

mn MINNESOTA
PUBLIC FACILITIES AUTHORITY

Date: January 6, 2020

The Honorable Julie Rosen
Chair, Senate Finance Committee

The Honorable Eric Pratt
Chair, Senate Jobs and Economic Growth Finance and Policy Committee

The Honorable Lyndon Carlson
Chair, House Ways and Means Committee

The Honorable Gene Pelowski
Chair, House Greater Minnesota Jobs and Economic Development Finance Division

Dear Senators and Representatives,

Enclosed is the Minnesota Public Facilities Authority's (PFA) 2019 Fee Report as required by Minnesota Statutes, Section 446A.04, Subdivision 5(b). The report identifies PFA fee collections, expenditures and balances for the three most recent fiscal years: 2019, 2018 and 2017.

If you have any questions or would like to discuss the contents of the report please contact me.

Sincerely,



Jeff Freeman, Executive Director
Minnesota Public Facilities Authority

Enclosure

c: Chris Steller, Legislative Reference Library (2 copies)

Minnesota Public Facilities Authority

1st National Bank Building • 332 Minnesota St. • Suite W820 • Saint Paul, MN 55101-1378 • USA
651-259-7469 • 800-657-3858 TOLL FREE • 651-296-8833 FAX • mn.gov/pfa



MINNESOTA

PUBLIC FACILITIES AUTHORITY

2019 Fee Report

Report to the Chairs of the Legislative Finance and Appropriations
Committees on Fees Collected and Spent by the
Minnesota Public Facilities Authority

In Accordance with Minnesota Statutes, Section 446A.04, Subdivision 5(b)

January 2020

Introduction

The enclosed report is submitted in compliance with Minnesota Statutes, section 446A.04, subdivision 5(b), which requires the Minnesota Public Facilities Authority (PFA) to “annually report to the chairs of the finance and appropriations committees of the Legislature on: (1) the amount of fees collected under this subdivision for costs incurred by the authority; (2) the purposes for which the fee proceeds have been spent; and (3) the amount of any remaining balance of fee proceeds.”

Under Minnesota Statutes, Section 446A.04, Subdivision 5(a), the PFA may collect up to 2% of each loan repayment as a servicing fee and an application fee up to 0.5% upon execution of certain loan and grant agreements. Credit enhancement applications under Minnesota Statutes, Section 446A.086 are subject to a \$500 application fee.

The enclosed Fee Report reflects the PFA’s fee collections and expenditures for the three most recent fiscal years: 2019, 2018, and 2017.

The PFA’s legal authority and financial capacity to pay its administrative expenses and contract for services necessary to fulfill its obligations are critical to maintaining the PFA’s AAA bond ratings. The expenditure of fee revenues is governed by federal regulations and state law. Both prohibit using the fees for any other purpose, providing another layer of protection considered by the rating agencies in evaluating the long term management capacity and stability of the Authority.

For questions or more information about this report, contact:

Jeff Freeman, Executive Director
Minnesota Public Facilities Authority
1st National Bank Building, Suite W820
332 Minnesota Street
Saint Paul, MN 55101-1378

Phone: 651-259-7465
E-mail: jeff.freeman@state.mn.us
Website: www.mn.gov/pfa

Note (as required by Minnesota Statutes, section 3.197): Preparation of this report required an estimated 8.5 hours of staff time for an approximate cost of \$480.

Minnesota Public Facilities Authority
Annual Fee Report
For the Fiscal Years ending June 30, 2019, 2018, 2017
(as required by Minnesota Statutes, Section 446A.04 subd. 5(b))

Description	FY 2019	FY 2018	FY 2017
Beginning cash balance	6,376,008	6,121,563	6,131,998
Fees collected during the fiscal year (+ ITC interest)	3,679,106	3,572,640	3,453,056
Expenditures during the fiscal year:			
Credit Enhancement Program	10,611	30,070	14,006
Clean Water Legacy Programs	69,558	52,074	42,332
Clean Water Revolving Fund:			
Bond related costs (audit, rebate calcs, etc)	38,270	52,995	37,330
Staff and general admin: B24-PFA	612,241	655,519	662,271
B22-DEED	74,222	77,145	58,645
R32-PCA	1,841,664	1,485,071	1,531,956
Drinking Water Revolving Fund:			
Bond related costs (audit, rebate calcs, etc)	30,943	30,891	30,693
Staff and general admin: B24-PFA	494,379	422,497	410,187
B22-DEED	61,180	49,664	37,767
H12-MDH	443,457	425,969	588,727
Transportation Revolving Loan Fund:			
Bond related costs (audit, rebate calcs, etc)	2,859	3,176	10,349
Staff and general admin: B24-PFA	29,720	29,614	36,034
B22-DEED	3,665	3,509	3,194
total fee account expenditures	3,712,770	3,318,195	3,463,490
Ending Cash balance *	6,342,344	6,376,008	6,121,563
* balance by program:			
Credit Enhancement Program	25,275	18,886	32,956
Clean Water Legacy Programs	125,073	91,023	72,026
Clean Water Revolving Fund	3,066,996	3,071,305	2,865,703
Drinking Water Revolving Fund	3,036,367	3,081,723	3,078,506
Transportation Revolving Loan Fund	88,633	113,071	72,373
	6,342,344	6,376,008	6,121,563
Agency key:	B24-PFA	Public Facilities Authority	
	B22-DEED	Department of Employment and Economic Development	
	R32-PCA	Pollution Control Agency	
	H12-MDH	Department of Health	

This report presents fiscal year cash-basis activity. Receipts include the Fees plus the relatively small amount of ITC earnings credited to these accounts.