



Analysis of Outstanding Debt

City of Springfield, Massachusetts

January 22, 2016

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THE CITY OF SPRINGFIELD, MASSACHUSETTS

Dear Mayor Sarno and Members of the City Council:

I am pleased to provide you with the enclosed analysis of the City of Springfield's existing debt. The Analysis of Outstanding Debt is intended as a user-friendly examination of current and future debt, issued on behalf of the residents of our community. It evaluates the affordability of issuing new debt, while taking into account the City's existing annual debt service payment obligations. Additionally, the City can use the study as a tool to make informed decisions when assessing its debt and financial positions.

In this report, affordability is measured by determining the annual amount of debt service and other debt-like payment obligations as a percentage of general fund revenues. This measure (debt service as a percent of general fund revenues) is a commonly accepted standard for measuring debt capacity. It provides a true indication of the relative cost of the City's debt by taking into account the actual City's payment obligations on debt and the amount of revenue available to pay those obligations.

In recent years, the City has taken a proactive approach to debt strategy by reviewing outstanding debt for restructuring opportunities; consistently assessing capital needs, and offsetting project costs with outside funding whenever possible. The following debt affordability analysis will show that, consequent to these efforts, the City of Springfield is now in a position to strategically invest in its infrastructure and capital needs.

Along with a strong debt strategy, the ability to tackle the City's capital needs comes by offsetting project costs with grant awards, as well as funding provided by state and federal agencies. In February 2015, the City issued \$50.5 million of debt. The issuance provided the City's 15% share of costs to cover \$340.8 million in projects. The additional 85% of project costs were paid for or reimbursed by the agencies including Massachusetts School Building Authority (MSBA), Federal Emergency Management Agency (FEMA), Massachusetts Emergency Management Agency (MEMA), and US Department of Housing and Urban Development (HUD).

In FY15 and FY16, the City refunded previously issued bonds. Much like refinancing a home, this is an opportunity to pay the remaining balance of the loans off at a lower interest rate. The City's refunding efforts in FY15 saved the City over \$1.6 million in interest payments over the fifteen years of debt service. The refunding opportunity in FY16 was twofold. First, the City saved \$850,000 in interest payments over the next 15 years. Just as important, the MSBA was

able to reduce its reimbursement payments due to the City over the next four year, by \$1.2 million. The decision to move forward with the refunding effort is a testament to the relationship between the City and the MSBA, and with the hope that savings afforded to the MSBA will be reinvested in Springfield. By refunding bonds and thereby lowering the City's interest rate, the City's debt capacity increases enabling more debt to be issued.

Previous years' efforts to restructure debt have increased our capacity for future debt issuances and prevented dramatic increases in future debt payments. One of the established benchmarks reviewed by the municipal bond industry is debt retirement, which is the percent of debt to be paid off within ten years. Industry standard is between 65% and 100%, currently, Springfield's debt retirement number is 81.9%. This declining debt schedule and rapid repayment of principal indicates that the City is committed to repaying its debt.

Annually, the City publishes a Capital Improvement Plan (CIP), which provides a detailed view of the capital needs within the City of Springfield. This comprehensive capital plan includes roads, sidewalks, parks, land, buildings, equipment, fleet and other capital asset needs which will serve as a singular basis for capital funding decisions in future years. The Fiscal Year 2016-2020 Capital Improvement Plan (CIP) indicates there is over \$798.4 million in capital needs in the City. The Fiscal Year 2017-2021 Capital Improvement Plan process is underway.

As often as possible, the City takes advantage of the MSBA's Accelerated Repair Program initiative. This innovative competitive grant program represents a unique opportunity for the City. The main goals of the Accelerated Repair Program are to improve learning environments for children and teachers, reduce energy usage and generate cost savings for the City. To date, the City has been invited to take part in this program and has repaired and/or replaced roofs, windows, and doors in seven schools. In FY16, work will be done on the Daniel B Brunton School, Mary M. Walsh School, Springfield Public Day High School, and STEM Middle Academy. The collaboration between the City and MSBA results in high reimbursement levels, a major reason for the high percentage of school related debt.

The City has continued to pursue assistance from FEMA, MEMA, Federal Highway Administration (FHWA), HUD, and MSBA for the costs related to disaster recovery and resiliency efforts. Springfield has issued Bond Anticipation Notes (BANs) to address the Department of Revenue (DOR) requirement to extinguish the deficits; and we continue to seek reimbursement from these agencies. In the meantime, the City continues to monitor its cash flow and process timely payments.

The City of Springfield has maintained its 'AA-' credit rating, which was the result of a double upgrade from Standard & Poor's (S&P) in 2014. The S&P rating continues to be the highest rating in the City's record history. In addition, the City received a reaffirmed credit rating of A2 with a revised outlook from stable to positive by Moody's in January 2015. This is a testament to how well the City has made it through the economic downturn and made appropriate decisions to keep the budget balanced. Moody's credited Springfield's stabilized financial position with "satisfactory reserve levels, as well as demonstrated ability to independently manage the city, following the disbanding of the city's control board in 2009".

I hope this analysis is helpful to you and would welcome the opportunity to provide any additional information that would be useful to you or the residents of our community.

Very truly yours,

A handwritten signature in blue ink, appearing to read "Timothy J. Plante". The signature is written in a cursive style with a long horizontal flourish extending to the right.

Timothy J. Plante
Chief Administrative and Financial Officer

Springfield Debt Overview

Mandated by Chapter 468 of Acts and Resolves of 2008, the City of Springfield’s Office of Management & Budget is required to provide a yearly review of the City’s current outstanding debt. This review is designed to have two desired effects:

1. An outstanding debt analysis will show financial officials and citizens the current state of debt management.
2. Secondly, this analysis will show if the City of Springfield could afford more debt in either the current fiscal year or future years, as debt service payments decline.

Currently, the City of Springfield has a total of \$284.0 million in outstanding total debt, including \$227.2 million in principal and \$56.8 million in interest. The total debt consists of issuances dating back to fiscal year 2002 up to the most recent debt issuance in 2015. This study will show that Springfield is currently within its debt capacity as mandated by the City’s financial ordinances, Chapter 4.44.070, which states “General Fund debt service as a percentage of general fund revenues, net of debt exclusions – should not exceed eight percent (8%)”.

Debt Service as a % of General Fund Revenue			Source
A	2015 Total Debt Service	\$37,590,246	First Southwest
B	2015 General Fund Revenue	\$604,626,326	Springfield
A/B	Debt Capacity	6.2%	

Analysis of City Debt

The City’s aggregate debt service totals \$284.0 million over thirteen years. Projects that make up this debt range from the small - \$200,000 for the remodeling of Libraries and Museums in 2005, to the large - \$10.0 million for citywide ESCO (Energy Service Contracts, Phase II of III) projects for facility enhancements and improvements that maximize energy efficiency.

There are many different ways to examine the City’s debt. This document first examines the policy issues associated with our debt – for what purpose was it issued, in what structure or manner was it issued – and then examines what this debt tells us about the finances of our community. The latter analysis relies on benchmarks established by Moody’s Investors Service, Standard & Poor’s and Fitch Ratings, the three large companies that evaluate and rate municipal debt. These benchmarks tell us what our ability is to repay our debt, highlights areas of further investigation and public discourse and will be used by rating agencies to rate our bonds. When Springfield wants to issue bonds, its bond rating reflects the amount of interest it has to pay an investor. The higher the bond rating, the lower the risk of default and the amount of risk the investor is taking. Lower risk means lower interest received by the investor and paid out by the City.

Annual Debt Service

The City is legally obligated to pay the principal and interest associated with a bond issuance before all expenses, including salary obligations. This annual payment is known as the *debt service payment*. Because of this mandated expense, the City must be cognizant of debt service payments when issuing new debt and whether or not the City has the ability to increase those payments.

Long Term Debt Service

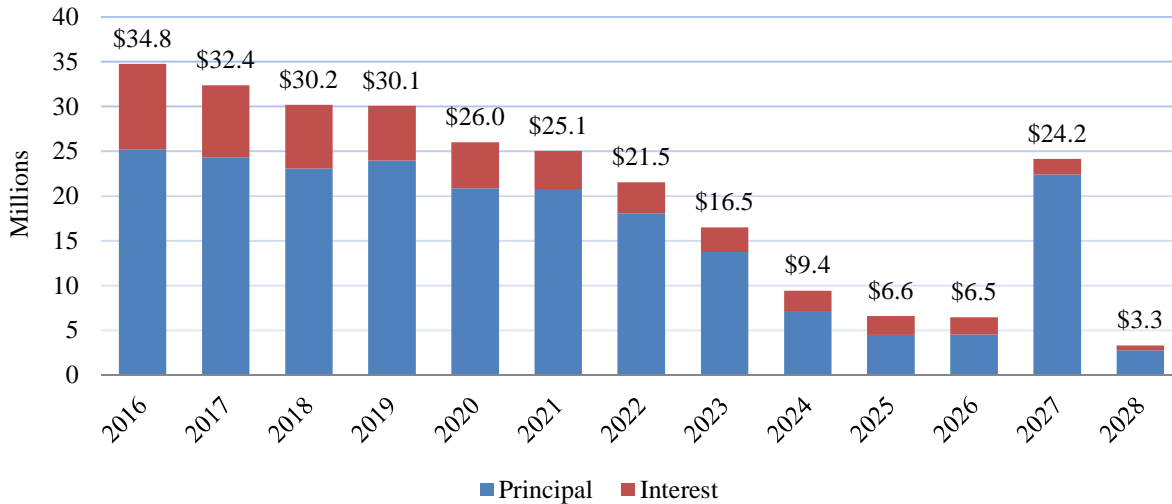


Figure 1: Debt service repayment schedule

The City’s debt service repayment schedule, as of June 30, 2014, is outlined in the chart above (Figure 1). In fiscal year 2010, the City took advantage of the Qualified School Construction Bond (QSCB) Act. This borrowing requires a “bullet” payment at the end of the seventeen year borrowing term. This “bullet” payment is seen as the large \$24.2M expenditure due in 2027. In order to prepare for this, the City will invest the required payments (\$776,910 annually) for the bond into a “sinking fund” each year. At the end of the term, the City will use the sinking fund to pay the principal and interest payments that are due. Otherwise, the City works to maintain a relatively smooth debt schedule as to not front or back load debt costs.

As illustrated above in Figure 1, the City has entered in to a declining debt service payment schedule. Each year, prior bond issuances “fall off” our debt schedule, decreasing the City’s annual long term debt service obligation. This means the City has bonding capacity for new capital improvement projects. In FY15, the City took advantage of the declining debt schedule and bonded for about \$50.5 million for new projects, including demolition, streets and sidewalk repairs, school improvements and city facility purchasing and improvements.

Additionally, the City’s ability to refund some of its outstanding bonds for interest cost savings, gives the City a larger debt capacity each year. This larger debt capacity enables more debt to be issued to capital improvement projects that are vital for the City. Similar to the refinancing of a

mortgage, savings are achieved by lowering interest costs. Our lower interest cost savings is a result of being able to call in high interest rate debt and substitute it with lower interest rate debt. This refunding gives the City a larger debt capacity each year enabling more debt to be issued. Between FY15 and FY16, the City completed two debt refunds, saving over \$2.5 million in interest payments over the fifteen years of debt service for the City and \$1.2 million as a reduction in QSCB payments from MSBA.

Purpose of Issuance

Of the City's \$227.2 million (principal only) debt, \$122.7 million (54%), was issued to finance school projects and \$104.4 million (45%), was issued for all other municipal purposes. The category of "all other municipal purposes" includes roads, sidewalks, police, fire, recreation, general government, as well as senior and other social services.

A majority of the City's debt is dedicated for school facilities because of varying degrees of need ranging from repairs, to major renovations, and new school construction. Many construction projects for school buildings are eligible for partial reimbursement from the Massachusetts School Building Authority (MSBA). School Construction aid received from the School Building Authority Board, the predecessor to the MSBA, allowed the City to issue debt for school building projects at a lower cost to the City's general fund. The City will receive a total of \$46.4 million in reimbursements from the MSBA over the next seven years.

Other Funding Sources

The City has been strategic in leveraging funds from Federal and State agencies. The City worked collaboratively with the Federal Emergency Management Agency (FEMA), the US Department of Housing and Urban Development (HUD), the Massachusetts Emergency Management Agency (MEMA), and the Massachusetts School Building Authority (MSBA) to maximize revenues for schools, facilities and infrastructure improvements.

In February 2015, the City issued \$50.5 million of debt for its shared costs of projects, outlined below, totaling \$340.8 million. This represents the City's responsibility of 15% of project costs with the additional 85% being paid for or reimbursed, by the agencies listed above. The City will continue this strategic use of federal, state, private and City funding as we make decisions about future debt issuances.

Composition of Debt

Debt can be issued for numerous purposes. Cities and towns deliver many services, from education and public safety, to transportation, recreation and social services. Each service has a different capital characteristic. Education, for example, requires the construction and maintenance of buildings in which to educate children. Education debt should therefore be heavily skewed toward building and facility debt. It is rare for the City to issue debt for non-facility or grounds related projects for the School Department. As shown below in Figure 2, the City's outstanding debt is mainly comprised of building and facility debt: City facility (53.1%) and demolition (28.2%).

General government services, however, should have a much more diverse mix of facility and non-facility debt. For example, parks and recreational debt should include some building debt, but also substantial non-facility debt, including the renovation of fields, pools, and other projects. Public Safety debt would normally include a mix of facility and non-facility debt, with non-facility debt being comprised mainly of vehicle, apparatus and equipment purchases. These non-facility debt categories account for 18.7% of the total City debt as shown in Figure 1 below.

Outstanding Total Debt City Projects as of June 30, 2015

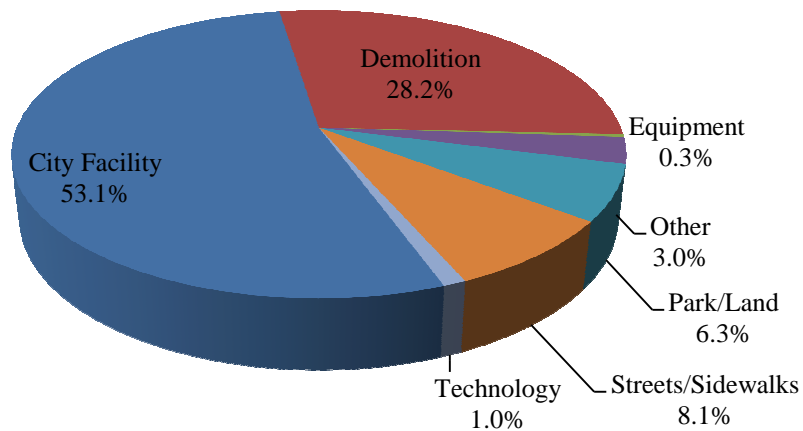


Figure 2: Breakdown of outstanding City debt

Examining non-facility debt, the City has begun to make substantial investments in equipment, parks, land purchases, the demolition of blight and condemned buildings, technology, and road and sidewalk infrastructure. The City’s CIP indicates there will need to be considerable future funding in those areas. These projects should also weigh heavily in the economic development plan for the City as dictated by the City’s executive leadership.

The City’s has shown its ability to fund non-facility investment projects with the use of debt. As mentioned above, a declining debt schedule has allowed for increased bonding capacity for new capital improvement projects. In FY15, the City issued \$50.5 million in debt for new capital projects. These projects included improvements to the Boston Road corridor, which is expected to generate a return on investment by attracting national chain stores to the neighborhood. In addition, funding has been used for the purpose of aiding the Springfield Redevelopment Authority in the implementation of the Union Station Redevelopment project. This type of clean up and improvement work is a driving force in economic development.

The FY15 bonds also fund the second phase of the City’s ESCO project, which includes improvements to increase energy efficiency within city and school facilities. This project includes upgrading boilers and heating systems in twenty municipal buildings; including thirteen

schools, three libraries and four public safety buildings. Returns on investment on this project are best viewed environmentally. Annually, energy efficiencies due to the City’s ESCO project improvements will yield the equivalent of 3.9 acres of forest preserved from deforestation, or 102.7 cars off the road for a year. And finally, the FY15 bonds also include additional school improvement projects, which will provide our students with a comfortable, technologically advanced environment in which to learn.

In Fiscal Year 2009, the City had instituted another source of funding for capital expenditures, which is known as “pay-as-you-go” capital. The City appropriates 1.5% of local source operating revenues to finance capital improvements via cash, in lieu of issuing debt, as required by the City’s financial ordinances and policies (Ch. 4.44.050.) This source allows the City to reduce its overall borrowing costs by funding smaller routine projects through the operating budget and avoid interest payments associated with bonds. Over the last eight years, \$21.2 million has been appropriated for capital projects. With this source, the City has been able to fund emergency infrastructure repair, vehicle replacement schedules for Public Safety and Public Works departments, IT upgrades for software, security and servers, as well as park and building renovations.

Net Debt Service

As mentioned in the Purpose of Issuance section, the City of Springfield has a total outstanding debt portfolio (principal only) of \$227.2 million as of June 30, 2015. When interest is included, the total cost of this debt is \$284.0 million. However, this is not the actual amount that the City pays in debt service. The City receives reimbursement for certain debt funded projects which, when netted from the \$284.0 million, leaves a balance of \$226.0 million of liability (principal and interest). Figure 3 below shows net debt service through 2028. The 2027 debt service payment represents the sinking fund payment of the QSCB as explained previously.

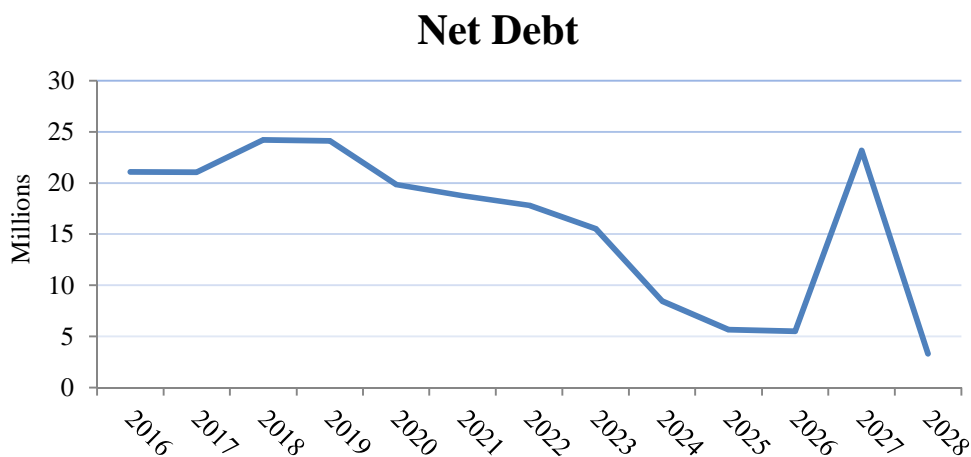


Figure 3: Net Debt Service payments

Currently the City receives a subsidy from the Massachusetts School Building Authority for qualified projects. One of the major projects that the City receives MSBA reimbursement is the construction of the new Putnam High School for which debt was issued in Fiscal Year 2007. The

following graph (Figure 4) shows the schedule of MSBA reimbursements. These reimbursements are subtracted from the City’s outstanding debt service to give an overall Net Debt. As you can see below, the reimbursements from MSBA are declining over the next seven years, as the debt is paid, before “falling off” in 2023. This graph does not include reimbursements for tornado affected schools.

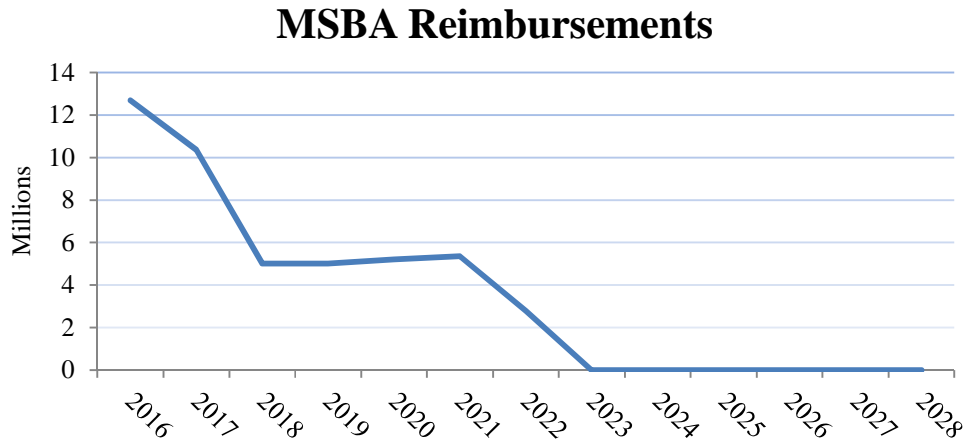


Figure 4: Reimbursement payments from MSBA

Industry Benchmarks

The municipal bond industry has established benchmarks that it uses to examine cities and towns across the nation. These benchmarks are intended to provide insight into a community’s ability and willingness to repay the debt it issues and can be valuable tools for communities to evaluate their financial management. This analysis is intended to provide insight into our finances and our ability to support debt and public investment.

What is included in this report and what is not?

This ratio analysis looks at all debt that places a burden on our general government revenue stream, but it excludes enterprise fund debt that would be repaid through dedicated revenue. Currently the City has not issued debt on behalf of its single enterprise fund. For ratios that examine debt service, this analysis also nets from overall debt service the value of reimbursements we receive from the Commonwealth for school construction projects. This revenue is dedicated to the repayment of bonds and therefore reduces the overall cost of repaying our debt.

This report assumes normal operations for the City of Springfield. A “worst case scenario” analysis could be conducted that would assume the Commonwealth stops making school building assistance payments. (This measure is appropriate as the City establishes its reserve funds, as these funds are established to address such emergencies.) The City’s debt study, however, should examine debt under normal operating conditions.

The following measurements have been performed for this analysis:

Measure	Industry Standard	Springfield - FY15	Springfield - FY16
Debt Service as a % of General Fund Expenditures	0%-8%	6.5%	5.8%
% of Principal Retired in Ten Years	65%-100%	89.4%	81.9%
Debt as a Percentage of EQV	0%-5%	2.9%	3.2%
Total Debt as a % of Total Personal Income	0%-7%	7.4%	8.1%
Net Debt Per Capita	\$0-\$1,000	\$1,176.42	\$1,467.87
Undesignated Fund Balance as a % of Revenues	10% or greater	10.4%	9.7%
General Fund Balance as a % of Revenues	15% or greater	16.9%	14.0%
Taxpayer Concentration % of Property Value Held by Top Ten Taxpayers	0%-15%	9.6%	10.1%
Overall Net Debt as a % of Full Value	1.5% - 5%	2.6%	3.2%

Figure 5: Municipal Bond Industry Benchmarks

Debt Service as a Percentage of General Fund Expenditures

The metric used for this benchmark measures the City’s ability to finance debt within its current budget, similar to the measurement of household income dedicated to mortgage payments. This is the most immediate measure of ability to pay; however, it only examines the ability to pay for debt within a community’s existing budget. Cities and towns that have excess levy capacity – communities that do not tax to the maximum of their Proposition 2 ½ limitation – would have greater ability to pay for debt than this measure suggests because they have additional taxing capacity which they have not accessed.

The City’s measure of debt service as a percentage of General Fund expenditures is strong, with 5.8% of the Fiscal Year 2016 budget dedicated to debt service. This is down from Fiscal Years 2015 and 2014 due to decrease in total debt service and increase in the City’s general fund revenue. The City is required to annually fund a capital reserve at least one and one half percent of property taxes from the prior fiscal year (Ch, 4.44.060). Many cities and towns with similar traits to Springfield have higher ratios of debt service to general fund expenditures. Springfield should continue to maintain this ratio at a similar level in the future to ensure large debt service payments are not unfairly placed on the City’s budget in the future.

The City’s relatively low ratio of debt service to general fund expenditures provides more budgetary flexibility to address financial problems that may arise. Debt payments are not discretionary. Courts have ruled that these payments must be made even before salary payments for employees. Communities with high levels of debt service relative to operating expenditures have a larger portion of their budget dedicated to payments that must be made regardless of the community’s financial situation. The City restructured its debt service payments in order to have declining payments in future years. This not only makes the debt service more affordable but also allows the City to layer more debt in future fiscal years. Having a lower ratio means less money is dedicated to debt service, which means more flexibility exists within the operating budget.

**Debt Service as a Percentage of General Fund Expenditures
(Fiscal Year 2015)**

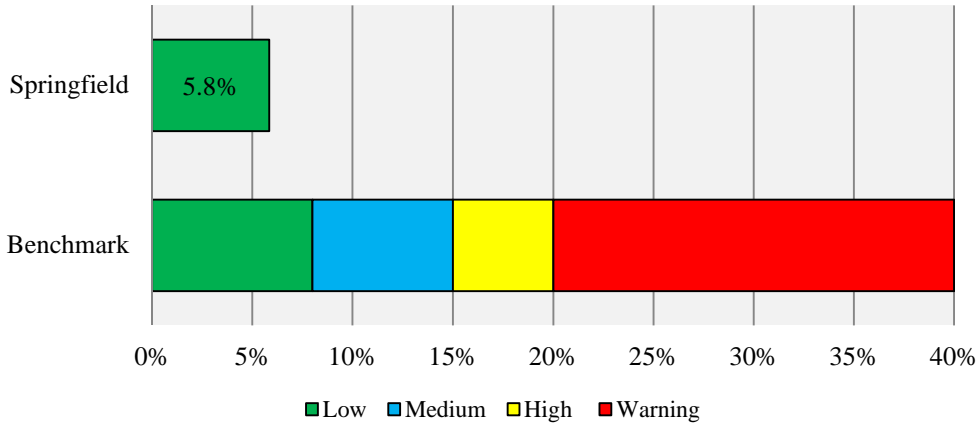


Figure 6

Debt Service as a % of General Fund Expenditures			
A	2016 Total Debt Service	\$34,767,437	<u>Source</u> First Southwest
B	2016 Budgeted General Fund Expenditures	\$594,911,803	Springfield
A/B	Debt Capacity	5.8%	

Figure 7

Debt Retirement: Percent Retired within Ten Years

The speed with which a community retires its debt indicates a number of important factors. Included in these are:

- Willingness to repay debt: rapid repayment of principal indicates that a community is committed to repaying its debt. This “willingness to pay” is measured in a number of ways and is particularly important to those who lend money to others, as it provides them some proof of the borrower’s intention to repay the money it borrowed.
- Ability to repay debt: rapid repayment of principal indicates that a city or town has the financial resources necessary to repay debt quickly. This demonstrates a level of financial stability; communities that are experiencing financial difficulty are unlikely to repay their debt in an accelerated manner.
- Prevention of future problems: rapid debt retirement ensures that a community is not “back loading” its debt, as the City once did, locking itself into debt repayments that are affordable now but that will grow as time passes. Back loading is a sign of poor financial management – either overspending is intentional or managers are unable to make the difficult immediate-term decisions to balance the budget using a more appropriate debt financing structure.

The percentage of debt retired within ten years is particularly important in determining the timing of debt repayment – the “back-loading” issue described above. Back-loading occurs when the cost of debt is pushed off into the future, reducing current year payments while increasing future ones. Back loading increases the cost of debt in the long term and can be a destabilizing financial factor when debt service requirements increase in future years. This means the City would need to reduce expenditures or programs, or increase taxes or other revenues to make the debt service payment. Prior to 2005, the City back-loaded debt issuances causing major spikes in its debt service payments in future years. This was accompanied through “front-loading” debt and making a number of other modifications to the City’s debt structure.

Failure to invest in maintenance and capital investment, otherwise known as deferred maintenance, can be considered a form of debt back-loading because capital needs must be addressed at some point; delay in maintenance or investment only delays the financing of these improvements, increases the likelihood that capital will fail *en masse*, forcing unaffordable costs onto future taxpayers. Delaying capital investment also tends to make projects more expensive because costs tend to increase over time.

The City currently has an aggressive debt retirement schedule. On average, 81.9% of the principal borrowed by the City is repaid within ten years as the remainder will be retired within fourteen years, as shown in Figures 8 and 9 below. This places the City well within the “excellent” ranking established by bond rating agencies (65% and above). Because of this schedule, the City will be able to borrow additional money to continue investing in its facilities, infrastructure, and other capital projects.

**Percent of Principal Retired in Ten Years
(Total Debt as of June 30, 2015)**

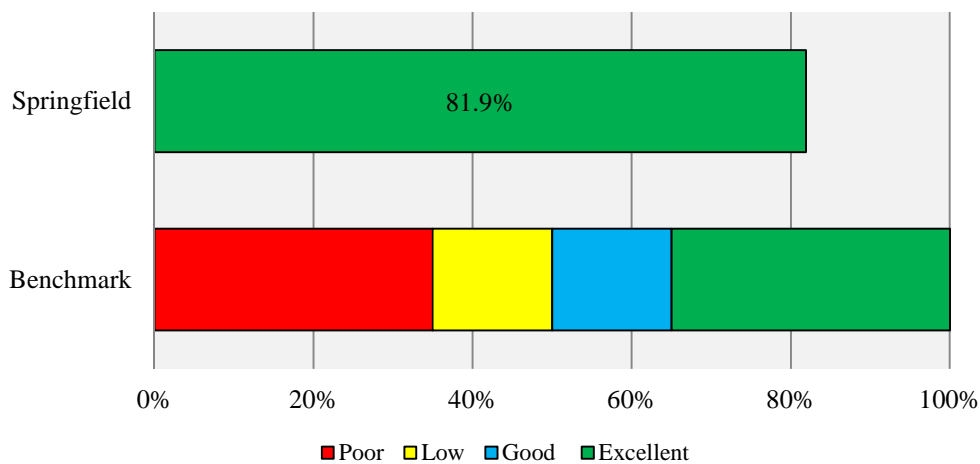


Figure 8

Percent of Principal Retired in 10 Years			Source
A	Total Debt Retired in 10 Years	\$232,617,284	First Southwest
B	Total Outstanding Debt Service	\$284,015,825	First Southwest
A/B	Percent of Principal Retired in 10 Years	81.9%	

Figure 9

Furthermore, the City’s overall debt retirement ranking indicates a strong willingness to repay debt. Examining this ratio in conjunction with the City’s overall debt schedule indicates that the City has not back loaded debt; the City’s overall debt structure is prudent and well within the industry benchmarks.

Debt as a Percentage of Full Property Value (EQV)

Debt as a percentage of full property value (known in government finance circles as “equalized value,” or EQV) measures the ability of a community’s property tax base to support borrowing. The majority of revenue in most communities comes from property taxation; therefore this ratio examines a community’s debt relative to its main revenue source. However, in Springfield, 62% of revenue comes from state aid while 38% comes from local revenue. In essence, this ratio looks at one of Springfield’s major sources of revenue to determine if outstanding debt would place too large a burden on it.

This measure is helpful but not deeply informative because it looks at total outstanding debt, not debt service. Examining debt as a ratio of full property value does not say much about the affordability of that debt. A small amount of debt issued at a high rate of interest can be more expensive than a larger amount of debt issued at a lower interest rate. Further, in Massachusetts communities are limited in their ability to access their property tax base by Proposition 2 ½. This measure is a helpful benchmark to compare communities to one another but is not an absolute measure of debt affordability because of these issues.

Mass. Gen. Laws ch. 44, § 10 dictates the City’s debt limit be no more than 5% of equalized value. The City’s ratio of debt to property value is 3.2% which is considered “medium” by rating agencies (Figure 10). As indicated above, this medium measure does not directly relate to the City’s ability to pay for this debt; this ratio does not take into account debt structure (how much money is due at what point in time for each issuance) or timing of payments, nor does it consider the City’s ability to access property values due to Proposition 2 ½.

Debt Service as a Percentage of Equalized Assessed Valuation (2014 EQV)

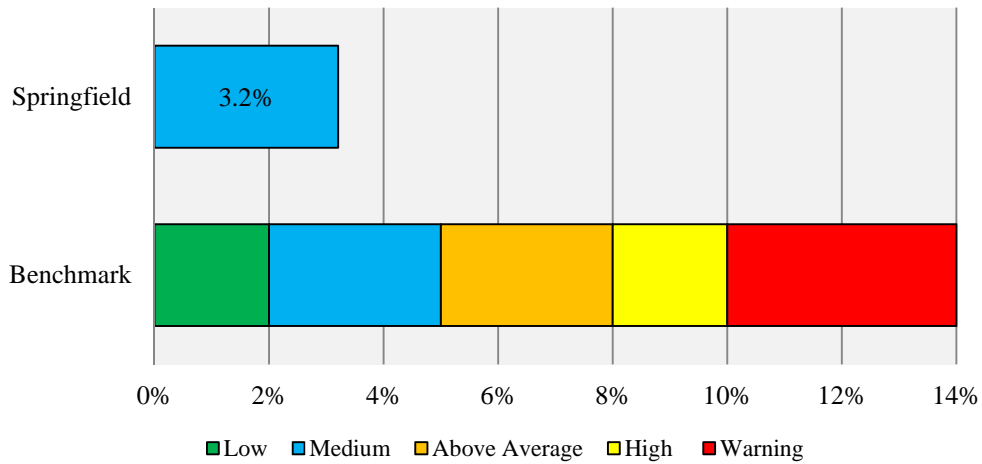


Figure 10

Debt Service as a Percentage of EQV			
A	Total Outstanding Debt (Principal)	\$227,162,000	<u>Source</u> First Southwest
B	2014 EQV	\$7,077,664,000	DOR
A/B	Debt Service as a Percentage of EQV	3.2%	

Figure 11

Debt per Capita

Debt per capita examines the amount of debt the City has issued per person in the community. This is not intended to be a literal measure because debt is not issued to benefit individuals, but rather the community as a whole. This measure provides a sense of the cost of the capital investments in a community and, at its most extreme, how much money would be required from each resident to repay the community’s debt if for some reason immediate repayment was required.

Debt per capita can be a useful measure when examining similar communities – by and large, comparable communities should issue similar amounts of debt for various capital purposes. Even similar sized communities have significant differences about them, however, so this measure should not be examined in absolute terms, but rather in the context of the unique requirements and challenges facing each community. It should also be viewed in light of Proposition 2 ½ which limits a community’s ability to access its property tax base; Proposition 2 ½ can force communities to issue debt for smaller projects that communities in other states would pay for in cash.

Debt per Capita

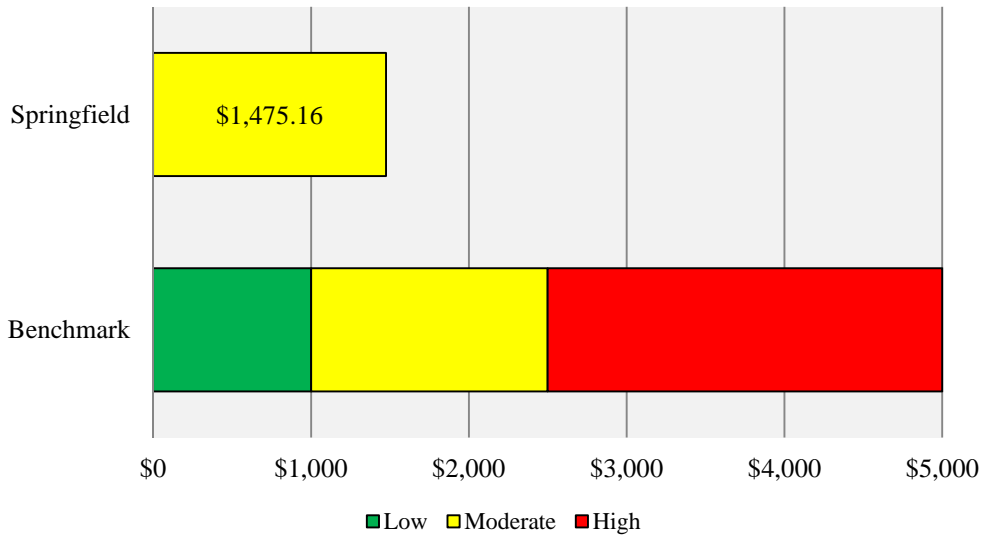


Figure 12

Total Outstanding Debt Per Capita			
A	Total Outstanding Debt (Principal)	\$227,162,000	<u>Source</u> First Southwest
B	2014 Population Estimate	153,991	US Census
A/B	Total Outstanding Debt Per Capita	\$1,475.16	

Figure 13: Ratio of outstanding debt per person

The City’s level of debt per capita is considered moderate by rating agencies. This measurement is not completely unexpected as the City has a large number of aging facilities (particularly schools) and infrastructure. The City is currently performing large school reconstruction projects, as well as, the replacement of schools and other facilities. Because of the major capital needs and significant backlog of deferred maintenance related to the City’s decade long financial issues, it will be difficult for the City to lower the debt per capita measurement. To address this, the City of Springfield restructured its debt repayment schedule between 2007, 2009 and 2012 in order to support future investment in capital infrastructure.

In terms of net debt at \$226.0 million, the debt per capita decreases to \$1,476.87. This could be considered a more accurate metric as this amount explains how much actual debt per person after reimbursements from issuances.

Debt as a Percentage of Total Personal Income

Like the ratio of debt to property value, the ratio of debt to personal income is a measure of affordability of the debt issued by a community. While property values provide the base that supports property taxation, it is personal income that allows people to buy goods and services,

make investments, and pay their taxes. Debt as a percentage of total personal income tells us how affordable debt is based on the income characteristics of a city or town.

**Total Debt as a Percentage of Total Personal Income
(2014 Income Estimate)**

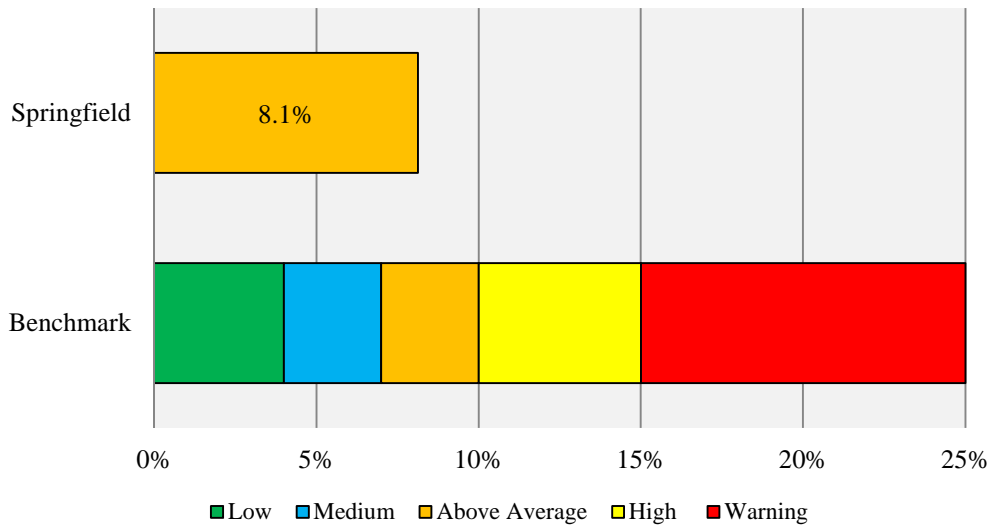


Figure 14

Total Outstanding Debt Per Capita as a Percentage of Total Personal Income Per Capita			
			<u>Source</u>
A	Total Outstanding Debt Per Capita	\$1,475	US Census & First Southwest
B	2014 Per Capita Income	\$18,133	US Census
A/B	Total Outstanding Debt Per Capita as a Percentage of Total Personal Income Per Capita	8.1%	

Figure 15: Ratio of debt to personal income

Springfield’s ratio of debt to personal income is considered “above average” by credit rating agency standards. This means that the City’s debt can be considered a large share of a resident’s income. Like the prior measure, however, this does not examine the cost of the debt, but focuses on the amount of debt issued. In other words, this measure does not take in to account the net debt service or timing of debt payments. This year, when net debt is factored, the percentage of Total Personal Income remains constant at 8.1% because the City’s total outstanding debt (principal) and total outstanding net debt are very close.

There are two important factors to consider when examining this ratio. The first, as described above, is that the City has entered into an aggressive debt retirement schedule that does not

inappropriately delay debt payments. Another aspect to consider is that the City receives school and other reimbursements, decreasing the cost of the debt and the effective debt to personal income ratio. In 2015, the City of Springfield will receive \$12.7 million in MSBA grants with an average of \$5.6 million in each of the next six years. Since this ratio only looks at “total debt,” this subsidy is not considered.

The ratio of debt to personal income appears to be less favorable than that of debt to total property value, which indicates a disparity between home values and income. This variance is caused by higher commercial and industrial property values that are included in the debt to total property value but not in the debt to personal income ratio. The City would not be able to provide the level of services and investment in infrastructure without business property tax revenue. This disparity highlights the need for economic development to be a top priority of the City.

Overall Net Debt as a percentage of Full Value

Overall Net Debt as a percentage of full value or sometimes referred to as the “Debt Burden” of the community, measures the value of a city’s debt compared to the value of a city’s assessed real property. In a municipal bond issue, a ratio measuring the value of the municipality's net debt compared to the specified value of the real property being purchased as assessed for tax purposes.

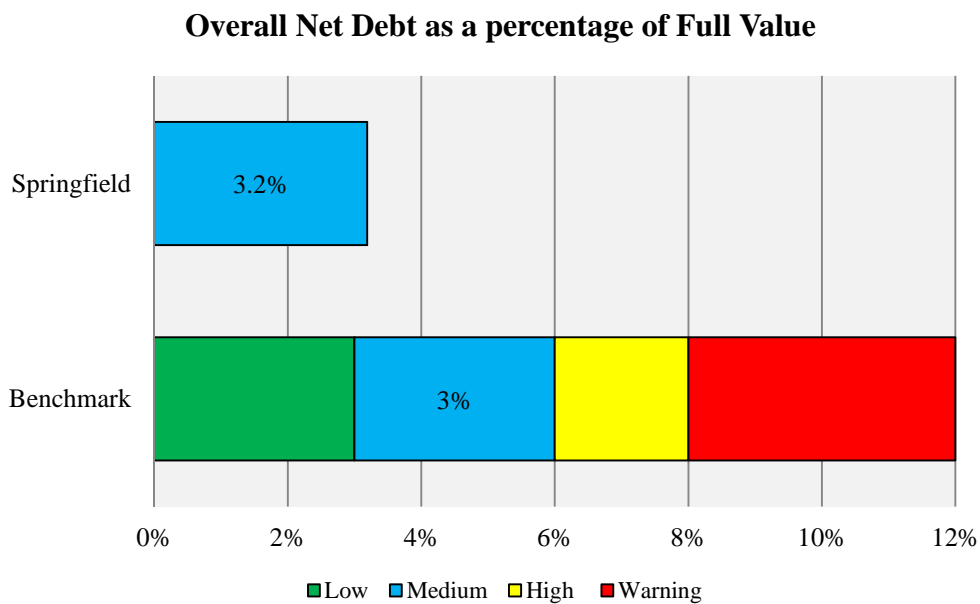


Figure 16

Overall Net Debt as a percentage of Full Value			Source
A	Total Outstanding Net Debt	\$226,038,818	First Southwest
B	2014 EQV	\$7,077,664,000	DOR
A/B	Overall Net Debt as a percentage of Full Value	3.2%	

Figure 17

This is one of the factors which determine the quality of a municipal bond issue. The lower the City's debt is relative to the assessed value of its property, the less risky its bonds are deemed to be. Ultimately, the more leveraged a tax base is, the more difficult it is to afford additional debt. Debt burdens that range from 3-4% tend to be viewed as average. The City's level of debt burden is of 3.2% which is considered medium by most rating agencies.

Conclusion

Since Fiscal Year 2005 continuing through present day, the City of Springfield has strengthened its financial position by not only instituting clear and strict financial policies but also passing responsible budgets and a comprehensive five-year capital investment plan, within the fiscal constraints illustrated in the debt affordability analysis. The City has paid particular attention to the debt policies that allow the City to borrow for specific projects and pay off the debt in a timely manner.

The City of Springfield has maintained its 'AA-' credit rating, which was the result of a double upgrade from Standard & Poor's (S&P) in 2014. This demonstrates that Standard & Poor's believes so strongly in the City's financial management and ability to make difficult decisions to balance the budget. S&P credited the City for having strong budgetary flexibility, with available reserves above 8% of general fund expenditures, very strong management conditions led by formalized financial policies and an experienced and capable management team as a few reasons for the credit rating upgrade. The S&P rating continues to be the highest rating in the City's recorded history, and one that the City has maintained over the last two years. In addition, the City received a reaffirmed credit rating of A2 with a revised outlook from stable to positive by Moody's in January 2015. Credit ratings have an integral role in the municipal bond market and are one factor that affects the City's cost of funds on debt offerings.

The debt service illustrates the City's ability to finance debt within its current budget as a Percentage of General Fund Expenditures. This is the most immediate measure of ability to pay; however, it only examines the ability to pay for debt within a community's existing budget. The City's measure of debt service as a percentage of General Fund expenditures is strong, with 5.8% of the Fiscal Year 2016 budget dedicated to debt service. This is down from 6.5% from Fiscal Year 2015. The improvement in the debt service ratio is attributable to the reduction of 2016 total debt service.

According to the measures presented in this plan, the City is in a solid debt position but can improve its standing even more. One way to bring the City more in line with its debt policies is

to foster an environment that promotes jobs and increase citizens' wealth. These policies help decrease the percentage of debt per total income and decrease debt per capita. This will bring Springfield in line with other communities in the Commonwealth and have the desired affect of increasing the City's financial standing.

The ability to address the City's large capital liability will be a substantial issue over the next few fiscal years. In addition to its standard capital improvement needs, Springfield was hit by a tornado on June 1, 2011 and an early snowstorm on October 29, 2011 realizing over \$120 million in infrastructure damage, specifically to two of its schools, a community center and several hundred city-owned trees. With help from the Federal Emergency Management Agency (FEMA), Massachusetts Emergency Management Agency (MEMA) and the MSBA most of the costs will be reimbursed. What remains will have to be paid for by Springfield and added to its capital liability.

In order to address some of its capital needs, Springfield will issue short and long term debt in 2016 and 2017 as well as use a combination of Pay-As-You-Go Capital funds and Capital Reserve funds. In 2016 Springfield will issue BANs to continue efforts to update its infrastructure and for permanent funding needed for previously issued BANs and Council authorized debt issuances. Capitalizing on its decreasing debt schedule, in 2017, Springfield plans to go out to bond again, alleviating several of its highest priority requests.

Appendix A

Debt Analysis Definitions

Consistent with the City’s financial policies as well as standard business practices, the City of Springfield has only issued debt to finance capital investment. Appendix B of this report is a summary of all projects financed by debt that are currently outstanding. Each of these projects is a capital project, and the expenditures are considered capital investments.

The City of Springfield defines **capital** as buildings, facilities, land, infrastructure or major equipment with an estimated useful life of at least ten years and costs at least \$25,000. Similarly, any improvements to capital which would extend the useful life of capital being improved by at least five years may be considered capital if it costs at least \$25,000.

A **capital investment** is the expenditure of funds to improve existing City infrastructure, extend its useful life, buildings, or acquire new capital assets. This is considered an investment because the funds expended are used to reduce costs and/or improve services over a multi-year timeframe.

Debt Service is the cost of repaying debt that has been issued. This includes principal and interest payments. Move definitions to appendix at end.

Municipal debt: usually bonds and notes – is a tool for financing investments in the infrastructure and capital equipment that permits government to provide services to the public. In its most basic form, debt occurs when a city or town borrows from lenders. The money that is borrowed is usually repaid over a number of years, and the lender usually charges interest to the borrower as compensation for allowing someone else to use their money. To begin to understand municipal borrowing, a few key terms are important:

Bond: A long-term financing tool that allows a community to borrow money to finance certain investments. Municipal bonds in Massachusetts are generally issued with a fixed interest rate and carry a term of between 10 and 30 years.

Note: A financing tool generally used for short-term needs, such as “bridge financing” during construction. In Massachusetts, notes are generally issued as one-year debt which can be “rolled” for a maximum of five years.

Term: The length of time a bond or note is outstanding. In other words, if a community borrows money for 20 years to finance the construction of City Hall, the “term” of the debt is 20 years. In five years, the “remaining term” would be 15 years.

With rare exception – exceptions which are authorized by the Commonwealth on a case-by-case basis through special legislation – municipal debt can only be incurred for investment in the capital needs of a community. State finance law permits communities to issue debt for the following purposes:

Public Works

- Construction and reconstruction of roads, bridges, sidewalks, walls and dikes, and for the acquisition of land
- Construction and reconstruction of municipal buildings, including schools
- Traffic signals, public lighting, fire alarm and police communication equipment

Municipal Equipment

- Departmental equipment, including fire equipment and heavy equipment such as graders, street sweepers, trash trucks, and semi-automated recycling trucks.
- Costs for design, development and purchase of computer software and equipment

Energy

- Energy conservation, to pay for energy audits or to implement alternative energy technologies

Environmental

- Asbestos abatement in municipal buildings
- Preservation and restoration of lakes and ponds

Recreational

- Construction of parks and playgrounds
- Construction of skating rinks, outdoor swimming pools, golf courses, tennis courts and other outdoor recreational facilities

Debt should be issued to finance capital improvements that will maintain or improve the rate of return on taxpayer dollars. Stated another way, debt should be issued to finance capital projects that prevent things from getting worse, make things better or improve operations, services or efficiency.

There are a number of reasons to issue debt to finance capital investment. As the City recovered from the June 2011 tornado and October 2011 snow storm, certain projects, such as the construction and reconstruction of the heavily damaged Elias Brookings Elementary and Mary Dryden Elementary Schools, could only be afforded by spreading their cost over many years. The MSBA Grant Program requires the City to appropriate the full cost of the project, before any reimbursements from MSBA can be requested, which required the issuance of debt.

The issuance of debt to finance projects with a long life is also considered “fair.” This equity concern is grounded in the argument that today’s taxpayers should not pay the entire cost of projects that will benefit future residents; rather, the people who benefit from the project should pay for its costs. As benefits from the investment will accrue over time, the costs should be paid over time as well. This requires the issuance of debt.

As an example, the City has bonded for the construction of a new Brookings Elementary School that could provide educational services for 50 years. It would not be “fair” to finance the project

through direct cash appropriation because today's taxpayers would pay for its entire cost. Those who moved into Springfield in two years could receive 48 years of benefit without paying any of the cost, and those who moved out of Springfield in five years would have paid 50 years of cost but received only five years of benefit.

Similarly, it would not be "fair" or cost effective to bond for the project and structure the debt in such a way that the City would not pay the starting costs associated with the construction until 20 years from now. In other words, as the City issues debt, it begins paying back the principal and interest as to not back load the debt service schedule for future years to fund. The City's financial policies require the City to structure its debt in such a way that the City pays for the construction based on the depreciation of that building.

Debt management is the application of financial knowledge to ensure that our debt is structured in the manner that saves as much money as possible for our residents and protects our taxpayers from the risks associated with debt. Proper debt management can help the City take advantage of opportunities that suddenly arise and can help us predict and resolve problems before they occur. Specifically, proper debt management allows the City to plan additional debt issuances. The benefit of this is to allow the City to determine those projects that would be viewed as top priorities.

Debt management also helps a community ensure the cost of its debt is fair and equitable. Part of this fairness is issuing debt whose term does not exceed the useful life of the asset it finances. This reduces overall costs by placing a limit on the term of the debt and ensures that taxpayers will not be required to pay for assets that no longer exist, and therefore are no longer providing a public benefit.

Proper debt management should incorporate communication with the public to ensure the people we serve are fully informed of the ways in which their government is financed. This analysis continues the City's efforts to improve communication about public finances.

Appendix B

Current Outstanding Debt Issuances

City of Springfield, Massachusetts

Net Long-Term Debt Outstanding as of June 30, 2015 (including subsequent issues)

Net of MSBA & QSCB Subsidies

Does Not Reflect QSCB Annual Required Sinking Fund Deposits or Invested Sinking Fund Interest Earnings

Total Net Debt Service

Date	Principal	Interest	MSBA Subsidy (1)	QSCB Subsidy (2)	Net D/S
06/30/2015	-	-	-	-	-
06/30/2016	25,197,000.00	9,570,437.21	(12,694,418.00)	(966,442.40)	21,106,576.81
06/30/2017	24,326,000.00	8,060,976.36	(10,355,599.00)	(966,442.40)	21,064,934.96
06/30/2018	23,075,000.00	7,125,446.36	(5,004,683.00)	(966,442.40)	24,229,320.96
06/30/2019	23,980,000.00	6,114,633.86	(5,004,683.00)	(966,442.40)	24,123,508.46
06/30/2020	20,855,000.00	5,155,571.36	(5,203,316.00)	(966,442.40)	19,840,812.96
06/30/2021	20,790,000.00	4,274,721.36	(5,345,891.00)	(966,442.40)	18,752,387.96
06/30/2022	18,085,000.00	3,451,146.36	(2,771,108.00)	(966,442.40)	17,798,595.96
06/30/2023	13,735,000.00	2,778,558.86	-	(966,442.40)	15,547,116.46
06/30/2024	7,085,000.00	2,349,646.36	-	(966,442.40)	8,468,203.96
06/30/2025	4,490,000.00	2,118,146.36	-	(966,442.40)	5,641,703.96
06/30/2026	4,520,000.00	1,937,946.36	-	(966,442.40)	5,491,503.96
06/30/2027	22,394,000.00	1,756,946.36	-	(966,442.40)	23,184,503.96
06/30/2028	2,775,000.00	539,006.36	-	-	3,314,006.36
06/30/2029	2,775,000.00	441,881.36	-	-	3,216,881.36
06/30/2030	2,395,000.00	364,331.36	-	-	2,759,331.36
06/30/2031	2,205,000.00	295,331.36	-	-	2,500,331.36
06/30/2032	2,195,000.00	229,331.36	-	-	2,424,331.36
06/30/2033	2,195,000.00	162,109.44	-	-	2,357,109.44
06/30/2034	2,050,000.00	95,781.31	-	-	2,145,781.31
06/30/2035	2,040,000.00	31,875.05	-	-	2,071,875.05
Total	\$227,162,000.00	\$56,853,824.77	(46,379,698.00)	(11,597,308.80)	\$226,038,817.97

(1) Reflects reduced MSBA grant payments as a result of the October, 2015 refunding.

(2) Does not reflect an assumption regarding reduced subsidies as a result of sequestration.

Par Amounts of Selected Issues June 30, 2015

July 25 2002 QZAB (I)	1,000,000.00
July 2005 Advance Refunding SQ non-called -97 Chestnut Middle School modeling	82,715.00
July 2005 Advance Refunding SQ non-called -97 Chestnut Middle School Land	74,857.00
July 2005 Advance Refunding SQ non-called -97 School Roofs	43,425.00
July 2005 Advance Refunding SQ non-called -97 Industrial Park	28,942.00

July 2005 Advance Refunding SQ non-called -97 Milton Bradley School Land	619,773.00
July 2005 Advance Refunding SQ non-called -97 HS of Science and Tech	1,939,055.00
July 2005 Advance Refunding SQ non-called -97 Indian Orchard School Remodeling	33,898.00
July 2005 Advance Refunding SQ non-called -97 Commerce HS Remodeling	87,117.00
July 2005 Advance Refunding SQ non-called -97 Sumner Ave School Remodeling	33,898.00
July 2005 Advance Refunding SQ non-called -97 Chestnut Middle School	401,907.00
July 2005 Advance Refunding SQ non-called -98 Land Acquisition and Appraisal	125,578.00
July 2005 Advance Refunding SQ non-called -98 School Construction	3,694,779.00
July 2005 Advance Refunding SQ non-called -99 School 1	2,117,746.00
July 2005 Advance Refunding SQ non-called -99 Chestnut School Land Acquisition	96,050.00
July 2005 Advance Refunding SQ non-called -99 Urban Renewal	571,402.00
July 2005 Advance Refunding SQ non-called -99 Demolition	171,772.00
July 2005 Advance Refunding SQ non-called -99 Public Building 1	95,965.00
July 2005 Advance Refunding SQ non-called -99 Public Building 2	106,121.00
July 7 2005 New Money 1 non-called -Remodeling Public Buildings (ISQ)	55,000.00
July 7 2005 New Money 1 non-called -Dept. Equip. Facility Mgmt. and Park (ISQ)	10,000.00
July 7 2005 New Money 1 non-called -Public Building Renovations (ISQ)	210,000.00
July 7 2005 New Money 1 non-called -Roof Repairs - School (ISQ)	45,000.00
July 7 2005 New Money 1 non-called -Boston Road/Parker Street (ISQ)	10,000.00
July 7 2005 New Money 1 non-called -Repairs to Public Buildings ADA Requirements	105,000.00
July 7 2005 New Money 1 non-called -Repairs to Public Buildings (ISQ)	105,000.00
July 7 2005 New Money 1 non-called -Repairs to Public Buildings-School (ISQ)	50,000.00
July 7 2005 New Money 1 non-called -Repairs to Public Buildings-School Emerg. (I)	105,000.00
July 7 2005 New Money 1 non-called -Library & Museums Remodeling (SQ)	2,000.00
July 7 2005 New Money 1 non-called -Repairs to Municipal Group (ISQ)	384,908.10
July 7 2005 New Money 1 non-called -Final Phase Tapley Street (ISQ)	111,223.43
July 7 2005 New Money 1 non-called -School Building Repairs (ISQ)	158,117.44
July 7 2005 New Money 1 non-called -Public Building Repairs (ISQ)	28,751.03
July 7 2005 New Money 1 non-called -Rebecca Johnson School Improvements (ISQ)	50,000.00
July 7 2005 New Money 1 non-called -Demolition of Former Tech. High School (ISQ)	115,000.00
July 7 2005 New Money 2 non-called -Facility Construction (ISQ)	15,000.00
July 7 2005 New Money 2 non-called -Landfill Closure (OSQ)	285,000.00
July 7 2005 New Money 2 non-called -Departmental Equipment (ISQ)	15,000.00
July 7 2005 New Money 2 non-called -Urban Renewal I (OSQ)	40,000.00
July 7 2005 New Money 2 non-called -Park Improvements I (ISQ)	115,000.00
July 7 2005 New Money 2 non-called -Park Improvements II (ISQ)	240,000.00
July 7 2005 New Money 2 non-called -Cyr Arena (ISQ)	40,000.00
July 7 2005 New Money 2 non-called -Fire/Safety Complex (ISQ)	115,000.00
July 7 2005 New Money 2 non-called -Library & Museum (SQ)	175,000.00
July 7 2005 New Money 2 non-called -Urban Renewal II (OSQ)	175,000.00
July 7 2005 New Money 2 non-called -Park Improvements III (ISQ)	50,000.00
February 7 2007 New Money SQ NON-CALLED -Putnam School Renovation	1,330,000.00
February 7 2007 New Money SQ NON-CALLED -Our Lady Hope School Renovation	1,390,000.00

February 7 2007 New Money SQ NON-CALLED -Various School Water & Sewer	10,000.00
February 7 2007 New Money SQ NON-CALLED -Demolition 1	145,000.00
February 7 2007 New Money SQ NON-CALLED -Demolition 2	30,000.00
February 7 2007 New Money SQ NON-CALLED -Demolition 3	280,000.00
February 7 2007 New Money SQ NON-CALLED -Road Construction	965,000.00
February 7 2007 New Money SQ NON-CALLED -Sidewalk Construction	245,000.00
February 7 2007 New Money SQ NON-CALLED -Financial Software	665,000.00
February 7 2007 New Money SQ NON-CALLED -Fire Station Land Acquisition	75,000.00
February 7 2007 New Money SQ NON-CALLED -Fire Upgrades	60,000.00
February 7 2007 New Money SQ NON-CALLED -Library Upgrades	55,000.00
February 7 2007 New Money SQ NON-CALLED -Police Department Renovation	440,000.00
February 7 2007 New Money SQ NON-CALLED -Police/Fire Design	145,000.00
February 7 2007 New Money SQ NON-CALLED -Hope/Baptist Land Acquisition	20,000.00
February 7 2007 New Money SQ NON-CALLED -Greenleaf Park Building Repair	10,000.00
February 7 2007 New Money SQ NON-CALLED -Blunt Park Renovation	10,000.00
February 7 2007 New Money SQ NON-CALLED -Treetop Park Renovation	20,000.00
February 7 2007 New Money SQ NON-CALLED -Marshall Roy Park Renovation	20,000.00
February 7 2007 New Money SQ NON-CALLED -Park Land Acquisition	20,000.00
February 7 2007 New Money SQ NON-CALLED -Project Management	10,000.00
February 7 2007 ESCO SQ NON-CALLED	1,550,000.00
February 7 2007 Advance Refunding -Adv Ref of 2001 Chestnut School Construction	6,818,395.00
February 7 2007 Advance Refunding -Adv Ref of 2001 Commerce School Construction	2,070,000.00
February 7 2007 Advance Refunding -Adv Ref of 2001 Aerial Mapping (ISQ)	211,605.00
February 7 2007 Advance Refunding -Adv Ref of 2001 Park Improvements (ISQ)	235,000.00
February 7 2007 Advance Refunding -Adv Ref of 2001 GIS (ISQ)	115,000.00
February 7 2007 Advance Refunding -Adv Ref of 2001 Park Restoration (ISQ)	378,550.00
February 7 2007 Advance Refunding -Adv Ref of 2001 Street Construction (ISQ)	630,500.00
February 7 2007 Advance Refunding -Adv Ref of 2001 Departmental Equipment (ISQ)	295,000.00
February 7 2007 Advance Refunding -Adv Ref of 2001 Street Construction 2 (ISQ)	317,050.00
February 7 2007 Advance Refunding -Adv Ref of 2001 Sidewalk Construction (ISQ)	239,200.00
February 7 2007 Advance Refunding -Adv Ref of 2001 Harris School Design (ISQ)	613,000.00
February 7 2007 Advance Refunding -Adv Ref of 2001 Van Sickle School Construct	1,735,000.00
February 7 2007 Advance Refunding -Adv Ref of 2001 Bowland Learning Center Design	507,600.00
February 7 2007 Advance Refunding -Adv Ref of 2001 Bowland Learning Center Land	472,100.00
February 7 2007 Advance Refunding -Adv Ref of 2001 Harris School Construction (ISQ)	4,225,000.00
February 7 2007 Advance Refunding -Adv Ref of 2001 Library (ISQ)	1,695,000.00
February 7 2007 Advance Refunding -Adv Ref of 2001 Bowland Learning Cntr Construct	4,695,000.00
February 7 2007 Advance Refunding -Adv Ref of 2001 Fire and Safety Complex (ISQ)	2,115,000.00
February 7 2007 Advance Refunding -Adv Ref of 2001 Demolition (ISQ)	1,080,000.00
February 7 2007 Advance Refunding -Adv Ref of 2003 Harris Elementary School (OSQ)	3,120,000.04
February 7 2007 Advance Refunding -Adv Ref of 2003 Bowland Learning Center (OSQ)	7,114,999.98
February 7 2007 Advance Refunding -Adv Ref of 2003 Van Sickle Middle/ HS (OSQ)	24,681,999.98
April 15 2009 Series A SQ -White Street Fire Station (ISQ)	2,750,000.00

April 15 2009 Series A SQ -Technology (ISQ)	80,000.00
April 15 2009 Series A SQ -Chapman Valve Eco. Dev. (ISQ)	445,000.00
April 15 2009 Series A SQ -Old First Church (ISQ)	430,000.00
April 15 2009 Series A SQ -Forest Park Maintenance (ISQ)	190,000.00
April 15 2009 Series A SQ -Administrative Expenses (ISQ)	130,000.00
April 15 2009 Series A SQ -Van Horn Dam Study (ISQ)	50,000.00
June 24 2010 QSCB (Taxable)	17,864,000.00
December 20 2012 SQ Refunding -Adv Ref July 7 2005 Remodel Public Buildings (ISQ)	562,000.00
December 20 2012 SQ Refunding -Adv Ref July 7 2005 Dep.Equip.Fac.Mgmt & Park (ISQ)	134,000.00
December 20 2012 SQ Refunding -Adv Ref July 7 2005 Public Building Reno (ISQ)	2,123,000.00
December 20 2012 SQ Refunding -Adv Ref July 7 2005 Roof Repairs - School (ISQ)	437,000.00
December 20 2012 SQ Refunding -Adv Ref July 7 2005 Boston Road/Parker St (ISQ)	104,000.00
December 20 2012 SQ Refunding -Adv Ref July 7 2005 Public Build.ADA.Require (ISQ)	1,064,000.00
December 20 2012 SQ Refunding -Adv Ref July 7 2005 Repairs to Public Build (ISQ)	1,034,000.00
December 20 2012 SQ Refunding -Adv Ref July 7 2005 Repairs to School Build (ISQ)	503,000.00
December 20 2012 SQ Refunding -Adv Ref July 7 2005 Emergency School Repair (ISQ)	1,064,000.00
December 20 2012 SQ Refunding -Adv Ref July 7 2005 Library & Museum Remodel (ISQ)	13,000.00
December 20 2012 SQ Refunding -Adv Ref July 7 2005 Repairs to Muni Garage (ISQ)	3,845,000.00
December 20 2012 SQ Refunding -Adv Ref July 7 2005 Final Phase Tapley St (ISQ)	1,123,000.00
December 20 2012 SQ Refunding -Adv Ref July 7 2005 School Build Repairs (ISQ)	1,535,000.00
December 20 2012 SQ Refunding -Adv Ref July 7 2005 Public Building Repairs (ISQ)	259,000.00
December 20 2012 SQ Refunding -Adv Ref July 7 2005 Rebecca Johnson School (ISQ)	522,000.00
December 20 2012 SQ Refunding -Adv Ref July 7 2005 Demo of Former Tech HS (ISQ)	1,139,000.00
December 20 2012 SQ Refunding -Adv Ref July 7 2005 Facility Construction (ISQ)	115,000.00
December 20 2012 SQ Refunding -Adv Ref July 7 2005 Landfill Closure (OSQ)	2,416,000.00
December 20 2012 SQ Refunding -Adv Ref July 7 2005 Departmental Equip (ISQ)	153,000.00
December 20 2012 SQ Refunding -Adv Ref July 7 2005 Urban Renewal 1 (OSQ)	346,000.00
December 20 2012 SQ Refunding -Adv Ref July 7 2005 Park Improve 1 (ISQ)	998,000.00
December 20 2012 SQ Refunding -Adv Ref July 7 2005 Park Improve 2 (ISQ)	2,077,000.00
December 20 2012 SQ Refunding -Adv Ref July 7 2005 Cyr Arena (ISQ)	314,000.00
December 20 2012 SQ Refunding -Adv Ref July 7 2005 Fire/Safety Complex (ISQ)	978,000.00
December 20 2012 SQ Refunding -Adv Ref July 7 2005 Library & Museum (ISQ)	1,469,000.00
December 20 2012 SQ Refunding -Adv Ref July 7 2005 Urban Renewal 2 (OSQ)	1,473,000.00
December 20 2012 SQ Refunding -Adv Ref July 7 2005 Park Improve 3 (ISQ)	455,000.00
February 12 2015 Series A SQ -Forest Park Middle School Renovation (OSQ)	3,140,090.00
February 12 2015 Series A SQ -Landfill Closure (OSQ)	1,000,000.00
February 12 2015 Series A SQ -Elias Brookings Elementary School Replace. (OSQ)	1,617,570.00
February 12 2015 Series A SQ -Mary Dryden Veterans Memorial School Remodel (OSQ)	2,176,784.00
February 12 2015 Series A SQ -Union Station (OSQ)	2,200,000.00
February 12 2015 Series A SQ -Central HS Science Lab Remodeling (OSQ)	6,112,627.00
February 12 2015 Series A SQ -Boston Rd. Corridor Improvements I (ISQ)	4,500,000.00
February 12 2015 Series A SQ -Boston Rd. Corridor Improvements II (ISQ)	1,500,000.00

February 12 2015 Series A SQ -School Roof Replacement - HS of Science/Tech (OSQ)	610,350.00
February 12 2015 Series A SQ -Ells School Roof Replacement (OSQ)	216,470.00
February 12 2015 Series A SQ -South End Middle School Roof Replacement (OSQ)	153,381.00
February 12 2015 Series A SQ -Springfield Public Day HS Roof Replacement (OSQ)	179,157.00
February 12 2015 Series A SQ -Pine Point Library Design & Construction I (ISQ)	750,000.00
February 12 2015 Series A SQ -Pine Point Library Design & Construction II (ISQ)	650,000.00
February 12 2015 Series A SQ -Chestnut Middle School Roof (OSQ)	453,644.00
February 12 2015 Series A SQ -Chestnut Middle School Demolition (OSQ)	2,298,967.00
February 12 2015 Series A SQ -Chestnut Middle School Medallions (OSQ)	201,033.00
February 12 2015 Series A SQ -School Remodeling - Green Communities (OSQ)	100,000.00
February 12 2015 Series A SQ -Putnam School (OSQ)	5,879,727.00
February 12 2015 Series A SQ -ESCO Phase II (ISQ)	10,000,000.00
February 12 2015 Series A SQ -Parker St. Road Improvements (ISQ)	1,000,000.00
February 12 2015 Series A SQ -City Hall HVAC Improvements (ISQ)	1,658,000.00
February 12 2015 Series A SQ -Land Acquisition/Remediation - Catherine St. (ISQ)	2,864,200.00
February 12 2015 Series B SQ (Taxable)	1,281,000.00
February 12 2015 Series C SQ -Adv Ref 2-7-07 Putnam School Renovation (ISQ)	509,950.00
February 12 2015 Series C SQ -Adv Ref 2-7-07 Our Lady Hope School Reno (ISQ)	1,554,000.00
February 12 2015 Series C SQ -Adv Ref 2-7-07 Various School & Water (ISQ)	241,350.00
February 12 2015 Series C SQ -Adv Ref 2-7-07 Demolition 1 (ISQ)	1,191,850.00
February 12 2015 Series C SQ -Adv Ref 2-7-07 Demolition 2 (ISQ)	1,006,700.00
February 12 2015 Series C SQ -Adv Ref 2-7-07 Demolition 3 (ISQ)	1,235,100.00
February 12 2015 Series C SQ -Adv Ref 2-7-07 Financial Software (ISQ)	57,895.00
February 12 2015 Series C SQ -Adv Ref 2-7-07 Fire Station Land Acquisition (ISQ)	229,305.00
February 12 2015 Series C SQ -Adv Ref 2-7-07 Fire Upgrades (ISQ)	272,600.00
February 12 2015 Series C SQ -Adv Ref 2-7-07 Library Upgrades (ISQ)	281,900.00
February 12 2015 Series C SQ -Adv Ref 2-7-07 Police Dept Renovation (ISQ)	2,719,450.00
February 12 2015 Series C SQ -Adv Ref 2-7-07 Police - Fire Design (ISQ)	748,950.00
February 12 2015 Series C SQ -Adv Ref 2-7-07 Hope-Baptist Land Acq. (ISQ)	149,625.00
February 12 2015 Series C SQ -Adv Ref 2-7-07 Greenleaf Park Building (ISQ)	38,850.00
February 12 2015 Series C SQ -Adv Ref 2-7-07 Blunt Park Renovation (ISQ)	10,400.00
February 12 2015 Series C SQ -Adv Ref 2-7-07 Treetop Park Renovation (ISQ)	125,300.00
February 12 2015 Series C SQ -Adv Ref 2-7-07 Marshall Roy Park Renovation (ISQ)	115,900.00
February 12 2015 Series C SQ -Adv Ref 2-7-07 Land Acquisition (ISQ)	149,650.00
February 12 2015 Series C SQ -Adv Ref 2-7-07 Project Management (ISQ)	96,850.00
February 12 2015 Series C SQ -Adv Ref 2-7-07 ESCO (ISQ)	7,509,375.00
October 1 2015 SQ -Ref July 2005 Adv Ref 98 Land Acq. & Apprais. (ISQ)	392,000.00
October 1 2015 SQ -Ref July 2005 Adv Ref 98 School Construction (OSQ)	11,511,600.00
October 1 2015 SQ -Ref July 2005 Adv Ref 99 School 1 (OSQ)	8,865,000.00
October 1 2015 SQ -Ref July 2005 Adv Ref 99 Chestnut School Land (ISQ)	420,000.00
October 1 2015 SQ -Ref July 2005 Adv Ref 99 Urban Renewal (OSQ)	2,413,200.00
October 1 2015 SQ -Ref July 2005 Adv Ref 99 Demolition (OSQ)	725,000.00
October 1 2015 SQ -Ref July 2005 Adv Ref 99 Public Building 1 (ISQ)	401,000.00

October 1 2015 SQ -Ref July 2005 Adv Ref 99 Public Building 2 (ISQ)	457,200.00
Total	227,162,000.00

City of Springfield, Massachusetts
Short-Term Debt Outstanding as of June 30, 2015

Aggregate Debt Service

Date	Principal	Interest	Total P+I
06/30/2015	-	-	-
06/30/2016	13,656,990.00	164,788.28	13,821,778.28
Total	\$13,656,990.00	\$164,788.28	\$13,821,778.28

Par Amounts Of Selected Issues

June 12, 2015 BAN.....	11,643,498.00
June 12, 2015 Series A SAAN.....	808,580.00
June 12, 2015 Series B SAAN.....	880,912.00
June 30, 2015 FAAN.....	324,000.00
TOTAL.....	13,656,990.00

FirstSouthwest
Public Finance