

City Debt Service

Debt Service Funds

Debt Service Spending (By Major Account)			
Object	2010* Actual	2011* Adopted Budget	2012 Adopted Budget
Salaries	286,035	285,670	306,486
Fringes	96,371	84,631	89,452
Services	102,987	113,361	165,584
Materials and Supplies	23,494	18,170	18,170
Debt Service	44,178,110	59,619,532	59,176,957
Transfers and Other Spending	15,547,525	1,095,378	0
Total	60,234,523	61,216,741	59,756,648

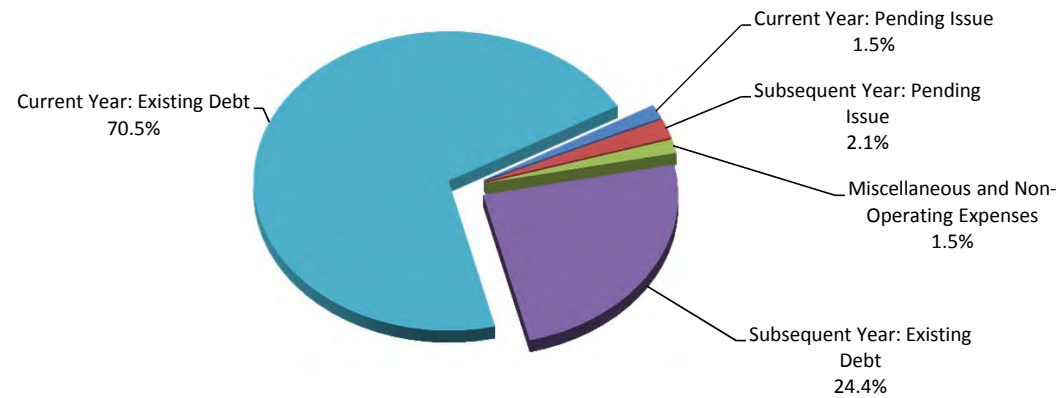
Debt Service Financing (Revenue By Source)			
Source	2010* Actual	2011* Adopted Budget	2012 Adopted Budget
Use of Fund Balance	0	20,023,280	18,319,420
Taxes	9,279,780	12,929,144	12,779,514
Assessments	3,227,347	4,088,705	3,391,116
Fees, Sales and Services	259,282	80,000	80,000
Intergovernmental Revenue	320,060	762,626	686,814
Interest	1,613,424	327,035	659,000
Transfers and Other Financing	42,064,445	23,005,951	23,840,784
Total	56,764,337	61,216,741	59,756,648

* For the 2012 budget, the City of Saint Paul moved to a revised Chart of Accounts. Previous years' data is reported as if the new chart had been in place in 2010 and 2011. For this reason, redundant transfers removed under the new chart of accounts have not be removed for 2010 actuals reported here.

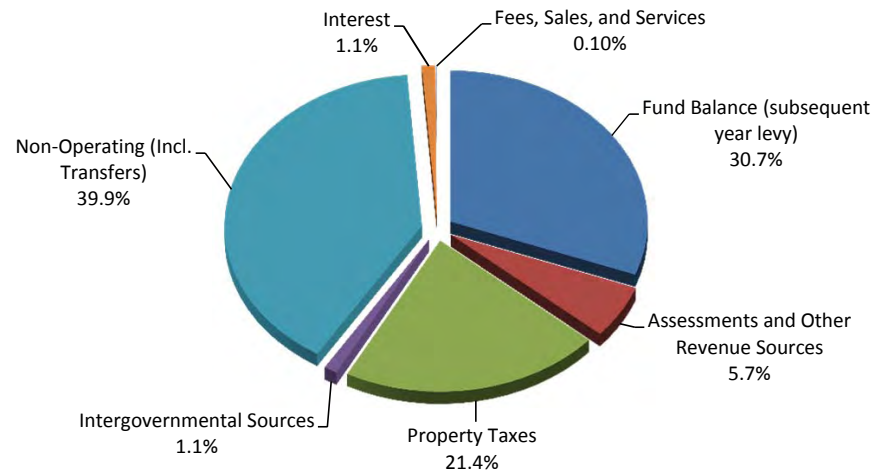
The city's general debt service budget provides for the principal and interest payments on its general obligation bond issues. The budget consists of two sets of appropriations: 1) an amount needed to meet the budget year debt service obligations, and 2) and amount needed to meet the obligations of the first half of the following year. Therefore, the amount appropriated for general debt service exceeds the amount actually spent in the budget year. This additional amount remains in fund balance to use as a financing source for the subsequent year's debt service payments. While complicated, this budget structure solves a cash flow problem for the city. The city receives state aids and property taxes mid-year and at the end of the year. If the city did not budget for subsequent year debt service payments, it would lack the cash to make the debt service payments due before the city receives its major cash infusions each year.

Debt Service Funds

2012 Spending by Major Category



2012 Financing by Major Source



General Obligation Debt

Allocation of Revenue to Type of Debt as of August 31, 2011							
	Property Tax Levy	Water and Sewer Charges	Assessments	Tax Increments	Parking Revenue	Self Supporting Total	Total
Capital Improvements	69,115,000						69,115,000
Library Bonds	14,980,000						14,980,000
Street Improvements	50,176,726		23,608,274			23,608,274	73,785,000
Public Safety Bonds	34,685,000						34,685,000
DSI GO Note	797,127						797,127
COMET Bonds	14,235,000						14,235,000
Tax Increment:							
Riverfront Development				1,295,000		1,295,000	1,295,000
Midway Marketplace				2,880,000		2,880,000	2,880,000
Lawson TI Refunding Bonds				5,785,000	20,695,000	26,480,000	26,480,000
Koch Mobil				2,520,000		2,520,000	2,520,000
U.S. Bank Operations Center				11,930,000		11,930,000	11,930,000
Sewer Loan (PFA *)		9,844,621				9,844,621	9,844,621
Water Loan (PFA*)		1,426,671				1,426,671	1,426,671
TOTAL	183,988,853	11,271,292	23,608,274	24,410,000	20,695,000	79,984,566	263,973,419
Percent of Total	69.5%	5.3%	9.9%	6.6%	8.7%	30.5%	100.0%

* PFA is the Public Facilities Authority.

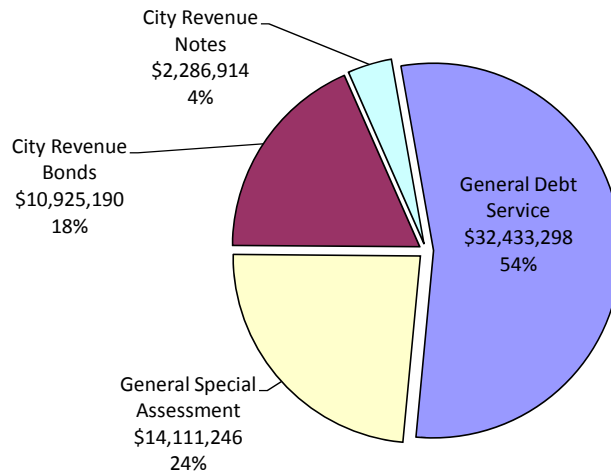
2012 Adopted Budget Debt Service

Department Description:

The Debt Section of the Office of Financial Services sells City debt instruments at the lowest possible cost, manages existing City's debt, researches and implements alternative financing scenarios for major capital projects to ensure savings and manages all facets of the bond sale process. Staff also works with other City staff to ensure elected officials are aware of all options for financing various projects, including the costs and benefits associated with each.

Department Facts

2012 Debt Budget Composition



- Total City Debt Budget: \$59,756,648
- Total FTEs: 3.50
- AAA bond rating from Standard & Poor's
- "Strong" financial management rating from Standard & Poor's.
- Aa1 bond rating with positive outlook from Moody's
- 74% of general obligation debt is retired in 10 years; nearly 100% in 20 years.

Department Goals

- Develop and implement financing alternatives for the City
- Sell City debt instruments at the lowest borrowing cost
- Ensure accurate and timely post-sale debt portfolio management

Recent Accomplishments

- Maintained the City's AAA from Standard and Poor's and Aa1 from Moody's in a year that downgrades outnumbered upgrades.
- Successfully sold 2011 General Obligation Capital Improvement, Capital Improvement Refunding, Street Improvement, Sewer Revenue bonds, and Public Safety Vehicle Lease.
- Refinanced Water revenue refunding bonds, Series 2011D and F.
- Worked with HRA/PED to refund HRA TIF bonds with City GO bonds and apply the City's credit, with savings accruing to the HRA.
- Acquired Public Safety Griffin Building from Ramsey County by refunding City debt, saving City about \$260,000 per year.
- Timely and accurately paid existing debt and compiled arbitrage regulations and disclosure requirements.

CITY OF SAINT PAUL
Department Budget Summary
(Spending and Financing)

Department: DEBT SERVICES

Budget Year: 2012

	2009 Actuals	2010 Actuals	2011 Adopted	2012 Adopted	Change From 2011 Adopted
<u>Spending by Fund</u>					
3100 CITY DEBT	112,582,253	60,234,523	61,216,741	59,756,648	(1,460,092)
TOTAL SPENDING BY FUND	<u>112,582,253</u>	<u>60,234,523</u>	<u>61,216,741</u>	<u>59,756,648</u>	<u>(1,460,092)</u>
<u>Spending by Major Account</u>					
EMPLOYEE EXPENSE	311,116	382,406	370,301	395,938	25,637
SERVICES	315,894	102,987	113,361	165,584	52,223
MATERIALS AND SUPPLIES	21,225	23,494	18,170	18,170	-
CAPITAL OUTLAY	-	-	-	-	-
PROGRAM EXPENSE	-	-	-	-	-
DEBT SERVICE	103,309,829	44,178,110	59,619,532	59,176,957	(442,575)
TRANSFER OUT AND OTHER SPEND	8,624,190	15,547,525	1,095,378	-	(1,095,378)
TOTAL SPENDING BY MAJOR ACCOUNT	<u>112,582,253</u>	<u>60,234,523</u>	<u>61,216,741</u>	<u>59,756,648</u>	<u>(1,460,093)</u>
<u>Financing by Major Account</u>					
DEBT FUND REVENUES					
BUDGET ADJUSTMENTS	-	-	20,023,280	18,319,420	(1,703,860)
TAXES	10,240,524	9,279,780	12,929,144	12,779,514	(149,630)
LICENSE AND PERMIT	-	-	-	-	-
INTERGOVERNMENTAL REVENUE	479,950	320,060	762,626	686,814	(75,812)
FEES SALES AND SERVICES	256,248	259,282	80,000	80,000	0
ASSESSMENTS	2,918,062	3,227,347	4,088,705	3,391,116	(697,589)
INTEREST EARNINGS	1,045,019	1,613,424	327,035	659,000	331,965
DEBT FINANCING	65,542,697	4,439,582	-	-	-
TRANSFERS IN OTHER FINANCING	31,277,591	42,064,445	23,005,951	23,840,784	834,833
TOTAL FINANCING BY MAJOR ACCOUNT	<u>111,760,091</u>	<u>61,203,919</u>	<u>61,216,741</u>	<u>59,756,648</u>	<u>(1,460,093)</u>