



Shoreview

2013

Budget Summary

Budget Hearing
7:00 p.m. December 3, 2012
City Hall Council Chambers

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

November 2012

Dear Citizens:

In preparing our 2013 Operating Budget and Capital Improvement Program 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 a continuing challenge in these difficult economic times, and we believe is critical because City services have a direct impact on our citizens.

Despite the obvious challenges in the last few years, Shoreview has managed to:

- Hold the two-year increase in the tax levy to 2.9% (an annual increase of 1.4% for the biennial budget)
- Maintain the City's AAA bond rating, the highest rating awarded
- Preserve quality services and programs for our residents

As we look to the future, the City must ensure that our limited financial resources continue 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 are also committed to maintaining and updating our infrastructure such as streets, trails and our utility systems to ensure their reliability for our residents.

We hope you find the information included in this 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?	20-21
Distribution of Property Tax Bill	22
Property Tax Comparison	23
City Directory	24

Budget Objectives

The two-year Operating Budget and five-year Capital Improvement Program are developed based on long-term projections, resident feedback during the year, periodic community surveys, and City Council goals. Primary budget objectives for 2013 include:

- Balance the General Fund budget
- Maintain existing services and programs through efficient use of tax dollars
- Recover utility costs through user fees
- Fund infrastructure replacement
- Continue five-year financial planning for operating funds
- Meet debt obligations
- Maintain the City’s AAA bond rating
- Amend the second year of the City’s two-year budget
- 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 2013 despite the continued elimination of the Parks and Recreation Director position
- Proposed 3.4% increase in the combined City and HRA levy, which is \$77,470 lower than planned in the biennial budget
- Total taxable property value drops 6.6% due to a combination of value reductions and continuation of the Homestead Market Value Exclusion (HMVE) program
- City tax rate increases 11% due to the combined impact of the levy increase and declining taxable values
- City receives approximately 22% of total property taxes in 2013, and other taxing jurisdictions collect the remaining 78%
- City share of the tax bill ranks 5th lowest among comparison cities in 2012 (24% below the average)
- About 29 cents of each City property tax dollar goes to support public safety, followed by replacement costs at 22 cents, parks and recreation at 20 cents, general government at 9 cents, public works and debt service at 8 cents each, community development at 3 cents, and all other costs at 1 cent
- About 77% of home values decline for 2013 taxes, and 12% 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 2013 include:

- Combined City and HRA levy increases 3.4%
- Taxable value decreases 6.6% for 2013 (to \$23.7 million) due to a combination of declining residential values and the continued impact of the Homestead Market Value Exclusion (HMVE) program
- City tax rate increases 11.1% for 2013 due to the combined impact of the levy increase and declining property values
- Fiscal disparities contribution from the metro-area pool increases .8%

	2012	2013	Change	
	Adopted Levy	Proposed Levy	Amount	Percent
General Fund	\$ 6,467,060	\$ 6,639,567	\$ 172,507	2.67%
EDA and HRA Funds	125,000	135,000	10,000	8.00%
Debt Funds (all combined)	658,026	685,000	26,974	4.10%
Replacement Funds	2,000,000	2,100,000	100,000	5.00%
Capital Improvement Funds	110,000	120,000	10,000	9.09%
Total Tax Levy	\$ 9,360,086	\$ 9,679,567	\$ 319,481	3.41%
Taxable Value (millions)	\$ 25.418	\$ 23.726	\$ (1.691)	-6.65%
Tax Rate-City	33.252%	36.953%	3.701%	11.13%
Tax Rate-HRA	0.254%	0.289%	0.035%	13.78%
Fiscal Disparities Contribution	\$ 838,214	\$ 845,000	\$ 6,786	0.81%

The majority of the General Fund levy increase for 2013 is related to public safety costs. Police and fire costs alone increased \$161,181, which is only \$11,326 less than the change in the General Fund levy. Replacement funds account for \$100,000 of the levy increase, followed by \$26,974 for debt payments, \$10,000 for the EDA and HRA, and \$10,000 for capital improvements. Additional information is provided on the next page.

The listing below provides a summary of items causing an increase in Shoreview’s proposed 2013 tax levy, followed by a brief discussion of each item:

Public safety contracts (police and fire)	\$ 161,181
Capital replacements	100,000
Debt payments	26,974
EDA and HRA	10,000
Capital improvements	10,000
All other changes combined (net)	<u>11,326</u>
Total Levy Changes	\$ 319,481

- 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
- 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 and \$311,728 from 2011.
- EDA and HRA levies support economic development and housing related programs and activities
- Capital improvement levies provide funding for park enhancements
- Other significant expense changes include a 2% wage adjustment for full-time staff, health insurance costs, forestry program changes for the Emerald Ash Borer infestation, a community survey and equipment charges. These costs are mostly offset by projected revenue changes in the operating budget (license and permits, tree sales, administrative and engineering charges, and transfers).

All Operating Funds Combined

Shoreview prepared a Biennial Budget, a Five-Year Operating Plan (FYOP) covering all operating and debt service funds, and a 5-year Capital Improvement Program (CIP) last year. As a result, the budget cycle this year focuses on amending the 2013 budget and CIP rather than preparing a new comprehensive document. The table on the next page summarizes the total proposed 2013 budget 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.

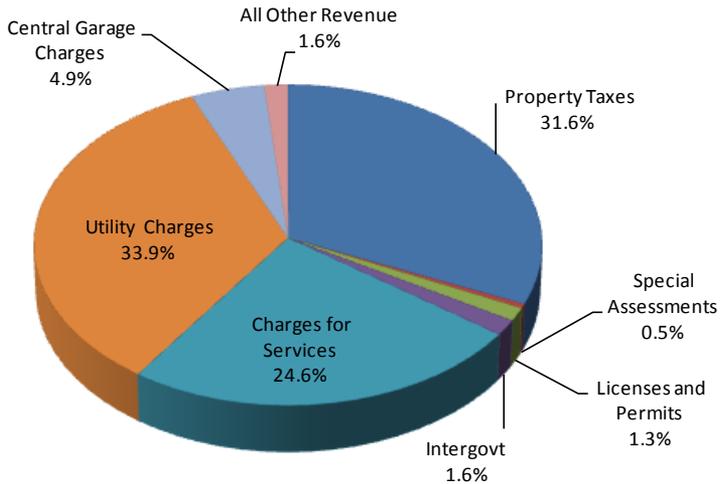
Capital Project Funds (for the construction and replacement of major assets) are not included in the table on the next page.

Total operating and debt service costs (excluding transfers between funds) are expected to increase 3.5% for 2013.

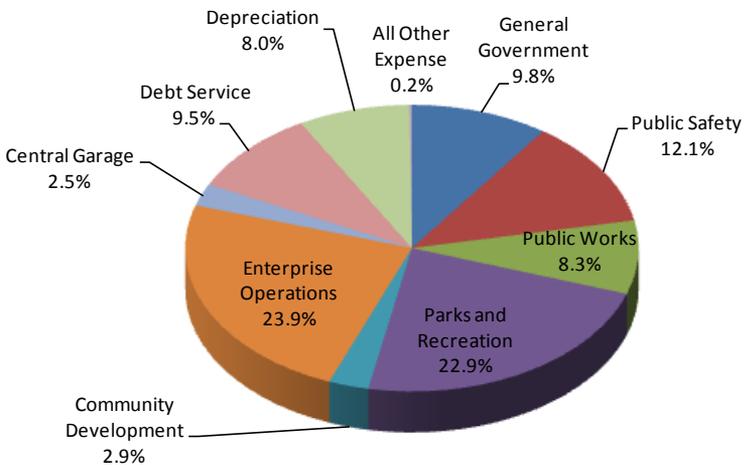
	2011	2012		2013
	Actual	Budget	Revised Estimate	Revised Budget
Revenue				
Property Taxes	\$ 6,966,068	\$ 7,250,086	\$ 7,250,086	\$ 7,459,567
Special Assessments	186,281	115,865	115,865	107,971
Licenses and Permits	441,243	292,750	422,450	314,050
Intergovernmental	375,466	400,247	400,250	366,152
Charges for Services	5,568,549	5,473,175	5,513,111	5,809,731
Fines and Forfeits	62,135	62,000	62,000	62,500
Utility Charges	7,100,858	7,540,762	7,789,730	7,993,640
Central Garage Chgs	1,060,926	1,137,680	1,137,680	1,153,020
Interest Earnings	351,119	208,550	181,550	163,350
Other Revenues	126,918	81,860	81,860	80,740
Total Revenue	\$ 22,239,563	\$ 22,562,975	\$ 22,954,582	\$ 23,510,721
Expense				
General Government	\$ 2,037,408	\$ 2,307,905	\$ 2,350,137	\$ 2,345,660
Public Safety	2,556,068	2,721,227	2,708,944	2,882,693
Public Works	1,747,326	1,889,483	1,878,599	1,979,986
Parks and Recr.	5,291,572	5,294,174	5,278,849	5,470,139
Community Devel.	621,534	637,832	645,147	680,735
Enterprise Oper.	5,272,823	5,409,730	5,335,170	5,705,039
Central Garage	537,045	576,564	567,700	593,566
Miscellaneous	156,808	48,000	50,000	40,000
Debt Service	6,817,716	2,333,436	2,333,436	2,277,782
Depreciation	1,636,971	1,861,000	1,861,000	1,907,000
Total Expense	\$ 26,675,271	\$ 23,079,351	\$ 23,008,982	\$ 23,882,600
Other Sources (Uses)				
Sale of Asset-Gain	64,457	20,000	20,000	41,000
Debt Proceeds	-	-	-	20,000
Debt Refunding	4,620,000	-	-	-
Contrib Assets	17,281	-	-	-
Transfers In	2,261,833	2,056,090	2,056,090	2,359,186
Transfers Out	(1,496,802)	(1,149,840)	(1,149,840)	(1,340,320)
Net Change	\$ 1,031,061	\$ 409,874	\$ 871,850	\$ 707,987

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 2012-2016 Five-year Operating Plan (FYOP).

Utility charges (water, sanitary sewer, surface water and street lighting) provide 34% of operating revenue (the largest share), followed by 32% from property taxes, 25% from charges for service , 5% from central garage charges, 2% from intergovernmental revenue, 1% from licenses and permits and 1% from all other revenue.



Public works accounts for 32% of operating expense (24% for enterprise operations plus 8% for 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%, community development at 3% and central garage at 2%.



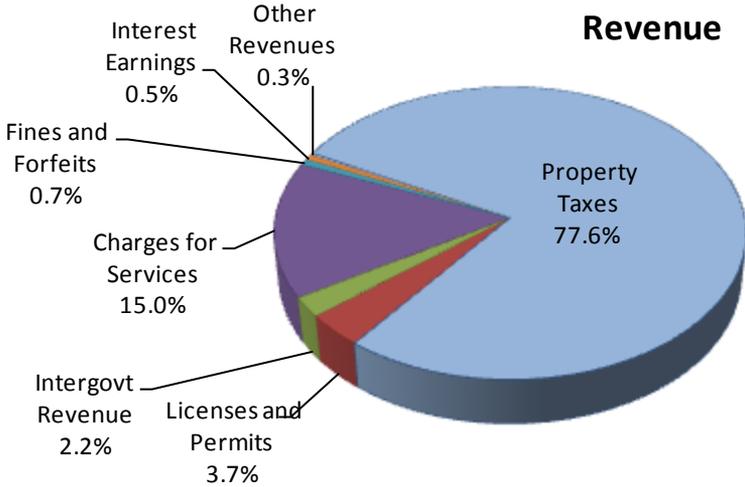
General Fund

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.

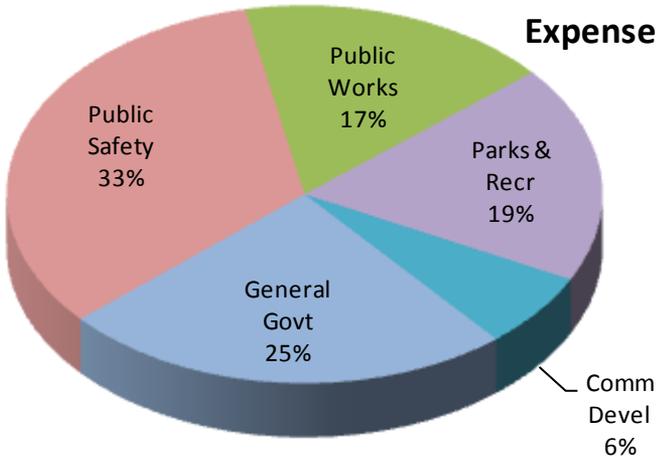
Contractual costs account for 53% of General Fund expense, followed by personal services at 44%, and supplies at 3%.

	Actual 2011	Budget 2012	Proposed 2013 Budget	
			Original	Revised
Revenue				
Property Taxes	\$ 6,265,673	\$ 6,467,060	\$ 6,717,037	\$ 6,639,567
Licenses and Permits	441,243	292,750	279,750	314,050
Intergovernmental	188,521	183,002	184,302	185,622
Charges for Services	1,198,357	1,164,450	1,205,680	1,284,970
Fines and Forfeits	62,135	62,000	62,500	62,500
Interest Earnings	79,714	45,000	45,000	45,000
Other Revenues	40,264	35,160	25,600	24,040
Total Revenue	\$ 8,275,907	\$ 8,249,422	\$ 8,519,869	\$ 8,555,749
Expense				
General Government	\$ 1,839,812	\$ 2,085,610	\$ 2,107,075	\$ 2,134,062
Public Safety	2,556,068	2,721,227	2,884,628	2,882,693
Public Works	1,298,219	1,400,009	1,461,077	1,475,820
Parks and Recreation	1,716,548	1,588,453	1,625,645	1,611,293
Community Devel.	530,288	534,323	547,944	558,381
Total Expense	\$ 7,940,935	\$ 8,329,622	\$ 8,626,369	\$ 8,662,249
Transfers In	471,450	481,000	519,000	519,000
Transfers Out	(751,145)	(400,800)	(412,500)	(412,500)
Net Change	\$ 55,277	\$ -	\$ -	\$ -

Property taxes account for 78% of General Fund revenue, followed by 15% from charges for services, 4% from licenses and permits, and 3% from all other sources combined.



Public safety accounts for the largest share of the General Fund budget at 33%, 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 seven 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 62% of revenue, while rentals, concessions and other fees provide 26%. Inter-fund transfers include \$232,000 from the General fund (to keep membership rates affordable and offset free or reduced room rental rates for community groups), and \$80,000 from the Recreation Programs fund for use of the facility.
- Recreation Programs accounts for fee-based recreational and social programs, and receives \$70,000 from the General fund for playground and general program costs.
- Cable Television accounts for franchise administration (through the North Suburban Communications Commission) and City communication activities. The primary revenue source is cable franchise fees.

	Recycling	Community Center	Recreation Programs	Cable Television
Revenue				
Property Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental	67,000	-	-	-
Charges for Services	480,980	2,323,755	1,400,926	288,400
Interest Earnings	-	9,000	4,800	1,800
Other Revenues	-	-	-	1,200
Total Revenue	547,980	2,332,755	1,405,726	291,400
Expense				
General Government	-	-	-	153,398
Public Works	504,166	-	-	-
Parks and Recreation	-	2,561,724	1,297,122	-
Community Development	-	-	-	-
Total Expense	504,166	2,561,724	1,297,122	153,398
Other Sources (Uses)				
Transfers In	-	312,000	70,000	-
Transfers Out	-	-	(80,000)	(116,920)
Net Change	\$ 43,814	\$ 83,031	\$ 98,604	\$ 21,082

- 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	\$ 60,000	\$ 75,000	\$ -	\$ 135,000
Intergovernmental	-	-	-	67,000
Charges for Services	-	-	23,000	4,517,061
Interest Earnings	-	-	-	15,600
Other Revenues	-	-	25,000	26,200
Total Revenue	60,000	75,000	48,000	4,760,861
Expense				
General Government	-	-	58,200	211,598
Public Works	-	-	-	504,166
Parks and Recreation	-	-	-	3,858,846
Community Development	52,547	69,807	-	122,354
Total Expense	52,547	69,807	58,200	4,696,964
Other Sources (Uses)				
Transfers In	-	-	10,000	392,000
Transfers Out	-	-	-	(196,920)
Net Change	\$ 7,453	\$ 5,193	\$ (200)	\$ 258,977

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 provide about 26% of the funding needed for annual principal and interest payments in 2013. 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	\$ 501,000	\$ -	\$ -	\$ 501,000
Special Assessments	-	-	107,971	107,971
Interest Earnings	13,500	-	5,550	19,050
Total Revenue	514,500	-	113,521	628,021
Expense				
Debt Service	844,436	677,845	196,460	1,718,741
Other Sources (Uses)				
Debt Proceeds	10,000	-	10,000	20,000
Transfers In	561,000	676,286	10,000	1,247,286
Transfers Out	-	-	(126,000)	(126,000)
Net Change	\$ 241,064	\$ (1,559)	\$ (188,939)	\$ 50,566

The planned decrease in fund balance for TIF and G.O. Improvement Bonds is due to the use of fund balances accumulated in the past and held for the payment of debt. At the end of 2010 and 2011 the City set aside General Fund surpluses 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 the 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	\$ 184,000	\$ -	\$ -	\$ 184,000
Intergovernmental	86,530	-	-	86,530
Charges for Services	-	7,500	-	7,500
Central Garage Charges	1,153,020	-	-	1,153,020
Interest Earnings	10,000	600	2,400	13,000
Other Revenues	-	-	30,000	30,000
Total Revenue	1,433,550	8,100	32,400	1,474,050
Expense				
Central Garage	593,566	-	-	593,566
Miscellaneous	-	8,000	32,000	40,000
Debt Service	243,128	-	-	243,128
Depreciation	696,000	-	-	696,000
Total Expense	1,532,694	8,000	32,000	1,572,694
Other Sources (Uses)				
Sale of Asset-Gain	41,000	-	-	41,000
Transfers In	200,900	-	-	200,900
Net Change	\$ 142,756	\$ 100	\$ 400	\$ 143,256

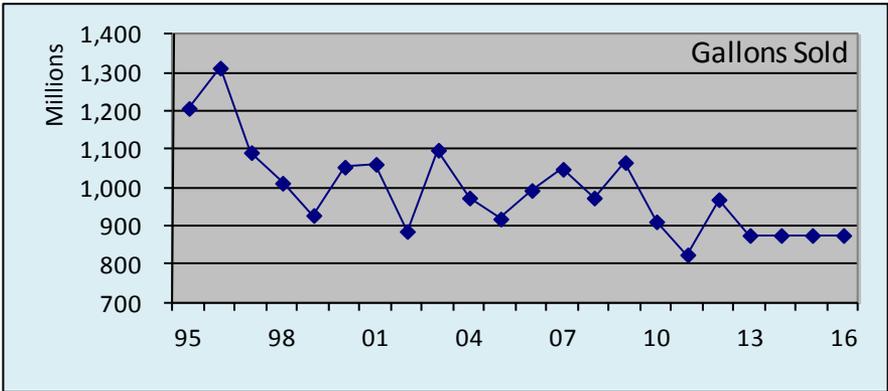
Enterprise (Utility) Funds

The City operates four utility funds that account for services supported primarily through quarterly utility fees designed to cover operating costs, debt service, depreciation expense and replacement costs. The table below shows the proposed 2013 budget for each of these funds.

	Water	Sewer	Surface Water	Street Lighting	Total
Revenue					
Intergovernmental	\$ 12,940	\$ 10,310	\$ 3,750	\$ -	\$ 27,000
Charges for Services	-	200	-	-	200
Utility Charges	2,591,000	3,716,500	1,212,140	474,000	7,993,640
Interest Earnings	35,000	25,000	8,000	2,700	70,700
Other Revenues	-	-	-	500	500
Total Revenue	2,638,940	3,752,010	1,223,890	477,200	8,092,040
Expense					
Enterprise Operations	1,569,417	3,152,625	714,426	268,571	5,705,039
Debt Service	171,435	68,884	75,594	-	315,913
Depreciation	630,000	310,000	223,000	48,000	1,211,000
Total Expense	2,370,852	3,531,509	1,013,020	316,571	7,231,952
Other Sources (Uses)					
Transfers Out	(262,500)	(196,500)	(126,900)	(19,000)	(604,900)
Net Change	\$ 5,588	\$ 24,001	\$ 83,970	\$ 141,629	\$ 255,188

Even though water consumption increased in 2012, due to extended periods of drought throughout the summer, water use has generally declined in recent years due to changing demographics (age and number of residents per home), changing usage patterns (lower household use), and changing weather patterns. Because the decline in consumption makes it difficult to recover operating costs, the City made a structural change to water rates in 2012 by splitting the lowest tier into two tiers. The structural change in rates, coupled with slightly higher water consumption, will result in an operating surplus for 2012.

The graph below demonstrates the downward trend in total water consumption since 1995, and the estimated gallons used for future revenue projections (for the year 2013 through 2016). In general, weather is the primary cause of fluctuations in gallons sold from year to year (either due to sustained periods of drought or heavy rain). To ensure adequate water revenue in the future, base gallons are projected to continue at low levels through 2016.



Recent utility rate adjustments, combined with the structural change in water rates, are expected to result in a net gain in each of the City’s utility funds for 2012 and 2013.

Significant items impacting utility operations include: depreciation of existing assets (\$1.2 million), replacement costs, 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

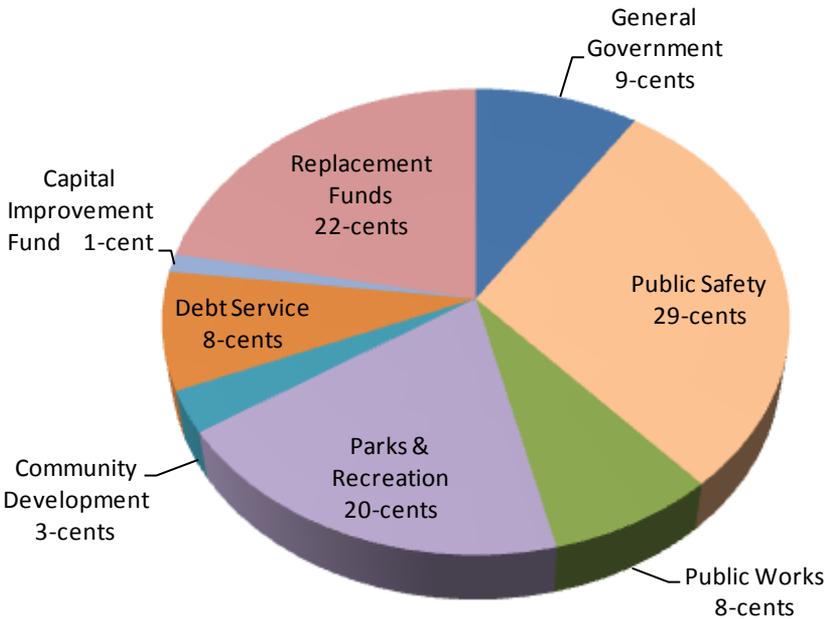
Shoreview’s median home will pay about \$27 more for the City share of the property tax bill in 2013 (assuming a 6.7% decrease in value after the Homestead Market Value Exclusion is applied). Because property taxes support a variety of City programs and services, the table below is presented to illustrate the annual tax support by program for a median home value.

- Public safety accounts for the largest share at \$220 per year and accounts for nearly half of the increase (a \$13 increase)
- Replacement funds account for \$166 per year (an \$8 increase)
- Parks (all combined) account for \$148 per year (\$3 increase)
- General government (Council, administration, legal, city hall, etc.) accounts for \$70 per year (\$3 decrease)
- Debt service accounts for \$62 per year (\$2 increase)
- Public works accounts for \$60 per year (\$2 increase)
- Capital improvement accounts for \$9 per year (\$1 increase)
- Community development accounts for \$22 (less than \$1 increase)

Program	2012	2013	Change	
	City Tax	City Tax	\$	%
value before MVE->	\$ 235,700	\$ 222,200		
value after MVE->	\$ 219,673	\$ 204,958		
Home	Home	Home		
General Government	\$ 73.71	\$ 70.38	\$ (3.33)	
Public Safety	206.68	219.98	13.30	
Public Works	58.01	59.92	1.91	
Parks and Recreation:				
Park Admin and Maint	122.00	124.09	2.09	
Community Center Operation	17.68	18.33	0.65	
Recreation Programs	5.11	5.53	0.42	
Community Development	21.84	22.27	0.43	
Debt Service	59.61	61.97	2.36	
Capital Improvement Fund	8.62	9.47	0.85	
Replacement Funds	157.29	165.60	8.31	
Total City Taxes	\$ 730.55	\$ 757.54	\$ 26.99	3.7%

The pie chart below illustrates how the City will spend each tax dollar it receives in 2013:

- 29 cents for public safety
- 22 cents for replacement funds
- 20 cents for parks
- 9 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, 12% of Shoreview home values will remain at the same value for 2013 taxes, 11% of home values will increase, and the remaining 77% of home values will decrease.

Despite these value reductions, total property taxes will increase for about half of home owners, due to the combination of declining taxable values and levy changes.

Shoreview Residential Property		
Value Change	Number of Homes	Percent of Total
Increase more than 5%	51	0.5%
Increase up to 5%	979	10.4%
No change	1,095	11.7%
Decrease .1% to 5%	2,033	21.7%
Decrease 5.1% to 10%	1,947	20.7%
Decrease 10.1% to 15%	1,834	19.5%
Decrease more than 15%	1,448	15.4%
Total Homes	9,387	100.0%

Homestead Market Value Exclusion (HMVE) — The HMVE program (new for 2012 property taxes) continues for 2013. This program is designed to exclude 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 for 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 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 15% drop in value will pay \$45 less in City taxes for 2013
- A home with a 12.5% drop in value will pay \$21 less in City taxes for 2013
- A home with a 10% drop in value will essentially pay the same amount for City taxes in 2013
- A home with a 6.7% drop in value will pay \$27 more in City taxes for 2013
- A home with a 3.5% drop in value will pay \$51 more in City taxes for 2013
- A home with no change in value will pay \$76 more in City taxes for 2013
- A home with a 2.5% increase in value will pay \$93 more in City taxes for 2013

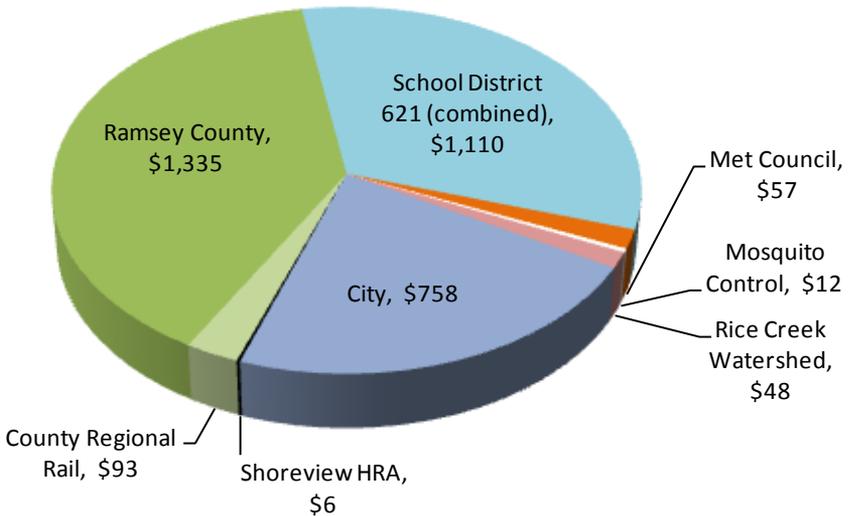
Market Value			City Portion of Property Tax		Change in City Property Tax	
After MVE		Value Change	2012	2013	Dollars	Percent
2012	2013					
\$ 241,300	\$ 205,000	-15.0%	\$ 802.37	\$ 757.54	\$ (44.83)	-5.6%
\$ 234,200	\$ 205,000	-12.5%	\$ 778.76	\$ 757.54	\$ (21.22)	-2.7%
\$ 227,800	\$ 205,000	-10.0%	\$ 757.48	\$ 757.54	\$ 0.06	0.0%
\$ 219,700	\$ 205,000	-6.7%	\$ 730.55	\$ 757.54	\$ 26.99	3.7%
\$ 212,470	\$ 205,000	-3.5%	\$ 706.61	\$ 757.54	\$ 50.93	7.2%
\$ 205,000	\$ 205,000	0.0%	\$ 681.67	\$ 757.54	\$ 75.87	11.1%
\$ 199,950	\$ 205,000	2.5%	\$ 665.04	\$ 757.54	\$ 92.50	13.9%

Since Minnesota’s property tax system uses market value to distribute property tax burden, the 2013 tax is identical for each line of the table above (the 2013 value is \$205,000 in each line), however, the change from 2012 varies depending on the change in the property value.

Distribution of Property Tax Bill

About 22% of the total property tax bill goes to Shoreview. For 2013, Shoreview's median home value is \$222,200, which is reduced to \$205,000 by the HMVE. The total tax on the \$205,000 value (for homes located in the Mounds View School District) is about \$3,418, and Shoreview's share is \$758.

The pie chart below shows the 2013 total tax bill by jurisdiction (using preliminary tax rates). The Mounds View school district share is combined in the chart (regular levies and referendum levies) for a total of \$1,110.



School district taxes in the Roseville school district (for the same \$205,000 home value) would be \$861 (\$249 less than the \$1,110 total in the Mounds View district).

Property Tax Comparison - City Taxes

The graph below compares the 2012 City portion of the property tax bill for Shoreview and 28 other metro-area cities. All estimates are for a \$235,700 home value (Shoreview's median value in 2012). Shoreview ranks 5th lowest, and is about 24% lower than the average of \$961. Despite the favorable comparison for the City share of the tax bill, the total tax bill for all jurisdictions (City, County, school district and special taxing districts combined) ranks 9th highest for the same group of cities (4% above average) largely due to County taxes.



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Lake Johanna Fire Dept, non-emergency.....(651) 481-7024