

**Mayor Tom Ross**

**City of Minot**

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**Senate Bill 2323 Testimony**

**House Finance and Taxation Committee**

**Hon. Representative Craig Headland, Chairman**

Chairman Headland and committee members, thank you for the opportunity to be here today to discuss SB 2323. My name is Tom Ross, and I am the Mayor of the City of Minot. I am here today to offer testimony in support of SB 2323.

As you are all aware, the State of ND—particularly the western region-- has been significantly impacted by the oil industry in the past two decades. Each community has faced unique challenges, and various approaches to address these issues.

In Minot, we were simultaneously dealing with the aftermath of the 2011 flood and the infrastructure challenges brought on by oil industry growth. This combination led Minot to adopt a more conservative approach to incurring new debt. Instead, we leveraged alternative funding sources such as sales tax revenues, surge funds, and property taxes to manage demands of new growth. Minot saw its mill rate climb from 76.67 mills in 2011 to a high of 129.23 mills in 2019. That rate has since receded to 97.11. This debt averse strategy also resulted in the deferral of several critical maintenance projects due to funding constraints.

The funding provided by this bill would allow Minot to service the debt related to the oil-driven growth while freeing up revenues that would have otherwise been allocated to debt service. This would allow the city to address long-overdue maintenance projects that have been deferred. For your reference I am including a list of Minot's debt service obligations and how much is oil-related on the following page. This information is taken from the Minot Annual Comprehensive Financial Report, so it reflects principal only. On the third page, I am including a list of the oil-related debt inclusive of interest.

Thank you for your consideration of SB 2323 and all the support that you offer to ND Cities. I will stand for any questions that you may have.

**Long-Term Debt Outstanding as of 10/17/2024**

<b>Issuance</b>	<b>Issuance Date</b>	<b>Date of Final Payment</b>	<b>Interest Rates</b>	<b>Ending Balance</b>	<b>Due Within One Year</b>	<b>% of Debt Related to Oil Growth</b>	<b>Estimated Oil-Related Debt Outstanding</b>	<b>Annual Oil-Related Debt Service</b>
Series 2015E Airport Revenue Bonds	11/24/2015	10/1/2035	2.25-3.625%	\$ 7,250,000	\$ 560,000	100.00%	\$ 7,250,000	\$ 560,000
Series 2020C Airport Revenue Refunding Bonds	9/9/2020	10/1/2035	1.00-1.70%	12,570,000	1,085,000	100.00%	12,570,000	1,085,000
Series 2013C Water & Sewer Revenue Bonds	11/26/2013	10/1/2028	3.00-4.00%	1,650,000	395,000	0.00%	-	-
Series 2014C Water & Sewer Revenue Bonds	11/25/2014	10/1/2029	2.25-3.10%	1,585,000	300,000	59.40%	941,567	178,215
Series 2015D Water & Sewer Revenue Bonds	11/24/2015	10/1/2025	3.00%	765,000	765,000	11.77%	90,008	90,008
Series 2016C Water & Sewer Revenue Bonds	11/29/2016	10/1/2031	3.00-4.00%	2,550,000	330,000	68.71%	1,752,163	226,750
Clean Water State Revolving Loan Fund	9/24/2018	9/1/2038	1.50%	4,760,000	300,000	100.00%	4,760,000	300,000
Clean Water State Revolving Loan Fund	6/1/2018	9/1/2040	1.50%	6,643,716	525,000	0.00%	-	-
Drinking Water State Revolving Loan Fund	6/1/2018	9/1/2040	1.50%	789,947	75,000	0.00%	-	-
Series 2015C General Obligation Bonds	11/24/2015	10/1/2025	3.00%	45,000	45,000	100.00%	45,000	45,000
Series 2016B General Obligation Bonds	11/29/2016	10/1/2031	3.00-4.00%	5,395,000	695,000	100.00%	5,395,000	695,000
Series 2022A Taxable General Obligation Bonds (Tax Incremental)	12/8/2022	10/1/2042	4.54-5.40%	2,170,000	100,000	0.00%	-	-
Series 2014A Refunding Improvement Bonds	11/25/2014	10/1/2034	3.00-3.375%	940,000	80,000	39.28%	369,260	31,426
Series 2015B Refunding Improvement Bonds	11/24/2015	10/1/2035	2.00-3.25%	1,130,000	90,000	49.54%	559,788	44,585
Series 2016A Refunding Improvement Bonds	11/29/2016	10/1/2036	3.00-3.25%	520,000	35,000	0.00%	-	-
Series 2020A Refunding Improvement Bonds	9/9/2020	10/1/2030	2.00%	840,000	135,000	0.00%	-	-
Series 2021A Refunding Improvement Bonds	9/29/2021	10/1/2031	4.00-5.00%	2,650,000	325,000	0.00%	-	-
Series 2022B Refunding Improvement Bonds	12/29/2022	10/1/2033	5.00%	3,495,000	320,000	100.00%	3,495,000	320,000
Series 2024 Refunding Improvement Bonds	10/15/2024	10/1/2025	4.00%	865,000	75,000	0.00%	-	-
Series 2015A Capital Financing Program Bonds	2/11/2015	6/1/2029	3.00-4.00%	785,000	145,000	0.00%	-	-
Series 2020B Sales Tax Revenue Bonds	9/9/2020	10/1/2050	1.00-3.00%	7,345,000	220,000	0.00%	-	-
Series 2021B Sales Tax Revenue Bonds	9/29/2021	10/1/2051	2.00-5.00%	40,070,000	915,000	0.00%	-	-
				<u>\$ 104,813,663</u>	<u>\$ 7,515,000</u>		<u>\$ 37,227,785</u>	<u>\$ 3,575,984</u>

**Long-Term Debt Outstanding as of 12/31/2024**

<b>Issuance</b>	<b>Issuance Date</b>	<b>Date of Final Payment</b>	<b>Interest Rates</b>	<b>Ending Balance w/ Interest</b>	<b>Due Within One Year</b>	<b>% of Debt Related to Oil Growth</b>	<b>Estimated Oil-Related Debt Outstanding</b>	<b>Annual Oil-Related Debt Service</b>
Series 2015E Airport Revenue Bonds	11/24/2015	10/1/2035	2.25-3.625%	\$ 8,836,194	\$ 801,631	100.00%	\$ 8,836,194	\$ 801,631
Series 2020C Airport Revenue Refunding Bonds	9/9/2020	10/1/2035	1.00-1.70%	15,399,863	1,404,514	100.00%	15,399,863	1,404,514
Series 2014C Water & Sewer Revenue Bonds	11/25/2014	10/1/2029	2.25-3.10%	1,731,875	347,885	59.40%	1,028,818	206,661
Series 2015D Water & Sewer Revenue Bonds	11/24/2015	10/1/2025	3.00%	787,950	787,950	11.77%	92,708	92,708
Series 2016C Water & Sewer Revenue Bonds	11/29/2016	10/1/2031	3.00-4.00%	2,875,700	413,200	68.71%	1,975,958	283,919
Clean Water State Revolving Loan Fund	9/24/2018	9/1/2038	1.50%	5,318,450	371,400	100.00%	5,318,450	371,400
Series 2015C General Obligation Bonds	11/24/2015	10/1/2025	3.00%	46,350	46,350	100.00%	46,350	46,350
Series 2016B General Obligation Bonds	11/29/2016	10/1/2031	3.00-4.00%	6,084,600	871,000	100.00%	6,084,600	871,000
Series 2014A Refunding Improvement Bonds	11/25/2014	10/1/2034	3.00-3.375%	1,112,735	109,303	39.28%	437,115	42,937
Series 2015B Refunding Improvement Bonds	11/24/2015	10/1/2035	2.00-3.25%	1,351,138	124,088	49.54%	669,337	61,471
Series 2022B Refunding Improvement Bonds	12/29/2022	10/1/2033	5.00%	4,626,456	515,475	100.00%	4,626,456	515,475
							<b>\$ 44,515,849</b>	<b>\$ 4,698,066</b>