

**CITY OF SHOREVIEW  
AGENDA  
CITY COUNCIL WORKSHOP  
AUGUST 25, 2014  
4:00 PM – 6:00 PM**

1. ROLL CALL
2. REVIEW OF DESIGN ALTERNATIVE FOR COUNTY ROAD I/35W INTERCHANGE
3. DISCUSSION REGARDING 2015 BUDGET MODIFICATIONS AND PROPOSED TAX LEVY
4. OTHER ISSUES
5. ADJOURNMENT

DATE: August 22, 2014  
TO: Mayor, City Council and City Manager  
FROM: Mark Maloney, Director of Public Works  
SUBJECT: Preliminary County Road I/I-35W Interchange Layout

The redevelopment of the TCAAP (Twin Cities Army Ammunition Plant) site in Arden Hills significantly impacts both local and regional transportation system in the area. Earlier this year the City of Shoreview officially commented on the TCAAP Draft AUAR (Alternative Urban Area wide Review) and specifically noted concerns with the potential impacts to public roadway infrastructure near the County Road I/Rice Creek Parkway/I-35W Ramp interchange. A copy of the City's May 2014 comments are attached for reference.

Ramsey County officials are scheduled to discuss the County Road I impacts with the City Council at the workshop meeting scheduled for Monday, August 25. They plan on sharing a concept for a layout for the new north-south road coming from the TCAAP redevelopment and its intersection with County Road I, Rice Creek Parkway and the I-35W Interchange. The layout is still subject to MnDOT and FHWA review and comments given the connection to I-35W, but preliminary conversations have been supportive. Ramsey County believes that this concept best addresses the concerns of Shoreview while serving to the maximum extent possible all of the regional and local traffic needs for the foreseeable future.

Attachment

### ***18. Transportation***

The AUAR states that the County has indicated a roadway connection from the study area to County Road I may be deemed necessary at some future time. While the potential connection has not been identified, the AUAR indicates that such a connection would provide relief to the I-35W/County Road H intersection, as well as provide additional emergency vehicle access to the study area. However, the connection is not deemed necessary according to the traffic study used in the AUAR and would require further analysis.

It is difficult to assess potential impacts to this possible road connection as there are no details provided through the AUAR. However, Shoreview staff has had numerous conversations with MnDOT, Ramsey County and Arden Hills through the past several years about possible roadway connection to County Road I and the impact that these connections may have on both the local transportation system and access to the interstate system. Shoreview would seek additional dialogue and input on the transportation plan as more details become available and request consideration in addressing the following concerns:

- Aligning a future road connection with Rice Creek Parkway has the potential to change the character of roadway given that it will become an attractive alternative for the congestion at I-35W/Highway 10 corridor in the peak rush hour. Rice Creek Parkway was designed and built (funded completely by Shoreview) to serve as 30 mph collector street, with a current ADT of 5,000. Such a connection to Rice Creek Parkway could result in the roadway transforming to more of a regionally-significant route, with potential impacts on residential land uses in the area because of the traffic volumes, as well as the vehicle distribution (a lot more trucks and heavy commercial).
- It is unclear how a potential six-legged intersection of Rice Creek Parkway/County Road I/TCAAP/I-35W Freeway Ramp would function and to preserve existing access to I-35W. The City of Shoreview strongly desires to maintain existing access to and from I-35W at County Road I for our residents.

The AUAR does not provide sufficient details about this potential for a future connection to County Road I. More detailed analysis including traffic projections and alignment options need to be identified so the impacts to the road system and adjoining land uses in Shoreview can be determined. A collaborative approach involving MnDOT, Ramsey County and adjoining cities should be initiated to assess and review the transportation impacts from future improvements that support the TCAAP development.

I hope these comments are helpful as the City of Arden Hills continues to work on this redevelopment project. Please contact me if you have any questions or need further clarification.

TO: Mayor and City Council

FROM: Terry C. Schwerm, City Manager  
Fred W. Espe, Finance Director

DATE: August 25, 2014

RE: Preliminary Tax Levy Adoption

**INTRODUCTION**

In order to meet statutory requirements for preparation of preliminary tax statements, the City must adopt and certify a preliminary tax levy by September 30, the EDA and City Council must adopt and certify the HRA levy by September 15. This memo provides information about proposed revisions to the adopted 2015 budget (the second year of the biennial budget), in preparation for adoption of a preliminary tax levy. The memo will review the proposed property tax levy, residential property values, General Fund operating budget, and preliminary fund balance projections for major capital funds.

**PRELIMINARY TAX LEVY**

The table below provides a comparison of the 2015 recommended preliminary levy to the 2014 adopted levy. The adopted biennial budget provided for a 5.08% increase in the City’s property tax levy. Staff changes resulting from this years’ budget review have brought the increase down to the 3.52% shown in the table below.

| Description                       | 2014                | 2015                 | 2015                 | Change from 2014 Adopted to 2015 Recommended Levy |              |
|-----------------------------------|---------------------|----------------------|----------------------|---|--------------|
|                                   | Adopted Levy        | Original Levy        | Recommended Levy     | Dollars   | Percent      |
| General fund                      | \$ 6,837,154        | \$ 7,180,671         | \$ 7,060,918         | \$ 223,764  | 3.27%        |
| EDA                               | 80,000              | 90,000               | 90,000               | 10,000  | 12.50%       |
| Debt (including Cent Garage)      | 732,000             | 752,000              | 752,000              | 20,000  | 2.73%        |
| Street Renewal fund               | 900,000             | 950,000              | 940,000              | 40,000  | 4.44%        |
| General Fixed Asset Repl fund     | 1,350,000           | 1,425,000            | 1,400,000            | 50,000  | 3.70%        |
| Capital Acquisition Fund (IT)     | 20,000              | 25,000               | 25,000               | 5,000   | 25.00%       |
| <b>Total City Levy</b>            | <b>\$ 9,919,154</b> | <b>\$ 10,422,671</b> | <b>\$ 10,267,918</b> | <b>\$ 348,764</b>                                 | <b>3.52%</b> |
| HRA tax levy                      | \$ 90,000           | 95,000               | \$ 95,000            | 5,000   | 5.56%        |
| Taxable value (estim for 2015)    | \$ 23,951,981       |                      | \$ 26,709,845        | \$ 2,757,864                                      | 11.51%       |
| City tax rate (estim for 2015)    | 37.490%             |                      | 34.826%              | -2.664%   | -7.11%       |
| HRA tax rate (estim for 2015)     | 0.345%              |                      | 0.322%               | -0.023%   | -6.67%       |
| Fiscal disparity (estim for 2015) | \$ 939,456          |                      | \$ 965,979           | \$ 26,523   | 2.82%        |

It should be noted that the 2015 taxable values, fiscal disparities and City tax rates shown in the table are preliminary values provided by Ramsey County.

## RESIDENTIAL PROPERTY VALUES

According to information provided by Ramsey County the median home value in Shoreview will increase from \$224,500 for 2014 taxes, to \$247,500 for 2015 taxes (a 10.2% increase in value). The table at right shows the change in single family home values since 2000.

Ramsey County's most recent Assessment Report states that for suburban Ramsey County overall value increased by 7.0% with residential values increasing 9.5%, commercial/industrial values increasing .5% and apartment values increasing 5.1%. The Assessor also reports that countywide, about 77.4% of properties had value increases, 13% of properties will decrease and 9.6% will remain the same.

According to the Ramsey County Assessor, even though 2014 countywide residential value is up \$2.5 billion, it still remains \$8.4 billion less than it was in 2008.

| Year | Median Home Value | Annual Percent Change |
|------|-------------------|-----------------------|
| 2000 | 143,100           | 5.2%                  |
| 2001 | 155,200           | 8.5%                  |
| 2002 | 168,400           | 8.5%                  |
| 2003 | 182,700           | 8.5%                  |
| 2004 | 207,500           | 13.6%                 |
| 2005 | 236,250           | 13.9%                 |
| 2006 | 265,050           | 12.2%                 |
| 2007 | 279,900           | 5.6%                  |
| 2008 | 286,600           | 2.4%                  |
| 2009 | 275,600           | -3.8%                 |
| 2010 | 262,200           | -4.9%                 |
| 2011 | 249,350           | -4.9%                 |
| 2012 | 235,700           | -5.5%                 |
| 2013 | 222,200           | -5.7%                 |
| 2014 | 224,500           | 1.0%                  |
| 2015 | 247,500           | 10.2%                 |

## OPERATING BUDGET

Since the 2015 budget is considered an off-year budget, the City's budget process will involve evaluating and approving modifications to the previously adopted budget. No new formal budget documents will be prepared. Instead, Council will authorize amendments to the budget and CIP, and reports will be prepared documenting those changes.

In preparing requested budget revisions, departments were instructed to avoid requesting small/immaterial changes, or changes that net to zero (through an increase in one account with a corresponding decrease in another account within the same activity). In this way the City minimizes small budget modifications that are not significant enough to change the property tax levy.

When originally adopted in December of 2013 the 2015 budget was prepared assuming a 3% wage adjustment for regular staff and a \$70 per month increase in the City-share of the health insurance package. The revised budget assumes a 2% wage adjustment which results in a \$32,460 reduction of wages and benefits in the general fund. As a reminder, 10 years ago the City changed its health insurance to a high-deductible plan and implemented a VEBA (voluntary employee benefit association) plan that resulted in tremendous cost savings for both the City and employees. During the first few years of this program the City's health insurance premium declined as a result of low usage by City employees and their families. This occurred at a time when most health insurance premiums were increasing 8% to 12% annually. Despite higher rates, due to a new contract in 2010, Shoreview's premiums continue to be far lower than Ramsey County (the City's former plan) and many other cities. City staff does anticipate another significant increase in health insurance costs in 2015 due to high claim costs incurred by our insurance provider.

General Fund revenue and expense for 2014 and 2015 are shown in the table below. A listing of specific items that impact the tax levy is provided on the next page, along with the estimated percent impact on the total levy.

|                             | 2014               | 2014                | 2015               | 2015                    | Change from 2014 |             | Change from 2015 |             |
|-----------------------------|--------------------|---------------------|--------------------|-------------------------|------------------|-------------|------------------|-------------|
|                             | Original<br>Budget | Revised<br>Estimate | Original<br>Budget | City Manager<br>Revised | Original Budget  |             | Original Budget  |             |
|                             |                    |                     |                    |                         | Dollars          | Percent     | Dollars          | Percent     |
| <b>Revenue</b>              |                    |                     |                    |                         |                  |             |                  |             |
| Property Taxes              | \$6,837,154        | \$6,837,154         | \$7,180,671        | \$7,060,918             | \$ 223,764       | 3.3%        | \$(119,753)      | -1.7%       |
| Licenses & Permits          | 324,500            | 333,460             | 308,300            | 330,100                 | 5,600            | 1.7%        | 21,800           | 7.1%        |
| Intergovernmental           | 188,622            | 451,093             | 188,622            | 455,032                 | 266,410          | 141.2%      | 266,410          | 141.2%      |
| Charges for Services        | 1,303,110          | 1,303,110           | 1,302,400          | 1,303,810               | 700              | 0.1%        | 1,410            | 0.1%        |
| Fines & Forfeits            | 52,800             | 44,800              | 52,800             | 48,800                  | (4,000)          | -7.6%       | (4,000)          | -7.6%       |
| Interest Earnings           | 45,000             | 45,000              | 50,000             | 50,000                  | 5,000            | 11.1%       | -                | 0.0%        |
| Other Revenues              | 26,108             | 25,997              | 26,227             | 26,227                  | 119              | 0.5%        | -                | 0.0%        |
| <b>Total revenue</b>        | <b>8,777,294</b>   | <b>9,040,614</b>    | <b>9,109,020</b>   | <b>9,274,887</b>        | <b>497,593</b>   | <b>5.7%</b> | <b>165,867</b>   | <b>1.8%</b> |
| <b>Expenses</b>             |                    |                     |                    |                         |                  |             |                  |             |
| General Government          | 2,227,053          | 2,180,104           | 2,269,274          | 2,240,711               | 13,658           | 0.6%        | (28,563)         | -1.3%       |
| Public Safety               | 3,000,223          | 3,221,422           | 3,144,020          | 3,424,835               | 424,612          | 14.2%       | 280,815          | 8.9%        |
| Public Works                | 1,556,726          | 1,537,164           | 1,603,772          | 1,578,339               | 21,613           | 1.4%        | (25,433)         | -1.6%       |
| Parks and Recreation        | 1,726,055          | 1,707,832           | 1,850,037          | 1,782,825               | 56,770           | 3.3%        | (67,212)         | -3.6%       |
| Community Development       | 590,237            | 603,886             | 611,917            | 618,177                 | 27,940           | 4.7%        | 6,260            | 1.0%        |
| <b>Total expenditures</b>   | <b>9,100,294</b>   | <b>9,250,408</b>    | <b>9,479,020</b>   | <b>9,644,887</b>        | <b>544,593</b>   | <b>6.0%</b> | <b>165,867</b>   | <b>1.7%</b> |
| <b>Other Sources (Uses)</b> |                    |                     |                    |                         |                  |             |                  |             |
| Transfers In                | 692,000            | 692,000             | 748,000            | 748,000                 | 56,000           | 8.1%        | -                | 0.0%        |
| Transfers Out               | (369,000)          | (369,000)           | (378,000)          | (378,000)               | (9,000)          | 2.4%        | -                | 0.0%        |
| <b>Net increase</b>         | <b>\$ -</b>        | <b>\$ 113,206</b>   | <b>\$ -</b>        | <b>\$ -</b>             |                  |             |                  |             |

A more detailed summary for the General Fund is attached to this report.

The first section of the box shows changes resulting from a reevaluation of all General Fund revenues to reflect current development activity, preliminary capital projects, transfers from the Cable TV fund for communication costs, and transfers from Utility funds. All revenue changes combined account for a 1.11% decrease in the total tax levy.

The second section of the box shows changes in General Fund expense. These items account for 3.37% increase in the total proposed tax levy.

The net impact of General Fund changes is a 2.26% increase in the total tax levy.

The EDA, debt funds and capital funds account for a 1.26% increase in the tax levy (for a combined change in the levy of 3.52%).

| Note: (brackets) indicate a decrease in the tax levy         | 2015 Change            |                           |
|--|------------------------|---------------------------|
|  | Increase<br>(Decrease) | % Impact<br>on Total Levy |
| <b>General Fund Revenue Changes</b>                          |                        |                           |
| License and permits  | (5,600)                |                           |
| MSA Maintenance  | (47,000)               |                           |
| Administrative charges to other funds                        | 1,800                  |                           |
| Administrative charges to capital projects                   | (20,000)               |                           |
| Engineering fees   | 20,000                 |                           |
| Plan check fees  | (4,000)                |                           |
| Administrative citations                                     | 4,000                  |                           |
| Investment earnings  | (5,000)                |                           |
| Other revenues   | 1,381                  |                           |
| Transfer from Cable TV                                       | (7,000)                |                           |
| Transfer from Utility Funds (PILOT)                          | (49,000)               |                           |
| <b>General Fund Revenue Changes</b>                          | <b>(110,419)</b>       | <b>-1.11%</b>             |
| <b>General Fund Expenditure Changes</b>                      |                        |                           |
| Park & Recreation Director - salary & benefits               | (27,923)               |                           |
| Finance Department accounting assistance - salary & benefits | (16,248)               |                           |
| Wages all employees - step & 2% COLA                         | 37,605                 |                           |
| PERA/FICA/Medicare   | 13,525                 |                           |
| Group insurance - \$70/month                                 | 30,914                 |                           |
| Workers' compensation  | 18,736                 |                           |
| Community Survey   | 13,000                 |                           |
| Election   | (27,500)               |                           |
| Property/Liability insurance                                 | 7,210                  |                           |
| Legal  | 5,000                  |                           |
| Police   | 95,895                 |                           |
| Fire (contract)  | 112,120                |                           |
| Administration postage                                       | (4,000)                |                           |
| Forestry & Nursery   | (6,469)                |                           |
| Building inspection - inspection contractual                 | 8,900                  |                           |
| Central Garage equipment/building charges                    | 22,565                 |                           |
| Misc. other adjustments by department:                       |                        |                           |
| Council and commissions                                      | 5,500                  |                           |
| Administration   | 1,863                  |                           |
| Human resources  | 735                    |                           |
| Communications   | 2,600                  |                           |
| Finance  | (360)                  |                           |
| Information Systems  | 2,840                  |                           |
| Public works administration & engineering                    | 5,500                  |                           |
| Streets  | 12,200                 |                           |
| Trail management   | 4,500                  |                           |
| Municipal buildings  | 400                    |                           |
| Parks & Recreation administration                            | 300                    |                           |
| Park maintenance   | 5,825                  |                           |
| Planning & zoning administration                             | (350)                  |                           |
| Building inspection  | 300                    |                           |
| Transfers out  | 9,000                  |                           |
| <b>General Fund Expenditure Changes</b>                      | <b>334,183</b>         | <b>3.37%</b>              |
| <b>Total General Fund changes</b>                            | <b>223,764</b>         | <b>2.26%</b>              |
| <b>Levy Changes in All Other Funds</b>                       |                        |                           |
| EDA Levy   | 10,000                 |                           |
| Debt (Debt & Central Garage funds)                           | 20,000                 |                           |
| Street Renewal fund  | 40,000                 |                           |
| General Fixed Asset fund                                     | 50,000                 |                           |
| Information Technology fund                                  | 5,000                  |                           |
| <b>Levy Changes in All Other Funds</b>                       | <b>125,000</b>         | <b>1.26%</b>              |
| <b>Total Change in City Levy</b>                             | <b>348,764</b>         | <b>3.52%</b>              |
| HRA Levy   | 5,000                  | 5.56%                     |

Below is a brief listing of specific items having an impact on the 2015 tax levy:

- Revenue changes reflect slightly higher permit-related revenues, an increase in MSA maintenance revenue (due to State reallocation with construction aid), increased administrative charges, lower engineering fees for capital projects and lower administrative citations.
- Elimination of the Park & Recreation Director position in 2015 results in a \$27,923 impact on the levy.
- Elimination of accounting assistance in the finance department results in a \$16,248 impact on the levy.
- Wage costs include a 2% wage adjustment, a \$70 per month increase in the City contribution for health insurance, contributions to PERA and social security, and step increases for employees not yet at the regular rate of pay for the position.
- Workers' compensation costs increased by \$18,736 due to a change in the City's experience modification factor from .81% in 2014 to 1.01% in 2015. The experience modification factor is an indicator of risk based on past losses and increases the insurance premium if over 100%.
- An allowance of \$13,000 is included for a community survey.
- Election costs are deleted for 2015.
- Property/liability insurance rates are increasing slightly in 2015.
- Legal costs increased due to general legal expense.
- Police costs are increasing \$95,895 or about 4.9% due to cost of living and health insurance adjustments and vehicle and equipment replacements.
- Fire service costs are increasing \$112,120 nearly 11%, due to full implementation of the duty crew program beginning July, 2015, as well as an increase in calls for service in Shoreview. The duty crew will be staffed 24/7 as complete overnight coverage is being added Sunday – Thursday evenings.
- Forestry & Nursery supplies are down as a result of costs associated with the Emerald Ash Borer (EAB) treatment program being less than originally anticipated.
- Building inspection changes include the cost of contracted inspection services.
- Central garage charges paid by the General Fund are up due equipment replacements.
- Council and commission changes include slight increases for Northwest Youth and Family Services, increased dues and subscriptions, and Council goal setting.
- Information system costs include increased training and professional development.
- Public works administration & engineering increases are a result of traffic count studies and training and professional development.
- Street supply increases include asphalt, signs and salt for ice and snow removal. Other increases relate to street striping and curb repairs.
- Trail management increases are a result of repair supplies and contractual costs.
- Park maintenance increases are primarily a result of supplies and contractual fees.
- The impact of all other General Fund changes net to a \$5,488 increase.
- The EDA and HRA levies each increase \$10,000 and \$5,000 respectively to cover additional staff time dedicated to EDA, HRA and Economic Development Commission costs.

- Combined debt levies increase \$20,000, for existing debt funds and maintenance center debt and, as a reminder, the City is able to keep a modest debt levy increase due to the utilization of General Fund surpluses set aside in the Closed Bond Fund at the end of 2010 and 2011. As planned, these surpluses help mitigate the impact of debt levies.

## MAJOR CAPITAL FUNDS

Before adoption of the preliminary tax levy, staff wishes to report on projected fund balances for major capital funds. Projections are shown on the next three pages.

Street Renewal Fund projections indicate that tax levy increases ranging from \$40,000 to \$67,000 per year through 2019 will support planned projects. Street rehabilitation bonds were issued in 2013.

| Street Renewal Fund<br>Capital Projections | Actual<br>2013 | Projected<br>2014 | Projected<br>2015 | Projected<br>2016 | Projected<br>2017 | Projected<br>2018 | Projected<br>2019 |
|--|----------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
| <b>Revenue</b>                             |                |                   |                   |                   |                   |                   |                   |
| Property taxes                             | \$ 845,322     | \$ 900,000        | \$ 940,000        | \$ 1,000,000      | \$ 1,060,000      | \$ 1,124,000      | \$ 1,191,000      |
| Assessments                                | 32,830         | 12,821            | 12,821            | 12,821            | 12,821            | 12,821            | 6,200             |
| Investment interest                        | (78,378)       | 22,200            | 27,600            | 28,100            | 33,900            | 35,800            | 41,400            |
| Other                                      | 6,720          | -                 | -                 | -                 | -                 | -                 | -                 |
| Total Revenues                             | \$ 806,494     | \$ 935,021        | \$ 980,421        | \$ 1,040,921      | \$ 1,106,721      | \$ 1,172,621      | \$ 1,238,600      |
| <b>Expense</b>                             |                |                   |                   |                   |                   |                   |                   |
| Street condition survey                    | 11,975         | 6,500             | 7,500             | 7,500             | 7,500             | 8,500             | 8,500             |
| Sealcoat and crack fill                    | 277,076        | 314,200           | 317,500           | 325,400           | 336,700           | 339,700           | 346,000           |
| Street rehabilitation (current projs)      | 600,082        | 661,500           | 745,600           | 627,200           | 627,200           | 899,700           | 766,000           |
| Projects in prior years                    | 107,748        | 122,300           | -                 | -                 | -                 | -                 | -                 |
| Total Expense                              | \$ 996,881     | \$ 1,104,500      | \$ 1,070,600      | \$ 960,100        | \$ 971,400        | \$ 1,247,900      | \$ 1,120,500      |
| <b>Other Sources (Uses)</b>                |                |                   |                   |                   |                   |                   |                   |
| Transfers in/General fund                  | 417,963        | -                 | -                 | -                 | -                 | -                 | -                 |
| Total Other Sources (Uses)                 | \$ 417,963     | \$ -              | \$ -              | \$ -              | \$ -              | \$ -              | \$ -              |
| Net change                                 | 227,576        | (169,479)         | (90,179)          | 80,821            | 135,321           | (75,279)          | 118,100           |
| Fund equity, beginning                     | 2,235,008      | 2,462,584         | 2,293,105         | 2,202,926         | 2,283,747         | 2,419,068         | 2,343,789         |
| Fund equity, ending                        | \$ 2,462,584   | \$ 2,293,105      | \$ 2,202,926      | \$ 2,283,747      | \$ 2,419,068      | \$ 2,343,789      | \$ 2,461,889      |
| Years of capital coverage (avg expense)    | 2.7            | 2.5               | 2.4               | 2.5               | 2.6               | 2.5               | 2.7               |
| Tax levy percent change                    | 7.3%           | 6.5%              | 4.4%              | 6.4%              | 6.0%              | 6.0%              | 6.0%              |
| Annual avg percent change (taxes)          |                |                   |                   |                   |                   |                   | 5.9%              |

General Fixed Asset Fund projections indicate that tax levy increases ranging from \$10,000 to \$75,000 per year through 2019 will support planned projects. Starting in 2018, the increase in the General Fixed Asset Fund share of the levy is projected to increase .7% annually (unless capital projections change, requiring higher levies).

| <b>General Fixed Asset Fund<br/>Capital Projections</b> | Actual<br>2013      | Projected<br>2014   | Projected<br>2015   | Projected<br>2016   | Projected<br>2017   | Projected<br>2018   | Projected<br>2019   |
|---|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| <b>Revenue</b>  |                     |                     |                     |                     |                     |                     |                     |
| Property taxes  | \$ 1,243,169        | \$ 1,350,000        | \$ 1,400,000        | \$ 1,475,000        | \$ 1,495,000        | \$ 1,505,000        | \$ 1,515,000        |
| Investment interest                                     | (20,230)            | 4,000               | 6,000               | 6,000               | 11,000              | 14,000              | 8,000               |
| Other   | 1,207               | -                   | 32,226              | -                   | -                   | 7,860               | -                   |
| <b>Total Revenues</b>                                   | <b>\$ 1,224,146</b> | <b>\$ 1,354,000</b> | <b>\$ 1,438,226</b> | <b>\$ 1,481,000</b> | <b>\$ 1,506,000</b> | <b>\$ 1,526,860</b> | <b>\$ 1,523,000</b> |
| <b>Expense</b>  |                     |                     |                     |                     |                     |                     |                     |
| Fire stations & equipment                               | 389,181             | 116,848             | 134,840             | 110,915             | 562,110             | 77,490              | 2,768               |
| Warning sirens  | -                   | -                   | 18,000              | -                   | 27,000              | -                   | 27,000              |
| Municipal buildings                                     | 46,417              | 819,345             | 579,000             | 105,000             | 335,000             | 210,400             | 315,000             |
| Park facilities   | 714,935             | 137,525             | 337,000             | 208,000             | 242,400             | 405,000             | 223,200             |
| Trails  | 80,490              | 273,500             | 75,000              | 122,000             | 127,000             | 80,000              | 80,000              |
| <b>Total Expense</b>                                    | <b>\$ 1,231,023</b> | <b>\$ 1,347,218</b> | <b>\$ 1,143,840</b> | <b>\$ 545,915</b>   | <b>\$ 1,293,510</b> | <b>\$ 772,890</b>   | <b>\$ 647,968</b>   |
| <b>Other Sources (Uses)</b>                             |                     |                     |                     |                     |                     |                     |                     |
| Transfers out/Capital Imprv (IT) fund                   | (89,603)            | (118,871)           | (221,000)           | (138,000)           | (119,500)           | (559,000)           | (199,000)           |
| Transfers out/debt funds                                | (180,000)           | (180,000)           | (180,000)           | (180,000)           | (180,000)           | (180,000)           | (180,000)           |
| <b>Total Other Sources (Uses)</b>                       | <b>\$ (269,603)</b> | <b>\$ (298,871)</b> | <b>\$ (401,000)</b> | <b>\$ (318,000)</b> | <b>\$ (299,500)</b> | <b>\$ (739,000)</b> | <b>\$ (379,000)</b> |
| <b>Net change</b>                                       | <b>(276,480)</b>    | <b>(292,089)</b>    | <b>(106,614)</b>    | <b>617,085</b>      | <b>(87,010)</b>     | <b>14,970</b>       | <b>496,032</b>      |
| Fund equity, beginning                                  | 758,045             | 481,565             | 189,476             | 82,862              | 699,947             | 612,937             | 627,907             |
| <b>Fund equity, ending</b>                              | <b>\$ 481,565</b>   | <b>\$ 189,476</b>   | <b>\$ 82,862</b>    | <b>\$ 699,947</b>   | <b>\$ 612,937</b>   | <b>\$ 627,907</b>   | <b>\$ 1,123,939</b> |
| Months of average capital coverage                      | 4.9                 | 1.9                 | 0.8                 | 7.1                 | 6.2                 | 6.4                 | 11.4                |
| Tax levy percent change                                 | 5.2%                | 8.6%                | 3.7%                | 5.4%                | 1.4%                | 0.7%                | 0.7%                |
| Annual avg percent change (taxes)                       |                     |                     |                     |                     |                     |                     | 3.4%                |

Information Technology Fund projections indicate that tax levy increases equal to \$5,000 per year through 2018, will support planned technology purchases. The small tax levy is intended to assist in funding new technology purchases that cannot be funded through replacement funds.

| <b>Information Technology Fund</b><br>Capital Projections | Actual<br>2013    | Projected<br>2014 | Projected<br>2015 | Projected<br>2016 | Projected<br>2017 | Projected<br>2018 | Projected<br>2019 |
|---|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
| <b>Revenue</b>  |                   |                   |                   |                   |                   |                   |                   |
| Property taxes  | \$ -              | \$ 20,000         | \$ 25,000         | \$ 30,000         | \$ 35,000         | \$ 40,000         | \$ 40,000         |
| Investment interest                                       | (161)             | 200               | 100               | 400               | 400               | 1,100             | 1,600             |
| <b>Total Revenues</b>                                     | <b>\$ (161)</b>   | <b>\$ 20,200</b>  | <b>\$ 25,100</b>  | <b>\$ 30,400</b>  | <b>\$ 35,400</b>  | <b>\$ 41,100</b>  | <b>\$ 41,600</b>  |
| <b>Expense</b>  |                   |                   |                   |                   |                   |                   |                   |
| Computer equipment/software                               | 112,548           | 168,950           | 240,600           | 138,800           | 157,100           | 567,300           | 213,100           |
| <b>Total Expense</b>                                      | <b>\$ 112,548</b> | <b>\$ 168,950</b> | <b>\$ 240,600</b> | <b>\$ 138,800</b> | <b>\$ 157,100</b> | <b>\$ 567,300</b> | <b>\$ 213,100</b> |
| <b>Other Sources (Uses)</b>                               |                   |                   |                   |                   |                   |                   |                   |
| Transfers in/General Fund                                 | -                 | -                 | -                 | -                 | -                 | -                 | -                 |
| Transfers in/Cable TV Fund                                | 1,941             | -                 | -                 | -                 | -                 | -                 | -                 |
| Transfers in/Capital Imprv Fund                           | 11,579            | -                 | -                 | -                 | -                 | -                 | -                 |
| Transfers in/Gen Fixed Asset Fund                         | 89,603            | 118,871           | 221,000           | 138,000           | 119,500           | 559,000           | 199,000           |
| Transfers in/Water Fund                                   | 557               | -                 | 800               | -                 | 3,800             | -                 | 800               |
| Transfers in/Sewer Fund                                   | 4,067             | -                 | 800               | -                 | 3,800             | -                 | 800               |
| Transfers in/Central Garage Fund                          | 4,802             | -                 | 14,000            | -                 | -                 | -                 | -                 |
| Sale of capital assets                                    | 2,380             | -                 | -                 | -                 | -                 | -                 | -                 |
| <b>Total Other Sources (Uses)</b>                         | <b>\$ 114,929</b> | <b>\$ 118,871</b> | <b>\$ 236,600</b> | <b>\$ 138,000</b> | <b>\$ 127,100</b> | <b>\$ 559,000</b> | <b>\$ 200,600</b> |
| Net change  | 2,220             | (29,879)          | 21,100            | 29,600            | 5,400             | 32,800            | 29,100            |
| Fund equity, beginning                                    | 41,047            | 43,267            | 13,388            | 34,488            | 64,088            | 69,488            | 102,288           |
| Fund equity, ending                                       | <b>\$ 43,267</b>  | <b>\$ 13,388</b>  | <b>\$ 34,488</b>  | <b>\$ 64,088</b>  | <b>\$ 69,488</b>  | <b>\$ 102,288</b> | <b>\$ 131,388</b> |
| Months of capital coverage (avg exp)                      | 2.1               | 0.6               | 1.7               | 3.1               | 3.4               | 5.0               | 6.4               |

A more detailed discussion regarding the capital improvement program will be held at a workshop meeting this fall.

**SUMMARY**

Staff is seeking Council input on the tax levy prior to adoption of the preliminary tax levy on September 2 for the HRA and September 15 for the City.

**City of Shoreview, Minnesota  
General Fund - Fund Summary**

|                             | 2014             |                  |                  | 2015                |                     | Budget Changes          |  |                 |  |         |  |  |
|-----------------------------|------------------|------------------|------------------|---------------------|---------------------|-------------------------|--|-----------------|--|---------|--|--|
|                             | 2013<br>Actual   | Original         |                  | Revised<br>Estimate | Original<br>Adopted | City Manager<br>Revised | 2014 Orig Budget to<br>2015 Revised Budget |                 | 2015 Orig Budget to<br>2015 Revised Budget |         |  |  |
|                             |                  | Adopted          | Adopted          |                     |                     |                         | Dollar                                     | Percent         | Dollar                                     | Percent |  |  |
| <b>Revenue</b>              |                  |                  |                  |                     |                     |                         |  |                 |  |         |  |  |
| Property Taxes              | \$ 6,623,723     | \$ 6,837,154     | \$ 6,837,154     | \$ 7,180,671        | \$ 7,060,918        | \$ 223,764              | 3.3%                                       | \$ (119,753)    | -1.7%                                      |         |  |  |
| Licenses and Permits        | 648,306          | 324,500          | 333,460          | 308,300             | 330,100             | 5,600                   | 1.7%                                       | 21,800          | 7.1%                                       |         |  |  |
| Intergovernmental           | 395,433          | 188,622          | 451,093          | 188,622             | 455,032             | 266,410                 | 141.2%                                     | 266,410         | 141.2%                                     |         |  |  |
| Charges for Services        | 1,619,489        | 1,303,110        | 1,303,110        | 1,302,400           | 1,303,810           | 700                     | 0.1%                                       | 1,410           | 0.1%                                       |         |  |  |
| Fines and Forfeits          | 52,440           | 52,800           | 44,800           | 52,800              | 48,800              | (4,000)                 | -7.6%                                      | (4,000)         | -7.6%                                      |         |  |  |
| Interest Earnings           | (118,405)        | 45,000           | 45,000           | 50,000              | 50,000              | 5,000                   | 11.1%                                      | -               | 0.0%                                       |         |  |  |
| Other Revenues              | 31,532           | 26,108           | 25,997           | 26,227              | 26,227              | 119                     | 0.5%                                       | -               | 0.0%                                       |         |  |  |
| <b>Total Revenue</b>        | <b>9,252,518</b> | <b>8,777,294</b> | <b>9,040,614</b> | <b>9,109,020</b>    | <b>9,274,887</b>    | <b>497,593</b>          | <b>5.7%</b>                                | <b>165,867</b>  | <b>1.8%</b>                                |         |  |  |
| <b>Expense</b>              |                  |                  |                  |                     |                     |                         |  |                 |  |         |  |  |
| <b>General Government</b>   |                  |                  |                  |                     |                     |                         |  |                 |  |         |  |  |
| Council and Commissions     | \$ 142,275       | \$ 145,385       | \$ 141,255       | \$ 152,092          | \$ 151,925          | \$ 6,540                | 4.5%                                       | \$ (167)        | -0.1%                                      |         |  |  |
| Administration              | 561,449          | 539,688          | 530,571          | 556,313             | 554,917             | 15,229                  | 2.8%                                       | (1,396)         | -0.3%                                      |         |  |  |
| Human Resources             | 242,232          | 278,161          | 270,910          | 292,157             | 290,278             | 12,117                  | 4.4%                                       | (1,879)         | -0.6%                                      |         |  |  |
| Elections                   | 2,983            | 39,559           | 40,559           | 4,000               | 4,000               | (35,559)                | -89.9%                                     | -               | 0.0%                                       |         |  |  |
| Communications              | 209,168          | 209,370          | 204,304          | 216,534             | 216,409             | 7,039                   | 3.4%                                       | (125)           | -0.1%                                      |         |  |  |
| Finance and Accounting      | 546,380          | 559,990          | 530,765          | 576,455             | 551,243             | (8,747)                 | -1.6%                                      | (25,212)        | -4.4%                                      |         |  |  |
| Information Systems         | 295,837          | 334,900          | 334,740          | 346,723             | 346,939             | 12,039                  | 3.6%                                       | 216             | 0.1%                                       |         |  |  |
| Legal                       | 112,528          | 120,000          | 127,000          | 125,000             | 125,000             | 5,000                   | 4.2%                                       | -               | 0.0%                                       |         |  |  |
| <b>Sub-total</b>            | <b>2,112,852</b> | <b>2,227,053</b> | <b>2,180,104</b> | <b>2,269,274</b>    | <b>2,240,711</b>    | <b>13,658</b>           | <b>0.6%</b>                                | <b>(28,563)</b> | <b>-1.3%</b>                               |         |  |  |
| <b>Public Safety</b>        |                  |                  |                  |                     |                     |                         |  |                 |  |         |  |  |
| Police                      | 1,910,590        | 1,969,030        | 1,979,284        | 2,052,720           | 2,064,925           | 95,895                  | 4.9%                                       | 12,205          | 0.6%                                       |         |  |  |
| Fire                        | 1,154,160        | 1,023,220        | 1,236,240        | 1,083,270           | 1,354,780           | 331,560                 | 32.4%                                      | 271,510         | 25.1%                                      |         |  |  |
| Emergency Services          | 4,425            | 7,973            | 5,898            | 8,030               | 5,130               | (2,843)                 | -35.7%                                     | (2,900)         | -36.1%                                     |         |  |  |
| <b>Sub-total</b>            | <b>3,069,175</b> | <b>3,000,223</b> | <b>3,221,422</b> | <b>3,144,020</b>    | <b>3,424,835</b>    | <b>424,612</b>          | <b>14.2%</b>                               | <b>280,815</b>  | <b>8.9%</b>                                |         |  |  |
| <b>Public Works</b>         |                  |                  |                  |                     |                     |                         |  |                 |  |         |  |  |
| Public Works Adm and Engin. | 473,788          | 460,442          | 464,704          | 477,523             | 452,409             | (8,033)                 | -1.7%                                      | (25,114)        | -5.3%                                      |         |  |  |
| Streets                     | 763,770          | 837,694          | 808,316          | 872,552             | 866,408             | 28,714                  | 3.4%                                       | (6,144)         | -0.7%                                      |         |  |  |
| Trail Management            | 110,429          | 126,347          | 126,144          | 133,322             | 133,333             | 6,986                   | 5.5%                                       | 11              | 0.0%                                       |         |  |  |
| Forestry and Nursery        | 89,572           | 132,243          | 138,000          | 120,375             | 126,189             | (6,054)                 | -4.6%                                      | 5,814           | 4.8%                                       |         |  |  |
| <b>Sub-total</b>            | <b>1,437,559</b> | <b>1,556,726</b> | <b>1,537,164</b> | <b>1,603,772</b>    | <b>1,578,339</b>    | <b>21,613</b>           | <b>1.4%</b>                                | <b>(25,433)</b> | <b>-1.6%</b>                               |         |  |  |

**City of Shoreview, Minnesota  
General Fund - Fund Summary**

|                              | 2013<br>Actual | 2014                |                     |                     | 2015                    |  | Budget Changes |  |         |  |  |  |  |
|------------------------------|----------------|---------------------|---------------------|---------------------|-------------------------|--|----------------|--|---------|--|--|--|--|
|                              |                | Original<br>Adopted | Revised<br>Estimate | Original<br>Adopted | City Manager<br>Revised | 2014 Orig Budget to<br>2015 Revised Budget |                | 2015 Orig Budget to<br>2015 Revised Budget |         |  |  |  |  |
|                              |                |                     |                     |                     |                         | Dollar                                     | Percent        | Dollar                                     | Percent |  |  |  |  |
| <b>Parks and Recreation</b>  |                |                     |                     |                     |                         |  |                |  |         |  |  |  |  |
| Municipal Buildings          | 126,385        | 127,775             | 127,765             | 131,866             | 131,833                 | 4,058                                      | 3.2%           | (33)                                       | 0.0%    |  |  |  |  |
| Park/Recreation Admin.       | 346,539        | 397,368             | 378,275             | 466,226             | 398,865                 | 1,497                                      | 0.4%           | (67,361)                                   | -14.4%  |  |  |  |  |
| Park Maintenance             | 1,103,652      | 1,200,912           | 1,201,792           | 1,251,945           | 1,252,127               | 51,215                                     | 4.3%           | 182  | 0.0%    |  |  |  |  |
| Sub-total                    | 1,576,576      | 1,726,055           | 1,707,832           | 1,850,037           | 1,782,825               | 56,770                                     | 3.3%           | (67,212)                                   | -3.6%   |  |  |  |  |
| <b>Community Development</b> |                |                     |                     |                     |                         |  |                |  |         |  |  |  |  |
| Planning and Zoning Admin.   | 400,461        | 434,522             | 436,171             | 451,050             | 450,136                 | 15,614                                     | 3.6%           | (914)                                      | -0.2%   |  |  |  |  |
| Building Inspection          | 177,335        | 155,715             | 167,715             | 160,867             | 168,041                 | 12,326                                     | 7.9%           | 7,174                                      | 4.5%    |  |  |  |  |
| Sub-total                    | 577,796        | 590,237             | 603,886             | 611,917             | 618,177                 | 27,940                                     | 4.7%           | 6,260                                      | 1.0%    |  |  |  |  |
| Total Expense                | 8,773,958      | 9,100,294           | 9,250,408           | 9,479,020           | 9,644,887               | 544,593                                    | 6.0%           | 165,867                                    | 1.7%    |  |  |  |  |
| <b>Other Sources (Uses)</b>  |                |                     |                     |                     |                         |  |                |  |         |  |  |  |  |
| Transfers In                 | 519,000        | 692,000             | 692,000             | 748,000             | 748,000                 | 56,000                                     | 8.1%           | -  | 0.0%    |  |  |  |  |
| Transfers Out                | (829,963)      | (369,000)           | (369,000)           | (378,000)           | (378,000)               | (9,000)                                    | 2.4%           | -  | 0.0%    |  |  |  |  |
| Net Increase (Decrease)      | \$ 167,597     | \$ -                | \$ 113,206          | \$ -                | \$ -                    |  |                |  |         |  |  |  |  |