

**ADDENDUM DATED JANUARY 15, 2021
TO PRELIMINARY OFFICIAL STATEMENT DATED JANUARY 14, 2021**

New Issue

CITY OF WEST ST. PAUL, MINNESOTA

\$2,275,000*

GENERAL OBLIGATION SEWER REVENUE BONDS, SERIES 2021A

PROPOSAL OPENING: January 25, 2021, 10:30 A.M.

The par amount of the above referenced Bonds has been decreased from \$2,580,000 to \$2,275,000. Following is the revised Preliminary Official Statement.

PRELIMINARY OFFICIAL STATEMENT DATED JANUARY 14, 2021

In the opinion of Taft Stettinius & Hollister LLP, Bond Counsel, based on present federal and Minnesota laws, regulations, rulings and decisions, at the time of the issuance of the Bonds, the interest on the Bonds is excluded from gross income for federal income tax purposes and is excluded, to the same extent, from both gross income and taxable net income for State of Minnesota income tax purposes (other than Minnesota franchise taxes measured by income and imposed on corporations and financial institutions). Interest on the Bonds is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals or for purposes of the Minnesota alternative minimum tax applicable to individuals, estates or trusts. No opinion will be expressed by Bond Counsel regarding other state or federal tax consequences. See "TAX EXEMPTION" herein.

The City will designate the Bonds as "qualified tax-exempt obligations" for purposes of Section 265(b)(3) of the Internal Revenue Code of 1986, as amended, relating to the ability of financial institutions to deduct from income for federal income tax purposes, interest expense that is allocable to carrying and acquiring tax-exempt obligations.

New Issue

Rating Application Made: S&P Global Ratings

CITY OF WEST ST. PAUL, MINNESOTA (Dakota County)

(Minnesota City Credit Enhancement Program)

\$2,275,000* GENERAL OBLIGATION SEWER REVENUE BONDS, SERIES 2021A

PROPOSAL OPENING: January 25, 2021, 10:30 A.M., C.T. **CONSIDERATION:** January 25, 2021, 6:30 P.M., C.T.

PURPOSE/AUTHORITY/SECURITY: The \$2,275,000* General Obligation Sewer Revenue Bonds, Series 2021A (the "Bonds") are being issued pursuant to Minnesota Statutes, Chapters 444 and 475, by the City of West St. Paul, Minnesota (the "City") for the purpose of financing the construction of various utility system improvements within the City. The Bonds will be general obligations of the City for which its full faith, credit and taxing powers are pledged. Delivery is subject to receipt of an approving legal opinion of Taft Stettinius & Hollister LLP, Minneapolis, Minnesota.

DATE OF BONDS: February 16, 2021

MATURITY: February 1 as follows:

<u>Year</u>	<u>Amount*</u>	<u>Year</u>	<u>Amount*</u>	<u>Year</u>	<u>Amount*</u>
2023	\$140,000	2028	\$145,000	2033	\$155,000
2024	145,000	2029	150,000	2034	160,000
2025	145,000	2030	150,000	2035	160,000
2026	145,000	2031	150,000	2036	165,000
2027	145,000	2032	155,000	2037	165,000

MATURITY ADJUSTMENTS: * The City reserves the right to increase or decrease the principal amount of the Bonds on the day of sale, in increments of \$5,000 each. Increases or decreases may be made in any maturity. If any principal amounts are adjusted, the purchase price proposed will be adjusted to maintain the same gross spread per \$1,000.

TERM BONDS: See "Term Bond Option" herein.

INTEREST: February 1, 2022 and semiannually thereafter.

OPTIONAL REDEMPTION: Bonds maturing on February 1, 2031 and thereafter are subject to call for prior optional redemption on February 1, 2030 and any date thereafter, at a price of par plus accrued interest.

MINIMUM PROPOSAL: \$2,247,700.

GOOD FAITH DEPOSIT: A good faith deposit in the amount of \$45,500 shall be made by the winning bidder by wire transfer of funds.

PAYING AGENT: Bond Trust Services Corporation

BOND COUNSEL: Taft Stettinius & Hollister LLP

MUNICIPAL ADVISOR: Ehlers and Associates, Inc.

BOOK-ENTRY-ONLY: See "Book-Entry-Only System" herein (unless otherwise specified by the purchaser).

This Preliminary Official Statement and the information contained herein are subject to completion and amendment. These securities may not be sold nor may offers to buy be accepted prior to the time the Official Statement is delivered in final form. Under no circumstances shall this Preliminary Official Statement constitute an offer to sell or the solicitation of an offer to buy these securities nor shall there be any sale of these securities in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of any such jurisdiction. This Preliminary Official Statement is in a form deemed final as of its date for purposes of SEC Rule 15c2-12(b) (1), but is subject to revision, amendment and completion in a Final Official Statement.



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REPRESENTATIONS

No dealer, broker, salesperson or other person has been authorized by the City to give any information or to make any representation other than those contained in this Preliminary Official Statement and, if given or made, such other information or representations must not be relied upon as having been authorized by the City. *This Preliminary Official Statement does not constitute an offer to sell or a solicitation of an offer to buy any of the Bonds in any jurisdiction to any person to whom it is unlawful to make such an offer or solicitation in such jurisdiction.*

This Preliminary Official Statement is not to be construed as a contract with the Syndicate Manager or Syndicate Members. Statements contained herein which involve estimates or matters of opinion are intended solely as such and are not to be construed as representations of fact. Ehlers and Associates, Inc. prepared this Preliminary Official Statement and any addenda thereto relying on information of the City and other sources for which there is reasonable basis for believing the information is accurate and complete. Bond Counsel has not participated in the preparation of this Preliminary Official Statement and is not expressing any opinion as to the completeness or accuracy of the information contained therein. Compensation of Ehlers and Associates, Inc., payable entirely by the City, is contingent upon the delivery of the Bonds.

COMPLIANCE WITH S.E.C. RULE 15c2-12

Certain municipal obligations (issued in an aggregate amount over \$1,000,000) are subject to Rule 15c2-12 promulgated by the Securities and Exchange Commission pursuant to the Securities Exchange Act of 1934, as amended (the "Rule").

Preliminary Official Statement: This Preliminary Official Statement was prepared for the City for dissemination to potential investors. Its primary purpose is to disclose information regarding the Bonds to prospective underwriters in the interest of receiving competitive proposals in accordance with the sale notice contained herein. Unless an addendum is posted prior to the sale, this Preliminary Official Statement shall be deemed nearly final for purposes of the Rule subject to completion, revision and amendment in a Final Official Statement as defined below.

Review Period: This Preliminary Official Statement has been distributed to prospective bidders for review. Comments or requests for the correction of omissions or inaccuracies must be submitted to Ehlers and Associates, Inc. at least two business days prior to the sale. Requests for additional information or corrections in the Preliminary Official Statement received on or before this date will not be considered a qualification of a proposal received from an underwriter. If there are any changes, corrections or additions to the Preliminary Official Statement, interested bidders will be informed by an addendum prior to the sale.

Final Official Statement: Copies of the Final Official Statement will be delivered to the underwriter (Syndicate Manager) within seven business days following the proposal acceptance.

Continuing Disclosure: Subject to certain exemptions, issues in an aggregate amount over \$1,000,000 may be required to comply with provisions of the Rule which require that underwriters obtain from the issuers of municipal securities (or other obligated party) an agreement for the benefit of the owners of the securities to provide continuing disclosure with respect to those securities. This Preliminary Official Statement describes the conditions under which the City is required to comply with the Rule.

CLOSING CERTIFICATES

Upon delivery of the Bonds, the underwriter (Syndicate Manager) will be furnished with the following items: (1) a certificate of the appropriate officials to the effect that at the time of the sale of the Bonds and all times subsequent thereto up to and including the time of the delivery of the Bonds, this Preliminary Official Statement did not and does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading; (2) a receipt signed by the appropriate officer evidencing payment for the Bonds; (3) a certificate evidencing the due execution of the Bonds, including statements that (a) no litigation of any nature is pending, or to the knowledge of signers, threatened, restraining or enjoining the issuance and delivery of the Bonds, (b) neither the corporate existence or boundaries of the City nor the title of the signers to their respective offices is being contested, and (c) no authority or proceedings for the issuance of the Bonds have been repealed, revoked or rescinded; and (4) a certificate setting forth facts and expectations of the City which indicates that the City does not expect to use the proceeds of the Bonds in a manner that would cause them to be arbitrage bonds within the meaning of Section 148 of the Internal Revenue Code of 1986, as amended, or within the meaning of applicable Treasury Regulations.

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CITY OF WEST ST. PAUL CITY COUNCIL

		<u>Term Expires</u>
Dave Napier	Mayor	January 2025
Wendy Berry	Council Member	January 2023
Julie Eastman	Council Member	January 2025
Lisa Eng-Sarne	Council Member	January 2025
Robyn Gulley	Council Member	January 2025
John Justen	Council Member	January 2023
Dick Vitelli	Council Member	January 2023

ADMINISTRATION

Ryan Schroeder, City Manager
Shirley Buecksler, City Clerk
Charlene Stark, Finance Director

PROFESSIONAL SERVICES

Taft Stettinius & Hollister LLP, Bond Counsel, Minneapolis, Minnesota

Ehlers and Associates, Inc., Municipal Advisors, Roseville, Minnesota
(Other offices located in Waukesha, Wisconsin and Denver, Colorado)

INTRODUCTORY STATEMENT

This Preliminary Official Statement contains certain information regarding the City of West St. Paul, Minnesota (the "City") and the issuance of its \$2,275,000* General Obligation Sewer Revenue Bonds, Series 2021A (the "Bonds"). Any descriptions or summaries of the Bonds, statutes, or documents included herein are not intended to be complete and are qualified in their entirety by reference to such statutes and documents and the form of the Bonds to be included in the resolution authorizing the issuance and sale of the Bonds ("Award Resolution") to be adopted by the City Council on January 25, 2021.

Inquiries may be directed to Ehlers and Associates, Inc. ("Ehlers" or the "Municipal Advisor"), Roseville, Minnesota, (651) 697-8500, the City's municipal advisor. A copy of this Preliminary Official Statement may be downloaded from Ehlers' web site at www.ehlers-inc.com by connecting to the Bond Sales link and following the directions at the top of the site.

THE BONDS

GENERAL

The Bonds will be issued in fully registered form as to both principal and interest in denominations of \$5,000 each or any integral multiple thereof, and will be dated, as originally issued, as of February 16, 2021. The Bonds will mature on February 1 in the years and amounts set forth on the cover of this Preliminary Official Statement. Interest will be payable on February 1 and August 1 of each year, commencing February 1, 2022, to the registered owners of the Bonds appearing of record in the bond register as of the close of business on the 15th day (whether or not a business day) of the immediately preceding month. Interest will be computed upon the basis of a 360-day year of twelve 30-day months and will be rounded pursuant to rules of the Municipal Securities Rulemaking Board ("MSRB"). **The rate for any maturity may not be more than 1.00% less than the rate for any preceding maturity. (For example, if a rate of 4.50% is proposed for the 2023 maturity, then the lowest rate that may be proposed for any later maturity is 3.50%.)** All Bonds of the same maturity must bear interest from the date of issue until paid at a single, uniform rate. Each rate must be expressed in an integral multiple of 5/100 or 1/8 of 1%.

Unless otherwise specified by the purchaser, the Bonds will be registered in the name of Cede & Co., as nominee for The Depository Trust Company, New York, New York ("DTC"). (See "Book-Entry-Only System" herein.) As long as the Bonds are held under the book-entry system, beneficial ownership interests in the Bonds may be acquired in book-entry form only, and all payments of principal of, premium, if any, and interest on the Bonds shall be made through the facilities of DTC and its participants. If the book-entry system is terminated, principal of, premium, if any, and interest on the Bonds shall be payable as provided in the Award Resolution.

The City has selected Bond Trust Services Corporation, Roseville, Minnesota, to act as paying agent (the "Paying Agent"). Bond Trust Services Corporation and Ehlers are affiliate companies. The City will pay the charges for Paying Agent services. The City reserves the right to remove the Paying Agent and to appoint a successor.

*Preliminary, subject to change.

OPTIONAL REDEMPTION

At the option of the City, the Bonds maturing on or after February 1, 2031 shall be subject to optional redemption prior to maturity on February 1, 2030 or any date thereafter, at a price of par plus accrued interest.

Redemption may be in whole or in part of the Bonds subject to prepayment. If redemption is in part, the selection of the amounts and maturities of the Bonds to be redeemed shall be at the discretion of the City. If only part of the Bonds having a common maturity date are called for redemption, then the City or Paying Agent, if any, will notify DTC of the particular amount of such maturity to be redeemed. DTC will determine by lot the amount of each participant's interest in such maturity to be redeemed and each participant will then select by lot the beneficial ownership interest in such maturity to be redeemed.

Notice of redemption shall be sent by mail not more than 60 days and not less than 30 days prior to the date fixed for redemption to the registered owner of each Bond to be redeemed at the address shown on the registration books.

AUTHORITY; PURPOSE

The Bonds are being issued pursuant to Minnesota Statutes, Chapters 444 and 475, by the City for the purpose of financing the costs of construction, improvement or rehabilitation of two lift stations and a force main in the City.

ESTIMATED SOURCES AND USES*

Sources

Par Amount of Bonds	\$2,275,000	
MMB/PFA Grant	<u>2,200,000</u>	
Total Sources		\$4,475,000

Uses

Total Underwriter's Discount (1.200%)	\$27,300	
Costs of Issuance	45,000	
Deposit to Project Construction Fund	4,400,000	
Rounding Amount	<u>2,700</u>	
Total Uses		\$4,475,000

*Preliminary, subject to change.

SECURITY

The Bonds are general obligations of the City for which its full faith, credit and taxing powers are pledged without limitation as to rate or amount. Principal and interest on the Bonds will be paid entirely from net revenues of the sanitary sewer system ("sewer revenues") which are owned and operated by the City. Should the sewer revenues pledged for payment of the Bonds be insufficient to pay the principal and interest as the same shall become due, the City is required to pay maturing principal and interest from moneys on hand in any other fund of the City not pledged for another purpose and/or to levy a tax for this purpose upon all the taxable property in the City, without limitation as to rate or amount.

RATING

The City will be participating in the State of Minnesota Credit Enhancement Program ("MNCEP") for this issue and is requesting a rating from S&P Global Ratings ("S&P"). S&P has a policy which assigns a rating of "AAA" to issuers participating in the MNCEP. The "AAA" rating is based on the State of Minnesota's current "AAA" rating from S&P. See "STATE OF MINNESOTA CREDIT ENHANCEMENT PROGRAM" for further details.

The City currently has a "AA" underlying rating from S&P and will be requesting an underlying rating on this issue. Such rating reflects only the views of such organization and explanations of the significance of such rating may be obtained from the rating agency furnishing the same. Generally, a rating agency bases its rating on the information and materials furnished to it and on investigations, studies and assumptions of its own. There is no assurance that such rating will continue for any given period of time or that it will not be revised downward or withdrawn entirely by such rating agency, if in the judgement of such rating agency circumstances so warrant. Any such downward revision or withdrawal of such rating may have an adverse effect on the market price of the Bonds.

Such rating is not to be construed as a recommendation of the rating agency to buy, sell or hold the Bonds, and the rating assigned by the rating agency should be evaluated independently. Except as may be required by the Disclosure Undertaking described under the heading "CONTINUING DISCLOSURE" neither the City nor the underwriter undertake responsibility to bring to the attention of the owner of the Bonds any proposed changes in or withdrawal of such rating or to oppose any such revision or withdrawal.

STATE OF MINNESOTA CREDIT ENHANCEMENT PROGRAM

By resolution adopted for this issue on December 14, 2020 (the "Resolution"), the City has covenanted and obligated itself to be bound by the provisions of Minnesota Statutes, Section 446A.086 (the "Act"), which provides for payment by the State of Minnesota in the event of a potential default of certain obligations. The City has entered into a Credit Enhancement Program Agreement (the "Agreement") with the Minnesota Public Facilities Authority (the "Authority"), which is acting on behalf of the State of Minnesota. The provisions of the Agreement shall be binding on the City as long as any obligations of the issue remain outstanding.

The City covenants in the Agreement to deposit with the paying agent for the issue three business days prior to the date on which a payment is due an amount sufficient to make that payment. Under the Agreement, if the City believes it may be unable to make a principal or interest payment for this issue on the due date, it must notify the Authority not less than 15 business days prior to the date a payment is due on the Bonds if the City will be unable to make all or a portion of the payment. The City's agreement with the Paying Agent for the Bonds requires the Paying Agent to immediately inform the Minnesota Commissioner of Management and Budget, with a copy to the Authority, if the Paying Agent becomes aware of a default or potential default in the payment of principal or interest on the Bonds, or if, on the day two business days before the date a payment is due on the Bonds, there are insufficient funds on deposit with the Paying Agent to make the payment.

If the City is unable to make any portion of the payment on the Bonds on or before the date due, the State of Minnesota, acting through the Authority, shall make such payment in its place pursuant to the Act, providing that funds are available in the State General Fund. The obligation to make a payment under the Act is not a general obligation of the State of Minnesota. The Act does not obligate the Minnesota legislature to provide for the availability of funds in the General Fund for this purpose.

CONTINUING DISCLOSURE

In order to assist brokers, dealers, and municipal securities dealers, in connection with their participation in the offering of the Bonds, to comply with Rule 15c2-12 promulgated by the Securities and Exchange Commission, pursuant to the Securities and Exchange Act of 1934, as amended (the "Rule"), the City shall agree to provide certain information to the Municipal Securities Rulemaking Board ("MSRB ") through its Electronic Municipal Market Access ("EMMA ") system, or any system that may be prescribed in the future. The Rule was last amended, effective February 27, 2019, to include an expanded list of material events.

On the date of issue and delivery, the City shall execute and deliver a Continuing Disclosure Certificate, under which the City will covenant for the benefit of holders including beneficial holders, to provide electronically, or in a manner otherwise prescribed, certain financial information annually and to provide notices of the occurrence of certain events enumerated in the Rule (the "Disclosure Undertaking"). The details and terms of the Disclosure Undertaking for the City are set forth in Appendix D. Such Disclosure Undertaking will be in substantially the form attached hereto.

A failure by the City to comply with any Disclosure Undertaking will not constitute an event of default on the Bonds. However, such a failure may adversely affect the transferability and liquidity of the Bonds and their market price.

Prior continuing disclosure undertakings entered into by the City included language stating that an Annual Report including the City's audited financial statements and operating data would be filed "as soon as available." Although the City did not always comply with this requirement, the Annual Reports were timely filed within the required timeframe as provided for in each undertaking. Except to the extent that the preceding is deemed to be material, the City believes it has not failed to comply in the previous five years in all material respects with its prior undertakings under the Rule. The City has reviewed its continuing disclosure responsibilities along with any changes to the Rule, to ensure compliance. Ehlers is currently engaged as dissemination agent for the City.

LEGAL OPINION

An opinion as to the validity of the Bonds and the exemption from taxation of the interest thereon will be furnished by Taft Stettinius & Hollister LLP, Minneapolis, Minnesota, Bond Counsel to the City, and will be available at the time of delivery of the Bonds. The legal opinion will state that the Bonds are valid and binding general obligations of the City; provided that the rights of the owners of the Bonds and the enforceability of the Bonds may be limited by bankruptcy, insolvency, reorganization, moratorium, and other similar laws affecting creditors' rights and by equitable principles (which may be applied in either a legal or equitable proceeding). See "FORM OF LEGAL OPINION" found in Appendix B.

TAX EXEMPTION

On the date of issuance of the Bonds, Taft Stettinius & Hollister LLP, Bond Counsel, will render an opinion, that, based on present federal and Minnesota laws, regulations, rulings and decisions, at the time of the issuance of the Bonds, the interest on the Bonds is excluded from gross income for federal income tax purposes and is excluded, to the same extent, from both gross income and taxable net income for State of Minnesota income tax purposes (other than Minnesota franchise taxes measured by income and imposed on corporations and financial institutions). Interest on the Bonds is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals or for purposes of the Minnesota alternative minimum tax applicable to individuals, estates or trusts. The opinions are subject to the condition that the City complies with all applicable federal tax requirements. Failure to comply with certain of such requirements may cause interest on the Bonds to be included in gross income and taxable net income, retroactive to their date of issuance. No opinion will be expressed by Bond Counsel regarding other state or federal tax consequences.

Other Federal and State Tax Considerations

Other Tax Considerations

Though excluded from gross income, interest on the Bonds is subject to federal income taxation for certain types of taxpayers and certain income taxes, including without implied limitation, taxation to the extent it is included as part of (a) the adjusted current earnings of a corporation for purposes of the alternative minimum tax, (b) effectively connected earnings and profits of a foreign corporation for purposes of the branch profits tax on dividend equivalent amounts, (c) excess net passive income of an S Corporation which has Subchapter C earnings and profits, or (d) minimum effectively connected net investment income of a foreign insurance company. Interest on the Bonds is also taken into account in other ways for federal income tax purposes, including without implied limitation, (a) reducing loss reserve deductions of property and casualty insurance companies, (b) reducing interest expense deductions of financial institutions, and (c) causing certain taxpayers to include in gross income a portion of social security benefits and railroad retirement benefits. Ownership of the Bonds may result in other collateral federal income tax consequences to certain taxpayers. Bond Counsel expresses no opinion as to any of such consequences, and prospective purchasers who may be subject to such collateral consequences should consult their tax advisers.

Original Issue Discount

Some of the Bonds ("the OID Bonds) may be sold at initial public offering prices which are less than the principal amounts payable at maturity. For each maturity of OID Bonds, original issue discount is the excess of the stated redemption price at maturity of such Bonds over the initial offering price to the public, excluding underwriters and other intermediaries, at which price a substantial amount of such Bonds are sold. The appropriate portion of such original issue discount allocable to the original and each subsequent holder will be treated as interest and excluded from gross income for federal income tax purposes and will increase a holders' tax basis in such Bonds for purposes of determining gain or loss upon sale, exchange, redemption, or payment at maturity. Owners of such Bonds should consult their own tax advisors with respect to the computation and determination of the portion of original issue discount which will be treated as interest and added to a holder's tax basis during the period such Bonds are held.

Original Issue Premium

Some of the Bonds may be sold at initial public offering prices which are greater than the principal amounts payable at maturity. Bondholders who acquire Bonds at a premium should consult their tax advisors concerning the calculation of bond premium and the timing and rate of premium amortization, as well as the federal, state and local tax consequences of owning and selling Bonds acquired at a premium.

Proposed Changes in Federal and State Tax Law

From time to time, there are Presidential proposals, proposals of various federal committees, and legislative proposals in the Congress and in the states that, if enacted, could alter or amend the federal and state tax matters referred to herein or adversely affect the marketability or market value of the Bonds or otherwise prevent holders of the Bonds from realizing the full benefit of the tax exemption of interest on the Bonds. Further, such proposals may impact the marketability or market value of the Bonds simply by being proposed. No prediction is made whether such provisions will be enacted as proposed or concerning other future legislation affecting the tax treatment of interest on the Bonds. In addition, regulatory actions are from time to time announced or proposed and litigation is threatened or commenced which, if implemented or concluded in a particular manner, could adversely affect the market value, marketability or tax status of the Bonds. It cannot be predicted whether any such regulatory action will be implemented, how any particular litigation or judicial action will be resolved, or whether the Bonds would be impacted thereby.

The above is not a comprehensive list of all federal tax consequences that may arise from the receipt of interest on the Bonds. The receipt of interest on the Bonds may otherwise affect the federal or State of Minnesota income tax liability of the recipient based on the particular taxes to which the recipient is subject and the particular tax status of other items or deductions. Bond Counsel expresses no opinion regarding any such consequences. All prospective purchasers of the Bonds are advised to consult their own tax advisors as to the tax consequences of, or tax considerations for, purchasing or holding the Bonds.

QUALIFIED TAX-EXEMPT OBLIGATIONS

The City will designate the Bonds as "qualified tax-exempt obligations" for purposes of Section 265(b)(3) of the Code relating to the ability of financial institutions to deduct from income for federal income tax purposes, interest expense that is allocable to carrying and acquiring tax-exempt obligations.

MUNICIPAL ADVISOR

Ehlers has served as municipal advisor to the City in connection with the issuance of the Bonds. The Municipal Advisor cannot participate in the underwriting of the Bonds. The financial information included in this Preliminary Official Statement has been compiled by the Municipal Advisor. Such information does not purport to be a review, audit or certified forecast of future events and may not conform with accounting principles applicable to compilations of financial information. Ehlers is not a firm of certified public accountants. Ehlers is registered with the Securities and Exchange Commission and the MSRB as a municipal advisor. Ehlers makes no representation, warranty or guarantee regarding the accuracy or completeness of the information in this Preliminary Official Statement, and its assistance in preparing this Preliminary Official Statement should not be construed as a representation that it has independently verified such information.

MUNICIPAL ADVISOR AFFILIATED COMPANIES

Bond Trust Services Corporation ("BTSC") and Ehlers Investment Partners, LLC ("EIP") are affiliate companies of Ehlers. BTSC is chartered by the State of Minnesota and authorized in Minnesota, Wisconsin, Colorado, and Illinois to transact the business of a limited purpose trust company. BTSC provides paying agent services to debt issuers. EIP is a Registered Investment Advisor with the Securities and Exchange Commission. EIP assists issuers with the investment of bond proceeds or investing other issuer funds. This includes escrow bidding agent services. Issuers, such as the City, have retained or may retain BTSC and/or EIP to provide these services. If hired, BTSC and/or EIP would be retained by the City under an agreement separate from Ehlers.

INDEPENDENT AUDITORS

The basic financial statements of the City for the fiscal year ended December 31, 2019 have been audited by Abdo, Eick & Meyers, LLP, Minneapolis, Minnesota, independent auditors (the "Auditor"). The report of the Auditor, together with the basic financial statements, component units financial statements, and notes to the financial statements are attached hereto as "APPENDIX A – FINANCIAL STATEMENTS". The Auditor has not been engaged to perform and has not performed, since the date of its report included herein, any procedures on the financial statements addressed in that report. The Auditor also has not performed any procedures relating to this Preliminary Official Statement.

RISK FACTORS

Following is a description of possible risks to holders of the Bonds without weighting as to probability. This description of risks is not intended to be all-inclusive, and there may be other risks not now perceived or listed here.

Taxes: The Bonds are general obligations of the City, the ultimate payment of which rests in the City's ability to levy and collect sufficient taxes to pay debt service should other revenue (sewer revenues) be insufficient. In the event of delayed billing, collection or distribution of property taxes, sufficient funds may not be available to the City in time to pay debt service when due.

State Actions: Many elements of local government finance, including the issuance of debt and the levy of property taxes, are controlled by state government. Future actions of the state may affect the overall financial condition of the City, the taxable value of property within the City, and the ability of the City to levy and collect property taxes.

Future Changes in Law: Various State and federal laws, regulations and constitutional provisions apply to the City and to the Bonds. The City can give no assurance that there will not be a change in or interpretation of any such applicable laws, regulations and provisions which would have a material effect on the City or the taxing authority of the City.

Ratings; Interest Rates: In the future, the City's credit rating may be reduced or withdrawn, or interest rates for this type of obligation may rise generally, either possibility resulting in a reduction in the value of the Bonds for resale prior to maturity.

Tax Exemption: If the federal government or the State of Minnesota taxes all or a portion of the interest on municipal obligations, directly or indirectly, or if there is a change in federal or state tax policy, the value of the Bonds may fall for purposes of resale. Noncompliance following the issuance of the Bonds with certain requirements of the Code and covenants of the Award Resolution may result in the inclusion of interest on the Bonds in gross income of the recipient for United States income tax purposes or in taxable net income of individuals, estates or trusts for State of Minnesota income tax purposes. No provision has been made for redemption of the Bonds, or for an increase in the interest rate on the Bonds, in the event that interest on the Bonds becomes subject to federal or State of Minnesota income taxation, retroactive to the date of issuance.

Continuing Disclosure: A failure by the City to comply with the Disclosure Undertaking for continuing disclosure (see "CONTINUING DISCLOSURE") will not constitute an event of default on the Bonds. Any such failure must be reported in accordance with the Rule and must be considered by any broker, dealer, or municipal securities dealer before recommending the purchase or sale of the Bonds in the secondary market. Such a failure may adversely affect the transferability and liquidity of the Bonds and their market price.

State Economy; State Aids: State of Minnesota cash flow problems could affect local governments and possibly increase property taxes.

Book-Entry-Only System: The timely credit of payments for principal and interest on the Bonds to the accounts of the Beneficial Owners of the Bonds may be delayed due to the customary practices, standing instructions or for other unknown reasons by DTC participants or indirect participants. Since the notice of redemption or other notices to holders of these obligations will be delivered by the City to DTC only, there may be a delay or failure by DTC, DTC participants or indirect participants to notify the Beneficial Owners of the Bonds.

Economy: A combination of economic, climatic, political or civil disruptions or terrorist actions outside of the control of the City, including loss of major taxpayers or major employers, could affect the local economy and result in reduced tax collections and/or increased demands upon local government. Real or perceived threats to the financial stability of the City may have an adverse effect on the value of the Bonds in the secondary market.

Secondary Market for the Bonds: No assurance can be given that a secondary market will develop for the purchase and sale of the Bonds or, if a secondary market exists, that such Bonds can be sold for any particular price. The underwriters are not obligated to engage in secondary market trading or to repurchase any of the Bonds at the request of the owners thereof. Prices of the Bonds as traded in the secondary market are subject to adjustment upward and downward in response to changes in the credit markets and other prevailing circumstances. No guarantee exists as to the future market value of the Bonds. Such market value could be substantially different from the original purchase price.

Bankruptcy: The rights and remedies of the holders may be limited by and are subject to the provisions of federal bankruptcy laws, to other laws, or equitable principles that may affect the enforcement of creditors' rights, to the exercise of judicial discretion in appropriate cases and to limitations on legal remedies against local governments. The opinion of Bond Counsel to be delivered with respect to the Bonds will be similarly qualified.

Cybersecurity: The City is dependent on electronic information technology systems to deliver services. These systems may contain sensitive information or support critical operational functions which may have value for unauthorized purposes. As a result, the electronic systems and networks may be targets of cyberattack. There can be no assurance that the City will not experience an information technology breach or attack with financial consequences that could have a material adverse impact.

Impact of the Spread of COVID-19: In late 2019, a novel strain of coronavirus (COVID-19) emerged in Wuhan, Hubei Province, China. COVID-19 has spread throughout the world, including to the United States, resulting in the World Health Organization proclaiming COVID-19 to be a pandemic and President Trump declaring a national emergency. In response to the spread of COVID-19, the United States government, state governments, local governments and private industries have taken measures to limit social interactions in an effort to limit the spread of COVID-19. The effects of the spread of COVID-19 and the government and private responses to the spread continue to rapidly evolve. COVID-19 has caused significant disruptions to the global, national and State economy. The extent to which the coronavirus impacts the City and its financial condition will depend on future developments, which are highly uncertain and cannot be predicted by the City, including the duration of the outbreak and measures taken to address the outbreak.

On March 13, 2020, Minnesota Governor Tim Walz signed Emergency Executive Order 20-01 and declared a peacetime emergency. In subsequent executive orders, the Governor has extended the peacetime emergency by 30 days. On June 5, 2020, the Governor signed Emergency Executive Order 20-74 which outlines guidelines for continuing to safely reopen Minnesota's economy and ensuring safe non-work activities during the COVID-19 peacetime emergency. This order is effective as of June 10, 2020, and outlines the guidelines for continuing to lift the restrictions that were identified in prior executive orders signed by the Governor.

The foregoing is intended only as a summary of certain risk factors attendant to an investment in the Bonds. In order for potential investors to identify risk factors and make an informed investment decision, potential investors should be thoroughly familiar with this entire Preliminary Official Statement and the Appendices hereto.

VALUATIONS

OVERVIEW

All non-exempt property is subject to taxation by local taxing districts. Exempt real property includes Indian lands, public property, and educational, religious and charitable institutions. Most personal property is exempt from taxation (except investor-owned utility mains, generating plants, etc.).

The valuation of property in Minnesota consists of three elements. (1) The estimated market value is set by city or county assessors. Not less than 20% of all real properties are to be appraised by local assessors each year. (2) The taxable market value is the estimated market value adjusted by all legislative exclusions. (3) The tax capacity (taxable) value of property is determined by class rates set by the State Legislature. The tax capacity rate varies according to the classification of the property. Tax capacity represents a percent of taxable market value.

The property tax rate for a local taxing jurisdiction is determined by dividing the total tax capacity or market value of property within the jurisdiction into the dollars to be raised from the levy. State law determines whether a levy is spread on tax capacity or market value. Major classifications and the percentages by which tax capacity is determined are:

Type of Property	2017/18	2018/19	2019/20
Residential homestead ¹	First \$500,000 - 1.00% Over \$500,000 - 1.25%	First \$500,000 - 1.00% Over \$500,000 - 1.25%	First \$500,000 - 1.00% Over \$500,000 - 1.25%
Agricultural homestead ¹	First \$500,000 HGA - 1.00% Over \$500,000 HGA - 1.25% First \$1,940,000 - 0.50% ² Over \$1,940,000 - 1.00% ²	First \$500,000 HGA - 1.00% Over \$500,000 HGA - 1.25% First \$1,900,000 - 0.50% ² Over \$1,900,000 - 1.00% ²	First \$500,000 HGA - 1.00% Over \$500,000 HGA - 1.25% First \$1,880,000 - 0.50% ² Over \$1,880,000 - 1.00% ²
Agricultural non-homestead	Land - 1.00% ²	Land - 1.00% ²	Land - 1.00% ²
Seasonal recreational residential	First \$500,000 - 1.00% ³ Over \$500,000 - 1.25% ³	First \$500,000 - 1.00% ³ Over \$500,000 - 1.25% ³	First \$500,000 - 1.00% ³ Over \$500,000 - 1.25% ³
Residential non-homestead:	1 unit - 1st \$500,000 - 1.00% Over \$500,000 - 1.25% 2-3 units - 1.25% 4 or more - 1.25% Small City ⁴ - 1.25% Affordable Rental: First \$121,000 - .75% Over \$121,000 - .25%	1 unit - 1st \$500,000 - 1.00% Over \$500,000 - 1.25% 2-3 units - 1.25% 4 or more - 1.25% Small City ⁴ - 1.25% Affordable Rental: First \$139,000 - .75% Over \$139,000 - .25%	1 unit - 1st \$500,000 - 1.00% Over \$500,000 - 1.25% 2-3 units - 1.25% 4 or more - 1.25% Small City ⁴ - 1.25% Affordable Rental: First \$150,000 - .75% Over \$150,000 - .25%
Industrial/Commercial/Utility ⁵	First \$150,000 - 1.50% Over \$150,000 - 2.00%	First \$150,000 - 1.50% Over \$150,000 - 2.00%	First \$150,000 - 1.50% Over \$150,000 - 2.00%

¹ A residential property qualifies as "homestead" if it is occupied by the owner or a relative of the owner on the assessment date.

² Applies to land and buildings. Exempt from referendum market value tax.

³ Exempt from referendum market value tax.

⁴ Cities of 5,000 population or less and located entirely outside the seven-county metropolitan area and the adjacent nine-county area and whose boundaries are 15 miles or more from the boundaries of a Minnesota city with a population of over 5,000.

⁵ The estimated market value of utility property is determined by the Minnesota Department of Revenue.

CURRENT PROPERTY VALUATIONS

2019/20 Economic Market Value \$2,059,484,811¹

	2019/20 Assessor's Estimated Market Value	2019/20 Net Tax Capacity
Real Estate	\$1,929,529,100	\$21,682,123
Personal Property	15,538,400	302,935
Total Valuation	<u>\$1,945,067,500</u>	\$21,985,058
Less: Captured Tax Increment Tax Capacity ²		(540,241)
Fiscal Disparities Contribution ³		<u>(1,920,823)</u>
Taxable Net Tax Capacity		\$19,523,994
Plus: Fiscal Disparities Distribution ³		4,287,355
Adjusted Taxable Net Tax Capacity		<u>\$23,811,349</u>

¹ According to the Minnesota Department of Revenue, the Assessor's Estimated Market Value (the "AEMV") for the City is about 94.48% of the actual selling prices of property most recently sold in the City. The sales ratio was calculated by comparing the selling prices with the AEMV. Dividing the AEMV of real estate by the sales ratio and adding the AEMV of personal property and utility, railroads and minerals, if any, results in an Economic Market Value ("EMV") for the City of \$2,059,484,811.

² The captured tax increment value shown above represents the captured net tax capacity of tax increment financing districts in the City.

³ Each community in the seven-county metropolitan area contributes 40% of the growth in its commercial-industrial property tax base since 1972 to an area pool which is then distributed among the municipalities on the basis of population, and fiscal capacity indicated market value as determined by the Minnesota Department of Revenue. Each governmental unit makes a contribution and receives a distribution--sometimes gaining and sometimes contributing net tax capacity for tax purposes.

2019/20 NET TAX CAPACITY BY CLASSIFICATION

	2019/20 Net Tax Capacity	Percent of Total Net Tax Capacity
Residential homestead	\$12,485,988	56.79%
Commercial	4,519,604	20.56%
Industrial	799,711	3.64%
Apartments	3,876,820	17.63%
Personal property	302,935	1.38%
Total	<u><u>\$21,985,058</u></u>	<u><u>100.00%</u></u>

TREND OF VALUATIONS

Levy Year	Assessor's Estimated Market Value	Assessor's Taxable Market Value	Net Tax Capacity¹	Adjusted Taxable Net Tax Capacity²	Percent +/- in Estimated Market Value
2015/16	\$1,474,190,900	\$1,363,310,401	\$16,647,178	\$17,390,533	+ 5.40%
2016/17	1,518,907,800	1,409,414,631	17,154,700	18,193,158	+ 3.03%
2017/18	1,700,798,100	1,597,495,173	19,139,486	20,583,598	+11.98%
2018/19	1,800,598,100	1,597,495,173	20,297,891	21,905,170	+ 5.87%
2019/20	1,945,067,500	1,853,655,614	21,985,058	23,811,349	+ 8.02%

¹ Net Tax Capacity is before fiscal disparities adjustments and includes tax increment values.

² Adjusted Taxable Net Tax Capacity is after fiscal disparities adjustments and does not include tax increment values.

LARGER TAXPAYERS

Taxpayer	Type of Property	2019/20 Net Tax Capacity	Percent of City's Total Net Tax Capacity
Robert Street 2008 LLC	Commercial	\$ 345,660	1.57%
Xcel Energy	Utility	262,902	1.20%
Westview Park Apartments	Apartment	236,448	1.08%
RPSLEGACYDESOTO LLC	Commercial	228,660	1.04%
Target Corp.	Commercial	226,642	1.03%
Holiday Acres Limited Partnership	Apartment	223,830	1.02%
Timberlan Partners XXXIV LLP	Apartment	222,694	1.01%
Menard Inc.	Commercial	198,580	0.90%
Ottowa Invest Co.	Apartment	191,490	0.87%
Sasco Investments LLP	Commercial	172,374	0.78%
Total		<u><u>\$2,309,280</u></u>	<u><u>10.50%</u></u>

City's Total 2019/20 Net Tax Capacity \$21,985,058

Source: Current Property Valuations, Net Tax Capacity by Classification, Trend of Valuations and Larger Taxpayers have been furnished by Dakota County.

DEBT

DIRECT DEBT¹

General Obligation Debt (see schedules following)

Total G.O. debt secured by special assessments and taxes	\$12,670,000
Total G.O. debt secured by tax abatement revenues	8,425,000
Total G.O. debt secured by tax increment revenues	970,000
Total G.O. debt secured by taxes	22,075,000
Total G.O. debt secured by utility revenues (includes the Bonds)*	<u>7,290,000</u>
Total General Obligation Debt*	<u><u>\$51,430,000</u></u>

Lease Obligations

Issue Date	Original Amount	Purpose	Final Maturity	Principal Outstanding
5/30/19	\$870,790	Fire Truck	12/1/29	\$677,970

*Preliminary, subject to change.

¹ Outstanding debt is as of the dated date of the Bonds.

City of West St. Paul, Minnesota
 Schedule of Bonded Indebtedness
 General Obligation Debt Secured by Special Assessments and Taxes
 (As of 02/16/2021)

Dated Amount	Improvement and Refunding Bonds Series 2012C		Improvement Bonds 1) Series 2014B		Refunding Bonds 2) Series 2015A		Improvement Refunding Bonds Series 2015B		Improvement Bonds Series 2017A	
	12/27/2012 \$3,795,000	02/01	06/24/2014 \$400,000	02/01	06/24/2015 \$1,195,000	02/01	12/01/2015 \$995,000	12/01	06/15/2017 \$4,825,000	02/01
Calendar Year Ending	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2021	0	4,340	0	3,900	0	3,225	115,000	7,400	0	67,850
2022	310,000	6,588	25,000	7,425	215,000	3,225	125,000	5,100	285,000	130,000
2023	310,000	2,248	25,000	6,675			130,000	2,600	295,000	118,400
2024			25,000	5,925					305,000	106,400
2025			30,000	5,100					315,000	94,000
2026			30,000	4,200					325,000	81,200
2027			30,000	3,300					335,000	69,675
2028			30,000	2,400					340,000	59,550
2029			30,000	1,463					345,000	49,275
2030			30,000	488					355,000	38,775
2031									365,000	27,975
2032									370,000	16,950
2033									380,000	5,700
2034										
2035										
	620,000	13,175	255,000	40,875	215,000	6,450	370,000	15,100	4,015,000	865,750

1) This represents the \$400,000 Improvement portion of the \$4,930,000 General Obligation Bonds, Series 2014B.

2) This represents the \$1,195,000 Series 2006A Refunding portion of the \$6,880,000 General Obligation Refunding Bonds, Series 2015A.

--Continued on next page

City of West St. Paul, Minnesota
Schedule of Bonded Indebtedness continued
General Obligation Debt Secured by Special Assessments and Taxes
(As of 02/16/2021)

Dated Amount	Maturity	Improvement Bonds 3) Series 2018A		Improvement Bonds 4) Series 2019A		Total P & I	Total Interest	Total Principal	Principal Outstanding	% Paid	Calendar Year Ending
		Principal	Interest	Principal	Interest						
06/28/2018 \$2,290,000	02/01	0	35,163	0	50,028	286,905	171,905	115,000	11,215,000	1.02%	2021
		135,000	67,625	235,000	96,530	1,646,493	316,493	1,330,000	9,885,000	12.75%	2022
		140,000	62,125	245,000	89,330	1,426,378	281,378	1,145,000	8,740,000	22.86%	2023
		140,000	56,525	250,000	81,905	970,755	250,755	720,000	8,020,000	29.21%	2024
		145,000	50,825	250,000	74,405	964,330	224,330	740,000	7,280,000	35.75%	2025
		150,000	44,925	260,000	66,755	962,080	197,080	765,000	6,515,000	42.50%	2026
		155,000	39,600	265,000	58,880	956,455	171,455	785,000	5,730,000	49.43%	2027
		155,000	34,950	270,000	50,855	942,755	147,755	795,000	4,935,000	56.44%	2028
		160,000	30,225	280,000	42,605	938,568	123,568	815,000	4,120,000	63.64%	2029
		165,000	25,350	280,000	34,205	928,818	98,818	830,000	3,290,000	70.96%	2030
		165,000	20,194	290,000	27,105	895,274	75,274	820,000	2,470,000	78.20%	2031
		170,000	14,750	295,000	21,255	887,955	52,955	835,000	1,635,000	85.57%	2032
		175,000	9,144	295,000	15,355	880,199	30,199	850,000	785,000	93.07%	2033
		180,000	3,150	300,000	9,405	492,555	12,555	480,000	305,000	97.31%	2034
				305,000	3,203	308,203	3,203	305,000	0	100.00%	2035
		2,035,000	494,550	3,820,000	721,820	13,487,720	2,157,720	11,330,000			

3) This represents the \$2,290,000 Improvement portion of the \$9,550,000 General Obligation Bonds, Series 2018A.

4) This represents the \$4,015,000 Improvement portion of the \$6,530,000 General Obligation Bonds, Series 2019A.

City of West St. Paul, Minnesota
 Schedule of Bonded Indebtedness
 General Obligation Debt Secured by Tax Abatement Revenues
 (As of 02/16/2021)

Calendar Year Ending	Taxable Tax Abatement Bonds			Tax Abatement Bonds Series 2014A			Tax Abatement Bonds Series 2019A			Tax Abatement Refunding Bonds Series 2020A			Total P & I	Principal Outstanding	% Paid	Calendar Year Ending
	Dated Amount	Maturity	Series 2012A	Series 2014A	Series 2019A	Series 2019A	Series 2020A	Series 2020A	Series 2020A	Series 2020A	Series 2020A	Series 2020A				
2021			0	0	0	0	0	0	0	0	0	104,700	8,425,000	.00%	2021	
2022	225,000	02/01	21,975	53,528	16,303	31,480	20,000	36,210	20,000	36,210	194,571	729,571	7,890,000	6.35%	2022	
2023	235,000	02/01	17,081	104,906	75,000	29,230	75,000	36,120	25,000	36,120	182,713	737,713	7,335,000	12.94%	2023	
2024	240,000	02/01	11,588	94,994	80,000	26,905	80,000	36,020	25,000	36,020	169,506	739,506	6,765,000	19.70%	2024	
2025	245,000	02/01	5,675	88,731	80,000	24,505	80,000	35,920	25,000	35,920	154,831	734,831	6,185,000	26.59%	2025	
2026	95,000	02/01	1,306	81,681	80,000	22,105	80,000	34,020	185,000	139,113	739,113	5,585,000	33.71%	2026		
2027				74,406	85,000	19,630	85,000	29,170	300,000	123,206	753,206	4,955,000	41.19%	2027		
2028				66,981	90,000	17,005	90,000	23,120	305,000	107,106	752,106	4,310,000	48.84%	2028		
2029				59,331	90,000	14,305	90,000	16,970	310,000	90,606	750,606	3,650,000	56.68%	2029		
2030				51,381	95,000	11,530	95,000	12,270	320,000	75,181	760,181	2,965,000	64.81%	2030		
2031				43,206	95,000	9,155	95,000	9,020	330,000	61,381	761,381	2,265,000	73.12%	2031		
2032				34,628	100,000	7,205	100,000	5,611	335,000	47,444	767,444	1,545,000	81.66%	2032		
2033				25,381	100,000	5,205	100,000	1,926	335,000	32,513	730,000	815,000	90.33%	2033		
2034				15,525	100,000	3,205	100,000		400,000	18,730	418,730	415,000	95.07%	2034		
2035				5,231	105,000	1,103	105,000		415,000	6,334	421,334	0	100.00%	2035		
				1,040,000	69,738	3,620,000	1,250,000	238,870	2,515,000	299,134	9,932,936	8,425,000				

1) This represents the \$1,310,000 Tax Abatement portion of the \$6,530,000 General Obligation Bonds, Series 2019A.

**City of West St. Paul, Minnesota
Schedule of Bonded Indebtedness
General Obligation Debt Secured by Tax Increment Revenues
(As of 02/16/2021)**

**Tax Increment Refunding Bonds
Series 2015C**

Dated Amount	12/01/2015 \$1,320,000
Maturity	02/01

Calendar Year Ending	Principal	Interest	Total Principal	Total Interest	Total P & I	Principal Outstanding	% Paid	Calendar Year Ending
2021	0	12,566	0	12,566	12,566	970,000	.00%	2021
2022	75,000	24,458	75,000	24,458	99,458	895,000	7.73%	2022
2023	80,000	23,063	80,000	23,063	103,063	815,000	15.98%	2023
2024	90,000	21,398	90,000	21,398	111,398	725,000	25.26%	2024
2025	90,000	19,508	90,000	19,508	109,508	635,000	34.54%	2025
2026	95,000	17,256	95,000	17,256	112,256	540,000	44.33%	2026
2027	100,000	14,575	100,000	14,575	114,575	440,000	54.64%	2027
2028	100,000	11,700	100,000	11,700	111,700	340,000	64.95%	2028
2029	110,000	8,550	110,000	8,550	118,550	230,000	76.29%	2029
2030	110,000	5,250	110,000	5,250	115,250	120,000	87.63%	2030
2031	120,000	1,800	120,000	1,800	121,800	0	100.00%	2031
	970,000	160,123	970,000	160,123	1,130,123			

City of West St. Paul, Minnesota
 Schedule of Bonded Indebtedness
 General Obligation Debt Secured by Taxes
 (As of 02/16/2021)

Calendar Year Ending	Street Reconstruction Bonds 1) Series 2014B		Refunding Bonds 2) Series 2015A		Street Reconstruction Bonds Series 2016B		Street Reconstruction Bonds Series 2017B		Street Reconstruction Bonds 3) Series 2018A		Total P & I	Principal Outstanding	% Paid	Calendar Year Ending
	Dated Amount	Maturity	Dated Amount	Maturity	Dated Amount	Maturity	Dated Amount	Maturity	Dated Amount	Maturity				
2021	0	02/01	0	02/01	0	02/01	0	02/01	0	02/01	340,926	22,075,000	.00%	2021
2022	285,000	06/24/2014	215,000	06/24/2015	300,000	12/20/2016	295,000	06/15/2017	400,000	06/28/2018	2,152,451	20,580,000	6.77%	2022
2023	295,000	06/24/2014	230,000	06/24/2015	305,000	12/20/2016	305,000	06/15/2017	415,000	06/28/2018	2,157,726	19,030,000	13.79%	2023
2024	305,000	06/24/2014	255,000	06/24/2015	315,000	12/20/2016	320,000	06/15/2017	435,000	06/28/2018	2,185,751	17,400,000	21.18%	2024
2025	315,000	06/24/2014	275,000	06/24/2015	320,000	12/20/2016	330,000	06/15/2017	450,000	06/28/2018	2,191,251	15,710,000	28.83%	2025
2026	325,000	06/24/2014	290,000	06/24/2015	325,000	12/20/2016	345,000	06/15/2017	470,000	06/28/2018	2,199,568	13,955,000	36.78%	2026
2027	335,000	06/24/2014	315,000	06/24/2015	335,000	12/20/2016	360,000	06/15/2017	485,000	06/28/2018	2,219,280	12,125,000	45.07%	2027
2028	345,000	06/24/2014	325,000	06/24/2015	340,000	12/20/2016	370,000	06/15/2017	500,000	06/28/2018	2,215,638	10,245,000	53.59%	2028
2029	355,000	06/24/2014	340,000	06/24/2015	350,000	12/20/2016	380,000	06/15/2017	515,000	06/28/2018	2,219,951	8,305,000	62.38%	2029
2030	365,000	06/24/2014	360,000	06/24/2015	360,000	12/20/2016	395,000	06/15/2017	530,000	06/28/2018	2,231,476	6,295,000	71.48%	2030
2031	375,000	06/24/2014	375,000	06/24/2015	370,000	12/20/2016	405,000	06/15/2017	550,000	06/28/2018	1,865,963	4,595,000	79.18%	2031
2032	390,000	06/24/2014	400,000	06/24/2015	380,000	12/20/2016	415,000	06/15/2017	565,000	06/28/2018	1,864,519	2,845,000	87.11%	2032
2033	400,000	06/24/2014	405,000	06/24/2015	400,000	12/20/2016	430,000	06/15/2017	585,000	06/28/2018	1,481,856	1,430,000	93.52%	2033
2034	405,000	06/24/2014	420,000	06/24/2015	420,000	12/20/2016	430,000	06/15/2017	605,000	06/28/2018	1,088,640	420,000	98.10%	2034
2035	2,925,000	06/24/2014	4,595,000	06/24/2015	3,700,000	12/20/2016	4,350,000	06/15/2017	6,505,000	06/28/2018	4,716,086	0	100.00%	2035
											26,791,086			

1) This represents the \$4,530,000 Street Reconstruction portion of the \$4,930,000 General Obligation Bonds, Series 2014B.

2) This represents the \$5,685,000 Series 2009B Refunding portion of the \$6,880,000 General Obligation Refunding Bonds, Series 2015A.

3) This represents the \$7,260,000 Street Reconstruction portion of the \$9,550,000 General Obligation Bonds, Series 2018A.

City of West St. Paul, Minnesota
 Schedule of Bonded Indebtedness
 General Obligation Debt Secured by Utility Revenues
 (As of 02/16/2021)

Dated Amount	Utility Revenue Bonds Series 2016A		Sewer Bonds 1) Series 2019A		Sewer Revenue Bonds Series 2021A		Calendar Year Ending	Principal Outstanding	% Paid	Calendar Year Ending
	06/16/2016 \$5,110,000	02/01	09/17/2019 \$1,130,000	02/01	02/16/2021 \$2,275,000*	02/01				
Maturity										
Calendar Year Ending										
2021	0	0	0	0	0	0	7,290,000	.00%	2021	
2022	315,000	44,423	65,000	14,070	0	380,000	6,910,000	5.21%	2022	
2023	325,000	84,120	65,000	27,165	0	530,000	6,380,000	12.48%	2023	
2024	335,000	74,520	65,000	25,215	140,000	545,000	5,835,000	19.96%	2024	
2025	345,000	64,620	70,000	23,265	145,000	560,000	5,275,000	27.64%	2025	
2026	350,000	56,145	70,000	21,240	145,000	565,000	4,710,000	35.39%	2026	
2027	360,000	49,195	75,000	19,140	145,000	580,000	4,130,000	43.35%	2027	
2028	365,000	42,095	75,000	16,965	145,000	585,000	3,545,000	51.37%	2028	
2029	375,000	34,845	80,000	14,715	150,000	605,000	2,940,000	59.67%	2029	
2030	380,000	27,445	80,000	12,390	150,000	610,000	2,330,000	68.04%	2030	
2031	390,000	19,895	85,000	9,990	150,000	625,000	1,705,000	76.61%	2031	
2032	395,000	12,195	85,000	7,940	155,000	635,000	1,070,000	85.32%	2032	
2033		4,148	85,000	6,240	155,000	659,741	830,000	88.61%	2033	
2034			90,000	4,540	160,000	240,000	580,000	92.04%	2034	
2035			90,000	2,790	160,000	250,000	330,000	95.47%	2035	
2036				945	165,000	169,496	165,000	97.74%	2036	
2037					165,000	166,526	0	100.00%	2037	
	3,935,000	513,645	1,080,000	206,610	2,275,000	7,290,000	8,297,899			

* Preliminary, subject to change.

1) This represents the \$1,130,000 Sewer portion of the \$6,530,000 General Obligation Bonds, Series 2019A.

DEBT LIMIT

The statutory limit on debt of Minnesota municipalities other than school districts or cities of the first class (Minnesota Statutes, Section 475.53, subd. 1) is 3% of the Assessor's Estimated Market Value of all taxable property within its boundaries. "Net debt" (Minnesota Statutes, Section 475.51, subd. 4) is the amount remaining after deducting from gross debt the amount of current revenues which are applicable within the current fiscal year to the payment of any debt and the aggregate principal of the following: (1) obligations payable wholly or partly from special assessments levied against benefitted property; (2) warrants or orders having no definite or fixed maturity; (3) obligations payable wholly from the income of revenue producing conveniences (includes the Bonds); (4) obligations issued to create or maintain a permanent improvement revolving fund; (5) obligations issued to finance any public revenue producing convenience; (6) funds held as sinking funds for payment of principal and interest on debt other than those deductible under Minnesota Statutes, Section 475.51, subd. 4; (7) obligations issued to pay judgments against the City; and (8) other obligations which are not to be included in computing the net debt of a municipality under the provisions of the law authorizing their issuance.

2019/20 Assessor's Estimated Market Value	\$1,945,067,500
Multiply by 3%	<u>0.03</u>
Statutory Debt Limit	\$ 58,352,025
Less: Long-Term Debt Outstanding Being Paid Solely from Taxes	<u>(22,075,000)</u>
Unused Debt Limit	<u><u>\$ 36,277,025</u></u>

OVERLAPPING DEBT¹

Taxing District	2019/20 Adjusted Taxable Net Tax Capacity	% In City	Total G.O. Debt ²	City's Proportionate Share
I.S.D. No. 197 (West St. Paul-Mendota Heights-Eagan)	\$ 74,618,677	26.1650%	\$136,015,000	\$35,588,325
Metropolitan Council	4,576,187,142	0.4266%	230,225,000 ³	<u>982,140</u>
City's Share of Total Overlapping Debt				<u><u>\$36,570,465</u></u>

¹ Overlapping debt is as of the dated date of the Bonds. Only those taxing jurisdictions with general obligation debt outstanding are included in this section. Does *not* include non-general obligation debt, self-supporting general obligation revenue debt, short-term general obligation debt, or general obligation tax/aid anticipation certificates of indebtedness.

² Outstanding debt is based on information in Official Statements obtained on EMMA and the Municipal Advisor's records.

³ The above debt includes all outstanding general obligation debt supported by taxes of the Metropolitan Council. The Council also has general obligation sewer revenue, wastewater revenue, and radio revenue bonds and lease obligations outstanding all of which are supported entirely by revenues and have not been included in the Overlapping Debt or Debt Ratios sections.

DEBT RATIOS

	G.O. Debt	Debt/Economic Market Value (2,059,484,811)	Debt/ Current Population Estimate (21,205)
Direct G.O. Debt Secured By:			
Special Assessments & Taxes	\$12,670,000		
Tax Abatement Revenues	8,425,000		
Tax Increment Revenues	970,000		
Taxes	22,075,000		
Utility Revenues*	<u>7,290,000</u>		
Total General Obligation Debt (includes the Bonds)*	\$51,430,000		
Less: G.O. Debt Paid Entirely from Revenues ¹	<u>(7,690,000)</u>		
Tax Supported General Obligation Debt*	\$43,740,000	2.12%	\$2,062.72
 City's Share of Total Overlapping Debt	 <u>\$36,570,465</u>	 <u>1.78%</u>	 <u>\$1,724.62</u>
 Total*	 <u><u>\$80,310,465</u></u>	 <u><u>3.90%</u></u>	 <u><u>\$3,787.34</u></u>

*Preliminary, subject to change.

DEBT PAYMENT HISTORY

The City has no record of default in the payment of principal and interest on its debt.

FUTURE FINANCING

The City has no current plans for additional financing in the next 12 months.

¹ Debt service on the City's general obligation revenue debt is being paid entirely from revenues and therefore is considered self-supporting debt.

TAX RATES, LEVIES AND COLLECTIONS

TAX LEVIES AND COLLECTIONS

Tax Year	Net Tax Levy ¹	Total Collected Following Year	Collected to Date ²	% Collected
2015/16	\$ 9,855,148	\$ 9,767,931	\$ 9,849,240	99.94%
2016/17	10,477,804	10,422,607	10,473,338	99.96%
2017/18	11,529,740	11,458,591	11,508,277	99.81%
2018/19	12,958,714	12,870,830	12,886,495	99.44%
2019/20	13,687,642	In process of collection		

Property taxes are collected in two installments in Minnesota--the first by May 15 and the second by October 15.³ Mobile home taxes are collectible in full by August 31. Minnesota Statutes require that levies (taxes and special assessments) for debt service be at least 105% of the actual debt service requirements to allow for delinquencies.

The spread of COVID-19 and responses taken by the United States government, state governments, local governments and private industries have caused significant disruptions to the national and State economy. See "RISK FACTORS - Impact of the Spread of COVID-19" herein. Certain states have announced extended deadlines for payment of property taxes, although as of this date Minnesota has not taken such measures. The City cannot predict whether and how much payment of property taxes will be impacted. Any delays or reduction in the receipt of property taxes may materially adversely impact the City's finances and payment of debt obligations, including the Bonds.

¹ This reflects the Final Levy Certification of the City after all adjustments have been made.

² Collections are through February 29, 2020.

³ Second half tax payments on agricultural property are due on November 15th of each year.

TAX CAPACITY RATES¹

	2015/16	2016/17	2017/18	2018/19	2019/20
Dakota County	28.570%	28.004%	26.580%	25.386%	24.133%
City of West St. Paul	69.795%	71.412%	69.287%	72.624%	70.106%
I.S.D. No. 197 (West St. Paul-Mendota Heights-Eagan)	22.170%	22.295%	21.224%	24.246%	22.125%
Metropolitan Council	0.958%	0.878%	0.821%	0.666%	0.606%
Mosquito Abatement	0.491%	0.475%	0.443%	0.435%	0.406%
Transit District	1.261%	1.215%	1.104%	1.244%	1.150%
CDA	1.547%	1.548%	1.479%	1.479%	1.469%
Light Rail	0.357%	0.342%	0.031%	0.000%	0.000%
South Metro EMS	1.784%	1.541%	1.402%	1.333%	1.200%

Referendum Market Value Rates:

I.S.D. No. 197 (West St. Paul-Mendota Heights-Eagan)	0.17650%	0.16955%	0.16017%	0.16863%	0.15911%
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Source: Tax Levies and Collections and Tax Capacity Rates have been furnished by Dakota County.

LEVY LIMITS

The State Legislature has periodically imposed limitations on the ability of municipalities to levy property taxes. For taxes levied in 2013, payable in 2014, only, the Legislature imposed a one year levy limit on all counties with a population greater than 5,000, and all cities with a population greater than 2,500. While these limitations have expired, the potential exists for future legislation to limit the ability of local governments to levy property taxes. All previous limitations have not limited the ability to levy for the payment of debt service on bonded indebtedness. For more detailed information about Minnesota levy limits, contact the Minnesota Department of Revenue or Ehlers and Associates.

¹ After reduction for state aids. Does not include the statewide general property tax against commercial/industrial, non-homestead resorts and seasonal recreational residential property.

THE ISSUER

CITY GOVERNMENT

The City was organized as a municipality in 1889. The City operates under a home rule charter form of government consisting of a seven-member City Council of which the Mayor is not a voting member. The City Administrator, City Clerk and Finance Director are responsible for administrative details and financial records.

EMPLOYEES; PENSIONS; UNIONS

The City currently has 78 full-time, eight part-time, and no seasonal employees. All full-time and certain part-time employees of the City are covered by defined benefit pension plans administered by the Public Employee Retirement Association of Minnesota (PERA). PERA administers the General Employees Retirement Fund (GERF) and the Public Employees Police and Fire Fund (PEPFF) which are cost-sharing multiple-employer retirement plans. PERA members belong to either the Coordinated Plan or the Basic Plan. Coordinated members are covered by Social Security. See the Notes to Financial Statements in Appendix A for a detailed description of the Plans.

Recognized and Certified Bargaining Units

Bargaining Unit	Expiration Date of Current Contract
Local 320 Public Works/Parks	December 31, 2021
Local 72 Police Officers	December 31, 2021
Local 80 Police Sergeants	December 31, 2021

POST EMPLOYMENT BENEFITS

The City has obligations for some post-employment benefits for its employees. Accounting for these obligations is dictated by Governmental Accounting Standards Board Statement No. 75 (GASB 75). The City's most recent Comprehensive Annual Financial Report (CAFR) shows a total OPEB liability of \$1,908,794 as of December 31, 2019. The City has been funding these obligations on a pay-as-you-go basis.

Source: The City's most recent CAFR.

LITIGATION

There is no litigation threatened or pending questioning the organization or boundaries of the City or the right of any of its officers to their respective offices or in any manner questioning their rights and power to execute and deliver the Bonds or otherwise questioning the validity of the Bonds.

MUNICIPAL BANKRUPTCY

Municipalities are prohibited from filing for bankruptcy under Chapter 11 (reorganization) or Chapter 7 (liquidation) of the U.S. Bankruptcy Code (11 U.S.C. §§ 101-1532) (the "Bankruptcy Code"). Instead, the Bankruptcy Code permits municipalities to file a petition under Chapter 9 of the Bankruptcy Code, but only if certain requirements are met. These requirements include that the municipality must be "specifically authorized" under State law to file for relief under Chapter 9. For these purposes, "State law" may include, without limitation, statutes of general applicability enacted by the State legislature, special legislation applicable to a particular municipality, and/or executive orders issued by an appropriate officer of the State's executive branch.

As of the date hereof, Minnesota Statutes, 471.831, authorizes municipalities to file for bankruptcy relief under Chapter 9 of the Bankruptcy Code. A municipality is defined in United States Code, title 11, section 101, as amended through December 31, 1996, but limited to a county, statutory or home rule charter city, or town; or a housing and redevelopment authority, economic development authority, or rural development financing authority established under Chapter 469, a home rule charter or special law.

FUNDS ON HAND (As of November 30, 2020)

Fund	Total Cash and Investments
General	\$11,211,073
Special Revenue	934,882
Debt Service	7,792,020
Capital Projects	5,677,003
Enterprise Funds	6,102,725
TIF	550,115
Total Funds on Hand	<u><u>\$32,267,818</u></u>

ENTERPRISE FUNDS

Revenues available for debt service on the City's enterprise funds have been as follows as of December 31 each year:

	2017	2018	2019
Public Utilities			
Total Operating Revenues	\$ 3,931,627	\$ 4,424,806	\$ 4,827,129
Less: Operating Expenses	<u>(3,484,590)</u>	<u>(3,699,864)</u>	<u>(3,685,246)</u>
Operating Income	\$ 447,037	\$ 724,942	\$ 1,141,883
Plus: Depreciation	<u>416,850</u>	<u>503,635</u>	<u>549,686</u>
Revenues Available for Debt Service	<u><u>\$ 863,887</u></u>	<u><u>\$ 1,228,577</u></u>	<u><u>\$ 1,691,569</u></u>
Recreation			
Total Operating Revenues	\$ 1,097,615	\$ 1,014,764	\$ 1,074,045
Less: Operating Expenses	<u>(1,370,475)</u>	<u>(1,155,213)</u>	<u>(1,234,338)</u>
Operating Income	\$ (272,860)	\$ (140,449)	\$ (160,293)
Plus: Depreciation	<u>436,948</u>	<u>435,562</u>	<u>430,546</u>
Revenues Available for Debt Service	<u><u>\$ 164,088</u></u>	<u><u>\$ 295,113</u></u>	<u><u>\$ 270,253</u></u>

SUMMARY GENERAL FUND INFORMATION

Following are summaries of the revenues and expenditures and fund balances for the City's General Fund. These summaries are not purported to be the complete audited financial statements of the City, and potential purchasers should read the included financial statements in their entirety for more complete information concerning the City. Copies of the complete statements are available upon request. Appendix A includes the 2019 audited financial statements.

COMBINED STATEMENT	FISCAL YEAR ENDING DECEMBER 31				
	2017 Audited	2018 Audited	2019 Audited	2020 Adopted Budget ¹	2021 Adopted Budget ²
Revenues					
Taxes	\$10,495,048	\$10,909,962	\$10,960,353	\$11,288,962	\$11,594,634
Licenses and permits	596,208	693,853	674,183	578,500	584,000
Intergovernmental	455,537	466,212	974,091	1,312,636	1,314,073
Special assessments	754,417	802,452	819,312	90,000	170,000
Charges for services	239,325	158,754	118,187	833,959	831,405
Fine and forfeits	92,378	66,644	190,891	150,000	140,000
Investment income	35,975	43,187	277,045	125,000	155,000
Miscellaneous	89,421	55,203	35,717	53,554	44,000
Total Revenues	\$12,758,309	\$13,196,267	\$14,049,779	\$14,432,611	\$14,833,112
Expenditures					
Current:					
General government	\$3,232,643	\$3,163,726	\$3,208,226	\$3,162,245	\$3,256,365
Public safety	7,485,196	7,614,178	8,024,346	9,066,226	9,279,640
Public works	1,551,922	1,683,323	1,770,189	1,810,556	1,901,930
Parks and recreation	853,854	882,466	941,229	1,043,584	1,045,177
Total Expenditures	\$13,123,615	\$13,343,693	\$13,943,990	\$15,082,611	\$15,483,112
Excess of revenues over (under) expenditures	(\$365,306)	(\$147,426)	\$105,789	(\$650,000)	(\$650,000)
Other Financing Sources (Uses)					
Sale of capital assets	\$13,574	\$28,004	\$9,971	\$0	\$0
Transfers in	755,213	695,417	650,000	650,000	650,000
Transfers (out)	(42,682)	(1,435,564)	0	0	0
Total Other Financing Sources (Uses)	726,105	(712,143)	659,971	650,000	650,000
Net changes in Fund Balances	\$360,799	(\$859,569)	\$765,760	\$0	\$0
General Fund Balance January 1	\$9,344,690	\$9,705,489	\$8,845,920		
Prior Period Adjustment	0	0	0		
Residual Equity Transfer in (out)	0	0	0		
General Fund Balance December 31	\$9,705,489	\$8,845,920	\$9,611,680		
DETAILS OF DECEMBER 31 FUND BALANCE					
Nonspendable	\$137,357	\$239,987	\$634,282		
Unassigned	9,568,132	8,605,933	8,977,398		
Total	\$9,705,489	\$8,845,920	\$9,611,680		

¹ The 2020 budget was adopted on December 9, 2019.

² The 2021 budget was adopted on December 14, 2020.

GENERAL INFORMATION

LOCATION

The City, with a 2010 U.S. Census population of 19,540, and a current population estimate of 21,205, and comprising an area of 3,240 acres, is located adjacent to the southern boundary of the City of St. Paul.

LARGER EMPLOYERS¹

Larger employers in the City include the following:

Firm	Type of Business/Product	Estimated No. of Employees
I.S.D. No. 197 (West St. Paul-Mendota Heights-Eagan)	Elementary and secondary education	977 ²
Dakota County-Northern Service Center	County government and services	656
Super Target	Retail and grocery	375
Southview Acres Health Care	Nursing home	340
Walmart	Retail	240
YMCA	Community services	200
Tapemark	Physicians & surgeons equipment & supplies	181
Menards	Home improvement retail	150
Westwood Ridge	Rehabilitation services	150
Lowe's	Home improvement retail	140

Source: *ReferenceUSA, written and telephone survey (October 2020), and the Minnesota Department of Employment and Economic Development.*

¹ This does not purport to be a comprehensive list and is based on available data obtained through a survey of individual employers, as well as the sources identified above. Some employers do not respond to inquiries for employment data. Estimates provided are accurate as of the date noted and may not reflect changes in the number of employees resulting from the current COVID-19 pandemic. (See "Risk Factors - Impact of the Spread of COVID-19").

² Reflects employees from entire district, including those outside of City limits.

BUILDING PERMITS

	2016	2017	2018	2019	2020 ¹
<u>New Single Family Homes</u>					
No. of building permits	10	10	4	5	5
Valuation	\$4,220,447	\$5,910,913	\$1,542,269	\$1,122,978	\$1,638,984
<u>New Multiple Family Buildings</u>					
No. of building permits	2	0	0	0	2
Valuation	\$457,480	\$0	\$0	\$0	\$29,230,701
<u>New Commercial/Industrial</u>					
No. of building permits	4	0	4	1	3
Valuation	\$3,831,000	\$0	\$27,769,580	\$1,767,083	\$2,890,000
<u>All Building Permits</u> <i>(including additions and remodelings)</i>					
No. of building permits	637	640	1,697	1,654	1,257
Valuation	\$12,261,129	\$27,097,734	\$47,160,258	\$36,362,150	\$62,534,904

Source: The City.

¹ As of November 30, 2020.

U.S. CENSUS DATA

Population Trend: The City

2000 U.S. Census population	19,405
2010 U.S. Census population	19,540
2019 State Demographer's Estimate	21,205
Percent of Change 2000 - 2010	+ 0.70%

Income and Age Statistics

	The City	Dakota County	State of Minnesota	United States
2019 per capita income	\$31,835	\$41,552	\$37,625	\$34,103
2019 median household income	\$56,097	\$86,036	\$71,306	\$62,843
2019 median family income	\$75,637	\$104,537	\$89,842	\$77,263
2019 median gross rent	\$1,013	\$1,174	\$977	\$1,062
2019 median value owner occupied units	\$199,400	\$266,000	\$223,900	\$217,500
2019 median age	37.3 yrs.	37.9 yrs.	38.0 yrs.	38.1 yrs.

	State of Minnesota	United States
City % of 2019 per capita income	84.61%	93.35%
City % of 2019 median family income	84.19%	97.90%

Housing Statistics

	<u>The City</u>		Percent of Change
	2010	2019	
All Housing Units	8,529	9,037	5.96%

Source: 2000 and 2010 Census of Population and Housing, and 2019 American Community Survey (Based on a five-year estimate), U.S. Census Bureau (<https://data.census.gov/cedsci>).

EMPLOYMENT/UNEMPLOYMENT DATA

Rates are not compiled for individual communities within counties.

Year	<u>Average Employment</u>		<u>Average Unemployment</u>	
	Dakota County		Dakota County	State of Minnesota
2016	227,759		3.4%	3.9%
2017	230,951		3.0%	3.4%
2018	233,744		2.5%	2.9%
2019	235,645		2.9%	3.2%
2020, November	226,771		3.7%	3.9%

Source: Minnesota Department of Employment and Economic Development.

FINANCIAL STATEMENTS

Potential purchasers should read the included financial statements in their entirety for more complete information concerning the City's financial position. Such financial statements have been audited by the Auditor, to the extent and for the periods indicated thereon. The City has not requested or engaged the Auditor to perform, and the Auditor has not performed, any additional examination, assessments, procedures or evaluation with respect to such financial statements since the date thereof or with respect to this Preliminary Official Statement, nor has the City requested that the Auditor consent to the use of such financial statements in this Preliminary Official Statement. Although the inclusion of the financial statements in this Preliminary Official Statement is not intended to demonstrate the fiscal condition of the City since the date of the financial statements, in connection with the issuance of the Bonds, the City represents that there have been no material adverse change in the financial position or results of operations of the City, nor has the City incurred any material liabilities, which would make such financial statements misleading.

Copies of the complete audited financial statements for the past three years and the current budget are available upon request from Ehlers.

**COMPREHENSIVE ANNUAL FINANCIAL REPORT
OF THE
CITY OF WEST ST. PAUL, MINNESOTA**

**FOR THE FISCAL YEAR ENDED
DECEMBER 31, 2019**

**Prepared by the Finance Department
of the City of West St. Paul, Minnesota**

**Char Stark
Director of Finance**

City of West St. Paul, Minnesota
 Comprehensive Annual Financial Report
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June 18, 2020

To the Honorable Mayor, City Council, City Manager and
To the Citizens of West St. Paul, Minnesota:

The Comprehensive Annual Financial Report (CAFR) of the City of West St. Paul (the City) for
the year ended December 31, 2019, is submitted herewith.

INTRODUCTION

As in past years, this comprehensive annual financial report is presented in three sections:
Introductory, Financial, and Statistical. The Introductory Section includes this letter of transmittal,
a copy of our most recent Certificate of Achievement, an organizational chart and a list of the
City's principal elected and appointed officials.

Pursuant to the City Financial Reporting Act of 1978, the City's Finance Officer is required to
prepare the CAFR, which is then to be attested to by an external auditor. Accordingly, this
report has been prepared by the City's Finance Director. This report consists of management's
representations concerning the finances of the City of West St. Paul. Consequently,
management assumes full responsibility for the completeness and reliability of all of the
information presented in this report. To provide a reasonable basis for making these
representations, management of the City has established an internal control framework that is
designed both to protect the government's assets from loss, theft or misuse and to compile
sufficient reliable information for the preparation of the City's financial statements in
conformance with generally accepted accounting principles (GAAP). Because the cost of
internal controls should not outweigh their benefits, the City's framework of internal controls has
been designed to provide reasonable, rather than absolute, assurance that the financial
statements will be free from material misstatement. As management, it is asserted that, to the
best of our knowledge and belief, this financial report is complete and reliable in all material
respects.

These financial statements have been audited by the certified public accounting firm of Abdo,
Eick & Meyers, LLP. Their opinion is the first item in the Financial Section. The goal of the
independent audit was to provide reasonable assurance that the financial statements of the City
for the fiscal year ended December 31, 2019, are free of material misstatement. The
independent audit involved examining, on a test basis, evidence supporting the amounts
and disclosures in the financial statements; assessing the accounting principles used and
significant estimates made by management; and evaluating the overall financial statement
presentation. The independent auditor concluded, based upon that audit, that there was a
reasonable basis for rendering an unmodified opinion that the City's financial statements for
the fiscal year ended December 31, 2019 are fairly presented in conformity with GAAP.

GAAP requires that management provide a narrative introduction, overview and analysis
to accompany the basic financial statements in the form of Management's Discussion and
Analysis (MD&A). This letter of transmittal is designed to complement the MD&A and should
be read in conjunction with it. The City's MD&A can be found immediately following the
report of the independent auditors.

PROMOTING AND PRESERVING A COMMUNITY OF EXCELLENCE BY THE
ETHICAL, RESPONSIVE, EFFICIENT AND INNOVATIVE PROVISION OF SERVICES

INTRODUCTORY SECTION
CITY OF WEST ST. PAUL
WEST ST. PAUL, MINNESOTA

FOR THE YEAR ENDED
DECEMBER 31, 2019

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PROFILE OF THE CITY OF WEST ST. PAUL

The City of West St. Paul was incorporated in 1889 and is located in the Twin Cities metropolitan area of Minnesota, immediately adjacent to the State Capitol of St. Paul. With a population of 19,504 (based upon the 2010 Census), it is situated in the northern-most area of Dakota County, one of the fastest growing counties in the State of Minnesota. Although the City has a geographic area of only five square miles and is, for the most part, fully developed, it represents a major regional retail center. The majority of retail sales take place along a 2.5 mile, four-lane major state trunk highway known as South Robert Street that bisects the City. Nearly the entire length of this street is devoted to retail stores, shopping centers and restaurants.

The City operates under the council-manager form of government. Policy-making and legislative authority are vested in the City Council, consisting of a Mayor and six elected Councilmembers. The City Council is responsible for passing ordinances, adopting budgets, appointing committees and hiring both the City Manager and the City Attorney, among other things. The City Manager is responsible for carrying out the policies and ordinances of the City Council, for overseeing the day-to-day operations of the City and for appointing the heads of the various operating departments. The City Council is elected on a non-partisan basis. Councilmembers are elected for four-year, staggered terms, with three Councilmembers being elected every two years. The Mayor is elected for a two-year term. The City is divided into three wards and two Councilmembers are elected from each ward. The Mayor is elected at-large.

The City provides a full range of governmental services, including police protection, construction and maintenance of local streets and other infrastructure, recreational and community development activities. Certain community development services are provided through a legally separate Economic Development Authority (EDA), which functions, in essence, as a City operation since the EDA Board is composed of the Mayor and City Council. Therefore, the activities of the EDA have been included as part of these financial statements as a special revenue fund. Fire protection services are provided through a contract with South Metro Fire Department, a joint venture with the City of South St. Paul.

The annual budget serves as the foundation for the City's financial planning and control. All departments of the City are required to submit their requests for appropriations (spending authority) to the City Manager each June. The City Manager, in cooperation with the Finance Director, uses these requests as a starting point for developing the proposed budget during July of each year. The City Manager then presents this proposed budget to the City Council in August. The City Council reviews the proposed budget and then adopts a final budget in December. The adopted budget document is prepared by fund and function. The City Manager may transfer appropriations within any given department, but any transfers between departments or funds must be presented to and approved by the City Council. This CAFR provides budget-to-actual comparisons for the General Fund and for the EDA special revenue fund on pages 51 and 53.

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PROMOTING AND PRESERVING A COMMUNITY OF EXCELLENCE BY THE
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ECONOMIC CONDITION AND OUTLOOK

As a mature, first-ring suburb of St. Paul, the City of West St. Paul recognizes the importance of redevelopment to its long-term vitality and has, therefore, made extraordinary efforts in this area. Residential and commercial activities include:

New businesses that opened for operations in 2019 include: Sola Salon, Southview Animal Hospital Thai Pepper, Hamburgas El Gordo, Just Paws Pet Salon, Tokyo Sushi, FoodSmith, Michoacan a Peditr de Boca Ice Cream Shop, MNPRO Systems

Business expansions/remodels completed include: Target, Walmart, McDonalds, Taco Bell, Atby's, Beiru Restaurant.

Developers agreements that have been approved by the City in 2019, Oppidan-redevelopment of the City's golf course property; Suite Living Retirement Homes; The Winslow.

Building Permits Issued: 1,654 for an increase in new market value of \$36,362,150. Of these permits, 5 were for new single family homes.

MAJOR INITIATIVES

During 2019, the City of West St. Paul continued its efforts at capital planning and replacement, infrastructure maintenance and other long-term concerns. Included among these efforts were the following:

Street Reconstruction Program 2019 program consisted of road improvements for the following streets:
Livingston Ave.-From Thompson Ave. to Mendota Road (1.25miles)
Wentworth Ave.-Dakota County led project-From Delaware Ave. to Humboldt Ave. (1mile)

New Trails/walks:

- Added 1 mile of sidewalk along Livingston Ave between Wentworth Ave and Mendota Rd.
- Added 1.5 miles of trail along Wentworth Ave. between Delaware Ave. and Humboldt Ave.
- Added .5 miles of trail along Marie Ave. between Robert St. and Oakdale Ave.
- Added 1 mile of trail along Oakdale Ave. between Mendota Rd. to Wentworth Ave.

Proposed Redevelopment Areas – The Economic Development Authority (EDA) has identified several areas to concentrate their redevelopment efforts. Staff continues to identify proposed projects for these areas, analyzing the costs associated with the projects and the timelines for redevelopment.

LONG TERM FINANCIAL PLANNING AND POLICIES

The City of West St Paul recognizes the need to plan for the future. Because the City, for the most part, is fully developed, consideration is given to redevelopment. As with other aging suburbs, the City is challenged by deteriorating infrastructure and lack of growth in overall market value to provide resources for repairs and replacements. In 2018, the City presented its tenth annual Capital Improvement Plan (CIP)

to aid in identifying infrastructure needs at least ten years in advance. The 2019-2028 CIP includes planned projects for streets, parks, sewer system and City facilities.

The City also prepares an annual Capital Equipment Plan (CEP). Department heads take part in this process to estimate capital equipment needs for the next ten years. Together the CIP and CEP provide information needed to develop a plan that will sustain or expand City services while keeping property taxes stable.

The City continually reviews its existing debt structure – seeking ways to reduce the overall obligation. It is a goal of the City to plan debt issues to coincide with the retirement of existing debt. The City currently has debt issues and retirements planned through the year 2035.

Another tool utilized by the City for long-term financial planning is its Fund Balance Policy. The policy dictates that the General Fund shall maintain an unassigned fund balance of at least 52.5% of the subsequent year's expenditures. This policy essentially provides for cash flow while awaiting tax payments in July and December of the year. By utilizing the fund balance, the City avoids the extra cost of borrowing to meet its short term obligations.

CERTIFICATE OF ACHIEVEMENT

The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of West St. Paul for its CAFR for the fiscal year ended December 31, 2017. This was the twenty-ninth consecutive year the City's CAFR has received this prestigious award beginning with the first award in 1987. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized CAFR. The 2017 report satisfied both GAAP and all applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current CAFR continues to meet the Certificate of Achievement Program's requirements and we are, therefore, submitting it to the GFOA to determine its eligibility for another certificate.

BOND RATING

In June of 2018, the City issued General Obligation bonds. Standard and Poor's (S&P) was asked to rate the creditworthiness of the bonds. S&P rated the bonds AA. The rating maintains the higher step that was awarded in 2009. This bond rating signals the financial markets that the City's current financial condition is strong and that the framework to continue to improve is in place.

ACKNOWLEDGEMENTS

The preparation of this report would not have been possible without the efficient and dedicated services of the entire staff of the City of West St. Paul and the City's Finance Department. Special thanks also go to the staff of Abdo, Eick & Meyers, LLP, Ltd. for their advice and counsel in the preparation of this CAFR.

Respectfully submitted,

Char Stark
Finance Director

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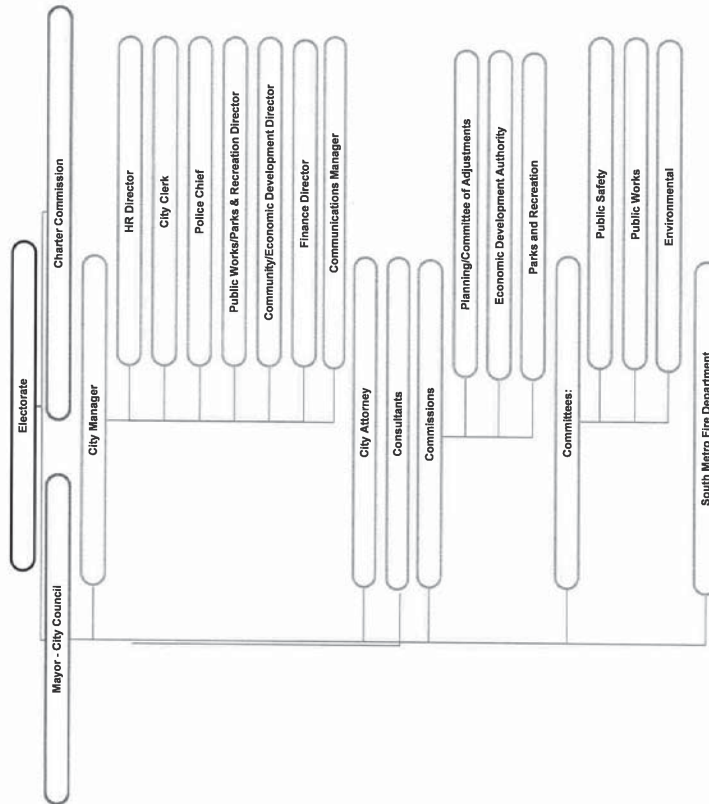
Respectfully submitted,



Char Stark
Finance Director

PROMOTING AND PRESERVING A COMMUNITY OF EXCELLENCE BY THE
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City of West Saint Paul



City of West St. Paul, Minnesota Elected and Appointed Officials For the Year Ended December 31, 2019

ELECTED

Name	Title	Term Expires
Dave Napier	Mayor	12/31/20
Wendy Berry	Council Member	12/31/22
Lisa Eng-Sarne	Council Member	12/31/20
Anthony Fernandez	Council Member	12/31/20
John Justen	Council Member	12/31/22
Bob Paice	Council Member	12/31/20
Dick Vitelli	Council Member	12/31/22

APPOINTED

Name	Title
Ryan Schroeder	City Manager
Sherrie Le	Assistant City Manager/Human Resources
Char Stark	Director of Finance/City Treasurer
Brian Sturgeon	Police Chief
Ross Backwith	Director Parks and Recreations & Public Works
Jim Hartshorn	Community/Economic Development Director



Government Finance Officers Association

**Certificate of
Achievement
for Excellence
in Financial
Reporting**

Presented to

**City of West St. Paul
Minnesota**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

December 31, 2018

Christopher P. Morill

Executive Director/CEO

FINANCIAL SECTION
CITY OF WEST ST. PAUL
WEST ST. PAUL, MINNESOTA

FOR THE YEAR ENDED
DECEMBER 31, 2019

INDEPENDENT AUDITOR'S REPORT

Honorable Mayor and City Council
City of West St. Paul, Minnesota

Report on the Financial Statements

We have audited the accompanying financial statements of governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the City of West St. Paul, Minnesota (the City), as of and for the year ended December 31, 2019, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the City's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall financial statement presentation.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the City as of December 31, 2019, and the respective changes in financial position and, where applicable, cash flows thereof and the budgetary comparison for the General fund and the Economic Development Authority fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

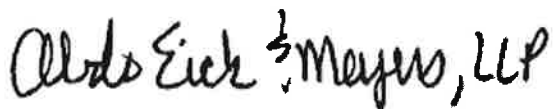
Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis starting on page 25 and the Schedules of Employer's Share of the Net Pension Liability, the Schedules of Employers Contributions, the related note disclosures, the Schedule of Changes in Net Pension Liability (Asset) and Related Ratios and the Schedule of Changes in the City's Other Postemployment Benefits Liability and Related Ratios starting on page 96 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The introductory section, combining and individual fund financial statements and schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements. The schedule of expenditures of federal awards is presented for purposes of additional analysis as required by Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, and is also not a required part of the basic financial statements.

The combining and individual fund financial statements and the Schedule of Expenditures of Federal Awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual fund financial statements and schedules and the Schedule of Expenditures of Federal Awards are fairly stated, in all material respects in relation to the basic financial statements as a whole.

The introductory section has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

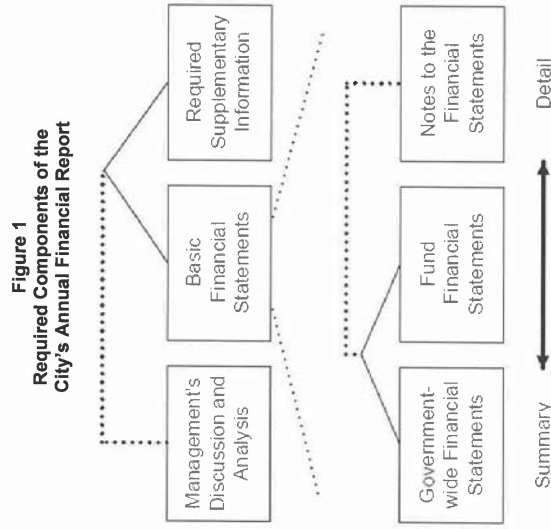


ABDO, EICK & MEYERS, LLP
Minneapolis, Minnesota
June 18, 2020

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the City's basic financial statements. The City's basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplemental information in addition to the basic financial statements themselves.

The financial statements also include notes that explain some of the information in the financial statements and provide more detailed data. The statements are followed by a section of combining and individual fund financial statements and schedules that further explains and supports the information in the financial statements. Figure 1 shows how the required parts of this annual report are arranged and relate to one another. In addition to these required elements, we have included a section with combining and individual fund financial statements and schedules that provide details about nonmajor governmental funds, which are added together and presented in single columns in the basic financial statements.



Management's Discussion and Analysis

As management of the City of West St. Paul, Minnesota, (the City), we offer readers of the City's financial statements this narrative overview and analysis of the financial activities of the City for the fiscal year ended December 31, 2019.

Financial Highlights

- The assets and deferred outflows of resources of the City exceeded its liabilities and deferred inflows of resources at the close of the most recent fiscal year by \$44,880,181 (net position). Of this amount, \$12,344,208 (unrestricted net position) may be used to meet the City's ongoing obligations to citizens and creditors.
- The City's total net position increased \$3,712,159. Of the total, governmental activities increased \$2,489,789 and business-type activities increased \$1,222,370. The increase in the governmental activities was due to a decrease in the pension liability and an increase in property tax revenue. The increase in business-type activities was due to a surplus of operating revenues over expenses.
- As of the close of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$25,377,544.
- At the end of the current fiscal year, unassigned fund balance for the General fund was \$6,977,398, or 64.4 percent of total 2019 General fund expenditures.

Figure 2 summarizes the major features of the City's financial statements, including the portion of the City government they cover and the types of information they contain. The remainder of this overview section of management's discussion and analysis explains the structure and contents of each of the statements.

Figure 2
Major Features of the Government-wide and Fund Financial Statements

	Government-wide Statements	Fund Financial Statements	
	Governmental Funds	Proprietary Funds	
Scope	Entire City government (except fiduciary funds) and the City's component units.	The activities of the City that are not proprietary or fiduciary, such as police, fire and parks.	Activities the City operates similar to private businesses, such as the water and sewer system.
Required financial statements	<ul style="list-style-type: none"> Statement of Net Position Statement of Activities 	<ul style="list-style-type: none"> Balance Sheet Statement of Revenues, Expenditures, and Changes in Fund Balances 	<ul style="list-style-type: none"> Statement of Net Position Statement of Revenues, Expenses and Changes in Fund Net Position Statement of Cash Flows
Accounting basis and measurement focus	Accrual accounting and economic resources focus	Modified accrual accounting and current financial resources focus	Accrual accounting and economic resources focus
Type of asset/liability information	All assets and liabilities, both financial and capital, and short-term and long-term	Only assets expected to be used up and liabilities that come due during the year or soon thereafter; no capital assets included	All assets and liabilities, both financial and capital, and short-term and long-term
Type of deferred outflows/inflows of resources information	All deferred outflows/inflows of resources, regardless of when cash is received or paid	Only deferred outflows of resources expected to be used up and deferred inflows of resources that come due during the year or soon thereafter; no capital assets included	All deferred outflows/inflows of resources, regardless of when cash is received or paid
Type of inflow/outflow information	All revenues and expenses during year, regardless of when cash is received or paid	Revenues for which cash is received during or soon after the end of the year; expenditures when goods or services have been received and payment is due during the year or soon thereafter	All revenues and expenses during the year, regardless of when cash is received or paid

Government-wide Financial Statements. The government-wide financial statements are designed to provide readers with a broad overview of the City's finances, in a manner similar to a private-sector business.

The statement of net position presents information on all of the City's assets and deferred outflows of resources and liabilities and deferred inflows of resources, with the difference reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City is improving or deteriorating.

The statement of activities presents information showing how the City's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

Both of the government-wide financial statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenue (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the City include general government, public safety, public works (streets and highways), culture and recreation, economic development and interest on long-term debt. The business-type activities of the City include storm sewer, sewer, and recreation.

The government-wide financial statements start on page 39 of this report.

Fund Financial Statements. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City, like other state and local government, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the City can be divided into three categories: governmental funds, proprietary funds and fiduciary funds.

Governmental Funds. Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact by the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The City maintains several individual governmental funds, fourteen of which are Debt Service funds and three of which are TIF Funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures and changes in fund balances for the General Fund, Economic Development Authority fund, Debt Service funds, Permanent Improvement Revolving fund and the TIF Districts fund, which are considered to be major funds. Data from the other nine governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of combining statements or schedules elsewhere in this report.

The City adopts an annual appropriated budget for its General and Economic Development Authority funds. A budgetary comparison statement has been provided for the General fund and the Economic Development Authority fund to demonstrate compliance with this budget.

The basic governmental fund financial statements start on page 44 of this report.

Proprietary Funds. Proprietary funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The City uses enterprise funds to account for its storm sewer, sewer, and recreation activities.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for each of the enterprise funds which are considered to be major funds of the City.

The basic proprietary fund financial statements start on page 54 of this report.

Notes to the Financial Statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements start on page 61 of this report.

Required Supplementary Information. In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the City's progress in funding its obligation to provide pension and OPEB benefits to its employees. Required supplementary information can be found starting on page 96 of this report.

Other information. The combining statements referred to earlier in connection with nonmajor governmental funds is presented following the notes to the financial statements. Combining and individual fund statements and schedules start on page 102 of this report.

Government-wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the City, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$44,880,181 at the close of the most recent fiscal year.

The largest portion of the City's net position (58.3 percent) reflects its investment in capital assets (e.g., land, buildings, machinery and equipment); less any related debt used to acquire those assets that are still outstanding. The City uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

City of West St. Paul's Summary of Net Position

	Governmental Activities			Business-Type Activities		
	2019	2018	Increase (Decrease)	2019	2018	Increase (Decrease)
Assets						
Current and other assets	\$ 29,666,008	\$ 24,073,736	\$ 5,592,272	\$ 7,333,724	\$ 6,173,434	\$ 1,160,290
Capital assets	59,419,440	59,324,895	1,094,545	21,673,696	21,451,817	221,879
Total Assets	89,085,448	82,398,631	6,686,817	29,007,420	27,625,251	1,382,169
Deferred Outflows of Resources	3,414,987	4,729,721	(1,314,734)	36,859	82,591	(45,732)
Deferred pension resources	195,496	133,074	62,422	15,632	10,980	4,652
Deferred other postemployment benefits	3,219,491	4,596,647	(1,377,156)	21,227	71,611	(50,384)
Total Deferred Outflows of Resources	3,614,987	4,862,795	(1,247,808)	36,889	82,591	(45,702)
Liabilities						
Noncurrent liabilities outstanding	57,002,203	54,268,270	2,733,933	11,025,656	10,727,662	298,994
Other liabilities	3,289,102	1,907,342	1,381,760	447,960	606,388	(160,418)
Total Liabilities	60,291,305	56,175,612	4,095,693	11,474,636	11,334,050	138,576
Deferred Inflows of Resources	5,051,921	6,201,898	(1,149,977)	78,799	98,656	(19,857)
Deferred pension resources						
Net Position	14,907,996	14,637,278	270,718	11,252,882	13,484,035	(2,231,153)
Restricted	6,308,095	5,770,993	537,102	67,000	-	67,000
Unrestricted	6,157,614	4,475,645	1,681,969	6,185,882	2,800,071	3,385,813
Total Net Position	\$ 27,373,705	\$ 24,883,916	\$ 2,489,789	\$ 17,506,476	\$ 16,284,106	\$ 1,222,370

An additional portion of the City's net position (\$6,375,095) represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position (\$12,344,208) may be used to meet the City's ongoing obligations to citizens and creditors.

At the end of the current fiscal year, the City is able to report positive balances in all three categories of net position for governmental and business-type activities.

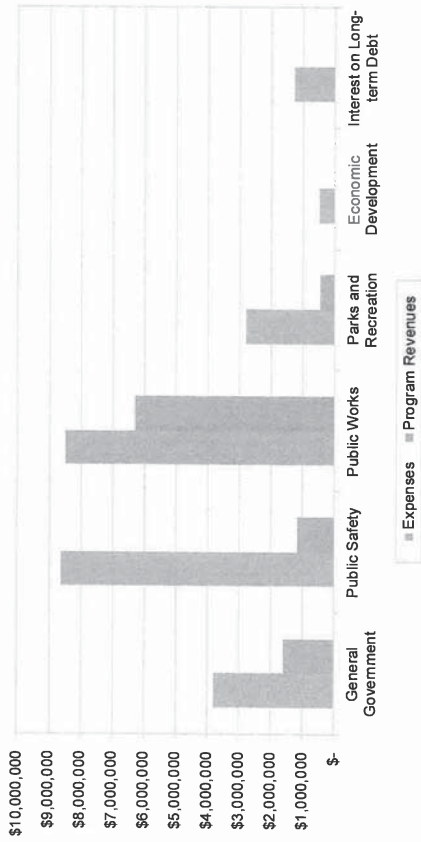
City of West St. Paul's Changes in Net Position

Governmental Activities. Governmental activities increased the City's net position by \$2,489,789. The main reason for the increase was due to expenses a decrease in the pension liability and an increase in tax revenue. Other key elements of the changes are as follows:

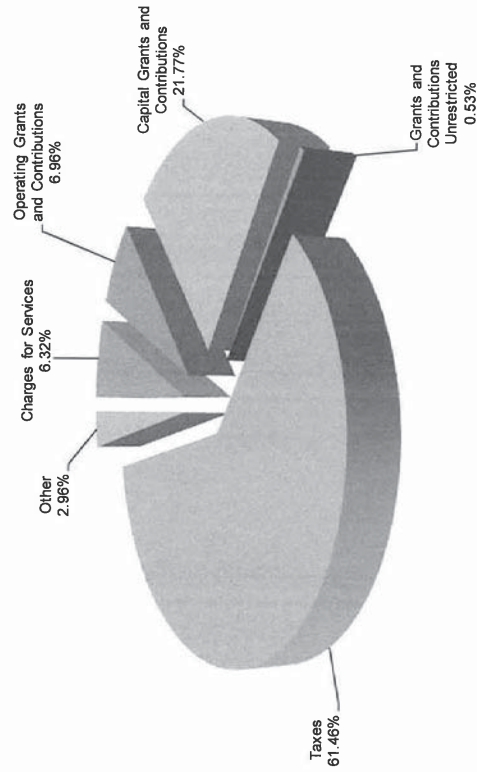
	Governmental Activities			Business-Type Activities		
	2019	2018	Increase (Decrease)	2019	2018	Increase (Decrease)
Revenues						
Program Revenues	\$ 1,728,820	\$ 1,716,568	\$ 12,252	\$ 5,901,174	\$ 5,439,570	\$ 461,604
Charges for services	1,904,064	1,985,896	(81,832)	226,558	72,420	154,138
Operating grants and contributions	5,957,178	1,743,167	4,214,011	370,027	65,212	304,815
Capital grants and contributions						
General revenues	15,392,049	13,830,174	1,561,875	332,224	584,708	(252,484)
Taxes	240,654	261,993	(21,339)	-	-	-
Property taxes	1,182,809	1,065,443	97,366	-	-	-
Tax increment						
Franchise and other						
Grants and contributions						
not restricted to	144,361	111,861	32,500	-	-	-
specific programs	741,916	182,238	559,678	162,563	29,179	133,384
Unrestricted investment earnings	9,971	28,004	(18,033)	20,000	-	20,000
Gain on sale of capital assets	56,999	28,465	28,534	7,395	16,727	(11,332)
Miscellaneous	27,358,821	20,973,829	6,384,992	7,019,941	6,209,816	810,125
Total Revenues	3,782,687	4,222,701	(440,014)	-	-	-
Expenses	8,638,648	7,513,679	1,124,969	-	-	-
General government	8,478,627	7,043,080	1,435,547	-	-	-
Public safety	2,807,291	1,257,105	1,550,186	-	-	-
Parks and recreation	503,616	999,115	(495,499)	-	-	-
Miscellaneous	1,308,163	1,226,640	81,523	-	-	-
Interest on long-term debt				346,263	432,327	(86,064)
Storm sewer				3,471,635	3,459,654	11,981
Sanitary sewer				4,627	18,548	(13,921)
Golf course				440,811	402,459	38,352
Civic center arena				103,887	80,738	23,149
Swimming pool				780,348	752,619	27,729
Regional athletic center						
Total Expenses	25,519,032	22,282,320	3,236,712	5,147,571	5,146,345	1,226
Increase (Decrease) in Net Position	1,839,789	(1,288,491)	3,128,280	1,872,370	1,053,471	808,899
Before Transfers	650,000	(1,423,266)	1,423,266	(650,000)	(1,188,000)	538,000
Transfers - Capital Assets						
Transfers (Net)	2,489,789	(1,522,757)	4,012,546	1,222,370	1,297,737	(75,367)
Change in Net Position	24,883,916	26,406,673	(1,522,757)	16,284,106	14,986,369	1,297,737
Net Position, January 1	\$ 27,373,705	\$ 24,883,916	\$ 2,489,789	\$ 17,506,476	\$ 16,284,106	\$ 1,222,370
Net Position, December 31						

The following graph depicts various governmental activities and shows the revenue and expenses directly related to those activities.

Expenses and Program Revenue - Governmental Activities

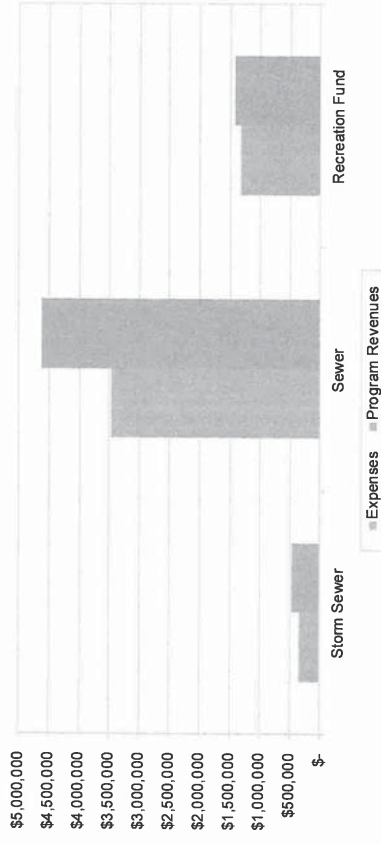


Revenue by Source - Governmental Activities

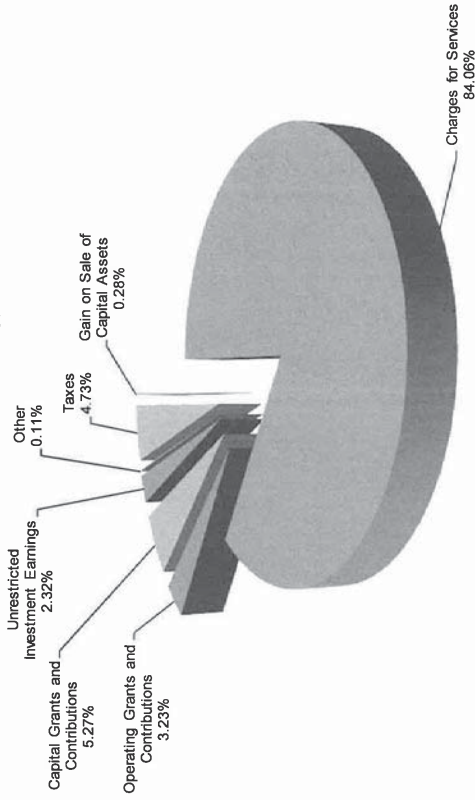


Business-type Activities. Business-type activities increased the City's net position by \$1,222,370. The main reason of this increase was due to operating revenue over operating expenses. Other key elements of the changes are as follows:

Expenses and Program Revenues - Business-type Activities



Revenue by Source - Business-type Activities



Financial Analysis of the Government's Funds

As noted earlier, the City uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental Funds. The focus of the City's governmental funds is to provide information on near-term inflows, outflows and balances of spendable resources. Such information is useful in assessing the City's financing requirements. In particular, unassigned fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of the end of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$25,377,544. Approximately 29.3 percent of this total amount, (\$7,437,211) constitutes unassigned fund balance, which is available for spending at the City's discretion. The City also has nonspendable balance of \$635,577, restricted balance of \$10,261,929, committed balance of \$3,294,869 and assigned balance of \$3,767,998.

	Fund Balance December 31,		Increase (Decrease)
	2019	2018	
General	\$ 9,611,680	\$ 8,845,920	\$ 765,760

The General fund is the chief operating fund of the City. The General fund had an increase in fund balance of \$765,760 from 2018. The increase in fund balance is mainly due to transfers into the General Fund.

Economic Development Authority
The Economic Development Authority fund had an increase in fund balance of \$3,104,171 from 2018.

Debt Service
The Debt Service fund has a total fund balance of \$6,869,583 and increased \$641,805 from 2018. The increase is mainly due to revenues collected in excess of bond payments.

Permanent Improvement Revolving Fund
The Permanent Improvement Revolving fund had an increase in fund balance of \$2,414,030 from 2018. The increase in fund balance is mainly due to funding from the 2019A bond issuance.

TIF Districts
The TIF Districts fund had an increase in fund balance of \$50,434 from 2018. The increase in fund balance is due to tax increment revenue exceeding economic development expenditures.

Proprietary Funds. The City's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail.

Unrestricted net position of the enterprise funds at the end of the year amounted to \$6,186,594. The change in net position for the funds was an increase of \$1,222,370. Other factors concerning the finances of these funds have already been addressed in the discussion of the City's business-type activities.

General Fund Budgetary Highlights

The City's General fund budget was amended during the year to increase both revenues and expenditures by \$91,000. Actual revenues were over budget by \$181,443, this was mostly due to a positive budget variances in licenses and permits and special assessment revenue of \$120,683 and \$152,045, respectively. Expenditures in total were under budget by \$582,346. The largest positive expenditure variances were in public safety and general government, of \$263,502 and \$298,806, respectively.

Capital Asset and Debt Administration

Capital Assets. The City's investment in capital assets for its governmental and business type activities as of December 31, 2019 amounts to \$61,093,136 (net of accumulated depreciation). This investment in capital assets includes land, structures, improvements, machinery and equipment, software, park facilities and roads.

Major capital asset events during the current fiscal year included the following:

- Completion of the 2018 Street Reconstruction project.
- Additional work was done on the 2019 Street Reconstruction project.
- The 2020 Street Reconstruction project was started.
- Completion of the Sports Center facility project.
- The Police Remodel project was started.
- A Dump Truck build project was started.
- Additional work was done on the Lift Station projects.
- Several public safety and public works equipment and vehicles were purchased.

Additional information on the City's capital assets can be found in Note 3B starting on page 75 of this report.

**City of West St. Paul's Capital Assets
(Net of Depreciation)**

	Governmental Activities		Business-Type Activities	
	2019	2018	2019	2018
Land	\$ 5,043,391	\$ 5,043,391	\$ -	\$ 1,144,168
Construction in Progress	4,545,604	3,444,990	1,100,814	1,219,031
Buildings	8,296,287	7,835,808	460,459	9,505,713
Improvements Other Than Buildings	7,645,777	7,729,912	(84,135)	-
Vehicles, Machinery and Equipment	1,559,259	1,698,275	(137,016)	405,606
Software	253,805	25,189	228,716	-
Infrastructure	32,075,037	32,549,330	(474,293)	9,399,178
Total	\$ 59,419,440	\$ 58,324,895	\$ 1,084,545	\$ 21,451,817
			Increase (Decrease)	Increase (Decrease)
			\$ 1,144,168	\$ 1,086,979
			9,505,713	(476,317)
			405,606	(20,982)
			9,766,999	(367,821)
			\$ 21,451,817	\$ 221,879

Long-term Debt. At the end of the current fiscal year, the City had total bonded debt outstanding of \$59,155,783. While all of the City's bonds have revenue streams, they are all backed by the full faith and credit of the City.

City of West St. Paul's Outstanding Debt

	Governmental Activities		Business-type Activities	
	2019	2018	2019	2018
G.O. Bonds	\$ 33,840,000	\$ 35,340,000	\$ -	\$ -
G.O. Improvement Bonds	12,035,000	7,740,000	4,295,000	-
G.O. Tax Increment Bonds	1,125,000	1,195,000	(70,000)	-
G.O. Revenue Bonds	-	-	10,260,000	9,930,000
Bond Premium	1,654,665	1,482,728	171,937	199,664
Bond Discount	-	-	(2,056)	(4,110)
Total	\$ 48,654,665	\$ 45,757,728	\$ 2,896,937	\$ 10,501,118
				\$ 375,564

The City's total debt increased \$3,272,501 during the current fiscal year. The increase in outstanding debt can be attributed to the issuance of the 2019A bonds net of regularly scheduled debt payments.

Minnesota statutes limit the amount of net general obligation debt a City may issue to three percent of the market value of taxable property within the City. Net debt is debt payable solely from ad valorem taxes. The City currently has no outstanding general obligation debt in excess of this limit.

Additional information on the City's long-term debt can be found in Note 3E starting on page 78 of this report.

Economic Factors and Next Year's Budgets and Rates

- The county unemployment rate for 2018 was 2.9 percent which is slightly below the statewide rate for the period.
- Property values increased on average 6.05 percent from 2018 and are projected to increase another 8.6 percent in 2019 for tax pay year 2020.
- The tax base continues to grow. 2019 resulted in a 1.158 million dollar increase in the tax base from new construction.
- Tax rates for 2019 is 72.624 percent which is down from the 2018 which was 69.287 percent.
- Storm and sanitary sewer rates are also expected to increase to cover planned capital improvements.

Requests for Information

This financial report is designed to provide a general overview of the City's finances for all those with an interest in the City's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Finance Director, City of West St. Paul, 1616 Humboldt Avenue, West St. Paul, Minnesota 55118-3972.

GOVERNMENT-WIDE FINANCIAL STATEMENTS

**CITY OF WEST ST. PAUL
WEST ST. PAUL, MINNESOTA**

**FOR THE YEAR ENDED
DECEMBER 31, 2019**

City of West St. Paul, Minnesota
Statement of Net Position
December 31, 2019

	Governmental Activities	Business-type Activities	Total
Assets			
Cash and temporary investments	\$ 23,267,324	\$ 5,343,693	\$ 28,611,017
Receivables			
Accrued interest	43,683	10,461	54,144
Property taxes	143,231	-	143,231
Notes	47,200	-	47,200
Accounts	843,589	128,905	972,494
Special assessments	1,436,034	860,424	2,296,458
Due from other governments	2,082,302	990,218	3,072,520
Prepaid items	138,764	23	138,787
Assets held for resale	1,663,881	-	1,663,881
Capital assets			
Land and construction in progress	9,589,195	2,363,199	11,952,394
Depreciable assets (net of accumulated depreciation)	49,830,245	19,310,497	69,140,742
Total Assets	<u>89,085,448</u>	<u>29,007,420</u>	<u>118,092,868</u>
Deferred Outflows of Resources			
Deferred pension resources	3,414,987	36,859	3,451,846
Deferred other postemployment benefits	196,496	15,632	212,128
Total Deferred Outflows of Resources	<u>3,611,483</u>	<u>52,491</u>	<u>3,663,974</u>
Liabilities			
Accounts and contracts payable	1,741,740	196,055	1,937,795
Accrued salaries payable	329,417	22,490	351,907
Due to other governments	383,160	7,240	390,400
Accrued interest payable	559,905	87,191	647,096
Deposits payable	252,790	-	252,790
Unearned revenue	2,090	135,004	137,094
Noncurrent liabilities			
Due within one year	3,523,568	1,086,598	4,610,166
Due in more than one year	45,992,129	9,453,789	55,445,918
Net pension liability	5,718,371	345,610	6,063,981
Other postemployment benefit liability	1,768,135	140,659	1,908,794
Total Liabilities	<u>60,271,305</u>	<u>11,474,636</u>	<u>71,745,941</u>
Deferred Inflows of Resources			
Deferred pension resources	5,051,921	78,799	5,130,720
Net Position			
Net investment in capital assets	14,907,996	11,252,882	26,160,878
Restricted for			
Debt service	5,945,784	-	5,945,784
Economic development	359,411	-	359,411
Police purposes	2,900	-	2,900
Locker Replacement	-	67,000	67,000
Unrestricted	6,157,614	6,186,594	12,344,208
Total Net Position	<u>\$ 27,373,705</u>	<u>\$ 17,506,476</u>	<u>\$ 44,880,181</u>

The notes to the financial statements are an integral part of this statement.

City of West St. Paul, Minnesota
Statement of Activities
For the Year Ended December 31, 2019

Functions/Programs	Expenses	Program Revenue		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Governmental Activities				
General government	\$ 3,782,687	\$ 914,722	\$ 711,481	\$ -
Public safety	8,638,648	691,807	491,356	-
Public works	8,478,627	42,125	301,093	5,957,178
Parks and recreation	2,807,291	80,166	400,000	-
Economic development	503,616	-	134	-
Interest on long-term debt	1,308,163	-	-	-
Total Governmental Activities	<u>25,519,032</u>	<u>1,728,820</u>	<u>1,904,064</u>	<u>5,957,178</u>
Business-type Activities				
Storm sewer	346,263	464,919	62	-
Sanitary sewer	3,471,635	4,362,210	558	255,390
Golf course	4,627	7,794	-	-
Civic center arena	440,811	259,569	222,225	114,637
Swimming pool	103,887	-	-	-
Regional athletic center	780,348	806,682	3,713	-
Total Business-type Activities	<u>5,147,571</u>	<u>5,901,174</u>	<u>226,558</u>	<u>370,027</u>
Total	<u>\$ 30,666,603</u>	<u>\$ 7,629,994</u>	<u>\$ 2,130,622</u>	<u>\$ 6,327,205</u>

General Revenues

Taxes

 Property taxes, levied for general purposes

 Property taxes, levied for debt service

 Tax increments

 Franchise and other taxes

Grants and contributions not restricted to specific programs

Gain on sale of capital assets

Unrestricted investment earnings

Miscellaneous revenues

Transfers

Total General Revenues and Transfers

Change in Net Position

Net Position, January 1

Net Position, December 31

The notes to the financial statements are an integral part of this statement.

Net (Expenses) Revenues and
Changes in Net Position

Governmental Activities	Business-type Activities	Total
\$ (2,156,484)	\$ -	\$ (2,156,484)
(7,455,485)	-	(7,455,485)
(2,178,231)	-	(2,178,231)
(2,327,125)	-	(2,327,125)
(503,482)	-	(503,482)
(1,308,163)	-	(1,308,163)
<u>(15,928,970)</u>	<u>-</u>	<u>(15,928,970)</u>
-	118,718	118,718
-	1,146,523	1,146,523
-	3,167	3,167
-	155,620	155,620
-	(103,887)	(103,887)
-	30,047	30,047
<u>-</u>	<u>1,350,188</u>	<u>1,350,188</u>
<u>(15,928,970)</u>	<u>1,350,188</u>	<u>(14,578,782)</u>
12,045,044	332,224	12,377,268
3,347,005	-	3,347,005
240,654	-	240,654
1,182,809	-	1,182,809
144,361	-	144,361
9,971	20,000	29,971
741,916	162,563	904,479
56,999	7,395	64,394
650,000	(650,000)	-
<u>18,418,759</u>	<u>(127,818)</u>	<u>18,290,941</u>
2,489,789	1,222,370	3,712,159
<u>24,883,916</u>	<u>16,284,106</u>	<u>41,168,022</u>
<u>\$ 27,373,705</u>	<u>\$ 17,506,476</u>	<u>\$ 44,880,181</u>

The notes to the financial statements are an integral part of this statement.

FUND FINANCIAL STATEMENTS

**CITY OF WEST ST. PAUL
WEST ST. PAUL, MINNESOTA**

**FOR THE YEAR ENDED
DECEMBER 31, 2019**

City of West St. Paul, Minnesota
Balance Sheet
Governmental Funds
December 31, 2019

	101	209	300's
	General	Economic Development Authority	Debt Service
Assets			
Cash and temporary investments	\$ 8,167,178	\$ 344,896	\$ 6,783,468
Receivables			
Accounts	172,844	-	59,600
Property taxes	143,231	-	-
Accrued interest	14,703	959	11,832
Notes	26,200	21,000	-
Special assessments	124,781	-	749,292
Due from other governments	1,414,194	-	14,683
Advances to other funds	470,613	1,136,296	-
Prepaid items	137,469	1,295	-
Assets held for resale	-	1,663,881	-
Total Assets	<u>\$ 10,671,213</u>	<u>\$ 3,168,327</u>	<u>\$ 7,618,875</u>
Liabilities			
Accounts and contracts payable	\$ 226,605	\$ 22,067	\$ -
Accrued salaries payable	319,699	6,363	-
Due to other governments	21,659	6,850	-
Deposits payable	223,230	18,762	-
Unearned revenue	327	-	-
Advances from other funds	-	-	-
Total Liabilities	<u>791,520</u>	<u>54,042</u>	<u>-</u>
Deferred Inflows of Resources			
Unavailable revenues - property and franchise taxes	143,231	-	-
Unavailable revenues - special assessments	124,782	-	749,292
Total Deferred Inflows of Resources	<u>268,013</u>	<u>-</u>	<u>749,292</u>
Fund Balances			
Nonspendable	634,282	1,295	-
Restricted	-	-	6,869,583
Committed	-	3,112,990	-
Assigned	-	-	-
Unassigned	8,977,398	-	-
Total Fund Balances	<u>9,611,680</u>	<u>3,114,285</u>	<u>6,869,583</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 10,671,213</u>	<u>\$ 3,168,327</u>	<u>\$ 7,618,875</u>

The notes to the financial statements are an integral part of this statement.

402 Permanent Improvement Revolving Fund	450's TIF Districts	Other Governmental Funds	Total Governmental Funds
\$ 4,077,369	\$ 451,963	\$ 3,442,450	\$ 23,267,324
13,901	-	597,244	843,589
-	-	-	143,231
8,377	948	6,864	43,683
-	-	-	47,200
561,961	-	-	1,436,034
621,425	-	32,000	2,082,302
-	-	-	1,606,909
-	-	-	138,764
-	-	-	1,663,881
<u>\$ 5,283,033</u>	<u>\$ 452,911</u>	<u>\$ 4,078,558</u>	<u>\$ 31,272,917</u>
\$ 920,913	\$ 27,064	\$ 545,091	\$ 1,741,740
3,355	-	-	329,417
333,035	-	21,616	383,160
-	10,798	-	252,790
-	-	1,763	2,090
-	1,136,296	470,613	1,606,909
<u>1,257,303</u>	<u>1,174,158</u>	<u>1,039,083</u>	<u>4,316,106</u>
-	-	-	143,231
561,962	-	-	1,436,036
<u>561,962</u>	<u>-</u>	<u>-</u>	<u>1,579,267</u>
-	-	-	635,577
3,030,035	359,411	2,900	10,261,929
-	-	141,879	3,254,869
433,733	-	3,354,225	3,787,958
-	(1,080,658)	(459,529)	7,437,211
<u>3,463,768</u>	<u>(721,247)</u>	<u>3,039,475</u>	<u>25,377,544</u>
<u>\$ 5,283,033</u>	<u>\$ 452,911</u>	<u>\$ 4,078,558</u>	<u>\$ 31,272,917</u>

The notes to the financial statements are an integral part of this statement.

City of West St. Paul, Minnesota
 Reconciliation of the Balance Sheet
 to the Statement of Net Position
 Governmental Funds
 December 31, 2019

Amounts reported for the governmental activities in the statement of net position are different because

Total Fund Balances - Governmental	\$ 25,377,544
<p>Capital assets used in governmental activities are not financial resources and therefore are not reported as assets in governmental funds.</p>	
Cost of capital assets	102,764,841
Less: accumulated depreciation	(43,345,401)
<p>Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported as liabilities in the funds.</p>	
<p>Long-term liabilities at year-end consist of</p>	
Bond principal payable	(47,000,000)
Plus: premiums on bonds issued	(1,654,665)
Other postemployment benefits payable	(1,768,135)
Compensated absences payable	(861,032)
Net pension liability	(5,718,371)
<p>Some receivables are not available soon enough to pay for the current period's expenditures, and therefore are unavailable in the funds.</p>	
Delinquent property taxes and franchise taxes receivable	143,231
Special assessments receivable	1,436,036
<p>Governmental funds do not report long-term amounts related to pensions</p>	
Deferred outflows of pension resources	3,414,987
Deferred inflows of pension resources	(5,051,921)
Deferred outflows of other postemployment benefits	196,496
Governmental funds do not report a liability for accrued interest until due and payable.	(559,905)
Total Net Position - Governmental Activities	\$ 27,373,705

The notes to the financial statements are an integral part of this statement.

City of West St. Paul, Minnesota
Statement of Revenues, Expenditures
and Changes in Fund Balances
Governmental Funds
For the Year Ended December 31, 2019

	101	209	300's
	General	Economic Development Authority	Debt Service
Revenues			
Taxes	\$ 10,960,353	\$ 335,538	\$ 3,836,824
Licenses and permits	674,183	-	-
Intergovernmental	974,091	-	220,000
Charges for services	819,312	-	-
Fines and forfeitures	118,187	-	-
Special assessments	190,891	-	264,237
Interest on investments	277,045	68,762	163,066
Miscellaneous	35,717	134	3,084
Total Revenues	<u>14,049,779</u>	<u>404,434</u>	<u>4,487,211</u>
Expenditures			
Current			
General government	3,208,226	-	-
Public safety	8,024,346	-	-
Public works	1,770,189	-	-
Parks and recreation	941,229	-	-
Economic development	-	394,320	-
Capital outlay			
General government	-	-	-
Public safety	-	-	-
Public works	-	-	-
Parks and recreation	-	-	-
Debt service			
Principal	-	-	2,600,000
Interest and other charges	-	-	1,343,941
Bond issuance costs	-	-	-
Total Expenditures	<u>13,943,990</u>	<u>394,320</u>	<u>3,943,941</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>105,789</u>	<u>10,114</u>	<u>543,270</u>
Other Financing Sources (Uses)			
Transfers in	650,000	-	98,535
Sale of capital assets	9,971	-	-
Premium on bonds	-	-	-
Bonds issued	-	-	-
Transfers out	-	-	-
Total Other Financing Sources (Uses)	<u>659,971</u>	<u>-</u>	<u>98,535</u>
Net Change in Fund Balances	765,760	10,114	641,805
Fund Balances, January 1	<u>8,845,920</u>	<u>3,104,171</u>	<u>6,227,778</u>
Fund Balances, December 31	<u>\$ 9,611,680</u>	<u>\$ 3,114,285</u>	<u>\$ 6,869,583</u>

The notes to the financial statements are an integral part of this statement.

402 Permanent Improvement Revolving Fund	450's TIF Districts	Other Governmental Funds	Total Governmental Funds
\$ -	\$ 240,654	\$ 1,428,300	\$ 16,801,669
-	-	-	674,183
3,512,704	-	1,694,500	6,401,295
38,901	-	42,268	900,481
-	-	-	118,187
681,313	-	-	1,136,441
97,375	19,500	116,168	741,916
266,306	-	101,768	407,009
<u>4,596,599</u>	<u>260,154</u>	<u>3,383,004</u>	<u>27,181,181</u>
-	-	153,422	3,361,648
-	-	187,708	8,212,054
6,653,501	-	148,648	8,572,338
-	-	1,661,317	2,602,546
-	111,185	-	505,505
-	-	223,697	223,697
-	-	323,927	323,927
1,028,784	-	114,814	1,143,598
-	-	377,956	377,956
-	-	-	2,600,000
-	-	-	1,343,941
136,313	-	-	136,313
<u>7,818,598</u>	<u>111,185</u>	<u>3,191,489</u>	<u>29,403,523</u>
<u>(3,221,999)</u>	<u>148,969</u>	<u>191,515</u>	<u>(2,222,342)</u>
-	-	-	748,535
-	-	-	9,971
311,029	-	-	311,029
5,325,000	-	-	5,325,000
-	(98,535)	-	(98,535)
<u>5,636,029</u>	<u>(98,535)</u>	<u>-</u>	<u>6,296,000</u>
2,414,030	50,434	191,515	4,073,658
<u>1,049,738</u>	<u>(771,681)</u>	<u>2,847,960</u>	<u>21,303,886</u>
<u>\$ 3,463,768</u>	<u>\$ (721,247)</u>	<u>\$ 3,039,475</u>	<u>\$ 25,377,544</u>

The notes to the financial statements are an integral part of this statement.

City of West St. Paul, Minnesota
 Reconciliation of the Statement of Revenues, Expenditures
 and Changes in Fund Balances
 to the Statement of Activities
 Governmental Funds
 For the Year Ended December 31, 2019

Amounts reported for governmental activities in the statement of activities are different because

Total Net Change in Fund Balances - Governmental Funds \$ 4,073,658

Capital outlays are reported in governmental funds as expenditures. However, in the statement of activities, the cost of those assets is allocated over the estimated useful lives as depreciation expense.

Capital outlays	3,766,884
Depreciation expense	(2,672,339)

The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of premiums, discounts and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities.

Principal repayments	2,600,000
Bonds issued	(5,325,000)
Premium on bonds issued	(311,029)
Current year amortization of bond premium	139,092

Interest on long-term debt in the statement of activities differs from the amount reported in the governmental fund because interest is recognized as an expenditure in the funds when it is due, and thus requires the use of current financial resources. In the statement of activities, however interest expense is recognized as the interest accrues, regardless of when it is due.

32,999

Certain revenues are recognized as soon as it is earned. Under the modified accrual basis of accounting certain revenues cannot be recognized until they are available to liquidate liabilities of the current period.

Special assessments	175,300
Property taxes	(51,445)

Long-term pension activity is not reported in governmental funds.

Pension expense	(243,191)
Pension revenue from State contributions	43,814

Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.

Other post employment benefits	239,196
Compensated absences	21,850

Change in Net Position - Governmental Activities	\$ 2,489,789
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The notes to the financial statements are an integral part of this statement.

City of West St. Paul, Minnesota
Statement of Revenues, Expenditures and Changes in Fund Balances -
Budget and Actual
General Fund
For the Year Ended December 31, 2019

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Revenues				
Taxes	\$ 11,091,927	\$ 11,091,927	\$ 10,960,353	\$ (131,574)
Licenses and permits	553,500	553,500	674,183	120,683
Intergovernmental	1,049,500	1,049,500	974,091	(75,409)
Charges for services	685,855	776,855	819,312	42,457
Fines and forfeitures	188,000	188,000	118,187	(69,813)
Special assessments	40,000	40,000	190,891	150,891
Interest on investments	125,000	125,000	277,045	152,045
Miscellaneous	43,554	43,554	35,717	(7,837)
Total Revenues	<u>13,777,336</u>	<u>13,868,336</u>	<u>14,049,779</u>	<u>181,443</u>
Expenditures				
Current				
General government	3,507,032	3,507,032	3,208,226	298,806
Public safety	8,196,848	8,287,848	8,024,346	263,502
Public works	1,753,491	1,753,491	1,770,189	(16,698)
Parks and recreation	977,965	977,965	941,229	36,736
Total Expenditures	<u>14,435,336</u>	<u>14,526,336</u>	<u>13,943,990</u>	<u>582,346</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(658,000)</u>	<u>(658,000)</u>	<u>105,789</u>	<u>763,789</u>
Other Financing Sources				
Transfers in	650,000	650,000	650,000	-
Sale of capital assets	8,000	8,000	9,971	1,971
Total Other Financing Sources	<u>658,000</u>	<u>658,000</u>	<u>659,971</u>	<u>1,971</u>
Net Change in Fund Balances	-	-	765,760	765,760
Fund Balances, January 1	<u>8,845,920</u>	<u>8,845,920</u>	<u>8,845,920</u>	<u>-</u>
Fund Balances, December 31	<u>\$ 8,845,920</u>	<u>\$ 8,845,920</u>	<u>\$ 9,611,680</u>	<u>\$ 765,760</u>

The notes to the financial statements are an integral part of this statement.

City of West St. Paul, Minnesota
Statement of Revenues, Expenditures and Changes in Fund Balances -
Budget and Actual
Economic Development Authority Fund
For the Year Ended December 31, 2019

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Property taxes	\$ 337,043	\$ 337,043	\$ 335,538	\$ (1,505)
Interest on investments	55,000	55,000	68,762	13,762
Miscellaneous revenue	10,000	10,000	134	(9,866)
Total Revenues	<u>402,043</u>	<u>402,043</u>	<u>404,434</u>	<u>2,391</u>
Expenditures				
Current				
Economic development	<u>400,538</u>	<u>400,538</u>	<u>394,320</u>	<u>6,218</u>
Net Change in Fund Balances	1,505	1,505	10,114	8,609
Fund Balances, January 1	<u>3,104,171</u>	<u>3,104,171</u>	<u>3,104,171</u>	<u>-</u>
Fund Balances, December 31	<u><u>\$ 3,105,676</u></u>	<u><u>\$ 3,105,676</u></u>	<u><u>\$ 3,114,285</u></u>	<u><u>\$ 8,609</u></u>

The notes to the financial statements are an integral part of this statement.

City of West St. Paul, Minnesota
Statement of Net Position
Proprietary Funds
December 31, 2019

	Business-type Activities - Enterprise Funds			Totals
	600 Storm Sewer	602 Sanitary Sewer	Recreation	
Assets				
Current Assets				
Cash and temporary investments	\$ 1,655,420	\$ 1,084,715	\$ 2,603,558	\$ 5,343,693
Receivables				
Accrued interest	3,531	1,559	5,371	10,461
Accounts	2,030	7,400	119,475	128,905
Special assessments	-	246,477	-	246,477
Due from other governments	100,436	889,782	-	990,218
Due from other funds	-	-	-	-
Prepaid items	-	23	-	23
Total Current Assets	<u>1,761,417</u>	<u>2,229,956</u>	<u>2,728,404</u>	<u>6,719,777</u>
Noncurrent Assets				
Special assessments	-	613,947	-	613,947
Capital assets				
Land	-	10,945	1,133,223	1,144,168
Construction in progress	-	1,219,031	-	1,219,031
Buildings	-	-	13,144,056	13,144,056
Machinery and equipment	183,179	700,648	570,301	1,454,128
Infrastructure	8,907,756	11,594,102	-	20,501,858
Less accumulated depreciation	(5,184,006)	(5,630,314)	(4,975,225)	(15,789,545)
Net Capital Assets	<u>3,906,929</u>	<u>7,894,412</u>	<u>9,872,355</u>	<u>21,673,696</u>
Total Noncurrent Assets	<u>3,906,929</u>	<u>8,508,359</u>	<u>9,872,355</u>	<u>22,287,643</u>
Total Assets	<u>5,668,346</u>	<u>10,738,315</u>	<u>12,600,759</u>	<u>29,007,420</u>
Deferred Outflows of Resources				
Deferred pension resources	2,815	25,542	8,502	36,859
Deferred other postemployment benefits	1,519	9,936	4,177	15,632
Total Deferred outflows of Resources	<u>4,334</u>	<u>35,478</u>	<u>12,679</u>	<u>52,491</u>

The notes to the financial statements are an integral part of this statement.

City of West St. Paul, Minnesota
Statement of Net Position (Continued)
Proprietary Funds
December 31, 2019

	Business-type Activities - Enterprise Funds			
	600	602		
	Storm Sewer	Sanitary Sewer	Recreation	Totals
Liabilities				
Current Liabilities				
Accounts payable	\$ 2,015	\$ 37,671	\$ 71,073	\$ 110,759
Contracts payable	-	85,296	-	85,296
Accrued salaries payable	(917)	15,953	7,454	22,490
Due to other governments	-	7,140	100	7,240
Accrued interest payable	8,839	38,245	40,107	87,191
Unearned revenue	-	600	134,404	135,004
Compensated absences payable - current	-	13,816	7,782	21,598
Bonds payable - current	60,000	540,000	465,000	1,065,000
Total Current Liabilities	<u>69,937</u>	<u>738,721</u>	<u>725,920</u>	<u>1,534,578</u>
Noncurrent Liabilities				
Other postemployment benefits	13,666	89,411	37,582	140,659
Compensated absences payable	-	11,304	6,367	17,671
Net pension liability	26,395	239,498	79,717	345,610
Bonds payable	880,828	4,720,465	3,834,825	9,436,118
Total Noncurrent Liabilities	<u>920,889</u>	<u>5,060,678</u>	<u>3,958,491</u>	<u>9,940,058</u>
Total Liabilities	<u>990,826</u>	<u>5,799,399</u>	<u>4,684,411</u>	<u>11,474,636</u>
Deferred Inflows of Resources				
Deferred pension resources	<u>6,018</u>	<u>54,606</u>	<u>18,175</u>	<u>78,799</u>
Net Position				
Net investment in capital assets	2,966,101	2,714,251	5,572,530	11,252,882
Restricted	-	-	67,000	67,000
Unrestricted	<u>1,709,735</u>	<u>2,205,537</u>	<u>2,271,322</u>	<u>6,186,594</u>
Total Net Position	<u>\$ 4,675,836</u>	<u>\$ 4,919,788</u>	<u>\$ 7,910,852</u>	<u>\$ 17,506,476</u>

The notes to the financial statements are an integral part of this statement.

City of West St. Paul, Minnesota
Statement of Revenues, Expenses and Changes in Net Position
Proprietary Funds
For the Year Ended December 31, 2019

	Business-type Activities - Enterprise Funds			
	600	602		
	Storm Sewer	Sanitary Sewer	Recreation	Totals
Operating Revenues				
Charges for services	\$ 464,919	\$ 4,362,210	\$ 1,074,045	\$ 5,901,174
Operating Expenses				
Personal services	27,857	398,446	146,331	572,634
Supplies	12,388	33,691	41,823	87,902
Professional services	78,573	2,485,156	161,983	2,725,712
Insurance	1,008	23,895	26,618	51,521
Utilities	-	-	248,038	248,038
Repairs and maintenance	-	74,546	178,999	253,545
Depreciation	207,740	341,946	430,546	980,232
Total Operating Expenses	<u>327,566</u>	<u>3,357,680</u>	<u>1,234,338</u>	<u>4,919,584</u>
Operating Income (loss)	<u>137,353</u>	<u>1,004,530</u>	<u>(160,293)</u>	<u>981,590</u>
Nonoperating Revenues (Expenses)				
Property taxes	-	-	332,224	332,224
Intergovernmental	-	-	155,000	155,000
Interest income	58,972	9,124	94,467	162,563
Miscellaneous	2,092	4,803	72,058	78,953
Gain on sale of capital assets	-	-	20,000	20,000
Bond issuance costs	-	(28,272)	-	(28,272)
Interest expense	(18,697)	(85,683)	(95,335)	(199,715)
Total Nonoperating Revenues (Expenses)	<u>42,367</u>	<u>(100,028)</u>	<u>578,414</u>	<u>520,753</u>
Income Before Transfers and Capital Contributions	179,720	904,502	418,121	1,502,343
Capital Contributions - Intergovernmental	-	255,390	114,637	370,027
Transfers Out	(150,000)	(450,000)	(50,000)	(650,000)
Change in Net Position	29,720	709,892	482,758	1,222,370
Net Position, January 1	<u>4,646,116</u>	<u>4,209,896</u>	<u>7,428,094</u>	<u>16,284,106</u>
Net Position, December 31	<u>\$ 4,675,836</u>	<u>\$ 4,919,788</u>	<u>\$ 7,910,852</u>	<u>\$ 17,506,476</u>

The notes to the financial statements are an integral part of this statement.

City of West St. Paul, Minnesota
Statement of Cash Flows
Proprietary Funds
For the Year Ended December 31, 2019

	Business-type Activities - Enterprise Funds			
	600	602		
	Storm Sewer	Sanitary Sewer	Recreation	Totals
Cash Flows from Operating Activities				
Receipts from customers and users	\$ 465,505	\$ 4,280,984	\$ 1,190,420	\$ 5,936,909
Payments to suppliers	(90,919)	(2,927,377)	(627,313)	(3,645,609)
Payments to employees	(53,552)	(418,454)	(158,634)	(630,640)
Net Cash Provided by Operating Activities	<u>321,034</u>	<u>935,153</u>	<u>404,473</u>	<u>1,660,660</u>
Cash Flows from				
Noncapital Financing Activities				
Property taxes received	-	-	332,224	332,224
Intergovernmental receipts	-	-	155,000	155,000
Transfers to other funds	(150,000)	(450,000)	(50,000)	(650,000)
Net Cash Provided (Used) by Noncapital Financing Activities	<u>(150,000)</u>	<u>(450,000)</u>	<u>437,224</u>	<u>(162,776)</u>
Cash Flows from Capital Financing Activities				
Acquisition of capital assets	-	(1,022,320)	(94,495)	(1,116,815)
Proceeds from sale of capital assets	-	-	20,000	20,000
Proceeds from bonds issued, net	-	1,167,011	-	1,167,011
Intergovernmental receipts	-	255,390	114,637	370,027
Interest paid on bonds	(22,269)	(106,637)	(98,643)	(227,549)
Principal paid on bonds	(58,000)	(527,000)	(215,000)	(800,000)
Net Cash Used by Capital Financing Activities	<u>(80,269)</u>	<u>(233,556)</u>	<u>(273,501)</u>	<u>(587,326)</u>
Cash Flows from Investing Activities				
Interest received on investments	<u>63,864</u>	<u>11,827</u>	<u>96,543</u>	<u>172,234</u>
Net Increase in				
Cash and Cash Equivalents	154,629	263,424	664,739	1,082,792
Cash and Cash Equivalents, January 1	<u>1,500,791</u>	<u>821,291</u>	<u>1,938,819</u>	<u>4,260,901</u>
Cash and Cash Equivalents, December 31	<u>\$ 1,655,420</u>	<u>\$ 1,084,715</u>	<u>\$ 2,603,558</u>	<u>\$ 5,343,693</u>

The notes to the financial statements are an integral part of this statement.

City of West St. Paul, Minnesota
Statement of Cash Flows (Continued)
Proprietary Funds
For the Year Ended December 31, 2019

	Business-type Activities - Enterprise Funds			
	600	602	Recreation	Totals
	Storm Sewer	Sanitary Sewer		
Reconciliation of Operating Income (Loss) to Net Cash Provided by Operating Activities				
Operating income (loss)	\$ 137,353	\$ 1,004,530	\$ (160,293)	\$ 981,590
Adjustments to reconcile operating income (loss) to net cash provided by operating activities				
Depreciation	207,740	341,946	430,546	980,232
Other income related to operations	2,092	4,803	72,058	78,953
(Increase) decrease in assets				
Receivables				
Accounts	(2,030)	5,750	989	4,709
Special assessments	-	(30,162)	-	(30,162)
Due from other governments	524	(62,217)	-	(61,693)
Prepays	-	(23)	-	(23)
Decrease in deferred outflows of resources				
Deferred pension resources	6,328	28,563	10,841	45,732
Deferred other post employment benefit resources	(202)	(2,954)	(1,496)	(4,652)
Increase (decrease) in liabilities				
Accounts payable	2,015	(11,927)	31,070	21,158
Accrued salaries payable	(3,306)	(43)	690	(2,659)
Due to other governments	(965)	(298,139)	(922)	(300,026)
Unearned revenue	-	600	43,328	43,928
Other postemployment benefits	(5,570)	(12,586)	(1,577)	(19,733)
Compensated absences payable	-	702	(1,576)	(874)
Net pension liability	(18,049)	(23,623)	(14,291)	(55,963)
Increase in deferred inflows of resources				
Deferred pension resources	(4,896)	(10,067)	(4,894)	(19,857)
Net Cash Provided by Operating Activities	<u>\$ 321,034</u>	<u>\$ 935,153</u>	<u>\$ 404,473</u>	<u>\$ 1,660,660</u>
Noncash Capital Financing and Investing Activities				
Amortization of deferred charges	\$ 2,855	\$ 15,462	\$ 1,404	\$ 19,721
Capital assets acquired on account	<u>\$ -</u>	<u>\$ 85,296</u>	<u>\$ -</u>	<u>\$ 85,296</u>

The notes to the financial statements are an integral part of this statement.

Note 1: Summary of Significant Accounting Policies

A. Reporting Entity

The City of West St. Paul, Minnesota (the City) operates under its own "Home Rule Charter." Under this Charter, the government of the City is governed by the City Council composed of an elected Mayor and six elected City Council Members. The City Council exercises legislative authority and determines all matters of policy. The City Council appoints personnel responsible for the proper administration of all affairs relating to the City. The City has considered all potential units for which it is financially accountable, and other organizations for which the nature and significance of their relationship with the City are such that exclusion would cause the City's financial statements to be misleading or incomplete. The Governmental Accounting Standards Board (GASB) has set forth criteria to be considered in determining financial accountability. These criteria include appointing a voting majority of an organization's governing body, and (1) the ability of the primary government to impose its will on that organization or (2) the potential for the organization to provide specific benefits to, or impose specific financial burdens on, the primary government. Blended component units, although legally separate entities are, in substance, part of the City's operations and so data from these units are combined with data of the City. The City has the following component unit:

Blended Component Unit

The Economic Development Authority (EDA) is an entity legally separate from the City. Although legally separate, the EDA is reported as if it were part of the primary government because the Board of Commissioners is made up of the Mayor and the six City Council members and the City has operational responsibility over the EDA. It is this criterion that results in the EDA being reported as a blended component unit and reported as a special revenue fund. Separate financial statements are not prepared for the EDA.

B. Government-wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfund activities of the City. *Governmental activities*, which normally are supported by taxes and intergovernmental revenues, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges for support. Likewise, the *primary government* is reported separately from certain legally separate component units for which the City is financially accountable.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segments are offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function or segment. Amounts reported as *program revenues* include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as *general revenues*.

Separate financial statements are provided for governmental funds and proprietary funds. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

Note 1: Summary of Significant Accounting Policies (Continued)

C. Measurement Focus, Basis of Accounting and Financial Statement Presentation

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*, as are the proprietary funds financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be *available* when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the City considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Property taxes, franchise taxes, licenses and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Only the portion of special assessments receivable due within the current fiscal period is considered to be susceptible to accrual as revenue of the current period. All other revenue items are considered to be measurable and available only when cash is received by the City.

Revenue resulting from exchange transactions, in which each party gives and receives essentially equal value, is recorded on the accrual basis when the exchange takes place. On a modified accrual basis, revenue is recorded in the year in which the resources are measurable and become available.

Non-exchange transactions, in which the City receives value without directly giving equal value in return, include property taxes, grants, entitlement and donations. On an accrual basis, revenue from property taxes is recognized in the year for which the tax is levied. Revenue from grants, entitlements and donations is recognized in the year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the year when use is first permitted, matching requirements, in which the City must provide local resources to be used for a specified purpose, and expenditure requirements, in which the resources are provided to the City on a reimbursement basis. On a modified accrual basis, revenue from non-exchange transactions must also be available before it can be recognized.

Unearned revenue arises when assets are recognized before revenue recognition criteria have been satisfied. Grants and entitlements received before eligibility requirements are met are also recorded as unearned revenue.

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Note 1: Summary of Significant Accounting Policies (Continued)

The City reports the following major governmental funds:

The *General Fund* is the City's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

The *Economic Development Authority Fund* accounts for the facilitation of redevelopment of property within the City. The City established the EDA according to Minnesota Statute §469.109. Significant revenue sources for the EDA are general property taxes and intergovernmental revenues.

The *Debt Service Fund* accounts for the accumulation of resources and payment of bond principal and interest from governmental resources when the City is obligated in some manner for the payment.

The *Permanent Improvement Revolving Fund* accounts for the costs of constructing various street, sanitary sewer, storm sewer, and water projects. These costs are accumulated until it becomes prudent to issue bonds. The bond proceeds are then placed here to finance future construction. Thus, the fund acts as a large, revolving pool of working capital. It is also used to account for construction done on designated state-aid streets. Financing is provided by State grants for specific state-aid street projects. State law requires that these grants be used for the projects specified in the grant application, or on similar state-aid street projects.

The *TIF Districts Fund* accounts for the activities within the City's four tax increment districts.

The City reports the following major proprietary funds:

The *Storm Sewer Fund* accounts for the costs associated with the City's storm sewer system and ensure that user charges are sufficient to pay for those costs.

The *Sanitary Sewer Fund* accounts for the costs associated with the City's sewer system and ensure that user charges are sufficient to pay for those costs.

The *Recreation Fund* accounts for City-owned recreation operations consisting of a golf course, civic center arena, athletic center and swimming pool.

As a general rule the effect of interfund activity has been eliminated from government-wide financial statements. Exceptions to this general rule are other charges between the City's water, storm sewer and sanitary sewer function and various other functions of the City. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the City enterprise funds are charges to customers for sales and services. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

Note 1: Summary of Significant Accounting Policies (Continued)

D. Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources and Net Position/Fund Balance

Deposits and Investments

The City's cash and cash equivalents are considered to be cash on hand, demand deposits and short-term investments with original maturities of three months or less from the date of acquisition. The proprietary funds' portion in the government-wide cash and temporary investments pool is considered to be cash and cash equivalents for purposes of the statement of cash flows.

Cash balances from all funds are pooled and invested, to the extent available, in certificates of deposit and other authorized investments. Earnings from such investments are allocated on the basis of applicable participation by each of the funds.

The City may also invest idle funds as authorized by Minnesota statutes, as follows:

1. Direct obligations or obligations guaranteed by the United States or its agencies.
2. Shares of investment companies registered under the Federal Investment Company Act of 1940 and received the highest credit rating, rated in one of the two highest rating categories by a statistical rating agency, and have a final maturity of thirteen months or less.
3. General obligations of a state or local government with taxing powers rated "A" or better; revenue obligations rated "AA" or better.
4. General obligations of the Minnesota Housing Finance Agency rated "A" or better.
5. Obligation of a school district with an original maturity not exceeding 13 months and (i) rated in the highest category by a national bond rating service or (ii) enrolled in the credit enhancement program pursuant to statute section 126C.55.
6. Bankers' acceptances of United States banks eligible for purchase by the Federal Reserve System.
7. Commercial paper issued by United States banks corporations or their Canadian subsidiaries, of highest quality category by at least two nationally recognized rating agencies, and maturing in 270 days or less.
8. Repurchase or reverse repurchase agreements and securities lending agreements with financial institutions qualified as a "depository" by the government entity, with banks that are members of the Federal Reserve System with capitalization exceeding \$10,000,000, a primary reporting dealer in U.S. government securities to the Federal Reserve Bank of New York, or certain Minnesota securities broker-dealers.
9. Guaranteed Investment Contracts (GIC's) issued or guaranteed by a United States commercial bank, a domestic branch of a foreign bank, a United States insurance company, or its Canadian subsidiary, whose similar debt obligations were rated in one of the top two rating categories by a nationally recognized rating agency.

Broker money market funds operate in accordance with appropriate state laws and regulations. The reported value of the pool is the same as the fair value of the shares. Earnings on investments are allocated to the individual funds based upon the average cash and investment balances.

The City categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. The City's recurring fair value measurements are listed in detail on page 73.

Note 1: Summary of Significant Accounting Policies (Continued)

The City has the following recurring fair value measurements as of December 31, 2019:

- Government Agency Securities of \$3,344,442 are valued using quoted market prices (Level 1 inputs)
- Municipal Bonds and Certificates of Deposit of \$13,196,013 are valued using a matrix pricing model (Level 2 inputs)

The Minnesota Municipal Money Market Fund is regulated by Minnesota statutes and the Board of Directors of the League of Minnesota Cities and is an external investment pool not registered with the Securities Exchange Commission (SEC) that follows the regulatory rules of the SEC. In accordance with GASB Statement No. 79, the City's investment in this pool is valued at amortized cost, which approximates fair value. There are no restrictions or limitations on withdrawals from the 4M Liquid Asset Fund. Investments in the 4M Plus must be deposited for a minimum of 14 calendar days. Withdrawals prior to the 14-day restriction period will be subject to a penalty equal to seven days interest on the amount withdrawn. Seven days' notice of redemption is required for withdrawals of investments in the 4M Term Series withdrawn prior to the maturity date of that series. A penalty could be assessed as necessary to recoup the Series for any charges, losses, and other costs attributable to the early redemption. Financial statements of the 4M Fund can be obtained by contacting RBC Global Management at 100 South Fifth Street, Suite 2300, Minneapolis, MN 55402-1240.

Property Taxes

The City Council annually adopts a tax levy and certifies it to the County in December (levy/assessment date) of each year for collection in the following year. The County is responsible for billing and collecting all property taxes for itself, the City, the local School District and other taxing authorities. Such taxes become a lien on January 1 and are recorded as receivables by the City at that date. Real property taxes are payable (by property owners) on May 15 and October 15 of each calendar year. Personal property taxes are payable by taxpayers on February 28 and June 30 of each year. These taxes are collected by the County and remitted to the City on or before July 7 and December 2 of the same year. Delinquent collections for November and December are received the following January. The City has no ability to enforce payment of property taxes by property owners. The County possesses this authority.

In the government-wide financial statements, the City recognizes property tax revenue in the period for which the taxes were levied. Uncollectible property taxes are not material and have not been reported.

In the fund financial statements, the City recognizes property tax revenue when it becomes both measurable and available to finance expenditures of the current period. In practice, current and delinquent taxes and State credits received by the City in July, December and January are recognized as revenue for the current year. Taxes and credits not collected by the County by December 31 (remitted to the City the following January) are classified as delinquent taxes receivable. Delinquent taxes receivable are fully offset by deferred inflows of resources because they are not available to finance current expenditures.

Accounts Receivable

Accounts receivable include amounts billed for services provided before year end. Property taxes and special assessments have been reported net of estimated uncollectible accounts. Because utility bills are considered liens on property, no estimated uncollectible amounts are established. Uncollectible amounts are not material for other receivables and have not been reported.

Special Assessments

Special assessments are levied against benefited properties for the cost or a portion of the cost of special assessment improvement projects in accordance with State Statutes. These assessments are collectible by the City over a term of years usually consistent with the term of the related bond issue. Collection of annual installments (including interest) is handled by the County Auditor in the same manner as property taxes. Property owners are allowed to (and often do) prepay future installments without interest or prepayment penalties.

Note 1: Summary of Significant Accounting Policies (Continued)

Once a special assessment roll is adopted, the amount attributed to each parcel is a lien upon that property until full payment is made or the amount is determined to be excessive by the City Council or court action. If special assessments are allowed to go delinquent, the property is subject to a tax forfeit sale. Proceeds of sales from tax forfeit properties are allocated first to the County's costs of administering all tax forfeit properties. Pursuant to State Statutes, a property shall be subject to a tax forfeit sale after three years unless it is homesteaded, agricultural or seasonal recreational land in which event the property is subject to such sale after five years.

In the government-wide financial statements, the City recognizes special assessment revenue in the period that the assessment roll was adopted by the City Council. Uncollectible special assessments are not material and have not been reported.

In the fund financial statements, Revenue from special assessments is recognized by the City when it becomes measurable and available to finance expenditures of the current fiscal period. In practice, current and delinquent special assessments received by the City are recognized as revenue for the current year. Special assessments that are collected by the County by December 31 (remitted to the City the following January) and are also recognized as revenue for the current year. All remaining delinquent deferred and special deferred assessments receivable in governmental funds are completely offset by deferred inflows of resources.

Interfund Receivables and Payables

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "due to/from other funds" (i.e., the current portion of interfund loans) or "advances to/from other funds" (i.e., the non-current portion of interfund loans). All other outstanding balances between funds are reported as "due to/from other funds." Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances."

Inventories

Inventories of the proprietary funds are recorded at cost, using the first-in, first-out (FIFO) method. Inventories are recorded as expenditures when consumed.

Prepaid Items

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements. Prepaid items are reported using the consumption method and recorded as expenditures/expenses at the time of consumption.

Assets Held for Resale

Assets held for resale is valued at the lower of cost or realizable value. Due to the nature of redevelopment activities, cost is frequently higher than realizable value. Realizable values are determined using appraised values or estimated actual sales price.

Capital Assets

Capital assets, which include property, plant, equipment and infrastructure assets (e.g., roads, sidewalks, and similar items), and intangible assets such as easements and computer software are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the government as assets with an initial, individual cost of more than \$5,000 (except for easements which is \$50,000 and software which is \$10,000) and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value at the date of donation.

Note 1: Summary of Significant Accounting Policies (Continued)

Pursuant to GASB Statement 34, in the case of the initial capitalization of general infrastructure assets (i.e., those reported by governmental activities) the City chose to include all such items regardless of their acquisition date. These assets are reported at historical cost.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed.

The City implemented GASB 51, Accounting and Financial Reporting for Intangible Assets effective January 1, 2010, which required the City to capitalize and amortize intangible assets. Pursuant to GASB Statement 51, in the case of initial capitalization of intangible assets, the City chose to capitalize intangible assets retroactively to 1980. The City had not accounted for computer software at historical cost and therefore retroactive reporting was necessary. The City was able to obtain historical costs and acquisition value of donated intangible assets as of the date of donation for the initial reporting of easements through public works project records.

Property, plant and equipment of the primary government, as well as the component units, are depreciated using the straight-line method over the following estimated useful lives:

Assets	Useful Live in Years
Buildings and Improvements	20 to 50
Machinery and Equipment	5 to 20
Motor Vehicles	5 to 20
Trails, Sidewalks and Streetlights	30
Storm Sewers	50
Streets	40
Distribution and Collection Systems	50 to 75
Software	5

Deferred Outflows of Resources

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The City has only two items which qualify for reporting in this category. Accordingly, the items, deferred pension resources and deferred other postemployment benefit resources, are reported only in the statements of net position. These items result from actuarial calculations and current year pension contributions and other postemployment benefits contributions made subsequent to the measurement date.

Note 1: Summary of Significant Accounting Policies (Continued)

Pensions

For purposes of measuring the net pension liability, deferred outflows/inflows of resources, and pension expense, information about the fiduciary net position of the Public Employees Retirement Association (PERA) and additions to/deductions from PERA's fiduciary net position have been determined on the same basis as they are reported by PERA except that PERA's fiscal year end is June 30. For this purpose, plan contributions are recognized as of employer payroll paid dates and benefit payments and refunds are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value. The General fund is typically used to liquidate the governmental net pension liability.

The total pension expense for the GERP, PEPFP and DCP is as follows:

	Public Employees Retirement Association of Minnesota (PERA)			Total All Plans
	GERP	PEPFP	DCP	
Pension Expense	\$ 120,753	\$ 644,296	\$ 1,312	\$ 766,361

Compensated Absences

It is the City's policy to permit employees to accumulate earned but unused vacation and sick pay benefits. All vacation pay is accrued when incurred in the government-wide and proprietary fund financial statements. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee resignations and retirements. In accordance with the provisions of Statement of Government Accounting Standards No. 16, Accounting for Compensated Absences, no liability is recorded for nonvesting accumulating rights to receive sick pay benefits. However, a liability is recognized for that portion of accumulated sick leave benefits that is vested as severance pay. The General fund is typically used to liquidate governmental compensated absences payable.

The City's policy regarding vacation leave is contained in the City Code, Section 310.37. Vacation leave may be accumulated by an employee up to a maximum of twice the annual amount that they are eligible for at any point in time. Upon separation from City service, the employee can receive all unused vacation leave as severance pay, subject to this limitation.

The City's policy regarding sick leave is contained in the City Code, Section 310.43. The maximum accumulation allowed is 120 working days. Upon the employee's termination from City service, the City will pay a portion of accumulated sick leave as severance pay based on years of service.

Deferred Inflows of Resources

In addition to liabilities, the statement of financial position and fund financial statements will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The City has two types of items, unavailable revenue and deferred pension resources.

- *Unavailable revenue* arises only under a modified accrual basis of accounting that qualifies as needing to be reported in this category. Accordingly, the item, *unavailable revenue*, is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues from two sources: property taxes and special assessments. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.
- *Deferred pension resources* are reported only in the statements of net position and results from actuarial calculations.

Note 1: Summary of Significant Accounting Policies (Continued)

Postemployment Benefits Other Than Pensions

Under Minnesota statute 471.01, subdivision 2b., public employers must allow retirees and their dependents to continue coverage indefinitely in an employer-sponsored health care plan, under the following conditions: 1) Retirees must be receiving (or eligible to receive) an annuity from a Minnesota public pension plan; 2) Coverage must continue in a group plan until age 65, and retirees must pay no more than the group premium; and 3) Retirees may obtain dependent coverage immediately before retirement. All premiums are funded on a pay-as-you-go basis. The liability was actuarially determined, in accordance with GASB 75, at December 31, 2018. The General fund is typically used to liquidate governmental other postemployment benefits payable.

Long-term Obligations

In the government-wide financial statements, and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position. The recognition of bond premiums and discounts are amortized over the life of the bonds using the straight-line method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are reported as an expense in the period incurred.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

Fund Balance

In the fund financial statements, fund balance is divided into five classifications based primarily on the extent to which the City is bound to observe constraints imposed upon the use of resources reported in the governmental funds. These classifications are defined as follows:

Nonspendable - Amounts that cannot be spent because they are not in spendable form, such as prepaid items.

Restricted - Amounts related to externally imposed constraints established by creditors, grantors or contributors; or constraints imposed by state statutory provisions.

Committed - Amounts constrained for specific purposes that are internally imposed by formal action (resolution) of the City Council, which is the City's highest level of decision-making authority. Committed amounts cannot be used for any other purpose unless the City Council modifies or rescinds the commitment by resolution.

Assigned - Amounts constrained for specific purposes that are internally imposed. Amounts in the assigned fund balance classification are intended to be used by the City for specific purposes but do not meet the criteria to be classified as committed. Assigned amounts represent intended uses established by the City Council itself or by the Finance Director to which the governing body delegates the authority. The City Council has adopted a fund balance policy which delegates the authority to assign amounts for specific purposes to the Finance Director.

Unassigned - The residual classification for the General fund and also negative residual amounts in other funds.

When both restricted and unrestricted resources are available for use, it is the City's policy to first use restricted resources, and then use unrestricted resources as they are needed.

When committed, assigned or unassigned resources are available for use, it is the City's policy to use resources in the following order: 1) committed 2) assigned and 3) unassigned.

Note 1: Summary of Significant Accounting Policies (Continued)

Net Position

In the government-wide financial statements, net position represents the difference between assets and deferred outflows of resources and liabilities and deferred inflows of resources. Net position is displayed in three components:

- Net investment in capital assets - Consists of capital assets, net of accumulated depreciation reduced by any outstanding debt attributable to acquire capital assets.
- Restricted net position - Consist of net position balances restricted when there are limitations imposed on their use through external restrictions imposed by creditors, grantors, laws or regulations of other governments.
- Unrestricted net position - All other net position balances that do not meet the definition of "restricted" or "net investment in capital assets".

Note 2: Stewardship, Compliance and Accountability

A. Budgetary Information

Annual budgets are adopted on a basis consistent with accounting principles generally accepted in the United States of America for the General fund and special revenue funds. All annual appropriations lapse at fiscal year-end. The City does not use encumbrance accounting.

Encumbrance accounting, under which purchase orders, contracts, and other commitments for the expenditure of monies are recorded in order to reserve that portion of the appropriation, is not employed by the City because it is at present not considered necessary to assure effective budgetary control or to facilitate effective cash management. The budget was not amended during 2019.

1. The City Manager submits to the City Council a proposed operating budget for the fiscal year commencing the following January 1. The operating budget includes proposed expenditures and the means of financing them.

2. Public hearings are conducted to obtain taxpayer comments.

3. The budget is legally enacted through passage of a resolution on a departmental basis and can be expended by each department based upon detailed budget estimates for individual expenditure accounts.

4. The City Manager is authorized to transfer appropriations within any department budget. Additional interdepartmental or interfund appropriations and deletions are or may be authorized by the City Council as allowed by City Charter.

5. Formal budgetary integration is employed as a management control device during the year for the General fund and special revenue funds.

6. Supplementary budgets are adopted for the debt service and proprietary funds. These budget amounts represent general obligation bond indenture provisions and net income for operation and capital maintenance, respectively, and are not reflected in the financial statements, because these are adopted for management purposes only and do not represent a legally adopted budget.

7. A capital improvement program is reviewed annually by the City Council for the capital projects funds. However, appropriations for major projects are not adopted until the actual bid award of the improvement. The appropriations are not reflected in the financial statements.

8. Budgeted appropriations for expenditures are controlled at the departmental level. Monitoring of budgets is maintained at the expenditure category level (i.e., personal services and benefits, materials, supplies, services, capital outlay) within each activity.

Note 2: Stewardship, Compliance and Accountability (Continued)

B. Excess of Expenditures Over Appropriations

For the year ended December 31, 2019 expenditures exceeded appropriations in the following funds:

Fund	Budget	Actual	Excess of Expenditures Over Appropriations
Nonmajor Governmental Insurance Fund	\$ 508,800	\$ 549,266	\$ 40,466

The excess of expenditures over appropriations for these funds were funded by both revenues in excess of budget and the use of reserves.

C. Deficit Fund Equity

The following funds had deficits at December 31, 2019:

Fund	Amount
Major Governmental TIF District	\$ 721,247
Nonmajor Governmental Community Events	2,306
Public Works Facility River to River Trail	39,680
	417,533

The fund balance deficits will be eliminated with future revenues and transfers from other funds.

Note 3: Detailed Notes on All Funds

A. Deposits and Investments

Deposits

Custodial credit risk for deposits and investments is the risk that in the event of a bank failure, the City's deposits and investments may not be returned or the City will not be able to recover collateral securities in the possession of an outside party. In accordance with Minnesota statutes and as authorized by the City Council, the City maintains deposits at those depository banks, all of which are members of the Federal Reserve System.

Minnesota statutes require that all City deposits be protected by insurance, surety bond or collateral. The fair value of collateral pledged must equal 110 percent of the deposits not covered by insurance or bonds, with the exception of irrevocable standby letters of credit issued by Federal Home Loan Banks as this type of collateral only requires collateral pledged equal to 100 percent of the deposits not covered by insurance or bonds.

Authorized collateral in lieu of a corporate surety bond includes:

- United States government Treasury bills, Treasury notes, Treasury bonds;
- Issues of United States government agencies and instrumentalities as quoted by a recognized industry quotation service available to the government entity;
- General obligation securities of any state or local government with taxing powers which is rated "A" or better by a national bond rating service, or revenue obligation securities of any state or local government with taxing powers which is rated "AA" or better by a national bond rating service;
- General obligation securities of a local government with taxing powers may be pledged as collateral against funds deposited by that same local government entity;
- Irrevocable standby letters of credit issued by Federal Home Loan Banks to a municipality accompanied by written evidence that the bank's public debt is rated "AA" or better by Moody's Investors Service, Inc., or Standard & Poor's Corporation; and
- Time deposits that are fully insured by any federal agency.

Minnesota statutes require that all collateral shall be placed in safekeeping in a restricted account at a Federal Reserve Bank, or in an account at a trust department of a commercial bank or other financial institution that is not owned or controlled by the financial institution furnishing the collateral. The selection should be approved by the government entity.

At year end, the City's carrying amount of deposits was \$1,369,607 and the bank balance was \$1,399,272. The bank balance was covered by federal depository insurance totaling \$458,045. The remaining balance was covered by collateral held by the City's agent in the City's name.

Note 3: Detailed Notes on All Funds (Continued)

Investments

As of December 31, 2019, the City had the following investments that are insured or registered, or securities held by the City's agent in the City's name:

Types of Investments	Credit Quality/Ratings (1)	Segmented Time Distribution (2)	Amount	Fair Value Measurement Using		
				Level 1	Level 2	Level 3
Pooled Investments at Amortized Costs						
4M Fund	N/A	less than 1 year	\$ 16,763			
Broker Money Market Funds	N/A	less than 1 year	6,792,252			
Mutual Fund	N/A	less than 1 year	3,891,940			
Non-pooled Investments at Fair Value						
US Government Securities	Aaa	1 to 5 years	1,846,787	\$ 1,846,787	\$ -	\$ -
US Government Securities	Aaa	more than 5 years	1,497,655	1,497,655	-	-
Taxable Municipal Bonds	Aaa	1 to 5 years	497,035	-	497,035	-
Taxable Municipal Bonds	Aaa	more than 5 years	925,465	-	925,465	-
Taxable Municipal Bonds	Aa	1 to 5 years	647,946	-	647,946	-
Taxable Municipal Bonds	Aa	more than 5 years	2,007,248	-	2,007,248	-
Brokered Certificates of Deposit	N/A	less than 1 year	2,162,843	-	2,162,843	-
Brokered Certificates of Deposit	N/A	1 to 5 years	6,955,476	-	6,955,476	-
Total Investments			\$ 27,241,410	\$ 3,344,442	\$ 13,196,013	\$ -

- (1) Ratings are provided by various credit rating agencies where applicable to indicate associated credit risk.
 - (2) Interest rate risk is disclosed using the segmented time distribution method.
 - (3) Internal investment in City of West St. Paul 1995 gross revenue golf course bonds, which are not rated.
- N/A Indicates not applicable or available.

Cash and Investments Summary

A reconciliation of cash and temporary investments as shown on the financial statements for the City follows:

Carrying Amount of Deposits	\$ 1,369,607
Investments	27,241,410
Total	\$ 28,611,017
As Reported on the Financial Statements	
Statement of net position	
Cash and temporary investments	\$ 28,611,017

Note 3: Detailed Notes on All Funds (Continued)

The investments of the City are subject to the following risks:

- **Credit Risk.** Credit risk is the risk that an issuer or other counterparty to an investment will be unable to fulfill its obligation to the holder of the investment. State law limits investments to commercial paper to those rated in the highest quality category by at least two nationally recognized rating agencies; in any security of the State of Minnesota or any of its municipalities which is rated "A" or better by a national bond rating service for general obligation and rated "AA" or better for a revenue obligation; a general obligation of the Minnesota Housing Finance Agency to those rated "A" or better by a national bond rating agency; mutual funds or money market funds whose investments are restricted to securities described in MS 118A.04. The City's investment policy does not place further restrictions on investment options.
- **Custodial Credit Risk.** For investments in securities, custodial credit risk is the risk that in the event of failure of the counterparty to a transaction, the City will not be able to recover the value of its investment securities that are in the possession of an outside party. Investments in investment pools and money markets are not evidenced by securities that exist in physical or book entry form, and therefore are not subject to custodial credit risk disclosures. The City's investment policy does not address custodial risk. However, investments in securities are held by the City's broker-dealer of which \$500,000 is insured through SIPC. The broker-dealer has provided additional protection by providing additional insurance. This insurance is subject to aggregate limits applied to all of the broker-dealer's accounts.
- **Concentration of Credit Risk.** The City's investment policy places limits on various security types as a percentage of the total portfolio. United States governmental securities are allowed to be 100% of the portfolio. State and local securities cannot exceed 40% of the portfolio. The City has placed limits on other types of securities, but has not invested in these types. The City places no limit on the amount the City may invest in any one issuer (except commercial paper).
- **Interest Rate Risk.** The City's investment policy states the investment portfolio shall remain sufficiently liquid to meet all operating requirements that may be reasonably anticipated. The portfolio shall be structured so that securities mature concurrent with cash needs to meet anticipated demands and the portfolio should consist largely of securities with active secondary or resale markets.

Note 3: Detailed Notes on All Funds (Continued)

B. Capital Assets

Capital asset activity for the year ended December 31, 2019 was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental Activities				
Capital Assets not Being Depreciated				
Land	\$ 5,043,391	-	-	\$ 5,043,391
Construction in progress	3,444,990	3,388,017	(2,287,203)	4,545,804
Total Capital Assets not Being Depreciated	8,488,381	3,388,017	(2,287,203)	9,589,195
Capital Assets Being Depreciated				
Buildings	11,980,417	888,270	-	12,868,687
Improvements other than buildings	8,763,161	7,800	-	8,770,961
Vehicles, machinery and equipment	4,402,520	371,067	-	4,773,587
Software	360,634	245,428	-	606,062
Infrastructure	65,209,829	1,173,505	(206,985)	66,176,349
Total Capital Assets Being Depreciated	90,716,561	2,666,070	(206,985)	93,175,646
Less Accumulated Depreciation for				
Buildings	(4,144,609)	(407,811)	-	(4,552,420)
Improvements other than buildings	(1,033,249)	(91,935)	-	(1,125,184)
Machinery and equipment	(2,706,245)	(508,083)	-	(3,214,328)
Software	(335,445)	(16,712)	-	(352,157)
Infrastructure	(32,660,499)	(1,647,798)	206,985	(34,101,312)
Total Accumulated Depreciation	(40,880,047)	(2,672,339)	206,985	(43,345,401)
Total Capital Assets Being Depreciated, Net	49,836,514	(6,269)	-	49,830,245
Governmental Activities Capital Assets, Net	\$ 58,324,895	\$ 3,381,748	\$ (2,287,203)	\$ 59,419,440

Note 3: Detailed Notes on All Funds (Continued)

Business-type Activities

Capital Assets not Being Depreciated

	Beginning Balance	Increases	Decreases	Ending Balance
Land	\$ 1,144,168	\$ -	\$ -	\$ 1,144,168
Construction in progress	132,052	1,086,979	-	1,219,031
Total Capital Assets not Being Depreciated	1,276,220	1,086,979	-	2,363,199
Capital Assets Being Depreciated				
Buildings and improvements	15,368,996	-	-	15,368,996
Distribution and collection systems	18,276,918	-	-	18,276,918
Machinery and equipment	1,338,996	115,132	-	1,454,128
Total Capital Assets Being Depreciated	34,984,910	115,132	-	35,100,042
Less Accumulated Depreciation for				
Buildings and improvements	(5,386,966)	(476,317)	-	(5,863,283)
Distribution and collection systems	(8,509,919)	(367,821)	-	(8,877,740)
Machinery and equipment	(912,428)	(136,094)	-	(1,048,522)
Total Accumulated Depreciation	(14,809,313)	(980,232)	-	(15,789,545)
Total Capital Assets Being Depreciated, Net	20,175,597	(865,100)	-	19,310,497
Business-type Activities Capital Assets, Net	\$ 21,451,817	\$ 221,879	\$ -	\$ 21,673,696

Depreciation expense was charged to functions/programs of the City as follows:

Governmental Activities	
General government	\$ 356,977
Public safety	127,469
Public works	1,982,888
Parks and recreation	205,005
Total Depreciation Expense - Governmental Activities	\$ 2,672,339
Business-type Activities	
Storm sewer	\$ 207,740
Sanitary sewer	341,946
Recreation	430,546
Total Depreciation Expense - Business-type Activities	\$ 980,232

Note 3: Detailed Notes on All Funds (Continued)

C. Construction Commitments

The City had the following outstanding construction commitments at December 31, 2019:

Project	Spent to Date	Remaining Commitment
Marie and Oakdale Trail	\$ 1,610,245	\$ 160,622
2019 Street Improvement Project	3,745,630	484,262
Police Renovation	95,790	656,810

D. Interfund Receivables, Payables and Transfers

The composition of interfund balances as of December 31, 2019 is as follows:

Receivable Fund	Payable Fund	Purpose	Amount
Economic Development Authority	TIF Districts	To fund tax increment projects	\$ 1,136,296
General	Nonmajor Governmental Funds	To provide cash flows	40,000
General	Nonmajor Governmental Funds	To provide cash flows	420,000
General	Nonmajor Governmental Funds	To provide cash flows	10,613
Total			\$ 1,606,909

Interfund loans are not expected to be collected in full within one year. These loans will be repaid with future tax increment collections, intergovernmental receipts and bond proceeds.

The City made transfers during the fiscal year 2019 as shown and described below:

Fund	Transfer In		Total
	General	Debt Service	
Transfer Out			
TIF Districts	\$ -	\$ 98,535	\$ 98,535
Storm Sewer	150,000	-	150,000
Sanitary Sewer	450,000	-	450,000
Recreation	50,000	-	50,000
Total	\$ 650,000	\$ 98,535	\$ 748,535

During the year, transfers are used to 1) transfer funds to the General fund for indirect costs and administrative support and 2) transfer tax increment resources to pay debt service.

Note 3: Detailed Notes on All Funds (Continued)

E. Long-term Debt

General Obligation (G.O.) Bonds

The City issues G.O. and revenue bonds to provide funds for the acquisition and construction of major capital facilities and equipment. Debt service is covered by tax increments, special assessments, property tax levies and revenues. In addition, bonds have been issued to refund G.O., G.O. tax increment, G.O. special assessment, and G.O. revenue bonds.

On November 28, 2016, the City issued \$4,825,000 of G.O. Street Reconstruction bonds that are guaranteed through a Credit Enhancement Program. Agreement with the Minnesota Public Facilities Authority which is acting on behalf of the State of Minnesota. The provisions of the agreement shall be binding on the City as long as the obligations of the issue remain outstanding. Through December 31, 2019, the Authority has made one scheduled payment on the obligation on behalf of the City.

Description	Authorized and Issued	Interest Rate	Issue Date	Maturity Date	Balance at Year End
G.O. Tax Abatement Bonds, Series 2014A	\$ 4,845,000	2.00 - 3.38 %	6/24/2014	2/1/2035	\$ 4,040,000
G.O. Street Reconstruction Bonds, Series 2014B	4,930,000	2.00 - 3.25	6/24/2014	2/1/2030	3,785,000
G.O. Refunding Bonds, Series 2016A	5,685,000	2.90 - 3.00	6/24/2015	2/1/2035	4,995,000
G.O. Street Reconstruction Bonds, Series 2016B	4,825,000	2.00 - 2.75	11/28/2016	2/1/2032	4,285,000
G.O. Improvement Bonds, Series 2017A	4,825,000	3.00 - 4.00	5/22/2017	2/1/2033	4,565,000
G.O. Street Reconstruction Bonds, Series 2017B	5,175,000	3.00 - 4.00	5/22/2017	2/1/2033	4,910,000
G.O. Improvement Bonds, Series 2018A	7,260,000	3.00 - 4.00	6/26/2018	2/1/2034	7,260,000
Total G.O. Bonds					\$ 33,840,000

Annual debt service requirements to maturity for G.O. bonds are as follows:

Year Ending December 31,	Governmental Activities	
	Principal	Interest
2020	\$ 1,910,000	\$ 1,021,983
2021	1,965,000	962,583
2022	2,020,000	899,783
2023	2,090,000	833,083
2024	2,185,000	763,070
2025 - 2029	12,130,000	2,691,952
2030 - 2034	10,810,000	857,463
2035	730,000	11,319
Total	\$ 33,840,000	\$ 8,041,236

Note 3: Detailed Notes on All Funds (Continued)

G.O. Improvement Bonds

The following bonds were issued to finance various improvements and will be repaid primarily from special assessments levied on the properties benefiting from the improvements. Some issues, however, are partially financed by ad valorem tax levies. All special assessment debt is backed by the full faith and credit of the City. Each year the combined assessment and tax levy equals 105 percent of the amount required for debt service. The excess of 5 percent is to cover any delinquencies in tax or assessment payments.

Description	Authorized and Issued	Interest Rate	Issue Date	Maturity Date	Balance at Year End
G.O. Improvement and Refunding Bonds, Series 2010A	\$ 2,940,000	3.00 - 3.75 %	12/29/2010	2/1/2026	\$ 1,290,000
G.O. Improvement and Refunding Bonds, Series 2012C	3,795,000	0.40 - 1.45	12/27/2012	2/1/2023	1,240,000
G.O. Improvement and Refunding Bonds, Series 2013A	1,530,000	2.00 - 2.30	5/13/2013	2/1/2024	790,000
G.O. Improvement and Refunding Bonds, Series 2015A	1,185,000	2.90 - 3.00	6/24/2015	2/1/2022	615,000
G.O. Improvement and Refunding Bonds, Series 2015B	995,000	2.00	12/1/2015	12/1/2023	485,000
G.O. Improvement Bonds, Series 2018A	2,280,000	3.00 - 4.00	6/26/2018	2/1/2034	2,280,000
G.O. Improvement Bonds, Series 2019A	5,325,000	2.00 - 3.00	8/26/2019	2/1/2035	5,325,000
Total G.O. Improvement Bonds					\$ 12,035,000

Annual debt service requirements to maturity for general obligation improvement bonds are as follows:

Year Ending December 31,	Governmental Activities		Total
	Principal	Interest	
2020	\$ 1,065,000	\$ 297,122	\$ 1,362,122
2021	1,340,000	286,106	1,626,106
2022	1,430,000	251,098	1,681,098
2023	1,245,000	216,530	1,461,530
2024	825,000	185,795	1,010,795
2025 - 2029	2,915,000	606,763	3,521,763
2030 - 2034	2,805,000	216,213	3,021,213
2035	410,000	4,305	414,305
Total	\$ 12,035,000	\$ 2,063,932	\$ 14,098,932

Note 3: Detailed Notes on All Funds (Continued)

G.O. Tax Increment Bonds

The following bonds were issued for redevelopment projects. The additional tax increments resulting from increased tax capacity of the redeveloped properties will be used to retire the related debt.

Description	Authorized and Issued	Interest Rate	Issue Date	Maturity Date	Balance at Year End
G.O. TIF Refunding Bonds, Series 2015C	\$ 1,320,000	1.50 - 3.00 %	12/1/2015	2/1/2031	\$ 1,125,000

Annual debt service requirements to maturity for G.O. tax increment bonds are as follows:

Year Ending December 31,	Governmental Activities		Total
	Principal	Interest	
2020	\$ 75,000	\$ 28,060	\$ 103,060
2021	80,000	26,954	106,954
2022	75,000	25,753	100,753
2023	80,000	24,458	104,458
2024	90,000	23,063	113,063
2025 - 2029	495,000	84,436	579,436
2030 - 2031	230,000	15,600	245,600
Total	\$ 1,125,000	\$ 228,324	\$ 1,353,324

General Obligation Revenue Bonds

The following bonds were issued to finance capital improvements in the enterprise funds.

The Golf Course Bonds and the G.O. Sewer Revenue Bonds will be repaid from future revenues pledged from the enterprise funds and are backed by the taxing power of the City. Annual revenues from charges for services, principal and interest payments, and percentage of revenue required to cover principal and interest payments are as follows:

	Storm Sewer		Sanitary Sewer		Athletic Center	
	Principal	Interest	Principal	Interest	Principal	Interest
Net Operating Revenues	\$ 464,919	\$ 4,362,210	\$ 806,662		\$ 806,662	
Principal and Interest	80,269	633,637	313,643		313,643	
Percentage of Revenues	17 %	15 %	39 %		39 %	

Note 3: Detailed Notes on All Funds (Continued)

The Tax Abatement Bonds and interest thereon are payable from abatements collected from certain property in the City. If abatement revenues are insufficient to meet principal and interest due, the City is required to levy ad valorem taxes without limit as to rate or amount on all taxable property in the City to make up the deficiency.

Description	Authorized and Issued	Interest Rate	Issue Date	Maturity Date	Balance at Year End
Golf Course Bonds, Series 1995	\$ 970,000	6.50 %	7/1/1995	12/1/2022	\$ 245,000
G.O. Sewer Refunding Bonds Series 2009A	1,315,000	2.50 - 4.60	3/18/2009	2/1/2018	125,000
G.O. Sewer Revenue Bonds, Series 2008A	1,545,000	2.00 - 3.50	11/18/2009	2/1/2020	175,000
G.O. Tax Abatement Bonds, Series 2012A	2,520,000	2.00 - 2.75	8/14/2012	2/1/2026	1,465,000
G.O. Tax Abatement Bonds, Series 2012B	2,560,000	2.13 - 2.75	8/14/2012	2/1/2034	2,560,000
G.O. Sewer Revenue Bonds, Series 2016A	5,110,000	2.10 - 3.00	6/16/2016	2/1/2032	4,540,000
G.O. Sewer Revenue Bonds, Series 2016A	1,130,000	2.00 - 3.00	8/26/2019	2/1/2035	1,130,000
Total G.O. Revenue Bonds					\$ 10,260,000

Annual debt service requirements to maturity for general obligation revenue bonds are as follows:

Year Ending December 31,	Business-type Activities		Total
	Principal	Interest	
2020	\$ 1,065,000	\$ 235,028	\$ 1,300,028
2021	560,000	215,353	795,353
2022	605,000	198,079	803,079
2023	625,000	179,710	804,710
2024	640,000	162,336	802,336
2025 - 2029	3,500,000	575,073	4,075,073
2030 - 2034	3,155,000	172,787	3,327,787
2035	90,000	1,609	91,609
Total	\$ 10,260,000	\$ 1,739,975	\$ 11,999,975

Note 3: Detailed Notes on All Funds (Continued)

Changes in Long-term Liabilities

Noncurrent liability activity for the year ended December 31, 2019 was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance	Due Within One Year
Governmental Activities					
Bonds Payable	\$ 35,340,000	\$ -	\$ (1,500,000)	\$ 33,840,000	\$ 1,910,000
G.O. bonds	7,740,000	5,325,000	(1,030,000)	12,035,000	1,065,000
G.O. improvement bonds	1,195,000	-	(70,000)	1,125,000	75,000
G.O. tax increment bonds	1,482,728	311,029	(139,092)	1,654,665	-
Bond premium	45,757,728	5,636,029	(2,739,092)	48,654,665	3,050,000
Total Bonds Payable	882,882	480,170	(502,020)	861,032	473,568
Compensated Absences Payable					
Governmental Activity Long-term Liabilities	\$ 46,640,610	\$ 6,116,199	\$ (3,241,112)	\$ 49,515,697	\$ 3,523,568
Business-type Activities					
Bonds Payable	\$ 9,930,000	\$ 1,130,000	\$ (800,000)	\$ 10,260,000	\$ 1,065,000
G.O. revenue bonds	199,664	65,285	(21,775)	243,174	-
Bond premium	(4,110)	-	2,054	(2,056)	-
Total Bonds Payable	10,125,554	1,195,285	(819,721)	10,501,118	1,065,000
Compensated Absences Payable	40,143	31,759	(32,633)	39,269	21,598
Business-type Activity Long-term Liabilities	\$ 10,165,697	\$ 1,227,044	\$ (852,354)	\$ 10,540,387	\$ 1,086,598

Note 3: Detailed Notes on All Funds (Continued)

F. Fund Balance Classification

At December 31, 2019, a summary of the governmental fund balance classifications are as follows:

	General	Economic Development Authority	Debt Service	Permanent Improvement Revolving	TIF Districts	Other Governmental Funds	Total
Nonspendable							
Notes receivable	\$ 26,200	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 26,200
Advances to other funds	470,613	-	-	-	-	-	470,613
Prepaid items	137,469	1,295	-	-	-	-	138,764
Total Nonspendable	\$ 634,282	\$ 1,295	\$ -	\$ -	\$ -	\$ -	\$ 635,577
Restricted for							
Debt service	\$ -	\$ -	\$ 6,869,583	\$ -	\$ -	\$ -	\$ 6,869,583
Capital improvements	-	-	3,030,035	-	-	-	3,030,035
Economic development	-	-	-	-	359,411	-	359,411
Police	-	-	-	-	-	2,900	2,900
Total Restricted	\$ -	\$ -	\$ 6,869,583	\$ 3,030,035	\$ 359,411	\$ 2,900	\$ 10,261,929
Committed to							
Economic development	\$ -	\$ 3,112,980	\$ -	\$ -	\$ -	\$ -	\$ 3,112,980
Insurance deductibles, litigation, risk mitigation	-	-	-	-	-	141,879	141,879
Total committed	\$ -	\$ 3,112,980	\$ -	\$ -	\$ -	\$ 141,879	\$ 3,254,869
Assigned to							
Street maintenance	\$ -	\$ -	\$ -	\$ 433,733	\$ -	\$ -	\$ 433,733
Equipment acquisition	-	-	-	1,361,275	-	-	1,361,275
Technology replacement	-	-	-	202,551	-	-	202,551
Park improvements	-	-	-	965,729	-	-	965,729
Capital facilities	-	-	-	824,670	-	-	824,670
Total Assigned	\$ -	\$ -	\$ -	\$ 433,733	\$ -	\$ 3,354,225	\$ 3,787,958

Note 4: Defined Benefit Pension Plans - Statewide

A. Plan Description

The City participates in the following cost-sharing multiple-employer defined benefit pension plans administered by the Public Employees Retirement Association of Minnesota (PERA). PERA's defined benefit pension plans are established and administered in accordance with Minnesota statutes, chapters 353 and 356. PERA's defined benefit pension plans are tax qualified plans under Section 401(a) of the Internal Revenue Code.

General Employees Retirement Plan (GERP)

All full-time and certain part-time employees of the City are covered by the General Employees Retirement Plan (GERP). GERP members belong to the Coordinated Plan. Coordinated Plan members are covered by Social Security.

Public Employees Police and Fire Plan (PEPFP)

The PEPFP, originally established for police officers and firefighters not covered by a local relief association, now covers all police officers and firefighters hired since 1980. Effective July 1, 1999, the PEPFP also covers police officers and firefighters belonging to a local relief association that elected to merge with and transfer assets and administration to PERA.

B. Benefits Provided

PERA provides retirement, disability and death benefits. Benefit provisions are established by state statute and can only be modified by the state legislature.

Vested, terminated employees who are entitled to benefits but are not receiving them yet are bound by the provisions in effect at the time they last terminated their public service.

GERP Benefits

GERP benefits are based on a member's highest average salary for any five successive years of allowable service, age, and years of credit at termination of service. Two methods are used to compute benefits for PERA's Coordinated and Basic Plan members. Members hired prior to July 1, 1989 receive the higher of Method 1 or Method 2 formulas. Only Method 2 is used for members hired after June 30, 1989. Under Method 1, the accrual rate for Coordinated members is 1.2 percent of average salary for each of the first 10 years of service and 1.7 percent of average salary for each additional year. Under Method 2, the accrual rate for Coordinated members is 1.7 percent for average salary for all years of service. For members hired prior to July 1, 1989 a full annuity is available when age plus years of service equal 90 and normal retirement age is 65. For members hired on or after July 1, 1989 normal retirement age is the age for unreduced Social Security benefits capped at 66.

Benefit increases are provided to benefit recipients each January. Increases are related to the funding ratio of the plan. If the General Employees Plan is at least 90 percent funded for two consecutive years, benefit recipients are given a 2.5 percent increase. If the plan has not exceeded 90 percent funded, or have fallen below 80 percent, benefit recipients are given a one percent increase. A benefit recipient who has been receiving a benefit for at least 12 full months as of June 30 will receive a full increase. Members receiving benefits for at least one month but less than 12 full months as of June 30 will receive a pro rata increase.

PEPFP Benefits

Benefits for the PEPFP members first hired after June 30, 2010 but before July 1, 2014 vest on a prorated basis from 50 percent after five years up to 100 percent after ten years of credited service. Benefits for PEPFP members first hired after June 30, 2014, vest on a prorated basis from 50 percent after ten years up to 100 percent after twenty years of credited service. The annuity accrual rate is 3 percent of average salary for each year of service. A full, unreduced pension is earned when members are age 55 and vested, or for members who were first hired prior to July 1, 1989, when age plus years of service equal at least 90.

Note 4: Defined Benefit Pension Plans - Statewide (Continued)

Annuities, disability benefits and survivor benefits are increased effective every January 1. Beginning January 1, 2019, the postretirement increase will be fixed at 1 percent. Recipients that have been receiving the annuity or benefit for at least 36 months as of the June 30 before the effective date of the increase will receive the full increase. For recipients receiving the annuity or benefit for at least 25 months but less than 36 months as of the June 30 before the effective date of the increase will receive a reduced prorated increase.

C. Contributions

Minnesota statutes chapter 353 sets the rates for employer and employee contributions. Contribution rates can only be modified by the state legislature.

General Employees Fund Contributions

Coordinated plan members were required to contribute 6.50 percent of their annual covered salary in fiscal year 2019 and the City was required to contribute 7.50 percent for Coordinated Plan members. The City's contributions to the General Employees Fund for the years ending December 31, 2019, 2018 and 2017, were \$301,157, \$294,604 and \$292,968, respectively. The City's contributions were equal to the required contributions for each year as set by state statute.

Police and Fire Fund Contributions

Police and Fire member's contribution rates increased from 10.80 percent of pay to 11.30 percent and employer rates increased from 16.20 percent to 16.95 percent on January 1, 2019. The City's contributions to the Police and Fire Fund for the years ending December 31, 2019, 2018 and 2017 were \$606,520, \$463,200 and \$443,980, respectively. The City's contributions were equal to the contractually required contributions for each year as set by state statute.

D. Pension Costs

General Employees Fund Pension Costs

At December 31, 2019, the City reported a liability of \$3,118,230 for its proportionate share of the General Employees Fund's net pension liability. The City's net pension liability reflected a reduction due to the State of Minnesota's contribution of \$16 million to the fund in 2019. The State of Minnesota is considered a non-employer contributing entity and the State's contribution meets the definition of a special funding situation. The State of Minnesota's proportionate share of the net pension liability associated with the City totaled \$96,996. The net pension liability was measured as of June 30, 2019, and the total pension liability used to calculate the net pension liability was measured by an actuarial valuation as of that date. The City's proportionate share of the net pension liability was determined by an actuarial valuation received by PERA during the measurement period for employer payroll paid dates from July 1, 2018 through June 30, 2019 relative to the total employer contributions received from all of PERA's participating employers. At June 30, 2019, the City's proportionate share was 0.0564 percent which was an decrease of (0.0023) percent from its proportion measured as of June 30, 2018.

City's Proportionate Share of the Net Pension Liability	\$ 3,118,230
State of Minnesota's Proportionate Share of the Net Pension Liability Associated with the City	96,996
Total	<u>\$ 3,215,226</u>

For the year ended December 31, 2019, the City recognized pension expense of \$113,489 for its proportionate share of the General Employees Fund's pension expense. In addition, the City recognized \$7,264 as pension expense (and grant revenue) for its proportionate share of the State of Minnesota's contribution of \$16 million to the General Employees Fund.

Note 4: Defined Benefit Pension Plans - Statewide (Continued)

At December 31, 2019, the City reported its proportionate share of General Employees Fund's deferred outflows of resources and deferred inflows of resources, and its contributions subsequent to the measurement date, from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Experience	\$ 107,698	\$ 5,521
Changes in Actuarial Assumptions	12,031	261,142
Net Difference Between Projected and Actual Earnings on Plan Investments	-	336,949
Changes in Proportion	63,700	107,345
Contributions to PERA Subsequent to the Measurement Date	149,123	-
Total	<u>\$ 332,552</u>	<u>\$ 710,957</u>

The \$149,123 reported as deferred outflows of resources related to pensions resulting from the City's contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended December 31, 2020. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

2020	\$ (152,046)
2021	(276,490)
2022	(104,017)
2023	5,025

Police and Fire Fund Pension Costs

At December 31, 2019, the City reported a liability of \$2,945,751 for its proportionate share of the Police and Fire Fund's net pension liability. The net pension liability was measured as of June 30, 2019, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The City's proportionate share of the net pension liability was based on the City's contributions received by PERA during the measurement period for employer payroll paid dates from July 1, 2018 through June 30, 2019 relative to the total employer contributions received from all of PERA's participating employers. At June 30, 2019, the City's proportionate share was 0.2767 percent which was an increase of 0.0113 percent from its proportionate share measured as of June 30, 2018.

For the year ended December 31, 2019, the City recognized pension expense of \$606,941 for its proportionate share of the Police and Fire Plan's pension expense. The City also recognized \$37,355 for the year ended December 31, 2019, as revenue and an offsetting reduction of net pension liability for its proportionate share of the State of Minnesota's on-behalf contributions to the Police and Fire Fund. Legislation passed in 2013 required the State of Minnesota to begin contributing \$9 million to the Police and Fire Fund each year until the plan is 90 percent funded or until the State Patrol Plan (administered by the Minnesota State Retirement System) is 90 percent funded, whichever occurs later. In addition, the state will pay \$4.5 million on October 1, 2018 and October 1, 2019 in direct state aid. Thereafter, by October 1 of each year, the state will pay \$9 million until full funding is reached or July 1, 2048, whichever is earlier.

For the year ended December 31, 2019, the City recognized pension expense of \$37,355 for its proportionate share of the Police and Fire Plan's pension expense.

Note 4: Defined Benefit Pension Plans - Statewide (Continued)

At December 31, 2019, the City reported its proportionate share of Police and Fire Plan's deferred outflows of resources and deferred inflows of resources, and its contributions subsequent to the measurement date, from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Experience		
Changes in Actuarial Assumptions	\$ 131,657	\$ 488,105
Net Difference Between Projected and Actual Earnings on Plan Investments	2,482,394	3,319,292
Changes in Proportion	-	577,565
Contributions Paid to PERA subsequent to the Measurement Date	250,524	34,801
	254,719	-
Total	\$ 3,119,284	\$ 4,419,763

The \$254,719 reported as deferred outflows of resources related to pensions resulting from the City's contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended December 31, 2020. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

2020	\$ (154,883)
2021	(385,209)
2022	(1,076,237)
2023	31,666
2024	29,475

E. Actuarial Assumptions

The total pension liability in the June 30, 2019 actuarial valuation was determined using an individual entry-age normal actuarial cost method and the following actuarial assumptions:

Inflation	2.50% per year
Active Member Payroll Growth	3.25% per year
Investment Rate of Return	7.50%

Salary increases were based on a service-related table. Mortality rates for active members, retirees, survivors and disability were based on RP-2014 tables for males or females, as appropriate, with slight adjustments to fit PERA's experience. Cost of living benefit increases after retirement for retirees are assumed to be 1.25 percent per year for General Employees Plan and 1.0 percent per year for Police and Fire Plan.

Actuarial assumptions used in the June 30, 2019 valuation were based on the results of actuarial experience studies. The most recent four-year experience study in the General Employee Plan was completed in 2019. The most recent four-year experience study for Police and Fire Plan was completed in 2016. Economic assumptions were updated in 2018 based on a review of initiation and investment return assumptions.

Note 4: Defined Benefit Pension Plans - Statewide (Continued)

The following changes in actuarial assumptions and plan provisions occurred in 2019:

General Employees Fund

Changes in Actuarial Assumptions

- The mortality projection scale was changed from MP-2017 to MP-2018.

Changes in Plan Provisions

- The employer supplemental contribution was changed prospectively, decreasing from \$31.0 million to \$21.0 million per year. The State's special funding contribution was changed prospectively, requiring \$16.0 million due per year through 2031.

Police and Fire Fund

Changes in Actuarial Assumptions

- The mortality projection scale was changed from MP-2017 to MP-2018.

Changes in Plan Provisions

- There have been no changes since the prior valuation.

The State Board of Investment, which manages the investments of PERA, prepares an analysis of the reasonableness on a regular basis of the long-term expected rate of return using a building-block method in which best-estimate ranges of expected future rates of return are developed for each major asset class. These ranges are combined to produce an expected long-term rate of return by weighting the expected future rates of return by the target asset allocation percentages. The target allocation and best estimates of geometric real rates of return for each major asset class are summarized in the following table:

Asset Class	Target Allocation	Long-term Expected Real Rate of Return
Domestic Equity	35.5 %	5.10 %
Private Markets	25.0	5.90
Fixed Income	20.0	0.75
International Equity	17.5	5.90
Cash Equivalents	2.0	-
Total	100.0 %	

F. Discount Rate

The discount rate used to measure the total pension liability in 2019 was 7.5 percent. The projection of cash flows used to determine the discount rate assumed that contributions from plan members and employers will be made at rates set in Minnesota Statutes. Based on these assumptions, the fiduciary net position of the General Employees Fund and the Police and Fire Fund were projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Note 4: Defined Benefit Pension Plans - Statewide (Continued)

G. Pension Liability Sensitivity

The following presents the City's proportionate share of the net pension liability for all plans it participates in, calculated using the discount rate disclosed in the preceding paragraph, as well as what the City's proportionate share of the net pension liability would be if it were calculated using a discount rate 1 percentage point lower or 1 percentage point higher than the current discount rate:

	City Proportionate Share of NPL		
	1 Percent Decrease (6.50%)	Current (7.50%)	1 Percent Increase (8.50%)
General Employees Fund	\$ 5,126,202	\$ 3,118,230	\$ 1,460,250
Police and Fire Fund	6,438,864	2,845,751	57

H. Pension Plan Fiduciary Net Position

Detailed information about each pension plan's fiduciary net position is available in a separately-issued PERA financial report that includes financial statements and required supplementary information. That report may be obtained on the Internet at www.mnpera.org.

Note 5: Defined Contribution Plan

There are six City Council members that are covered by the Defined Contribution Plan (DCP), a multiple-employer deferred compensation plan administered by PERA. The DCP is a tax qualified plan under Section 401(a) of the Internal Revenue Code and all contributions by or on behalf of employees are tax deferred until time of withdrawal.

Plan benefits depend solely on amounts contributed to the plan plus investment earnings, less administrative expenses, therefore, there is no future liability to the employer. Minnesota statutes, chapter 353d.03, specifies plan provisions, including the employee and employer contribution rates for those qualified personnel who elect to participate. An eligible elected official who decides to participate contributes 5 percent of salary, which is matched by the elected official's employer. Employees who are paid for their services may elect to make member contributions in an amount not to exceed the employer share. Employer and employee contributions are combined and used to purchase shares in one or more of the seven accounts of the Minnesota Supplemental Investment Fund. For administering the plan, PERA receives 2 percent of employer contributions and twenty-five hundredths of 1 percent (0.25 percent) of the assets in each member's account annually.

Pension expense for the year is equal to contributions made. Total contributions made by the City during the fiscal year 2019 were:

	Contribution Amount		Required Rate
	Employee	Employer	
\$	1,312	1,312	5.00%

The City's contributions to the PEDCF for the years ended December 31, 2019, 2018 and 2017 were \$1,312, \$1,518 and \$1,518, respectively. The City's contributions were equal to the contractually required contributions for each year as set by Minnesota statute.

Note 6: Postemployment Benefits Other Than Pensions

A. Plan Description

In addition to providing the pension benefits described in Note 5, the City provides post-employment health care benefits (OPEB) for retired employees and police and firefighters disabled in the line of duty through a single-employer defined benefit plan. The City of West St. Paul, Minnesota's OPEB plan is administered by the City. The authority to provide these benefits is established in Minnesota Statutes Sections 471.61 Subd. 2a, and 289A.465. The benefits, benefit levels, employee contributions and employer contributions are governed by the City and can be amended by the City through its personnel manual and collective bargaining agreements with employee groups. The Plan is not accounted for as a trust fund, an irrevocable trust has not been established to account for the plan. The Plan does not issue a separate report.

B. Benefits Provided

The City provides post-employment health care benefits to its retirees. To be eligible for benefits, an employee must qualify for retirement or disability benefits from a Minnesota public pension plan. The employee may continue to participate in the City's group health insurance plan that the employee was a participant of immediately prior to retirement. Employees may obtain dependent coverage at retirement only if the employee was receiving dependent coverage immediately prior to retirement. Covered spouses may continue coverage after the retiree's death. The surviving spouse of an active employee may continue coverage in the group health insurance plan after the employee's death.

All health care benefits are provided through the City's group health insurance plans. The retiree pays 100 percent of their premium cost for the City-sponsored group health insurance plan in which they participate. Since the premium is a blended rate determined on the entire active and retiree population, the retirees are receiving an implicit rate subsidy. The benefit levels are the same as those afforded to active employees. Benefits include general inpatient and outpatient medical services; mental, nervous and substance abuse care; vision care; dental care; and prescriptions. Upon a retiree reaching age 65 years of age, Medicare becomes the primary insurer and the City's plan becomes secondary.

C. Participants

At December 31, 2019, the following employees were covered by the benefit terms:

Inactive Plan Members or Beneficiaries Currently Receiving Benefit Payments	14
Active Plan Members	82
Total Plan Members	96

D. Funding Policy

Retiree health care benefits are currently funded on a pay-as-you-go basis. The City Council may change the funding policy at any time. For the year ended December 31, 2019, the City's average contribution rate was 27.34 percent of covered-employee payroll. For the year 2019, the City directly contributed \$136,702 to the Plan, while implicit contributions totaled \$75,426.

Note 6: Postemployment Benefits Other Than Pensions (Continued)

E. Actuarial Methods and Assumptions

The City's total OPEB liability of \$1,908,794 was measured as of December 31, 2018, and the total OPEB liability used to calculate the total OPEB liability was determined by an actuarial valuation as of December 31, 2018

The total OPEB liability in the December 31, 2018 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Discount Rate	3.71%
20-Year Municipal Bond Yield	3.71%
Inflation Rate	2.50%
Medical Trend Rate	6.40% in 2019 gradually decreasing to 4.00% over several decades

The discount rate used to measure the total OPEB liability was 3.71 percent.

Mortality rates were based on the RP-2014 mortality tables with projected mortality improvements based on scale MP-2017 and other adjustments.

Health care cost trend rate was 6.40% for FY2019, gradually decreasing over several decades to an ultimate rate of 4.00% in FY2075 and later years. In addition, the medical trend rates above were increased to reflect the projected effect of the Affordable Care Act's Excise Tax on high-cost health insurance plans. The additional trend rate adjustments vary by year, but average 0.35% beginning calendar year 2022 for plans other than Medicare plans.

The actuarial assumptions used in the December 31, 2018 valuation were based on input from a variety of published sources of historical and projected future financial data. Each assumption was reviewed for reasonableness with the source information as well as for consistency with the other economic assumptions.

F. Changes in the Total OPEB Liability

Balances at December 31, 2018	Total OPEB Liability	
Changes for the Year:	Liability	
Service cost	(a)	\$ 2,104,301
Interest		81,245
Changes in benefit terms		70,079
Differences between expected and actual experience		11,382
Benefit payments		(221,491)
Net Changes		(136,702)
		(195,507)
Balances at December 31, 2019		\$ 1,908,794

Note 6: Postemployment Benefits Other Than Pensions (Continued)

Since the prior measurement date, the following assumptions changed:

- The discount rate was changed from 3.31% to 3.71% based on updated 20-year municipal bond rates.
- Healthcare trend rates were reset to reflect updated cost increase expectations.
- Medical per capita claims costs were updated to reflect recent experience.
- Mortality and salary increase rates were updated to the rates used in the 7/1/2018 PERA General and Police & Fire Employees Retirement Plan actuarial valuation.
- The inflation assumption was changed from 2.75% to 2.50% based on an updated historical analysis of inflation rates and forward-looking market expectations.

Since the prior measurement date there have been no changes to the benefit terms.

G. Sensitivity of the Total OPEB Liability

The following presents the total OPEB liability of the City, as well as what the City's total OPEB liability would be if it were calculated using a discount rate that is 1-percentage point lower (2.71 percent) or 1-percentage-point higher (4.71 percent) than the current discount rate:

	1 Percent Decrease (2.71%)	Current (3.71%)	1 Percent Increase (4.71%)
	\$ 2,032,354	\$ 1,908,794	\$ 1,792,330

The following presents the total OPEB liability of the City, as well as what the City's total OPEB liability would be if it were calculated using a Healthcare Cost Trend Rates that is 1-percentage point lower (5.4 percent decreasing to 3 percent) or 1-percentage-point higher (7.4 percent increasing to 5 percent) than the current trend rate:

	1 Percent Decrease (5.4% Decreasing to 3%)	Healthcare Cost Trend Rates (6.4% Decreasing to 4%)	1 Percent Increase (7.4% Decreasing to 5%)
	\$ 1,769,457	\$ 1,908,794	\$ 2,065,859

H. OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

For the year ended December 31, 2019, the City recognized negative OPEB expense of (\$58,805). At December 31, 2019, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

Contributions to OPEB Subsequent to the Measurement Date	\$ 212,128	Deferred Outflows of Resources	\$ -
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Deferred outflows of resources totaling \$212,128 related to pension resulting from the City's contributions to OPEB subsequent to the measurement date will be recognized as a reduction of the OPEB liability in the year ended December 31, 2020.

Note 7: Joint Powers Agreements

A. DCC - Joint Powers Debt Commitment

On August 25, 2005, the City entered into a joint powers agreement with the Cities of Apple Valley, Burnsville, Eagan, Farmington, Hastings, Inver Grove Heights, Lakeville, Mendota Heights, Rosemount and South St. Paul, Minnesota and Dakota County Minnesota, to establish the Dakota Communications Center (DCC), a Minnesota nonprofit corporation. The purpose of the DCC is to engage in the operation and maintenance of a county-wide public safety answering point and communications center for law enforcement, fire, emergency medical services, and other public safety services for the mutual benefit of residents residing in the abovementioned cities and county. Pursuant to the joint powers agreement, members are required to provide DCC their pro rata share of cost of operations and maintenance, and capital projects.

Information regarding the Dakota Communications Center can be obtained at the website www.mn-dcc.org/state.asp.

B. South Metro Fire Department

The City entered into a joint power agreement with the City of South St. Paul to consolidate the cities of West St. Paul and South St. Paul fire departments thereby creating a new entity known as the South Metro Fire Department (SMFD) as of January 1, 2008, the operational date.

The SMFD is governed by a five-member board of directors (Board) that include two council members from each joint city, and one public member which is not an employee nor a resident of either city. The City Council from each respective city appoints four out of the five members to the board. The process for filling the public member position is as follows:

1. The Board shall approve 3 names to be forwarded to each City Council.
2. Each City Council shall rank each nominee in order of preference.
3. If the highest ranked person is the same on each list, then that person is appointed by each Council.

As required by the agreement, the City transferred fire department property and equipment to the SMFD on January 1, 2008, retaining its rights to these assets in the event of SMFD's dissolution. The property and equipment had an estimated original value of \$1,446,249.

The activities of the SMFD are funded substantially by the Cities of West St. Paul and South St. Paul, with each contributing an equal share of the SMFD annual budget which must be approved by the Board by a four-fifths vote of all its members. In addition, each City performed in-kind contributed services of approximate equal value during 2019 with additional service agreements in future years. Information regarding the South Metro Fire Department can be obtained at the website www.southmetrofire.com.

Financial statements may be obtained by writing to the South Metro Fire Department, 1616 Humboldt Avenue, West St. Paul, MN 55118

Note 8: Other Information

A. Risk Management

The City is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters for which the City carries insurance. The City obtains insurance through participation in the League of Minnesota Cities Insurance Trust (LMCIT), which is a risk sharing pool with approximately 800 other governmental units. The City pays an annual premium to LMCIT for its workers compensation and property and casualty insurance. The LMCIT is self-sustaining through member premiums and will reinsure for claims above a prescribed dollar amount for each insurance event. Settled claims have not exceeded the City's coverage in any of the past three fiscal years.

Liabilities are reported when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated. Liabilities, if any, include an amount for claims that have been incurred but not reported (IBNRs). The City's management is not aware of any incurred but not reported claims.

B. Tax Increment Financing Districts

The City's tax increment districts are subject to review by the State of Minnesota Office of the State Auditor (OSA). Any disallowed claims or misuse of tax increments could become a liability of the applicable fund. Management has indicated that they are not aware of any instances of noncompliance which would have a material effect on the financial statements.

The City has entered into "pay as you go" Tax Increment Financing notes within its TIF districts. These notes are payable only to the extent of the increment received. As a result, they are a commitment within the district but they have not met the criteria to be reported as a liability on the statement of net position.

C. Conduit Debt Obligations

From time to time, the City has issued industrial revenue bonds to provide financial assistance to private sector entities for the acquisition and construction of industrial and commercial facilities deemed to be in the public interest. The bonds are secured by the property financed and are payable solely from payment received on the underlying mortgage loans. Upon repayment of the bonds, ownership of the acquired facilities transfers to the private-sector entity served by the bond issuance. Neither the City, the State, nor any political subdivision thereof is obligated in any manner for repayment of the bonds. Accordingly, the bonds are not reported as liabilities in the accompanying financial statements.

As of December 31, 2019, there was one series of Housing Revenue Bonds outstanding as follows:

Description	Amount Issued	Balance at Year End
2017 Walker Methodist Refinancing Bond	\$ 29,240,000	\$ 28,410,000

D. Golf Course Land Use Agreement

A portion of the City's golf course is located on property owned by a third party. The City entered into an agreement with the third party which guarantees that the City will have exclusive rights to use this property in exchange for limited exclusive rights for the third party to use a portion of certain City owned parkland. The term of this agreement expires June 30, 2024.

Note 9: Subsequent Event

In December 2019, a novel strain of coronavirus (COVID-19) surfaced. The spread of COVID-19 around the world in the first quarter of 2020 has caused significant volatility in U.S. and international markets. There is significant uncertainty around the breadth and duration of business disruptions related to COVID-19, as well as its impact on the U.S. and international economies and, as such, the City is unable to determine if it will have a material impact to its operations.

City of West St. Paul, Minnesota
 Required Supplementary Information
 For the Year Ended December 31, 2019

Schedule of Employer's Share of PERA Net Pension Liability - General Employees Fund

Fiscal Year Ending	City's Proportion of the Net Pension Liability	City's Share of Liability (a)	State's Proportionate Share of the Net Pension Liability Associated with the City (b)	Total (a+b)	City's Covered Payroll (c)	City's Proportionate Share of the Net Pension Liability as a Percentage of Total Net Pension Liability	
						City's Covered Payroll ((a+b)/c)	Plan Fiduciary Net Position as a Percentage of Total Net Pension Liability
6/30/2019	0.0564 %	\$ 3,118,230	\$ 96,996	\$ 3,215,226	\$3,995,212	80.5 %	80.2 %
6/30/2018	0.0587	3,296,435	106,948	3,363,383	3,935,338	85.5	79.5
6/30/2017	0.0580	3,702,682	46,570	3,749,252	3,737,414	100.3	75.9
6/30/2016	0.0553	4,490,086	-	4,490,086	3,425,146	131.1	68.9
6/30/2015	0.0549	2,845,203	-	2,845,203	3,226,884	88.2	78.2

Note: Schedule is intended to show 10-year trend. Additional years will be reported as they become available.

Schedule of Employer's PERA Contributions - General Employees Fund

Year Ending	Statutorily Required Contribution (a)	Statutorily Required Contribution (b)	Contribution Deficiency (Excess) (a-b)	Contributions in Relation to the City's Covered Payroll	
				City's Covered Payroll (c)	Contributions as a Percentage of Covered Payroll (b/c)
12/31/2019	\$ 301,157	\$ 301,157	\$ -	\$ 4,015,430	7.5 %
12/31/2018	294,604	294,604	-	3,928,058	7.5
12/31/2017	292,968	292,968	-	3,906,241	7.5
12/31/2016	269,660	269,660	-	3,595,466	7.5
12/31/2015	238,068	238,068	-	3,174,240	7.5

Note: Schedule is intended to show 10-year trend. Additional years will be reported as they become available.

REQUIRED SUPPLEMENTARY INFORMATION

CITY OF WEST ST. PAUL
 WEST ST. PAUL, MINNESOTA

FOR THE YEAR ENDED
 DECEMBER 31, 2019

City of West St. Paul, Minnesota
Required Supplementary Information (Continued)
For the Year Ended December 31, 2019

Notes to the Required Supplementary Information - General Employee Fund

Changes in Actuarial Assumptions

- 2019 - The mortality projection scale was changed from MP-2017 to MP-2018.
- 2018 - The mortality projection scale was changed from MP-2015 to MP-2017. The assumed benefit increase was changed from 1.00 percent per year through 2044 and 2.50 percent per year thereafter to 1.25 percent per year.
- 2017 - The Combined Service Annuity (CSA) loads were changed from 0.8 percent for active members and 60 percent for vested and non-vested deferred members. The revised CSA loads are now 0.0 percent for active member liability, 15.0 percent for vested deferred member liability and 3.0 percent for non-vested deferred member liability. The assumed post-retirement benefit increase rate was changed from 1.0 percent per year for all years to 1.0 percent per year through 2044 and 2.5 percent per year thereafter.
- 2016 - The assumed post-retirement benefit increase rate was changed from 1.0 percent per year through 2035 and 2.5 percent per year thereafter to 1.0 percent per year for all future years. The assumed investment return was changed from 7.9 percent to 7.5 percent. The single discount rate was changed from 7.9 percent to 7.5 percent. Other assumptions were changed pursuant to the experience study dated June 30, 2015. The assumed future salary increases, payroll growth and inflation were decreased by 0.25 percent to 3.25 percent for payroll growth and 2.50 percent for inflation.
- 2015 - The assumed post-retirement benefit increase rate was changed from 1.0 percent per year through 2030 and 2.5 percent per year thereafter to 1.0 percent per year through 2035 and 2.5 percent per year thereafter.

Changes in Plan Provisions

- 2019 - The employer supplemental contribution was changed prospectively, decreasing from \$31.0 million to \$21.0 million per year. The state's special funding contribution was changed prospectively, requiring \$16.0 million due per year through 2031.
- 2018 - The augmentation adjustment in early retirement factors is eliminated over a five-year period starting July 1, 2019, resulting in actuarial equivalence after June 30, 2024. Interest credited on member contributions decreased from 4.00 percent to 3.00 percent, beginning July 1, 2018. Deferred augmentation was changed to 0.00 percent, effective January 1, 2019. Augmentation that has already accrued for deferred members will still apply. Contribution stabilizer provisions were repealed. Postretirement benefit increases were changed from 1.00 percent per year with a provision to increase to 2.50 percent upon attainment of 90.00 percent funding ratio to 50.00 percent of the Social Security Cost of Living Adjustment, not less than 1.00 percent and not more than 1.50 percent, beginning January 1, 2019. For retirements on or after January 1, 2024, the first benefit increase is delayed until the retiree reaches normal retirement age; does not apply to Rule of 90 retirees, disability benefit recipients, or survivors. Actuarial equivalent factors were updated to reflect revised mortality and interest assumptions.
- 2017 - The State's contribution for the Minneapolis Employees Retirement Fund equals \$16,000,000 in 2017 and 2018, and \$6,000,000 thereafter. The Employer Supplemental Contribution for the Minneapolis Employees Retirement Fund changed from \$21,000,000 to \$31,000,000 in calendar years 2019 to 2031. The state's contribution changed from \$16,000,000 to \$6,000,000 in calendar years 2019 to 2031.
- 2017 - The State's special funding contribution increased from \$6 million to \$16 million.
- 2015 - On January 1, 2015, the Minneapolis Employees Retirement Fund was merged into the General Employees Fund, which increased the total pension liability by \$1.1 billion and increased the fiduciary plan net position by \$892 million. Upon consolidation, state and employer contributions were revised.

City of West St. Paul, Minnesota
Required Supplementary Information (Continued)
For the Year Ended December 31, 2019

Schedule of Employer's Share of PERA Net Pension Liability - Police and Fire Fund

Fiscal Year Ending	City's Proportionate Share of the Net Pension Liability	City's Share of the Net Pension Liability Associated with the City	Total	City's Proportionate Share of the Net Pension Liability	City's Share of the Net Pension Liability Associated with the City	Total	City's Proportionate Share of the Net Pension Liability	City's Share of the Net Pension Liability Associated with the City	Total	City's Proportionate Share of the Net Pension Liability	City's Share of the Net Pension Liability Associated with the City	Total
	(a)	(b)	(a+b)	(a)	(b)	(a+b)	(c)	(c)	(a+b)	(c)	(c)	(a+b)
6/30/2019	0.2767 %	\$ 2,945,751	\$ -	\$ 2,945,751	\$ 2,917,736	\$ 2,917,736	10.10 %	10.10 %	\$ -	89.3 %	89.3 %	\$ -
6/30/2018	0.2654	2,828,891	-	2,828,891	2,797,151	2,797,151	101.1	101.1	-	88.8	88.8	-
6/30/2017	0.2600	3,510,309	-	3,510,309	2,665,352	2,665,352	131.7	131.7	-	85.4	85.4	-
6/30/2016	0.2600	10,434,252	-	10,434,252	2,502,937	2,502,937	416.9	416.9	-	63.9	63.9	-
6/30/2015	0.2680	3,045,107	-	3,045,107	2,450,436	2,450,436	124.3	124.3	-	86.6	86.6	-

Note: Schedule is intended to show 10-year trend. Additional years will be reported as they become available.

Schedule of Employer's PERA Contributions - Police and Fire Fund

Year Ending	Statutorily Required Contribution	Contributions in Relation to the Statutorily Required Contribution	Contribution Deficiency (Excess)	City's Covered Payroll	Contributions as a Percentage of Covered Payroll
	(a)	(b)	(a-b)	(c)	(b/c)
12/31/2019	\$ 506,520	\$ 506,520	\$ -	\$ 2,988,319	16.9 %
12/31/2018	463,200	463,200	-	2,859,258	16.2
12/31/2017	443,980	443,980	-	2,740,619	16.2
12/31/2016	411,042	411,042	-	2,537,297	16.2
12/31/2015	408,245	408,245	-	2,524,529	16.2

Note: Schedule is intended to show 10-year trend. Additional years will be reported as they become available.

Notes to the Required Supplementary Information - Public Employees Police and Fire Fund

Changes in Actuarial Assumptions

- 2019 - The mortality projection scale was changed from MP-2017 to MP-2018.
- 2018 - The mortality projection scale was changed from MP-2016 to MP-2017. As set by statute, the assumed post-retirement benefit increase was changed from 1.0 percent per year through 2064 and 2.5 percent per year, thereafter, to 1.0 percent for all years, with no trigger.
- 2017 - Assumed salary increases were changed as recommended in the June 30, 2016 experience study. The net effect is proposed rates that average 0.34 percent lower than the previous rates. Assumed rates of retirement were changed, resulting in fewer retirements. The Combined Service Annuity (CSA) load was 30 percent for vested and non-vested deferred members. The CSA has been changed to 33 percent for vested members and 2 percent for non-vested members. The base mortality table for healthy annuitants was changed from the RP-2000 fully generational table to the RP-2014 fully generational table (with a base year of 2006), with male rates adjusted by a factor of 0.96.

Notes to the Required Supplementary Information - Public Employees Police and Fire Fund (Continued)

The mortality improvement scale was changed from Scale AA to Scale MP-2016. The base mortality table for disabled annuitants was changed from the RP-2000 disabled mortality table to the mortality tables assumed for healthy retirees. Assumed termination rates were decreased to 3.0 percent for the first three years of service. Rates beyond the select period of three years were adjusted, resulting in more expected terminations overall. Assumed percentage of married female members was decreased from 65 percent to 60 percent. Assumed age difference was changed from separate assumptions for male members (wives assumed to be three years younger) and female members (husbands assumed to be four years older) to the assumption that males are two years older than females. The assumed percentage of female members electing joint and survivor annuities was increased. The assumed post-retirement benefit increase rate was changed from 1.00 percent for all years to 1.00 percent per year through 2064 and 2.50 percent thereafter. The single discount rate was changed from 5.6 percent to 7.5 percent.

2016 - The assumed post-retirement benefit increase rate was changed from 1.0 percent per year through 2037 and 2.5 percent per year thereafter to 1.0 percent per year for all future years. The assumed investment return was changed from 7.9 percent to 7.5 percent. The single discount rate was changed from 7.9 percent to 8.6 percent. The assumed future salary increases, payroll growth and inflation were decreased by 0.25 percent to 3.25 percent for payroll growth and 2.50 percent for inflation.

2015 - The assumed post-retirement benefit increase rate was changed from 1.0 percent per year through 2030 and 2.5 percent per year thereafter to 1.0 percent per year through 2037 and 2.5 percent per year thereafter.

Changes in Plan Provisions

2016 - As set by statute, the assumed post-retirement benefit increase was changed from 1.0 percent per year through 2064 and 2.5 percent per year thereafter, to 1.0 percent for all years, with no trigger. An end date of July 1, 2048 was added to the existing \$9.0 million state contribution. New annual state aid will equal \$4.5 million in fiscal years 2019 and 2020, and \$9.0 million thereafter until the plan reaches 100 percent funding, or July 1, 2048, if earlier. Member contributions were changed from 10.80 percent to 11.30 percent of pay, effective January 1, 2019, and 11.80 percent of pay, effective January 1, 2020. Employer contributions were changed from 16.20 percent to 16.95 percent of pay, effective January 1, 2019 and 17.70 percent of pay, effective January 1, 2020. Interest credited on member contributions decreased from 4.00 percent to 3.00 percent, beginning July 1, 2018. Deferred augmentation was changed to 0.00 percent, effective January 1, 2019. Augmentation that has already accrued for deferred members will still apply. Actuarial equivalent factors were updated to reflect revised mortality and interest assumptions.

2017 - Assumed salary increases were changed as recommended in the June 30, 2016 experience study. The net effect is proposed rates that average 0.34 percent lower than the previous rates. Assumed rates of retirement were changed, resulting in fewer retirements. The combined service annuity (CSA) load was 30.00 percent for vested and non-vested, deferred members. The CSA has been changed to 33.00 percent for vested members and 2.00 percent for non-vested members. The base mortality table for healthy annuitants was changed from the RP-2000 fully generational table to the RP-2014 fully generational table (with a base year of 2006), with male rates adjusted by a factor of 0.96. The mortality improvement scale was changed from Scale AA to Scale MP-2016. The base mortality table for disabled annuitants was changed from the RP-2000 disabled mortality table to the mortality tables assumed for healthy retirees. Assumed termination rates were decreased to 3.00 percent for the first three years of service. Rates beyond the select period of three years were adjusted, resulting in more expected terminations overall. Assumed percentage of married female members was decreased from 65.00 percent to 60.00 percent. Assumed age difference was changed from separate assumptions for male members (wives assumed to be three years younger) and female members (husbands assumed to be four years older) to the assumption that males are two years older than females. The assumed percentage of female members electing joint and survivor annuities was increased. The assumed postretirement benefit increase rate was changed from 1.00 percent for all years to 1.00 percent per year through 2064 and 2.50 percent thereafter. The single discount rate was changed from 5.60 percent per annum to 7.50 percent per annum.

2015 - The post-retirement benefit increase to be paid after attainment of the 90 percent funding threshold was changed, from inflation up to 2.5 percent, to a fixed rate of 2.5 percent.

Schedule of Changes in the City's Total OPEB Liability and Related Ratios

	2019	2018
Total OPEB Liability		
Service cost	\$ 81,245	\$ 70,152
Interest	70,079	76,384
Differences between expected and actual experience	(221,491)	-
Changes in assumptions	11,362	69,036
Benefit payments	(136,702)	(91,897)
Net Change in Total OPEB Liability	(195,507)	123,675
Total OPEB Liability - Beginning	2,104,301	1,980,626
Total OPEB Liability - Ending	\$ 1,908,794	\$ 2,104,301
Covered - Payroll	\$ 6,980,780	\$ 6,454,653
City's Total OPEB Liability as a Percentage of Covered Payroll	27.34 %	32.60 %

Benefit Changes:

In 2019, there were no changes to the benefit terms.

In 2018, there were no changes to the benefit terms.

Changes in Assumptions:

In 2019, the following assumptions changed:

The discount rate was changed from 3.31% to 3.71% based on updated 20-year municipal bond rates.

Healthcare trend rates were reset to reflect updated cost increase expectations.

Medical per capita claims costs were updated to reflect recent experience.

Mortality and salary increase rates were updated to the rates used in the 7/1/2018 PERA General and Police Fire Employees Retirement Plan actuarial valuation.

The inflation assumption was changed from 2.75% to 2.50% based on an updated historical analysis of inflation rates forward-looking market expectations.

In 2018, the following assumptions changed:

The health care trend rates were changed to better anticipate short term and long term medical increases.

Rates from base RP-2014 headcount-weighted table adjusted to 2006. Generational projection using scale MP-2017 was applied to these base rates after 2006.

The index rate for 20-year, tax-exempt municipal bonds (Fidelity 20-Year Municipal GO AA Index) used in discount rate determination changed from 3.81% to 3.31%.

The discount rate was changed from 3.81% to 3.31%.

Note: Schedule is intended to show 10-year trend. Additional years will be reported as they become available.

City of West St. Paul, Minnesota
 Nonmajor Governmental Funds
 Combining Balance Sheet
 December 31, 2019

	Special Revenue	Capital Projects	Total
Assets			
Cash and temporary investments	\$ 116,402	\$ 3,326,048	\$ 3,442,450
Receivables			
Accounts	43,798	553,446	597,244
Accrued interest	15	6,849	6,864
Due from other governments	-	32,000	32,000
Total Assets	\$ 160,215	\$ 3,918,343	\$ 4,078,558
Liabilities			
Accounts payable	\$ 10,029	\$ 535,062	\$ 545,091
Due to other governments	-	21,616	21,616
Unearned revenue	-	1,763	1,763
Advances from other funds	10,613	460,000	470,613
Total Liabilities	20,642	1,018,441	1,039,083
Fund Balances			
Restricted	-	2,900	2,900
Committed	141,879	-	141,879
Assigned	-	3,354,225	3,354,225
Unassigned	(2,306)	(457,223)	(459,529)
Total Fund Balances	139,573	2,896,902	3,036,475
Total Liabilities and Fund Balances	\$ 160,215	\$ 3,918,343	\$ 4,078,558

COMBINING AND INDIVIDUAL FUND
 FINANCIAL STATEMENTS AND SCHEDULES

CITY OF WEST ST. PAUL
 WEST ST. PAUL, MINNESOTA

FOR THE YEAR ENDED
 DECEMBER 31, 2019

City of West St. Paul, Minnesota
 Nonmajor Governmental Funds
 Combining Statement of Revenues, Expenditures
 and Changes in Fund Balances
 For the Year Ended December 31, 2019

	Special Revenue	Capital Projects	Total
Revenues			
Taxes	\$ 470,300	\$ 958,000	\$ 1,428,300
Intergovernmental	-	1,694,500	1,694,500
Charges for services	-	42,268	42,268
Interest on investments	372	115,796	116,168
Miscellaneous			
Insurance dividends	68,516	-	68,516
Other	28,943	4,309	33,252
Total Revenues	568,131	2,814,873	3,383,004
Expenditures			
Current			
General government	152,598	824	153,422
Public safety	184,708	3,000	187,708
Public works	148,648	-	148,648
Parks and recreation	75,589	1,585,728	1,661,317
Capital outlay			
General government	-	223,697	223,697
Public safety	-	323,927	323,927
Public works	-	114,814	114,814
Parks and recreation	-	377,956	377,956
Total Expenditures	561,543	2,629,946	3,191,489
Net Change in Fund Balances	6,588	184,927	191,515
Fund Balances, January 1	132,985	2,714,975	2,847,960
Fund Balances, December 31	\$ 139,573	\$ 2,899,902	\$ 3,039,475

Nonmajor Special Revenue Funds

Special revenue funds are used to account for revenue derived from specific taxes or other earmarked revenue sources. They are usually required by Minnesota statute or local ordinances to finance particular functions or other activities of government.

Community Events - used to account for private contributions for community events.

Insurance - used to account for claims paid under the City's liability, property and casualty and miscellaneous insurance policy deductibles. This is not considered to be a self-insurance fund.

City of West St. Paul, Minnesota
 Nonmajor Special Revenue Funds
 Combining Balance Sheet
 December 31, 2019

	201	212	Total
Assets			
Cash and temporary investments	\$ 8,292	\$ 108,110	\$ 116,402
Receivables	-	43,798	43,798
Accounts	15	-	15
Accrued interest	-	-	-
Total Assets	\$ 8,307	\$ 151,908	\$ 160,215
Liabilities			
Accounts payable	-	\$ 10,029	\$ 10,029
Due to other funds	10,613	-	10,613
Total Liabilities	10,613	10,029	20,642
Fund Balances			
Committed	-	141,879	141,879
Unassigned	(2,306)	-	(2,306)
Total Fund Balances	(2,306)	141,879	139,573
Total Liabilities and Fund Balances	\$ 8,307	\$ 151,908	\$ 160,215

City of West St. Paul, Minnesota
 Nonmajor Special Revenue Funds
 Combining Statement of Revenues, Expenditures
 and Changes in Fund Balances
 For the Year Ended December 31, 2019

	201	212	Total
Revenues			
Taxes	\$ 4,000	\$ 466,300	\$ 470,300
Interest on investments	141	231	372
Miscellaneous	-	68,516	68,516
Insurance dividends	16,443	12,500	28,943
Other	20,584	547,547	568,131
Total Revenues	\$ 25,168	\$ 1,095,194	\$ 1,120,362
Expenditures			
Current	12,277	140,321	152,598
General government	-	184,708	184,708
Public safety	-	148,648	148,648
Public works	-	75,589	75,589
Parks and recreation	-	549,266	549,266
Total Expenditures	12,277	1,098,532	1,110,809
Net Change in Fund Balances	8,307	(1,719)	6,588
Fund Balances, January 1	(10,613)	143,598	132,985
Fund Balances, December 31	\$ (2,306)	\$ 141,879	\$ 139,573

City of West St. Paul, Minnesota

Insurance Fund
Schedule of Revenues, Expenditures and Changes in Fund Balances -
Budget and Actual

For the Year Ended December 31, 2019

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Revenues				
Taxes	\$ 466,300	\$ 466,300	\$ 466,300	\$ -
Interest on investments	3,000	3,000	231	(2,769)
Miscellaneous				
Insurance dividends	39,500	39,500	68,516	29,016
Other			12,500	12,500
Total Revenues	508,800	508,800	547,547	38,747
Expenditures				
Current				
General government	36,850	36,850	31,952	4,898
Public safety	158,000	158,000	184,708	(26,708)
Public works	93,600	93,600	143,648	(50,048)
Parks and recreation	58,300	58,300	75,589	(17,289)
Unallocated	162,050	162,050	108,369	53,681
Total Expenditures	508,800	508,800	549,266	(40,466)
Net Change in Fund Balances			(1,719)	(1,719)
Fund Balances, January 1	143,598	143,598	143,598	-
Fund Balances, December 31	\$ 143,598	\$ 143,598	\$ 141,879	\$ (1,719)

Nonmajor Capital Projects Funds

Capital projects funds are used to account for the acquisition and construction of major capital facilities other than those financed by enterprise funds.

Vehicle and Equipment - used to account for major capital improvements of a public works nature as set forth in the City Code, Section 315.03. Financing is provided by a specific annual property tax levy to the extent that miscellaneous revenue is not sufficient to cover the required expenditures.

Police and Fire PERA - used to account for the acquisition of major pieces of capital equipment. Financing is provided by the issuance of an annual capital note, pursuant to Minnesota Statutes, Section 410.32.

Technology Replacement - used to account for the acquisition of computer hardware and software. Financing is provided by interest earnings on a specified pool of money, which was established in 2001.

Parks Improvement - used to account for the acquisition, development and maintenance of the City's park infrastructure. Financing is provided by park dedication fees, donations, property taxes and interest earnings on a specified pool of money.

Government Facilities - used to account for costs associated with construction and capital costs relating to current and future City-owned facilities. Funding is provided through a combination of bond proceeds and transfers from other funds.

Public Works Facility - used to account for costs associated with construction and capital costs relating to public works facility. Funding is provided through a combination of bond proceeds and transfers from other funds.

River to River Trail - used to account for costs associated with constructions and capital costs relating to the River to River trail. Funding is provided through miscellaneous revenues and transfers from other funds.

City of West St. Paul, Minnesota
 Nonmajor Capital Projects Funds
 Combining Balance Sheet
 December 31, 2019

	401	409	411	413
	Vehicle and Equipment	Police and Fire PERA	Technology Replacement	Parks Improvement
Assets				
Cash and temporary investments	\$ 1,470,408	\$ 2,894	\$ 223,753	\$ 1,012,127
Receivable	245,976	-	-	-
Accounts	3,171	6	414	1,913
Accrued interest	32,000	-	-	-
Due from other governments	-	-	-	-
Total Assets	\$ 1,751,555	\$ 2,900	\$ 224,167	\$ 1,014,040
Liabilities				
Accounts payable	\$ 390,280	\$ -	\$ -	\$ 46,548
Due to other governments	-	-	21,616	-
Unearned revenue	-	-	-	1,763
Advances from other funds	-	-	-	-
Total Liabilities	390,280	-	21,616	48,311
Fund Balances				
Restricted	-	2,900	-	-
Assigned	1,361,275	-	202,551	965,729
Unassigned	-	-	-	-
Total Fund Balances	1,361,275	2,900	202,551	965,729
Total Liabilities and Fund Balances	\$ 1,751,555	\$ 2,900	\$ 224,167	\$ 1,014,040

	415	420	421	Total
	Government Facilities	Public Works Facility	River to River Trail	Total
	\$ 612,379	\$ 1,513	\$ 2,974	\$ 3,326,048
	307,470	-	-	553,446
	1,345	-	-	6,849
	-	-	-	32,000
	\$ 921,194	\$ 1,513	\$ 2,974	\$ 3,918,343
	\$ 96,524	\$ 1,203	\$ 507	\$ 535,062
	-	-	-	21,616
	-	-	-	1,763
	-	40,000	420,000	460,000
	96,524	41,203	420,507	1,018,441
	-	-	-	2,900
	824,670	-	-	3,354,225
	-	(39,690)	(417,533)	(457,223)
	824,670	(39,690)	(417,533)	2,889,902
	\$ 921,194	\$ 1,513	\$ 2,974	\$ 3,918,343

City of West St. Paul, Minnesota
 Nonmajor Capital Projects Funds
 Combining Statement of Revenues, Expenditures
 and Changes in Fund Balances
 For the Year Ended December 31, 2019

	401	409	411	413
	Vehicle and Equipment	Police and Fire PERA	Technology Replacement	Parks Improvement
Revenues				
Taxes				
Property taxes	\$ 58,000	\$ -	\$ -	\$ -
Franchise tax	400,000	-	-	-
Intergovernmental	32,000	-	100,000	400,000
Charges for services	-	-	-	42,268
Interest on investments	56,640	13	4,515	31,708
Miscellaneous	503	-	-	3,806
Total Revenues	547,143	13	104,515	477,782
Expenditures				
Current				
General government	-	-	-	-
Public safety	-	3,000	-	-
Parks and recreation	-	-	-	-
Capital outlay				
General government	7,459	-	60,135	-
Public safety	323,927	-	-	-
Public works	109,203	-	-	-
Parks and recreation	124,472	-	-	253,484
Total Expenditures	565,061	3,000	60,135	253,484
Net Change in Fund Balances	(17,918)	(2,987)	44,380	224,298
Fund Balances, January 1	1,379,193	5,887	158,171	741,431
Fund Balances, December 31	\$ 1,361,275	\$ 2,900	\$ 202,551	\$ 965,729

	415	420	421	Total
	Government Facilities	Public Works Facility	River to River Trail	
Revenues				
Government Facilities	\$ 500,000	-	-	\$ 500,000
Public Works Facility	-	-	1,162,500	1,694,500
River to River Trail	-	-	-	42,268
Total Revenues	22,920	-	-	115,796
Expenditures				
Government Facilities	522,920	-	1,162,500	2,814,873
Public Works Facility	-	17,589	1,568,139	1,585,728
River to River Trail	-	-	-	3,000
Total Expenditures	824	-	-	824
Net Change in Fund Balances	156,103	-	-	223,697
Fund Balances, January 1	5,611	-	-	323,927
Fund Balances, December 31	162,538	17,589	1,568,139	1,748,266
Net Change in Fund Balances	360,382	(17,589)	(405,639)	184,927
Fund Balances, January 1	464,288	(22,101)	(11,894)	2,714,975
Fund Balances, December 31	\$ 824,670	\$ (39,690)	\$ (417,533)	\$ 2,899,902

City of West St. Paul, Minnesota
 General Fund
 Schedule of Revenues, Expenditures and Changes in Fund Balances -
 Budget and Actual/(Continued on the Following Pages)
 For the Year Ended December 31, 2019
 (With Comparative Actual Amounts for the Year Ended December 31, 2018)

	2019		Variance with Final Budget	2018	
	Budgeted Amounts Original	Actual Amounts		Budgeted Amounts Original	Actual Amounts
Revenues					
Taxes					
Property taxes	\$ 10,997,927	\$ 10,758,707	\$ (239,220)	\$ 9,936,519	
Franchise taxes	70,000	175,774	105,774	946,214	
Water surcharge	24,000	25,872	1,872	27,229	
Total taxes	11,091,927	10,960,353	(131,574)	10,909,962	
Licenses and permits					
Licenses	223,500	212,293	(11,207)	217,246	
Permits	330,000	461,890	131,890	476,607	
Total licenses and permits	553,500	674,183	120,683	693,853	
Intergovernmental					
Federal					
Other	120,000	54,302	(65,698)	37,111	
State					
Local government aid	495,000	443,838	(51,162)	-	
PERA aid	14,361	14,361	-	14,361	
Police and fire aid	276,500	303,486	26,986	324,283	
Municipal state aid	40,000	40,000	0	40,000	
Other	71,639	86,904	15,265	53,349	
County	32,000	31,200	(800)	30,263	
Total intergovernmental	1,049,500	974,091	(75,409)	499,387	
Charges for services					
General government	286,778	263,797	(2,981)	269,791	
Public safety	355,077	446,077	90,500	396,419	
Public works	2,000	2,549	549	7,652	
Parks and recreation	50,000	80,353	30,353	71,874	
Community development	12,000	20,357	8,357	23,561	
Total charges for services	685,855	819,312	133,457	769,297	
Fines and forfeitures	188,000	118,187	(69,813)	158,754	
Special assessments	40,000	190,891	150,891	66,644	
Interest on investments	125,000	277,045	152,045	43,187	
Miscellaneous					
Refunds and reimbursements	10,000	10,000	-	2,864	
Contributions and donations	20,000	7,692	(12,308)	10,279	
Other	13,554	28,025	14,471	42,060	
Total miscellaneous	43,554	35,717	(7,837)	55,203	
Total Revenues	13,777,336	14,049,779	272,443	13,196,287	

City of West St. Paul, Minnesota
 General Fund
 Schedule of Revenues, Expenditures and Changes in Fund Balances -
 Budget and Actual/(Continued)
 For the Year Ended December 31, 2019
 (With Comparative Actual Amounts for the Year Ended December 31, 2018)

	2019		Variance with Final Budget	2018	
	Budgeted Amounts Original	Actual Amounts		Budgeted Amounts Original	Actual Amounts
Expenditures					
Current					
General government					
Mayor and City Council	\$ 58,269	\$ 58,269	\$ -	\$ 58,100	\$ 55,409
Personal services	100	100	-	100	-
Supplies	87,421	87,421	-	66,789	78,215
Other services and charges	145,790	145,790	-	124,889	133,624
Total Mayor and City Council	691,480	691,480	-	610,078	677,258
Management and administration					
Personal services	694,776	694,776	-	652,179	647,017
Supplies	8,700	8,700	-	3,241	4,965
Other services and charges	17,018	17,018	-	5,857	11,161
Total management and administration	720,494	720,494	-	661,277	663,143
Finance					
Personal services	321,867	321,867	-	312,823	298,433
Supplies	1,500	1,500	-	621	2,611
Other services and charges	19,705	19,705	-	70,164	18,685
Total finance	343,072	343,072	-	383,608	319,729
Marketing and communications					
Personal services	106,563	106,563	-	106,502	98,294
Supplies	1,700	1,700	-	283	627
Other services and charges	49,480	49,480	-	34,942	21,949
Total marketing and communications	157,743	157,743	-	141,727	121,870
Human relations					
Personal services	134,100	134,100	-	58,962	88,950
Supplies	1,800	1,800	-	1,800	-
Other services and charges	45,908	45,908	-	19,140	13,770
Total human relations	181,808	181,808	-	79,902	102,720
Elections					
Personal services	-	-	-	-	6,292
Supplies	2,000	2,000	-	791	477
Other services and charges	5,450	5,450	-	1,932	28,584
Total elections	7,450	7,450	-	2,723	36,353
City attorney					
Other services and charges	357,000	357,000	-	319,837	342,936
Charter commission					
Other services and charges	1,500	1,500	-	1,555	-
General governmental buildings					
Personal services	86,160	86,160	-	84,733	79,325
Supplies	22,800	22,800	-	12,220	13,936
Other services and charges	146,485	146,485	-	99,263	111,466
Total general governmental buildings	255,445	255,445	-	196,216	204,727

City of West St. Paul, Minnesota
General Fund

Schedule of Revenues, Expenditures and Changes in Fund Balances -
Budget and Actual (Continued)

For the Year Ended December 31, 2019
(With Comparative Actual Amounts for the Year Ended December 31, 2018)

	2019		Variance with Final Budget	2018	
	Budgeted Amounts Original	Actual Amounts		Budgeted Amounts Original	Actual Amounts
Expenditures (Continued)					
Current (continued)					
General government (continued)					
Planning and zoning					
Personal services					
Supplies	\$ 404,021	\$ 362,409	\$ 41,612	\$ 376,572	\$ 376,572
Other services and charges	2,600	1,415	1,185	2,653	2,653
Total planning and zoning	36,150	35,150	10,681	34,566	34,566
	442,771	385,293	53,478	413,791	413,791
Recycling					
Personal services	51,051	52,207	(1,156)	45,739	45,739
Supplies	1,175	3,430	(2,255)	12,370	12,370
Other services and charges	12,015	4,617	7,398	4,668	4,668
Total recycling	64,241	60,254	3,987	62,777	62,777
Building inspection					
Personal services	305,808	307,590	(1,782)	290,169	290,169
Supplies	4,200	1,597	2,603	3,184	3,184
Other services and charges	61,290	62,987	(1,697)	42,515	42,515
Total building inspection	371,298	372,174	(876)	335,868	335,868
Management information systems					
Personal services	238,850	211,108	27,742	225,519	225,519
Supplies	3,500	4,147	(647)	2,389	2,389
Other services and charges	216,070	256,846	(40,776)	174,653	174,653
Total management information systems	458,420	472,101	(13,681)	402,561	402,561
Innovations					
Other services and charges	-	4,460	(4,460)	28,462	28,462
Total general government	3,507,032	3,208,226	298,806	3,163,726	3,163,726
Public safety					
Police					
Personal services	4,673,628	4,590,117	174,511	4,274,370	4,274,370
Supplies	162,625	121,721	40,904	119,983	119,983
Other services and charges	867,766	831,304	36,462	884,198	884,198
Total police	5,704,019	5,543,142	251,877	5,278,551	5,278,551
Fire					
Other services and charges	2,476,969	2,467,945	9,024	2,320,454	2,320,454

City of West St. Paul, Minnesota
General Fund

Schedule of Revenues, Expenditures and Changes in Fund Balances -
Budget and Actual (Continued)

For the Year Ended December 31, 2019
(With Comparative Actual Amounts for the Year Ended December 31, 2018)

	2019		Variance with Final Budget	2018	
	Budgeted Amounts Original	Actual Amounts		Budgeted Amounts Original	Actual Amounts
Expenditures (Continued)					
Current (continued)					
Public safety (continued)					
Civil defense					
Supplies	\$ 3,000	\$ 3,000	\$ 726	\$ 2,274	\$ 2,575
Other services and charges	12,860	12,860	12,533	327	12,598
Total civil defense	15,860	15,860	13,259	2,601	15,173
Total public safety	8,196,848	8,287,848	8,024,346	263,502	7,614,178
Public works					
Streets and highways					
Personal services	1,039,018	1,039,018	1,066,294	(29,276)	1,001,543
Supplies	234,475	234,475	281,894	(47,419)	236,166
Other services and charges	72,972	72,972	40,051	32,921	59,657
Total streets and highways	1,346,465	1,346,465	1,390,239	(43,774)	1,297,366
Engineering					
Personal services	178,816	178,816	168,656	10,160	174,297
Supplies	2,750	2,750	2,237	513	2,354
Other services and charges	10,825	10,825	9,013	1,812	9,530
Total engineering	192,391	192,391	179,906	12,485	186,181
Facility					
Supplies	4,700	4,700	4,609	91	4,056
Other services and charges	67,935	67,935	69,673	(1,738)	65,869
Total facility	72,635	72,635	74,282	(1,647)	69,925
Street lighting					
Supplies	6,000	6,000	6,333	(333)	4,802
Other services and charges	136,000	136,000	119,429	16,571	125,049
Total street lighting	142,000	142,000	125,762	16,238	129,851
Total public works	1,753,491	1,753,491	1,770,189	(16,698)	1,683,323

City of West St. Paul, Minnesota
 General Fund
 Schedule of Revenues, Expenditures and Changes in Fund Balances -
 Budget and Actual (Continued)
 For the Year Ended December 31, 2019
 (With Comparative Actual Amounts for the Year Ended December 31, 2018)

	2019		Actual Amounts	Variance with Final Budget	2018 Actual Amounts
	Budgeted Original	Final			
Expenditures (Continued)					
Current expenditures (continued)					
Parks and recreation					
Personal services	\$ 700,325	\$ 700,325	\$ 687,479	\$ 12,846	\$ 643,439
Supplies	75,750	75,750	80,176	(4,426)	72,677
Other services and charges	201,890	201,890	173,574	28,316	166,350
Total parks and recreation	977,965	977,965	941,229	36,736	882,466
Total current	14,435,336	14,526,336	13,943,980	582,346	13,345,693
Excess (Deficiency) of Revenues Over (Under) Expenditures	(658,000)	(658,000)	105,789	763,789	(147,426)
Other Financing Sources (Uses)					
Transfers in	650,000	650,000	650,000	-	695,417
Sale of capital assets	8,000	8,000	9,971	1,971	28,004
Transfers out	-	-	-	-	(1,435,564)
Total Other Financing Sources (Uses)	658,000	658,000	659,971	1,971	(712,143)
Net Change in Fund Balances	-	-	765,760	765,760	(659,569)
Fund Balances, January 1	8,845,920	8,845,920	8,845,920	-	9,705,489
Fund Balances, December 31	\$ 8,845,920	\$ 8,845,920	\$ 9,611,680	\$ 765,760	\$ 8,845,920

City of West St. Paul, Minnesota
 Debt Service Funds
 Combining Balance Sheet (Continued on the Following Pages)
 December 31, 2019

	300	328	329	330
	Debt Retirement	2010 G.O. Improvement Bonds	2012 G.O. Improvement Bonds	2013 G.O. Improvement Bonds
Assets				
Cash and temporary investments	\$ 2,154,433	\$ 198,317	\$ 715,404	\$ 125,628
Receivables	-	-	-	-
Accrued interest	4,682	250	1,312	127
Accounts	59,600	-	-	-
Special assessments	-	13,241	89,478	34,797
Due from other governments	-	24	595	683
Total Assets	\$ 2,218,715	\$ 211,832	\$ 806,789	\$ 161,235
Liabilities				
Deferred Inflows of Resources	\$ -	\$ 13,241	\$ 89,478	\$ 34,797
Unavailable revenues - special assessments	-	-	-	-
Fund Balances	2,218,715	198,591	717,311	126,438
Restricted for debt service	-	-	-	-
Total Deferred Inflows of Resources and Fund Balances	\$ 2,218,715	\$ 211,832	\$ 806,789	\$ 161,235

City of West St. Paul, Minnesota
Debt Service Funds
Combining Balance Sheet (Continued)
December 31, 2019

	331	332	333	334	335	336	337	338	339	340	Total
	2014A Tax Abatement Bonds	2014B G.O. Improvement Bonds	2015A Refunding Bonds	2015B G.O. Refunding Bonds	2015C G.O. Tax Increment Refunding Bonds	2016B G.O. Improvement Bonds	2017A G.O. Improvement Bonds	2017B G.O. Improvement Bonds	2018A G.O. Improvement Bonds	2019 A.G.O. Obligation Fund	
Assets											
Cash and temporary investments	\$ 355,601	\$ 456,637	\$ 457,085	\$ 33,292	\$ 10,421	\$ 404,941	\$ 964,361	\$ 662,625	\$ 163,911	\$ 80,792	\$ 6,763,468
Receivables											
Accrued interest	526	672	572	62	23	584	1,747	1,036	118	121	11,832
Accounts	-	-	-	-	-	-	-	-	-	-	59,600
Special assessments	-	17,380	38	392	-	-	381,597	212,369	-	-	749,292
Due from other governments	-	-	8	72	-	-	5,663	6,488	-	1,130	14,683
Total Assets	\$ 356,127	\$ 474,689	\$ 457,703	\$ 33,818	\$ 10,444	\$ 405,525	\$ 1,353,408	\$ 882,518	\$ 164,029	\$ 82,043	\$ 7,618,875
Deferred Inflows of Resources											
Unavailable revenues - special assessments	\$ -	\$ 17,380	\$ 38	\$ 392	\$ -	\$ -	\$ 381,597	\$ 212,369	\$ -	\$ -	\$ 749,292
Fund Balances											
Restricted for debt service	356,127	457,309	457,665	33,426	10,444	405,525	971,811	670,149	164,029	82,043	6,869,583
Total Deferred Inflows of Resources and Fund Balances	\$ 356,127	\$ 474,689	\$ 457,703	\$ 33,818	\$ 10,444	\$ 405,525	\$ 1,353,408	\$ 882,518	\$ 164,029	\$ 82,043	\$ 7,618,875

City of West St. Paul, Minnesota

Debt Service Funds

Combining Schedule of Revenues, Expenditures
and Changes in Fund Balances (Continued on the following Pages)
For the Year Ended December 31, 2019

	300	328	329	330	331	332	333	334	335	336
	2010 G.O.	2010 G.O.	2012 G.O.	2013 G.O.	2014A Tax	2014B G.O.	2015A	2015B G.O.	2015C G.O.	2016B G.O.
	Debt Retirement	Improvement Bonds	Improvement Bonds	Improvement Bonds	Abatement Bonds	Improvement Bonds	Refunding Bonds	Refunding Bonds	Tax Increment Refunding Bonds	Improvement Bonds
Revenues										
Taxes										
Property taxes	\$ -	\$ 220,198	\$ 272,104	\$ 175,000	\$ 341,730	\$ 411,300	\$ 582,414	\$ 130,936	\$ -	\$ 408,656
Franchise taxes	81,163	-	-	-	-	-	-	-	-	-
Intergovernmental	220,000	-	-	-	-	-	-	-	-	-
Special assessments	-	23,026	45,099	15,711	5,605	14,288	8	107	-	-
Interest on investments	88,387	(2,081)	18,054	585	5,605	6,610	1,056	1,721	76	5,356
Miscellaneous	-	-	-	-	-	-	-	-	-	-
Total Revenues	389,550	241,143	335,257	191,296	347,335	432,198	583,478	132,764	76	414,012
Expenditures										
Debt service										
Principal	-	165,000	420,000	150,000	205,000	295,000	375,000	110,000	70,000	285,000
Interest and other charges	-	49,812	18,207	20,227	118,773	113,696	171,072	12,667	28,827	102,813
Total Expenditures	-	214,812	438,207	170,227	323,773	408,696	546,072	122,667	98,827	387,813
Excess (Deficiency) of Revenues Over (Under) Expenditures	389,550	26,331	(102,950)	21,069	23,562	23,502	37,406	10,097	(98,751)	26,199
Other Financing Sources										
Transfers in	-	-	-	-	-	-	-	-	98,535	-
Net Change in Fund Balances	389,550	26,331	(102,950)	21,069	23,562	23,502	37,406	10,097	(216)	26,199
Fund Balances, January 1	1,829,165	172,260	820,261	105,369	332,565	433,807	420,259	23,329	10,660	379,326
Fund Balances, December 31	\$ 2,218,715	\$ 198,591	\$ 717,311	\$ 126,438	\$ 356,127	\$ 457,309	\$ 457,665	\$ 33,426	\$ 10,444	\$ 405,525

City of West St. Paul, Minnesota

Debt Service Funds
Combining Schedule of Revenues, Expenditures
and Changes in Fund Balances (Continued)
For the Year Ended December 31, 2019

	337	338	339	340	Total
	2017A G.O. Improvement Bonds	2017B G.O. Improvement Bonds	2018A G.O. Improvement Bonds	2019A G.O. Obligation Fund	
Revenues					
Taxes					
Property taxes	\$ 339,520	\$ 466,044	\$ 329,196	\$ 78,563	\$ 3,755,661
Franchise taxes	-	-	-	-	81,163
Intergovernmental	-	-	-	-	220,000
Special assessments	102,709	63,289	-	-	264,237
Interest on investments	27,393	7,638	2,270	396	163,066
Miscellaneous	-	-	-	3,084	3,084
Total Revenues	469,622	536,971	331,466	82,043	4,487,211
Expenditures					
Debt service					
Principal	260,000	265,000	-	-	2,600,000
Interest and other charges	164,470	176,243	367,134	-	1,343,941
Total Expenditures	424,470	441,243	367,134	-	3,943,941
Excess (Deficiency) of Revenues Over (Under) Expenditures	45,152	95,728	(35,668)	82,043	543,270
Other Financing Sources					
Transfers in	-	-	-	-	98,535
Net Change in Fund Balances	45,152	95,728	(35,668)	82,043	641,805
Fund Balances, January 1	926,659	574,421	199,697	-	6,227,778
Fund Balances, December 31	\$ 971,811	\$ 670,149	\$ 164,029	\$ 82,043	\$ 6,869,583

City of West St. Paul, Minnesota

TIF Districts
Combining Balance Sheet
December 31, 2019

	451	452	453	Total
	TIF 1-2	TIF 1-3	TIF 1-4	
Assets				
Cash and temporary investments	\$ 357,196	\$ 56,218	\$ 38,549	\$ 451,963
Receivables	646	218	84	948
Accrued interest	-	-	-	-
Total Assets	\$ 357,842	\$ 56,436	\$ 38,633	\$ 452,911
Liabilities				
Accounts payable	\$ 27,064	\$ -	\$ -	\$ 27,064
Deposits payable	10,000	798	-	10,798
Advances from other funds	-	1,136,296	-	1,136,296
Total Liabilities	37,064	1,137,094	-	1,174,158
Fund Balances				
Restricted	320,778	-	38,633	359,411
Unassigned	-	(1,080,658)	-	(1,080,658)
Total Fund Balances	320,778	(1,080,658)	38,633	(721,247)
Total Liabilities and Fund Balance	\$ 357,842	\$ 56,436	\$ 38,633	\$ 452,911

City of West St. Paul, Minnesota
TIF Districts
Combining Schedule of Revenues, Expenditures
and Changes in Fund Balances
For the Year Ended December 31, 2019

	451 TIF 1-2	452 TIF 1-3	453 TIF 1-4	Total
Revenues				
Tax increments	\$ 163,136	\$ 77,518	\$ -	\$ 240,654
Interest on investments	14,568	3,388	1,544	19,500
Total Revenues	177,704	80,906	1,544	260,154
Expenditures				
Current				
Economic development	63,542	47,643	-	111,185
Excess of Revenues Over Expenditures	114,162	33,263	1,544	148,969
Other Financing Uses				
Transfers out	(98,535)	-	-	(98,535)
Net Change in Fund Balances	15,627	33,263	1,544	50,434
Fund Balances, January 1	305,151	(1,113,921)	37,089	(771,681)
Fund Balances, December 31	\$ 320,778	\$ (1,080,658)	\$ 38,633	\$ (721,247)

City of West St. Paul, Minnesota
Recreation Fund
Combining Schedule of Net Position
December 31, 2019

	613	Business-type Activities - Enterprise Funds				Totals
		615 Civic Center/Arena	616 Swimming Pool	617 Regional Athletic Center		
Assets						
Current Assets						
Cash and temporary investments	\$ 31,784	\$ 409,297	\$ 139,881	\$ 2,022,896	\$ 2,603,858	
Receivables	-	70	865	240	4,196	
Accrued interest	-	110,449	-	9,026	119,475	
Accounts	-	520,611	140,121	2,035,818	2,728,404	
Total Current Assets	31,784	1,040,227	279,047	4,067,730	5,618,791	
Noncurrent Assets						
Capital assets						
Land	1,070,302	32,296	30,625	-	1,133,223	
Buildings	276,975	3,953,119	1,719,949	7,194,013	13,144,056	
Machinery and equipment	247,505	210,083	34,847	77,866	570,301	
Less accumulated depreciation	(463,375)	(1,943,807)	(981,753)	(1,586,280)	(4,975,225)	
Net Capital Assets	1,131,407	2,251,691	803,668	5,685,599	9,872,365	
Total Assets	1,163,261	2,772,302	943,789	7,721,407	12,600,759	
Deferred Inflows of Resources						
Deferred pension resources	-	8,502	-	-	8,502	
Deferred other postemployment benefits	-	4,177	-	-	4,177	
Total Deferred Inflows of Resources	-	12,679	-	-	12,679	
Liabilities						
Current Liabilities						
Accounts payable	280	37,307	1,494	31,992	71,073	
Accrued salaries payable	-	7,454	100	-	7,454	
Due to other governments	-	-	-	-	100	
Accrued interest payable	447	-	-	39,660	40,107	
Unearned revenue	-	1,033	-	133,371	134,404	
Compensated absences payable - current	-	7,782	-	-	7,782	
Bonds payable - current	245,000	-	-	220,000	465,000	
Total Current Liabilities	245,727	53,576	1,594	425,023	725,920	

City of West St. Paul, Minnesota
 Recreation Fund
 Combining Schedule of Net Position (Continued)
 December 31, 2019

	Business-type Activities - Enterprise Funds					Totals
	613	616	616	617	617	
	Golf Course	Center Arena	Swimming Pool	Athletic Center	Regional	
Noncurrent Liabilities						
Other postemployment benefits	\$ -	\$ 37,582	\$ -	\$ -	\$ -	\$ 37,582
Compensated absences payable	-	6,367	-	-	-	6,367
Net pension liability	-	79,717	-	-	-	79,717
Bonds payable	-	-	-	3,834,825	-	3,834,825
Total Noncurrent Liabilities	-	123,666	-	3,834,825	-	3,958,491
Total Liabilities	245,727	177,242	1,594	4,259,648	-	4,684,411
Deferred Inflows of Resources						
Deferred pension resources	-	18,175	-	-	-	18,175
Net Position						
Net investment in capital assets	886,407	2,251,691	803,668	1,630,764	-	5,572,530
Restricted	31,127	67,000	-	-	-	67,000
Unrestricted	-	270,873	138,527	1,830,795	-	2,271,322
Total Net Position	\$ 917,534	\$ 2,689,564	\$ 942,195	\$ 3,461,559	\$ -	\$ 7,910,852

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City of West St. Paul, Minnesota
Recreation Fund
Combining Schedule of Revenues, Expenses and Changes in Net Position
For the Year Ended December 31, 2019

	Business-type Activities - Enterprise Funds					Totals
	613	615	616	617	617	
	Golf Course	Center Arena	Swimming Pool	Regional Athletic Center		
Operating Revenues	\$ 7,794	\$ 259,569	\$ -	\$ 806,682	\$ -	\$ 1,074,045
Charges for services	(11,257)	157,588	-	-	-	146,331
Operating Expenses	87	10,213	15,681	15,842	-	41,823
Supplies	140	41,183	15,118	105,542	-	161,983
Professional services	4,033	9,276	5,545	7,764	-	26,618
Insurance	3,526	79,902	16,965	147,645	-	248,038
Utilities	-	15,288	1,608	162,103	-	178,999
Repairs and maintenance	8,227	127,361	48,970	245,988	-	430,546
Depreciation	4,756	440,811	103,887	684,884	-	1,234,338
Total Operating Expenses	3,038	(181,242)	(103,887)	121,798	-	(160,263)
Operating Income (Loss)	-	-	100,404	231,820	-	332,224
Nonoperating Revenues (Expenses)	-	155,000	-	-	-	155,000
Property taxes	-	16,570	5,382	71,809	-	94,467
Intergovernmental	706	67,225	-	4,833	-	72,068
Interest income	-	-	-	-	-	20,000
Miscellaneous	20,000	-	-	(95,464)	-	(75,464)
Gain on sale of capital assets	129	-	-	-	-	129
Interest expense	-	-	-	-	-	-
Total Nonoperating Revenues (Expenses)	20,835	238,795	105,786	212,988	-	578,414
Income Before Transfers and Capital Contributions	23,873	57,553	1,899	334,796	-	418,121
Capital Contributions - Intergovernmental Transfers Out	-	114,637	-	(50,000)	-	114,637
Change in Net Position	23,873	172,190	1,899	284,796	-	482,758
Net Position, January 1	893,661	2,417,374	940,296	3,176,763	-	7,428,094
Net Position, December 31	\$ 917,534	\$ 2,589,564	\$ 942,195	\$ 3,461,559	\$ -	\$ 7,910,852

City of West St. Paul, Minnesota
Recreation Fund
Combining Schedule of Cash Flows (Continued)
For the Year Ended December 31, 2019

	Business-type Activities - Enterprise Funds					Totals
	613	615	616	617	617	
	Golf Course	Center Arena	Swimming Pool	Regional Athletic Center		
Cash Flows from Operating Activities	\$ 7,794	\$ 314,402	\$ -	\$ 868,224	\$ -	\$ 1,190,420
Receipts from customers and users	(6,804)	(127,558)	(53,870)	(437,060)	-	(627,313)
Payments to suppliers	(251)	(158,363)	-	-	-	(158,634)
Payments to employees	(1,261)	28,460	(53,870)	431,144	-	404,473
Net Cash Provided (Used) by Operating Activities	-	155,000	100,404	231,820	-	332,224
Cash Flows from Noncapital Financing Activities	-	-	100,404	-	-	100,404
Property taxes received	-	-	-	-	-	-
Intergovernmental receipts	-	155,000	-	-	-	155,000
Transfers to other funds	-	-	-	(50,000)	-	(50,000)
Net Cash Provided by Noncapital Financing Activities	-	155,000	100,404	181,820	-	437,224
Cash Flows from Capital Financing Activities	20,000	(59,648)	(34,847)	-	-	(94,495)
Acquisition of capital assets	-	-	-	-	-	-
Proceeds from sale of capital assets	20,000	114,637	-	-	-	134,637
Intergovernmental receipts	-	-	-	(98,643)	-	(98,643)
Interest paid on bonds	-	-	-	(215,000)	-	(215,000)
Principal paid on bonds	-	-	-	-	-	-
Net Cash Provided (Used) by Capital Financing Activities	20,000	54,989	(34,847)	(313,643)	-	(273,501)
Cash Flows from Investing Activities	687	15,929	5,323	74,584	-	96,543
Interest received (paid) on investments	-	-	-	-	-	-
Net Increase in Cash and Cash Equivalents	19,496	254,378	17,010	373,915	-	664,739
Cash and Cash Equivalents, January 1	12,348	154,919	122,871	1,648,681	-	1,838,819
Cash and Cash Equivalents, December 31	\$ 31,784	\$ 409,297	\$ 139,881	\$ 2,022,596	\$ -	\$ 2,603,558

City of West St. Paul, Minnesota
Recreation Fund
Combining Schedule of Cash Flows (Continued)
For the Year Ended December 31, 2019

	Business-Type Activities - Enterprise Funds					Totals
	613 Golf Course	615 Civic Center Arena	616 Swimming Pool	617 Regional Athletic Center		
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities	\$ 3,038	\$ (81,242)	\$ (103,887)	\$ 121,798	\$	\$ (160,293)
Operating income (loss)	8,227	127,361	48,970	245,988		430,546
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities		67,225		4,833		72,058
Depreciation						
Other income related to operations						
(Increase) decrease in assets		(13,425)		14,414		989
Accounts receivable						
(Increase) decrease in deferred outflows of resources						
Deferred pension resources	2,297	8,544				10,841
Deferred other post employment benefit resources		(1,496)				(1,486)
Increase (decrease) in liabilities						
Accounts payable	(381)	26,584	947	1,920		31,070
Accrued salaries payable		690				690
Due to other governments	(637)	(281)	100	(104)		(922)
Unearned revenue		1,033		42,295		43,328
Other postemployment benefits		(1,577)				(1,577)
Compensated absences payable		(1,576)				(1,576)
Net pension liability	(11,099)	(3,192)				(14,291)
Increase (decrease) in deferred inflows of resources						
Deferred pension resources	(2,706)	(2,188)				(4,894)
Net Cash Provided (Used) by Operating Activities	\$ (1,261)	\$ 28,460	\$ (53,870)	\$ 431,144	\$	\$ 404,473
Noncash Capital Financing and Investing Activities						
Amortization of deferred charges					\$ 1,404	\$ 1,404

City of West St. Paul, Minnesota
Summary Financial Report
Revenues and Expenditures For General Operations
Governmental Funds
For the Years Ended December 31, 2019 and 2018

	2019	2018	Percent Increase (Decrease)
Revenues			
Taxes	\$ 16,801,669	\$ 15,177,045	10.70 %
Licenses and permits	674,183	693,853	(2.83)
Intergovernmental	6,401,295	2,836,629	125.67
Charges for services	900,481	839,961	7.21
Fines and forfeits	118,187	158,754	(25.55)
Special assessments	1,136,441	666,171	73.19
Interest on investments	741,916	182,238	307.11
Miscellaneous	407,009	238,053	70.97
Total Revenues	\$ 27,181,181	\$ 20,782,704	30.79 %
Per Capita	\$ 1,291	\$ 986	30.99 %
Expenditures			
Current			
General government	\$ 3,361,648	\$ 3,358,764	0.09 %
Public safety	8,212,054	7,821,246	5.00
Public works	8,572,338	2,810,677	204.99
Parks and recreation	2,602,546	949,742	174.03
Economic development	505,505	1,002,061	(49.55)
Capital outlay			
General government	223,697	1,196,743	(81.31)
Public safety	323,927	7,583	4,171.75
Public works	1,143,598	5,230,948	(78.14)
Parks and recreation	377,956	438,948	(13.90)
Debt service			
Principal	2,600,000	2,040,000	27.45
Bond issuance costs	136,313	153,175	(11.01)
Interest and other charges	1,343,941	1,068,269	25.81
Total Expenditures	\$ 29,403,523	\$ 26,078,156	12.75 %
Per Capita	\$ 1,397	\$ 1,237	12.92 %
Total Long-term Indebtedness	\$ 47,000,000	\$ 44,275,000	6.15 %
Per Capita	2,232	2,100	6.32
General Fund Balance - December 31	\$ 9,611,680	\$ 8,845,920	8.66 %
Per Capita	457	420	8.82

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STATISTICAL SECTION (UNAUDITED)
CITY OF WEST ST. PAUL
WEST ST. PAUL, MINNESOTA

FOR THE YEAR ENDED
DECEMBER 31, 2019

Statistical Section (Unaudited)

This part of the City of West St. Paul's comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the government's overall financial health.

Financial Trends

These schedules contain trend information to help the reader understand how the government's financial performance and well-being have changed over time.

Revenue Capacity

These schedules contain information to help the reader assess the government's most significant local revenue source, the property tax.

Debt Capacity

These schedules present information to help the reader assess the affordability of the government's current levels of out-standing debt and the government's ability to issue additional debt in the future.

Demographic and economic information

These schedules offer demographic and economic indicators to help the reader understand the environment within which the government's financial activities take place.

Operating Information

These schedules contain service and infrastructure data to help the reader understand how the information in the government's financial report relates to the services the government provides and the activities it performs.

Sources: Unless otherwise noted, the information in these schedules is derived from the annual financial reports for the relevant year.

City of West St. Paul, Minnesota

Statistical Section (Unaudited)
 Net Position by Component
 Last Ten Fiscal Years
 (Accrual Basis of Accounting)

	Fiscal Year		
	2010	2011	2012
Governmental Activities			
Net investment in capital assets	\$ 31,069,506	\$ 33,835,227	\$ 33,876,660
Restricted	5,065,984	5,223,837	4,686,286
Unrestricted	18,126,311	17,264,839	16,559,404
Total Governmental Activities Net Position	\$ 54,261,801	\$ 56,323,903	\$ 55,122,380
Business-type Activities			
Net investment in capital assets	\$ 4,078,198	\$ 4,219,590	\$ 5,299,774
Restricted	257,135	-	-
Unrestricted	2,174,747	2,707,322	4,255,228
Total Business-type Activities Net Position	\$ 6,510,080	\$ 6,926,912	\$ 9,555,002
Primary Government			
Net investment in capital assets	\$ 35,147,704	\$ 38,054,817	\$ 39,176,464
Restricted	5,323,119	5,223,837	4,686,286
Unrestricted	20,301,058	19,972,161	20,814,632
Total Primary Government Net Position	\$ 60,771,881	\$ 63,250,815	\$ 64,677,382

Note: The City implemented GASB Statement No. 68 and GASB Statement No. 71 in fiscal 2015. Net position information has been restated for 2015 for this accounting change. Years Prior to 2015 have not been restated.

Note: The City implemented GASB Statement No. 75 in fiscal 2018. Net position information has been restated for 2018 for this accounting change. Years prior to 2018 have not been restated.

Table 1

	Fiscal Year				
	2014	2015	2016	2017	2018
\$ 25,948,421	\$ 30,272,393	\$ 25,581,953	\$ 21,553,165	\$ 14,637,278	\$ 14,907,986
7,208,765	4,697,697	3,631,128	4,714,357	5,770,993	6,308,095
13,721,487	2,484,651	733,497	1,171,013	4,475,645	6,157,614
<u>\$ 46,878,673</u>	<u>\$ 37,454,741</u>	<u>\$ 29,946,578</u>	<u>\$ 27,438,535</u>	<u>\$ 24,883,916</u>	<u>\$ 27,373,705</u>
\$ 10,719,869	\$ 13,490,986	\$ 11,877,211	\$ 12,222,536	\$ 13,484,035	\$ 11,252,882
4,182,686	2,494,754	3,410,467	2,843,384	2,800,071	67,000
<u>\$ 14,902,555</u>	<u>\$ 15,985,740</u>	<u>\$ 15,287,678</u>	<u>\$ 15,065,920</u>	<u>\$ 16,284,106</u>	<u>\$ 17,506,476</u>
\$ 36,668,290	\$ 43,763,379	\$ 37,459,164	\$ 33,775,701	\$ 28,121,313	\$ 26,160,878
7,208,765	4,697,697	3,631,128	4,714,357	5,770,993	6,375,095
17,904,173	4,979,405	4,143,964	4,014,397	7,275,716	12,344,208
<u>\$ 61,781,228</u>	<u>\$ 63,440,481</u>	<u>\$ 45,234,256</u>	<u>\$ 42,504,455</u>	<u>\$ 41,168,022</u>	<u>\$ 44,880,181</u>

City of West St. Paul, Minnesota
Statistical Section (Unaudited)
Changes in Net Position (Continued on the Following Pages)
Last Ten Fiscal Years
(Accrual Basis of Accounting)

	Fiscal Year			
	2010	2011	2012	2013
Expenses				
Governmental activities				
General government	\$ 3,302,702	\$ 3,437,501	\$ 3,642,850	\$ 3,389,974
Public safety	6,049,004	6,167,218	6,285,568	6,303,232
Public works	3,213,509	3,143,689	4,053,264	6,306,335
Parks and recreation	860,994	849,591	755,629	789,544
Economic development (1)	-	-	-	-
Interest on long-term debt	824,286	795,508	746,047	945,286
<u>Total Governmental Activities Expenses</u>	<u>14,250,495</u>	<u>14,393,507</u>	<u>15,483,358</u>	<u>17,734,381</u>
Business-type activities				
Public utilities (2)	2,139,272	2,146,608	2,341,621	2,462,051
Storm sewer (2)	-	-	-	-
Sanitary Sewer (2)	-	-	-	-
Recreation	584,478	516,700	809,898	1,118,008
<u>Total Business-type Activities Expenses</u>	<u>2,723,750</u>	<u>2,663,308</u>	<u>3,151,519</u>	<u>3,580,059</u>
<u>Total Primary Government Expenses</u>	<u>\$ 16,974,245</u>	<u>\$ 17,056,815</u>	<u>\$ 18,634,877</u>	<u>\$ 21,314,440</u>
Program Revenues				
Governmental activities				
Charges for services	\$ 747,044	\$ 868,587	\$ 721,933	\$ 712,530
General government	393,749	354,840	362,190	392,902
Public safety	219,053	223,280	246,156	120,755
Parks and recreation	67,479	63,568	69,121	73,920
Economic development (1)	-	-	-	-
Operating grants and contributions	808,067	682,445	843,318	568,633
Capital grants and contributions	797,237	880,307	576,047	733,961
<u>Total Governmental Activities Program Revenues</u>	<u>3,032,629</u>	<u>2,973,027</u>	<u>2,820,767</u>	<u>2,602,701</u>
Business-type activities				
Charges for services	2,772,372	3,111,202	3,361,552	3,420,865
Public utilities	-	-	-	-
Storm sewer (2)	-	-	-	-
Sanitary Sewer (2)	-	-	-	-
Recreation	373,644	332,450	503,440	1,110,429
Operating grants and contributions	-	-	-	7,902
Capital grants and contributions	-	117,060	58,017	5,999
<u>Total Business-type Activities Program Revenues</u>	<u>3,146,016</u>	<u>3,560,712</u>	<u>3,923,009</u>	<u>4,545,195</u>
<u>Total Primary Government Program Revenues</u>	<u>\$ 6,178,645</u>	<u>\$ 6,533,739</u>	<u>\$ 6,743,776</u>	<u>\$ 7,147,896</u>

City of West St. Paul, Minnesota
 Statistical Section (Unaudited)
 Changes in Net Position (Continued)
 Last Ten Fiscal Years
 (Accrual Basis of Accounting)

	Fiscal Year		
	2010	2011	2012
Net (Revenues) (Expenses)			
Governmental activities	\$(1,217,866)	\$(11,420,480)	\$(12,662,591)
Business-type activities	422,286	897,404	771,490
Total Primary Government Net (Expenses) Revenues	\$(1,079,560)	\$(10,523,076)	\$(11,891,101)
Governmental activities			
Taxes	\$ 8,593,238	\$ 9,304,895	\$ 10,112,316
Property taxes	1,017,676	898,424	886,540
Tax increments	727,378	854,084	829,627
Franchise and other taxes	-	-	-
Grants and contributions not restricted to specific programs	899,359	917,984	788,847
Gain on sale of capital assets	259,595	710,944	398,479
Unrestricted investment earnings	6,523	8,418	11,908
Miscellaneous revenues	84,884	125,488	155,250
Transfers - capital assets	-	-	-
Transfers	736,390	662,645	(1,719,899)
Total Governmental Activities	12,325,053	13,482,582	11,461,068
Business-type activities			
Property taxes	264,946	45,403	54,118
Grants and contributions not restricted to specific programs	3,866	658	-
Unrestricted investment earnings	14,432	45,269	82,583
Gain on sale of capital assets	-	-	-
Miscellaneous revenues	-	-	-
Transfers - capital assets	(736,390)	(662,645)	1,719,899
Transfers	(453,146)	(571,315)	1,856,600
Total Business-type Activities	\$ 11,871,907	\$ 12,911,267	\$ 13,317,668
Change in Net Position			
Governmental activities	\$ 1,107,187	\$ 2,062,102	\$ (1,201,523)
Business-type activities	(30,680)	326,089	2,628,090
Total Primary Government	\$ 1,076,507	\$ 2,388,191	\$ 1,426,567

(1) Prior to 2015, economic development activity was combined with the general government function.
 (2) Prior to 2015, the Storm Sewer and Sewer funds were aggregated into the Public Utilities fund.

Note: The City implemented GASB Statement No. 68 and GASB Statement No. 71 in fiscal 2015. Net position information has been restated for 2015 for this accounting change. Years Prior to 2015 have not been restated.

Note: The City implemented GASB Statement No. 75 in fiscal 2018. Net position information has been restated for 2018 for this accounting change. Years Prior to 2018 have not been restated.

Table 2

	Fiscal Year			
	2014	2015	2016	2017
\$ 4,161,997	\$ 3,098,841	\$ 4,406,578	\$ 3,887,143	\$ 4,222,701
6,638,595	7,002,514	8,533,267	8,142,584	7,513,679
7,591,595	20,866,152	20,833,032	8,449,694	7,043,080
862,074	917,884	998,392	1,204,868	1,257,105
-	1,671,352	893,626	542,105	999,115
816,561	984,888	730,418	946,484	1,226,640
20,070,822	34,541,631	36,395,313	23,173,078	22,262,320
2,543,165	-	-	-	-
-	290,394	336,468	380,216	432,327
-	2,780,700	3,007,180	3,246,607	3,471,635
1,250,548	1,370,687	1,428,678	1,483,968	1,254,364
3,793,713	4,441,781	4,772,324	5,110,791	5,146,345
\$ 23,884,535	\$ 38,983,412	\$ 41,167,637	\$ 28,283,869	\$ 27,408,665
\$ 813,207	\$ 852,522	\$ 740,765	\$ 815,931	\$ 935,046
435,572	598,370	576,352	748,403	678,084
5,188	16,787	28,275	106,907	31,652
64,131	61,604	62,336	61,858	71,786
-	1,749	-	-	-
918,514	936,983	3,574,024	2,091,719	1,985,896
1,091,846	14,091,333	8,887,491	2,057,115	1,743,167
3,328,458	16,559,348	13,859,243	5,683,933	5,445,631
3,346,691	-	-	-	-
-	445,611	461,890	462,292	465,700
-	3,046,618	3,049,436	3,469,335	3,959,106
1,040,691	1,003,773	1,111,017	1,097,615	1,014,764
10,224	781,119	136,111	11,199	72,420
50,431	1,111,430	-	97,818	65,212
4,446,037	6,388,751	4,756,454	5,138,259	5,577,202
\$ 7,776,495	\$ 22,946,099	\$ 18,627,697	\$ 11,022,192	\$ 11,022,833
				\$ 16,087,821

City of West St. Paul, Minnesota
 Statistical Section (Unaudited)
 Fund Balances of Governmental Funds
 Last Ten Fiscal Years

	Fiscal Year			
	2010	2011	2012	2013
General Fund	\$ 278	\$ -	\$ -	\$ -
Reserved				
Unreserved	5,374,535	-	-	-
Designated for working capital	527,811	-	-	-
Designated for contingencies	8,929	-	-	-
Designated for police forfeitures	-	-	-	-
Fund balance				
Nonspendable	-	-	-	-
Restricted	-	782	560	110,133
Committed	-	-	809	809
Assigned	-	29,004	-	648,763
Unassigned	-	7,114,327	7,411,647	7,847,235
Total General Fund	\$ 5,911,553	\$ 7,144,113	\$ 7,413,016	\$ 8,605,940
All Other Governmental Funds				
Reserved	\$ 5,327,248	\$ -	\$ -	\$ -
Unreserved, reported in				
Special revenue funds	3,074,627	-	-	-
Capital project funds	9,291,114	-	-	-
Undesignated	574,511	-	-	-
Fund balance				
Nonspendable	-	2,003,349	1,588,890	-
Restricted	-	5,917,882	5,519,879	4,108,357
Committed	-	2,454,012	2,853,349	4,058,819
Assigned	-	7,363,458	6,789,739	3,806,759
Unassigned	-	(1,276,852)	(1,302,110)	(2,401,880)
Total All Other Governmental Funds	\$ 18,287,500	\$ 16,461,849	\$ 15,449,747	\$ 9,572,055

Note: The implemented GASB 54 in fiscal year 2011, resulting in significant reclassification of the components of fund balance. Years prior to 2011 have not been restated.

Table 2

	Fiscal Year				
	2014	2015	2016	2017	2018
\$ (16,742,364)	\$ (17,982,283)	\$ (22,526,070)	\$ (17,289,145)	\$ (16,816,689)	\$ (15,928,970)
654,324	1,946,970	(13,970)	27,468	430,857	1,350,188
\$ (16,088,040)	\$ (16,035,313)	\$ (22,539,940)	\$ (17,261,677)	\$ (16,385,832)	\$ (14,578,782)
\$ 10,571,093	\$ 11,233,895	\$ 11,710,599	\$ 12,711,291	\$ 13,830,174	\$ 15,382,049
853,759	285,830	380,874	257,640	261,983	240,654
930,176	893,817	942,289	948,583	1,085,443	1,182,809
1,168,041	472,840	288,957	14,361	111,861	144,361
574,401	12,203	7,069	13,574	28,004	9,971
-	417,937	386,434	129,363	182,238	741,916
109,389	156,211	176,266	98,972	28,485	56,999
-	(311,065)	(229,359)	-	(1,423,266)	-
224,280	1,335,594	1,354,788	607,318	1,189,000	650,000
14,431,139	14,467,062	15,017,907	14,781,102	15,293,932	18,418,759
367,054	386,730	385,859	335,394	584,708	332,224
98,378	55,989	51,884	21,669	29,179	162,563
-	-	-	-	-	20,000
-	-	3,494	1,029	18,727	7,395
(224,280)	(1,335,594)	(1,354,788)	(607,318)	(1,189,000)	(650,000)
261,152	(580,810)	(684,192)	(249,226)	866,880	(127,818)
\$ 14,692,291	\$ 13,886,252	\$ 14,333,715	\$ 14,531,876	\$ 16,160,812	\$ 18,290,941
\$ (2,311,225)	\$ (3,515,221)	\$ (7,508,163)	\$ (2,508,043)	\$ (1,522,757)	\$ 2,489,789
915,476	1,366,160	(698,062)	(221,758)	1,297,737	1,222,370
\$ (1,395,749)	\$ (2,149,061)	\$ (6,206,225)	\$ (2,729,801)	\$ (225,020)	\$ 3,712,159

City of West St. Paul, Minnesota
Statistical Section (Unaudited)
Assessed Value and Estimated Actual Value of Taxable Property
Last Ten Fiscal Years
(Shown by Year of Tax Collectibility)

Fiscal Year Ended December 31,	Residential Property	Commercial/Industrial Property	All Other	Total Tax Capacity	Less Fiscal Disparity Contribution	Adjusted Tax Capacity Value
2010	\$ 11,048,101	\$ 5,569,775	\$ 2,596,131	\$ 19,214,007	\$ 3,271,505	\$ 15,942,502
2011	10,240,464	5,279,185	2,429,209	17,948,858	3,271,375	14,677,483
2012	8,821,628	5,182,698	2,443,500	16,447,826	2,023,373	14,424,453
2013	7,651,552	5,115,816	2,473,126	15,240,494	1,986,284	13,254,210
2014	7,498,805	5,018,719	2,652,624	15,170,148	1,962,727	13,207,421
2015	8,152,865	4,946,031	2,719,760	15,818,656	1,927,294	13,891,362
2016	8,944,793	4,910,545	2,791,940	16,647,178	1,876,417	14,770,761
2017	9,249,565	4,929,237	2,975,898	17,154,700	1,866,610	15,288,090
2018	10,372,379	4,935,125	3,831,982	19,139,486	1,860,876	17,278,610
2019	11,241,227	5,110,884	3,945,780	20,297,891	1,913,083	18,384,798

Source: Dakota County Assessing Services

Note: The year associated with a Tax Capacity or a Market Value means one of two things: Assessment Year: the year for which the property market values are determined. Market values must be assessed annually on January 2nd. Pay year or tax payment year: the year in which the taxes are payable. Current year taxes - are based on the prior January 2nd assessment. To more accurately compare the information on this table to the financial statements the year is the pay year.

Table 4

	Fiscal Year				
	2014	2015	2016	2017	2018
\$ 10,554,349	\$ 11,263,846	\$ 11,735,485	\$ 12,994,764	\$ 13,856,838	\$ 15,485,241
915,051	255,830	380,874	257,640	261,993	240,654
913,228	872,919	917,403	922,750	1,058,214	1,075,774
481,658	637,216	547,130	596,208	693,853	674,183
1,736,590	14,606,633	9,276,992	5,420,045	2,836,629	6,401,295
636,274	753,646	681,171	795,681	839,961	900,481
140,612	136,400	176,941	239,325	158,754	118,187
388,142	503,657	338,038	837,539	656,171	1,136,441
(177,976)	417,937	386,434	128,363	182,238	741,916
179,864	658,282	736,614	418,770	238,053	407,009
15,777,792	30,106,366	25,173,082	22,612,085	20,782,704	27,181,181
3,612,770	2,874,300	3,402,485	3,494,343	3,358,764	3,361,648
6,460,699	6,871,961	7,110,041	7,707,321	7,821,246	8,212,054
1,872,708	1,954,618	2,620,991	8,260,796	2,810,677	8,572,338
767,457	793,358	874,301	930,829	949,742	2,602,546
81,160	1,671,032	863,134	535,810	1,002,061	505,505
8,360,197	23,447,147	17,836,065	5,555,965	6,874,222	2,069,178
1,530,000	10,125,000	3,130,000	2,045,000	2,040,000	2,600,000
196,441	146,441	45,849	153,238	153,175	136,313
700,007	943,923	736,513	676,550	1,068,269	1,343,941
5,680	-	-	-	-	-
23,587,019	48,827,860	36,639,379	29,360,852	26,078,156	29,403,523
(7,809,227)	(18,721,494)	(11,466,297)	(6,748,767)	(5,295,452)	(2,222,342)
555,000	1,592,693	2,699,796	845,223	2,764,504	748,535
1,350,398	12,203	7,069	13,574	28,004	9,971
234,063	232,667	67,957	789,367	349,121	311,029
9,775,000	9,195,000	4,825,000	10,000,000	9,550,000	-
(7,705)	(257,099)	(1,345,008)	(237,905)	(1,575,504)	(98,535)
11,906,766	10,775,464	6,254,814	11,410,259	11,116,123	6,296,000
\$ 4,097,529	\$ (7,946,030)	\$ (5,211,483)	\$ 4,681,492	\$ 5,820,673	\$ 4,073,658
11.6 %	25.9 %	11.1 %	12.3 %	14.2 %	15.4 %

Table 5

Total Direct Tax Rate	Estimated Market Value	Tax Capacity as a Percent of EMV
50.873	\$1,594,050,200	1.00%
56.078	1,485,245,000	0.99%
62.205	1,339,567,341	1.08%
69.447	1,342,545,100	0.99%
71.249	1,336,402,800	0.99%
70.640	1,398,637,900	0.99%
69.795	1,474,190,900	1.00%
71.100	1,409,414,640	1.08%
71.412	1,597,495,173	1.08%
72.624	1,701,939,357	1.08%

Table 6

**City of West St. Paul, Minnesota
Statistical Section (Unaudited)
Property Tax Capacity Rates - Direct and Overlapping Governments
Last Ten Fiscal Years**

Fiscal Year	City Rate Applicable to Debt	City Rate Applicable to Operations	Total City Direct Rate	Overlapping Rates*			Total
				School District	Other Districts	County	
2010	11.036 %	39.837 %	50.873 %	18.850 %	4.421 %	27.269 %	101.413 %
2011	11.060	45.018	56.078	19.692	4.644	29.149	109.563
2012	13.123	49.082	62.205	21.857	5.021	31.426	120.509
2013	12.661	56.786	69.447	24.429	7.115	33.421	134.412
2014	15.496	55.753	71.249	23.863	6.242	31.827	133.181
2015	18.963	51.677	70.640	24.063	5.831	29.633	130.167
2016	15.104	54.691	69.795	22.170	6.388	28.570	126.933
2017	13.330	56.080	71.412	22.295	5.999	28.004	127.710
2018	16.643	52.644	69.287	21.224	5.280	26.580	122.371
2019	17.292	55.332	72.624	24.246	5.157	25.386	127.413

Source: Dakota County website www.dakotacounty.us

Note: The City's basic property tax rate may be increased only by a majority vote of the City's Councilmembers. Rates for debt service are set based on each year's requirements.

*Overlapping rates are those of local and county governments that apply to property owners within the City. Not all overlapping rates apply to all City property owners; for example, although the county property tax rates apply to all City property owners.

Table 8
City of West St. Paul, Minnesota
 Statistical Section (Unaudited)
 Property Tax Levies and Collections
 Last Ten Fiscal Years

Fiscal Year Ended December 31,	Taxes Levied For The Fiscal Year	Collected Within The Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2010*	\$ 9,285,888	\$ 8,844,367	95.45%	\$ 122,848	\$ 8,967,215	96.78%
2011*	9,760,512	9,212,265	94.38%	105,643	9,317,908	95.47%
2012	9,954,113	9,814,866	98.60%	103,549	9,918,415	99.64%
2013	10,339,245	10,105,751	97.74%	58,820	10,164,571	98.31%
2014	10,696,145	10,580,150	98.92%	59,679	10,639,829	99.47%
2015	11,610,896	11,465,520	98.75%	63,714	11,529,234	99.30%
2016	12,164,861	12,010,377	98.73%	99,509	12,109,886	99.55%
2017	12,935,220	12,620,994	97.57%	54,649	12,675,643	97.99%
2018	14,344,671	14,239,938	99.27%	50,400	14,290,338	99.62%
2019	15,773,645	15,654,271	99.24%	n/a	15,654,271	99.24%

Sources: City Budget Book (Levy) and Dakota County tax collection reports of Finance.
 * The total amount of property taxes levied is partially supported by property tax relief payments on behalf of lower-valued residential properties. In FY 2010 and 2011, 75% this payment, known as Market Value Homestead Credit was withheld by the State of Minnesota, resulting in a lower overall collection percentage.

City of West St. Paul, Minnesota
 Statistical Section (Unaudited)
 Ratios of Outstanding Debt by Type
 Last Ten Fiscal Years

Fiscal Year	Governmental Activities				Total Governmental Activities	Percentage of Tax Capacity
	General Obligation Bonds	Improvement Bonds	Incremental Bonds	Tax Bonds		
2010	\$ 6,907,600	\$ 11,730,000	\$ 1,525,000	\$ 20,162,600	\$ 20,162,600	104.94%
2011	6,609,700	9,730,000	1,495,000	17,834,700	17,834,700	99.36%
2012	6,239,233	12,530,995	1,443,412	20,213,640	20,213,640	122.80%
2013	6,083,359	12,400,635	1,404,435	19,888,429	19,888,429	130.50%
2014	15,916,672	11,075,466	1,365,457	28,357,795	28,357,795	186.93%
2015	15,864,710	9,329,421	2,655,000	27,649,131	27,649,131	174.79%
2016	19,832,983	8,101,105	1,335,036	29,369,134	29,369,134	176.42%
2017	29,989,101	6,753,901	1,273,962	38,016,964	38,016,964	221.61%
2018	36,629,188	7,908,612	1,219,928	45,757,728	45,757,728	239.08%
2019	35,140,151	12,377,700	1,136,814	48,654,665	48,654,665	239.70%

Note: Details regarding the City's outstanding debt can be found in the notes to the financial statements.
 See Table 14 for personal income and population data.

Table 9

	Business-Type Activities				Total Primary Government	Percentage of County-Wide Personal Income ^(a)	Per Capita ^(b)
	Storm Sewer Bonds	Sewer Bonds	Sports Dome Bonds	Term Loan Payable			
\$	-	\$ 2,660,000	\$ -	\$ 525,000	\$ 23,347,600	0.13%	\$ 1,185
	-	2,430,000	-	490,000	20,754,700	0.11%	1,059
	-	2,230,101	5,098,650	455,000	27,998,391	0.14%	1,417
	-	1,960,703	5,098,246	415,000	27,362,378	0.13%	1,383
	-	1,702,746	5,096,843	375,000	35,532,384	0.17%	1,795
	-	1,439,788	4,895,439	335,000	34,319,358	0.15%	1,697
1,063,391	5,420,395	4,689,035	290,000	11,462,821	40,831,955	N/A	1,963
1,060,537	5,131,019	4,482,633	245,000	10,919,189	48,936,153	N/A	2,420
1,001,682	4,607,644	4,271,228	245,000	10,125,554	55,883,282	N/A	2,650
940,528	5,260,465	4,054,825	245,000	10,501,118	59,155,783	N/A	2,810

Table 10

City of West St. Paul, Minnesota
Statistical Section (Unaudited)
Ratios of General Bonded Debt Outstanding
Last Ten Fiscal Years

Fiscal Year	General Obligation Bonds	Less: Amount Available In Debt Service Fund	Total	Percentage of Est. Actual Taxable Value of Property ^(e)	Per Capita ^(b)
2010	\$ 23,347,600	\$ 214,880	\$ 23,132,720	1.45%	\$ 1,184
2011	20,754,700	303,451	20,451,249	1.38%	1,043
2012	27,998,391	346,611	27,651,780	2.06%	1,400
2013	27,362,378	337,619	27,024,759	2.01%	1,375
2014	35,532,384	750,054	34,782,330	2.60%	1,757
2015	34,319,358	1,316,032	33,003,326	2.36%	1,632
2016	40,831,955	805,362	40,026,593	2.72%	1,924
2017	48,936,153	4,312,827	44,623,326	3.17%	2,207
2018	55,883,282	5,422,866	50,460,416	3.16%	2,383
2019	59,155,783	5,945,784	53,209,999	3.13%	2,527

^(a) See Table 5 for property value data.
^(b) See Table 14 for population data.

Table 11
City of West St. Paul, Minnesota
 Statistical Section (Unaudited)
 Computation of Direct and Overlapping Debt
 December 31, 2018

Governmental Unit	Debt Outstanding	Estimated Percentage Applicable*	Estimated Share of Overlapping Debt
Debt Repaid with Property Taxes	\$ 17,255,000	3.665%	\$ 632,396
Dakota County			
School Districts	142,045,000	26.061%	37,018,774
ISD No. 197	262,885,000	41.860%	110,043,661
Metropolitan Council			
Subtotal - Overlapping Debt			147,694,831
City Direct Debt			45,757,728
Total Direct and Overlapping Debt			\$ 193,452,559

Sources: Assessed value data used to estimate applicable percentages provided by the County Board of Equalization and Assessment. Debt outstanding data provided by each governmental unit.

Note: Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the City. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the residents and businesses of the City. This process recognizes that, when considering the City's ability to issue and repay long-term debt, the entire debt burden borne by the residents and businesses should be taken into account. However, this does not imply that every taxpayer is a resident, and therefore responsible for repaying the debt, of each overlapping government.

*For debt repaid with property taxes, the percentage of overlapping debt applicable is estimated using taxable assessed property values. Applicable percentages were estimated by determining the portion of another governmental unit's taxable assessed value that is within the City's boundaries and dividing it by each unit's total taxable assessed value. This approach was also used for the County's capital lease, loan, and other debt. The applicable percentage of the County Economic Development Bonds, which are backed by county sales taxes, was estimated by dividing the City's retail sales by the County's retail sales.

City of West St. Paul, Minnesota
 Statistical Section (Unaudited)
 Legal Debt Margin Information
 Last Ten Fiscal Years

	Fiscal Year			
	2010	2011	2012	2013
Estimated Market Value of Taxable Property	\$ 1,594,050,200	\$ 1,485,245,000	\$ 1,339,567,341	\$ 1,342,545,100
Statutory Percentage	3.0%	3.0%	3.0%	3.0%
Statutory Debt Limit	47,821,506	44,557,350	40,187,020	40,276,363
Total Net Debt Applicable to Limit	6,907,600	6,609,700	6,239,233	6,083,359
Legal Debt Margin	\$ 40,913,906	\$ 37,947,650	\$ 33,947,787	\$ 34,192,984

Table 12

	Fiscal Year					
	2014	2015	2016	2017	2018	2019
	\$1,336,402,600	\$1,398,637,900	\$1,474,190,900	\$1,409,414,640	\$1,597,495,173	\$1,701,939,357
3.0%			3.0%	3.0%	3.0%	3.0%
	40,092,078	41,959,137	44,225,727	42,282,439	47,924,855	51,058,181
	15,916,872	15,664,710	19,932,993	29,989,101	36,629,188	35,140,151
	\$ 24,175,206	\$ 26,294,427	\$ 24,292,734	\$ 12,293,338	\$ 11,295,667	\$ 15,918,030
	Legal Debt Margin Calculation for Fiscal Year 2019					
						\$1,701,939,357
						3.0%
						\$ 51,058,181
						\$ 35,140,151
						\$ 15,918,030

City of West St. Paul, Minnesota
Statistical Section (Unaudited)
Pledged - Revenue Coverage
Last Ten Fiscal Years

Fiscal Year	Utility Service Charges	Less Operating Expenses	Net Available Revenue	Debt Service		Coverage
				Principal	Interest	
2010	\$ 2,757,291	\$ 1,895,475	\$ 861,816	\$ 135,012	\$ 47,227	4.73
2011	2,704,849	1,890,974	813,875	230,000	73,413	2.68
2012	2,850,108	2,088,407	861,699	240,000	67,094	2.81
2013	2,898,953	2,170,321	828,632	250,000	63,388	2.64
2014	2,920,817	2,271,989	648,828	255,000	57,626	2.08
2015	3,046,918	2,558,481	488,337	260,000	50,537	1.57
2016	3,049,436	2,662,008	387,428	270,000	42,663	1.24
2017	3,931,627	3,067,740	863,887	275,000	146,173	2.05
2018	4,424,806	3,196,229	1,228,577	565,000	146,534	1.73
2019	4,827,129	3,135,560	1,691,569	585,000	128,906	2.37

Note: Details regarding the City's outstanding debt can be found in the notes to the financial statements. Operating expenses do not include interest, depreciation, or amortization expenses. Golf course revenue bonds are excluded since they are an internal issue.

Table 13

Special Assessment Collections	Improvement Bonds		Tax		Tax Increment Bonds		Coverage
	Principal	Debt Service Interest	Increment Collections	Debt Service Principal	Interest	Coverage	
\$ 233,585	\$ 1,190,000	\$ 340,929	0.15	\$ 96,587	\$ 30,000	\$ 66,587	1.00
254,479	2,000,000	331,910	0.11	95,463	30,000	65,463	1.00
188,232	1,055,000	331,910	0.14	98,200	35,000	64,200	1.00
225,526	1,685,000	294,513	0.11	102,700	40,000	62,700	1.00
226,234	1,330,000	273,298	0.14	101,100	40,000	61,100	1.00
260,426	1,300,000	257,563	0.17	104,400	45,000	59,400	1.00
417,789	1,320,000	373,029	0.25	207,069	50,000	29,250	2.61
151,525	1,320,000	162,664	0.10	215,185	60,000	30,010	2.39
118,410	1,045,000	135,282	0.10	176,203	65,000	29,073	1.87
102,709	1,030,000	203,934	0.08	163,136	70,000	28,060	1.66

City of West St. Paul, Minnesota
Statistical Section (Unaudited)
Demographic Statistics
Last Ten Fiscal Years

Table 14

Fiscal Year	Population *	County-Wide Personal Income **	Per Capita Personal Income **	Unemployment Rate ***
2010	19,540	\$17,907,280,000	\$ 44,863	7.30%
2011	19,605	19,521,455,000	48,557	6.20%
2012	19,756	20,407,330,000	50,386	5.60%
2013	19,648	20,488,967,000	50,116	4.70%
2014	19,800	21,524,339,000	52,177	3.90%
2015	20,222	22,272,614,000	53,710	3.70%
2016	20,800	22,807,156,736	54,975	2.40%
2017	20,222	23,514,178,595	59,736	3.60%
2018	21,085	24,243,118,131	54,300	2.60%
2019	21,053	24,994,654,793	**	2.90%

* Source of data: Metropolitan Council, except 2010 for which the source is the U.S. Bureau of Census. Data for 2017 is estimated.

** Source of data: Bureau of Economic Analysis. Updated data is not available for 2019.

*** Source of data: Minnesota Department of Employment and Economic Development.

Table 15

City of West St. Paul, Minnesota
 Statistical Section (Unaudited)
 Principal Employers
 Current Year and Nine Years Ago

Employer	2019		2010	
	Rank	Percent of City Employment	Rank	Percent of City Employment
I.S.D. No. 197	1	12.65%	1	8.68%
Dakota County	2	8.31%	2	7.13%
Super Target	3	4.73%	3	4.80%
Southview Acres Health Center	4	4.29%	4	4.50%
Wal-Mart	5	3.03%	7	2.04%
YMCA	6	2.52%	5	3.00%
Menards	7	1.89%	10	1.82%
Tapemark Company	8	1.89%	5	-
Westwood Ridge	9	1.89%	9	1.86%
Cub Foods	10	1.77%	6	2.11%
Darts Senior Transportation	-	-	176	-
Total	3,407	-	3,163	-

Sources: Ehlers and Associates, Inc. and Metropolitan Council

City of West St. Paul, Minnesota
 Statistical Section (Unaudited)
 Full-time Equivalent City Government Employees by Function
 Last Ten Fiscal Years

Function/Program	Full-Time Equivalent Employees as of December 31,									
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
General Government	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0	5.5
Administration	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	3.0
Finance	3.8	3.8	3.8	3.8	3.8	3.8	3.8	3.8	3.8	3.6
Community development	1.5	1.0	1.0	2.0	2.0	2.0	2.0	2.0	2.0	3.0
Building inspections	1.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0
MIS	30.0	29.0	29.0	29.0	29.0	29.0	29.0	29.0	29.0	30.0
Police	5.6	5.6	5.6	5.6	5.6	5.6	5.6	5.6	5.6	3.0
Officers	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.5
Civilians	11.0	11.0	11.0	11.0	11.0	11.0	11.0	11.0	11.0	11.0
Public Works	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0
Engineering	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	1.0
Streets	7.0	7.0	7.0	7.0	7.0	7.0	7.0	7.0	7.0	6.0
Sewer	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.5
Building maintenance	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Parks and Recreation	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Ice Arena / Pool Manager	76.9	75.4	75.4	75.4	75.4	75.4	75.4	75.4	75.4	75.1
Total	76.9	75.4	75.4	75.4	75.4	75.4	75.4	75.4	75.4	75.1

Source: City Budget Books

Notes: 1. The numbers above represent full-time and permanent part-time budgeted positions. Seasonal employees are not included.

Table 16

Full-Time Equivalent Employees as of December 31,					
2014	2015	2016	2017	2018	2019
6.0	6.0	7.0	8.0	8.0	8.0
3.0	4.0	3.0	3.0	3.0	3.0
3.6	3.6	4.0	4.0	4.0	4.0
3.0	3.0	4.0	5.0	5.0	5.0
2.0	3.0	3.0	3.0	3.0	2.0
30.0	30.0	30.0	32.0	32.0	32.0
4.5	5.0	6.0	6.0	6.0	6.0
3.0	3.0	3.0	3.0	3.0	3.0
11.0	11.0	11.0	11.0	11.0	11.0
3.0	3.0	4.0	3.0	3.0	3.0
1.0	1.0	1.0	1.0	1.0	1.0
7.0	7.0	7.0	7.0	7.0	7.0
1.0	1.0	1.5	1.5	1.5	1.5
78.1	80.6	84.5	87.5	87.5	87.5

City of West St. Paul, Minnesota
 Operating Indicators by Function
 Last Ten Fiscal Years

Function/Program	Fiscal Year				
	2010	2011	2012	2013	2013
Police					
Part 1 Crimes reports	1,007	713	997	1,049	
Part 2 Crimes reports	1,042	720	742	716	
Total arrests	801	467	677	870	
Part 1 arrests	334	226	345	445	
Cases investigated	643	417	390	310	
Building Inspection					
Permits issued					
Residential	744	669	874	349	
Commercial/Other	886	967	768	1,475	
Public Works					
Streets/Alleys patched (person hrs)	2,900	2,869	3,082	3,667	
Parks and Recreation					
Recreation programs offered	60	59	61	65	
Ice Arena annual admissions	65,750	65,750	65,800	65,800	
Golf Course					
Rounds played	14,837	10,263	12,539	10,542	
Golf cars rented	1,176	1,110	1,387	1,460	
Sports Dome					
Field hours rented					
Wastewater					
Average sewer lines cleaned (miles)	30	31	33	33	

Sources: Various City departments.

Table 17
City of West St. Paul, Minnesota
Statistical Section (Unaudited)
Capital Asset Statistics by Function/Program
Last Ten Fiscal Years

Function/Program	Fiscal Year					
	2014	2015	2016	2017	2018	2019
Police	1,118	1,274	1,083	1,065	1,043	1,468
Stations	936	945	853	873	796	792
Police Vehicles	1,110	1,292	981	877	759	1,119
Marked	509	630	487	414	370	738
Unmarked	598	388	471	552	468	484
Gun Range						
Holding cells						
Fire						
Stations	1,260	1,357	1,256	1,453	1,425	1,654
Public Works	323	336	293	294	272	348
Streets (miles)	4,023	4,938	3,008	5,038	5,038	5,588
Alley (miles)	70	115	110	110	110	136
Streetslights	65,700	64,000	65,500	66,000	66,000	66,750
Parks and Recreation						
Acreage						
Parks and playgrounds						
Baseball/softball diamonds						
Soccer/football fields						
Community (senior) centers						
Outdoor skating rinks						
Executive golf course (par 29)						
Public sports dome						
Public swimming pool						
Public ice arena						
Wastewater						
Sanitary sewers (miles)	9,689	11,941	12,320	11,055	Closed	Closed
Storm sewers (miles)	1,556	1,788	1,825	1,875	N/A	N/A
	6,075	5,736	5,798	6,519	6,519	7,310
	31	31	30	37	37	35

Sources: Various City departments.

Table 18

		Fiscal Year					
		2014	2015	2016	2017	2018	2019
	1		1	1	1	1	1
	11		11	12	11	11	11
	8		8	8	9	9	9
	1		1	1	1	1	1
	3		3	3	3	3	3
	1		1	1	1	1	1
71.20		71.20	71.20	71.20	71.20	71.20	71.20
256		256	256	256	256	256	256
155.0		155.0	155.0	155.0	155.0	155.0	155.0
17		17	17	17	17	17	17
9		9	9	9	9	9	9
3		3	2	2	2	2	2
1		1	1	1	1	1	1
12		12	12	12	12	12	12
1		1	1	1	1	Closed	Closed
1		1	1	1	1	1	1
1		1	1	1	1	1	1
1		1	1	1	1	1	1
63		63	63	63	63	63	63
35		35	35	35	35	35	35

FORM OF LEGAL OPINION

(See following pages)

PROPOSED FORM OF LEGAL OPINION

§ _____
GENERAL OBLIGATION SEWER REVENUE BONDS, SERIES 2021A
CITY OF WEST ST. PAUL
COUNTY OF DAKOTA
MINNESOTA

We have acted as bond counsel in connection with the issuance by the City of West St. Paul, County of Dakota, Minnesota (the "Issuer"), of its \$ _____ General Obligation Sewer Revenue Bonds, Series 2021A, bearing a date of original issue of February 16, 2021 (the "Bonds"). We have examined the law and such certified proceedings and other documents as we deem necessary to render this opinion.

We have not been engaged or undertaken to review the accuracy, completeness or sufficiency of the Official Statement or other offering material relating to the Bonds, and we express no opinion relating thereto.

As to questions of fact material to our opinion, we have relied upon the certified proceedings and other certifications of public officials furnished to us without undertaking to verify the same by independent investigation.

Based upon such examinations, and assuming the authenticity of all documents submitted to us as originals, the conformity to original documents of all documents submitted to us as certified or photostatic copies and the authenticity of the originals of such documents, and the accuracy of the statements of fact contained in such documents, and based upon present Minnesota and federal laws (which excludes any pending legislation which may have a retroactive effect on or before the date hereof), regulations, rulings and decisions, it is our opinion that:

(1) The proceedings show lawful authority for the issuance of the Bonds according to their terms under the Constitution and laws of the State of Minnesota now in force.

(2) The Bonds are valid and binding general obligations of the Issuer and all of the taxable property within the Issuer's jurisdiction is subject to the levy of an ad valorem tax to pay the same without limitation as to rate or amount; provided that the enforceability (but not the validity) of the Bonds and the pledge of taxes for the payment of the principal and interest thereon is subject to the exercise of judicial discretion in accordance with general principles of equity, to the constitutional powers of the United States of America and to bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors' rights heretofore or hereafter enacted.

(3) At the time of the issuance and delivery of the Bonds to the original purchaser, the interest on the Bonds is excluded from gross income for United States income tax purposes and is excluded, to the same extent, from both gross income and taxable net income for State of Minnesota income tax purposes (other than Minnesota franchise taxes measured by income and imposed on corporations and financial institutions), and is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals or the Minnesota alternative minimum tax applicable to individuals, estates or trusts. The opinions set forth in the preceding sentence are subject to the condition that the Issuer comply with all requirements of the Internal Revenue Code of 1986, as amended, that must be satisfied subsequent to the issuance of the Bonds in order that interest thereon be, or continue to be, excluded from gross income for federal income tax purposes and from both gross income and taxable net income for State of Minnesota income tax purposes. Failure to comply with certain of such requirements may cause the inclusion of interest on the Bonds in gross income and taxable net income retroactive to the date of issuance of the Bonds.

We express no opinion regarding other state or federal tax consequences caused by the receipt or accrual of interest on the Bonds or arising with respect to ownership of the Bonds.

TAFT STETTINIUS & HOLLISTER LLP

BOOK-ENTRY-ONLY SYSTEM

1. The Depository Trust Company ("DTC"), New York, New York, will act as securities depository for the securities (the "Securities"). The Securities will be issued as fully-registered securities registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered Security certificate will be issued for [each issue of] the Securities, [each] in the aggregate principal amount of such issue, and will be deposited with DTC. [If, however, the aggregate principal amount of [any] issue exceeds \$500 million, one certificate will be issued with respect to each \$500 million of principal amount, and an additional certificate will be issued with respect to any remaining principal amount of such issue.]
2. DTC, the world's largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC's participants ("Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). DTC has a Standard & Poor's rating of AA+. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com.
3. Purchases of Securities under the DTC system must be made by or through Direct Participants, which will receive a credit for the Securities on DTC's records. The ownership interest of each actual purchaser of each Security ("Beneficial Owner") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Securities are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in Securities, except in the event that use of the book-entry system for the Securities is discontinued.
4. To facilitate subsequent transfers, all Securities deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of Securities with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Securities; DTC's records reflect only the identity of the Direct Participants to whose accounts such Securities are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

5. Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. [Beneficial Owners of Securities may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Securities, such as redemptions, tenders, defaults, and proposed amendments to the Security documents. For example, Beneficial Owners of Securities may wish to ascertain that the nominee holding the Securities for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the registrar and request that copies of notices be provided directly to them.]
6. Redemption notices shall be sent to DTC. If less than all of the Securities within an issue are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed.
7. Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to Securities unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to City as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts Securities are credited on the record date (identified in a listing attached to the Omnibus Proxy).
8. Redemption proceeds, distributions, and dividend payments on the Securities will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the City or Agent, on payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, Agent, or the City, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds, distributions, and dividend payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the City or Agent, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.
9. A Beneficial Owner shall give notice to elect to have its Securities purchased or tendered, through its Participant, to [Tender/Remarketing] Agent, and shall effect delivery of such Securities by causing the Direct Participant to transfer the Participant's interest in the Securities, on DTC's records, to [Tender/Remarketing] Agent. The requirement for physical delivery of Securities in connection with an optional tender or a mandatory purchase will be deemed satisfied when the ownership rights in the Securities are transferred by Direct Participants on DTC's records and followed by a book-entry credit of tendered Securities to [Tender/Remarketing] Agent's DTC account.
10. DTC may discontinue providing its services as depository with respect to the Securities at any time by giving reasonable notice to the City or Agent. Under such circumstances, in the event that a successor depository is not obtained, Security certificates are required to be printed and delivered.
11. The City may decide to discontinue use of the system of book-entry-only transfers through DTC (or a successor securities depository). In that event, Security certificates will be printed and delivered to DTC.
12. The information in this section concerning DTC and DTC's book-entry system has been obtained from sources that the City believes to be reliable, but the City takes no responsibility for the accuracy thereof.

FORM OF CONTINUING DISCLOSURE CERTIFICATE

(See following pages)

PROPOSED FORM OF CONTINUING DISCLOSURE UNDERTAKING

This Continuing Disclosure Undertaking (the "Disclosure Undertaking") is executed and delivered by the City of West St. Paul, Minnesota (the "Issuer"), in connection with the issuance of its \$ _____ General Obligation Sewer Revenue Bonds, Series 2021A (the "Bonds"). The Bonds are being issued pursuant to a Resolution adopted on January 25, 2021 (the "Resolution"). Pursuant to the Resolution and this Disclosure Undertaking, the Issuer covenants and agrees as follows:

SECTION 1. Purpose of the Disclosure Undertaking. This Disclosure Undertaking is being executed and delivered by the Issuer for the benefit of the Owners and in order to assist the Participating Underwriters in complying with SEC Rule 15c2-12(b)(5).

SECTION 2. Definitions. In addition to the definitions set forth in the Resolution, which apply to any capitalized term used in this Disclosure Undertaking unless otherwise defined in this Section, the following capitalized terms shall have the following meanings:

"Annual Report" shall mean any annual financial information provided by the Issuer pursuant to, and as described in, Sections 3 and 4 of this Disclosure Undertaking.

"Audited Financial Statements" shall mean the financial statements of the Issuer audited annually by an independent certified public accounting firm, prepared pursuant to generally accepted accounting principles promulgated by the Financial Accounting Standards Board, modified by governmental accounting standards promulgated by the Government Accounting Standards Board.

"Dissemination Agent" shall mean such party from time to time designated in writing by the Issuer to act as information dissemination agent and which has filed with the Issuer a written acceptance of such designation.

"Financial Obligation" shall mean a (i) debt obligation; (ii) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation; or (iii) guarantee of (i) or (ii). This term shall not include municipal securities as to which a final official statement has been provided to the MSRB consistent with the Rule.

"Fiscal Year" shall be the fiscal year of the Issuer.

"Governing Body" shall, with respect to the Bonds, have the meaning given that term in Minnesota Statutes, Section 475.51, Subdivision 9.

"MSRB" shall mean the Municipal Securities Rulemaking Board.

"Occurrence(s)" shall mean any of the events listed in Section 5 of this Disclosure Undertaking.

"Official Statement" shall be the Official Statement dated _____, 2021, prepared in connection with the Bonds.

"Owners" shall mean the registered holders and, if not the same, the beneficial owners of any Bonds.

"Participating Underwriter" shall mean any of the original underwriters of the Bonds required to comply with the Rule in connection with offering of the Bonds.

"Resolution" shall mean the resolution or resolutions adopted by the Governing Body of the Issuer providing for, and authorizing the issuance of, the Bonds.

"Rule" shall mean Rule 15c2-12(b)(5) adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as the same may be amended from time to time or interpreted by the Securities and Exchange Commission.

SECTION 3. Provision of Annual Reports.

A. Beginning in connection with the Fiscal Year ending on December 31, 2020, the Issuer shall, or shall cause the Dissemination Agent to provide to the MSRB by filing at www.emma.msrb.org, together with such identifying information as prescribed by the MSRB, an Annual Report which is consistent with the requirements of Section 4 of this Disclosure Undertaking by not later than December 31, 2021, and by December 31 of each year thereafter.

B. If the Issuer is unable to provide to the MSRB an Annual Report by the date required in subsection A, the Issuer shall send a notice of such delay and estimated date of delivery to the MSRB.

SECTION 4. Content and Format of Annual Reports. The Issuer's Annual Report shall contain or incorporate by reference the financial information and operating data pertaining to the Issuer listed below as of the end of the preceding Fiscal Year. The Annual Report may be submitted to the MSRB as a single document or as separate documents comprising a package, and may cross-reference other information as provided in this Disclosure Undertaking.

The following financial information and operating data shall be supplied:

A. An update of the operating and financial data of the type of information contained in the Official Statement under the captions: Current Property Valuations; Direct Debt; Tax Levies and Collections; US Census Data/Population Trend; and Employment/Unemployment Data.

B. Audited Financial Statements of the Issuer. The Audited Financial Statements of the Issuer may be submitted to the MSRB separately from the balance of the Annual Report. In the event Audited Financial Statements of the Issuer are not available on or before the date for filing the Annual Report with the MSRB as set forth in Section 3.A. above, unaudited financial statements shall be provided as part of the Annual Report. The accounting principles pursuant to which the financial statements will be prepared will be pursuant to generally accepted accounting principles promulgated by the Financial Accounting Standards Board, as such principles are modified by the governmental accounting standards promulgated by the Government Accounting Standards Board, as in effect from time to time. If Audited Financial Statements are not provided because they are not available on or before the date for filing the Annual Report, the Issuer shall promptly provide them to the MSRB when available.

SECTION 5. Reporting of Significant Events. This Section 5 shall govern the giving of notices of the occurrence of any of the following events with respect to the Bonds:

- (1) Principal and interest payment delinquencies;
- (2) Non-payment related defaults, if material;
- (3) Unscheduled draws on debt service reserves reflecting financial difficulties;
- (4) Unscheduled draws on credit enhancements reflecting financial difficulties;
- (5) Substitution of credit or liquidity providers, or their failure to perform;
- (6) Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB), or other material notices or determinations with respect to the tax status of the Bonds, or other material events affecting the tax status of the Bonds;
- (7) Modifications to rights of security holders, if material;
- (8) Bond calls, if material, and tender offers;
- (9) Defeasances;
- (10) Release, substitution, or sale of property securing repayment of the Bonds, if material;
- (11) Rating changes;
- (12) Bankruptcy, insolvency, receivership or similar event of the Issuer;
- (13) The consummation of a merger, consolidation, or acquisition involving an obligated person or the sale of all or substantially all of the assets of the obligated person, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material;
- (14) Appointment of a successor or additional trustee or the change of name of a trustee, if material;
- (15) Incurrence of a Financial Obligation of the obligated person, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a Financial Obligation of the obligated person, any of which affect security holders, if material; and,
- (16) Default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a Financial Obligation of the obligated person, any of which reflect financial difficulties.

Whenever an event listed above has occurred, the Issuer shall promptly, which may not be in excess of the ten (10) business days after the Occurrence, file a notice of such Occurrence with the MSRB, by filing at www.emma.msrb.org, together with such identifying information as prescribed by the MSRB.

The Issuer agrees to provide or cause to be provided, in a timely manner, to the MSRB notice of a failure by the Issuer to provide the Annual Reports described in Section 4.

SECTION 6. Termination of Reporting Obligation. The Issuer's obligations under this Disclosure Undertaking shall terminate upon the legal defeasance, prior redemption or payment in full of all of the Bonds.

SECTION 7. Dissemination Agent. The Issuer may, from time to time, appoint or engage a Dissemination Agent to assist it in carrying out its obligations under this Disclosure Undertaking, and may discharge any such Agent, with or without appointing a successor Dissemination Agent.

SECTION 8. Amendment; Waiver. Notwithstanding any other provision of this Disclosure Undertaking, the Issuer may amend this Disclosure Undertaking, and any provision of this Disclosure Undertaking may be waived, if (a) a change in law or change in the ordinary business or operation of the Issuer has occurred, (b) such amendment or waiver would not, in and of itself, cause the undertakings herein to violate the Rule if such amendment or waiver had been effective on the date hereof but taking into account any subsequent change in or official interpretation of the Rule, and (c) such amendment or waiver is supported by an opinion of counsel expert in federal securities laws to the effect that such amendment or waiver would not materially impair the interests of Owners.

SECTION 9. Additional Information. Nothing in this Disclosure Undertaking shall be deemed to prevent the Issuer from disseminating any other information, using the means of dissemination set forth in this Disclosure Undertaking or any other means of communication, or including any other information in any Annual Report or notice of an Occurrence, in addition to that which is required by this Disclosure Undertaking. If the Issuer chooses to include any information in any Annual Report or notice of an Occurrence in addition to that which is specifically required by this Disclosure Undertaking, the Issuer shall have no obligation under this Disclosure Undertaking to update such information or include it in any future Annual Report or notice of an Occurrence.

SECTION 10. Default. In the event of a failure of the Issuer to provide information required by this Disclosure Undertaking, any Owner may take such actions as may be necessary and appropriate, including seeking mandamus or specific performance by court order, to cause the Issuer to comply with its obligations to provide information under this Disclosure Undertaking. A default under this Disclosure Undertaking shall not be deemed an Event of Default under the Resolution, and the sole remedy under this Disclosure Undertaking in the event of any failure of the Issuer to comply with this Disclosure Undertaking shall be an action to compel performance.

SECTION 11. Beneficiaries. This Disclosure Undertaking shall inure solely to the benefit of the Issuer, the Participating Underwriters and Owners from time to time of the Bonds, and shall create no rights in any other person or entity.

SECTION 12. Reserved Rights. The Issuer reserves the right to discontinue providing any information required under the Rule if a final determination should be made by a court of competent jurisdiction that the Rule is invalid or otherwise unlawful or, subject to the provisions of Section 8 hereof, to modify the undertaking under this Disclosure Undertaking if the Issuer determines that such modification is required by the Rule or by a court of competent jurisdiction.

Dated: _____, 2021.

CITY OF WEST ST. PAUL, MINNESOTA

By _____
Its Mayor

By _____
Its Manager

TERMS OF PROPOSAL

**\$2,275,000* GENERAL OBLIGATION SEWER REVENUE BONDS, SERIES 2021A
CITY OF WEST ST. PAUL, MINNESOTA**

Proposals for the purchase of \$2,275,000* General Obligation Sewer Revenue Bonds, Series 2021A (the "Bonds") of the City of West St. Paul, Minnesota (the "City") will be received at the offices of Ehlers and Associates, Inc. ("Ehlers"), 3060 Centre Pointe Drive, Roseville, Minnesota 55113-1105, municipal advisors to the City, until 10:30 A.M., Central Time, and **ELECTRONIC PROPOSALS** will be received via **PARITY**, in the manner described below, until 10:30 A.M. Central Time, on January 25, 2021, at which time they will be opened, read and tabulated. The proposals will be presented to the City Council for consideration for award by resolution at a meeting to be held at 6:30 P.M., Central Time, on the same date. The proposal offering to purchase the Bonds upon the terms specified herein and most favorable to the City will be accepted unless all proposals are rejected.

PURPOSE

The Bonds are being issued pursuant to Minnesota Statutes, Chapters 444 and 475, by the City for the purpose of financing the construction of various utility system improvements within the City. The Bonds will be general obligations of the City for which its full faith, credit and taxing powers are pledged.

DATES AND MATURITIES

The Bonds will be dated February 16, 2021, will be issued as fully registered Bonds in the denomination of \$5,000 each, or any integral multiple thereof, and will mature on February 1 as follows:

<u>Year</u>	<u>Amount*</u>	<u>Year</u>	<u>Amount*</u>	<u>Year</u>	<u>Amount*</u>
2023	\$140,000	2028	\$145,000	2033	\$155,000
2024	145,000	2029	150,000	2034	160,000
2025	145,000	2030	150,000	2035	160,000
2026	145,000	2031	150,000	2036	165,000
2027	145,000	2032	155,000	2037	165,000

ADJUSTMENT OPTION

* The City reserves the right to increase or decrease the principal amount of the Bonds on the day of sale, in increments of \$5,000 each. Increases or decreases may be made in any maturity. If any principal amounts are adjusted, the purchase price proposed will be adjusted to maintain the same gross spread per \$1,000.

TERM BOND OPTION

Proposals for the Bonds may contain a maturity schedule providing for any combination of serial bonds and term bonds, subject to mandatory redemption, so long as the amount of principal maturing or subject to mandatory redemption in each year conforms to the maturity schedule set forth above. All dates are inclusive.

INTEREST PAYMENT DATES AND RATES

Interest will be payable on February 1 and August 1 of each year, commencing February 1, 2022, to the registered owners of the Bonds appearing of record in the bond register as of the close of business on the 15th day (whether or not a business day) of the immediately preceding month. Interest will be computed upon the basis of a 360-day year of twelve 30-day months and will be rounded pursuant to rules of the Municipal Securities Rulemaking Board. **The rate for any maturity may not be more than 1.00% less than the rate for any preceding maturity. (For example, if a rate of 4.50% is proposed for the 2023 maturity, then the lowest rate that may be proposed for any later maturity is 3.50%.)** All Bonds of the same maturity must bear interest from date of issue until paid at a single, uniform rate. Each rate must be expressed in an integral multiple of 5/100 or 1/8 of 1%.

BOOK-ENTRY-ONLY FORMAT

Unless otherwise specified by the purchaser, the Bonds will be designated in the name of Cede & Co., as nominee for The Depository Trust Company, New York, New York ("DTC"). DTC will act as securities depository for the Bonds, and will be responsible for maintaining a book-entry system for recording the interests of its participants and the transfers of interests between its participants. The participants will be responsible for maintaining records regarding the beneficial interests of the individual purchasers of the Bonds. So long as Cede & Co. is the registered owner of the Bonds, all payments of principal and interest will be made to the depository which, in turn, will be obligated to remit such payments to its participants for subsequent disbursement to the beneficial owners of the Bonds.

PAYING AGENT

The City has selected Bond Trust Services Corporation, Roseville, Minnesota, to act as paying agent (the "Paying Agent"). Bond Trust Services Corporation and Ehlers are affiliate companies. The City will pay the charges for Paying Agent services. The City reserves the right to remove the Paying Agent and to appoint a successor.

OPTIONAL REDEMPTION

At the option of the City, the Bonds maturing on or after February 1, 2031 shall be subject to optional redemption prior to maturity on February 1, 2030 or any date thereafter, at a price of par plus accrued interest.

Redemption may be in whole or in part of the Bonds subject to prepayment. If redemption is in part, the selection of the amounts and maturities of the Bonds to be redeemed shall be at the discretion of the City. If only part of the Bonds having a common maturity date are called for redemption, then the City or Paying Agent, if any, will notify DTC of the particular amount of such maturity to be redeemed. DTC will determine by lot the amount of each participant's interest in such maturity to be redeemed and each participant will then select by lot the beneficial ownership interest in such maturity to be redeemed.

Notice of redemption shall be sent by mail not more than 60 days and not less than 30 days prior to the date fixed for redemption to the registered owner of each Bond to be redeemed at the address shown on the registration books.

DELIVERY

On or about February 16, 2021, the Bonds will be delivered without cost to the winning bidder at DTC. On the day of closing, the City will furnish to the winning bidder the opinion of bond counsel hereinafter described, an arbitrage certification, and certificates verifying that no litigation in any manner questioning the validity of the Bonds is then pending or, to the best knowledge of officers of the City, threatened. Payment for the Bonds must be received by the City at its designated depository on the date of closing in immediately available funds.

LEGAL OPINION

An opinion as to the validity of the Bonds and the exemption from taxation of the interest thereon will be furnished by Taft Stettinius & Hollister LLP, Minneapolis, Minnesota, Bond Counsel to the City, and will be available at the time of delivery of the Bonds. The legal opinion will state that the Bonds are valid and binding general obligations of the City; provided that the rights of the owners of the Bonds and the enforceability of the Bonds may be limited by bankruptcy, insolvency, reorganization, moratorium, and other similar laws affecting creditors' rights and by equitable principles (which may be applied in either a legal or equitable proceeding). See "FORM OF LEGAL OPINION" found in Appendix B.

SUBMISSION OF PROPOSALS

Proposals must not be for less than \$2,247,700 plus accrued interest on the principal sum of \$2,275,000 from date of original issue of the Bonds to date of delivery. Prior to the time established above for the opening of proposals, interested parties may submit a proposal as follows:

- 1) Electronically to bondsale@ehlers-inc.com; or
- 2) Electronically via **PARITY** in accordance with this Terms of Proposal until 10:30 A.M. Central Time, but no proposal will be received after the time for receiving proposals specified above. To the extent any instructions or directions set forth in **PARITY** conflict with this Terms of Proposal, the terms of this Terms of Proposal shall control. For further information about **PARITY**, potential bidders may contact Ehlers or i-Deal LLC at 1359 Broadway, 2nd Floor, New York, New York 10018, Telephone (212) 849-5021.

Proposals must be submitted to Ehlers via one of the methods described above and must be received prior to the time established above for the opening of proposals. Each proposal must be unconditional except as to legality. Neither the City nor Ehlers shall be responsible for any failure to receive a facsimile submission.

A good faith deposit ("Deposit") in the amount of \$45,500 shall be made by the winning bidder by wire transfer of funds. Such Deposit shall be received by Ehlers no later than two hours after the proposal opening time. Wire transfer instructions will be provided to the winning bidder by Ehlers after the tabulation of proposals. The City reserves the right to award the Bonds to a winning bidder whose wire transfer is initiated but not received by such time provided that such winning bidder's federal wire reference number has been received by such time. In the event the Deposit is not received as provided above, the City may award the Bonds to the bidder submitting the next best proposal provided such bidder agrees to such award. The Deposit will be retained by the City as liquidated damages if the proposal is accepted and the Purchaser fails to comply therewith.

The City and the winning bidder who chooses to so wire the Deposit hereby agree irrevocably that Ehlers shall be the escrow holder of the Deposit wired to such account subject only to these conditions and duties: 1) All income earned thereon shall be retained by the escrow holder as payment for its expenses; 2) If the proposal is not accepted, Ehlers shall, at its expense, promptly return the Deposit amount to the winning bidder; 3) If the proposal is accepted, the Deposit shall be returned to the winning bidder at the closing; 4) Ehlers shall bear all costs of maintaining the escrow account and returning the funds to the winning bidder; 5) Ehlers shall not be an insurer of the Deposit amount and shall have no liability hereunder except if it willfully fails to perform or recklessly disregards, its duties specified herein; and 6) FDIC insurance on deposits within the escrow account shall be limited to \$250,000 per bidder.

No proposal can be withdrawn after the time set for receiving proposals unless the meeting of the City scheduled for award of the Bonds is adjourned, recessed, or continued to another date without award of the Bonds having been made.

AWARD

The Bonds will be awarded to the bidder offering the lowest interest rate to be determined on a True Interest Cost (TIC) basis. The City's computation of the interest rate of each proposal, in accordance with customary practice, will be controlling. In the event of a tie, the sale of the Bonds will be awarded by lot. The City reserves the right to reject any and all proposals and to waive any informality in any proposal.

BOND INSURANCE

If the Bonds are qualified for any bond insurance policy, the purchase of such policy shall be at the sole option and expense of the winning bidder. Any cost for such insurance policy is to be paid by the winning bidder, except that, if the City requested and received a rating on the Bonds from a rating agency, the City will pay that rating fee. Any rating agency fees not requested by the City are the responsibility of the winning bidder.

Failure of the municipal bond insurer to issue the policy after the Bonds are awarded to the winning bidder shall not constitute cause for failure or refusal by the winning bidder to accept delivery of the Bonds.

CUSIP NUMBERS

The City will assume no obligation for the assignment or printing of CUSIP numbers on the Bonds or for the correctness of any numbers printed thereon, but will permit such numbers to be printed at the expense of the winning bidder, if the winning bidder waives any delay in delivery occasioned thereby.

QUALIFIED TAX-EXEMPT OBLIGATIONS

The City will designate the Bonds as qualified tax-exempt obligations for purposes of Section 265(b)(3) of the Internal Revenue Code of 1986, as amended.

CONTINUING DISCLOSURE

In order to assist the Underwriters in complying with the provisions of Rule 15c2-12 promulgated by the Securities and Exchange Commission under the Securities Exchange Act of 1934 the City will enter into an undertaking for the benefit of the holders of the Bonds. A description of the details and terms of the undertaking is set forth in Appendix D of the Preliminary Official Statement.

NEW ISSUE PRICING

The winning bidder will be required to provide, in a timely manner, certain information necessary to compute the yield on the Bonds pursuant to the provisions of the Internal Revenue Code of 1986, as amended, and to provide a certificate which will be provided by Bond Counsel upon request.

(a) The winning bidder shall assist the City in establishing the issue price of the Bonds and shall execute and deliver to the City at closing an "issue price" or similar certificate satisfactory to Bond Counsel setting forth the reasonably expected initial offering price to the public or the sales price or prices of the Bonds, together with the supporting pricing wires or equivalent communications. All actions to be taken by the City under this Terms of Proposal to establish the issue price of the Bonds may be taken on behalf of the City by the City's municipal advisor identified herein and any notice or report to be provided to the City may be provided to the City's municipal advisor.

(b) The City intends that the provisions of Treasury Regulation Section 1.148-1(f)(3)(i) (defining "competitive sale" for purposes of establishing the issue price of the Bonds) will apply to the initial sale of the Bonds (the "competitive sale requirements") because:

- (1) The City shall disseminate this Terms of Proposal to potential underwriters in a manner that is reasonably designed to reach potential investors;
- (2) all bidders shall have an equal opportunity to bid;
- (3) the City may receive proposals from at least three underwriters of municipal bonds who have established industry reputations for underwriting new issuances of municipal bonds; and
- (4) the City anticipates awarding the sale of the Bonds to the bidder who submits a firm offer to purchase the Bonds at the highest price (or lowest interest cost), as set forth in this Terms of Proposal.

Any proposal submitted pursuant to this Terms of Proposal shall be considered a firm offer for the purchase of the Bonds, as specified in this proposal.

(c) If all of the requirements of a "competitive sale" are not satisfied, the City shall advise the winning bidder of such fact prior to the time of award of the sale of the Bonds to the winning bidder. In such event, any proposal submitted will not be subject to cancellation or withdrawal and the City agrees to use the rule selected by the winning bidder on its proposal form to determine the issue price for the Bonds. On its proposal form, each bidder must select one of the following two rules for determining the issue price of the Bonds: (1) the first price at which 10% of a maturity of the Bonds (the "10% test") is sold to the public as the issue price of that maturity or (2) the initial offering price to the public as of the sale date as the issue price of each maturity of the Bonds (the "hold-the-offering-price rule").

(d) If all of the requirements of a "competitive sale" are not satisfied and the winning bidder selects the hold-the-offering-price rule, the winning bidder shall (i) confirm that the underwriters have offered or will offer the Bonds to the public on or before the date of award at the offering price or prices (the "initial offering price"), or at the corresponding yield or yields, set forth in the proposal submitted by the winning bidder and (ii) agree, on behalf of the underwriters participating in the purchase of the Bonds, that the underwriters will neither offer nor sell unsold Bonds of any maturity to which the hold-the-offering-price rule shall apply to any person at a price that is higher than the initial offering price to the public during the period starting on the sale date and ending on the earlier of the following:

- (1) the close of the fifth (5th) business day after the sale date; or
- (2) the date on which the underwriters have sold at least 10% of that maturity of the Bonds to the public at a price that is no higher than the initial offering price to the public.

The winning bidder will advise the City promptly after the close of the fifth (5th) business day after the sale whether it has sold 10% of that maturity of the Bonds to the public at a price that is no higher than the initial offering price to the public.

The City acknowledges that in making the representation set forth above, the winning bidder will rely on:

(i) the agreement of each underwriter to comply with requirements for establishing issue price of the Bonds, including, but not limited to, its agreement to comply with the hold-the-price rule, if applicable to the Bonds, as set forth in an agreement among underwriters and the related pricing wires,

(ii) in the event a selling group has been created in connection with the initial sale of the Bonds to the public, the agreement of each dealer who is a member of the selling group to comply with the requirements for establishing issue price of the Bonds, including, but not limited to, its agreement to comply with the hold-the-offering-price rule, if applicable to the Bonds, as set forth in a selling group agreement and the related pricing wires, and

(iii) in the event that an underwriter or dealer who is a member of the selling group is a party to a third-party distribution agreement that was employed in connection with the initial sale of the Bonds to the public, the agreement of each broker-dealer that is party to such agreement to comply with the requirements for establishing issue price of the Bonds, including, but not limited to, its agreement to comply with the hold-the-offering-price rule, if applicable to the Bonds, as set forth in the third-party distribution agreement and the related pricing wires. The City further acknowledges that each underwriter shall be solely liable for its failure to comply with its agreement regarding the requirements for establishing issue price rule of the Bonds, including, but not limited to, its agreement to comply with the hold-the-offering-price rule, if applicable to the Bonds, and that no underwriter shall be liable for the failure of any other underwriter, or of any dealer who is a member of a selling group, or of any broker-dealer that is a party to a third-party distribution agreement to comply with its corresponding agreement to comply with the requirements for establishing issue price of the Bonds, including, but not limited to, its agreement to comply with the hold-the-offering-price rule as applicable to the Bonds.

(e) If all of the requirements of a "competitive sale" are not satisfied and the winning bidder selects the 10% test, the winning bidder agrees to promptly report to the City, Bond Counsel and Ehlers the prices at which the Bonds have been sold to the public. That reporting obligation shall continue, whether or not the closing date has occurred, until either (i) all Bonds of that maturity have been sold or (ii) the 10% test has been satisfied as to each maturity of the Bonds, provided that, the winning bidder's reporting obligation after the Closing Date may be at reasonable periodic intervals or otherwise upon request of the City or bond counsel.

(f) By submitting a proposal, each bidder confirms that:

(i) any agreement among underwriters, any selling group agreement and each third-party distribution agreement (to which the bidder is a party) relating to the initial sale of the Bonds to the public, together with the related pricing wires, contains or will contain language obligating each underwriter, each dealer who is a member of the selling group, and each broker-dealer that is party to such third-party distribution agreement, as applicable, to:

(A) report the prices at which it sells to the public the unsold Bonds of each maturity allocated to it, whether or not the Closing Date has occurred until either all securities of that maturity allocated to it have been sold or it is notified by the winning bidder that either the 10% test has been satisfied as to the Bonds of that maturity, provided that, the reporting obligation after the Closing Date may be at reasonable periodic intervals or otherwise upon request of the City or bond counsel.

(B) comply with the hold-the-offering-price rule, if applicable, in each case if and for so long as directed by the winning bidder and as set forth in the related pricing wires, and

(ii) any agreement among underwriters or selling group agreement relating to the initial sale of the Bonds to the public, together with the related pricing wires, contains or will contain language obligating each underwriter, each dealer who is a member of the selling group and each broker dealer that is a party to a third-party distribution agreement to be employed in connection with the initial sale of the Bonds to the public to require each broker-dealer that is a party to such third-party distribution agreement to:

(A) to promptly notify the winning bidder of any sales of Bonds that, to its knowledge, are made to a purchaser who is a related party to an underwriter participating in the initial sale of the Bonds to the public (each such term being used as defined below), and

(B) to acknowledge that, unless otherwise advised by the underwriter, dealer or broker-dealer, the winning bidder shall assume that each order submitted by the underwriter, dealer or broker-dealer is a sale to the public.

(g) Sales of any Bonds to any person that is a related party to an underwriter participating in the initial sale of the Bonds to the public (each term being used as defined below) shall not constitute sales to the public for purposes of this Terms of Proposal. Further, for purposes of this Terms of Proposal:

- (i) "public" means any person other than an underwriter or a related party,
- (ii) "underwriter" means (A) any person that agrees pursuant to a written contract with the City (or with the lead underwriter to form an underwriting syndicate) to participate in the initial sale of the Bonds to the public and (B) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (A) to participate in the initial sale of the Bonds to the public (including a member of a selling group or a party to a third-party distribution agreement participating in the initial sale of the Bonds to the public),
- (iii) a purchaser of any of the Bonds is a "related party" to an underwriter if the underwriter and the purchaser are subject, directly or indirectly, to (A) more than 50% common ownership of the voting power or the total value of their stock, if both entities are corporations (including direct ownership by one corporation of another), (B) more than 50% common ownership of their capital interests or profits interests, if both entities are partnerships (including direct ownership by one partnership of another), or (C) more than 50% common ownership of the value of the outstanding stock of the corporation or the capital interests or profit interests of the partnership, as applicable, if one entity is a corporation and the other entity is a partnership (including direct ownership of the applicable stock or interests by one entity of the other), and
- (iv) "sale date" means the date that the Bonds are awarded by the City to the winning bidder.

PRELIMINARY OFFICIAL STATEMENT

Bidders may obtain a copy of the Preliminary Official Statement relating to the Bonds prior to the proposal opening by request from Ehlers at www.ehlers-inc.com by connecting to the Bond Sales link. The Syndicate Manager will be provided with an electronic copy of the Final Official Statement within seven business days of the proposal acceptance. Up to 10 printed copies of the Final Official Statement will be provided upon request. Additional copies of the Final Official Statement will be available at a cost of \$10.00 per copy.

Information for bidders and proposal forms may be obtained from Ehlers at 3060 Centre Pointe Drive, Roseville, Minnesota 55113-1105, Telephone (651) 697-8500.

By Order of the City Council

City of West St. Paul, Minnesota

PROPOSAL FORM

The City Council
City of West St. Paul, Minnesota

January 25, 2021

RE: \$2,275,000* General Obligation Sewer Revenue Bonds, Series 2021A (the "Bonds")
DATED: February 16, 2021

For all or none of the above Bonds, in accordance with the Terms of Proposal and terms of the Global Book-Entry System (unless otherwise specified by the Purchaser) as stated in this Official Statement, we will pay you \$ _____ (not less than \$2,247,700) plus accrued interest to date of delivery for fully registered Bonds bearing interest rates and maturing in the stated years as follows:

_____ % due	2023	_____ % due	2028	_____ % due	2033
_____ % due	2024	_____ % due	2029	_____ % due	2034
_____ % due	2025	_____ % due	2030	_____ % due	2035
_____ % due	2026	_____ % due	2031	_____ % due	2036
_____ % due	2027	_____ % due	2032	_____ % due	2037

* The City reserves the right to increase or decrease the principal amount of the Bonds on the day of sale, in increments of \$5,000 each. Increases or decreases may be made in any maturity. If any principal amounts are adjusted, the purchase price proposed will be adjusted to maintain the same gross spread per \$1,000.

The rate for any maturity may not be more than 1.00% less than the rate for any preceding maturity. (For example, if a rate of 4.50% is proposed for the 2023 maturity, then the lowest rate that may be proposed for any later maturity is 3.50%.) All Bonds of the same maturity must bear interest from date of issue until paid at a single, uniform rate. Each rate must be expressed in an integral multiple of 5/100 or 1/8 of 1%.

A good faith deposit ("Deposit") in the amount of \$45,500 shall be made by the winning bidder by wire transfer of funds. Such Deposit shall be received by Ehlers no later than two hours after the proposal opening time. Wire transfer instructions will be provided to the winning bidder by Ehlers after the tabulation of proposals. The City reserves the right to award the Bonds to a winning bidder whose wire transfer is initiated but not received by such time provided that such winning bidder's federal wire reference number has been received by such time. In the event the Deposit is not received as provided above, the City may award the Bonds to the bidder submitting the next best proposal provided such bidder agrees to such award. The Deposit will be retained by the City as liquidated damages if the proposal is accepted and the Purchaser fails to comply therewith. We agree to the conditions and duties of Ehlers and Associates, Inc., as escrow holder of the Deposit, pursuant to the Terms of Proposal. This proposal is for prompt acceptance and is conditional upon delivery of said Bonds to The Depository Trust Company, New York, New York, in accordance with the Terms of Proposal. Delivery is anticipated to be on or about February 16, 2021.

This proposal is subject to the City's agreement to enter into a written undertaking to provide continuing disclosure under Rule 15c2-12 promulgated by the Securities and Exchange Commission under the Securities Exchange Act of 1934 as described in the Preliminary Official Statement for the Bonds.

We have received and reviewed the Official Statement, and any addenda thereto, and have submitted our requests for additional information or corrections to the Final Official Statement. As Syndicate Manager, we agree to provide the City with the reoffering price of the Bonds within 24 hours of the proposal acceptance.

This proposal is a firm offer for the purchase of the Bonds identified in the Terms of Proposal, on the terms set forth in this proposal form and the Terms of Proposal, and is not subject to any conditions, except as permitted by the Terms of Proposal.

By submitting this proposal, we confirm that we are an underwriter and have an established industry reputation for underwriting new issuances of municipal bonds. YES: ____ NO: ____.

If the competitive sale requirements are not met, we elect to use either the: ____ 10% test, or the ____ hold-the-offering-price rule to determine the issue price of the Bonds.

Account Manager: _____ By: _____
Account Members: _____

Award will be on a true interest cost basis. According to our computations (the correct computation being controlling in the award), the total dollar interest cost (including any discount or less any premium) computed from February 16, 2021 of the above proposal is \$ _____ and the true interest cost (TIC) is _____ %.

The foregoing offer is hereby accepted by and on behalf of the City Council of the City of West St. Paul, Minnesota, on January 25, 2021.

By: _____ By: _____
Title: _____ Title: _____