

CITY OF CREDIT RIVER
SCOTT COUNTY
STATE OF MINNESOTA

RESOLUTION 2025-20 – SOUTH PASSAGE ADVANCE TO REFINANCE DEBT
AND OPERATING DEFICITS

WHEREAS, the City is required by the Minnesota Pollution Control Agency (MPCA) to be the responsible authority for the oversight and management of the community septic treatment systems (CSTS);

WHEREAS, in 2021 the City identified that certain improvements were required of the sanitary sewer system that serve South Passage, and the City subsequently incurred costs to complete such improvements which required funding sources in excess of the related 2021 bond proceeds;

WHEREAS, as of January 1, 2025, the South Passage CSTS has an interfund advance payable to the General Fund in the amount of \$44,550 that was approved via City Council Resolution 2024-33, which is payable over 10 years at an interest rate of 6 percent;

WHEREAS, as of January 1, 2025, the South Passage CSTS has an interfund advance payable to the Capital Improvements Fund in the amount of \$160,652 that was approved via City Council Resolution 2023-28, which is payable over the advance's remaining 9 years at an interest rate of 6 percent;

WHEREAS, as of January 1, 2025, the South Passage CSTS has 2021 bonds payable in the amount of \$90,000;

WHEREAS, as of January 1, 2025, the South Passage CSTS had a deficit cash balance of \$223,938.44;

WHEREAS, the City Council indicated in 2025 budget and fee discussions that it would be in the interest of the South Passage CSTS to refinance the above noted debt with an 18-year advance to align the debt with the remaining useful life of the underlying assets;

Year	Principal	6%		Balance
		Interest	Total Payment	
2024			-	519,140.44
2025	28,841.14	31,148.43	59,989.56	490,299.30
2026	28,841.14	29,417.96	58,259.09	461,458.17
2027	28,841.14	27,687.49	56,528.63	432,617.03
2028	28,841.14	25,957.02	54,798.16	403,775.90
2029	28,841.14	24,226.55	53,067.69	374,934.76
2030	28,841.14	22,496.09	51,337.22	346,093.63
2031	28,841.14	20,765.62	49,606.75	317,252.49
2032	28,841.14	19,035.15	47,876.29	288,411.36
2033	28,841.14	17,304.68	46,145.82	259,570.22
2034	28,841.14	15,574.21	44,415.35	230,729.08
2035	28,841.14	13,843.75	42,684.88	201,887.95
2036	28,841.14	12,113.28	40,954.41	173,046.81
2037	28,841.14	10,382.81	39,223.94	144,205.68
2038	28,841.14	8,652.34	37,493.48	115,364.54
2039	28,841.14	6,921.87	35,763.01	86,523.41
2040	28,841.14	5,191.40	34,032.54	57,682.27
2041	28,841.14	3,460.94	32,302.07	28,841.14
2042	28,841.14	1,730.47	30,571.60	(0.00)
	<u>519,140.44</u>	<u>295,910.05</u>	<u>815,050.49</u>	