Village of Orland Park

Village Debt Overview and Refunding/Redemption Opportunity

Robert Lewis
Senior Vice President, Managing Director
PMA Securities, LLC

Andrew Kim
Director, Public Finance
PMA Securities, LLC

July 19, 2021

Revenue sources available to pay bonds

TIF Bonds

- 2012B and 2013A
  - Paid using 9750 liquidation proceeds
  - Shortfall of about $8 million in 2022
- 2013C and 2021B Bonds uses TIF increment of $1.1M
- $770,000 annual ground lease payment also available

Enterprise System Debt

- Net revenues of the system

General Debt

- $1.2M HRST
- $1.6M Property taxes
- $1.1M General Fund
- Total of $3.9M available to pay debt ongoing

Current and future borrowing paid from Debt Service Fund (exclusive of TIF related debt)

- Term loans, 2017 Bonds and portion of the 2021A Bonds
- $3.9M will be near term target for annual debt payments for general projects
- As current bonds are paid down, the Village will be able to layer in additional debt, keeping annual payments relatively flat
- Will allow for an additional $25M to $35M in proceeds to fund the Village’s five-year capital plan

Refunding Candidate

- Bonds details of the Series 2013C GO Bonds
  - Currently, $8,665,000 remain outstanding due December 1, 2020 through December 1, 2026
  - $6,350,000 of the outstanding bonds are callable as of December 1, 2021 @ par
  - The average interest rate on the callable bonds is approximately 2.16%
  - Payable from TIF Revenues

Current Refunding of 2013C Bonds

Debt Service Comparison

Date	New Debt Service	+	Noncallable Debt Service	=	New Net Debt Service	vs.	Old Net Debt Service	=	Savings
12/31/2021	55,852.22		1,186,750.00		1,242,602.22		1,242,602.22		-
12/31/2022	1,298,800.00		-		1,298,800.00		1,346,756.26		47,956.26
12/31/2023	1,306,200.00		-		1,306,200.00		1,352,656.26		46,456.26
12/31/2024	1,311,600.00		-		1,311,600.00		1,357,956.26		46,356.26
12/31/2025	1,325,000.00		-		1,325,000.00		1,369,493.76		44,493.76
12/31/2026	1,326,000.00		-		1,326,000.00		1,373,500.00		47,500.00
Total	**$6,623,452.22**		**$1,186,750.00**		**$7,810,202.22**		**$8,042,964.76**		**$232,762.54**

PV Analysis Summary (Net to Net)

Gross PV Debt Service Savings	239,461.99
Net PV Cashflow Savings @ 1.035%(AIC)	239,461.99
Transfers from Prior Issue Debt Service Fund	(15,025.91)
Contingency or Rounding Amount	3,203.23
Net Present Value Benefit	$227,639.31
Net PV Benefit / $6,350,000 Refunded Principal	3.585%

- Based on current market rates as of July 9, 2021. Savings net of estimated costs of issuance.

Redemption of 2012B Bonds

- The Village has the cash on hand to make this bullet payment
- The interest rate on this maturity is 2.25% which is significantly higher than investment earnings on the funds set aside to pay the bullet
- The final bullet on 2012B Bonds is callable December 1, 2021 (call notice sent out by November 1, 2021)

Next Steps

Ordinances approved to refund 2013C Bonds and redeem the 2012B Bonds:	July 19
Refunding Bonds sold:	August 9
Refunding Bonds close:	September 7
Redeem 2012B Bonds	December 1

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v01.08.21