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CITY OF SAINT PAUL

Mayor's Proposed 2023 Debt Budget Presentation to the St. Paul City Council

November 2, 2022



Agenda

- I. Market Update
- II. Mayor's Proposed 2023 Debt Budget

Market Update

A large, dark blue silhouette of a building dome, likely the US Capitol, is positioned on the right side of the slide, partially overlapping the text area.



Inflation

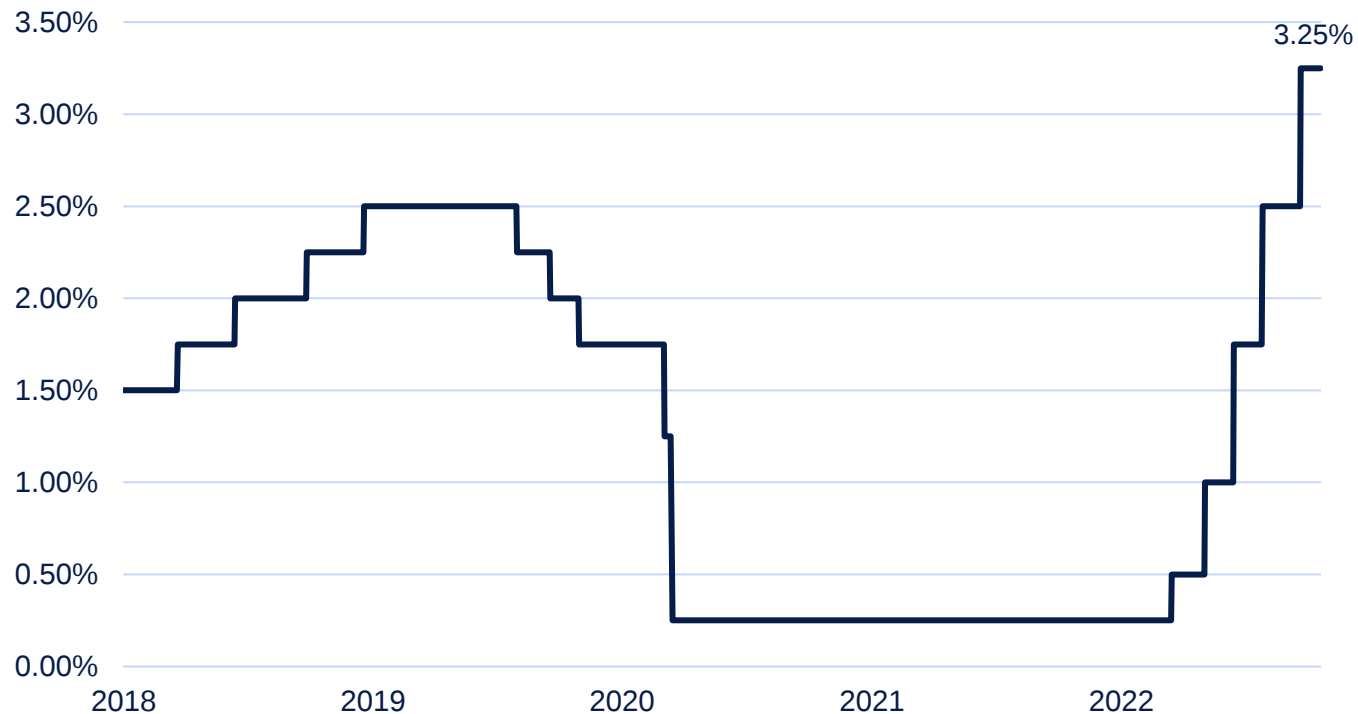
Year-over-year percentage change in the Consumer Price Index



Note: Not seasonally adjusted • Source: Bureau of Labor Statistics • By The New York Times



Federal Reserve Target Rate (%)



Data source: Federal Reserve Bank of St. Louis



Municipal "AAA" Rates over 20 Years



Mayor's Proposed 2023 Debt Budget

A dark blue silhouette of a building dome, likely a city hall or government building, is positioned on the right side of the slide, partially overlapping the text area.



Effective Debt Management

General Obligation Debt:

- Accelerated Capital Improvement Plan
 - \$24 million Deferred Capital Maintenance
 - Hamline Midway Library
- New \$4 million ongoing Mill & Overlay Program
 - Defeasance allowed for a restructure of the debt portfolio

Revenue Debt:

- \$30 million* Sales Tax Revenue Bonds
 - North End Community Center
 - Fire Station 7

*Preliminary, subject to change



Outstanding Debt Portfolio

(as of 4/6/2022)

General Obligation Bonds

General Obligation Tax Levy	\$162,230,000
General Obligation Levy (Library)	8,905,000
General Obligation Special Assessment	72,600,000
General Obligation Tax Increment	18,000,000
Subtotal	\$261,735,000

Revenue Bonds

Annual Appropriation	\$ 183,085
Lease Payments	2,952,000
Recycling and Trash Fees	1,679,000
Special Assessment Revenue	8,558,000
Water Revenue	40,413,000
Sewer Revenue	86,815,000
Sales Tax	87,450,000
Subtotal	\$227,717,085

Total

\$489,452,085



Property Tax Budget – Debt Levy Need

	2023	2024	2025	2026	2027
<i>Property Tax Budget</i>	\$21,256,468	\$22,756,468	\$24,256,468	\$25,756,468	\$25,756,468
NEW - Annual Ongoing Debt Levy Need	\$1,600,000	\$1,500,000	\$1,500,000	\$1,500,000	\$1,500,000



Debt Model

Spending	2023	2024	2025	2026	2027
Fund 300 Principal	20,279,000	18,800,000	18,357,000	17,619,000	17,863,600
Fund 300 Interest	7,685,866	6,755,408	5,908,799	5,097,258	5,063,484
Fund 300 Total Existing Debt Service	27,964,866	25,555,408	24,265,799	22,716,258	23,046,084
Future Debt Service on Planned issuance	1,520,000	4,123,001	6,482,234	8,841,467	11,200,699
Authorized, Unissued Future Debt Service	47,268	324,772	324,772	324,772	324,772
Mill and Overlay (\$4 million ongoing increase)	70,000	560,965	1,054,129	1,547,293	2,040,457
Total Debt Service (Existing + Future)	29,602,134	30,003,181	31,072,805	31,882,497	34,452,555
Administration	936,103	952,506	969,319	986,552	1,004,215
Total Subsequent year Debt service	13,559,814	13,527,661	14,032,636	14,538,706	14,948,426
Total Expenditures	44,098,052	45,044,313	47,128,889	48,955,047	52,445,653
Financing					
Property Tax Budget	21,256,468	22,756,468	24,256,468	25,756,468	27,756,468
Other Revenue	12,350,960	11,671,941	10,833,979	10,023,062	8,442,075
Ford Financing - Other Revenue	1,024,281	946,636	936,895	936,536	936,536
Assessment Revenue for Mill and Overlay Program	35,000	280,483	527,065	773,647	1,020,228
Use of Fund Balance - subsequent year	13,559,814	13,527,661	14,032,636	14,538,706	14,948,426
Use of Fund Balance (contribution)	(4,128,472)	(4,138,875)	(3,458,153)	(3,073,370)	(158,470)
Total Financing	44,098,052	45,044,313	47,128,889	48,955,047	52,445,653
Property Tax Budget	21,256,468	22,756,468	24,256,468	25,756,468	27,756,468
Property Tax Proposed Budget Increase	1,600,000	1,500,000	1,500,000	1,500,000	1,500,000



2023 Planned Debt Issuance

Preliminary Amount	Issuance	Project(s) Financed
\$76,000,000	Water Revenue Bond	McCarrons Water Treatment Plant
9,325,000	G.O. Temporary Tax Increment Bonds	Highland Bridge Redevelopment
30,000,000	Sales Tax Revenue Bonds	North End Community Center and Fire Station 7
8,169,000	G.O. Library Bonds	Hamline Midway Library
28,516,000	G.O. Various Purpose Bonds	CIB and Public Safety Vehicles
29,500,000	G.O. Variable Rate Street Reconstruction Bonds	2022 and 2023 Street Projects
8,000,000	Sewer Revenue Bonds	Sewer Utility
47,250,000	Water PFA Note	McCarrons Water Treatment Plant

QUESTIONS