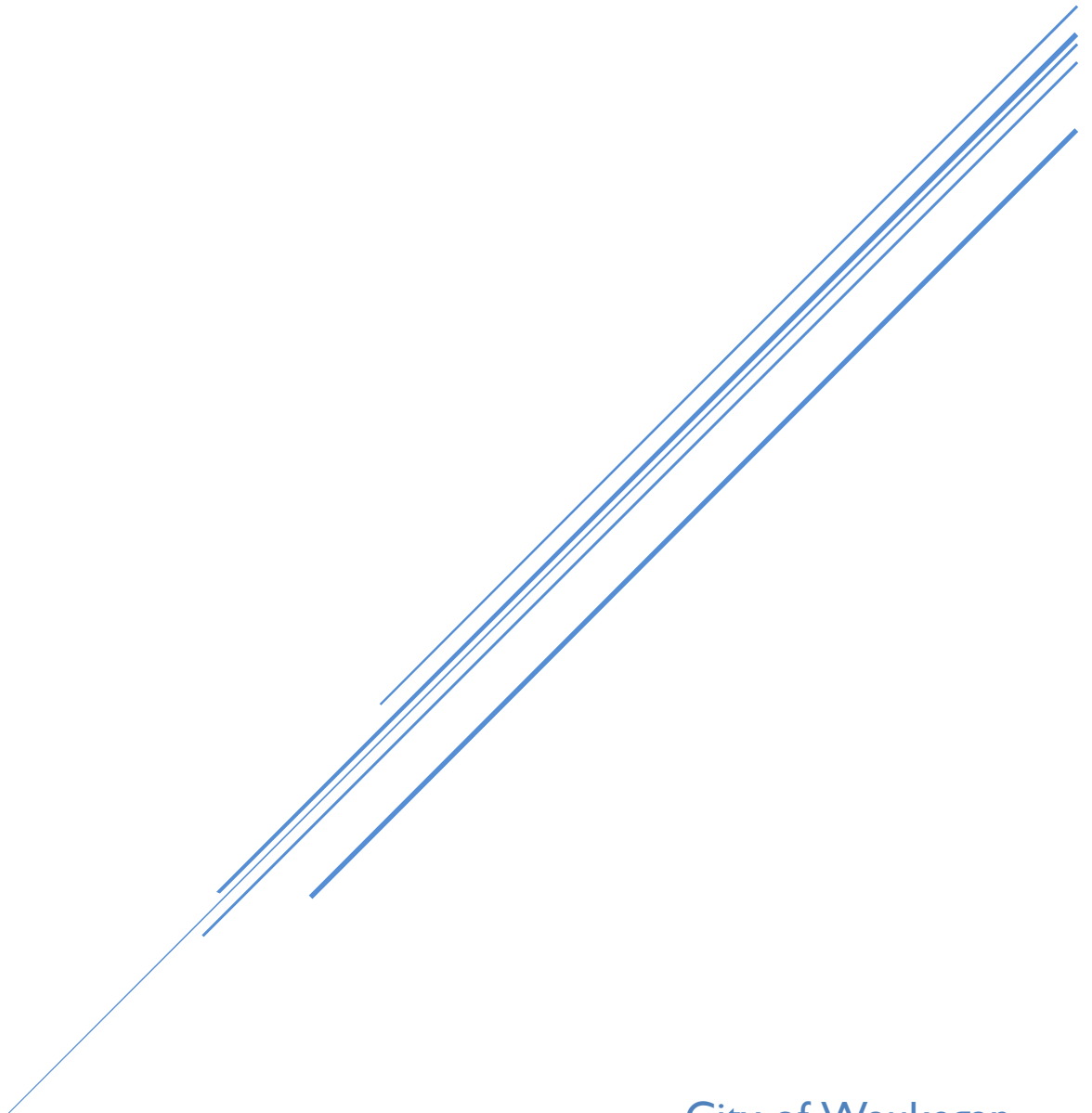


DEBT SERVICE FUNDS

May 1, 2017 – April 30, 2018



City of Waukegan
Proposed Budget

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DEBT SERVICE FUNDS OVERVIEW

The city accounts for the repayment of long-term General Obligation (GO) and Special Service Assessment (SSA) debt in the Debt Service Funds. Debt service is the periodic repayments made by the city on the principal and interest of long-term loans. The city's Revenue Bonds are accounted for in the related Enterprise Fund, detail for which may be found in the *Enterprise Funds* section of this report.

SOURCES & USES OF FUNDS

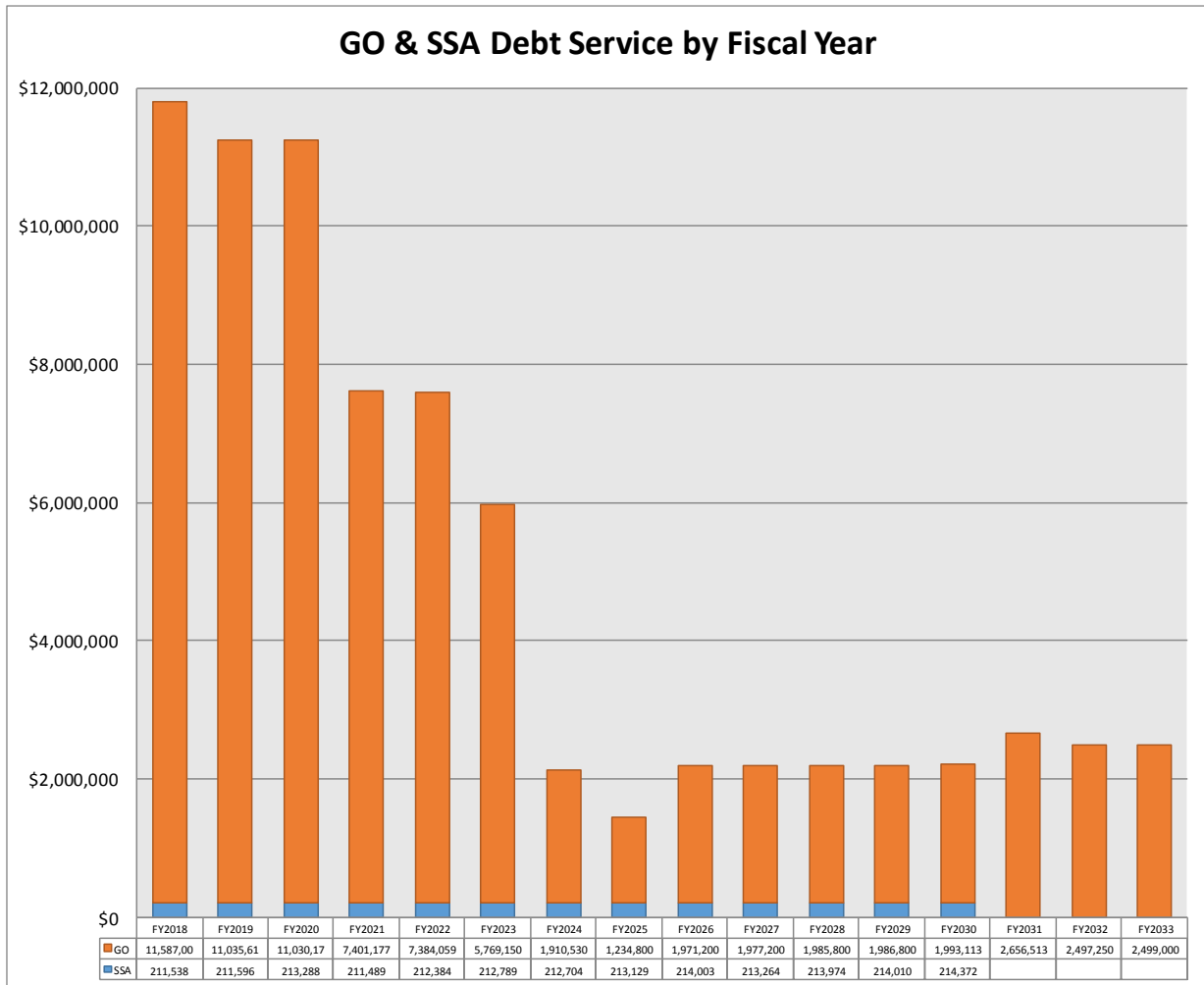
Property Taxes and Special Assessments make up the revenue earmarked for the purpose of debt retirement. The debt service for FY18 year reflects a -7%, or -\$829 thousand reduction from the prior year as no new bonds were issued during FY17.

Revenues	\$10,652,000
Expenditures	-11,817,000
Surplus / (Deficit) before transfers	-1,165,000
Transfers-In	1,165,000
Transfers-Out	0
Surplus / (Deficit) after transfers	0

In addition to property taxes levied and collected for the purposes of repaying long-term debt, the city will also use Home Rule Sales Tax and Tax Increment Financing (TIF) revenues transferred in from Special Revenue Funds to repay portions of the outstanding principal and interest due in the upcoming fiscal year. By increasing the city's home rule sales tax 0.25% effective January 2015, the city is able to use those new revenues to support the repayment of bonds issued specifically for roadway improvements. In addition, the Sunset Delany Tax Increment Financing (TIF) District is expected to have positive incremental growth in FY18 allowing the city to use those funds to repay debt service specifically related to a project financed within the TIF boundaries.

OUTSTANDING BOND ISSUES

As of May 1, 2017, the city's principal outstanding for GO bonds totals \$61.2 million, principal outstanding for SSA bonds totals \$1.9 million. Annual debt service payments for the SSA and GO Bonds currently outstanding are shown below by fiscal year.



The current outstanding bond issues include the following series: 2005 Fountain Square SSA, 2009A GO Bonds, 2010B GO Bonds, 2010C GO Bonds, 2012A GO Bonds, 2012B GO TIF Bonds, 2015A GO (Sales Tax) Bonds, and 2015B GO Bonds.

The Special Service Assessment Bonds were issued in 2005 to install water and sewer infrastructure in the Fountain Square (Lakehurst) area. The principal outstanding is \$1.9 million at May 1, 2017.

The 2009A Bonds were issued to retire a note borrowed for property purchased related to a potential casino project and to obtain working cash. In the event this property is sold, those proceeds will be used to partially retire this bond issue. Principal outstanding at May 1, 2017 is \$11.3 million.

The 2010B Bonds were used to make a payment regarding a wrongful imprisonment lawsuit. The city prevailed in its litigation with the insurance company that originally denied the city’s claim for coverage, and those settlement monies were used to

partially retire this bond issue. The principal outstanding is \$620 thousand as of May 1, 2017.

The 2010C Bonds were issued to fund several capital projects which were started in Fiscal Year 2009-2010 and concluded during Fiscal Year 2012-2013. These projects included street renewal and replacement, city-owned facility improvements, and technology improvements. The principal outstanding is \$7.2 million at May 1, 2017.

The 2012A Bonds were used to refinance the 2003A GO Capital Appreciation Bonds. The original bonds were issued to pay for Fountain Square (Lakehurst) acquisition of certain properties and infrastructure improvements. As of May 1, 2017, \$15 million in principal is outstanding on these bonds.

The 2012B GO TIF Bonds were issued to reimburse a developer for improvements made in the Delany/Sunset Industrial Park related to the Woodland Foods Project, with \$1.5 million outstanding in principal as of May 1, 2017.

The 2015A GO Sales Tax Bonds were issued during the 2014-2015 fiscal year for citywide street renewal and replacement projects. The principal outstanding as of May 1, 2017 for these bonds is \$6 million.

The 2015B GO Bonds refunded outstanding bonds to a lower interest rate. The original bonds issued in 2001 and 2004 were issued for Genesee Theatre renovations. The principal outstanding is \$12 million at May 1, 2017.

The 2016A GO Sales Tax Bonds were issued during the 2015-2016 fiscal year for citywide street renewal and replacement projects. The principal outstanding as of May 1, 2017 for these bonds is \$7 million.

LINE ITEM DETAIL

PROPERTY TAX REVENUES

468 30000	Property Tax	-2,963,000
489 30000	Property Tax	
490 30000	Property Tax	-4,175,000
491 30000	Property Tax	
492 30000	Property Tax	-642,000
493 30000	Property Tax	-286,000
494 30000	Property Tax	
496 30000	Property Tax	-2,368,000

PROPERTY TAX REVENUES -10,434,000

SPECIAL ASSESSMENT REVENUES

488 45510	Special Assessm	-218,000
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SPECIAL ASSESSMENT REVENUES -218,000

TRANSFERS IN

494 63239	Transfer from TIF	-212,000
495 63202	Transfers fr HR Sales	-280,000
497 63202	Transfers fr HR Sales	-673,000

TRANSFERS IN -1,165,000

EXPENDITURES

468 146824075	Principal Retir	2,210,000
468 146824404	Bond Interest E	752,000
468 146824405	Bond Service Fe	1,000
488 148824075	Principal Retir	97,000
488 148824404	Bond Interest E	115,000
488 148824405	Bond Service Fe	6,000
490 149024075	Principal Retir	3,600,000
490 149024404	Bond Interest E	574,000
490 149024405	Bond Service Fe	1,000
492 149224075	Principal Retir	620,000
492 149224404	Bond Interest E	21,000
492 149224405	Bond Service Fe	1,000
493 149324404	Bond Issuance E	285,000
493 149324405	Bond Service Fe	1,000
494 149424075	Principal Retir	150,000
494 149424404	Bond Interest E	61,000

494 149424405	Bond Service Fe	1,000
495 149524404	Bond Interest E	279,000
495 149524405	Bond Service Fe	1,000
496 149624075	Principal Retir	2,055,000
496 149624404	Bond Interest E	312,000
496 149624405	Bond Service Fe	1,000
497 149724075	Principal Retir	440,000
497 149724404	Bond Interest E	232,000
497 149724405	Bond Service Fe	1,000

EXPENDITURES		----- 11,817,000
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