

Fund:

**DEBT SERVICE**

Department:

**DEBT SERVICE**

Division:

**2013 G.O. REFUNDING BONDS**

Division No.: **43017**

***MISSION:***

This Division provides current funding for redemption of principal, the interest cost and paying agent fees for the Governmental Funds portion of the 2013 Series General Obligation Refunding Bonds.

***PROGRAM HIGHLIGHTS:***

In FY 2014, the City of Carbondale issued \$9,015,000 General Obligation Refunding Bonds to refund the 2003 Series General Obligation Refunding Bonds and an Illinois Environmental Protection Agency (IEPA) loan and provide funding for the reconstruction of Schwartz Street. The 2003 Series General Obligation Refunding Bonds originally refunded the 1993 Series General Obligation Bonds. The 1993 Series General Obligation Refunding Bonds were originally issued to refund the 1990 Tax Allocation Bonds which financed the expansion of the University Mall. The IEPA loan funded the upgrade of the South East Waste Water Treatment Plant (SEWWTP).

As a result of declining interest rates, the City issued the 2013 Series General Obligation Refunding Bonds which had an average coupon rate of 2.19% replacing the outstanding 2003 Series General Obligation Refunding Bonds which had a coupon rate of 3.97% and the outstanding IEPA loan on the SEWWTP which had a coupon rate of 2.5%. This reduction in interest rate enabled the City to realize a savings of approximately \$108,000 and \$167,000 respectively due to reduced interest expenditures over the period of Bond maturities.

The FY 2016 debt service includes a June 2015 interest payment of \$18,750 and a December 2015 interest payment of \$18,750 and principal payment of \$340,000. Paying agent fees for the Bonds total approximately \$86 for a FY 2016 total debt service cost of \$377,586.

The FY 2017 debt service includes a June 2016 interest payment of \$15,350 and a December 2016 interest payment of \$15,350 and principal payment of \$340,000. Paying agent fees for the Bonds total approximately \$86 for a FY 2017 total debt service cost of \$370,786.

The Governmental Funds portion of the 2013 Series General Obligation Refunding Bond Debt Service is funded entirely through funding source transfers from the General Fund and the Local Improvement Fund. The Governmental Funds portion of the bond debt will be fully paid on December 1, 2019.

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EXPENDITURE CLASSIFICATION	AUTHORIZED		ESTIMATED	
	ACTUAL FY2015	BUDGET FY2016	ACTUAL FY2016	BUDGET FY2017
<b>DEBT SERVICE</b>				
600 General Obligation Bond Prin.	335,000	340,000	340,000	340,000
601 General Obligation Bond Int.	44,200	37,500	37,500	30,700
690 Paying Agent Fees	85	750	86	86
695 G.O. Bond Issuance Costs	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
TOTAL DEBT SERVICE EXPENDITURES	379,285	378,250	377,586	370,786
<b>TOTAL EXPENDITURES</b>	<u>379,285</u>	<u>378,250</u>	<u>377,586</u>	<u>370,786</u>