

Fund: DEBT SERVICE
Department: DEBT SERVICE
Division: 2010 G.O. BONDS PUBLIC SAFETY CENTER
Division No.: 43015

MISSION:

This Division provides current funding for redemption of principal, the interest cost and paying agent fees for the Series 2010 General Obligation Bonds for the Public Safety Center Construction.

PROGRAM HIGHLIGHTS:

During Fiscal Year 2011, the City of Carbondale issued \$4,000,000 of Recovery Zone Bonds under the American Recovery and Reinvestment Act and \$3,991,000 of Build America Bonds to provide funding for the construction of a new Public Safety Center. Recovery Zone Bonds provide a 45% and Build America Bonds provide a 35% annual rebate of interest costs respectively from the federal government. The annual debt service required to retire the 2010 Series Bonds is approximately \$582,000 per year after the interest rebate over a 20 year term.

Debt service payments are funded entirely through funding source transfers from the General Fund.

The FY 2014 debt service includes June 1, 2013, interest payments of \$124,450 for the Recovery Zone Bonds and \$78,428 for the Build America Bonds and December 1, 2012, interest payments of \$124,450 for the Recovery Zone Bonds and \$78,425 for the Build America Bonds and a principal payment of \$365,000 for the Build America Bonds. These charges are offset by interest rebates of \$103,101 and \$50,533 respectively. Paying agent fees totaled approximately \$1,400 resulting in the FY 2014 debt service total of approximately \$618,519.

During the sequestration of the Federal Government the interest rebates received in FY 2014 were reduced from their budgeted amounts of \$112,005 and \$54,898; an unfavorable variance of \$8,904 and \$4,365, an approximate 8.0% reduction of the interest rebate.

The FY 2015 debt service includes June 1, 2014, interest payments of \$124,450 for the Recovery Zone Bonds and \$73,498 for the Build America Bonds and December 1, 2014, interest payments of \$124,450 for the Recovery Zone Bonds and \$73,497 for the Build America Bonds. A principal payment of \$370,000 is due on December 1, 2014, for the Build America Bonds. These charges will be offset by interest rebates of \$112,005 and \$51,448 respectively. Paying agent fees total approximately \$3,000 each resulting in the FY 2015 debt service total of approximately \$605,542.

The final principal and interest payment on the 2010 “A” Redevelopment Zone Bond is scheduled for December 1, 2029. The final principal and interest payment on the 2010 “B” Build America Bond is scheduled for December 1, 2021.

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FACILITY**

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EXPENDITURE CLASSIFICATION	AUTHORIZED		ESTIMATED	
	ACTUAL FY2013	BUDGET FY2014	ACTUAL FY2014	BUDGET FY2015
DEBT SERVICE				
600 General Obligation Bond Prin.	361,000	365,000	365,000	370,000
601 General Obligation Bond Int.	230,212	238,848	252,119	232,442
690 Paying Agent Fees	<u>1,400</u>	<u>1,400</u>	<u>1,400</u>	<u>3,000</u>
TOTAL DEBT SERVICE EXPENDITURES	592,612	605,248	618,519	605,442
TOTAL EXPENDITURES AND OTHER FINANCING USES				
	<u>592,612</u>	<u>605,248</u>	<u>618,519</u>	<u>605,442</u>