

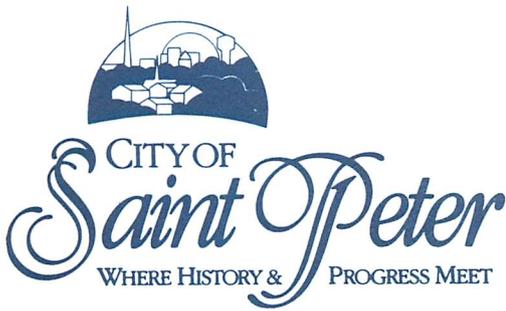
**CITY OF SAINT PETER, MINNESOTA
AGENDA AND NOTICE OF MEETING**

Regular Workshop Session of Tuesday, September 16, 2013
Library Meeting Room – 5:30 p.m.

- I. **CALL TO ORDER**
- II. **DISCUSSION**
 - A. Municipal State Aid Changes
 - B. Pool Fundraising Report "Wibbits"
 - C. Others
- III. **ADJOURNMENT**

Office of the City Administrator
Todd Prafke

TP/bal



Memorandum

TO: Honorable Mayor Strand
Members of the City Council

DATE: 9/13/13

FROM: Todd Prafke
City Administrator

RE: Municipal State Aid Projects and Funding

ACTION/RECOMMENDATION

For your information and discussion.

BACKGROUND

Members may recall the numerous discussions related to Municipal State Aid (MSA) projects you have had over the last year or so. Those discussions have tended to center around projects, priorities, and funding of projects. In addition, we have discussed some opportunities to fund the work in other ways or through work done by your crews.

My goal for your meeting on Monday evening is to put you into a position, through more defined information, to give staff direction on the plan that was discussed at your Goal Session. This is premised on the best estimates and understanding of the cost of projects and the relative value to the community based not only on money, but also on the impact to additional growth, tax base and cost effectiveness. It is also true that a couple of the projects are very likely to be completed more cost efficiently when done in conjunction with other projects including MnDOT work on Highway 169. Our intent would be to finance certain projects using your MSA dollars as the revenue stream for servicing the debt.

Attached you will find two documents. The first is a table and list that outlines your discussion from the Goal Session on Tuesday of this past week. The second is a revised debt service schedule that outlines use of about 85% of our usable MSA dollars for repayment of debt. Again, the value in issuance of the debt is that the cost of the debt service and issuance is less than the value we achieve through savings in elevated costs and by combining our project with the MnDOT project, we will save money. In addition, it allows the work to be completed all at one time thereby reducing the amount of disruption in the area. Lastly, it allows the work to take place before the problem erupts, because as you know, it is messier, more costly and much more hassle for businesses to have to suffer through construction in an area that already has traffic problems and the reason for the construction. Putting together the Debt Service in this way allows more scalability. The scalability means that when additional development occurs on the north end of the community within the TIF district from Union Street north to St. Julien Street, those dollars can be put towards this debt allowing you to pay in advance retiring the debt earlier.

The first page of the memo from City Engineer Domras illustrates your MSA funding and the estimated cost of the three projects that would be funded using this method. Those projects are Washington Avenue Link Improvement Project, Old Minnesota Avenue/St. Julien Street and Union/TH169. Issuing a bond for this is not a signal that the projects are over budget, rather is a way for us to extend the use of our MSA funds to include the Old Minnesota Avenue and Union Street work that we have discussed as a part of the Highway 169 project. It is important to note that this is a continuance of the plan that has been in place for a number of months but we are now getting to the point of issuance. You may also remember that we had hoped to include Gardner Road and a couple of smaller projects as a part of the work and issuance, but we are now recommending that we “push” those back. “Push” back in this instance means moving them to a future date or an alternative funding source other than MSA. Page two of Jeff’s memo shows the projects that originally might have been included in the debt service project list but we now plan to “push.”

This discussion may be a bit of a re-run from your Goal Session, but I want to make sure that you have as many opportunities to review this as we need to move forward to make sure funding is secured in the appropriate timeline.

Please feel free to contact me if you have any questions or concerns on this agenda item.

TP/bal



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MEMORANDUM

Date: September 10, 2013

To: Lew Giesking
Director of Public Works

From: Jeffrey A. Domras, P.E.

Subject: MSA Funding for 2013-2014 Projects

Below is an estimate of the amount of MSA funding needed for completion of the Washington Avenue Link project, construction of the Old Minnesota Avenue/St. Julien Street Roundabout and the Union Street/TH 169 improvements. Projects not included in this schedule have been summarized on the next page.

Project	Federal	MSA	Local	MSA Balance
January 2013 MSA Account Balance				\$868,154
Washington Ave Link ROW (to date)		(\$984,158)		(\$116,004)
Washington Ave Link (current design eng)		(\$328,520)		(\$444,524)
Washington Ave Link ROW (estimate of remaining)		(\$500,000)		(\$944,524)
January 2014 MSA Allotment (estimate)		\$490,000		(\$454,524)
Part 1 Washington Ave Link Const		(\$676,650)		(\$1,131,174)
Part 1 Washington Ave Link Const Engr, Testing,		(\$156,800)		(\$1,287,974)
Part 2 Washington Ave Link (Includes Const, Engr)	\$1,405,000	(\$2,045,000)	\$383,000	(\$3,332,974)
Old Minnesota Ave/St. Julien Roundabout		(\$1,100,000)		(\$4,432,974)
Union St / TH 169 Improvements		(\$117,100)		(\$4,550,074)
Total	\$1,405,000	(\$5,418,228)	\$383,000	



Other MSA eligible projects include:

Gardner Road (Broadway to the intersection of Jefferson and Nicollet Ave)	\$1,664,000
Traverse Road (Edgerton to Sunrise)	\$500,000
Warren Basin (NW corner Sunrise and Traverse-includes ROW)	\$950,000
Old Minnesota Avenue (Center St to Dodd Avenue) "Ball Park"	\$3,000,000
N Washington Avenue (Bunker Lane to CSAH 20) "Ball Park"	\$5,000,000

Please let me know if you have any questions.

\$4,720,000

General Obligation Municipal State Aid Bonds, Series 2013C

Uses of Funds

Washington Ave Link		3,450,000
St. Julien Roundabout		1,100,000
Total Project Costs		4,550,000
Underwriter's Discount Allowance	0.9000%	42,480
Unused Underwriter's Discount Allowance		-
Fiscal Fee		18,000
Bond Counsel		9,000
Pay Agent/Registrar		750
Printing & Misc		1,250
Rating Agency		10,000
Capitalized Interest		91,568
Rounding		-
		<u>4,723,048</u>

Sources of Funds

Bond Issue	4,720,000
Cash Contribution	-
Rounding	3,048
	<u>4,723,048</u>

Bond Details

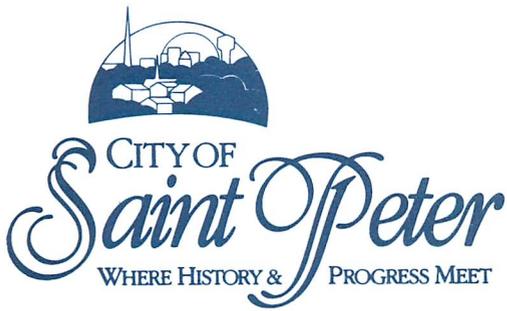
Set Sale Date	9/23/2013
Sale Date	10/28/2013
Dated Date	11/1/2013
Closing Date	11/14/2013
1st Interest Payment	8/1/2014
Proceeds spent by:	12/31/2014
	<i>to Dated Date</i>
Purchase Price	4,677,520.00
Net Interest Cost	1,212,527.50
Net Effective Rate	3.1547%
Average Coupon	3.0442%
Yield	2.9891%
Average Life	7.4575
Call Option	2/1/2020
Purchaser	Preliminary
Bond Counsel	Briggs & Morgan, P.A.
Pay Agent	Northland Trust Services, Inc.
Tax Status	Tax Exempt, Bank Qualified
Continuing Disclosure	Full
Rebate	Not Subject

Payment Schedule & Cashflow

<i>Payment Schedule</i>					
12-Month	Interest		Payment	plus 5%	
Period ending	Principal	Rate	Interest	Total	Coverage
11/1/2013	-		-	-	-
2/1/2014	-		-	-	-
2/1/2015	300,000	0.650%	152,613	452,613	475,243
2/1/2016	300,000	1.000%	120,140	420,140	441,147
2/1/2017	300,000	1.400%	117,140	417,140	437,997
2/1/2018	305,000	1.800%	112,940	417,940	438,837
2/1/2019	310,000	2.150%	107,450	417,450	438,323
2/1/2020	315,000	2.300%	100,785	415,785	436,574
2/1/2021	325,000	2.600%	93,540	418,540	439,467
2/1/2022	335,000	2.850%	85,090	420,090	441,095
2/1/2023	345,000	3.000%	75,543	420,543	441,570
2/1/2024	355,000	3.150%	65,193	420,193	441,202
2/1/2025	365,000	3.300%	54,010	419,010	439,961
2/1/2026	375,000	3.500%	41,965	416,965	437,813
2/1/2027	390,000	3.600%	28,840	418,840	439,782
2/1/2028	400,000	3.700%	14,800	414,800	435,540
	4,720,000		1,170,048	5,890,048	6,184,550

<i>Pledged Revenues</i>				<i>Account Balances</i>	
Collection	MSA	MSA	Coverage	Surplus	Account
Year	Construction	Maintenance	Revenues	(deficit)	Balance
			Capitalized & accrued interest >		95,976
2014	-	-	-	-	95,976
2015	300,000	56,636	22,631	(95,976)	-
2016	300,000	120,140	21,007	-	-
2017	300,000	117,140	20,857	-	-
2018	305,000	112,940	20,897	-	-
2019	310,000	107,450	20,873	-	-
2020	315,000	100,785	20,789	-	-
2021	325,000	93,540	20,927	-	-
2022	335,000	85,090	21,005	-	-
2023	345,000	75,543	21,027	-	-
2024	355,000	65,193	21,010	-	-
2025	365,000	54,010	20,951	-	-
2026	375,000	41,965	20,848	-	-
2027	390,000	28,840	20,942	-	-
2028	400,000	14,800	20,740	-	-
	4,720,000	1,074,071	294,502		-

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Memorandum

TO: Todd Prafke
City Administrator

DATE: 9/13/13

FROM: Jane Timmerman
Director of Recreation & Leisure Services

RE: Pool Fundraising Report

ACTION/RECOMMENDATION

None needed. For your information and discussion.

BACKGROUND

The Saint Peter outdoor pool has continued to be a basic family friendly pool throughout the years. While many cities in the area have installed slides, water features and/or built new aquatic centers, we have decided to remain a basic pool with basic services that serve families well as evidenced by the low cost of a seasonal family pass.

Staff is exploring the possibility of enhancing our facility for families without having to make a large investment. We have a three year plan that begins with adding Wibits as a viable first year enhancement. Wibit Sports GmbH is a German watersports company that was created in 1997. Products are distributed in 50 countries. Not only are Wibits less expensive than converting our pool to an aquatics facility, they are versatile. We can start with a small size Wibit and add to it as funds allow.

Staff is working on funding options to purchase Wibits in 2014 for approximately \$10,000. Seasonal pool staff conducted two fundraisers this past summer and the VIP's also held a fundraiser. To date they raised over \$575.

In the City restricted account there are funds that were earmarked for a pool slide. Pool fundraisers from 2003-06 raised \$1,605.57 and the Saint Peter Jaycees contributed \$1,000 toward the purchase of a pool slide for a total of \$2,605.57. (We plan to contact the Jaycees and request that the use of those funds be put toward the purchase of Wibits.) Combined with this summer's proceeds, we have \$3,180 in reserve for pool improvements.

The following website link will provide you with more information on what Wibits are and how they are used.... <http://www.wibitsports.com/>

Pool Manager Ruhland and I will be at the workshop on Monday evening to provide additional information regarding our three year improvement plan including the purchase of Wibits in 2014

Please feel free to contact me should you have any questions or concerns on this agenda item.

JT/