

Fund: DEBT SERVICE
Department: DEBT SERVICE
Division: 2013 G.O. REFUNDING BONDS
Division No.: 43017

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.

The final Governmental Funds principal and interest payment on the 2013 G.O. Refunding Bond is scheduled for December 1, 2019.

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 2014 debt service includes a December 2013 interest payment of \$21,732 and issuance costs of \$27,945 for a FY 2014 total debt service cost of \$49,677.

The FY 2015 debt service includes a June 2014 interest payment of \$22,100 and a December 2014 interest payment of \$22,100 and principal payment of \$335,000. Paying agent fees for the Bonds total approximately \$750 for a FY 2015 total debt service cost of \$379,950.

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EXPENDITURE CLASSIFICATION	AUTHORIZED		ESTIMATED	
	ACTUAL FY2013	BUDGET FY2014	ACTUAL FY2014	BUDGET FY2015
DEBT SERVICE				
600 General Obligation Bond Prin.	0	0	0	335,000
601 General Obligation Bond Int.	0	21,732	21,732	44,200
690 Paying Agent Fees	0	450	0	750
695 G.O. Bond Issuance Costs	0	27,945	27,945	0
TOTAL DEBT SERVICE EXPENDITURES	0	50,127	49,677	379,950
TOTAL EXPENDITURES AND OTHER FINANCING USES	<u>0</u>	<u>50,127</u>	<u>49,677</u>	<u>379,950</u>