

CITY of BOSTON - DEBT SERVICE REQUIREMENTS - FISCAL YEARS 2016 through 2023

	Actual FY16	Actual FY17	Budget FY18	Budget FY19	Projected FY20	Projected FY21	Projected FY22	Projected FY23
<u>Gross Debt Service Requirements - Bonded Debt:</u>								
Total Principal:	110,590,000	116,976,541	121,490,049	129,028,851	133,347,953	146,432,361	167,207,083	172,372,124
Total Interest:	52,323,243	53,832,625	64,800,158	64,301,987	70,324,775	74,481,929	78,206,485	81,126,492
(1) Total:	162,913,243	170,809,166	186,290,207	193,330,838	203,672,728	220,914,290	245,413,568	253,498,616
<u>Less: Revenue Deemed Available from Related Sources:</u>								
Boston Medical Center	0	0	0	0	0	0	0	0
Boston Public Health Commission	0	0	0	0	0	0	0	0
Water and Sewer Payments	0	0	0	0	0	0	0	0
(2) Premium, Subsidies, Other	3,656,500	3,598,172	3,526,669	3,418,863	3,308,756	2,950,602	2,853,141	2,369,144
Renew Boston Trust - Energy Savings	0	0	0	175,000	775,000	1,482,500	3,332,500	4,382,500
Accrued Interest	100,000	100,000	0	100,000	100,000	100,000	100,000	100,000
(3) Irrigation Project	199,023	190,285	116,365	9,149	0	0	0	0
(4) 1010 Massachusetts Avenue Project	2,265,029	2,220,937	2,123,404	1,954,914	1,924,363	2,409,288	2,644,951	2,089,269
(5) Pension Management System	1,904,612	1,904,553	1,903,326	1,902,668	1,903,312	1,904,187	893,752	640,475
Interest on Loan to BOA Fund and Dudley Fund	0	0	0	0	0	0	0	0
<u>Plus: Interest on Temporary Loan Notes and Additional Items:</u>								
Revenue Anticipation	0	0	1,936,000	3,000,000	3,000,000	3,000,000	3,000,000	3,000,000
Cost of Issuance	0	0	500,000	500,000	500,000	500,000	500,000	500,000
Dudley Sq. Site / Sec. 108	505,000	505,000	505,000	0	0	0	0	0
Lease Payment for Bolling Municipal Building	943,000	551,000	551,000	551,000	248,111	0	0	0
(6) Sinking Fund for Nov., 2009 QSCB	1,454,545	1,454,545	1,454,545	1,454,545	1,454,545	1,454,545	1,454,545	1,454,545
School B.A.N.'s	0	0	0	0	0	0	0	0
Total Debt Service/Budget Summary:	157,690,624	165,305,765	183,566,988	191,275,788	200,863,954	217,022,258	240,543,768	248,871,774
<u>Less Additional Adjustments:</u>								
School Construction Assistance	7,344,337	6,720,152	6,720,147	5,107,351	2,461,330	0	0	0
Total Net Debt Service Requirements:	150,346,287	158,585,613	176,846,841	186,168,437	198,402,624	217,022,258	240,543,768	248,871,774

NOTES:

- (1) FY17 - the City issued:
\$150 million in General Obligation Bonds with a 20-year maturity and an average coupon rate of 3.97%; closing date: April 4, 2017

Assumptions:

FY18 - Assumes General Obligation debt issuance of \$170 million with a 20 year maturity and an interest rate of 4.75%.
FY19 - Assumes General Obligation debt issuance of \$170 million and \$7 million for the Renew Boston Trust project, each with a 20 year maturity and an interest rate of 5.00%.
FY20 - Assumes General Obligation debt issuance of \$200 million and \$3 million for the Renew Boston Trust project each with a 20 year maturity and an interest rate of 5.0%.
FY21 - Assumes General Obligation debt issuance of \$200 million and \$20 million for the Renew Boston Trust project each with a 20 year maturity and an interest rate of 5.0%.
FY22 - Assumes General Obligation debt issuance of \$200 million and \$15 million for the Renew Boston Trust project each with a 20 year maturity and an interest rate of 5.0%.
FY23 - Assumes General Obligation debt issuance of \$200 million with a 20 year maturity and an interest rate of 5.0%.

- (2) Under the American Recovery and Reinvestment Act of 2009 (ARRA), in 2010 and 2011, the City issued Tax Benefited Bonds which are entitled to receive subsidy payments from the Federal Government. The IRS has released 5 subsidy reduction notifications since March of 2013, reducing the expected annual subsidy - the projected loss through FY2018 is approximately \$1.4 million. An estimated Subsidy reduction to ARRA-related issuances of 7.3% per year from FY2019 through FY2023 has been applied in response to IRS withholding notifications.
- (3) Debt Service Costs will be offset by the "Fund for Parks and Recreation".
- (4) Debt Service Costs will be offset by charging City departments for the space they occupy.
- (5) Debt Service Costs will be offset by semi-annual payments from the Retirement Board.
- (6) Quarterly payments of principal in the amount of \$363,636.36 are currently being made to the paying agent with respect to the City's outstanding \$20 million G.O. Qualified School Construction Bonds, 2009-Series A, which were issued as tax credit bonds that do not earn interest. These funds are kept in escrow until the Bonds mature on September 15, 2024.