CITY OF NORTH ST. PAUL
CITY COUNCIL
WORKSHOP AGENDA
September 8, 2020
5:00 PM

Due to the Governor's Emergency Declaration, the Mayor has determined that some in-person meetings during this pandemic are not practical or safe. Additional workshop meetings of the City Council and other City-governed boards and commissions will be held by telephone or other electronic means until further notice. (Minn. Stat. 13D.021)

Our upcoming workshop meeting on September 8th will be held via Zoom. Zoom is an online platform that allows attendees to 'join' the meeting via video or telephone. The September 8th**th meeting can be accessed at:** https://zoom.us/j/95956729904 **from a PC, Mac, tablet, iPhone or Android device, or by phone at 1-301-715-8592, meeting ID 959 5672 9904.** The City Council workshop meeting will be 'open to the public' to listen in, but will be muted from contributing at all times.

Please join the meeting early to test your audio and video settings. If you join via a device and your audio is not working, you may need to use the dial-in phone number option in order to be heard.

I. CALL TO ORDER

II. ROLL CALL
Council Member Thorsen
Council Member Petersen
Council Member Walczak
Council Member Sonnek
Mayor Furlong

III. TOPIC(S)
A. Budget discussion
B. Utility Budget discussion

IV. ADJOURNMENT

Agenda Information Memorandum
North St. Paul City Council
September 8, 2020

FROM THE OFFICE OF THE FINANCE DEPARTMENT

Agenda placement: Council Workshop

Subject: 2021 Rates, Budgets and Debt Planning for Water, Waste Water and Surface Water Funds

To: Honorable Mayor and City Council

Background/Facts:

In conjunction with the General Fund budget and levy, staff has begun the process of discussing utility rates, budgets, debt, and capital outlay. In an effort to streamline scenario modeling for Council consideration, staff is seeking Council input on the current viability of the approved five year plan, the potential for rate adjustments, and the use of reserves to fund debt service and capital projects for Water, Waste Water, and Surface Water Funds.

Staff has prepared the following tables below to assist with this conversation:

- Current Bond Market
- 2020 Street Reconstruction Plan
- Current and Projected Debt Service by Fund
- Cash Balance and Budgeted Change in Cash Position

Minnesota G.O Bond Market

As of August 28, 2020
(Estimated Debt Service based on $1,000,000 bond issue)

	Term (Years)	AAA/Aaa Rated Average Coupon	AAA/Aaa Rated Annual Debt Service	**AA/Aa Rated Average Coupon**	**AA/Aa Rated Annual Debt Service**	A/A2 Rated Average Coupon	A/A2 Rated Annual Debt Service
Bank Qualified	5	0.20%	$201,202	**0.25%**	**$201,502**	0.40%	$202,406
	10	0.50%	$102,771	**0.55%**	**$103,050**	0.70%	$103,890
	15	0.80%	$71,013	**0.90%**	**$71,567**	1.05%	$72,403
	20	1.05%	$55,695	**1.15%**	**$56,256**	1.30%	$57,104
	25	1.35%	$47,396	**1.45%**	**$47,973**	1.60%	$48,847
Non-Bank Qualified	5	0.20%	$201,202	**0.25%**	**$201,502**	0.40%	$202,406
	10	0.50%	$102,771	**0.55%**	**$103,050**	0.70%	$103,890
	15	0.95%	$71,845	**1.05%**	**$72,403**	1.20%	$73,245
	20	1.40%	$57,673	**1.50%**	**$58,246**	1.65%	$59,111
	25	1.70%	$49,434	**1.80%**	**$50,026**	1.95%	$50,920
Taxable	5	0.45%	$202,708	**0.50%**	**$203,010**	0.65%	$203,917
	10	0.80%	$104,453	**0.85%**	**$104,734**	1.00%	$105,582
	15	1.15%	$72,964	**1.25%**	**$73,526**	1.40%	$74,375
	20	1.50%	$58,246	**1.60%**	**$58,822**	1.75%	$59,691
	25	1.80%	$50,026	**1.90%**	**$50,621**	2.05%	$51,522

- Street Reconstruction Plan (Resolution 2020-047; Approved April 7, 2020)

Year	Project Description	Total	Water Fund	Waste Water Fund	Surface Water Fund	Street Maintenance Fund	Municipal State Aid*	Ad Valorem
2020	7th Ave E, 2nd Street N, 1st Street N (2020 Street & Utility Improvement)	**$5,623,137**	$761,819	$382,139	$753,848	$192,368	$3,532,963	-
2022	Buhl Ave, Gerald Ave, Shanwnee Dr (2022 Street & Utility Improvement)	**$5,772,000**	$932,000	$667,000	$2,140,000	-	-	$2,033,000
2024	Chisholm Ave, Mesabi Ave, Gerald Ave (2024 Street & Utility Improvement)	**$4,927,000**	$1,079,000	$1,036,000	$453,000	-	-	$2,359,000
Total		**$16,322,137**	$2,772,819	$2,085,139	$3,346,848	$192,368	$3,532,963	$4,392,000

* MSA may pay for construction and engineering associated with project costs for street and approximately 1/2 of surface water improvements. Financing costs will need to be paid through user fees or levy.

- Comparison of Outstanding Debt and Projected Debt to Finance Street Reconstruction Plan

Current Debt				Projected Debt per Above			
Year	Water	Waste Water	Surface Water	Year	Water	Waste Water	Surface Water
2020	$482,696	$590,946	$252,181	2020	$482,696	$590,946	$252,181
2021	$568,086	$648,449	$328,272	2021	$568,086	$648,449	$328,272
2022	$559,306	$512,253	$319,666	2022	$559,306	$512,253	$319,666
2023	$553,543	$509,302	$314,245	2023	$620,243	$557,037	$467,398
2024	$557,732	$514,319	$318,926	2024	$624,432	$562,054	$472,079
2025	$557,578	$516,279	$314,418	2025	$701,499	$638,158	$499,991
2026	$457,506	$513,144	$242,236	2026	$601,427	$635,023	$427,809
2027	$459,472	$509,258	$237,625	2027	$603,393	$631,137	$423,198
2028	$314,485	$386,075	$233,977	2028	$458,406	$507,954	$419,550

- Cash Balance by Fund and Anticipated Funding Available for Debt / Capital Projects

	Water	Waste Water	Surface Water
Cash (As of Sept 4, 2020)	$3,775,516	$2,599,182	$2,447,979
Budgeted Cash In (2020)	$1,775,850	$2,180,000	$813,250
Budgeted Cash Out (2020)	$1,089,715	$1,744,966	$569,678
Remainder for Retained Earnings / Debt Service (2020)	$686,135	$435,034	$243,572

Attachments: None

Respectfully submitted,

/s/ JZ by jk

Jason Zimmerman
Finance Director

APPROVED FOR AGENDA ENCLOSURE:

/s/ SD by jk

Scott Duddeck
City Manager