



City of Shorewood 2025 Budget

Preliminary Budget Work Session
August 12, 2024



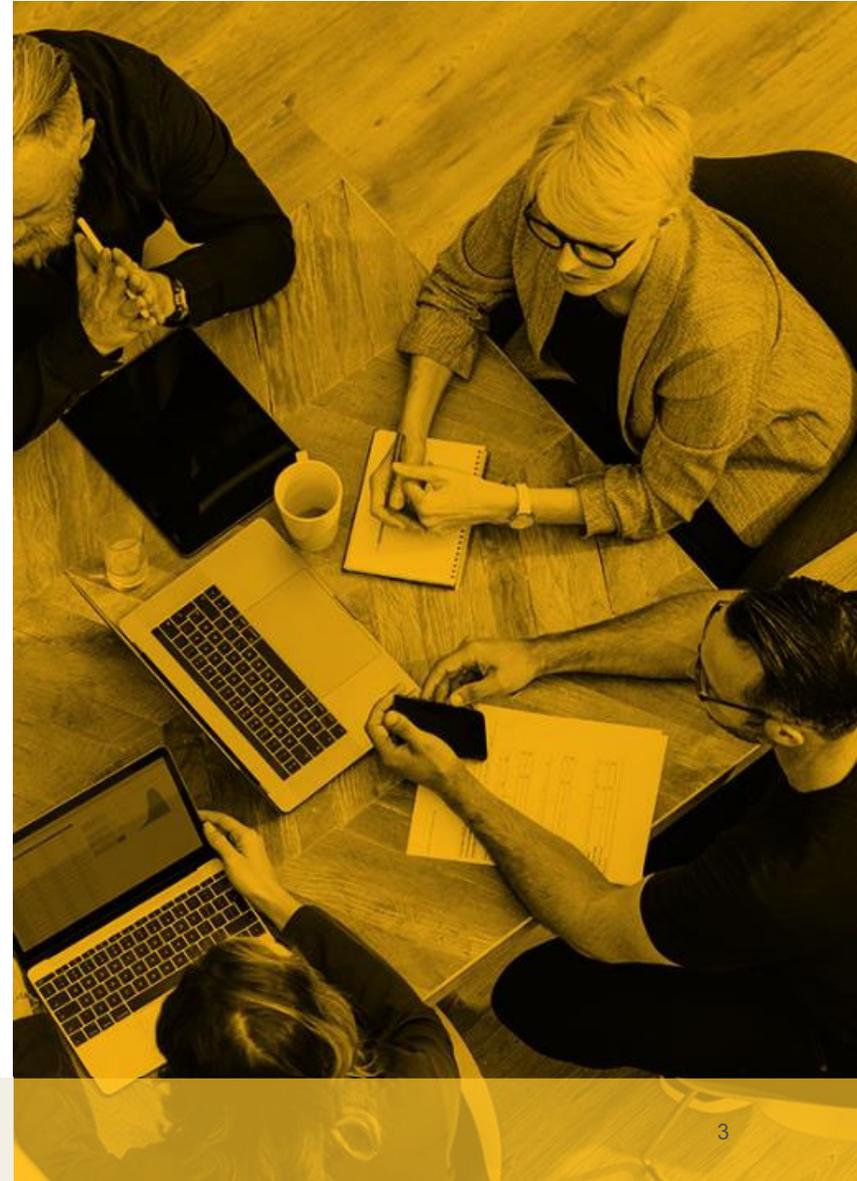


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Today's Agenda

- Budget Assumptions & Considerations
- General Fund fund balance reserves policy & capital funding
- General Fund Revenue and Expenditure Review
- Review of Tax Levies
- Miscellaneous Budgets:
 - Special Revenue Budget
 - Enterprise Fund Review
 - Capital Project Summary & Fund Review
- September Proposed Preliminary Budget & Levy Certification



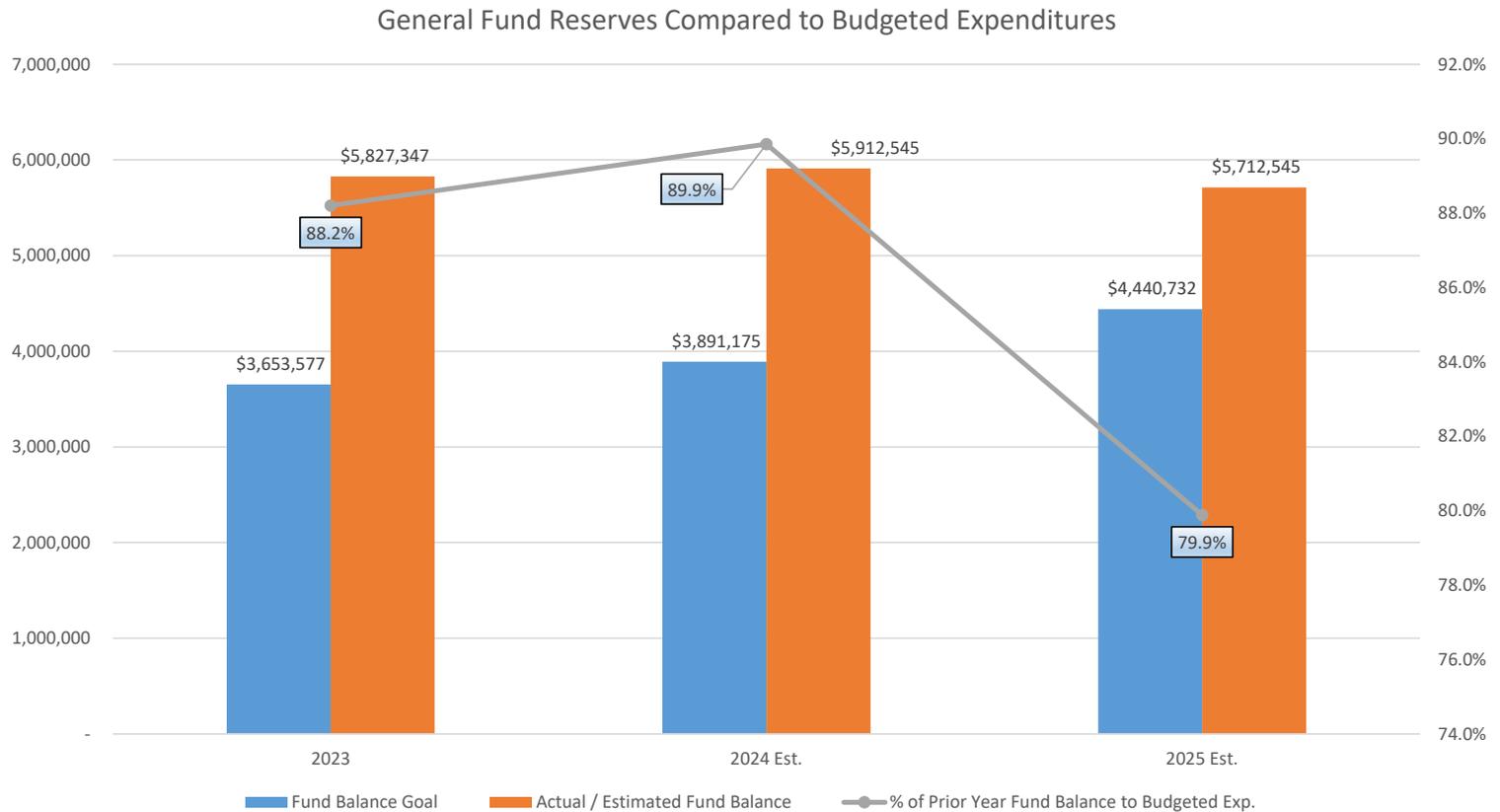
Budget Assumptions Used

- Taxable Market Value and Tax Capacity preliminary increases are 3.0% and 3.4%, respectively over 2024.
- Wages are budgeted with a cost of living adjustment (COLA), and employee step increases are calculated.
- Workers' compensation insurance premiums are budgeted with a 5% increase from 2024.
- City contribution for benefits increased to \$150 per month.
- Enterprise fund utility revenues are budgeted with increases of: 10% Water, 9% Sanitary Sewer, 15% Recycling, and 8% Stormwater.
- The 2025 preliminary tax levy is proposed to increase \$536,586 or 7.5% from 2024.

General Fund Reserve Recommendations & Policies

- The Office of the State Auditor recommends that local governments maintain an unrestricted fund balance of approximately 35 to 50 percent of fund operating revenues or no less than five months of operating expenditures in their general fund.
- The City's fund balance policy identifies a minimum goal of 60% of the subsequent year's budgeted expenditures.

General Fund Balance & Impact of Proposed Transfers



General Fund Revenue & Expenditure Review

General Fund Revenues Summary

Account Number	Budget 2024	YTD 06/30/24 2024	Preliminary Budget 2025	Budget Change 2025	Percentage Change 2025
<u>TAXES</u>					
TOTAL LEVY	7,115,274	0	7,651,860	536,586	7.5%
LESS: NON-GENERAL FUND LEVIES	(1,372,262)	0	(1,658,957)	(286,695)	20.9%
Taxes	5,743,012	2,600,000	5,992,903	249,891	4.4%
Licenses & Permits	232,225	254,852	232,225	0	0.0%
Intergovernmental	115,450	69,096	112,750	(2,700)	-2.3%
Charges for Services	56,570	27,839	56,010	(560)	-1.0%
Fines & Forfeitures	60,000	28,285	60,000	0	0.0%
Special Assessments	5,000	0	5,000	0	0.0%
Miscellaneous	248,034	351,337	314,000	65,966	26.6%
TOTAL REVENUES	6,460,291	3,331,409	6,772,888	312,597	4.8%
<u>OTHER FINANCING SOURCES</u>					
Sales of Capital Assets	0	0	0	0	N/A
Transfers In	25,000	25,000	25,000	0	0.0%
TOTAL OTHER FINANCING SOURCES	25,000	25,000	25,000	0	0.0%
CONTINGENCY / USE OF FUND BALANCE	0	0	603,332	603,332	N/A
TOTAL REVENUES, OTHER FINANCING SOURCES, & CONTINGENCY	6,485,291	3,356,409	7,401,220	915,929	14.1%

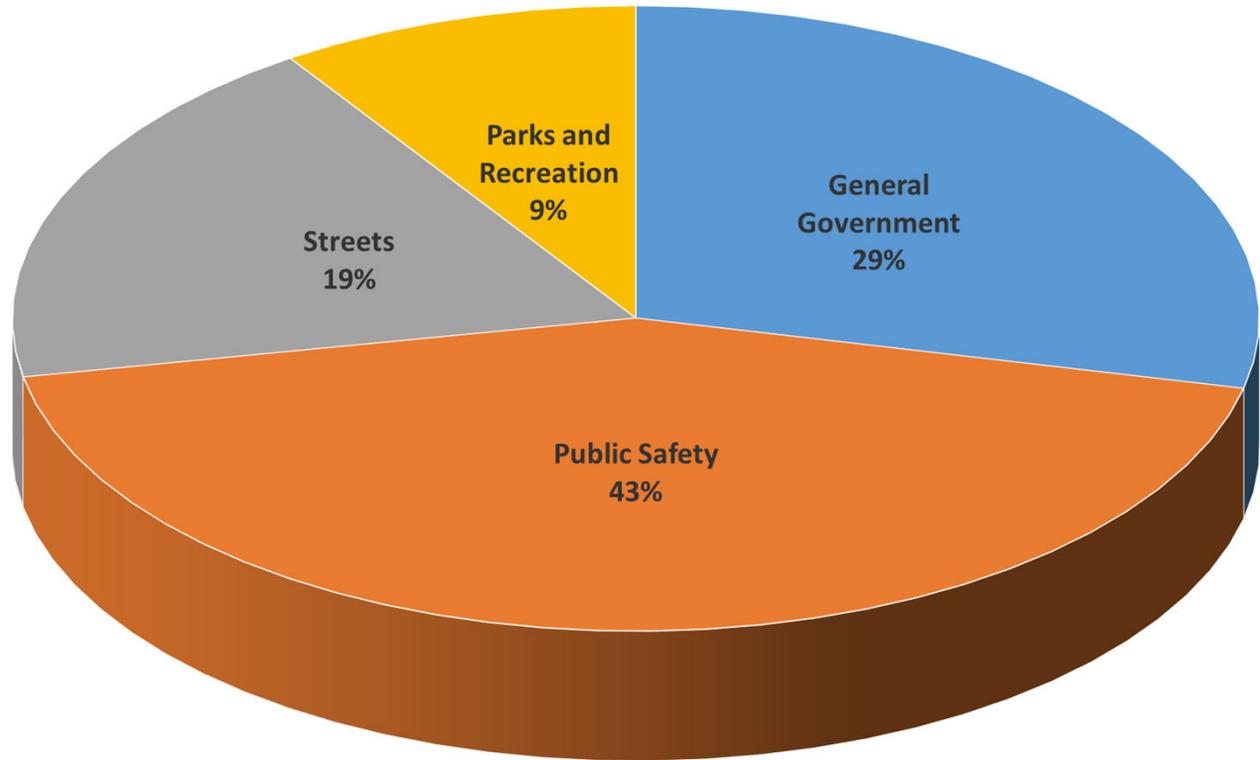
General Fund Expenditures Summary (By Program)

Description	Budget 2024	YTD 06/30/24 2024	Preliminary Budget 2025	Budget Change 2025	Percentage Change 2025
<u>EXPENDITURES AND OTHER FINANCING USES BY PROGRAM</u>					
General Government	2,021,555	1,179,910	2,117,270	95,715	4.7%
Public Safety	2,590,864	1,580,613	2,810,150	219,286	8.5%
Streets	1,322,600	519,760	1,380,980	58,380	4.4%
Parks and Recreation	477,918	270,731	542,820	64,902	13.6%
Transfers Out	105,000	105,000	550,000	445,000	423.8%
TOTAL EXPENDITURES AND OTHER FINANCING USES	6,517,937	3,656,014	7,401,220	883,283 	13.6%

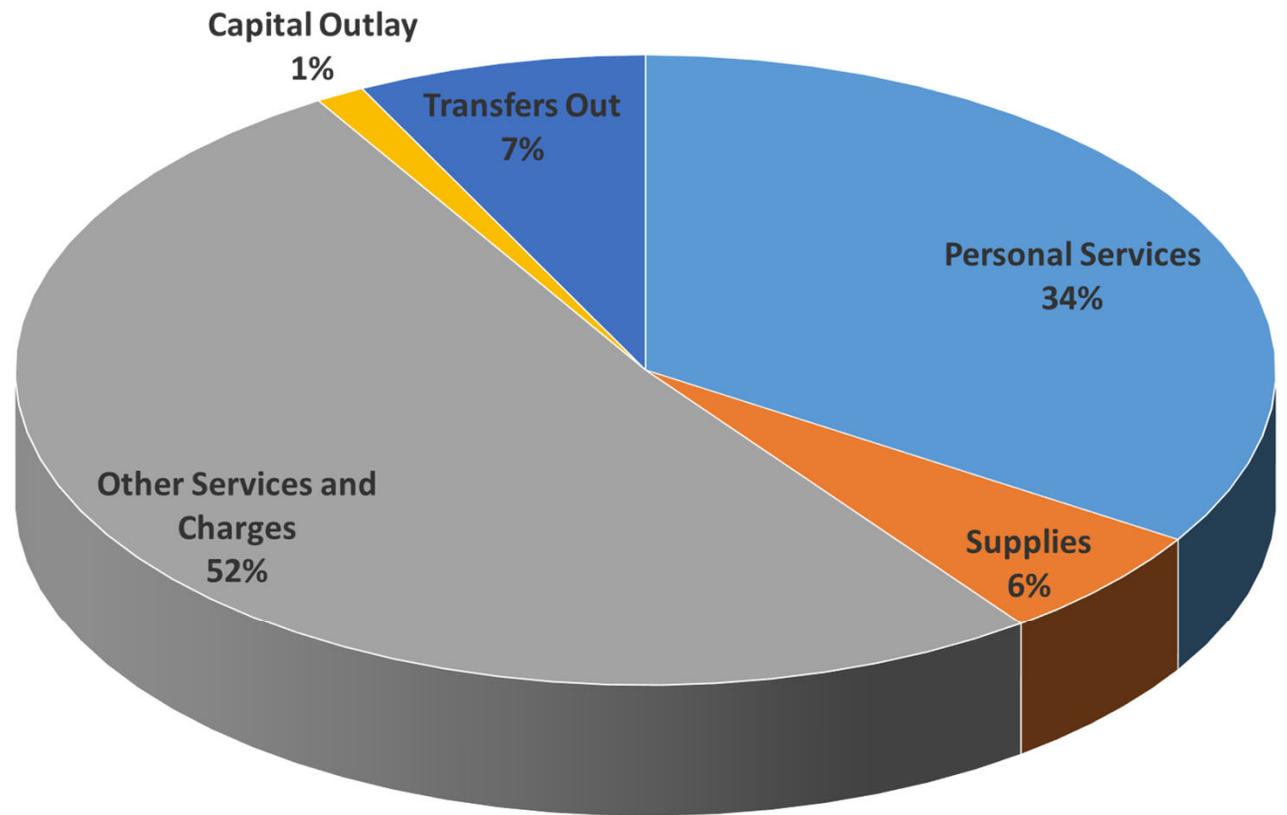
General Fund Expenditures Summary (By Type)

Description	Budget 2024	YTD 6/30/2024 2024	Preliminary Budget 2025	Budget Change 2025	Percentage Change 2025
SUMMARY OF EXPENDITURES AND OTHER FINANCING USES BY TYPE					
Personal Services	2,350,063	1,076,638	2,517,700	167,637	7.1%
Supplies	437,050	148,202	432,400	(4,650)	-1.1%
Other Services and Charges	3,513,543	2,241,963	3,807,780	294,237	8.4%
Capital Outlay	112,281	84,211	93,340	(18,941)	-16.9%
Transfers Out	105,000	105,000	550,000	445,000	423.8%
TOTAL EXPENDITURES AND OTHER FINANCING USES	6,517,937	3,656,014	7,401,220	883,283	13.6%

General Fund Expenditures Summary: By Program



General Fund Expenditures Summary: By Type

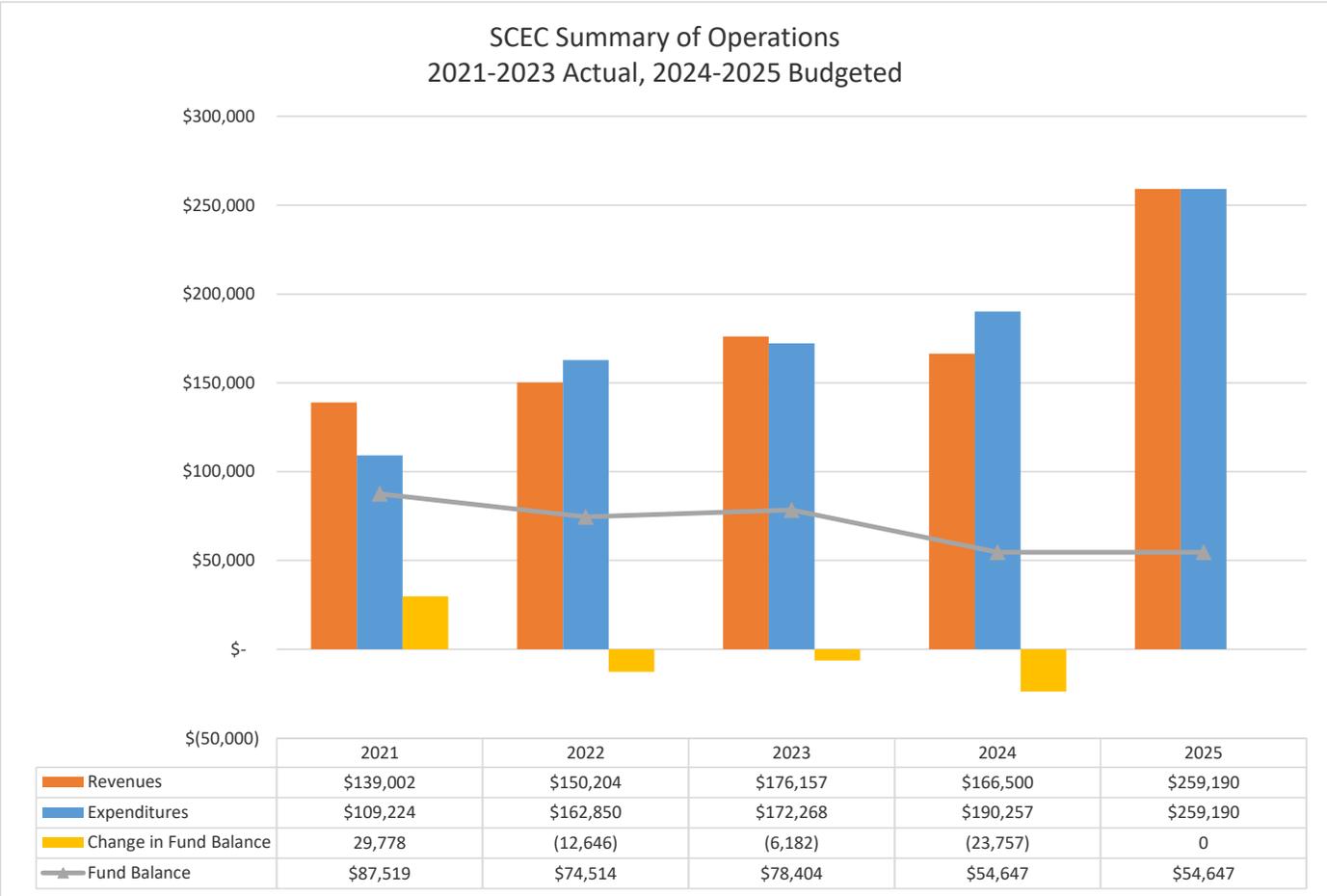


Other City Funds Budget Review

Shorewood Community & Event Center Budget

Description	Budget 2024	YTD 6/30/2024	Preliminary Budget 2025	Budget Change 2025	Percentage Change 2025
Shorewood Community & Event Center					
<u>REVENUE</u>					
TAX LEVY	\$ -	\$ -	\$ 164,000	\$ 164,000	N/A
OPERATING INCOME	61,500	43,742	92,040	30,540	49.7%
MISC. REVENUE	-	1,570	3,150	3,150	N/A
TRANSFERS IN	105,000	105,000	-	(105,000)	-100.0%
REVENUE TOTALS:	<u>\$ 166,500</u>	<u>\$ 150,312</u>	<u>\$ 259,190</u>	<u>\$ 92,690</u>	<u>55.7%</u>
<u>EXPENDITURES</u>					
PERSONAL SERVICES	80,694	46,028	97,790	17,096	21.2%
SUPPLIES	21,800	18,278	25,500	3,700	17.0%
OTHER SERVICES AND CHARGES	58,763	16,825	58,900	137	0.2%
CAPITAL OUTLAY	29,000	29	77,000	48,000	165.5%
EXPENDITURE TOTALS:	<u>\$ 190,257</u>	<u>\$ 81,160</u>	<u>\$ 259,190</u>	<u>\$ 68,933</u>	<u>36.2%</u>
Change in Fund Balance	<u>(23,757)</u>	<u>69,152</u>	<u>0</u>	<u>23,757</u>	<u>-100.0%</u>

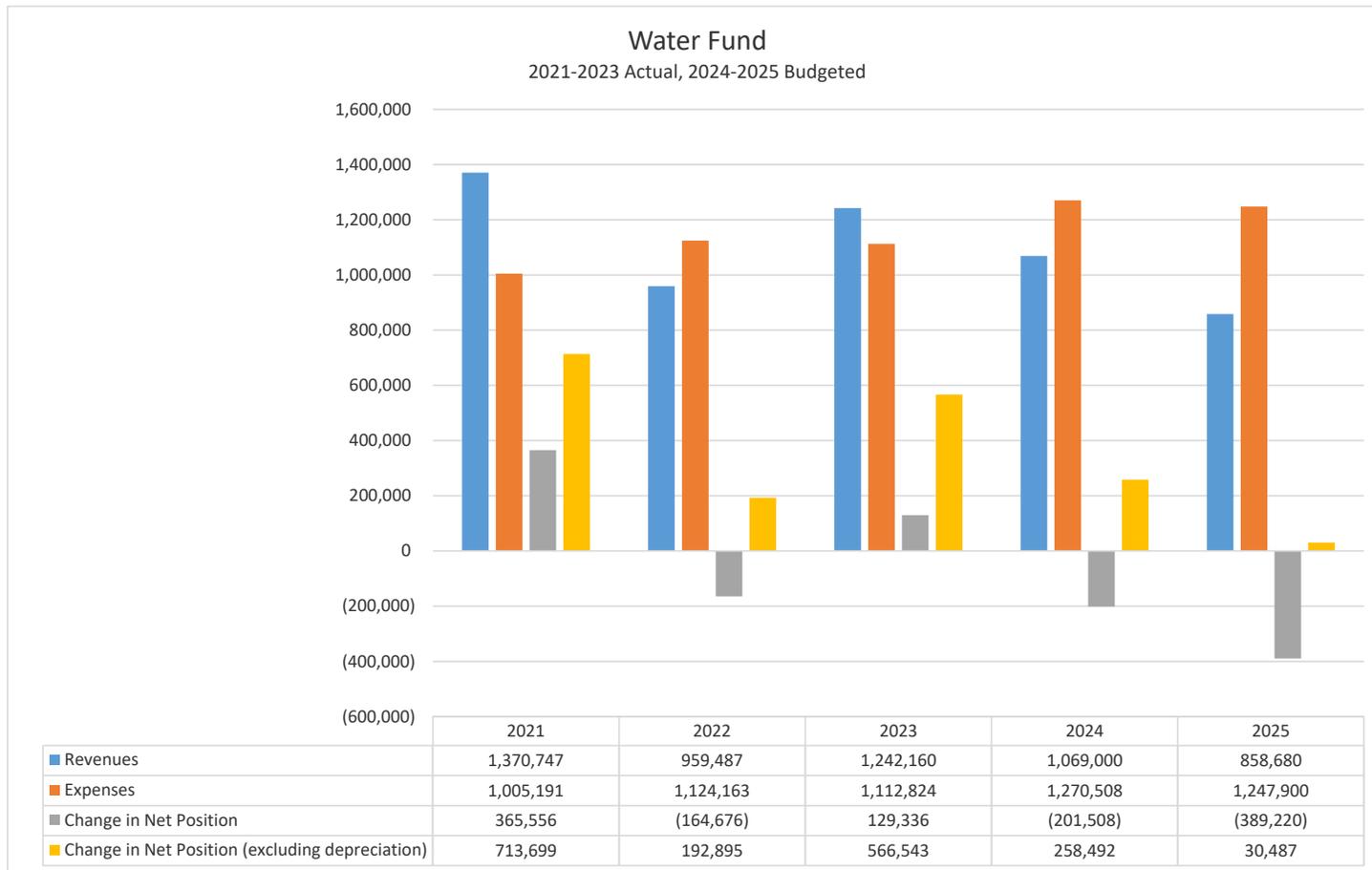
Shorewood Community & Event Center Budget



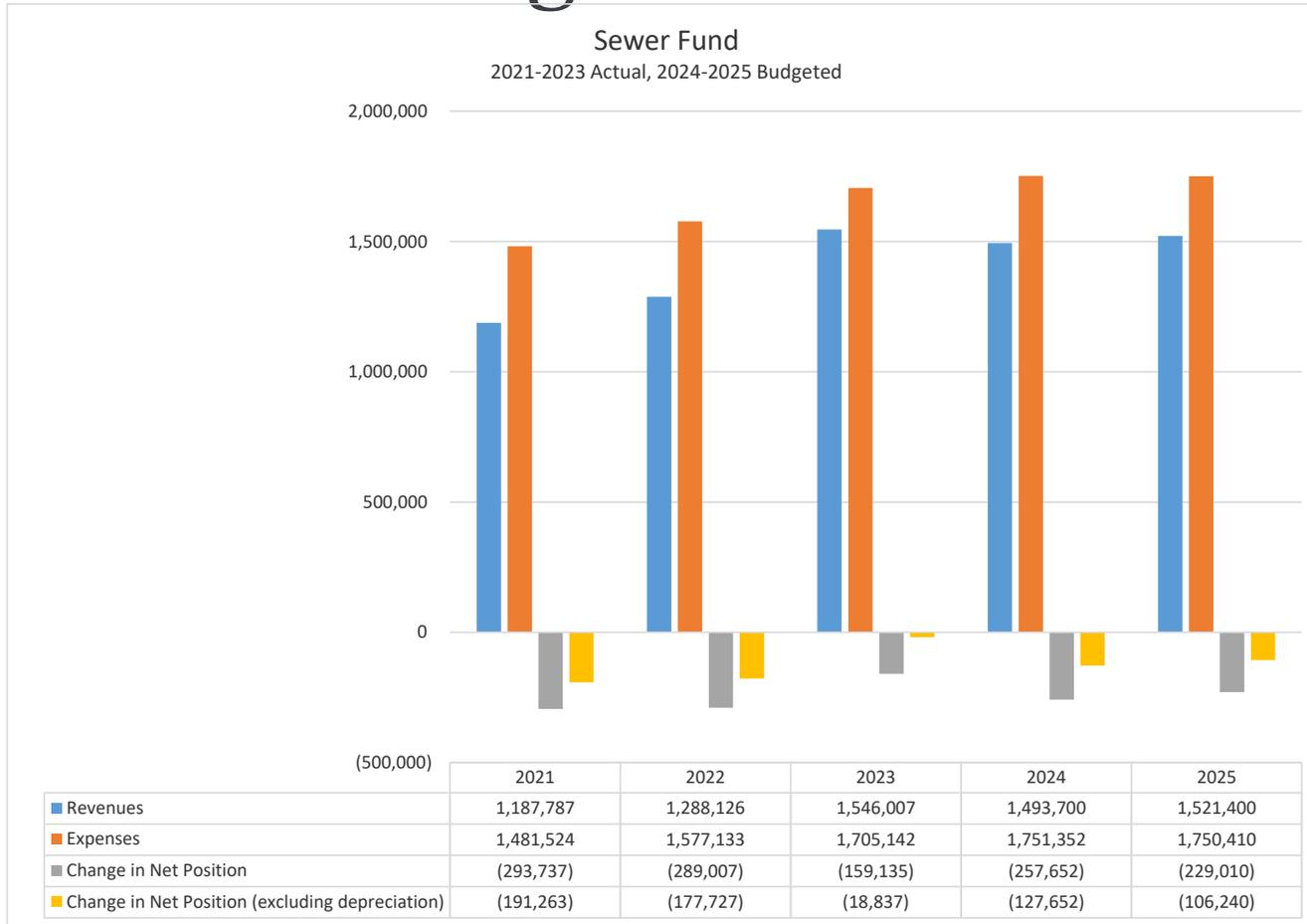
Capital Project Funds Budget Summary

	402 Parks Improvement	403 Equipment Replacement	404 Streets Improvements	405 MSA	406 Trails	407 Community Infrastructure
REVENUES:						
Property tax levies	133,000	133,000	133,000	-	-	-
Interest Earnings	1,870	870	73,520	580	-	1,240
Misc.	-	-	-	-	-	-
Transfers In	150,000	400,000	428	-	-	-
TOTAL REVENUES	284,870	533,870	206,948	580	-	1,240
EXPENDITURES:						
Street maintenance	-	-	305,000	-	-	-
Park improvement capital outlay	240,000	-	-	-	-	-
Vehicles & equipment	-	347,000	-	-	-	-
Computer Upgrades	-	10,900	-	-	-	-
Street capital improvements	-	-	1,522,500	-	-	-
Transfers Out	-	-	-	-	428	-
TOTAL EXPENDITURES	240,000	357,900	1,827,500	-	428	-
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	44,870	175,970	(1,620,552)	580	(428)	1,240

Enterprise Fund Budgets: Water Fund



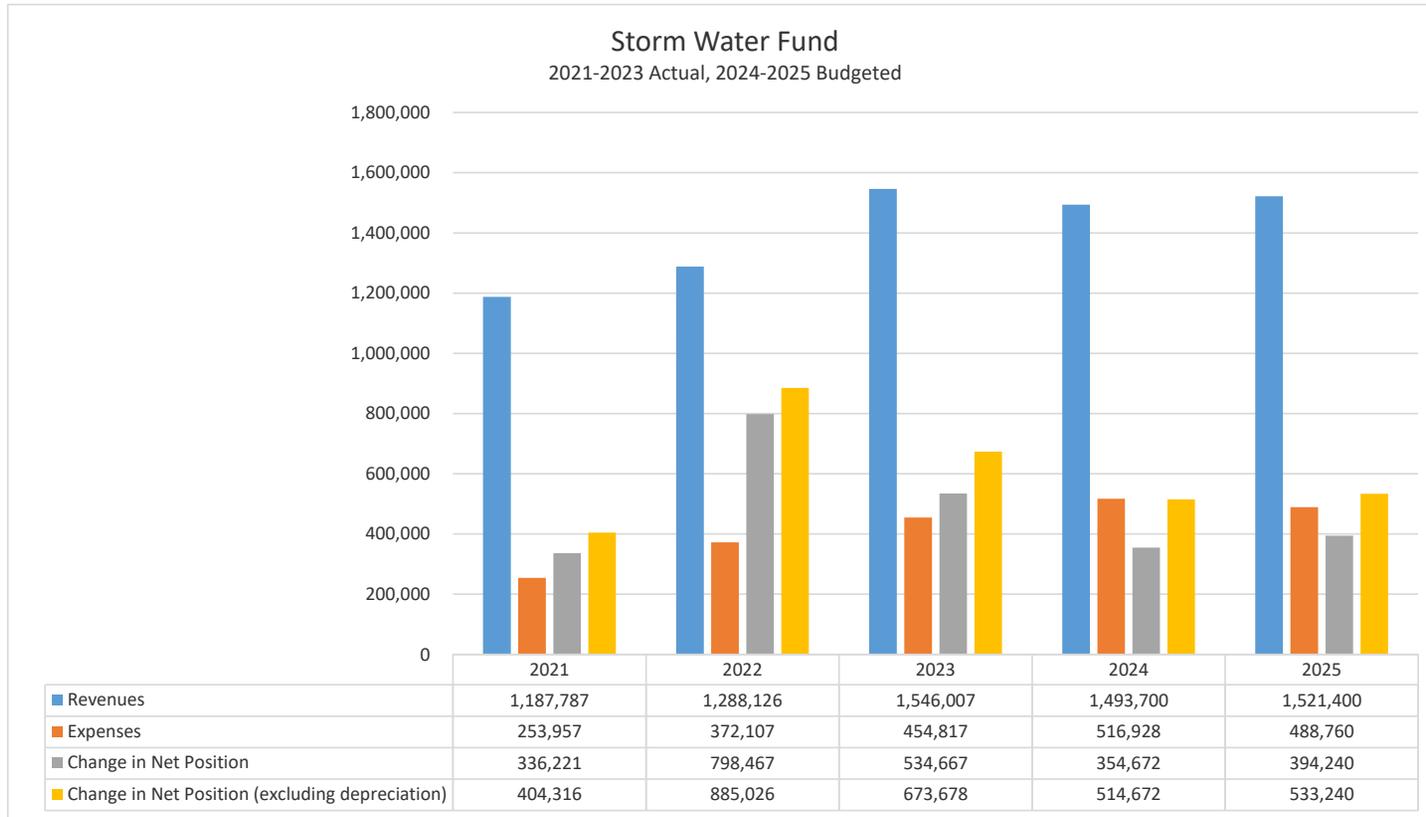
Enterprise Fund Budgets: Sewer Fund



Enterprise Fund Budgets: Recycling Fund

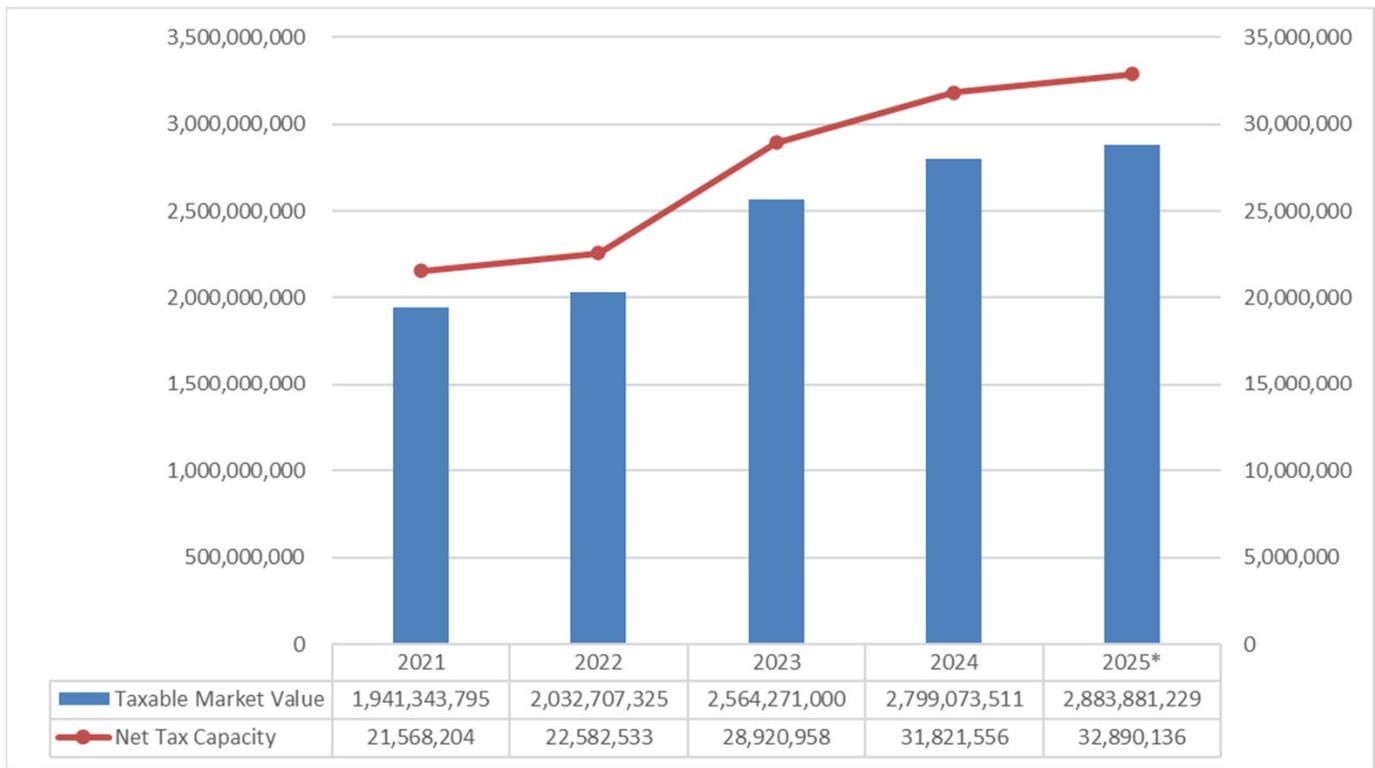


Enterprise Fund Budgets: Storm Water Fund



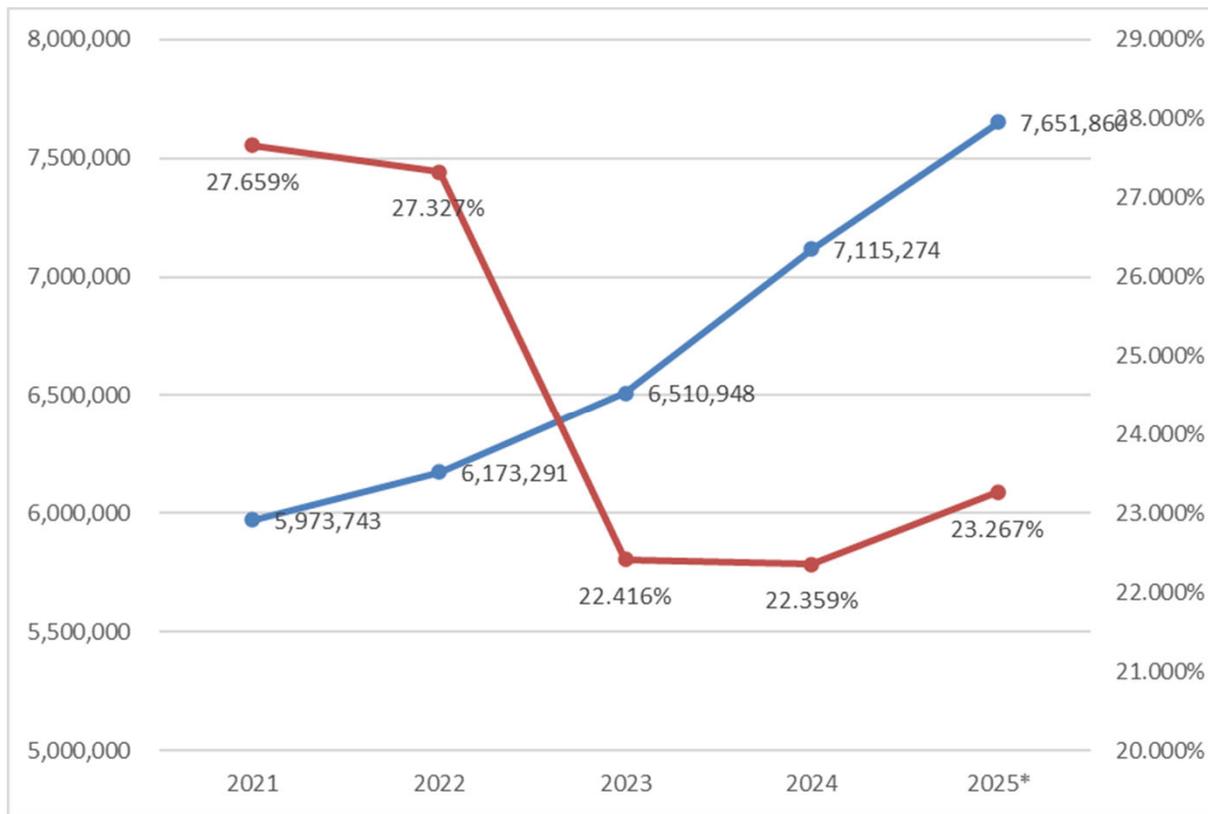
Property Valuations & Tax Levies

Taxable Market Value & Tax Capacity



* estimated

Tax Levies & Tax Rates



* estimated

Proposed Preliminary Tax Levies

City of Shorewood
Property Tax Levies 2024-2025

	2024	2025	Change in \$	Change in %
General Fund	\$5,743,012	\$5,992,903	\$249,891	4.4%
Non-General Fund Levies				
Special Revenue Fund:				
Shorewood Community and Event Center	\$0	\$164,000	\$164,000	100.0%
Debt Service Funds:				
2020A G.O. Street Reconstruction Bonds	\$228,492	\$226,497	(\$1,995)	-0.9%
2021A G.O. Street Reconstruction Bonds	\$310,023	\$307,241	(\$2,782)	-0.9%
2022A G.O. Street Reconstruction Bonds	\$289,416	\$289,009	(\$407)	-0.1%
2023A G.O. Street Reconstruction Bonds	\$160,331	\$273,210	\$112,879	70.4%
Total Debt Service Funds	\$988,262	\$1,095,957	\$107,695	
Capital Project Funds:				
Equipment Replacement	\$128,000	\$133,000	\$5,000	3.9%
Street Improvements	\$128,000	\$133,000	\$5,000	3.9%
Park Improvements	\$128,000	\$133,000	\$5,000	3.9%
Total Capital Project Funds	\$384,000	\$399,000	\$15,000	
Total Non-General Fund Levies	\$1,372,262	\$1,658,957	\$286,695	
Total Levies	\$7,115,274	\$7,651,860	\$536,586	7.5%



Estimated Residential Tax Impact

Market Value 2025	Homestead Market Value Exclusion 2025	City Property Taxes 2025	Property Taxes Increase (Decrease)	Percentage Tax Increase (Decrease)
\$400,000	(\$10,600)	\$906	\$14	1.6%
\$600,000	\$0	\$1,454	\$57	4.1%
\$800,000	\$0	\$2,036	\$79	4.1%
\$1,000,000	\$0	\$2,618	\$102	4.1%
\$1,200,000	\$0	\$3,199	\$125	4.1%

Estimated Commercial Tax Impact

Market Value 2025	Tax Capacity 2025	Property Taxes Increase (Decrease)	Percentage Tax Increase (Decrease)
\$1,000,000	\$19,250	\$175	4.1%
\$2,000,000	\$39,250	\$356	4.1%
\$3,000,000	\$59,250	\$538	4.1%
\$4,000,000	\$79,250	\$720	4.1%
\$5,000,000	\$99,250	\$901	4.1%
\$6,000,000	\$119,250	\$1,083	4.1%
\$7,000,000	\$139,250	\$1,264	4.1%
\$8,000,000	\$159,250	\$1,446	4.1%
\$9,000,000	\$179,250	\$1,628	4.1%
\$10,000,000	\$199,250	\$1,809	4.1%

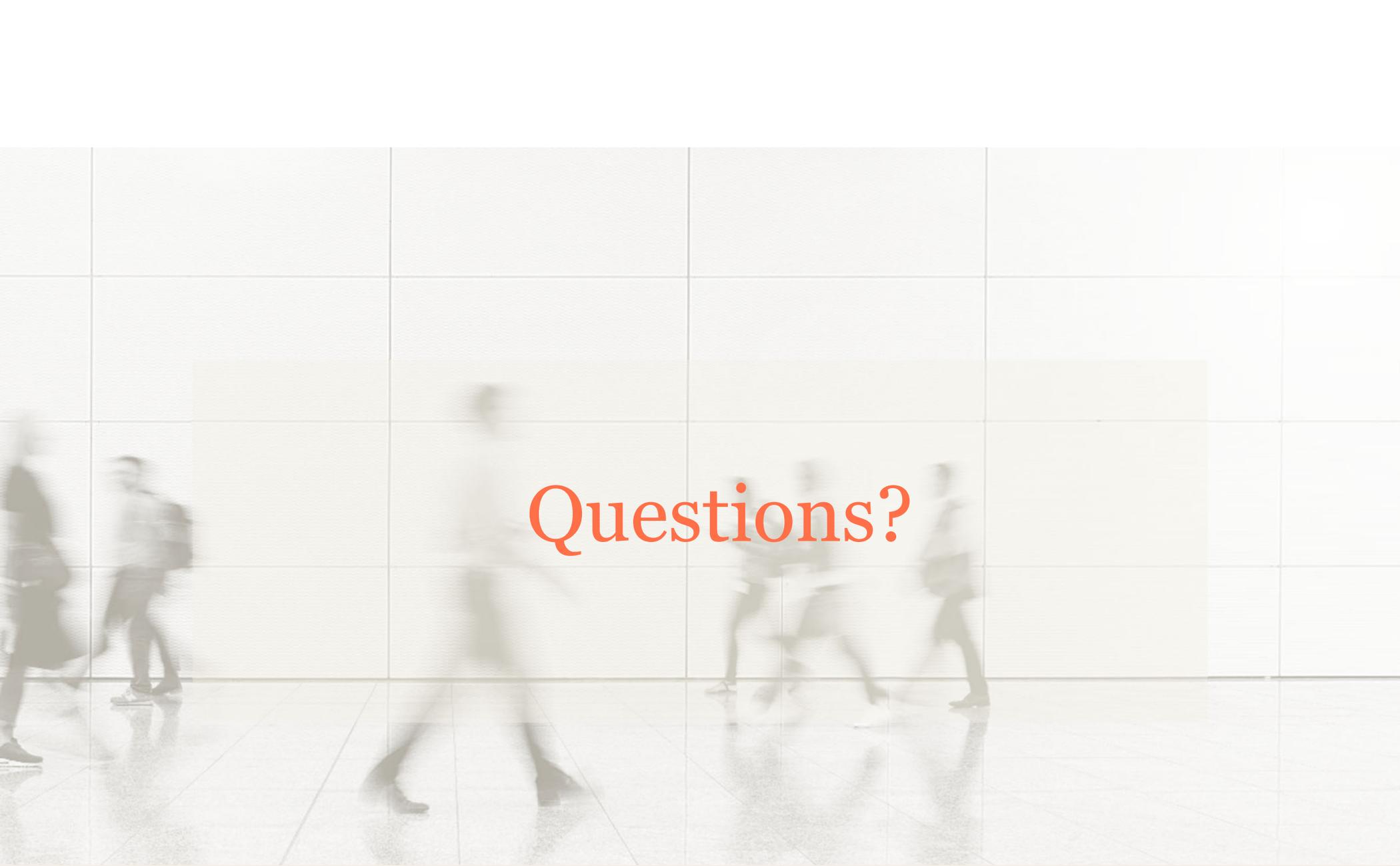
Next Steps & Timelines

2025 Budget & Levy Timelines

- ❖ Staff will update the presented preliminary budget and levy per Council's directive.
- ❖ 09/09/2024: Approval of 2025 preliminary budget, preliminary tax levy, and set the time and place of the truth in taxation public discussion.
- ❖ 11/11/2024: Budget workshop to finalize 2025 budget & levy.
- ❖ 12/09/2024: Truth in taxation public discussion, and approval of the 2025 budget and levy certification.

IMPORTANT REMINDERS!

- The City's preliminary tax levy certification is due to Hennepin County on or before 09/30/2024.
- The amount certified as the preliminary levy will be the maximum the City can certify as the final levy. This amount can be decreased but can not increase from the preliminary levy certified.
- Final 2025 levy and truth in taxation certification is due to the MN Department of Revenue and Hennepin County on or before 12/30/2024.

A blurred photograph of a crowd of people walking through a modern, brightly lit interior space, possibly a lobby or hallway. The background features a grid of large, light-colored panels. The overall tone is professional and dynamic.

Questions?