



Civic Federation Position Statement

September 27, 2004

The Forest Preserve District of Cook County's Proposed \$100 Million Bond Issue

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Position

The Civic Federation is **very concerned** that the Forest Preserve District of Cook County proposes to issue as much as \$100 million in General Obligation Bonds to make \$50 million in capital improvements at the District, \$25 million at the Brookfield Zoo and \$25 million at the Chicago Botanic Garden without the public release of a detailed capital plan. Although the Civic Federation supports the upgrading of such public facilities, *we are very concerned about the lack of transparency of the current process and question the rationale for approving a multi-million dollar, multi-year expense to District taxpayers without the opportunity to assess the feasibility and prioritization of the \$100 million in proposed projects.*

The Forest Preserve District is proposing a significant capital expenditure without developing and making publicly available a detailed multi-year capital improvement plan (CIP). It is also requesting approval for a \$100 million bond issue before releasing the District's FY2005 budget. We disagree with both of these actions because they fail to provide the public with full and accurate information about how millions of taxpayer dollars will be budgeted and spent.

The Forest Preserve District Should Produce a Capital Improvement Plan

The Forest Preserve District has provided summary information about the proposed issuance of bonds and allocations of those funds by listing potential projects. We believe that this information is insufficient and inadequate. Rather, the District should provide full disclosure of information about capital projects by developing and publishing a multi-year, capital improvement plan (CIP). The National Advisory Committee on State and Local Budgeting (NACSLB) recommends that the CIP should clearly identify capital project priorities, provide a time frame for fulfilling those priorities, identify funding plans and provide full information about the long-term costs and sources of those financing mechanisms. It should be fully integrated into the government's overall financial plan. Upon presentation to the legislative body and the public, ample opportunity should be allowed for stakeholder involvement in prioritizing and reviewing projects. Furthermore, the CIP should be included in a government's budget document, either in a single document describing both the operating and capital budgets or in a separate document describing the capital improvement plan and capital budget. The plan should be approved by the governing body

Capital and Operating Budgets Should be Presented and Reviewed Together

The annual capital budget is funded by cash flows from the annual operating budget for debt service costs and capital project costs. The operating and capital budgets do not exist in isolation.

If the Forest Preserve District approves a \$100 million now, in advance of discussion and review of the FY2005 budget, it is unclear how that financing plan fits into the District's overall budget and financial plans and what the potential impact will be on District revenues and expenditures.

Conclusion

The Civic Federation believes that the Forest Preserve District has made some important strides over the past two years. We congratulate President Stroger, General Superintendent Bylina and District staff on reducing its costs and eliminating its longstanding deficit. This is a testament to improvements in the District's financial management. We believe that the District must make a much greater commitment to linking its operations to a rational and transparent planning process that is fully disclosed to the public. **It is unreasonable and unfair to ask taxpayers to support this extraordinary expenditure of public funds without providing detailed information on the prioritization of projects, costs, and timing for completion.**