

Attachment C

Funding Road Map for 1201 1st Street SE

Purchase Funds

\$555,931 – City Facility Projects

- \$897,650 end of year 2024
- - \$341,719 earmarked for first Police Station payment in August

+ \$127,629 – City Hall Repairs

+ \$500,000 – Future Recreational Athletic Facility (Funds added in previous audit cycle when reserve funds were available)

\$1,183,560 in available funds prior to 2025 Audit Adjustments for reserves

+ \$447,579 audit adjustments

- \$190k above in interest income, \$145k above in building permits revenue, \$123k below in Planning expenditures

- \$84,577 for Tikalsky Acres settlement

\$1,546,139 in available General Fund after 2025 Audit Adjustments

+ \$243,668 in Fund 206 – Charter Tax Abatement Claw back

+ \$268,967 in Fund 499 – Capital Projects

- \$42,925 for Alton Avenue Feasibility Study

\$2,015,849 in available cash

\$1,700,000 – Offered for 1201 1st Street NE (New Day Church)

Renovation Funds

\$315,849 in available cash

+ \$390,000 in available funds from Police Station contingency if not used. Current estimates by Architect are that the funding should be available to use.

- \$207,567 (Ambulance) + \$182,433 (2025 Audit Adjustment)

\$705,849 in potentially available cash

\$647,750 in estimated renovations. No other funds needed if these estimates are correct.

- Source of funds, if needed.
 - Interfund loan up to \$1,000,000 at 4% from the Sanitary Fund for 10 years.
 - Repayment terms
 - \$1,000,000 loan (full amount)
 - \$124k/year
 - \$684,151 loan (without Police Contingency)
 - \$85k/year
 - \$294,151 loan (with Police Contingency)
 - \$37k/year
 - No prepayment penalty.
 - Pay additional in years when reserves are available.
 - Funded through future unbudgeted interest
 - Currently ladder funds out 3 years
 - Past Realized interest to General Fund
 - 2023 = \$206k
 - 2024 = \$370k
 - 2025 = \$279k
 - 2026 = \$162k (estimate)
 - 2027 = \$154K (estimate)
 - 2028 = \$145k (estimate)
 - For future years assumptions,
 - Staff worked with 4M, who the City invests through, to make estimates for future interest earnings.
 - Known CD returns for the next three years between 3.25-3.85%
 - Money Market returns of 2.6% (currently above 3.25%)
 - Would spend \$2.5m on 6/1
 - Spending cash would reduce interest.
 - At 3.5%, spending \$1m in cash would reduce annual interest by an estimated \$35,000.
 - Set the interest rate at 4% with no prepayment penalty
 - The top end of what the City has been able to get for CDs to invest
 - Likely a better rate than what the City would pay on the bond market
 - City would be able to pay back faster during good years without penalty