

# Long-Term Financial Management Plan

Draft as of June 16, 2025



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June 16, 2025

Marc Nevinski, City Administrator  
Jeanne Schmuck, Finance Director  
City of Shorewood  
5755 Country Club Rd  
Shorewood, MN 55331

RE: City of Shorewood Long-Term Financial Management Plan

Dear Marc and Jeanne:

Northland Securities is pleased to present the City of Shorewood with this Long-Term Financial Management Plan (the "Plan"). The Plan is intended to help inform decisions on tax and enterprise fees, among other financial decisions. The Plan provides information to inform decisions both in the near term, and long-term, as near-term decisions often have long-term implications. The Plan was developed working closely with city staff. Northland appreciates the opportunity to provide service to the City of Shorewood.

Sincerely,  
NORTHLAND SECURITIES, INC.

A handwritten signature in black ink that reads 'Tammy Omdal'.

Tammy Omdal  
Managing Director

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## INTRODUCTION AND SUMMARY

The Financial Management Plan (the “Plan”) is intended to serve as a guide for on-going financial management for the City of Shorewood (the “City”). The Plan contains proposed strategies and key objectives to monitor with respect to on-going and future financial performance.

The Plan includes estimated future property tax levies and city fees and charges necessary to fund planned city operations, capital improvements, and debt service. The key objectives of the study for the Plan were as follows:

**Revenue Sufficiency** - Develop and populate a forecasting model to determine revenue needed to satisfy general government and utility operations, capital improvements, and debt service, while maintaining adequate reserves for service and capital needs of the City.

**Rate Calculation** - Model projected future annual tax levies, tax rates, and utility rates to meet revenue sufficiency objectives.

The Plan includes anticipated capital improvements for 2025-2035 (the “CIP”) as provided by the City. While the specific timing and cost capital improvements can be uncertain, awareness of the funding demands for projects is important when considering annual tax levies, rates for fees and charges, and reserves for capital.

### Revenue Sufficiency

The study evaluated the sufficiency of revenues to meet current and projected financial requirements

over future years for the various accounting funds of the City. The Plan estimates the tax levies and rates necessary in each year of the projection period to provide revenue sufficiency.

The maintenance and growth of reserves through revenue sufficiency is an important credit factor for the City’s bond rating. S&P Global Ratings assigned its ‘AA+’ rating and stable outlook to the City’s outstanding general obligation bonds (rating report dated June 21, 2023). The City should continue to manage its funds to achieve its policy goals and to maintain sufficient balances across the City’s funds.

### Governmental Funds

The City has an adopted reserve policy for the General Fund. The policy is as follows:

#### General Fund Balance

- The City’s goal will be to maintain an end-of-year unassigned fund balance in the General Fund of an amount between 35% and 50% of the next year’s budgeted expenditures and transfers out of the General Fund. This will assist in maintaining an adequate level of fund balance to provide for cash flow requirements and contingency needs because major revenues, including property taxes and other government aids, are received approximately semi- annually.
- The City may assign fund balance in the General Fund for purchase order encumbrances, budget carryovers, compensated absences, or other items.
- The City may commit fund balance in the General Fund for revenue stabilization arrangements or other items by City Council resolution.

- If unassigned fund balance in the General Fund at the completion of any fiscal year exceeds 50% of the next year's budgeted expenditures and transfers out of the General Fund, the excess may be used for specific projects, capital acquisitions and improvements, transfers to other funds, or for other purposes determined by the City Administrator and/or Finance Director.
- Unassigned fund balance can be "spent down" if there is an anticipated budget shortfall (expenditures and other uses in excess of revenues and other sources).
- If spending unassigned fund balance in designated circumstances has reduced unassigned fund balance at the completion of any fiscal year to a point below the minimum targeted level, as noted above, the replenishment will be funded by property taxes or other sources within one year, or as directed by the City Council.

The City also has adopted reserve policy for the Debt Service Funds and the Capital Projects Funds. The policy considers fund balances for these respective fund types to be restricted for debt service payments or capital improvements.

### Enterprise Fund

The City has an adopted reserve policy for the Enterprise Funds. The City will maintain reserves in the Enterprise Funds at a minimum level sufficient to provide adequate working capital for current expenditure needs. Generally, the City shall strive for a minimum of six (6) months of subsequent years' operating needs, as well as 100% of subsequent years' capital and debt service needs. The maximum amount

of reserves should include the amount necessary to pay for future capital projects. Future capital projects must be identified and quantified in the Capital Improvement Plan. Rates and fees in these funds will be analyzed annually for a five-year period to provide for level rate changes.

Consistent with the City's adopted policy and for purposes of the Plan, the revenue objective for the Water Fund, Sanitary Sewer Fund, Stormwater Management Fund, and the Recycling Fund (together, the "Enterprise Funds") focuses on providing revenue sufficient to achieve projected year-end cash balance to cover the following purposes:

- Six-months of operating expense
- Following year debt service payments
- Following year capital acquisition (planned to be paid from cash)
- Reserves for future capital improvements and other reserve purposes

### *Funding Depreciation for Enterprise Funds*

The funding of depreciation, or setting aside of funds to replace depreciated infrastructure, is an important element for establishment of sufficient rates for the Enterprise Funds. The Plan focuses on asset management practices to maintain and expand infrastructure at future estimated costs.

Rather than focus on "funding depreciation" we find it is better to gain a strong understanding of the expected future costs and, maybe more importantly, their timing, and plan for replacement of infrastructure and facilities. The Plan incorporates the City's Capital Improvement Plan (the "CIP"). The CIP combined with

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financial management targets are critical elements that allow for the setting of rates that meet revenue sufficiency objectives.

Financial management targets begin with criteria for evaluating overall financial condition. For instance, do projections show sufficient revenues to cover planned operating and capital improvement costs? The Enterprise Funds must do better than break even, but by how much?

The Plan helps to answer these question by allocating projected year-end cash balance to defined purposes. One of the purposes is for planned capital acquisition and reserves for future capital.

The Plan provides a second criteria to evaluate revenue sufficiency for the Enterprise Funds. The Plan sets a target (floor) to maintain an unrestricted net position in the Enterprise Funds of no lower than 50% of the subsequent year's estimated expenditures.

The majority of revenue for the Enterprise Funds comes from user charges, maintaining an unrestricted net position that is equal to at least 50% of expenditures will help to ensure that sufficient resources are available to fund basic functions between receipts of user charges.

The target (or floor) for ending unrestricted net position of the Enterprise Funds is meant to be an equivalent of the target for an unrestricted fund balance for the General Fund. For example, equity is reported as a fund balance in the General Fund and as a net asset within the Enterprise Funds. Fund balance and net assets are the difference between fund assets and liabilities reflected on the balance sheet or statement of net assets.

## Rate Calculation

The study focused on preparing projections for future annual tax capacity rates for the City and reviewing the rates for the fees and charges for the Enterprise Funds. The Study did not include a comprehensive review and analysis of other City fees and charges, only the fees for the Enterprise Funds.

### City Tax Rate

Future tax levies increases are projected to fund planned expenditures and to maintain adequate cash balances across all funds. **Figure 1** on page 4 provides a summary of current year certified, and projected tax levy and tax rate for 2026-2035. **Table 1** on page 8 provides information on the calculation of the estimated tax rates.

Future tax rate by year are estimated based on assumptions for changes to both tax levy and tax capacity. Projected tax capacity reflects estimates for growth in the value of property within the City both from new development and assumptions for annual market changes for existing properties.

The assumptions for new development are shown in **Table 2** on page 9. Future growth from development is estimated at approximately 2 to 13 new residential household units per year between 2025-2027. This includes new development only and does not include anticipated in fill development. The City estimates in fill units at approximately 10 units per annually. There is no new residential units assumed for planning purposes after 2027.

The Plan assumes the General Fund levy amounts will provide revenue sufficient to cover expenditures, net of non-tax revenues, and to provide a projected ending fund balance equal to or greater than 50% of the next year's budgeted expenditures, including transfers, of the General fund.

**Figure 1  
City Tax Levy and Tax Rate**

Tax Collection Year	Tax Levy	% Change Tax Levy	Tax Rate	Percent Change in Tax Rate
2025	\$7,593,570	6.72%	23.072	3.2%
2026	\$8,329,583	9.69%	24.689	7.0%
2027	\$8,967,795	7.66%	25.940	5.1%
2028	\$9,921,152	10.63%	28.042	8.1%
2029	\$10,684,270	7.69%	29.556	5.4%
2030	\$12,048,992	12.77%	32.668	10.5%
2031	\$12,857,624	6.71%	34.140	4.5%
2032	\$13,868,793	7.86%	36.067	5.6%
2033	\$14,582,895	5.15%	37.133	3.0%
2034	\$15,557,212	6.68%	38.791	4.5%
2035	\$16,409,585	5.5%	40.063	3.3%

Note to Figure 1: 2025 is certified amount. 2026-2035 are estimated amounts.

The key assumptions in the Plan that impact the projected tax levy and tax rate by year include the following:

- Tax levy will increase to support annual expenditures, net of non-tax revenue, in the General Fund. Details on specific items for the General Fund is included in the Finance Plan section.
- General Fund non-tax revenues are anticipated to remain constant (flat) during the planning period.
- General Fund current expenditures are anticipated to increase by 4.0-5.0% annually. Based on current economic conditions the assumption for increase to expenditures may be low but the focus of the Plan is long-term.
- New construction of approximately 25 new residential homes between 2025-2027, and construction of approximately 10 new residential in fill residential units per year are anticipated in the Plan. For purposes of estimating market value of property for the Plan, the average new home is estimated at \$900,000-\$1,000,000, with valuation inflated 2.0% annually. For in fill development, the Plan assumes original base value of \$500,000 before in fill development. **Table 2** on page 9 includes information on assumptions for future growth in tax base and utility customers from new development.
- Taxable market value increase from new commercial property is not anticipated.
- Taxable market value within the City, before assumptions for new residential construction, will increase by 2% annually.
- Bonds to finance certain planned street and utility improvement projects between 2026-2031 is anticipated. There are no special assessments planned for the improvements. Debt service on the bonds will be supported by pledge of tax levy and utility revenues.
- Park Dedication fees based upon \$7,500 per unit for new development (not including in fill development) is anticipated.

- City to levy directly in capital funds without interfund transfers of tax revenue from the General Fund to capital projects funds.
- City to maintain fund balance in the General Fund pursuant to the City's Reserve Policy. While the Reserve Policy provides for transfers out of funds from the General Fund in excess of the maximum reserve, the Plan does not assume any transfers out of the General Fund to other funds in years that the Plan projects ending fund balance in the General Fund greater than 50%. City policy provides that if unassigned fund balance in the General Fund at the completion of any fiscal year exceeds 50% of the next year's budgeted expenditures and transfers out of the General Fund, the excess may be used for specific projects, capital acquisitions and improvements, transfers to other funds, or for other purposes determined by the City Administrator and/or Finance Director.

### Utility Rates

For water services, the City currently charges a base fee for the first 5,000 gallons of water usage then a progressive water billing structure, or tier structure, that charges higher per-unit prices for higher water consumption levels. A two-part structure (base and variable charge) is recommended by generally accepted practices and is a practice followed by most cities within Minnesota. This structure recovers a portion of system costs in a fixed charge, recognizing that the municipal utilities have certain fixed costs. These fixed costs are incurred regardless of the level of water usage.

For sanitary sewer services, the City charges residential customers a fixed quarterly amount for services,

and for commercial customers, the City charges a base charge then a progressive sanitary sewer billing structure that charges higher per-unit prices for higher volume levels.

It is projected that approximately 70% and 80% of expenses for the Water Fund, and Stormwater Management Fund, are fixed. This includes depreciation and interest on bonds. The percentage varies somewhat from year to year. Fixed costs as percent of total expense is approximately 30% for the Sanitary Sewer Fund. Disposal charges based on volume of flow is the largest expense for the Sanitary Sewer Fund.

The key assumptions for the Enterprise Funds include the following:

- Funding for future capital improvements to maintain and expand water, sanitary sewer, and storm water systems is included.
- City will increase **water utility fees** and adopt a new base fee and new tier structure for charging water volume to customers beginning in 2026.
- A new **infrastructure fee for water services** payable by property owners that are connected to sanitary sewer but not connected to the City's water system. The fee is proposed to begin in 2027 at initial quarterly amount of \$10.00 per customer, with \$1.00 increase annually between 2026-2035. The infrastructure fee will provide revenue for water infrastructure improvements.
- **New tier rates for Water fees** are proposed to begin in 2026, see **Figure 2** on page 6. After 2026 tier structure changes are implemented, then beginning in 2027 annual increases to the new

tier rates is proposed for future years, ranging from approximately 8-10% between 2027-2032; then 3.0% annually after 2032. No changes to the **base rate for water services** is proposed for 2026, with increases included for future years. **WAC** for new development is to remain at current amount (\$10,000 per unit). The collection of water availability charge (WAC) is spread over five-year period.

- Sanitary sewer utility fees** increases are proposed. There is no proposed adjustment to the structure for charging fees. Annual fee increase of 30% is proposed for 2026, 6% for 2027, then approximately 3-4% annually. The increases are needed to achieve a pay-go strategy for capital improvements with no bonding. The increases are inclusive of all sanitary sewer fees except for **SAC** for new development is to remain at current amount (\$1,200 per unit). The collection of sewer availability charge (SAC) is spread over five year period.
- Stormwater utility fees** are proposed to increase by 60% in 2026; then 35% in 2027; then dropping to 2.0% annually between 2028-2035. The average annual dollar increase is approximately \$4.50 between 2026-2035. Fees are paid quarterly. Fee increases are needed to offset the transition of franchise fee revenues from a revenue source for stormwater management services to street improvements (Governmental Fund), and to provide increased revenue to fund stormwater management infrastructure improvements planned in the CIP. The Plan anticipates a temporary advance of funds from the Street Improvements Fund (404) to the Stormwater Management Fund (631) to allow time for rate increases to be implemented.

- Recycling utility fee** is proposed to increase by \$0.5 to \$1.00, or approximately 2.5-5.5%, annually between 2026-2035.

**Figure 2** provides a snapshot of the fees for residential utility customers as included in the Plan.

Figure 2 Snapshot of Single Family Residential Utility Fees*											
	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035
<b>City Fixed (Base) Fee Per Customer Unit</b>											
Water	32.51	32.51	35.68	39.16	42.98	46.84	50.99	55.20	56.85	58.56	60.31
Water Infrastructure Fee	-	-	10.00	11.00	12.00	13.00	14.00	15.00	16.00	17.00	18.00
Sewer	142.25	184.93	196.02	203.86	212.02	220.50	227.11	233.92	240.94	250.58	260.60
Stormwater	43.49	69.58	93.94	95.82	97.73	99.69	101.68	103.72	105.79	107.91	110.06
Recycling	18.00	19.00	19.50	20.00	20.50	22.00	23.00	24.00	25.00	26.00	27.00
Total	236.25	306.02	355.14	369.84	385.23	402.03	416.78	431.84	444.58	460.04	475.98
<b>City Water Volume Fees (Per 1,000 gallons)</b>											
Tier 1 (first 5,000 gallons included in base fee)	-										
Tier 2 (5,001 to 50,000 gallons)	5.49										
Tier 3 (over 50,000 gallons)	7.89										
Tier 1 (first 5,000 gallons)		1.75	1.92	2.11	2.31	2.52	2.74	2.97	3.06	3.15	3.25
Tier 2 (5,001 to 25,000 gallons)		5.75	6.31	6.93	7.60	8.29	9.02	9.76	10.06	10.36	10.67
Tier 3 (25,001 to 50,000 gallons)		8.65	9.49	10.42	11.43	12.46	13.57	14.69	15.13	15.58	16.05
Tier 4 (over 50,000 gallons)		10.35	11.36	12.47	13.68	14.91	16.23	17.57	18.10	18.64	19.20
<b>City Fixed (Base) Fee Per Customer Unit - Annual % Increase</b>											
Water	10.0%	0.0%	9.7%	9.7%	9.7%	9.0%	8.9%	8.3%	3.0%	3.0%	3.0%
Water Infrastructure Fee				10.0%	9.1%	8.3%	7.7%	7.1%	6.7%	6.3%	5.9%
Sewer	16.2%	30.0%	6.0%	4.0%	4.0%	4.0%	3.0%	3.0%	3.0%	4.0%	4.0%
Stormwater	8.0%	60.0%	35.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%
Recycling	12.5%	5.6%	2.6%	2.6%	2.5%	7.3%	4.5%	4.3%	4.2%	4.0%	3.8%
Total	13.4%	29.5%	16.1%	4.1%	4.2%	4.4%	3.7%	3.6%	3.0%	3.5%	3.5%
<b>City Water Volume Fees (Per 1,000 gallons) - Annual % Increase</b>											
Tier 1 (first 5,000 gallons included in base fee)											
Tier 2 (5,001 to 50,000 gallons)											
Tier 3 (over 50,000 gallons)											
Tier 1 (first 5,000 gallons)			9.7%	9.7%	9.7%	9.0%	8.9%	8.3%	3.0%	3.0%	3.0%
Tier 2 (5,001 to 25,000 gallons)			9.7%	9.7%	9.7%	9.0%	8.9%	8.3%	3.0%	3.0%	3.0%
Tier 3 (25,001 to 50,000 gallons)			9.7%	9.7%	9.7%	9.0%	8.9%	8.3%	3.0%	3.0%	3.0%
Tier 4 (over 50,000 gallons)			9.7%	9.7%	9.7%	9.0%	8.9%	8.3%	3.0%	3.0%	3.0%

Note: \*Figure 2 does not list all utility fees that are included in the City's fee schedule. Figure 2 includes a snapshot of the estimated fees applicable to single family residential customers. Figure 2 includes quarterly utility bill fees only and not development related (connection) fees that are subject to collection at time of development and connection of property.

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### Study Approach

The following steps were taken as part of the study for the Plan:

- City provided historical financial data along with current budget plans.
- City provided a capital improvement plan for planned infrastructure improvements, facility improvements, and equipment and vehicle acquisition.
- City provided the assumptions for future residential units.
- Information provided by the City was organized, analyzed, and used to support the development of the Plan.
- City staff offered input and feedback on the assumptions in the Plan.

and estimated ending cash balances. The financial plans take into account capital improvement plans, both existing and planned debt issuance, and proposed rates and estimated tax levies.

4. Appendices provide information on certain items, including fees for utility services, among other information.

### Organization of Plan

The Plan is organized into the following sections:

1. Introduction and Summary provides information on the study approach, revenue sufficiency, and rate calculation.
2. CIP and Debt provides information on plans for equipment, facilities, and maintaining and expanding infrastructure. This includes estimates on project costs, timing, and sources of funds. Information on outstanding debt obligation and debt service is included.
3. Financial Plans provides financial plans for City funds. The financial plans include historical, current, and projected sources and uses of funds

Table 1

City of Shorewood

## CITY PROPERTY TAX LEVY, TAX CAPACITY, AND TAX RATE

	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035
<b>TAX LEVY</b>												
General Fund (101)	5,638,012	5,905,113	6,518,498	6,991,021	7,569,053	8,129,107	8,806,649	9,449,055	10,141,226	10,887,472	12,067,506	12,828,976
SCEC Fund (201)	105,000	122,000	145,000	152,250	159,863	167,856	176,248	185,061	194,314	204,030	214,231	224,943
Debt Service Funds (300s)	988,262	1,095,957	1,095,585	1,144,024	1,391,736	1,437,307	2,026,094	2,068,508	2,288,253	2,156,393	1,850,475	1,840,667
Street Improvements Fund (404)	128,000	170,500	-	-	-	-	-	-	-	-	-	-
Park Capital Improvement Fund (402)	128,000	135,000	305,500	355,500	405,500	450,000	450,000	450,000	450,000	450,000	450,000	450,000
Equipment Replacement Fund (403)	128,000	165,000	215,000	275,000	345,000	425,000	515,000	605,000	695,000	785,000	875,000	965,000
Community Infrastructure (450)	-	-	50,000	50,000	50,000	75,000	75,000	100,000	100,000	100,000	100,000	100,000
<b>Tax Levy</b>	<b>7,115,274</b>	<b>7,593,570</b>	<b>8,329,583</b>	<b>8,967,795</b>	<b>9,921,152</b>	<b>10,684,270</b>	<b>12,048,992</b>	<b>12,857,624</b>	<b>13,868,793</b>	<b>14,582,895</b>	<b>15,557,212</b>	<b>16,409,585</b>
<i>Annual % Change in Tax Levy Before FD Distribution</i>		6.72%	9.69%	7.66%	10.63%	7.69%	12.77%	6.71%	7.86%	5.15%	6.68%	5.48%
Less Fiscal Disparities (FD) Distribution	137,505	143,765	143,765	143,765	143,765	143,765	143,765	143,765	143,765	143,765	143,765	143,765
Net Spread Levy	6,977,769	7,449,805	8,185,818	8,824,030	9,777,387	10,540,505	11,905,227	12,713,859	13,725,028	14,439,130	15,413,447	16,265,820
<b>TAX CAPACITY</b>												
Tax Capacity before New Construction	31,987,967	33,076,217	33,737,741	34,412,496	35,100,746	35,802,761	36,518,816	37,249,193	37,994,176	38,754,060	39,529,141	40,319,724
Tax Capacity from New Construction*	-	-	210,620	401,840	568,885	668,730	738,475	810,720	885,465	962,710	1,042,455	1,124,700
Total Tax Capacity	31,987,967	33,076,217	33,948,361	34,814,336	35,669,631	36,471,491	37,257,291	38,059,913	38,879,641	39,716,770	40,571,596	41,444,424
Less Fiscal Disparities TC Contribution	523,628	531,212	531,212	531,212	531,212	531,212	531,212	531,212	531,212	531,212	531,212	531,212
Less TIF Captured Tax Capacity	256,177	256,177	261,301	266,527	271,857	277,294	282,840	288,497	294,267	300,152	306,155	312,278
<b>Total Net Tax Capacity</b>	<b>31,208,162</b>	<b>32,288,828</b>	<b>33,155,849</b>	<b>34,016,598</b>	<b>34,866,562</b>	<b>35,662,985</b>	<b>36,443,239</b>	<b>37,240,204</b>	<b>38,054,163</b>	<b>38,885,406</b>	<b>39,734,229</b>	<b>40,600,934</b>
<i>Annual % Change</i>		3.46%	2.69%	2.60%	2.50%	2.28%	2.19%	2.19%	2.19%	2.18%	2.18%	2.18%
<b>City Tax Capacity Rate</b>	<b>22.3588</b>	<b>23.0724</b>	<b>24.6889</b>	<b>25.9404</b>	<b>28.0423</b>	<b>29.5559</b>	<b>32.6679</b>	<b>34.1401</b>	<b>36.0671</b>	<b>37.1325</b>	<b>38.7914</b>	<b>40.0627</b>
<i>Annual Percent Change in City Tax Capacity Rate</i>		3.2%	7.0%	5.1%	8.1%	5.4%	10.5%	4.5%	5.6%	3.0%	4.5%	3.3%

\*Amount shown by year for "Tax Capacity from New Construction" is the estimated cumulative year-to-date total for increase in tax capacity from estimated new construction. Future years are estimated amounts for planning purposes based on the information, including certain assumptions, in the Plan.

Table 2

City of Shorewood

**Development Assumptions for Future Growth in Tax Base and Utility Customers**

**Total Estimated Tax Capacity (\$) from New Construction - Year is Tax Payable Year**

Property Type	Type of Development	Construction Completion Year	Housing Units	Net Increase in Estimated Taxable Market Value (\$) at Completion in Today's Dollars	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035
Residential Single Family	New Development Units	2024	20	18,480,000	210,620	215,240	219,860	224,480	229,100	233,720	238,340	242,960	247,580	252,200
Residential Single Family	New Development Units	2025	13	11,700,000	-	135,850	138,775	141,700	144,625	147,550	150,475	153,400	156,325	159,250
Residential Single Family	Infill Units	2025	10	4,000,000	-	50,750	51,750	52,750	53,750	54,750	55,750	56,750	57,750	58,750
Residential Single Family	New Development Units	2026	10	9,000,000	-	-	106,750	109,000	111,250	113,500	115,750	118,000	120,250	122,500
Residential Single Family	Infill Units	2026	10	4,000,000	-	-	51,750	52,750	53,750	54,750	55,750	56,750	57,750	58,750
Residential Single Family	New Development Units	2027	2	1,800,000	-	-	-	21,800	22,250	22,700	23,150	23,600	24,050	24,500
Residential Single Family	Infill Units	2027	10	5,000,000	-	-	-	66,250	67,500	68,750	70,000	71,250	72,500	73,750
Residential Single Family	Infill Units	2028	10	5,000,000	-	-	-	-	56,250	57,500	58,750	60,000	61,250	62,500
Residential Single Family	Infill Units	2029	10	5,000,000	-	-	-	-	-	57,500	58,750	60,000	61,250	62,500
Residential Single Family	Infill Units	2030	10	5,000,000	-	-	-	-	-	-	58,750	60,000	61,250	62,500
Residential Single Family	Infill Units	2031	10	5,000,000	-	-	-	-	-	-	-	60,000	61,250	62,500
Residential Single Family	Infill Units	2032	10	5,000,000	-	-	-	-	-	-	-	-	61,250	62,500
Residential Single Family	Infill Units	2033	10	5,000,000	-	-	-	-	-	-	-	-	-	62,500
Residential Single Family	Infill Units	2034	10	5,000,000	-	-	-	-	-	-	-	-	-	-
Residential Single Family	Infill Units	2035	10	5,000,000	-	-	-	-	-	-	-	-	-	-
<b>GRAND TOTAL</b>					<b>210,620</b>	<b>401,840</b>	<b>568,885</b>	<b>668,730</b>	<b>738,475</b>	<b>810,720</b>	<b>885,465</b>	<b>962,710</b>	<b>1,042,455</b>	<b>1,124,700</b>

Notes:

1/ For purpose of estimating future value, the analysis assumes all units are added in construction completion year, with no phasing assumed. There is a two year lag between the year a project is constructed and the first year taxes are payable. For example, property constructed in 2025 will be valued in 2026 for taxes first payable in 2027. Source of information included in Table 2 is from information prepared by the City Planning Director. Plan assumes 2.0% annual inflator of valuation of property based on estimated taxable market value in today's dollars. Net Increase in Estimated Taxable Market Value for Infill Units adjusts for an estimated average \$500,000 per unit of base value of property before construction of infill unit. All amounts are estimated for planning purposes. No commercial construction is assumed for the Plan. Infill Units do not pay SAC/WAC.

2/ Construction completion in 2034 and 2035 will not provide tax capacity to the City until Tax Payable Years 2036 and 2037, respectively, which is past the planning period for the Plan.

Chart 1

Residential construction is projected to provide an increase in taxable market value  
Valuation increase from new development and net increases from new in fill residential development

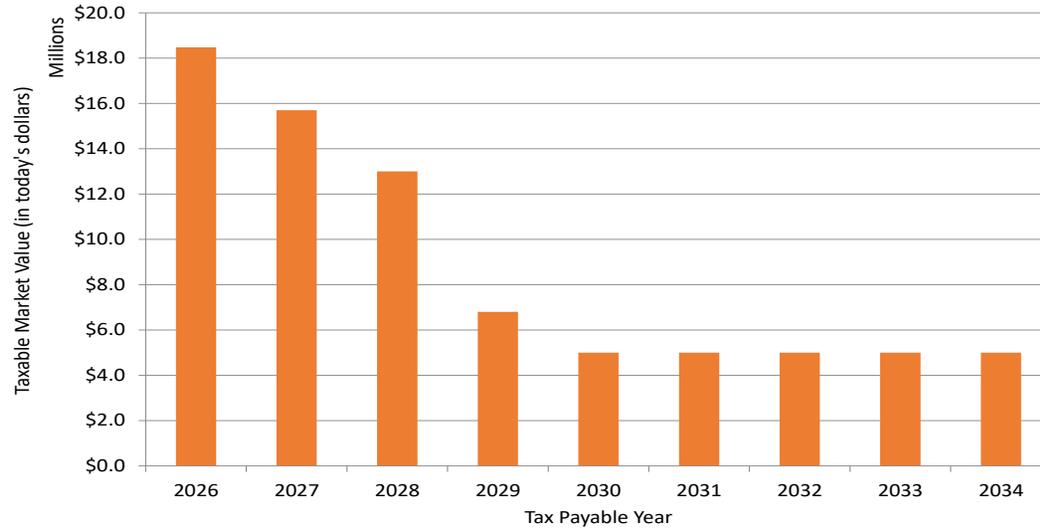


Chart 2

Net Tax Capacity increase is projected from market conditions and construction  
New construction includes new residential development and in fill residential development

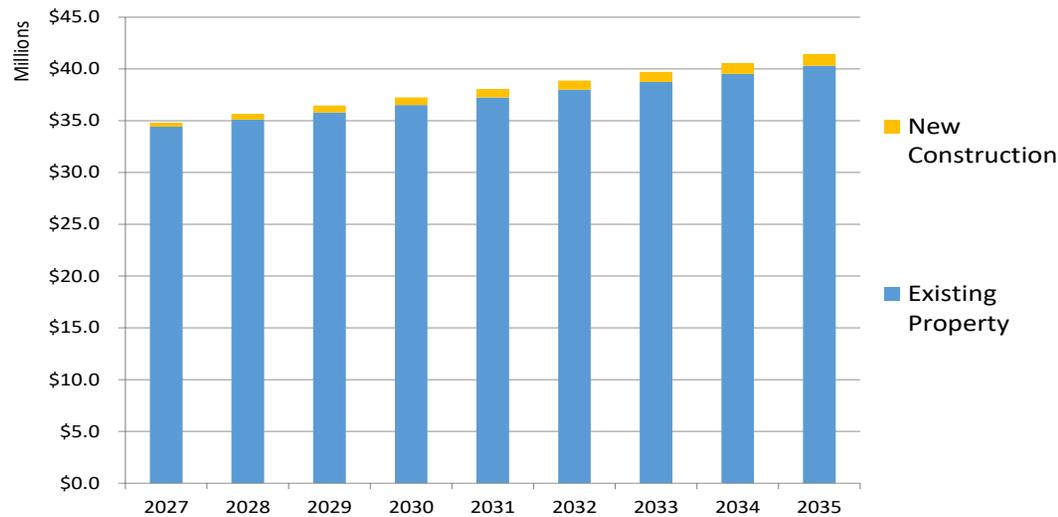


Table 3

City of Shorewood

Estimated City Property Taxes Payable by Example Properties

		2026	2027	2028	2029	2030	2031	2032	2033	2034	2035
Taxable Market Value	Residential	520,200	530,604	541,216	552,040	563,081	574,343	585,830	597,546	609,497	621,687
	Residential	1,040,400	1,061,208	1,082,432	1,104,081	1,126,162	1,148,686	1,171,659	1,195,093	1,218,994	1,243,374
	Residential	2,080,800	2,122,416	2,164,864	2,208,162	2,252,325	2,297,371	2,343,319	2,390,185	2,437,989	2,486,749
	Residential	5,202,000	5,306,040	5,412,161	5,520,404	5,630,812	5,743,428	5,858,297	5,975,463	6,094,972	6,216,872
	Commercial	2,080,800	2,122,416	2,164,864	2,208,162	2,252,325	2,297,371	2,343,319	2,390,185	2,437,989	2,486,749
	Commercial	4,161,600	4,244,832	4,329,729	4,416,323	4,504,650	4,594,743	4,686,638	4,780,370	4,875,978	4,973,497
	Commercial	8,323,200	8,489,664	8,659,457	8,832,646	9,009,299	9,189,485	9,373,275	9,560,741	9,751,955	9,946,994
	Commercial	10,404,000	10,612,080	10,824,322	11,040,808	11,261,624	11,486,857	11,716,594	11,950,926	12,189,944	12,433,743
Tax Capacity Taxes	Residential \$500,000	1,297	1,396	1,547	1,670	1,891	2,024	2,190	2,309	2,471	2,613
	Residential \$1,000,000	2,902	3,117	3,444	3,710	4,190	4,475	4,831	5,083	5,426	5,726
	Residential \$2,000,000	6,113	6,558	7,238	7,789	8,789	9,377	10,114	10,630	11,337	11,952
	Residential \$5,000,000	15,745	16,881	18,621	20,026	22,585	24,083	25,961	27,271	29,069	30,632
	Commercial \$2,000,000	10,275	11,011	12,142	13,053	14,716	15,687	16,903	17,751	18,915	19,925
	Commercial \$4,000,000	20,549	22,022	24,283	26,106	29,431	31,373	33,807	35,501	37,829	39,850
	Commercial \$8,000,000	41,098	44,045	48,566	52,211	58,863	62,746	67,613	71,003	75,658	79,701
	Commercial \$10,000,000	51,373	55,056	60,708	65,264	73,579	78,433	84,517	88,754	94,573	99,626
Annual % Change in Total Taxes	Residential \$500,000	9.7%	7.7%	10.8%	8.0%	13.2%	7.0%	8.2%	5.4%	7.0%	5.7%
	Residential \$1,000,000	9.4%	7.4%	10.5%	7.7%	13.0%	6.8%	8.0%	5.2%	6.7%	5.5%
	Residential \$2,000,000	9.3%	7.3%	10.4%	7.6%	12.8%	6.7%	7.9%	5.1%	6.6%	5.4%
	Residential \$5,000,000	9.2%	7.2%	10.3%	7.5%	12.8%	6.6%	7.8%	5.0%	6.6%	5.4%
	Commercial \$2,000,000	9.1%	7.2%	10.3%	7.5%	12.7%	6.6%	7.8%	5.0%	6.6%	5.3%
	Commercial \$4,000,000	9.1%	7.2%	10.3%	7.5%	12.7%	6.6%	7.8%	5.0%	6.6%	5.3%
	Commercial \$8,000,000	9.1%	7.2%	10.3%	7.5%	12.7%	6.6%	7.8%	5.0%	6.6%	5.3%
	Commercial \$10,000,000	9.1%	7.2%	10.3%	7.5%	12.7%	6.6%	7.8%	5.0%	6.6%	5.3%
Annual \$ Change in Total Taxes	Residential \$500,000	114	99	150	123	221	133	166	119	161	142
	Residential \$1,000,000	249	215	327	266	481	285	356	251	343	300
	Residential \$2,000,000	518	445	680	551	1,000	588	736	516	707	616
	Residential \$5,000,000	1,325	1,135	1,740	1,405	2,559	1,498	1,877	1,311	1,798	1,563
	Commercial \$2,000,000	861	737	1,130	911	1,663	971	1,217	847	1,164	1,011
	Commercial \$4,000,000	1,722	1,473	2,261	1,823	3,326	1,942	2,434	1,695	2,328	2,021
	Commercial \$8,000,000	3,444	2,947	4,521	3,645	6,652	3,883	4,867	3,390	4,655	4,042
	Commercial \$10,000,000	4,305	3,684	5,652	4,556	8,315	4,854	6,084	4,237	5,819	5,053

Note: Assumes 2.0% annual increase in taxable market value of property. The city tax amounts shown here are estimated amounts for planning purposes only. The actual amounts will vary from these estimates based on actual city tax levies that will be adopted in the future, among other factors that impact the city tax amount payable by property.

Chart 3

City Tax Rate is a factor of Tax Levy Spread Over Net Tax Capacity

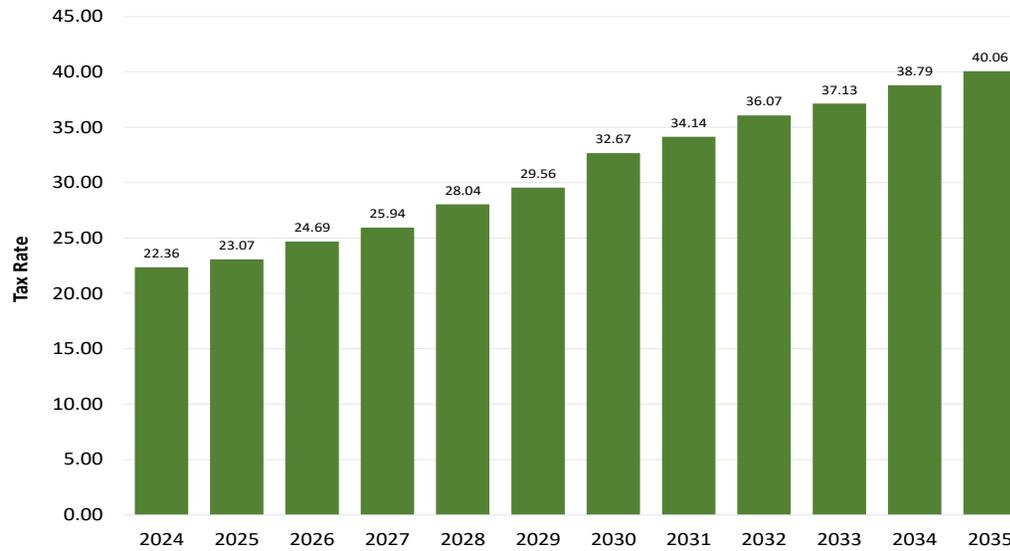


Chart 4  
City Tax Levy

City tax levy is projected to increase with increase in levy for operations and capital

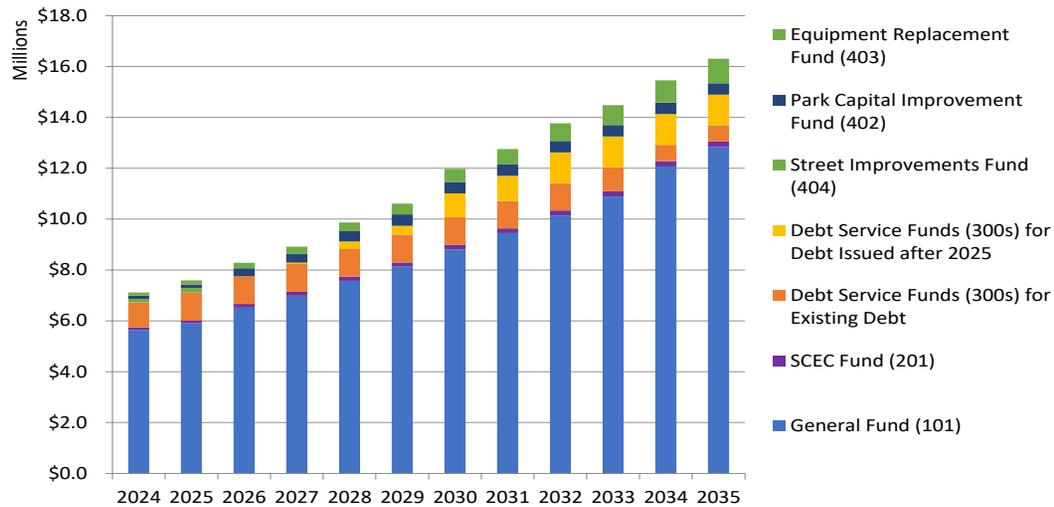


Chart 5

Annual Change in City Tax Levy by Fund reflects impact of changes in operations and capital needs, including debt service to finance capital improvements

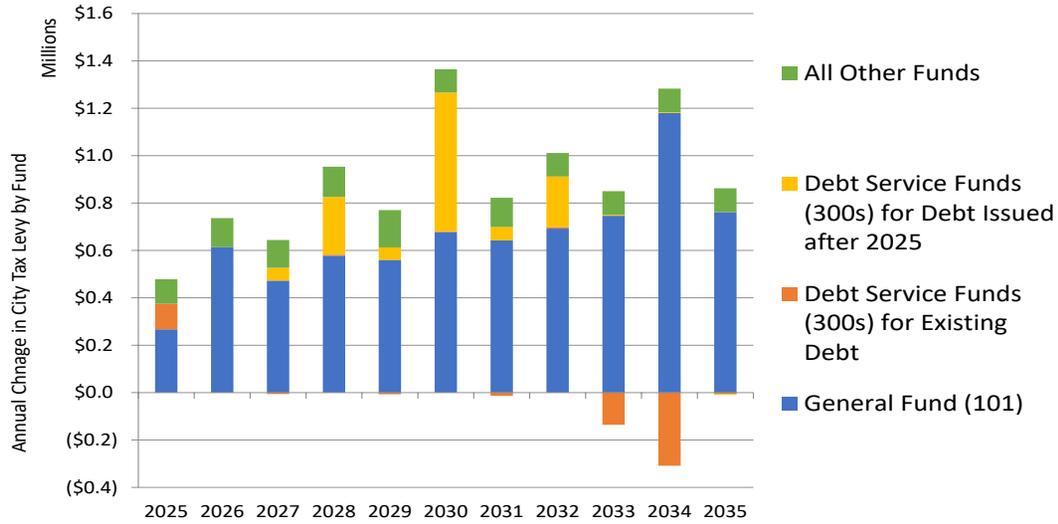
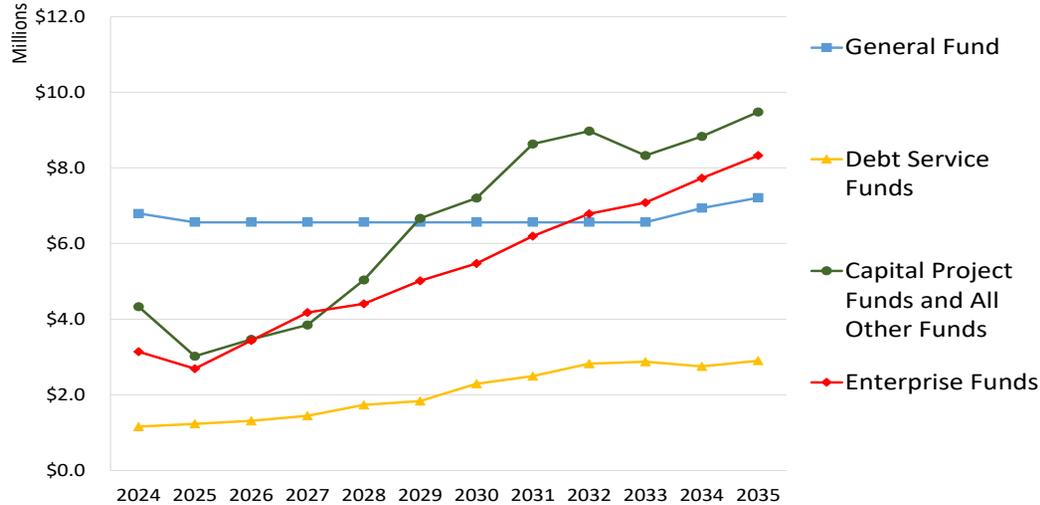
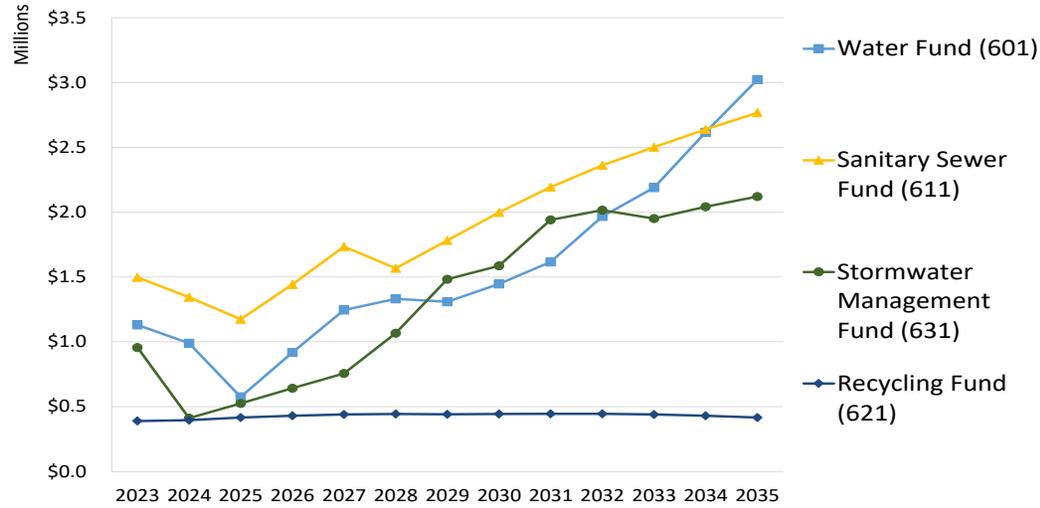


Chart 6

Ending Cash Balances are projected to be at levels to meet City objectives for reserves and planned capital improvements



**Chart 7**  
Enterprise Funds Ending Cash Balance  
Cash Balances are projected at levels to meet City objectives for reserves and planned capital improvements



**Chart 8**  
Water Fund

Projected Ending Cash Position is projected to grow to be sufficient to meet policy objectives and to position City to accumulate cash for future infrastructure improvements

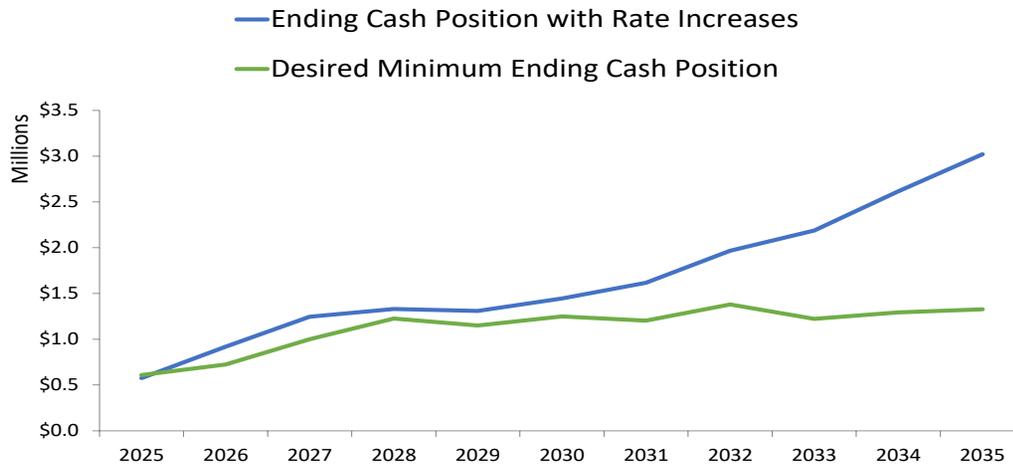


Chart 9  
Sewer Fund

Projected Ending Cash Position is projected to grow to be sufficient to meet policy objectives and to position City to accumulate cash for future infrastructure improvements

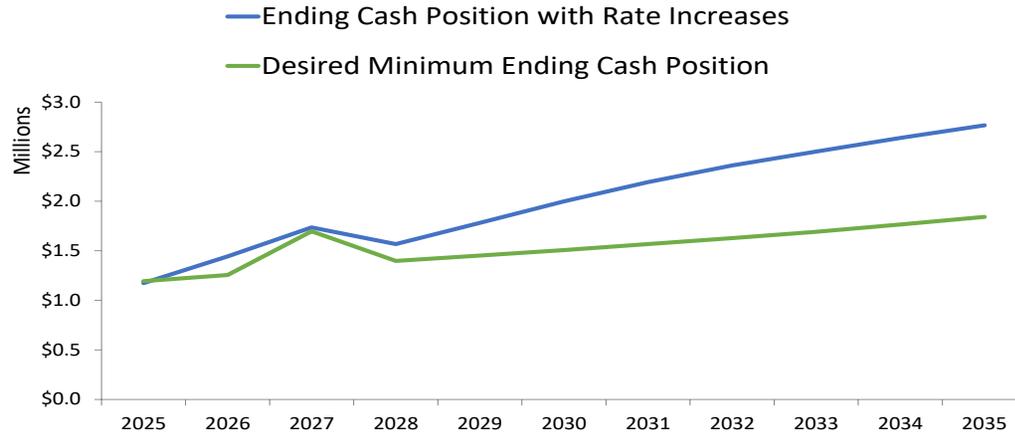


Chart 10  
Stormwater Fund

Projected Ending Cash Position is projected to be sufficient to meet policy objectives and to position City to accumulate cash for infrastructure improvements

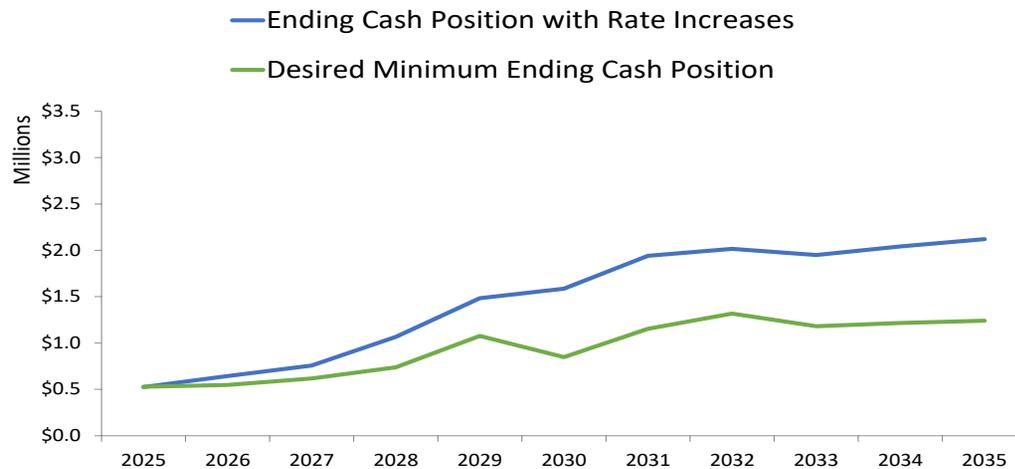


Chart 11  
Recycling Fund

Projected Ending Cash Position is projected to be sufficient to meet policy objectives and to position City to accumulate cash for infrastructure improvements



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## CAPITAL IMPROVEMENT PLAN (CIP) AND DEBT

Annual review of plans for capital outlay for improvements, inclusive of all capital, including equipment, vehicles, and other acquisitions, along with planned facility, street, utility and other municipal infrastructure improvements is an important input to comprehensive long-term financial planning and the development of this Plan.

The CIP provides important details on costs by year and proposed funding sources. The Plan provides information on current debt service and estimated future debt. The amounts included in the Plan come from the City's CIP and includes estimated capital costs based on inflated costs (future value).

### Capital Improvement Plans by Fund

#### Shorewood Community and Event Center (SCEC) Fund 201

The CIP includes annual capital outlay for the SCEC Fund, a Special Revenue Fund of the City. The Plan includes annual amounts of less than \$50,000. The Plan provides for funding of the capital costs from current levy and charges for services with no bonding planned.

#### Municipal State Aid (MSA) Fund 405

The CIP includes planned capital improvements for MSA projects. The projects are proposed to be funded from a combination of MSA revenue, tax revenue, and utility revenues.

The Plan assumes the City will be able to draw on MSA funds in the current year of the planned projects without the need for bonding for the MSA funded portion of the project costs. Between 2025-2029 total project spending for MSA projects is planned in the combined amount of approximately \$3.4 million, not inclusive of the tax levy supported, and utility revenue portions of these projects.

Inclusive of the street, both MSA portion and city portion, and utility portions the combined total project spending is approximately \$6.7 million between 2025-2035.

As of January 1, 2025, the City reports an unencumbered MSA balance with Minnesota Department of Revenue (MNDOT) of \$1,993,188.

#### Street Improvements Fund 404

The CIP includes planned capital improvements for street reconstruction projects. The projects are proposed to be funded from a combination of tax levy and utility revenues, with bond issuances planned.

The CIP includes total project costs to be funded from the Street Improvements Fund of approximately \$14.5 million between 2025-2034. This includes costs for both the City's portion of MSA projects and city street improvement projects. There is an additional approximate \$5.0 million of related water, sanitary sewer, and stormwater management project costs related to the street improvements.

The combined total project costs for street improvements, inclusive of both the street and utility portions of the projects, is approximately \$19.5 million between 2025-2034. Street improvement costs included

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in the Plan are inflated dollars, assuming 5.0% annual adjustments to costs estimated in today's dollars.

### Park Improvements Fund 402

The CIP includes planned capital improvements for parks, including for playground equipment, tennis courts, trails, and hockey boards, for example. The projects are proposed to be funded from a combination of tax levy and park dedication fees. There is no bond issuance planned.

The CIP includes total project costs to be funded from the Park Improvements Fund of approximately \$1.9 million between 2025-2035.

### Equipment Replacement Fund 403

The CIP includes planned equipment purchases, which includes vehicles, trucks, skid steers, mowers, among other types of equipment. The City plans to spend approximately \$6.0 million on equipment purchases between 2025-2035, or approximately \$545,000 per year.

### Water Fund 601

The CIP includes planned water system improvements, including as part of street projects and for other system improvements (i.e., well pump improvements) and equipment not a part of street projects. Total spending of approximately \$5.6 million is planned between 2025-2035, with annual amounts varying based on timing of street improvement projects.

### Sanitary Sewer Fund 611

The CIP includes planned sanitary sewer system

improvements, including as part of street projects and for other system improvements (i.e., infiltration and inflow reduction projects) and equipment not a part of street projects. Total spending of approximately \$2.7 million is planned between 2025-2035, with annual amounts varying based on timing of street improvement projects.

### Stormwater Management Fund 631

The CIP includes planned stormwater management system improvements, including as part of street projects and for other system improvements not a part of street projects. Total spending of approximately \$6.6 million is planned between 2025-2035, with annual amounts varying based on timing of street improvement projects.

## Bond Issuance

Issuance of bonds is anticipated in the Plan to finance certain capital improvements. The tables and graphics that follows provide a summary of existing and future estimated debt service payments (principal and interest) and funding sources, along with debt outstanding by year.

The debt service on general obligation bonds to be issued is included in the financial plans for the respective funds. The estimated debt service is based on the following planned future general obligation bonds, inclusive of project costs and costs of issuance of the bonds, and any capitalized interest that may be planned:

- Year 2026, \$1,530,000 to finance water (\$1,314,193) and stormwater management (\$215,807) projects, plus cost of issuance.

- Year 2027, \$5,045,000 to finance street (\$2,590,000), water (\$1,592,149), and stormwater management (\$862,851) projects, plus cost of issuance.
- Year 2028, \$4,760,000 to finance street (\$2,510,000), water (\$719,857), and stormwater management (\$1,530,143) projects, plus cost of issuance.
- Year 2029, \$6,880,000 to finance street (\$5,590,000), and stormwater management (\$1,290,000) projects, plus cost of issuance.
- Year 2031, \$3,545,000 to finance street (\$2,860,000), and stormwater management (\$685,000) projects, plus cost of issuance.

### Debt Limit

State law (Minnesota Statutes, Section 475.53) sets forth the debt limit for Minnesota cities. The “net debt” of a city cannot exceed 3% of the estimated market value of taxable property. The definition of net debt (Minnesota Statute, Section 475.51, Subd. 4) excludes many forms of debt from the statutory debt limit. As a general rule, bonds that are 100% supported by property taxes are subject to the debt limit. This type of debt includes equipment certificates, street reconstruction bonds and capital improvement plan bonds, for example.

**Table 5.3** on page 23 includes information on the projected future total outstanding debt that will be subject to the statutory debt limit and the projected percent of statutory debt limit that is projected to be used. Relative to other cities, the City’s percent of statutory debt limit that is used, and projected to be used based on the Plan, is relatively low at an estimated 13-22% of the statutory debt limit projected to be used.

### Bond Terms

The final sizing, structuring, and interest rates will depend on project specifics and market conditions at time of issuance. The amounts shown in the Plan are preliminary and for planning purposes only. The bond issuance sizes include capital acquisition and construction costs, cost of issuance of bonds, and capitalized interest funds, if applicable. The debt service for the new bonds is based on the terms stated above and average coupons of approximately 4.00%-4.35%, with maturities varying from 15-20 years. The rates are based on estimated Minnesota municipal bond rates as of March 2025 plus 50 basis points (0.50%). Actual rates will vary from the estimates based on market conditions at time of issuance, and depending on bond rating, structure of the bonds, among other factors.

Table 4

City of Shorewood  
Capital Improvement Plan

	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035
<b>GOVERNMENTAL FUNDS</b>											
<b>CAPITAL OUTLAY FOR GOVERNMENTAL CAPITAL PROJECT FUNDS</b>											
SCEC Fund (201)	28,900	41,500	28,000	17,500	13,000	38,500	19,000	29,500	15,000	20,500	25,000
Municipal State Aid Fund (405)	567,000	532,500	405,169	-	1,914,422	-	-	-	-	-	-
Street Improvements Fund (404)	1,108,000	315,000	2,926,278	2,440,787	4,414,101	335,000	2,485,828	345,000	1,435,930	355,000	-
Park Capital Improvement Fund (402)	240,000	45,000	350,000	90,000	350,000	168,000	-	250,000	150,000	-	250,000
Equipment Replacement Fund (403)	370,900	316,155	355,556	78,487	389,691	392,074	446,252	744,497	851,605	1,000,296	1,058,782
Community Infrastructure (450)	-	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000
<b>Total</b>	<b>2,314,800</b>	<b>1,300,155</b>	<b>4,115,003</b>	<b>2,676,774</b>	<b>7,131,214</b>	<b>983,574</b>	<b>3,001,080</b>	<b>1,418,997</b>	<b>2,502,535</b>	<b>1,425,796</b>	<b>1,383,782</b>

<b>SOURCE OF FUNDS FOR GOVERNMENTAL CAPITAL PROJECT FUNDS</b>											
Certified Ad Valorem Property Tax	592,500	715,500	832,750	960,363	1,117,856	1,216,248	1,340,061	1,439,314	1,539,030	1,639,231	1,739,943
Intergovernmental municipal state aid	567,000	532,500	405,169	-	1,914,422	-	-	-	-	-	-
Charges for services	78,000	-	-	-	-	-	-	-	-	-	-
Investment earnings	85,130	60,409	69,278	76,871	100,738	133,271	144,034	172,555	179,420	166,513	176,641
Bond proceeds (incl premium/discount)	-	-	2,590,000	2,510,000	5,590,000	-	2,860,000	-	-	-	-
Franchise fees - natural gas	150,500	150,500	150,500	150,500	150,500	150,500	150,500	150,500	150,500	150,500	150,500
Transfer in from General Fund	550,000	-	-	-	-	-	-	-	-	-	-
Franchise fees - electric	172,300	172,300	172,300	172,300	172,300	172,300	172,300	172,300	172,300	172,300	172,300
Subtotal	2,195,430	1,706,209	4,234,997	3,870,034	9,045,816	1,672,319	4,666,895	1,934,669	2,041,250	2,128,544	2,239,384
Use (Increase) of Cash CIP Funds	119,370	(406,054)	(119,994)	(1,193,260)	(1,914,602)	(688,745)	(1,665,815)	(515,672)	461,285	(702,748)	(855,602)
<b>Total</b>	<b>2,314,800</b>	<b>1,300,155</b>	<b>4,115,003</b>	<b>2,676,774</b>	<b>7,131,214</b>	<b>983,574</b>	<b>3,001,080</b>	<b>1,418,997</b>	<b>2,502,535</b>	<b>1,425,796</b>	<b>1,383,782</b>

**ENTERPRISE FUNDS**

<b>CAPITAL IMPROVEMENTS FOR ENTERPRISE FUNDS</b>											
Water Fund (601)	445,112	1,277,000	1,549,167	787,994	264,814	170,000	245,355	180,000	332,766	155,000	200,000
Sanitary Sewer Fund (611)	195,000	200,000	205,000	529,794	215,000	220,000	225,000	230,000	235,000	240,000	250,000
Stormwater Management Fund (631)	627,400	209,700	839,558	1,487,935	1,254,997	238,900	667,620	253,500	410,800	267,900	300,000
<b>Total</b>	<b>1,267,512</b>	<b>1,686,700</b>	<b>2,593,725</b>	<b>2,805,723</b>	<b>1,734,811</b>	<b>628,900</b>	<b>1,137,975</b>	<b>663,500</b>	<b>978,566</b>	<b>662,900</b>	<b>750,000</b>

<b>SOURCE OF FUNDS FOR ENTERPRISE FUNDS CAPITAL IMPROVEMENTS</b>											
Bond proceeds	-	1,530,000	2,455,000	2,250,000	1,290,000	-	685,000	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-	-	-	-
Current revenue / use of cash in fund	1,267,512	156,700	138,725	555,723	444,811	628,900	452,975	663,500	978,566	662,900	750,000
<b>Total</b>	<b>1,267,512</b>	<b>1,686,700</b>	<b>2,593,725</b>	<b>2,805,723</b>	<b>1,734,811</b>	<b>628,900</b>	<b>1,137,975</b>	<b>663,500</b>	<b>978,566</b>	<b>662,900</b>	<b>750,000</b>

Notes:

- 1/ "Use (Increase) of Cash CIP Funds" and "Current revenue / use of cash in fund" is due to timing difference between receipt of revenues and capital outlay, or planned use of funds/cash among other factors, including City policy.
- 2/ For purpose of the Plan the SCEC Fund (201) is included as a Capital Projects Fund. The City reports the SCEC Fund (201) as a Special Revenue Fund in the City's in the City's financial statements. The \$78,000 Charges for Services in 2025 is accounted for in the SCEC Fund (201).

Table 5.1

City of Shorewood

**Summary of Existing Debt - All Funds**

	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035
<b>Annual Principal</b>												
G.O. Revenue Bonds	375,000	490,000	505,000	515,000	520,000	540,000	545,000	555,000	570,000	585,000	595,000	615,000
G.O. Street Reconstruction Bonds	495,000	705,000	715,000	730,000	740,000	760,000	770,000	790,000	795,000	820,000	710,000	435,000
<b>Total Principal</b>	<b>870,000</b>	<b>1,195,000</b>	<b>1,220,000</b>	<b>1,245,000</b>	<b>1,260,000</b>	<b>1,300,000</b>	<b>1,315,000</b>	<b>1,345,000</b>	<b>1,365,000</b>	<b>1,405,000</b>	<b>1,305,000</b>	<b>1,050,000</b>
<b>Annual Interest</b>												
G.O. Revenue Bonds	330,423	314,986	302,819	290,212	277,289	263,918	250,099	236,014	221,431	206,250	190,343	173,539
G.O. Street Reconstruction Bonds	353,978	336,237	321,092	305,581	289,705	273,363	256,556	239,060	220,837	201,852	182,587	165,176
<b>Total Interest</b>	<b>684,401</b>	<b>651,223</b>	<b>623,911</b>	<b>595,793</b>	<b>566,994</b>	<b>537,281</b>	<b>506,655</b>	<b>475,074</b>	<b>442,268</b>	<b>408,102</b>	<b>372,930</b>	<b>338,715</b>
<b>Annual Debt Service</b>												
G.O. Revenue Bonds	705,423	804,986	807,819	805,212	797,289	803,918	795,099	791,014	791,431	791,250	785,343	788,539
G.O. Street Reconstruction Bonds	848,978	1,041,237	1,036,092	1,035,581	1,029,705	1,033,363	1,026,556	1,029,060	1,015,837	1,021,852	892,587	600,176
<b>Total Debt Service</b>	<b>1,554,401</b>	<b>1,846,223</b>	<b>1,843,911</b>	<b>1,840,793</b>	<b>1,826,994</b>	<b>1,837,281</b>	<b>1,821,655</b>	<b>1,820,074</b>	<b>1,807,268</b>	<b>1,813,102</b>	<b>1,677,930</b>	<b>1,388,715</b>
<b>Bonds Outstanding at Year End</b>												
G.O. Revenue Bonds	11,185,000	10,695,000	10,190,000	9,675,000	9,155,000	8,615,000	8,070,000	7,515,000	6,945,000	6,360,000	5,765,000	5,150,000
G.O. Street Reconstruction Bonds	12,090,000	11,385,000	10,670,000	9,940,000	9,200,000	8,440,000	7,670,000	6,880,000	6,085,000	5,265,000	4,555,000	4,120,000
<b>Total Bonds Outstanding</b>	<b>23,275,000</b>	<b>22,080,000</b>	<b>20,860,000</b>	<b>19,615,000</b>	<b>18,355,000</b>	<b>17,055,000</b>	<b>15,740,000</b>	<b>14,395,000</b>	<b>13,030,000</b>	<b>11,625,000</b>	<b>10,320,000</b>	<b>9,270,000</b>

Table 5.2

City of Shorewood

**Summary of Planned New Debt - All Funds**

	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035
<b>Annual Principal</b>												
G.O. Revenue Bonds	-	-	-	50,000	130,000	205,000	255,000	275,000	305,000	320,000	335,000	345,000
G.O. Street Reconstruction Bonds	-	-	-	-	-	130,000	135,000	455,000	470,000	635,000	665,000	695,000
<b>Total Principal</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>50,000</b>	<b>130,000</b>	<b>335,000</b>	<b>390,000</b>	<b>730,000</b>	<b>775,000</b>	<b>955,000</b>	<b>1,000,000</b>	<b>1,040,000</b>
<b>Annual Interest</b>												
G.O. Revenue Bonds	-	-	-	65,468	168,345	258,934	305,044	293,516	310,699	297,105	282,859	268,069
G.O. Street Reconstruction Bonds	-	-	-	-	103,600	201,400	439,265	427,150	522,411	499,646	472,946	445,011
<b>Total Interest</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>65,468</b>	<b>271,945</b>	<b>460,334</b>	<b>744,309</b>	<b>720,666</b>	<b>833,110</b>	<b>796,751</b>	<b>755,805</b>	<b>713,080</b>
<b>Annual Debt Service</b>												
G.O. Revenue Bonds	-	-	-	115,468	298,345	463,934	560,044	568,516	615,699	617,105	617,859	613,069
G.O. Street Reconstruction Bonds	-	-	-	-	103,600	331,400	574,265	882,150	992,411	1,134,646	1,137,946	1,140,011
<b>Total Debt Service</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>115,468</b>	<b>401,945</b>	<b>795,334</b>	<b>1,134,309</b>	<b>1,450,666</b>	<b>1,608,110</b>	<b>1,751,751</b>	<b>1,755,805</b>	<b>1,753,080</b>
<b>Bonds Outstanding at Year End</b>												
G.O. Revenue Bonds	-	-	1,530,000	3,935,000	6,055,000	7,140,000	6,885,000	7,295,000	6,990,000	6,670,000	6,335,000	5,990,000
G.O. Street Reconstruction Bonds	-	-	-	2,590,000	5,100,000	10,560,000	10,425,000	12,830,000	12,360,000	11,725,000	11,060,000	10,365,000
<b>Total Bonds Outstanding</b>	<b>-</b>	<b>-</b>	<b>1,530,000</b>	<b>6,525,000</b>	<b>11,155,000</b>	<b>17,700,000</b>	<b>17,310,000</b>	<b>20,125,000</b>	<b>19,350,000</b>	<b>18,395,000</b>	<b>17,395,000</b>	<b>16,355,000</b>

Table 5.3

City of Shorewood

**Summary of Existing and Planned New Debt - All Funds**

	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035
<b>Annual Principal</b>												
G.O. Revenue Bonds	375,000	490,000	505,000	565,000	650,000	745,000	800,000	830,000	875,000	905,000	930,000	960,000
G.O. Street Reconstruction Bonds	495,000	705,000	715,000	730,000	740,000	890,000	905,000	1,245,000	1,265,000	1,455,000	1,375,000	1,130,000
<b>Total Principal</b>	<b>870,000</b>	<b>1,195,000</b>	<b>1,220,000</b>	<b>1,295,000</b>	<b>1,390,000</b>	<b>1,635,000</b>	<b>1,705,000</b>	<b>2,075,000</b>	<b>2,140,000</b>	<b>2,360,000</b>	<b>2,305,000</b>	<b>2,090,000</b>
<b>Annual Interest</b>												
G.O. Revenue Bonds	330,423	314,986	302,819	355,679	445,634	522,852	555,143	529,530	532,130	503,355	473,202	441,608
G.O. Street Reconstruction Bonds	353,978	336,237	321,092	305,581	393,305	474,763	695,821	666,210	743,248	701,498	655,533	610,187
<b>Total Interest</b>	<b>684,401</b>	<b>651,223</b>	<b>623,911</b>	<b>661,260</b>	<b>838,939</b>	<b>997,615</b>	<b>1,250,963</b>	<b>1,195,741</b>	<b>1,275,378</b>	<b>1,204,853</b>	<b>1,128,735</b>	<b>1,051,795</b>
<b>Bonds Outstanding at Year End</b>												
G.O. Revenue Bonds	11,185,000	10,695,000	11,720,000	13,610,000	15,210,000	15,755,000	14,955,000	14,810,000	13,935,000	13,030,000	12,100,000	11,140,000
G.O. Street Reconstruction Bonds	12,090,000	11,385,000	10,670,000	12,530,000	14,300,000	19,000,000	18,095,000	19,710,000	18,445,000	16,990,000	15,615,000	14,485,000
<b>Total Bonds Outstanding</b>	<b>23,275,000</b>	<b>22,080,000</b>	<b>22,390,000</b>	<b>26,140,000</b>	<b>29,510,000</b>	<b>34,755,000</b>	<b>33,050,000</b>	<b>34,520,000</b>	<b>32,380,000</b>	<b>30,020,000</b>	<b>27,715,000</b>	<b>25,625,000</b>
Debt Subject to Statutory Debt Limit	12,090,000	11,385,000	10,670,000	12,530,000	14,300,000	19,000,000	18,095,000	19,710,000	18,445,000	16,990,000	15,615,000	14,485,000
% of Statutory Debt Limit Used	14%	13%	12%	14%	16%	22%	21%	23%	21%	20%	18%	17%
Statutory Debt Limit (EMV * 3.0%)	84,155,409	86,803,860	86,803,860	86,803,860	86,803,860	86,803,860	86,803,860	86,803,860	86,803,860	86,803,860	86,803,860	86,803,860
Estimated Legal Debt Margin (Unused Limit)	72,065,409	75,418,860	76,133,860	74,273,860	72,503,860	67,803,860	68,708,860	67,093,860	68,358,860	69,813,860	71,188,860	72,318,860

Table 5.4

City of Shorewood

**Summary of Existing Debt - Enterprise Funds Only**

	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035
<b>Annual Principal</b>												
Water Fund (601)	93,809	131,226	135,331	138,580	139,831	145,185	146,435	148,539	153,040	157,144	159,644	166,410
Sanitary Sewer Fund (611)	65,772	84,999	88,350	91,300	92,800	97,651	99,151	101,052	105,502	108,853	111,853	115,420
Stormwater Management Fund (631)	215,419	273,775	281,319	285,120	287,369	297,164	299,414	305,409	311,458	319,003	323,503	333,170
<b>Total Principal</b>	<b>375,000</b>	<b>490,000</b>	<b>505,000</b>	<b>515,000</b>	<b>520,000</b>	<b>540,000</b>	<b>545,000</b>	<b>555,000</b>	<b>570,000</b>	<b>585,000</b>	<b>595,000</b>	<b>615,000</b>
<b>Annual Interest</b>												
Water Fund (601)	96,865	92,065	88,563	84,923	81,189	77,330	73,345	69,290	65,082	60,683	56,098	51,260
Sanitary Sewer Fund (611)	83,410	79,382	76,383	73,259	70,041	66,695	63,221	59,680	56,008	52,177	48,198	44,059
Stormwater Management Fund (631)	150,148	143,539	137,873	132,030	126,060	119,893	113,532	107,045	100,341	93,389	86,047	78,220
<b>Total Interest</b>	<b>330,423</b>	<b>314,986</b>	<b>302,819</b>	<b>290,212</b>	<b>277,289</b>	<b>263,918</b>	<b>250,099</b>	<b>236,014</b>	<b>221,431</b>	<b>206,250</b>	<b>190,343</b>	<b>173,539</b>
<b>Annual Debt Service</b>												
Water Fund (601)	190,674	223,291	223,894	223,503	221,020	222,515	219,780	217,829	218,122	217,827	215,742	217,670
Sanitary Sewer Fund (611)	149,182	164,381	164,733	164,559	162,841	164,346	162,372	160,732	161,510	161,030	160,051	159,479
Stormwater Management Fund (631)	365,567	417,314	419,192	417,150	413,429	417,057	412,946	412,454	411,799	412,392	409,550	411,390
<b>Total Debt Service</b>	<b>705,423</b>	<b>804,986</b>	<b>807,819</b>	<b>805,212</b>	<b>797,289</b>	<b>803,918</b>	<b>795,099</b>	<b>791,014</b>	<b>791,431</b>	<b>791,250</b>	<b>785,343</b>	<b>788,539</b>
<b>Bonds Outstanding at Year End</b>												
Water Fund (601)	3,079,720	2,948,494	2,813,163	2,674,583	2,534,752	2,389,567	2,243,132	2,094,593	1,941,553	1,784,409	1,624,765	1,458,355
Sanitary Sewer Fund (611)	2,186,519	2,101,520	2,013,170	1,921,870	1,829,070	1,731,419	1,632,268	1,531,216	1,425,714	1,316,861	1,205,008	1,089,588
Stormwater Management Fund (631)	5,918,761	5,644,986	5,363,667	5,078,547	4,791,178	4,494,014	4,194,600	3,889,191	3,577,733	3,258,730	2,935,227	2,602,057
<b>Total Bonds Outstanding</b>	<b>11,185,000</b>	<b>10,695,000</b>	<b>10,190,000</b>	<b>9,675,000</b>	<b>9,155,000</b>	<b>8,615,000</b>	<b>8,070,000</b>	<b>7,515,000</b>	<b>6,945,000</b>	<b>6,360,000</b>	<b>5,765,000</b>	<b>5,150,000</b>

Table 5.5

City of Shorewood

**Summary of Planned New Debt - Enterprise Funds Only**

	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035
<b>Annual Principal</b>												
Water Fund (601)	-	-	-	42,947	94,830	121,520	126,363	135,500	140,342	147,880	152,722	158,616
Sanitary Sewer Fund (611)	-	-	-	-	-	-	-	-	-	-	-	-
Stormwater Management Fund (631)	-	-	-	7,053	35,170	83,480	128,637	139,500	164,658	172,120	182,278	186,384
<b>Total Principal</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>50,000</b>	<b>130,000</b>	<b>205,000</b>	<b>255,000</b>	<b>275,000</b>	<b>305,000</b>	<b>320,000</b>	<b>335,000</b>	<b>345,000</b>
<b>Annual Interest</b>												
Water Fund (601)	-	-	-	56,233	122,495	149,103	143,712	138,016	132,017	125,748	119,210	112,438
Sanitary Sewer Fund (611)	-	-	-	-	-	-	-	-	-	-	-	-
Stormwater Management Fund (631)	-	-	-	9,234	45,850	109,831	161,332	155,500	178,682	171,357	163,649	155,631
<b>Total Interest</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>65,468</b>	<b>168,345</b>	<b>258,934</b>	<b>305,044</b>	<b>293,516</b>	<b>310,699</b>	<b>297,105</b>	<b>282,859</b>	<b>268,069</b>
<b>Annual Debt Service</b>												
Water Fund (601)	-	-	-	99,181	217,325	270,624	270,075	273,516	272,359	273,627	271,932	271,055
Sanitary Sewer Fund (611)	-	-	-	-	-	-	-	-	-	-	-	-
Stormwater Management Fund (631)	-	-	-	16,287	81,020	193,310	289,969	295,000	343,340	343,478	345,927	342,014
<b>Total Debt Service</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>115,468</b>	<b>298,345</b>	<b>463,934</b>	<b>560,044</b>	<b>568,516</b>	<b>615,699</b>	<b>617,105</b>	<b>617,859</b>	<b>613,069</b>
<b>Bonds Outstanding at Year End</b>												
Water Fund (601)	-	-	1,314,193	2,863,394	3,488,420	3,366,900	3,240,537	3,105,037	2,964,695	2,816,816	2,664,094	2,505,477
Sanitary Sewer Fund (611)	-	-	-	-	-	-	-	-	-	-	-	-
Stormwater Management Fund (631)	-	-	215,807	1,071,606	2,566,580	3,773,100	3,644,463	4,189,963	4,025,305	3,853,184	3,670,906	3,484,523
<b>Total Bonds Outstanding</b>	<b>-</b>	<b>-</b>	<b>1,530,000</b>	<b>3,935,000</b>	<b>6,055,000</b>	<b>7,140,000</b>	<b>6,885,000</b>	<b>7,295,000</b>	<b>6,990,000</b>	<b>6,670,000</b>	<b>6,335,000</b>	<b>5,990,000</b>
<b>Par Amount of New Bonds Issued</b>												
Water Fund (601)	-	-	1,314,193	1,592,149	719,857	-	-	-	-	-	-	-
Sanitary Sewer Fund (611)	-	-	-	-	-	-	-	-	-	-	-	-
Stormwater Management Fund (631)	-	-	215,807	862,851	1,530,143	1,290,000	-	685,000	-	-	-	-
<b>Total Bonds Outstanding</b>	<b>-</b>	<b>-</b>	<b>1,530,000</b>	<b>2,455,000</b>	<b>2,250,000</b>	<b>1,290,000</b>	<b>-</b>	<b>685,000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

Table 5.6

City of Shorewood

**Summary of Existing and Planned New Debt - Enterprise Funds Only**

	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035
<b>Annual Principal</b>												
Water Fund (601)	93,809	131,226	135,331	181,527	234,661	266,705	272,798	284,039	293,382	305,024	312,366	325,026
Sanitary Sewer Fund (611)	65,772	84,999	88,350	91,300	92,800	97,651	99,151	101,052	105,502	108,853	111,853	115,420
Stormwater Management Fund (631)	215,419	273,775	281,319	292,173	322,539	380,644	428,051	444,909	476,116	491,123	505,781	519,554
<b>Total Principal</b>	<b>375,000</b>	<b>490,000</b>	<b>505,000</b>	<b>565,000</b>	<b>650,000</b>	<b>745,000</b>	<b>800,000</b>	<b>830,000</b>	<b>875,000</b>	<b>905,000</b>	<b>930,000</b>	<b>960,000</b>
<b>Annual Interest</b>												
Water Fund (601)	96,865	92,065	88,563	141,156	203,684	226,433	217,057	207,306	197,099	186,431	175,308	163,698
Sanitary Sewer Fund (611)	83,410	79,382	76,383	73,259	70,041	66,695	63,221	59,680	56,008	52,177	48,198	44,059
Stormwater Management Fund (631)	150,148	143,539	137,873	141,265	171,909	229,724	274,864	262,545	279,023	264,746	249,696	233,850
<b>Total Interest</b>	<b>330,423</b>	<b>314,986</b>	<b>302,819</b>	<b>355,679</b>	<b>445,634</b>	<b>522,852</b>	<b>555,143</b>	<b>529,530</b>	<b>532,130</b>	<b>503,355</b>	<b>473,202</b>	<b>441,608</b>
<b>Annual Debt Service</b>												
Water Fund (601)	190,674	223,291	223,894	322,683	438,345	493,138	489,855	491,345	490,481	491,455	487,674	488,724
Sanitary Sewer Fund (611)	149,182	164,381	164,733	164,559	162,841	164,346	162,372	160,732	161,510	161,030	160,051	159,479
Stormwater Management Fund (631)	365,567	417,314	419,192	433,437	494,448	610,368	702,915	707,454	755,138	755,870	755,477	753,404
<b>Total Debt Service</b>	<b>705,423</b>	<b>804,986</b>	<b>807,819</b>	<b>920,679</b>	<b>1,095,634</b>	<b>1,267,852</b>	<b>1,355,143</b>	<b>1,359,530</b>	<b>1,407,130</b>	<b>1,408,355</b>	<b>1,403,202</b>	<b>1,401,608</b>
<b>Bonds Outstanding at Year End</b>												
Water Fund (601)	3,079,720	2,948,494	4,127,356	5,537,977	6,023,172	5,756,467	5,483,669	5,199,630	4,906,248	4,601,225	4,288,859	3,963,832
Sanitary Sewer Fund (611)	2,186,519	2,101,520	2,013,170	1,921,870	1,829,070	1,731,419	1,632,268	1,531,216	1,425,714	1,316,861	1,205,008	1,089,588
Stormwater Management Fund (631)	5,918,761	5,644,986	5,579,474	6,150,153	7,357,758	8,267,114	7,839,063	8,079,154	7,603,038	7,111,914	6,606,133	6,086,580
<b>Total Bonds Outstanding</b>	<b>11,185,000</b>	<b>10,695,000</b>	<b>11,720,000</b>	<b>13,610,000</b>	<b>15,210,000</b>	<b>15,755,000</b>	<b>14,955,000</b>	<b>14,810,000</b>	<b>13,935,000</b>	<b>13,030,000</b>	<b>12,100,000</b>	<b>11,140,000</b>
<b>Par Amount of New Bonds Issued</b>												
Water Fund (601)	-	-	1,314,193	1,592,149	719,857	-	-	-	-	-	-	-
Sanitary Sewer Fund (611)	-	-	-	-	-	-	-	-	-	-	-	-
Stormwater Management Fund (631)	-	-	215,807	862,851	1,530,143	1,290,000	-	685,000	-	-	-	-
<b>Total Bonds Outstanding</b>	<b>-</b>	<b>-</b>	<b>1,530,000</b>	<b>2,455,000</b>	<b>2,250,000</b>	<b>1,290,000</b>	<b>-</b>	<b>685,000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

Chart 12

Capital project spending is projected to fluctuate from year to year due to timing for street improvement projects, among other projects

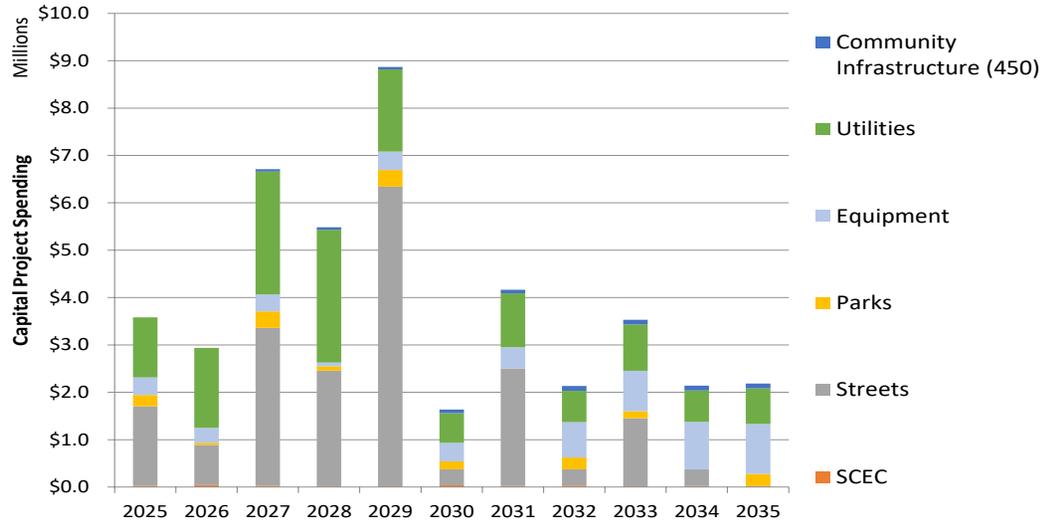


Chart 13

Source of funds for Capital Projects includes a combination of revenue sources

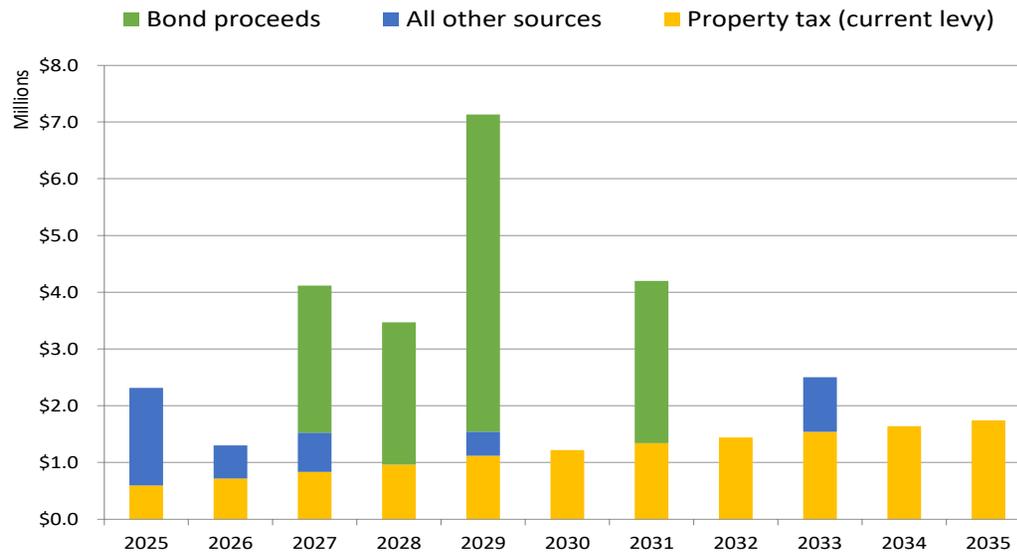


Chart 14  
Total Annual Debt Service For Existing and Planned New Debt

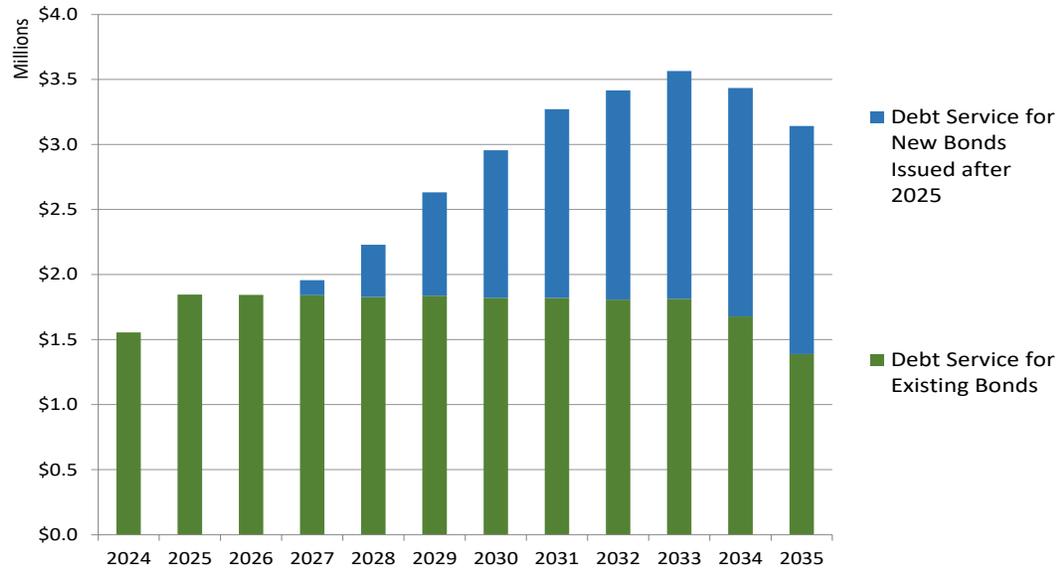


Chart 15  
Tax Levy for Debt Service For Existing and Planned New Debt

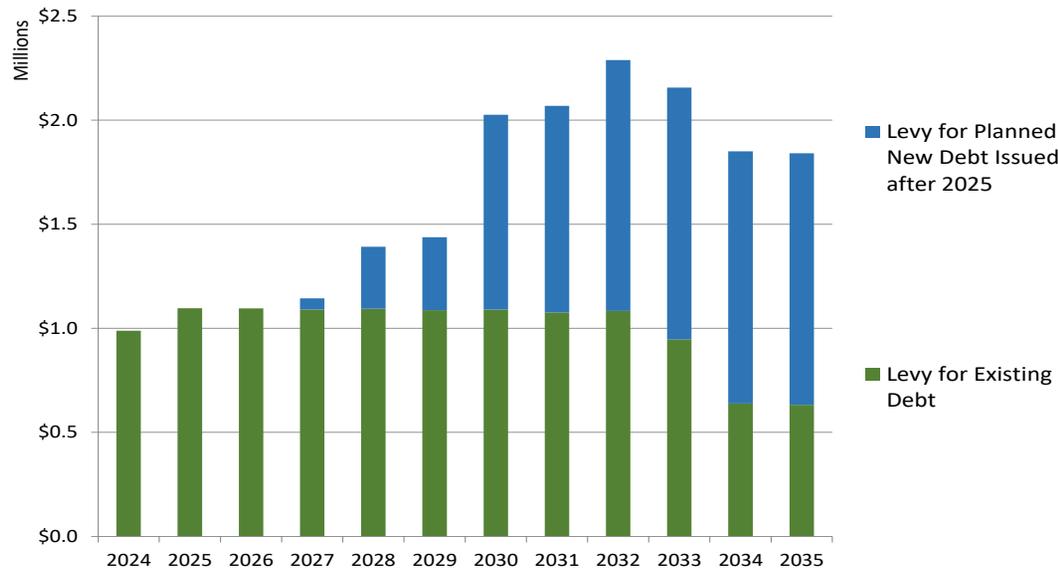


Chart 16  
Total Debt Outstanding Existing and Planned

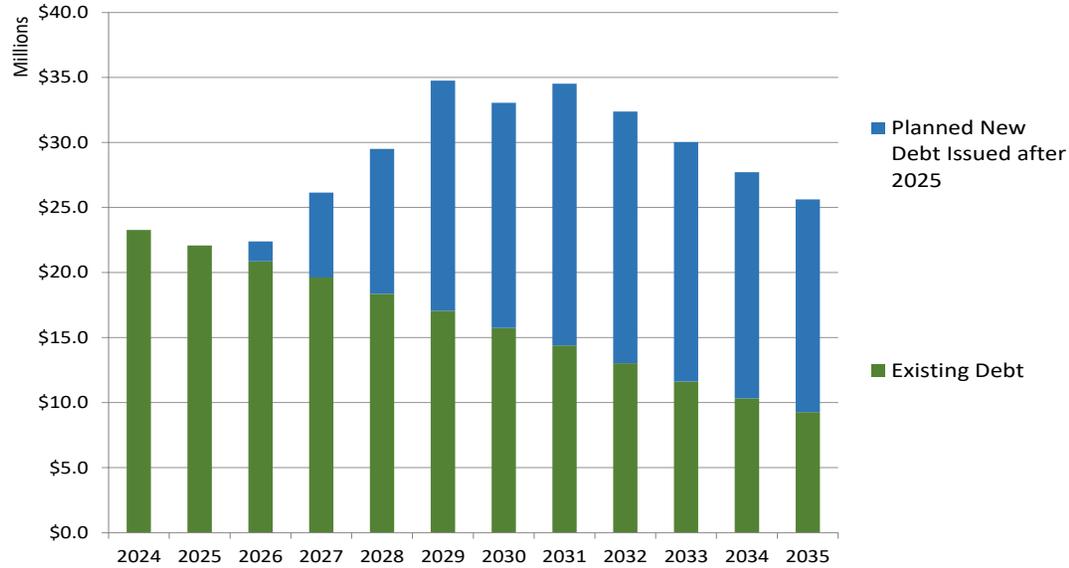
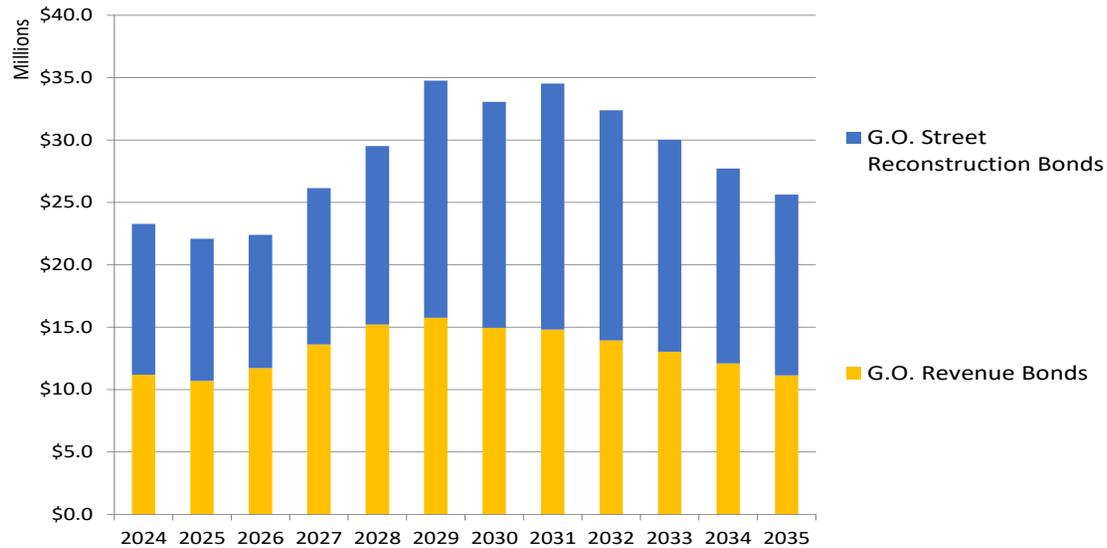


Chart 17  
Total Debt Outstanding Existing and Planned  
By Type of Debt



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## FINANCIAL PLANS

### Background

#### Governmental Funds

Financial plans have been prepared for each of the following funds by fund category:

- General Fund (101)
- SCEC Fund (201)
- Debt Service Funds (300s)
- Municipal State Aid Fund (405)
- Street Improvements Fund (404)
- Parks Improvements Fund (402)
- Equipment Replacement Fund (403)
- Community Infrastructure (450)

For purpose of the Plan the City's Governmental Debt Service Funds are presented as a combined fund.

While included in the City's financial statements (2023 audited statements), the following funds have been excluded from the Plan. These excluded funds do not have financially material transactions within or there are no anticipated future revenues or expenditures related to these funds and/or the funds are anticipated to be closed in the near term:

- Local Fiscal Recovery Fund ARPA Fund (211)
- Trail Construction Fund (406)
- TIF 2 Oppidan Senior Housing Fund (470)

Governmental Funds are used to account for most typical municipal functions of the City. The

acquisition, use, and balances of the City's expendable financial resources and the related current liabilities (except those accounted for in Enterprise Funds), are accounted for through the Governmental Funds.

#### Enterprise Funds

Financial plans have been prepared for each of the following Property Funds by fund category:

- Water Fund (601)
- Sanitary Sewer Fund (611)
- Stormwater Management Fund (631)
- Recycling Fund (621)

Enterprise Funds are used to account for the City's ongoing municipal utility operations that are similar to businesses found in the private sector. These funds are considered self-supporting in that the services rendered by them are financed through user charges. The financial plans, for the Enterprise Funds, include assets and liabilities in addition to the revenues and expenditures. For the Enterprise Funds, there is a capitalization of certain expenses and the subsequent depreciation of the capitalized costs.

#### Summary of Key Factors and Assumptions

The key factors or assumptions used to develop the financial plans for each of the funds included in the Plan are as follows:

- Taxable market value within the City, before assumptions for new construction, projected to increase by 2% annually.
- Increase in tax levy to support annual expenditures, net of non-tax revenue, in the General Fund. Details

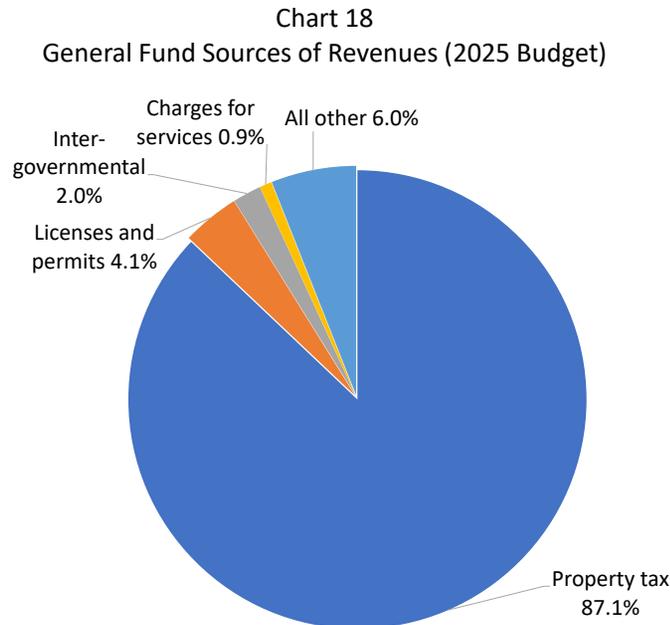
- 
- on specific items for the General Fund is included in the Finance Plan section.
- General Fund non-tax revenue is assumed to remain “flat” with no increase for purpose of being conservative for the Plan. There are no major changes to non-tax revenue.
  - Current expenditures are anticipated to increase by 4.0-5.0% annually. Based on current economic conditions the assumption for increase to expenditures may be low but the focus of the Plan is long-term.
  - New construction of approximately 25 new residential homes between 2025-2027, and construction of approximately 10 new residential in fill residential units per year are anticipated in the Plan. For purposes of estimating market value of property for the Plan, the average new home is estimated at \$900,000-\$1,000,000, with valuation inflated 2.0% annually. For in fill development, the Plan assumes original base value of \$500,000 before in fill development. **Table 2** on page 9 includes information on assumptions for future growth in tax base and utility customers from new development.
  - City to issue bonds to finance certain planned street and utility improvement projects between 2026-2031. There are no special assessments planned for the improvements. The Plan assumes the debt service on the bonds will be supported by pledge of tax levy and utility revenues.
  - Park Dedication fees based upon \$7,500 per unit for new development (not including in fill development) is anticipated.
  - City to levy directly in capital funds without interfund transfers of tax revenue from the General Fund to capital projects funds.
  - City to maintain fund balance in the General Fund pursuant to the City’s Reserve Policy. While the Reserve Policy provides for transfers out of funds from the General Fund in excess of the maximum reserve, the Plan does not assume any transfers out of the General Fund to other funds in years that the Plan projects ending fund balance in the General Fund greater than 50%. City policy provides that if unassigned fund balance in the General Fund at the completion of any fiscal year exceeds 50% of the next year’s budgeted expenditures and transfers out of the General Fund, the excess may be used for specific projects, capital acquisitions and improvements, transfers to other funds, or for other purposes determined by the City Administrator and/or Finance Director.
  - Maintain cash in the Enterprise Funds sufficient to achieve projected year-end cash balance to cover the following purposes:
    - Six-months of operating expense
    - Following year debt service payments
    - Following year capital acquisition (planned to be paid from cash)
    - Reserves for future capital improvements and other reserve purposes
  - Maintain positive balances in all other City funds and amounts sufficient to meet specific cash flow requirements of the funds.
-

## GENERAL FUND (101)

The General Fund is the primary fund used by the City. This fund is used to record all resource inflows and outflows that are not associated with special-purpose funds. The activities being paid for through the General Fund constitute the core administrative and operational tasks of the City.

### Revenues

Property tax revenue provides the largest source of revenue to the General Fund as shown in **Chart 18**. Licenses and permits provide the largest source of non-tax revenue. Intergovernmental revenues provide the second largest source of non-tax revenue. Non-tax revenues for the General Fund are expected to remain stable.



### Tax Levy Revenue

Annual General Fund tax levy revenue is estimated at levels to achieve a balanced budget from year-to-year and to provide revenue to maintain minimum fund balance pursuant to City policy.

### Non-Tax Revenue

Non-tax revenue includes charges for services, license and permits, intergovernmental, among other sources of non-tax revenue.

The financial plan for the General Fund is based on the following key assumptions for non-tax revenues:

- Non-tax revenues is assumed to remain “flat” with no increase for purpose of being conservative for the Plan.
- Annual investment income rate of 2.0%.

### Expenditures

The General Fund is used to account for the cost of providing general government services for the City. The largest use of funds is personnel services expenditures. Other costs including current expenditures for professional services, operating materials and supplies, equipment, among other expenditures.

The financial plan for the General Fund is based on the following key assumptions:

- Current expenditures (includes personnel costs) increase by 4.0-5.0% annually. Increases may be greater in the near term, due to inflationary pressures, but are expected to moderate over time.

- The City anticipates increase in personnel (FTE) costs from new positions (FTE) anticipated to be added during the planning period (2026-2035). Appendix B details the plans and estimated cost for the General Fund and other funds.

## Fund Balance

The maintenance of the City's reserves, including growing fund balance (reserves), is important to the City maintaining flexibility to respond to unplanned events.

Projected future year ending fund balance for the General Fund is projected in the Plan to be at or greater than the maximum 50% of the next year's projected expenditures and transfers out of the General Fund included in the Plan consistent with the City's policy. Ending fund balance for the General Fund as a percentage of the next year's projected expenditures and transfers out is projected to range from 50-86% between 2025-2035.

## Interfund Transfers

The Plan does not include transfers out of the General Fund between 2026-2035. City policy provides that if unassigned fund balance in the General Fund at the completion of any fiscal year exceeds 50% of the next year's budgeted expenditures and transfers out of the General Fund, the excess may be used for specific projects, capital acquisitions and improvements, transfers to other funds, or for other purposes determined by the City Administrator and/or Finance Director.

Chart 19  
General Fund

Ending fund balance is projected to remain above Targeted Ending Fund Balance Amount at 50% of Expenditures, including transfers. The Plan does not include transfer out of funds above the 50% thus Ending Fund Balance is shown to be gr

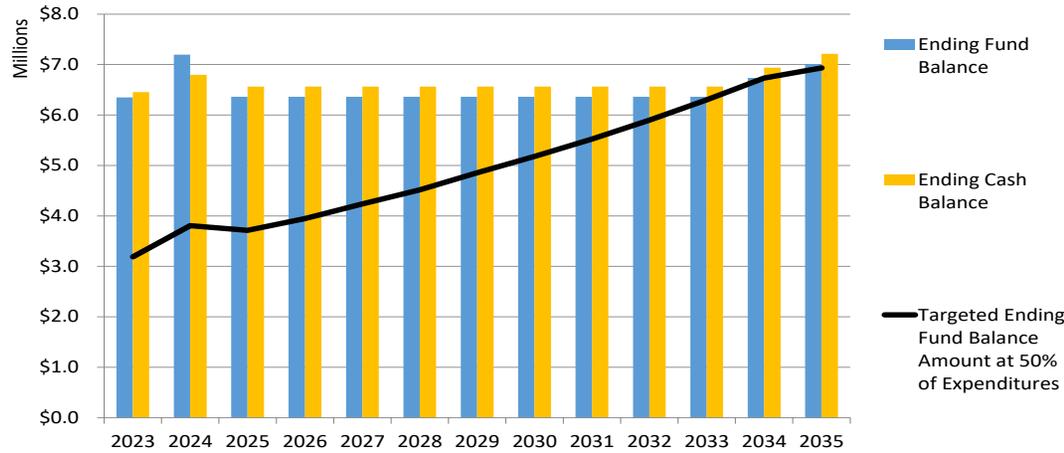


Chart 20  
General Fund

Expenditures and revenues are projected to increase in operating costs, other revenues are not projected to increase in the Plan

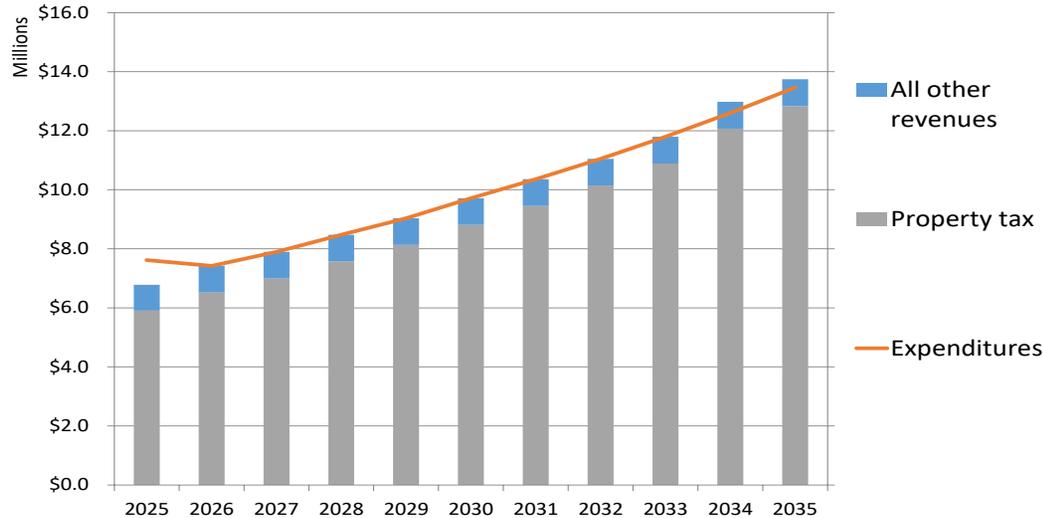


Table 6

## General Fund

City of Shorewood  
**Finance Plan**  
**General Fund (101)**

	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035
	Actual	Actual	Estimated	Proj	Proj	Proj	Proj	Proj	Proj	Proj	Proj	Proj	Proj
<b>Revenues</b>													
Certified Ad Valorem Property Tax	5,267,716	5,638,012	5,905,113	6,518,498	6,991,021	7,569,053	8,129,107	8,806,649	9,449,055	10,141,226	10,887,472	12,067,506	12,828,976
Special assessments	13,103	4,438	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000
Property Tax Other (incl delinquent, etc)	(23,424)	16,772	-	-	-	-	-	-	-	-	-	-	-
Licenses and permits	325,529	561,581	275,225	275,225	275,225	275,225	275,225	275,225	275,225	275,225	275,225	275,225	275,225
Intergovernmental police/fire aid and grants	342,512	-	-	-	-	-	-	-	-	-	-	-	-
Intergovernmental municipal state aid	106,846	193,982	131,500	131,500	131,500	131,500	131,500	131,500	131,500	131,500	131,500	131,500	131,500
Charges for services	53,271	96,791	58,100	58,100	58,100	58,100	58,100	58,100	58,100	58,100	58,100	58,100	58,100
Fines and forfeitures	80,525	69,438	64,500	64,500	64,500	64,500	64,500	64,500	64,500	64,500	64,500	64,500	64,500
Investment earnings	195,621	240,417	100,000	131,240	131,240	131,240	131,240	131,240	131,240	131,240	131,240	131,240	138,740
Intergovernmental Other	97	1,854	4,750	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000
Cellular antenna revenue	226,729	202,000	166,000	166,000	166,000	166,000	166,000	166,000	166,000	166,000	166,000	166,000	166,000
Miscellaneous	137,338	175,781	46,700	45,000	45,000	45,000	45,000	45,000	45,000	45,000	45,000	45,000	45,000
Transfer in from Enterprise Fund	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000
<b>Total Revenues</b>	<b>6,750,863</b>	<b>7,226,066</b>	<b>6,781,888</b>	<b>7,425,063</b>	<b>7,897,586</b>	<b>8,475,618</b>	<b>9,035,672</b>	<b>9,713,214</b>	<b>10,355,620</b>	<b>11,047,791</b>	<b>11,794,037</b>	<b>12,974,071</b>	<b>13,743,041</b>
<b>Expenditures</b>													
Personnel services	2,166,402	2,295,510	2,517,700	2,643,585	2,775,764	2,914,552	3,060,280	3,213,294	3,373,959	3,542,657	3,719,790	3,905,780	4,101,069
New FTEs and operating costs	-	-	-	45,000	47,250	119,613	135,593	227,373	238,741	250,678	263,212	276,373	290,192
Supplies	355,221	321,234	432,400	449,696	467,684	486,391	505,847	526,081	547,124	569,009	591,769	615,440	640,058
Other services and charges	3,216,493	3,651,879	1,579,688	1,642,876	1,708,591	1,776,935	1,848,012	1,921,932	1,998,809	2,078,761	2,161,911	2,248,387	2,338,322
Transfer out to Park Improvements Fund	-	-	150,000	-	-	-	-	-	-	-	-	-	-
Capital outlay / improvements	200,116	112,281	93,340	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000
Contractual services police and fire	-	-	2,442,092	2,543,906	2,798,297	3,078,127	3,385,940	3,724,534	4,096,987	4,506,686	4,957,355	5,453,091	5,998,400
Transfer out to Equipment Replacement Fund	-	-	400,000	-	-	-	-	-	-	-	-	-	-
<b>Total Expenditures</b>	<b>5,938,232</b>	<b>6,380,904</b>	<b>7,615,220</b>	<b>7,425,063</b>	<b>7,897,586</b>	<b>8,475,618</b>	<b>9,035,672</b>	<b>9,713,214</b>	<b>10,355,620</b>	<b>11,047,791</b>	<b>11,794,037</b>	<b>12,599,071</b>	<b>13,468,041</b>
<b>Beginning Fund Balance</b>													
Net Change in Fund Balance	5,537,560	6,350,191	7,195,353	6,362,021	6,362,021	6,362,021	6,362,021	6,362,021	6,362,021	6,362,021	6,362,021	6,362,021	6,737,021
Ending Fund Balance	812,631	845,162	(833,332)	-	-	-	-	-	-	-	-	-	275,000
<b>Ending Fund Balance</b>	<b>6,350,191</b>	<b>7,195,353</b>	<b>6,362,021</b>	<b>6,362,021</b>	<b>6,362,021</b>	<b>6,362,021</b>	<b>6,362,021</b>	<b>6,362,021</b>	<b>6,362,021</b>	<b>6,362,021</b>	<b>6,362,021</b>	<b>6,737,021</b>	<b>7,012,021</b>
<b>Assets</b>													
Cash and investments	6,455,701	6,795,503	6,562,021	6,562,021	6,562,021	6,562,021	6,562,021	6,562,021	6,562,021	6,562,021	6,562,021	6,937,021	7,212,021
Lease / Land held for resale	4,097,551	3,991,786	3,729,551	3,563,551	3,397,551	3,231,551	3,065,551	2,899,551	2,733,551	2,567,551	2,401,551	2,235,551	2,069,551
Taxes receivable	99,329	62,709	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000
Special assessments receivable	4,542	6,183	-	-	-	-	-	-	-	-	-	-	-
Due from other funds / advances	-	348,958	-	-	-	-	-	-	-	-	-	-	-
Due from other governments	6,381	5,363	-	-	-	-	-	-	-	-	-	-	-
All other receivables and prepaid items	270,734	230,173	250,000	250,000	250,000	250,000	250,000	250,000	250,000	250,000	250,000	250,000	250,000
<b>Total Assets</b>	<b>10,934,238</b>	<b>11,440,675</b>	<b>10,641,572</b>	<b>10,475,572</b>	<b>10,309,572</b>	<b>10,143,572</b>	<b>9,977,572</b>	<b>9,811,572</b>	<b>9,645,572</b>	<b>9,479,572</b>	<b>9,313,572</b>	<b>9,522,572</b>	<b>9,631,572</b>
<b>Liabilities</b>													
Due to other governments	4,167	22,791	-	-	-	-	-	-	-	-	-	-	-
Unearned revenue	34,671	35,537	35,000	35,000	35,000	35,000	35,000	35,000	35,000	35,000	35,000	35,000	35,000
Other accounts payable	515,033	387,452	515,000	515,000	515,000	515,000	515,000	515,000	515,000	515,000	515,000	515,000	515,000
Deferred inflows of resources	4,030,176	3,799,542	3,729,551	3,563,551	3,397,551	3,231,551	3,065,551	2,899,551	2,733,551	2,567,551	2,401,551	2,235,551	2,069,551
<b>Total Liabilities and deferred inflows</b>	<b>4,584,047</b>	<b>4,245,322</b>	<b>4,279,551</b>	<b>4,113,551</b>	<b>3,947,551</b>	<b>3,781,551</b>	<b>3,615,551</b>	<b>3,449,551</b>	<b>3,283,551</b>	<b>3,117,551</b>	<b>2,951,551</b>	<b>2,785,551</b>	<b>2,619,551</b>
<b>Fund Balance</b>													
<b>Total Liab, deferred inflows, and fund balance</b>	<b>6,350,191</b>	<b>7,195,353</b>	<b>6,362,021</b>	<b>6,362,021</b>	<b>6,362,021</b>	<b>6,362,021</b>	<b>6,362,021</b>	<b>6,362,021</b>	<b>6,362,021</b>	<b>6,362,021</b>	<b>6,362,021</b>	<b>6,737,021</b>	<b>7,012,021</b>
<b>Total Liab, deferred inflows, and fund balance</b>	<b>10,934,238</b>	<b>11,440,675</b>	<b>10,641,572</b>	<b>10,475,572</b>	<b>10,309,572</b>	<b>10,143,572</b>	<b>9,977,572</b>	<b>9,811,572</b>	<b>9,645,572</b>	<b>9,479,572</b>	<b>9,313,572</b>	<b>9,522,572</b>	<b>9,631,572</b>
Total Fund Balance as % of Following Year Expenditures	100%	94%	86%	81%	75%	70%	65%	61%	58%	54%	50%	50%	51%

**SCEC Fund****SCEC Fund (201)**

The Shorewood Community and Event Center (SCEC) Fund was established as a Special Revenue Fund to account for the resources accumulated from events and activities held at the City's community center, and the payment of expenditures related to operations of the community center.

The City's Reserve Policy specifies the following that applies to the SCEC Fund:

The specific revenue sources for each special revenue fund and the specific purpose for which they are restricted or committed are as follows, less any amounts that are classified as nonspendable by their nature:

- a) Shorewood Community and Event Center Fund specifies 100% of Fund Balance as Committed for operating and capital costs associated with the Shorewood Community and Event Center.

**Revenues**

The City has committed charges for services revenues for operations. Property taxes support the community center when fees generated from facility rental are not sufficient to cover expenditures.

The Plan assumes charges for service remain constant during the planning period. To fund operating and capital costs associated with the SCEC, the Plan assumes annual increases in property tax levy support for the SCEC. The Plan assume tax levy support will increase from \$122,000 to \$145,000 from 2025 to 2026, then 5.0% annual increases.

**Expenditures**

The expenditures accounted for in this fund include costs for personnel, supplies, professional services, and capital outlay, among other expenditures.

Table 7

## SCEC Fund

City of Shorewood

### Finance Plan

#### SCEC Fund (201)

	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034
	Actual	Actual	Estimated	Proj								
<b>Revenues</b>												
Certified Ad Valorem Property Tax	102,300	105,000	122,000	145,000	152,250	159,863	167,856	176,248	185,061	194,314	204,030	214,231
Charges for services	69,406	66,281	78,000	78,000	78,000	78,000	78,000	78,000	78,000	78,000	78,000	78,000
Investment earnings	4,293	3,046	3,150	1,587	1,437	1,522	1,785	2,110	1,896	2,031	1,920	2,057
Other revenues	158	-	-	-	-	-	-	-	-	-	-	-
<b>Total Revenues</b>	<b>176,157</b>	<b>174,327</b>	<b>203,150</b>	<b>224,587</b>	<b>231,687</b>	<b>239,385</b>	<b>247,641</b>	<b>256,358</b>	<b>264,957</b>	<b>274,345</b>	<b>283,950</b>	<b>294,288</b>
<b>Expenditures</b>												
Personnel services	88,246	80,694	97,750	102,638	107,770	113,159	118,817	124,758	130,996	137,546	144,423	151,644
Supplies	25,888	21,800	25,500	26,265	27,053	27,865	28,701	29,562	30,449	31,362	32,303	33,272
Other services and charges	4,074	11,775	7,900	8,137	8,381	8,632	8,891	9,158	9,433	9,716	10,007	10,307
Capital outlay / improvements	15,074	21,280	21,000	41,500	28,000	17,500	13,000	38,500	19,000	29,500	15,000	20,500
Contractual services police and fire	24,037	30,853	34,000	35,700	37,485	39,359	41,327	43,393	45,563	47,841	50,233	52,745
Utility services	14,948	12,000	17,000	17,850	18,743	19,680	20,664	21,697	22,782	23,921	25,117	26,373
<b>Total Expenditures</b>	<b>172,267</b>	<b>178,402</b>	<b>203,150</b>	<b>232,090</b>	<b>227,432</b>	<b>226,195</b>	<b>231,400</b>	<b>267,068</b>	<b>258,223</b>	<b>279,886</b>	<b>277,083</b>	<b>294,841</b>
<b>Beginning Fund Balance</b>												
Net Change in Fund Balance	3,890	(4,075)	-	(7,503)	4,255	13,190	16,241	(10,710)	6,734	(5,541)	6,867	(553)
<b>Ending Fund Balance</b>	<b>78,404</b>	<b>74,329</b>	<b>74,329</b>	<b>66,826</b>	<b>71,081</b>	<b>84,271</b>	<b>100,512</b>	<b>89,802</b>	<b>96,536</b>	<b>90,995</b>	<b>97,862</b>	<b>97,309</b>
<b>Assets</b>												
Cash and investments	95,466	79,081	79,329	71,826	76,081	89,271	105,512	94,802	101,536	95,995	102,862	102,309
All other receivables and prepaid items	61	-	-	-	-	-	-	-	-	-	-	-
<b>Total Assets</b>	<b>95,527</b>	<b>79,081</b>	<b>79,329</b>	<b>71,826</b>	<b>76,081</b>	<b>89,271</b>	<b>105,512</b>	<b>94,802</b>	<b>101,536</b>	<b>95,995</b>	<b>102,862</b>	<b>102,309</b>
<b>Liabilities</b>												
Due to other funds / advances	-	203	-	-	-	-	-	-	-	-	-	-
Other accounts payable	17,123	4,549	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000
<b>Total Liabilities and deferred inflows</b>	<b>17,123</b>	<b>4,752</b>	<b>5,000</b>									
<b>Fund Balance</b>												
<b>Fund Balance</b>	<b>78,404</b>	<b>74,329</b>	<b>74,329</b>	<b>66,826</b>	<b>71,081</b>	<b>84,271</b>	<b>100,512</b>	<b>89,802</b>	<b>96,536</b>	<b>90,995</b>	<b>97,862</b>	<b>97,309</b>
<b>Total Liab, deferred inflows, and fund balance</b>	<b>95,527</b>	<b>79,081</b>	<b>79,329</b>	<b>71,826</b>	<b>76,081</b>	<b>89,271</b>	<b>105,512</b>	<b>94,802</b>	<b>101,536</b>	<b>95,995</b>	<b>102,862</b>	<b>102,309</b>
Total Fund Balance as % of Following Year Expenditures	44%	37%	32%	29%	31%	36%	38%	35%	34%	33%	33%	31%

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## DEBT SERVICE FUNDS (300s)

The Debt Service Funds include the combined debt service funds used to account for all of the City's governmental debt service. The City has the following debt obligations outstanding as of 12/31/2024:

- G.O. Street Reconstruction and Utility Revenue Bonds, Series 2020A, dated August 25, 2020, outstanding balance as of December 31, 2024, \$6,565,000, payable from tax levy (\$2,460,000) and utility revenues (\$4,105,000). Final maturity is 2/1/2041.
- G.O. Street Reconstruction and Utility Revenue Bonds, Series 2021A, dated July 28, 2021, outstanding balance as of December 31, 2024, \$3,705,000, payable from tax levy and utility revenues. Final maturity is 2/1/2042.
- G.O. Street Reconstruction and Utility Revenue Bonds, Series 2022A, dated December 1, 2022, outstanding balance as of December 31, 2024, \$7,570,000, payable from tax levy and utility revenues. Final maturity is 2/1/2043.
- G.O. Street Reconstruction and Utility Revenue Bonds, Series 2023A, dated July 12, 2023, outstanding balance as of December 31, 2024, \$5,645,000, payable from tax levy and utility revenues. Final maturity is 2/1/2044.

The ending cash balance in the Debt Service Funds fluctuates due to the timing of collection of revenue, for example tax levy, in the year prior to debt service payments coming due. For general obligation bonds, the City is required to have cash available in the

respective debt service funds equal to 105% of the debt service payments coming due for a specific bond series. For example, the year-end cash balance includes cash from collection of special assessments and tax levy in current year to pay the following February 1st debt payments. The City receives a tax settlement from the County in June and December of each year. The first half tax settlement is available to cover the August 1st debt payments and the second tax settlement is available to cover the February 1st payments.

The Plan anticipates bond issuance between 2026-2029, and 20231, which is detailed in the CIP and Debt Section of the Plan.

The final sizing, structuring, and interest rates will depend on project specifics and market conditions at time of issuance. The amounts shown in the Plan are preliminary and for planning purposes only. The bond issuance sizes include capital acquisition and construction costs, cost of issuance of bonds, and capitalized interest funds, if applicable.

The debt service for the new bonds is based on the terms stated above and average coupons of approximately 4.00%-4.35%, with maturities varying from 15-20 years. The rates are based on estimated current Minnesota municipal bond rates as of March 2025 plus 50 basis points (0.50%). Actual rates will vary depending on current market conditions at time of issuance, bond rating, structure of the bonds, among other factors.

## Revenues

The Debt Service Funds may include the following source of funds, among other sources: special assessments, investment earnings, and property tax levy.

Future debt issuance is planned to be supported by tax levies and utility revenues. Bonds issued with pledge of utility revenues are planned to be accounted for in the Enterprise Funds and are not shown in the finance plan for the Debt Service Funds (300s).

### **Expenditures**

The use of funds is for the payment of debt, including principal and interest payments, and fiscal expenditures.

Chart 21  
Debt Service Funds (Governmental Funds)

Ending cash balance is projected to increase over time as debt issuance increases, this is due to statutory requirement for collection of tax revenue in year prior to debt payment year

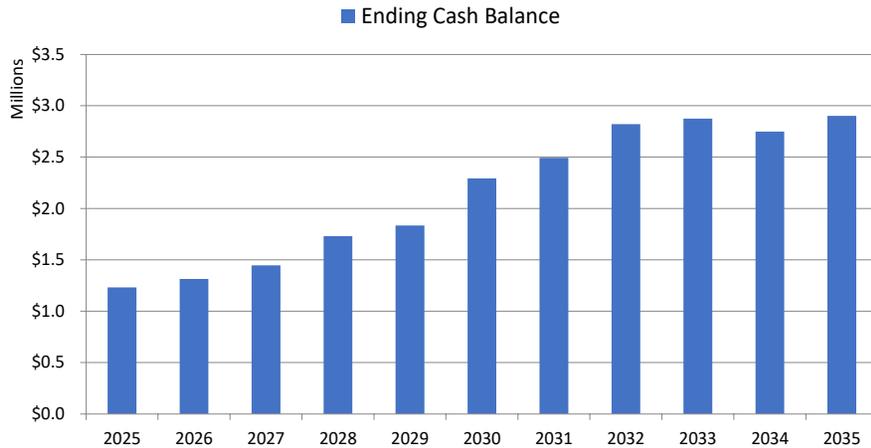


Chart 22  
Debt Service Funds (Governmental Funds)

Total revenues may exceed use of funds due to the timing of collection of revenue and payment of debt

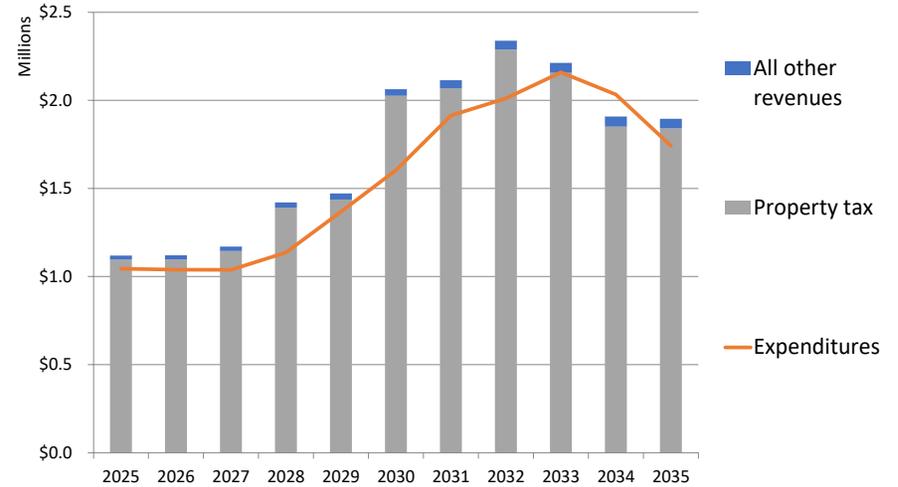
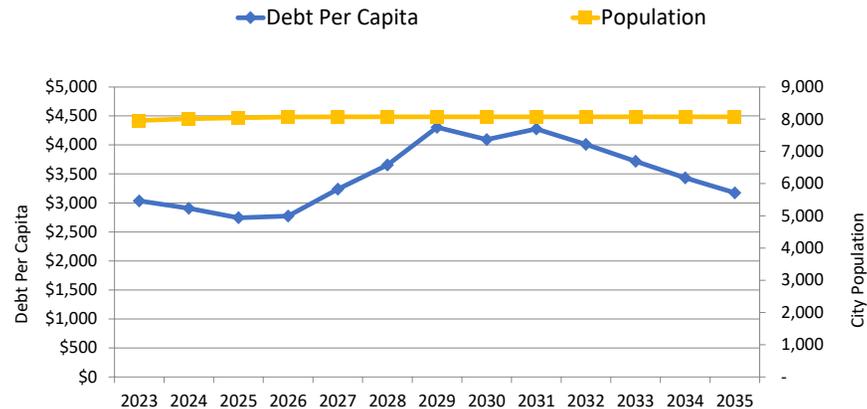


Chart 23  
Debt Per Capita for Existing and Planned New Debt  
Includes General Obligation (G.O.) Bonds, including G.O. Revenue Bonds



Note: City of Shorewood continuing disclosure report for year-ending December 31, 2023, dated October 17, 2024, reports Net Direct G.O. Debt of \$12,585,000, excluding all G.O. Revenue and non-general obligation debt, and debt per capita of \$1,617 (excluded G.O. Revenue Bonds). The debt per capita included in Chart 23 includes all general obligation (G.O.) debt outstanding, inclusive of G.O. Revenue. See Appendix E for comparison of Debt Per Capita to other cities.

Table 8

City of Shorewood

Finance Plan

Debt Service Funds (300s)

Debt Service Funds

	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035
	Actual	Actual	Estimated	Proj									
<b>Revenues</b>													
Certified Ad Valorem Property Tax	771,932	988,262	1,095,957	1,095,585	1,144,024	1,391,736	1,437,307	2,026,094	2,068,508	2,288,253	2,156,393	1,850,475	1,840,667
Investment earnings	9,803	25,938	23,148	24,647	26,272	28,908	34,596	36,681	45,862	49,867	56,406	57,474	54,964
Other revenues	776,650	-	-	-	-	-	-	-	-	-	-	-	-
Bond proceeds (incl premium/discount)	264,461	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total Revenues</b>	<b>1,822,846</b>	<b>1,014,200</b>	<b>1,119,105</b>	<b>1,120,232</b>	<b>1,170,296</b>	<b>1,420,644</b>	<b>1,471,903</b>	<b>2,062,775</b>	<b>2,114,370</b>	<b>2,338,120</b>	<b>2,212,799</b>	<b>1,907,949</b>	<b>1,895,631</b>
<b>Expenditures</b>													
Principal payments	1,220,000	495,000	705,000	715,000	730,000	740,000	890,000	905,000	1,245,000	1,265,000	1,455,000	1,375,000	1,130,000
Interest payments	173,918	353,978	336,237	321,092	305,581	393,305	474,763	695,821	666,210	743,248	701,498	655,533	610,187
Other services for bonds	7,051	2,911	2,910	2,910	2,910	2,910	2,910	2,910	2,910	2,910	2,910	2,910	1,802
<b>Total Expenditures</b>	<b>1,400,969</b>	<b>851,889</b>	<b>1,044,147</b>	<b>1,039,002</b>	<b>1,038,491</b>	<b>1,136,215</b>	<b>1,367,673</b>	<b>1,603,731</b>	<b>1,914,120</b>	<b>2,011,158</b>	<b>2,159,408</b>	<b>2,033,443</b>	<b>1,741,989</b>
<b>Beginning Fund Balance</b>													
	573,200	995,077	1,157,388	1,232,346	1,313,576	1,445,381	1,729,810	1,834,040	2,293,084	2,493,334	2,820,296	2,873,687	2,748,193
Net Change in Fund Balance	421,877	162,311	74,958	81,230	131,805	284,429	104,230	459,044	200,250	326,962	53,391	(125,494)	153,642
<b>Ending Fund Balance</b>	<b>995,077</b>	<b>1,157,388</b>	<b>1,232,346</b>	<b>1,313,576</b>	<b>1,445,381</b>	<b>1,729,810</b>	<b>1,834,040</b>	<b>2,293,084</b>	<b>2,493,334</b>	<b>2,820,296</b>	<b>2,873,687</b>	<b>2,748,193</b>	<b>2,901,835</b>
<b>Assets</b>													
Cash and investments	994,959	1,157,388	1,232,346	1,313,576	1,445,381	1,729,810	1,834,040	2,293,084	2,493,334	2,820,296	2,873,687	2,748,193	2,901,835
All other receivables and prepaid items	118	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total Assets</b>	<b>995,077</b>	<b>1,157,388</b>	<b>1,232,346</b>	<b>1,313,576</b>	<b>1,445,381</b>	<b>1,729,810</b>	<b>1,834,040</b>	<b>2,293,084</b>	<b>2,493,334</b>	<b>2,820,296</b>	<b>2,873,687</b>	<b>2,748,193</b>	<b>2,901,835</b>
<b>Liabilities</b>													
Other accounts payable	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Liabilities and deferred inflows	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Fund Balance</b>													
	995,077	1,157,388	1,232,346	1,313,576	1,445,381	1,729,810	1,834,040	2,293,084	2,493,334	2,820,296	2,873,687	2,748,193	2,901,835
<b>Total Liab, deferred inflows, and fund balance</b>	<b>995,077</b>	<b>1,157,388</b>	<b>1,232,346</b>	<b>1,313,576</b>	<b>1,445,381</b>	<b>1,729,810</b>	<b>1,834,040</b>	<b>2,293,084</b>	<b>2,493,334</b>	<b>2,820,296</b>	<b>2,873,687</b>	<b>2,748,193</b>	<b>2,901,835</b>

## **Municipal State Aid Fund (405)**

The Municipal State Aid (MSA) Fund is a capital projects fund used to account for the accumulation of Municipal State Aid (MSA) to fund the periodic reconstruction of MSA designated roads.

### **Revenues**

The source of revenue comes from intergovernmental revenue from municipal state aid and investment earnings on the cash balance for the fund.

As of January 1, 2025, the City reports an unencumbered MSA balance with Minnesota Department of Revenue (MNDOT) of approximately \$1,993,188.

### **Expenditures**

The expenditures accounted for in this fund include capital outlay of state aid funds for reconstruction of MSA designated roads. The project costs for reconstruction of MSA designated roads that are funded from sources other than MSA are accounted for in other respective funds, such as the Enterprise Funds for the utility improvement portion of MSA designated road reconstruction.

MSA Fund

Chart 24  
Municipal State Aid (MSA) Fund

Ending balances will fluctuate with timing of projects and receipt of bond proceeds

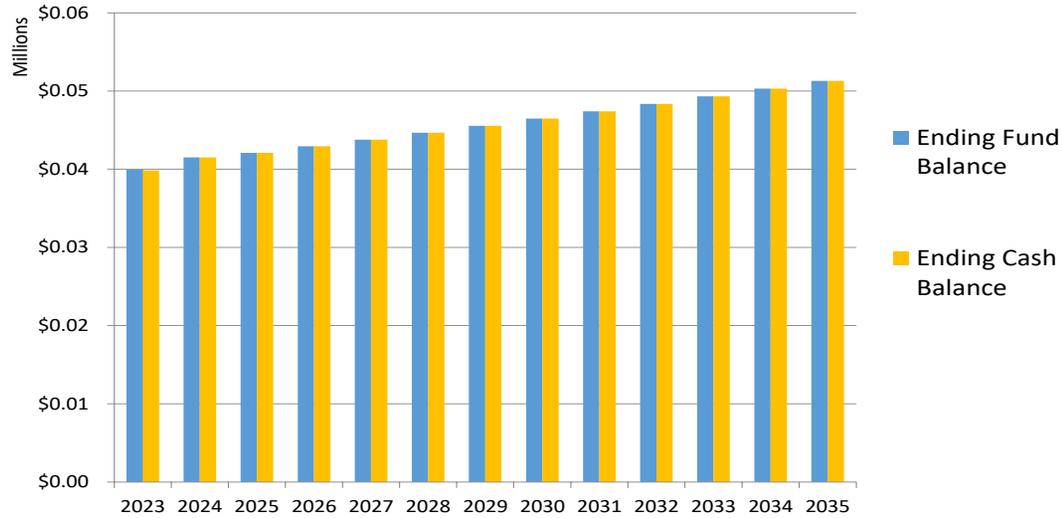
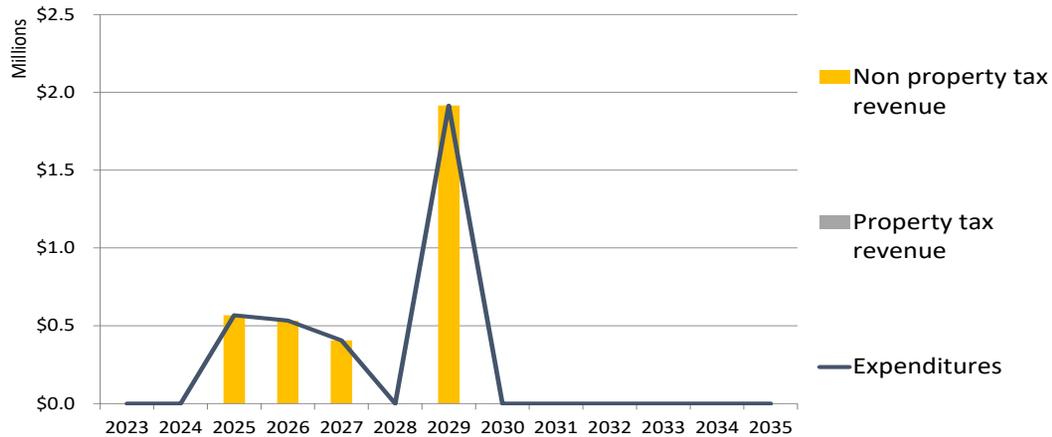


Chart 25  
Municipal State Aid (MSA) Fund

MSA Fund anticipates draw on MSA Funds in year of planned projects



Note: As of January 1, 2025 the City reports unencumbered available Municipal State Aid funds of \$1,993,188. The City plans to draw on this balance, plus additional estimated funds to be available, between 2025-2029.

Table 9

City of Shorewood

**Finance Plan**

**Municipal State Aid Fund (405)**

**MSA Fund**

	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034
	Actual	Actual	Estimated	Proj	Proj	Proj	Proj	Proj	Proj	Proj	Proj	Proj
<b>Revenues</b>												
Intergovernmental municipal state aid	-	-	567,000	532,500	405,169	-	1,914,422	-	-	-	-	-
Investment earnings	1,537	1,639	580	842	859	876	893	911	929	948	967	986
<b>Total Revenues</b>	<b>1,537</b>	<b>1,639</b>	<b>567,580</b>	<b>533,342</b>	<b>406,028</b>	<b>876</b>	<b>1,915,315</b>	<b>911</b>	<b>929</b>	<b>948</b>	<b>967</b>	<b>986</b>
<b>Expenditures</b>												
Capital outlay / improvements	-	-	567,000	532,500	405,169	-	1,914,422	-	-	-	-	-
<b>Total Expenditures</b>	<b>-</b>	<b>-</b>	<b>567,000</b>	<b>532,500</b>	<b>405,169</b>	<b>-</b>	<b>1,914,422</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Beginning Fund Balance</b>												
Net Change in Fund Balance	38,332	39,869	41,508	42,088	42,930	43,789	44,665	45,558	46,469	47,398	48,346	49,313
<b>Ending Fund Balance</b>	<b>39,869</b>	<b>41,508</b>	<b>42,088</b>	<b>42,930</b>	<b>43,789</b>	<b>44,665</b>	<b>45,558</b>	<b>46,469</b>	<b>47,398</b>	<b>48,346</b>	<b>49,313</b>	<b>50,299</b>
<b>Assets</b>												
Cash and investments	39,848	41,508	42,088	42,930	43,789	44,665	45,558	46,469	47,398	48,346	49,313	50,299
Due from other governments	1,750,811	1,993,188	1,993,188	1,993,188	1,993,188	1,914,422	-	-	-	-	-	-
All other receivables and prepaid items	21	-	-	-	-	-	-	-	-	-	-	-
<b>Total Assets</b>	<b>1,790,680</b>	<b>2,034,696</b>	<b>2,035,276</b>	<b>2,036,118</b>	<b>2,036,977</b>	<b>1,959,087</b>	<b>45,558</b>	<b>46,469</b>	<b>47,398</b>	<b>48,346</b>	<b>49,313</b>	<b>50,299</b>
<b>Liabilities</b>												
Deferred inflows of resources	1,750,811	1,993,188	1,993,188	1,993,188	1,993,188	1,914,422	-	-	-	-	-	-
<b>Total Liabilities and deferred inflows</b>	<b>1,750,811</b>	<b>1,993,188</b>	<b>1,993,188</b>	<b>1,993,188</b>	<b>1,993,188</b>	<b>1,914,422</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Fund Balance</b>												
<b>Total Liab, deferred inflows, and fund balance</b>	<b>1,790,680</b>	<b>2,034,696</b>	<b>2,035,276</b>	<b>2,036,118</b>	<b>2,036,977</b>	<b>1,959,087</b>	<b>45,558</b>	<b>46,469</b>	<b>47,398</b>	<b>48,346</b>	<b>49,313</b>	<b>50,299</b>

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## STREET IMPROVEMENTS FUND (404)

The Street Improvements Fund is a capital projects fund used to account for the resources accumulated and payments made for the periodic reconstruction of City streets and roadways.

### Revenues

The source of revenue comes from property tax levy, investment earnings, periodic bond proceeds, and beginning in 2025 collection of franchise fee revenues on natural gas and electric. Prior to 2025, the City was depositing franchise fee revenue into the Stormwater Management Fund. It was the City's intent to only temporarily (2022-2024) use franchise fee revenue as a source of funding for the Stormwater Management Fund.

To allow time for the Stormwater Management Fund to transition away from the franchise fee revenues as a source of funding, the Plan anticipates the Street Improvement Fund will advance funds to the Stormwater Management Fund between 2025-2027.

The Plan assumes beginning in 2026 property tax revenue will not be deposited into the Street Improvements Fund. For planning purposes, it is assumed the City will increase property tax levy for purpose of parks for deposit into the Park Capital Improvement Fund.

The City has more expansive options (statutory authority) for debt financing street improvements compared to park improvements. The increase in property tax revenue to support park improvements, combined with collection of park dedication fees,

will position the City for a pay-go strategy for park improvements.

### Expenditures

The expenditures accounted for in this fund include capital outlay of available funds for reconstruction of City streets and roadways.

The planned capital expenditures for street improvements, as included in the CIP and the Street Improvements Fund financial plan, are based on an estimated 5.0% inflation factor.

Street Improvements Fund

Chart 26  
Street Improvements Fund

Ending balances will fluctuate with timing of capital projects

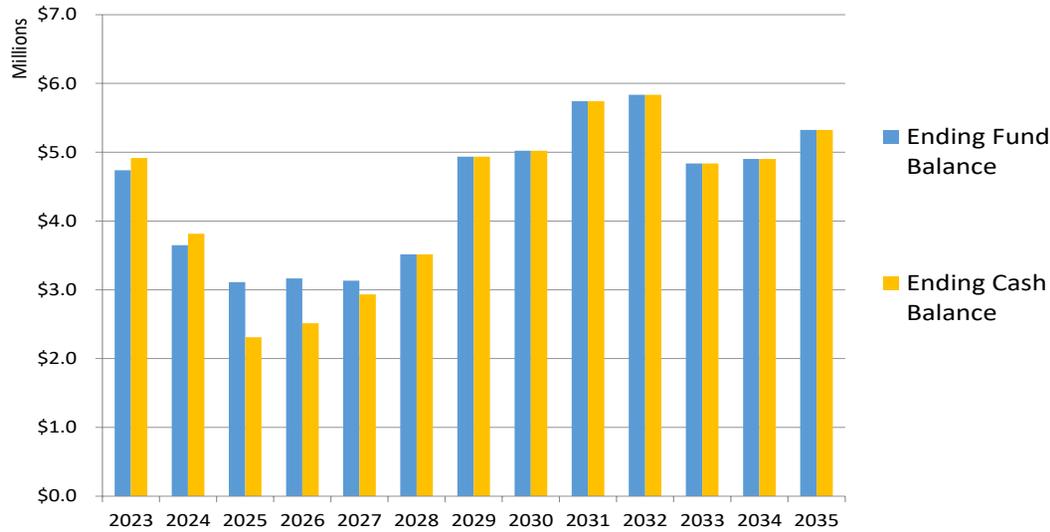


Chart 27  
Street Improvements Fund

Street Improvements Fund anticipates receipt of bond proceeds for financing of project costs

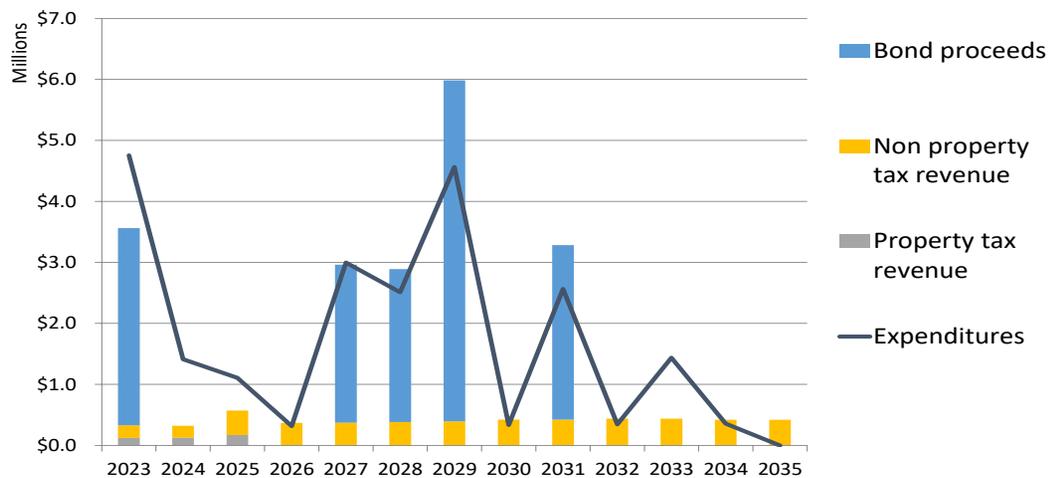


Table 10

City of Shorewood

**Finance Plan**

**Street Improvements Fund**

**Street Improvements Fund (404)**

	2023 Actual	2024 Actual	2025 Estimated	2026 Proj	2027 Proj	2028 Proj	2029 Proj	2030 Proj	2031 Proj	2032 Proj	2033 Proj	2034 Proj
<b>Revenues</b>												
Certified Ad Valorem Property Tax	123,000	128,000	170,500	-	-	-	-	-	-	-	-	-
Investment earnings	207,546	192,499	78,250	46,221	50,301	58,660	70,289	98,717	100,448	114,825	116,677	96,748
Bond proceeds (incl premium/discount)	3,231,832	-	-	-	2,590,000	2,510,000	5,590,000	-	2,860,000	-	-	-
Franchise fees - natural gas	-	-	150,500	150,500	150,500	150,500	150,500	150,500	150,500	150,500	150,500	150,500
Franchise fees - electric	-	-	172,300	172,300	172,300	172,300	172,300	172,300	172,300	172,300	172,300	172,300
<b>Total Revenues</b>	<b>3,562,378</b>	<b>320,499</b>	<b>571,550</b>	<b>369,021</b>	<b>2,963,101</b>	<b>2,891,460</b>	<b>5,983,089</b>	<b>421,517</b>	<b>3,283,248</b>	<b>437,625</b>	<b>439,477</b>	<b>419,548</b>
<b>Expenditures</b>												
Capital outlay / improvements	4,694,775	1,411,485	1,108,000	315,000	2,926,278	2,440,787	4,414,101	335,000	2,485,828	345,000	1,435,930	355,000
Bond issuance costs	-	-	-	-	68,891	69,213	147,581	-	78,568	-	-	-
Other services for bonds	59,843	-	-	-	-	-	-	-	-	-	-	-
<b>Total Expenditures</b>	<b>4,754,618</b>	<b>1,411,485</b>	<b>1,108,000</b>	<b>315,000</b>	<b>2,995,169</b>	<b>2,510,000</b>	<b>4,561,682</b>	<b>335,000</b>	<b>2,564,396</b>	<b>345,000</b>	<b>1,435,930</b>	<b>355,000</b>
<b>Beginning Fund Balance</b>												
	5,930,729	4,738,489	3,647,503	3,111,053	3,165,074	3,133,006	3,514,466	4,935,873	5,022,390	5,741,242	5,833,867	4,837,414
Net Change in Fund Balance	(1,192,240)	(1,090,986)	(536,450)	54,021	(32,068)	381,460	1,421,407	86,517	718,852	92,625	(996,453)	64,548
<b>Ending Fund Balance</b>	<b>4,738,489</b>	<b>3,647,503</b>	<b>3,111,053</b>	<b>3,165,074</b>	<b>3,133,006</b>	<b>3,514,466</b>	<b>4,935,873</b>	<b>5,022,390</b>	<b>5,741,242</b>	<b>5,833,867</b>	<b>4,837,414</b>	<b>4,901,962</b>
<b>Assets</b>												
Cash and investments	4,915,544	3,815,169	2,311,053	2,515,074	2,933,006	3,514,466	4,935,873	5,022,390	5,741,242	5,833,867	4,837,414	4,901,962
Due from other funds / advances	256,960	-	800,000	650,000	200,000	-	-	-	-	-	-	-
All other receivables and prepaid items	2,996	-	-	-	-	-	-	-	-	-	-	-
<b>Total Assets</b>	<b>5,175,500</b>	<b>3,815,169</b>	<b>3,111,053</b>	<b>3,165,074</b>	<b>3,133,006</b>	<b>3,514,466</b>	<b>4,935,873</b>	<b>5,022,390</b>	<b>5,741,242</b>	<b>5,833,867</b>	<b>4,837,414</b>	<b>4,901,962</b>
<b>Liabilities</b>												
Other accounts payable	437,011	167,666	-	-	-	-	-	-	-	-	-	-
<b>Total Liabilities and deferred inflows</b>	<b>437,011</b>	<b>167,666</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Fund Balance</b>												
	4,738,489	3,647,503	3,111,053	3,165,074	3,133,006	3,514,466	4,935,873	5,022,390	5,741,242	5,833,867	4,837,414	4,901,962
<b>Total Liab, deferred inflows, and fund balance</b>	<b>5,175,500</b>	<b>3,815,169</b>	<b>3,111,053</b>	<b>3,165,074</b>	<b>3,133,006</b>	<b>3,514,466</b>	<b>4,935,873</b>	<b>5,022,390</b>	<b>5,741,242</b>	<b>5,833,867</b>	<b>4,837,414</b>	<b>4,901,962</b>

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**PARK CAPITAL IMPROVEMENT FUND  
(402)**

The Parks Improvements Fund is used to account for park land acquisition and other capital improvements in the City parks.

**Revenues**

The source of revenue is collection of park dedication fees from development, property tax levy, and investment earnings.

The Plan assumes beginning in 2026 an increase in property tax revenue deposited into the Parks Improvement Fund. The Plan assumes a reduction in property tax levy for street improvements offset by the increase for parks. The City has more expansive options (statutory authority) for debt financing street improvements compared to park improvements. The increase in property tax revenue to support park improvements, combined with collection of park dedication fees, will position the City for a pay-go strategy for park improvements.

Park Dedication fees based upon \$7,500 per unit for new development (not including in fill development) is anticipated.

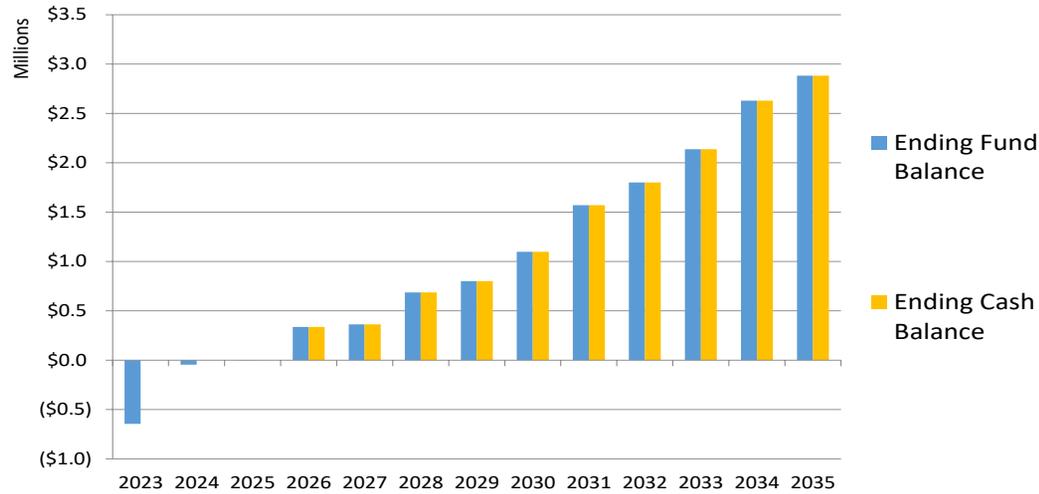
**Expenditures**

The expenditures accounted for in this fund include capital outlay of available funds for park land acquisition and other capital improvements in the City parks.

Park Capital Improvement Fund

Chart 28  
Park Capital Improvement Fund

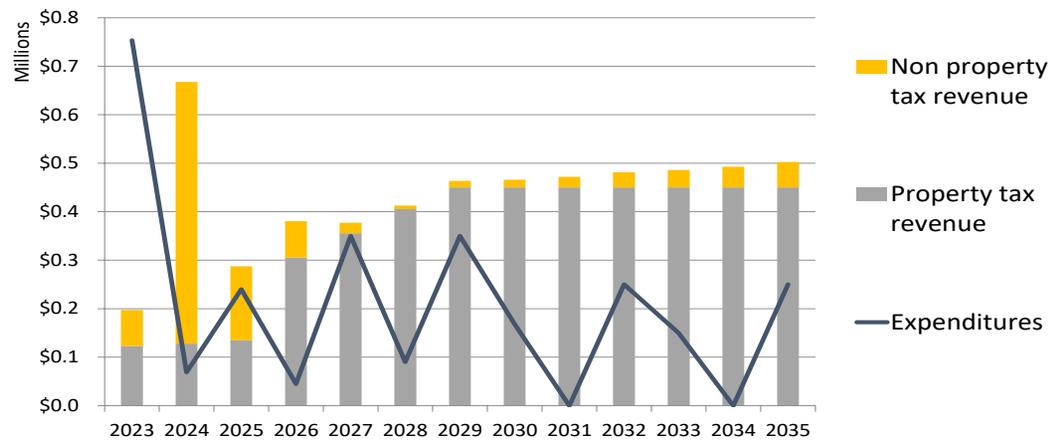
Ending balances will fluctuate with timing of capital projects



Note: Negative ending fund balance in 2023 was offset by an advance from the General Fund.

Chart 29  
Park Capital Improvement Fund

Park Capital Improvement Fund anticipates receipt of property tax revenue and park dedication fees for financing of project costs



Note: Years 2024 and 2025 include one-time transfers in from the General Fund, \$205,000 in 2024 and \$150,000 in 2025.

Table 11

City of Shorewood

**Finance Plan**

**Park Capital Improvement Fund (402)**

**Park Capital Improvement Fund**

	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034
	Actual	Actual	Estimated	Proj	Proj	Proj	Proj	Proj	Proj	Proj	Proj	Proj
<b>Revenues</b>												
Certified Ad Valorem Property Tax	123,000	128,000	135,000	305,500	355,500	405,500	450,000	450,000	450,000	450,000	450,000	450,000
Contributions / donations	-	321,938	-	-	-	-	-	-	-	-	-	-
Investment earnings	(3,748)	40	2,230	1	6,711	7,255	13,710	15,984	21,944	31,383	36,011	42,731
Transfer in from Enterprise Fund	-	105,000	-	-	-	-	-	-	-	-	-	-
Transfer in from General Fund	-	-	150,000	-	-	-	-	-	-	-	-	-
Park dedication fee	78,000	112,500	-	75,000	15,000	-	-	-	-	-	-	-
<b>Total Revenues</b>	<b>197,252</b>	<b>667,478</b>	<b>287,230</b>	<b>380,501</b>	<b>377,211</b>	<b>412,755</b>	<b>463,710</b>	<b>465,984</b>	<b>471,944</b>	<b>481,383</b>	<b>486,011</b>	<b>492,731</b>
<b>Expenditures</b>												
Capital outlay / improvements	753,452	68,808	240,000	45,000	350,000	90,000	350,000	168,000	-	250,000	150,000	-
<b>Total Expenditures</b>	<b>753,452</b>	<b>68,808</b>	<b>240,000</b>	<b>45,000</b>	<b>350,000</b>	<b>90,000</b>	<b>350,000</b>	<b>168,000</b>	<b>-</b>	<b>250,000</b>	<b>150,000</b>	<b>-</b>
<b>Beginning Fund Balance</b>	<b>(89,658)</b>	<b>(645,858)</b>	<b>(47,188)</b>	<b>42</b>	<b>335,543</b>	<b>362,754</b>	<b>685,509</b>	<b>799,219</b>	<b>1,097,203</b>	<b>1,569,147</b>	<b>1,800,530</b>	<b>2,136,541</b>
Net Change in Fund Balance	(556,200)	598,670	47,230	335,501	27,211	322,755	113,710	297,984	471,944	231,383	336,011	492,731
<b>Ending Fund Balance</b>	<b>(645,858)</b>	<b>(47,188)</b>	<b>42</b>	<b>335,543</b>	<b>362,754</b>	<b>685,509</b>	<b>799,219</b>	<b>1,097,203</b>	<b>1,569,147</b>	<b>1,800,530</b>	<b>2,136,541</b>	<b>2,629,272</b>
<b>Assets</b>												
Cash and investments	-	-	42	335,543	362,754	685,509	799,219	1,097,203	1,569,147	1,800,530	2,136,541	2,629,272
Due from other governments	-	315,443	-	-	-	-	-	-	-	-	-	-
All other receivables and prepaid items	(40)	-	-	-	-	-	-	-	-	-	-	-
<b>Total Assets</b>	<b>(40)</b>	<b>315,443</b>	<b>42</b>	<b>335,543</b>	<b>362,754</b>	<b>685,509</b>	<b>799,219</b>	<b>1,097,203</b>	<b>1,569,147</b>	<b>1,800,530</b>	<b>2,136,541</b>	<b>2,629,272</b>
<b>Liabilities</b>												
Due to other funds / advances	256,960	348,958	-	-	-	-	-	-	-	-	-	-
Other accounts payable	388,858	13,673	-	-	-	-	-	-	-	-	-	-
Total Liabilities and deferred inflows	645,818	362,631	-	-	-	-	-	-	-	-	-	-
<b>Fund Balance</b>	<b>(645,858)</b>	<b>(47,188)</b>	<b>42</b>	<b>335,543</b>	<b>362,754</b>	<b>685,509</b>	<b>799,219</b>	<b>1,097,203</b>	<b>1,569,147</b>	<b>1,800,530</b>	<b>2,136,541</b>	<b>2,629,272</b>
<b>Total Liab, deferred inflows, and fund balance</b>	<b>(40)</b>	<b>315,443</b>	<b>42</b>	<b>335,543</b>	<b>362,754</b>	<b>685,509</b>	<b>799,219</b>	<b>1,097,203</b>	<b>1,569,147</b>	<b>1,800,530</b>	<b>2,136,541</b>	<b>2,629,272</b>

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**EQUIPMENT REPLACEMENT FUND  
(403)**

The Equipment Replacement Fund was established for the purpose of funding the replacement of capital equipment.

**Revenues**

The source of revenue is property tax and investment earnings, and periodic transfers in from other funds.

**Expenditures**

The projected use of funds is for capital outlay for acquisition of equipment. Equipment for purpose of this fund equipment means trucks, vehicles, skid steers, mowers, and sweepers, for example.

The capital amounts included in the Plan for equipment replacement fund are based on the City's CIP amounts inflated by 5.0% annually.

Chart 30  
Equipment Replacement Fund

Ending balances will fluctuate with timing of capital projects

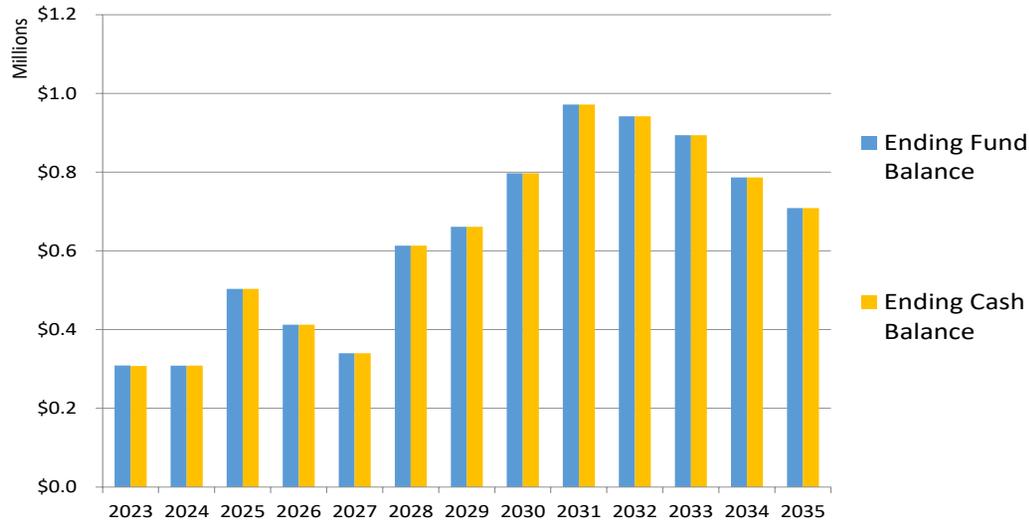
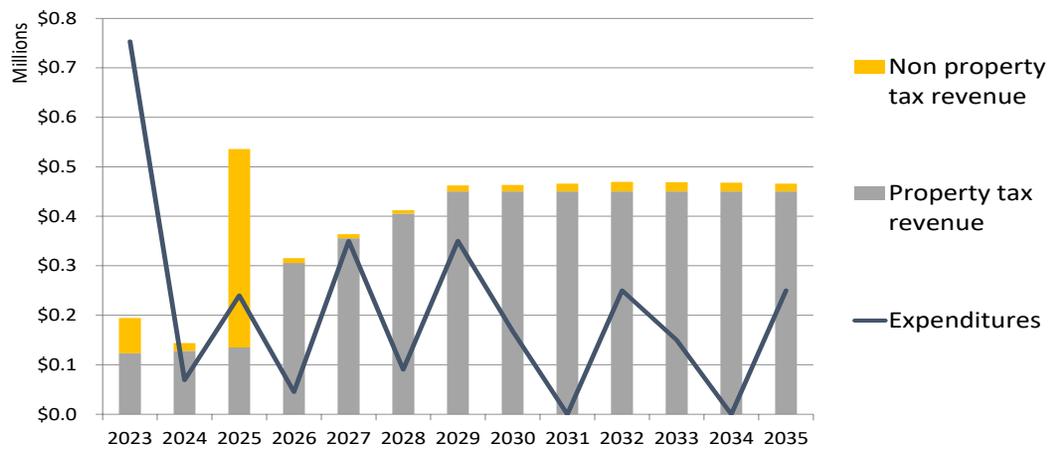


Chart 31  
Equipment Replacement Fund

Equipment Replacement Fund anticipates receipt of property tax revenue and investment income for financing of project costs



Note: Year 2025 includes one-time \$400,000 transfer in from the General Fund.

Table 12

City of Shorewood  
**Finance Plan**  
**Equipment Replacement Fund (403)**

**Equipment Replacement Fund**

	2023 Actual	2024 Actual	2025 Estimated	2026 Proj	2027 Proj	2028 Proj	2029 Proj	2030 Proj	2031 Proj	2032 Proj	2033 Proj	2034 Proj
<b>Revenues</b>												
Certified Ad Valorem Property Tax	123,000	128,000	165,000	215,000	275,000	345,000	425,000	515,000	605,000	695,000	785,000	875,000
Investment earnings	31,824	11,815	920	10,068	8,247	6,801	12,267	13,218	15,941	19,435	18,834	17,878
Proceeds from sale of assets	39,597	3,854	-	-	-	-	-	-	-	-	-	-
Transfer in from General Fund	-	-	400,000	-	-	-	-	-	-	-	-	-
<b>Total Revenues</b>	<b>194,421</b>	<b>143,669</b>	<b>565,920</b>	<b>225,068</b>	<b>283,247</b>	<b>351,801</b>	<b>437,267</b>	<b>528,218</b>	<b>620,941</b>	<b>714,435</b>	<b>803,834</b>	<b>892,878</b>
<b>Expenditures</b>												
Capital outlay / improvements	177,703	144,094	370,900	316,155	355,556	78,487	389,691	392,074	446,252	744,497	851,605	1,000,296
<b>Total Expenditures</b>	<b>177,703</b>	<b>144,094</b>	<b>370,900</b>	<b>316,155</b>	<b>355,556</b>	<b>78,487</b>	<b>389,691</b>	<b>392,074</b>	<b>446,252</b>	<b>744,497</b>	<b>851,605</b>	<b>1,000,296</b>
<b>Beginning Fund Balance</b>												
Net Change in Fund Balance	16,718	(425)	195,020	(91,087)	(72,309)	273,314	47,576	136,144	174,689	(30,062)	(47,771)	(107,418)
<b>Ending Fund Balance</b>	<b>308,826</b>	<b>308,401</b>	<b>503,421</b>	<b>412,334</b>	<b>340,025</b>	<b>613,339</b>	<b>660,915</b>	<b>797,059</b>	<b>971,748</b>	<b>941,686</b>	<b>893,915</b>	<b>786,497</b>
<b>Assets</b>												
Cash and investments	307,684	308,401	503,421	412,334	340,025	613,339	660,915	797,059	971,748	941,686	893,915	786,497
All other receivables and prepaid items	1,142	-	-	-	-	-	-	-	-	-	-	-
<b>Total Assets</b>	<b>308,826</b>	<b>308,401</b>	<b>503,421</b>	<b>412,334</b>	<b>340,025</b>	<b>613,339</b>	<b>660,915</b>	<b>797,059</b>	<b>971,748</b>	<b>941,686</b>	<b>893,915</b>	<b>786,497</b>
<b>Liabilities</b>												
Other accounts payable	-	-	-	-	-	-	-	-	-	-	-	-
Total Liabilities and deferred inflows	-	-	-	-	-	-	-	-	-	-	-	-
<b>Fund Balance</b>												
<b>Total Liab, deferred inflows, and fund balance</b>	<b>308,826</b>	<b>308,401</b>	<b>503,421</b>	<b>412,334</b>	<b>340,025</b>	<b>613,339</b>	<b>660,915</b>	<b>797,059</b>	<b>971,748</b>	<b>941,686</b>	<b>893,915</b>	<b>786,497</b>

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**COMMUNITY INFRASTRUCTURE  
FUND (450)**

This fund was established for the purpose of funding future improvements municipal facility improvements in the City.

**Revenues**

Revenues are planned to come from tax levy and investment earnings on the balance of funds.

The City received one-time revenue in 2024 in the amount of \$85,658 for an insurance claim.

Land held for resale on the balance sheet is projected to remain as held with no assumption for land sale proceeds (cash) assumed in the Plan.

**Expenditures**

The expenditures are for capital improvements related to municipal facility capital needs of the City. The City plans to begin including capital projects for facilities within the CIP. The finance plan for the Community Infrastructure Fund includes preliminary planning amounts for capital expenditures. For purpose of planning, the annual expenditures are estimated at \$50,000 annually while estimated tax levy is assumed to increase over time to allow for the Community Infrastructure Fund to build cash reserves.

Table 13

City of Shorewood  
**Finance Plan**  
**Community Infrastructure (450)**

**Community Infrastructure Fund**

	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035
	Actual	Actual	Estimated	Proj									
<b>Revenues</b>													
Certified Ad Valorem Property Tax	-	-	-	50,000	50,000	50,000	75,000	75,000	100,000	100,000	100,000	100,000	100,000
Investment earnings	3,220	3,391	-	1,690	1,724	1,758	1,793	2,329	2,876	3,933	5,012	6,112	7,234
Other revenues	-	85,658	-	-	-	-	-	-	-	-	-	-	-
<b>Total Revenues</b>	<b>3,220</b>	<b>89,049</b>	<b>-</b>	<b>51,690</b>	<b>51,724</b>	<b>51,758</b>	<b>76,793</b>	<b>77,329</b>	<b>102,876</b>	<b>103,933</b>	<b>105,012</b>	<b>106,112</b>	<b>107,234</b>
<b>Expenditures</b>													
Capital outlay / improvements	-	88,158	-	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000
<b>Total Expenditures</b>	<b>-</b>	<b>88,158</b>	<b>-</b>	<b>50,000</b>									
<b>Beginning Fund Balance</b>	<b>230,452</b>	<b>233,672</b>	<b>234,563</b>	<b>234,563</b>	<b>236,253</b>	<b>237,977</b>	<b>239,735</b>	<b>266,528</b>	<b>293,857</b>	<b>346,733</b>	<b>400,666</b>	<b>455,678</b>	<b>511,790</b>
Net Change in Fund Balance	3,220	891	-	1,690	1,724	1,758	26,793	27,329	52,876	53,933	55,012	56,112	57,234
<b>Ending Fund Balance</b>	<b>233,672</b>	<b>234,563</b>	<b>234,563</b>	<b>236,253</b>	<b>237,977</b>	<b>239,735</b>	<b>266,528</b>	<b>293,857</b>	<b>346,733</b>	<b>400,666</b>	<b>455,678</b>	<b>511,790</b>	<b>569,024</b>
<b>Assets</b>													
Cash and investments	83,560	84,495	84,495	86,185	87,909	89,667	116,460	143,789	196,665	250,598	305,610	361,722	418,956
Lease / Land held for resale	150,068	150,068	150,068	150,068	150,068	150,068	150,068	150,068	150,068	150,068	150,068	150,068	150,068
All other receivables and prepaid items	44	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total Assets</b>	<b>233,672</b>	<b>234,563</b>	<b>234,563</b>	<b>236,253</b>	<b>237,977</b>	<b>239,735</b>	<b>266,528</b>	<b>293,857</b>	<b>346,733</b>	<b>400,666</b>	<b>455,678</b>	<b>511,790</b>	<b>569,024</b>
<b>Liabilities</b>													
Other accounts payable	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Liabilities and deferred inflows	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Fund Balance</b>	<b>233,672</b>	<b>234,563</b>	<b>234,563</b>	<b>236,253</b>	<b>237,977</b>	<b>239,735</b>	<b>266,528</b>	<b>293,857</b>	<b>346,733</b>	<b>400,666</b>	<b>455,678</b>	<b>511,790</b>	<b>569,024</b>
<b>Total Liab, deferred inflows, and fund balance</b>	<b>233,672</b>	<b>234,563</b>	<b>234,563</b>	<b>236,253</b>	<b>237,977</b>	<b>239,735</b>	<b>266,528</b>	<b>293,857</b>	<b>346,733</b>	<b>400,666</b>	<b>455,678</b>	<b>511,790</b>	<b>569,024</b>

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## WATER FUND (601)

The Water Fund was established as an Enterprise Fund to account for the activities of the City’s water distribution system.

The Water Fund is considered self-supporting in that the services rendered are to be financed through user charges.

The financial plan for the Water Fund includes assets and liabilities in addition to revenues and expenses. There is a capitalization of certain expenses and the subsequent depreciation of the capitalized costs.

### Revenues

The majority of the source of funds comes from charges for services. Schedule of historical and proposed fees and charges for water services is included in the Appendices.

Future growth from development, which impacts the projection of operating and non-operating revenue for the Water Fund, is estimated at approximately 2 to 13 new residential household units per year between 2025-2027. This includes new development only and does not include anticipated in fill development. There is no new customer units anticipated after 2027.

A new **infrastructure fee for water services** payable by property owners that are connected to sanitary sewer but not connected to the City’s water system. The fee is proposed to begin in 2027 at initial quarterly amount of \$10.00 per customer, with \$1.00 increase annually between 2026-2035. The infrastructure fee will provide revenue for water infrastructure improvements.

**New tier rates for Water fees** are proposed to begin in 2026, see **Figure 2** on page 6. After 2026 tier structure changes are implemented, then beginning in 2027 annual increases to the new tier rates is proposed for future years, ranging from approximately 8-10% between 2027-2032; then 3.0% annually after 2032. No changes to the **base rate for water services** is proposed for 2026, with increases included for future years.

**WAC** for new development is to remain at current amount (\$10,000 per unit). The collection of water availability charge (WAC) is spread over five year period.

There are a certain limited number of properties within the City that are provided water from the City of Tonka Bay, City of Excelsior, and City of Chanhassen. The City plans to review a plan to begin billing properties that receive water from these other cities based on the City’s fee schedule. For the Water Fund this potential change in billing for these customers is not included in the Plan. While the proposed change will not have a financially material impact for the Water Fund it is a policy consideration for the City if its desire for all residents to pay the same City fees regardless of the source of the water provided.

With proposed annual rate adjustments, the Water Fund is projected to maintain adequate cash balance over the planning period. The revenue objective is to provide revenue sufficient to achieve year-end cash balance to cover the following purposes:

- Six-months of operating expense
- Following year debt service payments
- Following year capital acquisition (planned to be paid from cash)

- 
- Reserves for future capital improvements and other reserve purposes

The Plan includes the issuance of general obligation revenue bonds, payable from revenues from the Water Fund, to finance water system improvements.

### Expenses

The use of funds is to pay for the operation and debt service on bonds issued to finance capital improvements for water services, including depreciation of capital assets.

There is a capitalization of certain expenses (capital assets on the balance sheet) and the subsequent depreciation of the capitalized costs. The plan anticipates bond proceeds for certain water infrastructure improvements, as shown in **Table 16** on page 63.

Depreciation is reported as an expense and is adjusted for anticipated annual depreciable capital acquisitions. For purposes of the Plan, capital is depreciated over a 40 year term.

Approximately 70% of the Water Fund expenses are estimated to be fixed costs, this amount fluctuates somewhat from year to year but this percentage is expected to remain stable at this level in future years.

The Plan includes the addition of new personnel (FTE) that is anticipated to be paid from the Water Fund. Appendix B includes details on the staffing plan.

The Water Fund has non-recurring transfers to the Equipment Replacement Fund (403) for certain purchases of equipment funded in part from revenue from Water Fund. Annual transfers from the Water

Fund to the General Fund are planned related to allocated administrative costs.

### Balance Sheet Items

The financial plan includes estimated assets and liabilities, this includes estimated annual year-end cash balance.

The Plan anticipates receivables and payables at historical amounts, with the exception of adjustments for changes to capital assets, accumulated depreciation, and bonds payable.

The Plan anticipates bonding for capital improvements in 2026-2029 and in 2031. This will result in an increase in liabilities for bonds payable, offset by amortization of bonds outstanding, see **Tables 5.4, 5.5, and 5.6**, beginning on page 24 for information on debt obligations of the Water Fund, including existing bonds, planned new bonds, and combined total existing and new bonds by year.

Chart 32  
Water Fund

Cash is projected to be sufficient to meet minimum annual cash needs and to provide reserve for future capital improvements

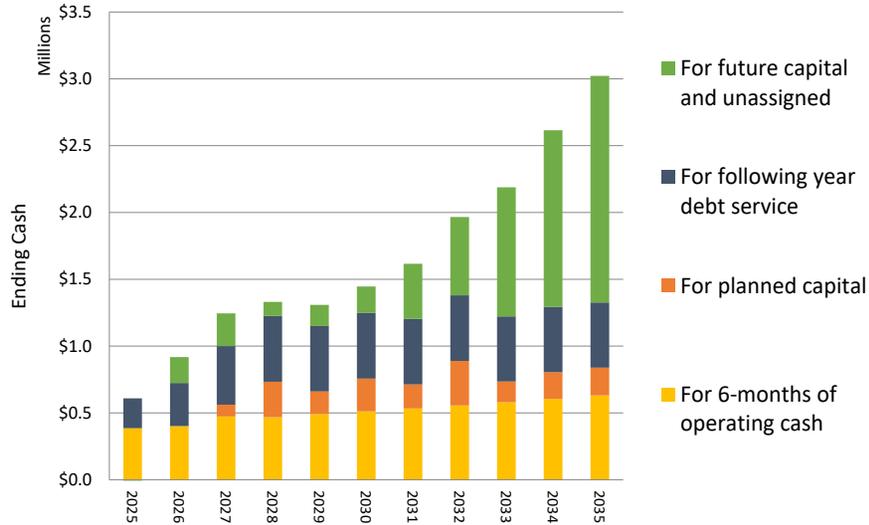


Chart 33  
Water Fund

Ending Unrestricted Net Position as % of Expense is projected to be above the minimum 50% target

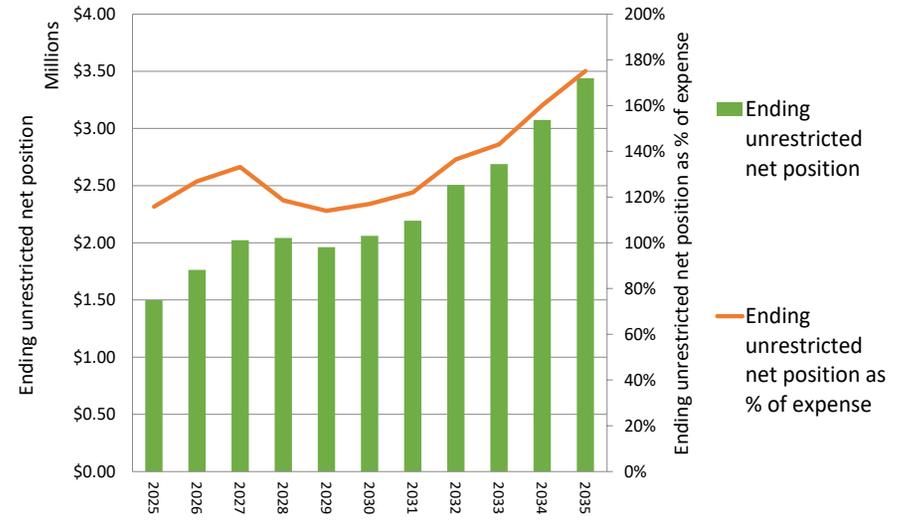


Chart 34  
Water Fund

Revenues are projected to increase to cover expenses (inclusive of depreciation), revenues in excess will provide funds for future system improvements

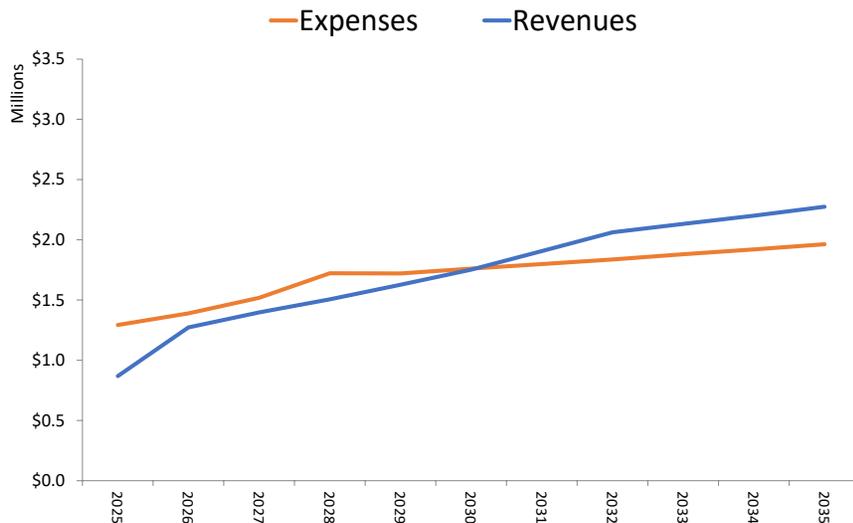


Chart 35  
Water Fund

Customers and volume billed are projected to remain stable with limited increase in customers and volume anticipated

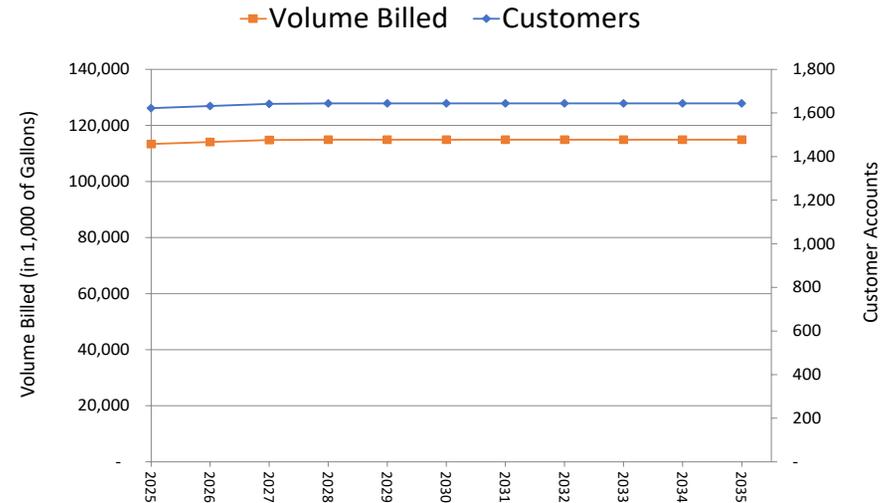


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City of Shorewood

Finance Plan

Water Fund (601)

Water Fund

	2023 Actual	2024 Actual	2025 Estimated	2026 Proj	2027 Proj	2028 Proj	2029 Proj	2030 Proj	2031 Proj	2032 Proj	2033 Proj	2034 Proj	2035 Proj
<b>Revenues</b>													
Charges for services	945,196	779,848	796,500	1,160,502	1,279,863	1,404,809	1,540,238	1,677,438	1,824,493	1,973,711	2,032,448	2,092,948	2,155,263
Utility permit fees	1,680	-	-	-	-	-	-	-	-	-	-	-	-
Infrastructure fee revenue	-	-	-	-	37,320	41,052	44,784	48,516	52,248	55,980	59,712	63,444	67,176
Interest on investments	119,632	81,154	37,180	11,512	18,362	24,899	26,616	26,167	28,918	32,317	39,327	43,773	52,304
Meter sales	9,457	-	10,000	10,300	10,609	10,927	11,255	-	-	-	-	-	-
Intergovernmental revenues	2,520	464	-	-	-	-	-	-	-	-	-	-	-
Other revenues and special items	16	16,772	-	-	-	-	-	-	-	-	-	-	-
Special assessments	6,214	6,581	-	-	-	-	-	-	-	-	-	-	-
Connection / availability charges	126,477	88,060	25,000	90,618	50,678	24,149	4,000	-	-	-	-	-	-
<b>Total Revenues</b>	<b>1,211,192</b>	<b>972,879</b>	<b>868,680</b>	<b>1,272,932</b>	<b>1,396,832</b>	<b>1,505,836</b>	<b>1,626,893</b>	<b>1,752,121</b>	<b>1,905,659</b>	<b>2,062,008</b>	<b>2,131,487</b>	<b>2,200,165</b>	<b>2,274,743</b>
<b>Expenses</b>													
<i>Fixed Expenses</i>													
Personnel services	266,279	361,314	342,720	359,856	377,849	396,741	416,578	437,407	459,277	482,241	506,353	531,671	558,255
Personnel services FTE changes	-	-	-	-	-	10,000	65,500	73,775	77,464	81,337	85,404	89,674	94,158
Transfers out General Fund	12,500	12,500	12,500	12,500	12,500	12,500	12,500	12,500	12,500	12,500	12,500	12,500	12,500
Transfer out to Equipment Replacement Fund	-	-	-	-	-	101,250	-	-	-	-	-	-	-
Interest expense	76,617	96,199	92,065	88,563	141,156	203,684	226,433	217,057	207,306	197,099	186,431	175,308	163,698
Depreciation	437,209	437,331	448,459	480,384	519,113	538,813	545,433	549,683	555,817	560,317	568,636	572,511	577,511
<i>Subtotal Fixed Expenses</i>	<i>792,605</i>	<i>907,344</i>	<i>895,744</i>	<i>941,303</i>	<i>1,050,618</i>	<i>1,262,988</i>	<i>1,266,444</i>	<i>1,290,422</i>	<i>1,312,364</i>	<i>1,333,494</i>	<i>1,359,324</i>	<i>1,381,664</i>	<i>1,406,122</i>
<i>Variable Expenses</i>													
Supplies	27,683	15,968	2,200	2,266	2,334	2,404	2,476	2,550	2,627	2,706	2,787	2,871	2,957
Utilities	94,745	70,148	83,000	87,150	91,508	96,083	100,887	105,931	111,228	116,789	122,628	128,759	135,197
Repairs and maintenance	32,460	32,004	57,000	58,710	60,471	62,285	64,154	66,079	68,061	70,103	72,206	74,372	76,603
Contracted services	45,856	67,334	110,000	113,300	116,699	120,200	123,806	127,520	131,346	135,286	139,345	143,525	147,831
Water purchases	56,284	46,156	42,000	43,260	44,558	45,895	47,272	48,690	50,151	51,656	53,206	54,802	56,446
Other expenses	-	51,946	55,100	56,753	58,456	60,210	62,016	63,876	65,792	67,766	69,799	71,893	74,050
Water meter purchases	27,885	-	30,000	30,900	31,827	32,782	33,765	34,778	35,821	36,896	38,003	39,143	40,317
Fiscal agent fees	-	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000
Professional services	15,178	13,212	16,000	16,480	16,974	17,483	18,007	18,547	19,103	19,676	20,266	20,874	21,500
Bond issuance cost	18,582	-	-	37,193	42,982	19,857	-	-	-	-	-	-	-
<i>Subtotal Variable Expenses</i>	<i>318,673</i>	<i>298,768</i>	<i>397,300</i>	<i>448,012</i>	<i>467,809</i>	<i>459,199</i>	<i>454,383</i>	<i>469,971</i>	<i>486,129</i>	<i>502,878</i>	<i>520,240</i>	<i>538,239</i>	<i>556,901</i>
<b>Total Expenses</b>	<b>1,111,278</b>	<b>1,206,112</b>	<b>1,293,044</b>	<b>1,389,315</b>	<b>1,518,427</b>	<b>1,722,187</b>	<b>1,720,827</b>	<b>1,760,393</b>	<b>1,798,493</b>	<b>1,836,372</b>	<b>1,879,564</b>	<b>1,919,903</b>	<b>1,963,023</b>
Beginning net position	7,578,047	7,677,961	7,444,728	7,020,364	6,903,981	6,782,386	6,566,035	6,472,101	6,463,829	6,570,995	6,796,631	7,048,554	7,328,816
Change in Net Position	99,914	(233,233)	(424,364)	(116,383)	(121,595)	(216,351)	(93,934)	(8,272)	107,166	225,636	251,923	280,262	311,720
<b>Ending net position</b>	<b>7,677,961</b>	<b>7,444,728</b>	<b>7,020,364</b>	<b>6,903,981</b>	<b>6,782,386</b>	<b>6,566,035</b>	<b>6,472,101</b>	<b>6,463,829</b>	<b>6,570,995</b>	<b>6,796,631</b>	<b>7,048,554</b>	<b>7,328,816</b>	<b>7,640,536</b>

Table 14  
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City of Shorewood  
Finance Plan  
Water Fund (601)

Water Fund

	2023 Actual	2024 Actual	2025 Estimated	2026 Proj	2027 Proj	2028 Proj	2029 Proj	2030 Proj	2031 Proj	2032 Proj	2033 Proj	2034 Proj	2035 Proj
<b>Assets and Deferred Outflow of Resources</b>													
Cash and cash equivalents	1,130,042	989,603	575,586	918,083	1,244,946	1,330,808	1,308,349	1,445,879	1,615,857	1,966,351	2,188,637	2,615,220	3,022,326
Special assessments receivable	279,492	229,941	146,240	99,180	62,120	28,060	4,000	-	-	-	-	-	-
Other assets / receivables / Prepaid items	153,113	202,155	150,000	150,000	150,000	150,000	150,000	150,000	150,000	150,000	150,000	150,000	150,000
Due from other funds	951,136	922,451	892,470	861,348	828,969	795,281	760,233	723,768	685,831	646,360	605,296	562,572	518,122
Capital assets	16,217,650	16,515,354	16,960,466	18,237,466	19,786,633	20,574,627	20,839,441	21,009,441	21,254,796	21,434,796	21,767,562	21,922,562	22,122,562
Less Accumulated depreciation	(7,603,142)	(8,040,473)	(8,488,932)	(8,969,316)	(9,488,429)	(10,027,241)	(10,572,675)	(11,122,358)	(11,678,175)	(12,238,492)	(12,807,128)	(13,379,639)	(13,957,150)
Deferred outflows of resources	34,880	23,696	34,000	34,000	34,000	34,000	34,000	34,000	34,000	34,000	34,000	34,000	34,000
<b>Total Assets and Deferred Outflows</b>	<b>11,163,171</b>	<b>10,842,727</b>	<b>10,269,830</b>	<b>11,330,761</b>	<b>12,618,239</b>	<b>12,885,535</b>	<b>12,523,348</b>	<b>12,240,730</b>	<b>12,062,309</b>	<b>11,993,015</b>	<b>11,938,367</b>	<b>11,904,715</b>	<b>11,889,860</b>
<b>Liabilities and Deferred Inflow of Resources</b>													
Other current liabilities / payables	95,717	100,877	95,717	95,717	95,717	95,717	95,717	95,717	95,717	95,717	95,717	95,717	95,717
Due to other governments	7,613	13,718	-	-	-	-	-	-	-	-	-	-	-
Due to other funds	-	-	-	-	-	-	-	-	-	-	-	-	-
Bonds payable for existing debt	3,173,529	3,079,720	2,948,494	2,813,163	2,674,583	2,534,752	2,389,567	2,243,132	2,094,593	1,941,553	1,784,409	1,624,765	1,458,355
Bonds payable for new debt	-	-	-	1,314,193	2,863,394	3,488,420	3,366,900	3,240,537	3,105,037	2,964,695	2,816,816	2,664,094	2,505,477
Net pension liability (non-current)	131,942	98,196	131,942	131,942	131,942	131,942	131,942	131,942	131,942	131,942	131,942	131,942	131,942
Other non-current liabilities	-	11,688	-	-	-	-	-	-	-	-	-	-	-
Deferred inflows of resources	46,975	65,914	46,975	46,975	46,975	46,975	46,975	46,975	46,975	46,975	46,975	46,975	46,975
Unamortized bond premium/discount	29,434	27,886	26,338	24,790	23,242	21,694	20,146	18,598	17,050	15,502	13,954	12,406	10,858
<b>Total Liabilities and Deferred Inflows</b>	<b>3,485,210</b>	<b>3,397,999</b>	<b>3,249,466</b>	<b>4,426,780</b>	<b>5,835,853</b>	<b>6,319,500</b>	<b>6,051,247</b>	<b>5,776,901</b>	<b>5,491,314</b>	<b>5,196,384</b>	<b>4,889,813</b>	<b>4,575,899</b>	<b>4,249,324</b>
<b>Total Liabilities, Deferred Inflows, and Net Position</b>	<b>11,163,171</b>	<b>10,842,727</b>	<b>10,269,830</b>	<b>11,330,761</b>	<b>12,618,239</b>	<b>12,885,535</b>	<b>12,523,348</b>	<b>12,240,730</b>	<b>12,062,309</b>	<b>11,993,015</b>	<b>11,938,367</b>	<b>11,904,715</b>	<b>11,889,860</b>

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City of Shorewood

## Customers and Charges for Sales and Development Revenue Water Fund (601)

## Water Fund

	2023 Actual	2024 Actual	2025 Budget	2026 Proj	2027 Proj	2028 Proj	2029 Proj	2030 Proj	2031 Proj	2032 Proj	2033 Proj	2034 Proj	2035 Proj
<b>CUSTOMER DATA</b>													
<b>Average Annual Billing Units (Customers)</b>													
Residential	1,509	1,525	1,538	1,548	1,558	1,560	1,560	1,560	1,560	1,560	1,560	1,560	1,560
Duplex	13	26	26	26	26	26	26	26	26	26	26	26	26
Duplex Low Income	1	-	-	-	-	-	-	-	-	-	-	-	-
Commercial	28	28	28	28	28	28	28	28	28	28	28	28	28
Non Profit	7	7	7	7	7	7	7	7	7	7	7	7	7
Sprinkler Commercial	4	4	4	4	4	4	4	4	4	4	4	4	4
Sprinkler Residential	13	13	13	13	13	13	13	13	13	13	13	13	13
Tonka Bay	6	6	6	6	6	6	6	6	6	6	6	6	6
<b>Total Customers</b>	<b>1,581</b>	<b>1,609</b>	<b>1,622</b>	<b>1,632</b>	<b>1,642</b>	<b>1,644</b>							
<b>Volume (in thousands of gallons)</b>													
Residential	122,849	97,125	98,035	98,735	99,435	99,575	99,575	99,575	99,575	99,575	99,575	99,575	99,575
Duplex	1,096	1,621	1,621	1,621	1,621	1,621	1,621	1,621	1,621	1,621	1,621	1,621	1,621
Duplex Low Income	6	-	-	-	-	-	-	-	-	-	-	-	-
Commercial	10,351	6,967	6,967	6,967	6,967	6,967	6,967	6,967	6,967	6,967	6,967	6,967	6,967
Non Profit	3,176	2,610	2,610	2,610	2,610	2,610	2,610	2,610	2,610	2,610	2,610	2,610	2,610
Sprinkler Commercial	3,543	1,350	1,350	1,350	1,350	1,350	1,350	1,350	1,350	1,350	1,350	1,350	1,350
Sprinkler Residential	7,028	2,798	2,798	2,798	2,798	2,798	2,798	2,798	2,798	2,798	2,798	2,798	2,798
<b>Total Volume</b>	<b>148,047</b>	<b>112,471</b>	<b>113,381</b>	<b>114,081</b>	<b>114,781</b>	<b>114,921</b>							
<b>REVENUE</b>													
<b>Revenue - Base Charge</b>													
Residential	\$176,794	\$195,078	\$214,951	\$216,348	\$237,500	\$259,512	\$283,336	\$307,472	\$333,341	\$359,591	\$369,924	\$380,566	\$391,529
Duplex	\$1,523	\$3,326	\$3,634	\$3,634	\$3,963	\$4,325	\$4,722	\$5,125	\$5,556	\$5,993	\$6,165	\$6,343	\$6,525
Duplex Low Income	\$102	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Commercial	\$3,280	\$3,582	\$3,913	\$3,913	\$4,268	\$4,658	\$5,086	\$5,519	\$5,983	\$6,454	\$6,640	\$6,831	\$7,027
Non Profit	\$820	\$895	\$978	\$978	\$1,067	\$1,164	\$1,271	\$1,380	\$1,496	\$1,614	\$1,660	\$1,708	\$1,757
Sprinkler Commercial	\$469	\$512	\$559	\$559	\$610	\$665	\$727	\$788	\$855	\$922	\$949	\$976	\$1,004
Tonka Bay	\$596	\$596	\$596	\$596	\$654	\$718	\$787	\$858	\$934	\$1,011	\$1,042	\$1,073	\$1,105
<b>Total Revenue</b>	<b>\$183,584</b>	<b>\$203,988</b>	<b>\$224,631</b>	<b>\$226,029</b>	<b>\$248,062</b>	<b>\$271,043</b>	<b>\$295,929</b>	<b>\$321,141</b>	<b>\$348,165</b>	<b>\$375,585</b>	<b>\$386,379</b>	<b>\$397,496</b>	<b>\$408,947</b>
<b>Revenue - Infrastructure Charge</b>													
Residential	\$0	\$0	\$0	\$0	\$36,920	\$40,612	\$44,304	\$47,996	\$51,688	\$55,380	\$59,072	\$62,764	\$66,456
Commercial	\$0	\$0	\$0	\$0	\$400	\$440	\$480	\$520	\$560	\$600	\$640	\$680	\$720
<b>Total Revenue</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$37,320</b>	<b>\$41,052</b>	<b>\$44,784</b>	<b>\$48,516</b>	<b>\$52,248</b>	<b>\$55,980</b>	<b>\$59,712</b>	<b>\$63,444</b>	<b>\$67,176</b>
<b>Revenue - Volume Charge</b>													
Residential	\$619,272	\$512,602	\$583,387	\$798,964	\$883,079	\$970,544	\$1,065,172	\$1,161,038	\$1,263,789	\$1,368,052	\$1,409,094	\$1,451,366	\$1,494,907
Duplex	\$5,335	\$8,237	\$9,304	\$13,453	\$14,764	\$16,204	\$17,784	\$19,384	\$21,100	\$22,840	\$23,526	\$24,231	\$24,958
Commercial	\$62,280	\$44,835	\$50,020	\$56,377	\$61,874	\$67,906	\$74,527	\$81,235	\$88,424	\$95,719	\$98,591	\$101,548	\$104,595
Non Profit	\$19,177	\$17,086	\$18,933	\$21,120	\$23,179	\$25,439	\$27,920	\$30,432	\$33,126	\$35,859	\$36,934	\$38,042	\$39,184
Sprinkler Commercial	\$22,349	\$8,905	\$10,052	\$11,204	\$12,296	\$13,495	\$14,811	\$16,144	\$17,572	\$19,022	\$19,593	\$20,180	\$20,786
Sprinkler Residential	\$43,874	\$18,110	\$20,532	\$33,356	\$36,609	\$40,178	\$44,095	\$48,064	\$52,318	\$56,634	\$58,333	\$60,083	\$61,885
<b>Total Revenue</b>	<b>\$772,312</b>	<b>\$609,776</b>	<b>\$692,228</b>	<b>\$934,473</b>	<b>\$1,031,801</b>	<b>\$1,133,766</b>	<b>\$1,244,309</b>	<b>\$1,356,296</b>	<b>\$1,476,329</b>	<b>\$1,598,126</b>	<b>\$1,646,070</b>	<b>\$1,695,452</b>	<b>\$1,746,315</b>

Table 15  
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Water Fund

City of Shorewood

**Customers and Charges for Sales and Development Revenue  
Water Fund (601)**

	2023 Actual	2024 Actual	2025 Budget	2026 Proj	2027 Proj	2028 Proj	2029 Proj	2030 Proj	2031 Proj	2032 Proj	2033 Proj	2034 Proj	2035 Proj
<b>Connection Permit Charge</b>													
Residential	\$759	\$150	\$780	\$618	\$678	\$149	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Revenue	\$759	\$150	\$780	\$618	\$678	\$149	\$0	\$0	\$0	\$0	\$0	\$0	\$0
<b>Water Availability Charge (SAC)</b>													
Residential	\$115,000	\$86,000	\$90,000	\$90,000	\$50,000	\$24,000	\$4,000	\$0	\$0	\$0	\$0	\$0	\$0
Total Revenue	\$115,000	\$86,000	\$90,000	\$90,000	\$50,000	\$24,000	\$4,000	\$0	\$0	\$0	\$0	\$0	\$0
<b>Total Unadjusted Revenue</b>	<b>\$1,071,655</b>	<b>\$899,915</b>	<b>\$1,007,639</b>	<b>\$1,251,120</b>	<b>\$1,367,862</b>	<b>\$1,470,010</b>	<b>\$1,589,022</b>	<b>\$1,725,954</b>	<b>\$1,876,741</b>	<b>\$2,029,691</b>	<b>\$2,092,160</b>	<b>\$2,156,392</b>	<b>\$2,222,439</b>
Adjustments / other changes <sup>1</sup>	\$18	-\$32,007	-\$186,139										
<b>Total Revenue Calculated</b>	<b>\$1,071,673</b>	<b>\$867,908</b>	<b>\$821,500</b>	<b>\$1,251,120</b>	<b>\$1,367,862</b>	<b>\$1,470,010</b>	<b>\$1,589,022</b>	<b>\$1,725,954</b>	<b>\$1,876,741</b>	<b>\$2,029,691</b>	<b>\$2,092,160</b>	<b>\$2,156,392</b>	<b>\$2,222,439</b>

Notes:

1. The Adjustments/other changes is the difference between how the Study calculated revenue compared to revenue reported in the City's audited financial statements or budget document. The difference may come from adjustments to bills due to issues with meters and other adjustments that are not built into the model for the Study. The adjustments are not considered to be on-going. The Study assumes that future adjustments will be minimal and not have a material impact on the future revenue projections.
2. WAC charges are assessed (spread) over five years. WAC units are estimated based on assumptions for future development, See Table 2.
3. Residential Not Connected includes residential properties (520 units) to be charged an Water Infrastructure fee. This is the only charge (revenue) planned from these 520 housing units. The 520 units are not included in the Average Annual Billing Units (Customers) for Residential that pay for water usage.

Table 16

Water Fund

City of Shorewood  
Ending Cash Balance  
Water Fund (601)

	2025 Budget	2026 Proj	2027 Proj	2028 Proj	2029 Proj	2030 Proj	2031 Proj	2032 Proj	2033 Proj	2034 Proj	2035 Proj
<b>Use of Cash</b>											
Operations & Maintenance	740,020	770,675	802,676	947,333	936,461	981,153	1,022,870	1,066,456	1,111,997	1,159,584	1,209,314
Capital Acquisition and Cost of Issuance of Bonds	445,112	1,314,193	1,592,149	807,851	264,814	170,000	245,355	180,000	332,766	155,000	200,000
Other Interfund Transfers	12,500	12,500	12,500	12,500	12,500	12,500	12,500	12,500	12,500	12,500	12,500
Debt Service (includes transfers for debt)	223,291	223,894	322,683	438,345	493,138	489,855	491,345	490,481	491,455	487,674	488,724
Total Use of Cash	1,420,923	2,321,262	2,730,008	2,206,029	1,706,913	1,653,508	1,772,070	1,749,437	1,948,718	1,814,758	1,910,538
<b>Source of Cash</b>											
Revenue from Service Charges	796,500	1,160,502	1,279,863	1,404,809	1,540,238	1,677,438	1,824,493	1,973,711	2,032,448	2,092,948	2,155,263
Revenue from connection/availability charges	25,000	90,618	50,678	24,149	4,000	-	-	-	-	-	-
Revenue from other sources	47,180	21,812	66,291	76,878	82,655	74,683	81,166	88,297	99,039	107,217	119,480
Bond Proceeds	-	1,314,193	1,592,149	719,857	-	-	-	-	-	-	-
Total Source of Cash	868,680	2,587,125	2,988,981	2,225,693	1,626,893	1,752,121	1,905,659	2,062,008	2,131,487	2,200,165	2,274,743
Net Change in Other Assets and Liabilities	138,226	76,634	67,891	66,200	57,560	38,917	36,389	37,923	39,516	41,176	42,902
<b>Change in Cash Balance</b>	<b>(414,017)</b>	<b>342,497</b>	<b>326,864</b>	<b>85,864</b>	<b>(22,460)</b>	<b>137,530</b>	<b>169,978</b>	<b>350,494</b>	<b>222,285</b>	<b>426,583</b>	<b>407,107</b>
Beginning Cash Balance	989,603	575,586	918,083	1,244,947	1,330,811	1,308,350	1,445,881	1,615,859	1,966,353	2,188,638	2,615,221
<b>Total Projected Ending Cash</b>	<b>575,586</b>	<b>918,083</b>	<b>1,244,947</b>	<b>1,330,811</b>	<b>1,308,350</b>	<b>1,445,881</b>	<b>1,615,859</b>	<b>1,966,353</b>	<b>2,188,638</b>	<b>2,615,221</b>	<b>3,022,328</b>
<b>Ending Cash by Purpose</b>											
For future capital improvements	(33,645)	194,062	244,942	104,628	157,919	197,746	412,150	586,133	966,172	1,321,840	1,695,655
For next year planned capital	-	-	87,994	264,814	170,000	245,355	180,000	332,766	155,000	200,000	208,000
For 6-months of operating cash	385,338	401,338	473,667	468,231	490,576	511,435	533,228	555,998	579,792	604,657	630,643
For following year debt service	223,894	322,683	438,345	493,138	489,855	491,345	490,481	491,455	487,674	488,724	488,029
<b>Total Projected Ending Cash</b>	<b>575,586</b>	<b>918,083</b>	<b>1,244,947</b>	<b>1,330,811</b>	<b>1,308,350</b>	<b>1,445,881</b>	<b>1,615,859</b>	<b>1,966,353</b>	<b>2,188,638</b>	<b>2,615,221</b>	<b>3,022,328</b>

Note: Cash balances include cash and investments.

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## SANITARY SEWER FUND (611)

The Sanitary Sewer Fund was established as an Enterprise Fund to account for the activities of the City's sewage collection system.

The Sanitary Sewer Fund is considered self-supporting in that the services rendered are to be financed through user charges.

The financial plan for the Sanitary Sewer Fund includes assets and liabilities in addition to revenues and expenses. There is a capitalization of certain expenses and the subsequent depreciation of the capitalized costs.

### Revenues

The majority of the source of funds comes from charges for services. Schedule of historical and proposed fees and charges for sanitary sewer services is included in the Appendices.

Future growth from development, which impacts the projection of operating and non-operating revenue for the Sanitary Sewer Fund, is estimated at approximately 2 to 13 new residential household units per year between 2025-2027. This includes new development only and does not include anticipated in fill development. There is no new customer units anticipated after 2027 in the Plan.

Future growth from development, which impacts the projection of operating and non-operating revenue for the Sanitary Sewer Fund, is estimated at approximately 10-20 new residential equivalent (REU) utility customer units per year between 2025-2035.

**Sanitary sewer utility fees** increases are proposed. There is no proposed adjustment to the structure for charging fees. Annual fee increase of 30% is proposed for 2026, 6% for 2027, then approximately 3-4% annually. The increases are needed to achieve a pay-go strategy for capital improvements with no bonding. The increases are inclusive of all sanitary sewer fees except for **SAC** for new development is to remain at current amount (\$1,200 per unit). The collection of sewer availability charge (SAC) is spread over five year period.

With proposed annual rate adjustments, the Sanitary Sewer Fund is projected to maintain adequate cash balance over the planning period. The revenue objective is to provide revenue sufficient to achieve year-end cash balance to cover the following purposes:

- Six-months of operating expense
- Following year debt service payments
- Following year capital acquisition (planned to be paid from cash)
- Reserves for future capital improvements and other reserve purposes

The Plan includes the issuance of general obligation revenue bonds, payable from revenues from the Sewer Fund, to finance water system improvements.

### Expenses

The use of funds is to pay for the operation and capital improvements, and related debt service, for providing municipal sewer services, including depreciation of capital assets.

Depreciation is reported as an expense and is adjusted for anticipated annual depreciable capital acquisitions. For purposes of the Plan, capital is depreciated over a 40 year term.

for changes to capital assets, accumulated depreciation, and bonds payable.

Approximately 30% of the Sewer Fund expenses are estimated to be fixed costs, this amount fluctuates somewhat from year to year but this percentage is expected to remain stable at this level in future years. The largest expense for the Sewer Fund is a variable expense for payment of disposal charges, billed based on variable volume, to the MCES. The MCES rate per volume unit is projected to increase by 5.0-8.0% annually for purpose of the Plan. The Plan assumes 8.0% annual increases between 2026-2028, then 5.0% annually. The actual rate to be charged in future years is unknown and is a significant variable for the Sewer Fund.

The Plan includes the addition of new personnel (FTE) that is anticipated to be paid from the Sewer Fund. Appendix B includes details on the staffing plan.

The Sewer Fund has non-recurring transfers to the Equipment Replacement Fund (403) for certain purchases of equipment funded in part from revenue from Sewer Fund. Annual transfers from the Sewer Fund to the General Fund are planned related to allocated administrative costs.

### Balance Sheet Items

The financial plan includes estimated assets and liabilities, this includes estimated annual year-end cash balance.

The Plan anticipates receivables and payables at historical amounts, with the exception of adjustments

Chart 36  
Sewer Fund

Cash is projected to be sufficient over the long-term to meet minimum annual cash needs and to provide reserve for future capital improvements

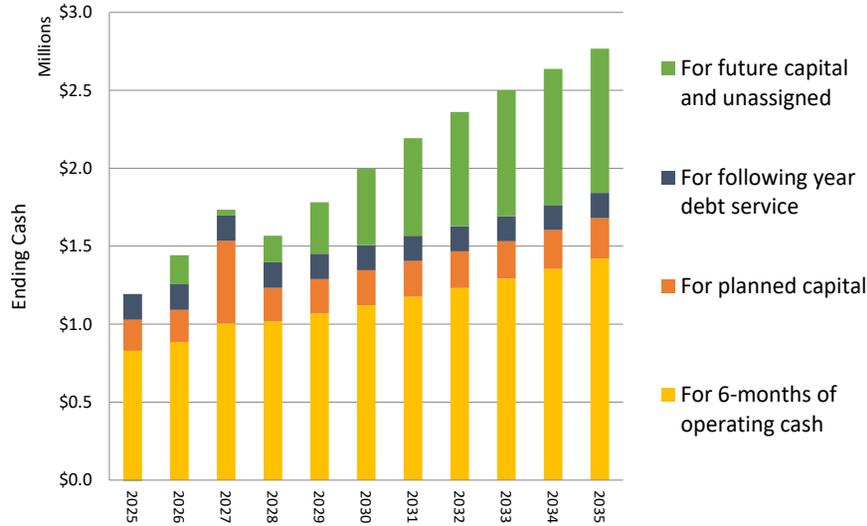


Chart 37  
Sewer Fund

Ending Unrestricted Net Position as % of Expense is projected to be above the minimum 50% target

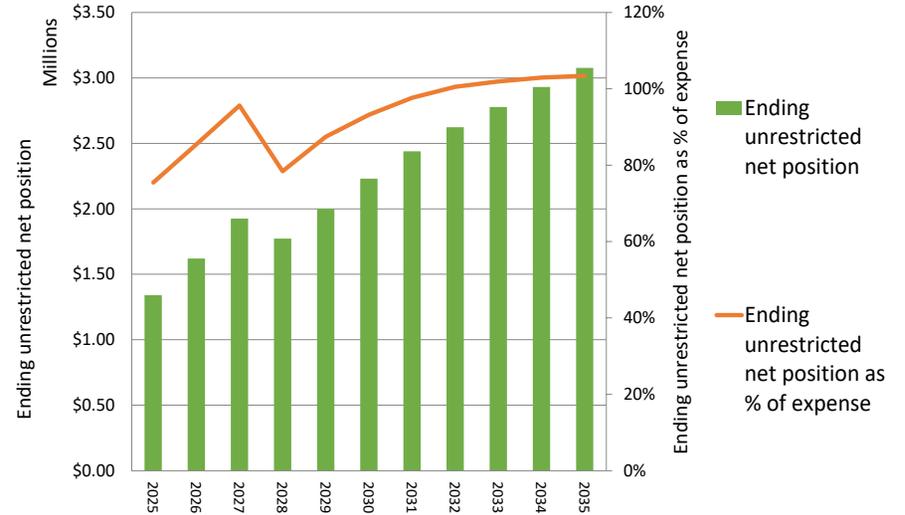


Chart 38  
Sewer Fund

Revenues are projected to increase to cover expenses, revenues in excess will provide funds for future system improvements

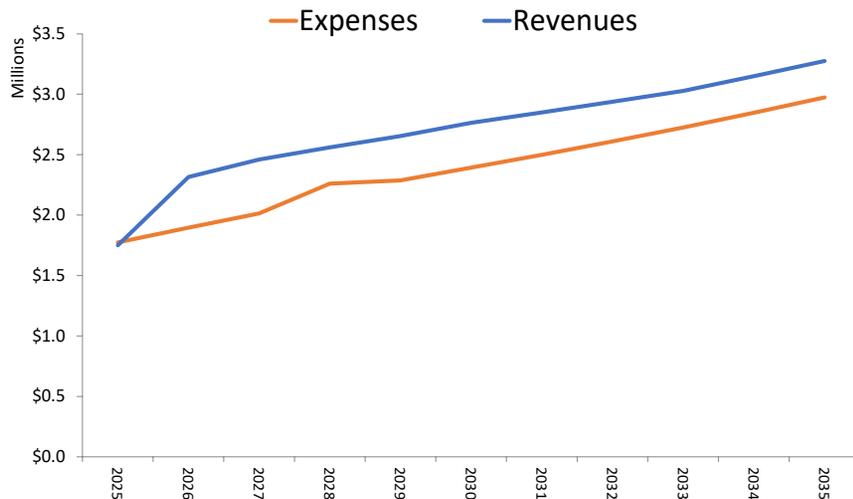


Chart 39  
Sewer Fund

Customers and volume billed are projected to remain fairly constant. Residential customers are billed fixed rate for sewer services, only commercial property is billed on volume basis

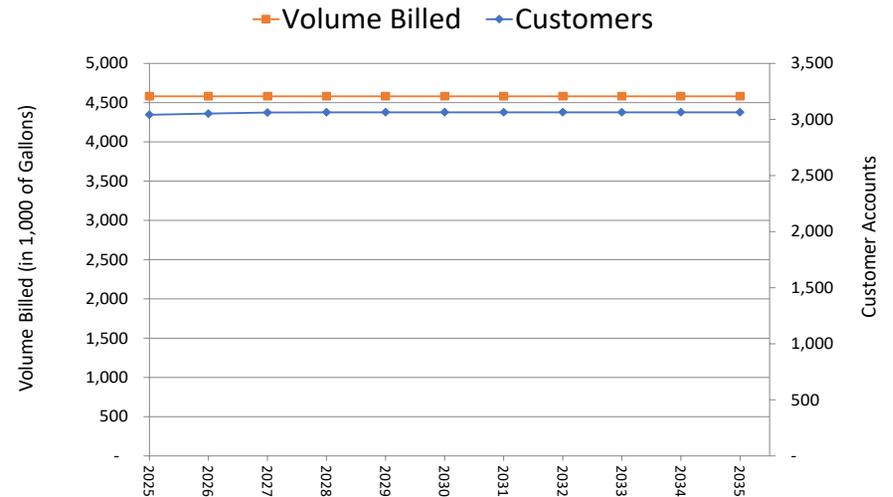


Table 17  
Page 1 of 2

City of Shorewood

Sanitary Sewer Fund

Finance Plan

Sanitary Sewer Fund (611)

	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035
	Actual	Actual	Estimated	Proj									
<b>Revenues</b>													
Charges for services	1,388,300	1,487,020	1,735,410	2,276,649	2,421,088	2,519,563	2,620,345	2,725,159	2,806,914	2,891,121	2,977,855	3,096,969	3,220,848
Utility permit fees	450	-	1,000	1,050	1,103	1,158	1,216	1,277	1,341	1,408	1,478	1,552	1,630
Gain on disposal of capital assets	1,032	-	-	-	-	-	-	-	-	-	-	-	-
Outside repairs	2,297	-	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000
Interest on investments	77,364	53,952	8,000	23,484	28,845	34,689	31,342	35,628	39,949	43,847	47,213	50,003	52,754
Intergovernmental revenues	31,192	-	-	-	-	-	-	-	-	-	-	-	-
Other revenues and special items	13	6,152	-	-	-	-	-	-	-	-	-	-	-
Special assessments	1,146	-	-	-	-	-	-	-	-	-	-	-	-
Connection / availability charges	21,760	1,320	5,000	12,750	8,067	3,310	480	-	-	-	-	-	-
<b>Total Revenues</b>	<b>1,523,554</b>	<b>1,548,444</b>	<b>1,750,410</b>	<b>2,314,933</b>	<b>2,460,103</b>	<b>2,559,720</b>	<b>2,654,383</b>	<b>2,763,064</b>	<b>2,849,204</b>	<b>2,937,376</b>	<b>3,027,546</b>	<b>3,149,524</b>	<b>3,276,232</b>
<b>Expenses</b>													
<i>Fixed Expenses</i>													
Personnel services	199,681	309,285	289,150	303,608	318,788	334,727	351,463	369,036	387,488	406,862	427,205	448,565	470,993
Personnel services FTE changes	-	-	-	-	-	10,000	45,500	52,775	55,414	58,184	61,094	64,148	67,356
Transfers out General Fund	12,500	12,500	12,500	12,500	12,500	12,500	12,500	12,500	12,500	12,500	12,500	12,500	12,500
Transfer out to Equipment Replacement Fund	-	-	-	-	-	101,250	-	-	-	-	-	-	-
Interest expense	69,035	82,573	79,382	76,383	73,259	70,041	66,695	63,221	59,680	56,008	52,177	48,198	44,059
Depreciation	140,298	140,298	145,173	150,173	155,298	168,543	173,918	179,418	185,043	190,793	196,668	202,668	208,918
<i>Subtotal Fixed Expenses</i>	<i>421,514</i>	<i>544,656</i>	<i>526,205</i>	<i>542,664</i>	<i>559,845</i>	<i>697,061</i>	<i>650,076</i>	<i>676,950</i>	<i>700,125</i>	<i>724,347</i>	<i>749,644</i>	<i>776,079</i>	<i>803,826</i>
<i>Variable Expenses</i>													
Supplies	5,057	2,339	5,450	5,614	5,782	5,955	6,134	6,318	6,508	6,703	6,904	7,111	7,324
Utilities	15,119	4,448	5,000	5,250	5,513	5,789	6,078	6,382	6,701	7,036	7,388	7,757	8,145
Machinery & equipment and other improvements	-	-	26,000	-	-	-	-	-	-	-	-	-	-
Repairs and maintenance	9,614	57,794	10,000	10,300	10,609	10,927	11,255	11,593	11,941	12,299	12,668	13,048	13,439
Contracted services	34,697	22,686	40,000	41,200	42,436	43,709	45,020	46,371	47,762	49,195	50,671	52,191	53,757
Other expenses	14,125	5,125	7,500	7,725	7,957	8,196	8,442	8,695	8,956	9,225	9,502	9,787	10,081
Excelsior sewer charges	-	37,852	32,000	32,960	33,949	34,967	36,016	37,096	38,209	39,355	40,536	41,752	43,005
Fiscal agent fees	-	500	500	500	500	500	500	500	500	500	500	500	500
Professional services	28,307	-	48,070	49,512	50,997	52,527	54,103	55,726	57,398	59,120	60,894	62,721	64,603
Disposal charges	1,162,113	1,076,772	1,074,420	1,200,217	1,296,234	1,399,933	1,469,930	1,543,426	1,620,598	1,701,627	1,786,709	1,876,044	1,969,846
Bond issuance cost	13,472	-	-	-	-	-	-	-	-	-	-	-	-
<i>Subtotal Variable Expenses</i>	<i>1,282,504</i>	<i>1,207,516</i>	<i>1,248,940</i>	<i>1,353,278</i>	<i>1,453,977</i>	<i>1,562,503</i>	<i>1,637,478</i>	<i>1,716,107</i>	<i>1,798,573</i>	<i>1,885,060</i>	<i>1,975,772</i>	<i>2,070,911</i>	<i>2,170,700</i>
<b>Total Expenses</b>	<b>1,704,018</b>	<b>1,752,172</b>	<b>1,775,145</b>	<b>1,895,942</b>	<b>2,013,822</b>	<b>2,259,564</b>	<b>2,287,554</b>	<b>2,393,057</b>	<b>2,498,698</b>	<b>2,609,407</b>	<b>2,725,416</b>	<b>2,846,990</b>	<b>2,974,526</b>
Beginning net position	3,635,589	3,455,125	3,251,397	3,226,662	3,645,653	4,091,934	4,392,090	4,758,919	5,128,926	5,479,432	5,807,401	6,109,531	6,412,065
Change in Net Position	(180,464)	(203,728)	(24,735)	418,991	446,281	300,156	366,829	370,007	350,506	327,969	302,130	302,534	301,706
<b>Ending net position</b>	<b>3,455,125</b>	<b>3,251,397</b>	<b>3,226,662</b>	<b>3,645,653</b>	<b>4,091,934</b>	<b>4,392,090</b>	<b>4,758,919</b>	<b>5,128,926</b>	<b>5,479,432</b>	<b>5,807,401</b>	<b>6,109,531</b>	<b>6,412,065</b>	<b>6,713,771</b>

Table 17  
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City of Shorewood

Finance Plan

Sanitary Sewer Fund (611)

Sanitary Sewer Fund

	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035
	Actual	Actual	Estimated	Proj									
<b>Assets and Deferred Outflow of Resources</b>													
Cash and cash equivalents	1,497,441	1,343,459	1,174,199	1,442,271	1,734,460	1,567,116	1,781,393	1,997,467	2,192,371	2,360,635	2,500,168	2,637,676	2,766,598
Special assessments receivable	35,220	36,349	-	-	-	-	-	-	-	-	-	-	-
Other assets / receivables / Prepaid items	387,251	381,337	387,251	398,869	410,835	423,160	435,855	448,931	462,399	476,271	490,559	505,276	520,434
Due from other funds	-	136	-	-	-	-	-	-	-	-	-	-	-
Capital assets	12,375,694	12,458,359	12,653,359	12,853,359	13,058,359	13,588,153	13,803,153	14,023,153	14,248,153	14,478,153	14,713,153	14,953,153	15,203,153
Less Accumulated depreciation	(8,379,169)	(8,519,467)	(8,664,640)	(8,814,813)	(8,970,111)	(9,138,654)	(9,312,572)	(9,491,990)	(9,677,032)	(9,867,825)	(10,064,493)	(10,267,161)	(10,476,079)
Deferred outflows of resources	27,088	19,807	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000
<b>Total Assets and Deferred Outflows</b>	<b>5,943,525</b>	<b>5,719,980</b>	<b>5,570,169</b>	<b>5,899,686</b>	<b>6,253,543</b>	<b>6,459,775</b>	<b>6,727,829</b>	<b>6,997,561</b>	<b>7,245,891</b>	<b>7,467,234</b>	<b>7,659,387</b>	<b>7,848,944</b>	<b>8,034,106</b>
<b>Liabilities and Deferred Inflow of Resources</b>													
Other current liabilities / payables	70,561	61,773	70,561	70,561	70,561	70,561	70,561	70,561	70,561	70,561	70,561	70,561	70,561
Due to other governments	5,395	53,368	-	-	-	-	-	-	-	-	-	-	-
Due to other funds	-	-	-	-	-	-	-	-	-	-	-	-	-
Bonds payable for existing debt	2,252,291	2,186,519	2,101,520	2,013,170	1,921,870	1,829,070	1,731,419	1,632,268	1,531,216	1,425,714	1,316,861	1,205,008	1,089,588
Net pension liability (non-current)	102,330	81,930	102,330	102,330	102,330	102,330	102,330	102,330	102,330	102,330	102,330	102,330	102,330
Other non-current liabilities	-	9,630	-	-	-	-	-	-	-	-	-	-	-
Deferred inflows of resources	36,479	55,143	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000
Unamortized bond premium/discount	21,344	20,220	19,096	17,972	16,848	15,724	14,600	13,476	12,352	11,228	10,104	8,980	7,856
<b>Total Liabilities and Deferred Inflows</b>	<b>2,488,400</b>	<b>2,468,583</b>	<b>2,343,507</b>	<b>2,254,033</b>	<b>2,161,609</b>	<b>2,067,685</b>	<b>1,968,910</b>	<b>1,868,635</b>	<b>1,766,459</b>	<b>1,659,833</b>	<b>1,549,856</b>	<b>1,436,879</b>	<b>1,320,335</b>
<b>Total Liabilities, Deferred Inflows, and Net Position</b>	<b>5,943,525</b>	<b>5,719,980</b>	<b>5,570,169</b>	<b>5,899,686</b>	<b>6,253,543</b>	<b>6,459,775</b>	<b>6,727,829</b>	<b>6,997,561</b>	<b>7,245,891</b>	<b>7,467,234</b>	<b>7,659,387</b>	<b>7,848,944</b>	<b>8,034,106</b>

Table 18

Sanitary Sewer Fund

City of Shorewood

Customers and Charges for Sales and Development Revenue

Sanitary Sewer Fund (611)

	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035
	Actual	Actual	Budget	Proj									
<b>CUSTOMER DATA</b>													
<b>Average Annual Billing Units (Customers)</b>													
Residential	2,981	2,979	2,992	3,002	3,012	3,014	3,014	3,014	3,014	3,014	3,014	3,014	3,014
Duplex Low Income	3	3	3	3	3	3	3	3	3	3	3	3	3
Commercial	37	37	38	38	38	38	38	38	38	38	38	38	38
Tonka Bay	9	9	9	9	9	9	9	9	9	9	9	9	9
Total Customers	3,030	3,028	3,042	3,052	3,062	3,064	3,064	3,064	3,064	3,064	3,064	3,064	3,064
<b>Volume (in thousands of gallons)*</b>													
Commercial	4,812	4,511	4,581	4,581	4,581	4,581	4,581	4,581	4,581	4,581	4,581	4,581	4,581
Total Volume	4,812	4,511	4,581	4,581	4,581	4,581	4,581	4,581	4,581	4,581	4,581	4,581	4,581
<i>*Residential customers pay fixed rate and are not billed based on volume.</i>													
<b>REVENUE</b>													
<b>Revenue - Base Charge</b>													
Residential	\$1,339,781	\$1,459,353	\$1,702,448	\$2,220,579	\$2,361,655	\$2,457,752	\$2,556,062	\$2,658,305	\$2,738,054	\$2,820,195	\$2,904,801	\$3,020,993	\$3,141,833
Duplex Low Income	\$2,247	\$1,146	\$1,331	\$1,730	\$1,834	\$1,907	\$1,984	\$2,063	\$2,125	\$2,189	\$2,254	\$2,344	\$2,438
Commercial	\$18,509	\$20,174	\$24,002	\$31,202	\$33,075	\$34,398	\$35,773	\$37,204	\$38,320	\$39,470	\$40,654	\$42,280	\$43,972
Tonka Bay	\$894	\$894	\$894	\$1,162	\$1,231	\$1,281	\$1,332	\$1,385	\$1,427	\$1,469	\$1,513	\$1,574	\$1,637
Total Revenue	\$1,361,430	\$1,481,566	\$1,728,674	\$2,254,674	\$2,397,795	\$2,495,337	\$2,595,151	\$2,698,957	\$2,779,926	\$2,863,324	\$2,949,223	\$3,067,192	\$3,189,880
<b>Revenue - Volume Charge</b>													
Commercial	\$14,052	\$14,345	\$16,904	\$21,975	\$23,294	\$24,225	\$25,194	\$26,202	\$26,988	\$27,798	\$28,632	\$29,777	\$30,968
Total Revenue	\$14,052	\$14,345	\$16,904	\$21,975	\$23,294	\$24,225	\$25,194	\$26,202	\$26,988	\$27,798	\$28,632	\$29,777	\$30,968
<b>Connection Permit Charge</b>													
Residential	\$2,550	\$600	\$1,950	\$1,950	\$2,067	\$430	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Revenue	\$2,550	\$600	\$1,950	\$1,950	\$2,067	\$430	\$0	\$0	\$0	\$0	\$0	\$0	\$0
<b>City Sewer Availability Charge (SAC)</b>													
Residential	\$19,200	\$10,320	\$10,800	\$10,800	\$6,000	\$2,880	\$480	\$0	\$0	\$0	\$0	\$0	\$0
Total Revenue	\$19,200	\$10,320	\$10,800	\$10,800	\$6,000	\$2,880	\$480	\$0	\$0	\$0	\$0	\$0	\$0
<b>Total Unadjusted Revenue</b>	<b>\$1,397,233</b>	<b>\$1,506,831</b>	<b>\$1,758,328</b>	<b>\$2,289,399</b>	<b>\$2,429,155</b>	<b>\$2,522,873</b>	<b>\$2,620,825</b>	<b>\$2,725,159</b>	<b>\$2,806,914</b>	<b>\$2,891,121</b>	<b>\$2,977,855</b>	<b>\$3,096,969</b>	<b>\$3,220,848</b>
Adjustments / other changes <sup>1</sup>	\$12,827	-\$18,491	-\$17,918										
<b>Total Revenue Calculated</b>	<b>\$1,410,060</b>	<b>\$1,488,340</b>	<b>\$1,740,410</b>	<b>\$2,289,399</b>	<b>\$2,429,155</b>	<b>\$2,522,873</b>	<b>\$2,620,825</b>	<b>\$2,725,159</b>	<b>\$2,806,914</b>	<b>\$2,891,121</b>	<b>\$2,977,855</b>	<b>\$3,096,969</b>	<b>\$3,220,848</b>

Notes:

1. The Adjustments/other changes is the difference between how the Study calculated revenue compared to revenue reported in the City's audited financial statements or budget document. The difference may come from adjustments to bills due to issues with meters and other adjustments that are not built into the model for the Study. The adjustments are not considered to be on-going. The Study assumes that future adjustments will be minimal and not have a material impact on the future revenue projections.

Table 19

Sanitary Sewer Fund

City of Shorewood

**Ending Cash Balance  
Sanitary Sewer Fund (611)**

	2025 Budget	2026 Proj	2027 Proj	2028 Proj	2029 Proj	2030 Proj	2031 Proj	2032 Proj	2033 Proj	2034 Proj	2035 Proj
<b>Use of Cash</b>											
Operations & Maintenance (not including disposal)	463,670	456,669	476,531	608,547	564,511	594,492	620,877	648,479	677,362	707,580	739,203
MCES disposal charge	1,074,420	1,200,217	1,296,234	1,399,933	1,469,930	1,543,426	1,620,598	1,701,627	1,786,709	1,876,044	1,969,846
Capital Acquisition and Cost of Issuance of Bonds	195,000	200,000	205,000	529,794	215,000	220,000	225,000	230,000	235,000	240,000	250,000
Other Interfund Transfers	12,500	12,500	12,500	12,500	12,500	12,500	12,500	12,500	12,500	12,500	12,500
Debt Service (includes transfers for debt)	164,381	164,733	164,559	162,841	164,346	162,372	160,732	161,510	161,030	160,051	159,479
<b>Total Use of Cash</b>	<b>1,909,971</b>	<b>2,034,119</b>	<b>2,154,824</b>	<b>2,713,615</b>	<b>2,426,287</b>	<b>2,532,790</b>	<b>2,639,707</b>	<b>2,754,116</b>	<b>2,872,601</b>	<b>2,996,175</b>	<b>3,131,028</b>
<b>Source of Cash</b>											
Revenue from Service Charges	1,735,410	2,276,649	2,421,088	2,519,563	2,620,345	2,725,159	2,806,914	2,891,121	2,977,855	3,096,969	3,220,848
Revenue from connection/availability charges	5,000	12,750	8,067	3,310	480	-	-	-	-	-	-
Revenue from other sources	10,000	25,534	30,948	36,847	33,558	37,905	42,290	46,255	49,691	52,555	55,384
<b>Total Source of Cash</b>	<b>1,750,410</b>	<b>2,314,933</b>	<b>2,460,103</b>	<b>2,559,720</b>	<b>2,654,383</b>	<b>2,763,064</b>	<b>2,849,204</b>	<b>2,937,376</b>	<b>3,027,546</b>	<b>3,149,524</b>	<b>3,276,232</b>
Net Change in Other Assets and Liabilities	(9,699)	(12,742)	(13,090)	(13,449)	(13,819)	(14,200)	(14,592)	(14,996)	(15,412)	(15,841)	(16,282)
<b>Change in Cash Balance</b>	<b>(169,260)</b>	<b>268,072</b>	<b>292,189</b>	<b>(167,344)</b>	<b>214,277</b>	<b>216,074</b>	<b>194,905</b>	<b>168,264</b>	<b>139,533</b>	<b>137,508</b>	<b>128,922</b>
Beginning Cash Balance	1,343,459	1,174,199	1,442,271	1,734,460	1,567,116	1,781,393	1,997,467	2,192,372	2,360,636	2,500,169	2,637,677
<b>Total Projected Ending Cash</b>	<b>1,174,199</b>	<b>1,442,271</b>	<b>1,734,460</b>	<b>1,567,116</b>	<b>1,781,393</b>	<b>1,997,467</b>	<b>2,192,372</b>	<b>2,360,636</b>	<b>2,500,169</b>	<b>2,637,677</b>	<b>2,766,599</b>
<b>Ending Cash by Purpose</b>											
For future capital improvements	(18,977)	186,330	37,586	170,550	330,062	490,998	625,809	732,571	808,307	873,674	924,804
For next year planned capital	200,000	205,000	529,794	215,000	220,000	225,000	230,000	235,000	240,000	250,000	260,000
For 6-months of operating cash	828,443	886,383	1,004,240	1,017,220	1,068,959	1,120,738	1,175,053	1,232,035	1,291,812	1,354,524	1,420,316
For following year debt service	164,733	164,559	162,841	164,346	162,372	160,732	161,510	161,030	160,051	159,479	161,479
<b>Total Projected Ending Cash</b>	<b>1,174,199</b>	<b>1,442,271</b>	<b>1,734,460</b>	<b>1,567,116</b>	<b>1,781,393</b>	<b>1,997,467</b>	<b>2,192,372</b>	<b>2,360,636</b>	<b>2,500,169</b>	<b>2,637,677</b>	<b>2,766,599</b>
Note: Cash balances include cash and investments.											
Assumption for MCES Volume Billed (in 100's of gallons)	307,590	345,960	345,960	345,960	345,960	345,960	345,960	345,960	345,960	345,960	345,960

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## STORMWATER MANAGEMENT FUND (631)

The Stormwater Management Fund was established as an Enterprise Fund to account for the activities of the City's stormwater collection system.

The Stormwater Management Fund is considered self-supporting in that the services rendered are to be financed through user charges.

The financial plan for the Stormwater Management Fund includes assets and liabilities in addition to revenues and expenses. There is a capitalization of certain expenses and the subsequent depreciation of the capitalized costs.

### Revenues

The majority of the source of funds comes from charges for services. Schedule of historical and proposed fees and charges for stormwater services is included in the Appendices.

Future growth from development, which impacts the projection of operating and non-operating revenue for the Stormwater Management Fund, is estimated at approximately 2 to 13 new residential household units per year between 2025-2027. This includes new development only and does not include anticipated in fill development. There is no new customer units anticipated after 2027 in the Plan.

**Stormwater utility fees** are proposed to increase by 60% in 2026; then 35% in 2027; then dropping to 2.0% annually between 2028-2035. The average annual dollar increase for the basic system rate is

approximately \$4.50 between 2026-2035. Fees are paid quarterly. Fee increases are needed to offset the transition of franchise fee revenues from a revenue source for stormwater management services to street improvements (Governmental Fund), and to provide increased revenue to fund stormwater management infrastructure improvements planned in the CIP.

The Plan anticipates a temporary advance of funds from the Street Improvements Fund (404) to the Stormwater Management Fund (631) to allow time for rate increases to be implemented. This advance will result in an increase in cash for the Stormwater Management Fund, offset by an increase in liabilities (Due to Other Funds) for the Stormwater Management Fund. The advance is not recorded as revenue.

With proposed annual rate adjustments, the Stormwater Management Fund is projected to maintain adequate cash balance over the planning period. The revenue objective is to provide revenue sufficient to achieve year-end cash balance to cover the following purposes:

- Six-months of operating expense
- Following year debt service payments
- Following year capital acquisition (planned to be paid from cash)
- Reserves for future capital improvements and other reserve purposes

The Plan includes the issuance of general obligation revenue bonds, payable from revenues from the Stormwater Management Fund, to finance water system improvements.

## Expenses

The use of funds is to pay for the operation and capital improvements, and related debt service, for providing stormwater services, including depreciation of capital assets.

Depreciation is reported as an expense and is adjusted for anticipated annual depreciable capital acquisitions. For purposes of the Plan, capital is depreciated over a 40 year term.

Approximately 80% of the Stormwater Management Fund expenses are estimated to be fixed costs, this amount fluctuates somewhat from year to year. The largest expense for the Stormwater Management Fund is interest expense on bonds which is estimated to increase with planned bond issuances to finance stormwater management improvements.

The Plan includes the addition of new personnel (FTE) that is anticipated to be paid from the Stormwater Management Fund. Appendix B includes details on the staffing plan.

## Balance Sheet Items

The financial plan includes estimated assets and liabilities, this includes estimated annual year-end cash balance.

The Plan anticipates receivables and payables at historical amounts, with the exception of adjustments for changes to capital assets, accumulated depreciation, and bonds payable.

Chart 40  
Stormwater Fund

Cash is projected to be sufficient to meet minimum annual cash needs and to provide reserve for future capital improvements

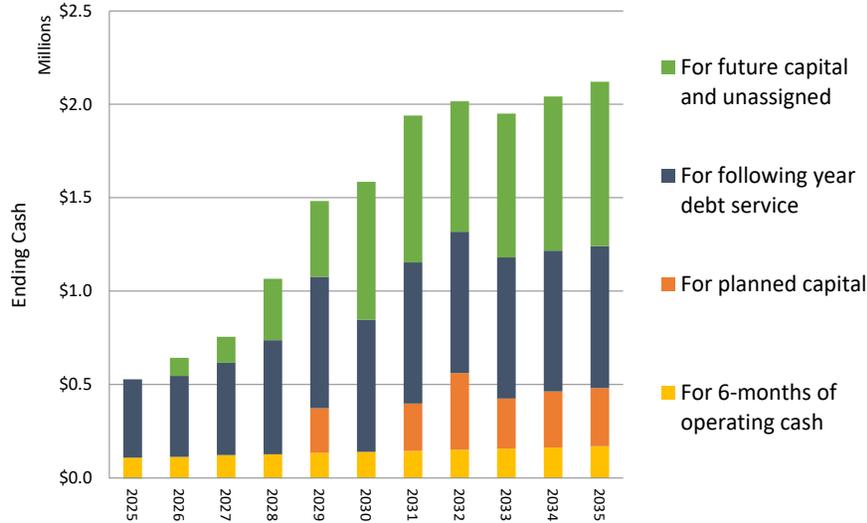


Chart 41  
Stormwater Fund

Ending Unrestricted Net Position as % of Expense is projected to increase over the next several years to be above the minimum 50% target with adoption of proposed rate increases to offset the loss of franchise fee revenue to fund st

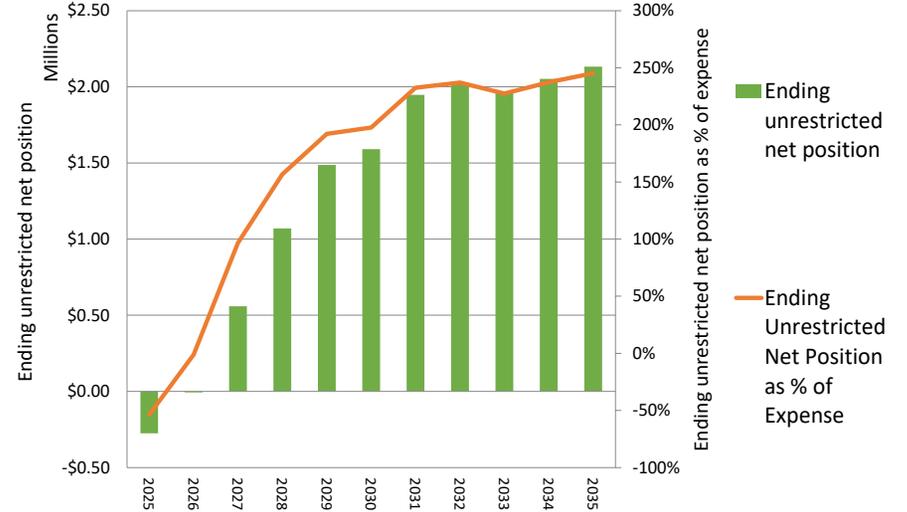


Chart 42  
Stormwater Fund

Revenues are projected to cover expenses, revenues in excess will provide funds for future system improvements

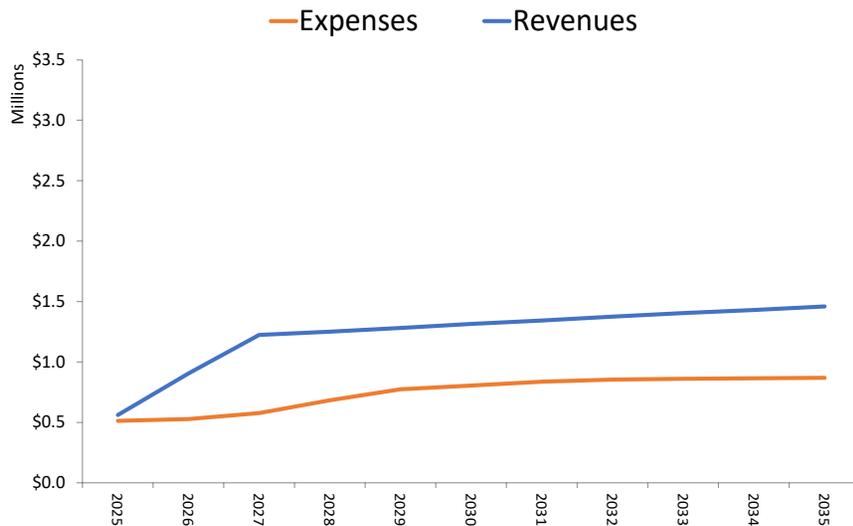


Chart 43  
Stormwater Fund

Customers billed per billing period are projected to increase slightly with planned new customers to be added

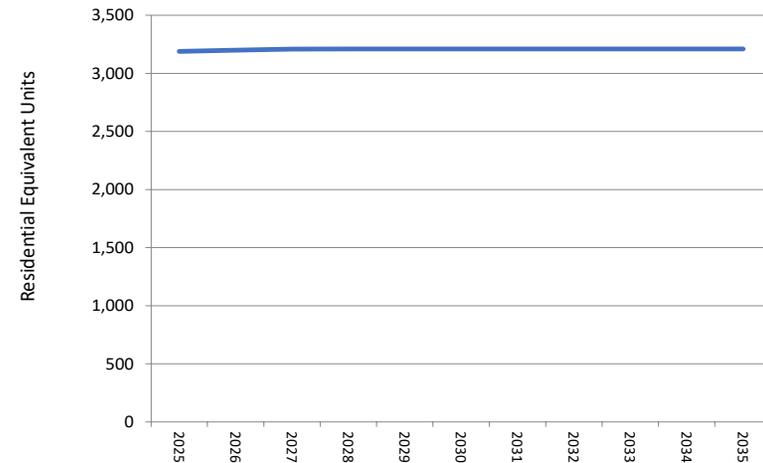


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City of Shorewood

## Finance Plan

### Stormwater Management Fund (631)

## Stormwater Management Fund

	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035
	Actual	Actual	Estimated	Proj	Proj	Proj							
<b>Revenues</b>													
Charges for services	516,600	545,045	556,800	894,614	1,210,361	1,235,105	1,259,807	1,285,003	1,310,703	1,336,917	1,363,656	1,390,929	1,418,747
Franchise taxes	322,864	324,387	-	-	-	-	-	-	-	-	-	-	-
Interest on investments	126,006	36,192	5,000	10,502	12,854	15,117	21,326	29,645	31,706	38,798	40,312	39,000	40,834
Other revenues and special items	4	2,408	-	-	-	-	-	-	-	-	-	-	-
<b>Total Revenues</b>	<b>965,474</b>	<b>908,032</b>	<b>561,800</b>	<b>905,116</b>	<b>1,223,215</b>	<b>1,250,222</b>	<b>1,281,133</b>	<b>1,314,648</b>	<b>1,342,409</b>	<b>1,375,715</b>	<b>1,403,968</b>	<b>1,429,929</b>	<b>1,459,581</b>
<b>Expenses</b>													
<i>Fixed Expenses</i>													
Personnel services	69,720	86,985	87,160	91,518	96,094	100,899	105,944	111,241	116,803	122,643	128,775	135,214	141,975
Personnel services FTE changes	-	-	-	-	-	10,000	10,500	16,025	16,826	17,668	18,551	19,478	20,452
Transfer out to Governmental Funds	-	105,000	-	-	-	-	-	-	-	-	-	-	-
Interest expense	135,961	148,732	143,539	137,873	141,265	171,909	229,724	274,864	262,545	279,023	264,746	249,696	233,850
Depreciation	139,011	145,151	160,836	166,079	187,067	224,266	255,641	261,613	278,304	284,641	294,911	301,609	309,109
<i>Subtotal Fixed Expenses</i>	<i>344,692</i>	<i>485,868</i>	<i>391,535</i>	<i>395,470</i>	<i>424,426</i>	<i>507,074</i>	<i>601,809</i>	<i>663,743</i>	<i>674,478</i>	<i>703,975</i>	<i>706,983</i>	<i>705,997</i>	<i>705,386</i>
<i>Variable Expenses</i>													
Supplies	3,456	2,966	6,250	6,438	6,631	6,830	7,035	7,246	7,463	7,687	7,918	8,156	8,401
Repairs and maintenance	7,827	53,184	3,500	3,605	3,713	3,824	3,939	4,057	4,179	4,304	4,433	4,566	4,703
Contracted services	20,509	2,686	25,000	25,750	26,523	27,319	28,139	28,983	29,852	30,748	31,670	32,620	33,599
Other expenses	2,789	1,049	1,000	1,030	1,061	1,093	1,126	1,160	1,195	1,231	1,268	1,306	1,345
Fiscal agent fees	-	500	500	500	500	500	500	500	500	500	500	500	500
Professional services	59,942	83,027	85,700	88,271	90,919	93,647	96,456	99,350	102,331	105,401	108,563	111,820	115,175
Bond issuance cost	14,401	-	-	6,107	23,293	42,208	35,003	-	17,380	-	-	-	-
<i>Subtotal Variable Expenses</i>	<i>108,924</i>	<i>143,412</i>	<i>121,950</i>	<i>131,701</i>	<i>152,640</i>	<i>175,421</i>	<i>172,198</i>	<i>141,296</i>	<i>162,900</i>	<i>149,871</i>	<i>154,352</i>	<i>158,968</i>	<i>163,723</i>
<b>Total Expenses</b>	<b>453,616</b>	<b>629,280</b>	<b>513,485</b>	<b>527,171</b>	<b>577,066</b>	<b>682,495</b>	<b>774,007</b>	<b>805,039</b>	<b>837,378</b>	<b>853,846</b>	<b>861,335</b>	<b>864,965</b>	<b>869,109</b>
Beginning net position	5,360,239	5,872,097	6,150,849	6,199,164	6,577,109	7,223,258	7,790,985	8,298,111	8,807,720	9,312,751	9,834,620	10,377,253	10,942,217
Change in Net Position	511,858	278,752	48,315	377,945	646,149	567,727	507,126	509,609	505,031	521,869	542,633	564,964	590,472
<b>Ending net position</b>	<b>5,872,097</b>	<b>6,150,849</b>	<b>6,199,164</b>	<b>6,577,109</b>	<b>7,223,258</b>	<b>7,790,985</b>	<b>8,298,111</b>	<b>8,807,720</b>	<b>9,312,751</b>	<b>9,834,620</b>	<b>10,377,253</b>	<b>10,942,217</b>	<b>11,532,689</b>

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City of Shorewood

## Finance Plan

### Stormwater Management Fund (631)

## Stormwater Management Fund

	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035
	Actual	Actual	Estimated	Proj									
<b>Assets and Deferred Outflow of Resources</b>													
Cash and cash equivalents	954,939	411,388	525,100	642,711	755,847	1,066,309	1,482,234	1,585,304	1,939,909	2,015,602	1,950,021	2,041,712	2,120,539
Special assessments receivable	12,376	16,732	-	-	-	-	-	-	-	-	-	-	-
Other assets / receivables / Prepaid items	227,564	222,655	227,564	227,564	227,564	227,564	227,564	227,564	227,564	227,564	227,564	227,564	227,564
Capital assets	11,973,677	12,738,649	13,366,049	13,575,749	14,415,307	15,903,242	17,158,239	17,397,139	18,064,759	18,318,259	18,729,059	18,996,959	19,296,959
Less Accumulated depreciation	(940,891)	(1,086,042)	(1,246,878)	(1,412,957)	(1,600,024)	(1,824,290)	(2,079,931)	(2,341,544)	(2,619,848)	(2,904,489)	(3,199,400)	(3,501,009)	(3,810,118)
Deferred outflows of resources	8,699	5,687	-	-	-	-	-	-	-	-	-	-	-
<b>Total Assets and Deferred Outflows</b>	<b>12,236,364</b>	<b>12,309,069</b>	<b>12,871,835</b>	<b>13,033,067</b>	<b>13,798,694</b>	<b>15,372,825</b>	<b>16,788,106</b>	<b>16,868,463</b>	<b>17,612,384</b>	<b>17,656,936</b>	<b>17,707,244</b>	<b>17,765,226</b>	<b>17,834,944</b>
<b>Liabilities and Deferred Inflow of Resources</b>													
Other current liabilities / payables	162,491	175,312	162,491	162,491	162,491	162,491	162,491	162,491	162,491	162,491	162,491	162,491	162,491
Due to other governments	-	-	-	-	-	-	-	-	-	-	-	-	-
Due to other funds	-	-	800,000	650,000	200,000	-	-	-	-	-	-	-	-
Bonds payable for existing debt	6,134,180	5,918,761	5,644,986	5,363,667	5,078,547	4,791,178	4,494,014	4,194,600	3,889,191	3,577,733	3,258,730	2,935,227	2,602,057
Bonds payable for new debt	-	-	-	215,807	1,071,606	2,566,580	3,773,100	3,644,463	4,189,963	4,025,305	3,853,184	3,670,906	3,484,523
Net pension liability (non-current)	33,073	23,719	33,073	33,073	33,073	33,073	33,073	33,073	33,073	33,073	33,073	33,073	33,073
Other non-current liabilities	-	3,078	-	-	-	-	-	-	-	-	-	-	-
Deferred inflows of resources	11,709	15,737	11,709	11,709	11,709	11,709	11,709	11,709	11,709	11,709	11,709	11,709	11,709
Unamortized bond premium/discount	22,814	21,613	20,412	19,211	18,010	16,809	15,608	14,407	13,206	12,005	10,804	9,603	8,402
<b>Total Liabilities and Deferred Inflows</b>	<b>6,364,267</b>	<b>6,158,220</b>	<b>6,672,671</b>	<b>6,455,958</b>	<b>6,575,436</b>	<b>7,581,840</b>	<b>8,489,995</b>	<b>8,060,743</b>	<b>8,299,633</b>	<b>7,822,316</b>	<b>7,329,991</b>	<b>6,823,009</b>	<b>6,302,255</b>
<b>Total Liabilities, Deferred Inflows, and Net Position</b>	<b>12,236,364</b>	<b>12,309,069</b>	<b>12,871,835</b>	<b>13,033,067</b>	<b>13,798,694</b>	<b>15,372,825</b>	<b>16,788,106</b>	<b>16,868,463</b>	<b>17,612,384</b>	<b>17,656,936</b>	<b>17,707,244</b>	<b>17,765,226</b>	<b>17,834,944</b>

Table 21

Stormwater Management Fund

City of Shorewood

Customers and Charges for Sales and Development Revenue  
Stormwater Management Fund (631)

	2023 Actual	2024 Actual	2025 Budget	2026 Proj	2027 Proj	2028 Proj	2029 Proj	2030 Proj	2031 Proj	2032 Proj	2033 Proj	2034 Proj	2035 Proj
<b>CUSTOMER DATA</b>													
<b>Average Annual Billing Units (Customers)</b>													
Residential	435	445	458	468	478	480	480	480	480	480	480	480	480
Duplex	99	98	98	98	98	98	98	98	98	98	98	98	98
Commercial	2,825	2,633	2,633	2,633	2,633	2,633	2,633	2,633	2,633	2,633	2,633	2,633	2,633
Total Customers	3,359	3,176	3,189	3,199	3,209	3,211	3,211	3,211	3,211	3,211	3,211	3,211	3,211
<b>REVENUE</b>													
<b>Revenue - Base Charge</b>													
Residential	\$45,467	\$50,196	\$55,803	\$91,234	\$125,797	\$128,850	\$131,427	\$134,056	\$136,737	\$139,472	\$142,261	\$145,106	\$148,008
Duplex	\$14,857	\$15,786	\$17,049	\$27,278	\$36,825	\$37,562	\$38,313	\$39,079	\$39,861	\$40,658	\$41,471	\$42,301	\$43,147
Commercial	\$453,193	\$449,153	\$485,064	\$776,102	\$1,047,738	\$1,068,693	\$1,090,067	\$1,111,868	\$1,134,105	\$1,156,787	\$1,179,923	\$1,203,522	\$1,227,592
Total Revenue	\$513,517	\$515,135	\$557,915	\$894,614	\$1,210,361	\$1,235,105	\$1,259,807	\$1,285,003	\$1,310,703	\$1,336,917	\$1,363,656	\$1,390,929	\$1,418,747
<b>Total Unadjusted Revenue</b>	<b>\$513,517</b>	<b>\$515,135</b>	<b>\$557,915</b>	<b>\$894,614</b>	<b>\$1,210,361</b>	<b>\$1,235,105</b>	<b>\$1,259,807</b>	<b>\$1,285,003</b>	<b>\$1,310,703</b>	<b>\$1,336,917</b>	<b>\$1,363,656</b>	<b>\$1,390,929</b>	<b>\$1,418,747</b>
Adjustments / other changes <sup>1</sup>	\$3,083	\$29,910	-\$1,115										
<b>Total Revenue Calculated</b>	<b>\$516,600</b>	<b>\$545,045</b>	<b>\$556,800</b>	<b>\$894,614</b>	<b>\$1,210,361</b>	<b>\$1,235,105</b>	<b>\$1,259,807</b>	<b>\$1,285,003</b>	<b>\$1,310,703</b>	<b>\$1,336,917</b>	<b>\$1,363,656</b>	<b>\$1,390,929</b>	<b>\$1,418,747</b>

Note:  
1. The Adjustments/other changes is the difference between how the Study calculated revenue compared to revenue reported in the City's audited financial statements or budget document. The difference may come from adjustments to bills that are not built into the model for the Study. The adjustments are not considered to be on-going. The Study assumes that future adjustments will be minimal and not have a material impact on the future revenue projections.

Table 22

City of Shorewood

**Ending Cash Balance**

**Stormwater Management Fund (631)**

**Stormwater Management Fund**

	2025 Budget	2026 Proj	2027 Proj	2028 Proj	2029 Proj	2030 Proj	2031 Proj	2032 Proj	2033 Proj	2034 Proj	2035 Proj
<b>Use of Cash</b>											
Operations & Maintenance	209,110	217,112	225,441	244,112	253,639	268,562	279,149	290,182	301,678	313,660	326,150
Capital Acquisition and Cost of Issuance of Bonds	627,400	215,807	862,851	1,530,143	1,290,000	238,900	685,000	253,500	410,800	267,900	300,000
Debt Service (includes transfers for debt)	417,314	419,192	433,438	494,448	610,368	702,915	707,454	755,139	755,869	755,477	753,404
<b>Total Use of Cash</b>	<b>1,253,824</b>	<b>852,111</b>	<b>1,521,730</b>	<b>2,268,703</b>	<b>2,154,007</b>	<b>1,210,377</b>	<b>1,671,603</b>	<b>1,298,821</b>	<b>1,468,347</b>	<b>1,337,037</b>	<b>1,379,554</b>
<b>Source of Cash</b>											
Revenue from Service Charges	561,800	905,116	1,223,215	1,250,222	1,281,133	1,314,648	1,342,409	1,375,715	1,403,968	1,429,929	1,459,581
Bond Proceeds	-	215,807	862,851	1,530,143	1,290,000	-	685,000	-	-	-	-
<b>Total Source of Cash</b>	<b>561,800</b>	<b>1,120,923</b>	<b>2,086,066</b>	<b>2,780,365</b>	<b>2,571,133</b>	<b>1,314,648</b>	<b>2,027,409</b>	<b>1,375,715</b>	<b>1,403,968</b>	<b>1,429,929</b>	<b>1,459,581</b>
Net Change in Other Assets and Liabilities	805,736	(151,201)	(451,201)	(201,201)	(1,201)	(1,201)	(1,201)	(1,201)	(1,201)	(1,201)	(1,201)
<b>Change in Cash Balance</b>	<b>113,712</b>	<b>117,611</b>	<b>113,135</b>	<b>310,461</b>	<b>415,925</b>	<b>103,070</b>	<b>354,605</b>	<b>75,693</b>	<b>(65,580)</b>	<b>91,691</b>	<b>78,826</b>
<b>Total Projected Ending Cash</b>	<b>525,100</b>	<b>642,711</b>	<b>755,846</b>	<b>1,066,307</b>	<b>1,482,232</b>	<b>1,585,302</b>	<b>1,939,907</b>	<b>2,015,600</b>	<b>1,950,020</b>	<b>2,041,711</b>	<b>2,120,537</b>
<b>Ending Cash by Purpose</b>											
For future capital improvements	(2,648)	96,553	139,342	329,120	406,136	738,274	786,177	698,092	769,813	825,232	880,000
For next year planned capital	-	-	-	-	238,900	-	253,500	410,800	267,900	300,000	312,000
For 6-months of operating cash	108,556	112,721	122,056	126,820	134,281	139,575	145,091	150,839	156,830	163,075	169,584
For following year debt service	419,192	433,438	494,448	610,368	702,915	707,454	755,139	755,869	755,477	753,404	758,953
<b>Total Projected Ending Cash</b>	<b>525,100</b>	<b>642,711</b>	<b>755,846</b>	<b>1,066,307</b>	<b>1,482,232</b>	<b>1,585,302</b>	<b>1,939,907</b>	<b>2,015,600</b>	<b>1,950,020</b>	<b>2,041,711</b>	<b>2,120,537</b>

Note: Cash balances include cash and investments. Advance of funds from the Street Improvements Fund (404) to the Stormwater Management Fund (631) are reflected in the "Net Change in Other Assets and Liabilities" line item. The Plan assumes the Street Improvements Fund (404) advances \$800,000 in 2025, the advance is planned to be reduced to \$650,000 as of end of 2026 and \$200,000 as of end of 2027, and then fully repaid in 2028.

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## RECYCLING FUND (621)

The Recycling Fund was established as an Enterprise Fund to account for the activities of the City’s recycling program.

The Recycling Fund is considered self-supporting in that the services rendered are to be financed through user charges.

The financial plan for the Recycling Fund includes assets and liabilities in addition to revenues and expenses. There is a capitalization of certain expenses and the subsequent depreciation of the capitalized costs.

### Revenues

The majority of the source of funds comes from charges for services and intergovernmental revenue from SCORE grant. Schedule of historical and proposed fees and charges for recycling services is included in the Appendices.

Future growth from development, which impacts the projection of operating and non-operating revenue for the Recycling Fund, is estimated at approximately 2 to 13 new residential household units per year between 2025-2027. This includes new development only and does not include anticipated in fill development. There is no new customer units anticipated after 2027 in the Plan.

**Recycling utility fee** is proposed to increase by \$0.5 to \$1.00, or approximately 2.5-5.5%, annually between 2026-2035.

At the proposed annual recycling utility fee in the Plan, combined with other assumptions, the Plan shows a planned reduction in reserves over the planning period.

With proposed annual rate adjustments, the Recycling Fund is projected to maintain adequate cash balance over the planning period. The revenue objective is to provide revenue sufficient to achieve year-end cash balance to cover the following purposes:

- Six-months of operating expense
- Following year debt service payments
- Following year capital acquisition (planned to be paid from cash)
- Reserves for future capital improvements and other reserve purposes

### Expenses

The use of funds is to pay for the operation of the recycling program for residential households.

The City is in the process of requesting proposals (RFP) from contractors to provide service. The Plan assumes contracted services will increase by 5.0% annually, which is less than the 15% increase from 2024 to 2025. The cost of contractual services for recycling will need to be reviewed following the RFP process.

The Recycling Fund does not report capital assets and therefore there is no reported depreciation expense.

The Plan does not include addition of any new personnel (FTE), either directly charged or allocated portion to Recycling Fund.

The Plan assumes expenses will increase by 5.0% annually in the Plan. The City is reviewing its contract for services for recycling services. The cost of services for the contract increased by 15% from 2024 to 2025.

### **Balance Sheet Items**

The financial plan includes estimated assets and liabilities, this includes estimated annual year-end cash balance.

The Plan anticipates receivables and payables at historical amounts, with the exception of adjustments for changes to capital assets, accumulated depreciation, and bonds payable.

Table 23

City of Shorewood

**Finance Plan  
Recycling Fund (621)**

	2023 Actual	2024 Actual	2025 Estimated	2026 Proj	2027 Proj	2028 Proj	2029 Proj	2030 Proj	2031 Proj	2032 Proj	2033 Proj	2034 Proj	2035 Proj
<b>Revenues</b>													
Charges for services	170,046	196,450	218,200	229,824	236,808	243,680	250,592	269,808	282,992	296,256	308,600	320,944	333,288
Penalties and other revenues	6,344	-	6,000	6,180	6,365	6,556	6,753	6,956	7,165	7,380	7,601	7,829	8,064
Interest on investments	32,268	15,664	3,000	8,320	8,604	8,792	8,869	8,820	8,875	8,902	8,888	8,797	8,611
Intergovernmental revenues	15,783	18,479	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000
Other revenues and special items	1	253	-	-	-	-	-	-	-	-	-	-	-
Special assessments	-	-	300	-	-	-	-	-	-	-	-	-	-
<b>Total Revenues</b>	<b>224,442</b>	<b>230,846</b>	<b>242,500</b>	<b>259,324</b>	<b>266,777</b>	<b>274,028</b>	<b>281,214</b>	<b>300,584</b>	<b>314,032</b>	<b>327,538</b>	<b>340,089</b>	<b>352,570</b>	<b>364,963</b>
<b>Expenses</b>													
<i>Fixed Expenses</i>													
Personnel services	9,996	21,749	14,230	14,942	15,689	16,473	17,297	18,162	19,070	20,024	21,025	22,076	23,180
<i>Subtotal Fixed Expenses</i>	9,996	21,749	14,230	14,942	15,689	16,473	17,297	18,162	19,070	20,024	21,025	22,076	23,180
<i>Variable Expenses</i>													
Supplies	2,575	1,580	10,500	11,025	11,576	12,155	12,763	13,401	14,071	14,775	15,514	16,290	17,105
Contracted services	134,356	165,652	192,800	202,440	212,562	223,190	234,350	246,068	258,371	271,290	284,855	299,098	314,053
Other expenses	18,700	24,886	14,400	15,120	15,876	16,670	17,504	18,379	19,298	20,263	21,276	22,340	23,457
<i>Subtotal Variable Expenses</i>	155,631	192,118	217,700	228,585	240,014	252,015	264,617	277,848	291,740	306,328	321,645	337,728	354,615
<b>Total Expenses</b>	<b>165,627</b>	<b>213,867</b>	<b>231,930</b>	<b>243,527</b>	<b>255,703</b>	<b>268,488</b>	<b>281,914</b>	<b>296,010</b>	<b>310,810</b>	<b>326,352</b>	<b>342,670</b>	<b>359,804</b>	<b>377,795</b>
Beginning net position	367,704	426,519	443,498	454,068	469,865	480,939	486,479	485,779	490,353	493,575	494,761	492,180	484,946
Change in Net Position	58,815	16,979	10,570	15,797	11,074	5,540	(700)	4,574	3,222	1,186	(2,581)	(7,234)	(12,832)
<b>Ending net position</b>	<b>426,519</b>	<b>443,498</b>	<b>454,068</b>	<b>469,865</b>	<b>480,939</b>	<b>486,479</b>	<b>485,779</b>	<b>490,353</b>	<b>493,575</b>	<b>494,761</b>	<b>492,180</b>	<b>484,946</b>	<b>472,114</b>
<b>Assets and Deferred Outflow of Resources</b>													
Cash and cash equivalents	389,930	396,526	416,008	430,198	439,617	443,453	440,997	443,762	445,122	444,389	439,832	430,562	415,634
Special assessments receivable	4,435	4,584	-	-	-	-	-	-	-	-	-	-	-
Other assets / receivables / Prepaid items	50,279	52,000	53,560	55,167	56,822	58,526	60,282	62,091	63,953	65,872	67,848	69,884	71,980
Due from other funds	-	-	-	-	-	-	-	-	-	-	-	-	-
Deferred outflows of resources	1,297	1,323	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500
<b>Total Assets and Deferred Outflows</b>	<b>445,941</b>	<b>454,433</b>	<b>471,068</b>	<b>486,865</b>	<b>497,939</b>	<b>503,479</b>	<b>502,779</b>	<b>507,353</b>	<b>510,575</b>	<b>511,761</b>	<b>509,180</b>	<b>501,946</b>	<b>489,114</b>
<b>Liabilities and Deferred Inflow of Resources</b>													
Other current liabilities / payables	12,720	1,562	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000
Other non-current liabilities	4,953	5,705	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000
Deferred inflows of resources	1,749	3,668	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000
<b>Total Liabilities and Deferred Inflows</b>	<b>19,422</b>	<b>10,935</b>	<b>17,000</b>	<b>17,000</b>	<b>17,000</b>	<b>17,000</b>	<b>17,000</b>	<b>17,000</b>	<b>17,000</b>	<b>17,000</b>	<b>17,000</b>	<b>17,000</b>	<b>17,000</b>
<b>Total Liabilities, Deferred Inflows, and Net Position</b>	<b>445,941</b>	<b>454,433</b>	<b>471,068</b>	<b>486,865</b>	<b>497,939</b>	<b>503,479</b>	<b>502,779</b>	<b>507,353</b>	<b>510,575</b>	<b>511,761</b>	<b>509,180</b>	<b>501,946</b>	<b>489,114</b>

Table 24

City of Shorewood

**Customers and Charges for Sales and Development Revenue  
Recycling Fund (621)**

	2023 Actual	2024 Actual	2025 Budget	2026 Proj	2027 Proj	2028 Proj	2029 Proj	2030 Proj	2031 Proj	2032 Proj	2033 Proj	2034 Proj	2035 Proj
<b>CUSTOMER DATA</b>													
<b>Average Annual Billing Units (Customers)</b>													
Recycling	2,983	2,981	3,004	3,024	3,036	3,046	3,056	3,066	3,076	3,086	3,086	3,086	3,086
Total Customers	2,983	2,981	3,004	3,024	3,036	3,046	3,056	3,066	3,076	3,086	3,086	3,086	3,086
<b>REVENUE</b>													
<b>Revenue - Base Charge</b>													
Recycling	\$167,048	\$190,784	\$216,288	\$229,824	\$236,808	\$243,680	\$250,592	\$269,808	\$282,992	\$296,256	\$308,600	\$320,944	\$333,288
Total Revenue	\$167,048	\$190,784	\$216,288	\$229,824	\$236,808	\$243,680	\$250,592	\$269,808	\$282,992	\$296,256	\$308,600	\$320,944	\$333,288
<b>Total Unadjusted Revenue</b>	<b>\$167,048</b>	<b>\$190,784</b>	<b>\$216,288</b>	<b>\$229,824</b>	<b>\$236,808</b>	<b>\$243,680</b>	<b>\$250,592</b>	<b>\$269,808</b>	<b>\$282,992</b>	<b>\$296,256</b>	<b>\$308,600</b>	<b>\$320,944</b>	<b>\$333,288</b>
Adjustments / other changes <sup>1</sup>	\$2,998	\$5,666	\$1,912										
<b>Total Revenue Calculated</b>	<b>\$170,046</b>	<b>\$196,450</b>	<b>\$218,200</b>	<b>\$229,824</b>	<b>\$236,808</b>	<b>\$243,680</b>	<b>\$250,592</b>	<b>\$269,808</b>	<b>\$282,992</b>	<b>\$296,256</b>	<b>\$308,600</b>	<b>\$320,944</b>	<b>\$333,288</b>

Note:  
1. The Adjustments/other changes is the difference between how the Study calculated revenue compared to revenue reported in the City's audited financial statements or budget document. The difference may come from adjustments to bills that are not built into the model for the Study. The adjustments are not considered to be on-going. The Study assumes that future adjustments will be minimal and not have a material impact on the future revenue projections.

Table 25

City of Shorewood

**Ending Cash Balance**

**Recycling Fund (621)**

	2025 Budget	2026 Proj	2027 Proj	2028 Proj	2029 Proj	2030 Proj	2031 Proj	2032 Proj	2033 Proj	2034 Proj	2035 Proj
<b>Use of Cash</b>											
Operations & Maintenance	231,930	243,527	255,703	268,488	281,914	296,010	310,810	326,352	342,670	359,804	377,795
Total Use of Cash	231,930	243,527	255,703	268,488	281,914	296,010	310,810	326,352	342,670	359,804	377,795
<b>Source of Cash</b>											
Revenue from Service Charges	242,500	259,324	266,777	274,028	281,214	300,584	314,032	327,538	340,089	352,570	364,963
Total Source of Cash	242,500	259,324	266,777	274,028	281,214	300,584	314,032	327,538	340,089	352,570	364,963
Net Change in Other Assets and Liabilities	8,912	(1,607)	(1,655)	(1,704)	(1,756)	(1,809)	(1,862)	(1,919)	(1,976)	(2,036)	(2,096)
<b>Change in Cash Balance</b>	<b>19,482</b>	<b>14,190</b>	<b>9,419</b>	<b>3,836</b>	<b>(2,456)</b>	<b>2,765</b>	<b>1,360</b>	<b>(733)</b>	<b>(4,557)</b>	<b>(9,270)</b>	<b>(14,928)</b>
<b>Total Projected Ending Cash</b>	<b>416,008</b>	<b>430,198</b>	<b>439,617</b>	<b>443,453</b>	<b>440,997</b>	<b>443,762</b>	<b>445,122</b>	<b>444,389</b>	<b>439,832</b>	<b>430,562</b>	<b>415,634</b>
<b>Ending Cash by Purpose</b>											
For reserve	294,245	302,347	305,373	302,496	292,992	288,357	281,946	273,054	259,930	241,665	217,292
For 6-months of operating cash	121,764	127,852	134,244	140,957	148,005	155,405	163,176	171,335	179,902	188,898	198,343
<b>Total Projected Ending Cash</b>	<b>416,008</b>	<b>430,198</b>	<b>439,617</b>	<b>443,453</b>	<b>440,997</b>	<b>443,762</b>	<b>445,122</b>	<b>444,389</b>	<b>439,832</b>	<b>430,562</b>	<b>415,634</b>

Note: Cash balances include cash and investments.

Appendix A  
Example Quarterly Bill for Water, Sanitary Sewer, Stormwater, and Recycling Services

APPENDIX A-1

Example Quarterly Utility Fees Payable by Property Types

TOTAL DOLLAR AMOUNT

	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035
<b>Customer Example for 5,000 gallons billed</b>													
<b>Residential Customer</b>													
Water	29.29	31.98	34.94	43.69	47.71	52.13	56.97	61.88	67.14	72.48	74.58	76.75	78.98
Water Infrastructure Fee	-	-	-	-	10.00	11.00	12.00	13.00	14.00	15.00	16.00	17.00	18.00
Sanitary Sewer	112.36	122.47	142.25	184.93	196.02	203.86	212.02	220.50	227.11	233.92	240.94	250.58	260.60
Stormwater	37.29	40.27	43.49	69.58	93.94	95.82	97.73	99.69	101.68	103.72	105.79	107.91	110.06
Recycling	14.00	16.00	18.00	19.00	19.50	20.00	20.50	22.00	23.00	24.00	25.00	26.00	27.00
Total	192.94	210.72	238.68	317.20	367.17	382.81	399.22	417.07	432.94	449.12	462.32	478.23	494.65
% Change		9.2%	13.3%	32.9%	15.8%	4.3%	4.3%	4.5%	3.8%	3.7%	2.9%	3.4%	3.4%

Customer Example for 15,000 gallons billed

<b>Residential Customer</b>													
Water	74.69	81.88	89.84	101.19	110.82	121.39	132.99	144.74	157.33	170.11	175.14	180.32	185.66
Water Infrastructure Fee	-	-	-	-	10.00	11.00	12.00	13.00	14.00	15.00	16.00	17.00	18.00
Sanitary Sewer	112.36	122.47	142.25	184.93	196.02	203.86	212.02	220.50	227.11	233.92	240.94	250.58	260.60
Stormwater	37.29	40.27	43.49	69.58	93.94	95.82	97.73	99.69	101.68	103.72	105.79	107.91	110.06
Recycling	14.00	16.00	18.00	19.00	19.50	20.00	20.50	22.00	23.00	24.00	25.00	26.00	27.00
Total	238.34	260.62	293.58	374.70	430.28	452.07	475.23	499.92	523.12	546.75	562.87	581.81	601.32
% Change		9.3%	12.6%	27.6%	14.8%	5.1%	5.1%	5.2%	4.6%	4.5%	2.9%	3.4%	3.4%

Customer Example for 25,000 gallons billed

<b>Residential Customer</b>													
Water	120.09	131.78	144.74	158.69	173.93	190.65	209.00	227.59	247.51	267.73	275.69	283.89	292.34
Water Infrastructure Fee	-	-	-	-	10.00	11.00	12.00	13.00	14.00	15.00	16.00	17.00	18.00
Sanitary Sewer	112.36	122.47	142.25	184.93	196.02	203.86	212.02	220.50	227.11	233.92	240.94	250.58	260.60
Stormwater	37.29	40.27	43.49	69.58	93.94	95.82	97.73	99.69	101.68	103.72	105.79	107.91	110.06
Recycling	14.00	16.00	18.00	19.00	19.50	20.00	20.50	22.00	23.00	24.00	25.00	26.00	27.00
Total	283.74	310.52	348.48	432.20	493.38	521.32	551.25	582.77	613.31	644.37	663.43	685.38	708.00
% Change		9.4%	12.2%	24.0%	14.2%	5.7%	5.7%	5.7%	5.2%	5.1%	3.0%	3.3%	3.3%

Customer Example for 55,000 gallons billed

<b>Residential Customer</b>													
Water	266.19	292.38	321.44	426.69	468.06	513.45	563.28	613.76	667.86	722.76	744.36	766.62	789.55
Water Infrastructure Fee	-	-	-	-	10.00	11.00	12.00	13.00	14.00	15.00	16.00	17.00	18.00
Sanitary Sewer	112.36	122.47	142.25	184.93	196.02	203.86	212.02	220.50	227.11	233.92	240.94	250.58	260.60
Stormwater	37.29	40.27	43.49	69.58	93.94	95.82	97.73	99.69	101.68	103.72	105.79	107.91	110.06
Recycling	14.00	16.00	18.00	19.00	19.50	20.00	20.50	22.00	23.00	24.00	25.00	26.00	27.00
Total	429.84	471.12	525.18	700.20	787.51	844.13	905.53	968.94	1,033.65	1,099.40	1,132.10	1,168.11	1,205.22
% Change		9.6%	11.5%	33.3%	12.5%	7.2%	7.3%	7.0%	6.7%	6.4%	3.0%	3.2%	3.2%

Appendix A  
Example Quarterly Bill for Water, Sanitary Sewer, Stormwater, and Recycling Services

**APPENDIX A-2**  
**Example Quarterly Utility Fees Payable by Property Types**

	PERCENT CHANGE											
	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035
<b>Customer Example for 5,000 gallons billed</b>												
<b>Residential Customer</b>												
Water	9.2%	9.3%	25.0%	9.2%	9.3%	9.3%	8.6%	8.5%	8.0%	2.9%	2.9%	2.9%
Water Infrastructure Fee					10.0%	9.1%	8.3%	7.7%	7.1%	6.7%	6.3%	5.9%
Sanitary Sewer	9.0%	16.2%	30.0%	6.0%	4.0%	4.0%	4.0%	3.0%	3.0%	3.0%	4.0%	4.0%
Stormwater	8.0%	8.0%	60.0%	35.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%
Recycling	14.3%	12.5%	5.6%	2.6%	2.6%	2.5%	7.3%	4.5%	4.3%	4.2%	4.0%	3.8%
<b>Total</b>	<b>9.2%</b>	<b>13.3%</b>	<b>32.9%</b>	<b>15.8%</b>	<b>4.3%</b>	<b>4.3%</b>	<b>4.5%</b>	<b>3.8%</b>	<b>3.7%</b>	<b>2.9%</b>	<b>3.4%</b>	<b>3.4%</b>

<b>Customer Example for 15,000 gallons billed</b>												
<b>Residential Customer</b>												
Water	9.6%	9.7%	12.6%	9.5%	9.5%	9.6%	8.8%	8.7%	8.1%	3.0%	3.0%	3.0%
Water Infrastructure Fee					10.0%	9.1%	8.3%	7.7%	7.1%	6.7%	6.3%	5.9%
Sanitary Sewer	9.0%	16.2%	30.0%	6.0%	4.0%	4.0%	4.0%	3.0%	3.0%	3.0%	4.0%	4.0%
Stormwater	8.0%	8.0%	60.0%	35.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%
Recycling	14.3%	12.5%	5.6%	2.6%	2.6%	2.5%	7.3%	4.5%	4.3%	4.2%	4.0%	3.8%
<b>Total</b>	<b>9.3%</b>	<b>12.6%</b>	<b>27.6%</b>	<b>14.8%</b>	<b>5.1%</b>	<b>5.1%</b>	<b>5.2%</b>	<b>4.6%</b>	<b>4.5%</b>	<b>2.9%</b>	<b>3.4%</b>	<b>3.4%</b>

<b>Customer Example for 25,000 gallons billed</b>												
<b>Residential Customer</b>												
Water	9.7%	9.8%	9.6%	9.6%	9.6%	9.6%	8.9%	8.8%	8.2%	3.0%	3.0%	3.0%
Water Infrastructure Fee					10.0%	9.1%	8.3%	7.7%	7.1%	6.7%	6.3%	5.9%
Sanitary Sewer	9.0%	16.2%	30.0%	6.0%	4.0%	4.0%	4.0%	3.0%	3.0%	3.0%	4.0%	4.0%
Stormwater	8.0%	8.0%	60.0%	35.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%
Recycling	14.3%	12.5%	5.6%	2.6%	2.6%	2.5%	7.3%	4.5%	4.3%	4.2%	4.0%	3.8%
<b>Total</b>	<b>9.4%</b>	<b>12.2%</b>	<b>24.0%</b>	<b>14.2%</b>	<b>5.7%</b>	<b>5.7%</b>	<b>5.7%</b>	<b>5.2%</b>	<b>5.1%</b>	<b>3.0%</b>	<b>3.3%</b>	<b>3.3%</b>

<b>Customer Example for 55,000 gallons billed</b>												
<b>Residential Customer</b>												
Water	9.8%	9.9%	32.7%	9.7%	9.7%	9.7%	9.0%	8.8%	8.2%	3.0%	3.0%	3.0%
Water Infrastructure Fee					10.0%	9.1%	8.3%	7.7%	7.1%	6.7%	6.3%	5.9%
Sanitary Sewer	9.0%	16.2%	30.0%	6.0%	4.0%	4.0%	4.0%	3.0%	3.0%	3.0%	4.0%	4.0%
Stormwater	8.0%	8.0%	60.0%	35.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%
Recycling	14.3%	12.5%	5.6%	2.6%	2.6%	2.5%	7.3%	4.5%	4.3%	4.2%	4.0%	3.8%
<b>Total</b>	<b>9.6%</b>	<b>11.5%</b>	<b>33.3%</b>	<b>12.5%</b>	<b>7.2%</b>	<b>7.3%</b>	<b>7.0%</b>	<b>6.7%</b>	<b>6.4%</b>	<b>3.0%</b>	<b>3.2%</b>	<b>3.2%</b>

Appendix A  
Example Quarterly Bill for Water, Sanitary Sewer, Stormwater, and Recycling Services

**APPENDIX A-3**  
**Example Quarterly Utility Fees Payable by Property Types**

**DOLLAR CHANGE**

	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035
<b>Customer Example for 5,000 gallons billed</b>												
<b>Residential Customer</b>												
Water	2.69	2.96	8.75	4.02	4.42	4.85	4.91	5.26	5.34	2.10	2.16	2.23
Water Infrastructure Fee	-	-	-	10.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Sanitary Sewer	10.11	19.78	42.68	11.10	7.84	8.15	8.48	6.61	6.81	7.02	9.64	10.02
Stormwater	2.98	3.22	26.09	24.35	1.88	1.92	1.95	1.99	2.03	2.07	2.12	2.16
Recycling	2.00	2.00	1.00	0.50	0.50	0.50	1.50	1.00	1.00	1.00	1.00	1.00
<b>Total</b>	<b>17.78</b>	<b>27.96</b>	<b>78.52</b>	<b>49.97</b>	<b>15.63</b>	<b>16.42</b>	<b>17.84</b>	<b>15.87</b>	<b>16.19</b>	<b>13.19</b>	<b>15.92</b>	<b>16.41</b>

<b>Customer Example for 15,000 gallons billed</b>												
<b>Residential Customer</b>												
Water	7.19	7.96	11.35	9.63	10.57	11.60	11.75	12.59	12.78	5.03	5.18	5.34
Water Infrastructure Fee	-	-	-	10.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Sanitary Sewer	10.11	19.78	42.68	11.10	7.84	8.15	8.48	6.61	6.81	7.02	9.64	10.02
Stormwater	2.98	3.22	26.09	24.35	1.88	1.92	1.95	1.99	2.03	2.07	2.12	2.16
Recycling	2.00	2.00	1.00	0.50	0.50	0.50	1.50	1.00	1.00	1.00	1.00	1.00
<b>Total</b>	<b>22.28</b>	<b>32.96</b>	<b>81.12</b>	<b>55.58</b>	<b>21.79</b>	<b>23.17</b>	<b>24.69</b>	<b>23.20</b>	<b>23.63</b>	<b>16.12</b>	<b>18.93</b>	<b>19.52</b>

<b>Customer Example for 25,000 gallons billed</b>												
<b>Residential Customer</b>												
Water	11.69	12.96	13.95	15.24	16.72	18.35	18.59	19.93	20.22	7.96	8.20	8.44
Water Infrastructure Fee	-	-	-	10.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Sanitary Sewer	10.11	19.78	42.68	11.10	7.84	8.15	8.48	6.61	6.81	7.02	9.64	10.02
Stormwater	2.98	3.22	26.09	24.35	1.88	1.92	1.95	1.99	2.03	2.07	2.12	2.16
Recycling	2.00	2.00	1.00	0.50	0.50	0.50	1.50	1.00	1.00	1.00	1.00	1.00
<b>Total</b>	<b>26.78</b>	<b>37.96</b>	<b>83.72</b>	<b>61.19</b>	<b>27.94</b>	<b>29.92</b>	<b>31.53</b>	<b>30.54</b>	<b>31.07</b>	<b>19.05</b>	<b>21.95</b>	<b>22.63</b>

<b>Customer Example for 55,000 gallons billed</b>												
<b>Residential Customer</b>												
Water	26.19	29.06	105.25	41.37	45.40	49.82	50.48	54.10	54.90	21.61	22.26	22.93
Water Infrastructure Fee	-	-	-	10.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Sanitary Sewer	10.11	19.78	42.68	11.10	7.84	8.15	8.48	6.61	6.81	7.02	9.64	10.02
Stormwater	2.98	3.22	26.09	24.35	1.88	1.92	1.95	1.99	2.03	2.07	2.12	2.16
Recycling	2.00	2.00	1.00	0.50	0.50	0.50	1.50	1.00	1.00	1.00	1.00	1.00
<b>Total</b>	<b>41.28</b>	<b>54.06</b>	<b>175.02</b>	<b>87.32</b>	<b>56.62</b>	<b>61.40</b>	<b>63.41</b>	<b>64.71</b>	<b>65.74</b>	<b>32.70</b>	<b>36.01</b>	<b>37.11</b>

Appendix B  
Estimated Personnel Additions

Year	Description	FTE	Amount	General Fund (101)	Water Fund (601)	Sanitary Sewer Fund (611)	Stormwater Management Fund (631)	Recycling Fund (621)
2026	Seasonal employee	0.50	\$15,000	\$15,000	\$0	\$0	\$0	\$0
2026	Part Time Administrative Assistance	0.50	\$30,000	\$30,000	\$0	\$0	\$0	\$0
<b>2026 Total</b>		<b>1.00</b>	<b>\$45,000</b>	<b>\$45,000</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
2027		-	\$0	\$0	\$0	\$0	\$0	\$0
2027		-	\$0	\$0	\$0	\$0	\$0	\$0
<b>2027 Total</b>		<b>-</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
2028	Finance Staff	1.00	\$100,000	\$70,000	\$10,000	\$10,000	\$10,000	\$0
<b>2028 Total</b>		<b>1.00</b>	<b>\$100,000</b>	<b>\$70,000</b>	<b>\$10,000</b>	<b>\$10,000</b>	<b>\$10,000</b>	<b>\$0</b>
2028		-	\$0	\$0	\$0	\$0	\$0	\$0
<b>2028 Total</b>		<b>-</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
2029	Utility Operator	1.00	\$100,000	\$10,000	\$55,000	\$35,000	\$0	\$0
<b>2029 Total</b>		<b>1.00</b>	<b>\$100,000</b>	<b>\$10,000</b>	<b>\$55,000</b>	<b>\$35,000</b>	<b>\$0</b>	<b>\$0</b>
2030	Light Equipment Operator	1.00	\$100,000	\$85,000	\$5,000	\$5,000	\$5,000	\$0
<b>2030 Total</b>		<b>1.00</b>	<b>\$100,000</b>	<b>\$85,000</b>	<b>\$5,000</b>	<b>\$5,000</b>	<b>\$5,000</b>	<b>\$0</b>
2031		-	\$0	\$0	\$0	\$0	\$0	\$0
2031		-	\$0	\$0	\$0	\$0	\$0	\$0
<b>2031 Total</b>		<b>-</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
2032		-	\$0	\$0	\$0	\$0	\$0	\$0
2032		-	\$0	\$0	\$0	\$0	\$0	\$0
<b>2032 Total</b>		<b>-</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
2033		-	\$0	\$0	\$0	\$0	\$0	\$0
<b>2033 Total</b>		<b>-</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
2034		-	\$0	\$0	\$0	\$0	\$0	\$0
2034		-	\$0	\$0	\$0	\$0	\$0	\$0
<b>2034 Total</b>		<b>-</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
2035		-	\$0	\$0	\$0	\$0	\$0	\$0
2035		-	\$0	\$0	\$0	\$0	\$0	\$0
<b>2035 Total</b>		<b>-</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
<b>Grand Total 2026-2035</b>		<b>4.00</b>	<b>\$345,000</b>	<b>\$210,000</b>	<b>\$70,000</b>	<b>\$50,000</b>	<b>\$15,000</b>	<b>\$0</b>

Note: This is a listing of all identified positions and costs included in the Plan. The timing and actual positions to be added in future years will be managed within the available resources and may be different in positions, timing, and amounts as shown here. **The dollars in this table are stated in today's dollars. The Plan assumes that personnel costs will increase by 5% annually.** The financial plans in the Plan account for cost of living adjustment to the amounts shown here in order to project future costs for the funds.

Appendix C  
Page 1 of 3

FEE SCHEDULE FOR WATER AND SEWER SERVICES FOR FINANCE PLANS (In Dollars)															
Description	Customer Class	Basis	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035
Rate Code Description	Customer Classification	Basis	Actual Year 1	Actual Year 2	Current Year	Projected Year 1	Projected Year 2	Projected Year 3	Projected Year 4	Projected Year 5	Projected Year 6	Projected Year 7	Projected Year 8	Projected Year 9	Projected Year 10
Sewer Access Charge (SAC)	CO	City SAC	1,200	1,200	1,200	1,200	1,200	1,200	1,200	1,200	1,200	1,200	1,200	1,200	1,200
Sewer base charge (fixed charge)	CO	Billing Unit	112.36	122.47	142.25	184.93	196.02	203.86	212.02	220.50	227.11	233.92	240.94	250.58	260.60
Sewer Connection Permit Charge	CO	REU	150	150	150	195	207	215	224	233	239	247	254	264	275
Sewer Only	CO	Billing Unit	12.70	13.84	16.08	20.90	22.16	23.04	23.97	24.93	25.67	26.44	27.24	28.33	29.46
Sewer Volume Tier 1	CO	Volume	112.36	122.47	142.25	184.93	196.02	203.86	212.02	220.50	227.11	233.92	240.94	250.58	260.60
Sewer Volume Tier 2	CO	Volume	2.92	3.18	3.69	4.80	5.08	5.29	5.50	5.72	5.89	6.07	6.25	6.50	6.76
Basic System Rate	CO	Billing Unit	37.29	40.27	43.49	69.58	93.94	95.82	97.73	99.69	101.68	103.72	105.79	107.91	110.06
Infrastructure Fee	CO	Billing Unit	-	-	-	-	10.00	11.00	12.00	13.00	14.00	15.00	16.00	17.00	18.00
Water Access Charge (WAC)	CO	City WAC	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000
Water base charge (fixed charge)	CO	Billing Unit	26.86	29.55	32.51	32.51	35.68	39.16	42.98	46.84	50.99	55.20	56.85	58.56	60.31
Water Connection Permit Charge	CO	REU	60	60	60	62	68	74	82	89	97	105	108	111	115
Water state testing charge	CO	Billing Unit State Testing Fee	2.43	2.43	2.43	2.43	2.43	2.43	2.43	2.43	2.43	2.43	2.43	2.43	2.43
Water Volume Tier 1	CO	Volume	-	-	-	1.75	1.92	2.11	2.31	2.52	2.74	2.97	3.06	3.15	3.25
Water Volume Tier 2	CO	Volume	4.54	4.99	5.49	5.75	6.31	6.93	7.60	8.29	9.02	9.76	10.06	10.36	10.67
Water Volume Tier 3	CO	Volume	6.52	7.17	7.89	8.65	9.49	10.42	11.43	12.46	13.57	14.69	15.13	15.58	16.05
Water Volume Tier 4	CO	Volume	-	-	-	10.35	11.36	12.47	13.68	14.91	16.23	17.57	18.10	18.64	19.20
Sewer Access Charge (SAC)	DUP1	City SAC	1,200	1,200	1,200	1,200	1,200	1,200	1,200	1,200	1,200	1,200	1,200	1,200	1,200
Sewer base charge (fixed charge)	DUP1	Billing Unit	112.36	13.84	16.08	20.90	22.16	23.04	23.97	24.93	25.67	26.44	27.24	28.33	29.46
Sewer Connection Permit Charge	DUP1	REU	150	150	150	195	207	215	224	233	239	247	254	264	275
Sewer Only	DUP1	Billing Unit	112.36	122.47	142.25	184.93	196.02	203.86	212.02	220.50	227.11	233.92	240.94	250.58	260.60
Basic System Rate	DUP1	Billing Unit	37.29	40.27	43.49	69.58	93.94	95.82	97.73	99.69	101.68	103.72	105.79	107.91	110.06
Infrastructure Fee	DUP1	Billing Unit	-	-	-	-	10.00	11.00	12.00	13.00	14.00	15.00	16.00	17.00	18.00
Water Access Charge (WAC)	DUP1	City WAC	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000
Water base charge (fixed charge)	DUP1	Billing Unit	26.86	29.55	32.51	32.51	35.68	39.16	42.98	46.84	50.99	55.20	56.85	58.56	60.31
Water Connection Permit Charge	DUP1	REU	60	60	60	62	68	74	82	89	97	105	108	111	115
Water state testing charge	DUP1	Billing Unit State Testing Fee	2.43	2.43	2.43	2.43	2.43	2.43	2.43	2.43	2.43	2.43	2.43	2.43	2.43
Water Volume Tier 1	DUP1	Volume	-	-	-	1.75	1.92	2.11	2.31	2.52	2.74	2.97	3.06	3.15	3.25
Water Volume Tier 2	DUP1	Volume	4.54	4.99	5.49	5.75	6.31	6.93	7.60	8.29	9.02	9.76	10.06	10.36	10.67
Water Volume Tier 3	DUP1	Volume	6.52	7.17	7.89	8.65	9.49	10.42	11.43	12.46	13.57	14.69	15.13	15.58	16.05
Water Volume Tier 4	DUP1	Volume	-	-	-	10.35	11.36	12.47	13.68	14.91	16.23	17.57	18.10	18.64	19.20
Sewer Access Charge (SAC)	DUP2	City SAC	1,200	1,200	1,200	1,200	1,200	1,200	1,200	1,200	1,200	1,200	1,200	1,200	1,200
Sewer base charge (fixed charge)	DUP2	Billing Unit	112.36	13.84	16.08	20.90	22.16	23.04	23.97	24.93	25.67	26.44	27.24	28.33	29.46
Sewer Connection Permit Charge	DUP2	REU	150	150	150	195	207	215	224	233	239	247	254	264	275
Sewer Only	DUP2	Billing Unit	112.36	122.47	142.25	184.93	196.02	203.86	212.02	220.50	227.11	233.92	240.94	250.58	260.60
Basic System Rate	DUP2	Billing Unit	37.29	40.27	43.49	69.58	93.94	95.82	97.73	99.69	101.68	103.72	105.79	107.91	110.06
Infrastructure Fee	DUP2	Billing Unit	-	-	-	-	10.00	11.00	12.00	13.00	14.00	15.00	16.00	17.00	18.00
Water Access Charge (WAC)	DUP2	City WAC	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000
Water base charge (fixed charge)	DUP2	Billing Unit	23.06	25.37	27.91	27.91	30.63	33.62	36.90	40.22	43.78	47.39	48.81	50.27	51.78
Water Connection Permit Charge	DUP2	REU	60	60	60	62	68	74	82	89	97	105	108	111	115
Water state testing charge	DUP2	Billing Unit State Testing Fee	2.43	2.43	2.43	2.43	2.43	2.43	2.43	2.43	2.43	2.43	2.43	2.43	2.43
Water Volume Tier 1	DUP2	Volume	-	-	-	1.49	1.63	1.79	1.97	2.14	2.33	2.53	2.60	2.68	2.76
Water Volume Tier 2	DUP2	Volume	4.54	4.54	4.54	4.89	5.36	5.89	6.46	7.04	7.67	8.30	8.55	8.80	9.07
Water Volume Tier 3	DUP2	Volume	6.52	6.52	6.52	7.35	8.07	8.86	9.72	10.59	11.53	12.48	12.86	13.24	13.64
Water Volume Tier 4	DUP2	Volume	-	-	-	8.80	9.66	10.60	11.63	12.68	13.80	14.94	15.38	15.85	16.32
Sewer Access Charge (SAC)	NONPROFIT	City SAC	1,200	1,200	1,200	1,200	1,200	1,200	1,200	1,200	1,200	1,200	1,200	1,200	1,200
Sewer base charge (fixed charge)	NONPROFIT	Billing Unit	12.70	13.84	16.08	20.90	22.16	23.04	23.97	24.93	25.67	26.44	27.24	28.33	29.46

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FEE SCHEDULE FOR WATER AND SEWER SERVICES FOR FINANCE PLANS (In Dollars)															
Description	Customer Class	Basis	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035
Sewer Connection Permit Charge	NONPROFIT	REU	150	150	150	195	207	215	224	233	239	247	254	264	275
Sewer Only	NONPROFIT	Billing Unit	112.36	122.47	142.25	184.93	196.02	203.86	212.02	220.50	227.11	233.92	240.94	250.58	260.60
Basic System Rate	NONPROFIT	Billing Unit	37.29	40.27	43.49	69.58	93.94	95.82	97.73	99.69	101.68	103.72	105.79	107.91	110.06
Infrastructure Fee	NONPROFIT	Billing Unit	-	-	-	-	10.00	11.00	12.00	13.00	14.00	15.00	16.00	17.00	18.00
Water Access Charge (WAC)	NONPROFIT	City WAC	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000
Water base charge (fixed charge)	NONPROFIT	Billing Unit	26.86	29.55	32.51	32.51	35.68	39.16	42.98	46.84	50.99	55.20	56.85	58.56	60.31
Water Connection Permit Charge	NONPROFIT	REU	60	60	60	62	68	74	82	89	97	105	108	111	115
Water state testing charge	NONPROFIT	Billing Unit State Testing Fee	2.43	2.43	2.43	2.43	2.43	2.43	2.43	2.43	2.43	2.43	2.43	2.43	2.43
Water Volume Tier 1	NONPROFIT	Volume	-	-	-	1.75	1.92	2.11	2.31	2.52	2.74	2.97	3.06	3.15	3.25
Water Volume Tier 2	NONPROFIT	Volume	4.54	4.99	5.49	5.75	6.31	6.93	7.60	8.29	9.02	9.76	10.06	10.36	10.67
Water Volume Tier 3	NONPROFIT	Volume	6.52	7.17	7.89	8.65	9.49	10.42	11.43	12.46	13.57	14.69	15.13	15.58	16.05
Water Volume Tier 4	NONPROFIT	Volume	-	-	-	10.35	11.36	12.47	13.68	14.91	16.23	17.57	18.10	18.64	19.20
Sewer Access Charge (SAC)	RE	City SAC	1,200	1,200	1,200	1,200	1,200	1,200	1,200	1,200	1,200	1,200	1,200	1,200	1,200
Sewer base charge (fixed charge)	RE	Billing Unit	112.36	122.47	142.25	184.93	196.02	203.86	212.02	220.50	227.11	233.92	240.94	250.58	260.60
Sewer Connection Permit Charge	RE	REU	150	150	150	195	207	215	224	233	239	247	254	264	275
Sewer Only	RE	Billing Unit	112.36	122.47	142.25	184.93	196.02	203.86	212.02	220.50	227.11	233.92	240.94	250.58	260.60
Basic System Rate	RE	Billing Unit	37.29	40.27	43.49	69.58	93.94	95.82	97.73	99.69	101.68	103.72	105.79	107.91	110.06
Infrastructure Fee	RE	Billing Unit	-	-	-	-	10.00	11.00	12.00	13.00	14.00	15.00	16.00	17.00	18.00
Water Access Charge (WAC)	RE	City WAC	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000
Water base charge (fixed charge)	RE	Billing Unit	26.86	29.55	32.51	32.51	35.68	39.16	42.98	46.84	50.99	55.20	56.85	58.56	60.31
Water Connection Permit Charge	RE	REU	60	60	60	62	68	74	82	89	97	105	108	111	115
Water state testing charge	RE	Billing Unit State Testing Fee	2.43	2.43	2.43	2.43	2.43	2.43	2.43	2.43	2.43	2.43	2.43	2.43	2.43
Water Volume Tier 1	RE	Volume	-	-	-	1.75	1.92	2.11	2.31	2.52	2.74	2.97	3.06	3.15	3.25
Water Volume Tier 2	RE	Volume	4.54	4.99	5.49	5.75	6.31	6.93	7.60	8.29	9.02	9.76	10.06	10.36	10.67
Water Volume Tier 3	RE	Volume	6.52	7.17	7.89	8.65	9.49	10.42	11.43	12.46	13.57	14.69	15.13	15.58	16.05
Water Volume Tier 4	RE	Volume	-	-	-	10.35	11.36	12.47	13.68	14.91	16.23	17.57	18.10	18.64	19.20
Residential Recycling	RECYCLE	Billing Unit	14.00	16.00	18.00	19.00	19.50	20.00	20.50	22.00	23.00	24.00	25.00	26.00	27.00
Sewer Access Charge (SAC)	SPRINKLER CO	City SAC	1,200	1,200	1,200	1,200	1,200	1,200	1,200	1,200	1,200	1,200	1,200	1,200	1,200
Sewer base charge (fixed charge)	SPRINKLER CO	Billing Unit	12.70	13.84	16.08	20.90	22.16	23.04	23.97	24.93	25.67	26.44	27.24	28.33	29.46
Sewer Connection Permit Charge	SPRINKLER CO	REU	150	150	150	195	207	215	224	233	239	247	254	264	275
Sewer Only	SPRINKLER CO	Billing Unit	112.36	122.47	142.25	184.93	196.02	203.86	212.02	220.50	227.11	233.92	240.94	250.58	260.60
Basic System Rate	SPRINKLER CO	Billing Unit	37.29	40.27	43.49	69.58	93.94	95.82	97.73	99.69	101.68	103.72	105.79	107.91	110.06
Infrastructure Fee	SPRINKLER CO	Billing Unit	-	-	-	-	10.00	11.00	12.00	13.00	14.00	15.00	16.00	17.00	18.00
Water Access Charge (WAC)	SPRINKLER CO	City WAC	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000
Water base charge (fixed charge)	SPRINKLER CO	Billing Unit	26.86	29.55	32.51	32.51	35.68	39.16	42.98	46.84	50.99	55.20	56.85	58.56	60.31
Water Connection Permit Charge	SPRINKLER CO	REU	60	60	60	62	68	74	82	89	97	105	108	111	115
Water state testing charge	SPRINKLER CO	Billing Unit State Testing Fee	2.43	2.43	2.43	2.43	2.43	2.43	2.43	2.43	2.43	2.43	2.43	2.43	2.43
Water Volume Tier 1	SPRINKLER CO	Volume	-	-	-	1.75	1.92	2.11	2.31	2.52	2.74	2.97	3.06	3.15	3.25
Water Volume Tier 2	SPRINKLER CO	Volume	4.54	4.99	5.49	5.75	6.31	6.93	7.60	8.29	9.02	9.76	10.06	10.36	10.67
Water Volume Tier 3	SPRINKLER CO	Volume	6.52	7.17	7.89	8.65	9.49	10.42	11.43	12.46	13.57	14.69	15.13	15.58	16.05
Water Volume Tier 4	SPRINKLER CO	Volume	-	-	-	10.35	11.36	12.47	13.68	14.91	16.23	17.57	18.10	18.64	19.20
Sewer Access Charge (SAC)	SPRINKLER RE	City SAC	1,200	1,200	1,200	1,200	1,200	1,200	1,200	1,200	1,200	1,200	1,200	1,200	1,200
Sewer base charge (fixed charge)	SPRINKLER RE	Billing Unit	112.36	13.84	16.08	20.90	22.16	23.04	23.97	24.93	25.67	26.44	27.24	28.33	29.46
Sewer Connection Permit Charge	SPRINKLER RE	REU	150	150	150	195	207	215	224	233	239	247	254	264	275
Sewer Only	SPRINKLER RE	Billing Unit	112.36	122.47	142.25	184.93	196.02	203.86	212.02	220.50	227.11	233.92	240.94	250.58	260.60
Basic System Rate	SPRINKLER RE	Billing Unit	37.29	40.27	43.49	69.58	93.94	95.82	97.73	99.69	101.68	103.72	105.79	107.91	110.06
Infrastructure Fee	SPRINKLER RE	Billing Unit	-	-	-	-	10.00	11.00	12.00	13.00	14.00	15.00	16.00	17.00	18.00
Water Access Charge (WAC)	SPRINKLER RE	City WAC	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000

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**FEE SCHEDULE FOR WATER AND SEWER SERVICES FOR FINANCE PLANS (In Dollars)**

Description	Customer Class	Basis	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035
Water Connection Permit Charge	SPRINKLER RE	REU	60	60	60	62	68	74	82	89	97	105	108	111	115
Water Volume Tier 1	SPRINKLER RE	Volume	-	-	-	1.75	1.92	2.11	2.31	2.52	2.74	2.97	3.06	3.15	3.25
Water Volume Tier 2	SPRINKLER RE	Volume	4.54	4.99	5.49	5.75	6.31	6.93	7.60	8.29	9.02	9.76	10.06	10.36	10.67
Water Volume Tier 3	SPRINKLER RE	Volume	6.52	7.17	7.89	8.65	9.49	10.42	11.43	12.46	13.57	14.69	15.13	15.58	16.05
Water Volume Tier 4	SPRINKLER RE	Volume	-	-	-	10.35	11.36	12.47	13.68	14.91	16.23	17.57	18.10	18.64	19.20

Appendix D

Comparison of Water, Sanitary Sewer, and Stormwater Utility Bills to Other Cities

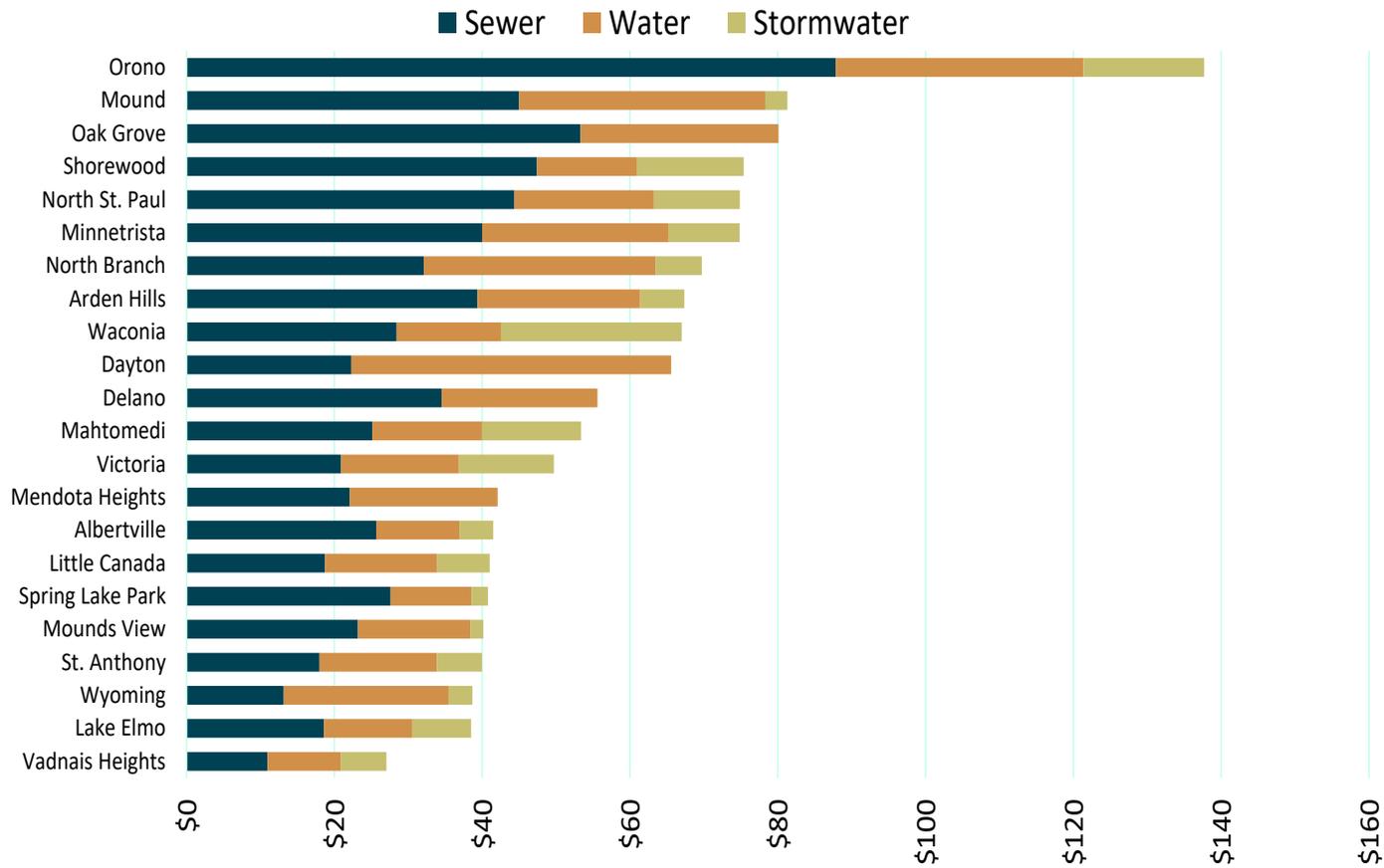
Chart 44

Comparison of Fees to Other Cities

2,000 Gallons Monthly Volume - Residential

Estimated Based on Published Fees and Rates and Interpretation of Schedules for Year 2025.

Cities have different billing cycles. For comparison billing is shown on monthly



Disclaimer: Bill amounts are calculated based on published fee schedules. While the information presented in this chart is believed to be accurate, the interpretation of a city fee schedule may have not been correct and therefore the information presented for a city may not be correct.

Appendix D

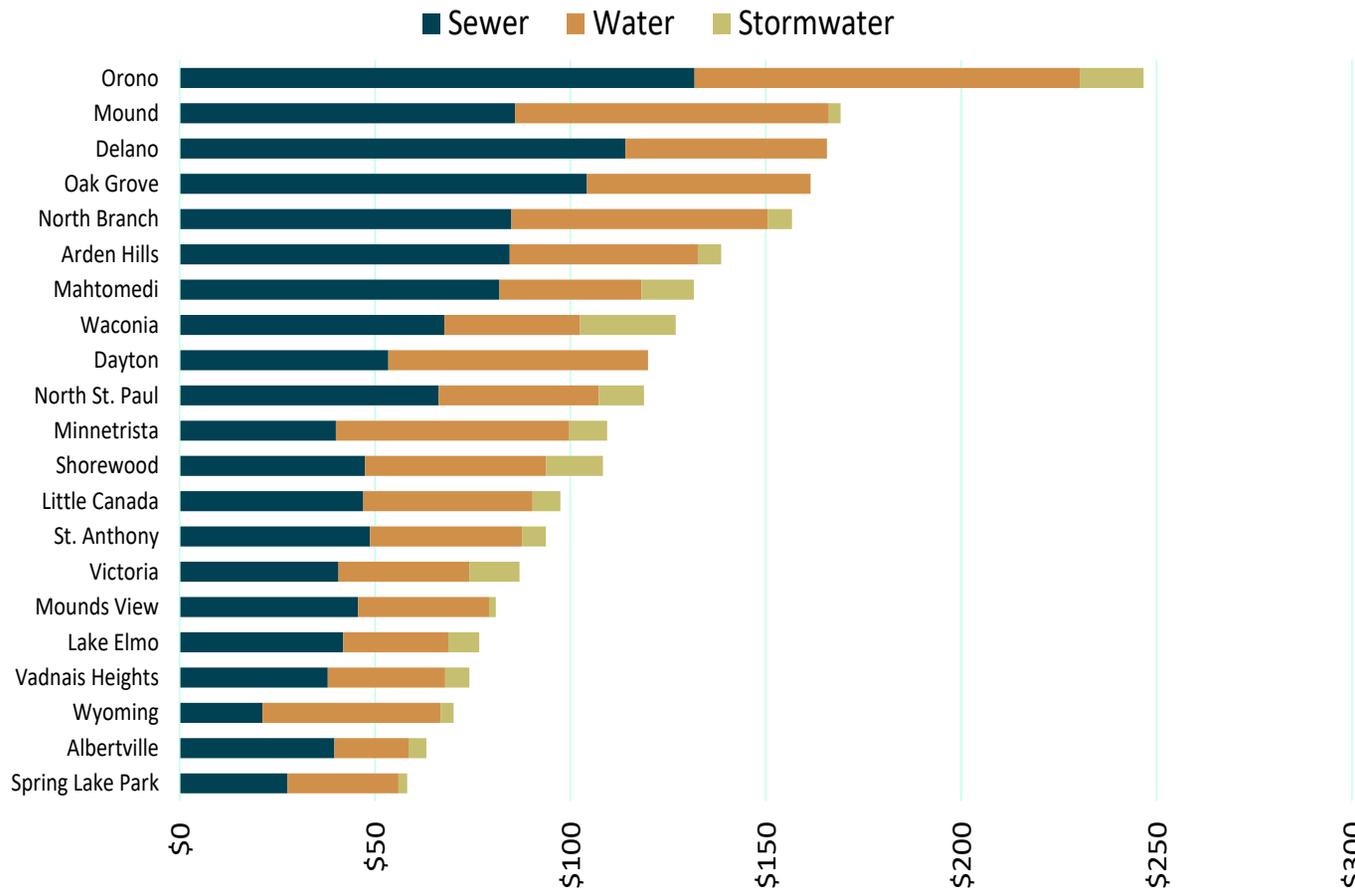
Comparison of Water, Sanitary Sewer, and Stormwater Utility Bills to Other Cities

Chart 45  
Comparison of Fees to Other Cities

8,000 Gallons Monthly Volume - Residential

Estimated Based on Published Fees and Rates and Interpretation of Schedules for Year 2025.

Cities have different billing cycles. For comparison billing is shown on monthly



Disclaimer: Bill amounts are calculated based on published fee schedules. While the information presented in this chart is believed to be accurate, the interpretation of a city fee schedule may have not been correct and therefore the information presented for a city may not be correct.

Appendix D

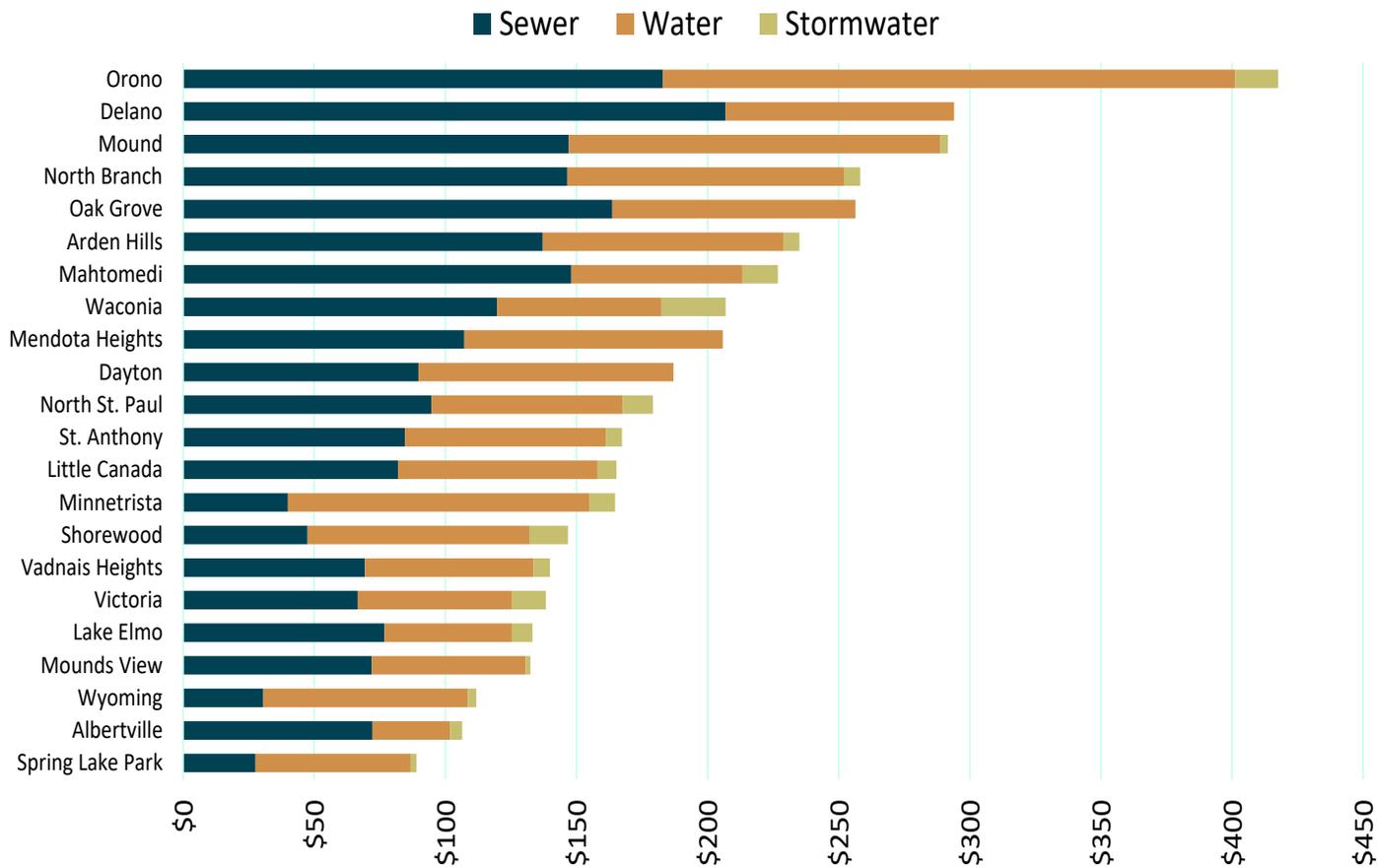
Comparison of Water, Sanitary Sewer, and Stormwater Utility Bills to Other Cities

Chart 46  
Comparison of Fees to Other Cities

15,000 Gallons Monthly Volume - Residential

Estimated Based on Published Fees and Rates and Interpretation of Schedules for Year 2025.

Cities have different billing cycles. For comparison billing is shown as monthly



Disclaimer: Bill amounts are calculated based on published fee schedules. While the information presented in this chart is believed to be accurate, the interpretation of a city fee schedule may have not been correct and therefore the information presented for a city may not be correct.

Appendix E

**Comparison of Debt Per Capita to Other Cities  
Includes General Obligation (G.O.) Debt Outstanding, Not including G.O. Revenue Bonds**

Disclosure: Data included in Appendix E was prepared by Northland Public Finance at the request of the City using publicly available information. Source of data for Population is 2020 census data, and for G.O. Bonds Outstanding Northland relied on disclosure reports and official statements for the cities. Northland believes the information is reliable but the information has not been verified with the respective cities listed and data may be not be fairly represented or reflect changes to G.O. Bonds Outstanding.

City	Debt Per Capita	Population	G.O. Bonds Outstanding
Oak Grove	\$43	8,929	\$385,000
Little Canada	\$163	10,819	\$1,760,000
Vadnais Heights	\$288	12,912	\$3,720,000
Arden Hills	\$291	9,939	\$2,895,000
Dayton	\$298	7,262	\$2,165,000
Mounds View	\$322	13,249	\$4,270,000
North Branch	\$604	10,787	\$6,518,000
Wyoming	\$749	8,032	\$6,015,000
Mahtomedi	\$1,062	8,138	\$8,645,000
Spring Lake Park	\$1,109	7,188	\$7,970,900
Mound	\$1,140	9,398	\$10,710,000
Minnetrista	\$1,207	8,262	\$9,970,000
Albertville	\$1,381	7,970	\$11,003,000
Shorewood	\$1,463	7,783	\$11,385,000
North St. Paul	\$1,467	12,574	\$18,440,000
Mendota Heights	\$1,636	11,744	\$19,214,403
St. Anthony	\$1,719	9,257	\$15,910,000
Orono	\$1,845	8,315	\$15,345,000
Waconia	\$2,523	13,742	\$34,670,000
Lake Elmo	\$2,678	11,335	\$30,360,000
Victoria	\$2,681	12700	\$34,055,000
Delano	\$5,842	6,484	\$37,880,000

Notes:

1. G.O. Bonds Outstanding does not include G.O. Revenue Bonds.
2. Data is based on the most current published data for the respective city that Northland was able to obtain from public available information. See Disclosure above in heading.



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