

# **VILLAGE OF ORLAND PARK**

*14700 Ravinia Avenue  
Orland Park, IL 60462  
[www.orlandpark.org](http://www.orlandpark.org)*



## **Meeting Minutes**

**Monday, August 26, 2019**

**6:00 PM**

**SPECIAL MEETING  
FY2020 BUDGET HEARING**

**Village Hall**

## **Board of Trustees**

*Village President Keith Pekau  
Village Clerk John C. Mehalek*

*Trustees, Kathleen M. Fenton, James V. Dodge, Jr., Daniel T. Calandriello,  
William R. Healy, Cynthia Nelson Katsenes, and Michael R. Milani*

**CALL TO ORDER/ROLL CALL**

The meeting was called to order at 6:02 P.M.

**Present:** 6 - Trustee Fenton, Trustee Dodge, Trustee Calandriello, Trustee Healy, Trustee Milani and Village President Pekau

**Absent:** 1 - Trustee Nelson Katsenes

**FY2020 BUDGET HEARING****2019-0441 FY2020 - Revenue Budget Hearing**

Interim Village Manager Dubelbeis stated that the purpose of this meeting is to discuss the Revenue Budget for 2020 and identify the revenues that will be available. He reviewed directives that staff has received from the Board and variables that may impact the budget. (refer to audio file)

Director of Finance Annmarie Mampe reviewed each page of the presentation (Exhibit A). (refer to audio file)

The Board had questions and comments during the presentation which Director Mampe responded to. President Pekau also responded to questions and comments. (refer to audio file)

The Board and staff discussed the village's property tax levy and tax rates. (refer to audio file)

A question and answer session took place between the Board and staff. (refer to audio file)

The Board and Director Mampe discussed the Park's Department and bringing down the subsidized percentage rate. (refer to audio file).

The Board and Director Mampe discussed sales tax and excess fund balance amounts. (refer to audio file)

The Board had additional comments regarding the Park's Department. (refer to audio file)

The next Budget Hearing is scheduled for Monday, September 9, 2019 regarding the proposed Capital Improvement Plan and Technology Projects. (refer to audio file)

I move to recommend directing staff to move forward using the assumptions as proposed in the tentative FY2020 revenue estimates to prepare the FY2020 expenditure budget.

**A motion was made by Trustee Calandriello, seconded by Village President Pekau, that this matter be APPROVED. The motion carried by the following vote:**

**Aye:** 6 - Trustee Fenton, Trustee Dodge, Trustee Calandriello, Trustee Healy, Trustee Milani, and Village President Pekau

**Nay:** 0

**Absent:** 1 - Trustee Nelson Katsenes

**ADJOURNMENT: 6:53 P.M.**

**A motion was made by Trustee Fenton, seconded by Trustee Dodge, that this matter be ADJOURNED. The motion carried by the following vote:**

**Aye:** 6 - Trustee Fenton, Trustee Dodge, Trustee Calandriello, Trustee Healy, Trustee Milani, and Village President Pekau

**Nay:** 0

**Absent:** 1 - Trustee Nelson Katsenes

**2019-0654 Audio Recording for August 26, 2019 Special Meeting - 2020 Revenue Budget Hearing**

**NO ACTION**

**/AS**

APPROVED: September 3, 2019

Respectfully Submitted,

/s/ John C. Mehalek

---

**John C. Mehalek, Village Clerk**

/s/ Casey Griffin

---

**Casey Griffin, Deputy Village Clerk**

EXHIBIT A

# Fiscal Year 2020 Budget Revenue Hearing

{ 1 }



ORLAND PARK

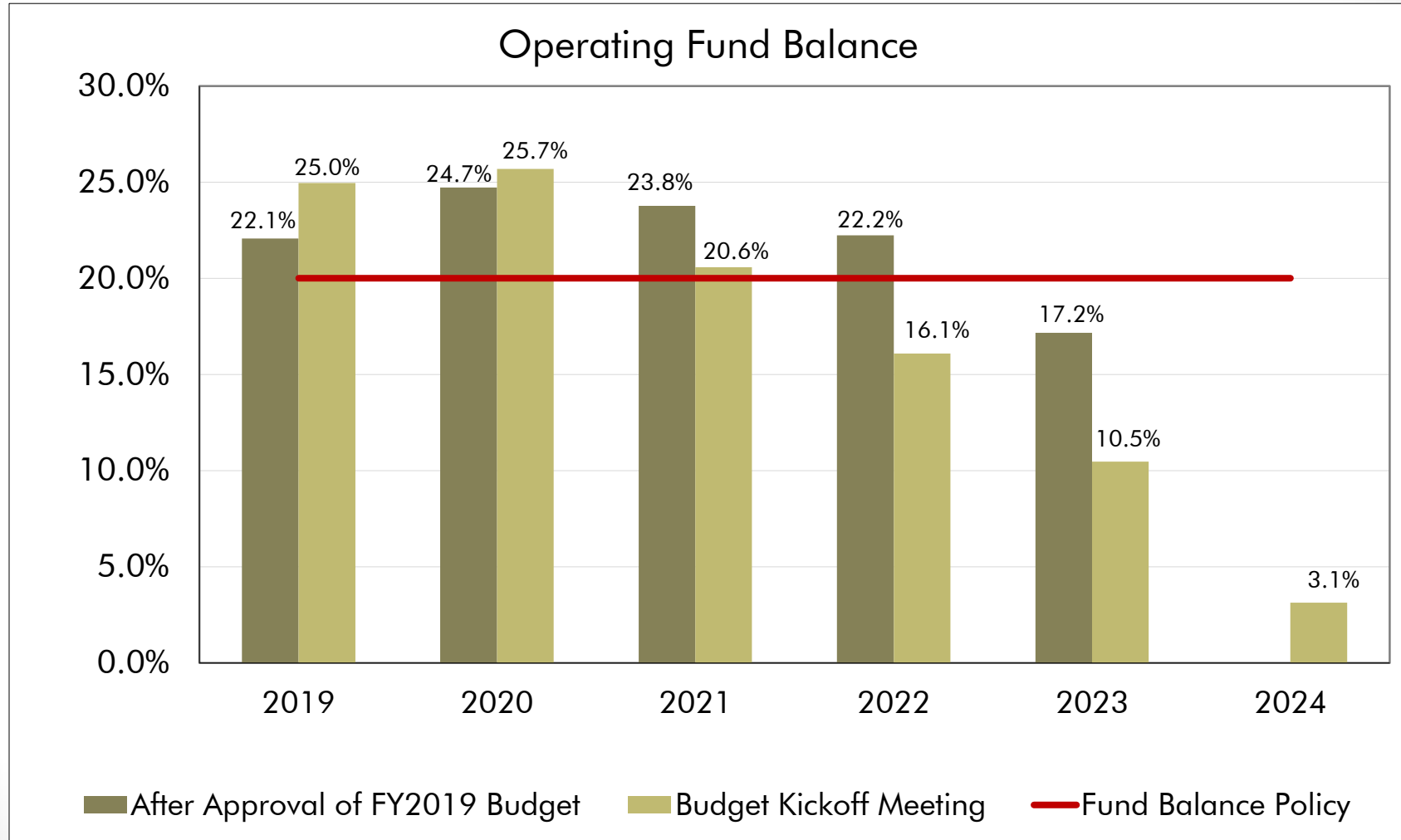
August 26, 2019 - 6:00PM

# Hearing Agenda

- Long Term Financial Forecast Presented at FY2020 Budget Kickoff Hearing
- Prior Year Excess Operating Fund Balance
- FY2020 Proposed Revenue
- FY2020 Funds Available for Capital, Technology and Departmental Target (Variable) Budgets

# Long Term Financial Forecast -

As presented at FY2020 Budget Kickoff Hearing



# Prior Year Excess Operating Fund Balance

- ✓ Definition – Amount available for spending, *after Board authorized reserves have been set aside*, as a result of operating efficiencies in prior years

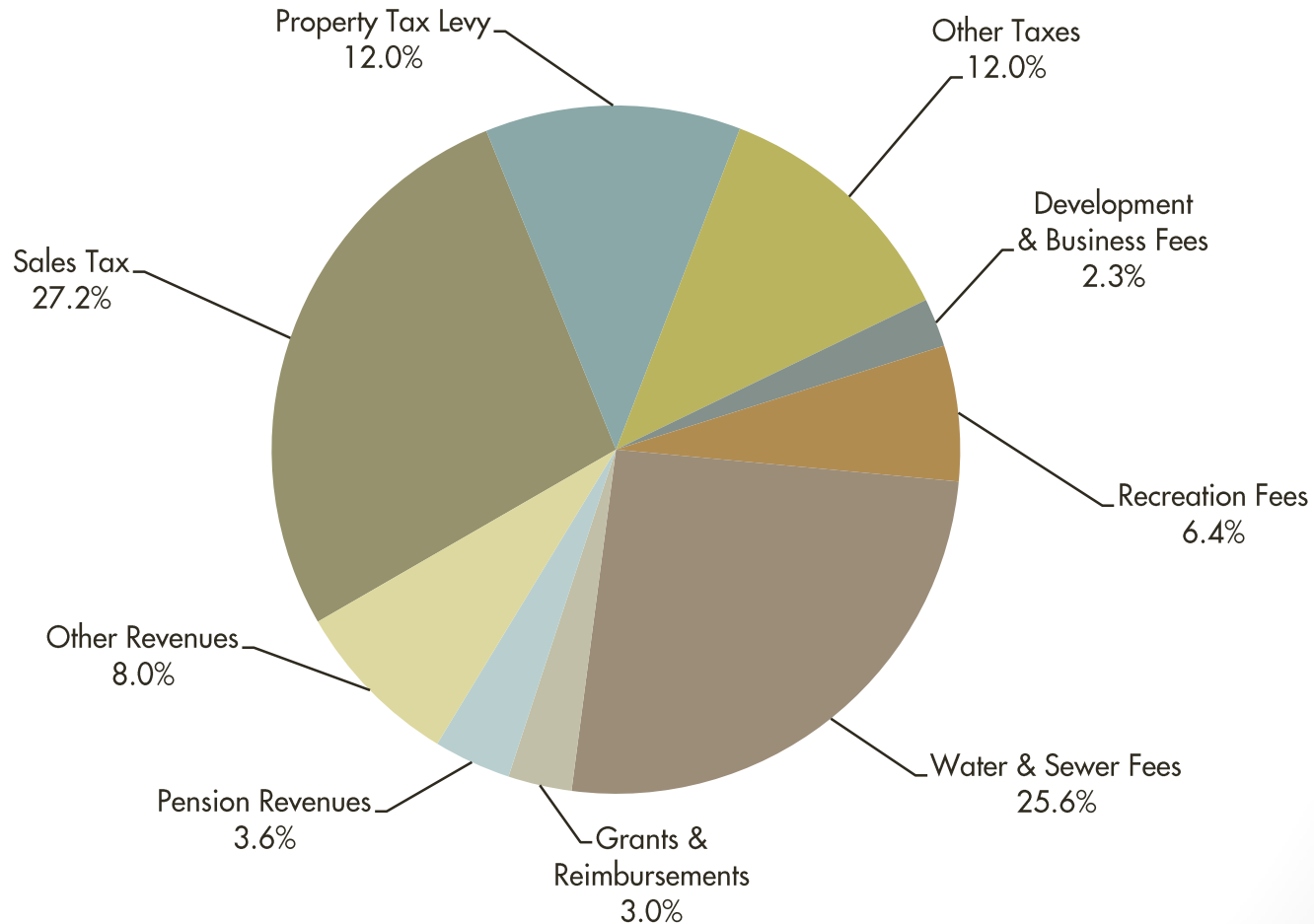
FY2018 Audited Fund Balance	\$31.720
+FY2019 Forecasted Revenues	67.257
– FY2019 Budgeted Expenditures	69.757
– FY2019 Required Reserves	27.753
 = FY2019 Excess Fund Balance*	 \$ 1.467

\*Funding for operating capital and/or new technology initiatives

# FY 2020 Operating Revenues



# FY2020 Operating Revenues by Type



# Revenue Assumptions

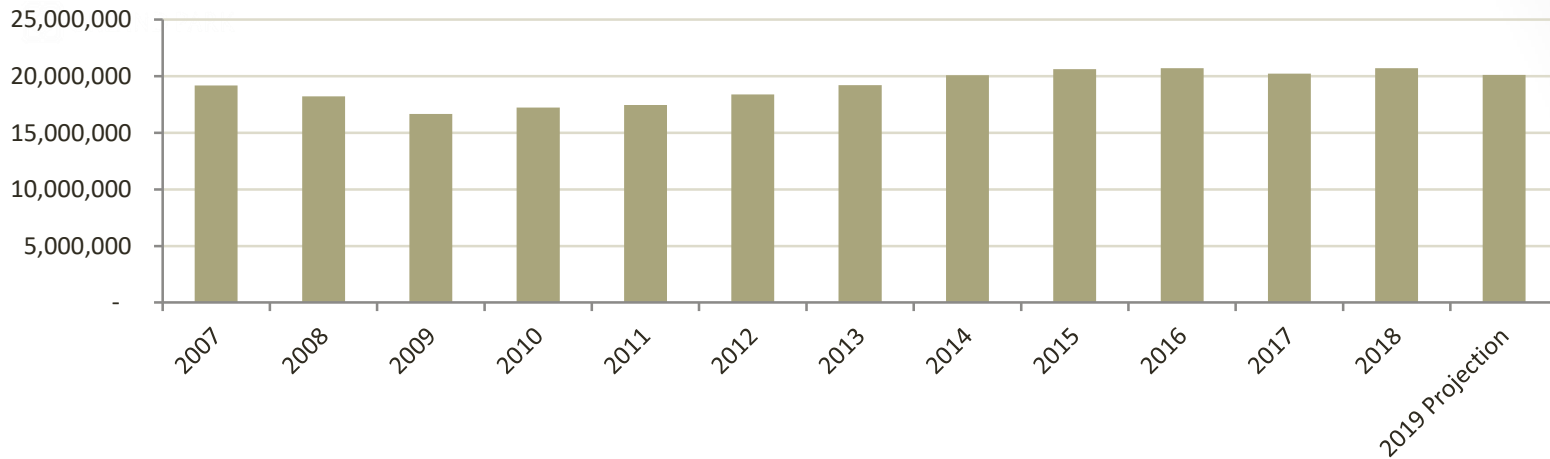
- ✓ No new home rule revenue sources
- ✓ No debt proceeds included as a revenue source
- ✓ Total property tax levy equal to prior year
- ✓ Development fees based on 35 new single family homes, 178 townhomes, various commercial developments, including Hotel @ 161st & LaGrange, Seritage/AMC Theater, Development at 143rd & LaGrange, Sertoma Centre
- ✓ Recreation program fees adjusted based on cost of individual program
- ✓ Water & Sewer revenue based on rates formulated thru rate study

# Sales Tax & Use Tax

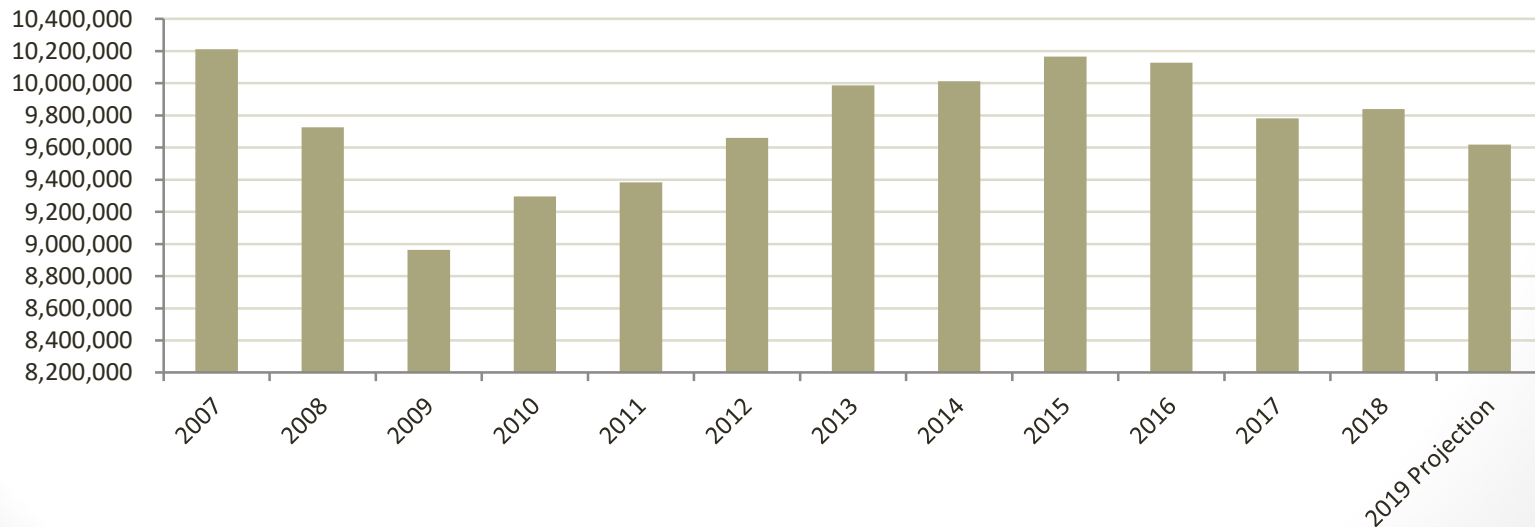
- ✓ Jan 1, 2018 - Out of state retailers collect and remit use tax to the state if retailer meets economic nexus threshold
- ✓ Jan 1, 2020 - Marketplace facilitators considered retailers, required to collect and remit use tax to the state if facilitator meets economic nexus threshold
- ✓ Jul 1, 2020 - Out of state retailers will be required to collect state and local taxes rather than use tax
- ✓ Use tax distributed based on per capita basis, state and local sales tax distributed based on delivery address
- ✓ FY2020 sales and use tax budgets - based on trend, market analysis, effect of continued increase in online sales
  - ✓ New businesses – Ashley Furniture, Hobby Lobby, Von Maur, Texas De Brazil, White Sheep, Andy's, AMC Theaters, other miscellaneous restaurants and retail
  - ✓ Closed businesses – Twin Peaks, other miscellaneous restaurants and retail

# Sales Tax History

## 1% Sales Tax

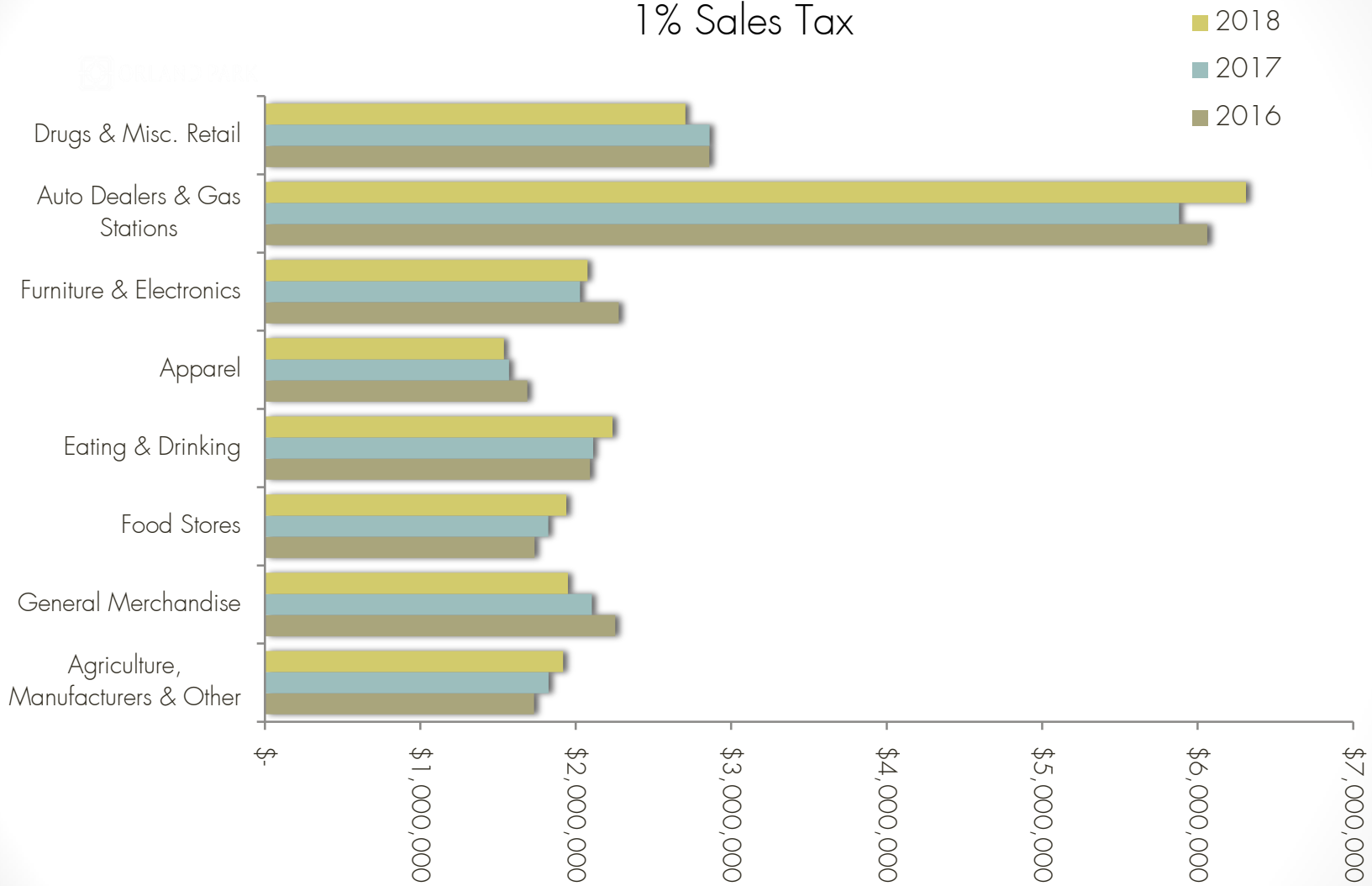


## 0.75% HRST



# Sales Tax by SIC

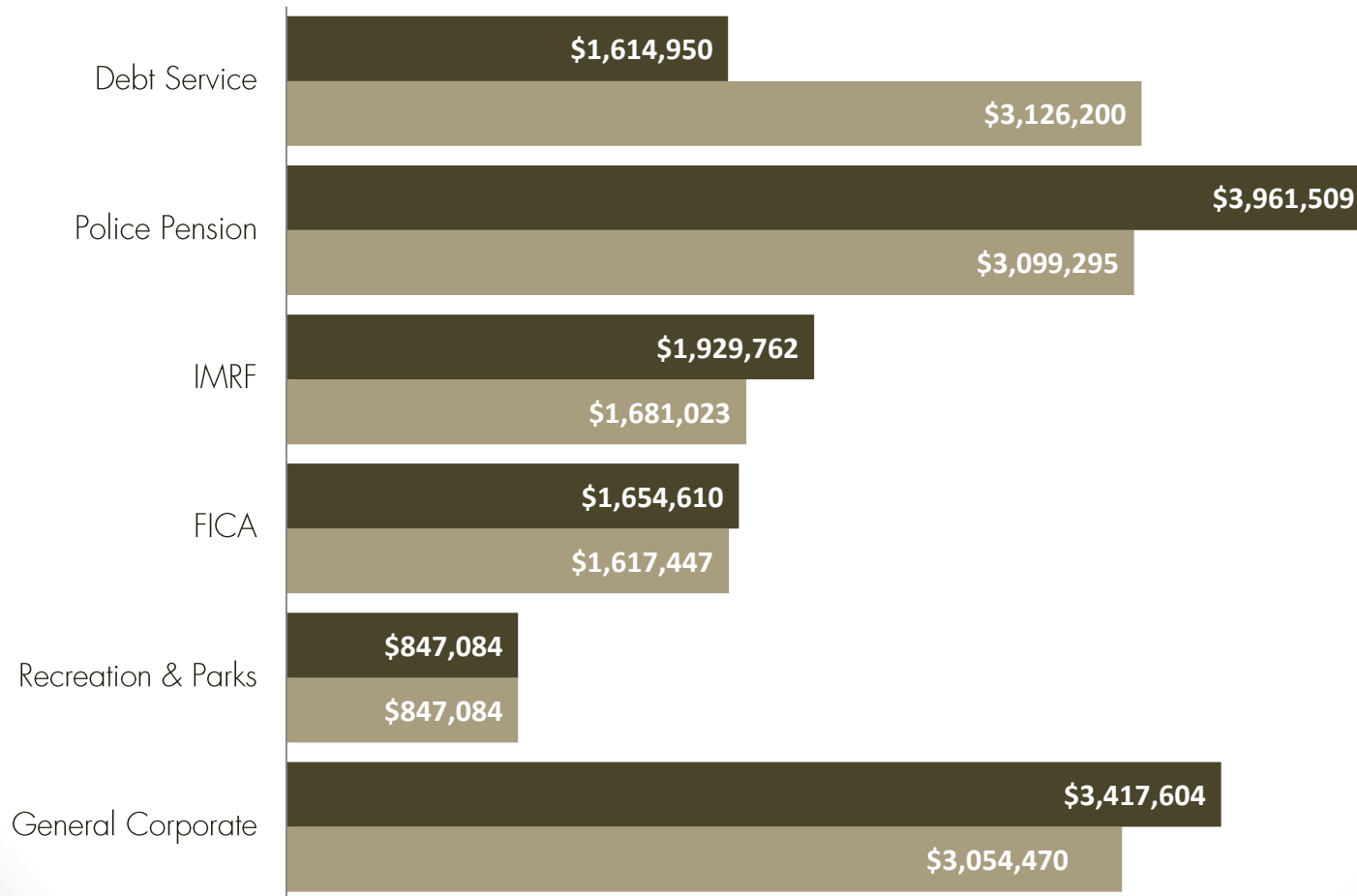
1% Sales Tax



# Property Tax Levy - \$13,425,519

- ✓ Assumes no increase in total levy as compared to prior year, rate will fluctuate based on change in EAV

■ 2019 Proposed Levy ■ 2018 Actual Levy



# Per State Shares Per Capita, Video Gaming

## ✓ Per Capital revenues

- ✓ Income Tax - \$106.30/capita
- ✓ Local Use - \$32.75/capita
- ✓ Motor Fuel Tax - \$25.35/per capita (includes amount to be received from Transportation Renewal Fund)

## ✓ Video Gaming

- ✓ 25 Entities w/5 terminals each
- ✓ Tax received per entity -  $\sim$  \$8,400/year

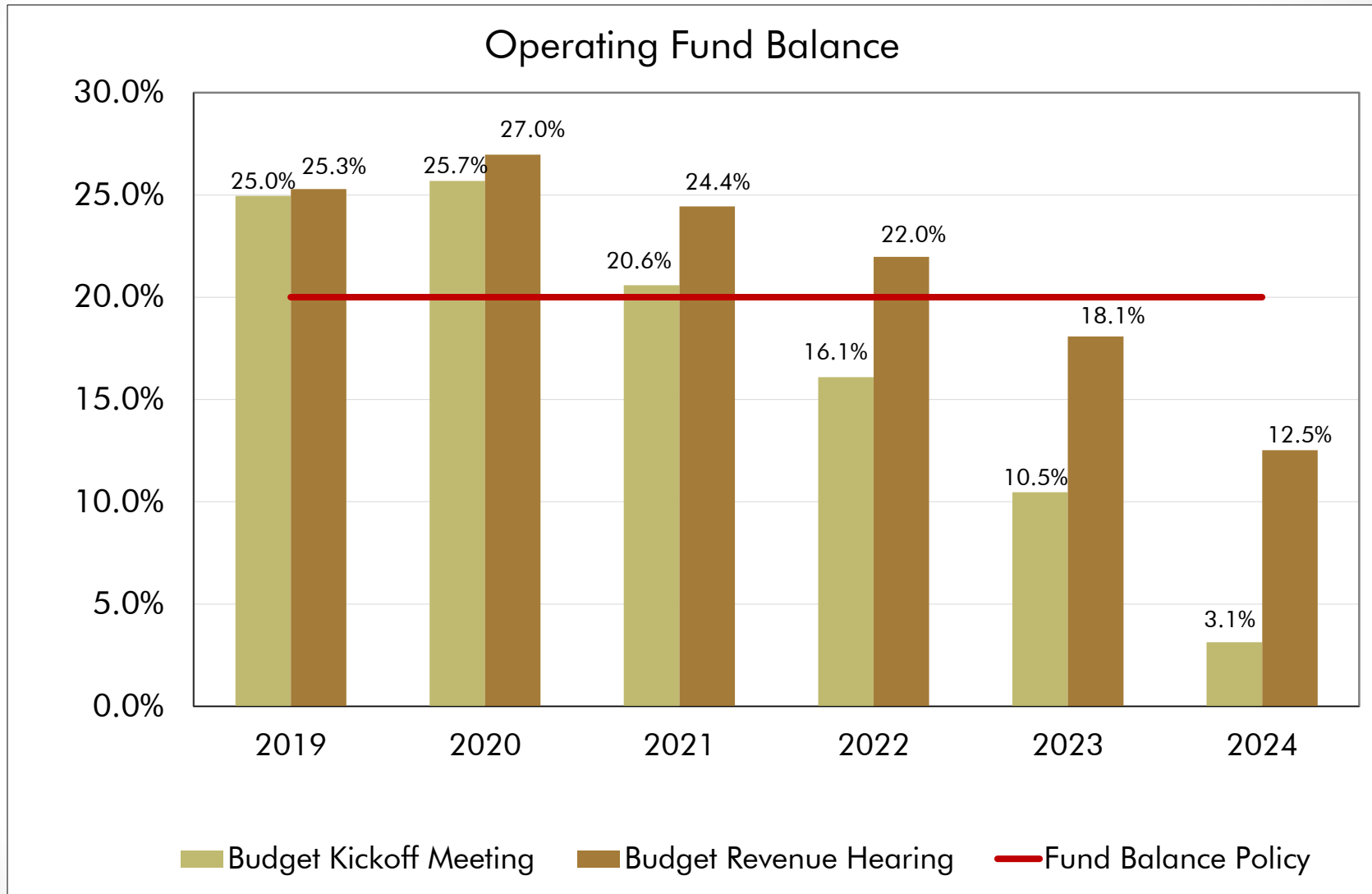
# Snapshot of FY2020 Operating Budget

FY2019 Projected Fund Balance	\$29.220
+ FY2020 Proposed Revenues	60.490
– FY2020 Estimated Recurring Expenditures	56.709
– FY2020 Estimated Variable Expenditures	2.800
– FY2020 Required Reserves	28.188
– FY2019 Excess Fund Balance *	1.467
= FY2020 Projected Excess Fund Balance	\$ 0.548

\*Funding for operating capital and/or new technology initiatives



# Long Term Financial Forecast –



# Meeting Wrap Up

- ✓ Motion –
  - ✓ I move to recommend directing staff to move forward using the assumptions as proposed in the tentative FY2020 revenue estimates to prepare the FY2020 expenditure budget
- ✓ Next budget hearing – Monday, September 9<sup>th</sup>
  - ✓ Proposed Capital Improvement Plan and Technology Projects