

# City of Shoreview Budget Hearing Presentation

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2020 BUDGET AND TAX LEVY

# Presentation Notes/Format

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- Handout
  - 2020 Budget Summary (booklet)
  - Page numbers in presentation refer to booklet pages
  - Not all material will be covered in the presentation
- Other information on website
  - Community Benchmarks
  - Five-Year Operating Plan
  - Utility Operations
  - Biennial Budget and CIP

# Budget Objectives

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- Balanced General Fund budget
- Maintain existing services and programs
- Recover utility operating costs
- Fund infrastructure replacements
- Continue five-year financial planning for operating funds
- Meet debt obligations
- Maintain AAA bond rating
- Prepare a two-year budget
- Protect, enhance and expand parks and recreational facilities

# Budget Objectives (continued)

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- Position the City to address future challenges and opportunities
  - Maintain and revitalize neighborhoods
  - Encourage business expansion and reinvestment
  - Assist with redevelopment opportunities
  - Continue to utilize technology to improve services and communications

# Proposed Tax Levy and Estimated Tax Rate

	2019	2020	Change		Impact on Total Levy
	Adopted Levy	Proposed Levy	Amount	Percent	
General Fund	\$ 8,185,180	\$ 8,822,826	\$ 637,646	7.79%	5.25%
EDA Fund	150,000	160,000	10,000	6.67%	0.08%
Debt (all funds combined)	1,311,000	1,180,000	(131,000)	-9.99%	-1.08%
Replacement Funds	2,471,000	2,607,000	136,000	5.50%	1.12%
Capital Improvement Funds	40,000	50,000	10,000	25.00%	0.08%
<b>Total Tax Levy</b>	<b>\$ 12,157,180</b>	<b>\$ 12,819,826</b>	<b>\$ 662,646</b>	<b>5.45%</b>	<b>5.45%</b>
Taxable Value (millions)	\$ 33.522	\$ 35.799	\$ 2.277	6.79%	
Tax Rate-City	32.960%	32.618%	-0.342%	-1.04%	
Fiscal Disparities Contribution	\$ 1,108,392	\$ 1,143,065	\$ 34,673	3.13%	

Shoreview receives no local governmental state aid in 2019 or 2020. 2020 HRA levy is \$260,000.

# Items Impacting the Tax Levy

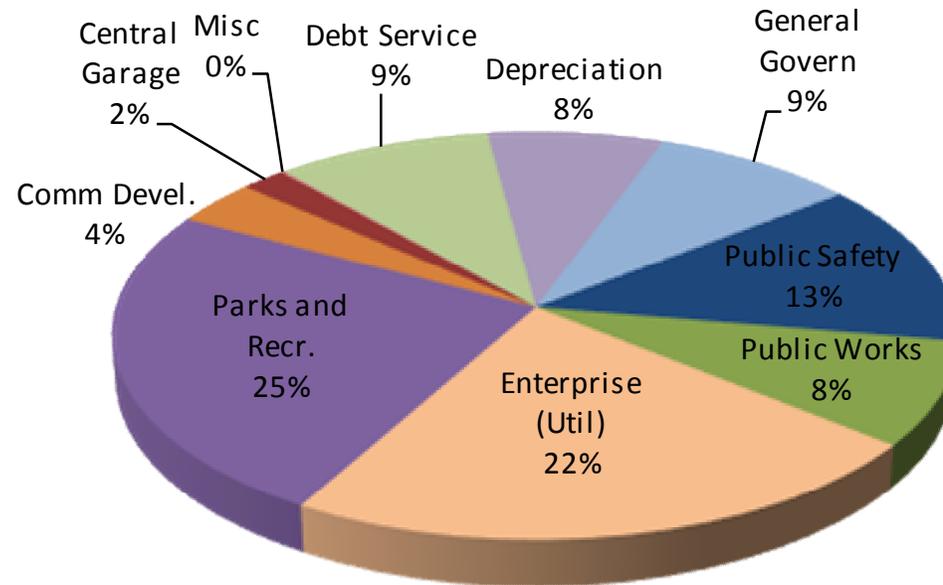
Staff changes & wage adjustments/benefits	\$	381,192
Public Safety contracts (police & fire)		219,816
Capital funds		146,000
Computer maintenance/support		57,546
Transfers to Community Center/Park & Rec. 1		48,000
Election costs		42,430
EDA levy		10,000
Newsletter		(16,000)
Transfer from utility funds		(20,000)
Central Garage equipment/building charge		(24,121)
Engineering fees		(30,000)
Permit revenue		(42,200)
Administrative charges to other funds		(57,470)
Debt levies		(131,000)
All other changes combined (net)		78,453
Total City levy changes		<u>662,646</u>
HRA levy		50,000
Total levy changes	\$	<u><u>712,646</u></u>

# Total Operating Expenses

Expense	2019		2020	2021
	Budget	Revised Estimate	Proposed Budget	Proposed Budget
General Governme	\$ 2,694,016	\$ 2,666,578	\$ 2,894,287	\$ 3,018,383
Public Safety	4,070,784	4,115,046	4,290,600	4,431,128
Public Works	2,193,028	2,319,347	2,663,416	2,751,404
Parks and Recr.	6,984,035	7,313,967	7,989,269	8,309,344
Community Devel.	1,068,011	1,156,462	1,186,946	1,175,490
Enterprise Oper.	7,156,625	6,886,530	7,270,735	7,581,939
Central Garage	649,940	636,437	635,619	678,304
Miscellaneous	141,178	69,000	41,000	41,000
Debt Service	2,922,657	2,885,576	3,059,131	3,094,605
Depreciation	2,470,000	2,423,000	2,495,000	2,562,000
Total Expense	<u>\$ 30,350,274</u>	<u>\$ 30,471,943</u>	<u>\$ 32,526,003</u>	<u>\$ 33,643,597</u>
			7.2%	3.4%

Excluding capital funds and transfers between funds

# Total Operating Expenses



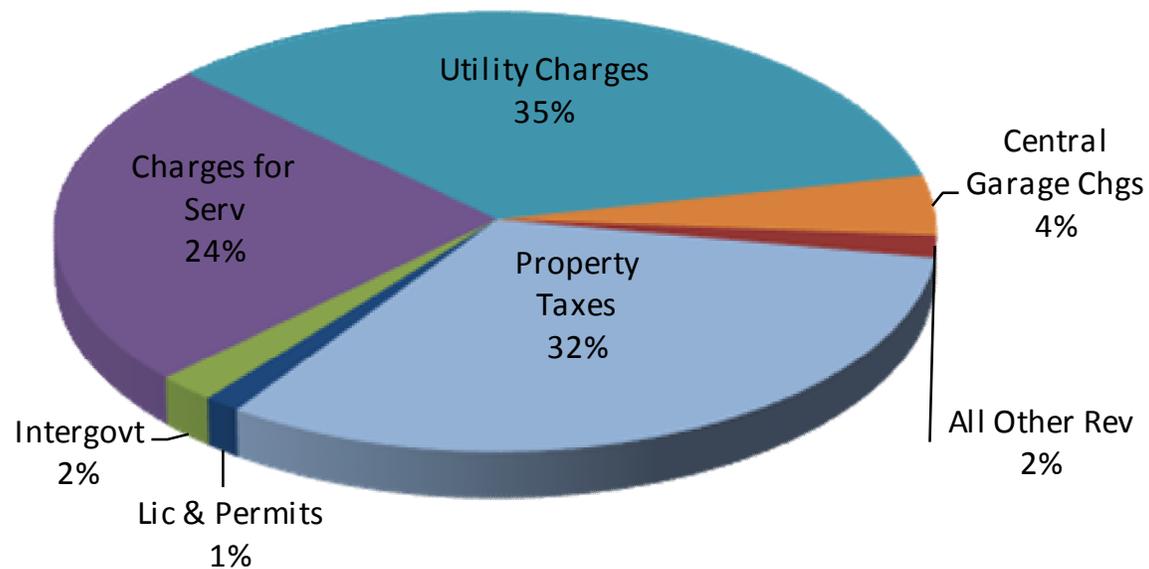
Excluding capital funds and transfers between funds

# Total Operating Revenue

	2019		2020	2021
	Budget	Revised Estimate	Proposed Budget	Proposed Budget
<b>Revenue</b>				
Property Taxes	\$ 9,856,180	\$ 9,856,180	\$ 10,422,826	\$ 10,928,184
Special Assessments	231,111	175,901	194,024	254,190
Licenses and Permits	375,000	607,500	421,900	333,300
Intergovernmental	700,622	700,622	670,022	662,122
Charges for Services	6,993,216	7,552,589	7,981,305	8,125,941
Fines and Forfeits	47,500	53,250	53,500	53,500
Utility Charges	10,988,461	10,189,461	11,380,500	11,878,500
Central Garage Chgs	1,493,758	1,380,000	1,451,000	1,495,000
Interest Earnings	203,660	209,950	211,280	210,140
Other Revenues	93,550	75,050	73,250	78,750
Total Revenue	\$ 30,983,058	\$ 30,800,503	\$ 32,859,607	\$ 34,019,627
			6.1%	3.5%

Excluding capital funds and transfers between funds

# Total Operating Revenue



Excluding capital funds and transfers between funds

# Budget Reduction/ Efficiency Strategies

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- Contract for police and fire protection
- Continue use of correctional crew
- Maintain no contingency allowance
- Long-term preventative maintenance
- Maintain high-deductible health insurance plan
- Capitalize on debt refunding opportunities
- Maintain AAA bond rating

# Impact on Homes Market Value Changes

Shoreview Residential Property		
Value Change	Number of Homes	Percent of Total
Increase more than 40.1%	27	0.3%
Increase 30.1% to 40%	67	0.7%
Increase 20.1% to 30%	33	0.3%
Increase 10.1% to 20%	3,035	32.0%
Increase .1% to 10%	5,512	58.3%
No change	223	2.4%
Decrease .1% to 10%	517	5.5%
Decrease 10.1% to 20%	23	0.2%
Decrease more than 20.1%	5	0.1%
Total Parcels	9,442	100.0%

# Impact on Homes Change in Total Tax

Shoreview Residential Property		
Tax Change	Number of Homes	Percent of Total
Decrease or no change	3,417	35.4%
Increase \$1 to \$100	2,280	23.7%
Increase \$101 to \$200	1,676	17.4%
Increase \$201 to \$300	967	10.0%
Increase \$301 to \$400	633	6.6%
Increase \$401 to \$500	261	2.7%
Increase more than \$500	403	4.2%
Total Parcels	9,637	100.0%

# Impact on Homes City Tax Change (Median Home Value)

Shoreview share of tax bill only

Market Value		Value Change	City Portion of Property Tax		Change in City Property Tax	
2019	2020		2019	2020	Dollars	Percent
\$ 271,900	\$ 326,300	20.0%	\$ 853.99	\$ 1,038.55	\$184.56	21.6%
\$296,600	\$ 326,300	10.0%	\$ 942.98	\$ 1,038.55	\$ 95.57	10.1%
\$303,800	\$ 326,300	7.4%	\$ 968.69	\$ 1,038.55	\$ 69.86	7.2%
\$ 326,300	\$ 326,300	0.0%	\$ 1,049.44	\$ 1,038.55	\$ (10.89)	-1.0%
\$ 343,500	\$ 326,300	-5.0%	\$ 1,111.41	\$ 1,038.55	\$ (72.86)	-6.6%
\$362,600	\$ 326,300	-10.0%	\$ 1,179.96	\$ 1,038.55	\$ (141.41)	-12.0%

Assumes Mounds View schools, and Rice Creek Watershed

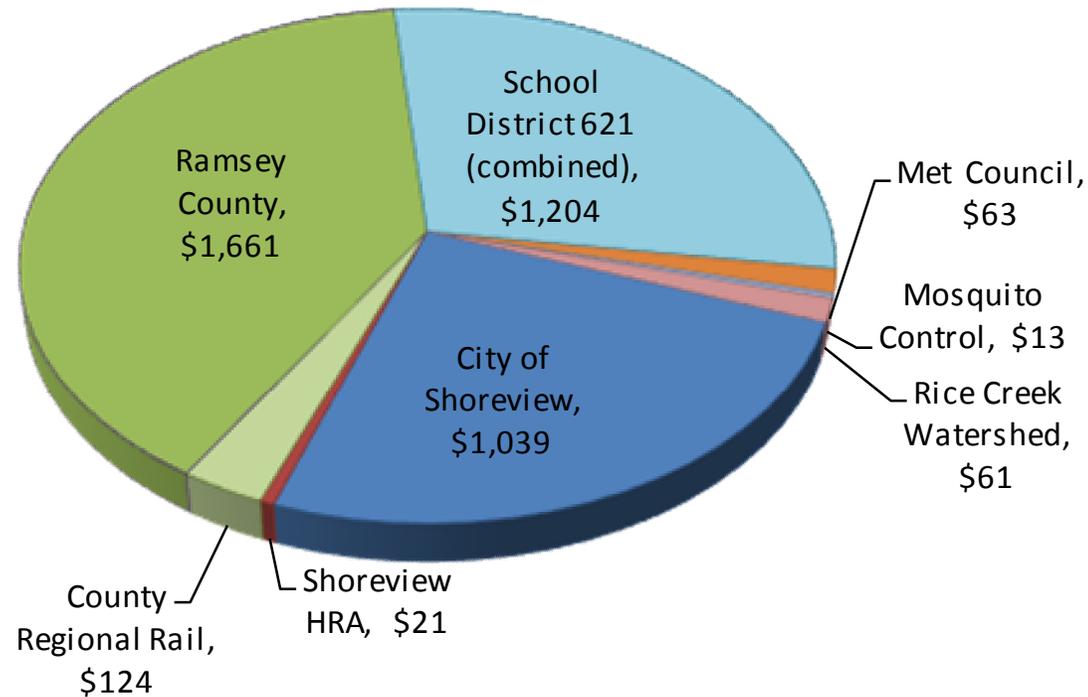
# Impact on Homes City Tax Change (Various Home Values)

Shoreview share of tax bill only

Market Value		Value Change	City Portion of Property Tax		Change in City Property Tax	
2019	2020		2019	2020	Dollars	Percent
\$ 139,700	\$ 150,000	7.4%	\$ 379.04	\$ 411.96	\$ 32.92	8.7%
\$ 186,200	\$ 200,000	7.4%	\$ 546.15	\$ 589.73	\$ 43.58	8.0%
\$ 303,800	\$ 326,300	7.4%	\$ 968.69	\$ 1,038.55	\$ 69.86	7.2%
\$ 372,400	\$ 400,000	7.4%	\$ 1,215.23	\$ 1,300.80	\$ 85.57	7.0%
\$ 465,550	\$ 500,000	7.4%	\$ 1,534.61	\$ 1,630.90	\$ 96.29	6.3%
\$ 651,800	\$ 700,000	7.4%	\$ 2,273.57	\$ 2,446.34	\$ 172.77	7.6%
\$ 837,850	\$ 900,000	7.4%	\$ 3,039.89	\$ 3,261.79	\$ 221.90	7.3%

Assumes Mounds View schools, Rice Creek Watershed, and 7.4% value increase

# Distribution of 2020 Estimated Total Property Tax Bill = \$4,186



Shoreview is 25% of total

# Property Tax Comparison

2019 City Tax on \$303,800 Home

Shoreview is 25% below average of \$1,296

(Shoreview and 28 other Metro area comparison cities)

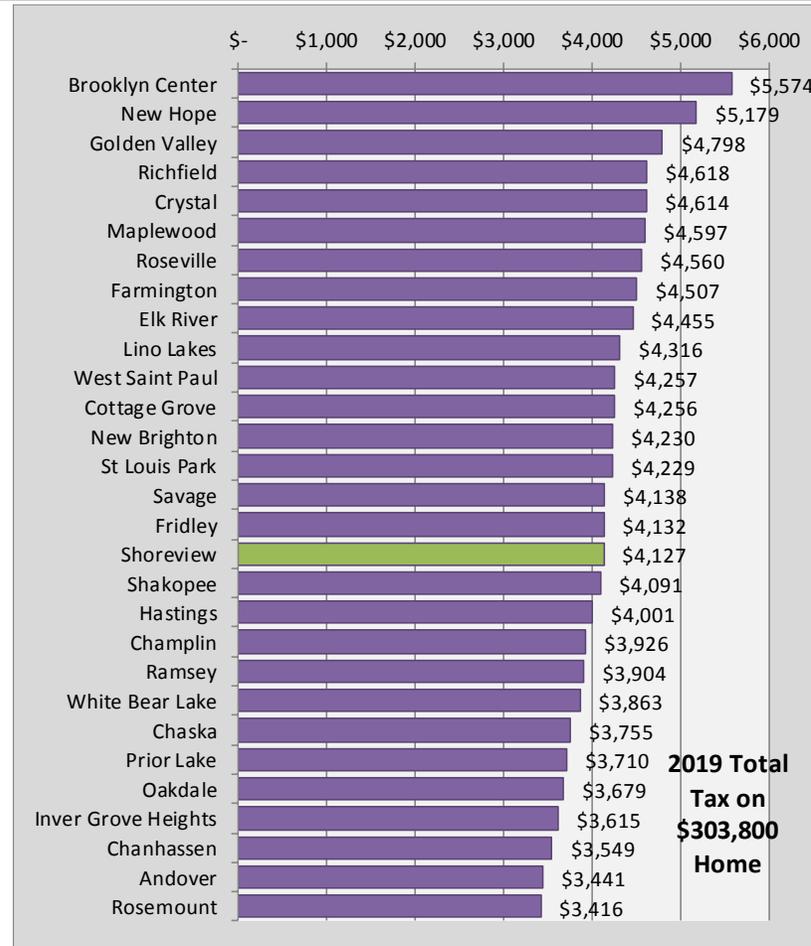


# Property Tax Comparison

2019 Total Tax on  
\$303,800 Home

Shoreview is 1.5%  
below average of  
\$4,191

(Shoreview and 28  
other Metro area  
comparison cities)



# Additional City Handouts

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- Community Benchmarks
- 2020 Shoreview Property Tax Dollar
- State property tax refunds/deferrals
- Process to appeal estimated market value

[Note: Please refer to the reverse side of estimated tax statement]

# Future Council Action

## December 16, 2019

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- Adopt
  - 2020 Budget
  - 2020 to 2025 Capital Improvement Program
  - 2020 Tax Levy
  - 2020 Utility rate
- Accept
  - Five-Year Operating Plan
  - Comprehensive Infrastructure Replacement Plan