



## GRAND RAPIDS PUBLIC UTILITIES COMMISSION REGULAR WORK SESSION MEETING AGENDA

Wednesday, October 25, 2023

8:00 AM

CALL TO ORDER: Pursuant to due notice and call thereof, a Regular Work Session Meeting of the Grand Rapids Public Utilities Commission will be held on Wednesday, October 25, 2023 at 8:00 AM in the conference room of the Public Works/Public Utilities Service Center at 500 SE 4th Street, Grand Rapids, Minnesota.

CALL OF ROLL:

BUSINESS:

1. Consider a motion to approve \$163,508.85 in verified claims for September and October 2023.
2. Consider approving Resolution No. 10-25-23-15 Ratifying the Issuance and Sale of \$4,575,000 City of Grand Rapids, Minnesota (Public Utilities Commission) General Obligation Utility Revenue Bonds, Series 2023B

ADJOURNMENT:

The next Special meeting/Work Session is scheduled for Wednesday, November 8, 2023 at 2:30 PM in the conference room of the Public Works/Public Utilities Service Center at 500 SE 4th Street.

The next Regular Meeting of the Commission is scheduled for Wednesday, November 8, 2023 at 4:00 PM in the conference room of the Public Works/Public Utilities Service Center at 500 SE 4th Street.

The GRPUC has adopted a Meeting Protocol Policy, which informs attendees of the GRPUC's desire to conduct meetings in an orderly manner which welcomes all civil input from interested parties. If you are unaware of the policy, please contact our office at 218-326-7024 and we will provide you with a copy of the policy.



## GRAND RAPIDS PUBLIC UTILITIES COMMISSION AGENDA ITEM

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**AGENDA DATE:** October 25, 2023

**AGENDA ITEM:** Consider a motion to approve \$163,508.85 verified claims for September and October 2023.

**PREPARED BY:** Jean Lane, Business Services Manager

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### **BACKGROUND:**

See attached check registers:

Computer check register \$163,508.85

Manual check register \$-0-

Total \$163,508.85

### **RECOMMENDATION:**

Consider a motion to approve \$163,508.85 of verified claims for September and October 2023.

Grand Rapids Public Utilities  
Accounts Payable  
September/October 2023  
(Meeting Date: 10/25/2023)

Item 1.

NAME	AMOUNT
Anderson Glass	895.45
APPA	1,907.89
Aramark	123.92
Automation Direct	373.00
Cannon Technologies	1,580.80
Carquest	311.18
Central McGowan	614.75
City of Grand Rapids	1,348.14
Core & Main	9,107.67
Fastenal	184.58
Flow Measurement and Control	782.00
Frontier Energy	6,734.89
Gallagher	24,375.00
Grainger	1,692.83
Hawkins	8,284.72
L & M	127.96
Macqueen	3,443.48
McMaster-Carr	45.15
North Central Laboratories	167.51
Polydyne	70,438.53
RMB Environmental Lab	253.74
Rob's Bobcat	17,090.00
Sandstroms	579.60
Stuart Irby	10,430.00
TNT Construction	1,620.00
Viking Electric	996.06
Total	<hr/> 163,508.85



## **GRAND RAPIDS PUBLIC UTILITIES COMMISSION AGENDA ITEM**

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**AGENDA DATE:** October 25, 2023

**AGENDA ITEM:** Consider approving Resolution No. 10-25-23-15 Ratifying the Issuance and Sale of \$4,575,000 City of Grand Rapids, Minnesota (Public Utilities Commission) General Obligation Utility Revenue Bonds, Series 2023B

**PREPARED BY:** Jean Lane, Business Services Manager

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**BACKGROUND:**

GRPU finance team in conjunction with the City of Grand Rapids finance team worked with financial advisors Ehlers, Inc. to issue debt on behalf of the City and Public Utilities for the Sylvan Bay and Grand Rapids Industrial Park projects. This joint bond sale is set for Monday, October 23 in which the City Council will award the sale at the City Council meeting for both the City A bonds and the GRPU B bonds.

This resolution is necessary to ratify the sale of GRPU bonds which the City performed for the GRPU and pledging GRPU utility revenues to pay for the principal and interest on the GRPU B bonds.

**RECOMMENDATION:**

Approve Resolution No. 10-25-23-15 Ratifying the Issuance and Sale of \$4,575,000 City of Grand Rapids, Minnesota (Public Utilities Commission) General Obligation Utility Revenue Bonds, Series 2023B

**GRAND RAPIDS PUBLIC UTILITIES COMMISSION**

**RESOLUTION NO. 10-25-23-15**

**RATIFYING THE ISSUANCE AND SALE OF \$4,575,000  
CITY OF GRAND RAPIDS, MINNESOTA (PUBLIC  
UTILITIES COMMISSION)  
GENERAL OBLIGATION UTILITY REVENUE BONDS, SERIES 2023B**

WHEREAS, on October 23, 2023 the City of Grand Rapids, Minnesota (the "City") considered its Resolution No.23-84 (the "City Resolution"), awarding the sale of its City of Grand Rapids, Minnesota (Public Utilities Commission) General Obligation Utility Revenue Bonds, Series 2023B (the "Bonds"); and

WHEREAS, the City Resolution pledges certain Net Revenues (as defined therein) of the Grand Rapids Public Utilities Commission (the "Commission") to payment of the Bonds, and sets forth certain covenants and agreements of the Commission with respect to the Bonds and the water and wastewater systems; and

WHEREAS, the Commission desires to approve the sale of the Bonds and to ratify, accept and assume the covenants and obligations of the Commission described in the City Resolution;

NOW, THEREFORE, BE IT RESOLVED by the Grand Rapids Public Utilities Commission, as follows:

1. The Commission hereby ratifies and approves the issuance of the Bonds and the pledge thereto of Net Revenues.
2. The Commission hereby ratifies, accepts and assumes all covenants and obligations ascribed to it under the City Resolution, as if fully set forth herein, and agrees, for the benefit of the City and the Bondholders, to comply therewith.

Adopted this 25th day of October, 2023.

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Tom Stanley, President  
Grand Rapids Public Utilities Commission

Attest:

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Luke Francisco, Secretary  
Grand Rapids Public Utilities Commission

## **CERTIFICATION**

I, Julie Kennedy, the General Manager of the Public Utilities Commission of Grand Rapids, Minnesota, do hereby certify that the attached copy of Resolution No. 10-25-23-15 adopted on October 25, 2023, is a true and correct copy of the original.

By: \_\_\_\_\_  
Its: General Manager

October 23, 2023

SALE DAY REPORT FOR:

## City of Grand Rapids, Minnesota

**\$4,575,000 General Obligation Utility Revenue Bonds,  
Series 2023B**



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**Prepared by:**

Ehlers  
3060 Centre Pointe Drive  
Roseville, MN 55113

Rebecca Kurtz,  
Senior Municipal Advisor

Dan Tienter,  
Municipal Advisor

Todd Hagen,  
Senior Municipal Advisor

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**BUILDING COMMUNITIES. IT'S WHAT WE DO.**

## Competitive Sale Results

<b>PURPOSE:</b>	For the purpose of financing the construction of water and wastewater improvements for the Sylvan Bay project and the industrial park area in the City.
<b>RATING:</b>	<b>MN Credit Enhancement Rating:</b> S&P Global Ratings "AAA" <b>Underlying Rating:</b> S&P Global Ratings "AA-"
<b>NUMBER OF BIDS:</b>	6
<b>LOW BIDDER:</b>	Baird, Milwaukee, Wisconsin

### COMPARISON FROM LOWEST TO HIGHEST BID: (TIC as bid)

<b>LOW BID:*</b>	4.2121%
<b>HIGH BID:</b>	4.4582%

Summary of Sale Results:	
Principal Amount*:	\$4,575,000
Underwriter's Discount:	\$56,544
Reoffering Premium:	\$152,736
True Interest Cost:	4.2134%
Costs of Issuance:	\$54,920
Yield:	3.80%-4.35%
Total Net P&I	\$6,454,869

<b>NOTES:</b>	U.S. Bank Trust Company, National Association, St. Paul, Minnesota will serve as Paying Agent on the Bonds.  The Bonds maturing February 1, 2034, and thereafter are callable February 1, 2033, or any date thereafter.  *Subsequent to bid opening, the issue size was decreased to \$4,575,000.00.
<b>CLOSING DATE:</b>	November 9, 2023
<b>CITY COUNCIL ACTION:</b>	Adopt a resolution awarding the sale of \$4,575,000 General Obligation Utility Revenue Bonds, Series 2023B.

### SUPPLEMENTARY ATTACHMENTS

- Bid Tabulation
- Sources and Uses of Funds
- Updated Debt Service Schedules
- Rating Report
- Bond Resolution (Distributed in City Council Packets)



## BID TABULATION

**\$4,755,000\* General Obligation Utility Revenue Bonds, Series 2023B**

**City of Grand Rapids, Minnesota**

**SALE:** October 23, 2023

**AWARD:** BAIRD

**MN Credit Enhancement Rating:** S&P Global Ratings "AAA"

**Underlying Rating:** S&P Global Ratings "AA-"

Tax Exempt - Bank Qualified

NAME OF BIDDER	MATURITY (February 1)	REOFFERING YIELD	COUPON RATE	PRICE	TRUE INTEREST RATE
BAIRD				\$4,857,507.15	4.2121%
Milwaukee, Wisconsin	2025	3.950%	5.000%		
C.L. King & Associates	2026	3.900%	5.000%		
Colliers Securities LLC	2027	3.850%	5.000%		
Edward Jones	2028	3.800%	5.000%		
Fidelity Capital Markets.	2029	3.800%	5.000%		
Crews & Associates, Inc.	2030	3.800%	5.000%		
Country Club Bank	2031	3.820%	5.000%		
Oppenheimer & Co.	2032	3.840%	5.000%		
Sierra Pacific Securities	2033	3.850%	5.000%		
Alliance Global Partners	2034	3.880%	5.000%		
Celadon Financial Group, LLC	2035	4.050%	4.000%		
Isaak Bond Investments, Inc	2036	4.100%	4.000%		
Carty & Company, Inc	2037	4.150%	4.125%		
UMB Bank, N.A.	2038	4.250%	4.250%		
Wintrust Investment, LLC	2039	4.350%	4.250%		
FMS Bonds Inc					
Midland Securities					
First Southern LLC					
Dinosaur Securities					
First Bankers' Banc Securities, Inc					
Mountainside Securities LLC					
StoneX Financial Inc.					
Commerce Bank, N.A.					
Seaport Global Securities LLC					

\* Subsequent to bid opening the issue size was decreased to \$4,575,000.

Adjusted Price - \$4,671,191.95      Adjusted Net Interest Cost - \$1,783,677.40      Adjusted TIC - 4.2134%

NAME OF BIDDER	MATURITY (February 1)	PRICE	TRUE INTERES RATE	Item 2.
THE BAKER GROUP Oklahoma City, Oklahoma		\$4,813,512.05	4.2636%	
PIPER SANDLER & CO. Minneapolis, Minnesota		\$4,875,488.50	4.2780%	
NORTHLAND SECURITIES, INC. Minneapolis, Minnesota		\$4,879,487.30	4.2951%	
TD SECURITIES (USA) LLC New York, New York		\$4,970,184.70	4.3575%	
BOK FINANCIAL SECURITIES, INC. Milwaukee, Wisconsin		\$4,794,297.20	4.4582%	

# City of Grand Rapids, Minnesota

\$4,575,000 General Obligation Utility Revenue Bonds, Series 2023B  
Issue Summary

## Total Issue Sources And Uses

Dated 11/09/2023 | Delivered 11/09/2023

	Sanitary Sewer - Sylvan Bay	Water - Sylvan Bay	Sanitary Sewer - Ainsworth	Water - Ainsworth	Issue Summary
<b>Sources Of Funds</b>					
Par Amount of Bonds	\$1,230,000.00	\$1,520,000.00	\$950,000.00	\$875,000.00	\$4,575,000.00
Reoffering Premium	40,889.25	50,456.00	31,855.25	29,535.75	152,736.25
<b>Total Sources</b>	<b>\$1,270,889.25</b>	<b>\$1,570,456.00</b>	<b>\$981,855.25</b>	<b>\$904,535.75</b>	<b>\$4,727,736.25</b>
<b>Uses Of Funds</b>					
Total Underwriter's Discount (1.236%)	15,202.08	18,786.30	11,741.44	10,814.48	56,544.30
Costs of Issuance	13,587.22	19,409.70	12,319.81	9,603.27	54,920.00
Deposit to Project Construction Fund	1,242,099.95	1,532,260.00	957,794.00	884,118.00	4,616,271.95
<b>Total Uses</b>	<b>\$1,270,889.25</b>	<b>\$1,570,456.00</b>	<b>\$981,855.25</b>	<b>\$904,535.75</b>	<b>\$4,727,736.25</b>

# City of Grand Rapids, Minnesota

## \$4,575,000 General Obligation Utility Revenue Bonds, Series 2023B

### Issue Summary

### Debt Service Schedule

Date	Principal	Coupon	Interest	Total P+I	Fiscal Total
11/09/2023	-	-	-	-	-
08/01/2024	-	-	154,425.35	154,425.35	-
02/01/2025	165,000.00	5.000%	106,093.76	271,093.76	425,519.11
08/01/2025	-	-	101,968.76	101,968.76	-
02/01/2026	225,000.00	5.000%	101,968.76	326,968.76	428,937.52
08/01/2026	-	-	96,343.76	96,343.76	-
02/01/2027	240,000.00	5.000%	96,343.76	336,343.76	432,687.52
08/01/2027	-	-	90,343.76	90,343.76	-
02/01/2028	250,000.00	5.000%	90,343.76	340,343.76	430,687.52
08/01/2028	-	-	84,093.76	84,093.76	-
02/01/2029	265,000.00	5.000%	84,093.76	349,093.76	433,187.52
08/01/2029	-	-	77,468.76	77,468.76	-
02/01/2030	280,000.00	5.000%	77,468.76	357,468.76	434,937.52
08/01/2030	-	-	70,468.76	70,468.76	-
02/01/2031	290,000.00	5.000%	70,468.76	360,468.76	430,937.52
08/01/2031	-	-	63,218.76	63,218.76	-
02/01/2032	305,000.00	5.000%	63,218.76	368,218.76	431,437.52
08/01/2032	-	-	55,593.76	55,593.76	-
02/01/2033	315,000.00	5.000%	55,593.76	370,593.76	426,187.52
08/01/2033	-	-	47,718.76	47,718.76	-
02/01/2034	335,000.00	5.000%	47,718.76	382,718.76	430,437.52
08/01/2034	-	-	39,343.76	39,343.76	-
02/01/2035	355,000.00	4.000%	39,343.76	394,343.76	433,687.52
08/01/2035	-	-	32,243.76	32,243.76	-
02/01/2036	365,000.00	4.000%	32,243.76	397,243.76	429,487.52
08/01/2036	-	-	24,943.76	24,943.76	-
02/01/2037	380,000.00	4.125%	24,943.76	404,943.76	429,887.52
08/01/2037	-	-	17,106.25	17,106.25	-
02/01/2038	390,000.00	4.250%	17,106.25	407,106.25	424,212.50
08/01/2038	-	-	8,818.75	8,818.75	-
02/01/2039	415,000.00	4.250%	8,818.75	423,818.75	432,637.50
<b>Total</b>	<b>\$4,575,000.00</b>	<b>-</b>	<b>\$1,879,869.35</b>	<b>\$6,454,869.35</b>	<b>-</b>

### Yield Statistics

Bond Year Dollars	\$41,947.08
Average Life	9.169 Years
Average Coupon	4.4815258%
Net Interest Cost (NIC)	4.2522084%
True Interest Cost (TIC)	4.2134860%
Bond Yield for Arbitrage Purposes	4.0407668%
All Inclusive Cost (AIC)	4.3778795%

### IRS Form 8038

Net Interest Cost	4.0168934%
Weighted Average Maturity	9.095 Years

# City of Grand Rapids, Minnesota

## \$4,575,000 General Obligation Utility Revenue Bonds, Series 2023B

### Issue Summary

### Net Debt Service Schedule

Date	Principal	Coupon	Interest	Total P+I	Net New D/S	Fiscal Total
11/09/2023	-	-	-	-	-	-
08/01/2024	-	-	154,425.35	154,425.35	154,425.35	-
02/01/2025	165,000.00	5.000%	106,093.76	271,093.76	271,093.76	425,519.11
08/01/2025	-	-	101,968.76	101,968.76	101,968.76	-
02/01/2026	225,000.00	5.000%	101,968.76	326,968.76	326,968.76	428,937.52
08/01/2026	-	-	96,343.76	96,343.76	96,343.76	-
02/01/2027	240,000.00	5.000%	96,343.76	336,343.76	336,343.76	432,687.52
08/01/2027	-	-	90,343.76	90,343.76	90,343.76	-
02/01/2028	250,000.00	5.000%	90,343.76	340,343.76	340,343.76	430,687.52
08/01/2028	-	-	84,093.76	84,093.76	84,093.76	-
02/01/2029	265,000.00	5.000%	84,093.76	349,093.76	349,093.76	433,187.52
08/01/2029	-	-	77,468.76	77,468.76	77,468.76	-
02/01/2030	280,000.00	5.000%	77,468.76	357,468.76	357,468.76	434,937.52
08/01/2030	-	-	70,468.76	70,468.76	70,468.76	-
02/01/2031	290,000.00	5.000%	70,468.76	360,468.76	360,468.76	430,937.52
08/01/2031	-	-	63,218.76	63,218.76	63,218.76	-
02/01/2032	305,000.00	5.000%	63,218.76	368,218.76	368,218.76	431,437.52
08/01/2032	-	-	55,593.76	55,593.76	55,593.76	-
02/01/2033	315,000.00	5.000%	55,593.76	370,593.76	370,593.76	426,187.52
08/01/2033	-	-	47,718.76	47,718.76	47,718.76	-
02/01/2034	335,000.00	5.000%	47,718.76	382,718.76	382,718.76	430,437.52
08/01/2034	-	-	39,343.76	39,343.76	39,343.76	-
02/01/2035	355,000.00	4.000%	39,343.76	394,343.76	394,343.76	433,687.52
08/01/2035	-	-	32,243.76	32,243.76	32,243.76	-
02/01/2036	365,000.00	4.000%	32,243.76	397,243.76	397,243.76	429,487.52
08/01/2036	-	-	24,943.76	24,943.76	24,943.76	-
02/01/2037	380,000.00	4.125%	24,943.76	404,943.76	404,943.76	429,887.52
08/01/2037	-	-	17,106.25	17,106.25	17,106.25	-
02/01/2038	390,000.00	4.250%	17,106.25	407,106.25	407,106.25	424,212.50
08/01/2038	-	-	8,818.75	8,818.75	8,818.75	-
02/01/2039	415,000.00	4.250%	8,818.75	423,818.75	423,818.75	432,637.50
<b>Total</b>	<b>\$4,575,000.00</b>	<b>-</b>	<b>\$1,879,869.35</b>	<b>\$6,454,869.35</b>	<b>\$6,454,869.35</b>	<b>-</b>

### Significant Dates

Dated	11/09/2023
First available call date	2/01/2033

# City of Grand Rapids, Minnesota

\$1,230,000 General Obligation Utility Revenue Bonds, Series 2023B

Sanitary Sewer - Sylvan Bay

## Debt Service Schedule

Date	Principal	Coupon	Interest	Total P+I	Fiscal Total
11/09/2023	-	-	-	-	-
08/01/2024	-	-	41,496.98	41,496.98	-
02/01/2025	45,000.00	5.000%	28,509.38	73,509.38	115,006.36
08/01/2025	-	-	27,384.38	27,384.38	-
02/01/2026	60,000.00	5.000%	27,384.38	87,384.38	114,768.76
08/01/2026	-	-	25,884.38	25,884.38	-
02/01/2027	65,000.00	5.000%	25,884.38	90,884.38	116,768.76
08/01/2027	-	-	24,259.38	24,259.38	-
02/01/2028	65,000.00	5.000%	24,259.38	89,259.38	113,518.76
08/01/2028	-	-	22,634.38	22,634.38	-
02/01/2029	70,000.00	5.000%	22,634.38	92,634.38	115,268.76
08/01/2029	-	-	20,884.38	20,884.38	-
02/01/2030	75,000.00	5.000%	20,884.38	95,884.38	116,768.76
08/01/2030	-	-	19,009.38	19,009.38	-
02/01/2031	80,000.00	5.000%	19,009.38	99,009.38	118,018.76
08/01/2031	-	-	17,009.38	17,009.38	-
02/01/2032	80,000.00	5.000%	17,009.38	97,009.38	114,018.76
08/01/2032	-	-	15,009.38	15,009.38	-
02/01/2033	85,000.00	5.000%	15,009.38	100,009.38	115,018.76
08/01/2033	-	-	12,884.38	12,884.38	-
02/01/2034	90,000.00	5.000%	12,884.38	102,884.38	115,768.76
08/01/2034	-	-	10,634.38	10,634.38	-
02/01/2035	95,000.00	4.000%	10,634.38	105,634.38	116,268.76
08/01/2035	-	-	8,734.38	8,734.38	-
02/01/2036	100,000.00	4.000%	8,734.38	108,734.38	117,468.76
08/01/2036	-	-	6,734.38	6,734.38	-
02/01/2037	105,000.00	4.125%	6,734.38	111,734.38	118,468.76
08/01/2037	-	-	4,568.75	4,568.75	-
02/01/2038	105,000.00	4.250%	4,568.75	109,568.75	114,137.50
08/01/2038	-	-	2,337.50	2,337.50	-
02/01/2039	110,000.00	4.250%	2,337.50	112,337.50	114,675.00
<b>Total</b>	<b>\$1,230,000.00</b>	<b>-</b>	<b>\$505,943.98</b>	<b>\$1,735,943.98</b>	<b>-</b>

## Yield Statistics

Bond Year Dollars	\$11,295.17
Average Life	9.183 Years
Average Coupon	4.4792963%
Net Interest Cost (NIC)	4.2518789%
True Interest Cost (TIC)	4.2135223%
Bond Yield for Arbitrage Purposes	4.0407668%
All Inclusive Cost (AIC)	4.3645042%

## IRS Form 8038

Net Interest Cost	4.0172621%
Weighted Average Maturity	9.109 Years

# City of Grand Rapids, Minnesota

\$1,520,000 General Obligation Utility Revenue Bonds, Series 2023B

Water - Sylvan Bay

## Debt Service Schedule

Date	Principal	Coupon	Interest	Total P+I	Fiscal Total
11/09/2023	-	-	-	-	-
08/01/2024	-	-	51,294.69	51,294.69	-
02/01/2025	55,000.00	5.000%	35,240.63	90,240.63	141,535.32
08/01/2025	-	-	33,865.63	33,865.63	-
02/01/2026	75,000.00	5.000%	33,865.63	108,865.63	142,731.26
08/01/2026	-	-	31,990.63	31,990.63	-
02/01/2027	80,000.00	5.000%	31,990.63	111,990.63	143,981.26
08/01/2027	-	-	29,990.63	29,990.63	-
02/01/2028	85,000.00	5.000%	29,990.63	114,990.63	144,981.26
08/01/2028	-	-	27,865.63	27,865.63	-
02/01/2029	90,000.00	5.000%	27,865.63	117,865.63	145,731.26
08/01/2029	-	-	25,615.63	25,615.63	-
02/01/2030	90,000.00	5.000%	25,615.63	115,615.63	141,231.26
08/01/2030	-	-	23,365.63	23,365.63	-
02/01/2031	95,000.00	5.000%	23,365.63	118,365.63	141,731.26
08/01/2031	-	-	20,990.63	20,990.63	-
02/01/2032	100,000.00	5.000%	20,990.63	120,990.63	141,981.26
08/01/2032	-	-	18,490.63	18,490.63	-
02/01/2033	105,000.00	5.000%	18,490.63	123,490.63	141,981.26
08/01/2033	-	-	15,865.63	15,865.63	-
02/01/2034	110,000.00	5.000%	15,865.63	125,865.63	141,731.26
08/01/2034	-	-	13,115.63	13,115.63	-
02/01/2035	120,000.00	4.000%	13,115.63	133,115.63	146,231.26
08/01/2035	-	-	10,715.63	10,715.63	-
02/01/2036	120,000.00	4.000%	10,715.63	130,715.63	141,431.26
08/01/2036	-	-	8,315.63	8,315.63	-
02/01/2037	125,000.00	4.125%	8,315.63	133,315.63	141,631.26
08/01/2037	-	-	5,737.50	5,737.50	-
02/01/2038	130,000.00	4.250%	5,737.50	135,737.50	141,475.00
08/01/2038	-	-	2,975.00	2,975.00	-
02/01/2039	140,000.00	4.250%	2,975.00	142,975.00	145,950.00
<b>Total</b>	<b>\$1,520,000.00</b>	<b>-</b>	<b>\$624,335.44</b>	<b>\$2,144,335.44</b>	<b>-</b>

## Yield Statistics

Bond Year Dollars	\$13,936.22
Average Life	9.169 Years
Average Coupon	4.4799475%
Net Interest Cost (NIC)	4.2527001%
True Interest Cost (TIC)	4.2144560%
Bond Yield for Arbitrage Purposes	4.0407668%
All Inclusive Cost (AIC)	4.3894884%

## IRS Form 8038

Net Interest Cost	4.0182087%
Weighted Average Maturity	9.094 Years

# City of Grand Rapids, Minnesota

## \$950,000 General Obligation Utility Revenue Bonds, Series 2023B

Sanitary Sewer - Ainsworth

### Debt Service Schedule

Date	Principal	Coupon	Interest	Total P+I	Fiscal Total
11/09/2023	-	-	-	-	-
08/01/2024	-	-	32,067.71	32,067.71	-
02/01/2025	35,000.00	5.000%	22,031.25	57,031.25	89,098.96
08/01/2025	-	-	21,156.25	21,156.25	-
02/01/2026	45,000.00	5.000%	21,156.25	66,156.25	87,312.50
08/01/2026	-	-	20,031.25	20,031.25	-
02/01/2027	50,000.00	5.000%	20,031.25	70,031.25	90,062.50
08/01/2027	-	-	18,781.25	18,781.25	-
02/01/2028	50,000.00	5.000%	18,781.25	68,781.25	87,562.50
08/01/2028	-	-	17,531.25	17,531.25	-
02/01/2029	55,000.00	5.000%	17,531.25	72,531.25	90,062.50
08/01/2029	-	-	16,156.25	16,156.25	-
02/01/2030	60,000.00	5.000%	16,156.25	76,156.25	92,312.50
08/01/2030	-	-	14,656.25	14,656.25	-
02/01/2031	60,000.00	5.000%	14,656.25	74,656.25	89,312.50
08/01/2031	-	-	13,156.25	13,156.25	-
02/01/2032	65,000.00	5.000%	13,156.25	78,156.25	91,312.50
08/01/2032	-	-	11,531.25	11,531.25	-
02/01/2033	65,000.00	5.000%	11,531.25	76,531.25	88,062.50
08/01/2033	-	-	9,906.25	9,906.25	-
02/01/2034	70,000.00	5.000%	9,906.25	79,906.25	89,812.50
08/01/2034	-	-	8,156.25	8,156.25	-
02/01/2035	75,000.00	4.000%	8,156.25	83,156.25	91,312.50
08/01/2035	-	-	6,656.25	6,656.25	-
02/01/2036	75,000.00	4.000%	6,656.25	81,656.25	88,312.50
08/01/2036	-	-	5,156.25	5,156.25	-
02/01/2037	80,000.00	4.125%	5,156.25	85,156.25	90,312.50
08/01/2037	-	-	3,506.25	3,506.25	-
02/01/2038	80,000.00	4.250%	3,506.25	83,506.25	87,012.50
08/01/2038	-	-	1,806.25	1,806.25	-
02/01/2039	85,000.00	4.250%	1,806.25	86,806.25	88,612.50
<b>Total</b>	<b>\$950,000.00</b>	<b>-</b>	<b>\$390,473.96</b>	<b>\$1,340,473.96</b>	<b>-</b>

### Yield Statistics

Bond Year Dollars	\$8,711.39
Average Life	9.170 Years
Average Coupon	4.4823388%
Net Interest Cost (NIC)	4.2514478%
True Interest Cost (TIC)	4.2123469%
Bond Yield for Arbitrage Purposes	4.0407668%
All Inclusive Cost (AIC)	4.3899705%

### IRS Form 8038

Net Interest Cost	4.0154801%
Weighted Average Maturity	9.096 Years



# City of Grand Rapids, Minnesota

## \$875,000 General Obligation Utility Revenue Bonds, Series 2023B

Water - Ainsworth

### Debt Service Schedule

Date	Principal	Coupon	Interest	Total P+I	Fiscal Total
11/09/2023	-	-	-	-	-
08/01/2024	-	-	29,565.97	29,565.97	-
02/01/2025	30,000.00	5.000%	20,312.50	50,312.50	79,878.47
08/01/2025	-	-	19,562.50	19,562.50	-
02/01/2026	45,000.00	5.000%	19,562.50	64,562.50	84,125.00
08/01/2026	-	-	18,437.50	18,437.50	-
02/01/2027	45,000.00	5.000%	18,437.50	63,437.50	81,875.00
08/01/2027	-	-	17,312.50	17,312.50	-
02/01/2028	50,000.00	5.000%	17,312.50	67,312.50	84,625.00
08/01/2028	-	-	16,062.50	16,062.50	-
02/01/2029	50,000.00	5.000%	16,062.50	66,062.50	82,125.00
08/01/2029	-	-	14,812.50	14,812.50	-
02/01/2030	55,000.00	5.000%	14,812.50	69,812.50	84,625.00
08/01/2030	-	-	13,437.50	13,437.50	-
02/01/2031	55,000.00	5.000%	13,437.50	68,437.50	81,875.00
08/01/2031	-	-	12,062.50	12,062.50	-
02/01/2032	60,000.00	5.000%	12,062.50	72,062.50	84,125.00
08/01/2032	-	-	10,562.50	10,562.50	-
02/01/2033	60,000.00	5.000%	10,562.50	70,562.50	81,125.00
08/01/2033	-	-	9,062.50	9,062.50	-
02/01/2034	65,000.00	5.000%	9,062.50	74,062.50	83,125.00
08/01/2034	-	-	7,437.50	7,437.50	-
02/01/2035	65,000.00	4.000%	7,437.50	72,437.50	79,875.00
08/01/2035	-	-	6,137.50	6,137.50	-
02/01/2036	70,000.00	4.000%	6,137.50	76,137.50	82,275.00
08/01/2036	-	-	4,737.50	4,737.50	-
02/01/2037	70,000.00	4.125%	4,737.50	74,737.50	79,475.00
08/01/2037	-	-	3,293.75	3,293.75	-
02/01/2038	75,000.00	4.250%	3,293.75	78,293.75	81,587.50
08/01/2038	-	-	1,700.00	1,700.00	-
02/01/2039	80,000.00	4.250%	1,700.00	81,700.00	83,400.00
<b>Total</b>	<b>\$875,000.00</b>	<b>-</b>	<b>\$359,115.97</b>	<b>\$1,234,115.97</b>	<b>-</b>

### Yield Statistics

Bond Year Dollars	\$8,004.31
Average Life	9.148 Years
Average Coupon	4.4865350%
Net Interest Cost (NIC)	4.2526450%
True Interest Cost (TIC)	4.2129868%
Bond Yield for Arbitrage Purposes	4.0407668%
All Inclusive Cost (AIC)	4.3634305%

### IRS Form 8038

Net Interest Cost	4.0156226%
Weighted Average Maturity	9.074 Years

# RatingsDirect®

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## Summary:

# Grand Rapids, Minnesota; General Obligation; Non-School State Programs

### Primary Credit Analyst:

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Credit Highlights

Outlook

Related Research

**Summary:****Grand Rapids, Minnesota; General Obligation; Non-School State Programs****Credit Profile**

US\$4.755 mil GO utility rev bnds ser 2023B dtd 10/23/2023 due 02/01/2039

<i>Long Term Rating</i>	AAA/Stable	New
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<i>Underlying Rating for Credit Program</i>	AA-/Stable	New
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US\$2.25 mil GO st recon bnds ser 2023A dtd 10/23/2023 due 02/01/2039

<i>Long Term Rating</i>	AA-/Stable	New
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Grand Rapids taxable GO rfdg bnds ser 2021C due 02/01/2029

<i>Long Term Rating</i>	AA-/Stable	Affirmed
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Grand Rapids GO util rev rfdg bnds ser 2021D dtd 12/09/2021 due 02/01/2033

<i>Long Term Rating</i>	AA-/Stable	Affirmed
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**Credit Highlights**

- S&P Global Ratings assigned its 'AA-' long-term rating to Grand Rapids, Minn.'s anticipated \$2.25 million series 2023A general obligation (GO) street reconstruction bonds.
- At the same time, S&P Global Ratings assigned its 'AAA' long-term rating and 'AA-' underlying rating to the city's anticipated \$4.76 million series 2023B GO utility revenue bonds.
- Finally, S&P Global Ratings affirmed its 'AA-' long-term rating on the city's outstanding GO bonds.
- The outlook is stable.

**Security**

The city's unlimited-tax GO pledge secures the bonds. Certain of the city's outstanding GO bonds that we rate are also secured by other sources, including tax increment and utility revenue. We rate the city's GO bonds to the GO pledge and the city's general creditworthiness because legal provisions for the additional revenue streams are insufficient to rate to, pursuant to our criteria. The series 2023B bonds' 'AAA' rating reflects the additional security provided by the Minnesota Public Facilities Authority Credit Enhancement Program.

The city will use the series 2023A bond proceeds to fund street repairs and the series 2023B bond proceeds to fund water and sewer utility improvements, including the extension of service to an industrial park slated for prospective future development.

**Credit overview**

After holding its operating levy flat for fiscal 2023, the city has proposed an 8.5% levy increase for fiscal 2024. This is both to capitalize on extremely strong recent growth in net tax capacity (up 15.7% for levy year 2023/fiscal 2024) and to help maintain budgetary balance as inflationary pressures drive up expenditures. Management anticipates a fifth

consecutive operating surplus in fiscal 2023, supported by expenditure savings via unfilled positions and by revenues slightly outperforming the budget.

For fiscal 2024, management expects a \$400,000 increase in state aid, along with the levy increase, to drive another small operating surplus. Across all governmental funds, the city has seen deficits in recent years. We note that a new sales tax, with collections beginning April 1, 2023 and restricted to civic center capital improvements, will boost that fund in the near term and likely improve total governmental fund results. Management plans to use the sales tax to pay down the \$10 million GO temporary bonds that financed civic center improvements.

The city's public utilities commission (PUC) adopted significant rate increases effective for fiscal 2023 that are intended to ensure sufficient revenue to cover the series 2023B bond debt service as well as to promote structural balance for the PUC's funds. Our debt metrics net out \$14 million in self-supported GO debt paid by utility revenue.

The city is a frequent bond issuer and will likely continue issuing debt for infrastructure and utility repairs and improvements. In 2024, it plans to refinance its temporary GO bonds and issue \$2.3 million in GO bonds paid by utility revenue. Given these plans, we do not anticipate material change in the city's debt burden.

Key rating factors include the city's:

- Adequate economy, with some concentration in manufacturing, benefiting from recently robust property value growth;
- Adequate budgetary performance, with consistent general fund surpluses somewhat offset by consistent deficits across all governmental funds, largely driven by capital spending;
- Very strong available reserves, including general fund balance committed for budget stabilization and available to support operations, and very strong available liquidity;
- Standard financial management assessment (FMA), a change from good because the city's capital plan is not updated annually, and strong institutional framework. FMA highlights include a formal reserve policy requiring that 50% of the following year's property tax levy be held as unassigned general fund balance and a minimum of 10% of the prior year's revenues be held as committed balance in the general fund to protect against economic downturns. The city maintains multi-year financial and capital plans, but neither are annually updated. Management provides quarterly budget-to-actual reports to the board. The city has an investment policy but not a debt policy;
- Adequate debt burden with rapid amortization and additional borrowing plans that, at this time, will be more than offset by maturity of existing debt; and
- Moderate pension obligations. Given the city's 77% and 71% funded ratios and annual contributions falling below our minimum funding progress metric, we do not expect current fixed-rate contribution practices to materially reduce unfunded liabilities in the near term for the two defined benefit cost-sharing multiple employer plans the city participates in. For more information, see "Pension Spotlight: Minnesota," published Aug. 10, 2023, on RatingsDirect.

### **Environmental, social, and governance**

Although the city is bisected by the Mississippi River, we do not believe it exposed to elevated flood risk. The local terrain results in little property in low-lying flood-prone areas, while the Blandin Dam helps control water volumes flowing through the city. Overall, we consider the city's environmental, social, and governance risks neutral within our

credit ratings analysis.

## Outlook

The stable outlook reflects our expectation that the city will maintain very strong available reserves, supported by its financial policies, that its financial performance will be stable, and that its debt metrics will not materially increase despite regular borrowings, aided by rapid amortization.

### Downside scenario

We could lower the rating if debt metrics are materially weakened by unexpected additional debt or if there is a material drawdown of reserves.

### Upside scenario

While we believe the rating is somewhat limited by the city's adequate economic metrics and standard FMA, we could raise it if those two areas see material improvement and debt metrics remain steady or improve.

### Minnesota Public Facilities Authority Credit Enhancement Program

The long-term rating on the series 2023B bonds reflects our view of the city's eligibility for, and participation in, the Minnesota Public Facilities Authority Credit Enhancement Program for cities and counties, a state standing appropriation program administered by Minnesota Public Facilities Authority to prevent a default on bond issues, as authorized by Minnesota State Statutes, section 446A.086.

Under the program, the state will pay debt service from its general fund if a city fails to meet its debt service obligations for the qualified debt. Payments from the state represent a standing appropriation from Minnesota's general fund. We view this standing appropriation pledge as equivalent to a general fund pledge because it does not require budget adoption or any action of the Minnesota Legislature to make payment. Furthermore, the standing appropriation is not subject to executive unallotment authority. The credit-enhancement program supports projects central to the state's operations and purpose. We see no unusual political, timing, or administrative risk related to debt payment. The rating on obligations that have received program enhancement reflects, and moves in tandem with, the rating on the state of Minnesota. For more on the state's rating, please see our most recent full analysis, published July 24, 2023 on RatingsDirect.

### Grand Rapids, Minnesota--Key credit metrics

	Most recent	Historical information		
		2022	2021	2020
Adequate economy				
Projected per capita EBI % of U.S.	79.3			
Market value per capita (\$)	100,166			
Population		11,299	11,256	11,234
County unemployment rate(%)		4.5		
Market value (\$000)	1,131,775	1,007,739	899,958	849,501
Ten largest taxpayers % of taxable value	17.9			

**Grand Rapids, Minnesota--Key credit metrics (cont.)**

	Most recent	Historical information		
		2022	2021	2020
<b>Adequate budgetary performance</b>				
Operating fund result % of expenditures		0.2	1.6	5.1
Total governmental fund result % of expenditures		(7.8)	(5.5)	(5.5)
<b>Very strong budgetary flexibility</b>				
Available reserves % of operating expenditures		60.8	56.9	56.9
Total available reserves (\$000)		6,182	5,862	5,835
<b>Very strong liquidity</b>				
Total government cash % of governmental fund expenditures		81.8	45.9	51.2
Total government cash % of governmental fund debt service		564.8	322.6	323.5
<b>Adequate management</b>				
Financial Management Assessment	Standard			
<b>Adequate debt &amp; long-term liabilities</b>				
Debt service % of governmental fund expenditures		14.5	14.2	15.8
Net direct debt % of governmental fund revenue	178.3			
Overall net debt % of market value	5.5			
Direct debt 10-year amortization (%)	85.2			
Required pension contribution % of governmental fund expenditures	2.7			
OPEB actual contribution % of governmental fund expenditures	0.0			
<b>Strong institutional framework</b>				
<b>EBI--Effective buying income. OPEB--Other postemployment benefits.</b>				
Data points and ratios may reflect analytical adjustments.				

**Related Research**

Through The ESG Lens 3.0: The Intersection Of ESG Credit Factors And U.S. Public Finance Credit Factors, March 2, 2022

Also add links to 214 and 256

**Ratings Detail (As Of October 19, 2023)**

Grand Rapids GO bnds		
Long Term Rating	AA-/Stable	Affirmed
Grand Rapids GO rfdg bnds		
Long Term Rating	AA-/Stable	Affirmed
Grand Rapids GO street reconstruction bnds ser 2017A dtd 09/07/2017 due 02/01/2033		
Long Term Rating	AA-/Stable	Affirmed

Certain terms used in this report, particularly certain adjectives used to express our view on rating relevant factors, have specific meanings ascribed to them in our criteria, and should therefore be read in conjunction with such criteria. Please see Ratings Criteria at [www.spglobal.com/ratings](http://www.spglobal.com/ratings) for further information. Complete ratings information is available to RatingsDirect subscribers at [www.capitaliq.com](http://www.capitaliq.com). All ratings affected by this rating action can be found on S&P Global Ratings' public website at [www.spglobal.com/ratings](http://www.spglobal.com/ratings).

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