



*2012-2013
Budget Summary*

Budget Hearing
7:00 p.m. December 5, 2011
City Hall Council Chambers

4600 Victoria Street N
Shoreview, MN 55126
(651) 490-4600
www.shoreviewmn.gov

November 2011

Dear Citizens:

In preparing our 2012-2013 Operating Budget and Capital Improvement Program, and the Five-Year Operating Plan the City Council is committed to maintaining the services, programs and facilities that make Shoreview one of the premier suburban communities in the Twin Cities Metropolitan area. Accomplishing this goal is even more difficult in these economic times. Despite the obvious challenges in the last year, Shoreview has managed to:

- Significantly improve and expand content in the Budget document to include a discussion of activity measures, community survey results and budget impacts for each activity, as well as an expanded discussion of each fund
- Maintain the City’s AAA bond rating, the highest rating awarded
- Preserve quality services and programs for our residents
- Continue the development and evaluation of 5-year operating goals and strategies

As we look to the future, the City must ensure that our limited financial resources continue to be used to provide services such as police and fire protection; maintenance and snowplowing of streets; water and sewer services; and recreational programs and facilities (including parks and trails) in an effective manner.

We hope you find the information included in this 2012-2013 Budget Summary helpful in explaining how the City puts your tax dollars to work in our community. If you have questions about the City’s budget, please contact us at 651-490-4600.

Sandy Martin
Mayor

Table of Contents

Budget Objectives	3
Executive Summary	4
Budget Process	4
Proposed Tax Levy	5-6
City Budget (by fund type)	7-17
City Property Tax by Program	18-19
What does this mean to my taxes?	20-24
Distribution of Property Tax Bill	25
Property Tax Comparison	26-27
City Directory	28

Budget Objectives

The Operating Budget and Capital Improvement Program are developed considering the difficult economic climate, resident feedback during the year, periodic community surveys, and City Council goals. Primary budget objectives for 2012-2013 include:

- Balance the General Fund budget
- Maintain existing services and programs through efficient use of tax dollars
- Recover utility costs through user fees, including restructuring of water rates to generate sufficient revenue to cover operating costs
- Fund infrastructure replacement
- Continue five-year financial planning for operating funds
- Meet debt obligations
- Maintain AAA bond rating
- Prepare a two-year budget, and expand budget content
- Protect and enhance parks, lakes and open space areas
- Position the City to effectively address future challenges and opportunities (revitalize neighborhoods, encourage reinvestment, assist redevelopment opportunities, and utilize technology to improve services and communications)

Executive Summary

The following listing provides a summary of key information discussed in this document:

- No major service level changes for 2012 despite the elimination of the Parks and Recreation Director position
- Proposed 2012 tax levy decreases .5% and has been reduced \$202,000 since department budget requests
- Total taxable property value drops 8% due to a combination of value reductions and the new Homestead Market Value Exclusion (HMVE) program
- City tax rate increases 8.4% due to the combined impact of the levy decrease and declining taxable value
- City receives approximately 21% of total property taxes in 2012; other taxing jurisdictions collect the remaining 79%
- City share of the tax bill ranks 5th lowest among comparison cities in 2011 (22% below the average)
- About 28 cents of each property tax dollar goes to support public safety, followed by replacement costs at 22 cents, parks and recreation at 20 cents, general government at 10 cents, public works and debt service at 8 cents each, community development at 3 cents, and all other costs at 1 cent
- General Fund spending increases 2.3% (including transfers)
- About 74% of home values decline for 2012 taxes, and 24% of home values remain the same
- The change in individual property tax bills varies depending on the change in property value

Budget Process

The budget process starts in May with the distribution of budget materials to departments, followed by a series of staff budget discussions. Council budget workshops are held from early August through November, followed by a budget hearing the first regular Council meeting in December and budget adoption at the second regular Council meeting in December. The budget is published, posted to the City's website, and distributed to the County Library in January.

Proposed Tax Levy

The table below provides a two-year comparison of Shoreview's tax levy, taxable values, tax rate and the metro-wide fiscal disparities contribution. Key changes for 2012 include:

- Total tax levy decreases .5% (\$45,648 reduction)
- Taxable value decreases 8.1% (to \$25.4 million for 2012) due to a combination of declining residential values and the new HMVE program
- Tax rate increases 8.4% due to the combined impact of the levy reduction and decreasing values
- Fiscal disparities contribution from the metro-area pool decreases 3.3%

	2011	2012	Change	
	Adopted Levy	Proposed Levy	Dollars	Percent
General Fund	\$ 6,695,734	\$ 6,467,060	\$ (228,674)	-3.4%
EDA and HRA Funds	85,000	125,000	40,000	47.1%
Debt (all funds combined)	625,000	658,026	33,026	5.3%
Replacement Funds	1,900,000	2,000,000	100,000	5.3%
Capital Improvement Funds	100,000	110,000	10,000	10.0%
Total Tax Levy	\$ 9,405,734	\$ 9,360,086	\$ (45,648)	-0.5%
Taxable Value (millions)	\$ 27.644	\$ 25.413	\$ (2.232)	-8.1%
Tax Rate	30.671	33.259	2.588	8.4%
Fiscal Disparities Contribution	\$ 866,880	\$ 838,214	\$ (28,666)	-3.3%

Shoreview is able to levy less than 2011 while continuing to fund essential City services through a combination of revenue and expense changes described on the following page.

The listing below provides a summary of items causing either an increase or a decrease in Shoreview's proposed 2012 tax levy, followed by a brief discussion of each item:

Market value homestead credit	\$ - 350,000
Public safety contracts (police and fire)	146,972
Capital replacements	100,000
EDA and HRA	40,000
Debt payments	33,026
Capital improvements	10,000
Personnel costs	3,806
All other changes combined (net)	<u>- 29,452</u>
Total Levy Changes	\$ - 45,648

- Market Value Homestead Credit program ends, eliminating the need to levy for state cuts to the program
- Public safety provides for police (patrol, investigations, dispatch and animal control) and fire (continued duty-crew implementation and overall fire protection costs)
- Capital replacement levies support replacement of streets and other assets as needed
- EDA and HRA levies support economic development and housing related programs and activities
- Debt payment levies have been structured to minimize the impact on current and future tax levies by setting aside \$378,064 of General Fund surplus from the year 2010
- Capital improvement levies provide funding for park enhancements
- Personnel costs include reclassification of an administrative position to part-time, elimination of a Department Director position due to retirement (and restructuring of duties), the addition of a Communications Coordinator, a 1% wage adjustment for full-time staff, an increase in the health insurance contribution, and mandatory contributions to social security and PERA.
- All other changes include increased revenues (mechanical permits, administrative charges and fines), 2012 general election, discontinuance of Access Shoreview articles, reduced transfers out and other miscellaneous changes.

All Operating Funds Combined

Shoreview prepares a Five-Year Operating Plan (FYOP) covering all operating and debt service funds, and will begin preparing a Biennial Operating Budget and Capital Improvement Program starting with the 2012-2013 biennial budget. The table on the next page summarizes the total proposed budgets for 2012 and 2013 in comparison to prior years. The following funds are included in the table:

- General Fund
- Special Revenue Funds
 - Recycling
 - Community Center
 - Recreation Programs
 - Cable Television
 - Economic Development Authority
 - Housing and Redevelopment Authority
 - Slice of Shoreview
- Debt Funds
- Enterprise Funds
 - Water
 - Sewer
 - Surface Water Management
 - Street Lighting
- Internal Service Funds
 - Central Garage
 - Short-term Disability
 - Liability Claims

The above list, and the table on the next page include funds that receive tax dollars as well as funds that receive no tax support. For instance, the Recycling, Community Center, Recreation Programs, Cable Television, and Enterprise Funds cover the majority of operating costs through user charges and outside revenue.

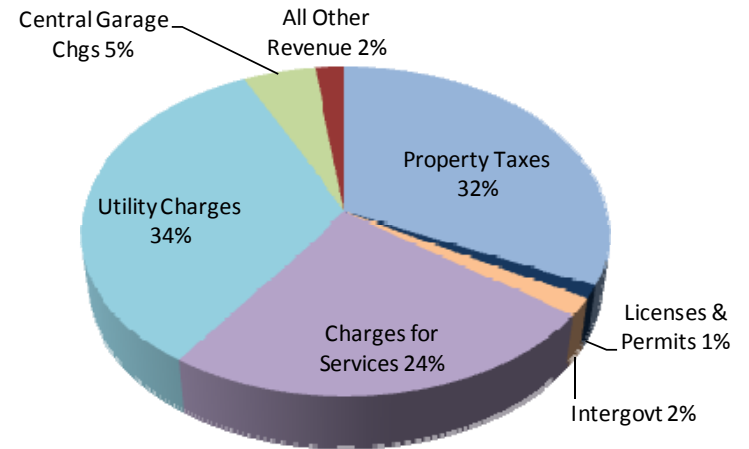
Capital Project Funds (for the construction and replacement of major assets) are not included in the table on the next page.

Total operating and debt service costs (excluding transfers between funds) are expected to increase 5% for 2012. Half of the increase (2.5%) is due to the restructuring of debt payments through an advance refunding, which saved the City more than \$167,000 in future interest costs.

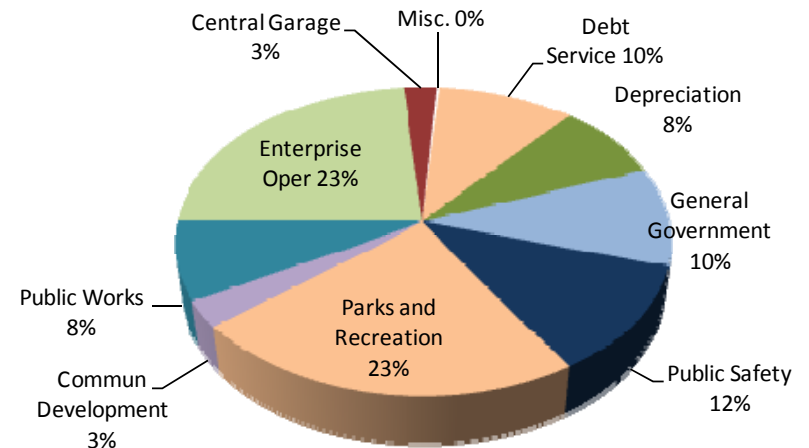
	2010 Actual	2011		2012 Proposed	2013 Proposed
		Budget	Estimate		
Revenue					
Property Taxes	\$ 6,777,040	\$ 7,055,734	\$ 7,055,734	\$ 7,250,086	\$ 7,537,037
Special Assessments	201,614	144,311	132,222	115,865	107,971
Licenses and Permits	501,198	281,150	307,010	292,750	279,750
Intergovernmental	342,426	235,602	280,122	400,247	367,832
Charges for Services	5,305,833	5,271,261	5,361,635	5,473,175	5,625,135
Fines and Forfeits	32,813	42,500	61,480	62,000	62,500
Utility Charges	6,487,924	7,177,300	6,964,709	7,540,762	7,864,601
Central Garage Chgs	1,043,775	1,109,816	1,109,080	1,137,680	1,153,020
Interest Earnings	160,710	232,550	193,500	208,550	220,350
Other Revenues	146,587	72,942	86,280	81,860	82,300
Total Revenue	\$ 20,999,920	\$ 21,623,166	\$ 21,551,772	\$ 22,562,975	\$ 23,300,496
Expense					
General Government	\$ 2,077,391	\$ 2,139,609	\$ 2,108,527	\$ 2,307,905	\$ 2,317,773
Public Safety	2,448,406	2,573,947	2,579,250	2,721,227	2,884,628
Public Works	1,714,051	1,819,210	1,779,738	1,889,483	1,965,317
Parks and Recr.	5,076,848	5,251,084	5,229,808	5,294,174	5,452,163
Community Devel.	621,455	625,265	627,813	637,832	659,859
Enterprise Oper.	5,110,193	5,328,684	5,373,536	5,409,730	5,559,989
Central Garage	502,790	562,782	546,685	576,564	590,407
Miscellaneous	79,834	38,000	48,000	48,000	40,000
Debt Service	2,172,791	1,795,013	2,125,505	2,333,436	2,277,782
Depreciation	1,397,175	1,810,200	1,804,000	1,861,000	1,914,000
Total Expense	\$ 21,200,934	\$ 21,943,794	\$ 22,222,862	\$ 23,079,351	\$ 23,661,918
Other Sources (Uses)					
Sale of Asset-Gain	29,473	30,000	47,000	20,000	41,000
Debt Proceeds	-	-	4,620,000	-	20,000
Debt Refunding	-	-	(4,705,990)	-	-
Contrib Assets	107,585	-	-	-	-
Transfers In	1,992,463	1,929,061	1,942,301	2,056,090	2,359,186
Transfers Out	(1,211,030)	(1,301,161)	(1,259,529)	(1,149,840)	(1,338,400)
Net Change	\$ 717,477	\$ 337,272	\$ (27,308)	\$ 409,874	\$ 720,364

The anticipated increase in fund equity for 2012 and 2013 occur primarily in special revenue, utility and internal service funds. These changes in fund balance are consistent with the fund balance goals established in the Five-year Operating Plan (FYOP).

Utility charges (water, sanitary sewer, surface water and street lighting) provide the largest share of operating fund revenue (34%) followed by property taxes (32%), charges for service (24%), central garage charges (5%), intergovernmental revenue (2%), licenses and permits (1%) and all other revenue (2%).



Public works accounts for 31% of operating expense, including 23% for enterprise operations (utility) and 8% for public works (engineering, streets, trails and forestry). Parks accounts for 23%, followed by public safety at 12%, general government and debt at 10% each, depreciation at 8%, and community development and central garage at 3% each.



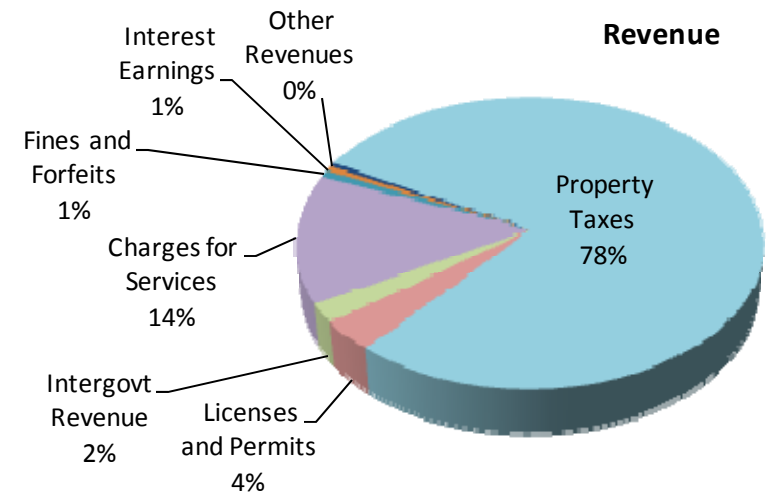
General Fund

The General Fund is the City's primary operating fund. As such, it accounts for costs associated with basic government activities not already accounted for elsewhere, including: police and fire, street maintenance and snow plowing, community development, park and trail maintenance, city hall operations, and general government services.

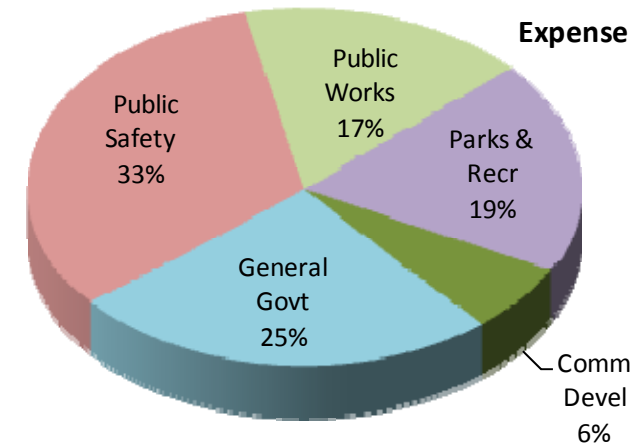
Contractual costs account for 52% of General Fund expense, followed by personal services at 44%, and supplies at 4%.

	Actual 2010	Budget 2011	Proposed Budget	
			2012	2013
Revenue				
Property Taxes	\$6,170,162	\$6,345,734	\$6,467,060	\$6,717,037
Licenses and Permits	501,198	281,150	292,750	279,750
Intergovernmental	187,717	175,602	183,002	184,302
Charges for Services	1,226,101	1,132,240	1,164,450	1,205,680
Fines and Forfeits	32,813	42,500	62,000	62,500
Interest Earnings	38,330	50,000	45,000	45,000
Other Revenues	33,400	26,442	35,160	25,600
Total Revenue	\$8,189,721	\$8,053,668	\$8,249,422	\$8,519,869
Expense				
General Government	\$1,696,835	\$1,939,849	\$2,085,610	\$2,107,075
Public Safety	2,448,406	2,573,947	2,721,227	2,884,628
Public Works	1,284,791	1,376,037	1,400,009	1,461,077
Parks and Recreation	1,665,045	1,681,472	1,588,453	1,625,645
Community Devel.	554,739	526,804	534,323	547,944
Total Expense	\$7,649,816	\$8,098,109	\$8,329,622	\$8,626,369
Transfers In	312,000	476,451	481,000	519,000
Transfers Out	(793,418)	(432,010)	(400,800)	(412,500)
Net Change	\$ 58,487	\$ -	\$ -	\$ -

Property taxes account for 78% of General Fund revenue, followed by 14% from charges for services, 4% from licenses and permits, and 4% from all other sources.



Public safety accounts for the largest share of the General Fund budget at 33% of the total, followed by 25% for general government, 19% for parks and recreation, 17% for public works and 6% for community development.



Special Revenue Funds

The City operates six special revenue funds, as follows:

- Recycling accounts for the bi-weekly curbside program.
- Community Center accounts for operation/maintenance of the facility. Admissions/memberships provide about 65% of revenue, while rentals, concessions and other fees provide 23%. Inter-fund transfers include \$225,000 from the General fund (to keep membership rates affordable and offset free or reduced room rental rates for community groups), and \$75,000 from the Recreation Programs fund for building use.
- Recreation Programs accounts for fee-based recreational and social programs, and receives \$65,000 from the General fund for playground and general program costs.
- Cable Television accounts for franchise administration (through North Suburban Communications Commission) and City communication activities. The primary revenue is cable franchise fees.

	Recycling	Community Center	Recreation Programs	Cable Television
Revenue				
Property Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental	69,000	-	-	-
Charges for Services	451,300	2,269,985	1,277,740	280,000
Interest Earnings	-	8,000	4,600	1,800
Other Revenues	-	-	-	1,200
Total Revenue	520,300	2,277,985	1,282,340	283,000
Expense				
General Government	-	-	-	165,095
Public Works	489,474	-	-	-
Parks and Recreation	-	2,458,919	1,246,802	-
Community Development	-	-	-	-
Total Expense	489,474	2,458,919	1,246,802	165,095
Other Sources (Uses)				
Transfers In	-	300,000	65,000	-
Transfers Out	-	-	(75,000)	(121,950)
Net Change	\$ 30,826	\$ 119,066	\$ 25,538	\$ (4,045)

- EDA accounts for Economic Development Authority activities, including: business retention and expansion, targeted redevelopment, employment opportunities, and efforts to strengthen and diversify the City's tax base.
- HRA accounts for Housing Redevelopment Authority efforts to preserve housing stock, and maintain quality neighborhoods through programs and policies designed to promote reinvestment and improvements to homes.
- Slice of Shoreview accounts for donations, sponsorships, revenues and expenses associated with the Slice of Shoreview event. The General fund provides \$10,000 in support to help defray costs of the event.

	EDA	HRA	Slice of Shoreview	Total
Revenue				
Property Taxes	\$ 55,000	\$ 70,000	\$ -	\$ 125,000
Intergovernmental	-	-	-	69,000
Charges for Services	-	-	22,000	4,301,025
Interest Earnings	-	-	-	14,400
Other Revenues	-	-	25,000	26,200
Total Revenue	55,000	70,000	47,000	4,535,625
Expense				
General Government	-	-	57,200	222,295
Public Works	-	-	-	489,474
Parks and Recreation	-	-	-	3,705,721
Community Development	49,783	53,726	-	103,509
Total Expense	49,783	53,726	57,200	4,520,999
Other Sources (Uses)				
Transfers In	-	-	10,000	375,000
Transfers Out	-	-	-	(196,950)
Net Change	\$ 5,217	\$ 16,274	\$ (200)	\$ 192,676

Debt Service Funds

The table below provides a summary of revenue and expense for Debt Service Funds. Revenue derived from the debt levy and special assessments provides about 24% of the funding needed for annual principal and interest payments in 2012. These revenues are legally restricted to the payment of the debt, and therefore are held within the corresponding debt fund until the debt issue is paid in full. The remainder of funding for debt payments is provided by internal sources (in the form of transfers from other funds), interest earnings, tax increment collections, etc.

	G.O. Bonds & Capital Lease	TIF Bonds	G.O. Impr. Bonds	Total Debt Funds
Revenue				
Property Taxes	\$ 375,000	\$ -	\$ 67,026	\$ 442,026
Special Assessments	-	-	115,865	115,865
Interest Earnings	11,500	-	6,350	17,850
Total Revenue	386,500	-	189,241	575,741
Expense				
Debt Service	835,261	575,747	332,539	1,743,547
Total Expense	835,261	575,747	332,539	1,743,547
Other Sources (Uses)				
Transfers In	445,000	573,000	1,490	1,019,490
Transfers Out	-	-	(1,490)	(1,490)
Net Change	\$ (3,761)	\$ (2,747)	\$ (143,298)	\$ (149,806)

The planned decrease in fund balance is due to the use of fund balances that have been accumulated and held for the payment of debt, including the use of \$378,064 in General Fund surplus that was set aside at the end of 2010 to reduce the impact of future debt payments on the tax levy.

Internal Service Funds

The City operates three internal service funds, as follows:

- Central Garage accounts for operation and maintenance of vehicles, heavy machinery, miscellaneous equipment and the maintenance facility. The primary source of revenue is inter-fund equipment and building charges designed to recover operating expense. Property taxes, intergovernmental revenue (federal interest credits) and transfers in cover debt payments.
- Short-term Disability is a self-insurance fund that accounts for premiums charged for short-term disability coverage and expense associated with disability claims.
- Liability Claims accounts for dividends received annually from the League of Minnesota Cities Insurance Trust for the City's liability insurance coverage as well as losses not covered by the City's insurance (due to deductibles).

	Central Garage	Short-term Disability	Liability Claims	Total
Revenue				
Property Taxes	\$ 216,000	\$ -	\$ -	\$ 216,000
Intergovernmental	120,715	-	-	120,715
Charges for Services	-	7,500	-	7,500
Central Garage Charges	1,137,680	-	-	1,137,680
Interest Earnings	22,000	600	2,200	24,800
Other Revenues	-	-	20,000	20,000
Total Revenue	1,496,395	8,100	22,200	1,526,695
Expense				
Central Garage	576,564	-	-	576,564
Miscellaneous	8,000	8,000	32,000	48,000
Debt Service	247,157	-	-	247,157
Depreciation	673,000	-	-	673,000
Total Expense	1,504,721	8,000	32,000	1,544,721
Other Sources (Uses)				
Sale of Asset-Gain	20,000	-	-	20,000
Transfers In	180,600	-	-	180,600
Net Change	\$ 192,274	\$ 100	\$ (9,800)	\$ 182,574

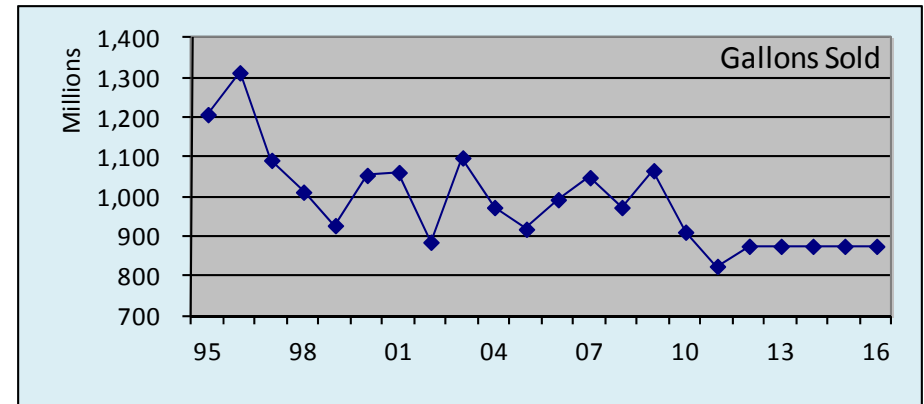
Enterprise (Utility) Funds

The City operates four utility funds. These funds account for services that are supported primarily through quarterly utility fees designed to cover operating costs, debt service, depreciation expense and replacement costs. The table below shows the proposed 2012 budget for each of these funds.

	Water	Sewer	Surface Water	Street Lighting	Total
Revenue					
Intergovernmental	\$ 13,200	\$ 10,515	\$ 3,815	\$ -	\$ 27,530
Charges for Services	-	200	-	-	200
Utility Charges	2,468,800	3,506,500	1,109,462	456,000	7,540,762
Interest Earnings	55,000	25,000	24,000	2,500	106,500
Other Revenues	-	-	-	500	500
Total Revenue	2,537,000	3,542,215	1,137,277	459,000	7,675,492
Expense					
Enterprise Operations	1,455,461	2,942,296	760,233	251,740	5,409,730
Debt Service	184,287	72,843	85,602	-	342,732
Depreciation	630,000	300,000	218,000	40,000	1,188,000
Total Expense	2,269,748	3,315,139	1,063,835	291,740	6,940,462
Other Sources (Uses)					
Transfers Out	(240,000)	(188,000)	(107,000)	(15,600)	(550,600)
Net Change	\$ 27,252	\$ 39,076	\$ (33,558)	\$ 151,660	\$ 184,430

Residential water consumption has declined in recent years, due in part to changing demographics (age and number of residents per home), changing usage patterns (lower household use), and changing weather patterns (fewer gallons used for summer watering except during periods of drought). The decline in consumption has caused a drop in water revenues despite an increase in water rates. For instance, 2010 water revenue was 11% less than 2009, even though the City raised water rates 10%. Water revenue in 2011 is projected to be only 5% higher than 2010 despite a 6% rate increase. As water use continues to decline, it becomes more challenging to adjust water rates enough to offset operating costs.

The graph below demonstrates the downward trend for total water consumption by showing the total gallons of water sold each year since 1995, and the estimated gallons used to compute revenue projections in future years (2012 through 2016). The continuing downward trend has forced the City to revise the base gallon estimates used to project utility revenue in each of the last 3 years. In general, weather (either from sustained periods of drought or heavy rain) is the primary cause of fluctuations in gallons sold from year to year.



Periods of lower consumption mean the City maintains and operates the water system with less opportunity to recover costs due to fewer gallons being sold to customers. Over the last 4 years the City has experienced overall losses in 3 of the utility funds (Water, Sewer, and Surface Water Funds), which puts pressure on utility rates.

The budget information, presented at left, for the City's utility funds shows that 3 of the utility funds will experience a net gain in 2012, and a slight loss is anticipated for the Surface Water Fund. Significant items impacting utility operations include: depreciation of existing assets (\$1.2 million), sewer televising, sewage treatment costs (\$1.7 million), street light repairs, and energy costs.

More information about the City's utility funds is available in a separate document devoted entirely to utility operations.

City Property Tax by Program

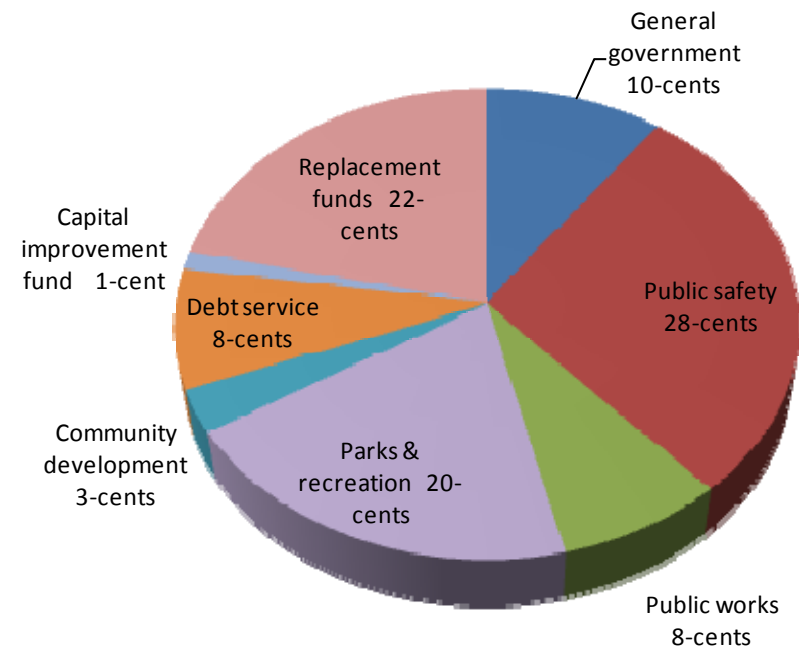
Shoreview's median home will pay about \$4 more in City property taxes in 2012 (assuming a 5.5% decrease in value before the new Homestead Market Value Exclusion is applied). Because property taxes support a variety of City programs and services, the table below is presented to show tax support by program (on an annual basis).

- Public safety accounts for the largest share of the cost at \$206 per year on a median valued home
- A shift of cost from park administration to general government occurs due to the combined impact of a position elimination in the parks area (through a retirement) and the addition of a Communications Coordinator position (at a much lower total cost).

Program	2011	2012	Change	
	City Tax \$249,350 Home	City Tax \$219,673 Home	\$	%
General Government	\$ 66.50	\$ 73.72	\$ 7.22	
Public Safety	201.98	206.69	4.71	
Public Works	58.22	58.01	(0.21)	
Parks and Recreation:				
Park Admin and Maint	132.78	122.01	(10.77)	
Community Center Operation	18.32	17.68	(0.64)	
Recreation Programs	5.23	5.11	(0.12)	
Community Development	23.62	21.84	(1.78)	
Debt Service	58.58	59.62	1.04	
Capital Improvement Fund	8.07	8.62	0.55	
Replacement Funds	153.50	157.30	3.80	
Total City Taxes	\$ 726.80	\$ 730.60	\$ 3.80	0.5%

The pie chart below illustrates how the City will spend each tax dollar it receives in 2012:

- 28 cents for public safety
- 22 cents for replacement funds
- 20 cents for parks and recreation (including maintenance)
- 10 cents for general government
- 8 cents for public works
- 8 cents for debt service
- 3 cents for community development
- 1 cent for capital improvements



What does this mean to my taxes?

Minnesota's property tax system uses market value to distribute tax burden (adopted levies) among property served.

Market Value Changes—Per the Ramsey County Assessor, 23% of Shoreview homes will remain at the same value for 2012 taxes, 140 homes will increase in value, and the remaining homes will decrease in value.

Despite these value reductions, property taxes will increase for most property owners because the combination of declining taxable values, the end of the Market Value Homestead Credit program, and levy changes result in higher tax rates.

Shoreview Residential Property		
Value Change	Number of Homes	Percent of Total
Increase more than 5%	139	1.5%
Increase up to 5%	1	0.0%
No change	2,169	23.1%
Decrease .1% to 5%	3,101	33.0%
Decrease 5.1% to 10%	2,263	24.1%
Decrease 10.1% to 15%	1,159	12.3%
Decrease more than 15%	563	6.0%
Total Parcels	9,395	100.0%

Market Value Homestead Credit (MVHC) — The state MVHC program, in place since 2003, ends in 2011. This program provided a tax credit to property owners for homes valued at \$413,000 or less.

Homestead Market Value Exclusion (HMVE) — The new HMVE program is designed to provide credits similar to the MVHC program, but does so by excluding a portion of market value for homes valued less than \$413,000. The overall effect of the new program is that it:

- Shifts tax burden from lower valued residential property to commercial/industrial, apartment and higher valued residential property
- Reduces overall taxable values by excluding a portion of home value from tax purposes
- Increases tax rates due to the reduction in values (tax rates are computed by dividing tax levies by the total taxable value for the taxing entity)

Change in City Tax on Median Home Value—The table below illustrates how changes in value and the new HMVE program impact Shoreview's share of the tax bill for a median value home (for the City share of the tax bill only). Each line assumes a different change in market value.

- A home with a 7% drop in value before HMVE will pay \$9.55 less in City taxes for 2012
- A home with a 5.5% drop in value before HMVE will pay \$3.81 more in City taxes for 2012
- A home with a 3.7% drop in value before HMVE will pay \$18.81 more in City taxes for 2012
- A home with a 3% drop in value before HMVE will pay \$25.08 more in City taxes for 2012
- A home with no change in value before HMVE will pay \$48.82 more in City taxes for 2012
- A home with a 2% increase in value before HMVE will pay \$64 more in City taxes for 2012

2011	Market Value		Value Change		City Portion of Property Tax		Change in City Property Tax	
	Before HMVE	After HMVE	Before HMVE	After HMVE	2011	2012	Dollars	Percent
\$ 253,440	\$ 235,700	\$ 219,673	-7.0%	-13.3%	\$ 740.15	\$ 730.60	\$ (9.55)	-1.3%
\$ 249,350	\$ 235,700	\$ 219,673	-5.5%	-11.9%	\$ 726.79	\$ 730.60	\$ 3.81	0.5%
\$ 244,800	\$ 235,700	\$ 219,673	-3.7%	-10.3%	\$ 711.79	\$ 730.60	\$ 18.81	2.6%
\$ 242,900	\$ 235,700	\$ 219,673	-3.0%	-9.6%	\$ 705.52	\$ 730.60	\$ 25.08	3.6%
\$ 235,700	\$ 235,700	\$ 219,673	0.0%	-6.8%	\$ 681.78	\$ 730.60	\$ 48.82	7.2%
\$ 231,100	\$ 235,700	\$ 219,673	2.0%	-4.9%	\$ 666.60	\$ 730.60	\$ 64.00	9.6%

Change in City Tax for Various Home Values—The table below shows the estimated change in Shoreview’s share of the property tax bill for a variety of home values (City tax only). To illustrate the impact of the HMVE program, each line of the table assumes a 5.5% decrease in value for 2012 before HMVE.

- A home valued at \$150,000 before HMVE will pay \$7.99 less for City taxes in 2012.
- A home valued at \$200,000 before HMVE will pay \$1.24 less for City taxes in 2012.
- A home valued at \$235,700 before HMVE will pay \$3.81 more for City taxes in 2012.
- A home valued at \$300,000 before HMVE will pay \$12.27 more for City taxes in 2012.
- A home valued at \$500,000 before HMVE will pay \$17.82 more for City taxes in 2012.
- A home valued at \$700,000 before HMVE will pay \$37.88 more for City taxes in 2012.
- A home valued at \$900,000 before HMVE will pay \$57.95 more for City taxes in 2012.

2011	Market Value		City Portion of Property Tax		Change in City Property Tax	
	2012		2011	2012	Dollars	Percent
	Before HMVE	After HMVE				
\$ 158,730	\$ 150,000	\$ 126,260	\$ 427.91	\$ 419.92	\$ (7.99)	-1.9%
\$ 211,640	\$ 200,000	\$ 180,760	\$ 602.42	\$ 601.18	\$ (1.24)	-0.2%
\$ 249,350	\$ 235,700	\$ 219,673	\$ 726.79	\$ 730.60	\$ 3.81	0.5%
\$ 317,460	\$ 300,000	\$ 289,760	\$ 951.43	\$ 963.70	\$ 12.27	1.3%
\$ 529,101	\$ 500,000	\$ 500,000	\$ 1,645.12	\$ 1,662.94	\$ 17.82	1.1%
\$ 740,741	\$ 700,000	\$ 700,000	\$ 2,456.52	\$ 2,494.40	\$ 37.88	1.5%
\$ 952,381	\$ 900,000	\$ 900,000	\$ 3,267.92	\$ 3,325.87	\$ 57.95	1.8%

Estimates for total property taxes (for all taxing jurisdictions combined) are presented on the facing page.

Change in Total Tax for Various Home Values—The next table shows the estimated change in total taxes for a variety of home values. Again, to illustrate the impact of the HMVE program, each line assumes a 5.5% decrease in value before HMVE.

- A home valued at \$150,000 before HMVE will pay \$28 more in total taxes in 2012.
- A home valued at \$200,000 before HMVE will pay \$79 more in total taxes in 2012.
- A home valued at \$235,700 (the median home value) before HMVE will pay \$117 more in total taxes in 2012.
- A home valued at \$300,000 before HMVE will pay \$181 more in total taxes in 2012.
- A home valued at \$500,000 before HMVE will pay \$298 more in total taxes in 2012.
- A home valued at \$700,000 before HMVE will pay \$488 more in total taxes in 2012.
- A home valued at \$900,000 before HMVE will pay \$678 more in total taxes in 2012.

2011	Market Value		Total Property Tax		Change in Total Property Tax	
	2012		2011	2012	Dollars	Percent
	Before HMVE	After HMVE				
\$ 158,730	\$ 150,000	\$ 126,260	\$ 1,977	\$ 2,005	\$ 28	1.4%
\$ 211,640	\$ 200,000	\$ 180,760	\$ 2,760	\$ 2,839	\$ 79	2.9%
\$ 249,350	\$ 235,700	\$ 219,673	\$ 3,319	\$ 3,435	\$ 116	3.5%
\$ 317,460	\$ 300,000	\$ 289,760	\$ 4,326	\$ 4,507	\$ 181	4.2%
\$ 529,101	\$ 500,000	\$ 500,000	\$ 7,442	\$ 7,740	\$ 298	4.0%
\$ 740,741	\$ 700,000	\$ 700,000	\$ 11,016	\$ 11,504	\$ 488	4.4%
\$ 952,381	\$ 900,000	\$ 900,000	\$ 14,590	\$ 15,268	\$ 678	4.6%

The property tax estimates shown in the table above include all taxing jurisdictions: Shoreview, Ramsey County, school districts, watershed districts, Metropolitan Council, Regional Rail and other metro-wide taxing jurisdictions.

The table below shows the estimated change in total taxes for a variety of home values assuming no change in value before HMVE.

- A home valued at \$150,000 before HMVE will pay \$157 more in total taxes in 2012.
- A home valued at \$200,000 before HMVE will pay \$251 more in total taxes in 2012.
- A home valued at \$235,700 (the median home value) before HMVE will pay \$319 more in total taxes in 2012.
- A home valued at \$300,000 before HMVE will pay \$439 more in total taxes in 2012.
- A home valued at \$500,000 before HMVE will pay \$789 more in total taxes in 2012.
- A home valued at \$700,000 before HMVE will pay \$1,176 more in total taxes in 2012.
- A home valued at \$900,000 before HMVE will pay \$1,562 more in total taxes in 2012.

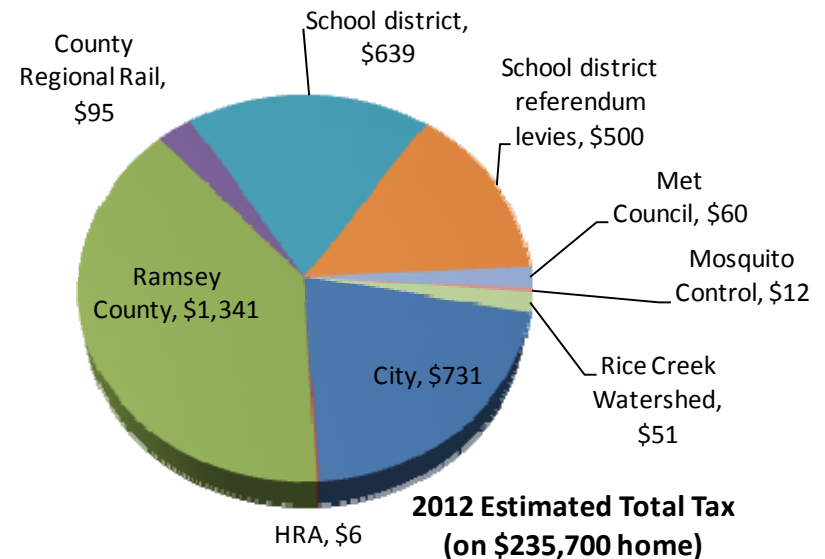
2011	Market Value		Total Property Tax		Change in Total Property Tax	
	Before HMVE	After HMVE	2011	2012	Dollars	Percent
\$150,000	\$150,000	\$126,260	\$1,848	\$2,005	\$157	8.5%
\$200,000	\$200,000	\$180,760	\$2,588	\$2,839	\$251	9.7%
\$235,700	\$235,700	\$219,673	\$3,116	\$3,435	\$319	10.2%
\$300,000	\$300,000	\$289,760	\$4,068	\$4,507	\$439	10.8%
\$500,000	\$500,000	\$500,000	\$6,951	\$7,740	\$789	11.4%
\$700,000	\$700,000	\$700,000	\$10,328	\$11,504	\$1,176	11.4%
\$900,000	\$900,000	\$900,000	\$13,706	\$15,268	\$1,562	11.4%

Just as on the previous page, the property tax estimates shown in the table above are for total taxes in all taxing jurisdictions, including: Shoreview, Ramsey County, school districts, watershed districts, Metropolitan Council, Regional Rail and other metro-wide taxing jurisdictions.

Distribution of Property Tax Bill

About 21% of the total property tax bill goes to Shoreview. For 2012, the total tax bill on a \$235,700 Shoreview home located in the Mounds View School District is about \$3,435, and Shoreview's share is \$731.

The pie chart below shows the total tax bill by jurisdiction (using preliminary tax rates). The Mounds View school district share is shown in two segments (\$639 for the regular levy and \$500 for referendum levies) for a total of \$1,139 because referendum levies are distributed using market values rather than taxable values.

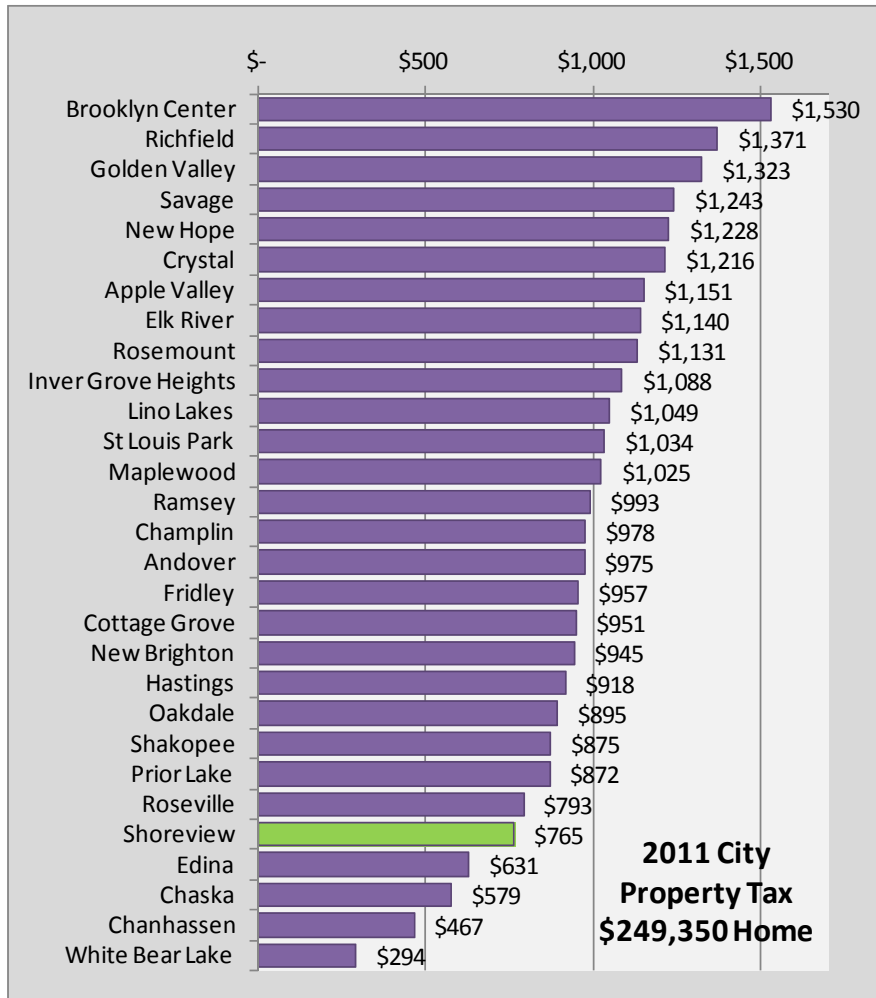


For comparison purposes, the Roseville school district tax on a median home is \$832 (\$460 for the regular levy and \$372 for referendum levies), as compared to \$1,139 in the Mounds View district.

Property Tax Comparison - City Taxes

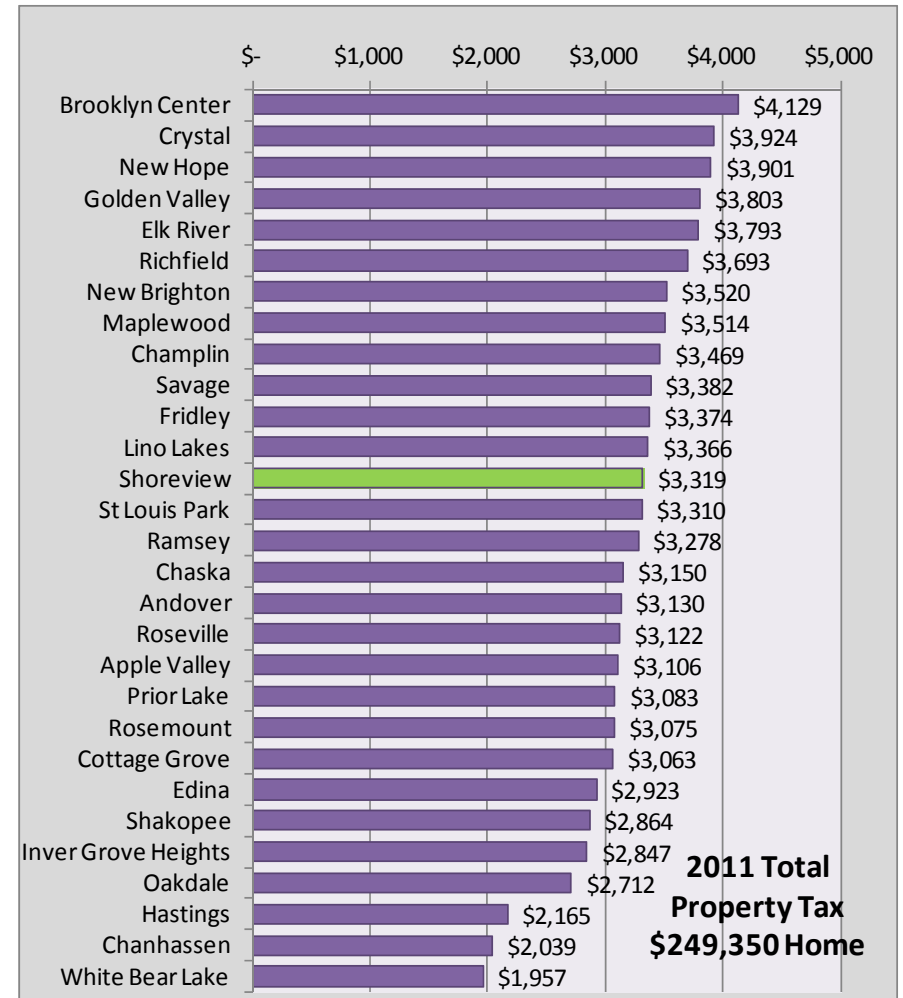
The graph below compares the 2011 City portion of the property tax bill for Shoreview and 28 other metro-area cities. All estimates are for a \$249,350 home value (Shoreview's median value in 2011). Shoreview ranks 5th lowest, and is about 22% lower than the average of \$980.

Note: These estimates do not include the allocation of market value homestead credits for 2011 because allocation of the credit varies from city to city. The 2011 credit on a median Shoreview home is \$38 (for a net 2011 City tax of \$727).



Property Tax Comparison - Total Taxes

The graph below compares the 2011 total property tax bill for Shoreview and 28 other metro-area cities. All estimates are for a \$249,350 home value (Shoreview's median value in 2011). As shown, once the property taxes for all jurisdictions are combined, the total tax bill ranks close to the middle, and is about 3.5% above the average of \$3,207.



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