

# COOK COUNTY 2012 EXECUTIVE BUDGET RECOMMENDATION RESIDENT'S GUIDE

## INTRODUCTION

Cook County government provides vital services for 5.2 million residents. Service areas include health care, public safety, property and taxation, economic development, and general government, finance and administration.

The County is currently faced with a series of hard choices resulting from a combination of cyclical tax revenue declines and structural budget imbalances. The 2012 preliminary budget projected a \$315.2 million shortfall caused by continued revenue declines and expenditure increases, primarily led by personnel costs.

The lingering impacts of the recession and the slow rate of economic recovery have caused years of declining revenues. To structurally address continued drops in revenue, the County enacted a 1% sales tax increase in 2008. While this increase steadied the County government, the impact was a burden to taxpayers, businesses, and tourism. As the County rolls back the sales tax increase, this budget presents structural changes in expenditure reductions and modest increases in revenues.

Less than 1% of the budget solutions are one-time fixes. This budget recommendation supports important structural changes to the public safety system and reduces the Health System subsidy without reducing patient care.

The proposal includes closing \$17.5 million in tax loop holes and keeps our commitment to the repeal of the 2008 sales tax increase.

The FY 2012 Executive Budget Recommendation reduces expenditures but continues to make long-term investments in the County through capital projects. The capital improvement plan and the Motor Fuel Tax revenue distributions guide investments in crucial areas such as highway construction.

The 2012 Executive Budget Recommendation is the result of a collaborative effort. The President worked with the Board of Commissioners, County elected officials, employees, their union representatives, and residents to find innovative solutions and present a balanced budget. Civic and community leaders helped lend their expertise and best practices, and employees and residents brought their best ideas.

Closing the gap required data-driven management decisions that minimize service impacts. The S.T.A.R. Performance Management program data provides contexts for budget trade-offs and helps decision makers better understand how directing tax dollars will affect County services.

## PRELIMINARY BUDGET SHORTFALL

The Budget Department projected the general fund shortfall between expected revenues and expenses to be \$315 million dollars in 2012.

Anticipated declines in 2012 revenues of \$317.7 million were the primary driver of the projected shortfall. Revenues were projected to decline due to delayed hospital patient fee collection, the planned .25% sales tax reduction, timing of the Treasurer's 2012 tax sale, increased cost of 2012 elections, and continued declines in economically-

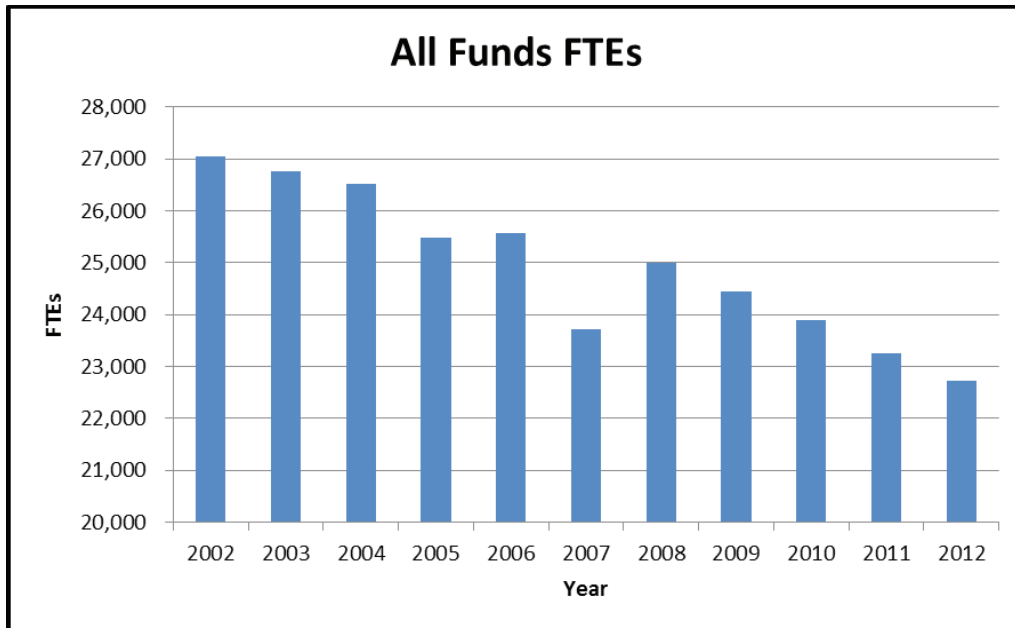
sensitive tax revenues. The absence of the one-time revenue sources used in 2011 also contributed to the shortfall.

The Budget Department preliminarily projected that the decline in revenues would be offset by a decline in expenditures of \$2.5 million compared to the FY 2011 General Fund appropriation.

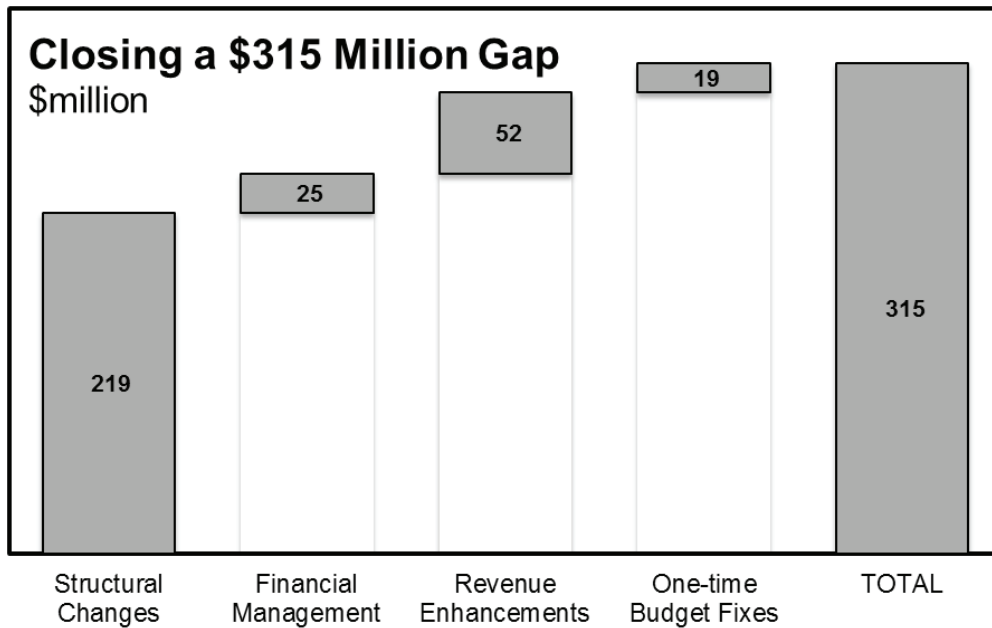
## BUDGET OVERVIEW

The total executive recommendation for the 2012 appropriation for Cook County is down \$112.5 million across all operating funds, a 3.7% decrease to \$2.94 billion from the 2011 budget. The County's general fund decreased by \$107.4 million, or 4.6%, to \$2.22 billion.

General funded full time equivalents (FTE) decreased by 503.3 from the previous fiscal year. Total FTEs countywide decreased by 537.2 from 2011.



## CLOSING THE GAP



There are structural changes proposed in this budget that reduce the cost of personnel, non-personnel, as well as improved revenue through maximizing reimbursements and leverage existing resources and programs.

To reduce the cost of personnel, the 2012 Budget proposes over 1,000 layoffs throughout County offices to save approximately \$40 million. The County will also save \$3 million on worker's compensation costs based on recent expenditure trends, \$1.8 million by eliminating the non-union step increases, and \$2 million due to identifying the day after Thanksgiving as a County-wide shut down day. For non-personnel savings, some examples include achieving savings for locking in

better pricing for electricity and natural gas, benefiting from the ongoing efforts of strategic sourcing and reducing various non-personnel line items throughout the budget.

This budget also proposes to increase reimbursements for indirect and pension costs from special purpose funds to the general fund by \$4 million to ensure the General Fund is not subsidizing the Special Purpose Funds. To leverage existing resources to improve revenues, the County is enhancing its enforcement activities and pursuing a municipal marketing initiative. There are also several key areas mentioned below that drive critical policy objectives and also help reduce expenditures.

### STRUCTURAL CHANGES IN THE PUBLIC SAFETY SYSTEM

#### REDUCE THE JAIL POPULATION BY 1,000

Detaining defendants in the jail while they await trial is very expensive for the County and carries a large social cost for communities. The S.T.A.R. Performance Management review sessions focused on discussion of strategies to reduce the jail population, including ways to increase the use of electronic monitoring and other tools, such as I-bonds and community-based alternatives.

Analysis of detainee profiles projected that one thousand detainees currently held on non-violent offenses would be eligible for electronic monitoring or other alternative tools.

With the 2012 budget, the public safety system set a goal of reducing the jail population by 1,000 persons by December

1, 2012. The financial savings of reducing the jail population from an estimated level on December 1, 2011 of approximately 8,500 to our goal of 7,500 is projected to be \$5 million. The reduction will allow the Sheriff's Office to close housing tiers in the jail.

#### PROMOTE ALTERNATIVES TO DETENTION FOR YOUNG PEOPLE

Cook County detains a relatively large number of youth at a considerable cost. While the Juvenile Temporary Detention Center (JTDC) has made significant reductions in average daily population over the past ten years, Cook County still detains a relatively higher proportion of youth when compared with other similar-sized metropolitan areas. In Cook County we detain 35 juveniles per every 100,000 juvenile residents,

while Harris County, Texas detains 19 per 100,000. Detaining juveniles in the JTDC is expensive. The total detention cost is \$616 per day, or \$90,520 per year. Tuition, room and board at Harvard University cost \$52,650 in 2011. Detention appears to be unevenly applied, and certain JTDC detainees appear to be eligible for alternatives to detention. Over 95% admitted to the JTDC are Black and Latino. Approximately 43% of JTDC population is detained for less than one week and 30% of JTDC population is detained for warrants.

Alternatives to juvenile detention are less expensive and can be more effective. Detention is the most extreme and the most expensive option in a continuum of response and not particularly effective at lowering recidivism. For low and medium risk offenders, detention might make recidivism more likely. The County is investing in more alternatives to detention and aims to lower the detention population over two years by investing in alternatives and closing down one of the nine JTDC centers by June, 2012, for a net savings of \$1.6 million in 2012.

## **CONSOLIDATE WEEKEND BOND COURT**

At present, four suburban courthouses hold bond hearings on Saturdays—Skokie, Rolling Meadows, Maywood and Bridgeview—and Markham holds hearings on both Saturdays and Sundays. Many stakeholders have observed that holding bond court on the weekend is expensive and diverts resources that could be dedicated to other functions within the County. Each of the suburban courthouses needs a minimum of one Judge, one State’s Attorney, one Public Defender, three Clerks and seven Sheriff’s deputies to hold weekend hearings. The average number of weekend hearings ranges from 87 defendants on Saturday and 37 on Sunday. By centralizing the five weekend bond court locations at the Criminal Courthouse in Chicago, the County will save \$1.9 million across multiple departments.

## **EXPENDITURE REDUCTIONS**

### **LOWER THE COST OF CUSTODIAL SERVICES**

The County is working to lower the cost of custodial services. Through a managed competition process, the current government workforce and potential private-sector companies will compete for the government contract. In this “managed” competition, the government allows its existing employees to respond to requests for outsourcing a government function. The labor-management partnership helps existing government employees prepare bids that are competitive with private-sector options. Managed competition allows the widest possible range of competition between different types of providers and is the best way of ensuring high-quality services at the lowest price with guaranteed performance.

### **IMPROVE SNOW REMOVAL**

The Cook County Highway Department is restructuring how it handles snow emergencies and summer construction. Seasonal drivers will be hired to handle snow and ice removal. By employing seasonal workers instead of full time employees, the County will be able to increase the number of available snow plow operators during peak work periods. The change will save the County \$200,000. In addition, engineering interns will be used to augment department construction during the summer months instead of full time engineering technicians. The program will also save the County approximately \$200,000

## **HEALTH AND HOSPITAL SYSTEM BUDGET SAVINGS**

### **LOWER THE SUBSIDY WITHOUT HURTING PATIENT CARE**

The Cook County Health and Hospital System (CCHHS) was able to lower its dependence on County funds without reducing patient care. Budget savings were achieved through reducing supply costs, renegotiating contracts and other non-patient service expenditures.

new regional outpatient center will be expanded. Provident Hospital will continue its transition to a regional outpatient center while decreasing inpatient service to 25 beds. Acute and clinical services at Stroger Hospital will expand, including transfer of the Family Residency Program from Provident Hospital to Stroger Hospital.

The Cook County Health and Hospitals System continues implementation of its strategic plan, Vision 2015. The strategic plan calls for a realignment of resources, shifting away from acute inpatient care at Provident and Oak Forest, while expanding availability of specialty services. Oak Forest inpatient services have been discontinued and services at the

## FINANCIAL SOLUTIONS

The County is leveraging its Motor Fuel Tax (MFT) revenue distribution from the State to issues bonds for a \$100 million program to support suburban highway construction and job creation. In addition to investing in the County's infrastructure,

this proposal will allow us to provide relief to the general fund, in the amount of \$25 million to support court costs permitted by the MFT requirements.

## MODEST REVENUE INCREASES

### CLOSE LOOPHOLES

We are ensuring that all tobacco products, not just cigarettes are taxed. The Tobacco Tax Ordinance will be revised, closing loopholes, expanding the tax to other tobacco products. "Roll your own" tobacco products will be taxed on a per ounce base just like cigarettes. Through closing this loophole the County is expected to bring in an additional \$12 million in revenue.

### ALIGN TAX RATES

The Use Tax rate will be aligned with other counties to fund increased road maintenance costs. The Use Tax only applies to the sale of titled property, such as cars, boats and yachts. The tax rate will be increased by 0.25%, remaining still 0.25% lower than the City of Chicago's rate. The change will generate \$14 million in revenue.

The Alcoholic Beverage Tax rate has not been adjusted since 1989 and is far lower than the City of Chicago's rate. For example the County tax on beer is \$0.06 per gallon, while the City taxes at \$0.29 per gallon. By adjusting the rate 50%, the County is projecting \$10.9 million in additional revenue.

### INSTITUTE FEES

Parking fees will be instituted at County facilities. Paid parking will be expanded to include the Criminal Court Building at 26th and California and suburban district courthouses at a fee of \$4.75 per day or \$65 per month. This initiative is expected to generate \$4 million in revenue.

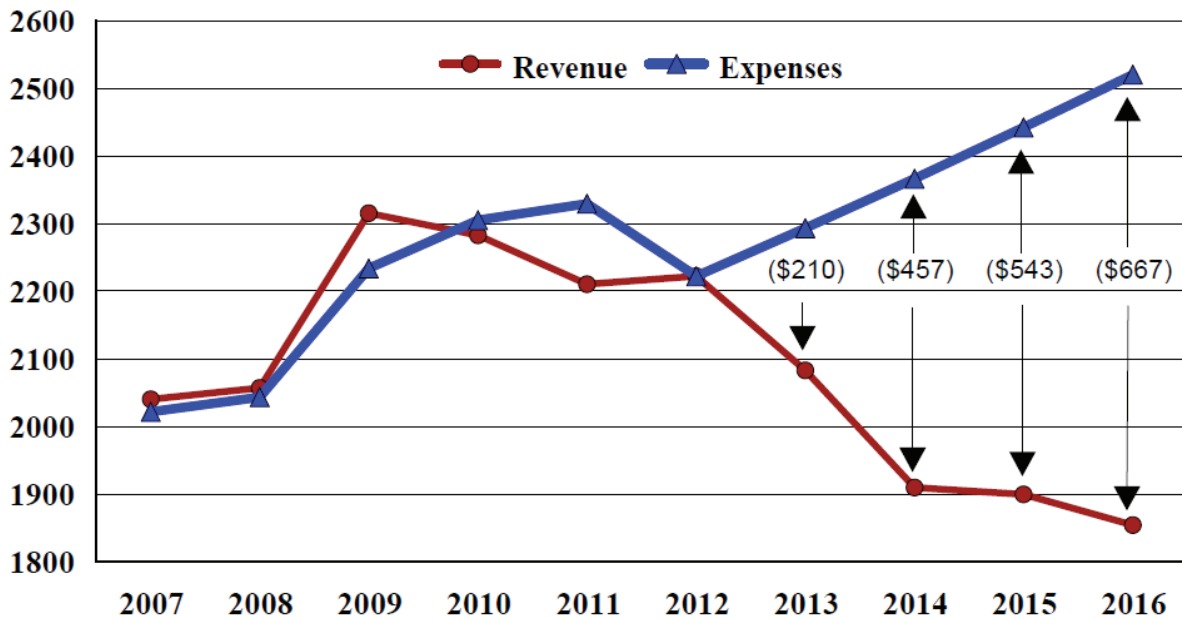
# COOK COUNTY LONG-TERM REVENUE AND EXPENSE FORECAST

Cook County's first preliminary budget report was issued in July of 2011. The report was prepared in accordance of Executive Order 2011-1. It presented a mid-year estimate of the current fiscal year's expenses and revenues through the end of the year. The report also provided an initial projection of FY2012 revenues and expenditures. A multi-year budget forecast was also a requirement of the same executive order.

This forecast examines the general fund only, as special purpose funds are self-balancing. Projected revenue and expenditure estimates provided a context for the 2012 budget. The mid-year forecast identified the long-term planning and structural changes that needed to be made in 2012 and beyond.

## Summary A. Net Surplus/(Deficit) Projection

FY12-16 Expense Growth 3.2% (Weighted Average CPI-U 7/01-7/11 2.44%, Health 8%)



## REVENUES

The revenue analysis identified economic trends and projected them going forward. The analysis took into account the recent recession, economic growth, oil prices, consumer behavior and other variables. Each revenue source is adjusted for one-time events. It is projected using a customized forecasting model that includes multiple linear regression, exponential growth or decline, and positive or negative correlation to the current business cycle.

The recession has had an unprecedented effect on local governments. Its impact can be measured by the diminishing revenues which support the County's general fund. It can be seen in the decline and partial recovery of taxable merchandise sales volumes; depressed revenues related to home sales and personal consumption; and in the decreasing proportion of patients in the County health system covered by 3rd party payers.

As shown in the chart above, revenue projections will not keep pace with expenditure increases over the next five years. The County must make structural budget changes to mitigate this revenue shortfall. Without a significant change in the County's expenditures, revenue rates and fees of all types would have to be increased by 8% per year to address the projected gap.

These historical deficits are compounded by revenue declines associated with the economic downturn. Cigarette taxes peaked in 2006 at \$204 million and are projected to fall to \$108 million in 2014. Health revenues declined from \$663 million in FY2009 to \$535 million in FY2011.

The 2008 sales tax increase has been partially repealed and will be fully repealed by 2013. Those tax revenues will drop from a peak of \$659 million in FY2009 to \$330 million in FY2014.

## EXPENDITURES

General Fund expenditures rose from FY2004 to FY2011 at a cumulative annual rate of 1.9%. Expenses are divided in two categories – health and non-health related. Health costs are projected to grow at the industry rate of 8%. These increases impact both employee health insurance and the County's health system. All other costs are projected to grow at 2.44%, which is the average rate of inflation over the last 10 years. These cost drivers included salaries, supplies, utilities and

other items. Other drivers include bond and interest projected cost increase from \$191 million in FY2010 to \$294 million in FY2014 and the impact of reducing property taxes available to support the general fund due to increased pension costs.



# Projected Annual Revenues and Expenses, by Source

	Actual				Projected Actual	Dept. Estimate	Projection			
	FY07	FY08	FY09	FY10	FY11	FY12	FY13	FY14	FY15	FY16
Property Taxes	413,814,308	333,321,462	354,279,383	333,613,001	287,243,990	331,520,178	345,526,000	233,235,000	247,658,000	224,724,000
Bond Restructuring					\$85,000,000					
<b>Fees</b>										
County Treasurer	54,478,980	82,744,156	79,972,437	94,284,334	71,760,000	60,007,000	57,307,000	54,327,000	51,746,000	49,418,000
Treasurer Indemnity	0	0	0	0	0	0	0	0	0	0
County Clerk	8,275,008	8,877,439	10,090,209	9,407,629	9,793,079	10,246,000	10,729,000	11,235,000	11,765,000	12,319,000
Recorder of Deeds	64,441,453	46,308,166	34,151,181	33,571,773	30,130,063	32,100,000	33,545,000	35,289,000	36,965,000	38,628,000
Building & Zoning	1,528,464	1,502,838	1,567,539	1,329,972	1,580,000	2,100,000	2,100,000	2,100,000	2,100,000	2,100,000
Environmental Control	3,257,906	4,311,489	3,949,671	4,126,084	3,700,000	4,122,000	4,311,000	4,500,000	4,688,000	4,877,000
Liquor Licenses	390,000	370,000	390,000	370,000	380,000	380,000	380,000	380,000	380,000	380,000
Cable TV Franchise	1,095,627	1,138,736	1,088,367	1,134,365	1,100,000	1,100,000	1,155,000	1,213,000	1,274,000	1,339,000
Clerk of Circuit Court	105,463,864	106,855,369	103,158,931	104,211,099	96,571,828	102,290,500	102,291,000	104,766,000	107,301,000	109,898,000
Sheriff	20,494,500	22,341,472	26,046,043	25,123,823	21,760,196	25,587,000	25,587,000	25,587,000	25,587,000	25,587,000
Public Guardian	2,445,986	2,263,388	2,055,905	2,247,524	2,086,680	1,950,000	1,950,000	1,950,000	1,950,000	1,950,000
State's Attorney	2,572,153	2,588,575	2,241,279	2,123,261	1,989,446	1,990,000	1,990,000	1,990,000	1,990,000	1,990,000
Public Defender	0	0	0	0	53,073	0	0	0	0	0
Contract Compliance	0	0	0	0	72,000	96,000	96,000	96,000	96,000	96,000
Adoption (Supportive Services)	74,794	64,834	47,061	36,057	39,225	45,000	45,000	45,000	45,000	45,000
Public Administrator	1,498,551	1,760,248	792,987	952,624	500,641	900,000	900,000	900,000	900,000	900,000
Court Services fee	1,517,469	9,558,426	13,119,269	12,890,150	14,201,614	13,565,000	13,565,000	13,565,000	13,565,000	13,565,000
County Assessor	321,632	505,046	449,050	289,735	47,199	138,200	138,000	138,000	138,000	138,000
Chief Judge	0	6,030,627	0	0	0	0	0	0	0	0
Patient fees (Medicare, Medicaid, Other)	310,757,065	279,005,999	273,772,891	239,626,832	253,736,861	359,000,000	322,957,000	295,471,000	270,325,000	247,318,000
Medicaid Plan FMAP/DSH			242,613,741	162,750,532	131,299,000	140,000,000	140,000,000	133,000,000	126,350,000	120,033,000
Medicaid Plan IGT	<u>148,283,016</u>	<u>127,270,439</u>	<u>147,001,829</u>	<u>131,250,000</u>	<u>150,882,763</u>	<u>131,000,000</u>	<u>137,000,000</u>	<u>137,000,000</u>	<u>137,000,000</u>	<u>137,000,000</u>
Total fee revenue	726,896,468	703,497,247	942,508,390	825,725,794	791,683,668	886,616,700	856,046,000	823,552,000	794,165,000	767,581,000
<b>Home Rule Taxes</b>										
Sales Tax <sup>1</sup>	320,216,390	386,608,668	658,832,464	654,238,552	503,838,893	448,800,000	353,600,000	330,400,000	340,600,000	349,800,000
Tax Anticipation Note		122,000,000	-121,814,369							
Gas Tax/Diesel	101,571,517	95,721,797	89,940,077	93,845,117	88,833,000	90,600,000	89,087,000	87,573,000	86,060,000	84,547,000
Cigarette Tax	186,039,426	162,180,286	136,792,198	130,991,187	124,000,000	120,800,000	112,749,000	107,914,000	103,287,000	98,858,000
Other Tobacco Products	0	0	0	0	0	12,100,000	12,100,000	12,100,000	12,100,000	12,100,000
Retail Sale of Motor Vehicles	3,327,075	2,810,637	2,005,829	2,056,440	2,611,000	2,600,000	2,600,000	2,600,000	2,600,000	2,600,000
Wheel Tax	2,142,890	2,070,830	1,878,261	1,949,624	1,946,688	3,540,000	3,540,000	3,540,000	3,540,000	3,540,000
Alcoholic Beverage Tax	26,936,312	27,093,088	26,717,665	24,877,627	25,746,000	37,300,000	38,782,000	39,137,000	39,495,000	39,857,000
Use tax	50,450,339	44,858,687	35,611,087	35,093,912	39,701,749	56,278,115	56,299,000	55,069,000	53,839,000	52,609,000
Delinquency/Home Rule Projects	0	0	0	0	14,800,000	0	0	0	0	0
Automatic Amusement Tax	0	0	0	0	0	1,340,000	1,340,000	1,340,000	1,340,000	1,340,000
Parking Lot/Garage Operations	38,746,438	38,314,638	36,555,787	36,061,999	35,011,000	36,220,000	36,220,000	36,220,000	36,220,000	36,220,000
Amusement tax	<u>20,285,943</u>	<u>21,779,492</u>	<u>20,257,771</u>	<u>21,968,677</u>	<u>23,494,000</u>	<u>23,900,000</u>	<u>24,612,000</u>	<u>25,724,000</u>	<u>26,836,000</u>	<u>27,948,000</u>
Total home rule taxes	749,716,330	903,438,123	886,776,770	1,001,083,135	859,982,330	833,478,115	730,929,000	701,617,000	705,917,000	709,419,000
<b>Intergovernmental Revenues</b>										
Motor Fuel Tax Grant	34,500,000	34,500,000	43,500,000	44,500,000	44,500,000	44,500,000	44,500,000	44,500,000	44,500,000	44,500,000
MFT Circuit Court Funding	0	0	0	0	0	25,000,000	25,000,000	25,000,000	25,000,000	25,000,000
Retailer's Occupation Tax	4,999,536	4,066,399	2,982,731	2,834,645	2,716,000	3,000,000	3,145,000	3,308,000	3,465,000	3,621,000
State Income Tax	10,478,484	11,178,664	9,602,339	9,026,975	9,404,000	9,800,000	10,035,000	10,418,000	10,739,000	11,030,000
Off Track Betting Commission	3,045,511	3,119,035	2,820,507	2,079,312	2,500,000	2,300,000	2,300,000	2,300,000	2,300,000	2,300,000
Gaming	0	0	0	0	0	6,000,000	6,000,000	6,000,000	6,000,000	6,000,000
Chicago TIF distribution	0	0	0	0	19,144,184	5,761,966	0	0	0	0
State Criminal Alien Assist (SCAAP)	0	0	0	0	2,225,000	1,867,500	1,868,000	1,868,000	1,868,000	1,868,000
Probation Off, Juvenile CT & JTDI	18,876,480	18,714,435	18,091,770	16,912,205	16,440,000	16,440,000	16,440,000	16,440,000	16,440,000	16,440,000
Indirect Costs and MFT Reimb	14,931,913	12,698,999	12,123,110	13,615,472	24,885,638	22,389,341	22,389,000	22,389,000	22,389,000	22,389,000
Transfer from Forest Preserve	<u>13,291,066</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Intergovernmental rev	100,122,990	84,277,532	89,120,457	88,968,609	121,814,822	137,058,807	131,677,000	132,223,000	132,701,000	133,148,000
<b>Other Revenues</b>										
Interest Earnings - Transfer Out	0	2,500,000	18,000,000	10,000,000	0	0	0	0	0	0
Sale of Real Estate	9,830,821	19,750	183,000	1,838,392	0	0	0	0	0	0
Unknown Heirs	0	0	0	0	0	2,500,000	0	0	0	0
Allowance for encumbrances	0	0	0	0	0	12,000,000	0	0	0	0
Marketing/Other	0	0	0	0	0	1,315,003	1,315,000	1,315,000	1,315,000	1,315,000
Miscellaneous Fees	<u>39,630,542</u>	<u>29,621,312</u>	<u>24,411,836</u>	<u>21,506,938</u>	<u>18,463,029</u>	<u>17,617,404</u>	<u>17,617,000</u>	<u>17,617,000</u>	<u>17,617,000</u>	<u>17,617,000</u>
Total other revenues	49,461,363	32,141,062	42,594,836	33,345,330	18,463,029	33,432,407	18,932,000	18,932,000	18,932,000	18,932,000
Lawsuit Line of Credit					46,000,000					
Allocation of Sales Tax to Special Fund		-28,191,816	-26,127,443							
Revenue Total <sup>2</sup>	2,040,011,459	2,028,483,610	2,289,152,393	2,282,735,869	2,210,187,839	2,222,106,207	2,083,110,000	1,909,559,000	1,899,373,000	1,853,804,000
Adjustments		28,191,816	26,127,443							
<b>Total Revenue</b>	2,040,011,459	2,056,675,426	2,315,279,836	2,282,735,869	2,210,187,839	2,222,106,207	2,083,110,000	1,909,559,000	1,899,373,000	1,853,804,000
<b>Total Expenses</b> <sup>3</sup>	2,021,451,666	2,043,200,340	2,233,750,886	2,305,281,424	2,329,529,825	2,222,106,207	2,293,214,000	2,366,597,000	2,442,328,000	2,520,482,000
Surplus/(Deficit)	18,559,793	13,475,086	81,528,950	-22,545,555	-119,341,986	0	-210,104,000	-457,038,000	-542,955,000	-666,678,000

<sup>1</sup> Includes Sales Tax previously allocated to JTDC for FY08-9. Reflects rate reduction for last 2 months of FY10, last 8 months of FY12 and FY13

<sup>2</sup> Provided for comparison purposes to revenues as shown in Revenue Estimate

<sup>3</sup> Sources: FY07-FY11 from Budget Citizen's Summary, Q-1 Total General Fund Expenditures. FY13-16 based on FY12 with 3.2% annual growth (10 year CPI-U-2.44%/Health-8%).



## OTHER BUDGET HIGHLIGHTS

In these difficult economic times, the County is committed to presenting a fiscally responsible budget that makes government more efficient through consolidation and streamlining, while at the same time making key investments that will provide long-term benefits to County residents and help the region grow.

This budget was developed through a commitment to President Preckwinkle's four core principles:

**Fiscal Responsibility:** Ensure that taxpayer dollars are used effectively. Deliver a balanced 2012 budget, while instituting long-term financial planning and improve county government efficiency to enable repeal of the sales tax increase.

**Innovative Leadership:** create a culture of exemplary leadership, professionalism and collaboration in county government, which makes it possible to deliver high quality services to residents.

**Transparency and Accountability:** improve transparency and accountability of county government, in particular by improving public information about hiring, purchasing and the overall use of taxpayer dollars.

**Improved Services:** provide high quality, reliable frontline services to the public in key areas such as criminal justice, healthcare, and economic development.

The commitments to these four principles are outlined below.

## FISCAL RESPONSIBILITY

Lowering the sales tax rate increases economic activity, which raises business income and increases residents spending power. The 1% sales tax increase to be phased out, began with the first 0.5% reduction in fall of 2010, next a 0.25% reduction on January 1, 2012 and the final 0.25% reduction on January 1, 2013.

As a part of the City-County collaboration, the Cook County Department of Revenue is working with the City of Chicago Comptroller to share tax enforcement data and resources to increase compliance with similar City and County taxes. The County is also using the City's technology to upgrade collections. The City and County introduced an intergovernmental agreement to authorize data sharing and agreed upon investigative and enforcement procedures. The City and County plan to place business license holds on one another's debtors and are discussing other tools to enhance enforcement. The Cook County Department of Revenue is also

increasing investigative staff and working with the Sheriff to enhance investigations. Together, these initiatives are expected to result in \$3.2 million in additional revenue.

The Industrial Engineering Division is responsible for procuring and administering natural gas and electricity. Through sound management, the group was able to reduce energy costs by \$6.8 million for 2012.

Cook County continues to realize procurement savings through its ongoing strategic sourcing initiative it began earlier this year. The Purchasing Department continues to work to consolidate and renegotiate contracts. The initiative is expected to lower procurement costs by at least \$3 million in 2012.

The Department of Building and Zoning is aligning permit fees for unincorporated Cook County with neighboring municipalities. The fee increases are expected to generate \$600,000 in new revenue.

## INNOVATIVE LEADERSHIP

The Facilities Department is implementing energy conservation measures that were identified in collaboration with ComEd. These efforts include the retrofitting and replacement of existing light fixtures with lower wattage, energy conserving light fixtures and improved building management practices.

The Department of Geographic Information Systems (GIS) is collaborating with the City of Chicago and other municipalities to increase access to data. The project will allow municipalities to have direct access to Cook County GIS to eliminate data redundancy, reduce data collection, and lower the cost of GIS hardware and software.

The Department of Homeland Security is working to create the Public Safety Consortium (PSC), consisting of key County agencies and departments that are involved in and responsible for public safety. The PSC will work together on public safety issues and concerns and develop initiatives to enhance the County's public safety capabilities.

The Department of Homeland Security continues to work with the City of Chicago's Office of Emergency Management and Communications to coordinate projects in order to increase efficiencies and streamline costs across the region. The unified team is working to avoid duplication of efforts and to leverage grant funding that will benefit the region.

Labor Relations has been meeting with the unions to streamline the third step of the contractual grievance process. The current process involves the presentation of witnesses and evidence in a hearing setting, which is difficult to schedule, inefficient and not required by the collective bargaining agreements. The proposed structure involves a meeting between a union representative and Labor Relations staff to address and resolve grievances short of arbitration. This will save time and result in a more timely handling of grievances.

## TRANSPARENCY AND ACCOUNTABILITY

The Office of the Secretary to the Board of Commissioner's is purchasing and installing camera equipment in the Board Room. Permanent camera and production equipment will increase the number of meetings which will be video recorded and will eliminate the need to rent equipment. The permanent camera and other IT upgrades will allow for a live video webcast of County Board proceedings.

The Secretary to the Boards website is being revamped to improve customer service. The Forest Preserve District and County Board websites will be consolidated, and a virtual library of current and archived information will be upgraded.

The Department of Geographic Information Systems is working with the Highway Department to develop and implement automated vehicle locators that will use GPS technology to actively track the location of County vehicles. Phase one of the project will include the Highway Department, it will eventually be expanded to other County agencies.

The Highway Department is developing a new process for the formation of the Highway Multi-year Plan that will lay-out the process and criteria for how projects are chosen. The new process will provide more opportunity for local input into the choice of projects and greater transparency around how Motor Fuel Tax funds are allocated.

## IMPROVED SERVICES

The Department of Environmental Control is strengthening its enforcement capabilities to provide a safer environment for County residents. Environmental control is establishing a new program for asbestos removal contractors to provide stronger enforcement against unscrupulous acts that endanger public health. The Department is also enhancing enforcement powers to improve compliance with EPA gas station vapor recovery regulations, strengthening certain violation fees, and pursuing an automated data entry system for use in the field for increased inspector productivity. These efforts are expected to increase department revenue by over \$400,000.

The Department of Geographic Information Systems is collaborating with the Forest Preserve District to develop a volunteer tracking application to support volunteer activity in the Forest Preserve.

Residents have to search several disparate County sources to find all of the property land record information. The Department of Geographic Information Systems is creating a web-based land information center that will give residents a centralized source for viewing consolidated data for property land records, regardless of which County agency maintains the information.

On June 1, 2011 the Cook County Clerk's Office began issuing Civil Union Licenses and Certificates. Illinois State law now

affords this opportunity to both same sex and opposite sex couples. During the third quarter of 2011, 1,354 licenses and 1,171 certificates were issued totaling \$65,865 in new revenue. The Clerk's Office will also begin offering a new product to both Civil Union and Marriage customers in 2012. This product is a keepsake commemorative certificate that will continue to increase overall revenue in this category.

The use of kiosks, billboards, and elevator information screens in public buildings will be expanded to provide information to residents. Advertising sold on these information centers, along with other county marketing activities, is expected to generate \$1 million in revenue.

The Clerk of the Circuit Court's e-Filing system enables the filing of court documents through an automated processing service. The system saves time, grants attorneys and other users of the system continuous online access 24 hours a day, reduces paperwork, and transportation and

administrative costs. The Clerk of the Circuit Court's Imaging and Document Management System (IDEMS) allows staff to image court records at the time of filing and manage that record electronically in a document repository. The system also provides the capability of connecting a court activity in the Clerk's electronic docket to the related court document. The project will eliminate the need to handle court documents numerous times, thus reducing costs. Customers are able to access, view and print court documents from the public access terminals, thereby improving customer service and reducing costs.

The County will begin regulation of gaming machines to curb instances of illegal gambling, especially by minors. The per-machine tax on machines that are used as a game, entertainment or amusement and require payment will generate \$1.3 million annually. The County's Auto-amusement Device Tax Ordinance mirrors the City of Chicago's ordinance.

## BUDGET PROCESS

Cook County prepares an annual budget that provides a spending plan for the next fiscal year. The County produces a balanced budget, as required by the State of Illinois Municipal Code, which accounts for the County's revenue and intended spending.

The budget process begins in the summer. County departments inform the Department of Budget and Management Services (DBMS) of their expected personnel and non-personnel needs for the next year. Concurrent with this process, the Chief Financial Officer and the County Comptroller prepare an estimate of revenues and other resources available for appropriations.

President Preckwinkle issued executive order 2011-01 mandating that DBMS prepare a preliminary budget. This year, the County presented its first ever preliminary budget on July 28, 2011.

DBMS prepares the preliminary budget based on the requests submitted by the departments and the revenue the County expects will be collected. The Preliminary Budget is required

to be filed with the President's Office by July 31 of each year. The Preliminary Budget is provided to the Cook County Board of Commissioners and made available for County residents.

Pursuant to Executive Order 2011-01, the President holds a preliminary budget hearing to allow residents to express their opinions concerning items within the proposed budget.

After receiving input from residents, the President of the County Board and the budget staff work with each department develop a final executive recommendation.

The executive budget, as recommended by the President, is submitted to the County Board's Committee on Finance, which in turn holds hearings with each department. Later, at several sites throughout the County, public hearings on the budget are held by the County Board. The County Board considers the budget carefully. It may submit amendments to increase or decrease the budget.

The County Board approves the final budget, in the form of the Appropriation Ordinance. The Appropriation ordinance is implemented at the start of the fiscal year, which begins on December 1 of each year.

# COOK COUNTY BUDGET CALENDAR

## JUNE

Departments submit preliminary revenue and expense estimates to the Department of Budget and Management Services (DBMS). The agencies specifically summarize issues, request specific funding levels, and justify staffing requests.

## JULY

DBMS prepares the preliminary budget based on the requests submitted by the departments and the revenue the County expects will be collected and additional analysis conducted by DBMS. The Preliminary Budget is filed with the President's Office by July 31.

## AUGUST

The President holds a public hearing on the Preliminary Budget, allowing the public to provide feedback during the development of the Executive Budget Recommendation.

## SEPTEMBER

Residents and departments provide input during the final development of the County budget. The President and DBMS work to balance department requests with available resources.

## OCTOBER

The President submits the Executive Budget Recommendation to the Committee on Finance of Cook County.

## NOVEMBER

The proposed budget is made available for public review at various locations throughout the County. Public hearings are conducted during which the Committee on Finance considers testimony from service providers, program staff, and the general public. After the hearings have been completed and any amendments inserted, the Board of Commissioners approves and adopts the Appropriation Bill, which authorizes funding and staffing levels for each department.

## DECEMBER

The fiscal year begins. The Appropriation Ordinance is implemented on December 1.

## ONGOING

Quarterly allotments are implemented and monthly expenditure and revenue reports are reviewed to ensure the resources allocated through the Appropriation Ordinance are managed. In accordance with the S.T.A.R Performance Management program, offices report data about how well programs are functioning and services are being provided to ensure high quality services are provided with the resources collected.

## WE WANT TO HEAR FROM YOU:

What are your ideas for improving County services?  
What are your ideas for making County government more efficient?  
How can we improve the budget process for next year?

**FOR MORE INFORMATION AND TO SHARE YOUR IDEAS,  
VISIT OUR WEBSITE:**

<http://www.cookcountyil.gov/budget>