

## Request for Board Action Details

**File #:** 2020-570

**Type:** Ordinance **Status:** Passed

**In control:** Board of Commissioners

**On agenda:** 12/1/2020 **Final action:** 12/1/2020

**Title:** 2021 Solid Waste Facility Bond Ordinance

**Sponsors:** Finance

**Indexes:**

**Code sections:**

**Attachments:** 1. Proposed 2021 Solid Waste Facility Bond Ordinance, 2. 2021 Solid Waste Facility Bond Sale Schedule of Events, 3. Resolution

Date	Ver.	Action By	Action	Result
12/1/2020	1	Board of Commissioners	approved	Pass

**Sponsor:** Finance

**Title**  
2021 Solid Waste Facility Bond Ordinance

### Recommendation

Approve the 2021 Solid Waste Facility Bond Ordinance, which sets forth a procedure for issuance of the bonds.

### Background and Rationale

As part of the approved R&E Center enhancements financing structure, Ramsey County proposes to issue general obligation bonds, on behalf of both Ramsey and Washington Counties, to fund the aggregate County Enhancement Loan amount for the R&E Center enhancements.

The R&E enhancements financing structure was approved by the R&E Board (Resolution R&E Board - 2020-09) and the Ramsey County Board (Resolution B2020-201) and includes the following:

1. *Approve the financing structure for the R&E Center enhancements, to include the following:*
  - a. *Each county shall loan a proportionate share to the R&E Board sufficient to cover its share of total financing, including all financing costs for the R&E Center enhancements, according to the percentages set forth in the joint powers agreement: Ramsey County - 73%, Washington County - 27% (the "County Enhancement Loans").*
  - b. *Ramsey County shall issue general obligation bonds on behalf of both counties (the "County Bonds") to fund the aggregate County Enhancement Loan amount for the R&E Center enhancements.*
  - c. *Ramsey County and Washington County shall enter into an agreement whereby Washington County agrees that Ramsey County will issue bonds on behalf of both counties, and that Washington County shall provide its general obligation pledge to Ramsey County for its share of the financing and pay its share of the total financing of the R&E Center enhancements through its loan agreement with the R&E Board.*
  - d. *The R&E Board shall be obligated to and is hereby authorized to enter into one or more loan*

*agreements pursuant to which it will agree to repay the County Enhancements Loans from facility revenues, County Environmental Charges and other available revenues on terms and conditions that match, or are otherwise consistent with, any terms and conditions of any other loans outstanding and owed to the counties, additional covenants required by the counties and the County Bonds issued to fund R&E Board's County Enhancements Loans.*

The two R&E Center enhancement projects, a durable compostable bag processing system and a recyclables recovery system are estimated to cost \$19,286,450 and \$23,575,000 respectively, for a total estimated cost of \$42,861,450. To allow for small adjustments and costs of issuance, the proposed 2021 Solid Waste Facility Bond Ordinance sets the maximum amount of bonding at \$43,000,000. The final amount will be off set by State bonding funds for the same purpose but final estimates are still being determined. The proposed ordinance sets the maximum amount of bonds that can be issued, the actual amount of bonds issued may be less, and cannot be more, than the maximum set in the ordinance. The County Board will be requested at future dates to approve the actual amount of bonds issued and to award the sale of the bonds to the lowest bidder.

The proposed bonds would be issued by ordinance in accordance with procedures set forth in the County's General Bonding Ordinance No. 93-292, adopted on July 29, 1993, and in compliance with the Ramsey County Home Rule Charter.

On November 17, 2020, a public hearing was held to afford an opportunity for the public to comment on the proposed 2021 Solid Waste Facility Bond Ordinance No public comments were brought forth. With Board approval on December 1, 2020, the ordinance will become effective January 23, 2021, after which the County Board will be requested to authorize the bond sale on January 26, 2021, approve the final amount of bonds to be sold and set the bond sale date. The Finance Department anticipates a February 22, 2021 bond sale date and the award of the bonds considered by the County Board on February 23, 2021.

#### **County Goals** (Check those advanced by Action)

☐ Well-being      ☒ Prosperity      ☒ Opportunity      ☐ Accountability

#### **Racial Equity Impact**

This action by itself does not have a measurable racial equity impact, as the action is just one step in the ordinance process required by the County Charter to issue bonds. The County plans to issue bonds to finance numerous capital improvement projects, each of which provides programs and services to the community. The racial equity impact is considered by the County departments during the development of the associated programs and services for each capital project.

#### **Community Participation Level and Impact**

The bonds issued by Ramsey County pursuant to this proposed ordinance will be joint obligations of Ramsey and Washington Counties, with the proceeds loaned to Ramsey/Washington Recycling and Energy Board for enhancements to the R&E Center. The enhancements are the result of policy direction in the two county solid waste management master plans. Preparation of the Ramsey County plan included significant community engagement, as did the purchase of the R&E Center and discussion about the enhancements. The County Board also holds a public hearing as part of the Bond Ordinance process to afford the public an opportunity to comment on this proposed project.

☒ Inform      ☒ Consult      ☐ Involve      ☐ Collaborate      ☐ Empower

#### **Fiscal Impact**

The proposed 2021 Solid Waste Facility Bond Ordinance authorizes a maximum amount of \$43 million of bond issuance to finance the R&E Center enhancement loans. The actual amount of bonding may be less and the final bonding amount will be determined and considered by the County Board at a later date. The County expects to receive loan payments from the R&E Board and Washington County equal to the required debt

service on the County Bonds resulting in no cost to Ramsey County. The expected term of the loans and bonds is 25 years.

**County Manager Comments**

Approval of the proposed Ordinance will set forth a procedure to issue the 2021 Solid Waste Facility Bonds. Bond financing aligns with the County's Opportunity and Prosperity goals by facilitating strategic capital investments which cultivate economic development and prosperity in the community.

**Last Previous Action**

On November 17, 2020, the County Board waived the second reading of the 2021 Solid Waste Facility Bond Ordinance (Resolution B2020-226) and held a public hearing.

On October 20, 2020, the County Board waived the first reading of the proposed 2021 Solid Waste Facility Bond Ordinance (Resolution B2020-208) and set the date of the Public Hearing for November 17, 2020 (Resolution B2020-209).

**Attachments**

1. Proposed 2021 Solid Waste Facility Bond Ordinance
2. Proposed Schedule of Events - 2021 Solid Waste Facility Bond Sale