



2021 ADOPTED BUDGET

Debt Summary

Debt Limit

As a home rule government under Illinois law, there is no legal debt limit for the City. The City Council has adopted as part of its budget policies a self-imposed limit on tax-supported general obligation debt. Tax supported general obligation (G.O.) debt shall not exceed \$155,000,000 in aggregate principal amount, which limit is expressly subject to increase by action of the City Council as the needs of the City may grow.

Types of Debt

The City issues general obligation bonds for capital improvement projects. Bonds issued for general city projects are repaid by property taxes. Some bonds for certain projects may be supported by other revenue sources, including water and sewer fees, special assessment, tax increment financing (TIF) funds, or outside donations.

In addition to general obligation bonds, the City issues low-interest loans through the Illinois Environmental Protection Agency (IEPA) specifically for water and sewer projects. These are repaid through water and sewer fees and are not supported by property taxes.

Current Principal Debt – As of December 31, 2020

General City	\$138,760,678
Library Fund	\$6,258,929
Total Tax Supported G.O. Debt	\$145,019,607
Water Fund	\$30,579,869
Sewer Fund	\$3,909,084
Sewer Surcharge	\$770,497
Parking Fund	\$1,415,000
Special Assessment Fund	\$2,015,943
Tax-Increment Financing (TIF) Districts	\$8,340,000
Total Self-Supporting G.O. Debt	\$42,263,176
Total Principal Outstanding - G.O. Debt	\$192,050,000
Sewer Fund – IEPA Loans (estimated)	\$23,286,024
Water Fund – IEPA Loans (estimated)	\$14,715,191
Total Principal Outstanding – IEPA Loans	\$35,332,719



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Annual Debt Service

Includes principal and interest payments for general obligation bonds and IEPA loans

	2020 Adopted Budget	2021 Adopted Budget
Library Debt Service Fund	\$480,144	\$482,243
Debt Service Fund	\$15,840,981	\$15,133,666
Water Fund	\$2,291,201	\$2,318,294
Sewer Fund	\$5,803,653	\$5,195,191
Parking Fund	\$0	\$47,164
Total Annual Debt Service	\$24,415,979	\$23,176,558

All governmental-type debt is paid through the Debt Service Fund. Some other funds have transfers to the Debt Service Fund to reduce the amount of debt paid directly through property taxes.

	2020 Adopted Budget	2021 Adopted Budget
General Fund	\$2,141,042	\$0
Howard-Ridge TIF Fund	\$143,113	\$143,113
Dempster-Dodge TIF Fund	\$160,870	\$158,923
Chicago-Main TIF Fund	\$230,610	\$232,843
Special Assessment Fund	\$365,930	\$397,314
Sewer Fund (sewer surcharge)	\$257,487	\$265,208
Total Transfers to Debt Service	\$3,319,053	\$1,197,401

New Debt

The 2021 Adopted Budget includes the issuance of debt for capital improvement projects. More information on specific projects can be found in Part VI – Capital Improvement Plan. Debt issued for the Capital Improvement, Library Capital, and Equipment Replacement Funds are supported by property taxes and subject to the self-imposed debt limit.

	2021 Adopted Budget
Capital Improvements Fund	\$7,755,000
Library Capital Improvement Fund	\$480,000
Equipment Replacement Fund	\$800,000
Chicago-Main TIF Fund	\$1,130,000
Parking Fund	\$1,000,000
Water Fund	\$3,040,000
Total Bond Proceeds Revenue	\$14,205,000
Water Fund – IEPA Loans	\$16,400,000
Sewer Fund – IEPA Loans	\$2,000,000
Total IEPA Loan Proceeds Revenue	\$18,400,000