



Legislation Text

File #: RES PH 16-432, **Version:** 2

Amending the 2016 Grant fund, Recycling and Solid Waste fund, and the Internal Borrowing Fund to reflect the acceptance of outside grants for the purposes of purchasing of new recycling carts and outreach and education on the Saint Paul's recycling program, exploring alterate financing options and approving an internal loan and authorizing execution of a Record of Internal Loan for the Recycling Carts Project.

WHEREAS, The purchase of the new wheeled, lidded recycling carts is anticipated in the 2017 Operating Budget; and

WHEREAS, Saint Paul will take delivery of the carts in 2016, thus requiring payment within the same fiscal year; and

WHEREAS, On September 7, 2016, City Council adopted RES PH 16-260 authorizing the city to enter into a grant agreement with The Recycling Partnership to accept a grant of up to \$500,000 in support for the purchase of the recycling carts and \$50,000 in education and outreach support; and

WHEREAS, On November 11, 2016, City Council adopted RES PH 16-420 authorizing the city to enter into a grant agreement with Ramsey County of up to \$1,879,201 in support of the purchase of the recycling carts; and

WHEREAS, The City's Internal Loan fund will provide financing for the City's portion of the recycling cart purchase in 2016 for an amount of \$1,800,000, as anticipated in the 2017 budget; and

WHEREAS, There are available funds in the City Internal Loan Fund in 2016 for the Recycling Cart project and 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 the City; and

WHEREAS, the Record of Internal Loan, attached in substantially final form as Exhibit A, is expected to be repaid from recycling and solid waste rates within 5 years of the initial city advance; and

WHEREAS, The internal loan will be made available to the City's Recycling and Solid Waste fund and then transferred to the City's multi-year Grant Fund ensuring that all project spending and accounting of the recycling cart purchases occurs within the same fund to better account for project revenues and expenditures occurring over multiple fiscal years; and

WHEREAS, the 2017 operating budget will be changed to account for the internal loan, project spending, and financing occurring in 2016; and

WHEREAS, The Mayor, Pursuant to Section 10.07.1 of the Charter of the City of Saint Paul, does certify that an internal loan be made in an amount up to \$1,800,000 to the City's Recycling and Solid Waste fund in addition to a transfer of \$1,800,000; and

WHEREAS, the Mayor, pursuant to Section 10.07.1 of the Charter of the City of Saint Paul, does certify that there are available appropriations of \$500,000 for the purchase of recycling carts and \$50,000 in education and outreach support from The Recycling Partnership, \$1,879,201 in support of the purchase of recycling carts from Ramsey County, and \$1,800,000 in financing for the city's portion of the carts totaling \$4,229,201 in the City's multi-year Grant Fund;

THEREFORE BE IT RESOLVED, by the Council of the City of Saint Paul, upon recommendation of the Mayor, that \$4,229,201 is available for appropriation in the 2016 budget, and said budget, as heretofore adopted by

Council, is hereby further amended by the particulars as specified in the attached financial analysis; and

BE IT FURTHER RESOLVED, that the attached Record of Internal Loan is approved in substantially final form in Exhibit A, and the Director of Financial Services and the Public Works Director are authorized to execute the agreement and any related documents.

BE IT FURTHER RESOLVED, should the City pursue alternate financing options for its portion of the Recycling cart acquisition and reserves the right to make expenditures and reimburse such expenditures from the proceeds of any obligations issued to finance it. This resolution is intended to constitute a declaration of the City's official intent, for purposes of Section 1.150-2 of the Treasury Regulations, with respect to certain original expenditures made from any sources other than the proceeds of the obligations, in conjunction with the capital projects financed thereby for the capital project identified.

See Attachment - Financial Analysis