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### CIVIC FEDERATION SUPPORTS FOREST PRESERVE DISTRICT BUDGET, ENCOURAGED BY FIRST EVER CAPITAL PLAN

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(CHICAGO) – Citing the creation of its first capital improvement plan (CIP) and other notable strides toward more professional operations and financial management, the Civic Federation announced its **support** of the Forest Preserve District of Cook County's \$167 million FY2007 budget. The Federation's complete Forest Preserve District budget analysis, including detailed findings and recommendations, is available today on our website at [www.civicfed.org](http://www.civicfed.org).

For years the Civic Federation has recommended that the district produce a capital improvement plan, especially after it issued \$100 million in general obligation bonds in 2004. The Federation warned that issuing the bonds without a CIP denied the public full and accurate information on how millions of their tax dollars would be spent. "A Capital Improvement Plan that allows public access to information and the opportunity to comment on the district's planned improvements is a significant step toward greater transparency," said Laurence Msall, President of the Civic Federation. We commend President Steele, Superintendent Bylina, and the district financial team for taking that step. The Civic Federation urges them, however, to hold formal public hearings and schedule committee meetings of the Board of Commissioners to discuss the plan.

The Federation's report includes six recommendations to improve the preliminary CIP and prioritization process. The recommendations are based upon nationally-recognized best practices to ensure maximum public transparency. They include: 1) more specific information about the CIP process; 2) a discussion of the history, status, and necessity of each project; 3) specific information about the needs assessment process; 4) specific information about the prioritization process; 5) a formalized process for soliciting input from citizens and Commissioners; and 6) formal Board approval of the CIP. "A Capital Improvement Plan incorporating all of these points would further enhance the commissioners' and public's understanding of how tax dollars are being spent," said Msall. "The Civic Federation is pleased the public will finally learn how \$250 million of their tax dollars will be spent to improve their forest preserve district, which has long been neglected."

Although supportive of the proposed budget, the Federation expressed concern about some areas of the district's budget that still need improvement. Foremost, the Civic Federation is **disappointed** the district allowed only five working days between the release of its budget and the one day of scheduled public testimony. This is an unreasonably short amount of time for public review and comment. The Civic Federation recommends that the district provide no fewer than ten business days between the release date and public hearings. The Civic Federation is also concerned that some aspects of the budget document lack clarity. The Federation's analysis provides recommendations to strengthen the readability of the budget document by better defining vague budget categories and providing explanations of fund balances.

The Civic Federation's analysis concludes with a set of our long-standing, common sense recommendations to improve the district's operations and budget, such as severing the relationship between the Forest Preserve District and the Cook County Board of Commissioners. "Separate boards would substantially improve the oversight and accountability of both governments and allow the new Forest Preserve District commissioners to focus on more thorough review of finances and operations," said Msall.

*The Civic Federation is an independent, non-partisan government research organization founded in 1894. The Federation's membership includes business and professional leaders from a wide range of Chicago area corporations, professional service firms and institutions.*

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**FOREST PRESERVE DISTRICT OF COOK COUNTY  
FY2007 PROPOSED BUDGET**

**Analysis and Recommendations**

**Prepared By  
The Civic Federation  
November 1, 2006**

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## **EXECUTIVE SUMMARY**

The Forest Preserve District of Cook County proposes a FY2007 budget of \$167.4 million. This represents an increase of \$5.4 million, or 3.4%, over the proposed FY2006 budget. In conjunction with the FY2007 budget proposal, the District produced a preliminary Capital Improvement Plan that was released in advance of the budget hearings.

### **Civic Federation Position: Support**

- The District has produced a preliminary Capital Improvement Plan (CIP) for the first time. The plan is an effective response to past Civic Federation calls going back to the District's issuance of \$100 million in bonds in 2004.
- The District is actively seeking public input on its preliminary CIP.
- A Human Resources department will be created for the first time, allowing for the management of human resources functions that the District previously relied on Cook County government to perform. The creation of this department is projected to be budget-neutral.
- Corporate Fund appropriations increases will be limited to 2.5% growth over FY2006.

### **Key FY2007 Budget Findings**

- Total appropriations, excluding Capital Improvements, will increase by 3.4%, from \$162.0 million to \$167.4 million.
- Corporate Fund appropriations will increase by 2.5%, from \$46.0 million to \$47.2 million.
- The District's total property tax levy will increase by 4.9%, from \$81.3 million to \$85.3 million.
- The number of full time equivalent (FTE) positions will increase by 5, from 499 to 504.

### **Civic Federation Recommendations**

- The District should improve on its initial Capital Improvement Plan by providing: 1) more specific information about the CIP process, 2) a discussion of the history, status, and necessity of each project, 3) specific information about the needs assessment process, 4) specific information about the prioritization process, 5) a formalized process for soliciting input from citizens and Commissioners, and 5) formal Board approval of the CIP.
- The legal relationship between the Forest Preserve District and Cook County should be severed, and a separate Forest Preserve District Board of Commissioners should be elected. A separate Board would focus solely on District issues, allowing the commissioners to independently and adequately review the District's finances and operations. Separating the two governments would substantially improve the oversight and accountability of both governments.
- Ownership of the District's three swimming pools, which are costly to maintain and outside the District's core mission, should be transferred to interested park districts or community groups.
- The defunct toboggan slides should either be privatized or demolished so that the land may be returned to other public recreation uses.
- The rent for Resident District Employees living on District land should be set at market rates.
- The Forest Preserve District police force should be eliminated and its functions assumed by the County Sheriff or local municipalities. This move would generate substantial savings to the District.
- The District's Comprehensive Annual Financial Report and its pension fund's Actuarial Valuation Report should be released within six months of the close of the fiscal year.
- The District should develop, and seek public input into, a five-year long-term financial plan.
- The District should develop and utilize a performance measurement system for all District programs as part of a broader strategic planning strategy.
- The District should provide more complete, consistent, and transparent information in the budget book.

## OVERVIEW OF ANALYSIS

The Civic Federation recently concluded an analysis of financial issues related to the Forest Preserve District of Cook County's proposed FY2007 \$167.4 million budget. Based upon our review of the budget, we offer the following comments. The full text of our analysis follows this summary and is also available on our Web site at [www.civicfed.org](http://www.civicfed.org).

For the second year in a row the Forest Preserve District released its Executive Budget Recommendation independently of the Cook County budget release. The Civic Federation believes that this is a notable improvement over past practice, which often involved the near-simultaneous release of the two budgets. We hope that this trend will continue so that Forest Preserve Commissioners, who are also Cook County Commissioners, will be able to devote more attention to the Forest Preserve Budget thanks to its independent release.

The Civic Federation is disappointed, however, that the Forest Preserve District released its budget just five working days before its one day of scheduled public testimony. This is an unreasonably short amount of time for public review and comment.

### *Civic Federation Position: Support*

The Civic Federation **supports** the Forest Preserve District's FY2007 budget. The District has made notable strides toward professionalizing its operations and financial management, particularly with the release of a preliminary Capital Improvement Plan (CIP) and the creation of a Human Resources department. The Civic Federation believes that the development of a CIP constitutes a significant step forward for the Forest Preserve District. We **commend** President Steele, Superintendent Bylina and the District financial team for reversing the District's prior practice, which seriously limited public access to information about the District's capital plan, and for working toward greater transparency in Forest Preserve District operations.

The Civic Federation is also encouraged by the creation of a Human Resources Department which will enable the District to manage human resources functions that it previously relied on Cook County government to perform. The creation of this department will be budget-neutral.

Although the Civic Federation supports the proposed \$167.4 million budget, the Federation **remains concerned** that the District still requires dramatic changes to improve its operating efficiency and to achieve financial transparency for both its operating and its capital funds. In the future the District must also allow more than just five working days between the release of its budget and its one day of scheduled public testimony.

### *Preliminary Capital Improvement Plan Produced*

In October 2004, before offering its FY2005 operating budget and without publicly releasing a detailed capital plan, the Forest Preserve District approved the issuance of \$100 million in General Obligation Bonds to finance capital improvements. The Civic Federation strongly opposed these actions, which denied the public full and accurate information on how millions of taxpayer dollars would be budgeted and spent. We also opposed the District's FY2006 budget primarily because it had still failed to produce a Capital Improvement Plan or any details about its process for prioritizing the expenditure of over \$70 million in capital funds.

We are pleased that the District has now produced a preliminary Capital Improvement Plan and posted it on the District's web site. We urge the Forest Preserve Board of Commissioners to schedule both formal public hearings and committee meetings to discuss and debate the Plan.

We understand that the Preliminary Capital Improvement Plan is a work in progress. We have several **recommendations** for ways to improve the document and the prioritization process going forward:

- The District should include more specific information about the CIP **process**, including
  1. How the plan is formulated (i.e. the steps that District staff take to develop a needs assessment, its criteria for prioritizing projects, the means it employs to solicit and incorporate input from stakeholders);
  2. A list of Board of Commissioners meeting dates and times (both past and future) at which the CIP is discussed or action is taken; and
  3. A list of the ways that the **public** may become involved in the planning process, including meeting dates and times (both past and future) and public review periods.
- For each project, there should be a brief discussion of why the project is necessary and the history and status of the project.
- The District should specifically describe how its capital needs are determined.
- The Forest Preserve should disclose how it prioritizes projects.
- The District should consider developing a formal prioritization process which utilizes objective criteria to rank projects from highest to lowest priority.
- The public and the Commissioners should have the opportunity to provide input into the prioritization of capital projects planning process. The District can facilitate public input in two ways: 1) by including citizen and Commissioner participation on a committee that undertakes the prioritization of District projects, or 2) by providing opportunities for comment on the entire CIP by the public and Commissioners.
- The Board of Commissioners should formally approve the CIP, recognizing that it is a planning document.

#### *Civic Federation Recommendations*

The Civic Federation would like to offer several additional recommendations to improve the management of the District and the transparency of its operations. Many of these recommendations are longstanding.

#### *End the Legal Relationship between the Forest Preserve District and Cook County*

The Civic Federation is convinced that true management reform and operational efficiency would be best served by legally separating the governments of the County and the District.

For the past 75 years, the Forest Preserve District has suffered from neglect. We believe much of that neglect results from the current governance system, which burdens Cook County Commissioners with oversight responsibilities for the District as well.

Establishing a separate Forest Preserve District Board would allow its Commissioners to focus solely on District issues. County Commissioners, in turn, could focus all of their attention on County issues. The result would be substantial improvements in the operations and managements of both governments.

### *Transfer Ownership of Swimming Pools*

Maintaining and operating swimming pools is not a core function of the Forest Preserve District of Cook County. Public pools are more appropriately maintained by local park districts and community organizations. The money the Forest Preserve has spent, and proposes to spend, on pool maintenance and operation would be far better spent on core activities and much-needed preserve restoration and improvements. This is true regardless of the source of funding used to maintain and operate the pools.

Over 50 years ago the Advisory Committee to the Cook County Forest Preserve Board of Commissioners recommended that the pools be closed. In 1929, the Advisory Committee had recommended that the Forest Preserve District build swimming pools in order to provide a sanitary alternative for swimmers using Forest Preserve lakes and rivers. In 1953, however, the Committee recognized that many safe swimming opportunities were now available to County residents, and recommended closing the District pools due to high operating costs:

“Three [pools] were built but the costs of operation and maintenance are high. Inasmuch as there are now sufficient municipal and privately-operated swimming pools in the county to meet the public needs, it is recommended that the District build no more of them and discontinue these when they become obsolescent.”<sup>1</sup>

Indeed, the pools did become obsolete as the District allowed them to fall into disrepair. Currently, only one District-owned pool remains open, at Whealan Aquatic Center, at 6200 West Devon Avenue in Chicago. By contrast, the Chicago Park District alone maintains 42 indoor and 49 outdoor swimming facilities within the city limits.<sup>2</sup> Suburban park districts and departments and community organizations maintain many other public swimming pools around Cook County. Clearly, there are many well-qualified providers of this recreational service who can offer interested users plenty of swimming opportunities.

Now the District proposes spending \$8 million over 2006 and 2007 to renovate and re-open two closed pools: Cermak Pool in Lyons and Green Lake Pool in Calumet City.<sup>3</sup> The District will rehabilitate the pools using \$8 million in Illinois FIRST funds from the State of Illinois. The \$8 million in pool renovations represents 8.2% of the \$97.0 million proposed in funded capital projects within the forest preserves through 2010.<sup>4</sup>

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<sup>1</sup> *Revised Report of Advisory Committee to the Cook County Forest Preserve Commissioners*, Forest Preserve District of Cook County, IL, 1953, p.20. Available at the Harold Washington Library, Chicago IL.

<sup>2</sup> See [www.chicagoparkdistrict.com/index/cfm/fuseaction/parks.results/fac\\_id?CDA66E](http://www.chicagoparkdistrict.com/index/cfm/fuseaction/parks.results/fac_id?CDA66E).

<sup>3</sup> *Forest Preserve District of Cook County FY2006 Executive Budget Recommendation*, p. 85.

<sup>4</sup> *Forest Preserve District of Cook County FY2006 Executive Budget Recommendation*, p. 72.

Once restored, the pools will impose a major operating burden on the District. According to the District's own 2001 *Cost of Services* study prepared by Deloitte and Touche, the three pools cost \$856,790 per year to operate in 2000.<sup>5</sup> They were open for roughly two months of the year, and were free to the public. The average cost to the District per swimmer was \$3.37 at Whealan, \$8.22 at Cermak, and \$14.08 at Green Lake Pool.<sup>6</sup> According to the District, annual operating costs for Cermak and Green Lake Pools are expected to reach \$175,000 per pool when they are re-opened in the summer of 2007.<sup>7</sup>

Clearly, the pools are a major cost to the District and do not align with its core mission. Many safe swimming alternatives are now provided by municipalities and park districts across Cook County, eliminating the need for the Forest Preserve District to maintain pools.

The Civic Federation questions why the pools would be a top financial priority for the District when immediate repairs are needed for core facilities and basic infrastructure, such as picnic shelters, camps, trail systems, and water and sewer lines. Efforts to restore aquatic and terrestrial habitat also need substantial investment. If the District insists on spending precious capital dollars on rehabilitating unnecessary pools, however, it should at least privatize those pools, as it did with its golf courses, so that the pools will not be a drain on the District operating budget.

#### *Remove or Privatize Toboggan Slides*

In the 1920s and 1930s, the District built six toboggan slides in the Preserves, all of which have been closed due to a lack of maintenance. The Civic Federation believes that these slides should be either privatized, as were the golf courses, or demolished so that the land may be returned to other District uses.

The District's 2001 *Cost of Services* study by Deloitte and Touche found that the toboggan slides generated \$20,965 in revenue in 2000 at a cost of \$892,748.<sup>8</sup> The net cost to the District per toboggan slide user was \$54.26 in 2000, when the slides were open for 24 days. Clearly, the toboggan slides are a tremendous operating burden, and they would become a tremendous capital burden if they were to be restored.

Rather than leave the slides idle, the District should either privatize or demolish them and return the land they occupy to productive uses for public recreation.

#### *Set Rent for Resident District Employees Living on District Land at Market Rates*

In return for their watching over District land and serving as a deterrent to crime or misuse, the Forest Preserve District rents housing on its property to employees at drastically discounted rates. The Civic Federation approves of the modest step taken by Forest Preserver Commissioners when they passed an ordinance in July 2005 to increase the rent for Resident Employees by 6.6%, from \$225 to \$240 per month for some residences and from \$450 to \$480

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<sup>5</sup> Deloitte & Touche. *Cost of Services Study for the Forest Preserve District of Cook County*, November 1, 2001, p. 24.

<sup>6</sup> Deloitte & Touche. *Cost of Services Study for the Forest Preserve District of Cook County*, November 1, 2001, p. 26.

<sup>7</sup> Information provided by the Forest Preserve District, November 25, 2005.

<sup>8</sup> Deloitte & Touche. *Cost of Services Study for the Forest Preserve District of Cook County*, November 1, 2001, p. 27.



per month for others. The Commissioners also voted to tie annual rent increases to the Consumer Price Index. While these measures constituted positive reform, the Civic Federation believes that Resident Employee rents are still excessively low, and should be raised to market rates. Instead of providing low rent, Resident Employees should be paid hourly for any additional duties as “watchmen.”

#### *Eliminate Forest Preserve District Police Department*

As we have noted in previous analyses, the Forest Preserve District is unable to justify the need for its own Police Department. When asked in the past to present performance statistics, the District has been able to provide only the barest workload numbers, without any measures of efficiency or effectiveness. Given the \$8.1 million the District proposes to spend on its Police force in FY2007, the District should have evidence that a separate Forest Preserve Police Department is both necessary and effective.

The Civic Federation believes the Forest Preserve District should cut costs by working to eliminate duplication of effort wherever possible. We believe the District police force could be eliminated and that its functions could be assumed by the County Sheriff or local municipalities. In lieu of a police force, the District should hire Civilian Conservation Officers to patrol the preserves, deter illegal activity, and provide assistance to the public. Conservation Officers would function as park rangers do in state and national parks, and would contact local police officers when law enforcement was necessary.

#### *Implement a Long-Term Financial Planning Process*

The National Advisory Council on State and Local Budgeting (NACSLB) and the Government Finance Officers Association (GFOA) both recommend that all governments formally adopt a long-term financial plan as a key component of a sound budget process. The Civic Federation urges the Forest Preserve District to develop and implement a formal long-term financial plan that is shared with and reviewed by key policymakers and public stakeholders.

#### *Develop and Utilize Performance Measures*

The Civic Federation recommends that the Forest Preserve District develop and utilize a performance measurement system as part of a broader strategic planning strategy. All governments should evaluate the performance of the programs and services they provide to ensure that they are accomplishing their intended goals and making efficient use of resources. Evaluating and reporting on program results keeps all stakeholders aware of any variance between expectations and actual achievements.<sup>9</sup> Forest Preserve District staff should work to support the development of performance measures to track the efficiency and effectiveness of management and operations.

#### *Provide More Complete Information in Budget Document*

The format of the Forest Preserve District budget document has improved in recent years. Specifically, the budget document now includes:

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<sup>9</sup> See Recommended Practice 11.1 “Monitor, Measure, and Evaluate Program Performance,” in National Advisory Council on State and Local Budgeting. *Recommended Budget Practices: A Framework for Improved State and Local Budgeting* (Chicago: GFOA, 1998).

- An improved executive summary that discusses key changes in each fund.
- Disclosure of the new unreserved fund balance policy.
- An eight-year history of staffing by function that is provided in terms of full-time equivalent (FTE) positions.
- A six-year trend of the property tax levy by fund.

Although the FY2007 budget format is improved, the Civic Federation is concerned that in several respects the budget document is still marred by a serious lack of clarity. The Civic Federation offers the following recommendations to further improve the format of the Forest Preserve District budget document:

- Better information about the workings of the Real Estate Acquisition Fund, including a narrative description of activity in the fund, information about pending acquisitions, and explanation of its fund balance;
- Explanation of vague categories such as “Other,” “Other Income,” “Miscellaneous Income,” and “Contingency” should be provided, particularly when there are significant year-to-year changes in these figures;
- Explanation of fund status changes, such as the change of the Self Insurance Fund from a Special Revenue Fund in FY2005 to an Internal Service Fund in FY2006;<sup>10</sup>
- Five years of consistently-labeled revenue and expenditure trends should be provided.
- All fund balances should be explained, and it should be clearly indicated whether the fund balances are reserved or unreserved, and appropriated or unappropriated;
- All format changes from the previous year’s budget document should be noted and comparability maintained so that the public may be able to make meaningful comparisons over time.

#### *Increase the Time Allowed for Public Review and Comment*

More time should be allowed for the public to review and understand the Forest Preserve District’s proposed budget. At a minimum, the public should be afforded a review period of ten working days before public testimony is heard. The public can only offer fully informed commentary on a \$167.4 million budget if it is given sufficient time to understand that budget’s proposals.

#### **ACKNOWLEDGEMENTS**

The Civic Federation would like to thank President Steele and the members of the Forest Preserve District Board of Commissioners for the opportunity to comment on the proposed FY2007 Cook County Forest Preserve District budget. We would like to thank Chief Financial Officer Lenny Moore and Director of Planning and Development Allen Mellis for their efforts in preparing the Capital Improvement Plan and his willingness to answer our questions about the proposed budget.

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<sup>10</sup> Information provided by the Forest Preserve District, November 25, 2006.

## **FY2007 BUDGET HIGHLIGHTS**

The Forest Preserve District proposes a \$167.4 million total appropriation for FY2007. Some of the highlights of the FY2007 District budget are summarized below.

### *Total Appropriations: \$167.4 Million*

- Total appropriations increased by 3.4%, or \$5.4 million, from \$162.0 million to \$167.4 million.
- Corporate Fund appropriations will increase by 2.5%, from \$46.0 million to \$47.2 million.
- Construction and Development appropriations will increase by \$2.0 million, or by 40.1%.

### *Funding for Brookfield Zoo and Chicago Botanic Garden: 49.8% of Total District budget*

- The Zoo and Garden Funds, which include tax subsidies for the Brookfield Zoo and the Chicago Botanic Garden, will total 49.8% of the Forest Preserve District budget, or \$83.3 million.
- The Botanic Garden Fund, totaling \$27.5 million, will increase \$1.6 million, or by 6.4%.
- The Zoological Fund will increase by 1.7%, from \$54.9 million to \$55.9 million.

### *Revenues: Property Tax Levy up 4.9%*

- The District's property tax levy will increase by 4.9%, from \$81.3 million to \$85.3 million. This represents the maximum allowable increase under the Property Tax Extension Limitation Law.
- The Corporate Fund tax levy will increase 9.8%, or \$3.6 million, over the recommended FY2006 levy.
- Total operating funds resources will increase by 3.2% in FY2007, from \$73.8 million to \$76.2 million.
- The Unreserved Corporate Fund Balance will increase from \$6.5 to \$7.0 million, and will equal 14.8% of Corporate Fund appropriations.

### *Personnel: Increase of 5 FTEs*

- The number of full time equivalent (FTE) positions will increase from 499 to 504.
- Five FTEs will be added to Law Enforcement.
- Two FTEs will be added to Resource Management.
- A new department of Human Resources will be created by transferring eight employees from other departments.
- Three administrative FTEs will be eliminated.

### *Capital Improvement Plan*

- The District has produced a preliminary multi-year Capital Improvement Plan for the first time.

## **FINANCIAL ISSUES AND TRENDS**

This section provides summaries of key expenditure and revenue issues and trends likely to impact the Forest Preserve District's financial situation in FY2007.

### *All Fund Appropriations*

The District proposes a \$167.4 million total appropriation for FY2007. This is an increase of 3.4%, or \$5.4 million, over FY2006.

Corporate Fund budgeted appropriations will increase by 2.5%, or \$1.2 million, from \$46.0 million in FY2006 to \$47.2 million in FY2007. This increase is primarily the result of increasing labor costs.<sup>11</sup>

A separate Self Insurance Fund, funded through Corporate Fund transfers, was created in FY2004. Previously, the District budgeted Corporate Fund reserves to cover insurance needs; but claims, judgments, and settlements are now paid out of the actuarially funded Self Insurance Fund. In FY2005, the Self Insurance Fund was appropriated as a Special Revenue Fund, but beginning in FY2006 it was budgeted as an Internal Service Fund.<sup>12</sup> There are consequently no Special Revenue appropriations for the Self Insurance Fund in FY2006 and FY2007, and the Self Insurance Fund is funded instead through a “premium” paid by the Corporate Fund. The FY2007 premium of \$4.6 million is the same amount as was paid into the fund in FY2006.

The Bond and Interest Fund appropriation will remain flat, at \$13.3 million.

The Employee Annuity and Benefit Fund appropriation will increase 14.5%, from \$3.0 million to \$3.4 million. The annual property tax levy for the Fund is set by state statute at 1.3 times the annual employee contribution made two years prior.<sup>13</sup>

Real Estate Acquisition Fund appropriations will increase slightly by 3.9%, or about \$325,000 over FY2006 appropriations. This fund is not supported by a property tax levy, but appropriates from debt proceeds, contributions, grants, fund transfers, and the fund balance. The total available for appropriation in FY2007 is \$17.4 million, of which \$8.7 million will be appropriated. The remaining amount is not appropriated because reserve funds must be maintained in anticipation of the potential litigation costs associated with real estate acquisition.<sup>14</sup> The District currently owns over 68,000 acres and is authorized to acquire up to 75,000 acres.

The Brookfield Zoo and Botanic Garden appropriations will increase by 1.7% and 6.4%, respectively.

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<sup>11</sup> *Forest Preserve District of Cook County FY2007 Executive Budget Recommendation*, p. 7.

<sup>12</sup> Forest Preserve District, in a communication to The Civic Federation, November 25, 2006.

<sup>13</sup> 40 ILCS 5/10-107.

<sup>14</sup> Lenny Moore (Chief Financial Officer, Forrest Preserve District), in a communication to the Civic Federation, January 18, 2005.

<b>Forest Preserve District All Funds Appropriations: FY2006 vs. FY2007</b>				
<b>Fund</b>	<b>FY2006 Recommended</b>	<b>FY2007 Recommended</b>	<b>\$ Change</b>	<b>% Change</b>
Corporate	\$ 46,060,071	\$ 47,228,449	\$ 1,168,378	2.5%
Construction & Development	\$ 4,960,000	\$ 6,951,000	\$ 1,991,000	40.1%
Capital Improvements	\$ 5,625,000	\$ 4,550,000	\$ (1,075,000)	-19.1%
Bond & Interest	\$ 13,311,504	\$ 13,321,953	\$ 10,449	0.1%
Employee Annuity & Benefit	\$ 2,983,000	\$ 3,416,000	\$ 433,000	14.5%
Real Estate Acquisition	\$ 8,325,000	\$ 8,650,000	\$ 325,000	3.9%
Zoological	\$ 54,912,833	\$ 55,856,212	\$ 943,379	1.7%
Botanic Garden	\$ 25,831,676	\$ 27,474,380	\$ 1,642,704	6.4%
<b>TOTAL</b>	<b>\$ 162,009,084</b>	<b>\$ 167,447,994</b>	<b>\$ 5,438,910</b>	<b>3.4%</b>

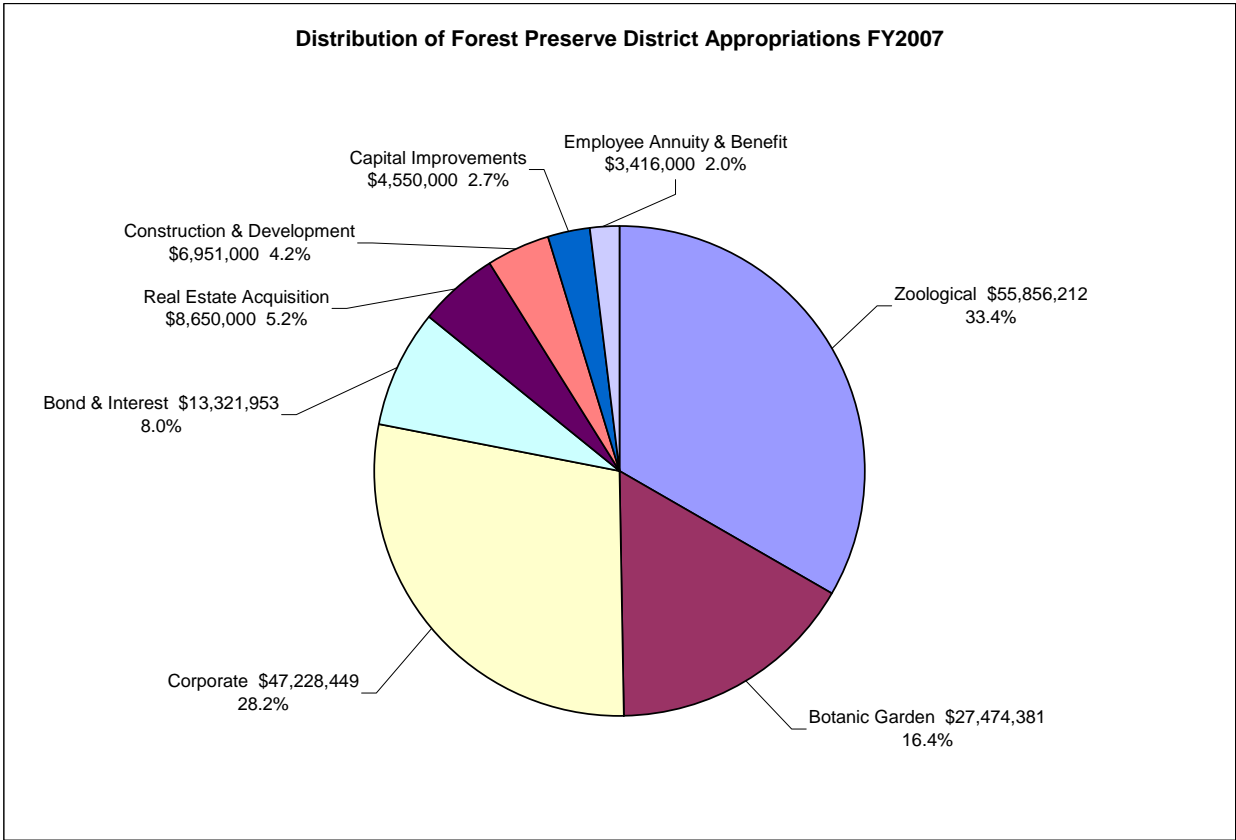
Source: Forest Preserve District of Cook County FY2006 Executive Budget Recommendation, p. v and Forest Preserve District of Cook County FY2007 Executive Budget Recommendation, p. 4.

The next exhibit shows five-year appropriation trends for all Forest Preserve District funds between FY2003 and FY2007. Total appropriations during this period increased by 18.2% or \$25.8 million. When the Capital Improvements Fund is excluded, the increase was 15.0% or \$21.2 million.

<b>Forest Preserve District All Funds Appropriations: FY2003 vs. FY2007</b>				
<b>Fund</b>	<b>FY2003 Recommended</b>	<b>FY2007 Recommended</b>	<b>\$ Change</b>	<b>% Change</b>
Corporate	\$ 37,494,800	\$ 47,228,449	\$ 9,733,649	26.0%
Construction & Development	\$ 4,106,000	\$ 6,951,000	\$ 2,845,000	69.3%
Capital Improvements	\$ -	\$ 4,550,000	\$ 4,550,000	N/A
Bond & Interest	\$ 4,280,611	\$ 13,321,953	\$ 9,041,342	211.2%
Employee Annuity & Benefit	\$ 3,960,000	\$ 3,416,000	\$ (544,000)	-13.7%
Real Estate Acquisition	\$ 17,014,498	\$ 8,650,000	\$ (8,364,498)	-49.2%
Zoological	\$ 50,484,989	\$ 55,856,212	\$ 5,371,223	10.6%
Botanic Garden	\$ 24,353,357	\$ 27,474,380	\$ 3,121,023	12.8%
<b>TOTAL</b>	<b>\$ 141,694,255</b>	<b>\$ 167,447,994</b>	<b>\$ 25,753,739</b>	<b>18.2%</b>

Source: Forest Preserve District of Cook County FY2003 Executive Budget Recommendation and Forest Preserve District of Cook County FY2007 Executive Budget Recommendation.

The distribution of Forest Preserve District appropriations by fund is shown in the next exhibit. In FY2007, nearly half of all appropriations will go to the Brookfield Zoo and Chicago Botanic Garden. The Zoological Fund remains the largest of the District's funds. Its \$55.9 million will constitute 33.4% of the Forest Preserve's total appropriation in FY2007. The District Corporate Fund's \$47.2 million appropriation will make up 28.2% of all appropriations.



*Corporate Fund Appropriations*

The FY2007 proposed Corporate Fund appropriation is \$47.2 million, an increase of 2.5% or \$1.2 million over the FY2006 appropriation. The District will transfer eight existing positions from other departments to create a new Human Resources Department in FY2007. Appropriation reductions in departments including General Office and Finance and Administration partially reflect this transfer to Human Resources. Fixed Charges will increase by \$1.0 million, or 16.0%, largely due to increased appropriations for Other Professional and Contractual Services. As in FY2006, the Corporate Fund will make a \$1.0 million transfer to the Real Estate Acquisition Fund in FY2007.

<b>Forest Preserve District Corporate Fund Appropriations: FY2006 vs. FY2007</b>				
<b>Category/Department</b>	<b>FY2006</b>	<b>FY2007</b>	<b>\$ Change</b>	<b>% Change</b>
	<b>Recommended</b>	<b>Recommended</b>		
General Office	\$ 1,572,148	\$ 1,434,917	\$ (137,231)	-8.7%
Finance and Administration	\$ 1,795,059	\$ 1,660,746	\$ (134,313)	-7.5%
Human Resources	\$ -	\$ 615,591	\$ 615,591	100.0%
Resource Management	\$ 5,735,203	\$ 6,134,004	\$ 398,801	7.0%
General Maintenance	\$ 14,408,896	\$ 14,822,261	\$ 413,365	2.9%
Permit & Rec. Activities Admin.	\$ 913,762	\$ 883,308	\$ (30,454)	-3.3%
Law Enforcement	\$ 7,687,298	\$ 8,105,381	\$ 418,083	5.4%
Legal Department	\$ 1,133,279	\$ 1,193,539	\$ 60,260	5.3%
Planning and Development	\$ 1,944,614	\$ 1,955,874	\$ 11,260	0.6%
Fixed Charges	\$ 6,269,812	\$ 7,272,829	\$ 1,003,017	16.0%
Operating Transfer to Capital	\$ 3,600,000	\$ 2,150,000	\$ (1,450,000)	-40.3%
Operating Transfer to Real Estate Acq.	\$ 1,000,000	\$ 1,000,000	\$ -	0.0%
<b>TOTAL</b>	<b>\$ 46,060,071</b>	<b>\$ 47,228,450</b>	<b>\$ 1,168,379</b>	<b>2.5%</b>

Source: Forest Preserve District of Cook County FY2006 Executive Budget Recommendation, p. 23 and Forest Preserve District of Cook County FY2007 Executive Budget Recommendation, p. 23.

The next exhibit shows five-year appropriation trends for the Corporate Fund between FY2003 and FY2007. Total appropriations during this period increased by 26.0%, or \$9.7 million. The largest single increase was in the Law Enforcement Department, which has risen by \$2.4 million or 43.0% since FY2003. Appropriations for the Legal Department are over five times larger than in FY2003, having grown from \$216,831 to \$1.2 million over that period. This increase reflects a personnel increase from 2.5 FTES in FY2003 to 12 FTEs in FY2007.

<b>Forest Preserve District Corporate Fund Appropriations: FY2003 vs. FY2007</b>				
<b>Category/Department</b>	<b>FY2003</b>	<b>FY2007</b>	<b>\$ Change</b>	<b>% Change</b>
	<b>Recommended</b>	<b>Recommended</b>		
General Office	\$ 1,227,285	\$ 1,434,917	\$ 207,632	16.9%
Finance and Administration	\$ 1,672,317	\$ 1,660,746	\$ (11,571)	-0.7%
Human Resources	\$ -	\$ 615,591	\$ 615,591	100.0%
Resource Management	\$ 4,558,602	\$ 6,134,004	\$ 1,575,402	34.6%
General Maintenance	\$ 13,106,626	\$ 14,822,261	\$ 1,715,635	13.1%
Permit & Rec. Activities Admin.	\$ 1,889,011	\$ 883,308	\$ (1,005,703)	-53.2%
Law Enforcement	\$ 5,667,480	\$ 8,105,381	\$ 2,437,901	43.0%
Legal Department	\$ 216,831	\$ 1,193,539	\$ 976,708	450.4%
Planning and Development	\$ -	\$ 1,955,874	\$ 1,955,874	100.0%
Fixed Charges	\$ 9,156,648	\$ 7,272,829	\$ (1,883,819)	-20.6%
Operating Transfer to Capital	\$ -	\$ 2,150,000	\$ 2,150,000	100.0%
Operating Transfer to Real Estate Acq.	\$ -	\$ 1,000,000	\$ 1,000,000	100.0%
<b>TOTAL</b>	<b>\$ 37,494,800</b>	<b>\$ 47,228,450</b>	<b>\$ 9,733,650</b>	<b>26.0%</b>

Source: Forest Preserve District of Cook County FY2003 Executive Budget Recommendation, p. 9 and Forest Preserve District of Cook County FY2007 Executive Budget Recommendation, p. 23.

### *Resource and Revenue Trends*

The Forest Preserve District resources available for operating funds (Corporate Fund, Pension Fund, Bond and Interest Fund, Self Insurance Fund) will increase by 3.2% in FY2007, from \$73.8 million in FY2006 to \$76.2 million. The largest single revenue increase is the Corporate Fund property tax levy, which will increase by 10.2% or \$3.4 million.

The Self Insurance Fund will receive interest income for a second year, and the amount received will nearly double, from \$0.3 million to \$0.6 million. The Pension Fund property tax levy will

increase by 14.5%, or \$0.4 million. The Construction and Development Fund's transfer of expired funding to the Corporate Fund will drop from \$4.6 million in FY2006 to \$1.3 million in FY2007. As required by the Corporate Fund Balance policy (see page 19 of this analysis), \$7.0 million in unreserved Corporate Fund Balance is not appropriated, but is considered an available resource by the District.<sup>15</sup>

<b>FOREST PRESERVE DISTRICT TOTAL BUDGETED RESOURCES: OPERATING FUNDS FY06 v. FY07</b>				
	<b>FY2006</b>	<b>FY2007</b>	<b>\$ CHG</b>	<b>% CHG</b>
<b>Corporate Fund</b>				
Property Tax Levy (Net)	\$ 33,069,000	\$ 36,430,567	\$ 3,361,567	10.2%
PPRT	\$ 5,296,099	\$ 5,902,882	\$ 606,783	11.5%
Non-Tax Revenues	\$ 3,095,000	\$ 3,645,000	\$ 550,000	17.8%
Transfer from Constr. & Dev.	\$ 4,600,000	\$ 1,250,000	\$ (3,350,000)	-72.8%
<b>Corporate Fund TOTAL</b>	<b>\$ 46,060,099</b>	<b>\$ 47,228,449</b>	<b>\$ 1,168,350</b>	<b>2.5%</b>
<b>Pension Fund</b>				
Property Tax Levy	\$ 2,684,402	\$ 3,074,058	\$ 389,656	14.5%
PPRT	\$ 298,598	\$ 341,942	\$ 43,344	14.5%
<b>Pension Fund TOTAL</b>	<b>\$ 2,983,000</b>	<b>\$ 3,416,000</b>	<b>\$ 433,000</b>	<b>14.5%</b>
<b>Bond &amp; Interest Fund</b>				
Property Tax Levy	\$ 13,311,504	\$ 13,321,953	\$ 10,449	0.1%
<b>Bond &amp; Interest Fund TOTAL</b>	<b>\$ 13,311,504</b>	<b>\$ 13,321,953</b>	<b>\$ 10,449</b>	<b>0.1%</b>
<b>Self Insurance Fund</b>				
Premium (Corporate Transfer In)	\$ 4,620,000	\$ 4,620,000	\$ -	0.0%
Interest	\$ 330,000	\$ 600,000	\$ 270,000	81.8%
<b>Self Insurance Fund TOTAL</b>	<b>\$ 4,950,000</b>	<b>\$ 5,220,000</b>	<b>\$ 270,000</b>	<b>5.5%</b>
<b>SUBTOTAL APPROPRIATED REVENUES</b>	<b>\$ 67,304,603</b>	<b>\$ 69,186,402</b>	<b>\$ 1,881,799</b>	<b>2.8%</b>
Unreserved Corporate Fund Balance	\$ 6,500,000	\$ 7,000,000	\$ 500,000	7.7%
<b>GRAND TOTAL AVAILABLE</b>	<b>\$ 73,804,603</b>	<b>\$ 76,186,402</b>	<b>\$ 2,381,799</b>	<b>3.2%</b>

Source: Forest Preserve District Executive Budget Recommendation, FY2006 and FY2007

The next exhibit compares Corporate Fund revenues and resources in FY2006 and FY2007. Overall, including the fund balance, Corporate Fund resources will increase by 3.2% over FY2006. The Corporate Fund property tax levy will increase by 10.2%, or \$3.4 million. Personal Property Replacement Tax revenues are expected to increase by 11.5%, or \$0.6 million.

The transfer of expired Construction and Development funds into the Corporate Fund, as well as reimbursement for administrative services provided to the Construction and Development Fund by the Corporate Fund, will be reduced dramatically in FY2007, falling from \$4.6 million to \$1.3 million. (The proceeds of property tax levies for capital expenditures must be spent for that purpose within five years. At the end of that period, any unused property tax proceeds are transferred to the Corporate Fund.)

Golf fees are expected to remain flat at \$1.3 million. The District's golf courses were privatized in 2003 and their management was turned over to Billy Casper Golf Management, Inc. The Deloitte & Touche 2001 *Cost of Services Study* estimated that the costs of operating the District's 10 golf courses exceeded revenues by \$1.54 million.<sup>16</sup> The District's 2003 contract with Billy Casper specified that the District receive from Casper annual base fees of \$350,000 and capital improvements fees of \$300,000 for ten years. In addition, the District is to receive an

<sup>15</sup> Forest Preserve District of Cook County FY2007 Executive Budget Recommendation, p. 22.

<sup>16</sup> Deloitte & Touche, *Cost of Services Study for The Forest Preserve District of Cook County*, November 1, 2001, p. 16.



increasing percentage of gross revenues exceeding \$6.4 million, up to a maximum of 50%. Casper's gross revenue for the District golf courses was \$8.7 million in 2003.<sup>17</sup>

<b>FOREST PRESERVE DISTRICT CORPORATE FUND BUDGETED RESOURCES FY06 v. FY07</b>				
<b>Resources</b>	<b>FY2006</b>	<b>FY2007</b>	<b>\$ CHG</b>	<b>% CHG</b>
Property Tax Levy (Net)	\$ 33,069,000	\$ 36,430,567	\$ 3,361,567	10.2%
PPRT	\$ 5,296,099	\$ 5,902,882	\$ 606,783	11.5%
<b>Subtotal Tax Revenues</b>	<b>\$ 38,365,099</b>	<b>\$ 42,333,449</b>	<b>\$ 3,968,350</b>	<b>10.3%</b>
Transfer from Constr. & Dev.	\$ 4,600,000	\$ 1,250,000	\$ (3,350,000)	-72.8%
Fines, Fees & Permits	\$ 1,435,000	\$ 1,460,000	\$ 25,000	1.7%
Golf Privatization Fees	\$ 1,350,000	\$ 1,350,000	\$ -	0.0%
Concessions	\$ 150,000	\$ 150,000	\$ -	0.0%
Interest and Other Income	\$ 100,000	\$ 360,000	\$ 260,000	260.0%
Miscellaneous Income	\$ 60,000	\$ 325,000	\$ 265,000	441.7%
<b>Subtotal Non-Tax Revenue</b>	<b>\$ 7,695,000</b>	<b>\$ 4,895,000</b>	<b>\$ (2,800,000)</b>	<b>-36.4%</b>
<b>SUBTOTAL APPROPRIATED REVENUES</b>	<b>\$ 46,060,099</b>	<b>\$ 47,228,449</b>	<b>\$ 1,168,350</b>	<b>2.5%</b>
Unreserved Corporate Fund Balance	\$ 6,500,000	\$ 7,000,000	\$ 500,000	7.7%
<b>GRAND TOTAL RESOURCES</b>	<b>\$ 52,560,099</b>	<b>\$ 54,228,449</b>	<b>\$ 1,668,350</b>	<b>3.2%</b>

Source: FY2006 Forest Preserve Budget, p. 22, and FY2007 Forest Preserve Budget, p. 22

#### *Five-Year Resource Trends*

In the five-year period between FY2003 and FY2007, operating funds resources increased by \$30.5 million, or 66.6%. As a result of the \$100 million bond issuance in 2004, the Bond and Interest Fund property tax levy tripled, increasing from \$4.3 million in FY2003 to \$13.3 million in FY2007. The Pension Fund property tax levy has fallen due to dramatic personnel cuts in FY2003. When employee contributions decline, employer contributions automatically decline two years later. The annual property tax levy for the Fund is set by state statute at 1.3 times the annual employee contribution made two years prior.<sup>18</sup>

<sup>17</sup> Standard & Poor's, *Research: Cook County Forest Preserve District, Illinois*, October 13, 2004.

<sup>18</sup> 40 ILCS 5/10-107.

<b>FOREST PRESERVE DISTRICT TOTAL BUDGETED RESOURCES: OPERATING FUNDS FY03 v. FY07</b>				
	<b>FY2003</b>	<b>FY2007</b>	<b>\$ CHG</b>	<b>% CHG</b>
<b>Corporate Fund</b>				
Property Tax Levy (Net)*	\$ 30,600,000	\$ 36,430,567	\$ 5,830,567	19.1%
PPRT	\$ 4,560,000	\$ 5,902,882	\$ 1,342,882	29.4%
Non-Tax Revenues	\$ 1,834,800	\$ 3,645,000	\$ 1,810,200	98.7%
Transfer from Constr. & Dev.	\$ 500,000	\$ 1,250,000	\$ 750,000	150.0%
<b>Corporate Fund TOTAL</b>	<b>\$ 37,494,800</b>	<b>\$ 47,228,449</b>	<b>\$ 9,733,649</b>	<b>26.0%</b>
<b>Pension Fund</b>				
Property Tax Levy	\$ 3,563,604	\$ 3,074,058	\$ (489,546)	-13.7%
PPRT	\$ 396,396	\$ 341,942	\$ (54,454)	-13.7%
<b>Pension Fund TOTAL</b>	<b>\$ 3,960,000</b>	<b>\$ 3,416,000</b>	<b>\$ (544,000)</b>	<b>-13.7%</b>
<b>Bond &amp; Interest Fund</b>				
Property Tax Levy	\$ 4,280,611	\$ 13,321,953	\$ 9,041,342	211.2%
<b>Bond &amp; Interest Fund TOTAL</b>	<b>\$ 4,280,611</b>	<b>\$ 13,321,953</b>	<b>\$ 9,041,342</b>	<b>211.2%</b>
<b>Self Insurance Fund</b>				
Premium (Corporate Transfer In)	\$ -	\$ 4,620,000	\$ 4,620,000	100.0%
Interest	\$ -	\$ 600,000	\$ 600,000	100.0%
<b>Self Insurance Fund TOTAL</b>	<b>\$ -</b>	<b>\$ 5,220,000</b>	<b>\$ 5,220,000</b>	<b>100.0%</b>
<b>SUBTOTAL APPROPRIATED REVENUES</b>	<b>\$ 45,735,411</b>	<b>\$ 69,186,402</b>	<b>\$ 23,450,991</b>	<b>51.3%</b>
Unreserved Corporate Fund Balance	\$ -	\$ 7,000,000	\$ 7,000,000	100.0%
<b>GRAND TOTAL AVAILABLE</b>	<b>\$ 45,735,411</b>	<b>\$ 76,186,402</b>	<b>\$ 30,450,991</b>	<b>66.6%</b>

Source: Forest Preserve District Executive Budget Recommendation, FY2003 and FY2007

\*The FY2003 Budget Book does not specify whether the property tax levy is gross or net, but the FY2007 specifies net

Including the fund balance, between FY2003 and FY2007, Corporate Fund resources grew by 44.6% or \$16.7 million. The largest increase was in the property tax levy, which grew by \$5.8 million, or 19.1% over this five year period. The Interfund Transfer In category has seen a 150.0% or \$750,000 increase. Following the transfer of the Construction and Development Fund's administrative services to the Corporate Fund in 2004, the Corporate Fund has received substantially more in interfund transfers as reimbursement for services rendered by departments whose operations are paid for out of the Corporate Fund. Golf privatization revenues increased by \$1.0 million over this period. Fines and fees have grown by 22.4%, or \$0.3 million.

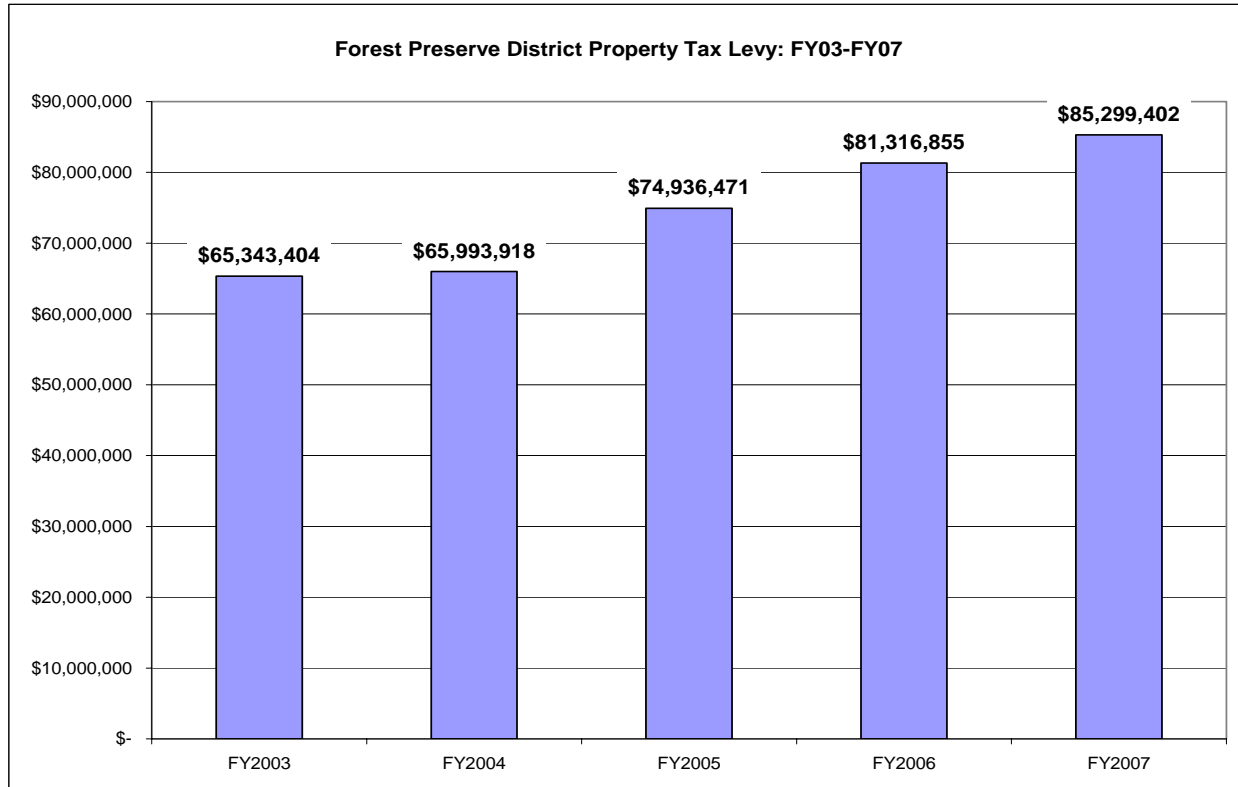
<b>FOREST PRESERVE DISTRICT CORPORATE FUND BUDGETED RESOURCES FY03 v. FY07</b>				
<b>Resources</b>	<b>FY2003</b>	<b>FY2007</b>	<b>\$ CHG</b>	<b>% CHG</b>
Property Tax Levy (Net)*	\$ 30,600,000	\$ 36,430,567	\$ 5,830,567	19.1%
PPRT	\$ 4,560,000	\$ 5,902,882	\$ 1,342,882	29.4%
<b>Subtotal Tax Revenues</b>	<b>\$ 35,160,000</b>	<b>\$ 42,333,449</b>	<b>\$ 7,173,449</b>	<b>20.4%</b>
Interfund Transfer In	\$ 500,000	\$ 1,250,000	\$ 750,000	150.0%
Fines, Fees & Permits	\$ 1,193,100	\$ 1,460,000	\$ 266,900	22.4%
Golf Privatization Fees	\$ 350,000	\$ 1,350,000	\$ 1,000,000	100.0%
Concessions	\$ 199,700	\$ 150,000	\$ (49,700)	-24.9%
Interest Income	\$ 67,000	\$ 360,000	\$ 293,000	437.3%
Miscellaneous Income	\$ 20,000	\$ 325,000	\$ 305,000	1525.0%
Damage Claims	\$ 5,000	\$ -	\$ (5,000)	-100.0%
<b>Subtotal Non-Tax Revenue</b>	<b>\$ 2,334,800</b>	<b>\$ 4,895,000</b>	<b>\$ 2,560,200</b>	<b>109.7%</b>
<b>SUBTOTAL APPROPRIATED REVENUES</b>	<b>\$ 37,494,800</b>	<b>\$ 47,228,449</b>	<b>\$ 9,733,649</b>	<b>26.0%</b>
Unreserved Corporate Fund Balance	\$ -	\$ 7,000,000	\$ 7,000,000	100.0%
<b>GRAND TOTAL RESOURCES</b>	<b>\$ 37,494,800</b>	<b>\$ 54,228,449</b>	<b>\$ 16,733,649</b>	<b>44.6%</b>

Source: FY2003 Forest Preserve Budget, p. 8, and FY2007 Forest Preserve Budget, p. 22

\*Net property tax levy was not published in the FY2003 Budget Book, so gross is used

### Property Tax Levy

The Forest Preserve District proposes to increase its total property tax levy by 4.9% in FY2007 to \$85.3 million. This increase of \$4.0 million over FY2006 is the maximum increase permitted under the Property Tax Extension Limitation Law. Since FY2003, the levy will have risen by \$20.0 million, or 30.5%.



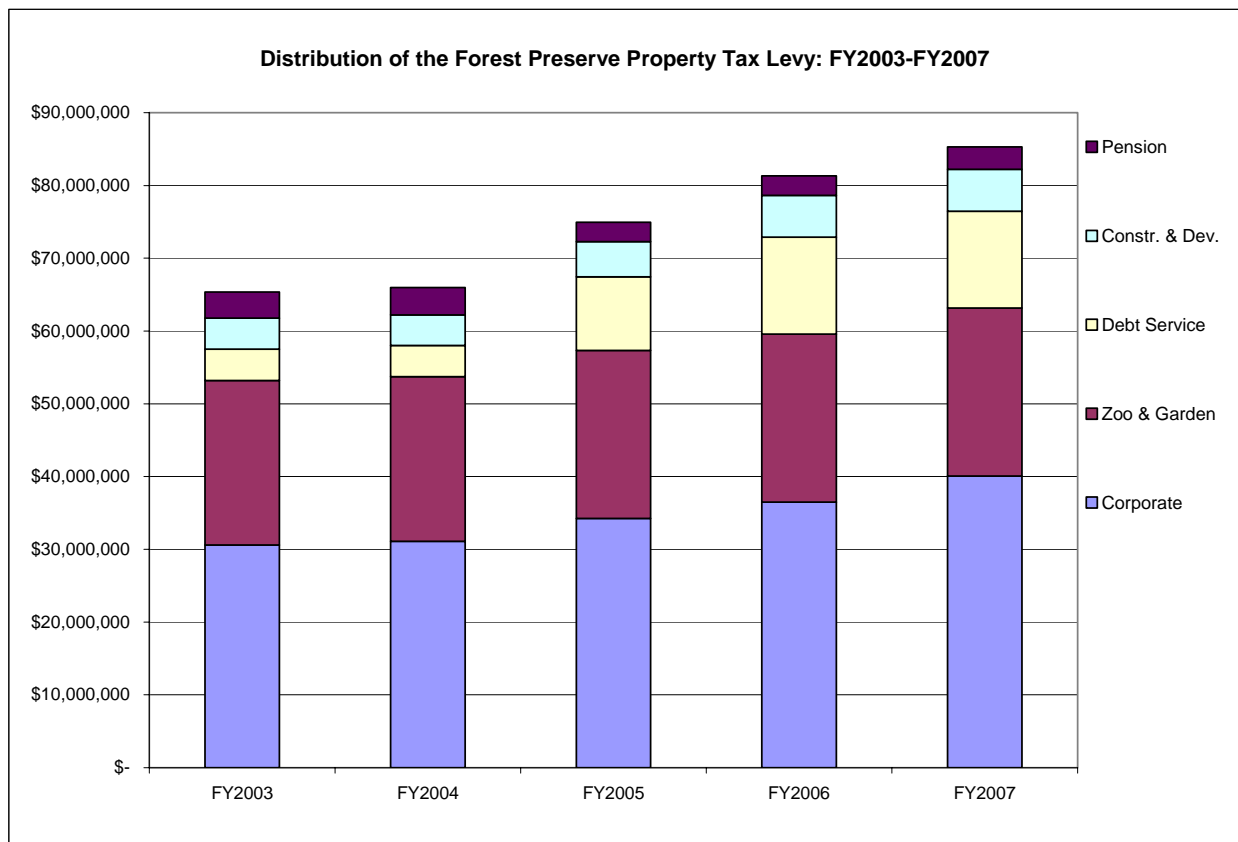
The next exhibit shows the distribution of property tax revenues by fund in FY2006 and FY2007. Corporate Fund property tax revenues will increase by 9.8%, or \$3.6 million.<sup>19</sup> The amount of property tax dollars earmarked for the debt service payments through the Bond and Interest Fund will increase slightly, by \$10,499. The levies for Brookfield Zoo and the Chicago Botanic Garden remain flat in FY2007, at \$14.2 million and \$8.9 million, respectively. There is no increase in the Construction and Development Fund levy of \$5.7 million.

<sup>19</sup> The final property tax levy appropriation in FY2006 differed slightly from the FY2006 budget recommendation, but the budget recommendation is used here for consistency. District estimates for the pension fund tax levy are sometimes revised with updated information after the proposed budget is released.

FPD PROPERTY TAX LEVY BY FUND: FY06 v. FY07				
Fund	FY2006 Recommended	FY2007 Recommended	\$ CHG	% CHG
Corporate	\$ 36,500,000	\$ 40,082,442	\$ 3,582,442	9.8%
Zoological	\$ 14,168,025	\$ 14,168,025	\$ -	0.0%
Bond & Interest	\$ 13,311,504	\$ 13,321,953	\$ 10,449	0.1%
Botanic Garden	\$ 8,902,924	\$ 8,902,924	\$ -	0.0%
Construction & Development	\$ 5,750,000	\$ 5,750,000	\$ -	0.0%
Pension	\$ 2,684,402	\$ 3,074,058	\$ 389,656	14.5%
<b>Total</b>	<b>\$ 81,316,855</b>	<b>\$ 85,299,402</b>	<b>\$ 3,982,547</b>	<b>4.9%</b>

Source: Forest Preserve District Budget FY2006, p. 5 and Forest Preserve District Budget FY2007, p. 4

The distribution by purpose of the District's property tax levy over a five-year period reveals that the share of the levy dedicated to the Corporate Fund has remained between 44.9% and 47.1% of the total. Property taxes earmarked for Debt Service increased from 6.6% of the total in FY2003 to 15.6% in FY2007, as a result of the 2004 \$100 million bond issue. The share of the levy dedicated to the Zoo and Garden has fallen from 34.6% in FY2003 to 27.0% in FY2007.



### *Unreserved Corporate Fund Balance*

The Forest Preserve District's policy on Unreserved Fund Balance Level requires the District to annually budget a minimum unreserved fund balance totaling the sum of:

- 5.5% of Corporate Fund gross revenues to account for revenue fluctuations;
- 1% of Corporate Fund expenditures to account for unexpected expenditures; and
- 8% of Corporate Fund expenditures to account for insufficient operating cash.

This policy was introduced for FY2005, when \$6.5 million was earmarked as unreserved Corporate Fund balance. The District has budgeted a \$7.0 million fund balance to remain in the Corporate Fund at the close of FY2007. The minimum amount that could have been designated as unreserved fund balance in FY2007 was \$6.85 million.

The unreserved fund balance policy is meant to ensure that the District will have adequate operating cash to fund operations in each fiscal year. According to the District, the amount of cash expected to be available for District operations can vary depending on: 1) revenue actually received versus budgeted revenue, 2) unanticipated expenditures, and 3) the level of expenditures occurring between the first and second property tax installments. The structure of the policy implemented by the District is based on the revenue fluctuations it experienced during the past five years that were caused by these factors.<sup>20</sup>

This policy is in line with the recommendations of the Government Finance Officers Association, which recommends that governments maintain an unreserved fund balance of no less than 5% to 15% of General Fund operating revenues or 1-2 months of operating expenditures.<sup>21</sup>

The President of the Forest Preserve District may request that the Board of Commissioners waive this policy as operations require.

## **PERSONNEL AND PERSONAL SERVICES APPROPRIATION TRENDS**

In the FY2007 budget, the Forest Preserve District will add five full-time equivalent (FTE) positions for a total of 504 FTEs. In FY2005, the budget provided FTE position counts rather than simple headcounts for the first time. Part time and seasonal positions have been converted into FTE positions. There are roughly 72 FTE vacancies budgeted for FY2007.<sup>22</sup>

There will be a net increase of five FTE positions in FY2007. Law Enforcement will add five positions, Resource Management will add two positions, and the Administrative functions of the General Office, Legal, and Human Resources departments together will add five positions. The Human Resources Department is new in FY2007, and will be staffed by eight existing employees transferred from other departments, four from Finance and Administration and four from the General Office. There will be a decline of two FTEs in Permit and Recreation Activities, one FTE in Planning and Development, and one FTE in General Maintenance.

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<sup>20</sup> Lenny Moore, in a communication to the Civic Federation, January 18, 2005.

<sup>21</sup> Government Finance Officers Association. Recommended Practice on Appropriate Level of Unreserved Fund Balance in the General Fund (2002). The Forest Preserve District is a special purpose, not a general purpose government, but its size and the relative stability of its revenue stream make it prudent for the District to maintain adequate reserves.

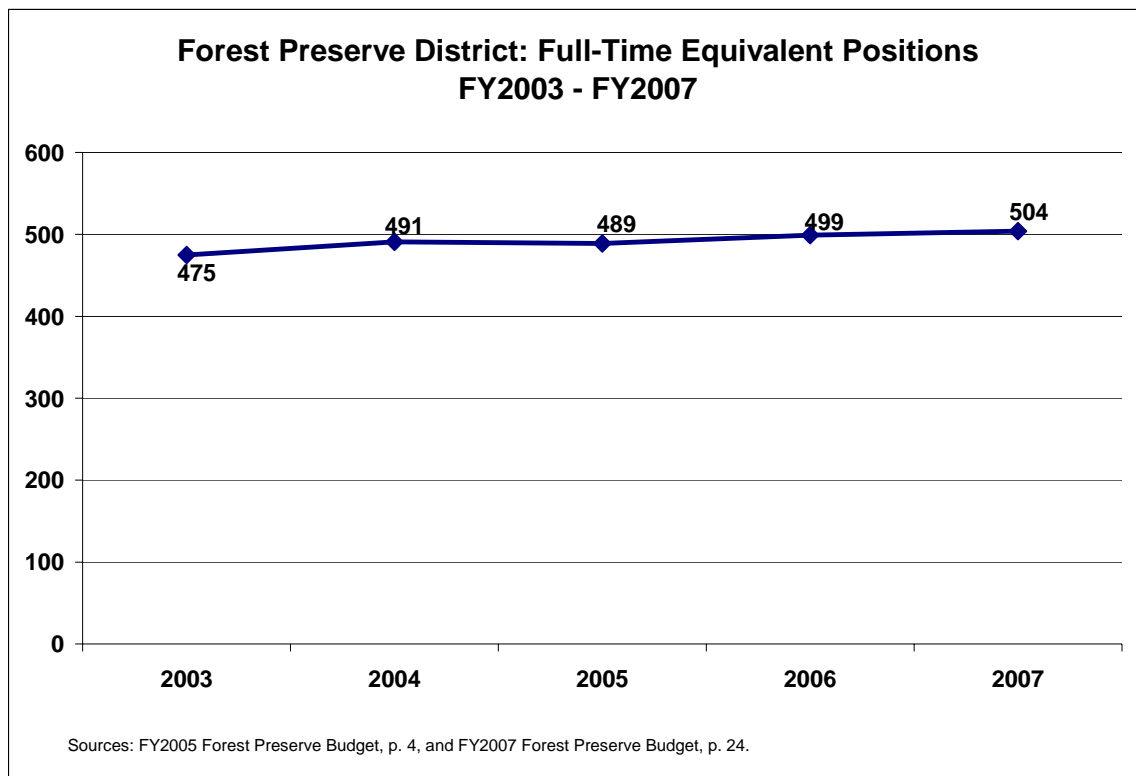
<sup>22</sup> Lenny Moore, in a communication to the Civic Federation, October 27, 2006.

<b>Forest Preserve District Position* Summary: FY2006 - FY2007</b>			
<b>Department</b>	<b>FY2006</b>	<b>FY2007</b>	<b>Change</b>
General Maintenance	208	207	-1
Law Enforcement	111	116	5
Resource Management	88	90	2
General Office/Legal/Human Resources	28	33	5
Finance & Administration	21	17	-4
Planning & Development	24	23	-1
Permit & Recreation Activities	20	18	-2
<b>Total</b>	<b>499</b>	<b>504</b>	<b>5</b>

\* FTE figures for each department have been rounded

Source: FY2007 Forest Preserve Budget, p. 24.

Over the five-year period from FY2003 to FY2007, the number of Forest Preserve District FTE positions has increased from 475 to 504, or by 6.1%.



### *Personal Services Appropriation Trends*

The following exhibit presents appropriations for salaries and wages in FY2006 and FY2007. Salaries and wages are basically flat due to overbudgeting in FY2006.<sup>23</sup> They will increase slightly by 0.5%, from \$22.3 million in FY2006 to \$22.5 million in FY2007. The District has also budgeted for approximately \$1.2 million in additional increased labor costs resulting from recently concluded labor agreements.

In FY2006, for the first time, the department detail pages of the budget book reported the amount by which the appropriation for salaries and wages would be reduced by a vacancy/turnover

<sup>23</sup> Lenny Moore, in a communication to the Civic Federation, October 27, 2006.

adjustment. The chart below reflects personnel services figures net of the vacancy/turnover adjustment.

<b>Corporate Fund Salaries and Wages</b>	
FY2006	\$ 22,338,049
FY2007	\$ 22,459,505

Corporate Fund salaries and wages appropriations increased by 21%, from \$18.6 million to \$22.5 million between FY2003 and FY2007.<sup>24</sup> Appropriations for salaries and wages were 49.6% of total Corporate Fund appropriations in FY2003 and 47.6% of appropriations in FY2007.

<b>FPD CORPORATE FUND SALARIES AND WAGES APPROPRIATIONS</b>			
<b>Fiscal Year</b>	<b>Personnel Services Appropriations</b>	<b>Total Appropriations</b>	<b>% of Total</b>
FY2003	\$ 18,612,019	\$ 37,494,800	49.6%
FY2007	\$ 22,459,505	\$ 47,228,449	47.6%
% Change	21%	26%	

*Forest Preserve District Employee Benefit Expenses: FY2006 and FY2007*

Between FY2006 and FY2007, expenses for employee benefits decreased by 1.9%, from \$7.4 million to \$7.3 million.<sup>25</sup> The largest single increase was for the vision plan, which grew by 12.5%. This increase was primarily for employees in the General Maintenance, Law Enforcement, and Human Resources departments. The largest single decrease was for life insurance, which decreased by 21.3%. This decrease in appropriations was primarily for Law Enforcement and General Maintenance employees. Hospitalization Insurance expenses decreased by 2.0%. As was the case for salaries and wages, the anticipated reduction in benefit expenses is largely due to the fact that the District overbudgeted for these expenses in FY2006.<sup>26</sup>

<b>FPD BENEFIT EXPENSES*: FY2006 v. FY2007</b>				
	<b>FY2006</b>	<b>FY2007</b>	<b>\$ CHG</b>	<b>% CHG</b>
<b>Hospitalization Insur.</b>	\$ 7,056,965	\$ 6,919,122	\$ (137,843)	-2.0%
<b>Dental Insur.</b>	\$ 217,747	\$ 224,688	\$ 6,941	3.2%
<b>Life Insur.</b>	\$ 105,925	\$ 83,352	\$ (22,573)	-21.3%
<b>Vision Plan</b>	\$ 69,252	\$ 77,916	\$ 8,664	12.5%
<b>Total Benefits</b>	<b>\$ 7,449,889</b>	<b>\$ 7,305,078</b>	<b>\$ (144,811)</b>	<b>-1.9%</b>

\*These figures represent expenses for the District only, not the Garden & Zoo.

<sup>24</sup> *Forest Preserve District of Cook County FY2003 Executive Budget Recommendation*, p. 9, and *Forest Preserve District of Cook County FY2007 Executive Budget Recommendation*, p. 23.

<sup>25</sup> *Forest Preserve District of Cook County FY2006 Budget Recommendation*, "Corporate Fund Department Appropriations," p. 29ff, and *Forest Preserve District of Cook County FY2007 Budget Recommendation*, "Corporate Fund Department Appropriations," p. 32ff.

<sup>26</sup> Lenny Moore, in a communication to the Civic Federation, October 27, 2006.

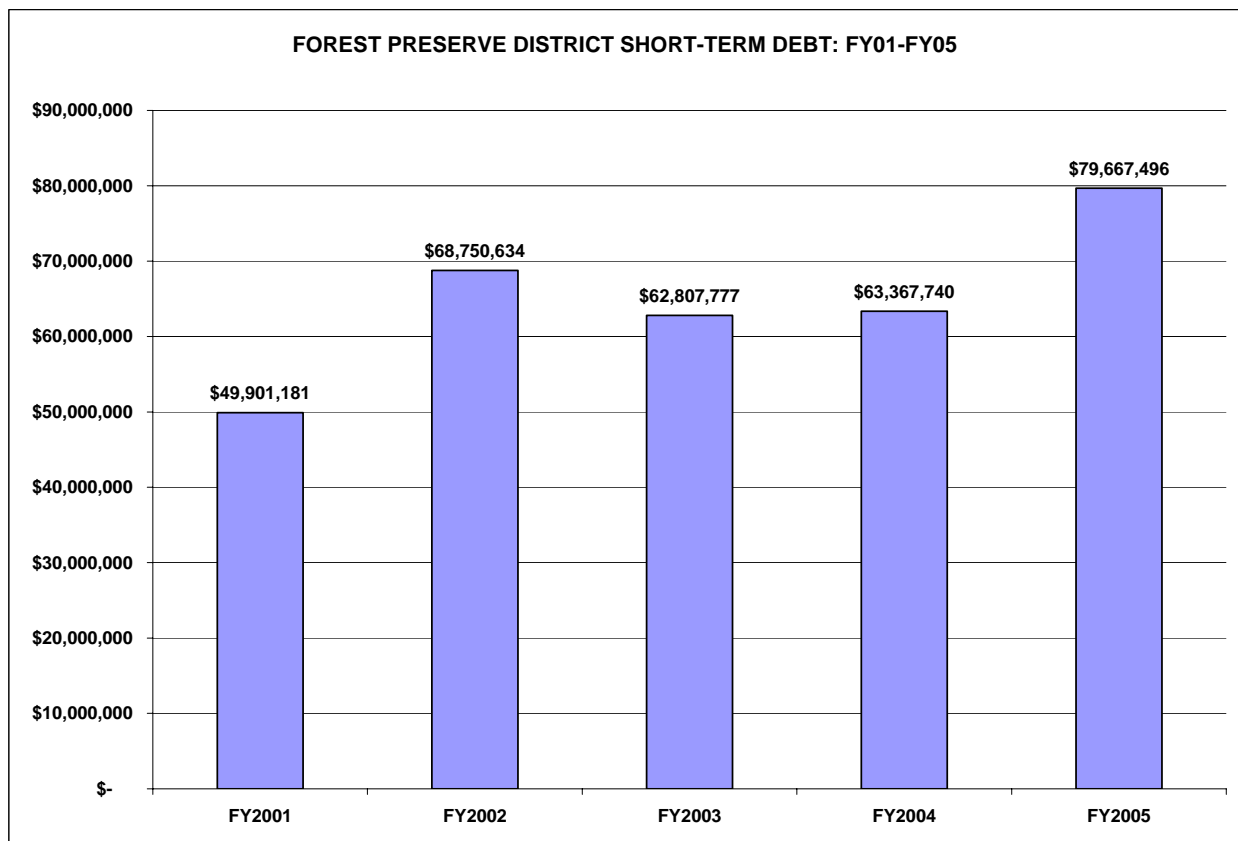
## DEBT TRENDS

The Civic Federation has employed two measures of debt for the purposes of this analysis: short-term debt trends and long-term debt per capita trends. The data are drawn from the District's audited financial reports. The last year for which data are available is FY2005.

### *Short-Term Debt Trends*

Short-term debt is a financial obligation that must be satisfied within one year. An increasing trend in short-term debt may be a warning sign of future financial difficulties. It is a measure of budgetary solvency, that is, a government's ability to generate enough revenue over the course of a normal budgetary period to meet its expenditures and prevent deficits. Forest Preserve District short-term debt includes obligations such as accounts payable, contracts payable, deposits, interest payable, interest due to other funds, and liabilities from restricted assets. In sum, it includes all liabilities except accrued salaries and wages, accrued payroll, compensated absences and long-term debt. For purposes of consistency over time, we have calculated short-term debt for Governmental Activities, or activities in the Governmental Funds, for the District government only.

Short-term debt levels rose 59.7% between FY2001 and FY2005, increasing from \$49.9 million to \$79.7 million. However, between FY2002 and FY2003, short-term debt fell by 8.6%, from \$68.7 million to \$62.8 million. This favorable trend was reversed in FY2005, when short-term debt jumped by 25.7%.

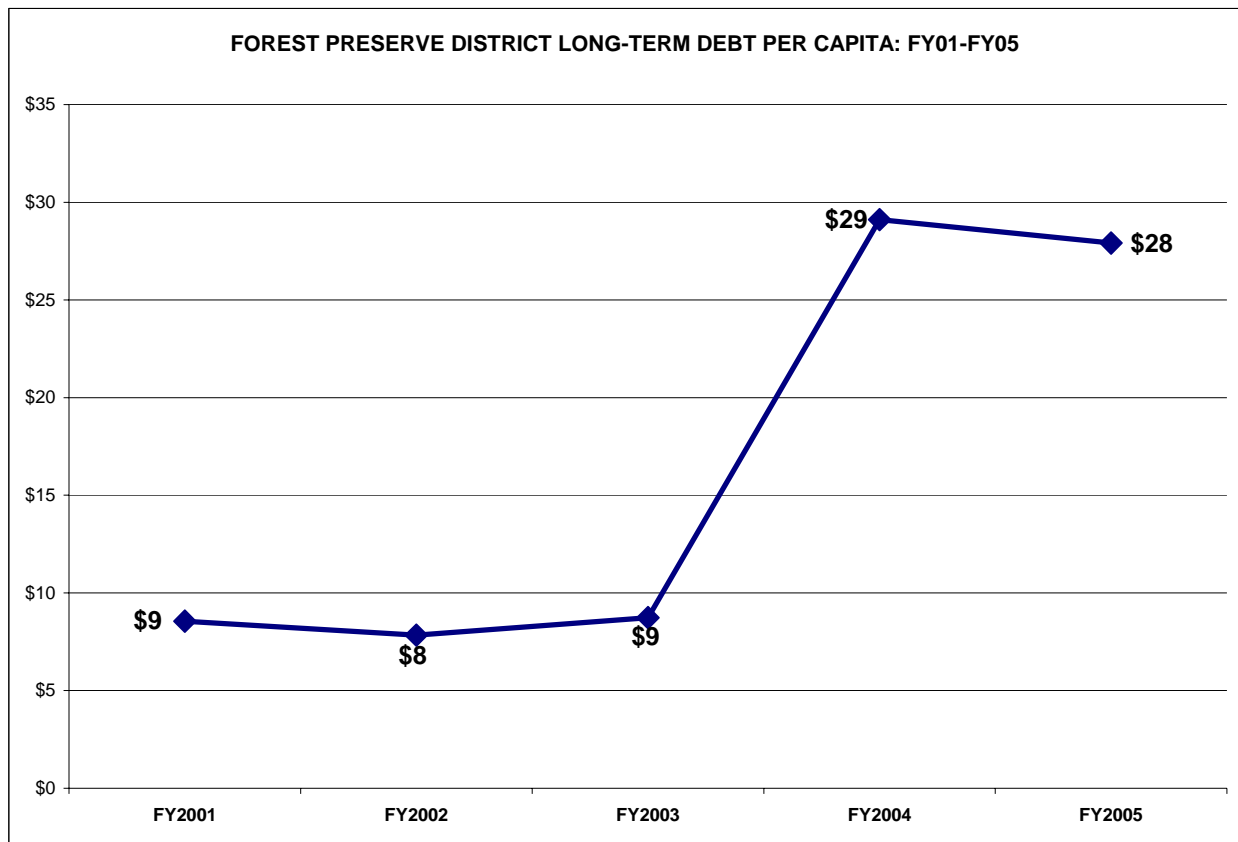




### *Long-Term Debt Per Capita*

Long-term debt per capita is a measure of a government's ability to maintain its current financial policies. This long-term debt analysis takes the total long-term debt liabilities reported in Note #7 of the District's audited financial statements and divides them by population. The Forest Preserve District's long-term debt includes general obligation bonds payable, compensated absences, and provision for tort.<sup>27</sup> Increases in long-term debt bear watching as a potential sign of increasing financial risk.

In October of 2004, the District issued a total of \$100 million in general obligation bonds to provide for the financing of capital improvement and capital equipment projects for the District, the Chicago Botanical Garden, and the Brookfield Zoo. This debt issuance dramatically increased the per capita debt burden from \$9 per capita in FY2003 to \$29 per capita in FY2004.



<sup>27</sup> The District is exposed to risk of losses related to torts and are reported when losses are probable and when the amounts may be reasonably estimated. These liabilities are expensed and reported as long term debt. Claim settlements and judgments are paid from the Corporate Fund. (See FPD CAFR, Note 13: Risk Management.) On December 2, 2004, Steven M. Bylina, General Superintendent of the District submitted a resolution for approval by the Board of Forest Preserve Commissioners. The resolution, which was approved, established a new Self Insurance Fund which will accumulate and provide resources to meet insurance claims and obligations. As a result of the resolution, all of the funds previously held in the Corporate Fund representing budgeted amounts for claim settlements and judgments, as well as some portion of operating savings, were transferred to accounts within the Self-Insurance Fund. Steve M. Bylina (General Superintendent, Forest Preserve District), in a transmittal letter to the Forest Preserve District Board concerning Resolution No. 12-01-24-2004, December 2, 2004.

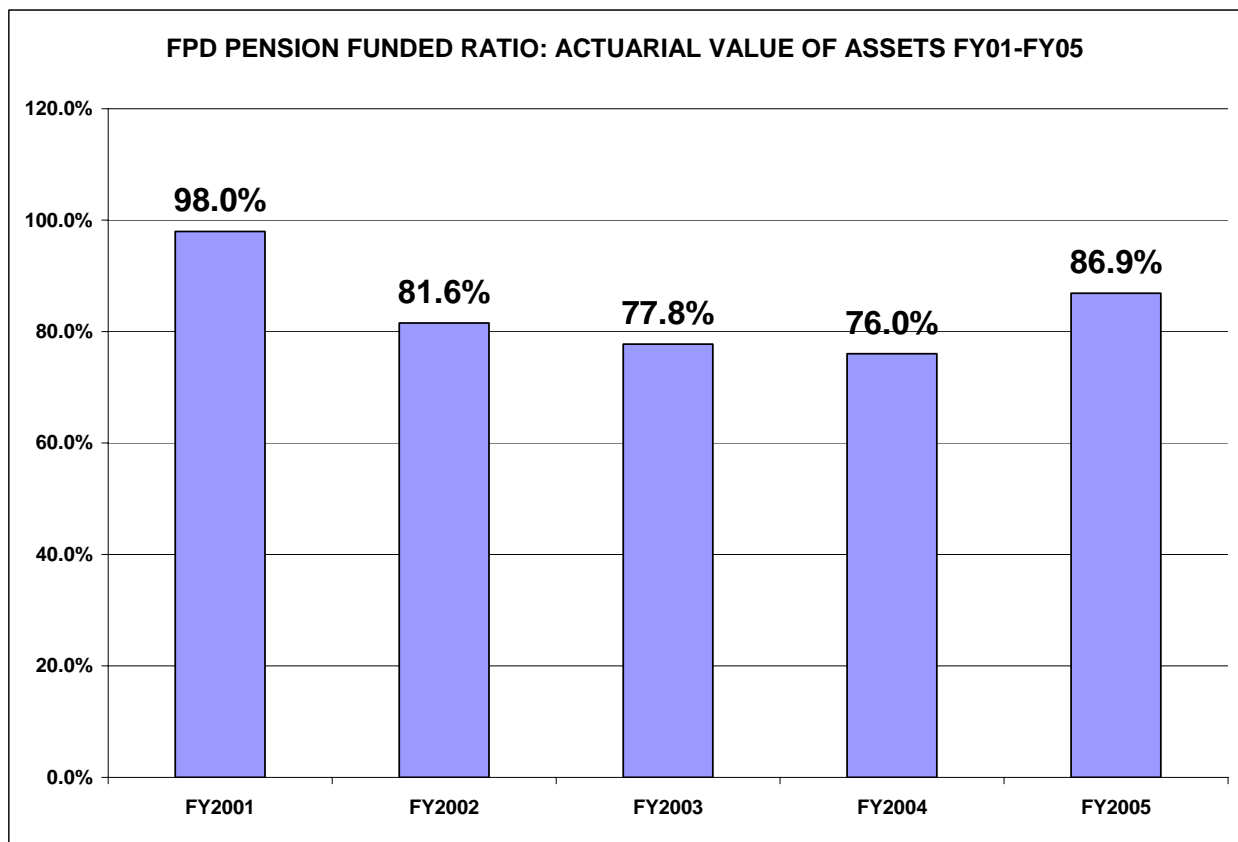
## PENSION TRENDS

The Civic Federation used three measures to present a multi-year evaluation of the Forest Preserve Pension Fund's fiscal health: funded ratios, the value of unfunded liabilities, and the investment rate of return.

### *Funded Ratios*

The following exhibit shows funded ratios for the Forest Preserve District's pension fund from FY2001 to FY2005. This ratio shows the percentage of pension liabilities covered by assets. The lower the percentage the more difficulty a government may have meeting future obligations.

The District pension fund's funded ratio fell from 98.0% to 76.0% between FY2001 and FY2004, and then rose again to 86.9% in FY2005. This apparent increase over FY2004, however, was due almost entirely to changes in actuarial methods.<sup>28</sup>

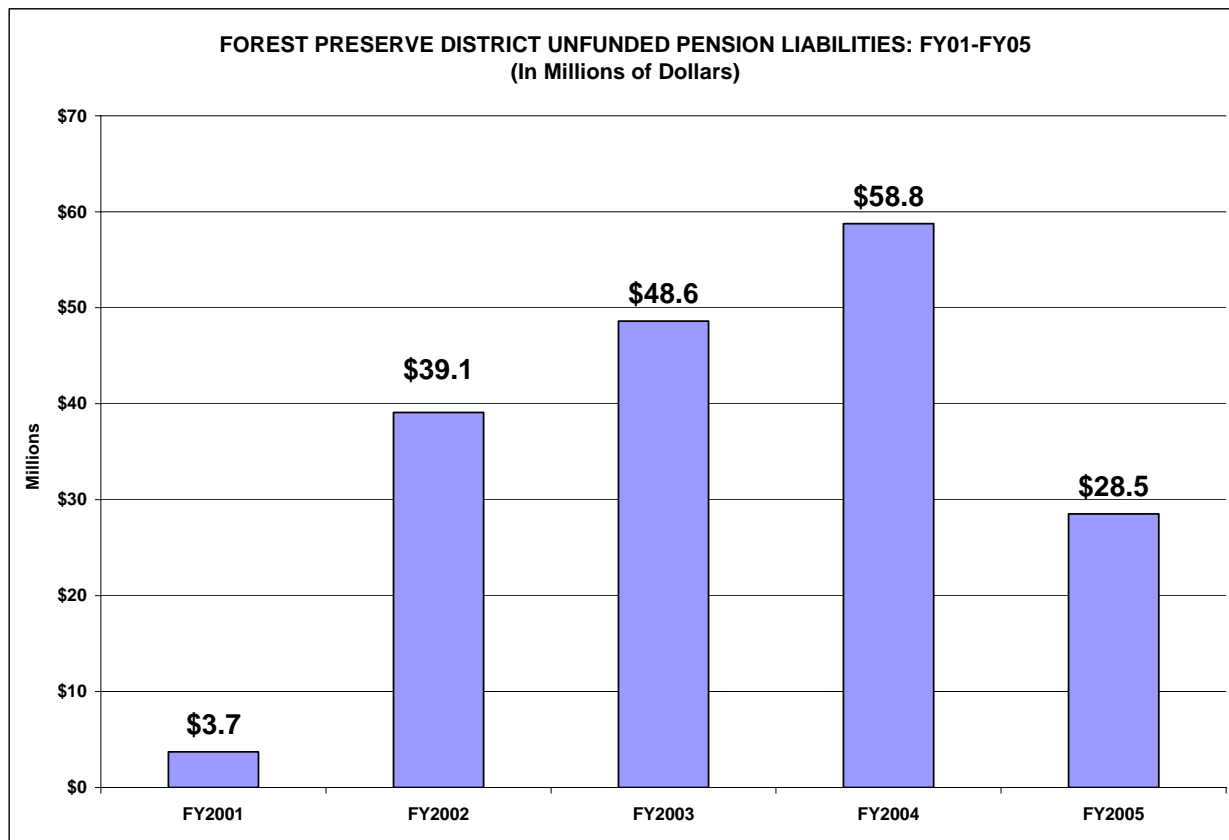


### *Unfunded Liabilities*

Unfunded liabilities are the dollar value of liabilities not covered by assets. Because the Forest Preserve District pension fund was overfunded until FY2000, there were more assets than liabilities. However, in FY2001, the pension fund reported \$3.7 million in unfunded liabilities.

<sup>28</sup> Forest Preserve District Employees' Annuity and Benefit Fund of Cook County: Financial Statements December 31, 2005, p. 3a.

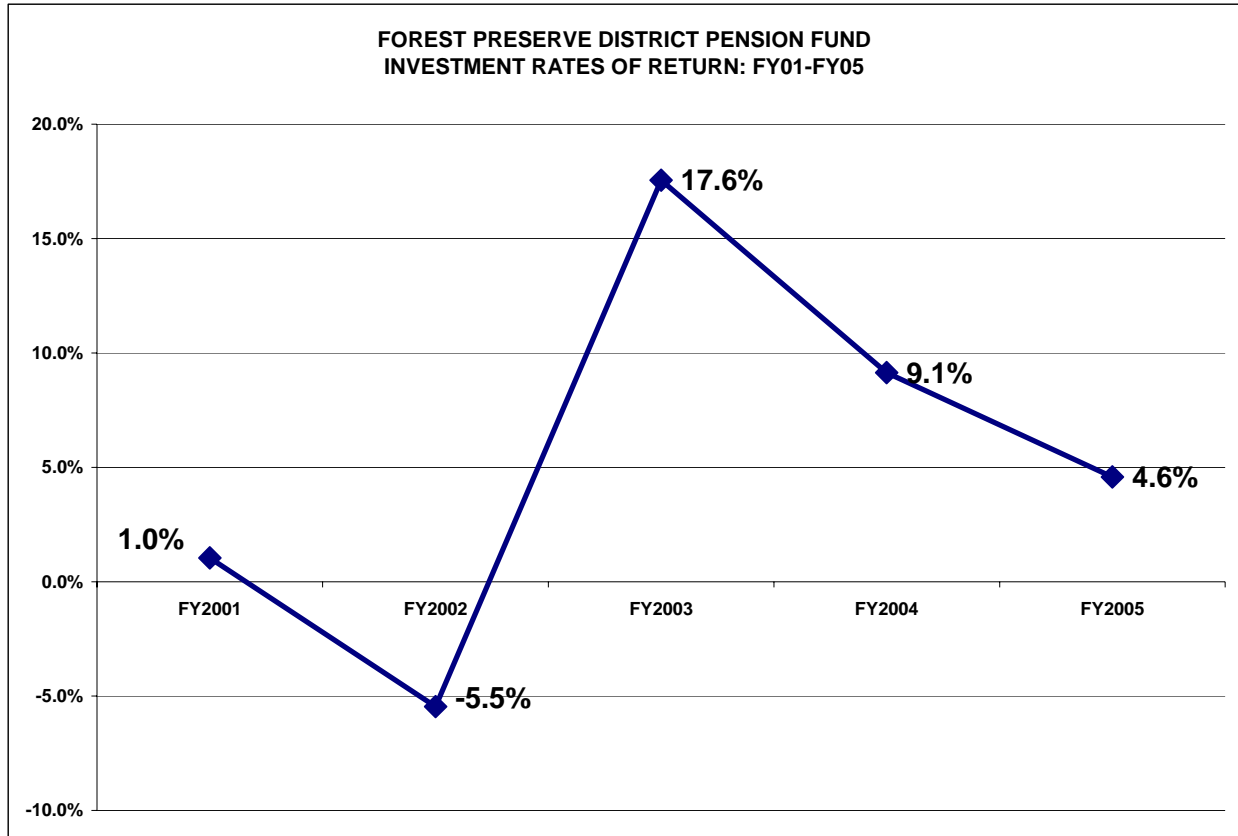
By FY2004, unfunded liabilities had increased to \$58.8 million. Unfunded liabilities fell by \$30.3 million, or 51.5% in FY2005, but this apparent decrease was almost entirely due to changes in actuarial methods.



### *Investment Rates of Return*

Investment income typically provides a significant portion (over 50%) of the funding for pension funds. Thus, declines over a period of time can have a negative impact on pension assets. It should be noted that the volatility in the rates of return reflects fluctuations in the market value of the investments within the fund. Under the Generally Accepted Accounting Principles (GAAP), the fair value of an investment is the amount at which the asset could be bought or sold. The value of an investment may increase or decline depending upon market conditions.

Between FY2001 and FY2005, Forest Preserve District pension fund investment rates of return rose from 1.0% to 4.6%, with a significant drop in FY2002 and a significant gain in FY2003, mirroring the performance of investments in other local government pension funds. The rate has subsequently fallen again, dropping 13 percentage points since FY2003.



## CAPITAL IMPROVEMENT PLAN

The Forest Preserve District has prepared a first-ever Capital Improvement Plan this year. The plan is currently a preliminary one, and will be subject to further revisions as the CIP is developed.

The Civic Federation believes that the Forest Preserve District has taken an important step forward by developing a CIP. We **commend** President Steele, Superintendent Bylina, and the District financial team for reversing prior practice, which seriously limited public access to information about the District's capital plan, and for working toward greater transparency in Forest Preserve District operations.

In this section, we offer a review of the draft CIP to date and encourage the District as it moves forward with the CIP process to incorporate some of the additional features of a best practice capital improvement plan that are not included in the current document. We would like to emphasize that the projects being undertaken by the Brookfield Zoo and the Chicago Botanic Garden should be subjected to the same standards of disclosure as those initiated for the District. Those facilities are owned by the District and the majority of capital improvements at those facilities are paid for with taxpayer dollars.

The Civic Federation has compiled a checklist to compare the elements contained in the Forest Preserve District's draft CIP with 13 elements that should be a part of all CIPs to ensure

maximum public transparency. These elements incorporate recommendations of the National Advisory Committee on State and Local Budgeting (NACSLB). For more information on the NACSLB and its recommendations, please visit the web site of the Government Finance Officers Association at [www.gfoa.org](http://www.gfoa.org).

### **1) Narrative Overview of CIP Process and/or Capital Program**

The beginning of the draft CIP contains a brief overview of the CIP process and a definition of funding categories. This is a good start.

**Recommendation:** Include more specific information about the CIP process, including:

1. How the plan is formulated (i.e. the steps that District staff take to develop a needs assessment, its criteria for prioritizing projects, the means it employs to solicit and incorporate input from stakeholders);
2. A list of Board of Commissioners meeting dates and times (both past and future) at which the CIP is discussed or action is taken; and
3. A list of the ways that the **public** may become involved in the planning process, including meeting dates and times (both past and future) and public review periods.

For an example of a good narrative overview of a CIP process, please look at the City of Chicago's Capital Improvement Plan at [www.cityofchicago.org](http://www.cityofchicago.org) (Office of Budget Management section).

### **2) Information about the Impact of Capital Spending on the Annual Operating Budget for Each Project**

Information is included in a five-year summary table for each project.

### **3) Narrative descriptions of individual projects, including the purpose, need, history, and current status of each project**

There are short descriptions of about one to three sentences for each individual project on the first page of each project category and on the individual project pages. Most of them also include the current status of each project. Needs or purposes of projects are not described.

**Recommendation:** For each project, there should be a brief discussion of why the project is necessary (does it improve safety, provide maintenance per the replacement scheduler, improve service quality, etc.) and the history and status of the project (when was it initiated, how is it being paid for, when will be completed).

### **4) Time Frame for fulfilling capital projects and priorities**

There are start dates and end dates for almost all projects.

### **5) Integration of CIP into Long-Term Financial Plan**

The Forest Preserve District does not have a long-term financial plan.

**Recommendation:** The District should develop a comprehensive, formal long-term financial plan. The CIP should be integrated into that plan.

#### **6) Conducting and disclosing a needs assessment prior to project approval**

The only place where the Plan mentions anything resembling “a needs assessment” is on the first page. It states that the CIP is “based upon input from all District Departments, Commissioners, the public, advocacy groups, engineering reports, Planning and Development surveys and on-site inspections.”

**Recommendation:** The District needs to disclose specific information about the process by which the District’s capital needs are determined.

#### **7) Development and implementation of a formal prioritization process to determine project selection**

The CIP only contains the following reference to prioritization: “This expanded Plan will allow all parties to review proposed projects, provide input concerning priorities and add projects ... When new projects are proposed, the Plan will allow the District to determine priorities.”<sup>29</sup>

**Recommendation:** The Forest Preserve District should disclose how it prioritizes projects. Further, the District should consider developing a formal prioritization process which utilizes objective criteria to rank projects from highest to lowest priority. It is a good idea to include public input into prioritization process. For an example of a simple formal prioritization process, please see the City of Chicago Capital Improvement Plan.

#### **8) Providing opportunities for stakeholder input into capital project prioritization and selection**

Again, it is unclear from the CIP exactly how the public can or does have input into the capital planning process.

**Recommendation:** The public and the Commissioners should have the opportunity to provide input into the planning process that establishes the prioritization of capital projects. The District can facilitate public input in two ways: 1) by including citizen and Commissioner participation on a committee that undertakes the prioritization or 2) by providing opportunities for review and comment on the entire CIP by the public and the Commissioners.

#### **9) A period during which the public can review the CIP**

We are very pleased that the District has prepared a CIP. But it is not enough simply to produce a CIP; this document must be made publicly available so that everyone can review and discuss the document. Transparency is the cornerstone of democracy.

**Recommendation:** The District must make its CIP widely available to the public. The best way to do that is for the Plan to be posted on the District’s Web site and for the Board of

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<sup>29</sup> Forest Preserve District of Cook County FY2007-FY2011 Capital Improvement Plan, 1<sup>st</sup> page.

Commissioners to hold public hearings. We commend the District for taking this step at our urging.

#### **10) A public hearing on the CIP**

It is unclear whether or not there will be a formal public hearing on the CIP.

**Recommendation:** The Board of Commissioners should hold a formal public hearing on the CIP that allows for public comment.

#### **11) Formal Approval of the CIP document by the Forest Preserve District Board of Commissioners.**

The Civic Federation understands that the CIP is a planning tool rather than a rigid set of requirements. The District must maintain the flexibility to revise, alter or change priorities as contingencies warrant. However, the CIP is extremely valuable insofar as it provides the District with guidelines or benchmarks that allow resources to be matched with needs. The Forest Preserve District Board of Commissioners has the ultimate authority to determine which *projects* will be approved, but the CIP does not make clear whether or not the Board must formally approve the *plan itself*.

**Recommendation:** The Board of Commissioners should formally approve the CIP, recognizing that it is a planning document.

#### **12) Five-Year Summary List of Projects and Expenditures per Project in the Budget**

The Forest Preserve District does provide a five-year summary list of projects and expenditures per project in the Budget Book.

#### **13) Five-Year Summary Information about Capital Project Funding Sources in the Budget**

The Forest Preserve District does provide five-year summary information about capital project funding sources in the Budget Book.

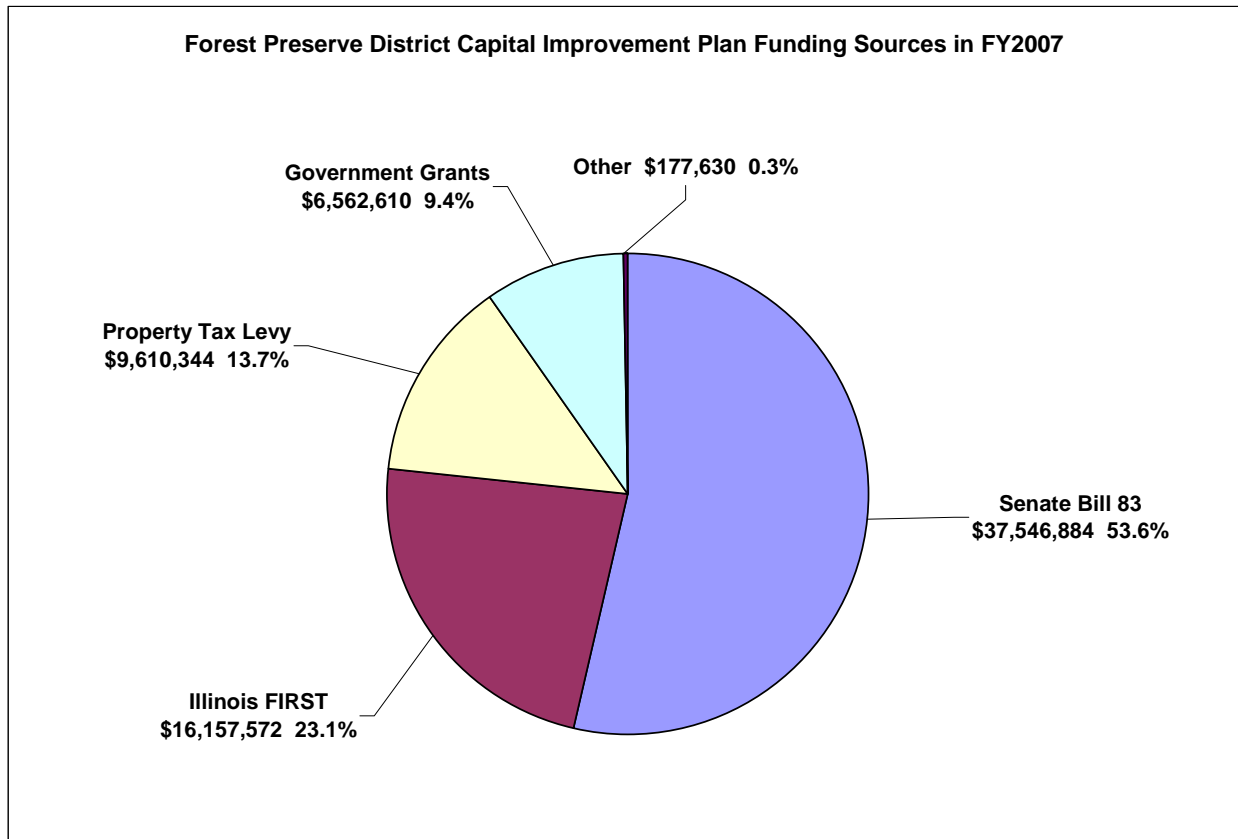
#### *Funding Highlights*

The Capital Improvement Plan summary presented in the budget book identifies \$249.9 million in capital projects, of which \$70.1 is funded and \$179.8, or 72.0%, is awaiting a funding source.<sup>30</sup> The largest project category is Aquatic and Terrestrial Habitat Restoration, for which \$106.9 million is needed but only \$6.6 million in funding has been obtained.

Senate Bill 83, which permitted the Forest Preserve District to issue \$100 million in bonds for capital improvements (\$25 million each for the Zoo and Garden, and \$50 million for the District), accounts for over half of the Capital Improvement Plan funding. Illinois FIRST grants from the State of Illinois are the second largest source, at 23.1% of the total. The property tax levy represents \$9.6 million, or 13.7% in capital projects. Various state and federal grants provide 9.4% of total capital improvement plan funding.

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<sup>30</sup> *Forest Preserve District of Cook County FY2007 Executive Budget Recommendation*, p. 97.



## RECOMMENDATIONS

The Civic Federation has several recommendations regarding ways to improve the Cook County Forest Preserve District's financial management.

### *Improve the Capital Improvement Plan and Process*

We understand that the Preliminary Capital Improvement Plan is a work in progress. We have several **recommendations** for ways to improve the document and the prioritization process going forward:

- The District should include more specific information about the CIP **process**, including
  4. How the plan is formulated (i.e. the steps that District staff take to develop a needs assessment, its criteria for prioritizing projects, the means it employs to solicit and incorporate input from stakeholders);
  5. A list of Board of Commissioners meeting dates and times (both past and future) at which the CIP is discussed or action is taken; and
  6. A list of the ways that the **public** may become involved in the planning process, including meeting dates and times (both past and future) and public review periods.
- For each project, there should be a brief discussion of why the project is necessary and the history and status of the project.



- The District should specifically describe how its capital needs are determined.
- The Forest Preserve should disclose how it prioritizes projects.
- The District should consider developing a formal prioritization process which utilizes objective criteria to rank projects from highest to lowest priority.
- The public and the Commissioners should have the opportunity to provide input into the prioritization of capital projects planning process. The District can facilitate public input in two ways: 1) by including citizen and Commissioner participation on a committee that undertakes the prioritization of District projects, or 2) by providing opportunities for comment on the entire CIP by the public and Commissioners.
- The Board of Commissioners should formally approve the CIP, recognizing that it is a planning document.

#### *End the Legal Relationship between the Forest Preserve District and Cook County*

The Civic Federation is convinced that true management reform and operational efficiency would be best served by legally separating the governments of the County and the District.

For the past 75 years, the Forest Preserve District has suffered from neglect. We believe much of that neglect results from the current governance system, which burdens Cook County Commissioners with oversight responsibilities for the District as well.

Establishing a separate Forest Preserve District Board would allow its Commissioners to focus solely on District issues. County Commissioners, in turn, could focus all of their attention on County issues. The result would be substantial improvements in the operations and managements of both governments.

#### *Transfer Ownership of Swimming Pools*

Maintaining and operating swimming pools is not a core function of the Forest Preserve District of Cook County. Public pools are more appropriately maintained by local park districts and community organizations. The money the Forest Preserve has spent, and proposes to spend, on pool maintenance and operation would be far better spent on core activities and much-needed preserve restoration and improvements. This is true regardless of the source of funding used to maintain and operate the pools.

Over 50 years ago the Advisory Committee to the Cook County Forest Preserve Board of Commissioners recommended that the pools be closed. In 1929, the Advisory Committee had recommended that the Forest Preserve District build swimming pools in order to provide a sanitary alternative for swimmers using Forest Preserve lakes and rivers. In 1953, however, the Committee recognized that many safe swimming opportunities were now available to County residents, and recommended closing the District pools due to high operating costs:

“Three [pools] were built but the costs of operation and maintenance are high. Inasmuch as there are now sufficient municipal and privately-operated swimming pools in the county to meet the public needs, it is

recommended that the District build no more of them and discontinue these when they become obsolescent.”<sup>31</sup>

Indeed, the pools did become obsolete as the District allowed them to fall into disrepair. Currently, only one District-owned pool remains open, at Whealan Aquatic Center, at 6200 West Devon Avenue in Chicago. By contrast, the Chicago Park District alone maintains 42 indoor and 49 outdoor swimming facilities within the city limits.<sup>32</sup> Suburban park districts and departments and community organizations maintain many other public swimming pools around Cook County. Clearly, there are many well-qualified providers of this recreational service who can offer interested users plenty of swimming opportunities.

Now the District proposes spending \$8 million over 2006 and 2007 to renovate and re-open two closed pools: Cermak Pool in Lyons and Green Lake Pool in Calumet City.<sup>33</sup> The District will rehabilitate the pools using \$8 million in Illinois FIRST funds from the State of Illinois. The \$8 million in pool renovations represents 8.2% of the \$97.0 million proposed in funded capital projects within the forest preserves through 2010.<sup>34</sup>

Once restored, the pools will impose a major operating burden on the District. According to the District’s own 2001 *Cost of Services* study prepared by Deloitte and Touche, the three pools cost \$856,790 per year to operate in 2000.<sup>35</sup> They were open for roughly two months of the year, and were free to the public. The average cost to the District per swimmer was \$3.37 at Whealan, \$8.22 at Cermak, and \$14.08 at Green Lake Pool.<sup>36</sup> According to the District, annual operating costs for Cermak and Green Lake Pools are expected to reach \$175,000 per pool when they are re-opened in the summer of 2007.<sup>37</sup>

Clearly, the pools are a major cost to the District and do not align with its core mission. Many safe swimming alternatives are now provided by municipalities and park districts across Cook County, eliminating the need for the Forest Preserve District to maintain pools.

The Civic Federation questions why the pools would be a top financial priority for the District when immediate repairs are needed for core facilities and basic infrastructure, such as picnic shelters, camps, trail systems, and water and sewer lines. Efforts to restore aquatic and terrestrial habitat also need substantial investment. If the District insists on spending precious capital dollars on rehabilitating unnecessary pools, however, it should at least privatize those pools, as it did with its golf courses, so that the pools will not be a drain on the District operating budget.

#### *Remove or Privatize Toboggan Slides*

In the 1920s and 1930s, the District built six toboggan slides in the Preserves, all of which have been closed due to a lack of maintenance. The Civic Federation believes that these slides should

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<sup>31</sup> *Revised Report of Advisory Committee to the Cook County Forest Preserve Commissioners*, Forest Preserve District of Cook County, IL, 1953, p.20. Available at the Harold Washington Library, Chicago IL.

<sup>32</sup> See [www.chicagoparkdistrict.com/index/cfm/fuseaction/parks.results/fac\\_id?CDA66E](http://www.chicagoparkdistrict.com/index/cfm/fuseaction/parks.results/fac_id?CDA66E).

<sup>33</sup> *Forest Preserve District of Cook County FY2006 Executive Budget Recommendation*, p. 85.

<sup>34</sup> *Forest Preserve District of Cook County FY2006 Executive Budget Recommendation*, p. 72.

<sup>35</sup> Deloitte & Touche. *Cost of Services Study for the Forest Preserve District of Cook County*, November 1, 2001, p. 24.

<sup>36</sup> Deloitte & Touche. *Cost of Services Study for the Forest Preserve District of Cook County*, November 1, 2001, p. 26.

<sup>37</sup> Information provided by the Forest Preserve District, November 25, 2005.

be either privatized, as were the golf courses, or demolished so that the land may be returned to other District uses.

The District's 2001 *Cost of Services* study by Deloitte and Touche found that the toboggan slides generated \$20,965 in revenue in 2000 at a cost of \$892,748.<sup>38</sup> The net cost to the District per toboggan slide user was \$54.26 in 2000, when the slides were open for 24 days. Clearly, the toboggan slides are a tremendous operating burden, and they would become a tremendous capital burden if they were to be restored.

Rather than leave the slides idle, the District should either privatize or demolish them and return the land they occupy to productive uses for public recreation.

#### *Set Rent for Resident District Employees Living on District Land at Market Rates*

In return for their watching over District land and serving as a deterrent to crime or misuse, the Forest Preserve District rents housing on its property to employees at drastically discounted rates. The Civic Federation approves of the modest step taken by Forest Preserver Commissioners when they passed an ordinance in July 2005 to increase the rent for Resident Employees by 6.6%, from \$225 to \$240 per month for some residences and from \$450 to \$480 per month for others. The Commissioners also voted to tie annual rent increases to the Consumer Price Index. While these measures constituted positive reform, the Civic Federation believes that Resident Employee rents are still excessively low, and should be raised to market rates. Instead of providing low rent, Resident Employees should be paid hourly for any additional duties as "watchmen."

#### *Eliminate Forest Preserve District Police Department*

As we have noted in previous analyses, the Forest Preserve District is unable to justify the need for its own Police Department. When asked in the past to present performance statistics, the District has been able to provide only the barest workload numbers, without any measures of efficiency or effectiveness. Given the \$8.1 million the District proposes to spend on its Police force in FY2007, the District should have evidence that a separate Forest Preserve Police Department is both necessary and effective.

The Civic Federation believes the Forest Preserve District should cut costs by working to eliminate duplication of effort wherever possible. We believe the District police force could be eliminated and that its functions could be assumed by the County Sheriff or local municipalities. In lieu of a police force, the District should hire Civilian Conservation Officers to patrol the preserves, deter illegal activity, and provide assistance to the public. Conservation Officers would function as park rangers do in state and national parks, and would contact local police officers when law enforcement was necessary.

#### *Implement a Long-Term Financial Planning Process*

The National Advisory Council on State and Local Budgeting (NACSLB) and the Government Finance Officers Association (GFOA) both recommend that all governments formally adopt a

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<sup>38</sup> Deloitte & Touche. *Cost of Services Study for the Forest Preserve District of Cook County*, November 1, 2001, p. 27.

long-term financial plan as a key component of a sound budget process. The Civic Federation urges the Forest Preserve District to develop and implement a formal long-term financial plan that is shared with and reviewed by key policymakers and public stakeholders.

### *Develop and Utilize Performance Measures*

The Civic Federation recommends that the Forest Preserve District develop and utilize a performance measurement system as part of a broader strategic planning strategy. All governments should evaluate the performance of the programs and services they provide to ensure that they are accomplishing their intended goals and making efficient use of resources. Evaluating and reporting on program results keeps all stakeholders aware of any variance between expectations and actual achievements.<sup>39</sup> Forest Preserve District staff should work to support the development of performance measures to track the efficiency and effectiveness of management and operations.

### *Provide More Complete Information in Budget Document*

The format of the Forest Preserve District budget document has improved in recent years. Specifically, the budget document now includes:

- An improved executive summary that discusses key changes in each fund.
- Disclosure of the new unreserved fund balance policy.
- An eight-year history of staffing by function that is provided in terms of full-time equivalent (FTE) positions.
- A six-year trend of the property tax levy by fund.

However, the Civic Federation is concerned that in several respects the budget document is still marred by a serious lack of clarity. The Civic Federation offers the following recommendations to further improve the format of the Forest Preserve District budget document:

- Better information about the workings of the Real Estate Acquisition Fund, including a narrative description of activity in the fund, information about pending acquisitions, and explanation of its fund balance;
- Explanation of vague categories such as “Other,” “Other Income,” “Miscellaneous Income,” and “Contingency” should be provided, particularly when there are significant year-to-year changes in these figures;
- Explanation of fund status changes, such as the change of the Self Insurance Fund from a Special Revenue Fund in FY2005 to an Internal Service Fund in FY2006;<sup>40</sup>
- Five years of consistently-labeled revenue and expenditure trends should be provided.
- All fund balances should be explained, and it should be clearly indicated whether the fund balances are reserved or unreserved, and appropriated or unappropriated;
- All format changes from the previous year’s budget document should be noted and comparability maintained so that the public may be able to make meaningful comparisons over time.

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<sup>39</sup> See Recommended Practice 11.1 “Monitor, Measure, and Evaluate Program Performance,” in National Advisory Council on State and Local Budgeting. *Recommended Budget Practices: A Framework for Improved State and Local Budgeting* (Chicago: GFOA, 1998).

<sup>40</sup> Information provided by the Forest Preserve District, November 25, 2006.

*Increase the Time Allowed for Public Review and Comment*

More time should be allowed for the public to review and understand the Forest Preserve District's proposed budget. At a minimum, the public should be afforded a review period of ten working days before public testimony is heard. The public can only offer fully informed commentary on a \$167.4 million budget if it is given sufficient time to understand that budget's proposals.