

Fund:

DEBT SERVICE

Department:

DEBT SERVICE

Division:

2015 G.O. REFUNDING BONDS

Division No.: **43018**

MISSION:

This Division provides current funding for redemption of principal, the interest cost and paying agent fees for the Series 2015 General Obligation Refunding Bonds.

PROGRAM HIGHLIGHTS:

During Fiscal Year 2015, the City of Carbondale issued \$1,500,000 of G.O.B to advance refund the 2006 General Obligation Bonds.

Due to favorable interest rates the City issued the 2015 Series General Obligation Refunding bonds which have an average coupon rate of 2.00% replacing the outstanding 2006 General Obligation Street Improvement Program Bonds which had an outstanding bond coupon rate of 6.28%. This reduction in interest rate enabled the City to realize a net savings of approximately \$60,000.

The annual debt service required to retire the combined 2006 and 2015 Series Bonds is approximately \$750,000 per year over a 3 year term.

FY 2016 debt service payments were funded entirely from the Community Investment Projects Fund's Local Improvement Fund. FY 2017 and FY 2018 debt service payments are funded in part by the state Motor Fuel Tax Fund in the amount of \$450,000, and the remaining balance paid from the Community Investment Projects Fund's Local Improvement Fund.

The FY 2016 debt service includes a June 1, 2015, interest payment of \$9,083.33; and December 1, 2015, interest and principal payments of \$15,000.00 and \$45,000, respectively; and paying agent fees of approximately \$750 resulting in the FY 2016 debt service total of approximately \$69,833.

The FY 2017 debt service includes a June 1, 2016, interest payment of \$14,550; and December 1, 2016, interest and principal payments of \$14,550 and \$720,000, respectively; and paying agent fees of approximately \$750 resulting in the FY 2017 debt service total of approximately \$749,850.

The final principal and interest payment on the 2015 G.O. Refunding Bond is scheduled December 1, 2017.

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EXPENDITURE CLASSIFICATION	AUTHORIZED		ESTIMATED	
	ACTUAL FY2015	BUDGET FY2016	ACTUAL FY2016	BUDGET FY2017
DEBT SERVICE				
600 General Obligation Bond Prin.	0	45,000	45,000	720,000
601 General Obligation Bond Int.	0	24,083	24,083	29,100
690 Paying Agent Fees	0	750	0	750
695 G O Bond Issuance Costs	<u>26,566</u>	<u>0</u>	<u>0</u>	<u>0</u>
TOTAL DEBT SERVICE EXPENDITURES	26,566	69,833	69,083	749,850
TOTAL EXPENDITURES	<u>26,566</u>	<u>69,833</u>	<u>69,083</u>	<u>749,850</u>