



VILLAGE OF ORLAND PARK, ILLINOIS

POPULAR ANNUAL FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED

DECEMBER 31, 2017

A Message to Our Readers...

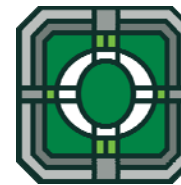


It is our pleasure to present the Village of Orland Park Popular Annual Financial Report (PAFR) for the fiscal year ending December 31, 2017. The purpose of the PAFR is to provide the community with a simplified presentation of the Village's financial activities and position in a transparent and easily understood format.

This report presents summarized financial information from the Village's Comprehensive Annual Financial Report (CAFR), which is available on the Village's website at orlandpark.org. The CAFR is a more complete, independently audited financial presentation prepared in accordance with generally accepted accounting principles (GAAP). The Village received an unqualified opinion on its CAFR, meaning that the financial statements fairly present the financial position and operations of the Village. We are proud to state that for the past 30 years the Village's CAFR has been awarded a Certificate of Achievement for Excellence in Financial Reporting by the Government Finance Officers Association (GFOA). The Village applied for and received the Popular Annual Financial Reporting Award last year for the first time.

Financial data for the primary government is included in the PAFR, mainly focusing on the Village's governmental activities. While the Village has several component units whose financial activities are included in the CAFR, they are not part of the financial information presented within this document.

The Village continues to make financial presentation and transparency a priority. Additional details and information regarding the information in this report is available on the Village's website, orlandpark.org. We hope you will find the PAFR to be interesting and informative, and welcome any feedback, comments or concerns regarding the information presented.



ORLAND PARK

ELECTED OFFICIALS

Keith Pekau
Village President

John Mehalek
Village Clerk

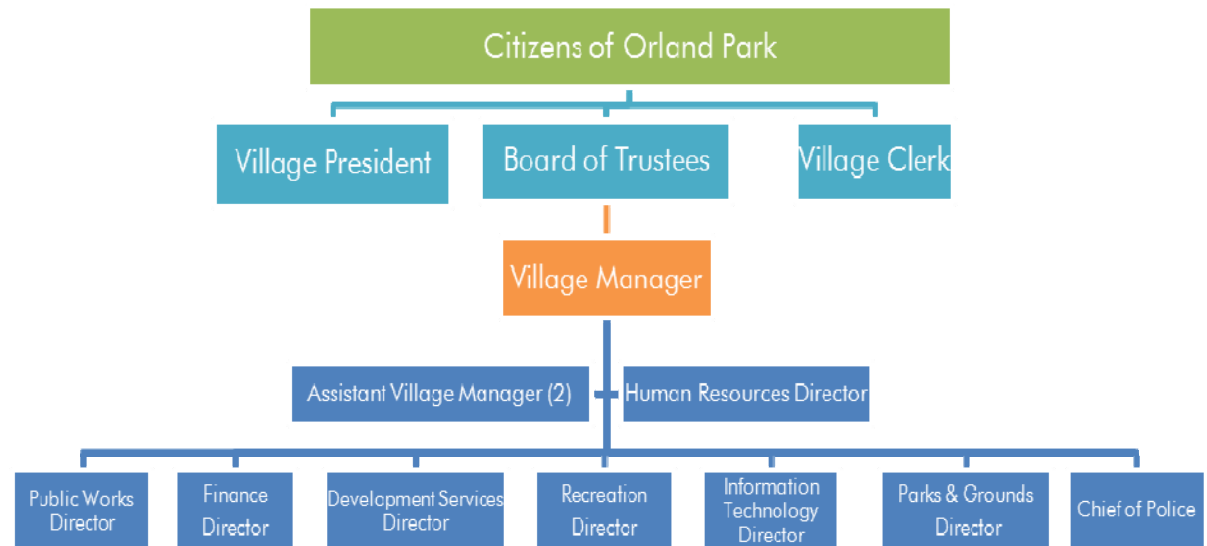
TRUSTEES

Carole Griffin Ruzich Development Services, Planning & Engineering	James Dodge Mayor Pro Tem; Technology, Innovation & Performance Improvement	Patricia Gira Public Safety
Kathleen Fenton Public Works	Daniel Calandriello Parks & Recreation	Michael Carroll Finance



VILLAGE STAFF

Village Manager	Joseph La Margo
Asst. Village Manager	John Keating
Asst. Village Manager / Development Services Director	Karie Friling
Human Resources Director	Stephana Przybylski
Public Works Director	John Ingram
Finance Director	Annmarie Mampe
Recreation Director	Nancy Flores
Parks and Grounds Director	Gary Couch
Chief of Police	Timothy McCarthy
Information Technology Director	Frank Florentine



About our Village

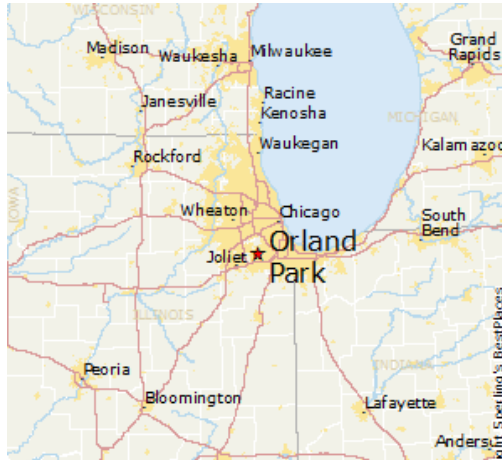
Located 25 miles southwest of downtown Chicago, the Village has grown into an upscale suburban community of approximately 58,000 residents, with full build-out population expected to peak at approximately 75,000.

The Village utilizes the council-manager form of government and is directed by a board of six trustees and a Village president. The council-manager form of government has been adopted by many local communities with a population of more than 25,000 and governs more than 3,000 cities and villages in the United States.

The Board of Trustees constitutes the primary policy making body of the Village. The Board determines Village policy, approves the annual budget, levies taxes, authorizes the payment of bills, approves bids and contracts involving Village business, and adopts Village ordinances.

Since 1984, when home rule status was obtained, a Village Manager has been appointed as the Chief Administrative Officer of the Village. The Village Manager is directly responsible to the Board of Trustees for the proper administration of all day-to-day affairs of the Village. He is vested with the enforcement of all Village laws and ordinances, and has the authority to appoint and direct all employees.

The Village encourages communication with its residents. A wide range of information is available online, at orlandpark.org, such as meeting dates and times, community events, construction permits, road construction updates and more.



ILLINOIS TRAFFIC SAFETY CHALLENGE AWARD

The Illinois Association of Chiefs of Police Traffic Safety Commission lauded the Village for its “outstanding performance and dedication” during the inaugural year of Illinois Distracted Driving Week, April 24 to 28, 2017.

CERTIFICATE OF ACHIEVEMENT FOR EXCELLENCE IN FINANCIAL REPORTING

The Village of Orland Park once again received the Certificate for Excellence in Financial Reporting for its fiscal year 2016 Comprehensive Annual Financial Report (CAFR). This award is granted in recognition of transparency and full disclosure that goes beyond the minimum requirements of generally accepted accounting principles. The Village has received this award for 30 consecutive years.

DISTINGUISHED BUDGET PRESENTATION AWARD

Since fiscal year 2006, the Finance Department has been awarded the GFOA Distinguished Budget Presentation Award. To qualify for this award, the Village’s budget document is judged to be outstanding as a financial policy document, operations guide and communications device.

2017 STARGUARD ELITE AWARD

The Village of Orland Park received the 2017 StarGuard award in recognition of the Centennial Park Aquatic Center’s (CPAC) efforts as above the industry standard, reflecting a proactive approach to aquatic risk prevention. CPAC also earned a five-star safety rating, the highest rating possible, following an unannounced risk management audit by a national non-profit water safety organization.

Population (2010 Census)	56,767
Median Age	46.1
Median Household Income	\$80,920
Per Capita Income	\$40,023
Median Home Value	\$298,440
Homeownership Rate	86.3%
Unemployment Rate	5.2%
Bachelor’s Degree or Higher	43.3%

With the exception of fire protection and ambulance services, the Village provides a full range of municipal services including public safety, street maintenance and reconstruction, code enforcement, public improvements, economic development, planning and zoning, transportation, water and sewer, parks and recreation, and general administrative services. A separate Fire Protection District that encompasses a larger geographic area than the Village’s corporate boundaries provides fire protection and ambulance services.

Community Development

In 2017, the Village continued to experience growth in both residential and commercial development, issuing 66 new residential and 11 new commercial permits. Examples of new commercial development include:

- Heartis Senior Living — a 91,650 square foot senior living facility.
- Gateway Plaza — a new 10,500 square foot multi-tenant commercial building located at the southeast corner of 143rd Street and LaGrange Road.
- Redevelopment of the Palos Community Hospital South Campus, including construction of a new 99,765 square foot medical office building.
- Redevelopment of a former U.S. Army site to bring 3 new restaurants to the Village, including Chuy’s Tex-Mex, Miller’s Ale House and PDQ.

Recreation & Parks

The Village’s Recreation & Parks departments work to support and maintain more than 650 acres of public park space, 59 playgrounds, over 100 athletic fields and courts, an outdoor ice rink, a 25,000 square foot outdoor water park with multiple pools and slides, a 90,000 square foot sports recreation and fitness center, a 78,000 square foot health and fitness center, including an indoor lap and warm water therapy pool, more than 63 miles of walking/bicycle paths and a stocked man-made lake.

The Village holds many community events throughout the year, which are administered by the Recreation Department. These events include the Taste of Orland, Turkey Trot, free concerts at Centennial Park West and Crescent Park, Easter Egg Hunt, Pumpkin Party and Winter Festival.



Public Safety

The Orland Park Police Department is committed to responding to the needs of and establishing a working relationship with the Orland Park community. Events such as National Night Out Against Crime, Cook Out with the Cops and Citizens Police Academy work to strengthen community relationships.

The Orland Park Police Department was the first law enforcement agency worldwide to complete the requirements of the International Association of Chiefs of Police’s One Mind Campaign, which is designed to improve police response to persons affected by mental illness.

Public Works

Repair and replacement of aging infrastructure continued to be a Village priority in 2017. The Village street maintenance program, updated annually, schedules streets within the Village for reconstruction based on their condition. The program includes replacement of identified streets, curbs, gutters and sidewalks. A Storm Water Management Program has been implemented in response to flooding issues within the Village. In 2017, almost \$5.7 million was spent on construction and engineering improvements to the Village’s storm sewers.

2017 Balance Sheet (\$)

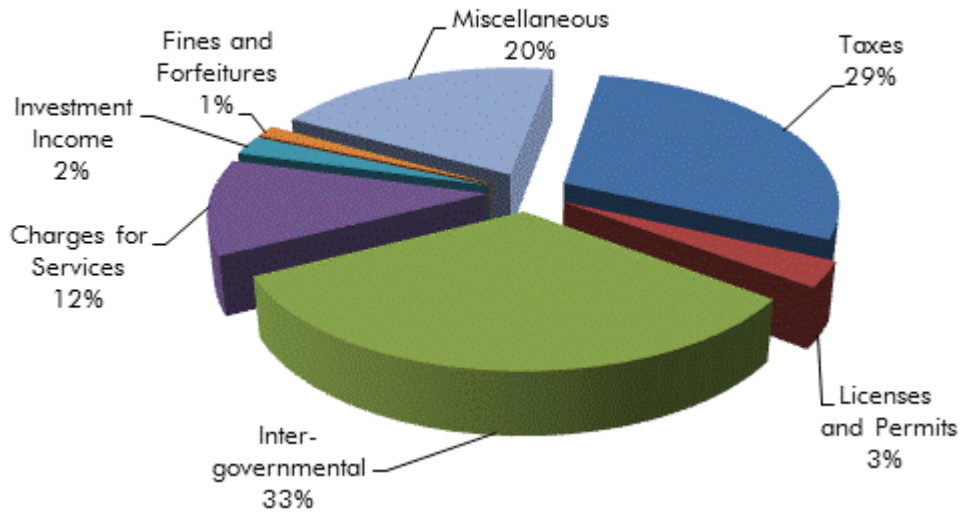
Fund	Assets and Deferred Outflows	Liabilities and Deferred Inflows	Fund Balance
Governmental Funds			
<u>Major</u>			
General	42,701,257	11,424,041	31,277,216
Recreation & Parks	2,589,732	2,555,103	34,629
Capital Improvement	5,973,525	982,041	4,991,484
Home Rule Sales Tax	42,810,807	-	42,810,807
Main Street Triangle TIF	290,005	27,964,985	(27,674,980)
Debt Service	27,209,123	18,622,013	8,587,110
<u>Non-Major</u>			
Motor Fuel Tax	919,607	-	919,607
Park Development	1,271,043	162,984	1,108,059
Seizure & Forfeiture	351,056	250	350,806
Road Exaction	294,703	138,900	155,803
Total Governmental Funds	124,410,858	61,850,317	62,560,541
Proprietary Funds			
Enterprise Funds			
<u>Major</u>			
Water & Sewer	174,717,468	16,142,278	158,575,190
<u>Non-Major</u>			
Commuter Parking	3,339,951	25,518	3,314,433
Internal Service Fund			
Insurance	6,436,208	1,508,294	4,927,914
Total Proprietary Funds	184,493,627	17,676,090	166,817,537
Fiduciary Funds			
Police Pension	88,531,883	289	88,531,594
Agency	86,735	86,735	-
TOTAL	397,523,103	79,613,431	317,909,672

The Village has Board-approved reserve policies in place for the General, Park Development, Home Rule Sales Tax, Water & Sewer, Road Exaction, Capital Improvement and Insurance Funds.

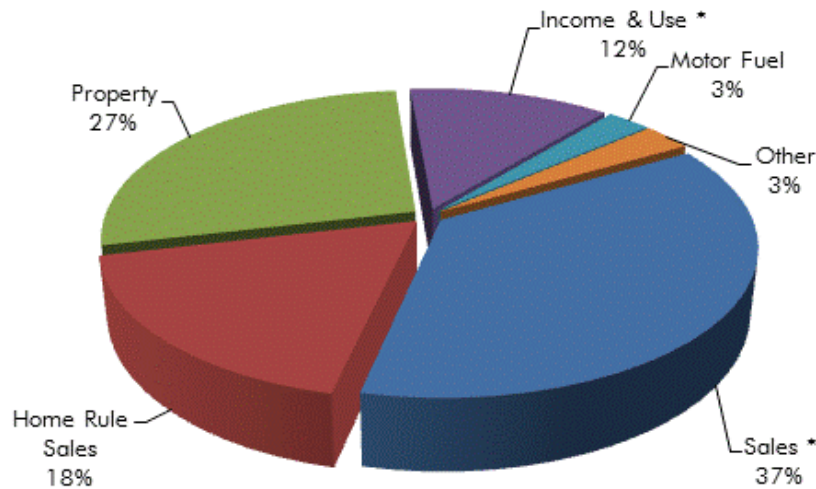
At December 31, 2017, reserves met or exceeded Board-approved policy requirements for all funds, with the exception of the Capital Improvement and the Road Exaction Funds. One time, partial draw-downs in FY2017 of the Capital Improvement and Road Exaction Fund reserves to finance various capital projects will be partially replenished in FY2018, with the goal of replenishing remainder in FY2019.



Revenues by Source



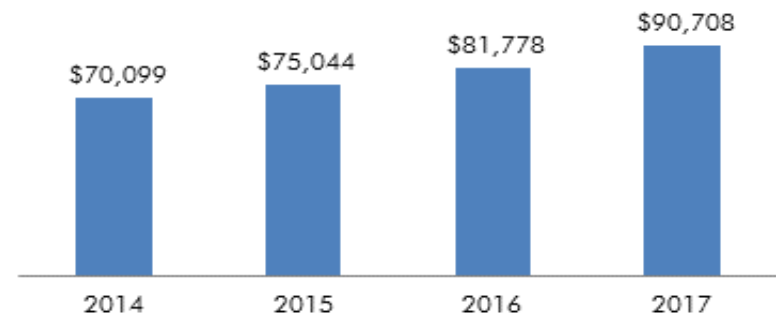
Breakdown of Taxes Received



*Municipal Sales, Income, and Use Taxes are reflected in Intergovernmental revenues.

	2017	2016
Revenues		
Taxes	\$ 26,434,814	\$ 26,860,035
Licenses and Permits	2,883,200	1,914,728
Intergovernmental	29,471,620	30,272,355
Charges for Services	10,589,606	7,681,612
Investment Income	2,139,983	2,189,513
Fines and Forfeitures	1,271,858	1,080,008
Miscellaneous	17,917,045	11,780,067
Total Revenues	\$ 90,708,126	\$ 81,778,318

Revenue Trend (in \$1,000's)



The increase in 2017 revenues was due to the Village's bi-annual vehicle sticker sale, fees received from the recently acquired Orland Park Health and Fitness Center and one-time revenues from the 9750 on the Park development take-out offer accepted by the Village.

The increase in 2016 operating revenues was primarily due to reimbursement from the University of Chicago for costs incurred in the construction of a parking deck.

The increase from 2014 to 2015 was mainly related to a one-time reimbursement from the State of Illinois for road engineering initially paid for by the Village, and revenues received in 2015 from the Village's bi-annual vehicle sticker sale.

Governmental activities are mostly supported by taxes, such as property and sales taxes, and intergovernmental revenues. The General Fund, the chief operating fund used to support the regular day-to-day operation of the Village, is included in governmental activities.

In 2017, revenues from the Village's governmental activities totaled \$90,708,126. Approximately 50% of this amount comes from sales and property taxes. In total, revenues increased by approximately \$8,930,000 when compared to 2016.

Taxes –

Home Rule Sales Tax – A 0.75% home rule sales tax is received on eligible sales within the Village.

Property Tax – The second largest tax revenue, property taxes are levied by the Village. The Village has not increased its tax levy since 2012.

Other Taxes – Other taxes include hotel occupancy taxes, cable franchise tax and a telecommunications tax.

Licenses and Permits – The licenses and permits category includes business, contractor, vehicle, and liquor licenses, and new and existing construction permits.



Intergovernmental – The intergovernmental category includes a 1% general sales tax collected by the state on eligible sales within the Village and income and use taxes collected and distributed by the state on a per capita basis.

Charges for Services – The charges for services category includes fees for recreation programs and events, rental fees, and other miscellaneous service fees.

Investment Income – The investment income category includes income earned through the investment of available cash that is pooled from various governmental funds, following the Village's investment policies.

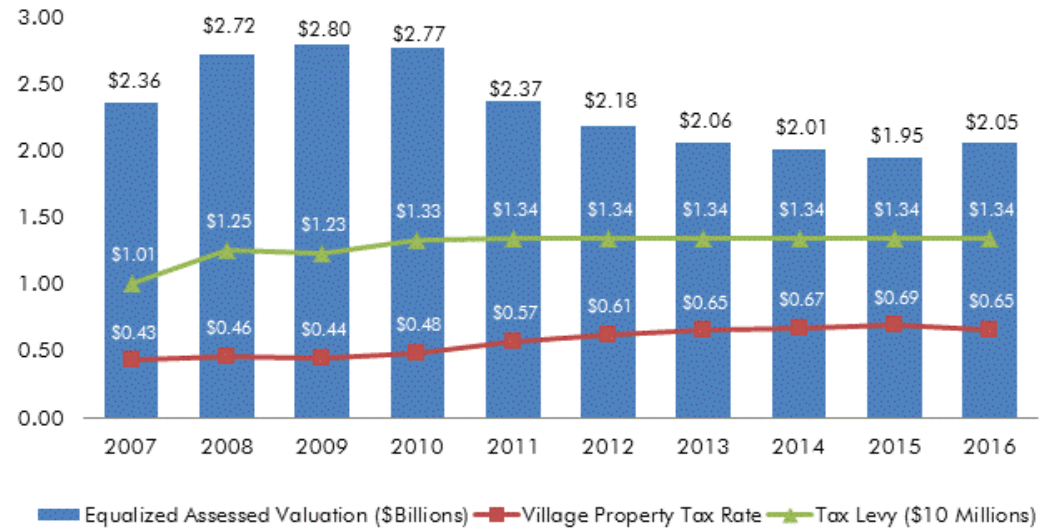
Fines and Forfeitures – The fines and forfeitures category includes circuit court fines, and fines for municipal and ordinance violations.

Miscellaneous – The miscellaneous category includes any revenues not accounted for in the categories above. In July 2017, the Village accepted a take-out offer from Flaherty and Collins for the 9750 on the Park development resulting in approximately \$14.3 million in one-time revenues to the Village.

The Village’s property tax rate is reduced as the Village EAV rebounds from previous year’s declines.

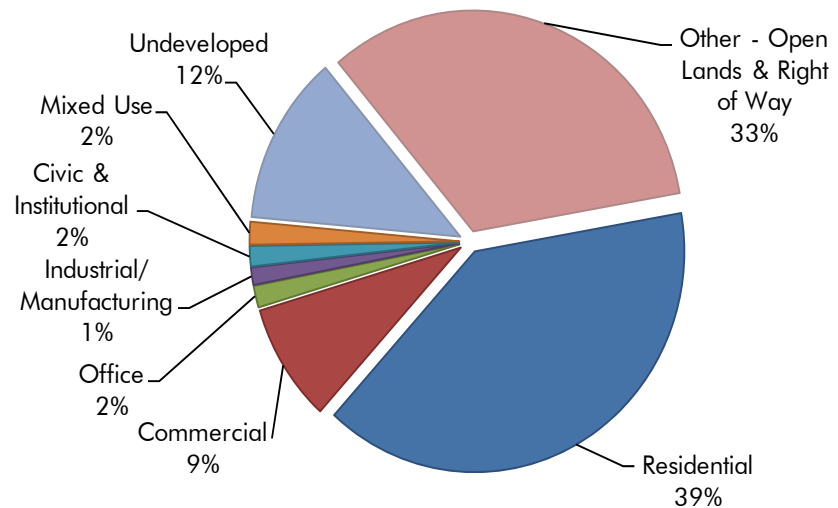
The Village’s overall property tax levy amount has remained the same since 2012. The Village’s efforts to contain costs and not ask for more money from its residents, along with the recovery of property values, means that the Village property tax rate showed a year over year decline in the property tax rate in 2016 for the first time since 2009.

Village Property Tax Rate per \$100 Equalized Assessed Valuation vs. EAV 2007 - 2016

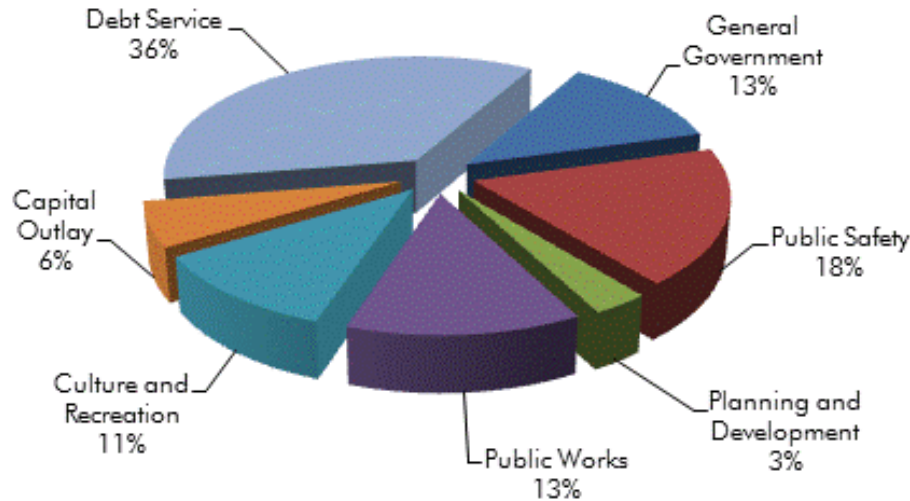


Top 10 Real Estate Taxpayers	2016 EAV
Simon Property Group	\$115,517,800
IRC	48,533,079
Edwards Realty Company	12,948,325
Metra Triangle LLC	11,990,691
Constance Oswald	11,200,451
Albertsons/Supervalu Inc.	8,647,964
B & G Realty	8,440,438
J.C. Penney Co. Inc.	8,023,493
Cambridge Realty Capital	7,664,807
Roundys	7,336,820

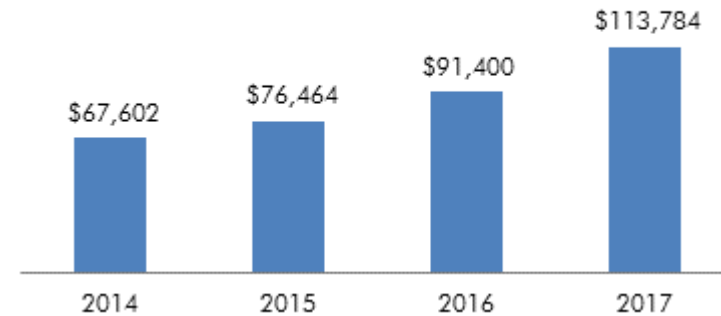
Land Use - Percentage of Total Acreage



Expenditures by Function



Expenditure Trend (in \$1,000's)



In 2017, expenditures increased primarily due to the operations of the Orland Park Health and Fitness Center, which was acquired by the Village in 2017, and an increase in debt service payments as a result of the Village's payoff of debt related to the 9750 in the Park development.

The increase in expenditures from 2015 to 2016 is mainly attributable to an increase in capital spending related to the construction of a parking deck in the Main Street Triangle district.

Expenditures by Function	2017	2016
General Government	\$ 14,060,958	\$ 12,870,198
Public Safety	20,813,630	19,889,379
Planning and Development	3,586,150	3,279,743
Public Works	14,898,474	10,139,963
Culture and Recreation	12,759,002	9,800,756
Capital Outlay	6,875,255	23,519,997
Debt Service	40,790,531	11,899,907
Total Expenditures	\$ 113,784,000	\$ 91,399,943

Budgeted Employees by Function

Function	Number of Full-Time Employees	Number of Part-Time Employees
Public Safety	130	64
Public Works	54	33
Planning and Development	22	16
Culture and Recreation	39	652
General Government	38	33
Total	283	798

General Government – Village administrative activities, including the functions of the Village Manager’s Office, Village Clerk, Public Information, Finance, Business Information Systems and Building Maintenance.

Public Safety – Expenditures related to police and emergency services functions.

Planning and Development – Planning, permits and licenses, inspections, engineering and economic development functions.

Public Works – Maintenance and repair of all Village infrastructure, including vehicles and equipment, streets, streetlights, traffic signals, and Pace bus service.

Culture and Recreation – Recreation programming, Centennial Pool, Sportsplex, Orland Park Health & Fitness Center, special recreation programming, special events and concerts.

Capital Outlay – Capital expenditures related to Village infrastructure and equipment. See Capital Assets (page 11) for further information.

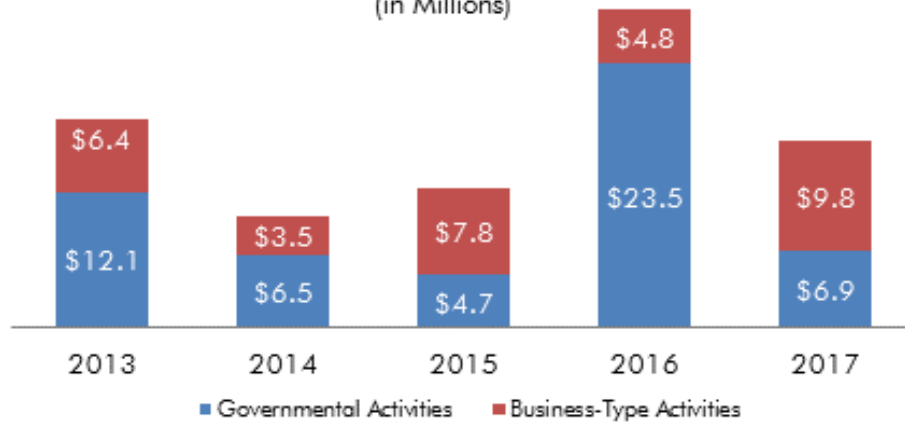
Debt Service – Payments related to outstanding debt obligations. See Village Debt (page 12) for further information.



The Village has a substantial investment in capital assets. Assets procured primarily with tax resources are classified as governmental, while capital assets associated with fee-based operations have a business-type classification.

Five Year Capital Investment

(in Millions)



Capital Assets by Category (in Millions)

	Governmental Activities	Business-Type Activities	Village Total
Land	\$ 153.1	\$ 33.4	\$ 186.5
Buildings and Land Improvements	93.9	10.1	104.0
Centennial Pool	11.3	0.0	11.3
Machinery, Vehicles, and Equipment	15.7	3.6	19.3
Infrastructure	162.5	191.6	354.1
Construction in Progress	2.3	7.8	10.1
Less: Accumulated Depreciation	(162.1)	(84.6)	(246.7)
Total	\$ 276.7	\$ 161.9	\$ 438.6

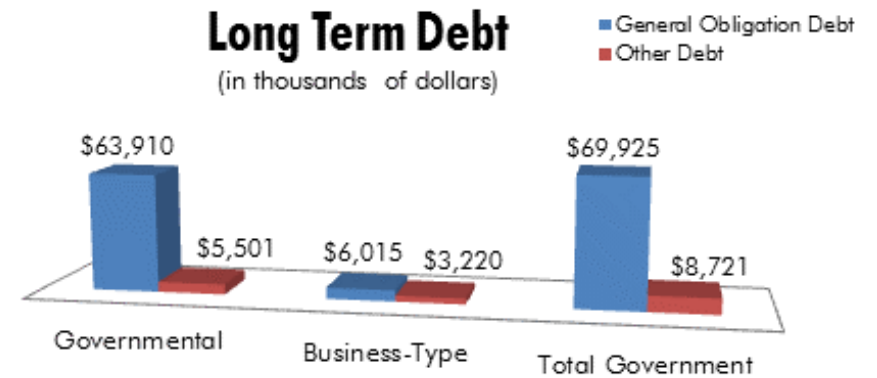
The majority of the capital outlay in 2017 funded the construction and rehabilitation of multiple streets and water main and stormwater infrastructure throughout the Village.

In the past 5 years, the Village has invested approximately \$86.1 million in capital improvements. Below are some of the highlights:

- ◇ **Road reconstruction and resurfacing** in multiple locations in the Village, including the following subdivisions: Fernway, Ishnala, Maycliff, Orland Terrace, Ashburn and Orland on the Green.
- ◇ **New streets constructed**, including 156th Street, and extensions of Ravinia Avenue and Jefferson Street north of 143rd Street.
- ◇ **Pedestrian bridge** added over LaGrange Road.
- ◇ **Traffic Signal** installed at 153rd and Ravinia Avenue.
- ◇ **Property acquisition, parking deck and surface parking lot** construction at 143rd and LaGrange Road in the Main Street Triangle area.
- ◇ Numerous **parks added or rebuilt**, including Centennial Dog Park, Veterans Park and Eagle Ridge Park.
- ◇ Field improvements, including **dugout shade structures** at Centennial Park and a new **Football Scoreboard** at John Humphrey Park.
- ◇ Purchase of the **Orland Park Health & Fitness Center**.
- ◇ **Water Main Replacements** in the Maycliff subdivision, and in conjunction with the LaGrange Road and 159th Street widening projects.
- ◇ **Stormwater Improvements** in the following locations: Fernway, Parkview Estates, Creekside, Mallard Landings, Catalina, Grasslands, Maycliff, Kristo Lane, LaReina Re'al, and Binford Drive.

The Village’s policy for issuance of long-term debt confines borrowing to significant capital improvements only if current revenue sources are not available. At the end of fiscal year 2017, the Village had total debt outstanding of \$78.6 million, a decrease of approximately \$31 million, or 28.2% less than fiscal year 2016. In July 2017, the Village accepted a take-out offer from Flaherty and Collins for the 9750 on the Park development, which allowed the Village to pay off the developer loan in full, and reduced the Village’s long term debt outstanding by approximately \$30 million.

As a home rule municipality, there are no limits imposed by the State of Illinois on long-term borrowing. However, the Village’s debt to EAV ratio, at 3.8%, is well below the 8.625% limit on non-home rule municipalities.



The Village of Orland Park continues to receive high ratings from the two major bond ratings agencies. In 2017, Standard and Poor’s affirmed the Village’s AA+ rating, noting that the rating reflects the Village’s very strong economy, management and financial policies, budgetary flexibility, and liquidity. Moody’s also reaffirmed its Aa1 rating for the Village, due to the Village’s large and affluent tax base and healthy financial profile.

Village Debt - Principal Outstanding





ORLAND PARK

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