

## Statement Made At The Public Hearing On The FY2001 Chicago Park District Budget By John Currie, President.

The Civic Federation would like to thank the President and members of the Board of Commissioners for this opportunity to comment on the proposed FY2001 budget. As a government and finance watchdog group, The Civic Federation has closely monitored and commented on the fiscal health of local area governments for over 100 years.

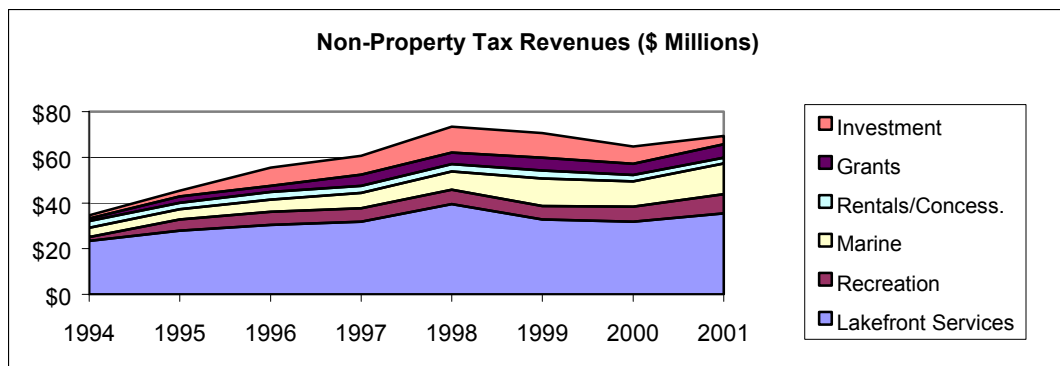
### 1. Overview

As a rule, The Civic Federation prefers not to endorse governmental budgets that **contain tax and fee increases**. This year's Chicago Park District (CPD) budget contains both. The Civic Federation's longstanding position is that before governments increase revenues they must explore all possible ways to reduce expenditures through significant cost-efficiencies.

Having said that, the proposed Chicago Park District 2001 budget is moving the District in the **correct** direction and The Civic Federation does **support** it. The Federation's support stems from a clear indication from the budget document itself that the Chicago Park District's number one priority is to **better serve the public**. The budget shows this through local park related initiatives including: increased funding to each of the District's five regions, the creation of a department for special events, and better information on individual park budgets.

### 2. Taxes and Fees

As stated in past budget hearings, The Civic Federation supports the CPD's efforts to increase its non-property tax revenue sources. As the chart below indicates, between 1994 and 2001, non-property tax revenues are projected to increase from \$34.6 million to \$69.3 million, 100%. This increase in non-property taxes was one reason why the CPD was able to freeze its property tax levy from 1994 until 2000. In 2001, the property tax levy will increase by \$3.6 million, 1.6%. Although the Federation is always concerned when a government raises property taxes, this increase is minimal compared to some of the property tax increases put forth by other local governments over the last eight years.

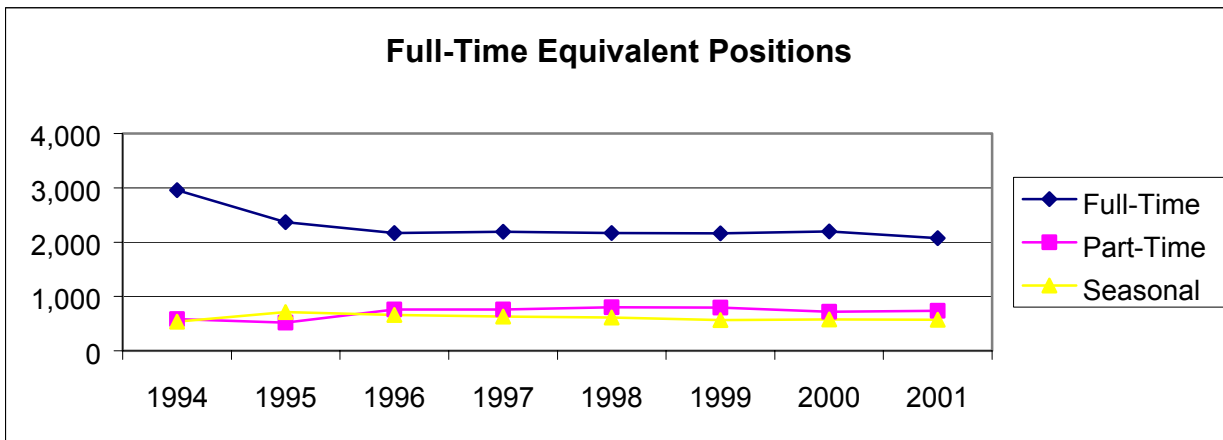


Note: Decrease from 1998 to 2000 is due to garage closures.

Although the Federation does support and encourage the use of non-property tax revenues to support government operations, the Federation is becoming concerned that all of the taxes and fees being imposed by local governments may be becoming prohibitively expensive for the public. The Civic Federation is concerned that the imposition of new taxes, specifically the new parking rates, will add to the aggregate impact that taxes, fees, and fines introduced in recent years already have on Chicago's revitalized entertainment and retail districts. For example, Cook County recently passed a new parking tax, while the City of Chicago last year raised 8 of its 55 parking fines. Simply, are we reaching the point where consumers might opt to do business elsewhere because of all of the taxes, fees, and fines imposed by local governments?

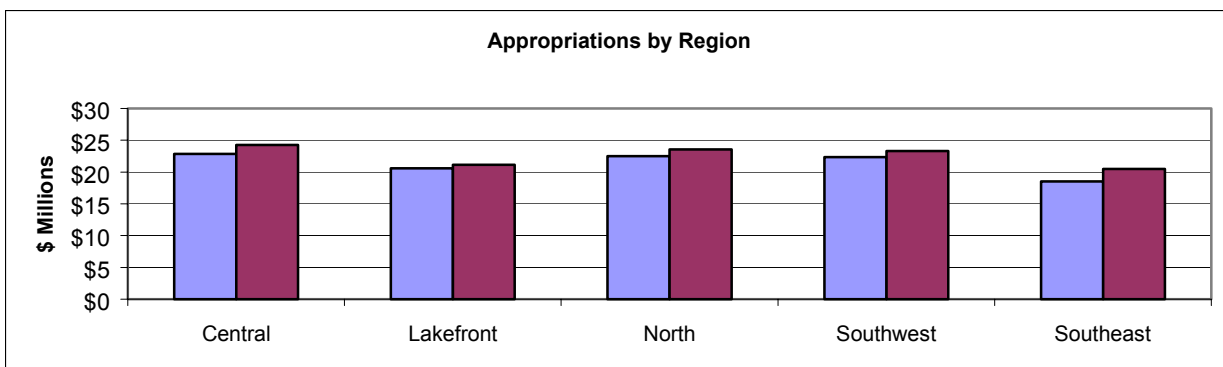
**3. Cost-Efficiencies**

Another reason why the CPD has been able to maintain a freeze on its property tax levy until this year has been the numerous cost-efficiencies implemented by the District. Between 1994 and 2001, the CPD will have reduced the number of full-time positions in the District from 2,956 to 2,071. This year's budget alone contains a reduction of 125 full-time positions.



**4. Local Park Funding & Resources**

In addition to reducing headcount, the CPD is also continuing its efforts to provide additional resources to the local parks. In the 2001 budget, the district's regions are projected to receive an additional \$5.9 million in funding. Of that amount, the Southeast region will receive \$1.96 million. A major part of these additional dollars come from the shifting of personnel from Central Administration to the local parks. This shifting of resources follows earlier decentralization efforts by the District to bring resources down to the user level.



**5. Budget Presentation**

Finally, the CPD is to be commended for its new budget format. For the first time, it is now possible to discern expenditures on an individual park basis. This year's budget contains the title of each employee, hours, and cost. In addition, the budget also contains the other important cost information on an individual park basis such as the cost of materials and supplies, machinery and equipment, and contractual services. The Civic Federation finds this type of information to be crucial as the District continues to increase efficiencies and provide better services.

**6. Conclusion**

Although the Federation regarding the tax and fee increase in this budget, The Civic Federation thinks that the District is moving in the right direction in terms of maximizing services and putting its financial house in order. The Federation is encouraged to see the emphasis that this budget places on local parks. This budget contains details on park spending never before seen by the public. The Civic Federation thinks the District is on the right track and looks forward to working with it as it strives to create the best possible open space and recreational opportunities for the citizens of Chicago.

Respectfully submitted,

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President

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