

City of Marshall, Minnesota Pre-Sale Summary for Issuance of Bonds

\$3,420,000 Public Utility Revenue Refunding Bonds, Series 2021C
\$2,715,000 Taxable Public Utility Revenue Refunding Bonds, Series 2021D

The City Council and the Marshall Municipal Utilities Commission (the "Commission") has under consideration the issuance of two series of bonds to refund three outstanding bond issues of the City to achieve interest cost savings. This document provides information relative to the proposed issuance.

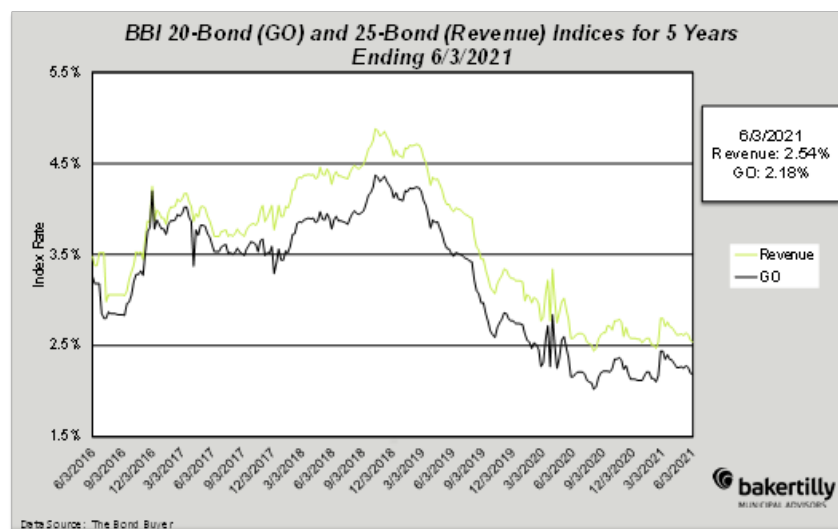
The City of Marshall, Minnesota (the "City") will issue the Bonds and authorize the Commission to award their sale. Marshall Municipal Utilities (the "Utility") operates and manages the municipal water, light, power and electric operations of the City.

KEY EVENTS: The following summary schedule includes the timing of key events that will occur relative to the issuance of the Bonds:

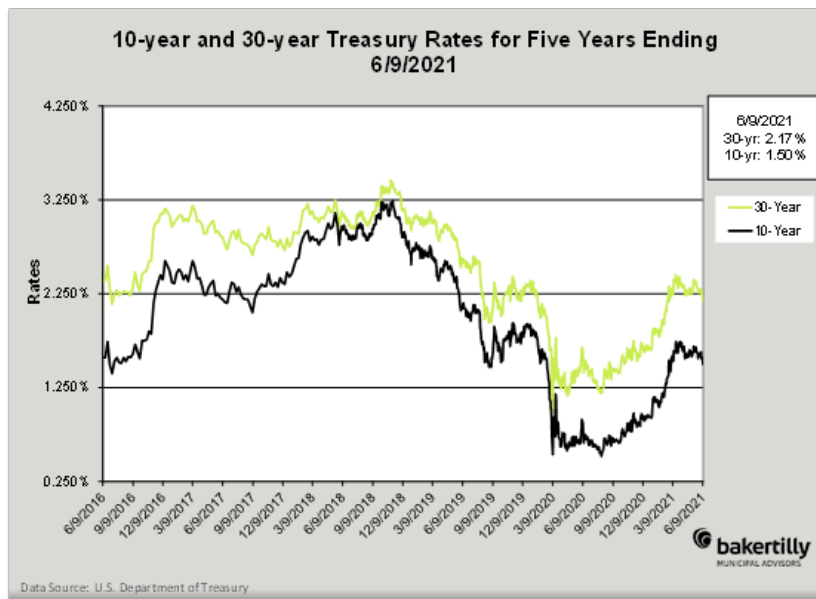
June 15, 2021	Commission sets sale date and terms
June 22, 2021	City Council approves the sale of the Bonds by the Utility
Week of July 5, 2021	Rating conference is conducted
July 20, 2021, at 10:00 a.m.	Competitive proposals are received
July 20, 2021, at 4:30 p.m.	Commission considers award of the Bonds
August 18, 2021	Proceeds are received
September 22, 2021	Redemption of the 2009A and 2010C Bonds

RATING: An application will be made to S&P Global Ratings (S&P) for a rating on the Bonds. The City's public utility revenue debt is currently rated 'A' by S&P.

THE MARKET: Performance of the tax-exempt market is often measured by the Bond Buyer's Index ("BBI") which measures the yield of high-grade municipal bonds in the 20th year for general obligation bonds rated Aa2 by Moody's or AA by S&P (the BBI 20-Bond GO Index) and the 30th year for revenue bonds rated A1 by Moody's or A+ by S&P (the BBI 25-Bond Revenue Index). The following chart illustrates these two indices over the past five years:



Interest rates for the taxable municipal market are quoted as a spread to U.S. Treasury Securities. To give you an indication of the relative position of that market, the chart below tracks the yield of the 10-year and 30-year U.S. Treasury over the last five years:



Plan of Financing Related to: **\$3,420,000 Public Utility Revenue Refunding Bonds, Series 2021C**
(the "Series 2021C Bonds")

\$2,715,000 Taxable Public Utility Revenue Refunding Bonds, Series 2021D (the "Series 2021D Bonds")

Together the Series 2021C Bonds and Series 2021D Bonds are referred to as the "Bonds"

PURPOSE: The purpose for the issuance of the Bonds is to reduce future interest costs.

Proceeds of the Bonds, together with prior issue debt service reserve funds and other funds of the Utility, will be used to finance the following:

Series 2021C Bonds

- i) the current refunding of the City's \$6,925,000 Public Utility Revenue Bonds, Series 2009A, dated April 28, 2009 (the "Series 2009A Bonds")
- ii) the current refunding of the City's \$6,635,000 Taxable Public Utility Revenue Bonds, Series 2010C (Build America Bonds – Direct Pay), dated November 18, 2010 (the "Series 2010C Bonds"); and
- iii) the costs of issuance

Series 2021D Bonds

- (i) the advance refunding of the City's \$6,355,000 Public Utility Revenue Bonds, Series 2013B, dated December 1, 2013 (the "Series 2013B Bonds"); and
- (ii) the costs of issuance

CONCURRENT FINANCING:

Concurrent with the issuance of the Bonds, the Utility will be redeeming the City's Public Utility Revenue Bonds, Series 2011C, dated November 10, 2011 (the "Series 2011C Bonds"). See further discussion under "Authority – Compliance with the 1975 Resolution"

PRIOR BONDS:

The Series 2009A Bonds, Series 2010C Bonds and Series 2013B Bonds are collectively referred to as the Prior Bonds.

The Prior Bonds were originally issued for the following purposes:

Series 2009A Bonds - proceeds were used to finance various improvements to the City's electric and water utility systems, to current refund the City's 1999A Bonds, and fund the associated debt service reserve fund requirement.

Series 2010C Bonds – proceeds were used to finance various improvements to the City's electric and water utility systems and to fund the associated debt service reserve fund requirement.

The Series 2010C Bonds were originally issued as "Build America Bonds" or "BABs" as part of the American Recovery and Reinvestment Act (ARRA) of 2009. Under the ARRA, BABs were issued with a 35% direct payment tax credit. For the past five years there has been a reduction in the tax credit as part of a presidential sequestration order in 2013. For federal fiscal year 2021, that reduction amount is equal to 5.7%. As a result of the refunding the Series 2010C Bonds, the City will no longer receive the BAB credit. The savings estimates shown on the attached schedules in Appendix A are net of the direct payment federal credit on the Series 2010C Bonds.

Series 2013B Bonds – proceeds of the Series 2013B Bonds were used to finance (i) various improvements to the water utility systems including acquisition installation, and construction of and upgrades to the water source, transmission and distribution systems of the Water Utility and (ii) fund the associated debt service reserve fund requirement.

SECURITY AND SOURCE OF PAYMENT:

The Bonds are special obligations of the City payable solely from net revenues of the municipal electric and water systems of the Utility.

The Bonds are being issued on a parity of lien with the following three outstanding public utility revenue obligations of the City (the "Outstanding Parity Bonds"):

- \$5,500,000 Public Utility Revenue Bonds, Series 2012B
- \$4,025,000 Public Utility Revenue Bonds, Series 2014A
- \$7,310,000 Public Utility Revenue Refunding Bonds, Series 2016A

The Outstanding Parity Bonds, the Series 2021C Bonds and the Series 2021D Bonds are equally secured by the pledge of the Net Revenues of the Utility. Those revenues are already sufficient to make debt service payments on the Bonds and the Outstanding Parity Bonds. Upon completion of this transaction, the obligations for which revenue is pledged to repay will be reduced.

Series 2021C Bonds – the issuance of the Series 2021C Bonds is being conducted as a current refunding in which the proceeds will be used within ninety (90) days of settlement to redeem the callable maturities of the Series 2009A Bonds and Series 2010C Bonds.

On September 22, 2021 (the call date of the Series 2009A and 2010C Bonds), the Commission will use proceeds of the Series 2021C Bonds to redeem the outstanding principal and accrued interest of \$ 1,247,333 for the Series 2009A Bonds and \$2,103,256 for the Series 2010C Bonds. The Commission will begin making debt service payments on the Series 2021C Bonds beginning with the January 1, 2022 interest payment.

Series 2021D Bonds – the issuance of the Series 2021D Bonds is being conducted as an advance refunding and is therefore, issued as a taxable obligation. On the settlement date of August 18, 2021, the Commission will deposit the proceeds along with excess debt service reserve funds estimated to be \$309,934 and Commission contribution of \$434,951. These investments are structured to pay the interest due January 1, 2022 on the Series 2013B Bonds and on the call date of July 1, 2022, the funds deposited in the escrow account plus the interest earned by the securities will be used to redeem the callable maturities of the Series 2013B Bonds. A verification agent will be retained to verify the sufficiency of the deposited proceeds and performance of purchase securities in the escrow account, confirming cash flow requirements are satisfied.

AUTHORITY:

Statutory Authority: The Bonds are being issued pursuant to Minnesota Statutes, Chapters 475, 453, 444 and the City Charter. Additionally, on June 22, the City Council will consider a resolution authorizing the Commission to adopt a resolution awarding the sale of the Bonds.

Compliance with the 1975 Resolution: On October 27, 1975, the Commission adopted a resolution authorizing the issuance of bonds (the “1975 Resolutions”). Any subsequent bond issue payable from the net revenues of the System, including the Bonds, must comply with the 1975 Resolution which established certain covenants and agreements that include, but are not limited to the following:

- *Establishment of Funds and Accounts* – the 1975 Resolution established certain funds and accounts including a debt service reserve account. The Reserve Requirement was adjusted upon the retirement of the Series 2006A Bonds, the Series 2007A Bonds and the Series 2007B Bonds with the adjusted reserve requirement equal to the lesser of: (i) the maximum annual debt service on the Outstanding Parity Bonds and the Bonds in any future calendar year, (ii) 125% of the average annual debt service on the outstanding Parity Bonds and the Bonds in any future calendar year and (iii) 10% of the principal amount of all outstanding Bonds.

The projected debt service reserve requirement is estimated to be \$2,120,492 which is equal to 125% of the average annual debt service on the existing Outstanding Parity Bonds and the Bonds. The debt service reserve account is currently funded at \$4,100,000, representing an excess of \$1,979,508 above the requirement. These excess funds will be used to call the 2011C Bonds in the amount of \$1,669,574, with the remaining amount of \$309,934 being applied to the 2021D Bonds.

- *Rate Covenants* – the Commission is required to annually review its budget for the electric and water systems to determine if current rates and charges are sufficient to produce annual net revenues not less than 1.35 times the maximum amount of principal and interest payment due in any future calendar year on all outstanding bonds, including the Bonds, and to raise rates if necessary, to meet

such requirements. Based on 2020 net revenues of \$8,924,340, coverage is well above the 1.35 times requirement.

- *Additional Bonds* – additional bonds can be issued on a parity with the existing Outstanding Parity Bonds if the average annual net revenues of the Utility for the last two complete fiscal years preceding the issuance of such Additional Bonds have equaled at least 135% of the average annual principal and interest due on all outstanding Parity Bonds and proposed Additional Bonds. The average annual net revenues for fiscal years ending in 2019 and 2020 is \$8,781,149 and the estimated average annual principal and interest due on the outstanding Parity Bonds and the Bonds is \$1,668,709, reflecting coverage of 5.26 times.

STRUCTURING SUMMARY:

In consultation with Utility Staff, principal repayment for the Bonds is structured to provide approximately uniform savings with terms matching the Prior Bonds. The table below provides the estimated savings resulting from these refunding transactions and are net of all costs of issuance:

Refunded Issue	2009A Bonds	2010C Bonds BABs	2013B Bonds
Refunded Maturities	July 1, 2022 - 2024	July 1, 2022 - 2025	July 1, 2022 - 2025
Refunded Principal	\$1,235,000	\$2,080,000	\$3,280,000
Type	Current/TE	Current/TE	Full Net Advance/TXB
Call Date	September 22, 2021	September 22, 2021	July 1, 2022
Structure	level savings	level savings	level savings
Projected Savings			
Net FV Benefit	\$59,767	\$75,494	\$175,336
Net PV Benefit	\$58,018	\$72,981	\$129,172
NPV/Refunded D/S	4.46%	3.25%	3.63%
Average Annual Savings	\$20,841	\$17,947	\$130,922

SCHEDULES ATTACHED:

Exhibit A provides the following schedules:

Series 2021C Bonds

- Refunding Summary
- Debt Service Comparison by refunded issue
- Debt Service for the Bonds as a whole and by purpose
- Debt Service to Maturity and to Call for the 2009A and 2010C Bonds

Series 2021D Bonds

- Refunding Summary
- Debt Service Comparison
- Debt Service
- Debt Service to Maturity and to Call
- Refunding Escrow

Also included are a Projected Coverage calculation and Debt Service Reserve Account calculation; and

Additional Bonds Test Calculation to demonstrate compliance with the requirements of the 1975 Resolution

**RISKS/SPECIAL
CONSIDERATIONS:**

The outcome of this financing will rely on the market conditions at the time of the sale. Any projections included herein are estimates based on current market conditions.

Minnesota state statutes require any advance refunding have a minimum present value interest costs savings of 3.0% of the present value of refunded debt service. Based on current interest rate estimates, the projected refunding savings on the Series 2021D Bonds exceeds the 3.0% requirement.

**SALE TERMS AND
MARKETING:**

Variability of Issue Size: A specific provision in the sale terms permits modifications to the issue size and/or maturity structure to customize the issue once the price and interest rates are set on the day of sale.

Prepayment Provisions: The Bonds will not be subject to redemption prior to their stated maturities.

Bank Qualification: The City does not expect to issue more than \$10 million in tax-exempt obligations that count against the \$10 million limit for this calendar year; therefore, the Series 2021C Bonds are designated as bank qualified.

Post Issuance Compliance

**POST ISSUANCE
COMPLIANCE:**

The issuance of the Bonds will result in post-issuance compliance responsibilities. The responsibilities are in two primary areas: (i) compliance with federal arbitrage requirements and (ii) compliance with secondary disclosure requirements.

The Series 2021D Bonds are taxable and therefore not subject to the federal arbitrage requirements.

Federal arbitrage requirements include a wide range of implications that have been considered as the Series 2021C Bonds has been structured. Post-issuance compliance responsibilities for this tax-exempt issue include both rebate and yield restriction provisions of the IRS Code. In general terms the arbitrage requirements control the earnings on unexpended bond proceeds, including investment earnings, moneys held for debt service payments (which are considered to be proceeds under the IRS regulations), and/or reserves. Under certain circumstances any "excess earnings" will need to be paid to the IRS to maintain the tax-exempt status of the Bonds. Any interest earnings on gross bond proceeds or debt service funds should not be spent until it has been determined based on actual facts that they are not "excess earnings" as defined by the IRS Code.

The arbitrage rules provide for spend-down exceptions for proceeds that are spent within either a 6-month, 18-month or, for certain construction issues, a 24-month period each in accordance with certain spending criteria. Proceeds that qualify for an exception will be exempt from rebate. These exceptions are based on actual expenditures and not based on reasonable expectations, and expenditures, including any investment proceeds will have to meet the spending criteria to qualify for the exclusion. Issuance of the Series 2021C Bonds is a current refunding in which the proceeds will be expended within 90 days of settlement; therefore, the Commission will meet the 6-month spending exception.

Regardless of whether the issue qualifies for an exemption from the rebate provisions, yield restriction provisions will apply to Bond proceeds (including interest earnings)

unspent after three years and the debt service fund throughout the term of the Series 2021C Bonds. These moneys should be monitored until the Series 2021C Bonds are retired.

Secondary disclosure requirements result from an SEC requirement that underwriters provide ongoing disclosure information to investors. To meet this requirement, any prospective underwriter will require the City and the Commission to commit to providing the information needed to comply under a continuing disclosure agreement.

Baker Tilly MA currently provides both arbitrage and continuing disclosure services to the City. Baker Tilly MA will work with City Staff to include the Bonds under the existing respective Agreement for Municipal Advisor Services.

**SUPPLEMENTAL
INFORMATION AND
BOND RECORD:**

Supplementary information will be available to staff including detailed terms and conditions of sale, comprehensive structuring schedules and information to assist in meeting post-issuance compliance responsibilities.

Upon completion of the financing, a bond record will be provided that contains pertinent documents and final debt service calculations for the transaction.

EXHIBIT A

City of Marshall, Minnesota

\$3,420,000 Public Utility Revenue Refunding Bonds, Series 2021C
\$2,715,000 Taxable Public Utility Revenue Refunding Bonds, Series 2021D

Various Supporting Schedules

\$3,420,000

City of Marshall, Minnesota
Public Utility Revenue Refunding Bonds, Series 2021C
Current Refunding of Series 2010C and Series 2009A Bonds

Refunding Summary

Dated 08/18/2021 | Delivered 08/18/2021

	Current Ref 2010C	Current Ref 2009A	Issue Summary
Sources Of Funds			
Par Amount of Bonds.....	\$2,150,000.00	\$1,270,000.00	\$3,420,000.00
Total Sources.....	\$2,150,000.00	\$1,270,000.00	\$3,420,000.00
Uses Of Funds			
Deposit to Current Refunding Fund.....	2,103,256.00	1,247,332.81	3,350,588.81
Costs of Issuance.....	27,988.35	16,532.65	44,521.00
Total Underwriter's Discount (0.700%).....	15,050.00	8,890.00	23,940.00
Rounding Amount.....	3,705.65	(2,755.46)	950.19
Total Uses.....	\$2,150,000.00	\$1,270,000.00	\$3,420,000.00
Flow of Funds Detail			
Primary Purpose Fund Solution Method.....	Gross Funded	Gross Funded	Gross Funded
Total Cost of Investments.....	\$2,103,256.00	\$1,247,332.81	\$3,350,588.81
Total Draws.....	\$2,103,256.00	\$1,247,332.81	\$3,350,588.81
Issues Refunded And Call Dates			
Series 2010C Utility Rev BABs POST-SALE.....	9/22/2021		
Series 2009A - FINAL 4.21.09.....		9/22/2021	
PV Analysis Summary (Net to Net)			
Net PV Benefit / \$3,550,048.96 PV Refunded Debt Service.....	3.247%	4.455%	3.690%
Net PV Benefit / Refunding Principal.....	3.394%	4.568%	3.830%
Average Annual Cash Flow Savings.....	17,947.08	20,840.78	19,393.93
Bond Statistics			
Average Life.....	2.381 Years	1.869 Years	2.191 Years
Average Coupon.....	0.7242516%	0.6358018%	0.6962277%
Net Interest Cost (NIC).....	1.0182367%	1.0102446%	1.0157045%
Bond Yield for Arbitrage Purposes.....	1.8700961%	1.8700961%	1.8700961%
True Interest Cost (TIC).....	1.0228511%	1.0152462%	1.0204366%
All Inclusive Cost (AIC).....	1.5869818%	1.7316464%	1.6329695%

\$1,270,000

City of Marshall, Minnesota
Public Utility Revenue Refunding Bonds, Series 2021C
Current Refunding of Series 2009A

Debt Service Comparison

Date	Total P+I	Net New D/S	Old Net D/S	Savings
07/01/2022	431,625.17	431,625.17	449,812.50	18,187.33
07/01/2023	425,495.00	425,495.00	448,025.00	22,530.00
07/01/2024	427,975.00	427,975.00	449,780.00	21,805.00
Total	\$1,285,095.17	\$1,285,095.17	\$1,347,617.50	\$62,522.33

PV Analysis Summary (Net to Net)

Net FV Cashflow Savings.....	62,522.33
Gross PV Debt Service Savings.....	60,773.36
Net PV Cashflow Savings @ 1.870%(Bond Yield).....	60,773.36
Contingency or Rounding Amount.....	(2,755.46)
Net Future Value Benefit.....	\$59,766.87
Net Present Value Benefit.....	\$58,017.90
Net PV Benefit / \$109,919.86 PV Refunded Interest.....	52.782%
Net PV Benefit / \$1,302,192.29 PV Refunded Debt Service.....	4.455%
Net PV Benefit / \$1,235,000 Refunded Principal.....	4.698%
Net PV Benefit / \$1,270,000 Refunding Principal.....	4.568%

Refunding Bond Information

Refunding Dated Date.....	8/18/2021
Refunding Delivery Date.....	8/18/2021

*Net D/S Excludes: DSR

\$2,150,000

City of Marshall, Minnesota
Public Utility Revenue Refunding Bonds, Series 2021C
Current Refunding of Series 2010C

Debt Service Comparison

Date	Total P+I	Net New D/S	Old Net D/S	Savings
07/01/2022	542,409.15	542,409.15	559,246.04	16,836.89
07/01/2023	546,622.50	546,622.50	563,652.96	17,030.46
07/01/2024	548,412.50	548,412.50	567,081.74	18,669.24
07/01/2025	549,632.50	549,632.50	568,884.22	19,251.72
Total	\$2,187,076.65	\$2,187,076.65	\$2,258,864.96	\$71,788.31

PV Analysis Summary (Net to Net)

Net FV Cashflow Savings.....	71,788.31
Gross PV Debt Service Savings.....	154,742.58
Effects of changes in Credit Enhancement Expenses.....	(85,466.98)
Net PV Cashflow Savings @ 1.870%(Bond Yield).....	69,275.59
Contingency or Rounding Amount.....	3,705.65
Net Future Value Benefit.....	\$75,493.96
Net Present Value Benefit.....	\$72,981.24
Net PV Benefit / \$258,951.72 PV Refunded Interest.....	28.183%
Net PV Benefit / \$2,247,856.66 PV Refunded Debt Service.....	3.247%
Net PV Benefit / \$2,080,000 Refunded Principal.....	3.509%
Net PV Benefit / \$2,150,000 Refunding Principal.....	3.394%

Refunding Bond Information

Refunding Dated Date.....	8/18/2021
Refunding Delivery Date.....	8/18/2021

*Net D/S Excludes: DSR

\$3,420,000

City of Marshall, Minnesota

Public Utility Revenue Refunding Bonds, Series 2021C
Current Refunding of Series 2010C and Series 2009A Bonds

DEBT SERVICE SCHEDULE

Date	Principal	Coupon	Interest	Total P+I	Fiscal Total
08/18/2021	-	-	-	-	-
01/01/2022	-	-	8,088.07	8,088.07	-
07/01/2022	955,000.00	0.500%	10,946.25	965,946.25	974,034.32
01/01/2023	-	-	8,558.75	8,558.75	-
07/01/2023	955,000.00	0.600%	8,558.75	963,558.75	972,117.50
01/01/2024	-	-	5,693.75	5,693.75	-
07/01/2024	965,000.00	0.700%	5,693.75	970,693.75	976,387.50
01/01/2025	-	-	2,316.25	2,316.25	-
07/01/2025	545,000.00	0.850%	2,316.25	547,316.25	549,632.50
Total	\$3,420,000.00	-	\$52,171.82	\$3,472,171.82	-

SIGNIFICANT DATES

Dated Date.....	8/18/2021
Delivery Date.....	8/18/2021
First Coupon Date.....	1/01/2022

Yield Statistics

Bond Year Dollars.....	\$7,493.50
Average Life.....	2.191 Years
Average Coupon.....	0.6962277%
Net Interest Cost (NIC).....	1.0157045%
True Interest Cost (TIC).....	1.0204366%
Bond Yield for Arbitrage Purposes.....	1.8700961%
All Inclusive Cost (AIC).....	1.6329695%

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Net Interest Cost.....	0.6962277%
Weighted Average Maturity.....	2.191 Years

\$1,270,000

City of Marshall, Minnesota
Public Utility Revenue Refunding Bonds, Series 2021C
Current Refunding of Series 2009A

DEBT SERVICE SCHEDULE

Date	Principal	Coupon	Interest	Total P+I	Fiscal Total
08/18/2021	-	-	-	-	-
01/01/2022	-	-	2,815.17	2,815.17	-
07/01/2022	425,000.00	0.500%	3,810.00	428,810.00	431,625.17
01/01/2023	-	-	2,747.50	2,747.50	-
07/01/2023	420,000.00	0.600%	2,747.50	422,747.50	425,495.00
01/01/2024	-	-	1,487.50	1,487.50	-
07/01/2024	425,000.00	0.700%	1,487.50	426,487.50	427,975.00
Total	\$1,270,000.00	-	\$15,095.17	\$1,285,095.17	-

SIGNIFICANT DATES

Dated Date.....	8/18/2021
Delivery Date.....	8/18/2021
First Coupon Date.....	1/01/2022

Yield Statistics

Bond Year Dollars.....	\$2,374.19
Average Life.....	1.869 Years
Average Coupon.....	0.6358018%
Net Interest Cost (NIC).....	1.0102446%
True Interest Cost (TIC).....	1.0152462%
Bond Yield for Arbitrage Purposes.....	1.8700961%
All Inclusive Cost (AIC).....	1.7316464%

IRS Form 8038

Net Interest Cost.....	0.6358018%
Weighted Average Maturity.....	1.869 Years

\$2,150,000

City of Marshall, Minnesota
Public Utility Revenue Refunding Bonds, Series 2021C
Current Refunding of Series 2010C

DEBT SERVICE SCHEDULE

Date	Principal	Coupon	Interest	Total P+I	Fiscal Total
08/18/2021	-	-	-	-	-
01/01/2022	-	-	5,272.90	5,272.90	-
07/01/2022	530,000.00	0.500%	7,136.25	537,136.25	542,409.15
01/01/2023	-	-	5,811.25	5,811.25	-
07/01/2023	535,000.00	0.600%	5,811.25	540,811.25	546,622.50
01/01/2024	-	-	4,206.25	4,206.25	-
07/01/2024	540,000.00	0.700%	4,206.25	544,206.25	548,412.50
01/01/2025	-	-	2,316.25	2,316.25	-
07/01/2025	545,000.00	0.850%	2,316.25	547,316.25	549,632.50
Total	\$2,150,000.00	-	\$37,076.65	\$2,187,076.65	-

SIGNIFICANT DATES

Dated Date.....	8/18/2021
Delivery Date.....	8/18/2021
First Coupon Date.....	1/01/2022

Yield Statistics

Bond Year Dollars.....	\$5,119.31
Average Life.....	2.381 Years
Average Coupon.....	0.7242516%
Net Interest Cost (NIC).....	1.0182367%
True Interest Cost (TIC).....	1.0228511%
Bond Yield for Arbitrage Purposes.....	1.8700961%
All Inclusive Cost (AIC).....	1.5869818%

IRS Form 8038

Net Interest Cost.....	0.7242516%
Weighted Average Maturity.....	2.381 Years

\$5,000,000

City of Marshall, Minnesota
Public Utility Revenue Bonds, Series 2009A

Debt Service To Maturity And To Call

Date	Refunded Bonds	Refunded Interest	D/S To Call	Principal	Coupon	Interest	Refunded D/S
08/18/2021	-	-	-	-	-	-	-
09/22/2021	1,235,000.00	12,332.81	1,247,332.81	-	-	-	-
01/01/2022	-	-	-	-	-	27,406.25	27,406.25
07/01/2022	-	-	-	395,000.00	4.250%	27,406.25	422,406.25
01/01/2023	-	-	-	-	-	19,012.50	19,012.50
07/01/2023	-	-	-	410,000.00	4.450%	19,012.50	429,012.50
01/01/2024	-	-	-	-	-	9,890.00	9,890.00
07/01/2024	-	-	-	430,000.00	4.600%	9,890.00	439,890.00
Total	\$1,235,000.00	\$12,332.81	\$1,247,332.81	\$1,235,000.00	-	\$112,617.50	\$1,347,617.50

Yield Statistics

Base date for Avg. Life & Avg. Coupon Calculation.....	8/18/2021
Average Life.....	1.898 Years
Average Coupon.....	4.4996606%
Weighted Average Maturity (Par Basis).....	1.898 Years
Weighted Average Maturity (Original Price Basis).....	1.898 Years

Refunding Bond Information

Refunding Dated Date.....	8/18/2021
Refunding Delivery Date.....	8/18/2021

\$6,635,000

City of Marshall, Minnesota
Taxable Public Utility Revenue Bonds, Series 2010C
(Build America Bonds - Direct Pay) (Post-Sale)

Debt Service To Maturity And To Call

Date	Refunded Bonds	Refunded Interest	D/S To Call	Principal	Coupon	Interest	Refunded D/S
08/18/2021	-	-	-	-	-	-	-
09/22/2021	2,080,000.00	23,256.00	2,103,256.00	-	-	-	-
01/01/2022	-	-	-	-	-	51,680.00	51,680.00
07/01/2022	-	-	-	490,000.00	4.750%	51,680.00	541,680.00
01/01/2023	-	-	-	-	-	40,042.50	40,042.50
07/01/2023	-	-	-	510,000.00	4.850%	40,042.50	550,042.50
01/01/2024	-	-	-	-	-	27,675.00	27,675.00
07/01/2024	-	-	-	530,000.00	5.125%	27,675.00	557,675.00
01/01/2025	-	-	-	-	-	14,093.75	14,093.75
07/01/2025	-	-	-	550,000.00	5.125%	14,093.75	564,093.75
Total	\$2,080,000.00	\$23,256.00	\$2,103,256.00	\$2,080,000.00	-	\$266,982.50	\$2,346,982.50

Yield Statistics

Base date for Avg. Life & Avg. Coupon Calculation.....	8/18/2021
Average Life.....	2.418 Years
Average Coupon.....	5.0410874%
Weighted Average Maturity (Par Basis).....	2.418 Years
Weighted Average Maturity (Original Price Basis).....	2.418 Years

Refunding Bond Information

Refunding Dated Date.....	8/18/2021
Refunding Delivery Date.....	8/18/2021

\$2,715,000

City of Marshall, Minnesota
Taxable Public Utility Revenue Refunding Bonds, Series 2021D
Full Net Advance Refunding of Series 2013B

Refunding Summary

Dated 08/18/2021 | Delivered 08/18/2021

Sources Of Funds

Par Amount of Bonds.....	\$2,715,000.00
Planned Issuer Equity contribution.....	434,951.00
Transfers from Prior Issue DSR Funds.....	309,934.00

Total Sources..... \$3,459,885.00

Uses Of Funds

Deposit to Net Cash Escrow Fund.....	3,389,217.66
Costs of Issuance.....	45,180.00
Total Underwriter's Discount (0.800%).....	21,720.00
Rounding Amount.....	3,767.34

Total Uses..... \$3,459,885.00

Flow of Funds Detail

State and Local Government Series (SLGS) rates for.....	6/04/2021
Net Cash Escrow Fund Solution Method.....	Net Funded
Total Cost of Investments.....	\$3,389,217.66
Interest Earnings @ 0.040%.....	1,162.34
Total Draws.....	\$3,390,380.00

Issues Refunded And Call Dates

2013B Public Utility Rev Bonds - PS.....	7/01/2022
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PV Analysis Summary (Net to Net)

Net PV Cashflow Savings @ 1.389%(TIC).....	870,290.04
Total Cash contribution.....	(434,951.00)
Transfers from Prior Issue DSR Fund.....	(309,934.00)
Contingency or Rounding Amount.....	3,767.34
Net Present Value Benefit.....	\$129,172.38
Net PV Benefit / Refunded Principal.....	3.938%
Net PV Benefit / Refunding Principal.....	4.758%
Average Annual Cash Flow Savings.....	130,921.94
Total New Net D/S.....	2,841,151.42
Total Prior D/S.....	3,757,605.00
Total Cashflow Savings.....	916,453.58

Bond Statistics

Average Life.....	3.936 Years
Average Coupon.....	1.1805805%
Net Interest Cost (NIC).....	1.3838458%
Bond Yield for Arbitrage Purposes.....	-
True Interest Cost (TIC).....	1.3888641%
All Inclusive Cost (AIC).....	1.8347076%

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\$2,715,000

City of Marshall, Minnesota

Taxable Public Utility Revenue Refunding Bonds, Series 2021D

Full Net Advance Refunding of Series 2013B

Debt Service Comparison

Date	Total P+I	Net New D/S	Old Net D/S	Savings
07/01/2022	399,181.42	399,181.42	530,380.00	131,198.58
07/01/2023	395,750.00	395,750.00	527,780.00	132,030.00
07/01/2024	403,345.00	403,345.00	534,880.00	131,535.00
07/01/2025	405,115.00	405,115.00	536,380.00	131,265.00
07/01/2026	410,880.00	410,880.00	540,105.00	129,225.00
07/01/2027	411,140.00	411,140.00	543,130.00	131,990.00
07/01/2028	415,740.00	415,740.00	544,950.00	129,210.00
Total	\$2,841,151.42	\$2,841,151.42	\$3,757,605.00	\$916,453.58

PV Analysis Summary (Net to Net)

Net FV Cashflow Savings.....	916,453.58
Gross PV Debt Service Savings.....	870,290.04
Net PV Cashflow Savings @ 1.389%(TIC).....	870,290.04
Total Cash contribution.....	(434,951.00)
Transfers from Prior Issue DSR Fund.....	(309,934.00)
Contingency or Rounding Amount.....	3,767.34
Net Future Value Benefit.....	\$175,335.92
Net Present Value Benefit.....	\$129,172.38
Net PV Benefit / \$459,975.57 PV Refunded Interest.....	28.082%
Net PV Benefit / \$3,563,570.04 PV Refunded Debt Service.....	3.625%
Net PV Benefit / \$3,280,000 Refunded Principal.....	3.938%
Net PV Benefit / \$2,715,000 Refunding Principal.....	4.758%

Refunding Bond Information

Refunding Dated Date.....	8/18/2021
Refunding Delivery Date.....	8/18/2021

*Net D/S Excludes: DSR

\$2,715,000

City of Marshall, Minnesota

Taxable Public Utility Revenue Refunding Bonds, Series 2021D

Full Net Advance Refunding of Series 2013B

Escrow Fund Cashflow

Date	Principal	Rate	Interest	Receipts	Disbursements	Cash Balance
08/18/2021	-	-	-	0.66	-	0.66
01/01/2022	55,186.00	0.020%	4.11	55,190.11	55,190.00	0.77
07/01/2022	3,334,031.00	0.040%	1,158.23	3,335,189.23	3,335,190.00	-
Total	\$3,389,217.00	-	\$1,162.34	\$3,390,380.00	\$3,390,380.00	-

Investment Parameters

Investment Model [PV, GIC, or Securities].....	Securities
Default investment yield target.....	Bond Yield
Cash Deposit.....	0.66
Cost of Investments Purchased with Bond Proceeds.....	3,389,217.00
Total Cost of Investments.....	\$3,389,217.66
Target Cost of Investments at bond yield.....	\$3,307,919.49
Actual positive or (negative) arbitrage.....	(81,298.17)
Yield to Receipt.....	0.0398149%
Yield for Arbitrage Purposes.....	-
State and Local Government Series (SLGS) rates for.....	6/04/2021

\$2,715,000

City of Marshall, Minnesota
Taxable Public Utility Revenue Refunding Bonds, Series 2021D
Full Net Advance Refunding of Series 2013B

DEBT SERVICE SCHEDULE

Date	Principal	Coupon	Interest	Total P+I	Fiscal Total
08/18/2021	-	-	-	-	-
01/01/2022	-	-	10,275.17	10,275.17	-
07/01/2022	375,000.00	0.550%	13,906.25	388,906.25	399,181.42
01/01/2023	-	-	12,875.00	12,875.00	-
07/01/2023	370,000.00	0.650%	12,875.00	382,875.00	395,750.00
01/01/2024	-	-	11,672.50	11,672.50	-
07/01/2024	380,000.00	0.850%	11,672.50	391,672.50	403,345.00
01/01/2025	-	-	10,057.50	10,057.50	-
07/01/2025	385,000.00	1.100%	10,057.50	395,057.50	405,115.00
01/01/2026	-	-	7,940.00	7,940.00	-
07/01/2026	395,000.00	1.200%	7,940.00	402,940.00	410,880.00
01/01/2027	-	-	5,570.00	5,570.00	-
07/01/2027	400,000.00	1.350%	5,570.00	405,570.00	411,140.00
01/01/2028	-	-	2,870.00	2,870.00	-
07/01/2028	410,000.00	1.400%	2,870.00	412,870.00	415,740.00
Total	\$2,715,000.00	-	\$126,151.42	\$2,841,151.42	-

SIGNIFICANT DATES

Dated Date.....	8/18/2021
Delivery Date.....	8/18/2021
First Coupon Date.....	1/01/2022

Yield Statistics

Bond Year Dollars.....	\$10,685.54
Average Life.....	3.936 Years
Average Coupon.....	1.1805805%
Net Interest Cost (NIC).....	1.3838458%
True Interest Cost (TIC).....	1.3888641%
Bond Yield for Arbitrage Purposes.....	-
All Inclusive Cost (AIC).....	1.8347076%

IRS Form 8038

Net Interest Cost.....	1.1805805%
Weighted Average Maturity.....	3.936 Years

\$6,355,000

City of Marshall, Minnesota
Public Utility Revenue Bonds, Series 2013B

Debt Service To Maturity And To Call

Date	Refunded Bonds	Refunded Interest	D/S To Call	Principal	Coupon	Interest	Refunded D/S
08/18/2021	-	-	-	-	-	-	-
01/01/2022	-	55,190.00	55,190.00	-	-	55,190.00	55,190.00
07/01/2022	3,280,000.00	55,190.00	3,335,190.00	420,000.00	3.000%	55,190.00	475,190.00
01/01/2023	-	-	-	-	-	48,890.00	48,890.00
07/01/2023	-	-	-	430,000.00	3.000%	48,890.00	478,890.00
01/01/2024	-	-	-	-	-	42,440.00	42,440.00
07/01/2024	-	-	-	450,000.00	3.000%	42,440.00	492,440.00
01/01/2025	-	-	-	-	-	35,690.00	35,690.00
07/01/2025	-	-	-	465,000.00	3.500%	35,690.00	500,690.00
01/01/2026	-	-	-	-	-	27,552.50	27,552.50
07/01/2026	-	-	-	485,000.00	3.500%	27,552.50	512,552.50
01/01/2027	-	-	-	-	-	19,065.00	19,065.00
07/01/2027	-	-	-	505,000.00	3.600%	19,065.00	524,065.00
01/01/2028	-	-	-	-	-	9,975.00	9,975.00
07/01/2028	-	-	-	525,000.00	3.800%	9,975.00	534,975.00
Total	\$3,280,000.00	\$110,380.00	\$3,390,380.00	\$3,280,000.00	-	\$477,605.00	\$3,757,605.00

Yield Statistics

Base date for Avg. Life & Avg. Coupon Calculation.....	8/18/2021
Average Life.....	4.022 Years
Average Coupon.....	3.5112347%
Weighted Average Maturity (Par Basis).....	4.022 Years
Weighted Average Maturity (Original Price Basis).....	4.004 Years

Refunding Bond Information

Refunding Dated Date.....	8/18/2021
Refunding Delivery Date.....	8/18/2021

\$6,355,000

City of Marshall, Minnesota
Public Utility Revenue Bonds, Series 2013B

Total Refunded Debt Service

Date	Principal	Coupon	Interest	Total P+I
01/01/2022	-	-	55,190.00	55,190.00
07/01/2022	420,000.00	3.000%	55,190.00	475,190.00
01/01/2023	-	-	48,890.00	48,890.00
07/01/2023	430,000.00	3.000%	48,890.00	478,890.00
01/01/2024	-	-	42,440.00	42,440.00
07/01/2024	450,000.00	3.000%	42,440.00	492,440.00
01/01/2025	-	-	35,690.00	35,690.00
07/01/2025	465,000.00	3.500%	35,690.00	500,690.00
01/01/2026	-	-	27,552.50	27,552.50
07/01/2026	485,000.00	3.500%	27,552.50	512,552.50
01/01/2027	-	-	19,065.00	19,065.00
07/01/2027	505,000.00	3.600%	19,065.00	524,065.00
01/01/2028	-	-	9,975.00	9,975.00
07/01/2028	525,000.00	3.800%	9,975.00	534,975.00
Total	\$3,280,000.00	-	\$477,605.00	\$3,757,605.00

Yield Statistics

Base date for Avg. Life & Avg. Coupon Calculation.....	8/18/2021
Average Life.....	4.022 Years
Average Coupon.....	3.5112347%
Weighted Average Maturity (Par Basis).....	4.022 Years
Weighted Average Maturity (Original Price Basis).....	4.004 Years

Refunding Bond Information

Refunding Dated Date.....	8/18/2021
Refunding Delivery Date.....	8/18/2021

\$6,355,000

City of Marshall, Minnesota
Public Utility Revenue Bonds, Series 2013B

Prior Original Debt Service

Date	Principal	Coupon	Interest	Total P+I
01/01/2014	-	-	-	-
07/01/2014	435,000.00	2.000%	104,930.00	539,930.00
01/01/2015	-	-	85,590.00	85,590.00
07/01/2015	360,000.00	2.000%	85,590.00	445,590.00
01/01/2016	-	-	81,990.00	81,990.00
07/01/2016	360,000.00	2.000%	81,990.00	441,990.00
01/01/2017	-	-	78,390.00	78,390.00
07/01/2017	365,000.00	2.000%	78,390.00	443,390.00
01/01/2018	-	-	74,740.00	74,740.00
07/01/2018	375,000.00	2.000%	74,740.00	449,740.00
01/01/2019	-	-	70,990.00	70,990.00
07/01/2019	380,000.00	2.000%	70,990.00	450,990.00
01/01/2020	-	-	67,190.00	67,190.00
07/01/2020	395,000.00	3.000%	67,190.00	462,190.00
01/01/2021	-	-	61,265.00	61,265.00
07/01/2021	405,000.00	3.000%	61,265.00	466,265.00
01/01/2022	-	-	55,190.00	55,190.00
07/01/2022	420,000.00	3.000%	55,190.00	475,190.00
01/01/2023	-	-	48,890.00	48,890.00
07/01/2023	430,000.00	3.000%	48,890.00	478,890.00
01/01/2024	-	-	42,440.00	42,440.00
07/01/2024	450,000.00	3.000%	42,440.00	492,440.00
01/01/2025	-	-	35,690.00	35,690.00
07/01/2025	465,000.00	3.500%	35,690.00	500,690.00
01/01/2026	-	-	27,552.50	27,552.50
07/01/2026	485,000.00	3.500%	27,552.50	512,552.50
01/01/2027	-	-	19,065.00	19,065.00
07/01/2027	505,000.00	3.600%	19,065.00	524,065.00
01/01/2028	-	-	9,975.00	9,975.00
07/01/2028	525,000.00	3.800%	9,975.00	534,975.00
Total	\$6,355,000.00	-	\$1,622,845.00	\$7,977,845.00

Yield Statistics

Base date for Avg. Life & Avg. Coupon Calculation.....	8/18/2021
Average Life.....	4.022 Years
Average Coupon.....	3.5112347%
Weighted Average Maturity (Par Basis).....	4.022 Years
Weighted Average Maturity (Original Price Basis).....	4.004 Years

Refunding Bond Information

Refunding Dated Date.....	8/18/2021
Refunding Delivery Date.....	8/18/2021

City of Marshall, Minnesota - Marshall Municipal Utilities
Public Utility Revenue Debt
Projected Coverage and Debt Service Reserve Account Calculation

Debt Service and Coverage

Original Principal	\$5,500,000	\$4,025,000	\$7,310,000		\$3,420,000	\$2,715,000	\$22,970,000	
DATE	2012B	2014A	2016A	Existing DS	2021C Ref 2009A & 2010C	2021D Ref 2013B	Total Debt Service	Coverage of 2020 Net Revenues to Total D/S
07/01/2022	445,575.00	340,250.00	1,026,700.00	1,812,525	974,034	399,181	3,185,741	2.80
07/01/2023	446,200.00	342,300.00	601,800.00	1,390,300	972,118	395,750	2,758,168	3.24
07/01/2024	444,650.00	344,050.00		788,700	976,388	403,345	2,168,433	4.12
07/01/2025	447,800.00	340,500.00		788,300	549,633	405,115	1,743,048	5.12
07/01/2026	445,500.00	341,800.00		787,300		410,880	1,198,180	7.45
07/01/2027	442,900.00	342,425.00		785,325		411,140	1,196,465	7.46
07/01/2028		342,350.00		342,350		415,740	758,090	11.77
07/01/2029		341,550.00		341,550			341,550	26.13
Total	2,672,625	2,735,225	1,628,500	7,036,350	3,472,172	2,841,151	13,349,673.24	

Proof of DSR

Max P+I	\$3,185,740.74
125% Average Annual D/S	\$2,120,491.69
10% of Par	\$2,297,000.00
Requirement	\$2,120,491.69
Current Amount	\$4,100,000.00
Difference	<u>-\$1,979,508.31</u>
Amount needed to Call 2011C bonds	\$1,669,574.63
Remaining	-\$309,933.68

2020 Net Revenues

Operating Revenues	\$43,323,924
Operating Expenses	<u>(40,084,310)</u>
Operating Income	3,239,614
Add back Depreciation	4,812,883
Add Investment Income	<u>490,081</u>
Net Income from Operations	8,542,578
Other Income	401,137
Other Expenses	<u>(19,375)</u>
Total Net Revenues Available to Pay D/S	\$8,924,340

City of Marshall, Minnesota
 Public Utility Revenue Refunding Bonds, Series 2021C
 Taxable Public Utility Revenue Refunding Bonds, Series 2021D

Coverage and Additional Bonds Test Calculation

**Calculation of 2019 Net Revenues of
 Electric and Water System**

Operating Revenues	44,620,205
Operating Expenses	(41,853,434)
Total Operating Income	\$2,766,771
Add depreciation	4,835,433
Add Interest	<u>612,158</u>
Net Income From Operations	\$8,214,362
Other Income	456,852
Other Expenses	<u>(29,256)</u>
Total Net Revenues Available to Pay Debt Service	\$8,641,958

**Calculation of 2020 Net Revenues of
 Electric and Water System**

Operating Revenues	\$43,323,924
Operating Expenses	(40,084,310)
Total Operating Income	\$3,239,614
Add depreciation	4,812,883
Add Interest	<u>490,081</u>
Net Income From Operations	\$8,542,578
Other Income	401,137
Other Expenses	<u>(19,375)</u>
Total Net Revenues Available to Pay Debt Service	\$8,924,340

Additional Bonds Calculation

Average Annual Net Revenues of the Electric and Water Sytems for 2019 & 2020	\$8,783,149.00
Average Annual P & I on Existing Bonds and 2021AB Bonds	\$1,668,709
Coverage	5.26