

MEMORANDUM
Comfort Lake-Forest Lake Watershed District

To: Board of Managers
From: Mike Kinney
Subject: 2018 Budget Financing Options

Date: September 28, 2017

Background / Discussion

At the September 7th, Special Board Meeting the Board approved a levy of \$1,600,000 for 2018 with the understanding that the levy can be lowered at a later date but could not be increased. Several comments were made by members of the public during the public hearing portion of the meeting concerning the steep increase and what the general public's perception of that increase might be.

Managers agreed to continue looking into the potential financing options and asked that the matter be brought to the October 5th Regular Meeting. There was also Board discussion related to the potential for holding a workshop on this topic as well. If the Board so desires to set a date for this workshop, a proposed motion can be found towards the bottom of this memo.

Several financing options do exist beyond the bonding option that the Board has already reviewed. These other options including getting loans from either private banks or other government entities. These all seems to have very similar interest rates and staff is working to get additional information on if there are any additional administrative charges or any other fees that would need to be worked in.

As staff continues to analyze costs, future programs and projects, staff workloads and cost-benefit approaches to implementing the goals of the District, I have again continued discussions with the District Administrator from the Carnelian Marine St. Croix Watershed District (CMSCWD) about further collaborations and cost savings. As such, we are pursuing the option of a shared technician for the purpose of permit inspections and other related matters. We have funding for our current intern to the end of the year and he is interested in this position if both District Boards agree to move ahead with this. The framework would be fairly simple in that staff time would be tracked and invoiced monthly to the CMSCWD and the CLFLWD would be able to incorporate this person into the existing benefits and other overhead costs which would be included in the rate.

Regarding the levy, at the regular meeting in November, the Board needs to include an agenda item at which members of the public may comment on the adopted budget and levy. This was discussed at the September 7th board meeting as it related to the budget and levy. As in past years, the Board has until late December to reduce, but not raise, the levy if it chooses.

Proposed Motion

Manager _____ moves to set a workshop for *[specified date]* to discuss the topic of financing options for the 2018 budget.

Attached

First State Bank of Wyoming 5 & 7 year loan options

AMORTIZATION SCHEDULE

Principal \$500,000.00	Loan Date 11-01-2017	Maturity 02-01-2023	Loan No	Call / Coll	Account	Officer	Initials
References in the boxes above are for Lender's use only and do not limit the applicability of this document to any particular loan or item. Any item above containing "****" has been omitted due to text length limitations.							

Borrower: Test

Lender: First State Bank of Wyoming
26741 Felton Ave - PO Box 308
Wyoming, MN 55092

Disbursement Date: November 1, 2017
Interest Rate: 2.250

Repayment Schedule: Installment
Calculation Method: 365/360 U.S. Rule

Payment Number	Payment Date	Payment Amount	Interest Paid	Principal Paid	Remaining Balance
1	08-01-2018	53,491.94	8,531.25	44,960.69	455,039.31
2018 TOTALS:		53,491.94	8,531.25	44,960.69	
2	02-01-2019	53,491.94	5,232.95	48,258.99	406,780.32
3	08-01-2019	53,491.94	4,601.70	48,890.24	357,890.08
2019 TOTALS:		106,983.88	9,834.65	97,149.23	
4	02-01-2020	53,491.94	4,115.74	49,376.20	308,513.88
5	08-01-2020	53,491.94	3,509.35	49,982.59	258,531.29
2020 TOTALS:		106,983.88	7,625.09	99,358.79	
6	02-01-2021	53,491.94	2,973.11	50,518.83	208,012.46
7	08-01-2021	53,491.94	2,353.14	51,138.80	156,873.66
2021 TOTALS:		106,983.88	5,326.25	101,657.63	
8	02-01-2022	53,491.94	1,804.05	51,687.89	105,185.77
9	08-01-2022	53,491.94	1,189.91	52,302.03	52,883.74
2022 TOTALS:		106,983.88	2,993.96	103,989.92	
10	02-01-2023	53,491.94	608.20	52,883.74	0.00
2023 TOTALS:		53,491.94	608.20	52,883.74	
TOTALS:		534,919.40	34,919.40	500,000.00	

NOTICE: This is an estimated loan amortization schedule. Actual amounts may vary if payments are made on different dates or in different amounts.

AMORTIZATION SCHEDULE

Principal \$500,000.00	Loan Date 11-01-2017	Maturity 02-01-2028	Loan No	Call / Coll	Account	Officer	Initials
References in the boxes above are for Lender's use only and do not limit the applicability of this document to any particular loan or item. Any item above containing "****" has been omitted due to text length limitations.							

Borrower: Test

Lender: First State Bank of Wyoming
26741 Felton Ave - PO Box 308
Wyoming, MN 55092

Disbursement Date: November 1, 2017
Interest Rate: 3.000

Repayment Schedule: Installment
Calculation Method: 365/360 U.S. Rule

Payment Number	Payment Date	Payment Amount	Interest Paid	Principal Paid	Remaining Balance
1	08-01-2018	29,404.05	11,375.00	18,029.05	481,970.95
2018 TOTALS:		29,404.05	11,375.00	18,029.05	
2	02-01-2019	29,404.05	7,390.22	22,013.83	459,957.12
3	08-01-2019	29,404.05	6,937.69	22,466.36	437,490.76
2019 TOTALS:		58,808.10	14,327.91	44,480.19	
4	02-01-2020	29,404.05	6,708.19	22,695.86	414,794.90
5	08-01-2020	29,404.05	6,291.06	23,112.99	391,681.91
2020 TOTALS:		58,808.10	12,999.25	45,808.85	
6	02-01-2021	29,404.05	6,005.79	23,398.26	368,283.65
7	08-01-2021	29,404.05	5,554.95	23,849.10	344,434.55
2021 TOTALS:		58,808.10	11,560.74	47,247.36	
8	02-01-2022	29,404.05	5,281.33	24,122.72	320,311.83
9	08-01-2022	29,404.05	4,831.37	24,572.68	295,739.15
2022 TOTALS:		58,808.10	10,112.70	48,695.40	
10	02-01-2023	29,404.05	4,534.67	24,869.38	270,869.77
11	08-01-2023	29,404.05	4,085.62	25,318.43	245,551.34
2023 TOTALS:		58,808.10	8,620.29	50,187.81	
12	02-01-2024	29,404.05	3,765.12	25,638.93	219,912.41
13	08-01-2024	29,404.05	3,335.34	26,068.71	193,843.70
2024 TOTALS:		58,808.10	7,100.46	51,707.64	
14	02-01-2025	29,404.05	2,972.27	26,431.78	167,411.92
15	08-01-2025	29,404.05	2,525.13	26,878.92	140,533.00
2025 TOTALS:		58,808.10	5,497.40	53,310.70	
16	02-01-2026	29,404.05	2,154.84	27,249.21	113,283.79
17	08-01-2026	29,404.05	1,708.70	27,695.35	85,588.44
2026 TOTALS:		58,808.10	3,863.54	54,944.56	
18	02-01-2027	29,404.05	1,312.36	28,091.69	57,496.75
19	08-01-2027	29,404.05	867.24	28,536.81	28,959.94
2027 TOTALS:		58,808.10	2,179.60	56,628.50	
20	02-01-2028	29,404.05	444.11	28,959.94	0.00
2028 TOTALS:		29,404.05	444.11	28,959.94	
TOTALS:		588,081.00	88,081.00	500,000.00	

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