The Civic Federation

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FOREST PRESERVE DISTRICT OF COOK COUNTY FY2018 EXECUTIVE BUDGET RECOMMENDATION:

Analysis and Recommendations

November 8, 2017

The Civic Federation ● 10 N. Dearborn Street ● Chicago, IL 60602 ● civicfed.org

The Civic Federation is an independent, non-partisan government research organization working to maximize the quality and cost-effectiveness of government services in the Chicago region and State of Illinois.

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EXECUTIVE SUMMARY

The Civic Federation **supports** the Forest Preserve District of Cook County's FY2018 Executive Budget Recommendation totaling $198.2 million, which includes both operating and capital expenditures. However, the Civic Federation also shares the Forest Preserve District's concerns about long-term financial pressures to fund pensions and land conservation. Acknowledging that the District is facing serious financial challenges, it will be critical for the District to implement structural changes and find ways to generate significantly higher revenue.

The FY2018 budget proposal is an increase of $1.4 million from the adopted FY2017 budget appropriation of $196.8 million. The FY2018 budget increase is due to $1.6 million cost of living increases tied to collective bargaining agreements and funding $3.9 million in land restoration work from the operating budget rather than using reserve funds. These expense increases are balanced out by several measure to cut spending and increase revenue: elimination of 12 vacant positions; cuts to non-personnel spending across nearly all departments; a modest property tax increase; a smaller tax allocation to the Brookfield Zoo and Chicago Botanic Garden; and increases in earned revenue from various fees.

The Civic Federation supports the District's move to fund land conservation activities at the core of the District's mission through the operating budget rather than from reserve funds because land conservation will be a recurring expense every year. However, the Civic Federation remains concerned about how the Forest Preserve District will manage to pay for its long-term pension obligations, capital maintenance and backlog of $30 million in deferred capital projects, while also taking on the 25-year goals of the Next Century Conservation Plan.

The Civic Federation urges the District to continue to advocate for reform of its retirement program and identification of a long-term funding source, at an estimated need of $10 million per year. The Civic Federation encourages the District to create a plan for the appropriate use of its substantial reserve funds, such as using them to pay down long-term obligations including pensions and long-term debt.

The Forest Preserve District says it anticipates the need to start weighing difficult financial decisions in 2019. In doing so, the Civic Federation urges the District to proceed with maximum transparency, information sharing and engagement of the District's Board of Commissioners, the Conservation and Policy Council and the general public.

The Civic Federation offers the following **key findings** on the FY2018 proposed budget:

- Total expenditures for operating and capital purposes will increase by $1.4 million from the FY2017 adopted budget to $198.2 million in FY2018;
- The pension fund appropriation in FY2018 will increase by 14.9% to $4.1 million from $3.6 million in FY2017. The increase will be funded by an increase in property tax revenue;
- Corporate Fund revenues will decrease by 2.7% from $61.5 million in FY2017 to $59.8 million in FY2018. The decrease is net of a $2.9 million decrease in the use of fund balance reserves from $3.9 million in FY2017 to $1.0 million in FY2018, and a $1.0 million increase in non-tax revenues;

- Total property tax revenue will increase by $3.0 million, or 3.3%, from $91.4 million in FY2017 to $94.4 million in FY2018. The property tax increase will be used for debt payments, construction and development projects and pensions;
- The District will decrease the property tax allocation to the Brookfield Zoo and Chicago Botanic Garden by $1.0 million;
- The FY2018 proposed budget proposes to eliminate 12.5 vacant positions – five full-time and 7.5 part-time – for a total of 635 full-time equivalent (FTE) positions in FY2018;
- Over a ten year period, the Forest Preserve District pension fund's unfunded actuarial accrued liability has increased from $31.1 million in FY2007 to $132.0 million in FY2016. The funded ratio of the pension fund declined from 86.7% to 60.0% over the same period; and
- Over the five years between FY2012 and FY2016, the District's outstanding long-term debt decreased by 16.4% from $208.8 million to $174.7 million.

The Civic Federation **supports** the following items contained in the District's budget:

- Funding land restoration through the operating budget rather than through the use of fund balance;
- A moderate increase to the property tax levy; and
- Increasing earned revenue from non-tax sources.

However, the Civic Federation has **concerns** about the FY2018 proposed budget including:

- Need for a sustainable pension funding source;
- Need for long-term funding for the Next Century Conservation Plan; and
- Capital needs and deferred maintenance backlog of capital improvement projects.

The Civic Federation offers the following **recommendations** to improve the District's financial management:

- Continue to work with Cook County and the General Assembly to implement pension funding reform;
- Control cost increases in collective bargaining agreements;
- Restructure Forest Preserve District governance;
- Create a plan to spend down excess reserves;
- Include past and future revenue and expenditure detail in the budget book; and
- Promote incorporation of Forest Preserve land.

CIVIC FEDERATION POSITION

The Civic Federation **supports** the Forest Preserve District of Cook County's FY2018 Executive Budget Recommendation totaling $198.2 million, which includes both operating and capital expenditures. However, the Civic Federation also shares the Forest Preserve District's concerns about long-term financial pressures to fund pensions and land conservation. Acknowledging that the District is facing serious financial challenges, it will be critical for the District to implement structural changes and find ways to generate significantly higher revenue.

The FY2018 budget proposal is an increase of $1.4 million from the adopted FY2017 budget appropriation of $196.8 million. The FY2018 budget increase is due to $1.6 million cost of living increases tied to collective bargaining agreements and funding $3.9 million in land restoration work from the operating budget rather than using reserve funds. These expense increases are balanced out by several measure to cut spending and increase revenue: elimination of 12 vacant positions; cuts to non-personnel spending across nearly all departments; a modest property tax increase; a smaller tax allocation to the Brookfield Zoo and Chicago Botanic Garden; and increases in earned revenue from various fees.

The Civic Federation supports the District's move to fund land conservation activities at the core of the District's mission through the operating budget rather than from reserve funds because land conservation will be a recurring expense every year. However, the Civic Federation remains concerned about how the Forest Preserve District will manage to pay for its long-term pension obligations, capital maintenance and backlog of $30 million in deferred capital projects, while also taking on the 25-year goals of the Next Century Conservation Plan.

The Civic Federation urges the District to continue to advocate for reform of its retirement program and identification of a long-term funding source, at an estimated need of $10 million per year. The Civic Federation encourages the District to create a plan for the appropriate use of its substantial reserve funds, such as using them to pay down long-term obligations including pensions and long-term debt.

The Forest Preserve District says it anticipates the need to start weighing difficult financial decisions in 2019. In doing so, the Civic Federation urges the District to proceed with maximum transparency, information sharing and engagement of the District's Board of Commissioners, the Conservation and Policy Council and the general public.

Issues the Civic Federation Supports

The Civic Federation **supports** the following issues related to the Forest Preserve District of Cook County FY2018 Executive Budget Recommendation.

Land Restoration Funded through Operating Budget and Reduced Use of Fund Balance

The Forest Preserve District in past years has used fund balance from its Corporate Fund, which is the District's general operating reserves, to pay for landscape restoration. In FY2016 the District budgeted $8.2 million from operating fund balance for its operating budget. The following year the district cut down on the use of fund balance to $3.9 million. This year the District is proposing to use $1.0 million of fund balance in the Corporate Fund. Rather than using fund balance for land restoration expenses, the District has incorporated those expenses into the operating budget through the use of property tax revenue rather than Corporate Fund reserves. This is a positive step because it provides a steady funding source for land restoration as a major part of the Forest Preserves' mission and achieving the long-term goals of the Next Century Conservation Plan.

Moderate Increase to the Property Tax Levy

The Forest Preserve District is faced with limited revenue-raising choices since its property tax increases are capped by the Property Tax Extension Limitation Law (PTELL),[1] and non-tax revenues such as permits and fees are the District's only other major revenue option. The FY2018 budget proposal includes a small property tax increase based on the rate of inflation, which is 2.1% for 2018, as well as growth in property values and new development. The levy increase is expected to generate an additional $1.7 million in FY2018 for the pension fund and the Construction and Development (which accounts for landscape restoration); while collectively decreasing the tax levy for the Brookfield Zoo and Chicago Botanic Garden by $1.0 million. The property tax levy will also increase by $1.3 million for the payment of debt service (principal and interest on bonds) outside of the tax cap. In total, the District proposes a $3 million, or 3.3%, property tax revenue increase over FY2017.

The Civic Federation supports this moderate property tax increase because it is balanced with $1.6 million in budget cuts through the elimination of 12 vacant FTE positions, cuts in non-personnel spending, reduced use of fund balance for operating purposes and because the Forest Preserve District has few other options to fund core mission activities.

Increasing Earned Revenue

The District's FY2018 budget proposes to increase non-tax revenues from permits, campgrounds, aquatic centers, improved collection of fines, cell tower installation and a new $1 per hour parking fee at Swallow Cliff Woods. The District expects the cell towers to bring in $60,000 and the Swallow Cliff parking fees to bring in $150,000.

Last year the District restructured several of its fees based on a comprehensive and systemic review of program and service costs and a cost-benefit analysis. Findings from the analysis helped inform the District's decision to increase some fees and ensure higher cost recovery for utilization of Forest Preserve amenities.[2] The fee restructuring included increases in the rate charged for picnic permits, special event permits, day camp permits and camping; a 10% premium charged to non-County residents for certain fees and permits; a 25% discount for picnics and special event permits from Monday-Thursday; and systematic increases tied to inflation through 2020.[3]

Overall, the District expects a FY2018 increase in non-tax revenue of $1.0 million, or 15.6%, compared to the prior year from concessions, campgrounds, permits, fines, cell towers and

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[1] The Property Tax Extension Limitation Law (PTELL) allows governments to increase tax extensions on property to the lesser of 5.0% or the increase in the national Consumer Price Index. In FY2017, the extension limit is 0.7%.
[2] Information provided by Forest Preserve District budget staff on November 9, 2016.
[3] Information provided by Forest Preserve District budget staff on October 25, 2016.

parking fees. The Civic Federation supports these actions as necessary and reasonable solutions to recovering the costs of providing services in the Forest Preserves. The Civic Federation also supports the District's efforts to generate revenue through innovative ideas like cell tower placements and sponsorships.

Civic Federation Concerns

The Civic Federation has the following **concerns** regarding the Forest Preserve District's FY2018 Executive Budget Recommendation.

Need for Sustainable Pension Funding Source

The Forest Preserve District's FY2018 budget does not address pension funding. Without reforms to benefits and contributions, the Forest Preserve District's pension fund is projected to run out of money in 2042.[4] The District estimates that it will need $10 million more per year in addition to the current contribution of approximately $4 million after 2018 to address the ongoing pension deficit.[5]

The Forest Preserve District is statutorily required to make an employer contribution to the pension fund that is calculated at 1.3 times employee contributions made two years prior. This multiplier-based contribution limits the amount of money the District is lawfully allowed to contribute, and the contributions have not been sufficient to meet the financial needs of the pension fund for more than a decade. The District's required pension contributions are covered by the District's pension levy. In FY2016, the most recent audited data available, the District contributed $3.3 million to the pension fund, which was only 22.5% of the amount that would be sufficient to meet the actuarial needs of the fund. The District would have needed to contribute $11.5 million more to the pension fund that year in order to meet the actuarially determined contribution level.[6]

The funded ratio of the pension fund was 60.0% as of December 31, 2016. While this level of funding is better than several other Chicago-area local governments, it is still a cause for concern because even if the District were to create a funding plan, it does not currently have a sufficient funding source to increase its pension contributions.

Cook County has tried to introduce a package of pension reforms, first in the spring 2014 legislative session, and again in May 2015, but the legislation stalled. Without reforms to benefits and contributions, the Forest Preserve District's pension funding problem will continue to worsen. Therefore, it is imperative that the District receive authorization from the Illinois General Assembly to increase the statutory employer contribution it makes into the pension fund and continue to explore possible reforms in concert with Cook County.

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[4] Forest Preserve District Employees' Annuity and Benefit Fund of Cook County, Actuarial Valuation as of December 31, 2016, Cover Letter.

[5] Overview of Proposed 2018 Budget for the Forest Preserves of Cook County, provided by Forest Preserve District staff on October 24, 2017.

[6] The actuarially determined contribution (ADC) is a reporting requirement under GASB Statement No. 67. It is not a funding requirement, but provides a useful comparison to show how far short the statutory funding schedule falls.

Need for Long-Term Funding for Next Century Conservation Plan

The FY2018 budget allows the District to continue land restoration projects by allocating $3.9 million to such activities. However, it does not expand funding to help meet the goals of the 25-year Next Century Conservation Plan. The Civic Consulting Alliance estimated that the plan will require a total investment of $2.1 billion through 2040.[7] While it is a positive step that the District has moved land restoration into the operating budget, all easy funding options have run out and the District will now be faced with more controversial and difficult choices.

Deferred Capital Maintenance

As the Forest Preserves budget acknowledges, the District faces urgent capital needs. The facilities, parking lots and roadways throughout the Forest Preserves suffer from years of deferred maintenance. Deferred maintenance totals $30 million for high priority building, trail, dam and parking lot repairs. The Forest Preserve District plans to borrow $8 million in 2018 or 2019 to fund the most urgent capital improvements such as roof repairs, boiler replacements parking lot repairs. Though the District notes that the borrowing will nearly close its Debt Service Extension Base bonding capacity under the State Property Tax Extension Limitation Law.[8]

The District's outstanding general obligation bond debt as of the end of FY2016 was $174.7 million.[9] Needed capital funding has outpaced available resources. The Forest Preserve District has kept long-term borrowing at a reasonable level, but is challenged by the fact that it must share the tax base that funds its debt with several other overlapping governments. The District estimates that it will need $2 million per year to address the $30 million deferred maintenance backlog.[10]

Civic Federation Recommendations

The Civic Federation offers the following **recommendations** to support the Forest Preserve District in addressing its financial challenges.

Continue to Work with the General Assembly and Cook County to Implement Pension Funding Reform

The Civic Federation supported the Cook County and Forest Preserve District pension reform legislation introduced in 2014 and 2015, which both stalled in the Illinois General Assembly. The District indicated that it planned to work with Cook County to introduce a pension reform bill during the veto session in Springfield in 2016, but this did not materialize. It is critical for the District to acquire the statutory authorization to increase contributions to its pension fund and acquire a funding source in order to reverse the downward trajectory of the pension fund's fiscal health and prevent it from becoming insolvent in 2042.

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[7] Civic Consulting Alliance, "Financial Analysis: Forest Preserves and the Next Century Conservation Plan," August 31, 2016.
[8] Forest Preserves of Cook County 2018 Budget Overview provided by Forest Preserve District staff on October 24, 2017.
[9] Forest Preserve District of Cook County, Comprehensive Annual Financial Report, FY2016, p. 148.
[10] Information provided by the Forest Preserve District on November 7, 2017.

There are a few options that have been attempted by other governments that the Forest Preserve District could try as well. The City of Chicago created a Tier 3 benefit structure through Public Act 100-0023 enacted in July 2017 for the City's Municipal Employees and Laborers' pension funds as a result of negotiations between the City and most of its labor unions. The benefit structure for Tier 3 employees included a reduction in the full retirement age from 67 to 65 and early retirement age from 62 to 60 and an increase in the employee contribution to 11.5%.

Another option could be to follow the Chicago Park District's method of introducing concessions renegotiated with its unions through Public Act 98-0622 in January 2014. The legislation made benefit reforms and increased the contributions made by employees and the Park District. As a whole, the reform package was intended to increase the funded ratio to 90% by 2049 and 100% by 2054. However, the reforms were challenged in Cook County Circuit Court on October 8, 2015 and litigation is still ongoing.

The Forest Preserve District needs an extra $10 million per year to fund its pensions in addition to the $4 million it is already required to contribute based on State statute. The Civic Federation believes that Cook County shares partial responsibility for the Forest Preserves' pension funding crisis because the County acts as the Forest Preserve District's main negotiator in collective bargaining negotiations and therefore contributes to the District's rising personnel and therefore pension costs. For this reason, the Civic Federation encourages the Forest Preserve District to seek pension contributions from Cook County. In 2016 Cook County increased its sales tax by one percentage point from 0.75% to 1.75% and dedicated the revenue from the 1.0% increase primarily to fund Cook County employees' pensions. In FY2018, the County plans to make a supplemental pension contribution of approximately $353 million based on the sales tax revenue increase. The County should share a fair portion of the sales tax revenue with the Forest Preserve District so it can make the actuarially necessary contribution to the fund and prevent its insolvency.

The Civic Federation urges the District to be persistent in working the Cook County to pursue whatever course of action necessary to make pension benefit and contribution reforms until a plan is in place.

Control Increases in Collective Bargaining Agreements

The Forest Preserve District is assuming a 2% increase for FY2018 due to collective bargaining agreements with unions. The District estimates an increase in personnel-related costs of $1.6 million due to cost of living adjustments, steps and healthcare increases.[11] Compared to the prior year, personnel services (which includes salaries, health and life insurance, dental and vision plans) are projected to increase by 3.4%, and over a five-year period from FY2014 through FY2018, personnel services expenditures will have increased by 16.8%. Collective bargaining is a major driver of government spending.

[11] Forest Preserves of Cook County 2018 Budget Overview provided by Forest Preserve District staff on October 24, 2017.

The District's current union contracts terminate on December 31, 2017 and negotiations for the next set of contracts are currently underway. As Cook County and the Forest Preserve District move through the negotiation process, the Civic Federation urges the County and the District to contain costs and ensure that growth in salaries and employer-share healthcare spending do not outpace resources that will available over the terms of the contracts. The Civic Federation urges the Forest Preserve finance management to communicate the budget constraints and financial risks that could result from collective bargaining agreements that are not affordable over their terms.

Restructuring of Forest Preserve District Governance

The Forest Preserve District acknowledges that it is facing severe financial challenges and that all easy solutions have already been implemented. The District will now need to consider more difficult structural changes. The Civic Federation offers the following ideas for consideration as the Forest Preserve District moves forward with implementing more difficult initiatives in the coming year.

The Civic Federation has long recommended that the Forest Preserve District establish a separate governing board from that of Cook County because commissioners' attention and meeting availability is often consumed by the extraordinary demands of the County's many fiscal and policy needs. The creation of the Conservation and Policy Council has helped provide oversight and policy direction to the Forest Preserve District in its long-term vision of land restoration and in direction of the Next Century Conservation Plan. However, the Policy Council does not have governing authority and cannot approve the District's budget.

In 2008 the Civic Federation and the Friends of the Forest Preserves issued a report calling for the creation of a separate board to oversee the operations of the Forest Preserve District of Cook County. The report highlighted the conflict of interest that arises from asking the same commissioners to consider economic development issues in one capacity and land preservation issues in another. The report stated that due to an organizational structure that creates an inherent conflict of interest and inhibits proper oversight, the District suffers from numerous problems that may be mitigated by installing a separate governing body. The Civic Federation still strongly supports this option because it would provide the necessary governance and oversight required for operating one of the largest forest preserve districts in the nation and it would not increase costs because the governing board would be volunteer-based. This course of action would require a change in State statute.

After a decade of proposing this idea with no traction, the Civic Federation offers an alternative idea for consideration. If Cook County does not work with the Forest Preserve District and the General Assembly to create a separate governing board, then the Civic Federation encourages the Forest Preserve District to consider pursuing opportunities for merging with other governments with the same mission and purpose. The Forest Preserves District could consider merging with forest preserve districts in other counties in the region to form a coordinated regional forest preserve district.

Create a Plan to Spend Down Excess Reserves

The Forest Preserve District has maintained a relatively high fund balance for several years. As of the end of FY2016, the District had an unassigned Corporate Fund reserve of 64.5% of operating expenditures. This is a very high level of fund balance, totaling nearly eight months of reserves, compared to the best practice of maintaining at least a two-month reserve according to the Government Finance Officers Association. The District could use that money to address some of its serious financial challenges.

The Civic Federation recommends that the Forest Preserve District utilize its reserves for its long-term obligations such as pension funding, long-term debt, or to directly fund capital needs. Before spending down its reserves, the District should create a plan that is approved by the Board of Commissioners, and staff should present ongoing updates on the fund balance expenditures. The District should incorporate into the plan a level below which the fund balance will not fall.

Include Past and Future Revenue and Expenditure Detail in Budget Book

The Forest Preserve District budget includes current year proposed revenues and expenditures and prior year adopted revenues and expenditures. It is also common among other local governments such as Cook County and the City of Chicago to include information on revenue and expenditures levels for at least the past five years so that trend comparisons can be made over time. The Civic Federation recommends that the District include revenue and expenditures for past years and that the data provided be actual revenue and expense levels where available rather than adopted levels.

Another common practice among local governments is to include a forecast of revenues and expenditures over at least the next three years in the annual budget or a mid-year forecast analysis. This can be helpful to providing governing board members and the public with an information about known upcoming financial challenges so that solutions can begin to be discussed. For example, the City of Chicago releases a mid-year financial analysis annually with a three-year forecast of operating revenues and expenditures and projections related to debt and pensions. Cook County includes a five-year forecast in the annual budget.

The District's finance staff presented a financial forecast to the Conservation and Policy Council at a January 2017 meeting, which included a revenue and expense forecast for FY2017 and FY2018, as well as a three-year scenario with various proposed cost-cutting and revenue-generating measures to meet unfunded needs from FY2018 through FY2020. Keeping the Conservation and Policy Council informed about the District's funded and unfunded needs is important, especially within the context of fulfilling the Next Century Conservation Plan.

The Civic Federation recommends that the Forest Preserve District also publicize its forecast in its financial documents for other stakeholders, the Board of Commissioners and the public to review. In future budget years, the Forest Preserve District should begin including a forecast projection of revenues and expenditures of at least a two-year period beyond the proposed budget year in the budget document.

Promote Incorporation of Forest Preserve Land

Approximately 13% of Cook County land is unincorporated. Of that land area, about 60% is located within forest preserves, as displayed by the green areas in the map below. The Civic Federation supports the incorporation of unincorporated areas in Cook County because of the inefficiencies and inequities between services provided in municipalities and unincorporated areas.

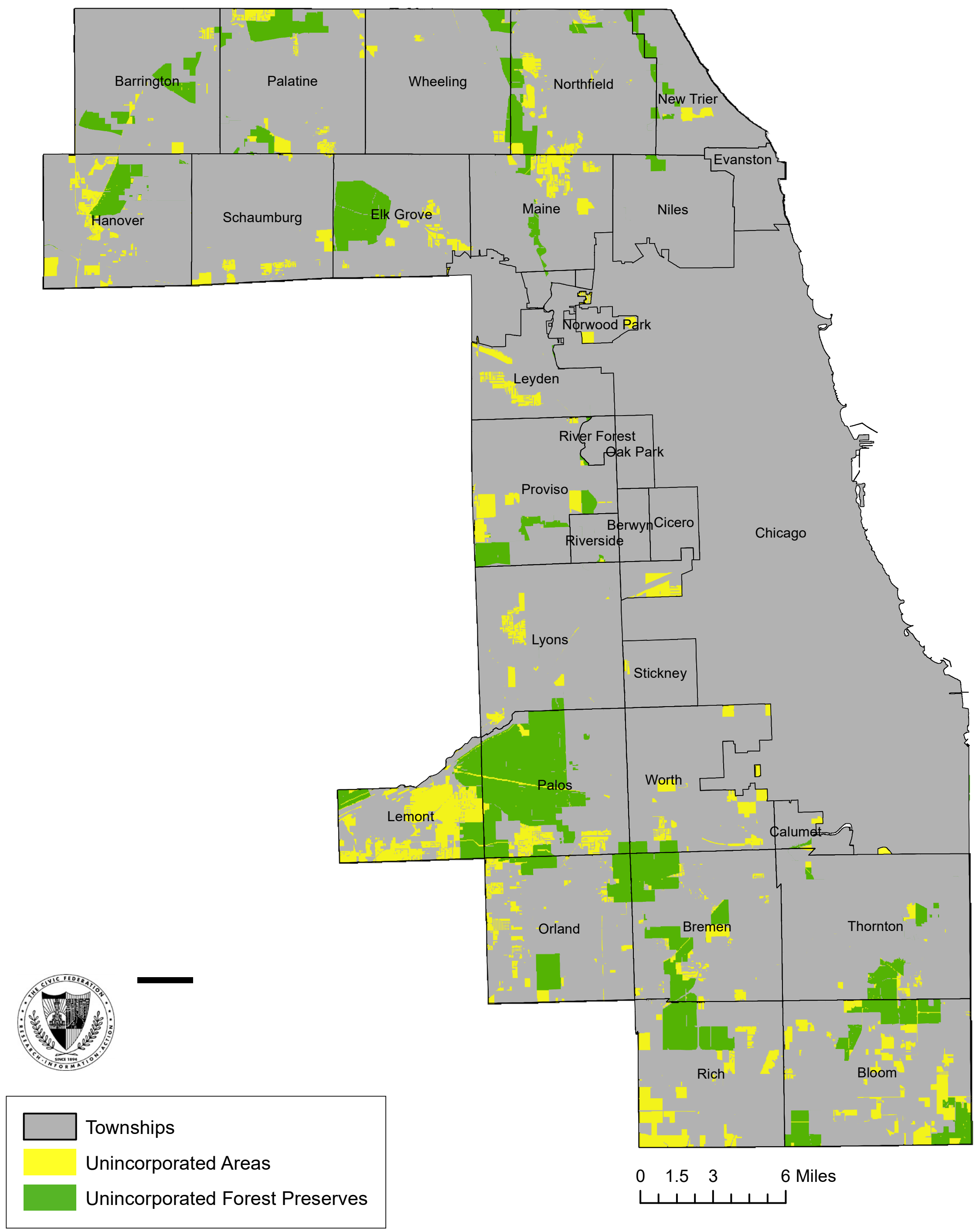
In unincorporated areas, there is often confusion over who is the responsible first responder in an emergency. The District has a police force charged with protecting the Forest Preserve land, buildings and structures, employees and visitors. Because the Forest Preserve police perform a unique dual role of law enforcement and conservation, it is in the best interest of the Forest Preserves for its land to belong to a municipality so that Forest Preserve police can focus on forest preserve matters rather than crime and emergency services. The Civic Federation recommends that the Forest Preserve District work with Cook County and municipalities to explore the incorporation of unincorporated areas in Cook County to improve safety and response times within forest preserve areas.

The Federation identified several long-term and short-term recommendations to facilitate incorporation through a two-part research series.[12] As a long-term goal, the portions of the Cook County Forest Preserves that are currently unincorporated should be incorporated by a neighboring municipality, but should continue to be managed by the Forest Preserve District of Cook County.

The annexation process would require municipalities to obtain the consent of the District pursuant to Section 8.3 of the Cook County Forest Preserve Act in order to annex territory of a forest preserve district. Notice of the annexation must be provided in a newspaper of general circulation at least 10 days prior to the date of approval of the annexation ordinance. Once the governing body of the municipality approves the incorporation of the land by a majority vote, the annexation is considered final.

[12] See the Civic Federation's "Unincorporated Cook County: A Profile of Six Townships and Preliminary Recommendations to Facilitate Incorporation," December 9, 2014, and "Unincorporated Cook County: A Profile of Unincorporated Areas in Cook County and Recommendations to Facilitate Incorporation," September 22, 2016.

Unincorporated Areas in Cook County



ACKNOWLEDGEMENTS

The Civic Federation would like to express its appreciation to the Forest Preserve District's General Superintendent Arnold Randall, Deputy Superintendent Eileen Figel and Chief Financial Officer Stephen Hughes for providing a briefing of the proposed budget and for answering our questions.

APPROPRIATIONS

This section provides an analysis of the Forest Preserve District's proposed FY2018 appropriations compared to adopted appropriations over two- and five-year periods.[13] Data used in this section include figures from the Annual Appropriations Ordinances for FY2014 through FY2017, which were approved by the Board of Commissioners, and recommended figures from the FY2018 Executive Budget Recommendation.

All Funds Appropriation: Two-Year and Five-Year Trends

Forest Preserve appropriations for all funds from FY2014 to FY2018 are shown in the following table. The District is proposing total appropriations of $198.2 million from all funds in the FY2018 budget. This is a 0.7%, or $1.4 million, increase from the adopted FY2017 budget appropriation of $196.8 million. It is a 10.7%, or $19.2 million, increase in the five-year period since FY2014.

Proposed non-capital appropriations for FY2018 total $191.4 million, which is a $2.2 million, or 1.1%, increase from the adopted FY2017 budget. Non-capital funds include the Corporate Fund, Self-Insurance Fund, Bond and Interest Funds, Employee Annuity and Benefit (pension) Fund, the Zoological Fund (Brookfield Zoo) and the Botanic Garden Fund (Chicago Botanic Garden).[14]

Proposed Corporate Fund appropriations for FY2018 are $58.8 million. The Corporate Fund appropriation is net of a $1.0 million transfer out to the Capital Improvement Fund for landscape restoration. FY2018 Corporate Fund appropriations represent an increase of 2.2%, or $1.2 million, from the FY2017 adopted budget.

The Bond and Interest Funds appropriation will increase in FY2018 by 9.0%, or $1.3 million, from the FY2017 adopted level of $14.3 million to $15.6 million. The Bond and Interest appropriation is net of a $500,000 million abatement.[15]

The Employee Annuity and Benefit Fund appropriation for the District's employee pensions will increase by 14.9%, or approximately $536,300, from $3.6 million in FY2017 to $4.1 million in FY2018. The annual property tax levy that funds the pension fund appropriation is set by state statute at 1.3 times the annual employee contribution made two years prior.[16] The property tax levy for the Employee Annuity and Benefit Fund will increase from $3.2 million in FY2017 to

[13] Adopted expenditures are used because actual appropriations are not not provided in the budget documents.

[14] Bond and Interest Funds for FY2018 reflect the net of the Bond and Interest Fund tax levy ($12,144,905), the Bond and Interest PPRT tax ($3,995,250) and the Bond and Interest Escrow Abatement (-$500,000). The Self-Insurance Fund functions as an internal service fund to account for future estimated claims and judgments. The Zoological and Botanic Garden Funds are discretely presented component units of the Forest Preserve District.

[15] The District factors in an abatement, or reduction, to its debt service payments within the Bond and Interest Fund. The District backs Bond and Interest payments through a property tax levy pledge of nearly $4.0 million, but then reduces the Bond and Interest appropriation when sufficient Personal Property Replacement Tax (PPRT) revenue is received to cover debt service payments.

[16] 40 ILCS 5/10-107.

$3.7 million in FY2018.[17] The remaining pension fund appropriations will come from personal property replacement tax (PPRT) revenue totaling $414,341.[18]

The Forest Preserve District provides support for both the Brookfield Zoo and the Chicago Botanic Garden, two independent, nonprofit agencies. The Brookfield Zoo is administered and operated by the Chicago Zoological Society and the Botanic Garden by the Chicago Horticultural Society. Both are located on District land and operate as cooperative functions of the District. As such, the District provides financial support to both entities through a property tax funded subsidy. The property tax levies for the Zoo and Botanic Garden remained the same from FY2008 until FY2017 at $14.9 million for the Zoo and $9.3 million for the Botanic Garden. However, the Forest Preserve proposes a decrease to the levies for both entities in FY2018 to $14.3 million for the Zoo and $8.9 million for the Botanic Garden.[19]

The proposed FY2018 appropriation for the Brookfield Zoo totals $68.5 million. This includes $14.3 million from property tax revenues levied by the Forest Preserve District, $561,185 from the personal property replacement tax (PPRT) and $54.1 million in Zoo-generated revenue such as admissions fees and concessions.[20] The total appropriation represents a 2.2%, or $1.6 million, decrease from FY2017.

The proposed FY2018 appropriation for the Chicago Botanic Garden totals $38.0 million. Appropriations for the Botanic Garden Fund will increase by 4.7%, or $1.7 million, despite the decrease in the Garden's property tax allocation due to increases in Garden-generated revenues such as sponsorships, visitor program and events and food service fees.[21]

The District will allocate $850,000 from Corporate Fund reserves to the Real Estate Acquisition Fund and $223,000 to the Resident Watchmen Fund in FY2018.

The proposed FY2018 appropriations for capital total $6.8 million, which represent a decrease of 10.0%, or $755,600, from the approved FY2017 capital appropriations. The District proposes $5.8 million in appropriations from the Construction and Development Fund for landscape restoration, an increase of 58.8%, or $2.2 million, over the prior year. Appropriations for the Capital Improvement Fund will decrease by $2.9 million from $3.9 million in FY2017 to $1.0 million in FY2018. The Capital Improvement appropriation comes from Corporate Fund reserves.[22]

Over the five-year period between FY2014 and FY2018, total appropriations for all funds will increase by 10.7%, or $19.2 million. Non-capital funds appropriations will increase by 11.2% or $19.3 million. Capital appropriations will decrease by 1.4%, or $93,500.

[17] Forest Preserve District FY2018 Executive Budget Recommendation, p. 163.
[18] Forest Preserve District FY2018 Executive Budget Recommendation, p. 15.
[19] Forest Preserve District FY2018 Executive Budget Recommendation, p. 163.
[20] Forest Preserve District FY2018 Executive Budget Recommendation, p. 15.
[21] Forest Preserve District FY2018 Executive Budget Recommendation, p. 130.
[22] Forest Preserve District FY2018 Executive Budget Recommendation, p. 99.

Over the five-year period, the Zoological Fund will increase by 6.7%, or $4.3 million, and the Botanic Garden Fund will increase by 20.1%, or $6.4 million. This is primarily the result of increased funding provided through contributions from the Zoological Society and Horticultural Society.

The Employee Annuity and Benefit Fund appropriation will increase from $3.2 million in FY2014 to $4.1 million in FY2018, an increase of 31.2% and nearly $985,000. The Bond and Interest Fund appropriation will increase by 23.9%, or $3.0 million, over the same period.

Appropriations for Construction and Development will nearly double over the five-year period, increasing by $2.9 million. The Capital Improvement Fund appropriation will decrease by 75.0%, or $3.0 million, between FY2014 and FY2018.

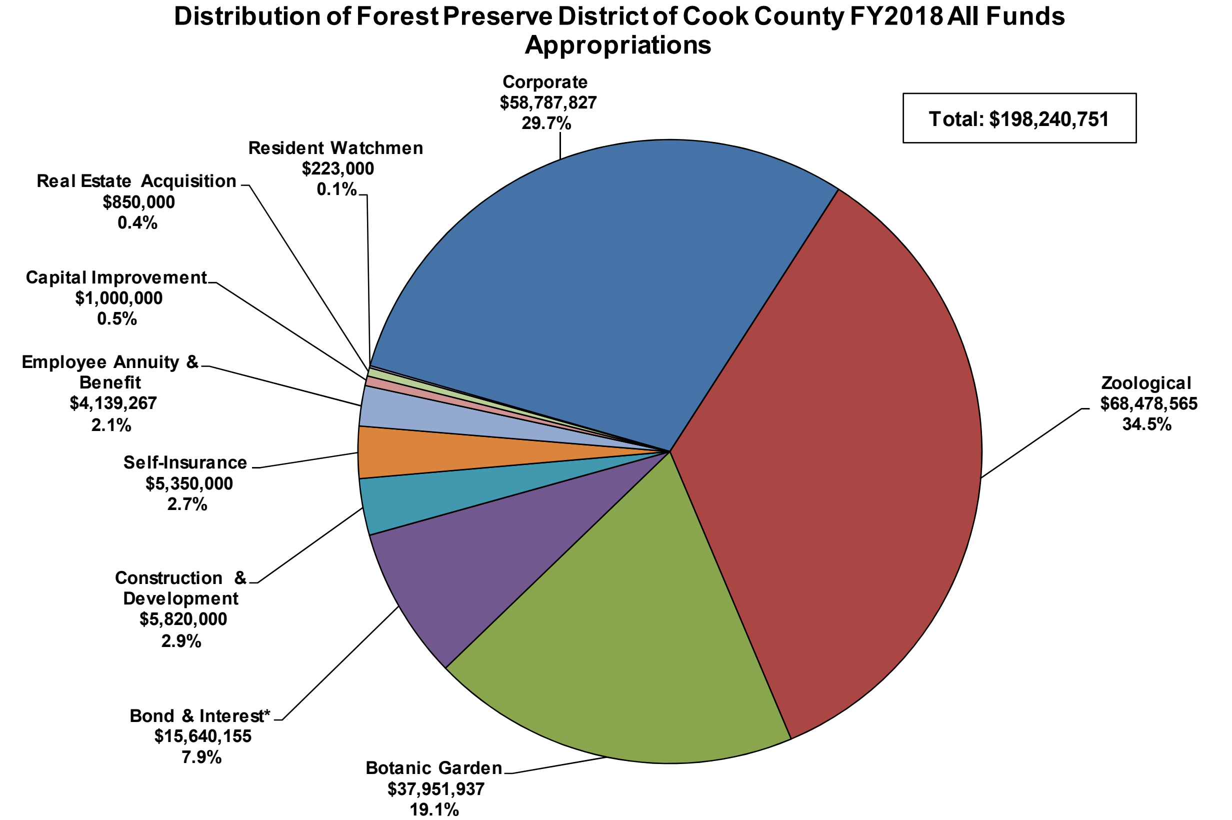
Forest Preserve District All Funds Appropriations: FY2014-FY2018 (in $ thousands)

Fund	FY2014 Adopted	FY2015 Adopted	FY2016 Adopted	FY2017 Adopted	FY2018 Proposed	Two-Year $ Change	Two-Year % Change	Five-Year $ Change	Five-Year % Change
Non-Capital									
Corporate	$ 57,577.1	$ 56,097.2	$ 57,452.0	$ 57,545.4	$ 58,787.8	$ 1,242.4	2.2%	$ 1,210.7	2.1%
Self-Insurance	$ 3,000.0	$ 3,000.0	$ 3,000.0	$ 7,000.0	$ 5,350.0	$ (1,650.0)	-23.6%	$ 2,350.0	78.3%
Bond & Interest*	$ 12,623.4	$ 14,916.4	$ 13,608.5	$ 14,348.2	$ 15,640.2	$ 1,292.0	9.0%	$ 3,016.8	23.9%
Employee Annuity & Benefit	$ 3,154.8	$ 3,493.4	$ 3,438.7	$ 3,603.0	$ 4,139.3	$ 536.3	14.9%	$ 984.5	31.2%
Resident Watchmen**	$ -	$ -	$ -	$ 257.5	$ 223.0	$ (34.5)	100.0%	$ 223.0	100.0%
Real Estate Acquisition***	$ -	$ -	$ -	$ 200.0	$ 850.0	$ 650.0	100.0%	$ 850.0	100.0%
Zoological	$ 64,206.6	$ 67,179.1	$ 65,948.4	$ 70,041.8	$ 68,478.6	$ (1,563.2)	-2.2%	$ 4,272.0	6.7%
Botanic Garden	$ 31,590.5	$ 33,807.8	$ 34,361.4	$ 36,257.3	$ 37,951.9	$ 1,694.6	4.7%	$ 6,361.5	20.1%
Subtotal Non-Capital	**$ 172,152.4**	**$ 178,493.9**	**$ 177,809.0**	**$ 189,253.1**	**$ 191,420.8**	**$ 2,167.6**	**1.1%**	**$ 19,268.4**	**11.2%**
Capital									
Construction & Development	$ 2,913.5	$ 2,910.0	$ 3,910.0	$ 3,665.6	$ 5,820.0	$ 2,154.4	58.8%	$ 2,906.5	99.8%
Capital Improvement	$ 4,000.0	$ 6,000.0	$ 8,000.0	$ 3,910.0	$ 1,000.0	$ (2,910.0)	-74.4%	$ (3,000.0)	-75.0%
Subtotal Capital	**$ 6,913.5**	**$ 8,910.0**	**$ 11,910.0**	**$ 7,575.6**	**$ 6,820.0**	**$ (755.6)**	**-10.0%**	**$ (93.5)**	**-1.4%**
Grand Total	**$ 179,065.9**	**$ 187,403.9**	**$ 189,719.0**	**$ 196,828.8**	**$ 198,240.8**	**$ 1,412.0**	**0.7%**	**$ 19,174.8**	**10.7%**

Note: Actual expenditures were not used because they were not available in the budget documents. Totals may differ slightly from budget documents due to rounding.
* The Bond and Interest Fund reflects the net of the Bond and Interest Abatement.
**The Resident Watchmen Fund was no longer accounted for in the Corporate Fund and accounted for in a separate fund starting in FY2017.
**In FY2017 and FY2018, the Real Estate Acquisition Fund appropriation is accounted for separately from the Corporate Fund. Previously, this appropriation was was accounted for as a transfer under the Corporate Fund.
Source: Forest Preserve District of Cook County Annual Appropriation Ordinances, FY2014-FY2017, Schedule 11 Annual Appropriation Comparative Summaries; FY2018 Executive Budget Recommendation, pp. 161, 100 and 101; and information provided by the Forest Preserve District on November 6, 2017.

The distribution of Forest Preserve District FY2018 appropriations by fund is shown in the next chart. The largest appropriation is for the Zoological Fund at 34.5%. The Botanic Garden will represent 19.1% of appropriations. The District's Corporate Fund appropriation of $58.8 million will make up 29.7% of total appropriations. Capital funding through the Construction and

Development and Capital Improvements Funds will total approximately 3.4% of proposed FY2018 appropriations.



*Bond and Interest Funds reflect the net of the Bond and Interest Fund Abatement.
Source: Forest Preserve District of Cook County FY2018 Executive Budget Recommendation, p. 161.

Corporate Fund Appropriations: Two-Year and Five-Year Trends

The Corporate Fund accounts for the Forest Preserve District's general operations. The FY2018 proposed Corporate Fund budget totals $59.8 million, which includes $58.8 million in Corporate Fund appropriations and a $1.0 million transfer to the Capital Improvement Fund. The total Corporate Fund budget represents a 6.4% decrease of $4.2 million from the prior year, and a 16.3% increase of $8.6 million over the five years beginning in FY2014

The next table shows the Corporate Fund appropriations by department. Between the adopted FY2017 budget and the proposed FY2018 budget, the largest percentage increase in appropriations is within the Permits, Rentals and Concessions Department. This departmental appropriation is proposed to increase by 16.9% or $236,700, over the prior year. The Legal Department appropriation is proposed to increase by 10.7% or $134,500. The largest dollar increase is proposed within the Law Enforcement Department, at an increase of 5.3% or $502,100.

The Corporate Fund appropriations will decrease slightly within the Finance and Administration, Human Resources, Facilities & Fleet Maintenance Departments. The District also expects a decrease in District Wide Programs, and a decrease in the operating transfer to capital of $2.9 million. In past years, the District has transferred funds out of the Corporate Fund to the Capital Improvement, Real Estate Acquisition and Landscape Restoration Funds. The amount transferred from the Corporate Fund for Landscape Restoration will decrease in FY2018 from $3.9 million in FY2017 to $1.0 million in FY2018.

The Forest Preserve District has implemented some recent departmental changes. The District created a new department within the Corporate Fund in FY2014: the Department of Conservation and Experiential Programming. The Department of Conservation and Experiential Programming operates six Nature Centers and three Aquatic Centers, manages the Youth Education Outreach Team and provides recreational opportunities in the Forest Preserves.[23] The proposed FY2018 appropriation for the Department of Conservation and Experiential Programming is $5.4 million, a 20.6% increase from the FY2014 appropriation. In FY2016 Volunteer Resources was moved from Permits, Concessions and Volunteer Resources to the Office of the General Superintendent. The Resident Watchman Facilities program was no longer accounted for in the Corporate Fund beginning in FY2017. In FY2017, the District created a separate Special Revenue Fund to account for non-tax revenues from land use fees that are used to fund the Resident Watchman program.

In the five year period between FY2014 and FY2018, the appropriation for the Office of the General Superintendent will increase by 40.4% or $760,900 due to volunteer resources. Human Resources appropriations will increase by 35.4% or $198,800. The largest dollar increase will be for Landscape Maintenance, at an increase of $1.4 million or 13.8%.

Forest Preserve District Corporate Fund Appropriations: FY2014-FY2018 (in $ thousands)

Category/Department	FY2014 Adopted	FY2015 Adopted	FY2016 Adopted	FY2017 Adopted	FY2018 Proposed	Two-Year $ Change	Two-Year % Change	Five-Year $ Change	Five-Year % Change
Office of the General Superintendent	$ 1,885.0	$ 1,646.9	$ 2,471.4	$ 2,595.5	$ 2,645.9	$ 50.4	1.9%	$ 760.9	40.4%
Finance and Administration	$ 1,894.5	$ 1,954.0	$ 1,966.4	$ 2,113.6	$ 2,058.7	$ (55.0)	-2.6%	$ 164.2	8.7%
Human Resources	$ 562.3	$ 709.3	$ 892.9	$ 778.5	$ 761.1	$ (17.5)	-2.2%	$ 198.8	35.4%
Resource Management	$ 4,202.8	$ 4,358.2	$ 4,395.7	$ 4,711.8	$ 4,845.0	$ 133.2	2.8%	$ 642.3	15.3%
Conservation and Experiential Programming*	$ 4,482.4	$ 5,503.4	$ 5,768.1	$ 5,276.5	$ 5,405.3	$ 128.8	2.4%	$ 923.0	20.6%
Resident Watchman Facilities**	$ 257.5	$ 257.5	$ 257.5	$ -	$ -	$ -	N/A	$ (257.5)	-100.0%
Permits, Rentals and Concessions***	$ 1,739.6	$ 2,099.7	$ 1,297.8	$ 1,399.3	$ 1,635.9	$ 236.7	16.9%	$ (103.6)	-6.0%
Landscape Maintenance	$ 9,956.5	$ 9,874.7	$ 10,127.3	$ 11,015.4	$ 11,335.5	$ 320.1	2.9%	$ 1,378.9	13.8%
Facilities & Fleet Maintenance	$ 9,083.4	$ 9,987.0	$ 9,443.5	$ 9,372.3	$ 9,262.3	$ (110.0)	-1.2%	$ 178.9	2.0%
Law Enforcement	$ 9,256.0	$ 9,281.7	$ 8,989.4	$ 9,523.5	$ 10,025.6	$ 502.1	5.3%	$ 769.6	8.3%
Legal Department	$ 1,302.3	$ 1,323.1	$ 1,178.8	$ 1,259.0	$ 1,393.5	$ 134.5	10.7%	$ 91.2	7.0%
Planning and Development	$ 1,758.1	$ 1,934.1	$ 1,813.7	$ 1,962.0	$ 1,978.2	$ 16.2	0.8%	$ 220.1	12.5%
District Wide Programs****	$ 4,352.1	$ 6,967.6	$ 8,849.6	$ 7,538.0	$ 7,420.9	$ (117.1)	-1.6%	$ 3,068.8	70.5%
Operating Transfer to Capital for Landscape Restoration	$ 6,000.0	$ 6,000.0	$ 6,000.0	$ 3,910.0	$ 1,000.0	$(2,910.0)	-74.4%	$(5,000.0)	-83.3%
Operating Transfer to Real Estate Acquisition	$ 550.0	$ 200.0	$ 200.0	$ -	$ -	$ -	N/A	$ (550.0)	-100.0%
Operating Transfer to Capital for Capital Improvement Fund	$ -	$ -	$ 2,000.0	$ -	$ -	$ -	N/A	$ -	N/A
Total	**$57,282.3**	**$62,097.2**	**$65,652.0**	**$61,455.4**	**$59,767.8**	**$(4,196.6)**	**-6.4%**	**$ 8,613.7**	**16.3%**

Note: Adopted appropriation figures were used because actual expenditures were not available for all years. Totals may differ from budget documents due to rounding.
*The Conservation and Experiential Programming department was created in FY2014.
**In FY2017, the District created a separate Special Revenue Fund to account for non-tax revenues from land use fees that are used to fund the Resident Watchman program.
***This department formerly included Volunteer Resources. In FY2016, Volunteer Resources was moved to the Office of the General Superintedent.
**** District Wide Programs includes Professional Contractual Services, Employee Benefits, Combined Services (Telephone Service, Office Equipment and Furniture and Computer Equipment), Other Expenses (Education Programs and Volunteer Development) and Intergovernmental Agreements. Forest Preserve District of Cook County FY2013 Executive Budget Recommendation, p. 105. Previously, Professional Contractual Services, Other Expenses and some employee benefits were included under Fixed Charges. As of the FY2012 budget, Fixed Charges has been replaced with District Wide Programs.
Source: Forest Preserve District of Cook County Annual Appropriation Ordinances, FY2014-FY2017, Corporate Fund Budgeted Expenditures, and FY2018 Executive Budget Recommendation, p. 19.

[23] Forest Preserve District of Cook County FY2018 Executive Budget Recommendation, p. 8.

RESOURCES

The following Forest Preserve District resource and revenue exhibits show two- and five-year trends in the District's operating funds, as well as the Zoological and Botanic Funds. Data used in this section include prior year figures from the Annual Appropriations Ordinances for FY2014 through FY2017, which were approved by the Board of Commissioners, and recommended figures from the FY2018 Executive Budget Recommendation.

The District also maintains a Self-Insurance Fund, Construction & Development Fund and Resident Watchman Fund. The Self-Insurance Fund functions as an internal service fund to account for future estimated claims and judgments. The Self-Insurance Fund is actuarially funded on a biannual basis.[24] In FY2018 the budgeted premium for the Self-Insurance Fund will decrease from $7.0 million in FY2017 to $5.4 million.[25] The Construction and Development Fund accounts for land acquisitions and major capital facilities projects that are funded by annual tax levies or other revenues. In FY2018 the budget amount allocated to the Construction and Development Fund totals $5.8 million. The Resident Watchman Fund accounts for revenues collected from the Watchman Program to maintain and improve the District's Resident Watchmen Facilities and totals $223,000 in FY2018.

Corporate, Pension and Bond & Interest Funds

The Forest Preserve District total resources for the Corporate Fund, Pension Fund and Bond and Interest Fund are projected to be $79.6 million in FY2018. This is an increase of 0.2%, or nearly $161,000, above FY2017 adopted resources of $79.4 million. However, over the five-year period beginning in FY2014, these resources will increase by 8.9% or $6.5 million.

- Corporate Fund resources will decrease by 2.7%, or $1.7 million, from $61.5 million in FY2017 to $59.8 million in FY2018. This is primarily due to a $2.9 million decline in fund balance contribution that is offset by a $212,000 increase in personal property replacement tax (PPRT) revenue as well as $1.0 million increase in non-tax revenues;
- The Pension Fund resources will increase by 14.9% to $4.1 million in FY2018 from $3.6 million in FY2017. The property tax levy for the Pension Fund is increasing $483,000 or 14.9%. PPRT revenues distributed to the Pension Fund will also increase by 14.9%, from $361,000 in FY2016 to $414,000 in FY2018. These increases are due to the statutory funding schedule of the pension fund; and
- The Bond and Interest Fund (debt service fund) resources will increase by approximately $1.3 million, or 9.0%, over the two-year period. The property tax levy for Bonds and Interest are increasing by 12.5% or $1.3 million. In FY2018 debt service payments are increasing and as a result the Bond and Interest abatement is decreasing. PPRT revenues will decline by approximately $2,000 below the FY2017 adopted budget.

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[24] Forest Preserve District of Cook County FY2018 Executive Budget Recommendation, p. 150.
[25] Forest Preserve District of Cook County FY2018 Executive Budget Recommendation, p. 15.

Forest Preserve District Total Budgeted Resources for Corporate, Pension and Bond & Interest Funds: FY2014-FY2018 (in $ thousands)									
Corporate Fund	**FY2014 Adopted**	**FY2015 Adopted**	**FY2016 Adopted**	**FY2017 Adopted**	**FY2018 Proposed**	**Two-Year $ Change**	**Two-Year % Change**	**Five-Year $ Change**	**Five-Year % Change**
Property Tax Levy (Net)	$ 46,432	$ 46,937	$ 47,609	$ 48,318	$ 48,318	$ -	-	$ 1,886	4.1%
PPRT	$ 2,992	$ 3,052	$ 3,090	$ 2,104	$ 2,316	$ 212	10.1%	$ (676)	-22.6%
Non-Tax Revenues	$ 4,107	$ 4,308	$ 6,352	$ 6,624	$ 7,654	$ 1,031	15.6%	$ 3,547	86.4%
Fund Balance Contribution	$ 3,451	$ 7,400	$ 8,200	$ 3,910	$ 1,000	$ (2,910)	-74.4%	$ (2,451)	-71.0%
TIF Surplus	$ 300	$ 400	$ 400	$ 500	$ 500	$ -	0.0%	$ 200	66.7%
Corporate Fund Total	**$ 57,282**	**$ 62,097**	**$ 65,652**	**$ 61,455**	**$ 59,788**	**$ (1,668)**	**-2.7%**	**$ 2,506**	**4.4%**
Pension Fund									
Property Tax Levy	$ 2,839	$ 3,144	$ 3,094	$ 3,242	$ 3,725	$ 483	14.9%	$ 886	31.2%
PPRT	$ 316	$ 350	$ 344	$ 361	$ 414	$ 54	14.9%	$ 99	31.2%
Pension Fund Total	**$ 3,155**	**$ 3,493**	**$ 3,439**	**$ 3,603**	**$ 4,139**	**$ 536**	**14.9%**	**$ 984**	**31.2%**
Bond & Interest Fund									
Property Tax Levy	$ 8,627	$ 10,918	$ 9,611	$ 10,351	$ 11,645	$ 1,294	12.5%	$ 3,018	35.0%
PPRT	$ 3,996	$ 3,998	$ 3,997	$ 3,997	$ 3,995	$ (2)	-0.1%	$ (1)	-0.03%
Bond & Interest Fund Total	**$ 12,623**	**$ 14,916**	**$ 13,608**	**$ 14,348**	**$ 15,640**	**$ 1,292**	**9.0%**	**$ 3,017**	**23.9%**
Total	**$ 73,060**	**$ 80,507**	**$ 82,699**	**$ 79,407**	**$ 79,567**	**$ 161**	**0.2%**	**$ 6,507**	**8.9%**

Source: Forest Preserve District of Cook County Annual Appropriation Ordinances, FY2014-FY2017, Attachment A; FY2018 Executive Budget Recommendation, Attachment A, p. 15.

Corporate Fund Resources

The next exhibit presents adopted Corporate Fund resources for FY2014 through FY2017 and proposed resources for FY2018. Total Corporate Fund resources will be $59.8 million in FY2018, a decrease of 2.7%, or nearly $1.7 million, from FY2017 adopted resources of approximately $61.5 million. The overall decrease in resources from FY2017 is due to a reduction in the use of prior year fund balance. The Corporate Fund property tax levy will remain flat over the two-year period.

Non-tax Corporate Fund revenues will increase from adopted FY2017 amounts by approximately $1.0 million, or 15.6%, to nearly $7.7 million in FY2018. Permits will see the largest dollar increase between FY2017 and FY2018, rising by $390,000, or 20.2%. Investment Earnings will increase by $150,000, or 300.0%. This increase is due to the District investing in Illinois Funds, which is an investment fund established by the Illinois State Treasurer's Office.[26] Other revenues are projected to increase by $303,000, or 100.8%. Other Revenues include miscellaneous income, revenue from cell towers, parking and intergovernmental sources. The remaining increase in non-tax Corporate Fund revenues is due to the District implementing a $1.00 per hour parking fee at the Swallow Cliff facility as well as increasing certain fines, the installation of cell towers on District property and a number of other targeted rate increases.[27]

The District proposes to appropriate $1.0 million of fund balance as available resources in FY2018. This represents 1.7% of total Corporate Fund resources, a smaller portion than was used in FY2017 (6.4%). In FY2016 the $8.2 million fund balance contribution represented 12.5% of total Corporate Fund resources. It is important to note that the fund balance contribution for FY2014 was restated in the FY2015 budget to provide a more accurate comparison between the two fiscal years to account for corporate transfers to other funds and the Land Acquisition Fund.[28]

[26] Communication with the Forest Preserve District budget staff, November 6, 2017.
[27] Forest Preserve District of Cook County FY2018 Executive Budget Recommendation, p. 11.
[28] Communication with Forest Preserve District budget staff, October 14, 2014.

The District is also proposing to use approximately $500,000 in tax increment financing (TIF) surplus, which is declared by the City of Chicago and distributed by Cook County to several local governments including the Cook County Forest Preserve District.

Forest Preserve District Corporate Fund Resources: FY2014-FY2018 (in $ thousands)									
Resources	FY2014 Adopted	FY2015 Adopted	FY2016 Adopted	FY2017 Proposed	FY2018 Proposed	Two-Year $ Change	Two-Year % Change	Five-Year $ Change	Five-Year % Change
Property Tax Revenue	$ 46,432	$ 46,937	$ 47,609	$ 48,318	$ 48,318	-	-	$ 1,886	4.1%
PPRT	$ 2,992	$ 3,052	$ 3,090	$ 2,104	$ 2,316	$ 212	10.1%	$ (676)	-22.6%
Subtotal Tax Revenues	**$ 49,424**	**$ 49,989**	**$ 50,700**	**$ 50,422**	**$ 50,634**	**$ 212**	**0.4%**	**$ 1,210**	**2.4%**
Permits*	$ 1,683	$ 1,711	$ 1,942	$ 1,929	$ 2,319	$ 390	20.2%	$ 637	37.8%
Fines	$ 336	$ 316	$ 332	$ 385	$ 424	$ 39	10.0%	$ 88	26.0%
Fees	$ 679	$ 876	$ 2,193	$ 2,444	$ 2,495	$ 51	2.1%	$ 1,816	267.6%
Golf Courses	$ 990	$ 990	$ 760	$ 700	$ 712	$ 12	1.7%	$ (278)	-28.1%
Campgrounds**	$ -	$ -	$ 425	$ 425	$ 481	$ 56	13.2%	$ 481	-
Concessions	$ 220	$ 190	$ 350	$ 390	$ 420	$ 30	7.7%	$ 200	90.9%
Investment Earnings	$ 100	$ 75	$ 50	$ 50	$ 200	$ 150	300.0%	$ 100	100.0%
Other Revenue	$ 100	$ 150	$ 301	$ 301	$ 604	$ 303	100.8%	$ 504	503.5%
Subtotal Non-Tax Revenue	**$ 4,107**	**$ 4,308**	**$ 6,352**	**$ 6,624**	**$ 7,654**	**$ 1,031**	**15.6%**	**$ 3,547**	**86.4%**
Total Appropriated Revenues	**$ 53,531**	**$ 54,297**	**$ 57,052**	**$ 57,045**	**$ 58,288**	**$ 1,242**	**2.2%**	**$ 4,756**	**8.9%**
Fund Balance Contribution	$ 3,451	$ 7,400	$ 8,200	$ 3,910	$ 1,000	$ (2,910)	-74.4%	$ (2,451)	-71.0%
TIF Surplus	$ 300	$ 400	$ 400	$ 500	$ 500	$ -	-	$ 200	66.7%
Total Resources	**$ 57,282**	**$ 62,097**	**$ 65,652**	**$ 61,455**	**$ 59,788**	**$ (1,668)**	**-2.7%**	**$ 2,505**	**-62.1%**

*Permits include picnic permit/special use fees, equestrian licenses, winter sport fees, pool fees and land use fees from FY2014 to FY2016. In FY2017 a new special revenue fund was establilshed that will better track the land use fees generated and therefore are not included in FY2017 and FY2018 budgeted and proposed figures.

**Campgrounds is a new program that began operations in May 2015.
Source: Forest Preserve District of Cook County Annual Appropriation Ordinances, FY2014 p. 20; FY2015, p. 21; FY2016 p. 23; FY2017 Executive Budget Recommendation, p. 19; and Communication with Forest Preserve District budget office on November 14, 2014 and November 9, 2016; and FY2018 Executive Budget Recommendation, p. 18.

Fee Schedule

The chart below shows Corporate Fund revenues generated from fees, permits and fines compared to revenues generated from the property tax levy and Personal Property Replacement Tax (PPRT). Total revenue sources will increase over the five-year period, rising from $53.5 million in FY2014 to approximately $58.3 million in FY2018. The District's FY2018 proposed budget includes natural growth in revenues, improved collections and increases in fines as well as the installation of metered parking at the Swallow Cliff site in Palos Hills.[29] Revenues generated from fees, fines and permits - which include picnic/special use fees, golf fees, equestrian licenses, winter sport fees, pool fees, campground fees and land use fees - will increase from 6.9% of total Corporate Fund revenues in FY2014 to 11.0% in FY2018. Tax revenues will decrease from 92.3% of total revenues in FY2014 to 86.9% in FY2018. Other

[29] Forest Preserve District of Cook County, FY2018 Executive Budget Recommendation, p. 11.

Revenues - which include revenues earned from concessions, investment earnings, and other revenues - will increase from 0.8% in FY2014 to 2.1% in FY2018.

Forest Preserve District Corporate Fund Revenues: FY2014-FY2018 (in $ thousands)									
Revenues	FY2014 Adopted	FY2015 Adopted	FY2016 Adopted	FY2017 Proposed	FY2018 Proposed	Two-Year $ Change	Two-Year % Change	Five-Year $ Change	Five-Year % Change
Fees and Permits*	$ 3,351	$ 3,577	$ 5,320	$ 5,498	$ 6,007	$ 509	9.3%	$ 2,656	79.2%
Fines	$ 336	$ 316	$ 332	$ 385	$ 424	$ 39	10.0%	$ 88	26.0%
Subtotal Fees and Fines	**$ 3,687**	**$ 3,893**	**$ 5,652**	**$ 5,883**	**$ 6,431**	**$ 548**	**9.3%**	**$ 2,743**	**74.4%**
Percent of Total	**6.9%**	**7.2%**	**9.9%**	**10.3%**	**11.0%**				
Tax Revenues	**$ 49,424**	**$ 49,989**	**$ 50,700**	**$ 50,422**	**$ 50,634**	**$ 212**	**0.4%**	**$ 1,210**	**2.4%**
Percent of Total	**92.3%**	**92.1%**	**88.9%**	**88.4%**	**86.9%**				
Other Revenues**	**$ 420**	**$ 415**	**$ 701**	**$ 741**	**$ 1,224**	**$ 483**	**65.2%**	**$ 804**	**191.3%**
Percent of Total	**0.8%**	**0.8%**	**1.2%**	**1.3%**	**2.1%**				
Total Revenues	**$ 53,531**	**$ 54,297**	**$ 57,052**	**$ 57,045**	**$ 58,288**	**$ 1,242**	**2.2%**	**$ 4,756**	**8.9%**

*Fees and Permits include picnic permit/special use fees, golf privatization fees, equestrian licenses, winter sport fees, pool fees, campground and land use fees from FY2013 through FY2016. Beginning in FY2017 a special revenue fund was established to better track land use fees and therefore not included in FY2017 adopted and FY2018 proposed figures.

**Other Revenues include revenues earned from license agreements, concessions, investment earnings, miscellaneous income, intergovernmental sources and YELAR from FY2014 to FY2017. In FY2018 revenues were recategorized and Other Revenues include concessions, investment earnings and other revenues.

Note: Revenues do not include TIF surplus or fund balance contributions.

Source: Forest Preserve District of Cook County Annual Appropriation Ordinances, FY2014, p. 20; FY2015, p. 21; FY2016, p. 23; FY21017, p. 19; and Forest Preserve District of Cook County FY2018 Executive Budget Recommendation, p. 18.

Zoological Fund and Botanic Fund Resources

The Forest Preserve District provides financial support for the Zoo and Garden. However, they are administered and operated by the Chicago Zoological Society and Chicago Horticultural Society, respectively. As such, they create and implement their own budgets, which are presented in the Forest Preserve District's budget document.

Between FY2017 and FY2018 Zoological Fund resources will decrease by $1.7 million, or 2.4%, due to projected decreases in non-tax revenues generated from programs offered by the Zoo and a reduction in property tax levy. In FY2018 the District is proposing to reduce the property tax levy allocated to the Zoo by $600,000 and $400,000 to the Botanic Garden, or $1.0 million collectively.[30] The Botanic Fund resources will increase by 4.7%, or $1.7 million, from FY2017 adopted figures, due to projected increases in non-tax revenues generated by the Garden totaling $2.0 million, but offset by a decline of $385,000 in its property tax levy for FY2018.

Between FY2014 and FY2018, total Zoological Fund and Botanic Fund resources will grow by 11.1% or $10.7 million. The net property tax levy will decline by $970,000 for the Zoological Fund and Botanic Fund over the five-year period. During the same time, PPRT revenue for the

[30] Forest Preserve District of Cook County, FY2018 Executive Budget Recommendation, p. 11.

Zoological Fund will decrease by $188,000, or 25.1%, and $89,000, or 25.1%, for the Botanic Fund.

Forest Preserve District Total Budgeted Resources Zoological and Botanic Funds: FY2014-FY2018 (in $ thousands)									
	FY2014 Adopted	FY2015 Adopted	FY2016 Adopted	FY2017 Adopted	FYY2018 Proposed	Two-Year $ Change	Two-Year % Change	Five-Year $ Change	Five-Year % Change
Zoological Fund									
Gross Property Tax Levy	$ 14,885	$ 14,885	$ 14,885	$ 14,885	$ 14,285	$ (600)	-4.0%	$ (600)	-4.0%
Reserves for Deferred Collections and Refunds	$ (547)	$ (547)	$ (547)	$ (547)	$ (532)	$ 15	-2.7%	$ 15	-2.7%
Net Property Tax Levy	**$ 14,338**	**$ 14,338**	**$ 14,338**	**$ 14,338**	**$ 13,753**	**$ (585)**	**-4.1%**	**$ (585)**	**-4.1%**
PPRT	$ 749	$ 749	$ 749	$ 510	$ 561	$ 51	10.0%	$ (188)	-25.1%
Program Income	$ 49,001	$ 51,789	$ 50,861	$ 55,193	$ 54,061	$ (1,132)	-2.1%	$ 5,060	10.3%
Deferred Collections	$ 100	$ 100	$ 100	$ 100	$ 100	$ -	-	$ -	-
Zoological Fund Total	**$ 64,189**	**$ 66,976**	**$ 66,048**	**$ 70,142**	**$ 68,476**	**$ (1,666)**	**-2.4%**	**$ 4,287**	**6.7%**
Botanic Fund									
Gross Property Tax Levy	$ 9,348	$ 9,348	$ 9,348	$ 9,348	$ 8,948	$ (400)	-4.3%	$ (400)	-4.3%
Reserves for Deferred Collections and Refunds	$ (280)	$ (280)	$ (280)	$ (280)	$ (265)	$ 15	-5.3%	$ 15	-5.3%
Net Property Tax Levy	**$ 9,068**	**$ 9,068**	**$ 9,068**	**$ 9,068**	**$ 8,683**	**$ (385)**	**-4.2%**	**$ (385)**	**-4.2%**
PPRT	$ 356	$ 356	$ 356	$ 242	$ 266	$ 24	10.0%	$ (89)	-25.1%
Provided by Garden	$ 22,156	$ 24,309	$ 24,938	$ 26,947	$ 29,006	$ 2,058	7.6%	$ 6,850	30.9%
Botanic Fund Total	**$ 31,579**	**$ 33,732**	**$ 34,361**	**$ 36,257**	**$ 37,955**	**$ 1,698**	**4.7%**	**$ 6,376**	**20.2%**
Total	**$ 95,768**	**$ 100,709**	**$ 100,410**	**$ 106,399**	**$ 106,431**	**$ 31**	**0.03%**	**$ 10,662**	**11.1%**

Source: Forest Preserve District of Cook County Annual Appropriation Ordinances, FY2014, pp. 110 and 127; FY2016, pp. 103 and 115; FY2017, pp. 103 and 116; and FY2018 Executive Budget Recommendation, pp. 15, 115 and 130.

Property Tax Levy

The section shows the distribution of gross property tax revenues by fund from FY2014 to FY2018.

The Forest Preserve District proposes to increase the revenue from its gross property tax levy by $3.0 million, or 3.3%, from $91.4 million in FY2017 to $94.4 million in FY2018. The increase is attributable to increased home values, new property and inflationary growth and a reduction in the amount abated.[31]

Over the two-year period, the share of the property tax levy distributed to the Corporate Fund will remain flat at $49.8 million. The share distributed to the Bond and Interest Fund will increase by $1.3 million, or 12.5%, over the two-year period to cover increased debt service payments. The $12.1 million in property tax revenues allocated to the Bond and Interest Fund in FY2018 includes one abatement of $500,000 for a net amount of $11.6 million. The District factors in an abatement, or reduction, to its debt service payments within the Bond and Interest Fund. The property tax allocation to the Construction and Development Fund will increase by nearly $2.3 million, or 60.0%, over the two-year period. This is due to the District reallocating funds from Zoo and Garden operations to fund land restoration projects.[32] The Pension Fund property tax levy will see a $483,000, or 14.9% increase in pension contributions due to an increase in the statutorily required payment to the pension fund.[33]

Over the five-year period, the share of the gross property tax levy distributed to the Corporate Fund has increased by approximately $2.0 million, or 4.2%, from $47.8 million in FY2014 to

[31] Forest Preserve District of Cook County, FY2018 Executive Budget Recommendation, p. 11.
[32] Forest Preserve District of Cook County, FY2018 Executive Budget Recommendation, p. 11.
[33] Forest Preserve District of Cook County, FY2018 Executive Budget Recommendation, p. 11.

$49.8 million in FY2018. The gross property tax levy distributed to the Bond and Interest Fund will increase by $3.0 million or 35.0%, over the five-year period. Construction and Development will see a $3.0 million, or 100.0% increase over the five-year period, rising from $3.0 million in FY2014 to $6.0 million in FY2018. The levy for the Pension fund will increase by 31.2%, or $886,000 over the five-year period. Levies for the Brookfield Zoo and the Chicago Botanic Garden were held flat from FY2014 to FY2017 before being reduced in FY2018 by $600,000 and $400,000, respectively. As previously noted, the funding reduction in the Zoo and Garden levy is being redirected to land restoration projects.[34]

Forest Preserve District Gross Property Tax Levy Recommendations by Fund: FY2014-FY2018 (in $ thousands)

Fund	FY2014 Adopted	FY2015 Adopted	FY2016 Adopted	FY2017 Adopted	FY2018 Proposed	Two-Year $ Change	Two-Year % Change	Five-Year $ Change	Five-Year % Change
Corporate	$ 47,810	$ 48,388	$ 49,082	$ 49,812	$ 49,812	$ -	-	$ 2,003	4.2%
Zoological and Botanic	$ 24,233	$ 24,233	$ 24,233	$ 24,233	$ 23,233	$ (1,000)	-4.1%	$ (1,000)	-4.1%
Bond & Interest*	$ 8,627	$ 10,918	$ 9,611	$ 10,351	$ 11,645	$ 1,294	12.5%	$ 3,018	35.0%
Construction & Development	$ 3,000	$ 3,000	$ 4,000	$ 3,750	$ 6,000	$ 2,250	60.0%	$ 3,000	100.0%
Pension	$ 2,839	$ 3,144	$ 3,094	$ 3,242	$ 3,725	$ 483	14.9%	$ 886	31.2%
Total	**$ 86,509**	**$ 89,683**	**$ 90,021**	**$ 91,388**	**$ 94,415**	**$ 3,027**	**3.3%**	**$ 7,906**	**9.1%**

Note: Totals may differ from budget books due to rounding.

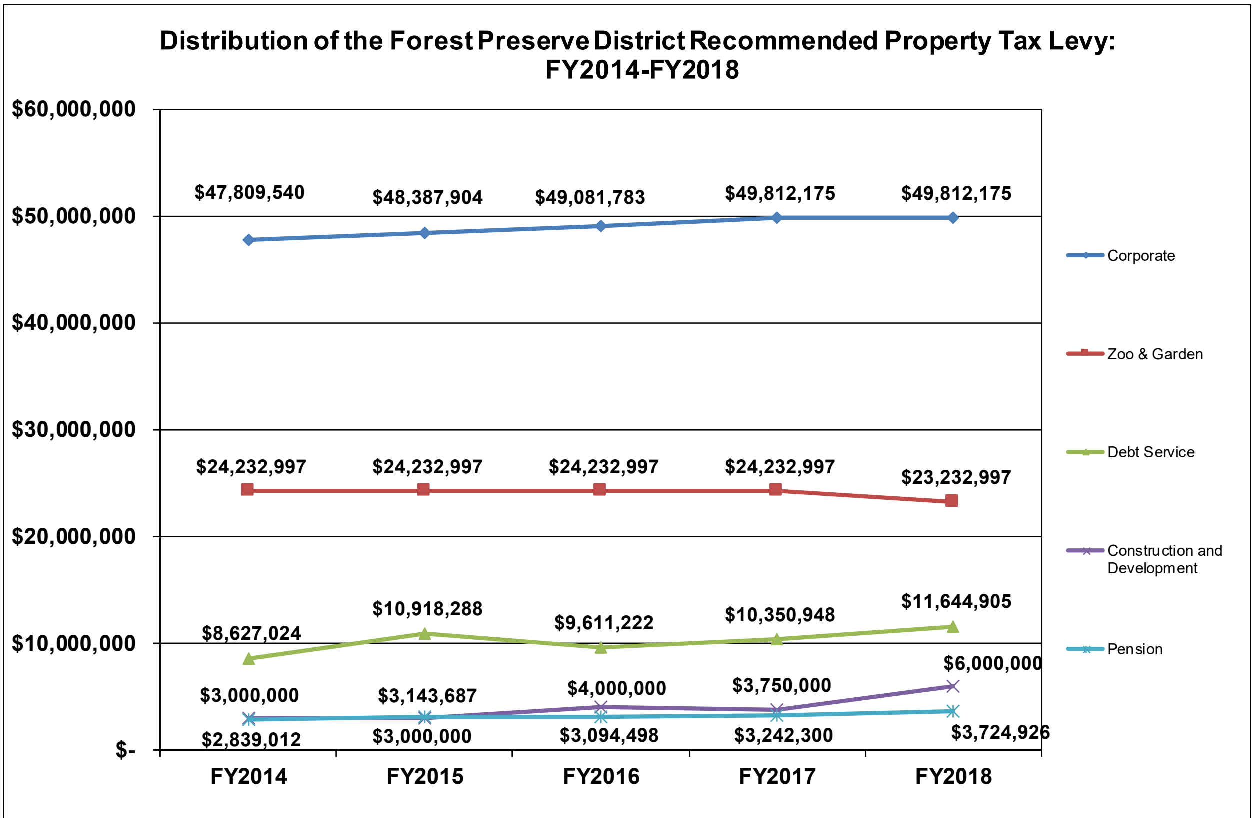
*In FY2014 the portion of the property tax levy allocated to the Bond & Interest fund includes a PPRT Bond and Interest Abatement of $4.0 million and Bond and Interest Escrow Abatement of $3.3 million. The FY2015, FY2016, FY2017 and FY2018 portion of the property tax levy allocated to the Bond & Interest fund includes Bond and Interest Escrow Abatement of $1.2 million, $1.6 million, $1.5 million and $0.5 million, respectively.

Source: Forest Preserve District of Cook County Annual Appropriation Ordinances, FY2014-FY2017, Attachment A; and Forest Preserve District of Cook County FY2018 Executive Budget Recommendation, Attachment A, p. 15.

The chart below shows the District's distribution of property tax revenues over the five-year period beginning in FY2014. The share of the levy dedicated to the Corporate Fund has averaged 54.2%, over the five-year period, with a high 54.5%, in FY2016 and FY2017 and a low of 52.8% in FY2018. The share of property tax revenues for Debt Service averaged 11.3% over the five-year period. Totaling 10.0%, or $8.6 million of the total levy in FY2014 and 12.3%, or $11.6 million of the total levy in FY2018. The portion of the levy fluctuates annually depending on the dollar amount abated each year. The share of the levy dedicated to pension payments will increase slightly over the five-year period, from 3.3%, or $2.8 million of the total levy in FY2014 to 3.9%, or $3.7 million of the total levy in FY2018. Levies for the Brookfield Zoo and the Chicago Botanic Garden were held flat between FY2014 and FY2017 before being reduced

[34] Forest Preserve District of Cook County, FY2018 Executive Budget Recommendation, p. 11.

in FY2018. The share of the levy dedicated to the Zoo and Garden Funds will decline in FY2018 from 26.5% of the total levy in FY2017 to 24.6% of the total levy in FY2018.



Source: Forest Preserve District of Cook County Annual Appropriation Ordinance, FY2014-FY2017, Attachment A; and FY2018 Executive Budget Recommendation, Attachment A, p. 15.

PERSONNEL AND PERSONNEL SERVICES APPROPRIATIONS

The following section provides an analysis of the Forest Preserve District's full-time equivalent (FTE) positions and personnel appropriations in the Corporate Fund. The Corporate Fund is the District's general operating fund and supports the District's operations and services. This section does not include a personnel analysis of the Brookfield Zoo or the Chicago Botanic Garden. Although the District provides financial support for the Zoo and Garden, they are administered and operated by the Chicago Zoological Society and Chicago Horticultural Society, respectively. As such, they create and implement their own budgets, which are presented in the Forest Preserve District's budget document.

The FY2018 proposed budget includes a total of 635 full- and part-time FTEs. The District is proposing to reduce a total of 5.0 full-time FTEs and 7.5 part-time/seasonal FTEs. This is a 1.9% decrease from FY2017 appropriated FTEs. The majority of the reductions (6.6 FTEs) will be with part-time/seasonal positions within the Department of Conservation and Experiential Programming.

The chart below shows the net change in FTE positions between the FY2016 adopted budget and proposed FY2017 budget by department, including the net change in full-time and part-time/seasonal positions.

Forest Preserve District Corporate Fund Full-Time Equivalent Positions Summary: FY2017 & FY2018				
Department	**FY2017 Adopted**	**FY2018 Proposed**	**# Change**	**% Change**
Landscape Maintenance	145.0	145.0	0.0	-
Part-Time/Seasonal	42.8	42.0	(0.8)	-1.9%
Law Enforcement	126.0	125.0	(1.0)	-0.8%
Part-Time/Seasonal	0.0	1.0	1.0	-
Resource Management	60.0	59.0	(1.0)	-1.7%
Part-Time/Seasonal	4.4	3.0	(1.4)	-31.8%
Conservation & Experiential Programming	50.0	52.0	2.0	4.0%
Part-Time/Seasonal	42.6	36.0	(6.6)	-15.5%
Facilities & Fleet Maintenance	60.0	57.0	(3.0)	-5.0%
Part-Time/Seasonal	3.0	4.0	1.0	33.3%
Permits, Rentals & Concessions	11.0	11.0	0.0	0.0%
Part-Time/Seasonal	13.0	13.0	0.0	0.0%
Finance & Administration	20.0	19.0	(1.0)	-5.0%
Part-Time/Seasonal	1.5	0.0	(1.5)	-100.0%
Planning & Development	19.0	18.0	(1.0)	-5.3%
Part-Time/Seasonal	1.5	2.0	0.5	33.3%
Office of the General Superintendent	25.0	25.0	0.0	0.0%
Part-Time/Seasonal	2.5	3.0	0.5	20.0%
Legal	11.0	11.0	0.0	0.0%
Part-Time/Seasonal	0.0	1.0	1.0	-
Human Resources	7.0	7.0	0.0	0.0%
Part-Time/Seasonal	2.2	1.0	(1.2)	-54.5%
Sub-Total Full-Time FTEs	**534.0**	**529.0**	**(5.0)**	**-0.9%**
Sub-Total Part-Time/Seasonal FTEs	**113.5**	**106.0**	**(7.5)**	**-6.6%**
Total	**647.5**	**635.0**	**(12.5)**	**-1.9%**

Note: Totals may differ from budget books due to rounding.

Source: Forest Preserve District of Cook County FY2017 Annual Appropriation Ordinance, p. 18; and FY2018 Executive Budget Recommendation, p. 17.

Over the five-year period from FY2014 to FY2018, the District's staff will grow by 28.7 FTEs, which is a 4.7% increase in the District's workforce. Much of the growth over the five-year period is primarily due to the District's investment in recreation, educational programs and restoration work. In FY2016 the Volunteer Resources program was transferred from Permits, Concessions and Volunteer Resources department to the Office of the General Superintendent.[35]

Forest Preserve District Corporate Fund Total Full-Time Equivalent Positions Summary: FY2014-FY2018									
Department	FY2014 Adopted	FY2015 Adopted	FY2016 Adopted	FY2017 Adopted	FY2018 Proposed	Two-Year # Change	Two-Year % Change	Five-Year # Change	Five-Year % Change
Landscape Maintenance	170.5	186.8	188.8	187.8	187.0	(0.8)	-0.4%	16.5	9.7%
Law Enforcement	126.0	128.0	127.0	126.0	126.0	0.0	0.0%	0.0	0.0%
Resource Management	58.3	64.1	64.1	64.4	62.0	(2.4)	-3.7%	3.7	6.3%
Conservation & Experiential Programming	84.9	113.0	114.2	92.6	88.0	(4.6)	-5.0%	3.1	3.7%
Facilities & Fleet Management	62.0	62.5	62.5	63.0	61.0	(2.0)	-3.2%	(1.0)	-1.6%
Permits, Rentals & Concessions*	26.6	34.2	23.0	24.0	24.0	0.0	0.0%	(2.6)	-9.8%
Finance & Administration	20.0	21.0	21.0	21.5	19.0	(2.5)	-11.6%	(1.0)	-5.0%
Planning & Development	20.2	21.2	20.2	20.5	20.0	(0.5)	-2.4%	(0.2)	-1.0%
Office of the General Superintendent	17.8	15.0	27.5	27.5	28.0	0.5	1.8%	10.2	57.3%
Legal	13.5	13.0	11.0	11.0	12.0	1.0	9.1%	(1.5)	-11.1%
Human Resources	6.5	11.5	14.8	9.2	8.0	(1.2)	-13.0%	1.5	23.1%
Total	**606.3**	**670.3**	**674.1**	**647.5**	**635.0**	**(12.5)**	**-1.9%**	**28.7**	**4.7%**

Note: Totals may differ from budget book due to rounding.

*Volunteer Resources was transferred to the Office of the General Superintendent in FY2016. It was previously included in the Permits, Rentals & Concessions Department.

Source: Forest Preserve District of Cook County FY2015 Appropriation Ordinance, p. 20; FY2016, p. 22; FY2017, p. 18; and Forest Preserve District of Cook County FY2018 Executive Budget Recommendations, p. 17.

Personnel Services Appropriations

The following exhibit presents Corporate Fund appropriations for salaries and wages from FY2014 through proposed FY2018. The FY2018 budget recommends nearly $38.7 million be appropriated for Corporate Fund salaries and wages, a 3.2% increase from the FY2017 adopted budget. The increase in FY2018 is primarily due to a $1.6 million increase related to cost-of-living adjustments tied to collective bargaining agreements and increased healthcare costs.[36] The largest year-to-year increase occurred between FY2014 and FY2015 when appropriated salaries and wages grew by $2.4 million, or 7.1%, to $35.8 million from $33.4 million. The increase between FY2014 and FY2015 is primarily due to an increase of 64.0 FTE positions in the Conservation and Experiential Programming Department. Salaries will increase by approximately $5.3 million, or 15.7%, over the five-year period, due primarily to these two trends.

Forest Preserve District Corporate Fund Salaries and Wages: FY2014-FY2018			
	Total	Two-Year $ Change	Two-Year % Change
FY2014 Adopted	$ 33,402,956	$ 602,031	1.8%
FY2015 Adopted	$ 35,780,363	$ 2,377,407	7.1%
FY2016 Adopted	$ 35,869,244	$ 88,881	0.2%
FY2017 Adopted	$ 37,451,641	$ 1,582,397	4.4%
FY2018 Proposed	$ 38,657,764	$ 1,206,123	3.2%
Five-Year Change		**$ 5,254,808**	**15.7%**

Source: Forest Preserve District of Cook County Annual Appropriation Ordinance, FY2014-FY2017; and FY2018 President's Executive Budget Recommendations, p. 17.

The following table shows Corporate Fund personnel services appropriations as a percentage of total Corporate Fund appropriations compared to program expenses. In FY2018 recommended Corporate Fund personnel services appropriations will represent approximately 75.8% of total

[35] Forest Preserve District of Cook County, FY2017 Annual Appropriation Ordinance, p. 29.
[36] Forest Preserve District of Cook County FY2018 Executive Budget Recommendation, p. 10.

recommended Corporate Fund expenditures. Personnel services appropriations include salaries, health and life insurance, dental and vision plans and personnel service adjustments.[37] They do not include the District's costs for employee pensions because those are accounted for in the Employee Annuity and Benefit Fund. Personnel services are increasing by approximately $1.5 million above FY2017 adopted appropriations due to cost-of-living adjustments (COLA) and scheduled step increases.[38] Program expenses are decreasing over the two-year period by $3.2 million or 17.9% due to the District reducing Fund Balance transfers by $2.9 million and a $200,000 reduction in non-personnel spending.[39]

During the five-year period from FY2014 through FY2018, personnel services appropriations will increase by $6.5 million, or 16.8%, while Corporate Fund total appropriations will increase by $2.5 million or 4.4%. The increase in personnel services is primarily due to increased wages for both union and non-union employees.

Forest Preserve District Corporate Fund Personnel Services Appropriations: FY2014-FY2018 (in $ thousands)

	FY2014 Adopted	FY2015 Adopted	FY2016 Adopted	FY2017 Proposed	FY2018 Proposed	Two-Year $ Change	Two-Year % Change	Five-Year $ Change	Five-Year % Change
Personnel Services	$ 38,780	$ 40,324	$ 42,255	$ 43,815	$ 45,298	$ 1,483	3.4%	$ 6,518	16.8%
Program Expenses	$ 18,502	$ 21,773	$ 23,397	$ 17,640	$ 14,490	$ (3,150)	-17.9%	$ (4,013)	-21.7%
Total Corporate Fund Appropriations	**$ 57,282**	**$ 62,097**	**$ 65,652**	**$ 61,455**	**$ 59,788**	**$ (1,668)**	**-2.7%**	**$ 2,506**	**4.4%**
Personnel as % of Total	**67.7%**	**64.9%**	**64.4%**	**71.3%**	**75.8%**		**6.9%**		**8.1%**

Source: Forest Preserve District of Cook County Annual Appropriation Ordinances, FY2014, p. 21; FY2015, p. 22; FY2016, p. 24; FY2017, p. 20; and FY2018 Executive Budget Recommendation, p. 19.

Forest Preserve District Employee Benefit Expenses

The following chart shows actual benefit expenses for FY2014 through FY2016, FY2017 adopted benefit expenses and FY2018 proposed benefit expenses.

Between FY2017 and FY2018, total benefit expenses are projected to increase by 2.6% or $214,746. Over the five-year period beginning in FY2014, total employee benefit expenses will increase by approximately $1.7 million, or 24.5%, from $6.7 million in FY2014 to approximately $8.4 million in FY2018. During this five-year period, all benefit expenses will increase. Health insurance will increase by the largest dollar amount at $1.5 million or 24.0%. Life insurance will see the largest percentage increase at 41.2% or $29.9 million. Dental

[37] Personnel Service Adjustments is a term the District uses to budget estimated reserve amounts for anticipated salary and wage increases which may occur during the course of the fiscal year.
[38] Forest Preserve District of Cook County, FY2018 Executive Budget Recommendation, p. 10.
[39] Forest Preserve District of Cook County, FY2018 Budget Overview Presentation, October 24, 2017, p. 4.

insurance will increase by $67,252 or 37.4% and vision care expenses will increase by $11.2 million or 18.8%, over the five-year period.

Forest Preserve District Benefit Expenses*: FY2014-FY2018									
	FY2014 Actual	FY2015 Actual	FY2016 Actual	FY2017 Adopted	FY2018 Proposed	Two-Year $ Change	Two-Year % Change	Five-Year $ Change	Five-Year % Change
Health Insurance	$ 6,427,829	$ 6,674,607	$ 7,001,179	$ 7,872,000	$ 7,972,472	$ 100,472	1.3%	$ 1,544,643	24.0%
Life Insurance	$ 72,533	$ 56,989	$ 51,048	$ 102,421	$ 102,421	$ -	-	$ 29,888	41.2%
Dental Care Plan	$ 179,967	$ 186,930	$ 190,019	$ 162,441	$ 247,219	$ 84,778	52.2%	$ 67,252	37.4%
Vision Plan	$ 59,543	$ 56,664	$ 58,270	$ 41,240	$ 70,736	$ 29,496	71.5%	$ 11,193	18.8%
Total Benefits	**$ 6,739,872**	**$ 6,975,190**	**$ 7,300,517**	**$ 8,178,102**	**$ 8,392,848**	**$ 214,746**	**2.6%**	**$ 1,652,976**	**24.5%**

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

Source: Forest Preserve District of Cook County Executive Budget Recommendations, Corporate Fund detail pages, FY2015-FY2018; and Communication with Forest Preserve Budget Staff on October 6, 2017.

FUND BALANCE

Fund balance is a term commonly used to describe the net assets of a governmental fund and serves as a measure of financial resources.[40] It is an important financial indicator for local governments. Fund balance is the difference between the assets and liabilities in a governmental fund. A governmental fund differs from other funds typically included in non-governmental financial reporting in that it includes only a subset of assets and liabilities. Fund balance is more a measure of liquidity than of net worth and can be thought of as the savings account of the local government.[41]

This section discusses three aspects of fund balance: changes to fund balance reporting, fund balance policy and definitions and an analysis of the Forest Preserve District's fund balance levels.

Changes to Fund Balance Reporting

Beginning in FY2011, the District's audited financial statements include a modification in fund balance reporting, as recommended by the Governmental Accounting Standards Board (GASB). GASB Statement No. 54 shifted the focus of fund balance reporting from the availability of fund resources for budgeting purposes to the "extent to which the government is bound to honor constraints on the specific purposes for which amounts in the fund can be spent."[42]

Previous Components of Fund Balance

Previously, the categories for fund balance focused on whether resources were available for appropriation by governments. The *unreserved* fund balance thus referred to resources that did not have any external legal restrictions or constraints. The unreserved fund balance was able to be further categorized as designated and undesignated. A *designation* was a limitation placed on the use of the fund balance by the government itself for planning purposes or to earmark funds.[43]

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[40] Government Finance Officers Association, Fund Balance Guidelines for the General Fund, approved by the GFOA Executive Board in September 2015, available at http://www.gfoa.org/fund-balance-guidelines-general-fund.
[41] Stephen J. Gauthier. *The New Fund Balance*. Chicago: GFOA, 2009, p. 34.
[42] Stephen J. Gauthier. "Fund Balance: New and Improved," Government Finance Review, April 2009 and GASB Statement No. 54, paragraph 5.
[43] Stephen J. Gauthier. "Fund Balance: New and Improved," Government Finance Review, April 2009.

GASB Statement No. 54 Components of Fund Balance

GASB Statement No. 54 created five components of fund balance, though not every government or governmental fund will report all components. The five components are:

- *Nonspendable fund balance* – resources that inherently cannot be spent such as pre-paid rent or the long-term portion of loans receivable. In addition, this category includes resources that cannot be spent because of legal or contractual provisions, such as the principal of an endowment.
- *Restricted fund balance* – net fund resources subject to legal restrictions that are externally enforceable, including restrictions imposed by constitution, creditors or laws and regulations of non-local governments.
- *Committed fund balance* – net fund resources with self-imposed limitations set at the highest level of decision-making which remain binding unless removed by the same action used to create the limitation.
- *Assigned fund balance* – the portion of fund balance reflecting the government's intended use of resources, with the intent established by government committees or officials in addition to the governing board. Appropriated fund balance, or the portion of existing fund balance used to fill the gap between appropriations and estimated revenues for the following year, would be categorized as assigned fund balance.
- *Unassigned fund balance* – in the General or Corporate Fund, the remaining surplus of net resources after funds have been identified in the four categories above.[44]

Historically, the focus of the Civic Federation fund balance analysis had been on the unreserved general fund balance. Given the components of fund balance established by GASB Statement No. 54, the Civic Federation focuses on a government's unrestricted fund balance, which includes the *committed*, *assigned* and *unassigned* fund balance levels. The only difference between the two terms (unreserved and unrestricted) is that a portion of what used to be categorized as unreserved fund balance is now reported as restricted fund balance; otherwise, the two terms are synonymous.[45]

In the interest of government transparency, the Civic Federation recommends that all local governments, if possible, provide ten years of fiscal data in the updated GASB Statement No. 54 format in the statistical sections of their audited financial statements. Without this restated data, accurate trend analyses cannot be conducted.

[44] Stephen J. Gauthier. "Fund Balance: New and Improved," Government Finance Review, April 2009.
[45] Stephen J. Gauthier. *The New Fund Balance*. Chicago: GFOA, 2009, p. 34.

Fund Balance Policy

The Government Finance Officers Association (GFOA) recommends "at a minimum, those general-purpose governments, regardless of size, maintain unrestricted fund balance in their general fund of no less than two months of regular general fund operating revenues or regular general fund operating expenditures."[46] Two months of operating expenditures is approximately 17%.

The Forest Preserve District has a fund balance policy that specifies the level of Corporate Fund fund balance to be budgeted annually.[47] It is meant to ensure that the District will have adequate operating cash in case of 1) revenue fluctuations; 2) emergency expenditures; and 3) temporary periods of negative cash flow.[48] The fund balance policy requires the District to annually budget a minimum unreserved[49] fund balance totaling the sum of:

- 5.5% of Corporate Fund gross revenues to account for revenue fluctuations;
- 1.0% of Corporate Fund expenditures to account for unexpected expenditures; and
- 8.0% of Corporate Fund expenditures to account for insufficient operating cash.[50]

This policy was introduced in FY2005, when $6.5 million was earmarked as unreserved Corporate Fund balance. The structure of the policy implemented by the District is based on the revenue fluctuations it experienced prior to 2005. Added together, the fund balance maintained through this policy is 14.5% of revenues/expenditures, which is slightly below the 17% GFOA recommendation, but falls within its past guidelines. Previously, the GFOA had recommended a general fund balance of at least 5.0% to 15.0% of general fund expenditures. In practice, the District has maintained a high level of fund balance well beyond the District's own policy or the GFOA standard.

Unassigned Corporate Fund Balance FY2011 through FY2016

Most governments' fund balance policies are based on *unrestricted* fund balance as described above. Our analysis of Corporate Fund fund balance levels would normally include the three components of unrestricted fund balance: committed, assigned and unassigned. However, in this section we focus only on the *unassigned* fund balance component because that is the District's own fund balance policy.

The following table presents the District's unassigned Corporate Fund[51] fund balance as a ratio of actual operating expenditures for FY2011 through FY2016, which is the most recent audited data available. Throughout these six years, the District's level of fund balance has greatly

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[46] Government Finance Officers Association, "Appropriate Level of Unrestricted Fund Balance in the General Fund" (Adopted September 2015).
[47] The fund balance policy can be found on p. 16 of the Forest Preserve District of Cook County FY2018 Executive Budget Recommendation.
[48] Forest Preserve District of Cook County FY2018 Executive Budget Recommendation, p. 16.
[49] The Forest Preserve considers unassigned and unreserved to be interchangeable terms representing fund balance that has not been committed or reserved for a specific purpose. Communication between the Forest Preserve District and the Civic Federation, November 16, 2015.
[50] Forest Preserve District of Cook County FY2018 Executive Budget Recommendation, p. 16.
[51] The Corporate Fund does not include operating expenditures for the Zoological or Botanic Garden Funds.

exceeded the District's own fund balance policy and the GFOA standards. The fund balance ratio grew from 57.3% in FY2011 to 87.5% in FY2012, then gradually declined, ending FY2016 at 64.5%. FY2016's fund balance ratio of 64.5% is a small increase from FY2015's fund balance ratio of 61.9%. The FY2016 ratio of 64.5% equals almost eight months-worth of reserves, which is much higher than the GFOA standard and the District's own fund balance policy.

Forest Preserve District of Cook County Corporate Fund Balance Ratio: FY2011 - FY2016			
	Unassigned Corporate Fund Balance	Operating Expenditures	Ratio
FY2011	$ 23,874,253	$ 41,646,735	57.3%
FY2012	$ 39,918,256	$ 45,597,442	87.5%
FY2013	$ 37,286,352	$ 50,557,997	73.7%
FY2014	$ 37,543,100	$ 49,596,157	75.7%
FY2015	$ 34,359,189	$ 55,464,143	61.9%
FY2016	$ 33,346,574	$ 57,730,810	64.5%

Source: Forest Preserve District of Cook County, Comprehensive Annual Financial Reports, FY2011, p. 6; FY2012, pp. 24 and 29; FY2013, pp. 27 and 29; FY2014, pp. 27 and 29; FY2015, pp. 24 and 27; and FY2016, pp. 24 and 27.

Unassigned Corporate Fund Balance and Transfers Out FY2011 through FY2016

Unlike many other governments, the District transfers out some of its Corporate Fund resources to other funds. The majority of the transfers out have been to the Real Estate Acquisition Fund, Capital Improvement Fund and Self-Insurance Fund. With the high level of transfers out, calculating a ratio that only considers operating expenditures does not provide a full picture of the Corporate Fund's utilization. Therefore, the Civic Federation has calculated an alternative fund balance ratio that includes both operating expenditures and transfers out. The ratio was calculated by dividing the fund balance by the sum of operating expenditures and transfers out.

Compared to the unassigned fund balance ratio shown above, the ratio of Corporate Fund unassigned fund balance to operating expenditures plus transfers out changes slightly, but still remains very high. Between the six-year period from FY2011 to FY2016, the ratio fluctuated with a low of 46.0% in FY2011 and a high of 80.2% in FY2012, eventually declining to 50.6% in FY2016.

Forest Preserve District of Cook County Corporate Fund Balance Ratio & Transfers Out: FY2011 - FY2016			
	Unassigned Corporate Fund Balance	Operating Expenditures + Transfers Out	Alternative Ratio
FY2011	$ 23,874,253	$ 51,867,110	46.0%
FY2012	$ 39,918,256	$ 49,803,780	80.2%
FY2013	$ 37,286,352	$ 52,491,834	71.0%
FY2014	$ 37,543,100	$ 56,146,157	66.9%
FY2015	$ 34,359,189	$ 61,664,143	55.7%
FY2016	$ 33,346,574	$ 65,930,810	50.6%

Source: Forest Preserve District of Cook County, Comprehensive Annual Financial Reports, FY2011, p. 6; FY2012, pp. 24 and 29; FY2013, pp. 27 and 29; FY2014, pp. 27 and 29; FY2015, pp. 24 and 27; and FY2016, pp. 24 and 27.

Unreserved Corporate Fund Balance FY2007 through FY2010

As mentioned previously, prior to the reporting changes detailed in GASB Statement No. 54, the fund balance categories focused on whether resources were available for appropriation by governments. They were designated as either *reserved* or *unreserved*. *Unreserved* fund balance referred to resources with no external legal restrictions or constraints.

The table below presents the unreserved Corporate Fund balance from FY2007 through FY2010 based on fund balance reporting prior to the implementation of GASB Statement No. 54. Between FY2007 and FY2010, the Forest Preserve District's unreserved Corporate Fund balance grew from a low of 31.7% to a high of 96.1% of Corporate Fund operating expenditures. This is a large fund balance significantly exceeding the GFOA recommended minimum balance.

Forest Preserve District of Cook County
Corporate Fund Balance Ratio: FY2007-FY2010

	Unreserved Corporate Fund Balance	Operating Expenditures	Ratio
FY2007	$ 9,891,750	$ 31,212,640	31.7%
FY2008	$ 19,774,805	$ 33,868,166	58.4%
FY2009	$ 26,299,152	$ 36,631,265	71.8%
FY2010	$ 35,349,895	$ 36,776,238	96.1%

Source: Forest Preserve District of Cook County Comprehensive Annual Financial Reports, FY2007-FY2010.

Unreserved Corporate Fund Balance and Transfers Out FY2007 through FY2010

Again, the District is different from many other governments in that much of its Corporate Fund resources are transferred out to other funds. Therefore, the Civic Federation has calculated an alternative fund balance ratio that includes transfers out to reflect the fund balance ratio after accounting for transfers. The following table shows the alternative ratio for the District's reporting of unreserved Corporate Fund balance from FY2007 through FY2010.

As indicated in the previous table, the District's fund balance continued to grew significantly between FY2007 and FY2010. The increases in unreserved Corporate Fund balance since FY2007 can be partially attributed to continued decreases in the amount transferred to the Self-Insurance Fund based on claim experience.[52] Transfers out to the Self-Insurance Fund decreased

[52] Phone communication between the Civic Federation and Marlo Kemp, Chief Financial Officer, December 16, 2010.

each year between FY2007 and FY2010, equaling $6.9 million in FY2007, $1.0 million in FY2008, no transfers in FY2009, and $3.0 million in FY2010.[53]

Forest Preserve District of Cook County Corporate Fund Balance Ratio + Transfers Out: FY2007-FY2010			
	Unreserved Corporate Fund Balance	Operating Expenditures + Transfers Out	Alternative Ratio
FY2007	$ 9,891,750	$ 41,512,640	23.8%
FY2008	$ 19,774,805	$ 44,168,166	44.8%
FY2009	$ 26,299,152	$ 43,906,265	59.9%
FY2010	$ 35,349,895	$ 49,109,419	72.0%

Source: Forest Preserve District of Cook County Comprehensive Annual Financial Reports, FY2007-FY2010.

PENSION FUND

The Civic Federation analyzed four indicators in its evaluation of the fiscal health of the Forest Preserve District's pension fund: funded ratios, unfunded actuarial accrued liabilities, investment rate of return and annual required employer contributions. This section presents multi-year data for those indicators up to FY2016, the most recent year for which audited data are available, and describes Forest Preserve District pension benefits. There is also a discussion of the Fund's liabilities as reported according to accounting standards required by Governmental Accounting Standards Board Statements No. 67 and 68 (GASB 67 and 68). Unless otherwise stated, the numbers used in this chapter are statutorily required numbers used for funding purposes.

Plan Description

The Forest Preserve District Employees' Annuity and Benefit Fund of Cook County is a single employer defined benefit pension plan for full-time employees of the Forest Preserve District of Cook County. It was created in 1931 by Illinois State statute to provide retirement, death and disability benefits for employees and their dependents.[54] Plan benefits and contribution amounts can only be amended through state legislation.[55]

The Forest Preserve pension fund is governed by the nine-member Board of Trustees of the Cook County pension fund, and it is administered by the staff of the Cook County pension fund.

Benefits

Public Act 96-0889, enacted in April 2010, creates a new tier of benefits for many public employees hired on or after January 1, 2011, including new members of the Forest Preserve District pension fund. This report will refer to "Tier 1 employees" as those persons hired before

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53 Forest Preserve District of Cook County Comprehensive Annual Financial Reports, FY2007-FY2010.
54 Forest Preserve District Employees' Annuity and Benefit Fund, Financial Statements as of December 31, 2016, p. 8.
55 The Forest Preserve District pension article is 40 ILCS 5/10, but the fund is also governed by other parts of the pension code, such as 40 ILCS 5/1-160 which defines the changes to benefits for new employees enacted in Public Act 96-0889.

the effective date of Public Act 96-0889 and “Tier 2 employees” as those persons hired on or after January 1, 2011.

Tier 1 employees are eligible for full retirement benefits once they reach age 60 and have at least ten years of employment at the District. The amount of retirement annuity is 2.4% of final average salary multiplied by years of service. Final average salary is the highest average monthly salary for any 48 consecutive months within the last ten years of service. The maximum annuity amount is 80% of final average salary. Employees with ten years of service may retire as young as age 50 but their benefit is reduced by 0.5% for each month they are under age 60. This reduction is waived for employees with 30 or more years of service, such that a 50 year-old with 30 years of service may retire with an unreduced benefit.

The following table compares Tier 1 benefits to Tier 2 benefits enacted in Public Act 96-0889. The major changes are the increase in full retirement age from 60 to 67 and early retirement age from 50 to 62; the reduction of final average salary from the highest four-year average to the highest eight-year average; the $106,800 cap on final average salary; and the reduction of the automatic annual annuity increase from 3% (compounded) to the lesser of 3% or one half of the increase in Consumer Price Index not compounded.

Major Forest Preserve District Benefit Provisions for Regular Employees		
	Tier 1 Employees (hired before 1/1/2011)	**Tier 2 Employees (hired on or after 1/1/2011)**
Full Retirement Eligibility: Age & Service	age 60 with 10 years of service, or age 50 with 30 years of service	age 67 with 10 years of service
Early Retirement Eligibility: Age & Service	age 50 with 10 years of service	age 62 with 10 years of service
Final Average Salary	highest average monthly salary for any 48 consecutive months within the last 10 years of service	highest average monthly salary for any 96 consecutive months within the last 10 years of service; capped at $106,800*
Annuity Formula	2.4% of final average salary for each year of service	
Early Retirement Formula Reduction	0.5% per month under age 60	0.5% per month under age 67
Maximum Annuity	80% of final average salary	
Annuity Automatic Increase on Retiree or Surviving Spouse Annuity	3% compounded; begins at year after age 60 is reached, or year of first retirement anniversary if have 30 years of service	lesser of 3% or one-half of the annual increase in CPI-U, not compounded; begins at the later of age 67 or the first anniversary of retirement

*The $106,800 maximum final average salary automatically increases by the lesser of 3% or one-half of the annual increase in the CPI-U during the preceding 12-month calendar year.

Note: Tier 2 employees are prohibited from simultaneously receiving a salary and a pension from any public employers covered by the State Pension Code ("double-dipping").

Sources: Forest Preserve District Employees' Annuity and Benefit Fund of Cook County Actuarial Valuation as of December 31, 2016; 40 ILCS 5/9; Comprehensive Annual Financial Report for the Year Ending December 31, 2016; and Public Act 96-0889.

Members of the Forest Preserve pension fund do not participate in the federal Social Security program, so they are not eligible for Social Security benefits related to their District employment when they retire.

Cook County introduced a package of pension reforms including changes to Forest Preserve District employees’ retiree benefits and an increase to employee and employer contributions to the fund, House Bill 1154, in the final days of the spring 2014 legislative session. The bill passed the Senate, but was not brought to a vote before the House adjourned.

The County reintroduced the reform package, including changes to current employees' retiree benefits and an increase to employee and employer contributions to the fund, Senate Bill 843, House Amendment 1, in the final days of the spring 2015 legislative session. The bill passed the House Personnel and Pensions Committee, but was not brought to a vote in the full House before adjournment.

In the FY2018 budget, the Forest Preserve District says, "the 2018 budget does not address the district's on-going pension deficit, a problem faced by many local government agencies. The FPCC continues to work with state and local elected officials to reach a long-term and sustainable solution to pension underfunding."[56] The Forest Preserve District Pension Fund actuary projects that if nothing is done to change the employer funding schedule, it will go insolvent in 2042.[57]

Membership

In FY2016 the fund had 566 active employees and 536 beneficiaries for a ratio of 1.06 active members for every beneficiary. This ratio increased from 0.83 in FY2007 as the number of active members increased faster than the number of beneficiaries. An upward trend in this ratio reduces financial stress on the fund as there are more employees contributing to the fund to support current beneficiaries.

Forest Preserve District Pension Fund Membership: FY2007-FY2016			
Fiscal Year	Active Employees	Beneficiaries	Ratio of Active to Beneficiary
FY2007	418	503	0.83
FY2008	442	506	0.87
FY2009	461	509	0.91
FY2010	448	514	0.87
FY2011	408	520	0.78
FY2012	460	518	0.89
FY2013	531	534	0.99
FY2014	522	538	0.97
FY2015	563	534	1.05
FY2016	566	536	1.06
Ten-Year Change	**148**	**33**	**0.22**
Ten-Year % Change	**35.4%**	**6.6%**	**27.1%**

Source: Forest Preserve District Employees' Annuity and Benefit Fund, Financial Statements, FY2007-FY2016.

[56] Forest Preserve District of Cook County, Executive Budget Recommendation 2018, p. 10.
[57] Forest Preserve District Employees' Annuity and Benefit Fund of Cook County A Component Unit of the Forest Preserve District of Cook County, Illinois, Comprehensive Annual Financial Report for the Fiscal Years Ended December 31, 2016 and 2015, p. 80.

Funded Ratios

This report uses two measurements of pension plan funded ratio: the actuarial value of assets measurement and the market value of assets measurement. These ratios show the percentage of pension liabilities covered by assets. The lower the percentage, the more difficulty a government may have in meeting future obligations. The best situation for any pension fund is to be fully funded, with 100% of accrued liabilities covered by assets because it means that the plan is doing a good job of maintaining intergenerational equity with current taxpayers appropriately paying for the cost of current public employees' benefits. There is no official industry standard or best practice for an acceptable funded ratio other than 100%.[58]

The actuarial value of assets measurement presents the ratio of assets to liabilities and accounts for assets by recognizing unexpected gains and losses over a period of three to five years.[59] The market value of assets measurement presents the ratio of assets to liabilities by recognizing investments only at current market value. Market value funded ratios are more volatile than actuarial funded ratios due to the smoothing effect of actuarial value. However, market value funded ratios represent how much money is actually available at the time of measurement to cover actuarial accrued liabilities.

The following exhibit shows the actuarial and market value funded ratios for the Forest Preserve District pension fund over the last ten years. The actuarial value funded ratio declined from 86.7% in FY2007 to 56.7% in FY2012, rose to 59.5% in FY2013 and has remained relatively flat since then with a 60.0% ratio in FY2016. The market value funded ratio fell from 85.5% in

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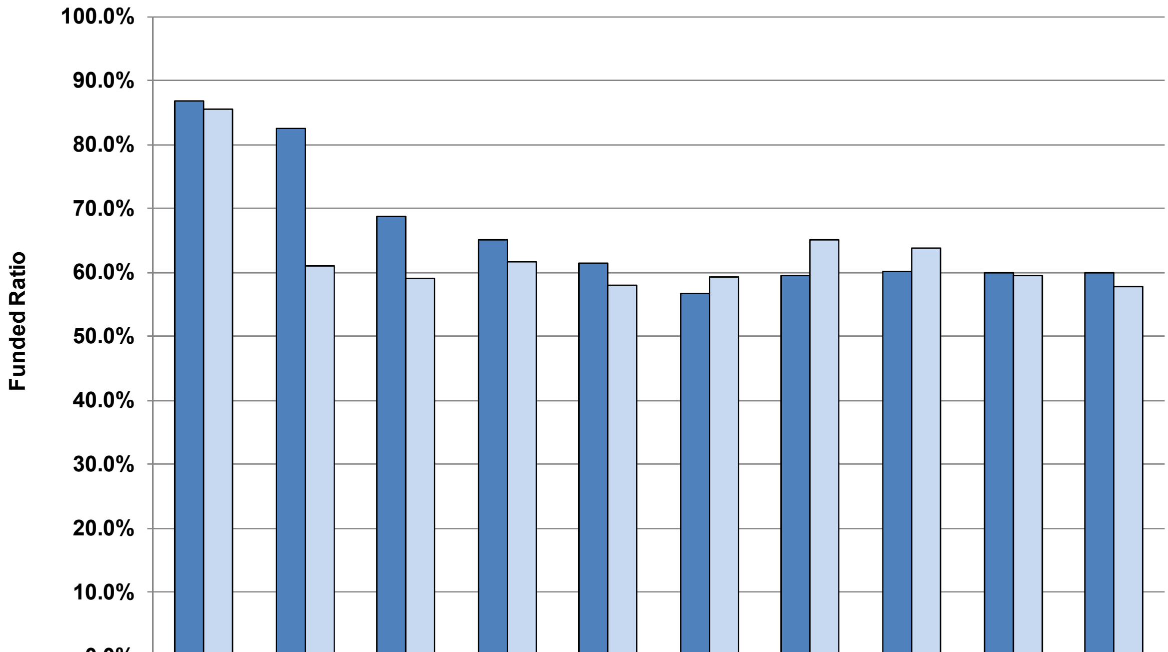
[58] American Academy of Actuaries, "Issue Brief: The 80% Pension Funding Standard Myth," July 2012. http://actuary.org/files/80%25_Funding_IB_FINAL071912.pdf

[59] For more detail on the actuarial value of assets, see Civic Federation, *Status of Local Pension Funding Fiscal Year 2012,* October 2, 2014.

FY2007 to 58.1% in FY2011, rose in FY2012 and FY2013 and has fallen steadily over the following three years and was down to 57.9% in FY2016.

Forest Preserve District Pension Fund Funded Ratios Actuarial Value of Assets and Market Value of Assets: FY2007-FY2016

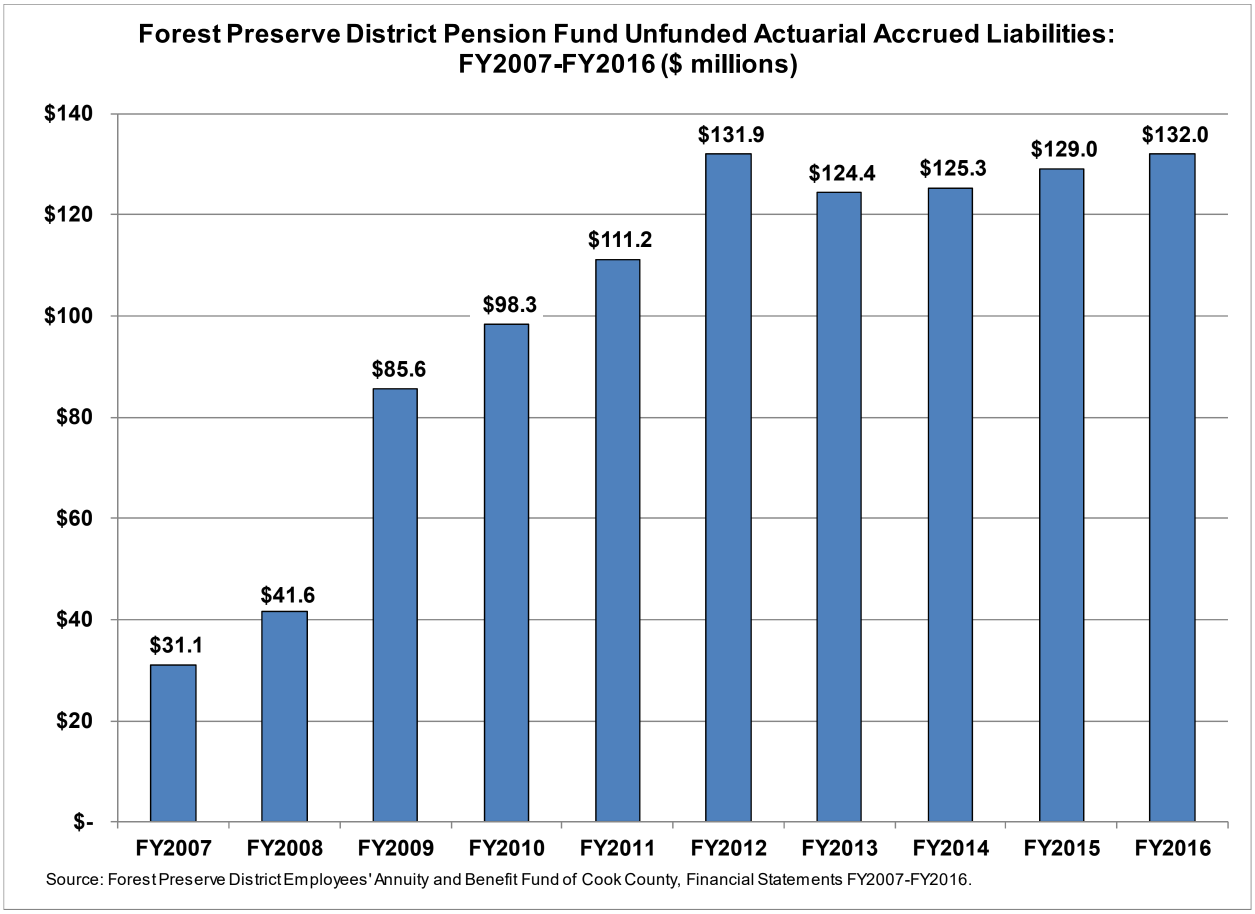


	FY2007	FY2008	FY2009	FY2010	FY2011	FY2012	FY2013	FY2014	FY2015	FY2016
Actuarial Value	86.7%	82.5%	68.7%	65.2%	61.6%	56.7%	59.5%	60.2%	60.0%	60.0%
Market Value	85.5%	61.1%	59.1%	61.6%	58.1%	59.2%	65.1%	63.9%	59.6%	57.9%

Source: Civic Federation calculations based on Forest Preserve District Employees' Annuity and Benefit Fund, Financial Statements, FY2007-FY2016.

Unfunded Actuarial Accrued Liability

Unfunded actuarial accrued liability (UAAL) is the dollar value of accrued liabilities not covered by the actuarial value of assets. The unfunded liability for the Forest Preserve District pension fund totaled $132.0 million in FY2016, up from $31.1 million in FY2007.



The next exhibit adds together the contributing factors that have increased or decreased the unfunded liability since FY2007. The largest contributor to the $95.6 million growth in unfunded liabilities between the beginning of FY2007 and the end of FY2016 was the shortfall in employer contributions as compared to the annual normal cost plus interest on the UAAL, which added nearly $71.7 million to the UAAL over ten years. The second largest contributor was investment returns failing to meet the 7.5% expected rate of return.[60] This added $25.0 million to

[60] The UAAL reflects investment gains and losses smoothed over a five-year period, so it does not match the annual investment results shown later in this report. For more information on asset smoothing see Civic Federation, *Status of Local Pension Funding Fiscal Year 2012*, October 2, 2014.

the UAAL, followed by the change in actuarial assumptions in FY2009, which added $24.7 million.[61]

Reasons for Change in Unfunded Actuarial Accrued Liability: FY2007-FY2016							
	Employer Contribution Lower/(Higher) than ARC	Investment Return Lower/(Higher) Than Assumed	Salary Increase (Lower)/Higher Than Assumed	Retiree Health Insurance Premium Lower/(Higher) Than Assumed	Change in Actuarial Assumptions or Methods	Other	Total Net UAAL Change
FY2007	$ 3,014,714	$ (2,343,691)	$ 2,200,509	$ (2,415,401)	$ -	$ (2,448,998)	**$ (1,992,867)**
FY2008	$ 3,928,697	$ 13,247,300	$ 1,179,009	$ -	$ -	$ (7,782,032)	**$ 10,572,974**
FY2009	$ 4,512,235	$ 14,363,849	$ (1,015,614)	$ -	$ 24,746,310	$ 1,386,895	**$ 43,993,675**
FY2010	$ 7,483,382	$ 9,729,368	$ (3,394,112)	$ -	$ -	$ (1,140,818)	**$ 12,677,820**
FY2011	$ 7,734,557	$ 11,541,394	$ (3,690,231)	$ -	$ -	$ (2,704,346)	**$ 12,881,374**
FY2012	$ 5,369,563	$ 5,369,563	$ 1,939,324	$ -	$ -	$ 4,744,938	**$ 17,423,388**
FY2013	$ 10,855,083	$ (17,264,428)	$ (2,208,899)	$ -	$ -	$ 1,098,881	**$ (7,519,363)**
FY2014	$ 9,597,999	$ (6,069,280)	$ (2,333,548)	$ -	$ -	$ (243,006)	**$ 952,165**
FY2015	$ 9,379,058	$ (1,528,781)	$ (2,503,098)	$ -	$ -	$ (1,628,929)	**$ 3,718,250**
FY2016	$ 9,799,700	$ (2,010,983)	$ 2,722,397	$ -	$ -	$ (7,583,475)	**$ 2,927,639**
Ten-Year Total	**$ 71,674,988**	**$ 25,034,311**	**$ (7,104,263)**	**$ (2,415,401)**	**$ 24,746,310**	**$ (16,300,890)**	**$ 95,635,055**

Source: Forest Preserve District Employees' Annuity and Benefit Fund of Cook County, Combined Actuarial Valuations FY2007-FY2016.

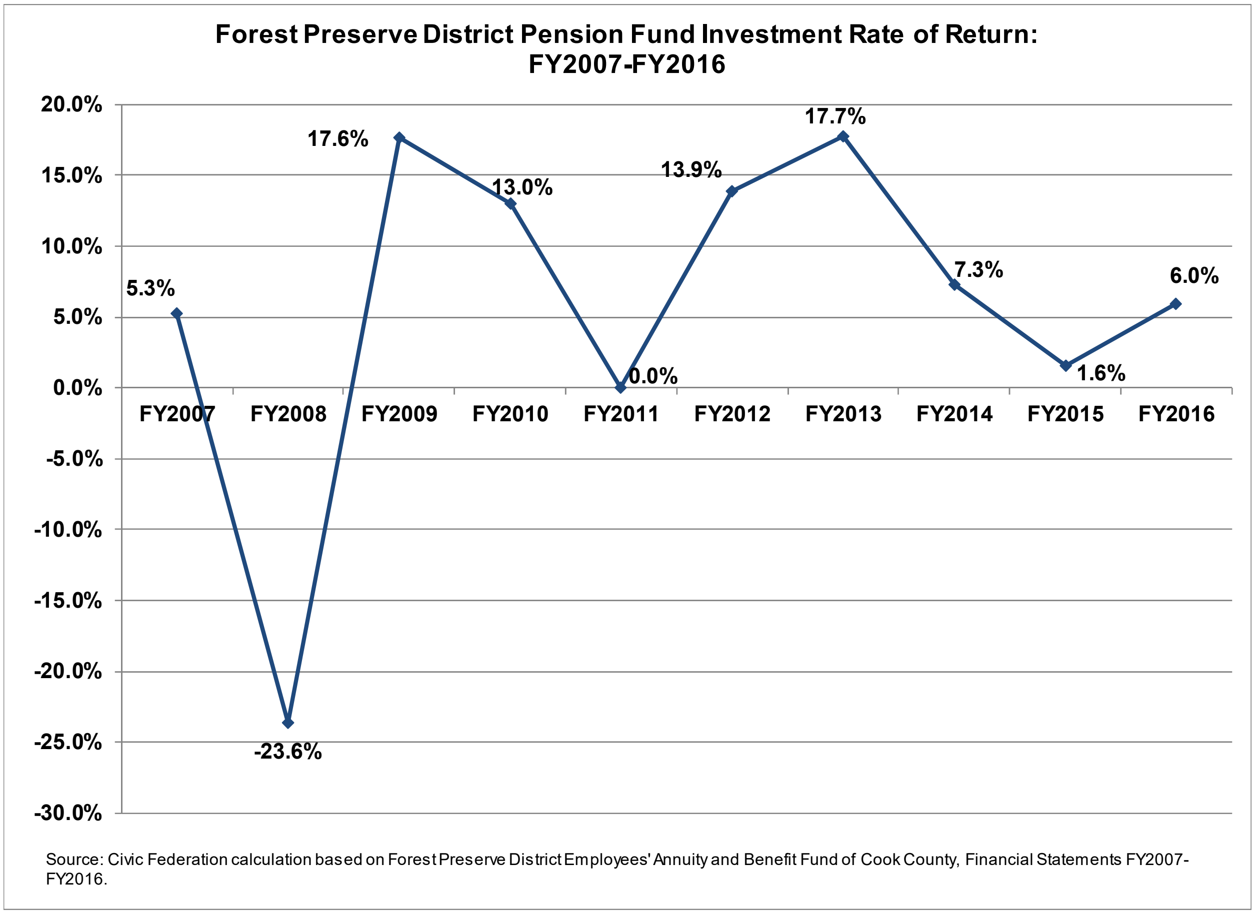
Investment Rates of Return

Investment income typically provides a significant portion of the funding for pension funds. Thus, declines over a period of time can have a negative impact on pension assets. Between FY2007 and FY2016 the pension fund's average annual rate of return was 5.9%, compared to an assumed rate of return of 7.5%.[62] Returns ranged from highs of 17.6% in FY2009 and 17.7% in

[61] See section entitled "Reconciliation of Change in Unfunded Liability" in the Forest Preserve District Employees' Annuity and Benefit Fund of Cook County annual actuarial valuations.

[62] The Civic Federation calculates investment rate of return using the following formula: Current Year Rate of Return = Current Year Gross Investment Income/ (0.5*(Previous Year Market Value of Assets + Current Year Market Value of Assets – Current Year Gross Investment Income)). This is not necessarily the formula used by the pension fund's actuary and investment managers, thus investment rates of return reported here may differ from those reported in a fund's actuarial statements. However, it is a standard actuarial formula. Gross investment income includes income from securities lending activities, net of borrower rebates. It does not subtract out related investment and securities lending fees, which are treated as expenses.

FY2013 to a low of -23.6% in FY2008. Returns in FY2016 were well below assumptions at 6.0%.



Pension Liabilities and Actuarially Determined Employer Contribution as Reported Under Governmental Accounting Standards Board Statements No. 67 and 68

In 2012 the Governmental Accounting Standards Board (GASB) issued new accounting and financial reporting standards for public pension plans and for governments, Statements No. 67 and 68. According to GASB, the new standards were intended to "improve the way state and local governments report their pension liabilities and expenses, resulting in a more faithful representation of the full impact of these obligations."[63] Among other disclosures, pension funds and governments are now required to report total pension liability, fiduciary net position, net pension liability, pension expense and actuarially determined contribution (ADC), which are calculated on a different basis from previous GASB 25 and 27 pension disclosure requirements. Both pension funds and governments must also disclose additional information about pensions in the notes to the financial statements and in required supplementary information sections. It is important to note that GASB intended to separate pension reporting from pension funding. Thus, the numbers reported according to GASB 67 and 68 standards are not used to determine how

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[63] Governmental Accounting Standards Board, Pension Standards for State and Local Governments. Available at: http://www.gasb.org/jsp/GASB/Page/GASBSectionPage&cid=1176163528472.

much a government must contribute to its pensions. They are a reporting, NOT a funding requirement. The Forest Preserve District of Cook County and other governments will continue to use traditional public pension accounting methods to determine funding requirements. However, as the GASB 67 and 68 numbers can provide important new ways to understand a fund's sustainability, the Federation will address them here.

The Forest Preserve District Pension Fund began reporting according to GASB 67 in its FY2014 CAFR and actuarial valuations. The District itself began reporting according to GASB 68 in its FY2015 financial statements.

The total pension liability, fiduciary net position, net pension liability and ADC[64] are all calculated on a different basis both from what used to be required by GASB and from the traditional public pension actuarial basis.

Total Pension Liability – This number is similar in concept to the actuarial accrued liability (AAL) discussed above, but is NOT the same. The actuarial cost method and discount rate (among other things) are different. All plans are required to use:

- Entry age normal actuarial cost method and level percent of payroll. The Forest Preserve District Pension Fund uses the entry age normal method for statutory reporting and funding purposes.
- A single blended discount rate, instead of basing the discount rate only on projected investment earnings. The discount rate is used to calculate the present value of the future obligations of a pension fund. The discount rate has an inverse relationship to actuarial liabilities, such that a lower discount rate will result in higher liabilities.
    - If a government is projected to have enough assets to cover its projected benefit payments to current and inactive employees, it can use the expected return on investments as its discount rate.
    - If a government is projected to reach a crossover point beyond which projected assets are insufficient to cover projected benefit payments, then a blended discount rate must be used. Benefit payments projected to be made from that point forward are discounted using a high-quality municipal bond interest rate. The blended rate is a single equivalent rate that reflects the investment rate of return and the high-quality municipal bond interest rate.
    - The Forest Preserve District Pension Fund is projected to run out of funding in 2042, so its GASB 67 and 68 reporting is discounted at a blend of the full 7.5% assumed rate of return and a lower municipal bond rate of 3.71%. The reported blended rate was 4.62%.[65]

Fiduciary Net Position – This number is essentially the market value of assets in the pension plan as of the end of the fiscal year, not the assets as calculated on an actuarially smoothed basis under previous reporting requirements. The Forest Preserve District Pension Fund still uses smoothed actuarial value of assets to determine statutory employer contribution requirements.

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[64] Other differences and newly reported numbers are not central to the discussion here.
[65] Forest Preserve District Employees' Annuity and Benefit Fund of Cook County, CAFR for the Fiscal Years Ended December 31, 2016 and 2015, p. 34.

Net Pension Liability – This number is similar in concept to the unfunded actuarial accrued liability, but again is NOT the same. It is the difference between the Total Pension Liability and the Fiduciary Net Position of the fund. Governments are required to report the Net Pension Liability in their Statements of Net Position in their financial statements, according to GASB 68.

Actuarially Determined Contribution (ADC) – Another change from previous standards is that funds are no longer required to report an Annual Required Contribution (ARC) based on standards promulgated by GASB. Instead, the funds will calculate an Actuarially Determined Contribution or ADC that reflects their own funding plan, unless that funding scheme does not follow actuarial standards of practice. Then the fund must report an ADC that is calculated according to actuarial standards of practice. It is again important to emphasize that the ADC is a reporting and not a funding requirement. See the discussion below for a summary of how the basis for calculating the Forest Preserve District Pension Fund ADC relates to the ARC.

Difference between the ADC and ARC

Depending on the employer's funding plan, a pension fund's ADC may be very similar to the previously reported ARC. The chart below summarizes the main assumptions behind the Forest Preserve District Pension Fund calculations of ADC and ARC. There is no difference between the main assumptions of the ADC and ARC. The ADC uses the actuarially calculated UAAL number instead of the GASB 67 net pension liability number, which also makes it similar to the ARC. Additionally, the ADC need not follow the GASB 67 and 68 requirement of using the market value of assets. The Forest Preserve District Pension Fund uses a five-year smoothed valuation of assets.

Calculation of the Actuarially Determined Contribution (ADC) vs the Annual Required Contribution (ARC)

	ADC (FY2014 and After)	ARC (FY2013 and Earlier)
Amortization Period	30-year open	30-year open
Amortization Method	Level Dollar	Level Dollar
Actuarial Cost Method	Entry Age Normal	Entry Age Normal
Actuarial Value of Assets	5-year smoothed	5-year smoothed
Investment Rate of Return	7.50%	7.50%

Source: Forest Preserve District of Cook County Pension Fund FY2016 and FY2013 Actuarial Valuations.

Because the ADC and ARC are calculated on a similar basis, the Civic Federation will continue to analyze the trend of the difference between the reported ADC/ARC and the statutorily required employer contribution the County must make under state law in order to demonstrate how far from sufficient the statutory payment is. The Forest Preserve District is required to make an annual employer contribution equivalent to 1.30 times the total employee contribution made two years earlier. The District levies a property tax for this purpose and the pension amount appears as a separate line on tax bills.

Before examining the ADC and actual employer contributions to the Forest Preserve District pension fund, it is important to note some differences in how the District reports other post-employment benefits (OPEB) liabilities. GASB Statement No. 43 required the retirement systems of large governments—those with over $100.0 million in annual revenue—to begin reporting any OPEB liability information separately for the fiscal year beginning after December 15, 2005. It also required that for those governments that fund retiree healthcare on a pay-as-you-go basis rather than through a designated trust fund, OPEB liabilities be valued using a discount rate assumption that reflects the rate of return earned on the actual assets used to pay the benefits. If OPEB is not prefunded in a designated trust, that discount rate is expected to reflect the interest rate earned on the plan sponsor's assets—often a long-term money market rate of roughly 4.5%.

In order to comply with these accounting standards, the District pension fund produces three separate actuarial valuations:

- A valuation of pension liabilities reflecting a new GASB-determined blended discount rate introduced with GASB 67, which amounts to 4.62% in FY2016;
- Another valuation of OPEB liabilities using a 4.5% discount rate; and
- A "combined" valuation using a 7.5% discount rate for both pension and OPEB liabilities.

The Forest Preserve District pension fund considers the "combined" valuation to be the best reflection of its assets and liabilities because the pension and OPEB benefits are paid from the same asset pool.[66] However, the separate pension and OPEB valuations calculated for GASB purposes are the ones used to compute the net pension liability and OPEB obligations of the Forest Preserve District government that appear on the government's balance sheet.

The table below shows only the "combined" valuation comparison of the ARC to the actual Forest Preserve District contribution over the last ten years. The employer contribution fell short of equaling 100% of the ARC in all of the years FY2007 through FY2016. In FY2007 the $3.3 million employer contribution represented 55.5% of the ARC, meaning that $2.6 million more would need to have been contributed to meet the ARC that year. Employer contributions have generally trended downward in the past ten years due to personnel reductions before increasing in FY2011 due to an increase in compensation two years earlier attributed to an extra pay period and retroactive payments made to employees.[67] The contribution decreased in FY2012 and FY2013 before increasing slightly in FY2014 and FY2015 and falling in FY2016. In FY2016 the $3.3 million employer contribution represented only 22.5% of the ADC for the "combined" valuation of pension and OPEB, for a shortfall of $11.5 million that year. The cumulative ten-year difference between ARC and actual employer contribution for "combined" pension and OPEB is a $79.6 million shortfall.

Expressing ADC/ARC as a percent of payroll provides a sense of scale and affordability. In FY2007 the ARC was 28.1% of payroll while the actual employer contribution was 15.6% of

[66] Information provided by Daniel Degnan, Executive Director, Cook County Employees' and Officers' Annuity and Benefit Fund of Cook County, February 14, 2011.
[67] Communication with the Forest Preserve District of Cook County, November 9, 2012.

payroll. In FY2016 the "combined" pension and OPEB ARC was 43.0% of payroll, while the actual employer contribution was 9.7% of payroll.

Forest Preserve District Pension Fund Schedule of Employer Contributions--COMBINED Pension and OPEB Valuation FY2007-FY2016							
Fiscal Year	**Employer Actuarially Determined Contribution* (1)**	**Actual Employer Contribution (2)**	**Shortfall (1-2)**	**% of ADC* contributed**	**Payroll**	**ADC* as % of payroll**	**Actual Employer Contribution as % of payroll**
2007	$ 5,927,422	$ 3,287,040	$ 2,640,382	55.5%	$ 21,078,316	28.1%	15.6%
2008	$ 6,094,316	$ 2,023,448	$ 4,070,868	33.2%	$ 23,474,621	26.0%	8.6%
2009	$ 7,273,214	$ 2,543,694	$ 4,729,520	35.0%	$ 24,967,115	29.1%	10.2%
2010	$ 10,653,889	$ 2,660,034	$ 7,993,855	25.0%	$ 24,397,376	43.7%	10.9%
2011	$ 11,606,636	$ 3,255,609	$ 8,351,027	28.0%	$ 22,678,566	51.2%	14.4%
2012	$ 12,429,935	$ 3,108,976	$ 9,320,959	25.0%	$ 26,252,071	47.3%	11.8%
2013	$ 14,045,708	$ 2,863,145	$ 11,182,563	20.4%	$ 29,485,857	47.6%	9.7%
2014	$ 13,072,570	$ 3,060,165	$ 10,012,405	23.4%	$ 29,811,912	43.9%	10.3%
2015	$ 13,191,203	$ 3,388,573	$ 9,802,630	25.7%	$ 32,007,657	41.2%	10.6%
2016	$ 14,822,154	$ 3,335,552	$ 11,486,602	22.5%	$ 34,509,011	43.0%	9.7%

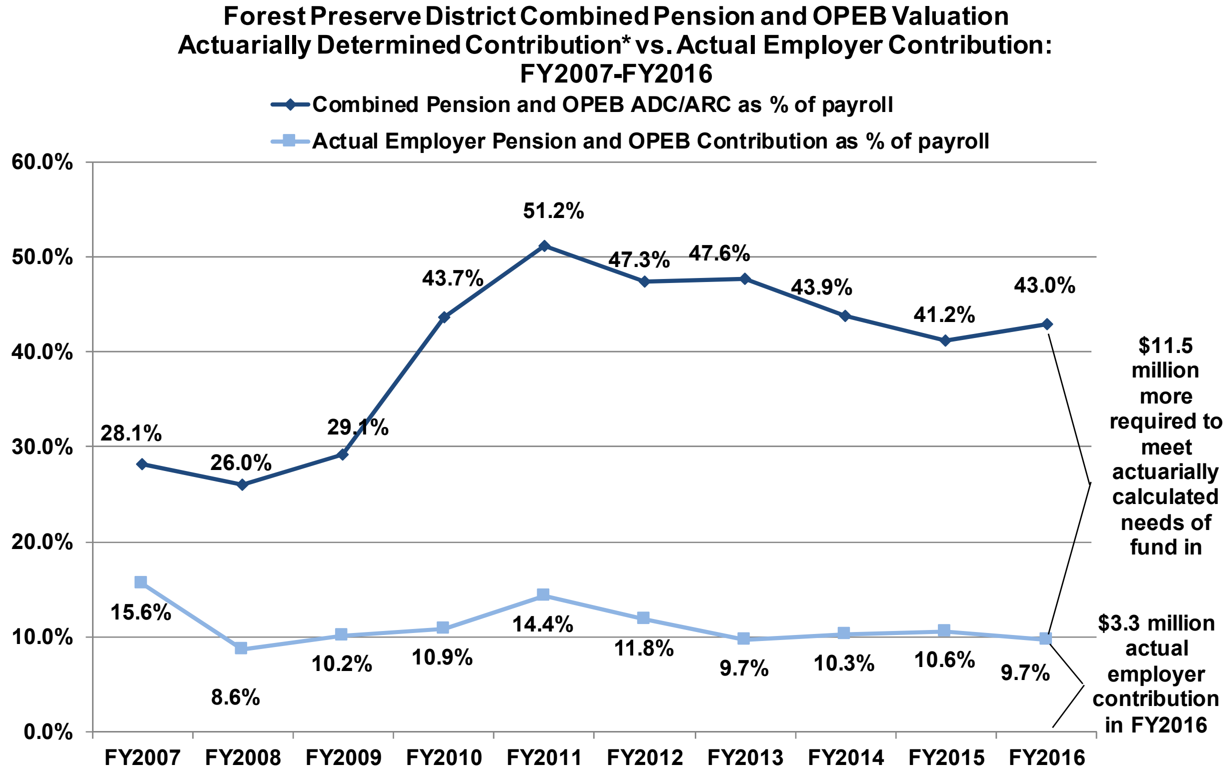
Note: This combined valuation produced by the pension fund discounts both pension and OPEB obligations using a 7.5% discount rate. It does not use a lower (4.5%) discount rate for OPEB liabilities as required for GASB Statement 43 financial reporting.

* Before 2014, this was the Annual Required Contribution or ARC.

Source: Forest Preserve Employees' Annuity and Benefit Fund Financial Statements as of December 31, 2007, pp. 17-18; Financial Statements as of December 31, 2013, pp. 22-23; Combined Actuarial Valuation as of December 31, 2015, p. 8.

The graph below illustrates the growing gap between the "combined" pension and OPEB ADC/ARC as a percent of payroll and the actual employer contribution as a percent of payroll. The spread between the two amounts has grown from 12.5% of payroll, or $2.6 million, in FY2007 to 33.3% of payroll in FY2016. In other words, to fund the pension and retiree health care plans at a level that would both cover normal cost and amortize the unfunded liability over

30 years, the Forest Preserve District would have needed to contribute an additional 33.3% of payroll, or $11.5 million, in FY2016.



Note: The combined valuation produced by the pension fund discounts both pension and OPEB obligations using a 7.5% discount rate. It does not use a lower (4.5%) discount rate for OPEB liabilities as required for GASB Statement 43 financial reporting.
* Annual Required Contribution prior to FY2014.
Sources: Forest Preserve District Employees' Annuity and Benefit Fund Financial Statements as of December 31, 2007, pp. 17-18; and CAFR as of December 31, 2015 p. 8.

The District has consistently levied and contributed its statutorily required amount of 1.30 times the employee contribution made two years prior. However, that amount has been less than the ARC for each of the last ten years. The pension fund actuary estimates that in order to contribute an amount sufficient to meet the ARC in FY2017, the District would need to levy property taxes equal to a tax multiple of 5.28 rather than 1.30.[68]

Other Post Employment Benefits

State statute permits the Forest Preserve District pension fund to pay all or a portion of the health insurance premium for retirees who choose to participate in one of the District's employee health insurance plans.[69] The pension fund currently subsidizes roughly 52% of retiree premiums (including dependent coverage) and 67% of surviving spouse premiums (including dependent

[68] Forest Preserve District Employees' Annuity and Benefit Fund of Cook County, Actuarial Valuation as of December 31, 2016, p. 8.
[69] 40 ILCS 5/9-239. The statute also specifies that this group health benefit shall not be considered a pension benefit as defined by the Illinois Constitution, Section 5, Article XIII.

coverage). The remaining premium amount is paid by the participant.[70] The subsidy is funded on a pay-as-you-go basis; an irrevocable trust or a 401(h) trust has not been established to pre-fund the retiree health insurance subsidy.

In FY2016 there were 281 retiree and surviving spouse participants whose health plan costs were subsidized by the pension fund. This is a decrease from 282 participants in FY2009.

Forest Preserve District Pension Fund Retiree Health Plan Participants: FY2009-FY2016

	FY2009	FY2010	FY2011	FY2012	FY2013	FY2014	FY2015	FY2016
Retiree and Surviving Spouse Participants	282	275	279	281	291	287	278	281

Source: Forest Preserve District Employees' Annuity and Benefit Fund, Financial Statements, FY2008, p. 17; FY2010, p. 18; and FY2016, p. 22.

The Forest Preserve District government does not directly contribute to the retirees' premium costs. However, as the employer sponsor of the pension plan, the District is required to report other post employment benefit (OPEB) liabilities in its financial statements. The OPEB plan does not have a separate contribution rate or asset pool associated with it. The employer contribution for OPEB reported in the District's financial statements is assumed to equal the cost of the premium subsidy for that period.[71]

The actuarial accrued liability for District retiree healthcare benefits was $44.7 million in FY2016, down from $49.5 million in FY2015. The plan has no assets because it is funded on a pay-as-you-go basis; thus all liabilities are unfunded and the funded ratio is 0%.

[70] Forest Preserve District Employees' Annuity and Benefit Fund, Financial Statements as of December 31, 2016, p. 21.

[71] Forest Preserve District of Cook County Comprehensive Annual Financial Report for the Year Ended December 31, 2016, p. 115.

SHORT-TERM LIABILITIES

Forest Preserve District short-term liabilities are financial obligations incurred in the governmental funds that must be satisfied within one year. They can include short-term debt, accounts payable, accrued payroll and other current liabilities. Increasing amounts of short-term liabilities could indicate increasing fiscal stress.

The Forest Preserve District reported the following short-term liabilities in the Governmental Funds Balance Sheet in its Comprehensive Annual Financial Reports (CAFRs) over the past five years: [72]

- *Accounts Payable*: unpaid bills owed to vendors for goods and services carried over into the new fiscal year;
- *Accrued Payroll*: employee compensation, related payroll taxes and benefits that have been earned by District employees but have not yet been paid or recorded in the District's accounts;
- *Other Liabilities*: includes self-insurance funds, unclaimed property and other unspecified liabilities; and
- *Deposits*: funds held by the District or its agents to collateralize other investment risks.

In FY2016, the year for which the most recent audited data are available, the District's total short-term liabilities decreased from the prior year by $5.7 million, or 42.2%. Much of the decrease was due to a $4.1 million, or 42.9%, decrease in accounts payable because of a decline in the number of invoices received and paid in the subsequent year in the 2012 Bond Fund and Grant Fund.[73]

For the five-year period between FY2012 and FY2016, short-term liabilities fell by 25.7%, or $2.7 million, decreasing from $10.6 million to $7.9 million. Most of that decrease was driven by a decline in accounts payable, which dropped by $2.5 million or 31.9%.

Forest Preserve District of Cook County FY2012-FY2016 Short-Term Liabilities in the Governmental Funds

Type	FY2012	FY2013	FY2014	FY2015	FY2016	Two-Year $ Change	Two-Year % Change	Five-Year $ Change	Five-Year % Change
Accounts Payable	$ 7,991,997	$ 6,897,196	$ 13,471,259	$ 9,528,416	$ 5,443,484	$ (4,084,932)	-42.9%	$ (2,548,513)	-31.9%
Accrued Payroll	$ 2,267,709	$ 1,376,629	$ 2,723,698	$ 3,307,067	$ 2,011,953	$ (1,295,114)	-39.2%	$ (255,756)	-11.3%
Other Liabilities	$ 281,209	$ 601,466	$ 290,849	$ 635,644	$ 288,147	$ (347,497)	-54.7%	$ 6,938	2.5%
Deposits	$ 30,993	$ 82,217	$ 73,365	$ 109,698	$ 109,698	$ -	0.0%	$ 78,705	253.9%
Total	**$ 10,571,908**	**$ 8,957,508**	**$ 16,559,171**	**$ 13,580,825**	**$ 7,853,282**	**$ (5,727,543)**	**-42.2%**	**$ (2,718,626)**	**-25.7%**

Interfund payables of $47.9 million were not included as they are loans between funds to support operations. balances resulted from the time lag between the dates that (1) interfund goods and services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting system and (3) payments between funds are made. For the statement of net position, interfund balances which are owed within the governmental activities are netted and eliminated. See Forest Preserve District of Cook County FY2016 Comprehensive Annual Financial Report, p. 64.

Source: Forest Preserve District of Cook County FY2012-FY2016 Comprehensive Annual Financial Reports, Governmental Funds Balance Sheets.

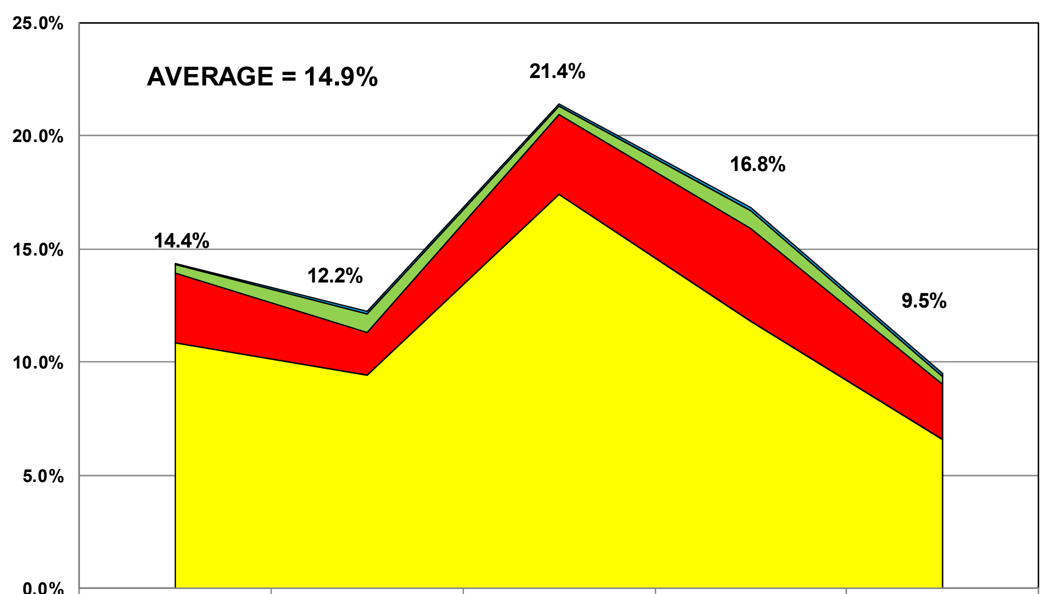
[72] Interfund and intergovernmental payables are not included in this analysis. Interfund payables are monies owed to other funds for services that have been rendered that are outstanding at the end of the fiscal year. Intergovernmental payables are funds to be paid to other governments or agencies carried over from the previous fiscal year. Remaining balances result from a time lag between the dates interfund goods and services are provided or reimbursable expenditures occur, transactions are recorded and payments between funds are made. Interfund balances owed within the governmental activities are netted and eliminated in the entity-wide statement of net position. See Forest Preserve District of Cook County FY2015 Comprehensive Annual Financial Report, Note III (D): Detailed Notes on All Funds, p. 64.

[73] Information provided by the Forest Preserve District of Cook County, November 6, 2017.

Short-Term Liabilities as a Percentage of Operating Revenues

Increasing current liabilities in a government's operating funds at the end of the year as a percentage of net operating revenues may be a warning sign of possible future financial difficulties.[74] This indicator, developed by the International City/County Management Association (ICMA), is a measure of budgetary solvency or a government's ability to generate enough revenue over the course of a fiscal year to meet its expenditures and avoid deficit spending. The ratio has fluctuated over time, rising from 14.4% in FY2012 to 21.4% in FY2014, before dropping to 16.8% in FY2015 and then 9.5% in FY2016. The increase in FY2014 was due large to a large increase in accounts payable due to work on active construction projects that had been completed but not yet paid for by December 31, 2014.[75] The decrease in FY2016 was due primarily to a $5.7 million decrease in accounts payable. The average ratio over this five-year period was 14.9%.

Forest Preserve District Short-Term Liabilities in the Governmental Funds as a % of Operating Revenues: FY2012-FY2016



	FY2012	FY2013	FY2014	FY2015	FY2016
Deposits	0.0%	0.1%	0.1%	0.1%	0.1%
Other Liabilities	0.4%	0.8%	0.4%	0.8%	0.3%
Accrued Payroll	3.1%	1.9%	3.5%	4.1%	2.4%
Accounts Payable	10.9%	9.4%	17.4%	11.8%	6.6%

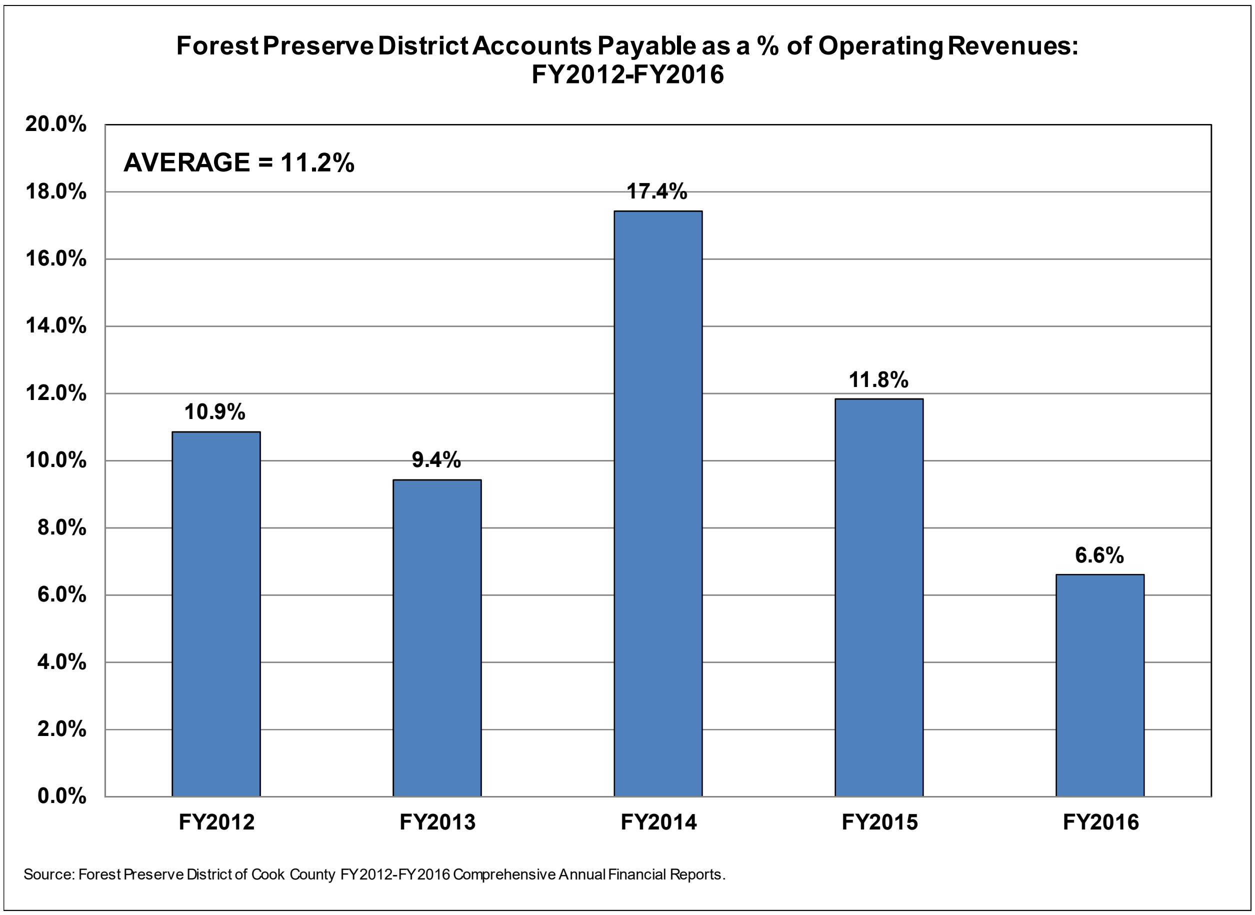
Source: Forest Preserve District of Cook County FY2012-FY2016 Comprehensive Annual Financial Reports.

[74] Operating funds are those funds used to account for general operations – the General Fund, Special Revenue Funds and the Debt Service Fund. See Karl Nollenberger, Sanford Groves and Maureen G. Valente. *Evaluating Financial Condition: A Handbook for Local Government,.* International City/County Management Association, 2003, p. 77 and 169.

[75] Forest Preserve District of Cook County FY2014 Comprehensive Annual Financial Report, p. 109.

Accounts Payable as a Percentage of Operating Revenues

Over time, rising amounts of accounts payable may indicate a government's difficulty in controlling expenses or keeping up with spending pressures. Between FY2012 and FY2013, the Forest Preserve District's ratio of accounts payable to operating revenues decreased from 10.9% to 9.4%. It then made a steep increase to 17.4% mainly because of a $6.6 million increase in accounts payables in FY2014. That increase was due to work on active construction projects that had been completed but not yet paid for by December 31, 2014.[76] In FY2015 the ratio declined to 11.8% as accounts payables decreased by $3.9 million. In FY2016 it declined further to 6.6% due to a $5.7 million decrease in accounts payable. The average ratio over this five-year period was 11.2%.



[76] Forest Preserve District of Cook County FY2014 Comprehensive Annual Financial Report, p. 109.

Current Ratio

The current ratio is a measure of liquidity. The ratio is calculated by dividing current assets by current liabilities. It assesses whether the government has enough cash and other liquid resources to meet its short-term obligations as they come due. A ratio of 1.0 means that current assets are equal to current liabilities and are sufficient to cover obligations in the near term. Generally, a government's current ratio should be close to 2.0 or higher.[77]

In addition to the short-term liabilities listed above, the current ratio formula uses the current assets of the District's Governmental Funds, including:

- *Cash and cash equivalents*: Assets that are cash or can be converted into cash immediately, including petty cash, demand deposits and certificates of deposit;
- *Investments*: Any investments that the government has made that will expire within one year, including stocks and bonds that can be liquidated quickly;
- *Interest:* Amounts received in interest payments on savings; and
- *Receivables*: Monetary obligations owed to the government including property taxes and interest on loans.

The Forest Preserve District's current ratio was 21.2 in FY2016, the most recent year for which data is available. In the past five years, the District's current ratio averaged 16.1, which is far above the preferred benchmark of 2.0 and thus demonstrates a very healthy level of liquidity. From FY2012 to FY2015, the current ratio declined from 16.8 to 12.0. This decrease was due to current assets declining by $14.1 million at the same time current liabilities rose by $3.0 million. However, the ratio rose significantly to 21.2 in FY2016 as liabilities fell by 42.2% and assets rose by 1.9%.

Forest Preserve District Current Ratio in the Governmental Funds: FY2012-FY2016
(in $ thousands)

	FY2012	FY2013	FY2014	FY2015	FY2016	Two-Year $ Change	Two-Year % Change	Five-Year $ Change	Five-Year % Change
Current Assets									
Cash and cash equivalents	$ 104,044	$ 91,177	$ 105,555	$ 93,463	$ 96,768	$ 3,305	3.5%	$ (7,276)	-7.0%
Short-term investments	$ 3,149	$ 3,161	$ -	$ -	$ -	$ -	---	$ (3,149)	-100.0%
Property taxes receivable	$ 66,415	$ 64,912	$ 65,706	$ 67,817	$ 66,465	$ (1,352)	-2.0%	$ 50	0.1%
Intergovernmental receivables					$ 1,266				
Grants receivable	$ 717	$ 519	$ 1,231	$ 1,557	$ 1,607	$ 50	3.2%	$ 890	124.1%
Golf receivable	$ 624	$ 551	$ 21	$ 472	$ 169	$ (303)	-64.2%	$ (455)	-72.9%
Concession Receivable	$ 98	$ 87	$ 82	$ 39	$ 38	$ (1)	-2.6%	$ (60)	-61.2%
License Fees Receivable	$ 2,544	$ 2,544	$ 63	$ 63	$ 63	$ -	0.0%	$ (2,481)	-97.5%
Accrued Interest Receivable	$ 3	$ 627	$ 610	$ 64	$ -	$ (64)	-100.0%	$ (3)	-100.0%
Loans Receivable	$ -	$ 14,151	$ -	$ -	$ -	$ -	---	---	----
Other Receivables	$ 7	$ 7	$ 192	$ 4	$ 285	$ 281	7025.0%	$ 278	---
Total Current Assets	**$ 177,601**	**$ 177,736**	**$ 173,460**	**$ 163,479**	**$ 166,661**	**$ 3,182**	**1.9%**	**$ (10,940)**	**-6.2%**
Current Liabilities									
Accounts Payable	$ 7,992	$ 6,897	$ 13,471	$ 9,528	$ 5,443	$ (4,085)	-42.9%	$ (2,549)	-31.9%
Accrued Payroll	$ 2,268	$ 1,377	$ 2,724	$ 3,307	$ 2,012	$ (1,295)	-39.2%	$ (256)	-11.3%
Other Liabilities	$ 281	$ 601	$ 291	$ 635	$ 288	$ (347)	-54.6%	$ 7	2.5%
Deposits	$ 30	$ 82	$ 73	$ 110	$ 110	$ -	0.0%	$ 80	266.7%
Total Current Liabilities	**$ 10,571**	**$ 8,957**	**$ 16,559**	**$ 13,580**	**$ 7,853**	**$ (5,727)**	**-42.2%**	**$ (2,718)**	**-25.7%**
Current Ratio	**16.8**	**19.8**	**10.5**	**12.0**	**21.2**				

Source: Forest Preserve District of Cook County FY2012-FY2016 Comprehensive Annual Financial Reports, Governmental Funds Balance Sheets.

[77] Steven A. Finkler. *Financial Management for Public, Health and Not-for-Profit Organizations.* Upper Saddle River, NJ, 2001, p. 476.

LONG-TERM LIABILITIES

This section of the analysis examines trends in the Forest Preserve District's long-term liabilities. This includes a review of long-term debt trends, long-term debt per capita trends and total long-term liability trends.

Long-Term Liabilities

Long-term liabilities are all of the liabilities owed by a government. Increases in long-term obligations over time could be a sign of fiscal stress. They include long-term debt as well as:

- *Compensated absences*: Liabilities owed for employees' time off with pay for vacations, holidays and sick days;
- *Provisions for settlement of tort*: Liabilities owed as a result of claims for tort liability and property judgments;
- *Net pension obligations (NPO*): The cumulative difference (as of the effective date of GASB Statement Number 27) between the annual pension cost and the employer's contributions to the pension plan. This includes the pension liability at transition (beginning pension liability) and excludes short term differences and unpaid contributions that have been converted to pension-related debt;
- *Net Pension Liabilities*: Beginning in FY2015, the Forest Preserve District reports 100% of the net pension liabilities of its four municipal pension funds in the Statement of Net Position to comply with GASB Statement Number 68 requirements. Previously, this liability was reported in the Statement of Net Position as a Net Pension Obligation or NPO (see description above). As a result of the reporting change for pensions involved in implementing GASB Statement Number 68, the amount of Ditrict long-term liabilities **reported** increased substantially. This is because it reflects a more holistic approach to measuring the liabilities of the government, which the previous NPO pension measurement did not. The amount owed by the District to its pension fund has not significantly changed. It is only being reported more transparently; and[78]
- *Net Other Post Employment Benefit (OPEB) obligations*: The cumulative difference (as of the effective date) of GASB Statement 45, between the annual OPEB (employee health insurance) cost and the employer's contributions to its OPEB plan.

[78]Governmental Accounting Standards Boards, "Summary of Statement No. 27 Accounting for Pensions by State and Local Governmental Employers (Issued 11/94)," http://www.gasb.org/st/summary/gstsm27.html (accessed December 17, 2010).

Between FY2015 and FY2016, total Forest Preserve District long-term liabilities fell by 5.3%, decreasing from $473.2 million to $448.3 million. Over the five-year period between FY2012 and FY2016 long-term obligations rose by 72.8%, or $188.9 million. Most of the five-year increase was due to the change in pension reporting in FY2015. Please note that FY2014 pension liability figures for FY2014 were restated in the FY2015 CAFR. As noted above, the new pension liability reporting requirements of GASB Statement Number 68 present a more transparent approach to measuring these liabilities than the previous approach, rather than large increases in liabilities.

Forest Preserve District long-term debt includes tax supported debt issues of the Forest Preserve District as well as bond premium and issuance costs. All Forest Preserve District long-term debt is general obligation debt. Between FY2012 and FY2016, long-term debt for the Forest Preserve District decreased by 16.4%, or nearly $34.2 million. In the two-year period between FY2015 and FY2016 long-term debt outstanding fell by 5.7%, or $10.6 million. Long-term debt increased in FY2012 due to the 2012 issuance of $142.9 million in general obligation refunding and project bonds.[79]

Total other liabilities rose by 441.5%, or $223.1 million, between FY2012 and FY2016. In the same period, net pension obligations/liabilities increased by 580.7%, or $211.3 million. This increase was due to the reporting changes required by GASB Statement No. 68; it does not represent an increase in liabilities. Net other post-employment obligations in this five-year period rose by 92.4%, or $11.4 million.

Forest Preserve District Long-Term Liabilities: FY2012-FY2016

	FY2012	FY2013	FY2014	FY2015	FY2016	Two-Year $ Change	Two-Year % Change	Five-Year $ Change	Five-Year % Change
General Obligation Bonds	$187,950,000	$179,655,000	$172,535,000	$168,670,000	$159,490,000	$ (9,180,000)	-5.4%	$ (28,460,000)	-15.1%
Bond Premium and Issuance Costs	$ 21,870,884	$ 20,517,164	$ 19,163,444	$ 16,608,693	$ 15,175,299	$ (1,433,394)	-8.6%	$ (6,695,585)	-30.6%
Unamortized deferred amount on refunding	$ (986,779)	$ -	$ -	$ -	$ -	$ -	-	$ 986,779	-
Subtotal Long-Term Debt	**$208,834,105**	**$200,172,164**	**$191,698,444**	**$185,278,693**	**$174,665,299**	**$ (10,613,394)**	**-5.7%**	**$ (34,168,806)**	**-16.4%**
Compensated Absences	$ 1,858,731	$ 1,973,026	$ 2,040,862	$ 2,333,266	$ 2,304,435	$ (28,831)	-1.2%	$ 445,704	24.0%
Net Pension Obligation/Liability	$ 36,382,010	$ 45,763,389	$214,835,999	$265,255,593	$247,657,068	$ (17,598,525)	-6.6%	$211,275,058	580.7%
Net Other Post Employment Obligations	$ 12,280,577	$ 14,854,307	$ 17,635,537	$ 20,285,290	$ 23,632,915	$ 3,347,625	16.5%	$ 11,352,338	92.4%
Subtotal Other Liabilities	**$ 50,521,318**	**$ 62,590,722**	**$234,512,398**	**$287,874,149**	**$273,594,418**	**$ (14,279,731)**	**-5.0%**	**$223,073,100**	**441.5%**
Total	**$259,355,423**	**$262,762,886**	**$426,210,842**	**$473,152,842**	**$448,259,717**	**$ (24,893,125)**	**-5.3%**	**$188,904,294**	**72.8%**

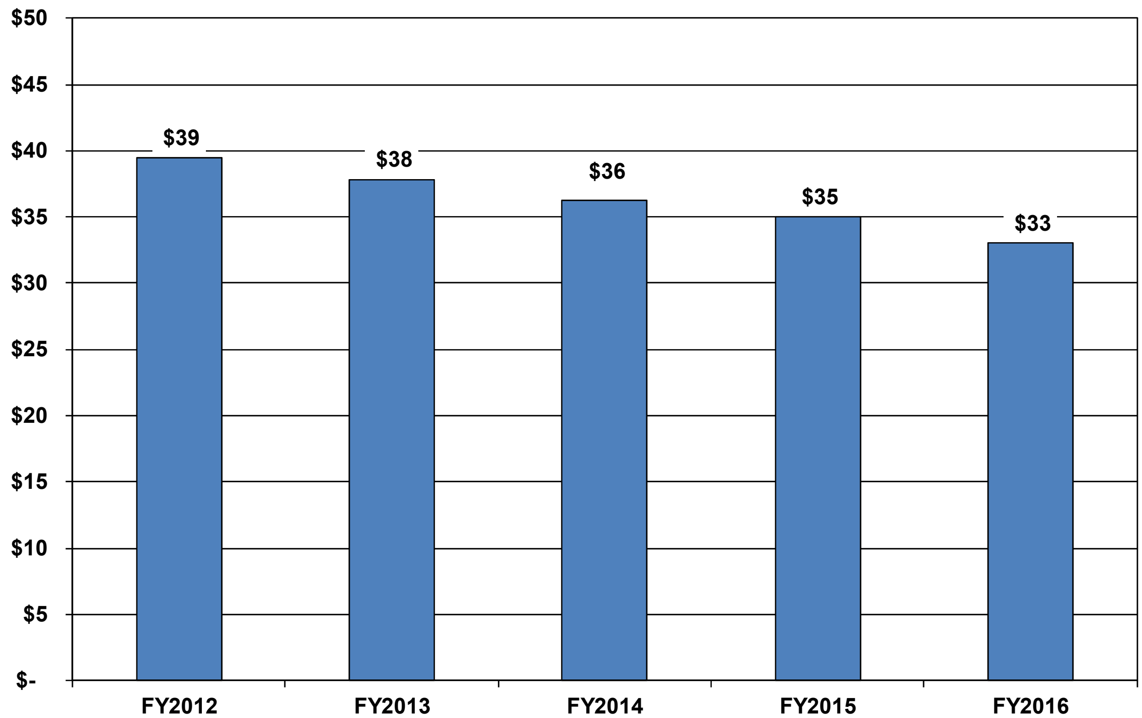
Sources: Forest Preserve District of Cook County FY2012-FY2016 CAFRs. Net pension liabilities for FY2014 were re-stated in the FY2015 CAFR to reflect GASB Number 68 changes.

[79] Forest Preserve District of Cook County FY2012 Comprehensive Annual Financial Report, p. 4.

Long-Term Debt Per Capita

A common ratio used by ratings agencies and other public finance analysts to evaluate long-term debt trends is direct debt per capita. This ratio reflects the premise that the entire population of a jurisdiction benefits from infrastructure improvements. Increases in this indicator bear watching as a potential sign of growing financial risk. This analysis takes the total long-term debt amount reported in the District's audited financial statements and divides it by population. The Forest Preserve District's long-term debt includes general obligation bonds payable and bond premium and issuance costs. The District's long-term debt burden per capita decreased from $39 to $33 between FY2012 and FY2016.

Forest Preserve District Long-Term Debt Per Capita: FY2012-FY2016



Source: Forest Preserve District of Cook County FY2012-FY2016 Comprehensive Annual Financial Reports.

Debt Service Appropriations as a Percentage of Total Appropriations

The ratio of debt service appropriations as a percentage of total Governmental Fund appropriations is frequently used by ratings agencies to assess debt burden. Debt service payments at or exceeding 15-20% of all appropriations are considered high by the ratings agencies.[80]

Forest Preserve District debt service appropriations in the proposed budget for FY2018 will constitute 7.9% of the District's $198.2 million in total appropriations. The District proposes to appropriate a net amount of $15.6 million for debt service this year. The total amount of debt service is reported as $16.1 million; however the District intends to abate $500,000 of that sum. The abatement is made possible by spending down available escrow funds.

The increase in debt service appropriations and the corresponding debt service ratio between FY2014 and FY2015 was due primarily to a reduction in the amount of bond and interest abatement proposed in the FY2015 budget. Since FY2014 the percentage appropriated for debt service as a percentage of total appropriations has been consistently below the 15-20% threshold.

Forest Preserve District Debt Service Appropriations as a Percentage of Total Appropriations: FY2014-FY2018

	FY2014	FY2015	FY2016	FY2017	FY2018 Proposed
Debt Service Appropriations	$ 19,932,213	$ 16,116,388	$ 16,108,472	$ 15,848,198	$ 16,140,155
Bond and Interest Abatement	$ (7,308,839)	$ (1,200,000)	$ (2,500,000)	$ (1,500,000)	$ (500,000)
Subtotal Net Debt Service	**$ 12,623,374**	**$ 14,916,388**	**$ 13,608,472**	**$ 14,348,198**	**$ 15,640,155**
Total Appropriations	$ 179,065,916	$ 178,493,857	$ 189,718,953	$ 196,371,257	$ 198,240,751
Debt Service as a % of Total Appropriations	**7.0%**	**8.4%**	**7.2%**	**7.3%**	**7.9%**

Sources: Forest Preserve District of Cook County FY2014-FY2018 Executive Budget Recommendations, Annual Appropriation Comparative Summaries.

Bond Ratings

The Forest Preserve District had the following credit ratings as of October 2017:

Forest Preserve District of Cook County Bond Ratings	
Standard & Poor's	AA-
Moody's	A2
Fitch	AA-

Sources: Forest Preserve District of Cook County FY2016 Comprehensive Annual Financial Report, p. 16.

In 2016 both Fitch and Standard & Poor's+ downgraded the Forest Preserve District's credit rating from AA to AA- based on concerns over growing pension liabilities.[81]

In June 2016, Moody's Investors Services affirmed its A2 rating for the Forest Preserve District's general obligation debt, but upgraded the outlook from negative to stable. The change

[80] Standard & Poor's, *Public Finance Criteria 2007*, p. 64. See also Moody's, *General Obligation Bonds Issued by U.S. Local Governments*, October 2009, p. 18.
[81] Forest Preserve District FY2016 Comprehensive Annual Financial Report, p. 16.

reflected the District's governance ties to Cook County, which has a stable outlook for its general obligation debt.[82]

On June 8, 2015, Moody's Investors Service downgraded the District's bond rating from A1 to A2 with a negative outlook. The rating downgrade was based on the agency's concern about the District's growing pension liabilities. The District's credit ratings with Standard and Poor's and Fitch remained at an AA rating.[83]

In May 2014, Fitch affirmed the District's AA credit rating, but revised its outlook from stable to negative. The rating agency cited the Forest Preserve District's unfunded pension liabilities and uncertainty over the future course of pension reform in the Illinois legislative and judicial arenas as a cause for concern.[84]

Standard & Poor's gave the District a credit rating upgrade from AA- to AA in June 2012, citing its strengthened corporate fund reserves, large property tax base, strong liquidity and moderate overall debt burden.[85] However, in August 2013, Moody's Investors Service downgraded the rating on the Forest Preserve District's general obligation debt from Aa2 to A1 with a negative outlook because of the government's growing pension liabilities. Moody's also expressed concern about the District's governance system under which the District shares the same Board of Commissioners as Cook County because of the interconnectedness between the finances of both entities.[86] Reflecting that concern, Moody's also concurrently downgraded Cook County's general obligation rating from Aa3 to A1 with a negative outlook in August 2013.[87]

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[82] Moody's Investors Services. "Moddy's affirms Cook County Forest Preserve District, IL's GO at A2; outlook revised to stable," June 6, 2016.

[83] Forest Preserve District of Cook County FY2014 Comprehensive Annual Financial Report, p. 110.

[84] Fitch Ratings. "Fitch Revises Cook County Forest Preserve, IL's Outlook to Negative; Affirms 'AA' GOs," May 30, 2014.

[85] Forest Preserve District of Cook County, "Forest Preserve District Secures Historically Low Interest Rate on Bond Sale," press release, June 14, 2012.

[86] Moody's Investors Service. "Rating Update: Moody's downgrades Cook County Forest Preserve District, IL to A1; outlook negative," August 29, 2013.

[87] Chicago Tribune. "Moody's cuts Cook County bond rating to A1: Rating service cites pension liabilities, maintains negative outlook," August 16, 2013.

FOREST PRESERVE DISTRICT CAPITAL PLAN

The Forest Preserve District annually updates its five-year Capital Improvement Plan in Februry, after the fiscal year has begun. Thus, the FY2017 update to the five-year Capital Improvement Plan (CIP) was published in February 2017 and is the most recent CIP available. The update includes information for FY2017-FY2021.[88] The District proposes $137.6 million in funded and unfunded projects over that five-year period. The amounts listed for FY2018 through FY2021, a total of $115.9 million, do not yet have identified sources of funding.

Forest Preserve District Capital Improvement Plan: FY2017-FY2021		
FY2017	$	21,622,541
FY2018	$	14,504,521
FY2019	$	31,092,473
FY2020	$	43,243,040
FY2021	$	27,132,200
Total	**$**	**137,594,775**

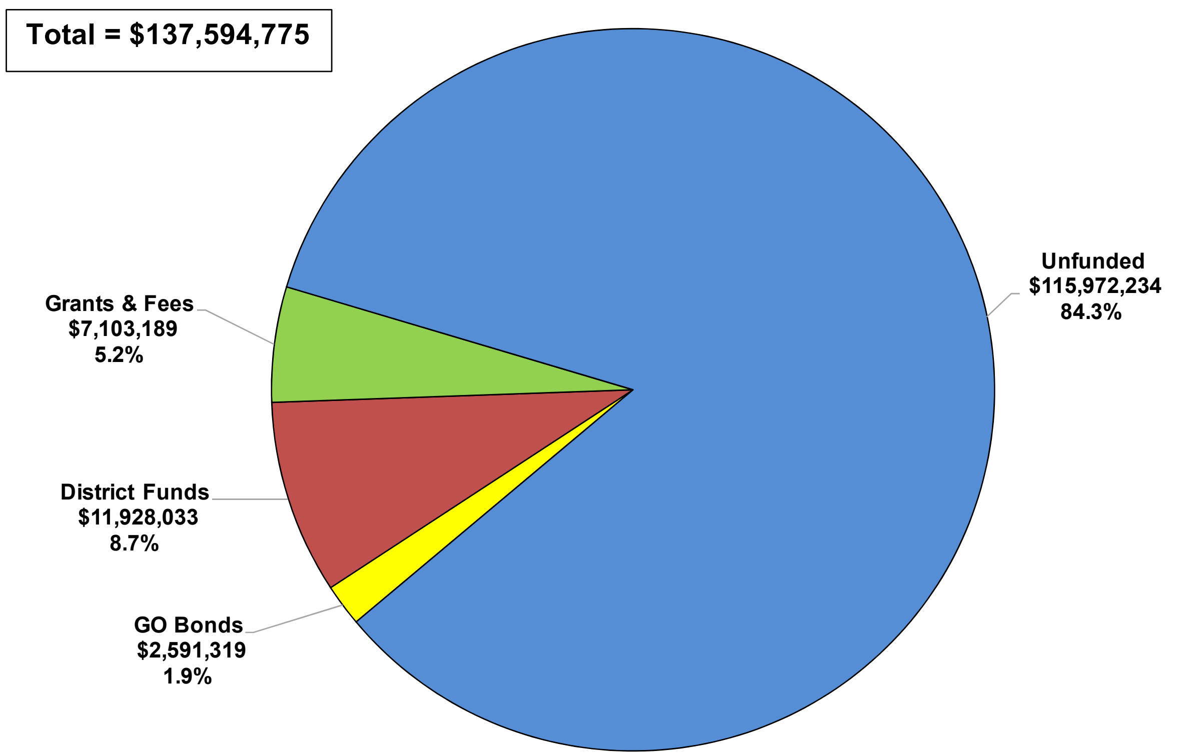
Source: Forest Preserve District of Cook County 2017 Update to the 5-Year Capital Improvement Plan, Table 2, p. 14.

The CIP provides information on capital projects for FY2017-FY2021 by location, category and timing. Opportunities are provided for input on new projects from District staff, partner organizations, recreation groups and citizens. Members of the public and staff also can make requests for new or improved facilities, amenities and infrastructure by submitting a request form on the District's website.[89]

[88] Forest Preserve District. 2017 Update to the 5-Year Capital Improvement Plan, February 7, 2017 at http://fpdcc.com/cip/.
[89] See Forest Preserve District of Cook County website at http://fpdcc.com/cip/.

The next exhibit shows the sources of funding for the Forest Preserve District's FY2017-FY2021 CIP projects. At this time, 1.9% or $2.6 million in funding will derive from general obligation (GO) bonds. District pay-as-you-go funding will finance $11.9 million, or 8.7%, of the projects. Another 5.2% or $7.1 million will be paid for with grants and fee revenues. Approximately $115.9 million in projects, or 84.3% of the total, do not yet have funding identified in the FY2017 capital plan.

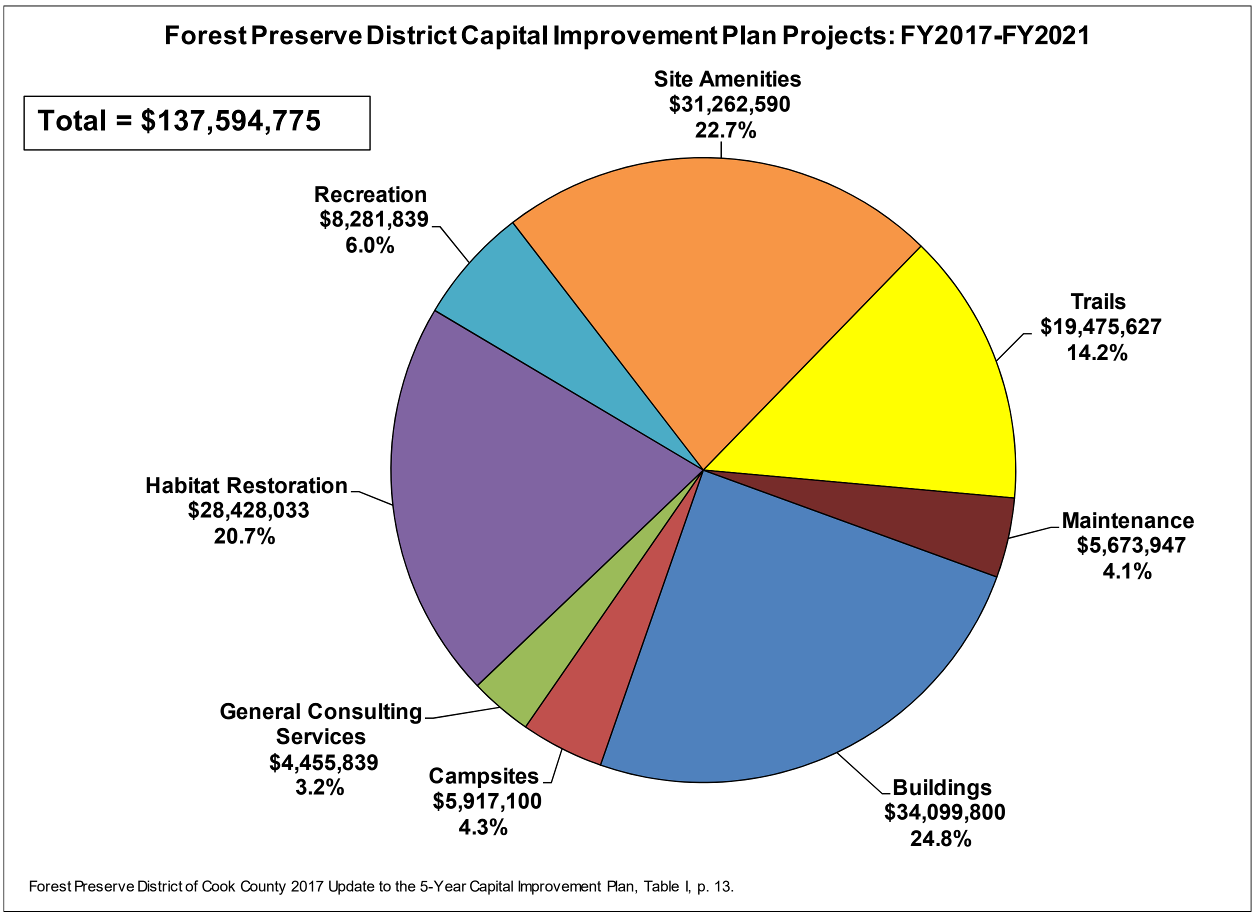
Forest Preserve District Capital Improvement Plan Funding Sources: FY2017-FY2021



Forest Preserve District of Cook County 2017 Update to the 5-Year Capital Improvement Plan, Table 1, p. 13.

The FY2017-FY2021 Forest Preserve District CIP proposes to allocate funds for a wide variety of projects:

- 20.7%, or $28.4 million, is reserved for habitat restoration;
- 24.8% of the total, or $34.1 million, will be set aside for buildings;
- 22.7%, or $31.3 million, is to be used for site amenities;
- 14.2%, or $19.5 million, will be used for trails;
- 6.0%, or $8.3 million, is earmarked for recreational facilities;
- 4.3%, or $5.9 million, will be used for campsites; and
- The remaining funding will be used for maintenance and general consulting services (i.e., planning, assessment and design activities).



According to best practices for capital budgeting, a complete capital improvement plan (CIP) includes the following elements:[90]

- A comprehensive inventory of all government-owned assets, with description of useful life and current condition;
- A narrative description of the CIP process including how criteria for projects were determined and whether materials and meetings were made available to the public;
- A five-year summary list of all projects and expenditures per project as well as funding sources per project;
- Criteria for projects to earn funding in the capital budget including a description of an objective and needs-based prioritization process;
- Publicly available list of project rankings based on the criteria and prioritization process;
- Information about the impact of capital spending on the annual operating budget of each project;
- Annual updates on actual costs and changes in scope as projects progress;
- Brief narrative descriptions of individual projects, including the purpose, need, history and current status of each project; and
- An expected timeframe for completing each project and a plan for fulfilling overall capital priorities.

Once the CIP process is completed, the plan should be formally adopted by the governing body and integrated into its long-term financial plan. There should be opportunities for public input into the process. A well-organized and annually updated CIP helps ensure efficient and predictable execution of capital projects and helps efficiently allocate scarce resources. It is important that a capital budget prioritize and fund the most critical infrastructure needs before funding new facilities or initiatives.

The checklist that follows assesses how well the District's CIP conforms to best practice guidelines. Overall, the CIP conforms to many of the guidelines. There are opportunities for stakeholder input into the CIP process for new projects. The Capital Development Committee of the Forest Preserve Board holds a public hearing on the CIP at which public testimony is taken and the full Board subsequently adopts the plan.[91] Information about individual projects, funding sources and timelines for project completion over the entire five-year timeframe of the CIP is provided.

[90] National Advisory Council on State and Local Budgeting Recommended Practice 9.10: Develop a Capital Improvement Plan, p. 34; Government Finance Officers Association, Best Practices, Development of Capital Planning Policies, October 2011.
[91] Information provided by the Forest Preserve District of Cook County, November 1, 2013.

However, the CIP falls short of best practice guidelines. The District has developed several plans to guide capital investment decisions. They have included: a Next Century Conservation Plan that lays out four key goals related to nature, people, economic impact and leadership; a Natural & Cultural Resources Master Plan that provides a framework for investing in landscape restoration; and a Gateway Master Plan that was designed to increase public awareness of special forest preserve sites.[92] The District notes that its Next Century Conservation Plan's implementation strategy identifies priority actions for the upcoming year and based on those priorities identifies the level of funding, staff time and other resources required to fulfill those actions.[93] But there is no narrative discussion in the document of how he District identifies those priorities. Also, projects funded by public funds at the Brookfield Zoo and Chicago Botanic Garden continue to be missing from the CIP. Therefore, the CIP falls short of the best practice guidelines for a comprehensive document providing taxpayers with full information about District-funded capital projects.

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[92] Forest Preserve District of Cook County 2017 Update to the 5-Year Capital Improvement Plan, p. 5.
[93] Forest Preserve District of Cook County 2017 Update to the 5-Year Capital Improvement Plan, p. 7.

Forest Preserve District of Cook County Capital Improvement Program Checklist	
Does the government prepare a formal capital improvement plan?	Yes
How often is the CIP updated?	Annually
Does the capital improvement plan include:	
• *A narrative description of the CIP process?*	Yes
• *A five year summary list of projects and expenditures per project as well as funding sources per project?*	Yes
• *Information about the impact and amount of capital spending on the annual operating budget for each project?*	No
• *Brief narrative descriptions of individual projects, including the purpose, need, history, and current status of each project?*	Limited narrative by project area
• *The time frame for fulfilling capital projects?*	Yes
Are projects ranked and/or selected according to a formal prioritization or needs assessment process?	No
Is the capital improvement plan made publicly available for review by elected officials and citizens?	
• *Is the CIP published in the budget or a separate document?*	Yes – in a separate document
• *Is the CIP available on the Web?*	Yes
Are there opportunities for stakeholders to provide input into the CIP?	
• *Is there stakeholder participation on a CIP advisory or priority setting committee?*	Yes – through surveys, online webinars, and advisory group sessions
• *Does the governing body hold a formal public hearing at which stakeholders may testify?*	Yes
• *Is the public permitted at least ten working days to review the CIP prior to a public hearing?*	Unclear
Is the CIP formally approved by the governing body of the government?	Yes
Is the CIP integrated into a long term financial plan?	Unclear
Sources: National Advisory Council on State and Local Budgeting Recommended Practice 9.6: Develop a Capital Improvement Plan, the Government Finance Officers Association and Civic Federation Budget Analyses of Local Government Budget – various years and the Forest Preserve District of Cook County.	