

Fiscal Year 2019 Budget Kickoff Meeting

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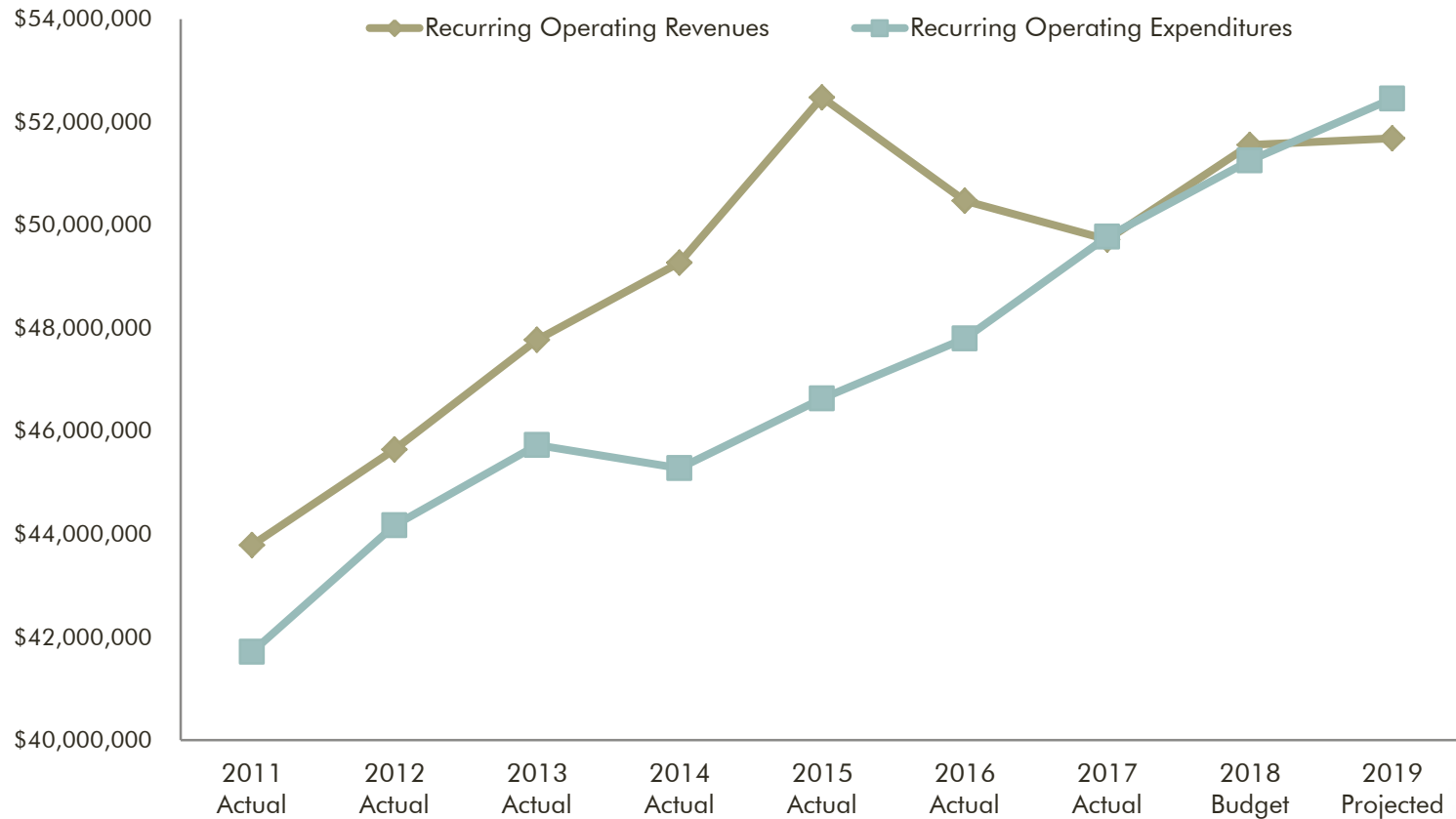


ORLAND PARK

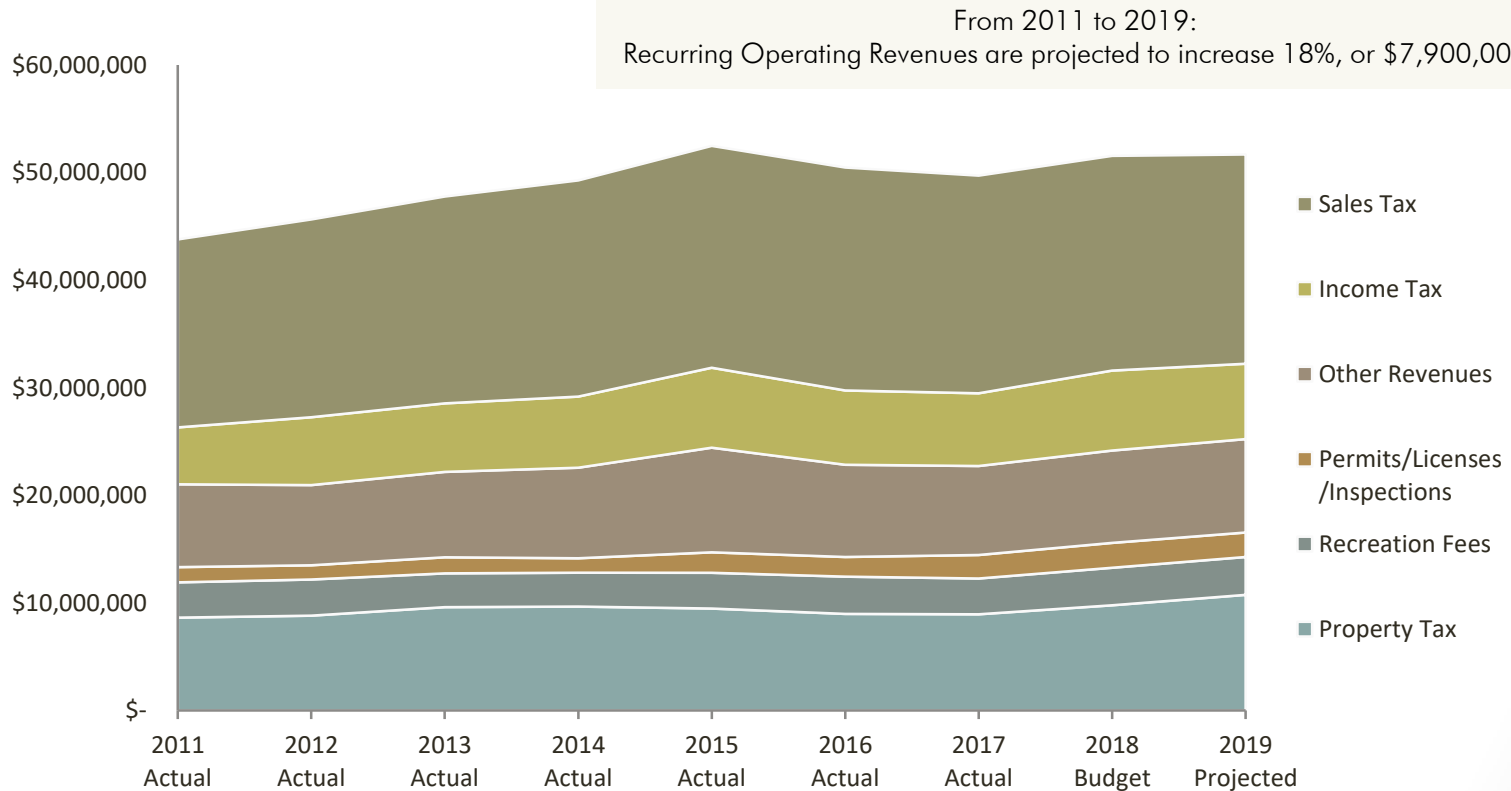
June 6, 2018 - 6:00PM

Operating Revenue vs Expenditure Trends

ORLAND PARK



Recurring Operating Revenues



Sales Tax



- Food Stores, Eating & Drinking Places continue to show growth, with sales increasing by \$10.6M in 2017, compared to 2016. Since 2008, sales in these categories has grown by over \$88M.
- Store Closings - Sears, Toys R Us, Babies R Us, Carson's and Carson's Furniture combined to generate approximately \$670,000 in Sales Tax in 2017.
- Bettenhausen moved their Jeep/Dodge/Chrysler/Ram Trucks dealership to Tinley Park in 2017. New Fiat/Used Car Superstore opened in its place in 2018.
- Potential new sales tax generators – Ashley Furniture, Chuy's, Miller's Ale House, City Barbeque

Sales Tax Future Observations

(Information provided in 2018 Melaniphy Chicagoland Retail Sales Report)

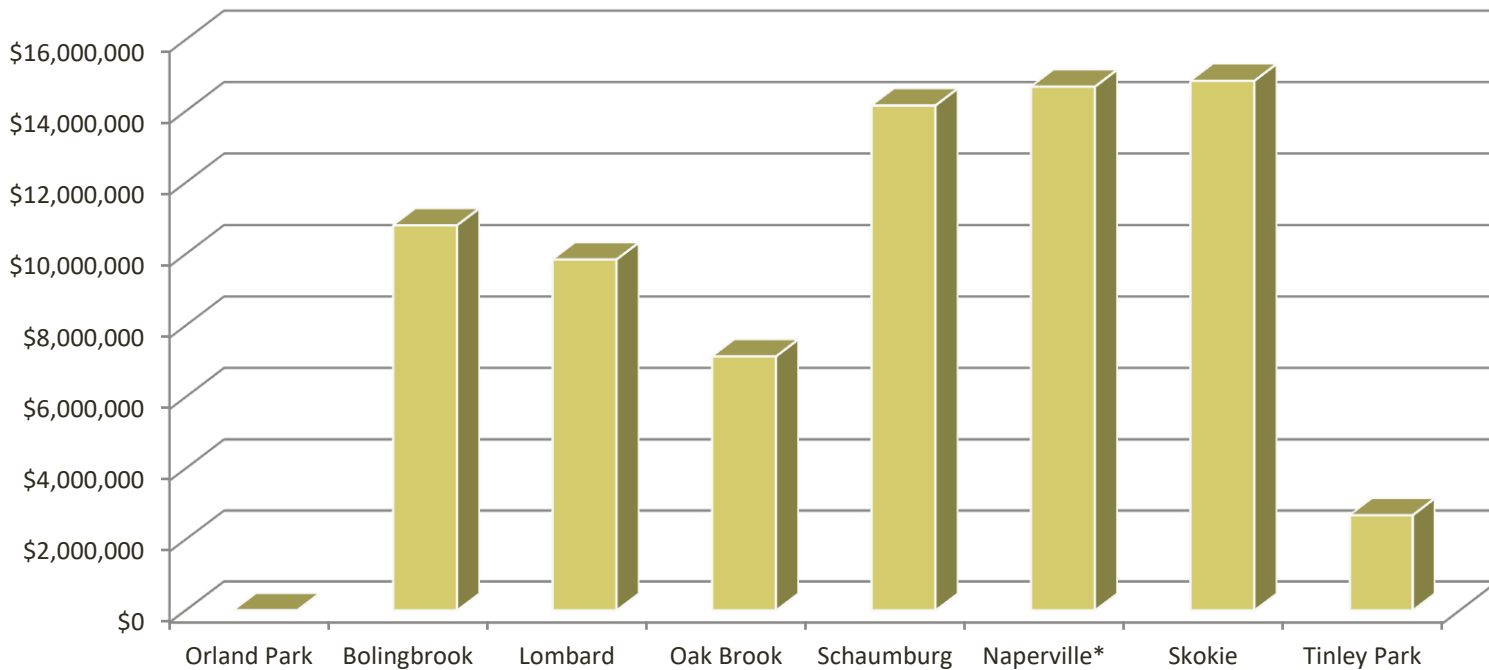
- U.S. retail market in midst of unprecedented times as market adjusts to changes in customer shopping habits
- Amazon's retail sales growth is effecting demand for brick and mortar stores, over 90% of retail sales are still conducted in stores
- Department, sporting goods, office supply, electronics, book, video, and apparel stores are negatively impacted by internet sales. Restaurants, off-price retailers, and outlet stores have not been negatively affected by internet sales
- Auto dealers and furniture retailers are experiencing changing shopping patterns
- Retailers may accelerate plans to reduce store counts
- Class B & C malls will continue to struggle and require redevelopment due to department store closures, mixed-use development will dominate

State Shared Revenues

- Governor signed budget on 6/4/18 – Local Government Distributive Fund (LGDF) cut reduced from 10% to 5%, sales tax administrative fee reduced from 2% to 1.5%. This will increase collections by approximately \$440,000 for Income Tax and \$50,000 for Home Rule Sales Tax.
- Per Illinois Department of Revenue (IDOR), telecommunications tax will continue to decrease as residents eliminate land lines.
- Per IDOR, may see a decrease in use tax as Illinois continues to see an increase in fulfillment centers.
 - When items are shipped from outside of Illinois and the retailer has a presence in Illinois, use tax is collected and shared on a per capita basis.
 - Municipalities that have fulfillment centers in their town receive sales tax from the items that are shipped from the centers.
 - Amazon will have a total of nine fulfillment centers in Illinois by the end of 2018 including two in Joliet, one in Romeoville, and one in Monee.

Municipal Revenue Sources

(Food & Beverage, Video Gaming, Amusement, Liquor, Hotel, Local Use, RE Transfer, Utility, Fuel Taxes)

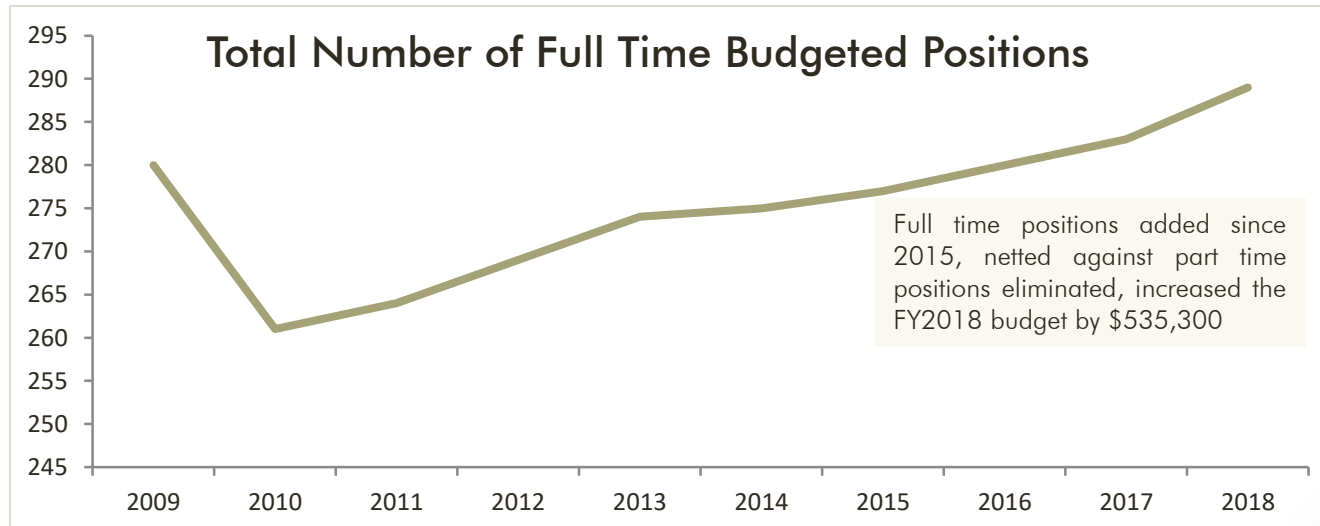
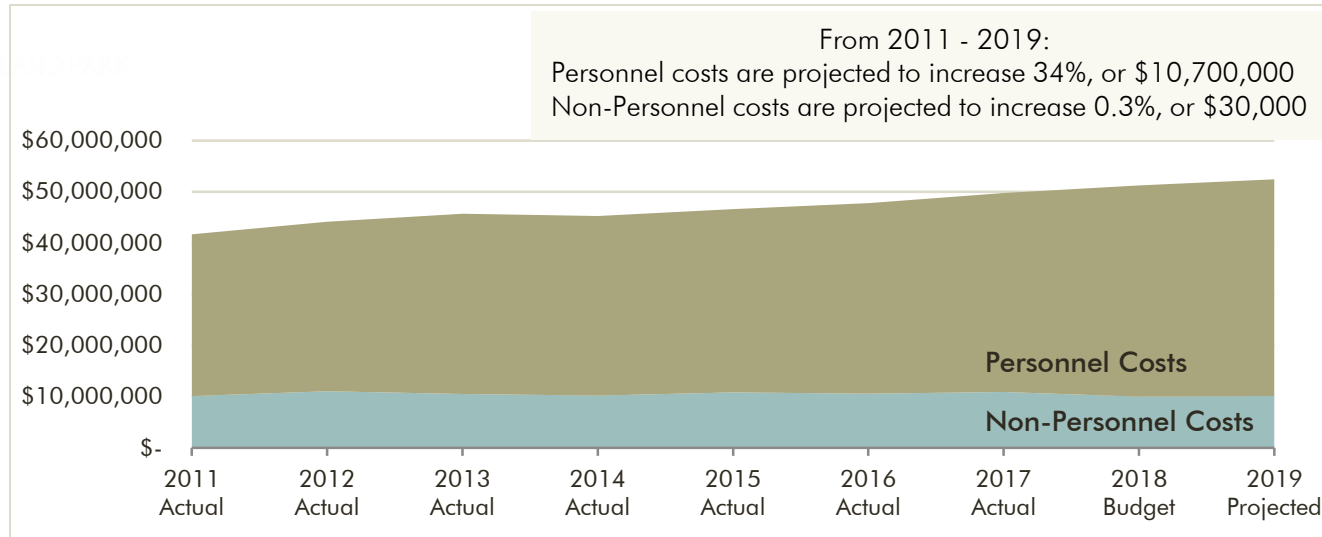


Property tax Rate	.679	1.455	.926	-	1.135	.735	1.269	1.867
HRST (\$1,000's)	\$9,641	\$16,500	\$-	\$5,563	\$21,000	\$8,918	\$15,056	\$5,665

*Does not include utility tax on electrical utility owned by the City

Recurring Operating Expenditures

ORANGE PARK

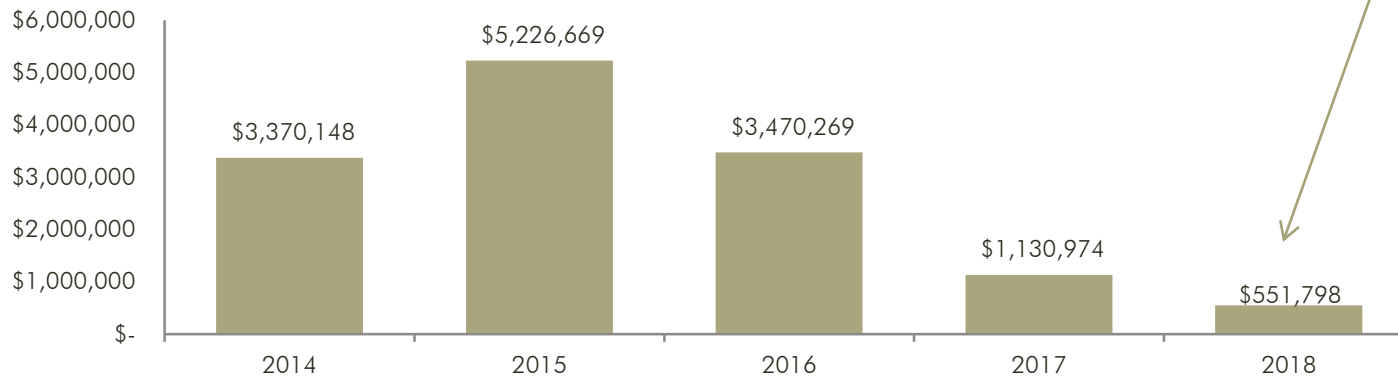


Prior Year Available Savings

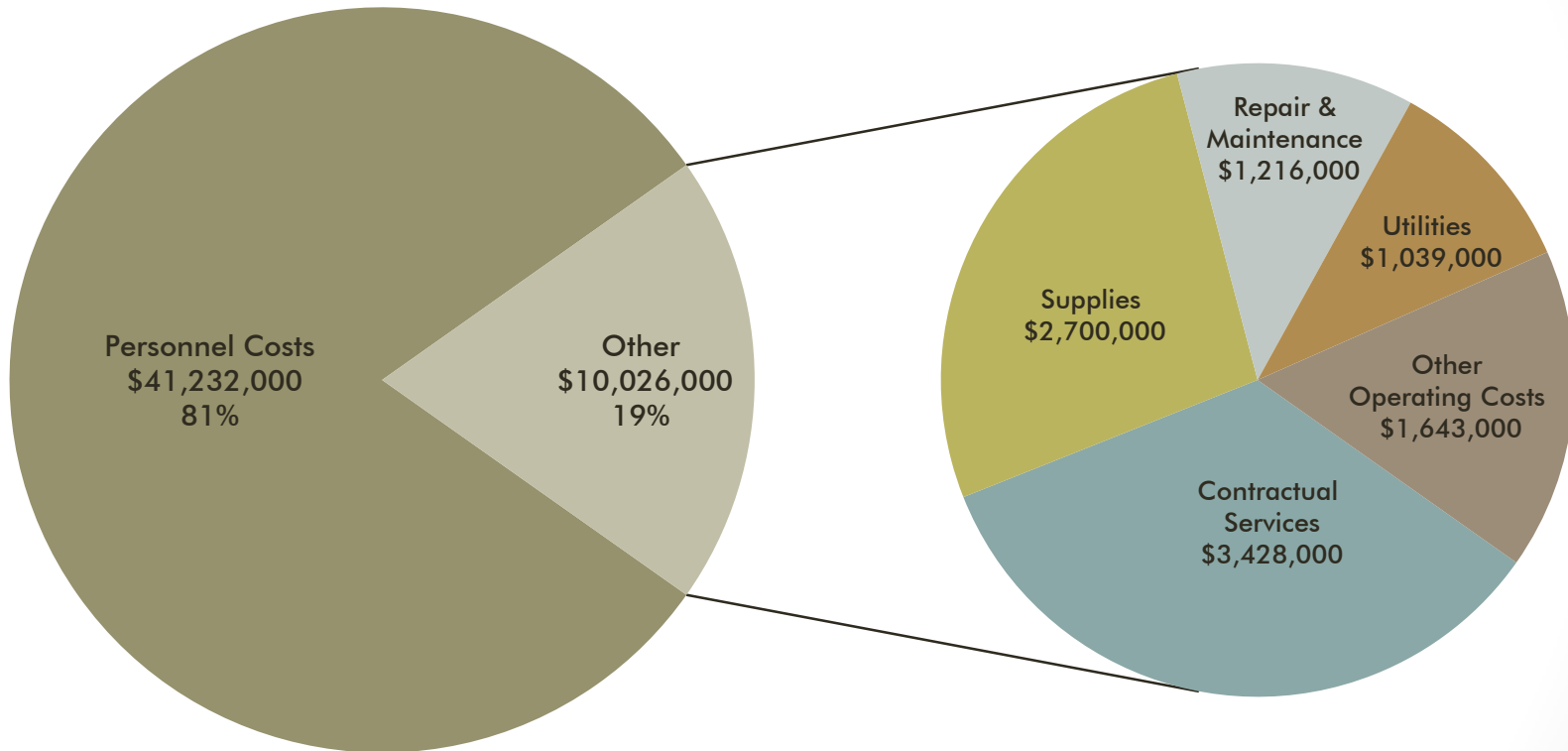
FOCAL POINT

	Preliminary Audited Fund Balance 12/31/2017	Budgeted Revenues FY2018	Budgeted Expenditures FY2018	Projected Board Authorized Reserve @12/31/2018	Projected Excess Cash over Board Authorized Reserves @ 12/31/2018
General Operation Funds	\$ 31,311,845	\$ 65,254,106	\$ 70,270,562	\$ 25,743,591	\$ 551,798

Funds Available over Reserve Amount



FY2018 Budgeted Operating Expenditures



FY2019 Budget Assumptions

Assumptions

- ❑ Property tax levy will remain flat, total dollar amount of the Village's levy will not increase over the previous year; no additional debt service funded by levy
- ❑ Overall revenue forecast will not include any new revenue sources
- ❑ Reserves will be maintained as per Board approved reserve policies
- ❑ General Fund will continue to provide operating subsidies to the Recreation & Parks Fund, Civic Center, Open Lands Funds and History Museum
- ❑ Implementation of ERI program assumptions
- ❑ Maintain current resident service levels

Budget Schedule

- June 6th – Budget Kickoff Meeting
- August - Revenue Hearing
- August - Capital Budget Hearing
- September/October - Departmental Operating Budget Hearings
- November – Wrap Up Budget Hearing
- Throughout the entire budget process, Committee Chairs should be meeting with their respective department directors to review and discuss operating and capital budgets, as well as to compile discretionary requests that may be submitted by the department.
- The budget team may periodically meet with the Board on an individual basis to discuss various aspects of the budget and/or the budget process