

**RECORD OF
2024 CITY INTERNAL LOAN
(RSWF – Trash Trucks Project)**

March 6, 2024

This Record of Interfund Loan is executed by the City of Saint Paul's Director, Office of Financial Services ("OFS"), and the Director of Public Works ("Public Works") to memorialize an Internal Loan for the Recycling and Solid Waste Fund (the "Project") and its repayment.

WHEREAS, Public Works Organized Trash program wishes to make purchases of up to \$2,100,000.00 for trash hauling trucks to be used for collection residential solid waste; and

WHEREAS, the City wishes to assist Public Works with funds of up to \$1,100,000.00, to complete the financing of the Project with \$1,100,000.00 anticipated to be drawn in 2024; and

WHEREAS, an internal loan will complete the financing for the Project as detailed in RES PH 24-48 approved on March 6th, 2024 after a public hearing. The advance, until repaid, will bear interest at the City treasury portfolio investment rate. This advance from Fund 700 (the "City Internal Loan Fund") will be secured by the Recycling and Solid Waste Fund and repaid by net operating income from the annual service fee, administration fee, and collection fees; and

WHEREAS, the advance, until repaid, will bear interest at the monthly City treasury portfolio investment rate (the "Pool Rate"). The Pool Rate is variable and reset monthly by the City Treasurer; and

NOW, THEREFORE, The OFS Director and the Public Works Director memorialize the Internal Loan for the Project as follows:

1. Purpose. The purpose of this document is to memorialize the Internal Loan for the Project from Fund 700 and to serve as guidance in coordinating actions of the City and its Office of Financial Services and Public Works with respect to such advances and required encumbrances, and repayments.
2. Authority. This document was authorized by, and carries out, resolution RES PH 24-48 adopted by the City Council on March 6, 2024.
3. Interest. Interest will accrue on the advance at the City treasury portfolio investment rate ("Pool Rate"). Pool Rate is variable and reset monthly by City Treasurer.
4. Advances. Fund 700 will advance up to \$1,100,000.00 to pay for costs associated with the Project as approved by the Interim Director of the Office of Financial Services after approval by the City Council. Each time there is an advance from the Internal Loan, the Public Works Accountant will record the amount of the advance and the amount of the outstanding balance of the Internal Loan and send to the City's Chief Accountant and OFS Treasury. Advances shall not be more often than monthly.
5. Repayment. Public Works will reimburse this advance from Fund 700, including accrued interest, from net operating income from trash annual service fees, administration fees, and

collection fees. The advance is also secured by the Recycling and Solid Waste Fund and, accordingly, said fund shall not fall below the advance's outstanding balance until the advance is satisfied.

OFS Treasury or the City's Chief Accountant will provide the prior monthly Pool Rates to the Public Works Accountant for the annual repayment amount due. The Loan is repayable at Par plus any interest due.

6. Term. Internal Loan matures seven years after the initial advance.

Signed this ____ day of _____, 2024.

John McCarthy
Director, Office of Financial Services

Sean Kershaw
Director, Public Works

Approved to Form:

Assistant City Attorney

Exhibit A – Illustrative Example of Repayment Schedule

Exhibit B – 2024 City Resolution approving the Internal Loan for the Project RES PH 24-48
