

October 11, 2022

FIVE - YEAR STREET RECONSTRUCTION & OVERLAY
PLAN:

City of Ramsey, MN

2023 - 2027



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I. INTRODUCTION

In 2002, the Minnesota State Legislature passed into law a bill which generally exempts city bonds issued under a street reconstruction program from the referendum requirements usually required for bonding expenditures. In 2013 the Legislature amended the law to allow bituminous overlays to be included in the street reconstruction program. In 2021 the Legislature amended the definition of street reconstruction and bituminous overlays to include the addition or reconstruction of turn lanes, bicycle lanes, sidewalks and paths. In addition, bicycle lanes, sidewalks and paths were added as allowable costs when widening a street. The authorization is contained in Minnesota Statutes, Section 475.58, subdivision 3b (the “Act”).

II. PURPOSE

A street reconstruction program represents a major expenditure of city funds for the reconstruction or bituminous overlay of public streets. As defined in the Act, street reconstruction and bituminous overlay projects may include utility replacement and relocation and other incidental costs, turn lanes and other improvements having a substantial public safety function, realignments, other modifications to intersect with state and county roads, and the local share of state and county road projects. Except in the case of turn lanes, safety improvements, realignments, intersection modifications, and local share of state and county road projects, street reconstruction and overlays do not include the portion of project costs allocable to widening a street or adding curbs and gutters where none previously existed.

A Street Reconstruction and Overlay Plan (SROP) is a document designed to anticipate street reconstruction and overlay expenditures and schedule them over a five-year period so that they may be purchased in the most efficient and cost-effective method. A SROP allows the matching of expenditures with anticipated income. As potential expenditures are reviewed, the city considers the benefits, costs, alternatives and impact on operating expenditures.

The City of Ramsey, Minnesota (the “City”) believes the street reconstruction and overlay process is an important element of

responsible fiscal management. Major capital expenditures can be anticipated and coordinated to minimize potentially adverse financial impacts caused by the timing and magnitude of capital outlays. This coordination of capital expenditures is important to the City in achieving its goals of adequate physical assets and sound fiscal management. Good planning is essential for the wise use of limited financial resources. The SROP is designed to be updated on an as needed basis.

III. PLANNING PROCESS

The City Council annually reviews its capital expenditures according to their priority, fiscal impact, and available funding as part of its Capital Improvement Plan (CIP) process. The City assembles the specific capital expenditures to be undertaken within the next five years. The City Council prepares a plan based on the available funding sources. From this information, a preliminary CIP is prepared for public discussion from citizens and other governmental units. Changes are made based on that input, and a final plan is established.

Over the life of the CIP, once the funding becomes available the individual capital expenditures can be made as part of individual project approvals. In subsequent years, the process is repeated as expenditures are completed and new needs arise.

If bonding is necessary, the City works with its municipal advisor to prepare a bond sale and repayment schedule. Street reconstruction and overlay planning occurs separately from the CIP process focusing specifically on street reconstruction and overlay projects to be financed with general obligation street reconstruction bonds under provisions of the Act. The SROP is to describe the identified street reconstruction and overlay projects to be financed, their estimated costs, and any planned reconstruction or overlay of other streets in the City over the next five years.

For a city to use its authority under the Act to finance street reconstruction and bituminous overlay expenditures with general obligation bonds, it must meet the requirements provided therein.

Specifically, the city must hold a public hearing for public input on a SROP. Notice of such hearing must be published in the official newspaper of the city at least 10, but not more than 28 days prior to the date of the public hearing. In addition, the council must approve the SROP and issuance of street reconstruction bonds by a two-thirds majority vote of its membership present at the meeting following a public hearing.

Although a referendum is not required, a reverse referendum is allowable. If a petition requesting a vote on the issuance of bonds bearing the signatures of at least 5 percent of the votes cast in the last municipal general election is filed with the municipal clerk within 30 days after the public hearing, a referendum vote on the issuance of the bonds shall be required to authorize the issuance. If the municipality elects not to submit the question to the voters, the municipality shall not propose the issuance of bonds under the Act for the same purpose for a period of 365 days from the date of receipt of the petition.

IV. PROJECT SUMMARY

The expenditures to be undertaken with this 2023 to 2027 SROP are limited to those listed in Appendix A. All other foreseeable capital expenditures within the City government will come through other means or through an amendment to this SROP.

V. FINANCING

The total amount of requested expenditures under the SROP is up to \$25,000,000. If these expenditures are to be funded, that amount of money is anticipated to be generated through a combination of tax levy, and the sale of general obligation street reconstruction plan bonds over the five-year period.

In the financing of the SROP, one statutory limitation applies. Under Chapter 475, with few exceptions, cities cannot incur debt in excess of

3% of the assessor’s estimated market value (EMV) for the city. The City’s Pay 2022 EMV is \$3,345,686,400. As noted in the table below, the City’s debt subject to this requirement, including the proposed bond issue, is within the required threshold:

Net Debt Limit	
Assessor's Estimated Market Value	3,345,686,400
Multiply by 3%	0.03
Statutory Debt Limit	100,370,592
Less: Debt Paid Solely from Taxes	(23,195,000)
Less: Proposed Bond Issue(s)	(25,000,000)
Unused Debt Limit	52,175,592

Under the SROP, the City plans to issue up to \$25,000,000 in general obligation bonds. It is anticipated that they will issue \$12,075,000 in 2023 to pay for the 2023 through 2025 projects listed in Appendix A and an additional \$12,540,000 in 2026 to pay for the 2026 and 2027 projects also listed in Appendix A. The bond sizing is based upon funding the estimated project amounts listed in Appendix A plus estimated issuance costs. Current estimates of size and repayment of the general obligation street reconstruction and overlay bonds under consideration is shown in Appendix B.

VI. PLAN CONTINUATION

This SROP should be reviewed annually as needed by the City Council using the process outlined in this document. It should review proposed expenditures, make priority decisions, and seek funding for those expenditures it deems necessary for the City. If deemed appropriate, the Council should prepare an update to this SROP.

APPENDIX A

Plan Project Costs:

The 2023 through 2027 capital expenditure of approximately \$24,300,000 for the City’s road reconstruction and bituminous overlay projects is to be funded with up to \$25,000,000 in bond proceeds.

Project	Year	Amount	
Barthel's Rum River Acres 2nd	2023	\$ 2,204,160	
Whispering Pines Estates Plat 3		\$ 968,800	
Alpine Meadows		\$ 40,000	
Highlands at River Park 1st, 2nd, 3rd, 4th		\$ 430,000	
Barthel's Rum River Acres	2024	\$ 800,899	
White Pines Estates		\$ 360,570	
Rodeo Hills Estates & Valley View Acres		\$ 1,125,059	
Ford Brook Estates 3rd		\$ 712,656	
Hall's Dover Acres		\$ 554,288	
Juniper Woods 1st, 2nd & 3rd		\$ 523,180	
Section 01 Unplatted (North of CR 27)		\$ 339,360	
Gateway Industrial Park 2		\$ 118,170	
Gateway Industrial Park		\$ 59,969	
Orcarch Hills Townhomes		\$ 75,750	
Section 27 Unplatted		\$ 306,156	
Town Center Gardens 1st, 2nd, 3rd		\$ 285,325	
Dickenson's Mississippi Estate		\$ 381,888	
Fox Ridge Estates 1st & 2nd		\$ 2,656,080	
High Point (Combine with Sec 22)	\$ 1,432,080		
Section 22 Unplatted (Combine with High Point)	\$ 279,888		
Sorteberg's	\$ 537,030		
Alpine Acres 1st & 2nd	2025	\$ 216,750	
Beaudry's 2nd		\$ 177,480	
Ramsey Town Center 2nd, 4th, 6th, 7th		\$ 239,480	
Ramsey Town Center IP 05-22		\$ 24,480	
Rivenwick 3rd		\$ 61,200	
Rivenwick Village		\$ 102,000	
Rum River Hills		\$ 142,290	
Village of Sunfish Lake		\$ 211,650	
Carol-Rose Acres		\$ 421,064	
Flintwood Hills 2nd & 3rd		\$ 1,025,880	
Section 01 Unplatted (S/O CR 27)	2026	\$ 830,592	
Sports Haven		\$ 271,096	
Countryside Estates		\$ 1,816,920	
Riverside West (Dolomite & 137th)		\$ 188,181	
Aleine Woods		\$ 100,425	
Evergreen Point Townhomes 1st & 2nd		\$ 82,400	
Hall-Anderson Acres (TH 47 Service Road)		\$ 39,398	
Riverside West (Ebony Street)		\$ 51,000	
Section 16 Unplatted		\$ 118,193	
Rivers Bend 3rd & 4th		2027	\$ 237,120
Hall-Anderson Acres (Except TH 47 Service Rd)			\$ 1,025,024
Oakwood Hills & Rambosek Red Oak Estates			\$ 291,200
Windsorwood			\$ 366,912
Windemere Woods (Magnesium Street to Bunker)			\$ 349,440
Sorteberg's 6th	\$ 773,760		
Brookfield	\$ 213,200		
Ebony	\$ 28,080		
Estates of Silver Oaks	\$ 265,200		
Riversbend (Non 2018 Recon)	\$ 304,200		
Riversbend 2nd	\$ 23,400		
Rivers Bend Plaza	\$ 62,400		
TOTAL	N/A		\$ 24,251,722

APPENDIX B

Proposed Sources and Uses:

2023 Bonds:

City of Ramsey, Minnesota

\$12,075,000 General Obligation Street Reconstruction Bonds, Series 2022A
Assumes Current Market Non-BQ AA+ Market Rates + 75bps

Sources & Uses

Dated 12/06/2022 | Delivered 12/06/2022

Sources Of Funds

Par Amount of Bonds	\$12,075,000.00
Total Sources	\$12,075,000.00

Uses Of Funds

Total Underwriter's Discount (0.800%)	96,600.00
Costs of Issuance	75,809.41
Deposit to Project Construction Fund	11,900,000.00
Rounding	2,590.59
Total Uses	\$12,075,000.00

Debt Service Schedule

Date	Principal	Coupon	Interest	Total P+I	Fiscal Total
12/06/2022	-	-	-	-	-
12/15/2023	550,000.00	3.900%	538,801.50	1,088,801.50	1,088,801.50
06/15/2024	-	-	252,105.00	252,105.00	-
12/15/2024	620,000.00	3.900%	252,105.00	872,105.00	1,124,210.00
06/15/2025	-	-	240,015.00	240,015.00	-
12/15/2025	645,000.00	4.000%	240,015.00	885,015.00	1,125,030.00
06/15/2026	-	-	227,115.00	227,115.00	-
12/15/2026	670,000.00	4.050%	227,115.00	897,115.00	1,124,230.00
06/15/2027	-	-	213,547.50	213,547.50	-
12/15/2027	700,000.00	4.100%	213,547.50	913,547.50	1,127,095.00
06/15/2028	-	-	199,197.50	199,197.50	-
12/15/2028	730,000.00	4.200%	199,197.50	929,197.50	1,128,395.00
06/15/2029	-	-	183,867.50	183,867.50	-
12/15/2029	760,000.00	4.250%	183,867.50	943,867.50	1,127,735.00
06/15/2030	-	-	167,717.50	167,717.50	-
12/15/2030	790,000.00	4.300%	167,717.50	957,717.50	1,125,435.00
06/15/2031	-	-	150,732.50	150,732.50	-
12/15/2031	825,000.00	4.350%	150,732.50	975,732.50	1,126,465.00
06/15/2032	-	-	132,788.75	132,788.75	-
12/15/2032	860,000.00	4.450%	132,788.75	992,788.75	1,125,577.50
06/15/2033	-	-	113,653.75	113,653.75	-
12/15/2033	900,000.00	4.500%	113,653.75	1,013,653.75	1,127,307.50
06/15/2034	-	-	93,403.75	93,403.75	-
12/15/2034	940,000.00	4.550%	93,403.75	1,033,403.75	1,126,807.50
06/15/2035	-	-	72,018.75	72,018.75	-
12/15/2035	980,000.00	4.600%	72,018.75	1,052,018.75	1,124,037.50
06/15/2036	-	-	49,478.75	49,478.75	-
12/15/2036	1,030,000.00	4.650%	49,478.75	1,079,478.75	1,128,957.50
06/15/2037	-	-	25,531.25	25,531.25	-
12/15/2037	1,075,000.00	4.750%	25,531.25	1,100,531.25	1,126,062.50
Total	\$12,075,000.00	-	\$4,781,146.50	\$16,856,146.50	-

Future Bonds:

Sources & Uses

Dated 04/01/2026 | Delivered 04/01/2026

Sources Of Funds

Par Amount of Bonds	\$12,540,000.00
Total Sources	\$12,540,000.00

Uses Of Funds

Total Underwriter's Discount (1.000%)	125,400.00
Costs of Issuance	112,500.00
Deposit to Project Construction Fund	12,300,000.00
Rounding	2,100.00
Total Uses	\$12,540,000.00

Debt Service Schedule

Date	Principal	Coupon	Interest	Total P+I	Fiscal Total
04/01/2026	-	-	-	-	-
12/15/2026	760,000.00	4.650%	473,140.26	1,233,140.26	1,233,140.26
06/15/2027	-	-	317,626.25	317,626.25	-
12/15/2027	595,000.00	4.750%	317,626.25	912,626.25	1,230,252.50
06/15/2028	-	-	303,495.00	303,495.00	-
12/15/2028	625,000.00	4.800%	303,495.00	928,495.00	1,231,990.00
06/15/2029	-	-	288,495.00	288,495.00	-
12/15/2029	655,000.00	4.850%	288,495.00	943,495.00	1,231,990.00
06/15/2030	-	-	272,611.25	272,611.25	-
12/15/2030	685,000.00	4.950%	272,611.25	957,611.25	1,230,222.50
06/15/2031	-	-	255,657.50	255,657.50	-
12/15/2031	720,000.00	5.050%	255,657.50	975,657.50	1,231,315.00
06/15/2032	-	-	237,477.50	237,477.50	-
12/15/2032	760,000.00	5.100%	237,477.50	997,477.50	1,234,955.00
06/15/2033	-	-	218,097.50	218,097.50	-
12/15/2033	795,000.00	5.250%	218,097.50	1,013,097.50	1,231,195.00
06/15/2034	-	-	197,228.75	197,228.75	-
12/15/2034	840,000.00	5.350%	197,228.75	1,037,228.75	1,234,457.50
06/15/2035	-	-	174,758.75	174,758.75	-
12/15/2035	885,000.00	5.450%	174,758.75	1,059,758.75	1,234,517.50
06/15/2036	-	-	150,642.50	150,642.50	-
12/15/2036	930,000.00	5.550%	150,642.50	1,080,642.50	1,231,285.00
06/15/2037	-	-	124,835.00	124,835.00	-
12/15/2037	985,000.00	5.650%	124,835.00	1,109,835.00	1,234,670.00
06/15/2038	-	-	97,008.75	97,008.75	-
12/15/2038	1,040,000.00	5.750%	97,008.75	1,137,008.75	1,234,017.50
06/15/2039	-	-	67,108.75	67,108.75	-
12/15/2039	1,100,000.00	5.900%	67,108.75	1,167,108.75	1,234,217.50
06/15/2040	-	-	34,658.75	34,658.75	-
12/15/2040	1,165,000.00	5.950%	34,658.75	1,199,658.75	1,234,317.50
Total	\$12,540,000.00	-	\$5,952,542.76	\$18,492,542.76	-