



2024 Monterey Heights South Passage CSTS Budget

December 18, 2023



2024 Budget Considerations

- MPCA Permit Requirements
- Current reserve funding is based on amounts from at least 2009
- Capital planning scheduled for 2024
- CSTS Ordinance
 - Currently under review
 - Fee structure will be part of the review



MPCA Permit Requirement

- Permit renewals require the submission of an Operations and Reserve Fund Plan
- The permittee is obligated to maintain adequate funding for the life of the system and is required to complete comprehensive financial planning to coincide with permitting, including but not limited to the following:
 - Full system replacement
 - Full system decommissioning
 - Operational and administrative expenses
 - Routine maintenance/replacement parts
 - Utilities
 - Monitoring/lab fees
 - Site maintenance
 - Certified operator staffing



Financials Sept YTD

City of Credit River, Minnesota (Enterprises)
 Statement of Revenues, Expenditures
 Budget and Actual
 For the Month Ended Sept 30, 2023

	Morley Heights South Passage - CSTS				
	Budgeted Amounts		Actual Amounts	Budget Remaining	BR %
	Original	Final			
Revenues	\$ 96,000	96,000	80,611	15,389	16%
Expenditures	\$ 348,325	616,527	34,728	581,799	94%

	Territory - CSTS				
	Budgeted Amounts		Actual Amounts	Budget Remaining	BR %
	Original	Final			
Revenues	\$ 145,800	145,800	121,716	24,084	17%
Expenditures	\$ 158,661	160,378	65,869	94,509	59%

	Stonebridge - CSTS				
	Budgeted Amounts		Actual Amounts	Budget Remaining	BR %
	Original	Final			
Revenues	\$ 62,208	62,208	51,581	10,627	17%
Expenditures	\$ 101,688	102,223	57,987	44,236	43%



CSTS 5-Year Capital Improvement Plan

	2024	2025	2026	2027	2028	2029+
CSTS - MHSP						
Jetting	\$5,845	\$5,845	\$5,845			
Capital Planning	\$3,000					
Total - MHSP	\$8,845	\$5,845	\$5,845			



MHSP CSTS – 2024 Budget

	2023 Budget	2024 Budget	Change	
Operating Revenues				
Charges for services	\$ 96,000	\$ 163,618	\$ 67,618	
Operating Expenses				
Personal services	2,680	9,636	6,956	Administrator, Finance
Office expenses	2,140	2,269	129	
Maintenance	37,775	37,775	-	
Repairs	5,500	5,500	-	
Professional services	8,905	7,455	(1,450)	
Utilities	3,200	3,360	160	
Other expense	18,825	34,887	16,062	Jetting , inter fund int, trees
Bond & loan principal	25,000	47,850	22,850	Interfund loan 17.8k, 30k 2021 bond
Total Expense excl dep	\$ 104,025	\$ 148,732	\$ 44,707	
3 months expenses	26,006.25	37,183.00	11,176.75	
Capital	512,502.00	5,845.00	(506,657.00)	
Grand Total	\$ 616,527	\$ 154,577	\$ (461,950)	



MHSP – Budget Comments

- **Expense changes for 2024:**
 - CIP: jetting, capital planning
 - Administrator and Finance time
 - Bond and city loan repayment
 - Tree removal
- **Revenue calculated to fund:**
 - 2024 Operating and Capital expenses
 - Reserve funding of \$753/month (\$9,041 /yr.)
 - 2021 bond repayment
 - City interfund loan
 - Proposed Terms: 6% interest and 10-year payback
- **Reserves:**
 - Currently limited reserves exist as bulk used to pay 2023 project



MHSP CSTS – 2021 Bond Repayment - Rates approved Jan 2022

Bond Payback

Per Month Additional Fee Required	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>	<u>2026</u>
Total Principal/Interest Per Year (Estimated)	29,350.00	33,600.00	32,700.00	31,800.00	30,900.00
Per Month Revenues	2,668.18	2,800.00	2,725.00	2,650.00	2,575.00
Per Property Additional Mnthly Fee (Currently 50 Properties)	54.00	56.00	55.00	53.00	52.00
Per Property Revenue/Mnthly Fee (Currently 50 Properties)	104.00	104.00	104.00	104.00	104.00
TOTAL MONTHLY FEE	158.00	160.00	159.00	157.00	156.00



2023 Project Repayment

- Recommend bonding for the 2023 project shortfall 380k
 - Pays back the interfund loan (178.5k)
 - Replenishes the reserves (184k)
 - Bond issuance costs (17.5k)

Bond Options 10 years (Rate #1)

	<u>Principal</u>	<u>Payment</u>	<u>Rate</u>
2024		\$ 10,225.25	\$ 17.04
Year One	\$ 5,000	20,587.88	34.31
Year Two	10,000	25,627.88	42.71
Year Three	40,000	56,713.13	94.52
Year Four	40,000	55,096.13	91.83
Year Five	45,000	58,750.13	97.92
Year Six	45,000	56,954.63	94.92
Year Seven	45,000	55,159.13	91.93
Year Eight	50,000	58,590.00	97.65
Year Nine	50,000	56,568.75	94.28
Year 10	50,000	54,547.50	\$ 90.91
	<u>\$ 380,000</u>	<u>\$508,820.41</u>	



2024 Bond Projection

Credit River Township, Minnesota

\$380,000 General Obligation Bonds, Series 2024A

CSTS - MHSP

Debt Service Schedule

Date	Principal	Coupon	Interest	Total P+I	SSD Revenues @ 105%	Rate Pmt
02/01/2025	-	-	9,738.33	9,738.33	10,225.25	\$ 17.04
02/01/2026	5,000.00	4.000%	14,607.50	19,607.50	20,587.88	34.31
02/01/2027	10,000.00	3.950%	14,407.50	24,407.50	25,627.88	42.71
02/01/2028	40,000.00	3.850%	14,012.50	54,012.50	56,713.13	94.52
02/01/2029	40,000.00	3.800%	12,472.50	52,472.50	55,096.13	91.83
02/01/2030	45,000.00	3.800%	10,952.50	55,952.50	58,750.13	97.92
02/01/2031	45,000.00	3.800%	9,242.50	54,242.50	56,954.63	94.92
02/01/2032	45,000.00	3.850%	7,532.50	52,532.50	55,159.13	91.93
02/01/2033	50,000.00	3.850%	5,800.00	55,800.00	58,590.00	97.65
02/01/2034	50,000.00	3.850%	3,875.00	53,875.00	56,568.75	94.28
02/01/2035	50,000.00	3.900%	1,950.00	51,950.00	54,547.50	90.91
Total	\$380,000.00	-	\$104,590.83	\$484,590.83	\$508,820.37	



2024 Proposed Rate

2024 Rate: \$272.70

- Capital and Operating Expenses
 - Reserve Funding
 - 2021 Bond Repayment
 - 2024 Bond Repayment –Refund Reserves/Pay City Loan
 - 9 months Interfund Loan Interest Repayment
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- 2023 Rate: \$160
 - 50 Units on system
 - Mid-Year Rate Review
 - CSTS Ordinance Update
 - Capital Planning Completion