



STPAUL.GOV

**CITY OF SAINT PAUL**

# **Mayor's Proposed 2024 Debt Budget Presentation to the St. Paul City Council**

**October 11th, 2023**



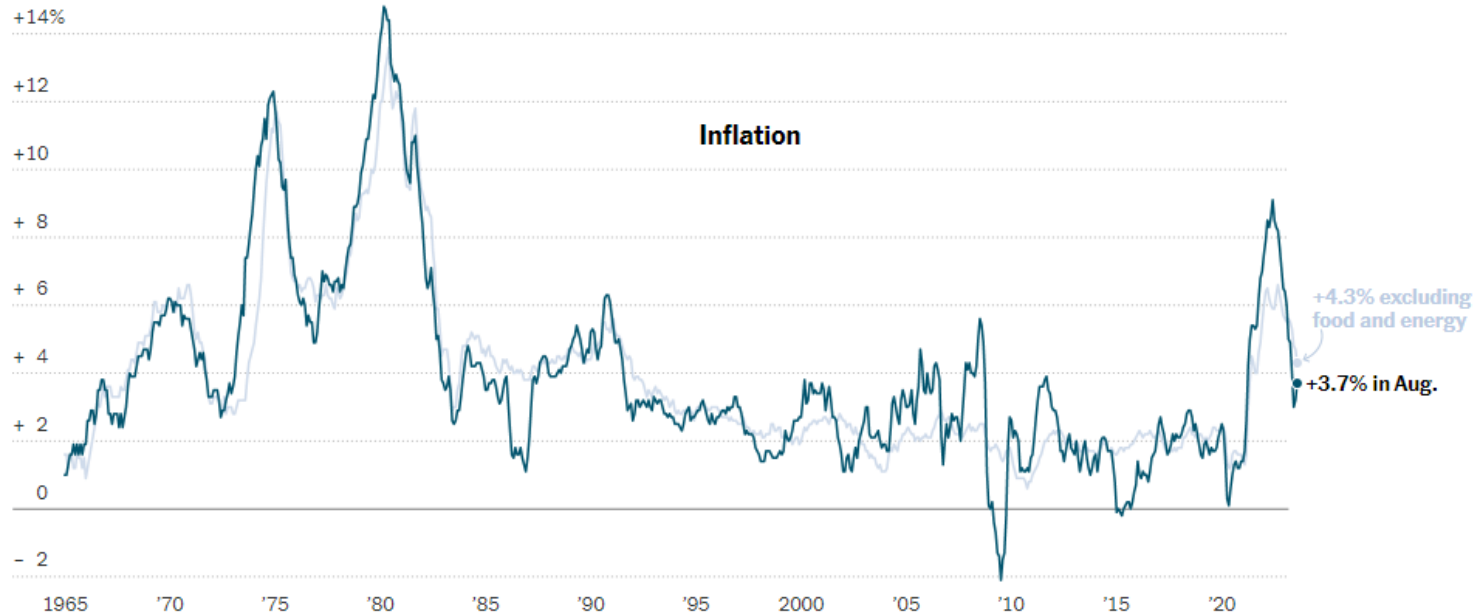
# Agenda

- I. Market Update
- II. Mayor's Proposed 2024 Debt Budget

# Market Update

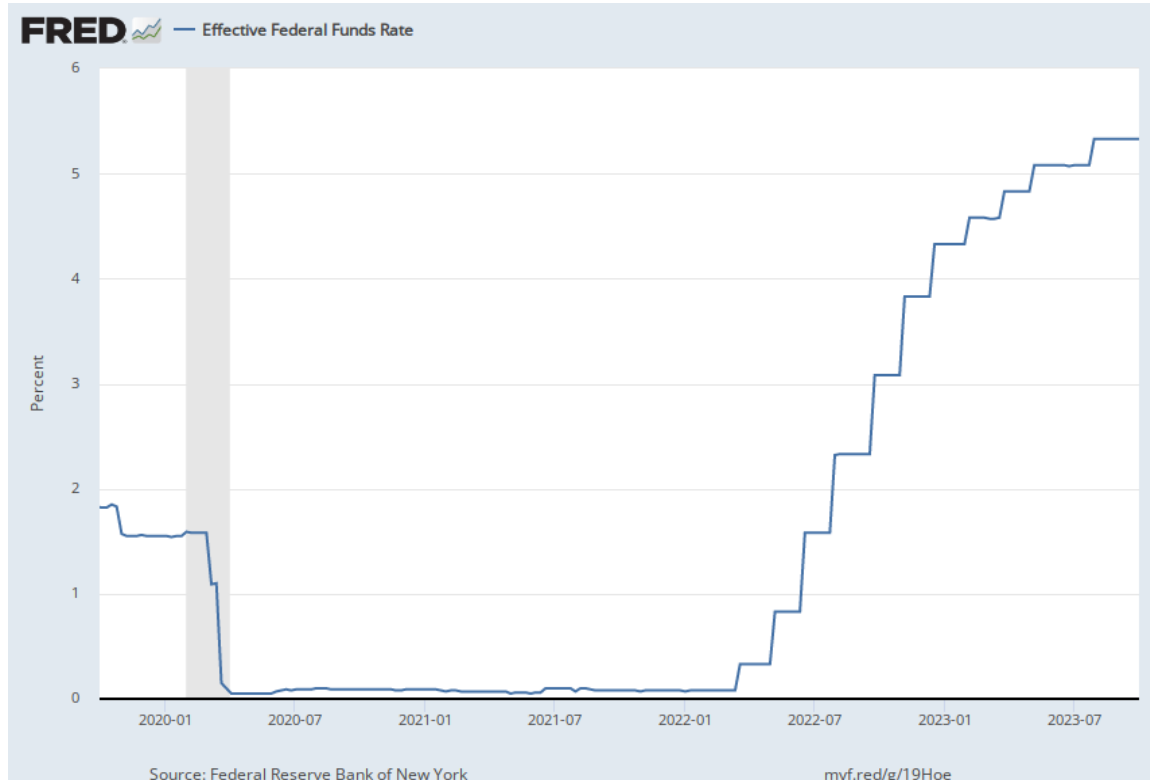


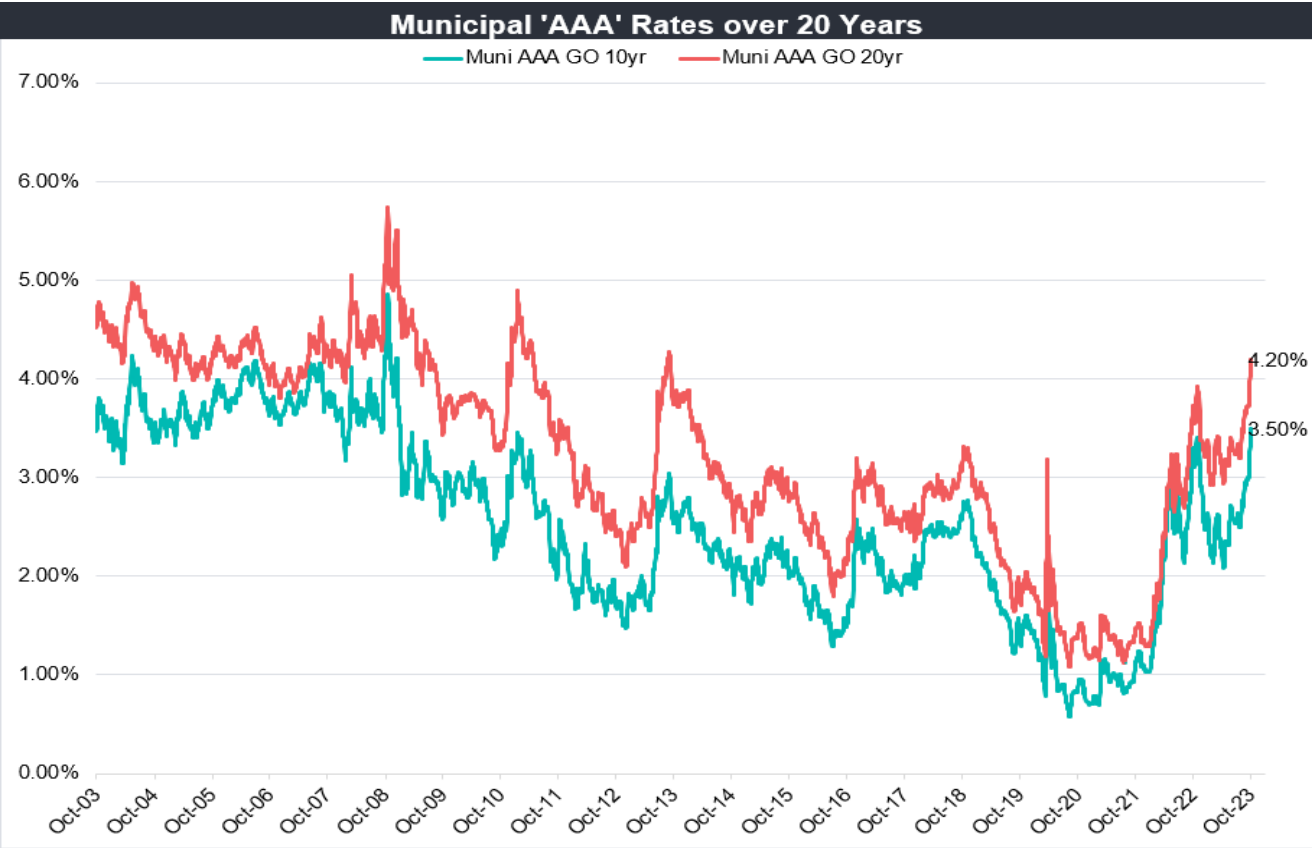
# Inflation





# Rising Interest Rates





# **Mayor's Proposed 2024 Debt Budget**



# Outstanding Debt Portfolio

## as of September 14<sup>th</sup>, 2023

### City Debt Summary Table

#### General Obligation Bonds

|                                       |                      |
|---------------------------------------|----------------------|
| General Obligation Tax Levy           | \$151,100,000        |
| General Obligation Levy (Library)     | 7,915,000            |
| General Obligation Special Assessment | 62,860,000           |
| General Obligation Tax Increment      | 10,795,000           |
| Subtotal                              | <u>\$232,670,000</u> |

#### Revenue Bonds

|                            |                   |
|----------------------------|-------------------|
| Lease Payments             | \$ 2,372,000      |
| Recycling and Trash Fees   | 854,000           |
| Special Assessment Revenue | 7,804,000         |
| Water Revenue              | 199,060,000       |
| Sewer Revenue              | 87,575,000        |
| Sales Tax                  | <u>82,135,000</u> |
| Subtotal                   |                   |

|              |                             |
|--------------|-----------------------------|
|              | <u>\$379,800,000</u>        |
| <b>Total</b> | <u><u>\$612,470,000</u></u> |



# Debt Model

| Spending                                      | 2024              | 2025              | 2026              | 2027              | 2028              |
|-----------------------------------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
| Fund 300 Principal                            | 21,525,000        | 22,328,000        | 21,600,000        | 21,568,600        | 21,195,536        |
| Fund 300 Interest                             | 8,304,296         | 7,888,504         | 6,916,731         | 6,839,920         | 5,967,053         |
| <b>Fund 300 Total Existing Debt Service</b>   | <b>29,829,296</b> | <b>30,216,504</b> | <b>28,516,731</b> | <b>28,408,520</b> | <b>27,162,589</b> |
| Future Debt Service on Planned issuance       | 921,885           | 2,974,676         | 4,982,394         | 7,103,078         | 9,955,474         |
| Authorized, Unissued Future Debt Service      | 2,615,864         | 2,615,864         | 2,615,864         | 2,615,864         | 2,615,864         |
| <b>Total Debt Service (Existing + Future)</b> | <b>32,786,080</b> | <b>34,708,061</b> | <b>34,517,988</b> | <b>36,037,296</b> | <b>37,150,598</b> |
| Administration                                | 952,506           | 969,319           | 986,552           | 1,004,215         | 1,022,321         |
| Total Subsequent year Debt service            | 13,527,661        | 14,032,636        | 14,538,706        | 14,948,426        | 14,685,190        |
| Total Ford Spending                           | 946,636           | 936,895           | 936,536           | 936,926           | 936,065           |
| <b>Total Expenditures</b>                     | <b>47,847,212</b> | <b>50,808,999</b> | <b>51,640,247</b> | <b>54,080,103</b> | <b>55,441,439</b> |
| <b>Financing</b>                              |                   |                   |                   |                   |                   |
| Property Tax Budget                           | 22,756,468        | 24,256,468        | 25,756,468        | 27,256,468        | 28,756,468        |
| Other Revenue                                 | 12,318,601        | 11,687,850        | 11,075,718        | 9,278,142         | 8,756,441         |
| Ford Financing - Other Revenue                | 946,636           | 936,895           | 936,536           | 936,536           | 936,536           |
| Assessment Revenue for M&O                    | 232,386           | 439,594           | 638,801           | 836,066           | 1,033,332         |
| Use of Fund Balance - subsequent year         | 13,527,661        | 14,032,636        | 14,538,706        | 14,948,426        | 14,685,190        |
| Use of Fund Balance (contribution)            | (1,702,154)       | (104,850)         | (667,181)         | 1,660,142         | 2,307,275         |
| <b>Total Financing</b>                        | <b>47,847,212</b> | <b>50,808,999</b> | <b>51,640,247</b> | <b>54,080,103</b> | <b>55,441,439</b> |
| Property Tax Budget                           | 22,756,468        | 24,256,468        | 25,756,468        | 27,256,468        | 28,756,468        |
| <b>Property Tax Proposed Budget Increase</b>  | <b>1,500,000</b>  | <b>1,500,000</b>  | <b>1,500,000</b>  | <b>1,500,000</b>  | <b>1,500,000</b>  |



## Property Tax Budget – Ongoing Debt Levy Need

|                               | 2024         | 2025         | 2026         | 2027         | 2028         |
|-------------------------------|--------------|--------------|--------------|--------------|--------------|
| <i>Property Tax Budget</i>    | \$22,756,468 | \$24,256,468 | \$25,756,468 | \$27,256,468 | \$28,756,468 |
| Annual Ongoing Debt Levy Need | \$1,500,000  | \$1,500,000  | \$1,500,000  | \$1,500,000  | \$1,500,000  |



## 2024 Planned Debt Issuance

| Preliminary Amount | Issuance                                       | Project(s) Financed                                      |
|--------------------|------------------------------------------------|----------------------------------------------------------|
| \$53,410,000       | Sales Tax Revenue and Refunding Bonds          | North End Community Center, Fire Station 7 and Refunding |
| 15,175,000         | G.O. Various Purpose Bonds                     | CIB, Green Energy Projects and Public Safety Vehicles    |
| 16,500,000         | G.O. Variable Rate Street Reconstruction Bonds | 2024 Street Projects                                     |
| 15,000,000         | Sewer Revenue Bonds                            | Sewer Utility and Water Street                           |
| 25,000,000         | Water PFA Note                                 | McCarrons Water Treatment Plant                          |
| 7,500,000          | Water PFA Note                                 | Lead Service Line Replacement                            |

# QUESTIONS