



Cook County Preliminary Budget Forecast

June 30, 2015

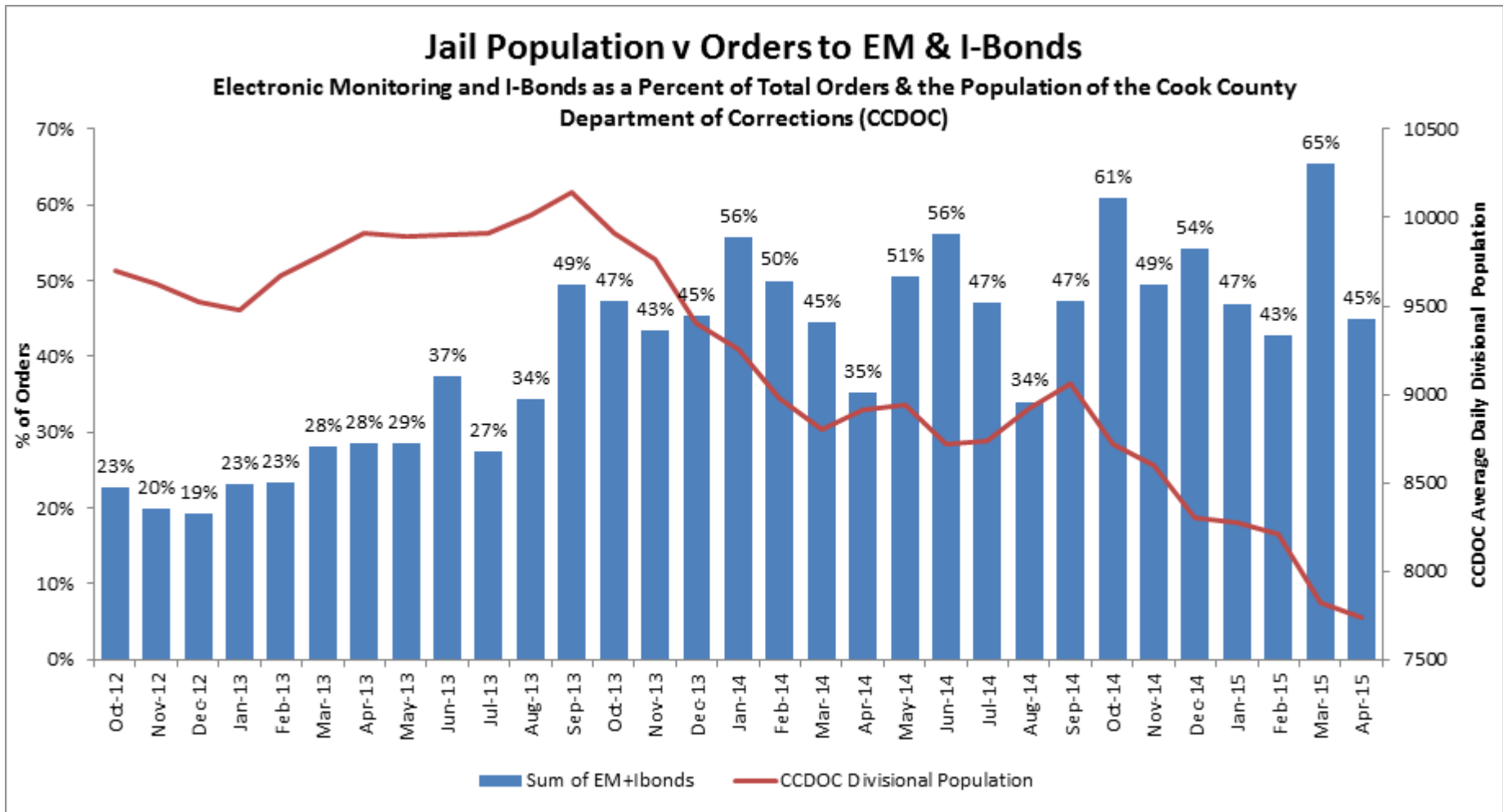
FY2016 Preliminary Forecast



\$ in Millions	2016 Preliminary Forecast	
General Fund Revenues	\$	1,498.54
Health Fund Tax Allocation	\$	(164.00)
General Fund Expenditures	\$	1,533.29
Health Fund Revenues	\$	1,434.26
Health Fund Tax Allocation	\$	164.00
Health Fund Expenditure	\$	1,598.26
Operating Funds Gap	\$	(198.75)



Jail Population Continues to Decline



As seen in the chart above, the percentage of orders to Electronic Monitoring (EM) and recognizance bonds (I-Bonds) substantially increased as a percentage of all orders at Central Bond Court (CBC) in September, 2013. The jail population began to decline in September, 2013 and has remained low through the summer months, breaking from a historical seasonal increase trend.

Proposed Demolition of Jail Campus Buildings



Proposed Demolition:

Division I - Annex

Division II - Dorm 1

Division III

Division XVII

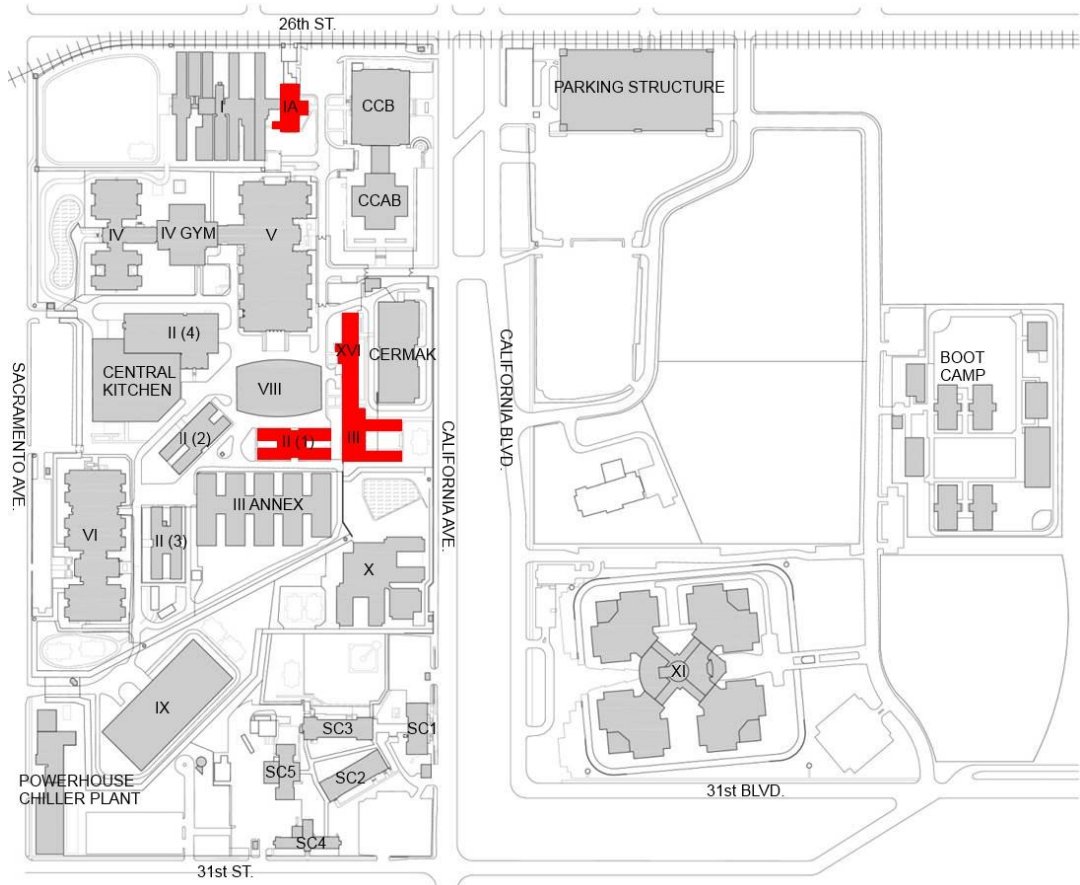
Current Repair Cost:

\$64,179,643

10 Year Cost:

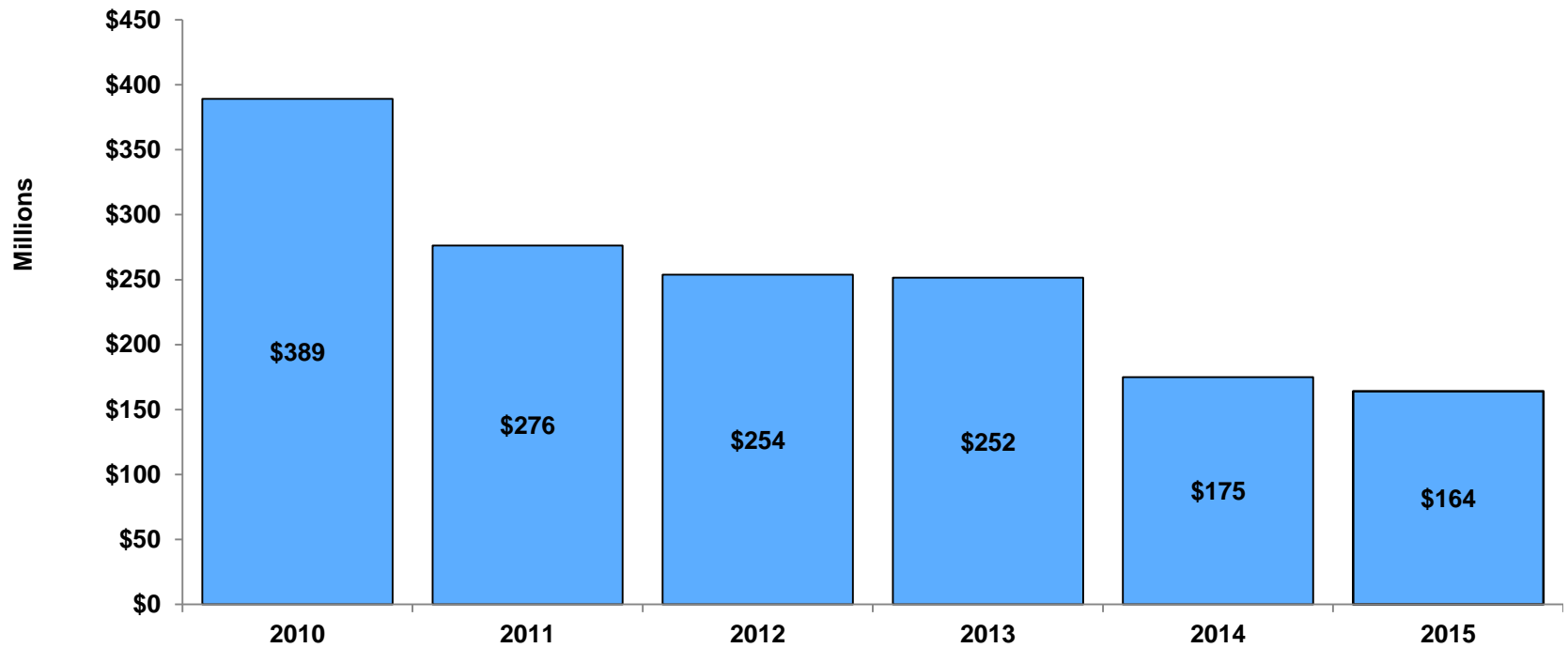
Repairs: \$80,450,522

Operating: \$38,758,800





Health System Operating Tax Allocation

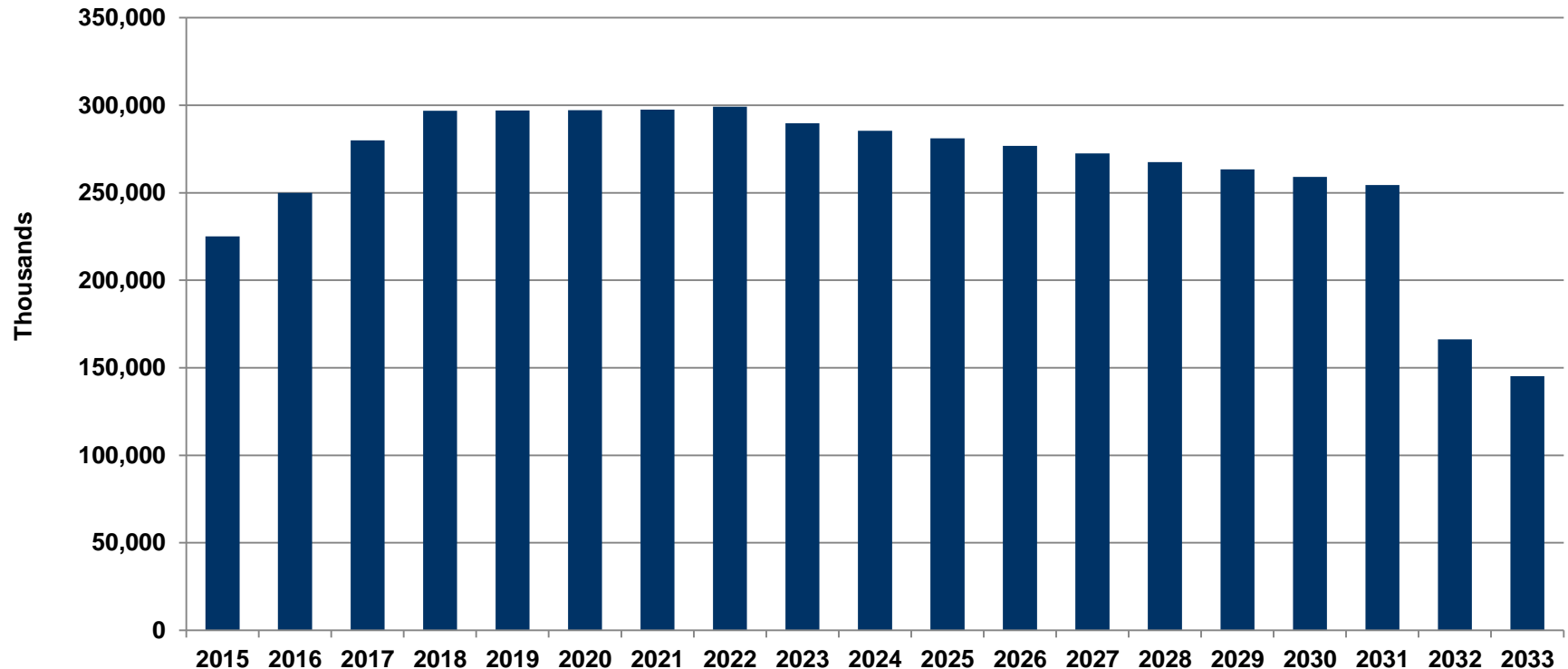




Rising Costs of Legacy Debt Service

- Debt service on legacy debt continues to rise in 2016. These costs below do not include any new debt that the County may issue in coming years.

Legacy General Obligation Debt Service





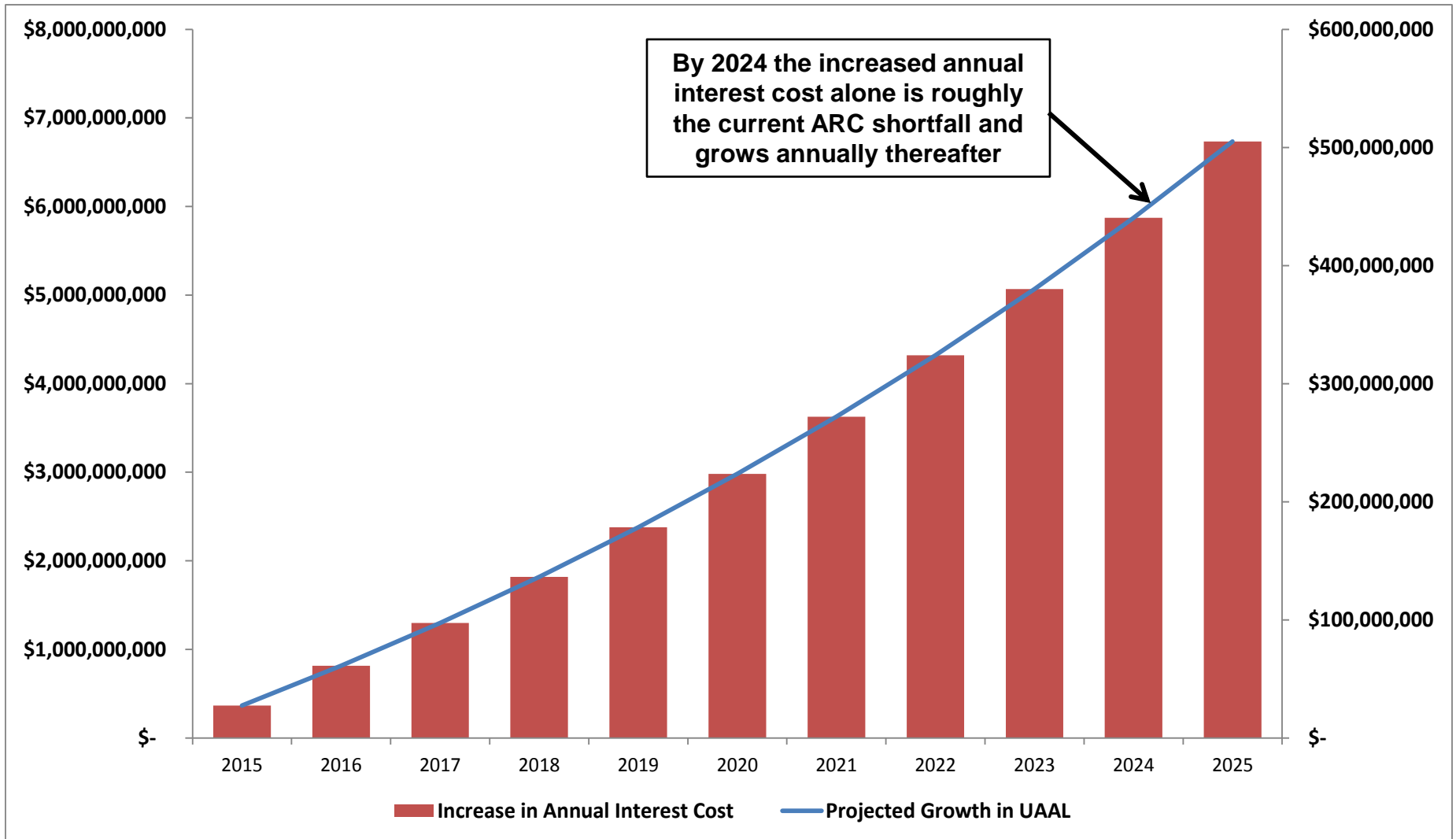
Infrastructure Funding Requirements

- The last time a Cook County Long Range Transportation Plan was produced was in August 1940
- In 2014, the Department of Transportation and Highways began developing Cook County's 2040 Transportation Plan
- Increased funding for Roads and Bridges has been identified in the planning process
 - For at least 2 decades, a portion of the County's Motor Fuel Tax (MFT) allocation has been used to support Circuit Court Operations
 - In 2016, we will propose a rollback of the MFT funds supporting court operations
 - By 2017, all MFT funds would be allocated to the Department of Transportation and Highways for road infrastructure projects and other related expenditures





Projected Growth in Pension Fund Interest





Comprehensive View of County Finances

	FY2016
Preliminary Forecast Deficit*	(\$198.8)
Increased Highway Funding	(\$10.0)
Increased Pension Funding	(\$270.5)
Total Gap	(\$479.3)

*Includes \$25 million increase in legacy debt service costs in FY2016 over FY2015 appropriation



Sales Tax Funded Expenditures

- The Sales Tax was established September 1992 and levied on general merchandise at a rate of 0.75% which the IL Dept. of Revenue collects on the County's behalf
- The proposed 1% increase effective January 1, 2016 will generate \$308M in 2016 reflecting 8 months of collections, and \$473.8M in 2017 for a full year of collections
- The additional revenue from the Sales Tax increase would be available to fund the following long-term structural items:

	FY2016	FY2017
Additional Pension Funding	\$270.5	\$340.7
Increased Highway Funding	\$10.0	\$64.5
Increased Legacy Debt Service Costs	\$25.0	\$55.0
Increased Pay-As-You-Go Capital Funding	\$0.0	\$13.6
Total Uses	\$305.5	\$473.8



County Fiscal Management Initiatives

What We Have Collectively Done in Recent Years

- Put \$1.5B of additional money in our residents' hands since 2011 via tax reductions
- Reduced work force by 8% since 2010
- Reduced the CCHHS's annual tax allocation by \$225M or 58% since 2010
- Increased Grant funding by 73% since 2011
- Decreased outstanding debt by \$236M or 5% since 2011
- Generated efficiencies of \$70M through City/County collaboration
- Consolidated real estate footprint and leasing excess space in 69 W Washington generating \$2M annually
- Implemented multiple enforcement programs to ensure all home rule tax payers are in compliance with the existing ordinances generating an additional \$15M annually
- Streamlined and made employee benefits more efficient by migrating to a more cost effective HMO plan
- Eliminated healthcare for Judges that are also covered by the State of IL benefit plans saving \$4.4M annually
- Reduced the Health System's self-pay population from 56% in 2012 to 32% 2015 through the implementation of CountyCare
- Centralized office supply & other high dollar contracts
- Modernizing our accounts payable by implementing ePayables that generates over \$750K in rebates annually

Structural Expenditure Reduction Targets

- Implementation of a Countywide Time and Attendance system scheduled to go live in 2016, expected to automate timekeeping and reduce fraud
- Conduct dependent audit to ensure only eligible employee dependents are on the County's benefit roles
- Sustain reduction in Jail pre-trial detainee population to reduce associated expenditures
- Reduce the number of buildings at the Jail campus to reduce costs and reflect the lower detainee population
- Demolish buildings at the Oak Forest health campus and cut costs at the health system to further reduce taxpayer funding of CCHHS operations
- Reduce the County's vehicle fleet to lower the associated capital costs and maintenance costs
- Expand reverse auctions for commodity purchases
- Further real estate consolidation to free up space for additional leasing opportunities
- Targeting 75,000 Sq Feet of 69W Washington for third party leases to reduce the footprint of Cook County government by 2018
- Eliminate select non essential/non mandated programs