

FINANCE PLAN SUMMARY

FOR

CITY OF RAMSEY, MINNESOTA

\$4,405,000

GENERAL OBLIGATION BONDS, SERIES 2011A

NORTHLAND  SECURITIES

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July 26, 2011

City of Ramsey, Minnesota
\$4,405,000
General Obligation Bonds, Series 2011A

Financing Overview:

The Bonds will be issued pursuant to Minnesota statutes Chapter 475, 429 and 162.18 to fund various public improvement projects within the City including the Bunker & Armstrong roadway improvements and Legacy development infrastructure improvements. The City will use a combination of municipal state aid (MSA) allotments (gas tax dollars) and special assessments to make the debt service payments. The MSA Portion will fund street improvements to East Bunker Lake Boulevard and Armstrong Boulevard (CSAH 83). The special assessment portion will fund street, trail, drainage, water and sewer and paying improvements related to the Legacy development. A detailed illustration of the sources and uses of funds is presented below.

Total Issue Sources And Uses

Dated 08/01/2011 | Delivered 08/04/2011

	MSA Portion	Improvement Portion	Issue Summary
Sources Of Funds			
Par Amount of Bonds	\$2,670,000.00	\$1,735,000.00	\$4,405,000.00
Accrued Interest from 08/01/2011 to 08/04/2011	406.75	432.58	839.33
Total Sources	\$2,670,406.75	\$1,735,432.58	\$4,405,839.33
Uses Of Funds			
Total Underwriter's Discount (1.000%)	26,700.00	17,350.00	44,050.00
Costs of Issuance	26,075.68	16,944.32	43,020.00
Deposit to Debt Service Fund	406.75	432.58	839.33
Deposit to Project Construction Fund	2,615,267.00	1,701,077.34	4,316,344.34
Rounding Amount	1,957.32	(371.66)	1,585.66
Total Uses	\$2,670,406.75	\$1,735,432.58	\$4,405,839.33

The estimated debt service structure for the MSA portion is shown as Exhibit A and assumes an average coupon of 2.14%. The MSA portion will use municipal state aid allotments each year to meet the scheduled February and August debt service payments. The MSA portion is structured for a term of ten years.

The estimated debt service structure for the special assessment portion is shown as Exhibit B and assumes an average coupon of 3.31% and is structured for a term of twenty years. Special assessments will be filed for a term of twenty years with \$1,034,060 filed in 2011 for first collection in 2012 and \$700,940 filed in 2011 for first collection in 2015.

The City does not anticipate a tax levy will be necessary for the payment on the Bonds.

Related Considerations:

- *Bank Qualified* - because total tax-exempt debt issued by the City in calendar year 2011 is expected to be less than \$10.0M, the Bonds will be designated as "bank qualified" obligations pursuant to Federal Tax Law. The impact of this designation may result in slightly lower interest rates since banking institutions will be interested in purchasing the Bonds. We have adjusted the estimated interest rates accordingly.
- *Arbitrage Compliance* –
 - Project / Construction Fund – All tax exempt issues are subject to federal rebate requirements which require all arbitrage earned to be rebated to the U.S. Treasury. A rebate exemption the City expects to qualify for is the "small issuer exemption" because the City expects to issue less than \$5.0M of tax exempt bonds in calendar year.
 - Debt Service Fund – The City must maintain a bona fide debt service fund for the certificates or be subject to yield restriction in the debt service fund. A bona fide debt service fund involves an equal matching of revenues to debt service expense with a balance forward permitted equal to the greater of the investment earnings in the fund during that year or 1/12 of the debt service of that year.

The City should become familiar with the various Arbitrage Compliance requirements for this bond issue. The Resolution explains the requirements in greater detail. We are also available to assist the City in meeting these requirements.

- *Book Entry* - The Bonds will be *global book entry with a bank designated as the paying agent*. As "paperless" certificates, you will avoid the cost of bond printing and annual registrar charges. The Paying Agent will invoice you for the interest semiannually and on an annual basis for the principal coming due. You will be charged only for paying agent/transfer agent services provided by the bank. This cost of services has been capitalized into the bond issue.
- *Continuing Disclosure* - Because the City's outstanding debt exceeds \$10.0M, it is subject to the Securities and Exchange Commission's continuing disclosure requirements. Northland Securities is prepared to assist the City in this capacity.

**EXHIBIT A
MSA PORTION**

Debt Service Schedule - MSA Portion

Date	Principal	Coupon	Interest	Total P+I	Fiscal Total
08/04/2011	-	-	-	-	-
08/01/2012	-	-	48,810.00	48,810.00	-
02/01/2013	230,000.00	0.650%	24,405.00	254,405.00	303,215.00
08/01/2013	-	-	23,657.50	23,657.50	-
02/01/2014	255,000.00	0.950%	23,657.50	278,657.50	302,315.00
08/01/2014	-	-	22,446.25	22,446.25	-
02/01/2015	255,000.00	1.200%	22,446.25	277,446.25	299,892.50
08/01/2015	-	-	20,916.25	20,916.25	-
02/01/2016	260,000.00	1.450%	20,916.25	280,916.25	301,832.50
08/01/2016	-	-	19,031.25	19,031.25	-
02/01/2017	265,000.00	1.700%	19,031.25	284,031.25	303,062.50
08/01/2017	-	-	16,778.75	16,778.75	-
02/01/2018	270,000.00	1.950%	16,778.75	286,778.75	303,557.50
08/01/2018	-	-	14,146.25	14,146.25	-
02/01/2019	275,000.00	2.200%	14,146.25	289,146.25	303,292.50
08/01/2019	-	-	11,121.25	11,121.25	-
02/01/2020	280,000.00	2.400%	11,121.25	291,121.25	302,242.50
08/01/2020	-	-	7,761.25	7,761.25	-
02/01/2021	285,000.00	2.600%	7,761.25	292,761.25	300,522.50
08/01/2021	-	-	4,056.25	4,056.25	-
02/01/2022	295,000.00	2.750%	4,056.25	299,056.25	303,112.50
Total	\$2,670,000.00	-	\$353,045.00	\$3,023,045.00	-

Yield Statistics

Bond Year Dollars	\$16,482.75
Average Life	6.173 Years
Average Coupon	2.1419059%

EXHIBIT B
IMPROVEMENT PORTION

Debt Service Schedule - Improvement Portion

Date	Principal	Coupon	Interest	Total P+I	Fiscal Total
08/04/2011	-	-	-	-	-
08/01/2012	-	-	51,910.00	51,910.00	-
02/01/2013	-	-	25,955.00	25,955.00	77,865.00
08/01/2013	-	-	25,955.00	25,955.00	-
02/01/2014	20,000.00	0.950%	25,955.00	45,955.00	71,910.00
08/01/2014	-	-	25,860.00	25,860.00	-
02/01/2015	20,000.00	1.200%	25,860.00	45,860.00	71,720.00
08/01/2015	-	-	25,740.00	25,740.00	-
02/01/2016	120,000.00	1.450%	25,740.00	145,740.00	171,480.00
08/01/2016	-	-	24,870.00	24,870.00	-
02/01/2017	80,000.00	1.700%	24,870.00	104,870.00	129,740.00
08/01/2017	-	-	24,190.00	24,190.00	-
02/01/2018	80,000.00	1.950%	24,190.00	104,190.00	128,380.00
08/01/2018	-	-	23,410.00	23,410.00	-
02/01/2019	85,000.00	2.200%	23,410.00	108,410.00	131,820.00
08/01/2019	-	-	22,475.00	22,475.00	-
02/01/2020	85,000.00	2.400%	22,475.00	107,475.00	129,950.00
08/01/2020	-	-	21,455.00	21,455.00	-
02/01/2021	85,000.00	2.600%	21,455.00	106,455.00	127,910.00
08/01/2021	-	-	20,350.00	20,350.00	-
02/01/2022	90,000.00	2.750%	20,350.00	110,350.00	130,700.00
08/01/2022	-	-	19,112.50	19,112.50	-
02/01/2023	90,000.00	2.950%	19,112.50	109,112.50	128,225.00
08/01/2023	-	-	17,785.00	17,785.00	-
02/01/2024	95,000.00	3.100%	17,785.00	112,785.00	130,570.00
08/01/2024	-	-	16,312.50	16,312.50	-
02/01/2025	100,000.00	3.250%	16,312.50	116,312.50	132,625.00
08/01/2025	-	-	14,687.50	14,687.50	-
02/01/2026	100,000.00	3.400%	14,687.50	114,687.50	129,375.00
08/01/2026	-	-	12,987.50	12,987.50	-
02/01/2027	105,000.00	3.550%	12,987.50	117,987.50	130,975.00
08/01/2027	-	-	11,123.75	11,123.75	-
02/01/2028	110,000.00	3.650%	11,123.75	121,123.75	132,247.50
08/01/2028	-	-	9,116.25	9,116.25	-
02/01/2029	110,000.00	3.750%	9,116.25	119,116.25	128,232.50
08/01/2029	-	-	7,053.75	7,053.75	-
02/01/2030	115,000.00	3.850%	7,053.75	122,053.75	129,107.50
08/01/2030	-	-	4,840.00	4,840.00	-
02/01/2031	120,000.00	3.900%	4,840.00	124,840.00	129,680.00
08/01/2031	-	-	2,500.00	2,500.00	-
02/01/2032	125,000.00	4.000%	2,500.00	127,500.00	130,000.00
Total	\$1,735,000.00	-	\$737,512.50	\$2,472,512.50	-

Yield Statistics

Bond Year Dollars	\$22,138.04
Average Life	12.760 Years
Average Coupon	3.3314261%

Revenue vs D/S - Improvement Portion

Date	Scheduled P+I	Less: Assessment Revenues*	Annual D/S Fund Balance
02/01/2012	-	-	
02/01/2013	77,865.00	72,630.08	(5,234.92)
02/01/2014	71,910.00	72,630.09	720.09
02/01/2015	71,720.00	72,630.08	910.08
02/01/2016	171,480.00	171,375.01	(104.99)
02/01/2017	129,740.00	130,369.78	629.78
02/01/2018	128,380.00	130,369.78	1,989.78
02/01/2019	131,820.00	130,369.78	(1,450.22)
02/01/2020	129,950.00	130,369.78	419.78
02/01/2021	127,910.00	130,369.78	2,459.78
02/01/2022	130,700.00	130,369.78	(330.22)
02/01/2023	128,225.00	130,369.78	2,144.78
02/01/2024	130,570.00	130,369.78	(200.22)
02/01/2025	132,625.00	130,369.77	(2,255.23)
02/01/2026	129,375.00	130,369.78	994.78
02/01/2027	130,975.00	130,369.78	(605.22)
02/01/2028	132,247.50	130,369.78	(1,877.72)
02/01/2029	128,232.50	130,369.78	2,137.28
02/01/2030	129,107.50	130,369.78	1,262.28
02/01/2031	129,680.00	130,369.78	689.78
02/01/2032	130,000.00	130,369.78	369.78
Total	\$2,472,512.50	\$2,475,181.73	-

*Assumes assessments of \$1,034,060 filed in 2011 for first collection 2012 and \$700,940 filed in 2011 for first collection in 2015 at a rate of 3.45% (NIC on the Assessment Portion of the Bonds).