

City of Princeton, Minnesota

\$116,000 General Obligation Improvement Bonds, Series 2023A

FINAL

Sources & Uses

Dated 09/20/2023 | Delivered 09/20/2023

Sources Of Funds

Cash Contribution From Lot Sale Proceeds	974,244.40
BDPI Grant	750,000.00
City Cash Contribution	177,805.00
Par Amount of Bonds	\$116,000.00
Total Sources	\$2,018,049.40

Uses Of Funds

Deposit to Project Construction Fund	2,002,229.90
Costs of Issuance	15,500.00
Rounding Amount	319.50
Total Uses	\$2,018,049.40

Michele McPherson

From: George Eilertson <geilertson@northlandsecurities.com>
Sent: Thursday, August 31, 2023 11:56 AM
To: Michele McPherson
Cc: Mary L. Ippel (mippel@taftlaw.com)
Subject: Princeton Business Park bond issue follow-up

Michele –

Regarding the City of Princeton’s potential General Obligation Improvement Bond for the Business Park infrastructure improvements, I reviewed with Mary Ippel from Taft Law (bond counsel to the City). Due to the pending receipt of the BDPI grant, the principal amount of the City’s possible bond issue would be reduced to less than \$120,000. Mary Ippel and I both support the City utilizing cash reserves to pay for the project costs and not issuing the proposed General Obligation Improvement Bond.

Mary Ippel and I covered the following two topics:

1. Special Assessments – the revenue sources to pay the proposed bond issue were special assessments on the unsold lots (owned by the Princeton EDA) and possible lot sale revenue. Due to not moving ahead on the issuance of the bond issue, the City does not need to certify the assessments.
2. Bonding Fees – both Northland Securities and Taft Law will not invoice the City of Princeton for work completed associated with the issuance of the proposed General Obligation Improvement Bond.

Please let me know if you have any questions.

George Eilertson

Managing Director, Public Finance



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Investment Tracking RBC Global Asset Management

Values as of August 31, 2023

	2029					2023									
	Name	Initial Amount	Market Value	Rate	Maturity Date	Name	Initial Amount	Market Value	Rate	Maturity Date	Name	Initial Amount	Market Value	Rate	Maturity Date
January											Morgan Stanley	\$95,000.00	\$93,599.70	1.85	1/30/2024
February											Morgan Stanley	\$150,000.00	\$147,300.00	1.75	2/27/2024
March											Gr Southern Bank	\$150,000.00	\$147,496.50	0.31	3/20/2024
April															
May															
June															
July															
August															
September						BMW Bank	\$100,000.00	\$99,761.00	0.35	9/18/2023	HSBC Bank USA	\$100,000.00	\$98,511.00	4.13	9/23/2024
						Enerbank	\$245,000.00	\$244,424.25	2.00	9/27/2023					
October															
November															
December											Webbank Utah	\$100,000.00	\$94,216.00	1.00	12/30/2024
Total		\$0.00	\$0.00				\$345,000.00	\$344,185.25				\$595,000.00	\$581,123.20		

	2025					2026					2027				
	Name	Initial Amount	Market Value	Rate	Maturity Date	Name	Initial Amount	Market Value	Rate	Maturity Date	Name	Initial Amount	Market Value	Rate	Maturity Date
January															
February															
March						BankUnited	\$75,000.00	\$66,980.25	0.95	3/31/2025	Fed Home Loan	\$250,000.00	\$230,995.00	2.59	3/30/2027
April	State Bank India NY	\$100,000.00	\$93,703.00	1.50	4/29/2025	BankUnited	\$80,000.00	\$71,335.20	0.95	4/14/2026					
						Pacific W Bank	\$105,000.00	\$104,648.25	5.50	4/6/2026					
May						Goldman Sachs	\$150,000.00	\$133,048.50	0.90	5/19/2026	Morgan Stanley	\$130,000.00	\$119,444.00	2.75	4/20/2027
June	Texas Exch Bank	\$245,000.00	\$226,147.25	1.00	6/19/2025	Sallie Mae	\$145,000.00	\$128,182.90	0.90	6/30/2026					
	State Bank Indiana	\$155,000.00	\$142,277.60	1.00	6/26/2025	Ally Bank	\$100,000.00	\$94,376.00	3.15	6/2/2026					
July	Sallie Mae Utah	\$100,000.00	\$91,811.00	0.80	7/8/2025						BMO Harris	\$125,000.00	\$117,803.75	3.55	7/27/2027
	State Bank Indiana	\$90,000.00	\$82,925.10	1.00	7/10/2025										
	Bank Baroda NY	\$245,000.00	\$224,123.55	0.70	7/22/2025										
August											Rollstone Bank	\$85,000.00	\$80,099.75	3.55	8/23/2027
September	JP Morgan Chase	\$100,000.00	\$91,037.00	0.30	9/30/2025						Morgan Stanley	\$150,000.00	\$146,329.50	4.50	9/29/2027
October						Goldman Sachs	\$96,000.00	\$84,221.76	1.00	10/13/2026	Capital One	\$170,000.00	\$166,027.10	4.55	10/19/2027
November	JP Morgan Chase	\$145,000.00	\$131,153.95	0.40	11/10/2025										
December															
Total		\$1,180,000.00	\$1,083,178.45				\$751,000.00	\$682,792.86				\$910,000.00	\$860,699.10		

	2028					2033					2034				
	Name	Initial Amount	Market Value	Rate	Maturity Date	Name	Initial Amount	Market Value	Rate	Maturity Date	Name	Initial Amount	Market Value	Rate	Maturity Date
January															
February	Fed Farm Credit Bank	\$300,000.00	\$273,045.00	2.45	2/23/2028										
March	Pacific W Bank	\$140,000.00	\$139,991.60	5.50	3/22/2028										
April															
May															
June	1st Bank Greenwich	\$120,000.00	\$119,646.00	5.25	6/2/2028										
July	Bank Hapoalim	\$200,000.00	\$166,834.00	1.35	7/10/2028										
August						Fannie Mae	\$100,000.00	\$835.87	3.50	8/25/2033	WAMU Mortgage	\$105,000.00	\$3,910.75	6.50	8/25/2034
September															
October															
November															
December															
Total		\$760,000.00	\$699,516.60				\$100,000.00	\$835.87				\$105,000.00	\$3,910.75		

Total Principal Invested (CDs): \$4,746,000.00 Estimated Accrued Bond Interest: \$18,121.35 Estimated Annualized Income: \$99,109.83

Total Market Value of Investments: \$4,256,242.08

RBC Money Market Account: \$26,321.41

August Interest \$7,361.17 Interest earned is placed in the RBC Money Market Account and then re-invested once sufficient funds are accrued Interest may be paid monthly, quarterly, semi-annually or annually depending on the investment

Notes: Other than the Fannie Mae and WAMU Mortgage investments, all investments are CDs and pay interest monthly, quarterly, or semi-annually into the RBC Money Market Account Monies are taken from the RBC Money Market Account and further invested in additional CDs based on cash flow needs The Fannie Mae and WAMU Mortgage investments are mortgage-backed securities (not recommended for cities, typically) and were originally invested in 2003 and 2004, respectively Over time, the City was paid principal and interest from mortgage payments, but the initial investment gets depleted. Their sale value is actually the market value. We will look at letting them either die a natural death or sell them at a point where we don't have to pay to get out of them. Trying to determine what the City made since 2003/04 would be a herculean effort.

Other Investments:				Maturity Date	
1st B & T	General Savings (MMDA)	\$346,376.60	0.01		1/12/2023 Moved \$43,000 into CD for Cemetery Perpetual Care
1st B & T - CD	Cemetery Perp Care	\$88,895.76	0.50	4/2/2024	These funds are definitely restricted.
1st B & T - CD	Cemetery Perp Care	\$43,000.00	1.50	1/12/2024	These funds are definitely restricted.
1st B & T - CD	Fire Department	\$46,191.75	0.50	8/28/2023	
1st B & T - CD	General	\$130,583.33	0.50	8/15/2023	Interest payment 2/15/2023 of \$328.31
1st B & T - CD	General	\$636,019.34	0.50	3/2/2024	Interest payment 3/2/2023 of \$317.85
1st B & T - CD	General	\$123,955.79	0.05	2/5/2025	Interest payment 2/5/2023 of \$61.94
1st B & T	CDARS Network CD	\$300,000.00	1.20		
1st B & T	CDARS Network CD	\$125,023.76	1.45		
4M Fund	Investment Account	\$330,245.21	5.04		
Bremer	General Savings	\$2,928,220.08			
Bremer - CD	General	\$108,761.91	0.85	6/7/2023	
Total		\$5,207,273.53			

\$5,072,186.02 Potentially unrestricted, more investigation required; converse with the auditors