

FY2018 Budget Hearing #3

Presentation of Proposed Annual Budget



FY2018 Budget Hearing #3 Agenda



- ❑ Budget Process, Guiding Principles and Assumptions
- ❑ Proposed Capital Improvement Plan (CIP)
- ❑ Proposed Technology Projects
- ❑ Proposed Vehicle & Equipment Replacements
- ❑ Proposed Departmental Operating Budgets
- ❑ Proposed Budgets – Other Funds

FY2018 Budget Process, Guiding Principles and Assumptions

FY2018 Budget Process Overview



- May 31st - Budget Kickoff Hearing
 - Reviewed Strategic Pillars
 - Presented Current Financial Position
 - Reviewed Budget Assumptions
 - Outlined Budget Priorities
- July 31st – Revenue Hearing
 - Presented available funding for operating and other non-capital funds – prior year excess reserve and budget year revenues
 - Reviewed fixed (recurring) operating expenditures and allocation of “target”
 - Presented draft Personnel Requests

FY2018 Budget Process Overview (Cont'd.)



- ❑ Board direction at conclusion of July 31st Revenue Hearing
 - ❑ Formulate budget with assumption of no new revenue sources, no growth in property tax levy
 - ❑ Prior year excess fund balance to be used for operating capital as opposed to departmental target budgets
 - ❑ Target reduction as compared to original FY2017 target distribution - ~\$1.44M

Guiding Principles



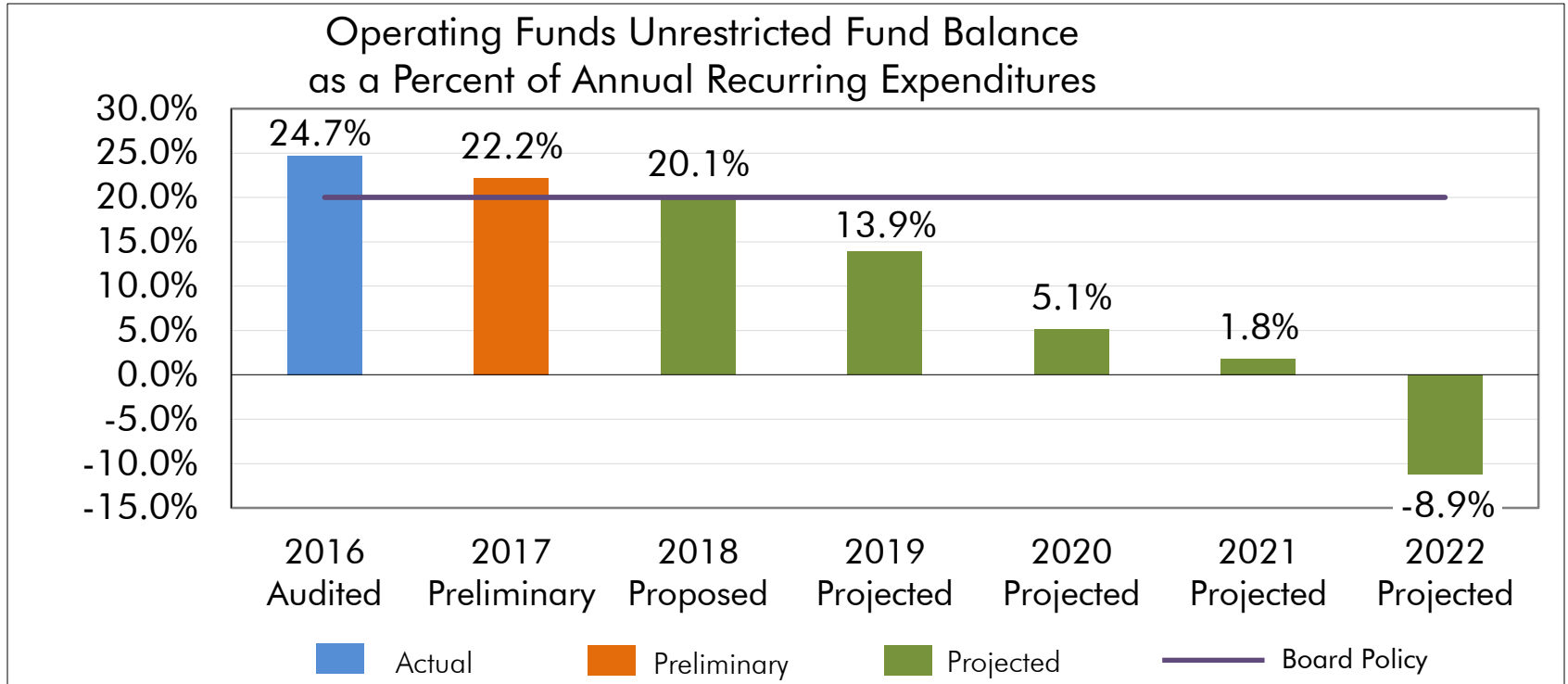
- ❑ Municipal Budgeting Best Practices
 - ❑ Identify Board priorities at beginning of budget process to ensure developed budget meets Board's goals and objectives
 - ❑ Establish a budget process and timeline
 - ❑ Develop long term financial plan and multi-year capital improvement plan (5 – 10 years) and incorporate each into annual budget
 - ❑ Present budget at a public meeting prior to adoption to ensure the budget meets the needs of the community

Guiding Principles (Cont'd.)



- ❑ Village of Orland Park Strategic Pillars
 - ❑ Economic Development
 - ❑ Downtown Development
 - ❑ Quality of Life
 - ❑ High Performing Organization
- ❑ Identify efficiencies to ensure Orland Park is providing high quality services in the most cost effective way
- ❑ Utilize long term financial plan to determine effect of current decisions

Guiding Principles (Cont'd.)



In Millions (\$)	2016	2017	2018	2019	2020	2021	2022
Total Revenues	\$55,772	\$60,982	\$64,950	\$63,026	\$63,908	\$65,443	\$64,919
Total Expenditures	\$57,403	\$69,822	\$66,763	\$66,886	\$68,281	\$71,435	\$73,463

FY2018 Budget Assumptions



- ❑ Proposed budget must meet or exceed Board authorized fund balance policies
 - ❑ General Fund – minimum reserve of 20% of annual, recurring operating expenditures of General, Recreation and Parks and Civic Center Funds
 - ❑ Fund balance policies also in place for Water & Sewer, Road Exaction, Capital Improvement, HRST and Insurance Funds

FY2018 Budget Assumptions (cont'd)



- ❑ Revenue estimates determined utilizing a conservative approach
- ❑ No new home rule revenue sources
- ❑ No increase in total property tax levy
- ❑ No debt proceeds included as a revenue source
- ❑ Utilize HRST to fund a portion of operating capital maintenance and new technology initiatives

FY2018 Budget Assumptions (Cont'd.)



- Salary and benefit increases – salaries 2 to 2.5%, employee health benefits 2.5%, contributions to pension plans based on actuarially determined contributions
- Continue 50% subsidy of recreation function, excluding OPHFC
- Sales and home rule sales tax forecasts based on current trends

FY2018 Proposed Capital Improvement Plan (CIP)

FY2018 CIP – Assumptions, Focus & Priorities



- ❑ Focus on maintaining existing, aging infrastructure, buildings and equipment
- ❑ Reduce significant rollover of capital projects from year to year
- ❑ No new debt issued to fund FY2018 CIP
- ❑ Utilize Home Rule Sales Tax to fund a portion of operating capital expenditures, i.e., existing capital asset maintenance

FY2018 CIP – Funding Sources



☐ Home Rule Sales Tax –

- ☐ Total Available - \$19.39M (\$7.3M available due to 9750 takeout)
 - ☐ ~ \$7.8M funding for infrastructure capital improvements
 - ☐ ~\$3.1M funding for operating capital maintenance (including \$500K for operating capital maintenance/replacement reserve)
 - ☐ ~\$514K for technology initiatives
 - ☐ ~\$1.9M funding MST TIF expenditures
 - ☐ ~\$2.5M funding of debt service on MST TIF related GO Bonds
 - ☐ Includes \$1.2M funding for FY2022 balloon payment
 - ☐ ~\$2.4M funding Board approved reserve requirement
 - ☐ ~\$789K funding Term Loan/Line of Credit Payments

FY2018 CIP – Funding Sources (Cont'd.)



- ❑ CIP Fund Revenues - \$1,695,844

- ❑ Includes federal funding for 147th/Ravinia Roundabout, 151st Street Improvements, 143rd Street/SWH - WC Road, 143rd & John Humphrey Drive

- ❑ Water & Sewer Fund Revenues - \$4,646,000

- ❑ Vehicle Sticker & Road/Bridge Tax - \$499,372

- ❑ Road Exaction Fund Revenues - \$342,596

- ❑ Open Lands Fund Balance - \$250,000

FY2018 CIP Projects



Total Amount Proposed - \$19,998,000 (p. 215 – 226)

- ☐ Continued development and infrastructure improvements in the Main Street Triangle area
- ☐ Continued open space improvements
- ☐ Installation of roundabout at 147th & Ravinia Avenue and related realignment of the Village Hall parking lot
- ☐ Roadway Maintenance and Reconstruction Program
- ☐ Various road, traffic signal, street lighting improvement projects
- ☐ Water main improvements related to Roadway Maintenance Program
- ☐ Various water, sewer and storm water improvements projects
- ☐ Various improvements to Village facilities and amenities, such as OPHFC, CPAC, Brentwood Park and Village Hall

FY2018 Proposed Technology Projects

FY2018 Proposed Technology Projects



- ☐ Total Proposed Technology Projects - \$874,440 (p. 185 – 214)
- ☐ Continued implementation of Tyler Technologies Com Dev and Work Management applications
- ☐ Significant improvements to networking hardware and software
- ☐ Implementation of a Village-wide document management system
- ☐ Integration of new and existing systems

FY2018 Proposed Vehicle & Equipment Replacements

FY2018 Proposed Vehicle & Equipment Replacements



- ❑ Total Proposed Vehicle and Equipment Replacements – \$934,250 (p. 227)
- ❑ Age range of vehicles to be replaced – 2002 Sterling Plow/Spreader to 2014 Ford Interceptor Police Vehicles
- ❑ 11 Police vehicles, including marked, unmarked and animal control
- ❑ 1 Parks vehicle, 1 Parks equipment replacement
- ❑ 3 PW vehicles, 2 PW equipment replacements (one replacement charged to Water & Sewer Fund)

FY2018 Proposed Operating Budget

Expenditure Reductions – By Type



Overall expenditure reductions - \$1,184,955

- ❑ Operating efficiencies - \$118,263
 - ❑ Reduced facility hours at CPAC, FLC, Sportsplex, Ice Rink
 - ❑ Orland Park Public
- ❑ Programs reduced or eliminated - \$339,949
 - ❑ Special Events subsidy
 - ❑ Leaf pickup and tree trimming program
 - ❑ Special Recreation Job Training Program
- ❑ Other fixed cost reductions - \$194,243
 - ❑ Salt
 - ❑ Intergovernmental consultants
- ❑ Staff/staff hours reductions - \$158,946
 - ❑ Part-time Inspectors (2) - Development Services
 - ❑ Part-time TCO, CSO, temporary traffic control - Police
 - ❑ Seasonal/Part-time – Public Works
 - ❑ Intern Positions (3) – Various departments
- ❑ Other variable cost reductions - \$373,554
 - ❑ Consulting services
 - ❑ Miscellaneous supplies

Expenditure Reductions - By Department

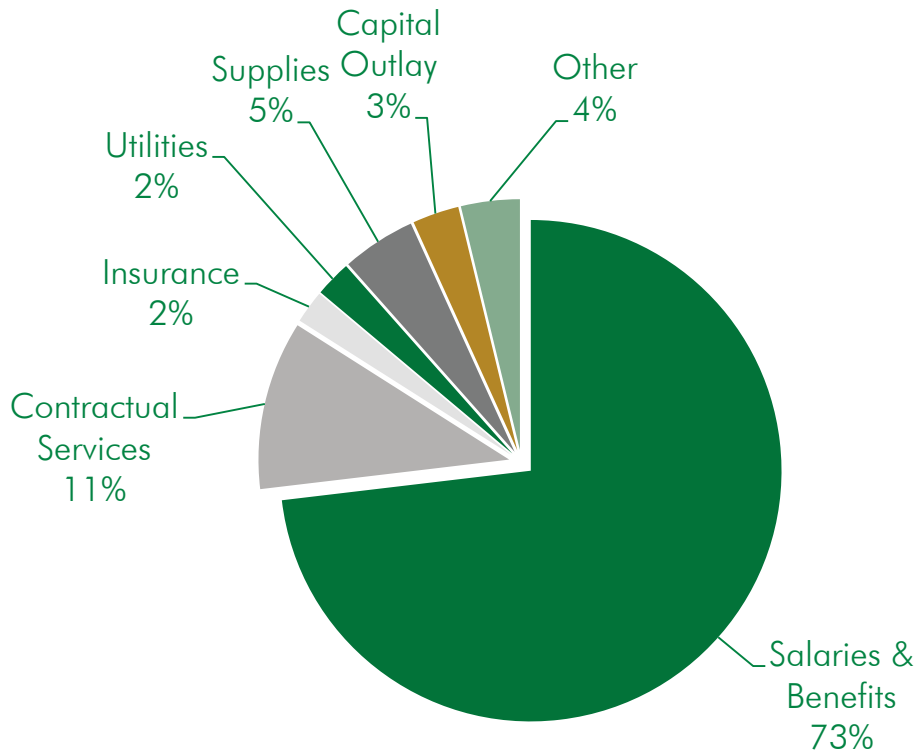


Non-Departmental	\$ 192,529
Village Manager	44,129
Public Information	97,900
Finance	5,061
Officials	4,268
Development Services	51,547
Clerk	5,165
BIS	23,970
Police	58,525
Civic Center	4,542
Building Maintenance	5,550
Public Works	286,942
Recreation/Special Events	316,176
Parks	88,651
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	<u>\$1,184,955</u>

Expenditure reductions as compared to FY2017 original target distribution. Includes fixed (recurring) and variable cost reductions.

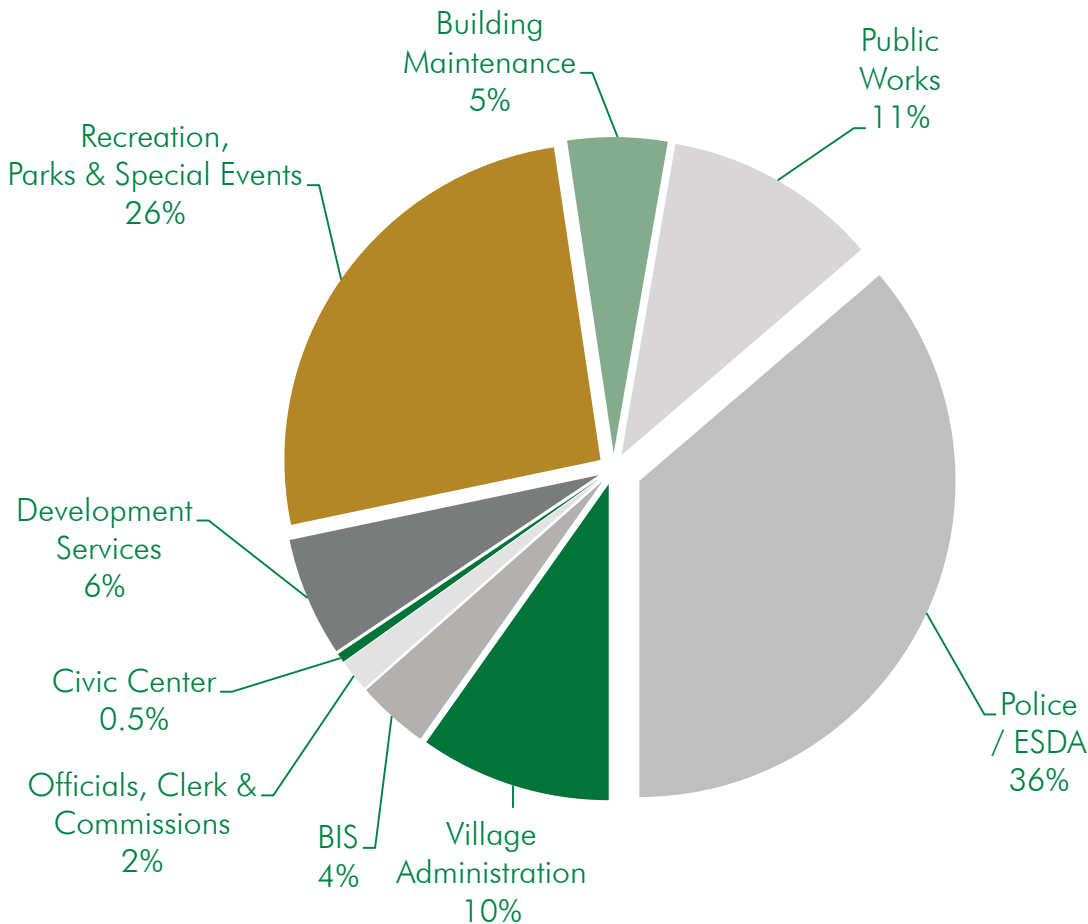


Summary of Operating Expenditures – By Type



Fixed (Recurring) Expenditures	\$ 53,117,865	88.97%
Variable Expenditures	2,818,745	4.72%
Operating Capital	3,091,000	5.18%
Discretionary Requests	129,345	0.22%
Personnel Requests	184,886	0.31%
Technology Requests	360,530	0.60%
Total before Interfund Transfers	\$ 59,702,371	100.00%
Interfund Transfer to Recreation & Parks	6,899,385	
Interfund Transfer to Civic Center	161,673	
		<u>\$ 66,763,429</u>

Summary of Operating Expenditures – By Function



Village Administration (Village Manager's Office, Public Information Office, Finance and Non-departmental) p. 25 - 29, 32 - 35)

BIS - p. 38 - 40

Officials, Clerk & Commissions - p. 30 - 31, 36 - 37, 70 - 71

Civic Center - p. 103 - 105

Development Services - p. 41 - 48

Recreation, Parks & Special Events - p. 72 - 102

Building Maintenance - p. 49 - 52

Public Works - p. 53 - 61

Police / ESDA p. 62 - 69

FY2018 Proposed Personnel Requests



- ☐ Total Proposed Personnel Requests - \$180,743
(page 145 – 169)
- ☐ Two new full-time positions – GIS Analyst,
Maintenance Worker I (Parks)
- ☐ One new part-time position – Mobile and Web
Application Administrator
- ☐ Various position reclassifications

FY2018 Proposed Discretionary Requests



- ☐ Total Proposed Discretionary Requests - \$163,345
(p. 170 – 184)
- ☐ Continued subsidy to Open Lands Fund for operating expenses of Open Lands and Stellwagen Foundation
- ☐ Consulting and engineering services
- ☐ Miscellaneous equipment for Police Department
- ☐ Miscellaneous Water & Sewer Fund memberships and improvements

FY2018 Proposed Budget Other Funds

Orland Park Police Pension Fund



- ❑ Fund receives revenue from employee contributions, property taxes and investment earnings and records expenditures related to the payment of retiree and disability benefits to pension fund participants
- ❑ Total Fund Revenue Budget - \$5,702,322
- ❑ Total Fund Expenditure Budget - \$4,531,405
- ❑ p. 143 - 144

Water & Sewer Fund



- ❑ Fund receives revenue from monthly water bills collections, connection fees and other miscellaneous service charges and records expenditures related to the operating and maintenance of the Village's water, sewer and storm water systems
- ❑ Total Fund Revenue Budget - \$28,499,177
- ❑ Total Fund Expenditure Budget - \$32,418,255
- ❑ p. 114 - 127

Main Street Triangle TIF Fund



- ❑ Fund records revenue from incremental property tax and revenues related to redevelopment agreements. Expenditures include costs related to infrastructure improvements within the area
- ❑ Total Fund Revenue Budget - \$2,156,739
- ❑ Total Fund Expenditure Budget - \$2,923,124
- ❑ p. 112 - 113

Home Rule Sales Tax Fund



- ❑ Fund records revenue from Home Rule Sales Tax and funds various capital projects, debt service payments related to debt funded projects and debt service payments for Main Street Triangle related debt
- ❑ Total Fund Revenue Budget - \$9,662,694
- ❑ Total Fund Expenditure Budget - \$12,892,246
- ❑ p. 110 - 111

Motor Fuel Tax Fund



- ❑ Fund received monthly distributions of Motor Fuel Tax from the State of Illinois. Expenses of the fund are a transfer to the Village's General Fund for IDOT approved expenditures for road maintenance charged to the Public Works Streets division
- ❑ Total Fund Revenue Budget - \$1,469,425
- ❑ Total Fund Expenditure Budget - \$1,467,460
- ❑ p. 106 - 107

Debt Service Funds



- ❑ Funds record all general obligation bond activity, including receipt of property taxes and principal and interest payment on outstanding general obligation debt
- ❑ Total Fund Revenue Budget - \$8,081,351
- ❑ Total Fund Expenditure Budget - \$9,166,295
- ❑ p. 140 - 142

Insurance Fund



- ❑ Fund records transactions related to insurance provided by third party insurers, full self- insurance for employee benefits and partial self-insurance for workers' compensation and general liability. Funds are transferred into the Insurance Fund by other funds and are available to pay premiums, claims, claim reserves and administrative costs
- ❑ Total Fund Revenue Budget - \$8,489,961
- ❑ Total Fund Expenditure Budget - \$8,639,354
- ❑ p. 134 - 135

Commuter Parking Fund



- ❑ Fund receives daily and monthly permit fee revenues from the three commuter parking lots and records expenditures related to the operating and maintenance of the lots
- ❑ Total Fund Revenue Budget - \$307,066
- ❑ Total Fund Expenditure Budget - \$371,133
- ❑ p. 128 - 129

Museum Fund



- ❑ Fund receives revenue from donations, grants and fees for services and records expenditures for museum operations
- ❑ Total Fund Revenue Budget - \$37,775
- ❑ Total Fund Expenditure Budget - \$37,775
- ❑ p. 138 - 139

Open Lands Fund



- ❑ Fund receives revenue from gifts, donations and fundraising and records expenditures related to the purchase and improvement of open space
- ❑ Total Revenues - \$7,625
 - ❑ If proposed operating subsidy for Boley Farm, Stellwagen Farm and Open Lands operating expenses is approved, amount is \$23,845
- ❑ Total Expenditures - \$273,845
- ❑ p. 136 - 137