

**RECORD OF
2016 CITY INTERNAL LOAN
(RECYCLING CART PROJECT)
December XX, 2016**

This Record of Interfund Loan is executed by the City of Saint Paul's Director, Office of Financial Services, and the Public Works Director ("Public Works") to memorialize an Internal Loan for the City's Recycling Cart Project and its repayment.

WHEREAS, the City wishes to assist the Public Works Department with funds of up to \$1,800,000 as part of the Recycling Cart Project, as anticipated in the 2017 budget; and

WHEREAS, City Budget resolution RES PH 16-432, approved on December 7, 2016 after a public hearing, directed the City to make an internal loan to facilitate such assistance; and

WHEREAS, the advance, until repaid, will bear interest at the City treasury portfolio investment rate; and

WHEREAS, this advance from Fund 700 – Internal Borrowing Fund - is expected to be repaid from recycling and solid waste rates; and

WHEREAS, the advance, until repaid, will bear interest at the monthly City treasury portfolio investment rate (the "Pool Rate"), which is variable and reset monthly by City Treasurer;

NOW, THEREFORE, The Director of the Office of Financial Services and Public Works Director memorialize the Internal Loan for the Recycling Cart Project as follows:

1. Purpose. The purpose of this document is to memorialize the Internal Loan for the Recycling Cart Project from Fund 700 and to serve as guidance in coordinating actions of the City, its Office of Financial Services, and its Public Works Department with respect to such advances and required encumbrances, and repayments.
2. Authority. This document was authorized by, and fulfills the intent of, resolution RES PH 16-432 adopted by the City Council on December 7, 2016.
3. Interest. Interest will accrue on the advance at the City treasury portfolio investment rate ("Pool Rate"). Pool Rate is variable and reset monthly by City Treasurer.
4. Advances. Fund 700 will advance up to \$1,800,000 to pay for costs associated with the Recycling Cart Project as approved by the Director of the Office of Financial Services on or after the closing of the Recycling Cart Project Financing expected in 2016. Each time there is an advance from the Internal Loan, the Public Works Accountant will record the amount of the advance and the amount of the outstanding balance of the Internal Loan and send to the City's Chief Accountant and OFS Treasury Debt Section. Advances shall not be more often than monthly.

5. Repayment. The Public Works Department will reimburse this advance from Fund 700, including accrued interest, recycling and solid waste rates. The advance will be repaid from Fund 241 – Recycling and Solid Waste.

OFS Treasury Debt Section or the City’s Chief Accountant will provide the prior monthly Pool Rates to the Public Works Accountant for the annual repayment amount due. The Loan is repayable at Par plus any interest due.

6. Term. Internal Loan matures five years after the initial advance

Signed this ____ day of _____, 2016.

Todd Hurley
Director, Office of Financial Services

Kathy Lantry
Director, Public Works

Approved to Form:

Assistant City Attorney

Exhibit A – Illustrative Example of Repayment Schedule

EXHIBIT - A 2017 Recycling Internal Loan - Illustrative Repayment Example

Project amount:

Principal draw: \$ 1,800,000

Est. Pool Interest rate: 3.00%

Date	Beginning Balance	Repayment	Interest	Principle	Outstanding Balance	Annual total
12/1/2016	1,800,000					
6/1/2017	1,800,000	195,182	27,000	168,182	1,631,818	
12/1/2017	1,631,818	195,182	24,477	170,704	1,461,114	390,363
6/1/2018	1,461,114	195,182	21,917	173,265	1,287,849	
12/1/2018	1,287,849	195,182	19,318	175,864	1,111,986	390,363
6/1/2019	1,111,986	195,182	16,680	178,502	933,484	
12/1/2019	933,484	195,182	14,002	181,179	752,305	390,363
6/1/2020	752,305	195,182	11,285	183,897	568,408	
12/1/2020	568,408	195,182	8,526	186,655	381,752	390,363
6/1/2021	381,752	195,182	5,726	189,455	192,297	
12/1/2021	192,297	195,182	2,884	192,297	(0)	390,363
Totals:		1,951,815	151,815	1,800,000		