



**CITY OF OAK GROVE WORK SESSION  
CITY COUNCIL CHAMBERS  
19900 NIGHTINGALE ST. NW  
Monday, June 12, 2023**

**Long-Term Plan Work Session at 5:30 PM**

**AGENDA**

**1. Long Term Plan Presentation – Abdo Financial Solutions**

Long Term Plan discussion may be carried over to the regular council meeting at 6:00 pm.

## Loren Wickham

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**From:** Green, Doug <Doug.Green@bakertilly.com>  
**Sent:** Tuesday, April 25, 2023 8:53 AM  
**To:** Loren Wickham  
**Subject:** RE: Fire Hall Financing Estimates  
**Attachments:** Oak Grove Fire Hall Debt Service Estimates - 4.24.2023.xlsx

**Follow Up Flag:** Flag for follow up  
**Flag Status:** Flagged

Loren,

4.0% is still a good planning estimate. I added a table of rates in the workbook for reference. It is an index of rates for the broader municipal bond market. Look at the AA scale. If we sold today, the true interest cost (essentially a weighted average of years 1-30) would be between 3.5%-3.75%. I would use 4.0% to be conservative.

I would be happy to provide more formal amortization schedules at any time.

Thanks,  
Doug

**Doug Green**  
**Director**



Baker Tilly Municipal Advisors, LLC  
T: +1 (651) 223 3086 | M: +1 (651) 269 7188  
30 East Seventh Street  
Suite 3025  
St. Paul, MN 55101  
[doug.green@bakertilly.com](mailto:doug.green@bakertilly.com) | [bakertilly.com](http://bakertilly.com)



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**From:** Loren Wickham <lwickham@ci.oak-grove.mn.us>  
**Sent:** Tuesday, April 18, 2023 4:11 PM  
**To:** Green, Doug <Doug.Green@bakertilly.com>  
**Subject:** RE: Fire Hall Financing Estimates

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Hi Doug,

**City of Oak Grove**  
**Fire Hall Financing Options Bonding Scenarios**  
**Debt Service Estimates**

	<b>Scenario 1</b>	<b>Scenario 2</b>
<b>Estimated Par Amount</b>	<b>\$8,000,000</b>	<b>\$10,000,000</b>
Repayment Term (Years)	29	29
Interest Rate	4.00%	4.00%
<b>Annual Payment (Rounded to \$1K)</b>	<b>\$471,000</b>	<b>\$589,000</b>
<b>LEVY IMPACT</b>		
2022 Property Tax Levy	\$2,819,334	\$2,819,334
Levy Increase	16.7%	20.9%
<b>TAX IMPACT</b>		
Taxable Net Tax Capacity	\$13,175,680	\$13,175,680
Current Tax Rate	21.40%	21.40%
Added Tax Rate Amount	3.6%	4.5%
New Tax Rate	25.0%	25.9%
<b>Residential Market Value</b>		
\$250,000	\$84	\$105
\$300,000	\$104	\$130
\$350,000	\$123	\$154
\$400,000	\$143	\$178
\$450,000	\$161	\$201
\$500,000	\$179	\$224
<b>Commercial Market Value</b>		
\$500,000	\$331	\$414
\$1,000,000	\$688	\$861