

**m** **MINNESOTA**  
**PUBLIC FACILITIES AUTHORITY**

Date: January 10, 2019

The Honorable Julie Rosen  
Chair, Senate Finance Committee

The Honorable Bill Ingebrigtsen  
Chair, Senate Environment and Natural Resources Finance 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) 2018 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: 2018, 2017 and 2016.

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**

1<sup>st</sup> 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](http://mn.gov/pfa)



---

## 2018 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 2019

---

## 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: 2018, 2017, and 2016.

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 another 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  
1<sup>st</sup> National Bank Building, Suite W820  
332 Minnesota Street  
Saint Paul, MN 55101-1378

Phone: 651-259-7465  
E-mail: [jeff.freeman@state.mn.us](mailto:jeff.freeman@state.mn.us)  
Website: [www.mn.gov/pfa](http://www.mn.gov/pfa)

*Note (as required by Minnesota Statutes, section 3.197): Preparation of this report required an estimated 9 hours of staff time for an approximate cost of \$535.*

**Minnesota Public Facilities Authority**  
**Annual Fee Report**  
**For the Fiscal Years ending June 30, 2018, 2017, 2016**  
**( as required by Minnesota Statutes, Section 446A.04 subd. 5(b) )**

Description	FY 2018	FY 2017	FY 2016
<b>Beginning cash balance</b>	6,121,563	6,131,998	5,805,236
<b>Fees collected during the fiscal year (+ ITC interest)</b>	3,572,640	3,453,056	3,196,899
<b>Expenditures during the fiscal year:</b>			
Credit Enhancement Program	30,070	14,006	5,263
Clean Water Legacy Programs	52,074	42,332	16,504
Clean Water Revolving Fund:			
Bond related costs (audit, rebate calcs, etc)	52,995	37,330	58,217
Staff and general admin:			
B24-PFA	655,519	662,271	599,952
B22-DEED	77,145	58,645	84,245
R32-PCA	1,485,071	1,531,956	1,615,740
B04-MDA	-	-	3,981
Drinking Water Revolving Fund:			
Bond related costs (audit, rebate calcs, etc)	30,891	30,693	35,278
Staff and general admin:			
B24-PFA	422,497	410,187	361,817
B22-DEED	49,664	37,767	50,276
H12-MDH	425,969	588,727	-
Transportation Revolving Loan Fund:			
Bond related costs (audit, rebate calcs, etc)	3,176	10,349	4,850
Staff and general admin:			
B24-PFA	29,614	36,034	29,769
B22-DEED	3,509	3,194	4,246
total fee account expenditures	3,318,195	3,463,490	2,870,138
<b>Ending Cash balance *</b>	6,376,008	6,121,563	6,131,998
* balance by program:			
Credit Enhancement Program	18,886	32,956	28,962
Clean Water Legacy Programs	91,023	72,026	58,943
Clean Water Revolving Fund	3,071,305	2,865,703	2,687,106
Drinking Water Revolving Fund	3,081,723	3,078,506	3,286,671
Transportation Revolving Loan Fund	113,071	72,373	70,316
	6,376,008	6,121,563	6,131,998

Agency key:      B24-PFA      Public Facilities Authority  
                      B22-DEED      Department of Employment and Economic Development  
                      R32-PCA      Pollution Control Agency  
                      B04-MDA      Department of Agriculture  
                      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.

Fee account balances are at a projected high point after significant loan prepayments. Future fee collections will be reduced due to the prepayments, and, beginning in FY 2017, MDH costs for the DWRF are also being charged to these fee accounts. The balance is projected to decrease in the long-term to a target amount equal to approximately one year's coverage of expenditures.