



## Agenda Item Summary

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**File #:** ORD 21-81, **Version:** 1

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**Submitted By**

Steven Drazner, CFO

**Reviewed By**

AMZ

**Agenda Item Title**

**An Ordinance Providing for the Abatement of \$627,654 Against the 2021 Tax Levy (2020B General Obligation Corporate Purpose Bonds)**

**Overview**

On an annual basis, Village staff recommends the abatement or cancellation of various tax levies that were originally pledged to pay the debt service of a specific bond issue. By default, whenever general obligation (GO) bond is issued, the annual debt service is automatically levied by the County unless the Village directs the Cook County Clerk's Office to abate some or all of the annual levy amount. When other non-property tax Village revenues are available to pay all or a portion of the debt service, the Village abates the tax levy.

**Staff Recommendation**

Approve the Ordinance.

**Fiscal Impact**

This ordinance will reduce the necessary property levy for debt service by \$627,654 as recommended in the FY22 Budget.

**Background**

Abatements come before the Village Board for review and approval annually as the Village sets its property tax levy necessary to pay annual debt service. Debt service payments on this particular debt issue are split between the Debt Service Fund (41.6%) and the Water/Sewer Fund (58.4%). An abatement of \$627,654 is the Water/Sewer Fund share of this debt service which will be paid by water/sewer user fees rather than the general property tax. Please note that this issue refunded the Series 2011B.

**Alternatives**

The Village Board is not required to abate any of the pre-filed debt levies with the County and by doing so, the abated amounts reduce the debt service portion of the Village levy. Prior to abating the debt service on a particular bond issue, there must be an alternative revenue source to pay that annual debt service.

**Previous Board Action**

The Village Board last approved the annual abatements at its meeting held on December 7, 2020.

**Citizen Advisory Commission Action**

N/A.

**Anticipated Future Actions/Commitments**

N/A.

**Intergovernmental Cooperation Opportunities**

N/A.