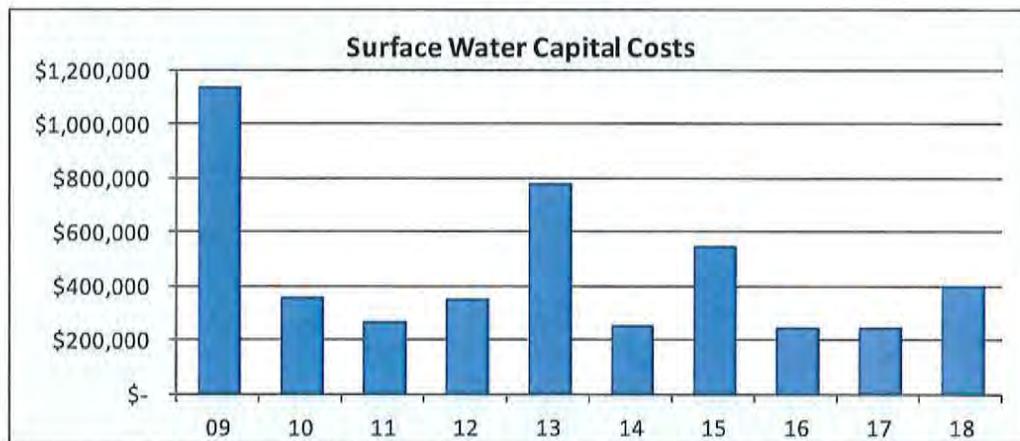
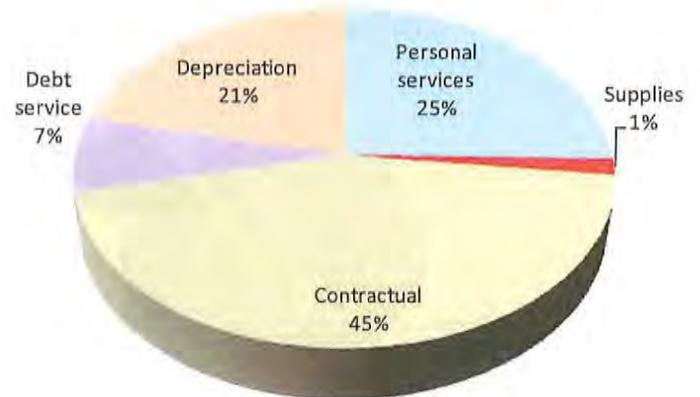
**Fund Description** – The Surface Water Fund accounts for revenue and expense associated with the administration, maintenance, replacement and improvement of the City’s storm sewers and surface water ponds, as well as operation of the Snail Lake Improvement District (SLID).

**Background** – The City’s storm system collects and directs surface water runoff and provides protection for ground water quality. Activities required under the City’s National Pollution Discharge Elimination System (NPDES) plan are accounted for within the Surface Water Fund.

**Revenue** – User charges from all property in the City (based on the type of property and the amount of impervious surface area) are the primary source of revenue for the fund. Residential property accounts for 60 percent of total revenue, followed by 37 percent from commercial/industrial property and 3 percent of all remaining property.



**Expense** – Contractual costs account for 45 percent of surface water expense (for repairs, equipment and building charges, insurance, electric costs and administrative charges). Personal services accounts for 25 percent (for operation, maintenance and billing). Depreciation expense accounts for 21 percent of expense, followed by 8 percent for debt service (principal and interest payments), and 1 percent for supplies.



Surface Water Fund Summary

Transfers – Planned transfers provide support to the General Fund for payments in lieu of property taxes (\$116,000 in 2014 and \$121,000 for 2015) and to the Central Garage Fund for the Surface Water Fund share of debt service payments for the maintenance center (\$31,000 in 2014 and 2015).

	2011 Actual	2012 Actual	2013 Budget	2013 Estimate	2014 Budget	2015 Budget
<b>Revenue</b>						
Special Assessments	\$ 472	\$ 303	\$ -	\$ -	\$ -	\$ -
Intergovernmental	3,863	3,815	3,750	3,580	3,660	3,550
Utility Charges	1,007,679	1,147,236	1,212,140	1,212,140	1,325,577	1,453,803
Interest Earnings	20,606	8,476	8,000	7,000	8,000	9,000
Total Revenue	1,032,620	1,159,830	1,223,890	1,222,720	1,337,237	1,466,353
<b>Expense</b>						
Enterprise Operations	669,298	710,054	714,426	706,117	826,595	865,205
Debt Service	91,277	84,797	75,594	99,661	82,116	72,244
Depreciation	214,061	221,177	223,000	229,000	248,000	266,000
Total Expense	974,636	1,016,028	1,013,020	1,034,778	1,156,711	1,203,449
<b>Other Sources (Uses)</b>						
Contributed Capital Assets	17,281	92,979	-	-	-	-
Transfers Out	(97,000)	(107,000)	(126,900)	(126,900)	(147,000)	(152,000)
Net Change	\$ (21,735)	\$ 129,781	\$ 83,970	\$ 61,042	\$ 33,526	\$ 110,904
Cash balance (year end)	\$ 773,425	\$ 367,602		\$ 762,760	\$ 427,323	\$ 761,574
Months of oper/capital coverage	7.3	3.0		6.0	3.3	5.4

**Surface Water Operations**

603-45850

This activity provides for the administration, maintenance, replacement and improvements to the City's surface water system including catch basins, sumps, piping, storm water lift stations and storm ponds; protection of quality of ground water and storm water; and maintenance of the City's storm water collection systems. Operational activities include regular inspection and maintenance of storm drainage ponds, repair of catch basins and drainage pipes and street sweeping, implementing the Wetland Conservation Act, mandated activities in the Rice Creek Watershed and Ramsey/Washington Watershed districts and the protection of surface and ground water resources.

**Goals and Objectives:**

- Administer National Pollutant Discharge Elimination System (NPDES) guidelines, and prepare the 2014 & 2015 Annual Reports to demonstrate compliance with Federal and State storm water management laws.
- Collect debris and fine particulates from City streets by regular sweeping of City pavements, and as an effective storm water Best Management Practice that helps protect the City's lakes and water resources.
- Inspect pond and storm sewer systems to ensure reliability of the storm drainage infrastructure at minimizing street flooding, and support compliance with NPDES Permit requirements.
- Participate in qualifying invasive species removal efforts on City lakes in conjunction with lake associations for Eurasian Milfoil and Curley Leaf Pondweed plans approved by the Minnesota Department of Natural Resources.
- Update Surface Water Management Plan.

Financial Summary	2011 Actual	2012 Actual	2013 Budget	2013 Estimate	2014 Budget	2015 Budget
<b>Funding Uses by Type</b>						
Personal services	\$ 265,061	\$ 265,665	\$ 282,790	\$ 271,468	\$ 284,128	\$ 298,107
Supplies	\$ 14,287	\$ 18,361	\$ 18,000	\$ 18,000	\$ 16,500	\$ 16,500
Contractual	\$ 381,876	\$ 399,234	\$ 384,000	\$ 391,595	\$ 498,690	\$ 521,950
Total	\$ 661,224	\$ 683,260	\$ 684,790	\$ 681,063	\$ 799,318	\$ 836,557
Percent change		3.3%	0.2%	-0.3%	16.7%	4.7%
<b>Full-time equivalents</b>						
Full-time	3.30	3.32	3.32	3.23	3.32	3.32
Associate	0.13	0.14	0.14	0.11	0.26	0.26
Total	3.43	3.46	3.46	3.34	3.58	3.58
Percent of Total Expense	2.48%	3.01%	2.87%	2.83%	3.13%	3.12%

**Budget Impacts:**

- Apply new strategies for internal catch basin sealing for cost effective repairs to storm sewer infrastructure.
- Contractor costs for wild life management/control, pond surveys/soil inspections, storm sewer infrastructure repairs/replacement increase in the budget.
- Contractual costs reflect 25% of the Department of Corrections contract costs.

**Surface Water Operations**

Activity Measures	2010 Actual	2011 Actual	2012 Actual
Surface Water Operation annual cost per household	\$ 59.77	\$ 63.71	\$ 65.71
% change from prior year		6.6%	3.1%
Miles of streets swept annually	405	353	405
Surface Water Operation annual cost per mile of street swept	\$ 1,534	\$ 1,877	\$ 1,693
Tons of street sweepings collected	250	200	250
Yards of materials dredged from ponds	795	-	-
Public comments processed for the Annual Report	2	-	-

Community Survey Results	2005 Survey	2010 Survey	2013 Survey
Residents rating draining and flood control as excellent or good	87%	91%	93%
Residents rating pond maintenance as excellent or good	no data	77%	83%

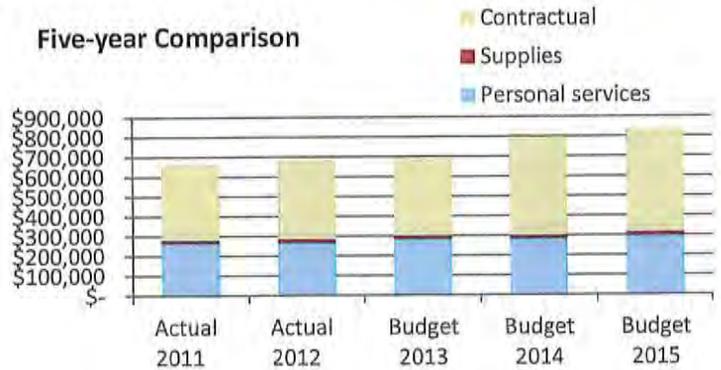
**Recent Achievements:**

- Actively participated in erosion control courses and currently have three staff members that are certified in erosion control inspections and installations.
- 100% of storm pond inlets and outlets inspected each year.
- 100% of sediment structures inspected and cleaned each year.
- The recent addition of a regenerative air street sweeper allows for the collection of finer materials on all city streets, as well as required maintenance of the City's pervious concrete streets.

**Percent of Total Expense**



**Five-year Comparison**



**Snail Lake Augmentation Operations**

603-45900

This activity, on behalf of the Snail Lake Improvement District (SLID), provides for the management and operation of the Snail Lake augmentation infrastructure in accordance with the approved operational plan; monitoring lake level, maintenance and administrative support; facilitating permits and agreements with other agencies; compiling annual operating costs; and coordinating the collection from property owners through the utility billing system. Through a prior agreement that recognizes the value of the lake to the community as a whole, the City, the riparian property owners and Ramsey County Parks participate in the capital and operating costs.

**Goals and Objectives:**

- Operate and maintain the lake augmentation infrastructure to maximize the efficiency and life of the system, as originally constructed in 1993 and modified in 2009/2010 (to incorporate filtering for zebra mussels).
- Operate the pump and screening equipment within the guidelines set by the permits from the Department of Natural Resources and agreement with the St. Paul Water Utility. The City is authorized to operate the system, per the agreement, within a targeted lake level range in the Operational Plan.
- Provide technical and budgetary recommendations to the Snail Lake Improvement District Board.
- Monitor and maintain the level of the lake within the parameters set by the SLID.
- Compile 2013 & 2014 operating and maintenance costs for collection in 2014 & 2015, respectively.

Financial Summary	2011 Actual	2012 Actual	2013 Budget	2013 Estimate	2014 Budget	2015 Budget
<b>Funding Uses by Type</b>						
Personal services	\$ 3,444	\$ 7,986	\$ 8,396	\$ 8,374	\$ 8,567	\$ 8,888
Supplies	\$ 960		\$ 2,000	\$ 1,500	\$ 1,500	\$ 2,000
Contractual	\$ 2,203	\$ 16,308	\$ 18,440	\$ 15,180	\$ 17,210	\$ 17,760
<b>Total</b>	<b>\$ 6,607</b>	<b>\$ 24,294</b>	<b>\$ 28,836</b>	<b>\$ 25,054</b>	<b>\$ 27,277</b>	<b>\$ 28,648</b>
Percent change		267.7%	18.7%	3.1%	-5.4%	5.0%
<b>Full-time equivalents</b>						
Full-time	0.09	0.09	0.09	0.09	0.09	0.09
<b>Total</b>	<b>0.09</b>	<b>0.09</b>	<b>0.09</b>	<b>0.09</b>	<b>0.09</b>	<b>0.09</b>
Percent of Total Expense	0.02%	0.11%	0.12%	0.10%	0.11%	0.11%

**Budget Impacts:**

- The price for purchased water shall be increased each year by a percentage equal to the average of the Consumer Price Index for the previous three years, per the agreement with the St. Paul Water Utility.
- Inflationary increases are assumed for electricity and staff time.

**Snail Lake Augmentation Operations**

Activity Measures	2010 Actual	2011 Actual	2012 Actual
Snail Lake augmentation annual cost per property owner	\$ 484.01	\$ 91.76	\$ 337.42
% change from prior year		-81.0%	267.7%
Gallons pumped per year (millions)	221.2	-	110.7
Days within targeted lake elevation (May 1 to Oct 31, 184 days maximum)	96	184	184

Community Survey Results	2005 Survey	2010 Survey	2013 Survey
Residents indicating Snail Lake Park is the most visited park	25%	19%	15%
Residents indicating they visit a park once a week or more	51%	49%	no data
Residents indicating they boat or fish while at the park	6%	5%	no data
Residents indicating they swim while at the park	4%	no data	no data

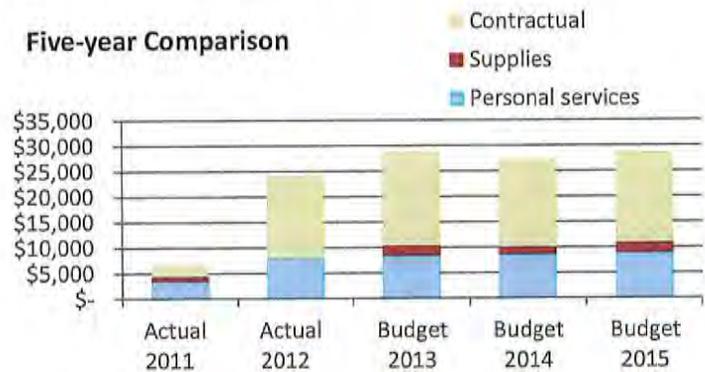
**Recent Achievements:**

- Due to the discovery of zebra mussels in the source water lake augmentation pumping was suspended in the fall of 2007. A zebra mussel screening facility was constructed in 2009, which allowed the augmentation pumping to resume in the spring of 2010. The screening facility was the first of its kind in the State of Minnesota.
- Recent improvements/upgrades to the City's SCADA system allows for remote monitoring and control.

**Percent of Total Expense**



**Five-year Comparison**



Street Lighting Fund Summary

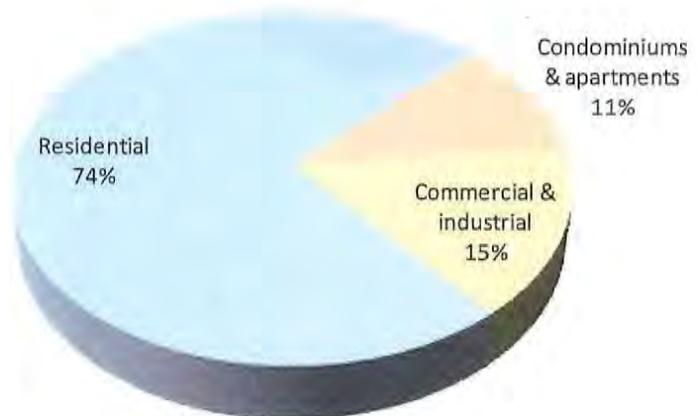
**Fund Description** – The Street Lighting Fund accounts for revenue and expense associated with the administration, operation, maintenance, replacement and improvement of the City’s street light system throughout the community.

**Background** – The City’s street lighting system is designed to support and promote safe vehicle and pedestrian traffic throughout the community. The system includes street lights owned by Xcel Energy and the City.

Planned street light replacements will increase in the future to address a growing trend of street light outages. Street lights will be replaced on a neighborhood basis as repairs become less effective.

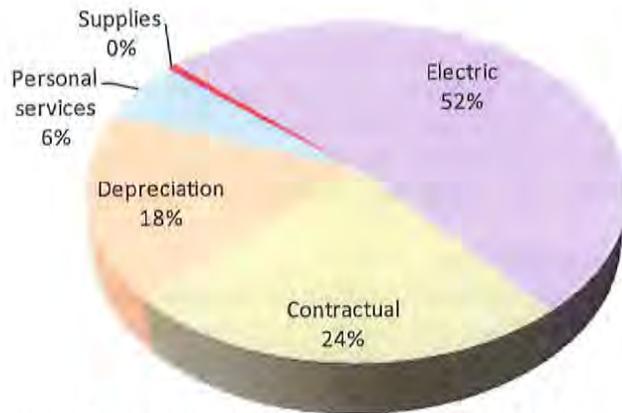


**Revenue** – User charges from all property in the City provide the primary source of revenue for the fund. Residential property accounts for 74 percent of total revenue, followed by 11 percent from condominiums and apartments, and 15 percent from commercial/industrial property.



Street Lighting Fund Summary

Expense – Electric costs account for 52 percent of expense. Contractual costs account for 24 percent of street light expense (repairs, equipment and building charges, insurance, electric costs and administrative charges). Personal services accounts for 6 percent (operation, maintenance and billing). Depreciation expense accounts for 18 percent of expense.



Transfers – Planned transfers out provide support to the General Fund for a payment in lieu of property taxes (\$18,000 in 2014 and \$20,000 for 2015) and to the Central Garage Fund for the Surface Water Fund share of debt service payments on the maintenance center (\$2,400 in each year).

	2011 Actual	2012 Actual	2013 Budget	2013 Estimate	2014 Budget	2015 Budget
<b>Revenue</b>						
Special Assessments	\$ 142	\$ 140	\$ -	\$ -	\$ -	\$ -
Utility Charges	365,333	456,144	474,000	474,000	493,000	513,000
Interest Earnings	4,337	3,114	2,700	2,000	2,200	2,500
Other Revenues	-	-	500	500	500	500
<b>Total Revenue</b>	<b>369,812</b>	<b>459,398</b>	<b>477,200</b>	<b>476,500</b>	<b>495,700</b>	<b>516,000</b>
<b>Expense</b>						
Enterprise Operations	281,610	235,752	268,571	267,038	267,491	276,409
Depreciation	36,865	40,041	48,000	48,000	58,000	66,000
<b>Total Expense</b>	<b>318,475</b>	<b>275,793</b>	<b>316,571</b>	<b>315,038</b>	<b>325,491</b>	<b>342,409</b>
<b>Other Sources (Uses)</b>						
Contributed Capital Assets	-	23,693	-	-	-	-
Transfers Out	(12,600)	(15,600)	(19,000)	(19,000)	(20,400)	(22,400)
<b>Net Change</b>	<b>\$ 38,737</b>	<b>\$ 191,698</b>	<b>\$ 141,629</b>	<b>\$ 142,462</b>	<b>\$ 149,809</b>	<b>\$ 151,191</b>
Cash balance (year end)	\$ 174,479	\$ 189,614		\$ 193,266	\$ 181,075	\$ 178,266
Months of oper/capital coverage	7.6	7.2		7.1	6.3	6.0

## Street Lighting Operations

604-42600

The Street Lighting activity provides for management of the street light infrastructure, including creating a more efficient and sustainable street lighting system by continually upgrading and replacing wiring, poles, and fixtures; performing maintenance with long term environmental goals in mind; and developing unique solutions to accommodate the needs of the diverse neighborhoods. Much of the original street lighting infrastructure installed during the rapid development phase of the City is now in need of upgrade/replacement because of insect/animal damage to wood poles and buried wiring.

### Goals and Objectives:

- Upgrade residential street lighting to modern standards in the Hanson/Oakridge and Turtle Lake neighborhoods.
- Replace 43 of the 175-watt mercury vapor (MV) fixtures with 40-watt LED fixtures to reduce energy and maintenance costs. The City has been systematically replacing these outdated and inefficient fixtures over the last few years.
- Replace 14,000 feet of direct buried street lighting electrical wire with wire in protective conduits to improve system reliability and reduce future maintenance costs. Most of the street lighting installed prior to the year 2000 used direct bury wire, which is easily damaged and is a major contributor to lighting outages.

Financial Summary	2011 Actual	2012 Actual	2013 Budget	2013 Estimate	2014 Budget	2015 Budget
<b>Funding Uses by Type</b>						
Personal services	\$ 15,686	\$ 16,283	\$ 16,201	\$ 14,588	\$ 19,041	\$ 19,779
Supplies	\$ 10,130	\$ 721	\$ 2,000	\$ 2,500	\$ 2,000	\$ 2,000
Contractual	\$ 255,794	\$ 218,748	\$ 250,370	\$ 249,950	\$ 246,450	\$ 254,630
<b>Total</b>	<b>\$ 281,610</b>	<b>\$ 235,752</b>	<b>\$ 268,571</b>	<b>\$ 267,038</b>	<b>\$ 267,491</b>	<b>\$ 276,409</b>
Percent change		-16.3%	13.9%	13.3%	-0.4%	3.3%
<b>Full-time equivalents</b>						
Full-time	0.20	0.20	0.20	0.18	0.20	0.20
Associate					0.08	0.08
<b>Total</b>	<b>0.20</b>	<b>0.20</b>	<b>0.20</b>	<b>0.18</b>	<b>0.28</b>	<b>0.28</b>
Percent of Total Expense	1.06%	1.04%	1.12%	1.11%	1.05%	1.03%

### Budget Impacts:

- A significant share of the street lighting system is 20-30 years old and requires more costly maintenance. The budget reflects a more aggressive approach to streetlight replacement throughout the City.

**Street Lighting Operations**

Activity Measures	2010 Actual	2011 Actual	2012 Actual
Street Lighting annual cost per household	\$ 23.59	\$ 27.07	\$ 22.59
% change from prior year		14.8%	-16.6%
Street light system energy cost	\$ 157,858	\$ 184,212	\$ 161,578
% change from prior year		16.7%	-12.3%
Number of mercury vapor fixtures upgraded to high pressure sodium fixtures	11	13	17
Number of LED street lights (pilot test study)	-	-	29

Community Survey Results	2005 Survey	2010 Survey	2013 Survey
Community survey data not available for this activity	no data	no data	no data

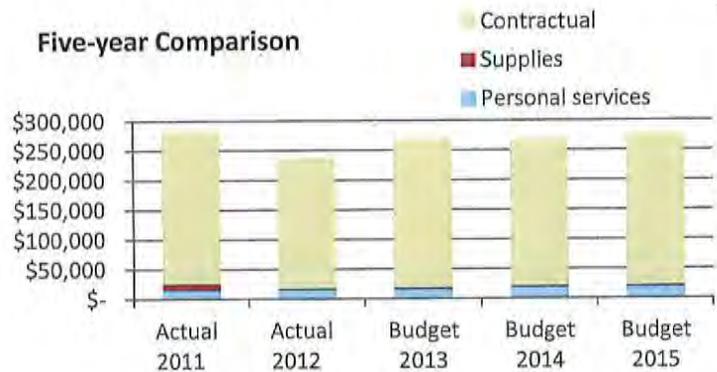
**Recent Achievements:**

- The cost of LED light fixtures has dropped significantly the past few years. Due to the lower capital cost, LED light fixtures have become the standard for street lights. The 40-watt LED fixtures will replace existing 175-watt mercury vapor and 100-watt high pressure sodium fixtures.

**Percent of Total Expense**



**Five-year Comparison**



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to accommodate document formatting.**

**City of Shoreview, Minnesota – 2014-2015 Biennial Budget**

**Internal Service Funds**

Internal Service Funds account for financing services that are provided by one department to another on a cost-reimbursement basis. Internal Service Fund budgets for 2014 and 2015 are shown in the table below.

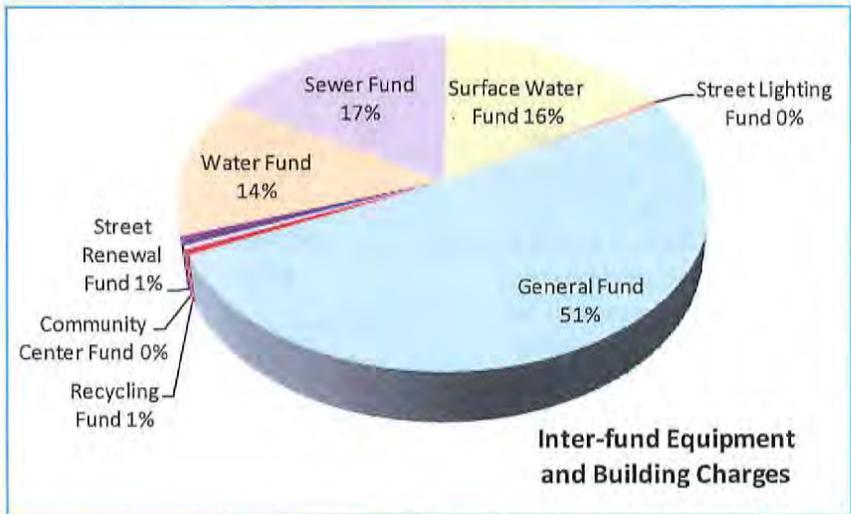
	Central Garage	Short-term Disability	Liability Claims	Total
<b>2014 Budget</b>				
<b>Revenue</b>				
Property Taxes	\$ 184,000	\$ -	\$ -	\$ 184,000
Intergovernmental	83,170	-	-	83,170
Charges for Services	-	7,500	-	7,500
Central Garage Charges	1,242,855	-	-	1,242,855
Interest Earnings	9,500	450	2,100	12,050
Other Revenues	-	-	30,000	30,000
<b>Total Revenue</b>	<b>1,519,525</b>	<b>7,950</b>	<b>32,100</b>	<b>1,559,575</b>
<b>Expense</b>				
Central Garage	599,799	-	-	599,799
Miscellaneous	-	8,000	32,000	40,000
Debt Service	238,054	-	-	238,054
Depreciation	660,000	-	-	660,000
<b>Total Expense</b>	<b>1,497,853</b>	<b>8,000</b>	<b>32,000</b>	<b>1,537,853</b>
<b>Other Sources (Uses)</b>				
Sale of Asset-Gain	29,000	-	-	29,000
Transfers In	119,400	-	-	119,400
<b>Net Change</b>	<b>\$ 170,072</b>	<b>\$ (50)</b>	<b>\$ 100</b>	<b>\$ 170,122</b>
<b>2015 Budget</b>				
<b>Revenue</b>				
Property Taxes	\$ 208,000	\$ -	\$ -	\$ 208,000
Intergovernmental	80,850	-	-	80,850
Charges for Services	-	7,500	-	7,500
Central Garage Charges	1,256,090	-	-	1,256,090
Interest Earnings	10,500	500	2,200	13,200
Other Revenues	-	-	30,000	30,000
<b>Total Revenue</b>	<b>1,555,440</b>	<b>8,000</b>	<b>32,200</b>	<b>1,595,640</b>
<b>Expense</b>				
Central Garage	617,652	-	-	617,652
Miscellaneous	-	8,000	32,000	40,000
Debt Service	234,187	-	-	234,187
Depreciation	660,000	-	-	660,000
<b>Total Expense</b>	<b>1,511,839</b>	<b>8,000</b>	<b>32,000</b>	<b>1,551,839</b>
<b>Other Sources (Uses)</b>				
Transfers In	119,400	-	-	119,400
Transfers Out	(14,000)	-	-	(14,000)
<b>Net Change</b>	<b>\$ 149,001</b>	<b>\$ -</b>	<b>\$ 200</b>	<b>\$ 149,201</b>

**Central Garage Fund Summary**

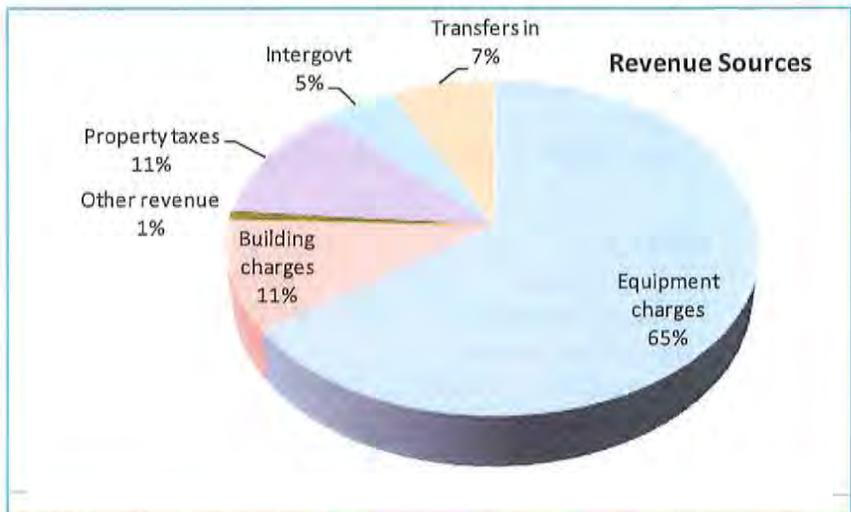
**Fund Description** – The Central Garage Fund accounts for the operation, maintenance and replacement of the maintenance center building as well as all vehicles, heavy equipment and miscellaneous equipment owned by the fund and used in service delivery to the public.

**Background** – The cost of operating the central garage building, vehicles and heavy equipment is paid by operating funds and activities through inter-fund charges. All operations that use City-owned equipment pay an allocated share of inter-fund charges based on how equipment is used throughout the year.

The General Fund pays 51 percent of inter-fund charges, followed by the Sewer Fund at 17 percent, the Surface Water Fund at 16 percent, and the Water Fund at 14 percent. The remaining 2 percent is paid by the Street Renewal, Community Center, Recycling and Street Lighting funds combined.

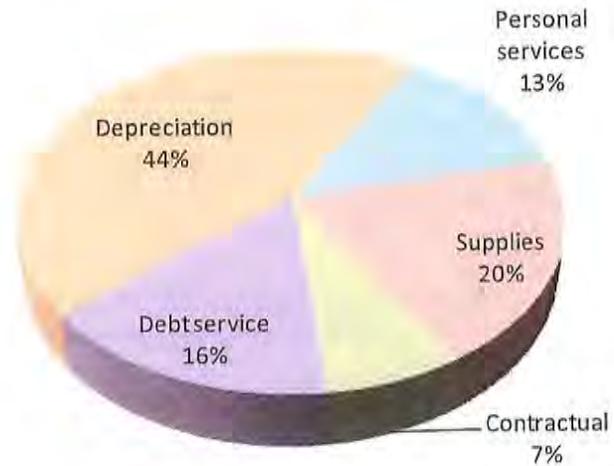


**Revenue** – The primary source of revenue for central garage operations is from inter-fund charges (equipment and building). Debt service costs are supported by a combination of property taxes, intergovernmental revenue (for federal interest credits associated with the Build America Bond program), a portion of building charges and transfers from Utility Funds.



**Central Garage Fund Summary**

Expense – Depreciation accounts for 44 percent of expense. Supplies account for 20 percent of expense for motor fuels, lubricants and additives, natural gas, equipment parts, tires, and small tools/equipment. Debt service for principal and interest payments on debt accounts for 16 percent of expense. Personal services accounts for 13 percent of expense for staff costs associated with maintaining the equipment and facility. Contractual costs account for the remaining 7 percent of expense for contracted repairs, insurance, electric costs and refuse disposal.



Transfers – Planned transfers in for 2014 include transfers from Utility Funds for principal and interest payments on debt (\$43,000 from the Water Fund, \$43,000 from the Sewer Fund, \$31,000 from the Surface Water Fund and \$2,400 from the Street Lighting Fund). Transfers out in 2015 are for planned information technology improvements.

	2011 Actual	2012 Actual	2013 Budget	2013 Estimate	2014 Budget	2015 Budget
<b>Revenue</b>						
Property Taxes	\$ 97,886	\$ 214,382	\$ 184,000	\$ 184,000	\$ 184,000	\$ 208,000
Intergovernmental	87,391	93,356	86,530	81,255	83,170	80,850
Central Garage Charges	1,060,926	1,143,847	1,153,020	1,196,240	1,242,855	1,256,090
Interest Earnings	17,484	12,008	10,000	8,500	9,500	10,500
Other Revenues	3,562	1,642	-	-	-	-
<b>Total Revenue</b>	<b>1,267,249</b>	<b>1,465,235</b>	<b>1,433,550</b>	<b>1,469,995</b>	<b>1,519,525</b>	<b>1,555,440</b>
<b>Expense</b>						
Central Garage	537,045	550,659	593,566	577,942	599,799	617,652
Debt Service	250,112	247,157	243,128	243,128	238,054	234,187
Depreciation	481,085	619,921	696,000	640,000	660,000	660,000
<b>Total Expense</b>	<b>1,268,242</b>	<b>1,417,737</b>	<b>1,532,694</b>	<b>1,461,070</b>	<b>1,497,853</b>	<b>1,511,839</b>
<b>Other Sources (Uses)</b>						
Sale of Asset-Gain (Loss)	57,794	5,470	41,000	40,000	29,000	-
Contributed Capital Assets	-	20,750	-	-	-	-
Transfers In	180,600	180,600	200,900	200,900	119,400	119,400
Transfers Out	-	(3,729)	-	-	-	(14,000)
<b>Net Change</b>	<b>\$ 237,401</b>	<b>\$ 250,589</b>	<b>\$ 142,756</b>	<b>\$ 249,825</b>	<b>\$ 170,072</b>	<b>\$ 149,001</b>
Cash balance (year end)	\$ 769,837	\$ 1,122,633		\$ 1,130,630	\$ 1,236,402	\$ 1,318,403
Months of oper/capital coverage	6.1	7.9		7.8	8.4	8.9

**Central Garage Operations**

701-46500

The Central Garage activity accounts for management of the City's vehicle and equipment fleet, and the maintenance center facility including: safe and efficient operation, and the maintenance and replacement of all fleet vehicles, heavy equipment and miscellaneous equipment. The fleet is kept operational with minimal down time, and efforts are made to minimize major repairs. In support of the personnel that operate from the facility, the facility supports the personnel function, and provides locker rooms, lunch room, training facilities, offices, vehicle and equipment storage, record storage, and redundancy for the City's computer network and backups.

**Goals and Objectives:**

- Improve maintenance and repair turn-around by leveraging the new vehicle service bay configuration and capabilities of the renovated maintenance center. The new safe and user friendly vehicle service areas should contribute to reductions in equipment down time.
- Utilize the Department of Corrections labor crew for building cleaning and custodial functions to reduce outsources maintenance expenses.
- Review vehicle maintenance and replacement schedules to lower overall fleet costs. Given improvements in vehicle design and reliability, it may be possible to extend the expected service life of portions of the city's equipment and vehicle fleet.

Financial Summary	2011 Actual	2012 Actual	2013 Budget	2013 Estimate	2014 Budget	2015 Budget
<b>Funding Uses by Type</b>						
Personal services	\$ 186,261	\$ 184,420	\$ 195,966	\$ 191,897	\$ 198,279	\$ 206,502
Supplies	\$ 260,669	\$ 274,633	\$ 293,500	\$ 276,100	\$ 294,050	\$ 301,600
Contractual	\$ 90,115	\$ 91,606	\$ 104,100	\$ 109,945	\$ 107,470	\$ 109,550
Total	\$ 537,045	\$ 550,659	\$ 593,566	\$ 577,942	\$ 599,799	\$ 617,652
Percent change		2.5%	7.8%	5.0%	1.1%	3.0%
<b>Full-time equivalents</b>						
Full-time	2.40	2.40	2.40	2.38	2.40	2.40
Total	2.40	2.40	2.40	2.38	2.40	2.40
Percent of Total Expense	2.01%	2.42%	2.49%	2.40%	2.35%	2.30%

**Budget Impacts:**

- Motor fuel and lubrication costs continue to increase and can vary considerably based on weather conditions. Winter conditions have a large impact on vehicle miles, the number of oil changes and fuel use for the fleet.
- Outsourced and specialized vehicle and equipment repair costs have risen faster than the Consumer Price Index. Although the City's fleet management program software helps manage the appropriate timing for equipment replacements, it does not help predict costly items such as transmission repairs and body work. These costs have risen sharply in recent years.
- Contractual services reflects 10% of the Department of Corrections contract cost, alarm monitoring service and a contractual agreement for elevator inspection and service, as well as fees associated with fleet management software, salt use management and the Emergency Radio Communication user fee.
- The addition of a back up generator to provide necessary power to insure the security and continued reliable operation of the City's computer network.

**Central Garage Operations**

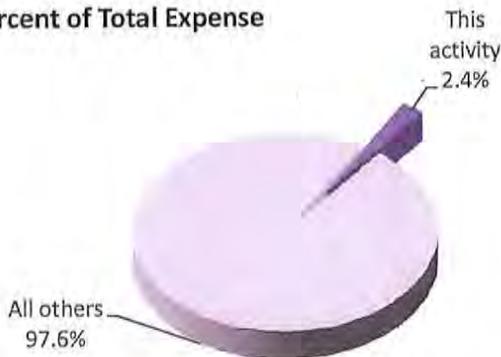
Activity Measures	2010 Actual	2011 Actual	2012 Actual
Gallons of fuel used	37,500	34,678	38,163
Vehicle oil changes	164	116	114
Tires replaced	42	17	54
Facility energy costs (natural gas and electricity combined)	\$ 32,965	\$ 46,281	\$ 45,409
Average cost per gallon of diesel fuel	\$ 2.49	\$ 2.94	\$ 3.17
Average cost per gallon of unleaded fuel	\$ 2.50	\$ 2.70	\$ 3.02

Community Survey Results	2005 Survey	2010 Survey	2013 Survey
Residents rating the value of city services as excellent or good	75%	80%	87%
Residents identifying City services as an important Quality of Life	13%	16%	3%

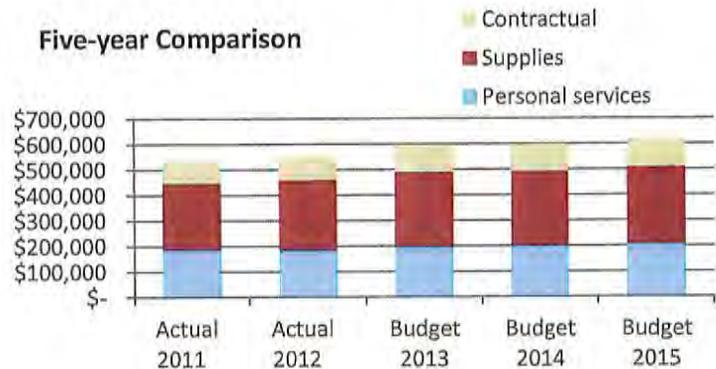
**Recent Achievements:**

- The 2010 maintenance center renovation project achieved certification as LEED Gold and was recognized by the Minnesota Construction Association with their 2011 Excellence Award for Sustainability. It was a goal of the City Council for the project to be a positive example of environmental stewardship for the community.
- Three public works supervisors are certified with A/B operators licenses for the use and management of underground fuel storage tanks, which allows the City to store and distribute fuel on-site and benefit from lower pricing of bulk purchasing.
- Facility upgrades improve both safety and working conditions; fire and security systems provide proper insurance and security for the public investment, electrical upgrades and the addition of emergency backup power provides essential emergency response capabilities, natural lighting and fixture improvements creates safer and higher quality work environment, air handling units improve air quality, heating upgrades provide more efficient climate control and more comfortable working conditions, and the addition of a new vehicle lift provides safer access to all fleet vehicles and equipment.

**Percent of Total Expense**



**Five-year Comparison**



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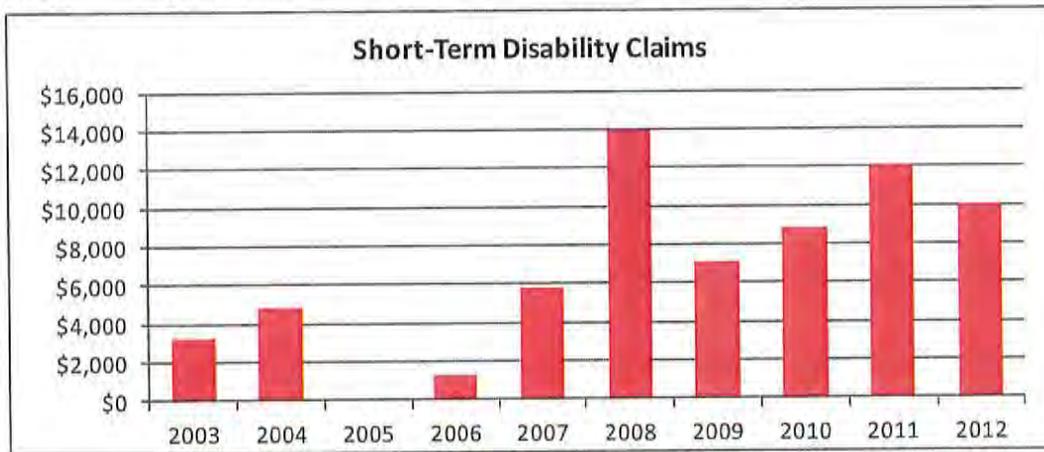
**Short-term Disability Fund Summary**

**Fund Description** – The Short-term Disability Self Insurance Fund accounts for the receipt of premiums paid by regular employees (through payroll deduction) and the expense incurred in providing short-term disability insurance to employees on a self-insured basis.

**Background** – Annual losses are monitored closely for the purpose of establishing appropriate disability premiums and retaining sufficient fund equity. Despite monthly premiums for short-term disability insurance that have remained at \$8 per month per employee since the year 1999, current fund equity provides 5 years of loss coverage. As such, the City has no plans to raise the premium.

**Revenue** – Premiums are provided to the fund via payroll deduction.

**Expense** – Average disability claims paid over the past ten years is approximately \$6,700 per year, as compared to average premium revenue of about \$7,500 per year.



	2011 Actual	2012 Actual	2013 Budget	2013 Estimate	2014 Budget	2015 Budget
<b>Revenue</b>						
Charges for Services	\$ 7,467	\$ 7,608	\$ 7,500	\$ 7,500	\$ 7,500	\$ 7,500
Interest Earnings	948	536	600	400	450	500
<b>Total Revenue</b>	<b>8,415</b>	<b>8,144</b>	<b>8,100</b>	<b>7,900</b>	<b>7,950</b>	<b>8,000</b>
<b>Expense</b>						
Miscellaneous	12,101	10,043	8,000	8,000	8,000	8,000
<b>Total Expense</b>	<b>12,101</b>	<b>10,043</b>	<b>8,000</b>	<b>8,000</b>	<b>8,000</b>	<b>8,000</b>
<b>Other Sources (Uses)</b>						
Net Change	(3,686)	(1,899)	100	(100)	(50)	-
Fund Equity, beginning	45,189	41,503	39,604	39,604	39,504	39,454
<b>Fund Equity, ending</b>	<b>\$41,503</b>	<b>\$39,604</b>	<b>\$39,704</b>	<b>\$39,504</b>	<b>\$39,454</b>	<b>\$39,454</b>
Years of operating coverage	5.3	5.1		5.1	5.1	5.1

**Short-term Disability Self Insurance**

215-47550

The Short-term Disability Fund accounts for premiums received and losses incurred in providing short-term disability insurance to regular employees on a self-insured basis. Monthly premiums are paid by employees through payroll deductions. The monthly premium has remained at \$8 per employee since 1999.

**Goals and Objectives:**

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

Financial Summary	2011 Actual	2012 Actual	2013 Budget	2013 Estimate	2014 Budget	2015 Budget
Funding Uses by Type						
Personal services	\$ 12,101	\$ 10,043	\$ 8,000	\$ 8,000	\$ 8,000	\$ 8,000
Total	\$ 12,101	\$ 10,043	\$ 8,000	\$ 8,000	\$ 8,000	\$ 8,000
Percent change		-17.0%	-20.3%	-20.3%	0.0%	0.0%
Full-time equivalents						
Total	-	-	-	-	-	-
Percent of Total Expense	0.05%	0.04%	0.03%	0.03%	0.03%	0.03%

**Budget Impacts:**

- The number of participants as well as the average age of the City's employees could have an impact on the operations of this fund.
- Losses are unpredictable and vary greatly between fiscal years due to the number and length of employee absences resulting from temporary disabilities.

**Short-term Disability Self Insurance**

Activity Measures	2010 Actual	2011 Actual	2012 Actual
Participants (annual average)	79.3	77.8	79.3
Average age of full-time employees	44.2	44.8	45.7

Community Survey Results	2005 Survey	2010 Survey	2013 Survey
Community survey data not available for this activity	no data	no data	no data

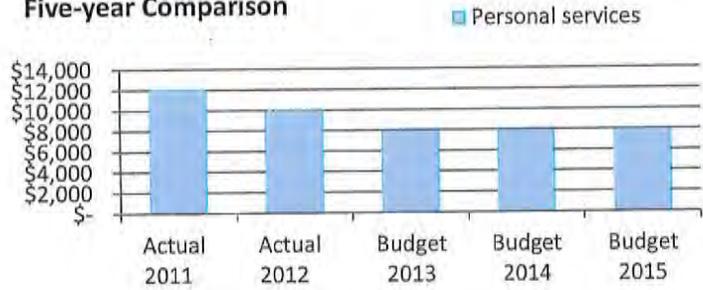
**Recent Achievements:**

- The City has met its goal of 3-4 years of average loss coverage since 2002.

**Percent of Total Expense**



**Five-year Comparison**



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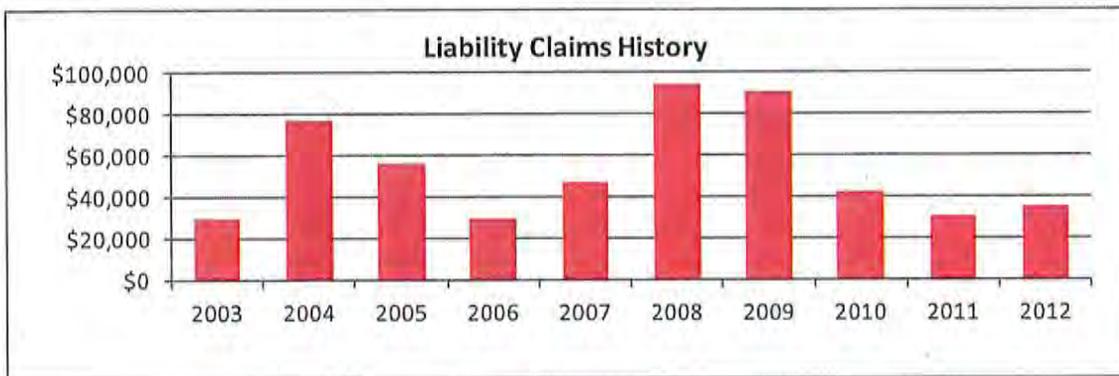
**Liability Claims Fund Summary**

**Fund Description** – The Liability Claims Fund accounts for losses below the deductible amount (\$25,000 per incident and \$75,000 annual aggregate limit), as well as the receipt of annual dividends from the League of Minnesota Cities Insurance Trust (LMCIT).

**Background** – Losses from internal and outside claims vary between fiscal years due to the number and type of claims. The fund is closely monitored to preserve two to three years of average annual loss coverage. When balances fall below targeted levels an insurance surcharge is assessed to operating funds to restore the fund balance. The last claims surcharge occurred in 2009.

**Revenue** – Dividends paid by LMCIT and insurance surcharges are the sole source of revenue for the fund.

**Expense** – Average claims paid over the past five years is \$58,300 due to larger claims in 2008 and 2009.



	2011 Actual	2012 Actual	2013 Budget	2013 Estimate	2014 Budget	2015 Budget
<b>Revenue</b>						
Interest Earnings	\$ 3,904	\$ 2,458	\$ 2,400	\$ 2,000	\$ 2,100	\$ 2,200
Other Revenues	43,002	62,507	30,000	30,000	30,000	30,000
<b>Total Revenue</b>	<b>46,906</b>	<b>64,965</b>	<b>32,400</b>	<b>32,000</b>	<b>32,100</b>	<b>32,200</b>
<b>Expense</b>						
Miscellaneous	29,892	34,737	32,000	32,000	32,000	32,000
<b>Total Expense</b>	<b>29,892</b>	<b>34,737</b>	<b>32,000</b>	<b>32,000</b>	<b>32,000</b>	<b>32,000</b>
Net Change	17,014	30,228	400	-	100	200
Fund Equity, beginning	175,040	192,054	222,282	222,282	222,282	222,382
<b>Fund Equity, ending</b>	<b>\$ 192,054</b>	<b>\$ 222,282</b>	<b>\$ 222,682</b>	<b>\$ 222,282</b>	<b>\$ 222,382</b>	<b>\$ 222,582</b>
Years of operating coverage	4.3	5.0		5.0	5.0	5.0

**Insurance Claims**

260-47400

The Liability Claims Fund accounts for losses not covered by insurance due to the City's large deductible. The City's annual deductible is \$25,000 per occurrence with an annual aggregate deductible of \$75,000. Dividends received annually on the City's property casualty/liability insurance policies from the League of Minnesota Cities Insurance Trust are deposited into this fund to cover future losses.

**Goals and Objectives:**

- Monitor and evaluate types of claims and net asset balances for periodic claim surcharges to user funds.
- Preserve a minimum of 2 years average loss coverage.
- Provide training and loss control information to employees to minimize potential claims.

Financial Summary	2011 Actual	2012 Actual	2013 Budget	2013 Estimate	2014 Budget	2015 Budget
Funding Uses by Type						
Contractual	\$ 29,892	\$ 34,737	\$ 32,000	\$ 32,000	\$ 32,000	\$ 32,000
Total	\$ 29,892	\$ 34,737	\$ 32,000	\$ 32,000	\$ 32,000	\$ 32,000
Percent change		16.2%	-7.9%	-7.9%	0.0%	0.0%
Full-time equivalents						
Total	-	-	-	-	-	-
Percent of Total Expense	0.11%	0.15%	0.13%	0.13%	0.13%	0.12%

**Budget Impacts:**

- Assessed claim surcharges to user funds in years where net assets fall below the target of 2 years average loss coverage.

**Insurance Claims**

Activity Measures	2010 Actual	2011 Actual	2012 Actual
Claims filed	24	25	25

Community Survey Results	2005 Survey	2010 Survey	2013 Survey
Community survey data not available for this activity	no data	no data	no data

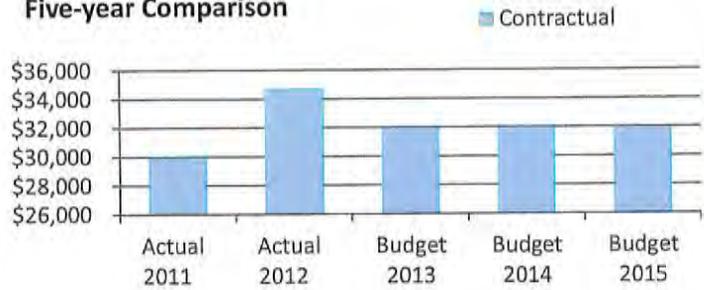
**Recent Achievements:**

- In 2009 a portion of losses incurred during 2008 (\$70,114) were reimbursed by user funds.
- The City has met its goal of 2 years average loss coverage since 2001.

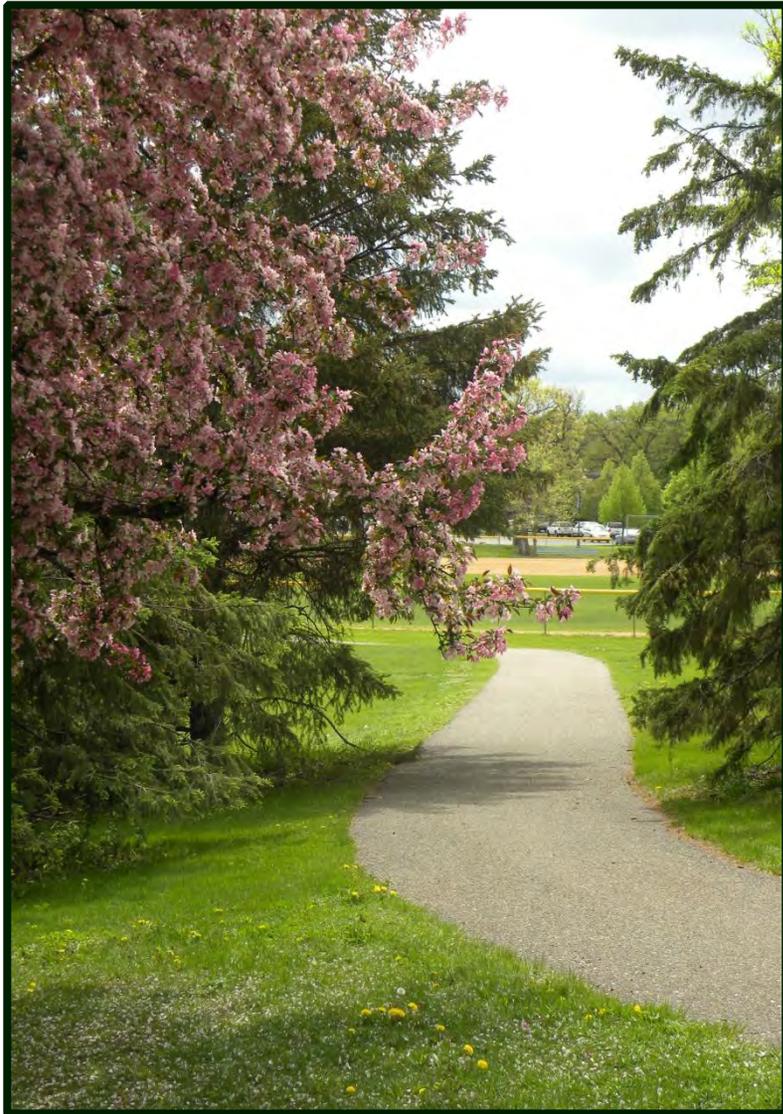
**Percent of Total Expense**



**Five-year Comparison**



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# *Proposed Five-year Operating Plan*

Including fund-specific  
working capital targets

**City of Shoreview, Minnesota**

**November 2013**

Prepared by Department of Finance



## EXECUTIVE SUMMARY

### Introduction

Long-term financial planning has been a part of the normal business process in Shoreview for more than two decades. It started in the late 1980s with a street replacement plan, and expanded into a comprehensive infrastructure replacement policy by 1992. Through the City's annual Comprehensive Infrastructure Replacement Plan (CHIRP) the City routinely updates capital replacement estimates for a minimum of 40 years; identifies revenue sources to support capital costs; and evaluates the impact of capital costs on inter-fund charges, property tax levies and user fees. The CHIRP policy ensures that capital replacement planning remains a vital and ongoing effort.

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

This Five-year Operating Plan (FYOP) document contains 3 years of history for each fund, a revised estimate for the current year (2013) and projections for the next 5 years (2014 through 2018). The document also:

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

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

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

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

### Fund Balances

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

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

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

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

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

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

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

## Operating Assumptions

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

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

- No new development is projected in the next 5 years
- Population remains stable, with slight declines due to a reduction in residents per household
- Full-time wage adjustments are limited to 2% for 2014, and a tentative estimate of 3% is used for 2015 and beyond
- Health insurance costs rise an average of 11% over the next five years, and account for 20% of the rise in personal services
- Workers compensation insurance premiums drop an average of 20% for 2014 and rise an average of 3% per year thereafter
- Most contractual costs are expected to rise between 0% and 3% per year, while police and fire contracts, central garage charges, fuel and utility costs are expected to rise between 2% and 8% per year
- Property values are projected to increase 1% for 2014, 2% for 2015, and property value increases of 3% per year are projected beginning in 2016

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

## Levy, Value and Tax Rate Projections

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

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

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

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

Levy Limits—During some years State statutes place restrictions on local government levies through levy limits. Typically, the levy limit formula provides special levy authority outside of the levy limit for the cost of police and fire, increased contributions to PERA, debt payments and certain other special levies. For 2014 the City is subject to a levy limit increase of 3%, and only levies for General Obligation debt are allowed in excess of the limit. A unique provision in the levy limit law for 2014 would have allowed the City to levy an additional \$417,413 over the proposed levy, but the City determined that this additional levy authority was not necessary. It is important to note that Shoreview was \$211,327 below the limit in 2010, and \$364,703 below the limit for 2011, and was not subject to a levy limit for 2012 and 2013.

Typically, the levy limit formula preserves unused levy authority by computing a future levy limit from the previous maximum. For 2014 taxes, the levy limit law is computed based on prior adopted levies, which means that the previous gap between the City’s levy and the levy limit is lost.

Tax Levy—Even though the largest share of the tax levy is allocated to the General fund, over the last 10 years (since 2004) the General Fund share of the tax levy has declined from a high of 77% in 2004 to a low of 69% for 2014, while the combined debt service and capital share of the tax levy has risen from 23% in 2004 to 31% for 2014. This trend is expected to continue in the future due to increased repair and replacement costs.

Property Values—Between 2004 and 2008, both market values and taxable values increased an average of 9.9% per year. From 2008 to 2013 the economic climate resulted in declining property values at an average rate of 5.9% per year. Preliminary information from the county assessor indicates that property values for 2014 taxes are expected to increase about 1%. The projections in this document assume values will increase 2% for 2015 and 3% per year thereafter.

Fiscal Disparities—The fiscal disparities formula, provided in State Statutes, takes 40% of the value of new commercial and industrial development in the metro area and redistributes the value back to each community based on a formula. The result is either a net gain or net loss in tax dollars from the pool. Shoreview’s share of the metro-wide fiscal disparities pool is projected to grow at a modest 1% to 2% rate over the next few years.

Tax Rates—The tax rate measures the change in tax levies in relation to the change in taxable values. Because values generally grew faster than the tax levy from 2005 to 2008, the tax rate dropped. Since then, values have dropped and levies have grown, resulting in tax rate growth since 2008. For 2014, the expected modest growth in market values and the 3.4% rise in the City’s levy, is expected to result in a 1.4% increase in the City’s tax rate. The tax rate is expected to rise between 1.6% and 3.3% in 2015 and 2016. As taxable values from TIF districts 1, 2 and 5 return to the general tax base, the annual increase in the tax rate is reduced to between .4% and .6% after 2016.

<b>Levy and Value Projections</b>	2010 Adopted	2011 Adopted	2012 Adopted	2013 Adopted	2014 Budget	2015 Budget	2016 Projected	2017 Projected	2018 Projected
<b>Tax Levy</b>									
General fund (net of lost MVHC)	\$ 6,228,739	\$ 6,343,983	\$ 6,467,060	\$ 6,639,567	\$ 6,837,154	\$ 7,180,671	\$ 7,524,142	\$ 7,792,279	\$ 8,108,427
EDA	-	25,000	55,000	60,000	80,000	90,000	100,000	105,000	110,000
HRA	50,000	60,000	70,000	75,000	90,000	95,000	100,000	105,000	110,000
Debt-All Debt Funds (combined)	565,000	527,000	442,026	501,000	548,000	544,000	545,000	551,000	542,000
Debt-Central Garage Fund	-	98,000	216,000	184,000	184,000	208,000	208,000	200,000	200,000
Capital project-Street Renewal Fund	700,000	750,000	800,000	850,000	900,000	950,000	1,000,000	1,060,000	1,124,000
Capital project-General Fixed Asset Fund	1,100,000	1,150,000	1,200,000	1,250,000	1,350,000	1,425,000	1,475,000	1,495,000	1,505,000
Capital project-Capital Acquis Fund (IT)					20,000	25,000	30,000	35,000	40,000
Capital project-Capital Impr. Fund	90,000	100,000	110,000	120,000	-	-	-	-	-
<b>Total Levy (net of MVHC loss)</b>	<b>\$ 8,733,739</b>	<b>\$ 9,053,983</b>	<b>\$ 9,360,086</b>	<b>\$ 9,679,567</b>	<b>\$ 10,009,154</b>	<b>\$ 10,517,671</b>	<b>\$ 10,982,142</b>	<b>\$ 11,343,279</b>	<b>\$ 11,739,427</b>
Market Value (millions)	\$ 3,015.6	\$ 2,838.6	\$ 2,568.6	\$ 2,404.9	\$ 2,420.0	\$ 2,470.0	\$ 2,544.0	\$ 2,620.0	\$ 2,700.0
Taxable Value (millions)	\$ 29.6	\$ 27.6	\$ 25.4	\$ 23.7	\$ 24.0	\$ 24.6	\$ 25.3	\$ 26.1	\$ 26.8
Fiscal Disparities/City	\$ 832,802	\$ 866,880	\$ 838,214	\$ 845,000	\$ 939,450	\$ 960,000	\$ 980,000	\$ 1,000,000	\$ 1,020,000
Fiscal Disparities/HRA	\$ -	\$ 5,304	\$ 5,407	\$ 6,457	\$ 7,350	\$ 7,400	\$ 7,400	\$ 7,400	\$ 7,400
Tax Rate/City [computed for prelim docs]	27.569	30.671	33.252	36.970	37.474	38.527	39.142	39.292	39.531
Tax Rate/HRA	0.169	0.198	0.254	0.289	0.345	0.357	0.366	0.375	0.382
<b>Annual Change in City Tax Levy</b>									
General fund (net of MVHC loss)	\$ 211,149	\$ 115,244	\$ 123,077	\$ 172,507	\$ 197,587	\$ 343,517	\$ 343,471	\$ 268,137	\$ 316,148
Add allowance (to max levy limit)					-	-			
EDA and HRA (combined)	50,000	35,000	40,000	10,000	35,000	15,000	15,000	10,000	10,000
Debt (all funds combined)	12,000	60,000	33,026	26,974	47,000	20,000	1,000	(2,000)	(9,000)
Capital project funds-replacements	100,000	100,000	100,000	100,000	150,000	125,000	100,000	80,000	74,000
Capital project funds-improvements	10,000	10,000	10,000	10,000	(100,000)	5,000	5,000	5,000	5,000
<b>Total Change in Tax Levy</b>	<b>\$ 383,149</b>	<b>\$ 320,244</b>	<b>\$ 306,103</b>	<b>\$ 319,481</b>	<b>\$ 329,587</b>	<b>\$ 508,517</b>	<b>\$ 464,471</b>	<b>\$ 361,137</b>	<b>\$ 396,148</b>
<b>Percent Change/Tax Data</b>									
Market Value	-5.71%	-5.87%	-9.51%	-6.37%	0.63%	2.07%	3.00%	2.99%	3.05%
Taxable Value	-5.67%	-6.74%	-8.05%	-6.78%	1.13%	2.50%	3.00%	3.00%	3.00%
Fiscal Disparities	11.44%	4.09%	-3.31%	0.81%	11.18%	2.19%	2.08%	2.04%	2.00%
City Tax Levy (net of MVHC cuts)	4.59%	3.67%	3.38%	3.41%	3.40%	5.08%	4.42%	3.29%	3.49%
City Tax Rate	9.71%	11.25%	8.42%	11.18%	1.36%	2.81%	1.60%	0.38%	0.61%
HRA Tax Levy (net of MCHC cuts)		20.18%	21.25%	7.14%	20.00%	5.56%	5.26%	5.00%	4.76%
HRA Tax Rate		17.16%	28.28%	13.78%	19.38%	3.48%	2.52%	2.46%	1.87%

## Debt Policy

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

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

Shoreview's debt policy states that the City will:

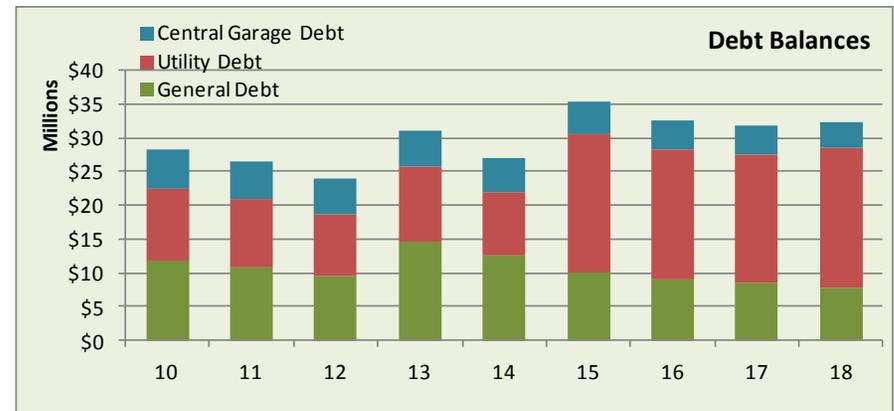
- Remain in compliance with statutory debt limits
- Plan and direct use of debt so that payments are manageable
- Seek to maintain the highest possible credit rating without compromising the delivery of essential services
- Prepare long-term financial planning
- Take advantage of lower interest rates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

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

## Debt Projections

Debt Balances—The list and graph below provide a summary of outstanding debt as of December 31, 2013, including \$3.3 million of crossover refunding debt issued during 2013. Debt refunding occurs when new debt, at a lower interest rate, is issued to pay off old debt at a higher interest rate. A crossover refunding occurs when the new debt is issued to repay older debt but the call date on the old debt is in a future calendar year. For a crossover refunding, the debt proceeds are held in escrow until the debt is paid off on the call date. This means that old and new debt balances are reported until the call date.

G.O. Improvement Bonds (assessments)	\$ 2,780,000
G.O. Tax Increment Bonds	690,000
G.O. Capital Plan Bonds (fire stations)	1,620,000
G.O. Street Improvement Bonds (streets)	5,505,000
Certificates of Participation (comm. center)	3,985,000
G.O. Capital Plan Bonds (maint. center)	5,270,000
G.O. Revenue Bonds (utility systems)	<u>11,115,000</u>
<b>Total Existing Debt</b>	<b>\$30,965,000</b>



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

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

Projected debt issuance over the next 5 years includes:

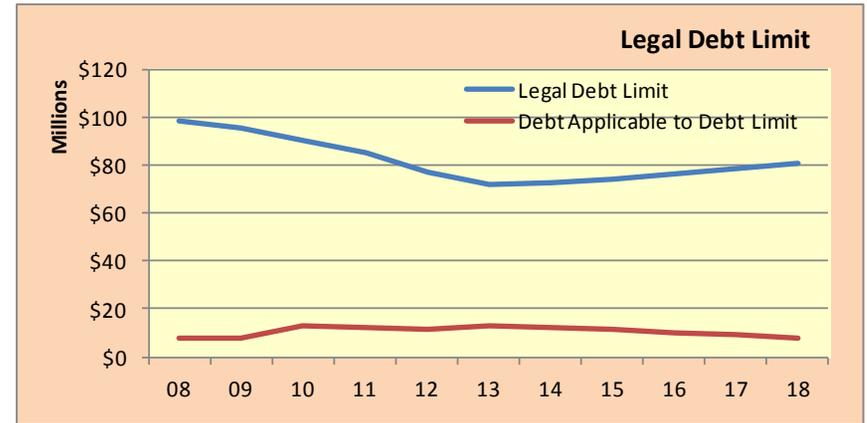
G.O. Improvement Bonds (assessments)	\$ 1,090,000
G.O. Revenue Bonds (water treatment plant)	9,100,000
G.O. Revenue Bonds (utility systems)	<u>7,150,000</u>
<b>Total Planned Debt</b>	<b>\$17,340,000</b>

The City anticipates issuing debt in 2015, 2017 and 2018 to finance projects in the proposed Capital Improvement Program.

**Debt Levy**—The debt portion of the tax levy supports principal and interest payments on general obligation bonds, including: fire station bonds, street bonds, and the tax-supported share of the maintenance center bonds. As shown in the graph below, the debt share of the property tax levy is projected to remain stable over the next 5 years.



**Debt Limit**—Minnesota statutes limit the amount of debt a City may issue for general obligation purposes. Shoreview’s current debt is 18% of the debt limit, including the outstanding \$3.3 million in crossover refunding debt. This leaves 82% of the debt limit available. Once the crossover dates arrive in 2015, the debt percentage drops to 15%.



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

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

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

<b>Debt Issued and Retired</b>	2010	2011	2012	2013	2014	2015	2016	2017	2018
	Actual	Actual	Actual	Budget	Projected	Projected	Projected	Projected	Projected
Debt Balance, beginning of year	\$21,550,000	\$28,130,000	\$26,440,000	\$24,055,000	\$30,965,000	\$26,945,000	\$35,330,000	\$32,645,000	\$31,840,000
<b>Debt Issued</b>									
Improvement bonds	140,000	-	-	2,010,000	-	310,000	-	340,000	440,000
Fire Station	-	-	-	750,000	-	-	-	-	-
Street Improvements	-	-	-	3,795,000	-	-	-	-	-
COPs (refunding)	-	4,620,000	-	-	-	-	-	-	-
Water bonds	1,240,000	-	-	1,690,000	-	9,900,000	-	630,000	560,000
Sewer bonds	985,000	-	-	285,000	-	1,200,000	-	330,000	1,400,000
Surface Water bonds	355,000	-	-	1,305,000	-	840,000	-	520,000	870,000
Maintenance Center	5,615,000	-	-	-	-	-	-	-	-
<b>Total Bonds Issued</b>	<b>8,335,000</b>	<b>4,620,000</b>	<b>-</b>	<b>9,835,000</b>	<b>-</b>	<b>12,250,000</b>	<b>-</b>	<b>1,820,000</b>	<b>3,270,000</b>
<b>Debt Paid</b>									
Improvement bonds	295,000	260,000	285,000	295,000	260,000	130,000	200,000	190,000	180,000
Tax Increment bonds	330,000	350,000	510,000	630,000	340,000	350,000	-	-	-
Fire Station	95,000	100,000	100,000	105,000	870,000	120,000	120,000	120,000	130,000
Street Improvements	140,000	145,000	150,000	155,000	305,000	1,690,000	345,000	340,000	340,000
COPs (commun center)	260,000	4,680,000	290,000	345,000	350,000	360,000	365,000	375,000	390,000
Water bonds	425,000	460,000	550,000	460,000	965,000	465,000	785,000	785,000	840,000
Sewer bonds	80,000	90,000	145,000	275,000	325,000	165,000	235,000	200,000	225,000
Surface Water bonds	130,000	225,000	255,000	415,000	360,000	335,000	380,000	350,000	385,000
Maintenance Center	-	-	100,000	245,000	245,000	250,000	255,000	265,000	270,000
<b>Total Bonds Issued</b>	<b>1,755,000</b>	<b>6,310,000</b>	<b>2,385,000</b>	<b>2,925,000</b>	<b>4,020,000</b>	<b>3,865,000</b>	<b>2,685,000</b>	<b>2,625,000</b>	<b>2,760,000</b>
Debt Balance, end of year	\$28,130,000	\$26,440,000	\$24,055,000	\$30,965,000	\$26,945,000	\$35,330,000	\$32,645,000	\$31,840,000	\$32,350,000

Includes refunding bond activity

<b>Debt Balances (at each year end)</b>	2010	2011	2012	2013	2014	2015	2016	2017	2018
	Actual	Actual	Actual	Budget	Projected	Projected	Projected	Projected	Projected
<b>Debt Balances</b>									
<b>General Obligation Bonds</b>									
Improvement	\$ 1,610,000	\$ 1,350,000	\$ 1,065,000	\$ 2,780,000	\$ 2,520,000	\$ 2,700,000	\$ 2,500,000	\$ 2,650,000	\$ 2,910,000
Tax Increment	2,180,000	1,830,000	1,320,000	690,000	350,000	-	-	-	-
Fire Stations	1,175,000	1,075,000	975,000	1,620,000	750,000	630,000	510,000	390,000	260,000
Street Improvements	2,160,000	2,015,000	1,865,000	5,505,000	5,200,000	3,510,000	3,165,000	2,825,000	2,485,000
<b>Total General Bonds</b>	<b>7,125,000</b>	<b>6,270,000</b>	<b>5,225,000</b>	<b>10,595,000</b>	<b>8,820,000</b>	<b>6,840,000</b>	<b>6,175,000</b>	<b>5,865,000</b>	<b>5,655,000</b>
<b>General Obligation Bonds</b>									
Maintenance Center	5,615,000	5,615,000	5,515,000	5,270,000	5,025,000	4,775,000	4,520,000	4,255,000	3,985,000
<b>General Obligation Revenue Bonds</b>									
Water Improvement	5,710,000	5,250,000	4,700,000	5,930,000	4,965,000	14,400,000	13,615,000	13,460,000	13,180,000
Sewer Improvement	2,220,000	2,130,000	1,985,000	1,995,000	1,670,000	2,705,000	2,470,000	2,600,000	3,775,000
Surface Water Improvement	2,780,000	2,555,000	2,300,000	3,190,000	2,830,000	3,335,000	2,955,000	3,125,000	3,610,000
<b>Total Utility Bonds</b>	<b>10,710,000</b>	<b>9,935,000</b>	<b>8,985,000</b>	<b>11,115,000</b>	<b>9,465,000</b>	<b>20,440,000</b>	<b>19,040,000</b>	<b>19,185,000</b>	<b>20,565,000</b>
<b>Total Bonded Debt</b>	<b>23,450,000</b>	<b>21,820,000</b>	<b>19,725,000</b>	<b>26,980,000</b>	<b>23,310,000</b>	<b>32,055,000</b>	<b>29,735,000</b>	<b>29,305,000</b>	<b>30,205,000</b>
Community Center Expansion	4,680,000	4,620,000	4,330,000	3,985,000	3,635,000	3,275,000	2,910,000	2,535,000	2,145,000
<b>Total Combined Debt Balances</b>	<b>\$ 28,130,000</b>	<b>\$ 26,440,000</b>	<b>\$ 24,055,000</b>	<b>\$ 30,965,000</b>	<b>\$ 26,945,000</b>	<b>\$ 35,330,000</b>	<b>\$ 32,645,000</b>	<b>\$ 31,840,000</b>	<b>\$ 32,350,000</b>
<b>Debt Limit Information</b>									
Market value in ensuing year (millions)	\$ 3,015.6	\$ 2,838.6	\$ 2,568.6	\$ 2,404.9	\$ 2,420.0	\$ 2,470.0	\$ 2,544.0	\$ 2,620.0	\$ 2,700.0
Debt Limit Rate	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%
Debt Limit	\$ 90,467,340	\$ 85,157,310	\$ 77,057,004	\$ 72,148,140	\$ 72,600,000	\$ 74,100,000	\$ 76,320,000	\$ 78,600,000	\$ 81,000,000
Debt Applicable to Debt Limit	\$ 12,747,163	\$ 12,442,328	\$ 11,798,714	\$ 13,120,594	\$ 12,186,908	\$ 11,180,502	\$ 10,117,226	\$ 9,022,555	\$ 7,907,352
Debt Margin Available	\$ 77,720,177	\$ 72,714,982	\$ 65,258,290	\$ 59,027,546	\$ 60,413,092	\$ 62,919,498	\$ 66,202,774	\$ 69,577,445	\$ 73,092,648
Percent Debt Margin Used	14.1%	14.6%	15.3%	18.2%	16.8%	15.1%	13.3%	11.5%	9.8%
Percent Debt Margin Available	85.9%	85.4%	84.7%	81.8%	83.2%	84.9%	86.7%	88.5%	90.2%
<b>Debt Levy by Type of Debt</b>									
Improvement -existing	\$ 188,000	\$ 150,000	\$ 67,026	\$ -	\$ 8,000	\$ 16,000	\$ 12,000	\$ 18,000	\$ 9,000
Fire Station-existing	145,000	145,000	143,000	143,000	132,000	132,000	132,000	132,000	132,000
Street Improvements-existing	232,000	232,000	232,000	358,000	408,000	396,000	401,000	401,000	401,000
Maintenance Center-existing	-	98,000	216,000	184,000	184,000	208,000	208,000	200,000	200,000
<b>Total Debt Levies</b>	<b>\$ 565,000</b>	<b>\$ 625,000</b>	<b>\$ 658,026</b>	<b>\$ 685,000</b>	<b>\$ 732,000</b>	<b>\$ 752,000</b>	<b>\$ 753,000</b>	<b>\$ 751,000</b>	<b>\$ 742,000</b>
Change in Debt Levies	\$ 12,000	\$ 60,000	\$ 33,026	\$ 26,974	\$ 47,000	\$ 20,000	\$ 1,000	\$ (2,000)	\$ (9,000)

## Debt Retirement Rate

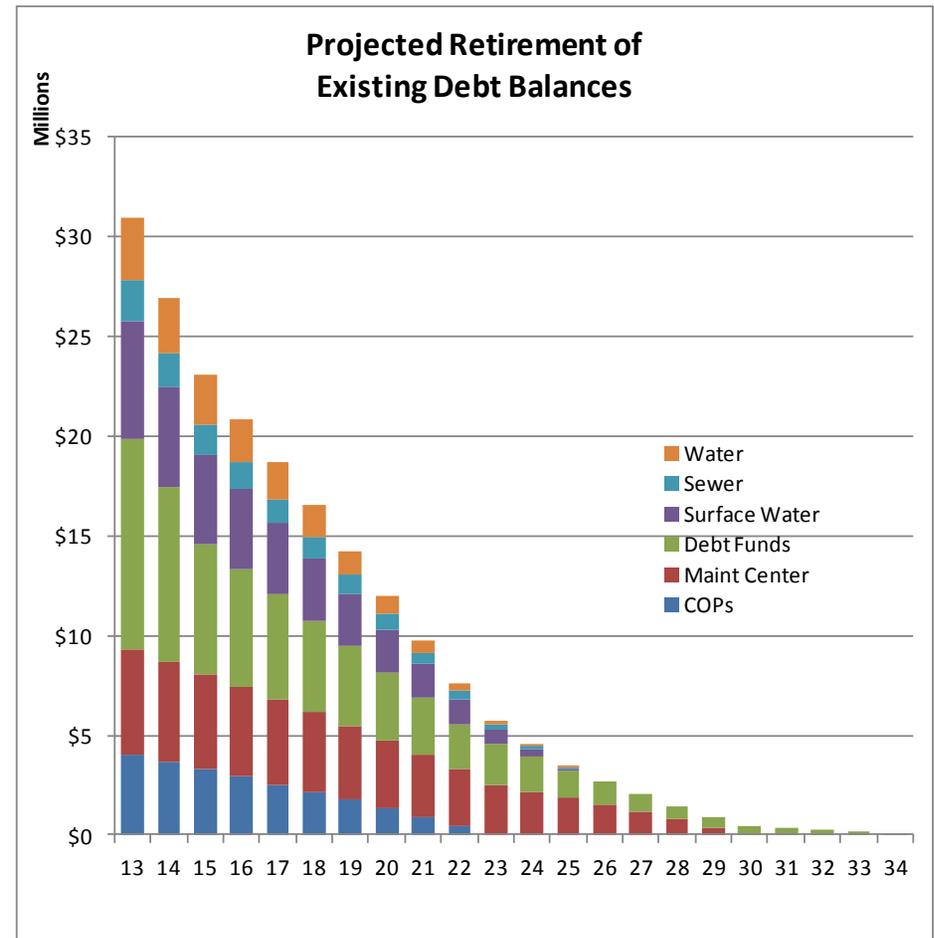
Shoreview's rate of debt retirement is a very favorable indicator. When considering the retirement for all debt combined, about 47% of the City's current outstanding debt will be retired over the next 5 years, and more than 81% will be retired within 10 years.

General Obligation Improvement Debt is paid over the longest period due to the 2013 issuance of improvement bonds for the realignment of Owasso Street. The assessment and debt repayment are amortized over 20 years.

Certificate of Participation Debt (COP) was issued to finance the last community center expansion in 2002. The final payment will occur in 2022 (within 9 years).

About 54% of combined governmental debt (General Obligation Improvement and COPs) is retired over the next 5 years, and 86% is retired within 10 years.

Proprietary Debt (Enterprise utility fund and Internal Service maintenance center debt) is retired at a slightly slower rate initially but is paid in full sooner, with 41% retired over the next five years and 78% retired within 10 years.



Retirement of existing debt is shown in the table below.

Year	Debt Balances as of Year End									Percent Paid		
	Proprietary Debt					Governmental/COP				Total All Debt	Govern and COP Debt	Total All Debt
	G.O. Water Revenue	G.O. Sewer Revenue	G.O. Surface Water Revenue	G.O. Maintenance Center	Total Proprietary Debt	G.O. Improvement Debt Funds	COP's Debt Funds	Total Govern and COP Debt				
2013	\$ 5,930,000	\$ 1,995,000	\$ 3,190,000	\$ 5,270,000	\$ 16,385,000	\$ 10,595,000	\$ 3,985,000	\$ 14,580,000	\$ 30,965,000			
2014	4,965,000	1,670,000	2,830,000	5,025,000	14,490,000	8,820,000	3,635,000	12,455,000	26,945,000	11.6%	14.6%	13.0%
2015	4,500,000	1,505,000	2,495,000	4,775,000	13,275,000	6,530,000	3,275,000	9,805,000	23,080,000	19.0%	32.8%	25.5%
2016	4,045,000	1,335,000	2,160,000	4,520,000	12,060,000	5,865,000	2,910,000	8,775,000	20,835,000	26.4%	39.8%	32.7%
2017	3,605,000	1,200,000	1,855,000	4,255,000	10,915,000	5,240,000	2,535,000	7,775,000	18,690,000	33.4%	46.7%	39.6%
2018	3,150,000	1,060,000	1,545,000	3,985,000	9,740,000	4,615,000	2,145,000	6,760,000	16,500,000	40.6%	53.6%	46.7%
2019	2,680,000	915,000	1,230,000	3,705,000	8,530,000	3,985,000	1,745,000	5,730,000	14,260,000	47.9%	60.7%	53.9%
2020	2,195,000	770,000	905,000	3,420,000	7,290,000	3,345,000	1,330,000	4,675,000	11,965,000	55.5%	67.9%	61.4%
2021	1,695,000	620,000	570,000	3,125,000	6,010,000	2,820,000	900,000	3,720,000	9,730,000	63.3%	74.5%	68.6%
2022	1,180,000	460,000	360,000	2,820,000	4,820,000	2,300,000	460,000	2,760,000	7,580,000	70.6%	81.1%	75.5%
2023	715,000	320,000	140,000	2,505,000	3,680,000	2,015,000	-	2,015,000	5,695,000	77.5%	86.2%	81.6%
2024	395,000	200,000	75,000	2,180,000	2,850,000	1,720,000	-	1,720,000	4,570,000	82.6%	88.2%	85.2%
2025	95,000	75,000	30,000	1,845,000	2,045,000	1,410,000	-	1,410,000	3,455,000	87.5%	90.3%	88.8%
2026	-	-	-	1,500,000	1,500,000	1,155,000	-	1,155,000	2,655,000	90.8%	92.1%	91.4%
2027	-	-	-	1,145,000	1,145,000	895,000	-	895,000	2,040,000	93.0%	93.9%	93.4%
2028	-	-	-	775,000	775,000	625,000	-	625,000	1,400,000	95.3%	95.7%	95.5%
2029	-	-	-	395,000	395,000	540,000	-	540,000	935,000	97.6%	96.3%	97.0%
2030	-	-	-	-	-	450,000	-	450,000	450,000	100.0%	96.9%	98.5%
2031	-	-	-	-	-	365,000	-	365,000	365,000	-	97.5%	98.8%
2032	-	-	-	-	-	280,000	-	280,000	280,000	-	98.1%	99.1%
2033	-	-	-	-	-	190,000	-	190,000	190,000	-	98.7%	99.4%
2034	-	-	-	-	-	95,000	-	95,000	95,000	-	99.3%	99.7%
2035	-	-	-	-	-	-	-	-	-	-	100.0%	100.0%

## Working Capital Targets

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

Working capital targets generally fall into 4 different targeted levels.

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

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

Fund	Basis	Target	Actual			Estim.	Budget	
			2010	2011	2012	2013	2014	2015
General Fund	months	5.0	5.9	5.8	5.7	5.6	5.4	5.2
Special Revenue Funds								
Recycling	months	5.0	1.6	2.9	3.9	4.5	5.0	5.6
Community Center	months	3.0	3.0	4.1	4.6	5.0	5.3	4.6
Recreation Programs	months	3.0	4.2	5.3	6.1	7.1	7.1	5.6
Cable TV	months	3.0	8.9	9.6	7.9	7.1	6.6	5.7
EDA	months	5.0	2.4	4.6	4.9	4.0	4.7	5.1
HRA	months	5.0	3.6	10.0	13.7	12.2	12.8	13.3
Slice of Shoreview	months	6.0	7.5	9.9	11.0	11.4	11.5	11.6
Debt Funds (combined)	months	6.0	12.7	15.5	14.5	16.9	16.3	19.5
Enterprise Funds								
Water	months	8.0	13.3	12.2	12.9	12.7	10.9	13.2
Sewer	months	6.0	6.3	7.4	6.4	6.0	6.6	7.6
Surface Water	months	6.0	9.9	7.3	3.0	6.0	3.3	5.4
Street Lighting	months	6.0	5.7	7.6	7.2	7.1	6.3	6.0
Internal Service Funds								
Central Garage	months	6.0	9.9	6.1	7.9	7.8	8.4	8.9
Short-term Disability	years	3.0	5.8	5.3	5.1	5.1	5.1	5.1
Liability Claims	years	2.0	3.9	4.3	5.0	5.0	5.0	5.0
* Temporary decrease due to timing differences between debt proceeds and capital costs.								

## Summary

The remainder of this document contains 5-year projections for each operating fund. These estimates inform and help formulate the City's long-term strategies and influence development of the City's Biennial Budget (for 2014 and 2015). The financial planning strategies are intended to:

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

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

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

Fred Espe, Assistant Finance Director  
Jeanne Haapala, Finance Director  
Terry Schwerm, City Manager

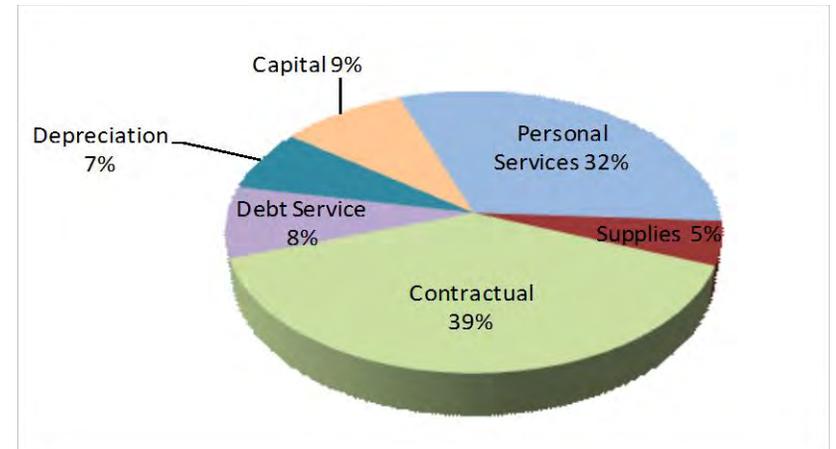
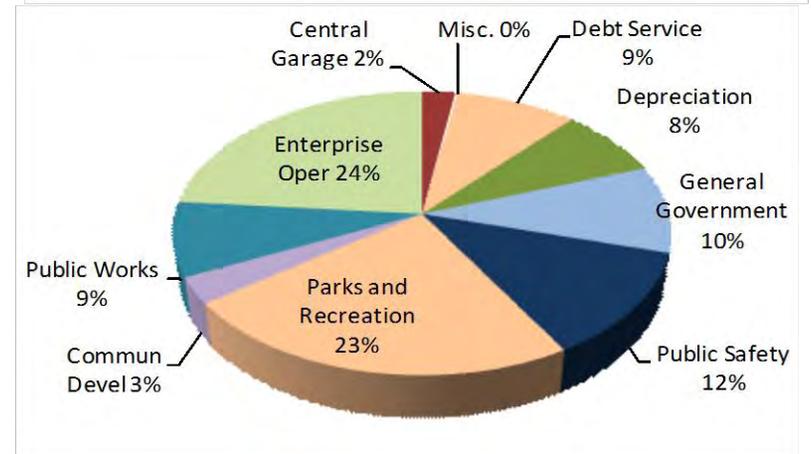
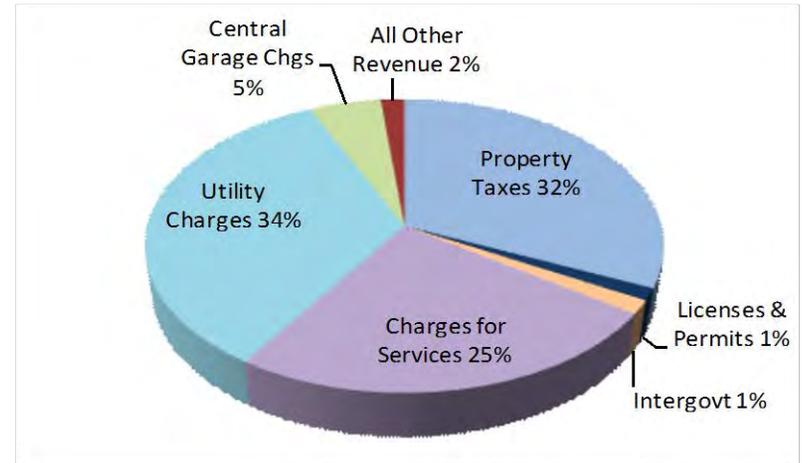
## Total Operating Funds

Combined revenue and expense for all operating funds is presented in the table below. Total expense (excluding capital project funds and transfers between funds) is projected to rise 2.9% over the 2013 revised estimate (3.2% over the 2013 budget), and will rise between 2.6% and 3.4% from 2015 through 2018. It should be noted that the property tax totals in the table below exclude tax levies for capital funds. For instance, the 2014 levy below \$7,739,154 plus capital fund levies of \$2,270,000 equal a total levy of \$10,009,154.

Revenue for 2014 (shown in the top pie chart at right) is derived from a combination of sources including: 34% from utility charges, 32% from property taxes, 25% from charges for service (including inter-fund charges), 5% from central garage charges, 1% from intergovernmental revenue, 1% from licenses and permits, and 2% for all other sources combined.

Expense for 2014 (shown in the middle pie chart at right) shows that public works accounts for the largest share at 33% (enterprise 24% and other public works functions 9%). Parks and recreation operations accounts for 23%, and includes maintenance of parks and park buildings, park administration, community center operations and recreation programs. Public safety accounts for 12% (police, fire, animal control and emergency services). General government and debt service account for 10% and 9%, followed by depreciation at 8%, and central garage and community development at 2% and 3%.

Total 2014 costs by classification are shown in the bottom chart at right. Unlike the two previous pie charts, this chart presents total costs, including planned capital project spending. The largest class of expense is for contractual services at 39%. The most significant contractual costs include police and fire contracts, sewage treatment, central garage charges, administrative charges, recycling, electric and insurance. Personal services accounts for 32% of total expense, compared to 9% for capital costs, 8% for debt service, 7% for depreciation of utility and central garage assets, and 5% for supplies.



Total Operating Funds	2010	2011	2012	2013		2014	2015	2016	2017	2018
	Actual	Actual	Actual	Budget	Estimate					
<b>Revenue</b>										
Property Taxes	\$ 6,777,040	\$ 6,966,068	\$ 7,147,896	\$ 7,459,567	\$ 7,459,567	\$ 7,739,154	\$ 8,117,671	\$ 8,477,142	\$ 8,753,279	\$ 9,070,427
Special Assessments	201,614	186,281	174,842	107,971	94,428	100,850	199,945	234,945	216,411	256,411
Licenses & Permits	501,198	441,243	540,755	314,050	475,600	324,500	308,300	288,800	274,800	267,300
Intergovernmental	342,426	375,466	376,158	366,152	363,727	365,392	361,152	358,252	355,597	351,137
Charges for Services	5,305,833	5,568,549	5,689,999	5,809,731	5,942,760	6,037,173	6,190,130	6,314,115	6,435,401	6,565,849
Fines & Forfeits	32,813	62,135	67,000	62,500	52,800	52,800	52,800	52,800	52,800	52,800
Utility Charges	6,487,924	7,100,858	8,086,327	7,993,640	7,993,640	8,294,577	8,663,303	9,270,141	9,702,675	10,100,682
Central Garage Chgs	1,043,775	1,060,926	1,143,847	1,153,020	1,196,240	1,242,855	1,256,090	1,281,880	1,317,480	1,360,660
Interest Earnings	160,710	351,119	185,417	163,350	137,950	153,000	160,070	160,830	177,570	177,470
Other Revenues	146,587	126,918	174,000	80,740	103,556	102,808	102,427	102,627	103,201	103,401
Total Revenue	20,999,920	22,239,563	23,586,241	23,510,721	23,820,268	24,413,109	25,411,888	26,541,532	27,389,214	28,306,137
<b>Expense</b>										
General Government	2,077,391	2,037,408	2,243,504	2,345,660	2,455,800	2,442,375	2,515,522	2,597,448	2,640,355	2,748,634
Public Safety	2,448,406	2,556,068	2,706,424	2,882,693	2,861,662	3,000,223	3,144,020	3,282,803	3,434,194	3,549,704
Public Works	1,714,051	1,747,326	1,864,122	1,979,986	1,979,026	2,086,295	2,150,401	2,208,064	2,288,245	2,351,419
Parks and Recreation	5,076,848	5,291,572	5,282,365	5,470,139	5,458,672	5,759,484	6,116,013	6,304,563	6,444,127	6,623,244
Commun Development	621,455	621,534	612,405	680,735	690,928	742,615	780,031	816,501	845,914	881,495
Enterprise Oper	5,110,193	5,272,823	5,244,732	5,705,039	5,583,226	5,817,212	6,015,448	6,256,442	6,421,072	6,551,168
Central Garage	502,790	537,045	550,659	593,566	577,942	599,799	617,652	634,269	649,401	665,717
Miscellaneous	79,834	156,808	67,522	40,000	40,000	40,000	40,000	40,000	40,000	40,000
Debt Service	2,172,790	2,407,716	2,331,187	2,277,782	2,429,890	2,213,943	2,096,139	2,181,882	2,104,467	2,123,104
Depreciation	1,397,175	1,636,971	1,813,983	1,907,000	1,867,000	1,935,000	1,991,000	2,022,000	2,149,000	2,278,000
Total Expense	21,200,933	22,265,271	22,716,903	23,882,600	23,944,146	24,636,946	25,466,226	26,343,972	27,016,775	27,812,485
<b>Other Sources (Uses)</b>										
Sale of Asset-Gain	29,473	64,457	26,311	41,000	40,000	29,000	-	50,000	39,000	56,000
Debt Refunded	-	(4,410,000)	-	-	(135,000)	(860,000)	(1,385,000)	-	-	-
Debt Proceeds	-	4,620,000	-	20,000	2,596,503	-	10,000	-	10,000	10,000
Contrib Cap Assets	107,585	17,281	194,313	-	-	-	-	-	-	-
Transfers In	1,992,463	2,261,833	2,063,714	2,359,186	2,362,009	2,070,010	2,130,321	1,839,288	1,889,400	1,949,400
Transfers Out	(1,211,030)	(1,496,802)	(1,374,262)	(1,340,320)	(1,349,850)	(1,347,010)	(1,829,400)	(1,484,288)	(1,534,400)	(1,594,400)
Net Change	\$ 717,478	\$ 1,031,061	\$ 1,779,414	\$ 707,987	\$ 3,389,784	\$ (331,837)	\$ (1,128,417)	\$ 602,560	\$ 776,439	\$ 914,652
Expense percent change	3.6%	5.0%	2.0%		5.4%	3.2%	3.4%	3.4%	2.6%	2.9%

## General Fund Operations

The General Fund is the primary operating fund of the City, accounting for all operations not otherwise accounted for in separate funds. In 2014, property taxes provide 77.9% of revenues for the fund (excluding transfers from other funds).

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

### Impacts

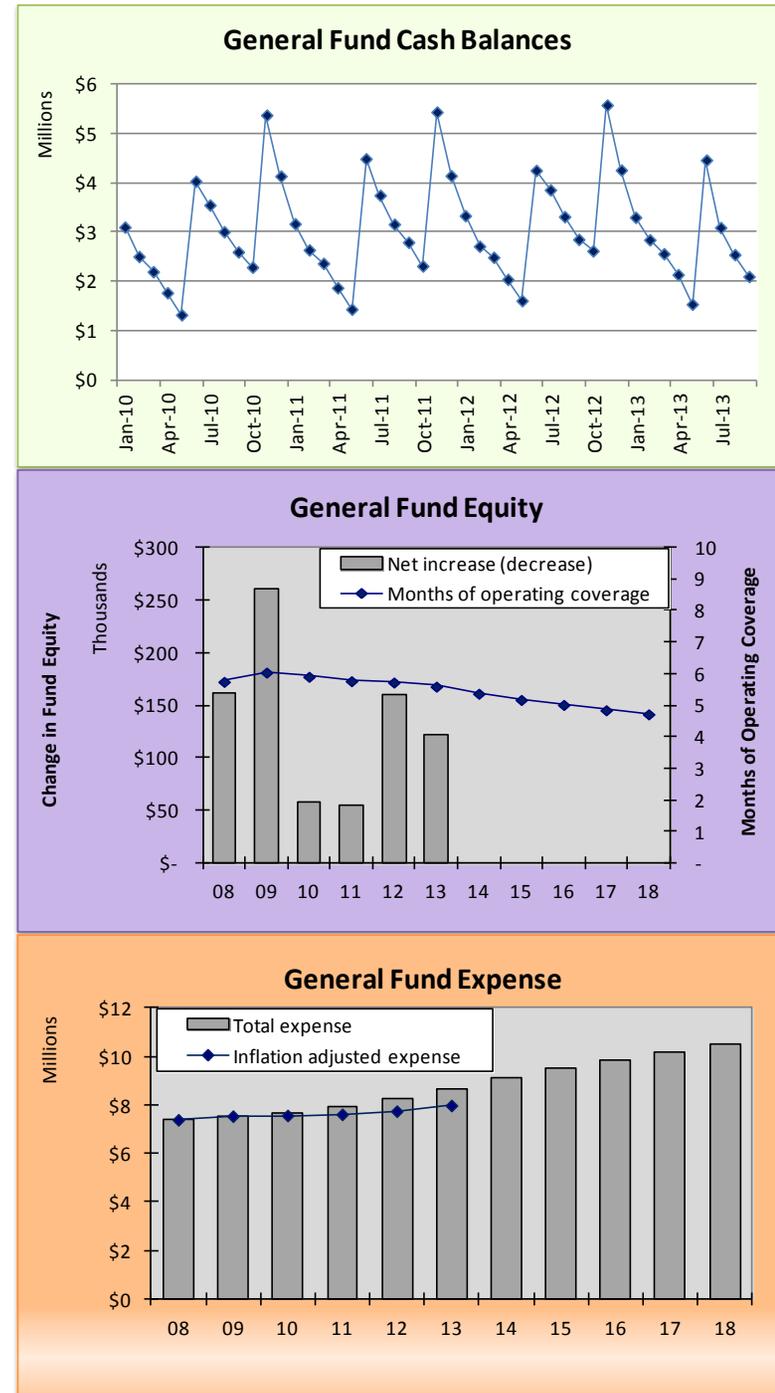
- Shoreview receives less aid than cities of similar size, making it more challenging to maintain competitive property tax levels
- Property taxes are increasing as a percent of total General Fund revenue, providing 79.9% of total revenue in 2014 and 80.5% in 2018
- Property tax collections occur in July and December, creating cash flow challenges for the fund

### Performance/History

- Strong fund balances between 47% and 49% of current expense
- Operating coverage greater than 5 months in most years
- Internal decisions account for over 90% of revenue sources

### Fund Goals/Targets

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



<b>General Fund</b>	2010 Actual	2011 Actual	2012 Actual	2013 Estimate	2014 Budget	2015 Budget	2016 Projected	2017 Projected	2018 Projected
<b>Revenue</b>									
Property Taxes	\$ 6,170,162	\$ 6,265,673	\$ 6,374,969	\$ 6,639,567	\$ 6,837,154	\$ 7,180,671	\$ 7,524,142	\$ 7,792,279	\$ 8,108,427
Licenses & Permits	501,198	441,243	540,755	475,600	324,500	308,300	288,800	274,800	267,300
Intergovernmental	187,717	188,521	187,149	187,407	188,622	188,622	189,622	189,622	190,622
Charges for Services	1,226,101	1,198,357	1,262,088	1,313,670	1,303,110	1,302,400	1,320,900	1,346,100	1,373,100
Fines & Forfeits	32,813	62,135	67,000	52,800	52,800	52,800	52,800	52,800	52,800
Interest Earnings	38,330	79,714	47,253	40,000	45,000	50,000	50,000	55,000	55,000
Other Revenues	33,400	40,264	52,529	26,956	26,108	26,227	26,427	27,001	27,201
<b>Total Revenue</b>	<b>8,189,721</b>	<b>8,275,907</b>	<b>8,531,743</b>	<b>8,736,000</b>	<b>8,777,294</b>	<b>9,109,020</b>	<b>9,452,691</b>	<b>9,737,602</b>	<b>10,074,450</b>
<b>Expense</b>									
General Government	1,696,835	1,839,812	2,037,850	2,128,114	2,227,053	2,269,274	2,356,035	2,408,516	2,511,130
Public Safety	2,448,406	2,556,068	2,706,424	2,861,662	3,000,223	3,144,020	3,282,803	3,434,194	3,549,704
Public Works	1,284,791	1,298,219	1,389,113	1,475,047	1,556,726	1,603,772	1,648,440	1,711,087	1,756,416
Parks and Recreation	1,665,045	1,716,548	1,594,152	1,599,242	1,726,055	1,850,037	1,919,773	1,941,338	2,006,273
Community Development	554,739	530,288	517,777	575,447	590,237	611,917	631,640	651,467	675,927
<b>Total Expense</b>	<b>7,649,816</b>	<b>7,940,935</b>	<b>8,245,316</b>	<b>8,639,512</b>	<b>9,100,294</b>	<b>9,479,020</b>	<b>9,838,691</b>	<b>10,146,602</b>	<b>10,499,450</b>
<b>Other Sources (Uses)</b>									
Transfers In	312,000	471,450	481,000	519,000	692,000	748,000	784,000	817,000	850,000
Transfers Out	(793,418)	(751,145)	(607,830)	(494,000)	(369,000)	(378,000)	(398,000)	(408,000)	(425,000)
<b>Net Change</b>	<b>58,487</b>	<b>55,277</b>	<b>159,597</b>	<b>121,488</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Fund Equity, beginning	3,862,648	3,921,135	3,976,412	4,136,009	4,257,497	4,257,497	4,257,497	4,257,497	4,257,497
Fund Equity, ending	\$ 3,921,135	\$ 3,976,412	\$ 4,136,009	\$ 4,257,497	\$ 4,257,497	\$ 4,257,497	\$ 4,257,497	\$ 4,257,497	\$ 4,257,497
Fund equity percent of expense	49.4%	48.2%	47.9%	46.8%	44.9%	43.3%	42.0%	40.5%	39.5%
Months of operating coverage	5.9	5.8	5.7	5.6	5.4	5.2	5.0	4.9	4.7
Transfers out per fund bal policy	\$ 378,064	\$ 311,728	\$ 207,403	\$ 82,000					
Expense percent change	2.0%	3.8%	3.8%	4.8%	5.3%	4.2%	3.8%	3.1%	3.5%
Average annual percent change				3.6%					4.0%
Tax Levy percent change	3.5%	1.5%	1.7%	4.2%	3.0%	5.0%	4.8%	3.6%	4.1%
Average annual percent change				2.7%					4.1%
Percent revenue/internal decision:	90.8%	91.3%	90.1%	91.9%	93.8%	94.2%	94.7%	94.9%	95.1%
Percent revenue/external decision	9.2%	8.7%	9.9%	8.1%	6.2%	5.8%	5.3%	5.1%	4.9%

## Recycling Fund Operations

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

### Impacts

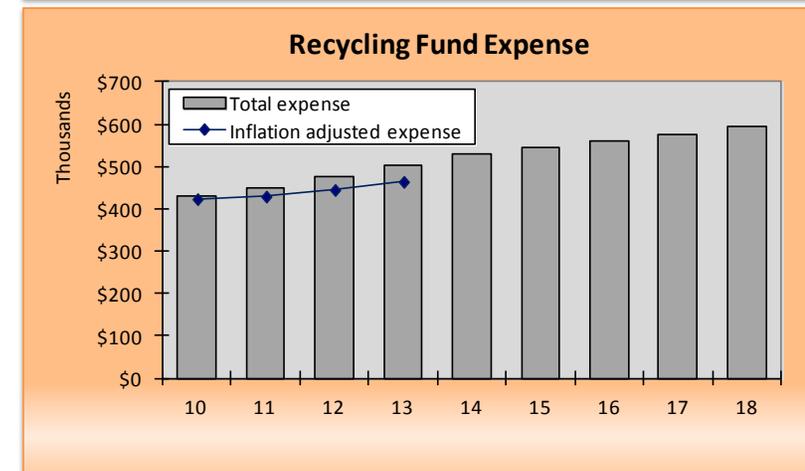
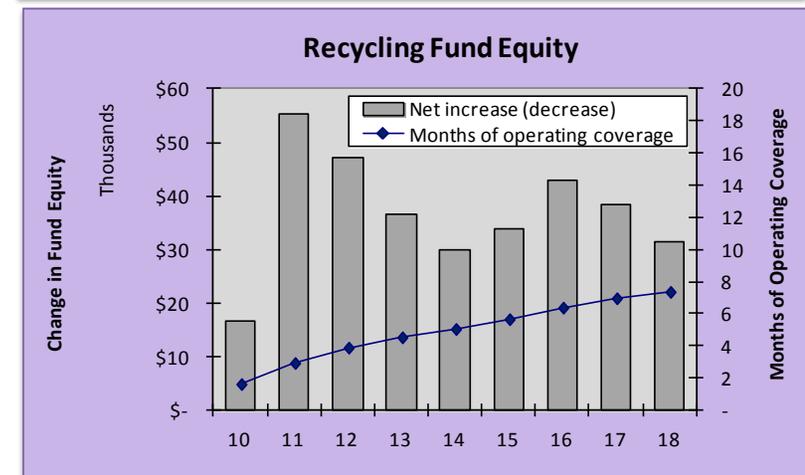
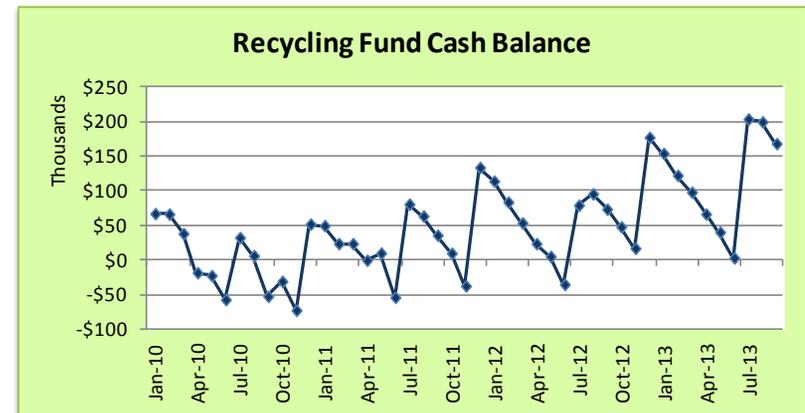
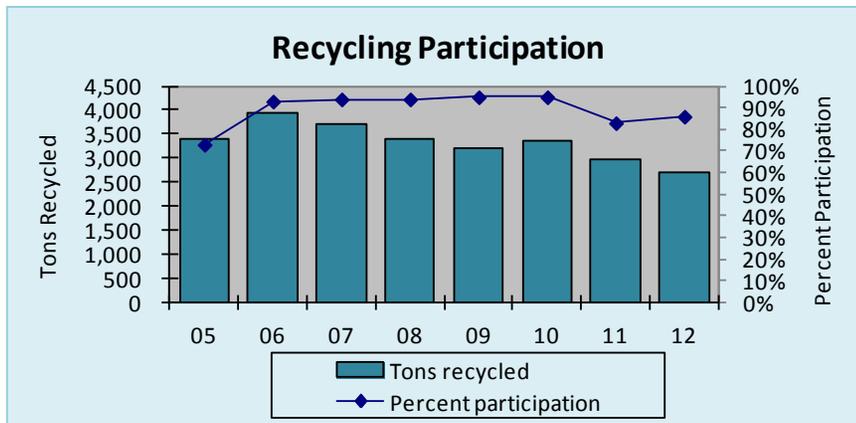
- SCORE grant funding has grown at a slower pace than program costs, and provides between 8.6% and 9.3% of revenue
- Reductions in newspaper circulation have significantly reduced the tons of materials recycled in recent years
- User fees provide between 85% and 87% of revenue, and are received in July and December, creating cash flow challenges for the fund

### Performance/History

- Operating coverage of less than 2 month in 3 of the last 5 years
- Periodic negative cash balances due to the timing of revenue from user fees

### Fund Goals/Targets

- Gradually build fund balance and improve cash flow performance
- Establish recycling fees sufficient to generate operating coverage of 5 months within 2 years, and pay interest to the investment pool for temporary negative cash balances throughout the year



<b>Recycling Fund</b>	2010	2011	2012	2013	2014	2015	2016	2017	2018
	Actual	Actual	Actual	Estimate	Budget	Budget	Projected	Projected	Projected
<b>Revenue</b>									
Intergovernmental									
SCORE Grant	\$ 54,023	\$ 53,242	\$ 51,883	\$ 52,000	\$ 52,000	\$ 53,000	\$ 53,000	\$ 55,000	\$ 55,000
Other Local Governments	5,118	17,603	14,911	17,000	14,000	12,000	12,000	12,000	12,000
Charges for Services									
Recycling Charges	375,660	410,121	434,962	458,000	493,000	515,000	537,000	548,000	559,000
Cleanup Day Charges	10,888	22,747	19,590	13,500	500	500	500	500	500
Interest Earnings	62	683	885	-	-	-	-	-	-
<b>Total Revenue</b>	<b>445,751</b>	<b>504,396</b>	<b>522,231</b>	<b>540,500</b>	<b>559,500</b>	<b>580,500</b>	<b>602,500</b>	<b>615,500</b>	<b>626,500</b>
<b>Expense</b>									
Public Works									
Personal Services	30,207	6,983	24,583	25,159	26,579	28,069	31,534	32,398	34,073
Supplies	-	1,039	2,804	1,000	1,100	1,100	1,100	1,100	1,200
Contractual Services	399,053	441,085	447,622	477,820	501,890	517,460	526,990	543,660	559,730
<b>Total Expense</b>	<b>429,260</b>	<b>449,107</b>	<b>475,009</b>	<b>503,979</b>	<b>529,569</b>	<b>546,629</b>	<b>559,624</b>	<b>577,158</b>	<b>595,003</b>
<b>Net Change</b>	<b>16,491</b>	<b>55,289</b>	<b>47,222</b>	<b>36,521</b>	<b>29,931</b>	<b>33,871</b>	<b>42,876</b>	<b>38,342</b>	<b>31,497</b>
Fund Equity, beginning	43,180	59,671	114,960	162,182	198,703	228,634	262,505	305,381	343,723
<b>Fund Equity, ending</b>	<b>\$ 59,671</b>	<b>\$ 114,960</b>	<b>\$ 162,182</b>	<b>\$ 198,703</b>	<b>\$ 228,634</b>	<b>\$ 262,505</b>	<b>\$ 305,381</b>	<b>\$ 343,723</b>	<b>\$ 375,220</b>
Fund equity percent of expense	13.3%	24.2%	32.2%	37.5%	41.8%	46.9%	52.9%	57.8%	61.1%
Months of operating coverage	1.6	2.9	3.9	4.5	5.0	5.6	6.3	6.9	7.3
Expense percent change	1.3%	4.6%	5.8%	6.1%	5.1%	3.2%	2.4%	3.1%	3.1%
Average annual percent change				4.5%					3.4%
Annual charge per parcel/unit	\$ 35.00	\$ 37.50	\$ 40.00	\$ 42.00	\$ 45.00	\$ 47.00	\$ 49.00	\$ 50.00	\$ 51.00
Change in rate-dollars	\$ 1.50	\$ 2.50	\$ 2.50	\$ 2.00	\$ 3.00	\$ 2.00	\$ 2.00	\$ 1.00	\$ 1.00
Change in rate-percent	4.5%	7.1%	6.7%	5.0%	7.1%	4.4%	4.3%	2.0%	2.0%
Average annual percent change				5.8%					4.0%
Cost per collection	\$ 1.35	\$ 1.44	\$ 1.54	\$ 1.62	\$ 1.73	\$ 1.81	\$ 1.88	\$ 1.92	\$ 1.96
Participation rate	95.0%	83.0%	86.0%						
Tons recycled	3,342	2,985	2,696						
Number of units	10,895	10,897	10,897	10,966	10,966	10,966	10,966	10,966	10,966

## Community Center Fund Operations

The Community Center Fund accounts for 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 concessions.

### Impacts

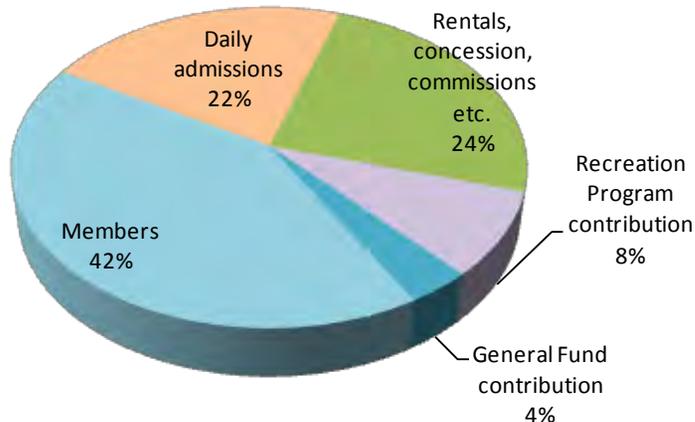
- User fees provide 88% of revenue (memberships, admissions and room rentals)
- General Fund provides \$239,000 in support of operations for 2014 through an inter-fund transfer
- Recreation Programs Fund provides \$100,000 in support for use of the facility
- Planned \$200,000 contribution to the community center expansion in 2015

### Performance/History

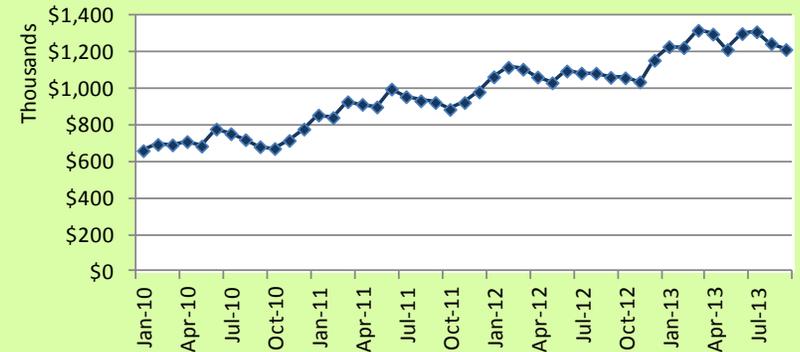
- Enrollment in automatic monthly billing by members continues to rise, providing greater cash flow stability
- Insurance incentive credits increased from \$25,575 in 2008 to an estimated \$198,192 in 2013
- Working capital coverage equal to 4 to 5 months in most years
- Positive cash flows

### Fund Goals/Targets

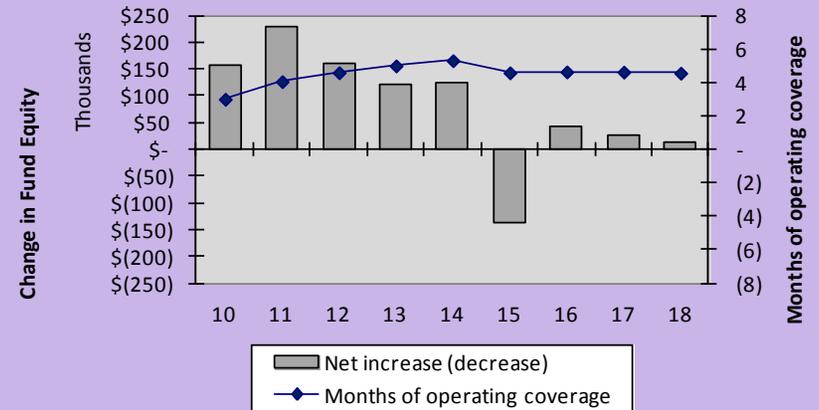
- Adjust rates and operating expense to maintain operating coverage of 3 months
- Increase General Fund support approximately 3% per year



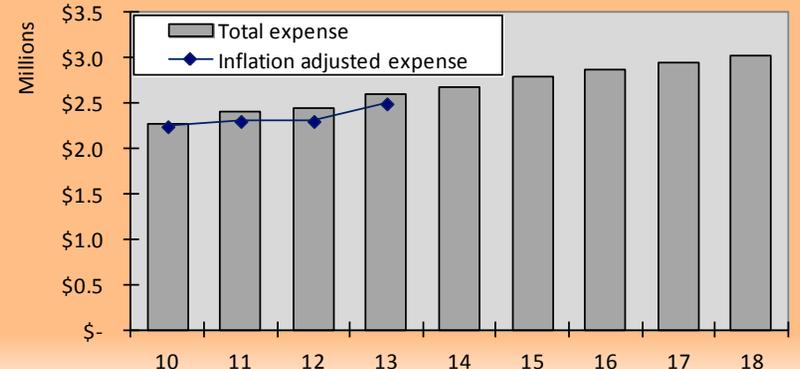
## Community Center Cash Balance



## Community Center Fund Equity



## Community Center Expense



<b>Community Center Fund</b>	2010 Actual	2011 Actual	2012 Actual	2013 Estimate	2014 Budget	2015 Budget	2016 Projected	2017 Projected	2018 Projected
<b>Revenue</b>									
Charges for Services									
Memberships	\$ 1,040,491	\$ 1,111,186	\$ 1,137,711	\$ 1,137,000	\$ 1,165,000	\$ 1,177,000	\$ 1,192,000	\$ 1,207,000	\$ 1,222,000
Daily Admissions	522,366	597,163	555,209	599,400	605,300	610,600	617,000	623,350	629,700
Room Rentals	220,656	250,291	255,186	275,990	287,900	299,130	309,865	320,600	331,340
Concessions & Commissions	198,094	223,800	221,418	240,610	247,800	255,000	262,930	271,000	279,000
All Other Charges	125,135	128,631	128,821	123,100	125,850	128,600	131,350	134,400	137,350
Interest Earnings	8,017	20,674	14,100	7,500	8,000	5,000	5,000	6,000	6,000
Other Revenues	715	756	60	13,000	13,000	12,500	12,500	12,500	12,500
<b>Total Revenue</b>	<b>2,115,474</b>	<b>2,332,501</b>	<b>2,312,505</b>	<b>2,396,600</b>	<b>2,452,850</b>	<b>2,487,830</b>	<b>2,530,645</b>	<b>2,574,850</b>	<b>2,617,890</b>
<b>Expense</b>									
Parks and Recreation									
Personal Services	1,319,270	1,352,471	1,399,967	1,515,582	1,570,841	1,674,045	1,730,937	1,779,639	1,829,424
Supplies	405,540	448,853	446,078	469,600	499,815	510,461	522,694	537,530	551,568
Contractual	544,863	600,542	599,684	602,190	597,020	607,695	617,075	633,720	645,335
Capital Outlay	-	-	5,727	-	-	-	-	-	-
<b>Total Expense</b>	<b>2,269,673</b>	<b>2,401,866</b>	<b>2,451,456</b>	<b>2,587,372</b>	<b>2,667,676</b>	<b>2,792,201</b>	<b>2,870,706</b>	<b>2,950,889</b>	<b>3,026,327</b>
<b>Other Sources (Uses)</b>									
Transfers In	310,000	297,000	300,000	312,000	339,000	366,000	384,000	402,000	420,000
Transfers Out	-	-	-	-	-	(200,000)	-	-	-
<b>Net Change</b>	<b>155,801</b>	<b>227,635</b>	<b>161,049</b>	<b>121,228</b>	<b>124,174</b>	<b>(138,371)</b>	<b>43,939</b>	<b>25,961</b>	<b>11,563</b>
Fund Equity, beginning	444,851	600,652	828,287	989,336	1,110,564	1,234,738	1,096,367	1,140,306	1,166,267
Fund Equity, ending	\$ 600,652	\$ 828,287	\$ 989,336	\$ 1,110,564	\$ 1,234,738	\$ 1,096,367	\$ 1,140,306	\$ 1,166,267	\$ 1,177,830
Fund equity committed to building impr	186	215,423	376,472	443,645	536,688	378,691	402,584	409,685	402,843
Fund equity percent of expense	25.0%	33.8%	38.2%	41.6%	44.2%	38.2%	38.6%	38.5%	38.0%
Months of operating coverage	3.0	4.1	4.6	5.0	5.3	4.6	4.6	4.6	4.6
Tax support as percent of expense	10.1%	9.5%	9.2%	9.0%	9.0%	8.8%	8.8%	8.9%	8.9%
Revenue percent change	6.8%	10.3%	-0.9%	3.6%	2.3%	1.4%	1.7%	1.7%	1.7%
Average annual percent change/rev				5.0%					1.8%
Expense percent change	3.8%	5.8%	2.1%	5.5%	3.1%	4.7%	2.8%	2.8%	2.6%
Average annual percent change/exp				4.3%					3.2%
Insurance credits (memberships)	\$ 178,500	\$ 202,682	\$ 193,512	\$ 198,192					
Annual membership rev billed monthly	\$ 352,441	\$ 399,450	\$ 427,000	\$ 441,300					
Rate change, daily admissions	3.9%	3.8%	1.8%	2.2%	3.0%	3.0%	3.0%	3.0%	3.0%
Rate change, memberships	2.5%	3.3%	3.3%	2.2%	3.0%	3.0%	3.0%	3.0%	3.0%

## Recreation Program Fund Operations

The Recreation Programs Fund accounts for a variety of recreational and social programs offered throughout the City on a fee basis. Financial support, through an inter-fund transfer, is provided to the Community Center fund to partially cover use of the facility.

### Impacts

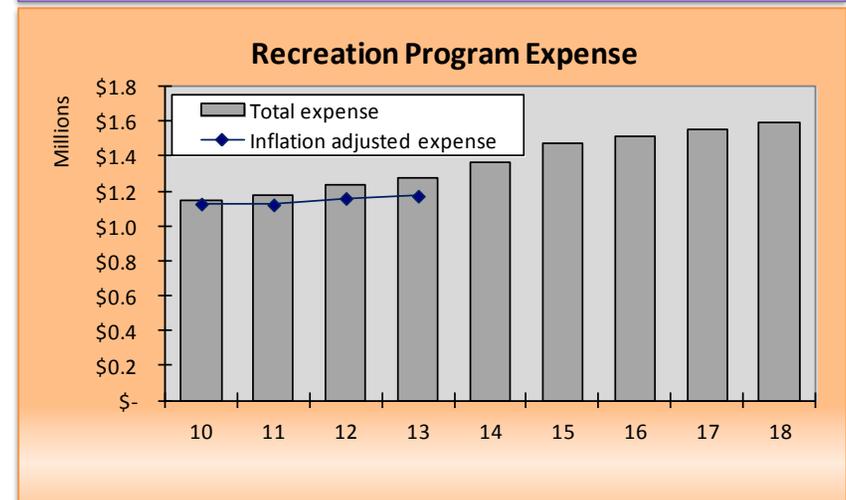
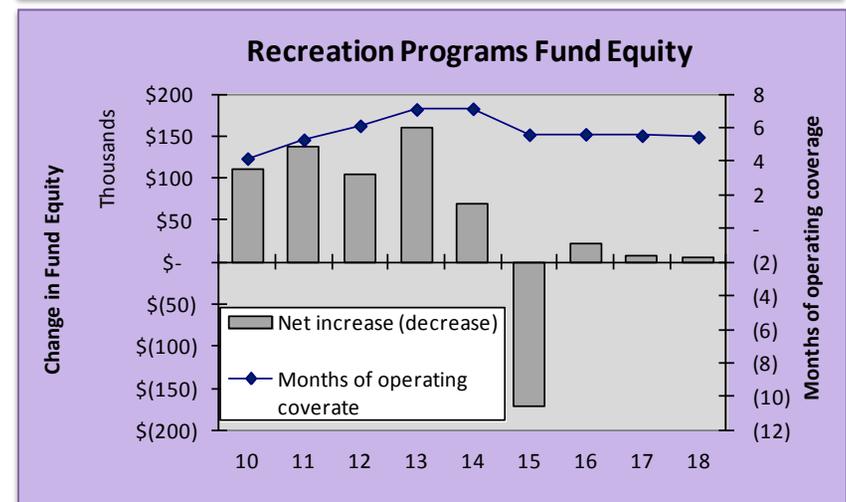
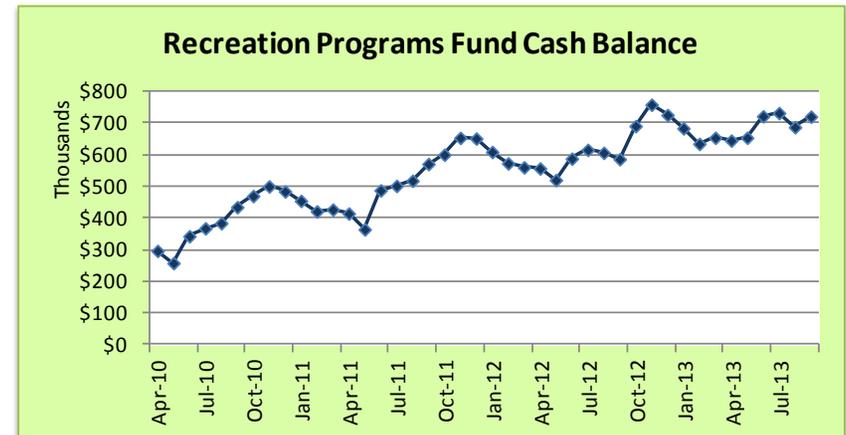
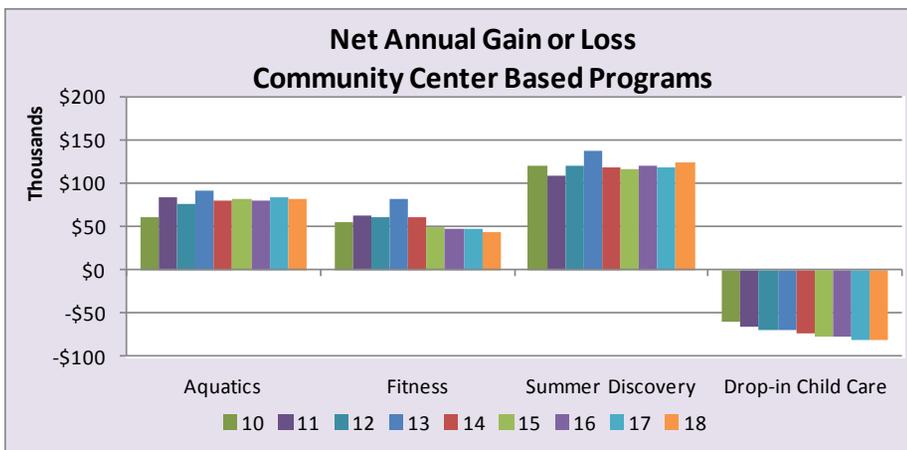
- User fees provide 95% of revenue
- General Fund provides support for community-oriented programs through an annual transfer
- Planned \$200,000 contribution to the community center expansion in 2015

### Performance/History

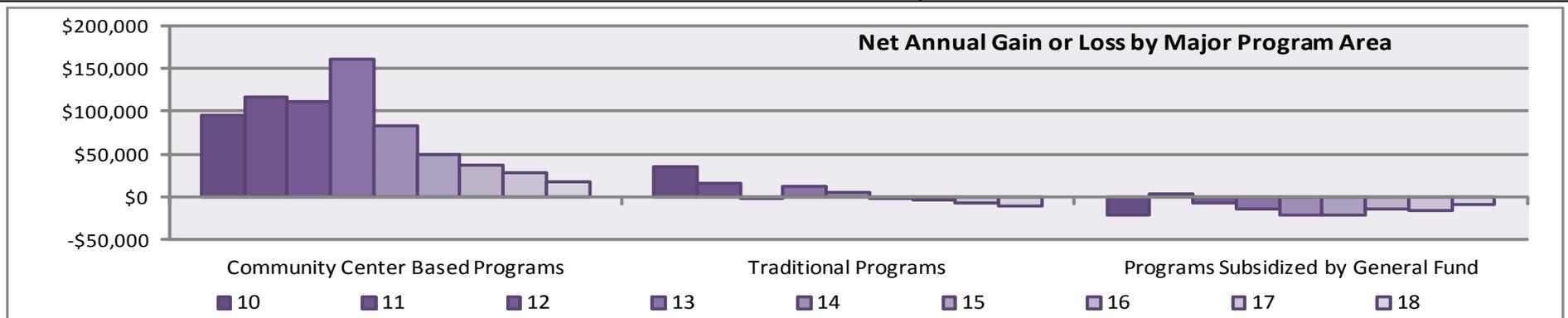
- Operating coverage equal to 4 to 6 months
- Positive cash flows

### Fund Goals/Targets

- Preserve 3 months operating coverage through user fee adjustments
- Hold General Fund support to the rate of inflation or less
- Cover cost increases through operating efficiencies where possible/practical



Recreation Programs Fund	2010 Actual	2011 Actual	2012 Actual	2013 Estimate	2014 Budget	2015 Budget	2016 Projected	2017 Projected	2018 Projected
<b>Revenue</b>									
Charges for Services	\$1,266,929	\$1,303,082	\$1,340,831	\$1,436,990	\$1,460,213	\$1,548,900	\$1,579,070	\$1,610,381	\$1,649,239
Interest Earnings	4,623	12,323	8,388	4,000	4,200	2,000	2,000	2,500	2,500
Other Revenues	489	60	972	-	-	-	-	-	-
<b>Total Revenue</b>	<b>1,272,041</b>	<b>1,315,465</b>	<b>1,350,191</b>	<b>1,440,990</b>	<b>1,464,413</b>	<b>1,550,900</b>	<b>1,581,070</b>	<b>1,612,881</b>	<b>1,651,739</b>
<b>Expense</b>									
Parks and Recreation									
Parks Administration	344,288	304,171	387,969	457,259	475,879	496,110	512,259	-	-
Program Costs	797,842	868,987	848,788	814,799	889,874	977,665	1,001,825	1,551,900	1,590,644
<b>Total Expense</b>	<b>1,142,130</b>	<b>1,173,158</b>	<b>1,236,757</b>	<b>1,272,058</b>	<b>1,365,753</b>	<b>1,473,775</b>	<b>1,514,084</b>	<b>1,551,900</b>	<b>1,590,644</b>
<b>Other Sources (Uses)</b>									
Transfers In	60,000	65,000	65,000	70,000	70,000	72,000	84,000	86,000	95,000
Transfers Out	(80,000)	(70,000)	(75,000)	(80,000)	(100,000)	(320,000)	(130,000)	(140,000)	(150,000)
<b>Net Change</b>	<b>109,911</b>	<b>137,307</b>	<b>103,434</b>	<b>158,932</b>	<b>68,660</b>	<b>(170,875)</b>	<b>20,986</b>	<b>6,981</b>	<b>6,095</b>
Fund Equity, beginning	297,987	407,898	545,205	648,639	807,571	876,231	705,356	726,342	733,323
<b>Fund Equity, ending</b>	<b>\$ 407,898</b>	<b>\$ 545,205</b>	<b>\$ 648,639</b>	<b>\$ 807,571</b>	<b>\$ 876,231</b>	<b>\$ 705,356</b>	<b>\$ 726,342</b>	<b>\$ 733,323</b>	<b>\$ 739,418</b>
Fund equity committed to bldg impr	\$ 114,609	\$ 236,016	\$ 330,625	\$ 466,133	\$ 507,787	\$ 326,835	\$ 338,367	\$ 335,662	\$ 332,215
Fund equity percent of expense	34.8%	44.1%	51.0%	59.1%	59.5%	46.6%	46.8%	46.1%	45.4%
Months of operating coverage	4.2	5.3	6.1	7.1	7.1	5.6	5.6	5.5	5.4
Revenue percent change	9.2%	3.4%	2.6%	6.7%	1.6%	5.9%	1.9%	2.0%	2.4%
Average annual percent change				5.5%					2.8%
Expense percent change	5.1%	2.7%	5.4%	2.9%	7.4%	7.9%	2.7%	2.5%	2.5%
Average annual percent change				4.0%					4.6%
Percent of revenue from user fees	95.1%	94.4%	94.7%	95.1%	95.2%	95.4%	94.8%	94.8%	94.4%
Percent of revenue from Gen Fund	4.5%	4.7%	4.6%	4.6%	4.6%	4.4%	5.0%	5.1%	5.4%



## Cable TV Fund Operations

The Cable TV Fund accounts for the operation and promotion of cable communications, provides partial support for newsletter costs, and provides funding for equipment necessary for broadcasting public meetings.

### Impacts

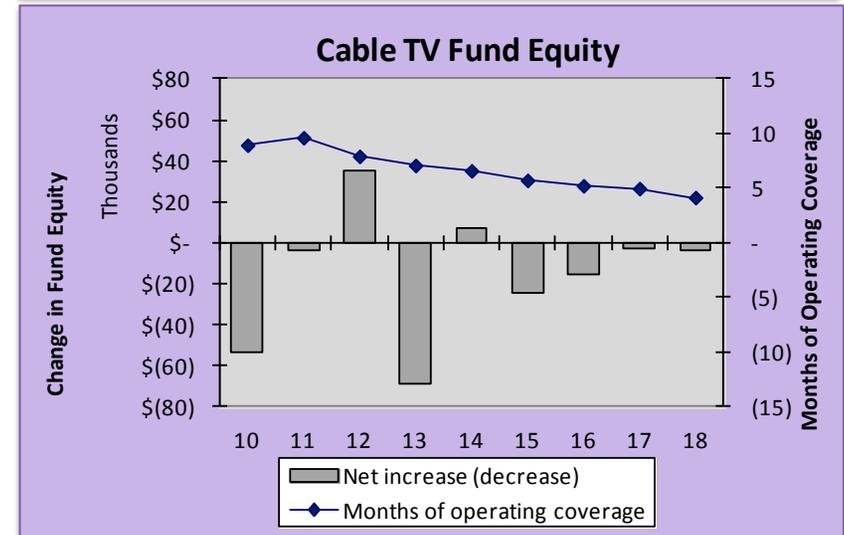
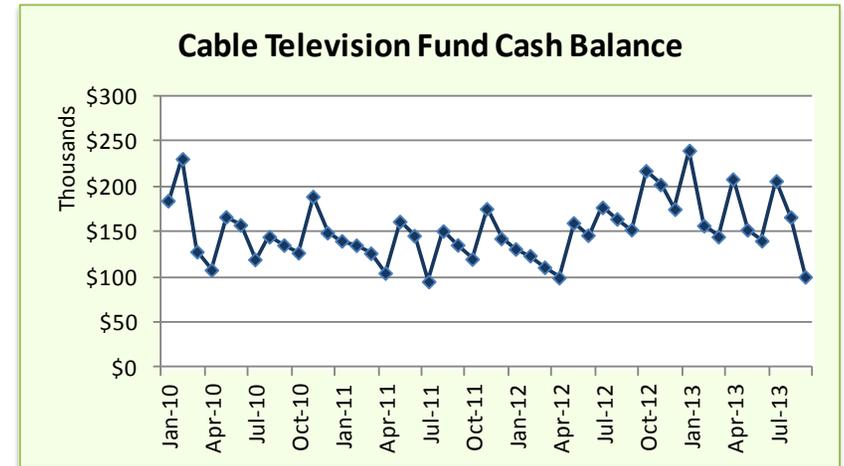
- Cable franchise fees provide more than 98% of revenue
- Future use of franchise fees could be impacted by changes in State law which could limit the franchising authority of cities as well as franchise fee revenue
- Transfers to the General Fund provide support for communication activities

### Performance/History

- Operating coverage equal to 7 to 9 months
- Positive cash flows
- 2013 capital costs include council chamber improvements

### Fund Goals/Targets

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



<b>Cable Television Fund</b>	2010	2011	2012	2013	2014	2015	2016	2017	2018
	Actual	Actual	Actual	Estimate	Budget	Budget	Projected	Projected	Projected
<b>Revenue</b>									
Charges for Services	\$283,394	\$287,206	\$301,530	\$310,000	\$314,000	\$318,000	\$328,000	\$338,000	\$348,000
Interest Earnings	1,822	3,174	2,056	1,500	1,600	1,700	1,700	1,800	1,800
Other Revenues	1,100	1,200	1,100	1,100	1,200	1,200	1,200	1,200	1,200
Total Revenue	286,316	291,580	304,686	312,600	316,800	320,900	330,900	341,000	351,000
<b>Expense</b>									
General Government									
Personal Services	109,354	28,904	31,128	33,433	34,217	35,403	36,443	37,389	38,614
Supplies	58,894	-	1,367	500	500	500	500	500	500
Contractual	158,429	112,032	109,242	110,778	114,870	117,860	136,570	125,580	128,990
Capital Outlay	-	-	-	115,500	-	25,000	-	-	-
Total Expense	326,677	140,936	141,737	260,211	149,587	178,763	173,513	163,469	168,104
<b>Other Sources (Uses)</b>									
Transfers Out	(13,250)	(154,057)	(127,989)	(120,950)	(160,000)	(167,000)	(173,000)	(180,000)	(187,000)
Net Change	(53,611)	(3,413)	34,960	(68,561)	7,213	(24,863)	(15,613)	(2,469)	(4,104)
Fund Equity, beginning	272,688	219,077	215,664	250,624	182,063	189,276	164,413	148,800	146,331
Fund Equity, ending	\$219,077	\$215,664	\$250,624	\$182,063	\$189,276	\$164,413	\$148,800	\$146,331	\$142,227
Fund equity percent of expense and transfers out	74.3%	80.0%	65.8%	58.8%	54.7%	47.4%	43.3%	41.2%	34.4%
Months of operating coverage (for expense and transfers out)	8.9	9.6	7.9	7.1	6.6	5.7	5.2	4.9	4.1
Franchise fee percent change	0.9%	1.3%	5.0%	2.8%	1.3%	1.3%	3.1%	3.0%	3.0%
Average annual percent change				2.5%					2.3%

## Economic Development Authority Fund Operations

The Economic Development Authority (EDA) was created in 2008 with an initial \$50,000 transfer from the General Fund and \$2,025 from the former Economic Development Fund. The City's previous deposit in the Twin Cities Community Capital Fund was returned to the City in 2010 (\$165,777). Because the funds are legally restricted to economic development and business assistance (as governed by Minnesota statutes), the EDA is exploring other options for a business loan program. The funds will be invested until a loan program is selected or developed.

### Impacts

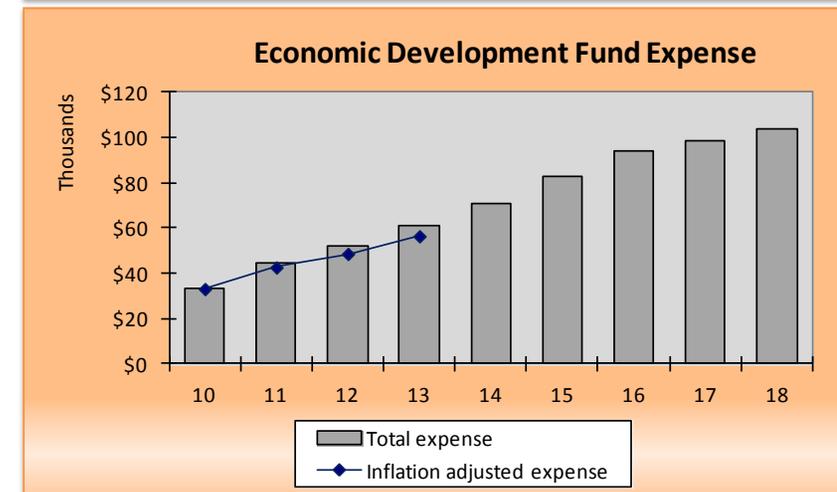
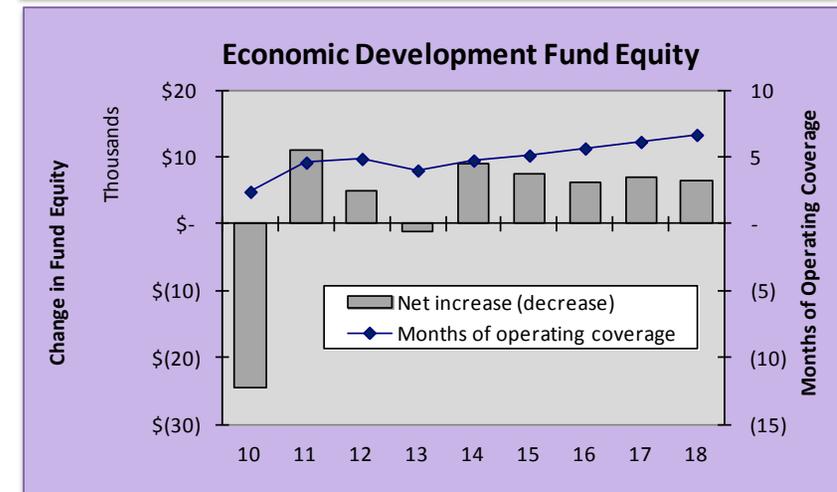
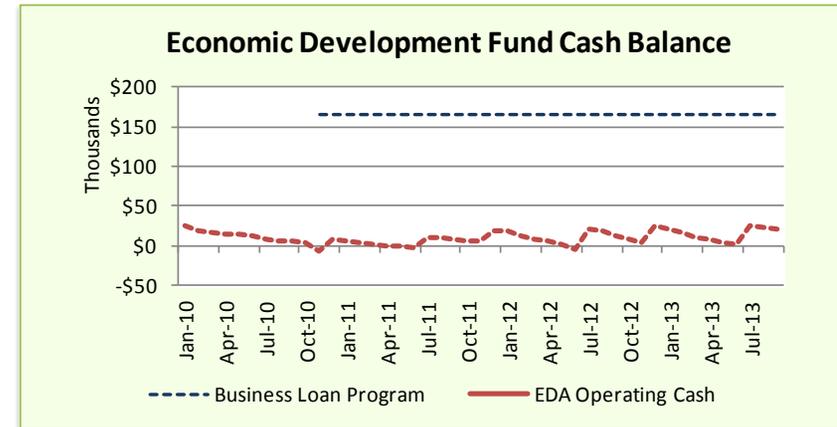
- First tax levy in 2011
- Levy authority is within the City's levy limit, when levy limits are in effect
- Property tax collections occur in July and December, creating cash flow challenges for the fund
- Covers 15% of the Assistant City Manager/Community Development Director position in 2014, 20% in 2015, and 25% in 2016 and thereafter
- Covers 25% of the Administrative Tech/Economic Development and Planning position

### Performance/History

- Operating coverage near 4 months, except for 2010 (before the tax levy was established)

### Fund Goals/Targets

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



<b>Economic Development Authority Fund</b>	2010	2011	2012	2013	2014	2015	2016	2017	2018
	Actual	Actual	Actual	Estimate	Budget	Budget	Projected	Projected	Projected
<b>Revenue</b>									
Property Taxes	\$ -	\$ 24,818	\$ 54,358	\$ 60,000	\$ 80,000	\$ 90,000	\$ 100,000	\$ 105,000	\$ 110,000
Interest Earnings	436	3,969	2,367	-	-	-	-	-	-
Other Revenues	-	-	-	-	-	-	-	-	-
Total Revenue	436	28,787	56,725	60,000	80,000	90,000	100,000	105,000	110,000
<b>Expense</b>									
Community Development									
Personal Services	6,920	23,339	27,698	34,496	39,497	49,609	60,337	64,191	67,912
Supplies	-	1,776	2,583	3,200	3,200	3,400	3,400	3,500	3,500
Contractual Services	26,529	19,354	21,484	23,410	28,310	29,620	30,130	30,500	32,220
Total Expense	33,449	44,469	51,765	61,106	71,007	82,629	93,867	98,191	103,632
<b>Other Sources (Uses)</b>									
Transfers In	8,354	26,556	-	-	-	-	-	-	-
Net Change	(24,659)	10,874	4,960	(1,106)	8,993	7,371	6,133	6,809	6,368
Fund Equity, beginning	199,309	174,650	185,524	190,484	189,378	198,371	205,742	211,875	218,684
Fund Equity, ending	\$ 174,650	\$ 185,524	\$ 190,484	\$ 189,378	\$ 198,371	\$ 205,742	\$ 211,875	\$ 218,684	\$ 225,052
<b>Fund Equity Breakdown</b>									
Business loan program fund balance	\$ 165,777	\$ 165,777	\$ 165,777	\$ 165,777	\$ 165,777	\$ 165,777	\$ 165,777	\$ 165,777	\$ 165,777
Non loan program fund balance	\$ 8,873	\$ 19,747	\$ 24,707	\$ 23,601	\$ 32,594	\$ 39,965	\$ 46,098	\$ 52,907	\$ 59,275
Months of operating coverage (excluding balances restricted for business loan program)	2.4	4.6	4.9	4.0	4.7	5.1	5.6	6.1	6.7
Tax levy percent change			119.0%	10.4%	33.3%	12.5%	11.1%	5.0%	4.8%
Annual average percent change				64.7%					13.3%

## Housing Redevelopment Authority Fund Operations

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

### Impacts

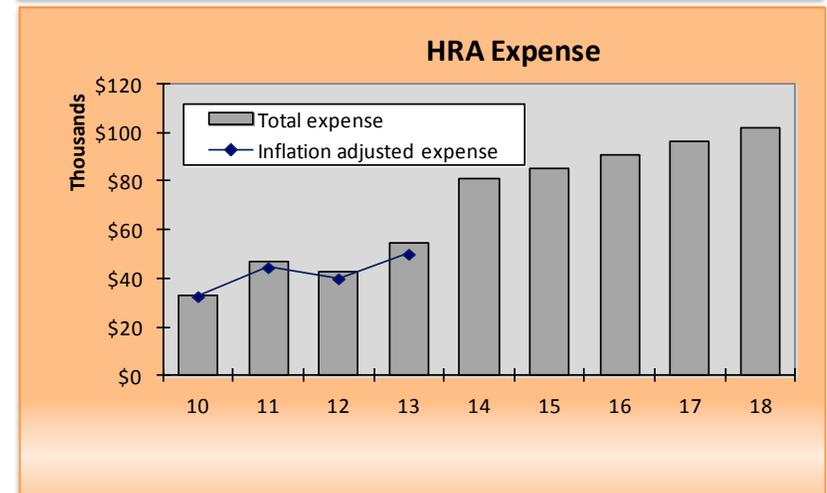
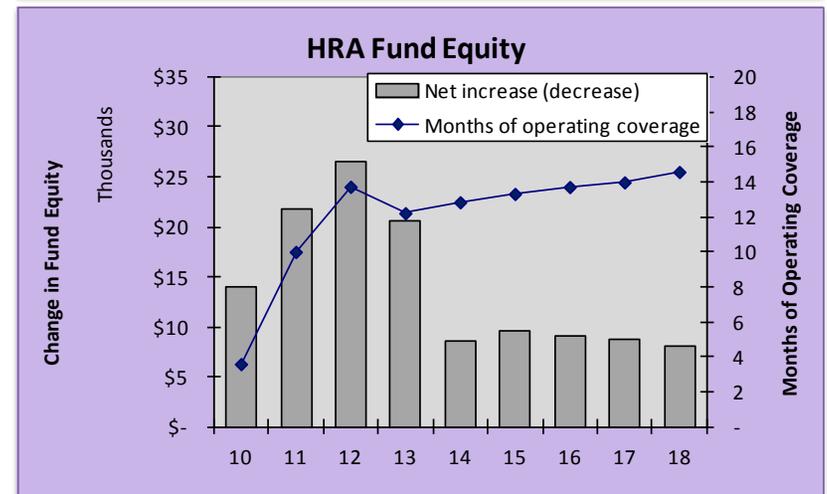
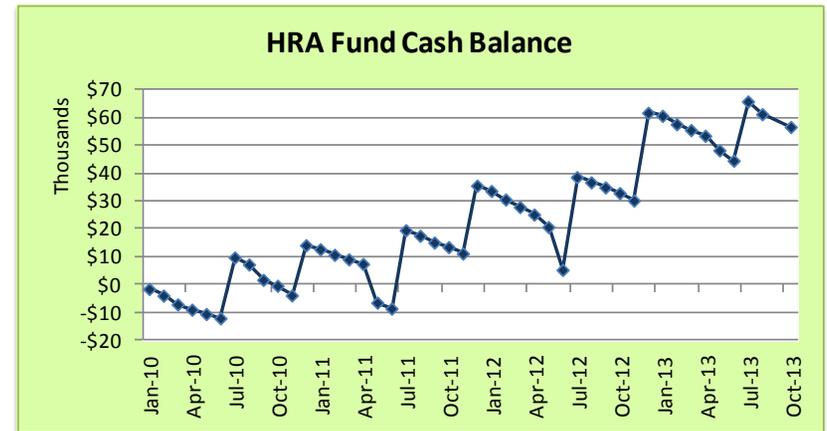
- First tax levy in 2010
- Levy authority for the HRA is outside the City's levy limit
- Beginning in 2014, covers 25% of the Assistant City Manager/Community Development Director position cost
- Covers 35% of the Administrative Tech/Economic Development and Planning position

### Performance/History

- Operating coverage from 10 to 13 months, except 2010 (which was the first year of operation for the fund)

### Fund Goals/Targets

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



<b>Housing Redevelopment Authority</b>	2010 Actual	2011 Actual	2012 Actual	2013 Estimate	2014 Budget	2015 Budget	2016 Projected	2017 Projected	2018 Projected
<b>Revenue</b>									
Property Taxes	\$ 47,248	\$ 57,380	\$ 68,909	\$ 75,000	\$ 90,000	\$ 95,000	\$ 100,000	\$ 105,000	\$ 110,000
Interest Earnings	-	269	424	-	-	-	-	-	-
Total Revenue	47,248	57,649	69,333	75,000	90,000	95,000	100,000	105,000	110,000
<b>Expense</b>									
Community Development									
Personal Services	28,415	31,070	29,344	36,625	61,621	64,535	67,544	72,456	77,036
Contractual Services	4,852	15,707	13,519	17,750	19,750	20,950	23,450	23,800	24,900
Debt Service	14	-	-	-	-	-	-	-	-
Total Expense	33,281	46,777	42,863	54,375	81,371	85,485	90,994	96,256	101,936
<b>Other Sources (Uses)</b>									
Transfers In	-	10,861	-	-	-	-	-	-	-
Net Change	13,967	21,733	26,470	20,625	8,629	9,515	9,006	8,744	8,064
Fund Equity, beginning	-	13,967	35,700	62,170	82,795	91,424	100,939	109,945	118,689
Fund Equity, ending	\$ 13,967	\$ 35,700	\$ 62,170	\$ 82,795	\$ 91,424	\$ 100,939	\$ 109,945	\$ 118,689	\$ 126,753
Fund equity percent of expense	29.9%	83.3%	114.3%	101.8%	106.9%	110.9%	114.2%	116.4%	121.4%
Months of operating coverage	3.6	10.0	13.7	12.2	12.8	13.3	13.7	14.0	14.6
Taxable Value (millions)	\$ 29.6	\$ 27.6	\$ 25.4	\$ 23.7	\$ 23.9	\$ 24.4	\$ 24.9	\$ 25.6	\$ 26.4
Tax Rate (HRA)	0.169%	0.198%	0.254%	0.289%	0.345%	0.359%	0.372%	0.381%	0.388%
Change in tax rate		17.2%	28.3%	13.8%	19.4%	4.1%	3.6%	2.4%	1.8%
Average annual percent change				19.7%					6.3%
Expense percent change		40.6%	-8.4%	26.9%	49.6%	5.1%	6.4%	5.8%	5.9%
Average annual percent change				19.7%					14.6%
Market value homestead credit loss	\$ 1,965	\$ 2,270	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

## Slice of Shoreview Fund Operations

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

### Impacts

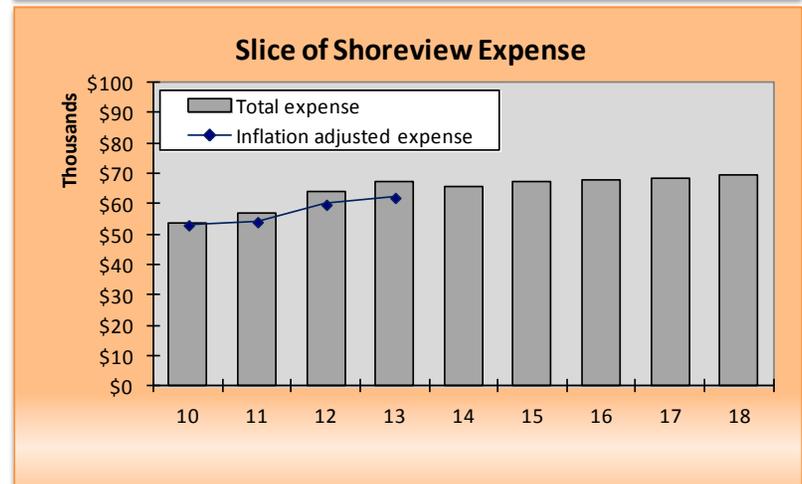
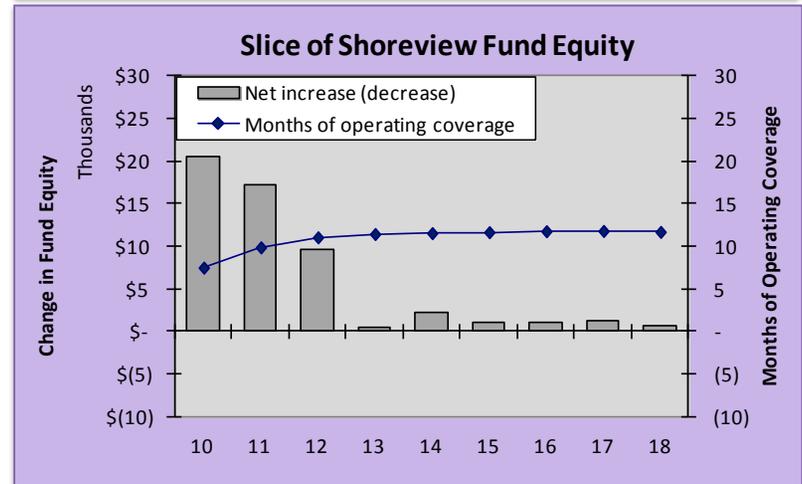
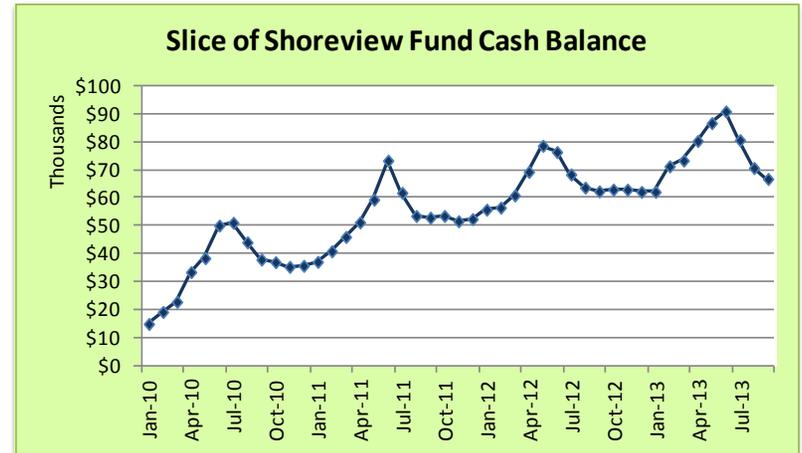
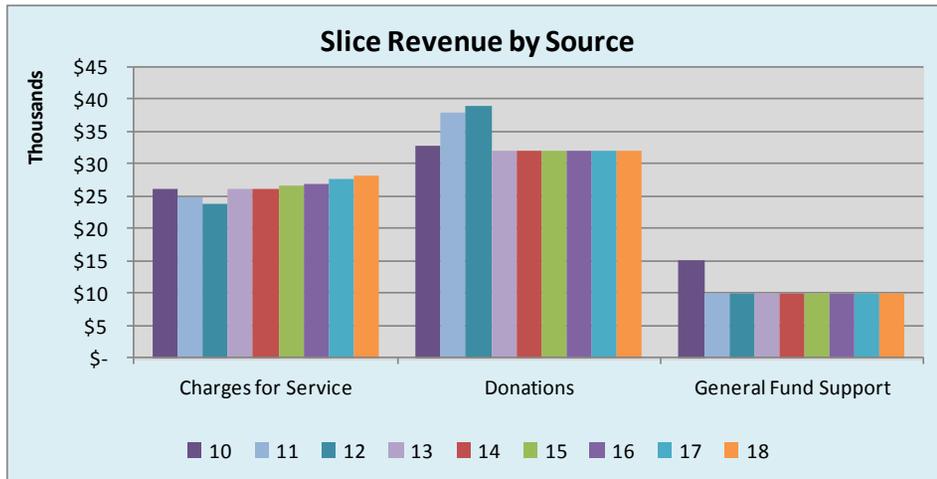
- For 2014, support for the event is provided by donations (47%), fees (38%), and General Fund support (15%)

### Performance/History

- Improved operating performance in the last 3 years
- Operating coverage equal to 7 to 11 months

### Fund Goals/Targets

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



<b>Slice of Shoreview Fund</b>	2010 Actual	2011 Actual	2012 Actual	2013 Estimate	2014 Budget	2015 Budget	2016 Projected	2017 Projected	2018 Projected
<b>Revenue</b>									
Charges for Services	\$ 26,142	\$ 24,818	\$ 23,720	\$ 26,000	\$ 26,000	\$ 26,500	\$ 27,000	\$ 27,570	\$ 28,120
Interest Earnings	388	1,189	853	-	-	-	-	-	-
Other Revenues (donations)	32,866	37,864	38,896	32,000	32,000	32,000	32,000	32,000	32,000
<b>Total Revenue</b>	<b>59,396</b>	<b>63,871</b>	<b>63,469</b>	<b>58,000</b>	<b>58,000</b>	<b>58,500</b>	<b>59,000</b>	<b>59,570</b>	<b>60,120</b>
<b>Expense</b>									
General Government	53,879	56,660	63,917	67,475	65,735	67,485	67,900	68,370	69,400
<b>Total Expense</b>	<b>53,879</b>	<b>56,660</b>	<b>63,917</b>	<b>67,475</b>	<b>65,735</b>	<b>67,485</b>	<b>67,900</b>	<b>68,370</b>	<b>69,400</b>
<b>Other Sources (Uses)</b>									
Transfers In	15,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000
<b>Net Change</b>	<b>20,517</b>	<b>17,211</b>	<b>9,552</b>	<b>525</b>	<b>2,265</b>	<b>1,015</b>	<b>1,100</b>	<b>1,200</b>	<b>720</b>
Fund Equity, beginning	14,830	35,347	52,558	62,110	62,635	64,900	65,915	67,015	68,215
Fund Equity, ending	\$ 35,347	\$ 52,558	\$ 62,110	\$ 62,635	\$ 64,900	\$ 65,915	\$ 67,015	\$ 68,215	\$ 68,935
Fund equity percent of expense	62.4%	82.2%	92.0%	95.3%	96.2%	97.1%	98.0%	98.3%	97.4%
Months of operating coverage	7.5	9.9	11.0	11.4	11.5	11.6	11.8	11.8	11.7
Expense percent change	21.0%	5.2%	12.8%	5.6%	-2.6%	2.7%	0.6%	0.7%	1.5%
Annual average percent change				11.1%					0.6%

## Combined Debt Service Funds

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

### Impacts

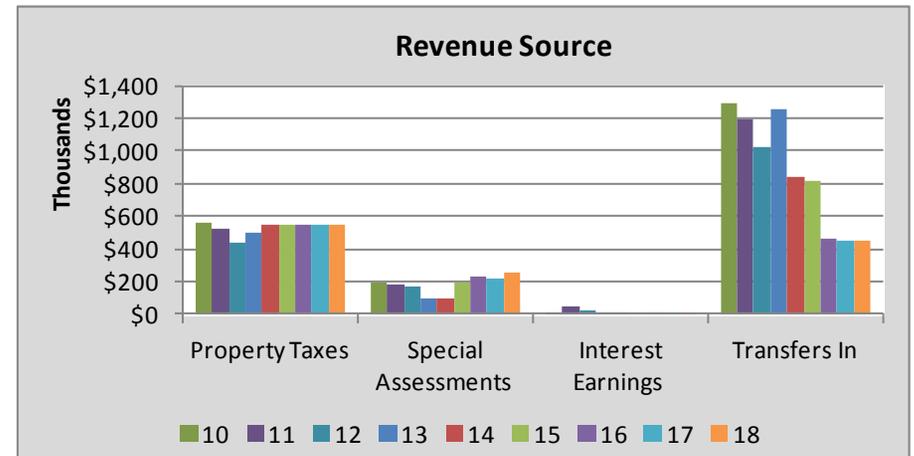
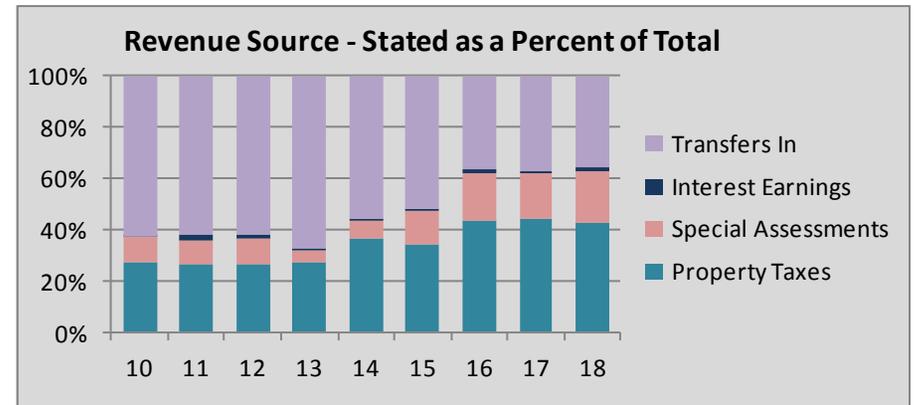
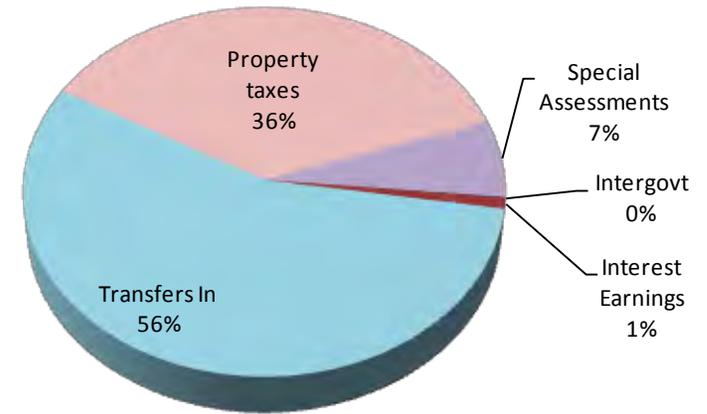
- Revenue in support of debt payments for 2014 is derived from transfers in (56%), property taxes (36%), special assessments (7%) and interest earnings (1%)
- Transfers for debt payments are from the General Fund (\$50,000), TIF #2/City Center Fund (\$368,000), General Fixed Asset Replacement Fund (\$180,000) and the Community Investment Fund (\$175,000)
- Transfers to or from the Closed Debt Fund are intended to close out balances for retired debt (\$16,610), or to provide reductions in the debt portion of the tax levy (\$50,000)
- The decrease in transfers into Debt Funds in 2016 is due to the retirement of all tax increment debt by the end of 2015

### Performance/History

- Operating coverage equal to 12 to 19 months
- Advance refunding of the 2002 Certificates of Participation in 2011, saving more than \$200,000 in interest costs on a net present value basis
- Crossover refunding of the 2004 and 2006 G.O. Improvement Bonds, Utility Bonds, Street Bonds and Capital Improvement Plan Bonds (for fire station improvements) during 2013. The combined refunding saves \$280,000 in interest costs on a net present value basis. The crossover refunding transactions will occur on the call dates during 2013, 2014 and 2015.

### Fund Goals/Targets

- Preserve a minimum of 6 months of operating coverage
- Hold General Fund support for debt payments to \$50,000 per year until retirement of the community center expansion debt, then reduce General Fund support to zero in 2023



<b>Debt Funds</b>	2010 Actual	2011 Actual	2012 Actual	2013 Estimate	2014 Budget	2015 Budget	2016 Projected	2017 Projected	2018 Projected
<b>Revenue</b>									
Property Taxes	\$ 559,630	\$ 520,311	\$ 435,278	\$ 501,000	\$ 548,000	\$ 544,000	\$ 545,000	\$ 551,000	\$ 542,000
Special Assessments	198,783	182,939	171,872	94,428	100,850	199,945	234,945	216,411	256,411
Intergovernmental	-	831	1,330	1,255	1,270	1,210	1,110	990	845
Interest Earnings	6,503	43,030	22,458	14,050	13,950	11,670	12,430	13,220	13,120
Other Revenues	-	-	16,294	-	-	-	-	-	-
<b>Total Revenue</b>	<b>764,916</b>	<b>747,111</b>	<b>647,232</b>	<b>610,733</b>	<b>664,070</b>	<b>756,825</b>	<b>793,485</b>	<b>781,621</b>	<b>812,376</b>
<b>Expense</b>									
Debt Service	1,632,080	1,788,203	1,742,823	1,804,884	1,674,973	1,587,156	1,297,996	1,269,118	1,276,690
<b>Total Expense</b>	<b>1,632,080</b>	<b>1,788,203</b>	<b>1,742,823</b>	<b>1,804,884</b>	<b>1,674,973</b>	<b>1,587,156</b>	<b>1,297,996</b>	<b>1,269,118</b>	<b>1,276,690</b>
<b>Other Sources (Uses)</b>									
Debt Proceeds	-	4,620,000	-	2,596,503	-	10,000	-	10,000	10,000
Debt Refunded	-	(4,410,000)	-	(135,000)	(860,000)	(1,385,000)	-	-	-
Transfers In	1,287,109	1,200,366	1,027,114	1,250,109	839,610	814,921	457,888	455,000	455,000
Transfers Out	(288)	-	(9,114)	(50,000)	(66,610)	(50,000)	(52,888)	(50,000)	(50,000)
<b>Net Change</b>	<b>419,657</b>	<b>369,274</b>	<b>(77,591)</b>	<b>2,467,461</b>	<b>(1,097,903)</b>	<b>(1,440,410)</b>	<b>(99,511)</b>	<b>(72,497)</b>	<b>(49,314)</b>
Fund Equity, beginning	1,468,416	1,888,073	2,257,347	2,179,756	4,647,217	3,549,314	2,108,904	2,009,393	1,936,896
<b>Fund Equity, ending</b>	<b>\$ 1,888,073</b>	<b>\$ 2,257,347</b>	<b>\$ 2,179,756</b>	<b>\$ 4,647,217</b>	<b>\$ 3,549,314</b>	<b>\$ 2,108,904</b>	<b>\$ 2,009,393</b>	<b>\$ 1,936,896</b>	<b>\$ 1,887,582</b>
Fund equity percent of expense	105.6%	129.5%	120.8%	277.5%	223.6%	162.5%	158.3%	151.7%	144.0%
Months of operating coverage	12.7	15.5	14.5	16.9	16.3	19.5	19.0	18.2	17.3
Unspent bond proceeds	\$ -	\$ -	\$ -	\$ 2,286,110	\$ 1,390,297	\$ -	\$ -	\$ -	\$ -
Expense percent change	-1.1%	9.6%	-2.5%	3.6%	-7.2%	-5.2%	-18.2%	-2.2%	0.6%
Average annual percent change				2.4%					-6.5%
Tax Levy percent change	2.1%	-7.0%	-16.3%	15.1%	9.4%	-0.7%	0.2%	1.1%	-1.6%
Average annual percent change				-1.5%					1.7%

## Water Fund Operations

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

### Impacts

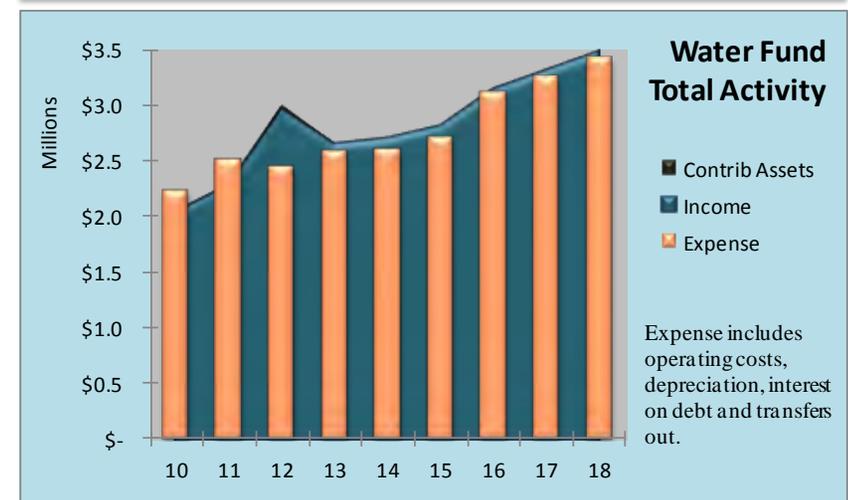
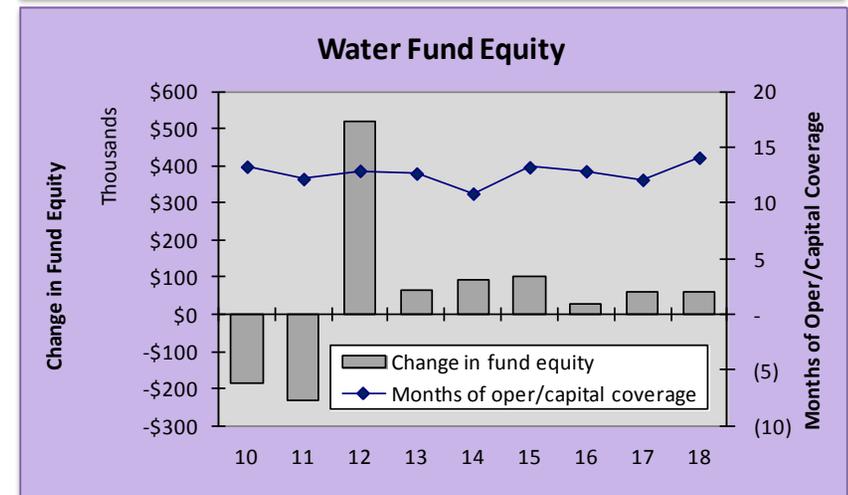
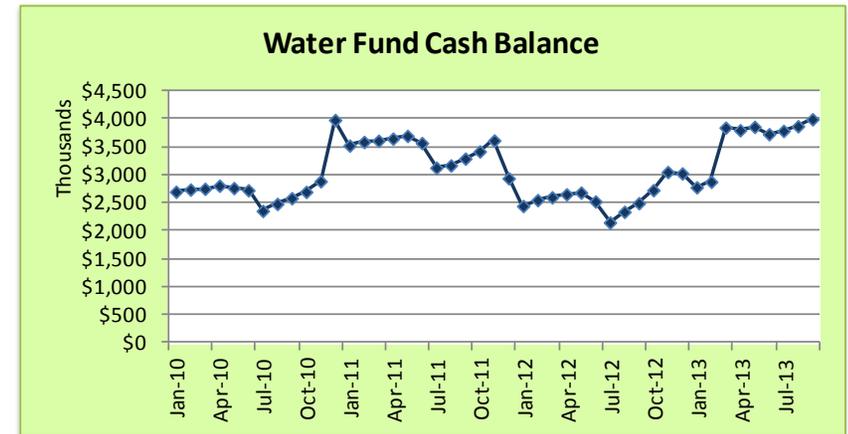
- Average household water consumption continues to decline
- Average winter household consumption in the last 5 years is approximately 3% higher than the previous 5-year period, likely related to completion of the water meter replacement project in 2008/2009
- Water use fluctuates significantly based on rainfall during the growing season
- Contributions for maintenance center debt payments began in 2011
- Planned water treatment plant at an estimated cost of \$9,000,000 (2014-2016)

### Performance/History

- Operating coverage equal to 12 to 13 months of operating and capital costs
- Stable cash balances (apart from spending down of bond proceeds)
- Operating income generated each year, yet the fund experiences an overall decrease in net assets in 2010 and 2011
- Projected base gallons established at 880 million gallons
- In 2012 the lowest residential billing tier was split into two tiers resulting in revenue increases
- Decrease in net assets in 2010 and 2011 (\$177,099 and \$233,354 respectively)

### Fund Goals/Targets

- Preserve a minimum of 8 months of operating and capital coverage (exempt of anticipated water treatment plant costs, which cause a temporary drop in this indicator for 2014)
- Increased water rates to achieve overall gain for 2014 (at revised base gallons)
- Adjust water rates for the scheduled addition of a water treatment plant in 2015/2016



<b>Water Fund</b>	2010 Actual	2011 Actual	2012 Actual	2013 Estimate	2014 Budget	2015 Budget	2016 Projected	2017 Projected	2018 Projected
<b>Revenue</b>									
Special Assessments	\$ 1,113	\$ 1,187	\$ 1,002	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Utility Charges	1,901,006	2,087,251	2,832,809	2,580,000	2,630,000	2,740,000	3,070,000	3,235,000	3,405,000
Late Fees/Utility Charges	42,255	39,192	45,780	-	-	-	-	-	-
Water Facility Charges	6,168	37,472	13,420	8,000	7,000	5,000	5,000	5,000	5,000
Other Charges	13,913	20,827	25,011	19,000	16,500	15,000	15,000	15,000	15,000
Other Revenues	44,846	210	-	-	-	-	-	-	-
Total Revenue	2,009,301	2,186,139	2,918,022	2,607,000	2,653,500	2,760,000	3,090,000	3,255,000	3,425,000
<b>Expense</b>									
Enterprise Operations	1,339,306	1,368,874	1,405,259	1,489,821	1,503,536	1,565,163	1,606,402	1,662,608	1,723,291
Miscellaneous	-	108,152	1,901	-	-	-	-	-	-
Depreciation	543,688	609,067	614,991	624,000	639,000	651,000	658,000	754,000	850,000
Total Expense	1,882,994	2,086,093	2,022,151	2,113,821	2,142,536	2,216,163	2,264,402	2,416,608	2,573,291
<b>Operating Income (Loss)</b>	126,307	100,046	895,871	493,179	510,964	543,837	825,598	838,392	851,709
<b>Other Sources (Uses)</b>									
Interest Earnings	32,722	80,297	35,077	30,000	34,000	38,000	38,000	42,000	42,000
Contributed Capital Assets	7,246	-	31,823	-	-	-	-	-	-
Intergovernmental	557	13,366	13,198	11,815	12,620	12,200	11,630	10,935	10,110
Debt Service	(192,894)	(202,063)	(183,921)	(207,718)	(160,623)	(148,243)	(483,439)	(459,265)	(461,693)
Transfers Out	(151,037)	(225,000)	(240,000)	(262,500)	(303,000)	(345,000)	(363,000)	(373,000)	(383,000)
Net Change	(177,099)	(233,354)	552,048	64,776	93,961	100,794	28,789	59,062	59,126
Fund Equity, beginning	12,856,007	12,678,908	12,445,554	12,997,602	13,062,378	13,156,339	13,257,133	13,285,922	13,344,984
Fund Equity, ending	\$ 12,678,908	\$ 12,445,554	\$ 12,997,602	\$ 13,062,378	\$ 13,156,339	\$ 13,257,133	\$ 13,285,922	\$ 13,344,984	\$ 13,404,110
Months of operating coverage	13.3	12.2	12.9	12.7	10.9	13.2	12.9	12.1	14.1
Cash balance	\$ 3,977,866	\$ 2,935,896	\$ 3,023,577	\$ 4,246,339	\$ 2,559,436	\$ 8,310,608	\$ 3,922,642	\$ 4,233,196	\$ 4,806,172
Capital costs	\$ 314,400	\$ 991,631	\$ 405,814	\$ 694,800	\$ 1,455,000	\$ 4,435,800	\$ 4,290,000	\$ 347,800	\$ 56,500
Unspent bond proceeds	\$ 939,784	\$ 142,147	\$ 34,027	\$ 800,000	\$ -	\$ 4,420,000	\$ -	\$ 329,000	\$ -
General transfer percent of assets	0.60%	0.65%	0.70%	0.72%	0.93%	0.93%	0.87%	0.89%	0.92%
		blended	blended						
Rate Increase (middle tier)	5.0%	10.0%	15.0%	3.0%	4.2%	4.2%	12.0%	5.0%	5.0%
Change in utility charge revenue	-9.9%	9.8%	35.7%	-8.9%	1.9%	4.2%	12.0%	5.4%	5.3%
Debt issued	\$ 1,240,000	\$ -	\$ -	\$ 1,690,000	\$ -	\$ 9,900,000	\$ -	\$ 630,000	\$ 560,000
Debt payments (principal)	\$ 425,000	\$ 460,000	\$ 550,000	\$ 460,000	\$ 965,000	\$ 465,000	\$ 785,000	\$ 785,000	\$ 840,000
Debt balance (year end)	\$ 5,710,000	\$ 5,250,000	\$ 4,700,000	\$ 5,930,000	\$ 4,965,000	\$ 14,400,000	\$ 13,615,000	\$ 13,460,000	\$ 13,180,000
Gallons of water sold (000)	910,803	890,380	1,019,393	898,000	880,000	880,000	880,000	880,000	880,000
Quarterly residential gallons (avg)	18,536	18,221	20,590	18,400					
Quarterly multi-family gallons (avg)	9,405	9,263	10,179	9,600					

## Sewer Fund Operations

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

### Impacts

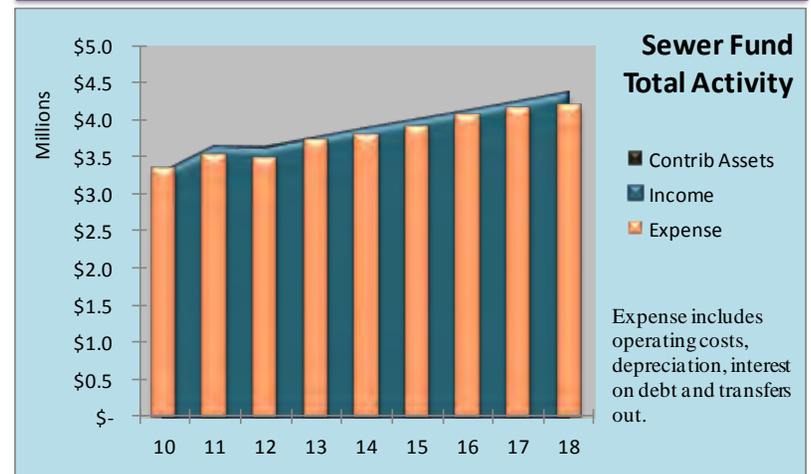
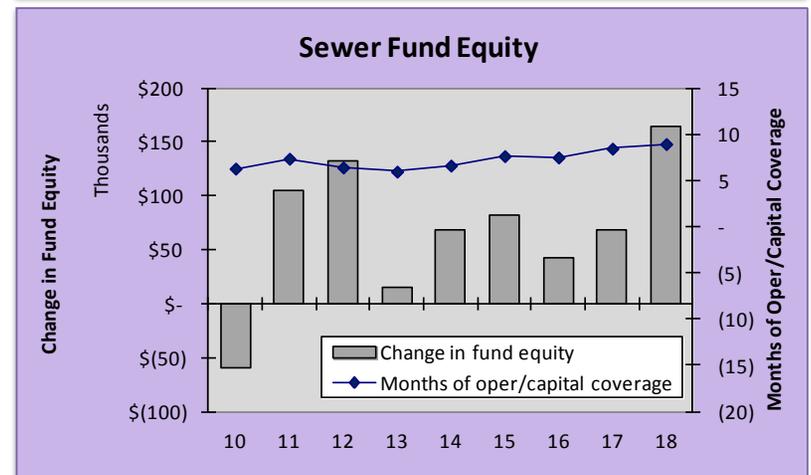
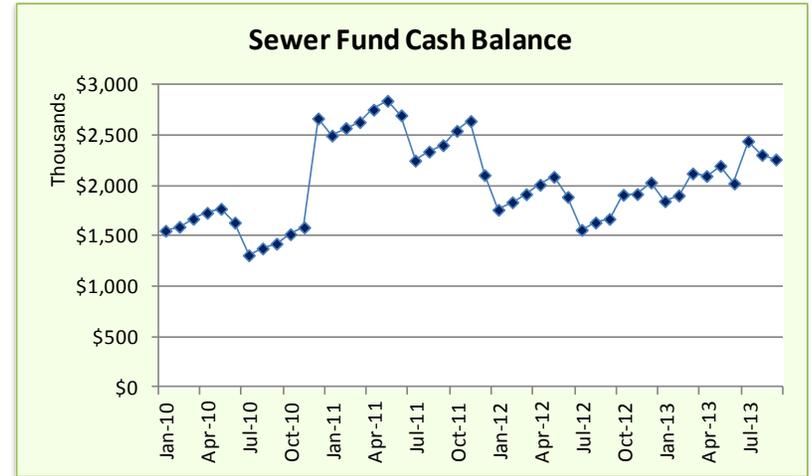
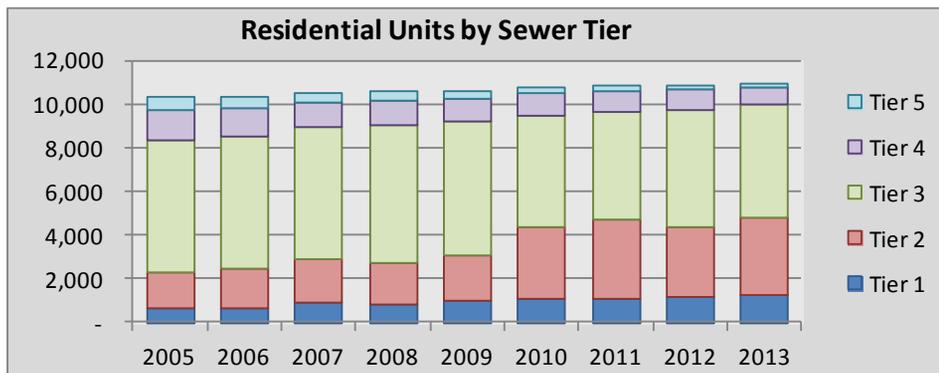
- Residential sewer bills are based on winter water consumption
- Average winter household consumption in the last 5 years is approximately 3% higher than the previous 5-year period (likely influenced by the installation of new water meters in 2008/2009)
- Inflow and infiltration elimination projects allow the City to avoid an annual sewage treatment surcharge
- Contributions for maintenance center debt payments began in 2011
- Sewage treatment costs decline for 2012, allowing the City to hold sewer rates constant and mitigate the impact of higher water rates

### Performance/History

- Operating coverage equal to 6 to 7 months
- Stable cash balances (apart from spending down of bond proceeds)
- Operating losses in 1 of the last 4 years (\$127,717 loss in 2009)
- Decrease in overall net assets in 1 of the last 4 years (in 2010)

### Fund Goals/Targets

- Preserve 6 months operating and capital coverage



<b>Sewer Fund</b>	2010 Actual	2011 Actual	2012 Actual	2013 Estimate	2014 Budget	2015 Budget	2016 Projected	2017 Projected	2018 Projected
<b>Revenue</b>									
Special Assessments	\$ 1,092	\$ 1,541	\$ 1,525	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Charges for Services	2,365	3,680	1,325	1,000	1,000	1,000	1,000	1,000	1,000
Utility Charges	3,158,442	3,417,937	3,479,384	3,694,000	3,816,000	3,930,000	4,048,000	4,168,000	4,293,000
Late Fees/Utility Charges	69,985	72,054	72,948	-	-	-	-	-	-
Sewer Facility Charges	1,650	35,942	4,238	4,000	4,000	4,000	4,000	4,000	4,000
Other Charges	20,665	17,171	9,357	2,500	2,500	2,500	2,500	2,500	2,500
<b>Total Revenue</b>	<b>3,254,199</b>	<b>3,548,325</b>	<b>3,568,777</b>	<b>3,701,500</b>	<b>3,823,500</b>	<b>3,937,500</b>	<b>4,055,500</b>	<b>4,175,500</b>	<b>4,300,500</b>
<b>Expense</b>									
Enterprise Operations	2,869,607	2,953,041	2,893,667	3,120,250	3,219,590	3,308,671	3,430,900	3,540,995	3,557,140
Depreciation	279,711	295,893	317,853	326,000	330,000	348,000	350,000	338,000	338,000
<b>Total Expense</b>	<b>3,149,318</b>	<b>3,248,934</b>	<b>3,211,520</b>	<b>3,446,250</b>	<b>3,549,590</b>	<b>3,656,671</b>	<b>3,780,900</b>	<b>3,878,995</b>	<b>3,895,140</b>
<b>Operating Income (Loss)</b>	<b>104,881</b>	<b>299,391</b>	<b>357,257</b>	<b>255,250</b>	<b>273,910</b>	<b>280,829</b>	<b>274,600</b>	<b>296,505</b>	<b>405,360</b>
<b>Other Sources (Uses)</b>									
Interest Earnings	19,357	58,518	24,964	21,000	24,000	27,000	27,000	30,000	30,000
Contributed Capital Assets	-	-	25,068	-	-	-	-	-	-
Intergovernmental	444	10,649	10,516	9,415	10,050	9,720	9,290	8,770	8,100
Debt Service	(57,495)	(76,061)	(72,489)	(74,499)	(58,177)	(54,309)	(86,242)	(80,353)	(87,763)
Transfers Out	(127,037)	(187,000)	(188,000)	(196,500)	(181,000)	(181,000)	(183,000)	(187,000)	(191,000)
<b>Net Change</b>	<b>(59,850)</b>	<b>105,497</b>	<b>157,316</b>	<b>14,666</b>	<b>68,783</b>	<b>82,240</b>	<b>41,648</b>	<b>67,922</b>	<b>164,697</b>
Fund Equity, beginning	7,238,462	7,178,612	7,284,109	7,441,425	7,456,091	7,524,874	7,607,114	7,648,762	7,716,684
Fund Equity, ending	<b>\$ 7,178,612</b>	<b>\$ 7,284,109</b>	<b>\$ 7,441,425</b>	<b>\$ 7,456,091</b>	<b>\$ 7,524,874</b>	<b>\$ 7,607,114</b>	<b>\$ 7,648,762</b>	<b>\$ 7,716,684</b>	<b>\$ 7,881,381</b>
Months of operating coverage	6.3	7.4	6.4	6.0	6.6	7.6	7.5	8.4	8.9
Cash balance	\$ 2,664,496	\$ 2,103,096	\$ 2,029,363	\$ 2,288,614	\$ 2,137,397	\$ 2,611,837	\$ 2,598,485	\$ 2,961,607	\$ 4,479,304
Capital costs	\$ 134,201	\$ 1,040,575	\$ 151,918	\$ 90,300	\$ 225,000	\$ 990,800	\$ 170,000	\$ 172,800	\$ 160,000
Unspent bond proceeds	\$ 874,325	\$ -	\$ -	\$ 335,000	\$ -	\$ -	\$ -	\$ -	\$ 1,180,000
General transfer percent of assets	0.99%	0.92%	0.92%	0.91%	1.00%	0.93%	0.94%	0.95%	0.97%
Rate Increase (middle tier)	6.0%	10.0%	0.0%	6.0%	3.0%	3.0%	3.0%	3.0%	3.0%
Change in utility charge revenue	3.4%	8.2%	1.8%	6.2%	3.3%	3.0%	3.0%	3.0%	3.0%
Debt issued	\$ 985,000	\$ -	\$ -	\$ 285,000	\$ -	\$ 1,200,000	\$ -	\$ 330,000	\$ 1,400,000
Debt payments (principal)	\$ 80,000	\$ 90,000	\$ 145,000	\$ 275,000	\$ 325,000	\$ 165,000	\$ 235,000	\$ 200,000	\$ 225,000
Debt balance (year end)	\$ 2,220,000	\$ 2,130,000	\$ 1,985,000	\$ 1,995,000	\$ 1,670,000	\$ 2,705,000	\$ 2,470,000	\$ 2,600,000	\$ 3,775,000
Commercial gallons (000)	89,289	85,784	94,092	86,500	86,500	86,500	86,500	86,500	86,500
Winter gallons-residential (avg)	13,432	12,931	12,660	12,432					
Winter gallons-multi-family (avg)	8,756	8,426	9,113	8,588					

## Surface Water Management Fund Operations

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

### Impacts

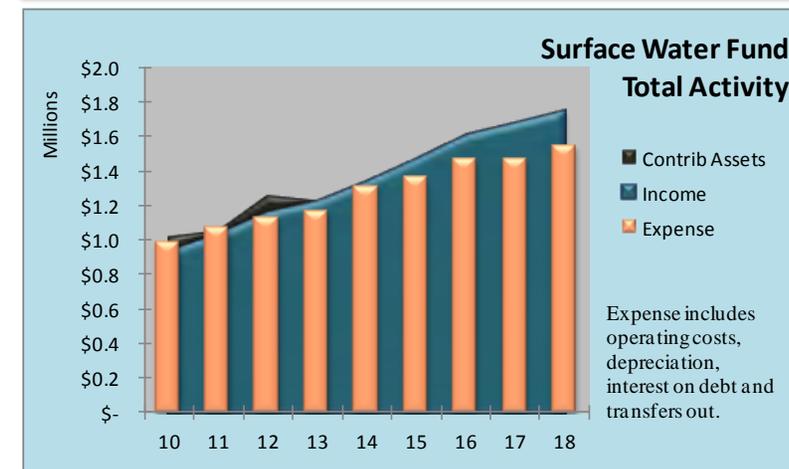
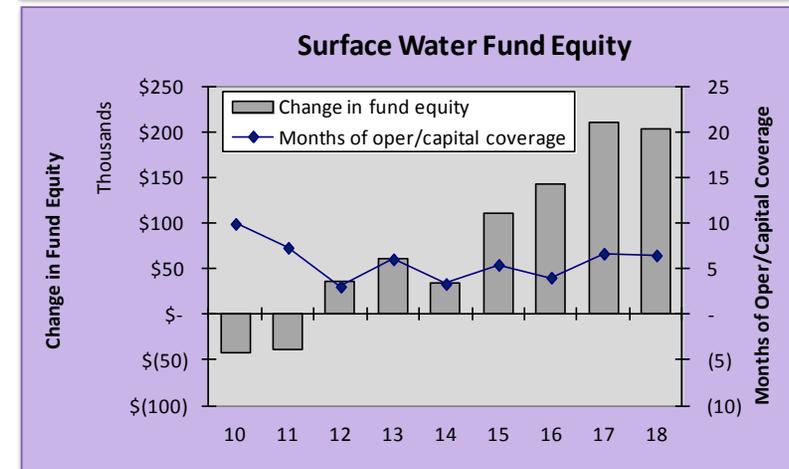
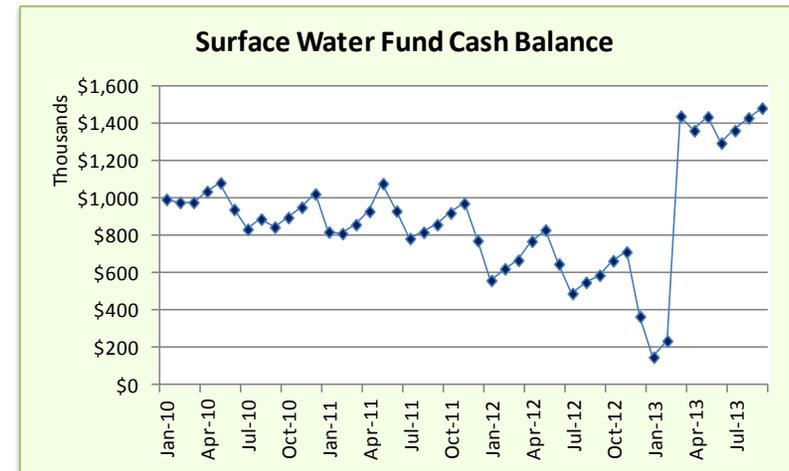
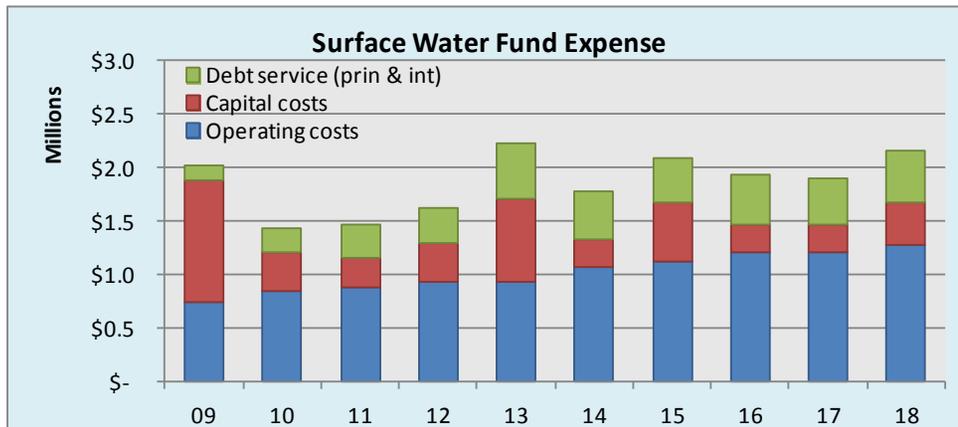
- Contributions for maintenance center debt payments began in 2011

### Performance/History

- Operating coverage equal to 3 to 10 months
- Stable cash balances
- Operating increase in each of the last 5 years
- Decrease in overall net assets in 1 of the last 5 years (\$21,735 decrease in 2011)

### Fund Goals/Targets

- Establish and preserve 6 months operating and capital coverage (excluding timing differences for project costs and debt issuance)
- Expected operating gain in each of the next 5 years
- Monitor cash and equity balances closely
- Increase rates to reestablish operating/capital coverage within 4 years



<b>Surface Water Fund</b>	2010 Actual	2011 Actual	2012 Actual	2013 Estimate	2014 Budget	2015 Budget	2016 Projected	2017 Projected	2018 Projected
<b>Revenue</b>									
Special Assessments	\$ 534	\$ 472	\$ 303	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Utility Charges	865,432	951,871	1,048,852	1,162,000	1,277,000	1,404,000	1,543,000	1,610,000	1,679,000
Late Fees/Utility Charges	14,913	16,250	17,422	-	-	-	-	-	-
Snail Lake Augmentation Chgs	38,835	31,718	43,089	45,140	43,577	44,803	44,641	45,175	48,182
Other Charges	6,440	7,840	37,873	5,000	5,000	5,000	5,000	5,000	5,000
<b>Total Revenue</b>	<b>926,154</b>	<b>1,008,151</b>	<b>1,147,539</b>	<b>1,212,140</b>	<b>1,325,577</b>	<b>1,453,803</b>	<b>1,592,641</b>	<b>1,660,175</b>	<b>1,732,182</b>
<b>Expense</b>									
Enterprise Operations	656,073	669,298	710,054	706,117	826,595	865,205	935,314	926,610	973,802
Depreciation	192,558	214,061	221,177	229,000	248,000	266,000	278,000	288,000	300,000
<b>Total Expense</b>	<b>848,631</b>	<b>883,359</b>	<b>931,231</b>	<b>935,117</b>	<b>1,074,595</b>	<b>1,131,205</b>	<b>1,213,314</b>	<b>1,214,610</b>	<b>1,273,802</b>
<b>Operating Income (Loss)</b>	<b>77,523</b>	<b>124,792</b>	<b>216,308</b>	<b>277,023</b>	<b>250,982</b>	<b>322,598</b>	<b>379,327</b>	<b>445,565</b>	<b>458,380</b>
<b>Other Sources (Uses)</b>									
Interest Earnings	11,235	20,606	8,476	7,000	8,000	9,000	9,000	10,000	10,000
Contributed Capital Assets	79,589	17,281	92,979	-	-	-	-	-	-
Intergovernmental	161	3,863	3,815	3,580	3,660	3,550	3,400	3,190	2,930
Debt Service	(90,408)	(91,277)	(84,797)	(99,661)	(82,116)	(72,244)	(90,343)	(80,765)	(92,148)
Transfers Out	(40,000)	(97,000)	(107,000)	(126,900)	(147,000)	(152,000)	(159,000)	(168,000)	(176,000)
<b>Net Change</b>	<b>38,100</b>	<b>(21,735)</b>	<b>129,781</b>	<b>61,042</b>	<b>33,526</b>	<b>110,904</b>	<b>142,384</b>	<b>209,990</b>	<b>203,162</b>
Fund Equity, beginning	7,368,407	7,406,507	7,384,772	7,514,553	7,575,595	7,609,121	7,720,025	7,862,409	8,072,399
Fund Equity, ending	\$7,406,507	\$7,384,772	\$7,514,553	\$7,575,595	\$7,609,121	\$7,720,025	\$7,862,409	\$8,072,399	\$8,275,561
Months of oper/capital coverage	9.9	7.3	3.0	6.0	3.3	5.4	4.0	6.6	6.5
Cash balance	\$1,023,689	\$773,425	\$367,602	\$762,760	\$427,323	\$761,574	\$552,070	\$970,201	\$1,553,392
Capital costs	\$362,410	\$270,492	\$356,424	\$782,550	\$257,000	\$547,700	\$249,950	\$249,950	\$405,080
Unspent bond proceeds	\$32,475	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$546,000
General transfer percent of assets	0.38%	0.46%	0.53%	0.58%	0.88%	0.88%	0.91%	0.95%	0.97%
Rate Increase (homes)	10.0%	10.0%	10.0%	10.0%	10.0%	10.0%	10.0%	4.3%	4.3%
Change in utility charge revenue	10.4%	10.0%	10.2%	10.8%	9.9%	9.9%	9.9%	4.3%	4.3%
Debt issued	\$355,000	\$-	\$-	\$1,305,000	\$-	\$840,000	\$-	\$520,000	\$870,000
Debt payments (principal)	\$130,000	\$225,000	\$255,000	\$415,000	\$360,000	\$335,000	\$380,000	\$350,000	\$385,000
Debt balance (year end)	\$2,780,000	\$2,555,000	\$2,300,000	\$3,190,000	\$2,830,000	\$3,335,000	\$2,955,000	\$3,125,000	\$3,610,000

## Street Lighting Fund Operations

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

### Impacts

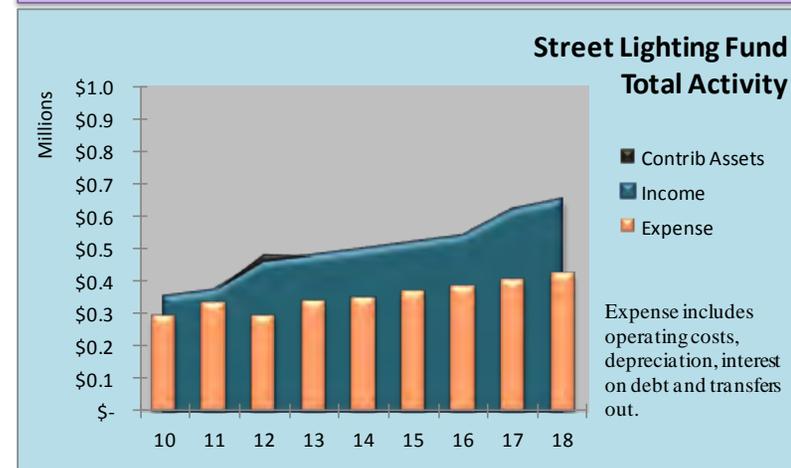
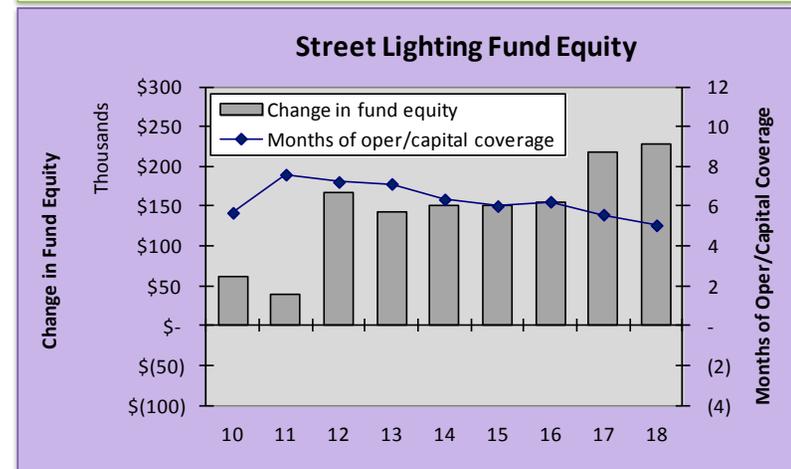
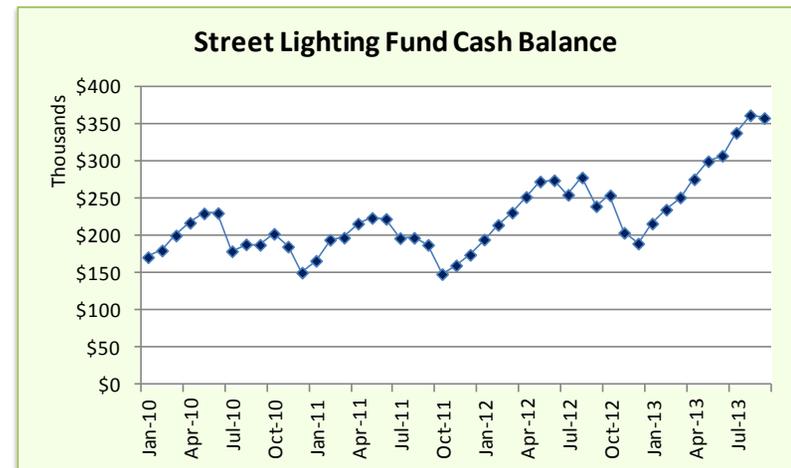
- Street light repair and replacement costs place increasing demands on street light fees, largely due to the scheduled replacement of about 30 street lights per year
- Contributions for maintenance center debt repayment began in 2011

### Performance/History

- Fund was created in 2004
- Operating coverage equal to 5 to 7 months
- Operating gain and an increase in net assets in each of the last 5 years

### Fund Goals/Targets

- Reestablish 6 months operating and capital coverage in 2019
- Expected operating and overall gain in each of the next 5 years, which is needed to offset anticipated capital costs (street light replacements)



<b>Street Lighting Fund</b>	2010 Actual	2011 Actual	2012 Actual	2013 Estimate	2014 Budget	2015 Budget	2016 Projected	2017 Projected	2018 Projected
<b>Revenue</b>									
Special Assessments	\$ 92	\$ 142	\$ 140	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Utility Charges	341,265	358,471	448,265	474,000	493,000	513,000	533,000	613,000	644,000
Late Fees/Utility Charges	6,955	6,862	7,879	-	-	-	-	-	-
Other Revenues	466	-	-	500	500	500	500	500	500
<b>Total Revenue</b>	<b>348,778</b>	<b>365,475</b>	<b>456,284</b>	<b>474,500</b>	<b>493,500</b>	<b>513,500</b>	<b>533,500</b>	<b>613,500</b>	<b>644,500</b>
<b>Expense</b>									
Enterprise Operations	245,207	281,610	235,752	267,038	267,491	276,409	283,826	290,859	296,935
Miscellaneous	26	-	-	-	-	-	-	-	-
Depreciation	37,911	36,865	40,041	48,000	58,000	66,000	72,000	80,000	90,000
<b>Total Expense</b>	<b>283,144</b>	<b>318,475</b>	<b>275,793</b>	<b>315,038</b>	<b>325,491</b>	<b>342,409</b>	<b>355,826</b>	<b>370,859</b>	<b>386,935</b>
<b>Operating Income (Loss)</b>	<b>65,634</b>	<b>47,000</b>	<b>180,491</b>	<b>159,462</b>	<b>168,009</b>	<b>171,091</b>	<b>177,674</b>	<b>242,641</b>	<b>257,565</b>
<b>Other Sources (Uses)</b>									
Interest Earnings	2,221	4,337	3,114	2,000	2,200	2,500	2,500	2,700	2,700
Contributed Capital Assets	-	-	23,693	-	-	-	-	-	-
Transfers Out	(6,000)	(12,600)	(15,600)	(19,000)	(20,400)	(22,400)	(25,400)	(28,400)	(32,400)
<b>Net Change</b>	<b>61,855</b>	<b>38,737</b>	<b>191,698</b>	<b>142,462</b>	<b>149,809</b>	<b>151,191</b>	<b>154,774</b>	<b>216,941</b>	<b>227,865</b>
Fund Equity, beginning	649,346	711,201	749,938	941,636	1,084,098	1,233,907	1,385,098	1,539,872	1,756,813
Fund Equity, ending	\$ 711,201	\$ 749,938	\$ 941,636	\$ 1,084,098	\$ 1,233,907	\$ 1,385,098	\$ 1,539,872	\$ 1,756,813	\$ 1,984,678
Months of oper/capital coverage	5.7	7.6	7.2	7.1	6.3	6.0	6.2	5.6	5.0
Cash balance	\$ 150,597	\$ 174,479	\$ 189,614	\$ 193,266	\$ 181,075	\$ 178,266	\$ 192,540	\$ 179,981	\$ 171,626
Capital costs	\$ 100,799	\$ 65,702	\$ 179,169	\$ 186,770	\$ 220,000	\$ 220,000	\$ 212,500	\$ 309,500	\$ 326,220
General transfer percent of assets	0.41%	0.60%	0.71%	0.75%	0.82%	0.82%	0.87%	0.87%	0.91%
Rate Increase	4.0%	5.0%	25.0%	4.0%	4.0%	4.0%	4.0%	15.0%	5.0%

## Central Garage Fund Operations

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

### Impacts

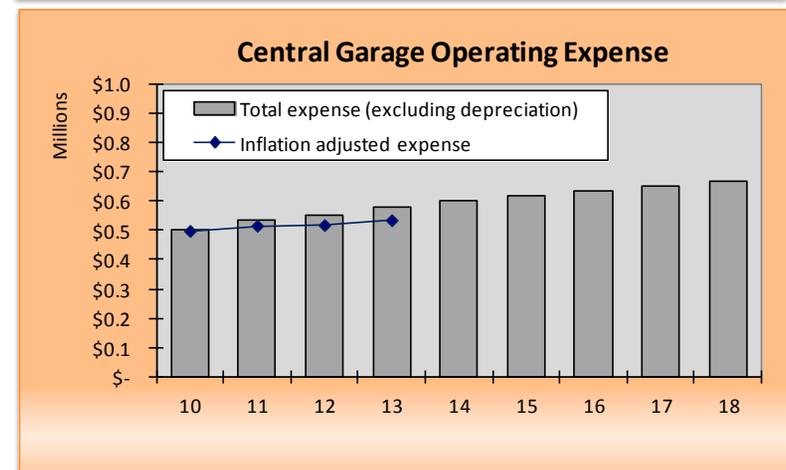
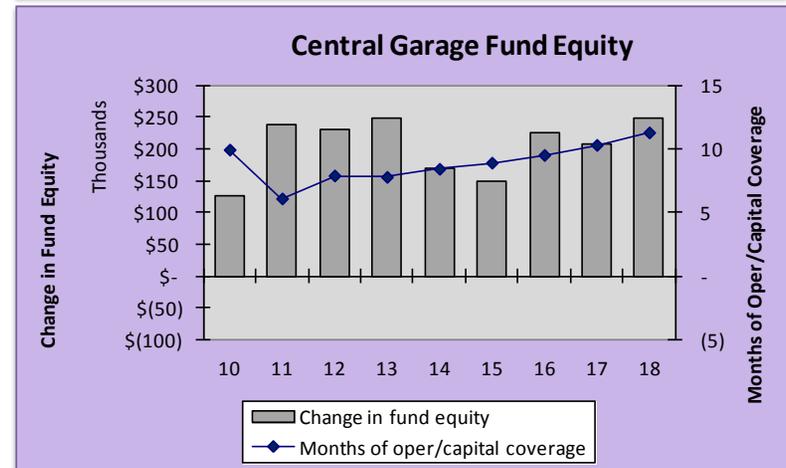
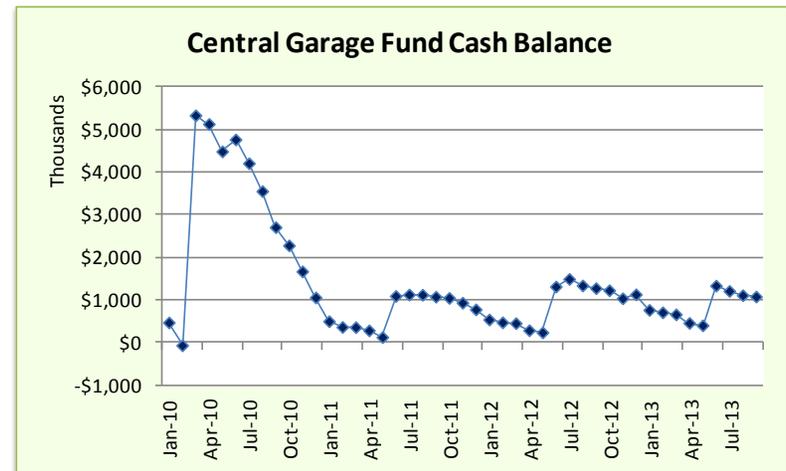
- Capital costs place increasing demands on inter-fund charges
- Fuel costs doubled from 2005 to 2009, declined sharply in 2010, and are expected to rise between 2% and 4% in the future
- Maintenance center renovation completed in 2010 (bond proceeds received in March of 2010)
- Debt payments for maintenance center debt began in 2011

### Performance/History

- Operating coverage equal to 6 to 10 months (excluding capital costs for the maintenance center addition)
- Temporary periods of cash decline due to the timing of inter-fund charges and capital costs
- Operating gain in 4 of the last 5 years (\$26,733 loss in 2012)
- Overall gain in each of the last 5 years

### Fund Goals/Targets

- Preserve 6 to 12 months of operating and capital coverage
- Maintain inter-fund charges sufficient to generate an operating gain in each of the next 5 years
- Maintain sufficient cash balance to support debt payments prior to receipt of the federal interest credit (the credit is used for a subsequent debt payment)



<b>Central Garage Fund</b>	2010	2011	2012	2013	2014	2015	2016	2017	2018
	Actual	Actual	Actual	Estimate	Budget	Budget	Projected	Projected	Projected
<b>Revenue</b>									
Central Garage Charges	\$ 1,043,775	\$ 1,060,926	\$ 1,143,847	\$ 1,196,240	\$ 1,242,855	\$ 1,256,090	\$ 1,281,880	\$ 1,317,480	\$ 1,360,660
Total Revenue	1,043,775	1,060,926	1,143,847	1,196,240	1,242,855	1,256,090	1,281,880	1,317,480	1,360,660
<b>Expense</b>									
Central Garage Operations	502,790	537,045	550,659	577,942	599,799	617,652	634,269	649,401	665,717
Depreciation	343,307	481,085	619,921	640,000	660,000	660,000	664,000	689,000	700,000
Total Expense	846,097	1,018,130	1,170,580	1,217,942	1,259,799	1,277,652	1,298,269	1,338,401	1,365,717
<b>Operating Income (Loss)</b>	197,678	42,796	(26,733)	(21,702)	(16,944)	(21,562)	(16,389)	(20,921)	(5,057)
<b>Other Sources (Uses)</b>									
Property Taxes	-	97,886	214,382	184,000	184,000	208,000	208,000	200,000	200,000
Interest Earnings	32,238	17,484	12,008	8,500	9,500	10,500	10,500	11,500	11,500
Other Revenues	945	3,562	1,642	-	-	-	-	-	-
Sale of Asset-Gain (Loss)	914	57,794	5,470	40,000	29,000	-	50,000	39,000	56,000
Contributed Capital Assets	20,750	-	20,750	-	-	-	-	-	-
Intergovernmental	94,406	87,391	93,356	81,255	83,170	80,850	78,200	75,090	71,530
Debt Service	(199,899)	(250,112)	(247,157)	(243,128)	(238,054)	(234,187)	(223,862)	(214,966)	(204,810)
Transfers In	-	180,600	180,600	200,900	119,400	119,400	119,400	119,400	119,400
Transfers Out	-	-	(3,729)	-	-	(14,000)	-	-	-
Net Change	147,032	237,401	250,589	249,825	170,072	149,001	225,849	209,103	248,563
Fund Equity, beginning	3,328,798	3,475,830	3,713,231	3,963,820	4,213,645	4,383,717	4,532,718	4,758,567	4,967,670
Fund Equity, ending	\$ 3,475,830	\$ 3,713,231	\$ 3,963,820	\$ 4,213,645	\$ 4,383,717	\$ 4,532,718	\$ 4,758,567	\$ 4,967,670	\$ 5,216,233
Months of oper/cap coverage	9.9	6.1	7.9	7.8	8.4	8.9	9.5	10.3	11.3
Cash balance	\$ 1,049,876	\$ 769,837	\$ 1,122,633	\$ 1,130,630	\$ 1,236,402	\$ 1,318,403	\$ 1,441,252	\$ 1,580,355	\$ 1,751,918
Capital costs	\$ 5,729,360	\$ 551,665	\$ 484,765	\$ 679,097	\$ 524,000	\$ 533,000	\$ 548,000	\$ 527,000	\$ 540,000
Expense percent change	-6.4%	20.3%	15.0%	4.0%	3.4%	1.4%	1.6%	3.1%	2.0%
Average annual percent change				7.2%					2.3%
Unspent bond proceeds	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Interfund charges percent change	11.1%	1.6%	7.8%	4.6%	3.9%	1.1%	2.1%	2.8%	3.3%
Average annual percent change				5.8%					2.6%
Debt issued	\$ 5,615,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Debt payments (principal)	\$ -	\$ -	\$ 100,000	\$ 245,000	\$ 245,000	\$ 250,000	\$ 255,000	\$ 265,000	\$ 270,000
Debt balance (year end)	\$ 5,615,000	\$ 5,615,000	\$ 5,515,000	\$ 5,270,000	\$ 5,025,000	\$ 4,775,000	\$ 4,520,000	\$ 4,255,000	\$ 3,985,000

## Short-term Disability Fund Operations

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

### Impacts

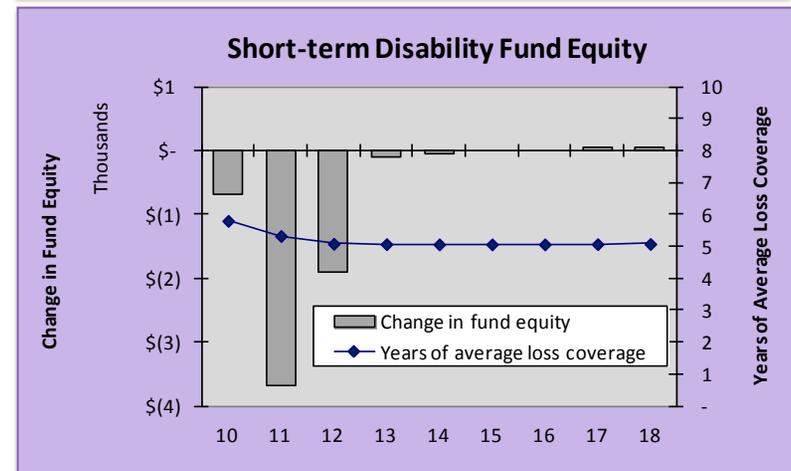
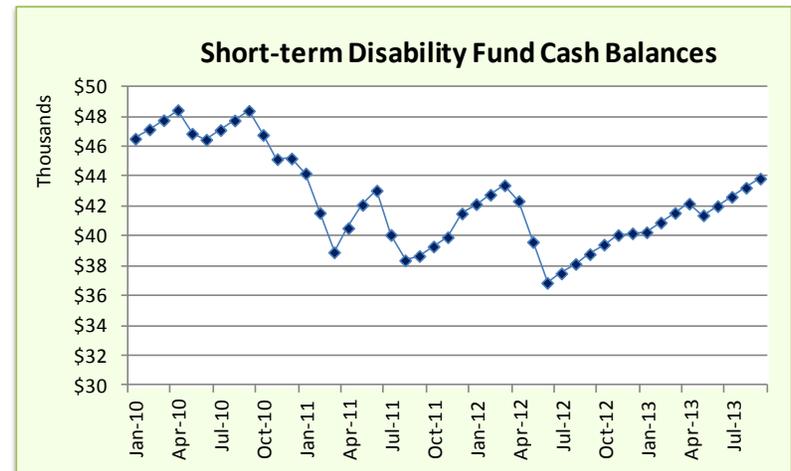
- Losses vary greatly between fiscal years, due to the number and length of employee absences resulting from temporary disabilities
- Monthly premiums have remained at \$8 per employee per month since 1999

### Performance/History

- Net assets provide approximately 5 years of average loss coverage
- Premiums and fund balances have been sufficient to offset historical losses

### Fund Goals/Targets

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



<b>Short-term Disability Fund</b>	2010	2011	2012	2013	2014	2015	2016	2017	2018
	Actual	Actual	Actual	Estimate	Budget	Budget	Projected	Projected	Projected
<b>Revenue</b>									
Charges for Services	\$ 7,612	\$ 7,467	\$ 7,608	\$ 7,500	\$ 7,500	\$ 7,500	\$ 7,500	\$ 7,500	\$ 7,500
Interest Earnings	545	948	536	400	450	500	500	550	550
Total Revenue	8,157	8,415	8,144	7,900	7,950	8,000	8,000	8,050	8,050
<b>Expense</b>									
Miscellaneous									
Personal Services (claims)	8,857	12,101	10,043	8,000	8,000	8,000	8,000	8,000	8,000
Total Expense	8,857	12,101	10,043	8,000	8,000	8,000	8,000	8,000	8,000
Net Change	(700)	(3,686)	(1,899)	(100)	(50)	-	-	50	50
Fund Equity, beginning	45,889	45,189	41,503	39,604	39,504	39,454	39,454	39,454	39,504
Fund Equity, ending	\$ 45,189	\$ 41,503	\$ 39,604	\$ 39,504	\$ 39,454	\$ 39,454	\$ 39,454	\$ 39,504	\$ 39,554
Years of average loss coverage [1]	5.8	5.3	5.1	5.1	5.1	5.1	5.1	5.1	5.1
[1] Using inflation adjusted average annual claims									
Monthly premium	\$ 8.00	\$ 8.00	\$ 8.00	\$ 8.00	\$ 8.00	\$ 8.00	\$ 8.00	\$ 8.00	\$ 8.00
Participants (annual average)	79.3	77.8	79.3	78.1	78.1	78.1	78.1	78.1	78.1

## Liability Claims Fund Operations

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

### Impacts

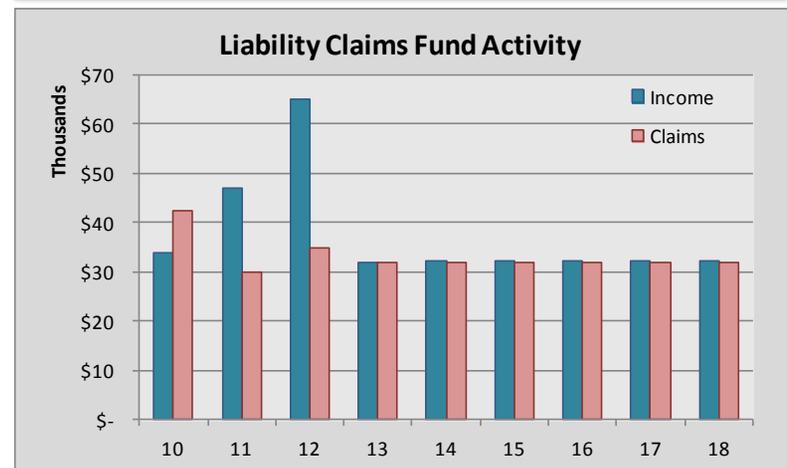
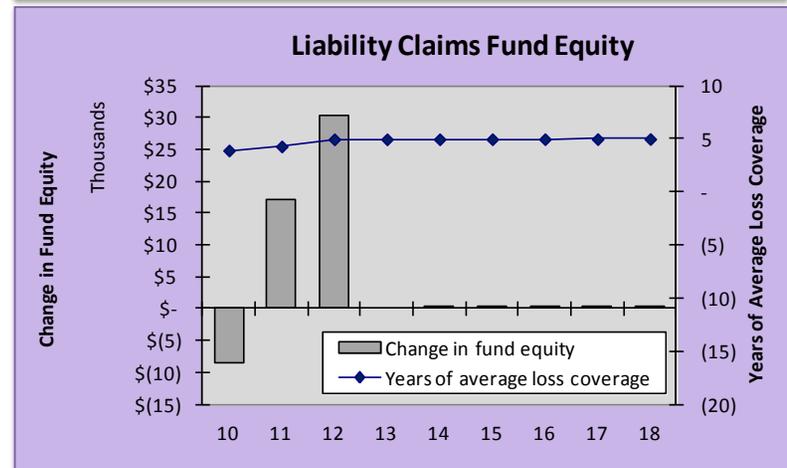
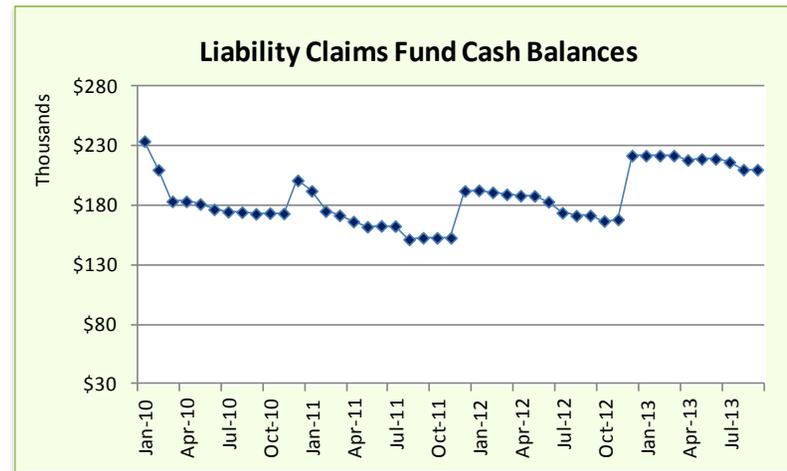
- Losses from internal and outside claims vary between fiscal years due to the number and type of claims

### Performance/History

- Higher than normal losses in 2008 and 2009
- Insurance claims surcharge assessed to operating funds in 2009 to restore fund equity
- Net assets provide 3 to 5 years of average annual loss coverage

### Fund Goals/Targets

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



<b>Liability Claims Fund</b>	2010 Actual	2011 Actual	2012 Actual	2013 Estimate	2014 Budget	2015 Budget	2016 Projected	2017 Projected	2018 Projected
<b>Revenue</b>									
Charges for Services	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Interest Earnings	2,211	3,904	2,458	2,000	2,100	2,200	2,200	2,300	2,300
Other Revenues	31,760	43,002	62,507	30,000	30,000	30,000	30,000	30,000	30,000
Total Revenue	33,971	46,906	64,965	32,000	32,100	32,200	32,200	32,300	32,300
<b>Expense</b>									
Miscellaneous	42,392	29,892	34,737	32,000	32,000	32,000	32,000	32,000	32,000
Total Expense	42,392	29,892	34,737	32,000	32,000	32,000	32,000	32,000	32,000
Net Change	(8,421)	17,014	30,228	-	100	200	200	300	300
Fund Equity, beginning	183,461	175,040	192,054	222,282	222,282	222,382	222,582	222,782	223,082
Fund Equity, ending	\$ 175,040	\$ 192,054	\$ 222,282	\$ 222,282	\$ 222,382	\$ 222,582	\$ 222,782	\$ 223,082	\$ 223,382
Years of average loss coverage	3.9	4.3	5.0	5.0	5.0	5.0	5.0	5.0	5.0
[1] Using inflation adjusted average annual claims									

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## Public Safety

In an emergency .....	Dial 911
Ramsey County Sheriff, non-emergency.....	651-484-3366
Lake Johanna Fire Dept, non-emergency.....	651-481-7024