



**PMA**<sup>TM</sup>  
SECURITIES

## 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

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# 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
<b>Total</b>	<b>\$6,623,452.22</b>		<b>\$1,186,750.00</b>		<b>\$7,810,202.22</b>		<b>\$8,042,964.76</b>		<b>\$232,762.54</b>

### 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
<b>Net Present Value Benefit</b>	<b>\$227,639.31</b>
<b>Net PV Benefit / \$6,350,000 Refunded Principal</b>	<b>3.585%</b>

- ▶ 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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