

City Debt Service

Debt Service Funds

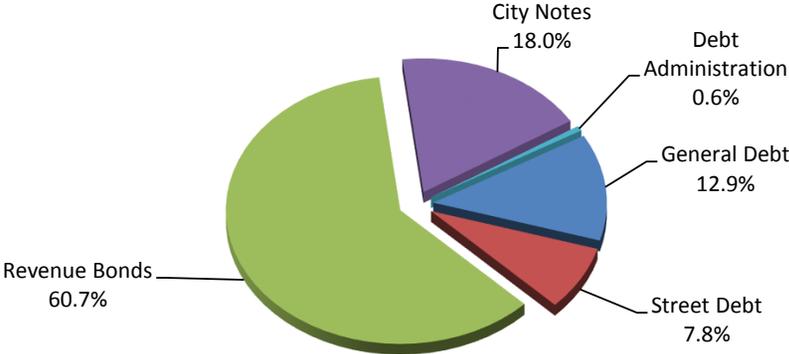
Debt Service Spending (By Major Account)			
Object	2015 Actual	2016 Adopted Budget	2017 Adopted Budget
Salaries	134,173	188,208	200,653
Fringes	43,587	60,893	65,204
Services	169,129	226,801	226,897
Materials and Supplies	1,989	18,169	18,169
Additional Expenses	3,300,422	0	2,300,000
Debt Service	69,263,731	62,951,033	59,194,846
Other Spending Uses	14,764,235	6,231,984	67,034,871
Total	<u>87,677,266</u>	<u>69,677,088</u>	<u>129,040,639</u>

Debt Service Financing (Revenue By Source)			
Source	2015 Actual	2016 Adopted Budget	2017 Adopted Budget
Use of Fund Balance	0	15,882,683	15,630,709
Taxes	12,099,806	19,654,400	13,418,242
Assessments	3,515,722	3,400,000	3,400,000
Fees, Sales and Services	107,535	50,000	50,000
Intergovernmental Revenue	3,257,965	3,627,435	3,163,923
Interest	418,421	725,000	1,196,045
Miscellaneous Revenue	8,639,138	8,617,723	8,561,417
Other Financing Sources	44,795,623	17,719,847	83,620,303
Total	<u>72,834,210</u>	<u>69,677,088</u>	<u>129,040,639</u>

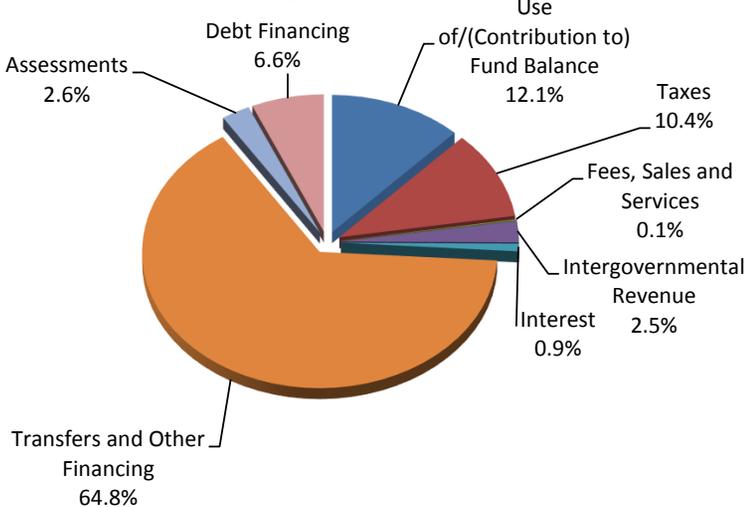
The city's general debt service budget provides for the principal and interest payments on its general obligation bond issues. The budget consists of two sets of appropriations: 1) an amount needed to meet the budget year debt service obligations, and 2) an amount needed to meet the obligations of the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

2017 Spending by Major Category



2017 Financing by Major Source



Allocation of Outstanding General Obligation Debt by Type

As of December 31, 2016

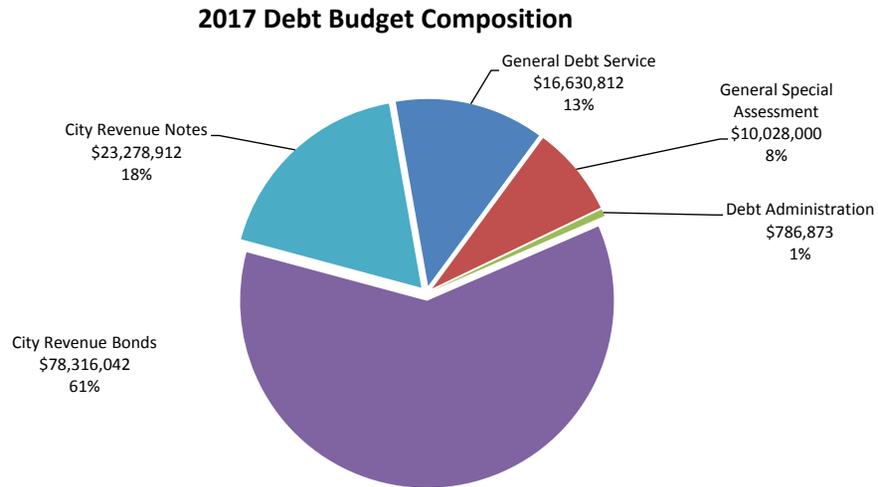
General Obligation Debt

General Obligation Tax Levy	\$ 111,996,012
General Obligation Levy (Library)	16,050,000
General Obligation Special Assessment	97,195,000
General Obligation Tax Increment	29,140,000
General Obligation Utility Revenue	4,165,216
	\$ 258,546,228

2017 Adopted Budget Debt Service

Department Description:

The Debt Management section of the Office of Financial Services sells city debt instruments at the lowest possible cost, manages the city's existing debt, researches and implements alternative financing scenarios for major capital projects to ensure savings, and facilitates all facets of the bond sale and post-sale compliance processes. 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

- The city maintained its AAA bond rating from Standard and Poor's and Fitch Ratings due to the diverse economy, strong financial management and improving debt burden.
- Saint Paul is one of only 215 municipalities nationally with a AAA bond rating.
- OFS manages a \$550 million debt portfolio consisting of City General Obligation and City Revenue bonds.
- Successfully sold General Obligation, "Green" sewer and lease revenue bonds with record low interest rates totaling roughly \$28.5 million in 2015, utilizing various financing tools.
- Accurately paid existing debt on time and in full.
- Complied with ongoing disclosure and arbitrage requirements in a newly regulated market.

- Total City Debt Budget: \$129,040,639
- Total FTEs: 1.95
- AAA bond rating from Standard & Poor's and Fitch Ratings.
- "Very Strong" financial management rating from Standard & Poor's.
- More than 70% of general obligation debt is retired in 10 years; nearly 100% in 20 years.