

To: **Mayor and City Council**  
From: **Ryan Schroeder, City Manager**  
Date: **January 27, 2020**

## **Closing Out of the Robert Street Construction Fund**

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### **BACKGROUND INFORMATION:**

In 2014, the City began the Robert Street construction project and began debt issuance to fund the project. Debt was issued as follows:

2014:	\$ 4,930,000	Retires 2030
2016:	\$ 4,825,000	Retires 2032
2017:	\$ 4,825,000	Retires 2033
2018:	\$ 7,260,000	Retires 2034

As of December 2019, outstanding principal on the above is \$19,895,000.

In addition to debt, the project was funded through State and Federal Grants and apportioned cash contributions from St. Paul Regional Water, St. Paul, Inver Grove Heights, Dakota County, and West St. Paul.

In 2017, the project budget was increased to the following to account primarily for right of way acquisition not yet completed:

Land and Legal:	\$ 9,979,487
Engineering:	\$ 4,000,832
Construction:	\$29,441,046
Construction Inspection:	\$ 2,578,635
Total:	\$46,000,000

In 2018, the Council adopted a policy transferring debt and/or project reserves upon project close out to debt funds. The basis for this policy is to provide a mechanism, which allows the City to advance fund outstanding debt such that the City can take advantage of call dates and any advance refunding opportunities. This, and other policy directives within the Debt Management Plan, provides the opportunity to strategically reduce debt and annual debt levy obligations from what would otherwise occur.

It is believed that we have paid and/or accounted for all project expenses of the project fund allowing for the transfer of excess budget into a debt fund (the above debt funds are continuing). Therefore, the enclosed resolution closes out the Robert Street construction fund and transfers remaining cash within the fund to Series 2018A which is the 2018 Robert Street debt issuance. The transfer is in the amount of \$763,425.

**FISCAL IMPACT:**

		<b>Amount</b>
<b>Fund:</b>		
<b>Department:</b>		
<b>Account:</b>		

**STAFF RECOMMENDATION:**

Adoption of enclosed

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