

2018-2019

DEBT SERVICE FUNDS



ROAD PAVING PROJECT. WKGN PR DEPT PHOTO CREDIT.

PROPOSED BUDGET

City of Waukegan

2018-2019

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DEBT SERVICE FUNDS OVERVIEW

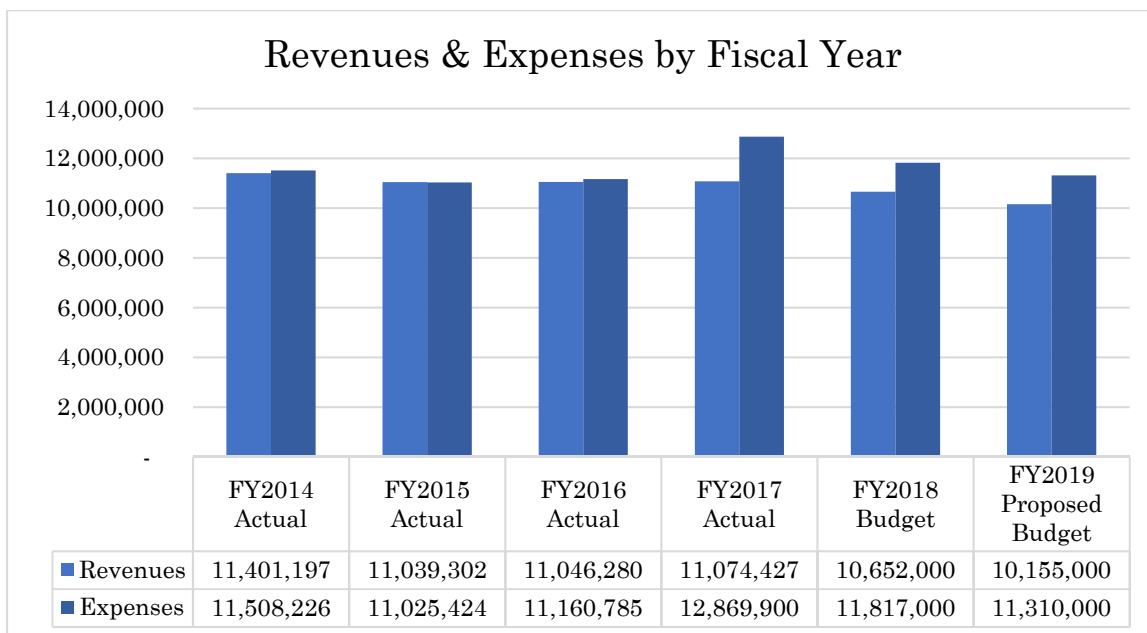
The city accounts for the repayment of long-term General Obligation (GO), Special Service Assessment (SSA) debt and capital leases in the Debt Service Funds, unlike the city’s Revenue Bonds which are accounted for in the related Enterprise Funds. Debt service is the periodic repayments made by the city on the principal and interest of long-term loans.

SOURCES & USES OF FUNDS

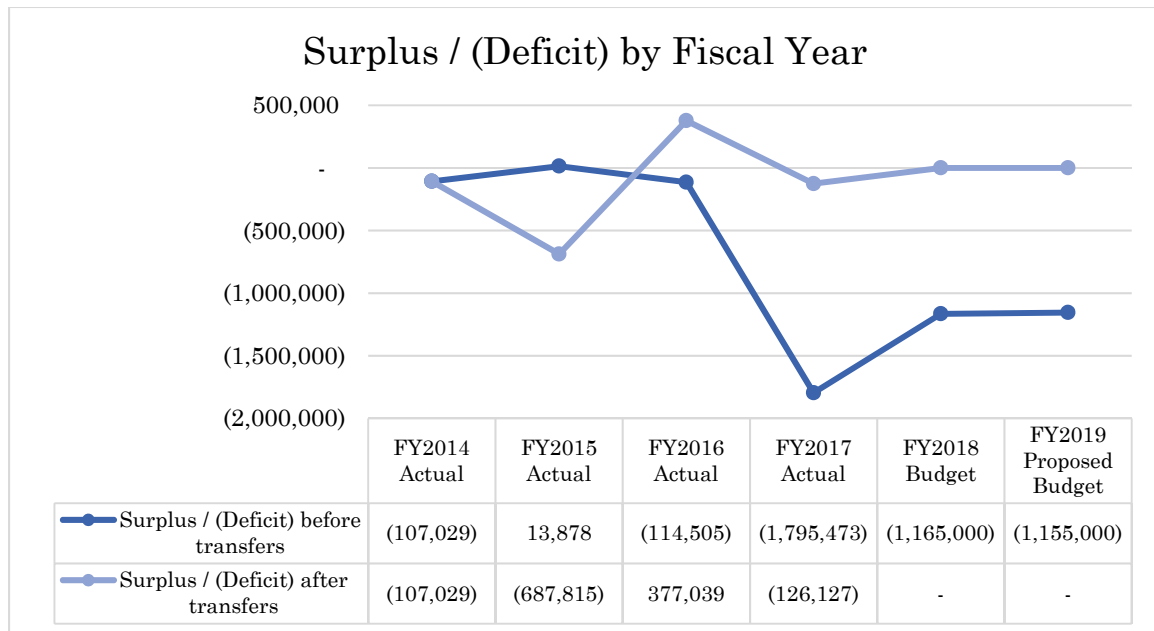
Property Taxes and Special Assessments make up the revenue earmarked for the purpose of debt retirement.

Revenues	\$10,155,000
Expenditures	-11,310,000
Surplus / (Deficit) before transfers	-1,155,000
Transfers-In	1,155,000
Transfers-Out	0
Surplus / (Deficit) after transfers	0

The revenues for FY19 year reflects a 5%, or \$497 thousand reduction from the prior year and expenses are down 4%, or \$507 thousand as no new debt was issued during FY18. Additionally the city refinanced two existing bonds for lower interest payments.

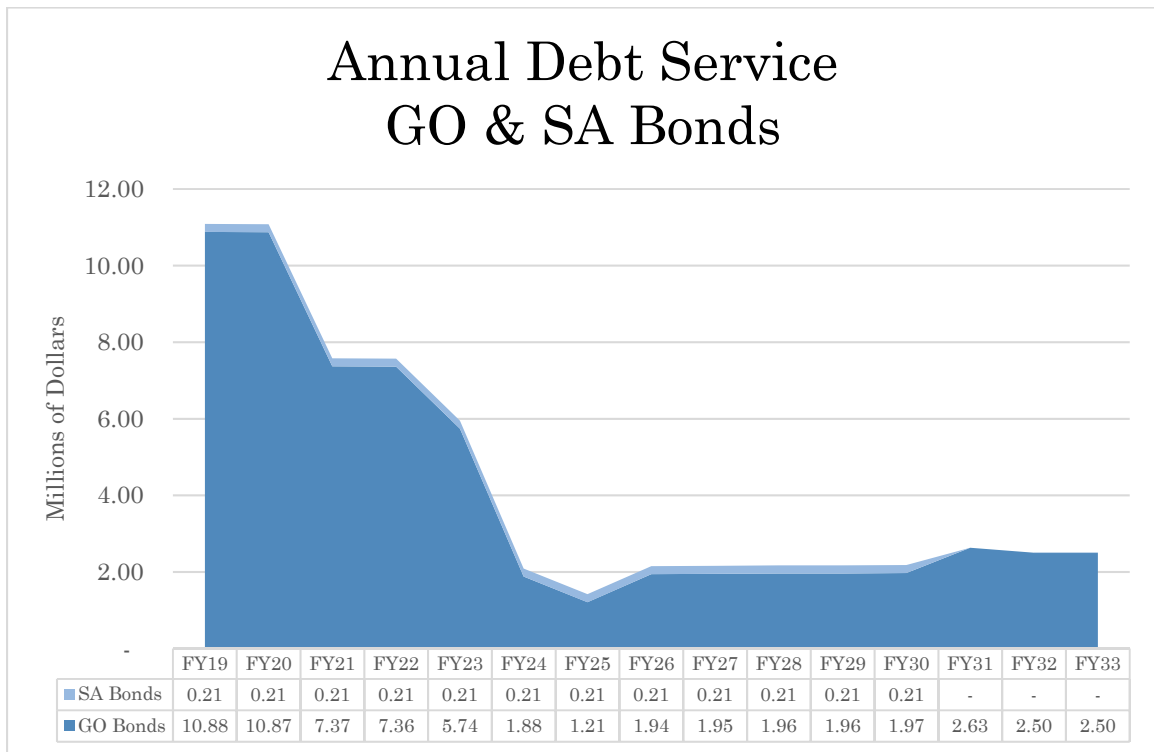


In addition to property taxes levied and collected for the purposes of repaying long-term debt, the city will also use Home Rule Sales Tax revenues transferred in from Special Revenue Funds to repay portions of the outstanding principal and interest due in the upcoming fiscal year. By increasing the city's home rule sales tax 0.25% effective January 2015, the city is able to use those new earmarked taxes to support the repayment of bonds issued specifically for roadway improvements. This is in keeping with prior years where transfers in from specific sources such as Tax Increment Financing or Home Rule Sales Taxes will cover debt service payments not made from Property Taxes. Also this year, a transfer from the City's Stabilization Fund is being made to cover the annual payments due on capital leases for snow plow trucks and ambulances. Due to the deficit position of the General Fund, and the fact that the leases are considered long term debt, they are budgeted in the Debt Service Funds new this year.



OUTSTANDING BOND ISSUES

As of May 1, 2018, the city’s principal outstanding for GO bonds totals \$51.5 million, principal outstanding for SSA bonds totals \$1.8 million, and \$1.5 million outstanding principal on capital leases. 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, 2012A GO Refunding Bonds, 2012B GO (TIF) Bonds, 2015A GO (Sales Tax) Bonds, 2015B GO Refunding Bonds, 2016A GO (Sales Tax) Bonds, 2017A GO Refunding Bonds, and 2017B GO Taxable Refunding 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 \$1.8 million at May 1, 2018.

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, 2018, \$12.8 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 \$1.3 million outstanding in principal as of May 1, 2018.

The 2015A GO Sales Tax Bonds were issued during in FY15 for citywide street renewal and replacement projects. The principal outstanding as of May 1, 2018 for these bonds is \$6.0 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 \$10.0 million at May 1, 2018.

The 2016A GO Sales Tax Bonds were issued during the FY16 for citywide street renewal and replacement projects. The principal outstanding as of May 1, 2018 for the bonds is \$6.4 million.

The 2017A GO Bonds were used to refinance the 2010C Bonds originally issued to fund several capital projects including street renewal and replacement, city-owned facility improvements, and technology improvements from FY10 to FY13. The principal outstanding is \$7.1 million at May 1, 2018.

The 2017B GO Bonds were used to refinance the 2009A Bonds originally issued to restructure a note outstanding relative to property purchased for a potential casino site as well as to establish a working cash fund. In the event the property is sold, those proceeds will be used to retire this bond issue. Principal outstanding as of May 1, 2018 is \$7.9 million.

There are plans to issue new bonds during FY19, however the debt service related to those issues will not begin until FY20.

LINE ITEM DETAIL

455	63714	Transfers From	-201,000

Sub	6300	Transfers - I	-201,000
455	145524076	Lease Payments	161,000
455	145524403	Interest Expens	40,000

Sub	2400	Contractual S	201,000

FND	455	CAPITAL LEASE	
468	30000	Property Tax	-2,962,000

Sub	3000	Tax Collectio	-2,962,000
468	146824075	Principal Retir	2,320,000
468	146824404	Bond Interest E	641,000
468	146824405	Bond Service Fe	1,000

Sub	2400	Contractual S	2,962,000

FND	468	2012A G.O. BONDS	
475	30000	Property Tax	-249,000

Sub	3000	Tax Collectio	-249,000
475	147524404	Bond Interest E	248,000
475	147524405	Bond Service Fe	1,000

Sub	2400	Contractual S	249,000

FND 475 2017A GO REFUNDING BONDS

476	30000	Property Tax	-4,055,000

Sub	3000	Tax Collectio	-4,055,000
476	147624075	Principal Retir	3,895,000
476	147624404	Bond Interest E	158,000
476	147624405	Bond Service Fe	2,000

Sub	2400	Contractual S	4,055,000

FND 476 2017B GO REFUNDING BONDS

488	45510	Special Assessm	-218,000

Sub	4500	Special Asses	-218,000
488	148824075	Principal Retir	103,000
488	148824404	Bond Interest E	109,000
488	148824405	Bond Service Fe	6,000

Sub	2400	Contractual S	218,000

FND 488 SERIES 2005 SPECIAL ASSESSMENT BONDS

494	30000	Property Tax	-302,000

Sub	3000	Tax Collectio	-302,000

494	149424075	Principal Retir	245,000
494	149424404	Bond Interest E	56,000
494	149424405	Bond Service Fe	1,000

Sub	2400	Contractual	
	S	ervices	302,000

FND 494 2012B G.O.TIF BONDS

495	63202	Transfers From	-280,000

Sub	6300	Transfers - I	-280,000
495	149524075	Principal Retir	
495	149524404	Bond Interest E	278,000
495	149524405	Bond Service Fe	2,000

Sub	2400	Contractual S	280,000

FND 495 2015 GO SALES TAX BONDS

496	30000	Property Tax	-2,369,000

Sub	3000	Tax Collectio	-2,369,000
496	149624075	Principal Retir	2,090,000
496	149624404	Bond Interest E	278,000
496	149624405	Bond Service Fe	1,000

Sub	2400	Contractual S	2,369,000

FND 496 2015B REFUNDING BONDS

497	63202	Transfers From	-674,000

Sub	6300	Transfers - I	-674,000

	497	149724075	Principal Retir	450,000
	497	149724404	Bond Interest E	223,000
	497	149724405	Bond Service Fe	1,000

Sub	2400	Contractual S		674,000

FND	497	2016 GO SALES TAX BONDS		

	Report Final	Totals		=====