



VILLAGE OF ORLAND PARK

POPULAR ANNUAL FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED
DECEMBER 31, 2016



A Message to Our Readers...

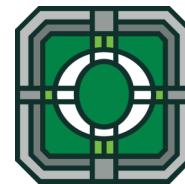
It is our pleasure to present the Village of Orland Park Popular Annual Financial Report (PAFR) for the fiscal year ending December 31, 2016. The purpose of the PAFR is to provide the community with a simplified presentation of the Village's financial activities and position in a transparent and easily 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're proud to state that for the past 29 years the Village's CAFR has been awarded a Certificate of Achievement for Excellence in Financial Reporting by the Government Finance Officers Association (GFOA).

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. We hope you will find the PAFR to be interesting and informative, and welcome any feedback, comments or concerns regarding the information presented.

2016



ORLAND PARK

ELECTED OFFICIALS

Keith Pekau
Village President

John Mehalek
Village Clerk

TRUSTEES

Kathleen Fenton
Development Services,
Planning & Engineering

James Dodge
Mayor Pro Tem;
Technology, Innovation &
Performance Improvement

Patricia Gira
Parks &
Recreation

Carole Griffin Ruzich
Finance

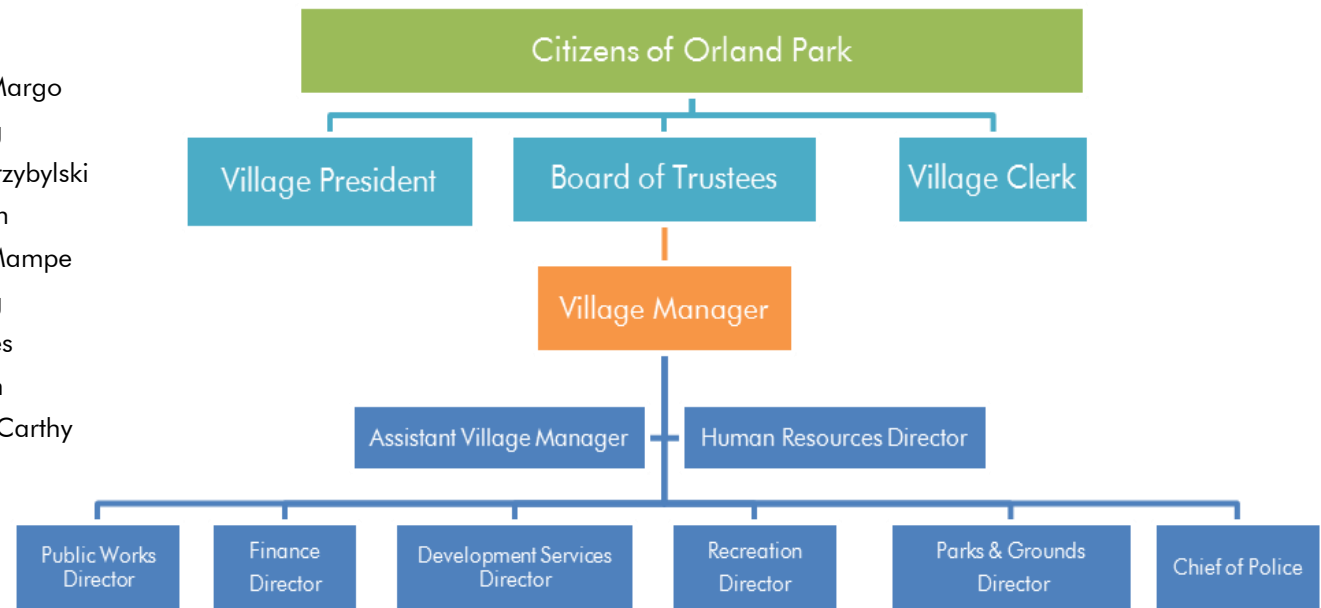
Daniel Calandriello
Public Safety

Michael Carroll
Public Works



VILLAGE STAFF

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



2016

About our Village

Located 25 miles southwest of downtown Chicago, the Village has grown into a dynamic 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, events around town, construction permits, road construction updates and more. A virtual town hall forum is also available on the Village website, allowing for resident feedback and direct communication. Telephone town hall meetings are held periodically, which enable residents to ask questions, get updates and talk directly with the mayor, board members and department directors.

Follow Us on Social Media

2016



PATRICIA CHASE MAGON MUNICIPAL LEADERSHIP AWARD

The Chicago Southland Convention and Visitor’s Bureau presented the Village with the Patricia Chase Magon Municipal Leadership Award for its development of LaGrange Road, turning it into an economic driver for the area.

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 2015 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 29 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.

2016 STARGUARD ELITE AWARD

The Village of Orland Park received the 2016 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.

Orland Park residents enjoy many community activities and events including:

- ◆ National Night Out
- ◆ Teen Police Academy
- ◆ Market at the Park
- ◆ Taste of Orland Park
- ◆ Pandemonium in the Park
- ◆ Fourth of July Concert and Fireworks, and Liberty Fun Run
- ◆ Turkey Trot
- ◆ Concerts in the Park
- ◆ Holiday Tree Lighting Ceremony
- ◆ Memorial Day and Veteran's Day Ceremonies

Public Safety

Orland Park was ranked 13th out of the state's 50 safest communities by BackgroundCheck.org.



The Orland Park Police Department is committed to responding to the needs of and establishing a working relationship with the Orland Park community.

Community Development

In 2016, the Village saw tremendous growth and development as 90 new businesses chose to locate in Orland Park, including the University of Chicago Center for Advanced Care which opened in December, 2016. This 120,000 square foot outpatient clinic is expected to generate 130,000 visitors per year, and will employ over 100 full-time medical and professional personnel.



Public Works

Repair and replacement of aging infrastructure continued to be a Village priority in 2016. 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 2016, almost \$6.7 million was spent on construction and engineering improvements to the Village's storm sewers.

Recreation

The Village supports and maintains 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, including 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 for water related activities.



2016

2016 Balance Sheet

Fund	Assets and Deferred Outflows	Liabilities and Deferred Inflows	Fund Balance
Governmental Funds			
Major			
General	\$46,229,460	\$10,488,886	\$35,740,574
Recreation & Parks	2,280,650	2,272,593	8,057
Capital Improvement	7,243,403	773,629	6,469,774
Home Rule Sales Tax	44,225,952	2,200,587	42,025,365
Main Street Triangle TIF	40,629,855	32,179,224	8,450,631
Debt Service	6,065,667	23,788,012	(17,722,345)
Non-Major			
Motor Fuel Tax	925,543	-	925,543
Park Development	978,012	-	978,012
Seizure & Forfeiture	359,779	13,009	346,770
Road Exaction	254,326	71,400	182,926
Proprietary Funds			
Enterprise Funds			
Major			
Water & Sewer	167,533,530	13,874,978	153,658,552
Non-Major			
Commuter Parking	3,410,524	19,758	3,390,766
Internal Service Fund			
Insurance	5,450,184	1,524,632	3,925,552
Fiduciary Funds			
Police Pension Agency	78,760,706	2,173	78,758,533
	86,737	86,737	-
TOTAL	\$ 404,434,328	\$ 87,295,618	\$ 317,138,710

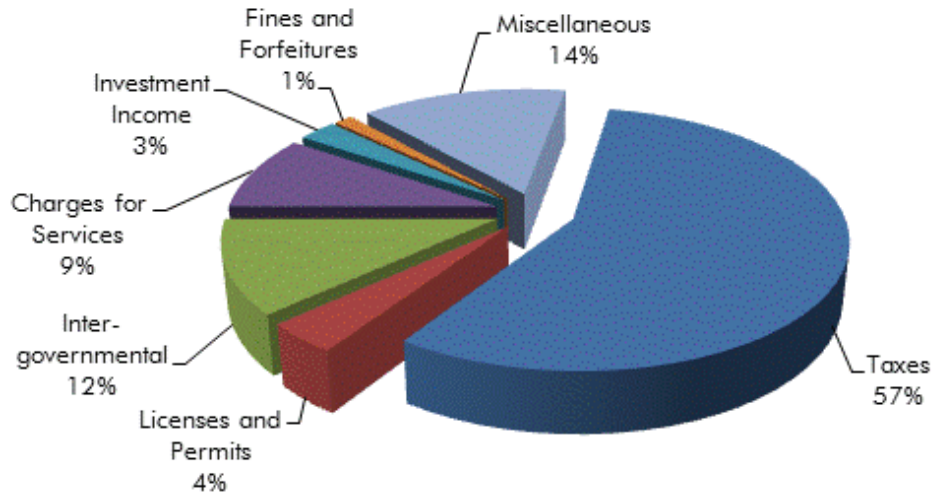
The Village has Board-approved reserve policies in place for the General, Park Development, Home Rule Sales Tax, Water & Sewer, Road Exaction, Capital Improvement and Insurance Funds.



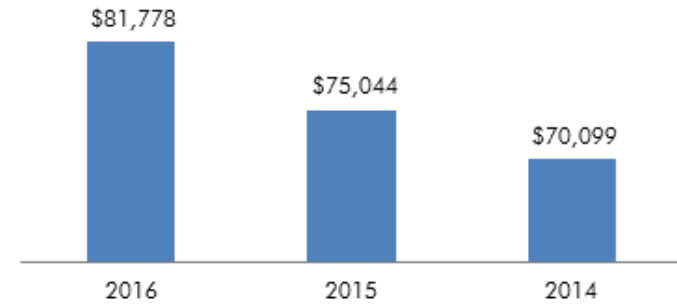
At December 31, 2016, reserves met or exceeded Board-approved policy requirements for all funds, with the exception of the Capital Improvement and the Road Exaction Funds. One time, partial draw-downs in FY2016 of the Capital Improvement and Road Exaction Fund reserves to finance various capital projects will be partially replenished in FY2017, with the remainder to be replenished in FY2018.

2016

Where the Money Comes From



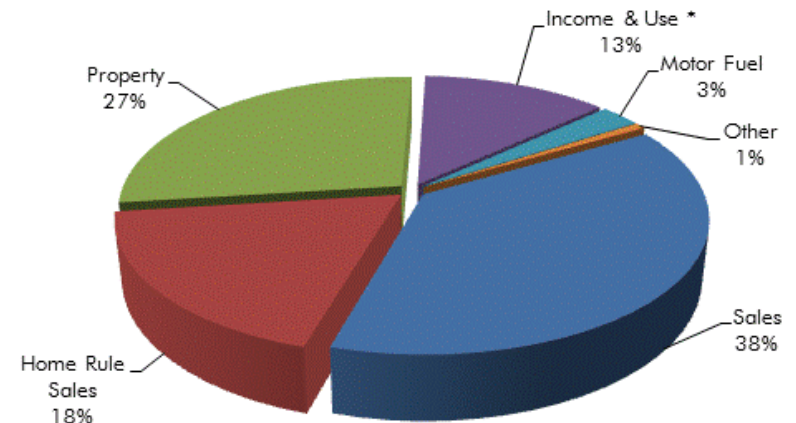
Revenue Trend



The increase in 2016 operating revenues is due in large part 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.

	2016	2015
Revenues		
Taxes	\$ 46,356,614	\$ 45,330,800
Licenses and Permits	3,141,593	4,106,135
Intergovernmental	9,548,911	12,280,721
Charges for Services	7,681,612	7,515,082
Investment Income	2,189,513	2,090,608
Fines and Forfeitures	1,080,008	1,292,186
Miscellaneous	11,780,067	2,428,560
Total Revenues	\$ 81,778,318	\$ 75,044,092

Breakdown of Taxes Received



* Income and Use Taxes are reflected in Intergovernmental revenues.

2016

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 2016, revenues from the Village's governmental activities totaled \$81,778,318. Approximately 56% of this amount comes from sales and property taxes. In total, revenues increased by approximately \$6,734,000 when compared to 2015.

Taxes –

Sales – The majority of the Village's tax revenue is generated by taxes collected from retail sales. The Village sales taxes are comprised of a 1% general sales tax and a 0.75% home rule sales tax.

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

Other – 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 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.

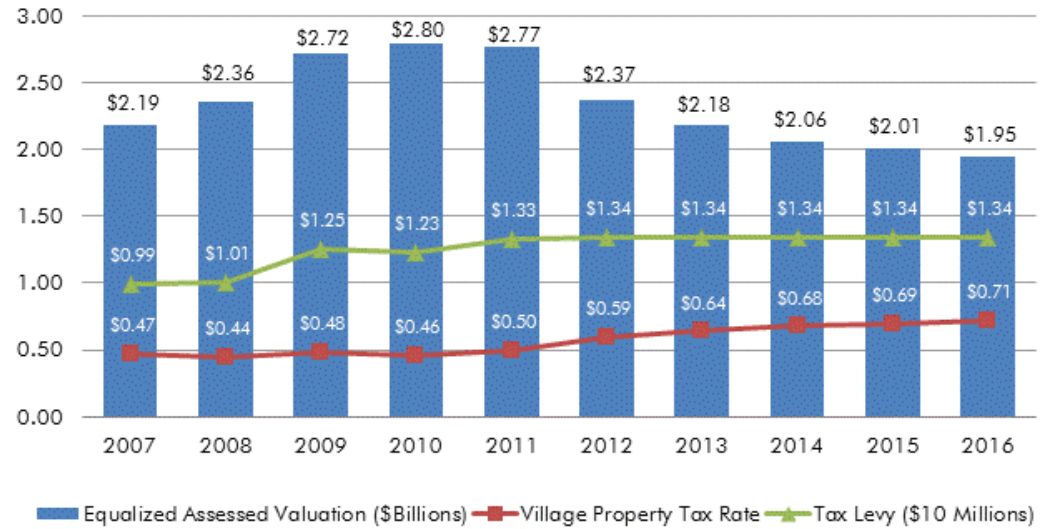
Miscellaneous –The miscellaneous category includes any revenues not accounted for in the categories above. The majority of revenue in 2016 consists of reimbursement from the University of Chicago for the construction of a parking deck.

2016

Village Property Tax Rate Influenced by Weakened Economy

The Village's property tax levy amount has remained the same since 2012. However, when the economy places downward pressure on property values, property tax rates rise. Despite the Village's efforts to contain costs and not ask for more money from its residents, an increase in the property tax rate is inevitable given the inverse relationship between the property tax rate and the equalized assessed valuation of the underlying property.

Village Property Tax Rate per \$100 Equalized Assessed Valuation vs. EAV
2006 - 2015



Top 10 Real Estate Taxpayers

Taxpayers	2015 EAV
Simon Property Group	\$ 109,966,913
IRC	46,200,957
Metra Triangle LLC	11,414,511
Edwards Realty Co	11,156,337
Constance Oswald	10,662,246
St. George Corp	8,770,930
Albertsons/Supervalu Inc	8,232,411
B & G Realty	8,034,856
J.C. Penney Co. Inc.	7,637,946
Cambridge Realty Capital	7,296,496

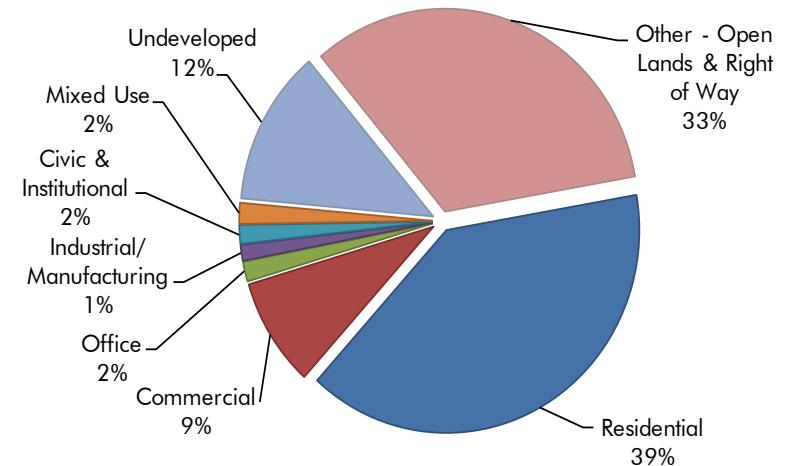
2015 Village EAV

\$1,952,036,822

2015 Village EAV per Capita

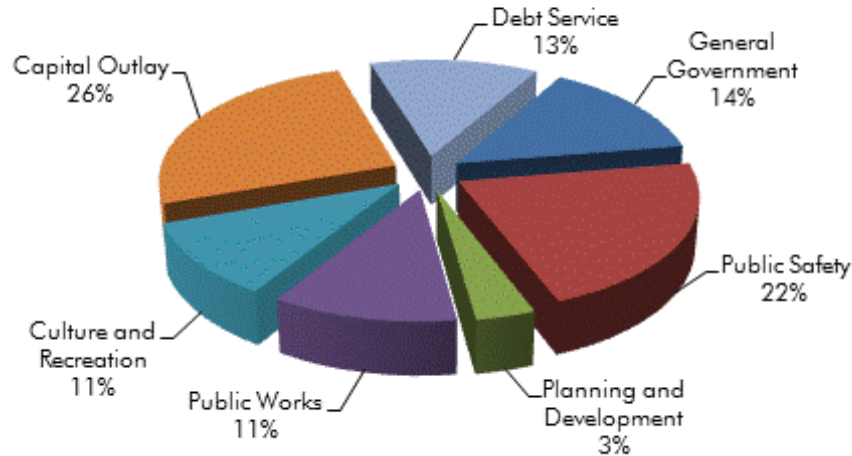
\$34,387

Land Use - Percentage of Total Acreage

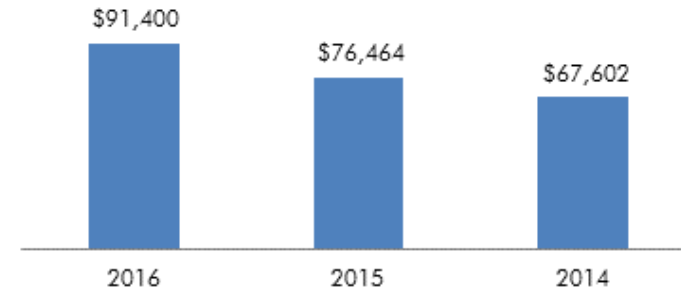


2016

2016 Expenditures by Function



Expenditure Trend



The increase in expenditures from 2015 to 2016 is mainly attributable to an increase in capital spending. A large portion of this spending was related to the construction of a parking deck in the Main Street Triangle district. The Village received offsetting revenues for this project in the form of reimbursement from the University of Chicago, as shown in the Revenues section of this document.

Expenditures by Function	2016	2015
General Government	\$ 12,870,198	\$ 12,286,795
Public Safety	19,889,379	19,232,932
Planning and Development	3,279,743	3,096,445
Public Works	10,139,963	8,933,600
Culture and Recreation	9,800,756	9,852,429
Capital Outlay	23,519,997	6,536,504
Debt Service	11,899,907	16,525,474
Total Expenditures	\$ 91,399,943	\$ 76,464,179

Budgeted Employees by Function Full and Part Time Employees

Function	Number of Full-Time Employees	Number of Part-Time Employees
Public Safety	130	64
Public Works	62	39
Planning and Development	22	16
Culture and Recreation	38	640
General Government	31	27
Total	283	786

2016

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, 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.

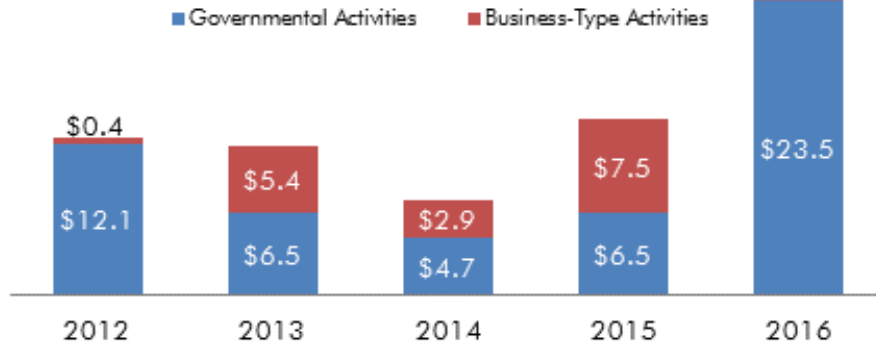


2016

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	\$ 151.2	\$ 32.2	\$ 183.3
Buildings and Land Improvements	89.9	11.2	101.1
Centennial Pool	11.2	0.0	11.2
Machinery, Vehicles, and Equipment	15.1	3.6	18.7
Infrastructure	157.2	186.5	343.7
Construction in Progress	1.6	3.3	4.9
Less: Accumulated Depreciation	(153.6)	(80.4)	(234.1)
Total	\$ 272.6	\$ 156.3	\$ 428.9

The majority of the capital outlay in 2016 funded infrastructure improvements, including the construction of a parking deck, and construction and maintenance of multiple streets throughout the Village.

In the past 5 years, the Village has invested approximately \$72.5 million in capital projects. Below are some of the highlights:

- ◇ **Road reconstruction and resurfacing** in multiple locations in the Village, including the following subdivisions: Fernway, Ishnala, Maycliff 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 Collette Highlands Park, Sunny Pine Park, Centennial Park Playground and Dog Park, and Eagle Ridge Park.
- ◇ Field improvements, including **dugout shade structures** at Centennial Park and a new **Football Scoreboard** at John Humphrey Park.
- ◇ **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.

2016

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 2016, the Village had total debt outstanding of \$109.6 million, a decrease of approximately \$8 million, or 6.8% less than fiscal year 2015. 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 5.6% is well below the 8.625% limit on non-home rule municipalities.

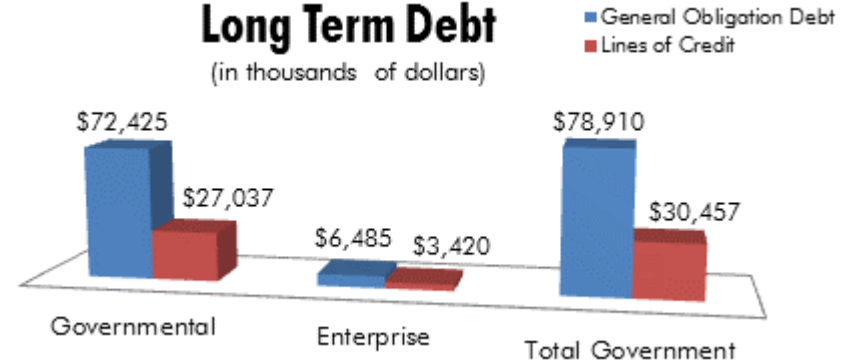
Village Debt - Principal Outstanding



2016

Long Term Debt

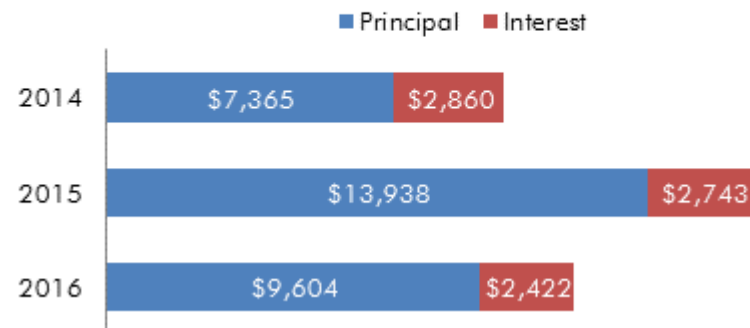
(in thousands of dollars)

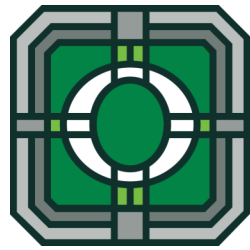


The Village of Orland Park continues to receive high ratings from the two major bond ratings agencies. In 2016, Standard and Poor’s affirmed the Village’s AA+ rating, noting that the rating reflects the Village’s very strong economy, management and financial policies, budgetary flexibility, and liquidity. Moody’s also reaffirmed its Aa1 rating for the Village, due to the Village’s large and affluent tax base and healthy financial profile.

Debt Service Payments

(in thousands of dollars)





ORLAND PARK

2016

Prepared by:

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Finance Department
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