

City Debt Service

Debt Service Funds

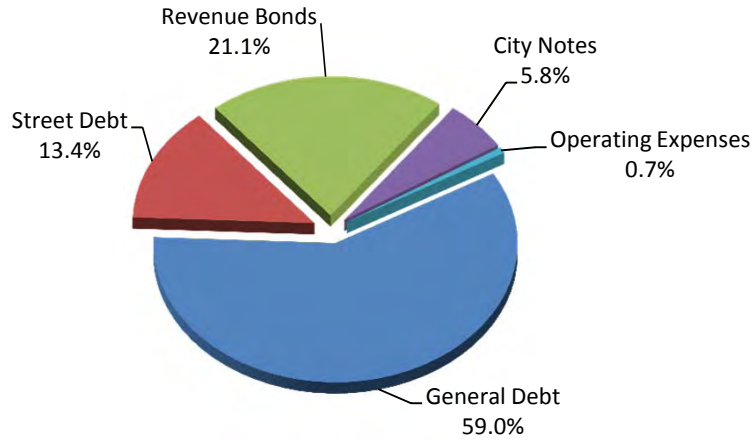
Debt Service Spending (By Major Account)			
	2012 Actual	2013 Adopted Budget	2014 Adopted Budget
Object			
Salaries	208,709	140,731	147,609
Fringes	86,109	55,847	55,243
Services	103,377	157,150	156,578
Materials and Supplies	19,379	18,170	18,170
Debt Service	44,899,843	57,682,740	55,747,940
Transfers and Other Spending	12,521,970	0	0
Total	<u>57,839,387</u>	<u>58,054,638</u>	<u>56,125,541</u>

Debt Service Financing (Revenue By Source)			
	2012 Actual	2013 Adopted Budget	2014 Adopted Budget
Source			
Use of Fund Balance	0	13,269,967	15,238,089
Taxes	9,523,392	13,130,055	15,934,090
Assessments	3,483,727	3,391,116	1,406,634
Fees, Sales and Services	131,201	50,000	50,000
Intergovernmental Revenue	693,353	683,846	628,210
Interest	1,204,707	645,000	645,000
Debt Financing	100,000	309,950	328,068
Transfers and Other Financing	38,119,778	26,574,705	21,895,450
Total	<u>53,256,157</u>	<u>58,054,638</u>	<u>56,125,541</u>

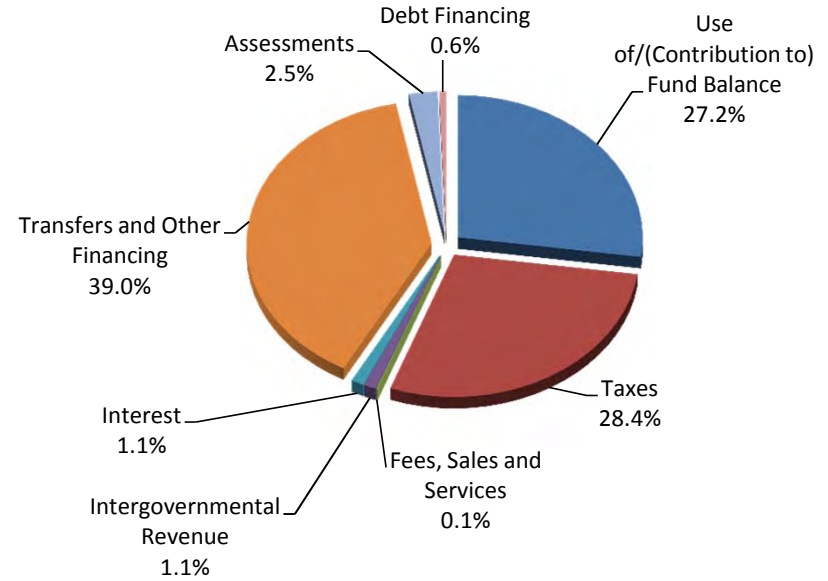
The city's general debt service budget provides for the principal and interest payments on its general obligation bond issues. The budget consists of two sets of appropriations: 1) an amount needed to meet the budget year debt service obligations, and 2) an amount needed to meet the obligations of the 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

2014 Spending by Major Category



2014 Financing by Major Source



Allocation of Outstanding General Obligation Debt by Type

As of December 31, 2013

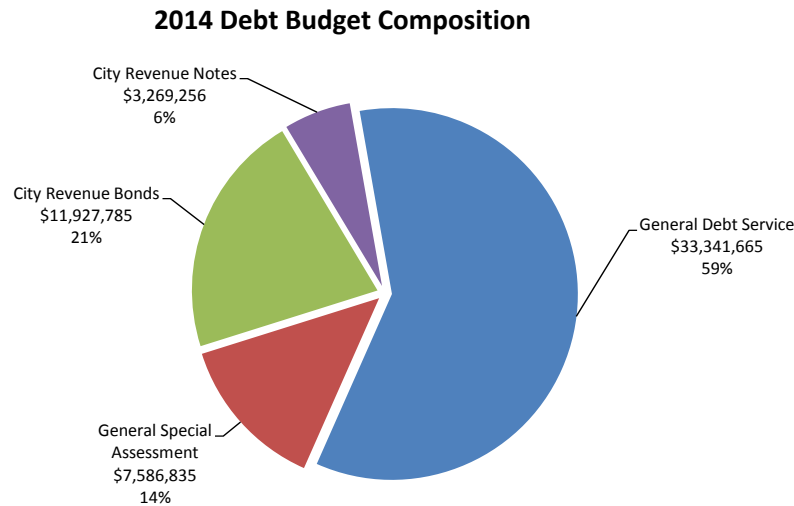
General Obligation Debt

General Obligation Tax Levy	\$ 109,473,917
General Obligation Levy (Library)	13,880,000
General Obligation Special	81,025,000
General Obligation Tax Increment	38,000,000
General Obligation Utility Revenue	8,496,413
	\$ 250,875,330

**2014 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 and post-sale compliance process. Staff works with other City personnel to ensure elected officials are aware of all options for financing various projects, including the costs and benefits associated with each.



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

- City maintained its AAA bond rating from Standard and Poor's and Aa1 by Moody's – during a challenging economy when credit downgrades were prevalent.
- Saint Paul is one of only 215 municipalities nationally with a AAA bond rating.
- OFS manages a \$532 million debt portfolio consisting of City General Obligation and City Revenue bonds.
- Successfully sold Sewer Revenue, Water, and General Obligation bonds with record low interest rates (\$55.7 million in FY13 to-date), utilizing various financing tools.
- Accurately paid existing debt on time and in full.
- Complied with ongoing disclosure and arbitrage requirements.

- Total City Debt Budget: \$56,125,541
- Total FTEs: 1.90
- AAA bond rating from Standard & Poor's
- "Very Strong" financial management rating from Standard & Poor's.
- Aa1 with stable outlook bond rating from Moody's
- 74% of general obligation debt is retired in 10 years; nearly 100% in 20 years.

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

Department: DEBT SERVICES

Budget Year: 2014

		2011 Actuals	2012 Actuals	2013 Adopted	2014 Adopted	Change From 2013 Adopted
<u>Spending by Fund</u>						
3100	CITY DEBT	65,112,396	57,839,387	58,054,638	56,125,541	(1,929,098)
	TOTAL SPENDING BY FUND	65,112,396	57,839,387	58,054,638	56,125,541	(1,929,098)
<u>Spending by Major Account</u>						
	EMPLOYEE EXPENSE	343,212	294,818	196,579	202,852	6,274
	SERVICES	156,281	103,377	157,150	156,578	(572)
	MATERIALS AND SUPPLIES	8,289	19,379	18,170	18,170	
	CAPITAL OUTLAY					
	PROGRAM EXPENSE					
	DEBT SERVICE	51,043,667	44,899,843	57,682,740	55,747,940	(1,934,800)
	TRANSFER OUT AND OTHER SPEND	13,560,947	12,521,970			
	TOTAL SPENDING BY MAJOR ACCOUNT	65,112,396	57,839,387	58,054,638	56,125,541	(1,929,098)
<u>Financing by Major Account</u>						
	DEBT FUND REVENUES					
	BUDGET ADJUSTMENTS			13,269,967	15,238,089	1,968,122
	TAXES	9,787,732	9,523,392	13,130,055	15,934,090	2,804,035
	LICENSE AND PERMIT					
	INTERGOVERNMENTAL REVENUE	700,289	693,353	683,846	628,210	(55,636)
	FEES SALES AND SERVICES	176,750	131,201	50,000	50,000	
	ASSESSMENTS	3,383,210	3,483,727	3,391,116	1,406,634	(1,984,482)
	INTEREST EARNINGS	2,262,252	1,204,707	645,000	645,000	
	DEBT FINANCING	9,479,516	100,000	309,950	328,068	18,118
	TRANSFERS IN OTHER FINANCING	37,680,776	38,119,778	26,574,705	21,895,450	(4,679,255)
	TOTAL FINANCING BY MAJOR ACCOUNT	63,470,526	53,256,157	58,054,638	56,125,541	(1,929,097)