



**FOREST PRESERVE DISTRICT OF COOK COUNTY
FY2004 PROPOSED BUDGET
Analysis and Recommendations**

**Prepared By
The Civic Federation**

November 17, 2003

EXECUTIVE SUMMARY

The Forest Preserve District of Cook County proposes a FY2004 budget of \$140.8 million, which represents a decrease of 0.6% (or \$831,450) from FY2003.

The Civic Federation is **disappointed** in the Forest Preserve District's FY2004 operating budget because:

- 1) There is insufficient time for either the Board of Commissioners or the general public to fully evaluate the document. Only 4 working days have been permitted this year for public review of the budget, which was released with very little notice. Furthermore, the Forest Preserve public hearing is scheduled in the middle of Cook County budget hearings at time when Cook County faces a \$100 million budget deficit for FY2004.
- 2) It fails to significantly build upon the cost cutting measures enacted last year and implement additional management reforms that will improve the quality of service delivery in the long-term.

The Civic Federation offers the following **key findings** on the Forest Preserve District FY2004 budget:

- A reserve fund of \$2.9 million has been created and earmarked for contingencies.
- Personnel will increase from 544 to 565. This increase comes after last year's dramatic decrease in personnel from 1,013 to 544.
- The property tax levy will increase by 1.35%, from \$65.1 million to \$65.9 million.
- Revenues from the District's privatized golf courses are projected to increase from \$350,000 to \$900,000.
- 53% of the District budget or \$74.8 million is reserved for funding of the Chicago Botanic Garden and the Brookfield Zoo.

The Civic Federation offers the following specific **recommendations** on ways to improve the Forest Preserve financial and operational management:

- The legal relationship between the Forest Preserve District and Cook County should be ended. A separate Forest Preserve Board District Board of Commissioners should be elected. A separate Board would be able to focus solely on District issues and to independently and adequately review the District's finances and operations. Separating the two governments would substantially improve the oversight and accountability of both governments.
- Citizens should be given at least 10 working days to review the proposed budget document before a public hearing, and public hearings should be scheduled such that they do not compete with the Cook County budget for attention.
- Ownership of the District's swimming pools should be transferred to interested park districts or community organizations. The pools are not part of the District's core mission and are costly to maintain.
- The Forest Preserve police force should be eliminated and its functions assumed by the County Sheriff or local municipalities. This move would generate substantial savings to the District.
- The management of the Trailside Museum in River Forest should be transferred to a private non-profit foundation. Under such an arrangement, the Museum, like the Botanic Garden and the Brookfield Zoo, would continue to receive some public funds, but a foundation would assume day-to-day operating responsibilities. The result would be lowered costs for the District and greater efficiency of Museum operation.
- The budget format should be dramatically overhauled to increase its transparency and make it more user friendly to citizens.
- The Forest Preserve District should develop, and seek public input into, a five-year long-term financial plan to deal with future contingencies.
- The District should develop and utilize a performance measurement system as part of a broader strategic planning strategy.

**STATEMENT MADE AT THE PUBLIC HEARING ON THE PROPOSED FY2004
BUDGET OF THE FOREST PRESERVE DISTRICT OF COOK COUNTY,
NOVEMBER 17, 2003**

The Civic Federation would like to thank President Stroger, Finance Chairman Steele, and the members of the Forest Preserve District Board of Commissioners for this opportunity to comment on the proposed FY2004 Cook County Forest Preserve District budget. We would also like to thank the staff of General Superintendent Bylina for their responsiveness to our requests for information. It is usually our custom to commend the District's financial management team for their efforts in preparing the budget. However, this year we will not be commending either the administration or the Board for this budget because we feel that the timing of the budget release and public hearing do not reflect well upon this Board or the District administration's interest in allowing public input and rational debate over the Forest Preserve budget.

OVERVIEW OF TESTIMONY

The Civic Federation recently concluded an expedited analysis of financial issues related to the Forest Preserve District's proposed FY2004 budget. Based upon that review, we would like to offer the following comments. The full text of our analysis follows this summary and is also available on our web site at www.civicfed.org.

The Civic Federation is **disappointed** in the FY2004 Forest Preserve District budget for two reasons: 1) there is not sufficient time to fully evaluate the document for either Commissioners or the general public and 2) it fails to significantly build upon the cost cutting measures enacted last year and implement additional management reforms that will improve the quality of service delivery in the long-term.

The truncated review process for the FY2004 budget is a perfect example of the problems faced when one government is the neglected component unit of another. How can Commissioners carefully review the District's budget when departmental hearings are being held in the middle of hearings on the Cook County budget? We are skeptical that the Commissioners are able to devote their full attention to thoroughly reviewing this budget at the same time they are engaged in evaluating a Cook County budget that contains two controversial new taxes.

We also question how ordinary citizens can make meaningful commentary on this budget with just 4 working days for review. Most other local governments allow far more time to read and review their budgets. Cook County, for example, has provided a full 14 working days for public review of its FY2004 budget. The Civic Federation believes that citizens and taxpayers have a right to a full and fair vetting of all budget proposals.

The hurried Forest Preserve District budget process this year reinforces the Civic Federation's belief that the legal arrangement between Cook County and the District should be severed. Both the District and taxpayers would benefit from a more focused and limited governance system. Ensuring that the District achieves both financial savings and service delivery improvements requires considerable oversight and time commitment by the Board. Clearly, this is not going to happen this year.

A more formal separation of the Forest Preserve District Board of Commissioners from the Cook County Board would allow Forest Preserve District Board members to focus solely on District issues. A separate Board would have the political imperative that could expand upon the promising start begun with the FY2003 budget. Cook County Commissioners in turn, could focus all of their attention on County issues. In short, separating the two governments would substantially improve the oversight and accountability of both governments.

At this time, the Civic Federation would like to offer several additional recommendations, many of them longstanding, that we believe would improve the management of the District and the transparency of its operations.

- In the future, citizens should be given at least 10 days to review the proposed budget document before a hearing is held that seeks public comment and input.
- The Civic Federation believes that it would be a cost effective strategy to completely transfer ownership of the Forest Preserve District swimming pools to interested park districts or community organizations. Providing access to swimming pools is not part of the District's core mission and the pools are costly to maintain and operate.
- The Forest Preserve District should evaluate the efficacy of maintaining a police force. We believe that the police force could be eliminated and its functions assumed by the County Sheriff or local municipalities. This move would generate substantial savings to the District. At a minimum, the District should experiment by contracting local municipalities to provide police monitoring of some of the more isolated preserves.
- The management of the Trailside Museum in River Forest should be transferred to a private non-profit foundation. We believe that that this is a sound and sensible proposal that can help reduce costs for the Forest Preserve District and improve operations at the Museum. Similar arrangements have worked well with both the Brookfield Zoo and the Chicago Botanic Garden.
- The budget format should be dramatically overhauled to increase its transparency and make it more user friendly to citizens. At a minimum, the budget document should include a more detailed transmittal letter that outlines the district's goals and objectives for the fiscal year, summary tables and 5-year trends of revenues, expenditures, appropriations, and personnel.
- The Forest Preserve District should develop, and seek public input into, a five-year long-term financial plan to deal with future contingencies.
- The District should develop and utilize a performance measurement system as part of a broader strategic planning strategy.

FY2004 BUDGET HIGHLIGHTS

The FY2004 budget of the Forest Preserve District of Cook County is \$140.8 million. This is an \$831,000 or 0.6% decrease from FY2003. No major policy initiatives are planned in the upcoming fiscal year. Some of the highlights of the budget are listed below.

Total Appropriations: 0.6% Decrease from \$141.6 Million to \$140.8 Million

- The proposed FY2004 budget is \$140,862,805.
- This a 1% (\$831,450) decrease from the FY2003 budget.
- The Real Estate Acquisition Fund will decrease by 24% or \$4.1 million.
- The Corporate Fund will increase by 8%, from \$37.4 million to \$40.4 million.
- \$2.9 million of the Corporate Fund will be carried over from 2003 and reserved for judgments and contingencies.

Funding for Brookfield Zoo & Chicago Botanic Garden: 53% of Total District budget

- The Zoo & Garden Funds, which provide tax subsidies for the Brookfield Zoo and the Chicago Botanic Garden, will total 53% of the Forest Preserve District budget, or \$74,818,391.
- The Botanic Garden Fund will decrease by 1% (\$300,000), from \$24.3 million to \$24 million.
- The Zoological Fund will increase by 1%, from \$50.4 million to \$50.8 million

Revenues: Property Tax Levy up 1.35%, PPRT down 21.3%

- The District's property tax levy will increase by 1.35%, from \$65.1 million to \$65.9 million.
- Personal Property Replacement Tax (PPRT) revenues are projected to decrease by 21.3% (\$1,303,400), to \$4,822,996 in FY2004 from \$6,126,396.
- Golf course revenue collected from privatized golf courses is projected to increase from \$350,000 to \$900,000.

Personnel: Increase of 3.9%

- Forest Preserve District budgeted headcount will increase by 3.9%, from 544 to 565. Seven part-time forestry interns will be added to the Resource Management Department, creating a pool from which to recruit future trained employees. Twelve new sworn officers will be added to the Law Enforcement Department to increase patrols and provide a community relations officer to work with school groups, churches, and other organizations.¹

FINANCIAL ISSUES AND TRENDS

This section provides summaries of key expenditure and revenue issues and trends likely to impact the Forest Preserve District's financial situation in FY2004.

¹ Budget statement by Steven M. Bylina, Forest Preserve District General Superintendent, November 10, 2003.

All Fund Appropriations: Decrease for 2nd Year; Down 0.6% from FY2003

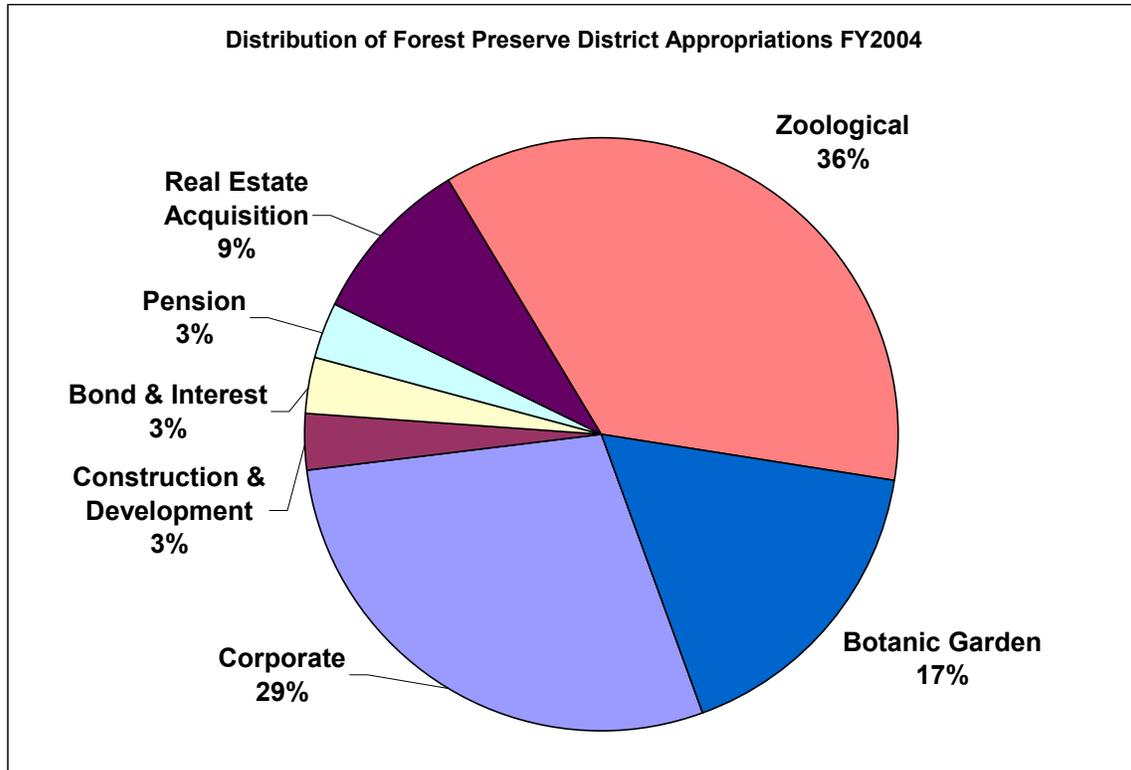
The FY2004 budget will decline by 0.6% or \$831,450 from the previous year. This represents a decrease from \$141.6 million to \$140.8 million. This is the second year in a row the District's budget has decreased; since FY2002, the budget has decreased by \$4.2 million or 3%. The largest fund decrease in FY2004 will be in the Real Estate Acquisition Fund, which will be cut by 24.3% for a \$4.1 million decrease. Those funds were spent on the acquisition of new lands.

Appropriations by Fund FY2003 vs. FY2004				
Fund	FY2003	FY2004	\$ change	% change
Corporate	\$ 37,494,800	\$ 40,494,700	\$ 2,999,900	8.0%
Construction & Development	\$ 4,106,000	\$ 4,237,111	\$ 131,111	3.2%
Bond & Interest	\$ 4,280,611	\$ 4,282,625	\$ 2,014	0.0%
Employee Annuity & Benefit	\$ 3,960,000	\$ 4,152,000	\$ 192,000	4.8%
Real Estate Acquisition	\$ 17,014,498	\$ 12,877,978	\$ (4,136,520)	-24.3%
Zoological	\$ 50,484,989	\$ 50,808,452	\$ 323,463	0.6%
Botanic Garden	\$ 24,353,357	\$ 24,009,939	\$ (343,418)	-1.4%
Total	\$ 141,694,255	\$ 140,862,805	\$ (831,450)	-0.6%

The next exhibit shows 5-year appropriation trends for all Forest Preserve District funds between FY2000 and FY2004. During that period, District appropriations rose by 3%, from \$137.0 million to \$140.8 million. The Corporate Fund was reduced by over \$2 million during the period analyzed, while both the Real Estate Acquisition and Construction and Development Funds were reduced by over \$1 million. The largest percentage increase between FY2000 and FY2004 was for the Botanic Garden Fund, which rose by 24%, from \$19.3 million to \$24 million.

Appropriations by Fund: FY2000 vs. FY2004				
Fund	FY2000	FY2004	\$ change	% change
Corporate	\$ 42,836,989	\$ 40,494,700	\$ (2,342,289)	-5%
Construction & Development	\$ 5,421,444	\$ 4,237,111	\$ (1,184,333)	-22%
Bond & Interest	\$ 4,152,500	\$ 4,282,625	\$ 130,125	3%
Employee Annuity & Benefit	\$ 3,465,000	\$ 4,152,000	\$ 687,000	20%
Real Estate Acquisition	\$ 14,025,849	\$ 12,877,978	\$ (1,147,871)	-8%
Zoological	\$ 47,742,585	\$ 50,808,452	\$ 3,065,867	6%
Botanic Garden	\$ 19,355,806	\$ 24,009,939	\$ 4,654,133	24%
Total	\$ 137,000,173	\$ 140,862,805	\$ 3,862,632	3%

The distribution of Forest Preserve District appropriations by fund is shown in the next exhibit. 53% of all appropriations are reserved for subsidies for the Brookfield Zoo and the Chicago Botanic Garden. The Zoological Fund continues to be the largest of the District's funds, with appropriations of 36% or \$50.8 million. The Botanic Garden Fund will total \$24 million, or 17% of all appropriations in FY2004. Overall, the second largest fund is the Corporate Fund, which increased from 26% of all appropriations in FY2003 to 29% in FY2004.



Forest Preserve District Revenues: Down 0.6% in FY2004

Forest Preserve District revenues derive from three major sources: property taxes, Personal Property Replacement Tax (PPRT) revenues and income from miscellaneous fees, fines and contributions including admission fees and contributions garnered by the Brookfield Zoo and Chicago Botanic Garden. Forest Preserve District revenues are projected to decline by 0.6% between FY2003 and FY2004. This will be an \$831,000 decrease. PPRT revenues are expected to decline by \$1.3 million, a steep 21.3% decline. This sharp drop is due to the continued effects of the recession on corporate income. The District is, however, projecting a 196% increase in miscellaneous Corporate Fund income that derives from fees and permit charges.

The 196% increase in Corporate Fund miscellaneous income includes a \$2.9 million reserve carried over from FY2003 that will be used for contingencies as well as \$2.5 million in revenues from fees and interest income. The \$2.5 million in fee and charge income represents a 38%, \$703,300 increases from FY2003. This increase is largely due to a projected increase from \$350,000 to \$900,000 in golf privatization revenues.

Forest Preserve District Revenues by Source: FY2003 & FY2004				
Source	FY2003	FY2004	\$ change	% change
Property Tax Levy	\$ 65,168,793	\$ 65,993,918	\$ 825,125	1.3%
PPRT Tax	\$ 6,126,396	\$ 4,822,996	\$ (1,303,400)	-21.3%
Misc. Income				
Zoological Fund	\$ 35,774,768	\$ 36,098,231	\$ 323,463	0.9%
Botanic Garden Fund	\$ 15,275,000	\$ 14,931,582	\$ (343,418)	-2.2%
Corporate Fund	\$ 1,834,800	\$ 5,438,100	\$ 3,603,300	196.4%
Subtotal Misc. Income	\$ 52,884,568	\$ 56,467,913	\$ 3,583,345	6.8%
Expired C& D	\$ 500,000	\$ 700,000	\$ 200,000	40.0%
Restricted Fund	\$ 17,014,498	\$ 12,877,978	\$ (4,136,520)	-24.3%
Total	\$ 141,694,255	\$ 140,862,805	\$ (831,450)	-0.6%

The next exhibit shows the trend in Forest Preserve District revenues between FY2000 and FY2004. District revenues have increased by 2.8% over this period, or by \$3.8 million. Corporate Fund miscellaneous revenues have dropped precipitously, from \$11.7 million in FY2000 to \$5.4 million five years later. Much of the decrease can be attributed to the elimination of (gross) golf fee revenues (\$5.6 million in the proposed FY2000 budget) as the District has privatized its golf courses. This gross figure did not take into account the cost of maintaining the courses.

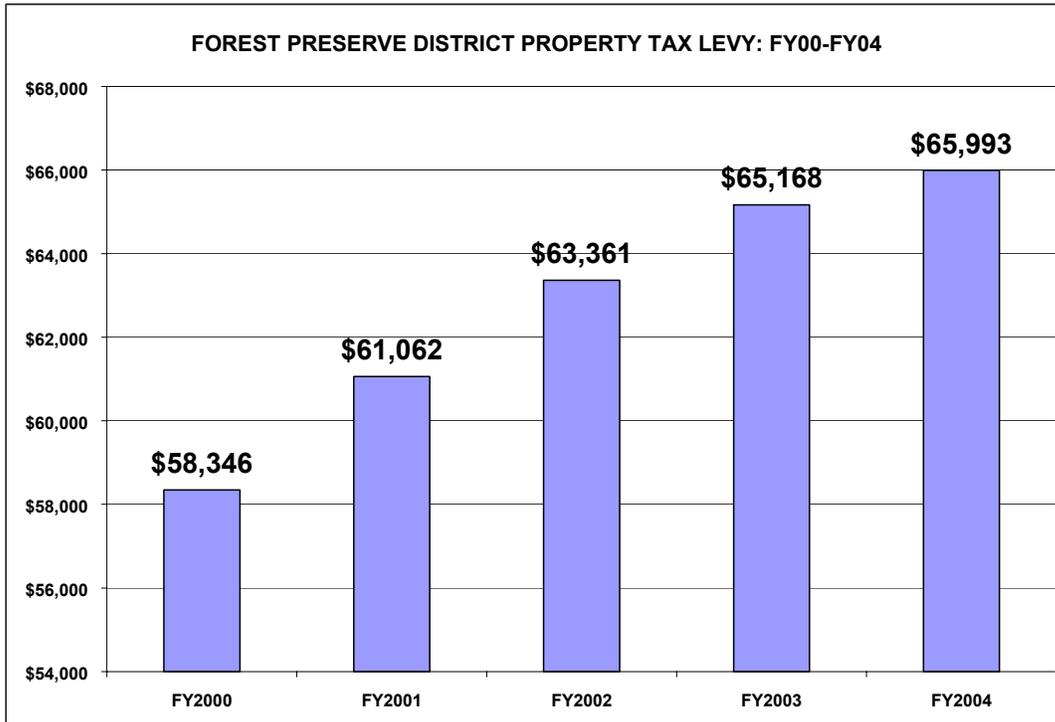
Forest Preserve District Revenues by Source: FY2000 & FY2004				
Source	FY2000	FY2004	\$ change	% change
Property Tax Levy	\$ 58,346,975	\$ 65,993,918	\$ 7,646,943	13.1%
PPRT Tax	\$ 6,278,631	\$ 4,822,996	\$ (1,455,635)	-23.2%
Misc. Income				
Zoological Fund	\$ 32,862,916	\$ 36,098,231	\$ 3,235,315	9.8%
Botanic Garden Fund	\$ 10,641,000	\$ 14,931,582	\$ 4,290,582	40.3%
Corporate Fund	\$ 11,794,385	\$ 5,438,100	\$ (6,356,285)	-53.9%
Subtotal Misc. Income	\$ 55,298,301	\$ 56,467,913	\$ 1,169,612	2.1%
Expired C& D	\$ -	\$ 700,000	\$ 700,000	0.0%
Surplus	\$ 2,302,417	\$ -	\$ (2,302,417)	0.0%
Restricted Fund	\$ 14,773,849	\$ 12,877,978	\$ (1,895,871)	-12.8%
Total	\$ 137,000,173	\$ 140,862,805	\$ 3,862,632	2.8%

The Forest Preserve District projects a 21.3% decline in Personal Property Replacement Tax revenues for 2004, or a loss of \$1.5 million. In contrast, the City of Chicago predicts a 0.5% increase, and the Chicago Public Schools predict a 5.2% increase. *This suggests that the Forest Preserve District's projection may be overly pessimistic.*

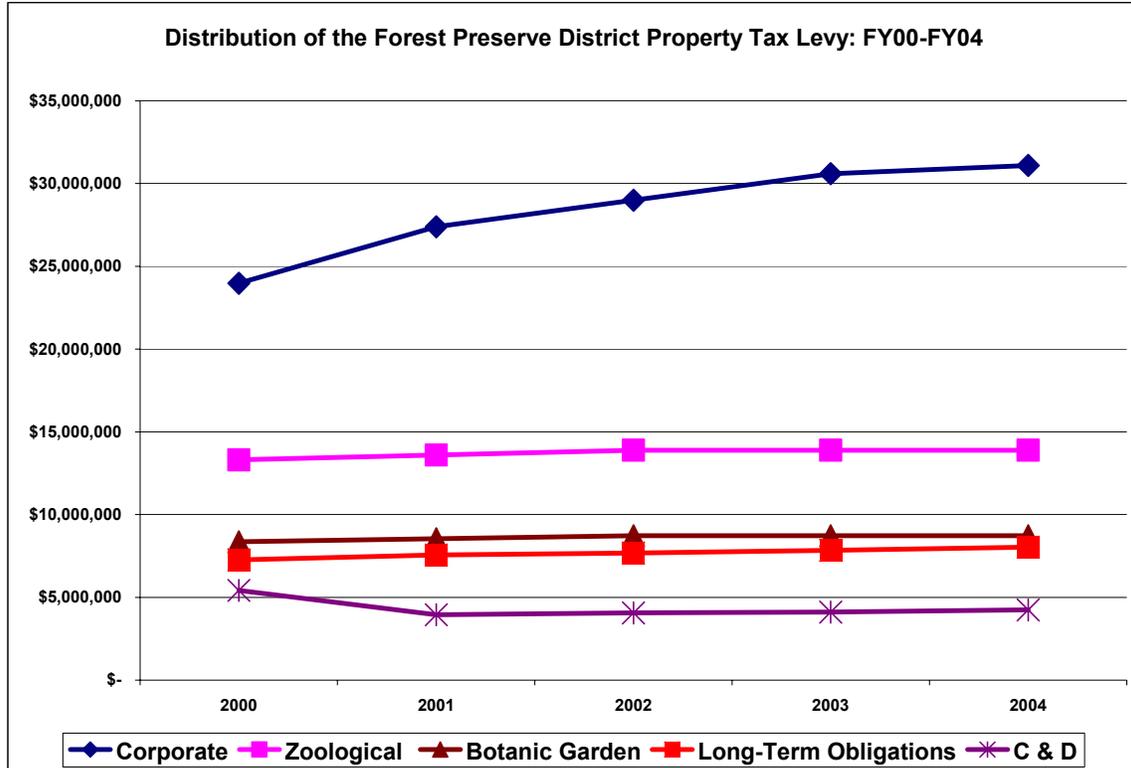
Local Personal Property Replacement Tax Revenue Estimates: FY2004			
(in \$ millions)			
	2003 projected actual	2004 projected	% change
City of Chicago	37.4	37.6	0.5%
Chicago Public Schools	48.4	50.9	5.2%
Forest Preserve District	6.1	4.8	-21.3%

FPD Property Tax Levy to Increase by 1.35% to \$65.9 million

The Forest Preserve District proposes to increase its property tax levy by 1.35% in FY2004 to \$65.9 million. This is a dollar amount increase of \$825,000. Since FY2000, the levy has risen by 13%, from \$58.3 million to \$65.9 million.



The following exhibit shows that over the 5-year period between FY2000 and FY2004, the portion of the property tax levy reserved for the Corporate Fund has increased from 41% of the total levy to 47%. All of the other categories except Long-Term Obligations (which remained constant at 12%) have reported slight decreases in their share of the levy. The “Long-Term Obligation” category includes both pensions and debt service, while the “C & D” category is the Construction and Development Fund (see next exhibit).

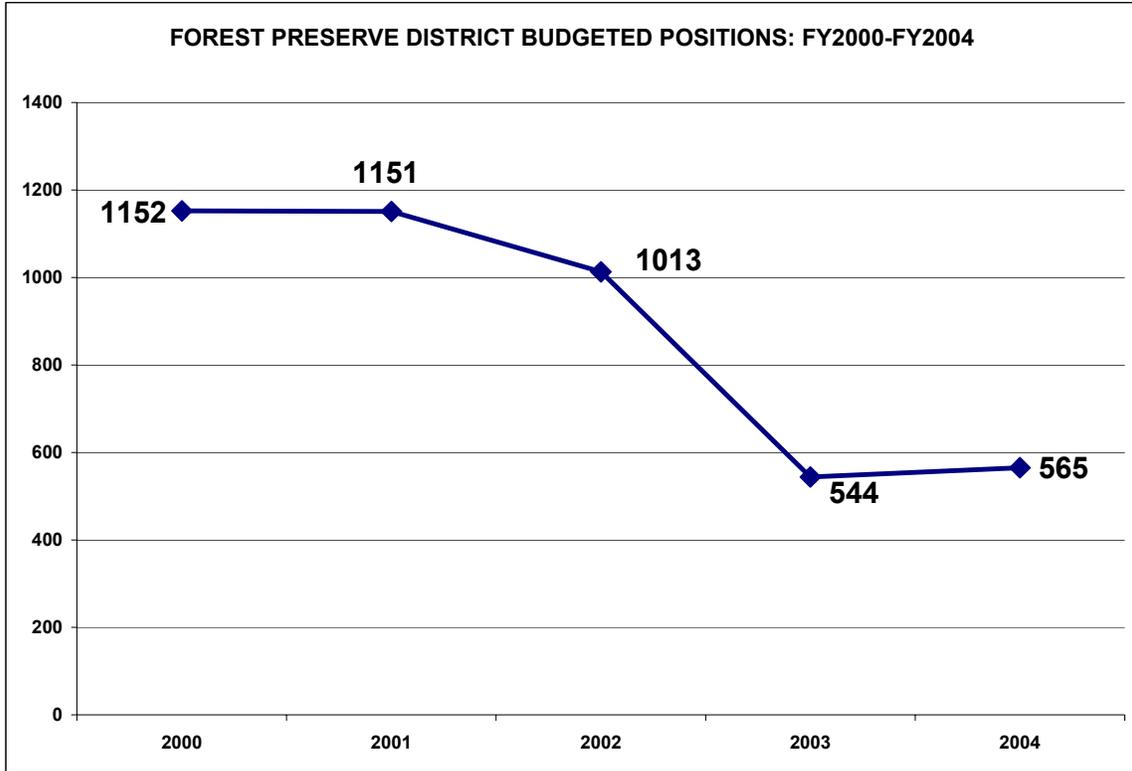


Headcount to Increase by 21 Positions to 565

In FY2003, the Forest Preserve District eliminated 473 positions or 47% of the workforce from its FY2003 budget. This reduction was the result of golf privatization (192 positions), elimination of vacancies (approximately 181 positions), and restructuring (approximately 100 positions). This year, however, headcount will increase slightly, from 544 to 565 positions, a net increase of 21 positions. Most of the increases come in the Law Enforcement and Resource Management areas.

Forest Preserve District Position Summary: FY03-FY04			
Department	FY2003	FY2004	CHG
General Office	14	14	0
Finance & Administration	27	27	0
Resource Management	101	108	7
General Maintenance	237	238	1
Recreation Management	36	37	1
Law Enforcement	94	106	12
Legal Department	9	9	0
Construction & Development	26	26	0
Total	544	565	21

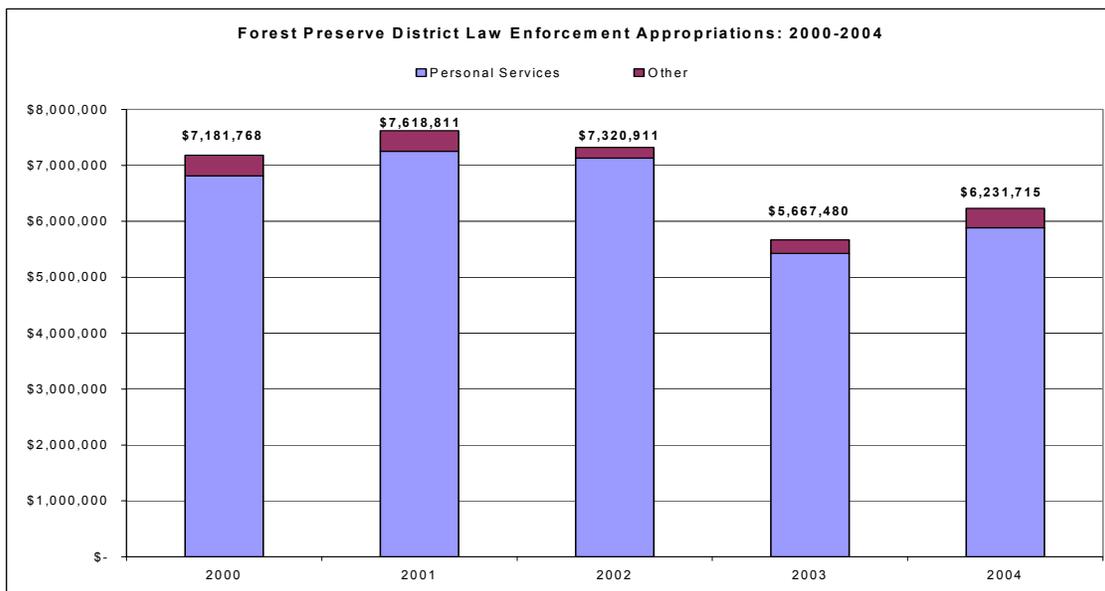
Since FY2000, the Forest Preserve District has reduced its workforce from 1,152 to 565. This represents a 5-year decrease of 51% or 587 positions.



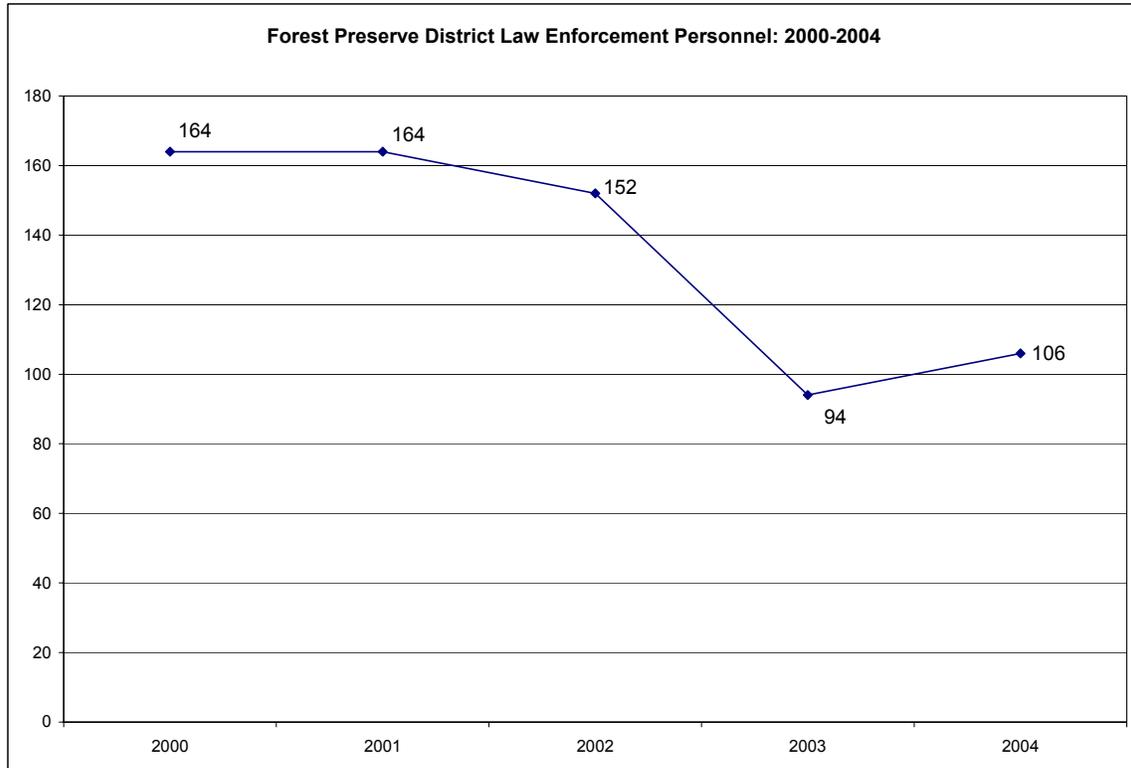
Selected Departments: Appropriations, Revenue, and Personnel

Law Enforcement

The Forest Preserve District Law Enforcement Department proposes a 10% increase in appropriations this year, from \$5.6 million in FY2003 to \$6.2 million in FY2004. Personal services represents 94% of the FY2004 appropriations budget.



The Law Enforcement Department proposes to increase personnel by 12 positions in FY2004, a 13% increase. Ten police officers and 2 police lieutenants will be added.



Recreation Department: Pools, Golf

The Forest Preserve District Recreation Department proposes 37 positions in FY2004, an increase of 1 position over FY2003. Total budgeted salaries are \$796,842.

In FY2004, the Recreation Department will maintain one outdoor Aquatic Facility at a cost of \$201,651 for the salaries of 24 employees. Pool fees of \$3 per child and \$5 per adult are projected to generate \$100,000 in FY2004. Two of the three outdoor pools are currently closed for renovation and will be re-opened at a future date.

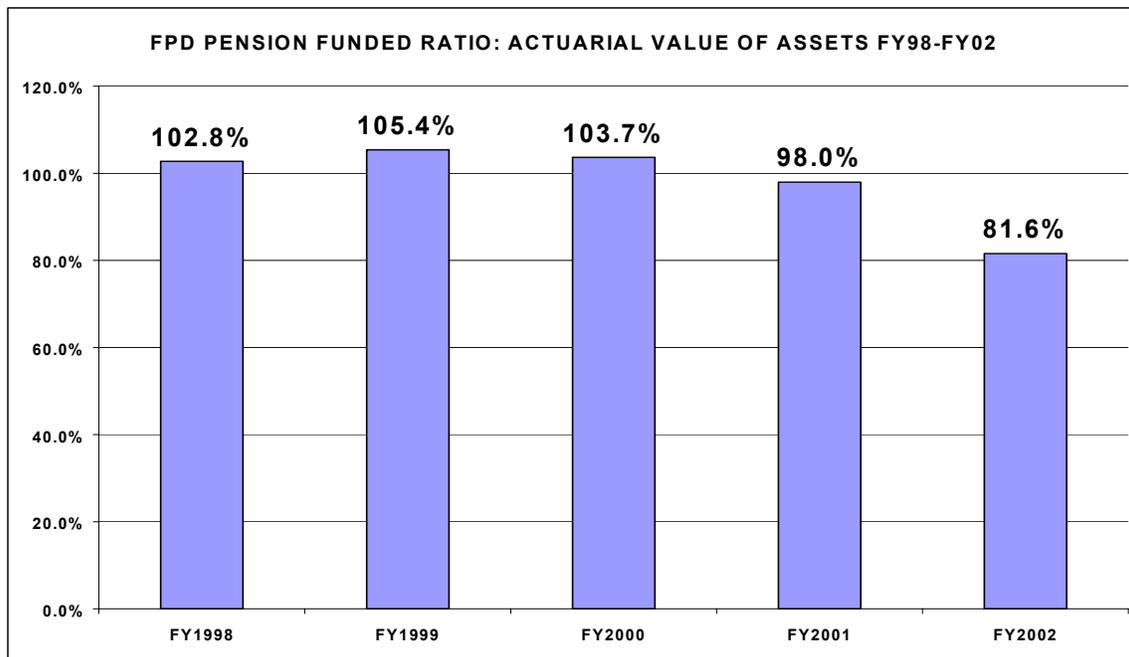
Forest Preserve golf courses were privatized in 2003, and the Recreation Department now has responsibility for monitoring the performance of Billy Casper Golf Management Inc. to ensure contract compliance in the management of the District's 10 golf courses and 4 driving ranges. Revenue collected from the Casper Company was budgeted at \$350,000 in FY2003, and \$900,000 in FY2004.

Pension Trends

The Civic Federation used three measures to present a multi-year evaluation of the Forest Preserve Pension Fund's fiscal health: funded ratios, the value of unfunded liabilities, and the investment rate of return.²

Funded Ratios – Actuarial Value of Assets: Funded Ratio Declines for 2nd Year to 81.6%

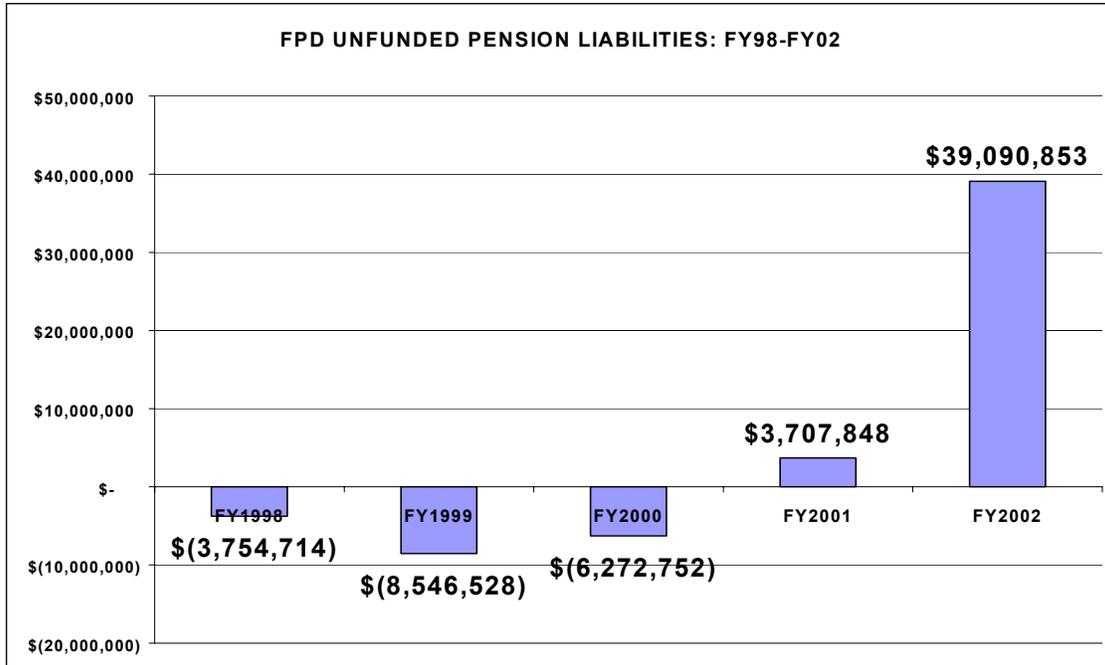
The following exhibit shows funded ratios for the Forest Preserve District's pension fund from FY1997 to FY2001. This ratio shows the percentage of pension liabilities covered by assets. The lower the percentage the more difficulty a government may have in meeting future obligations. The District pension fund's funded ratio fell from 98% to 81.6%. Although the funded ratio has dropped for two years, the fund still has sufficient assets to meet its liabilities.



Unfunded Liabilities Increase from \$3.7 Million to \$39 Million.

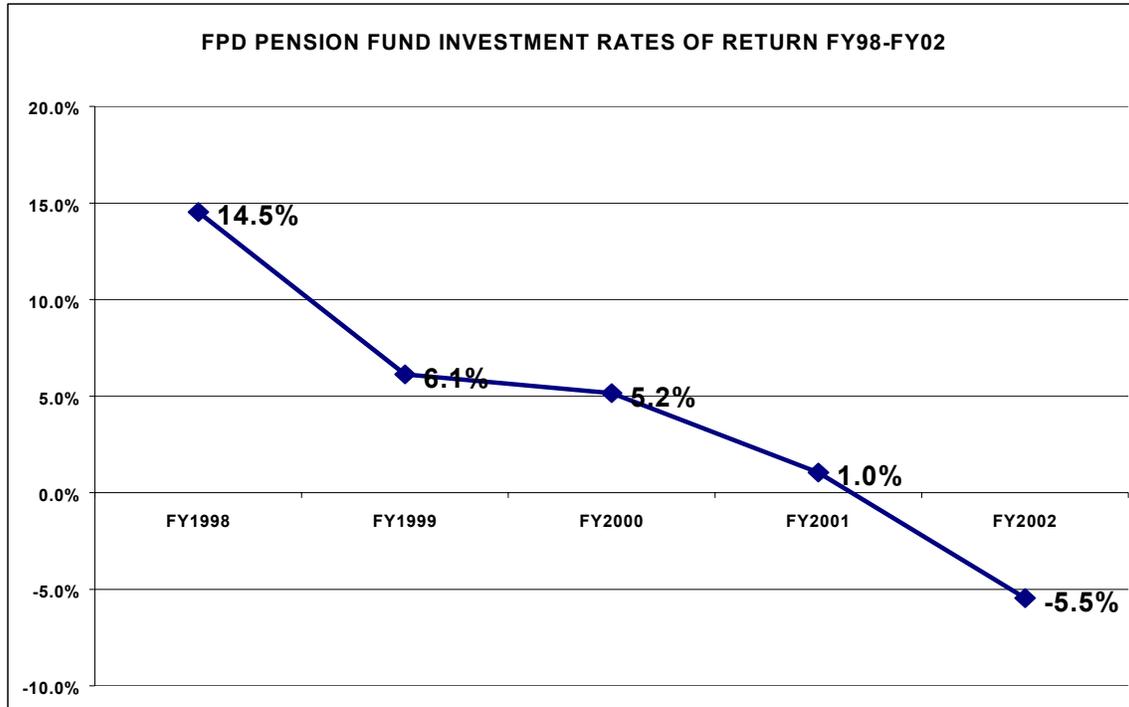
Unfunded liabilities are the dollar value of liabilities not covered by assets. Because the District pension fund was overfunded, there were more assets than liabilities until FY2000. However, in FY2001, the pension reported \$3.7 million in unfunded liabilities and in FY2002, the unfunded liabilities increased again to \$39 million. Because the fund continues to be well funded, this increase is not yet a cause for concern. However, the trend does bear watching in future years.

² The discussion of Forest Preserve District pension trends is drawn from Scott Metcalf. *Status of Local Pension Funding* (Chicago: Civic Federation, 2003).



Investment Rates of Return: Negative 5.5% Return in FY2002

Investment income typically provides a significant portion (over 50%) of the funding for pension funds. Thus, declines over a period of time can have a negative impact on pension assets. Since FY1998, Forest Preserve District pension fund investment rates of return have dropped from 14.5% to -5.5%. This drop mirrors trends in other local government pension funds. Between FY2001 and FY2002, the rate of return fell from 1.0 to -5.5%. Because the pension fund remains well funded, this is not yet a cause for concern.



Debt Trends

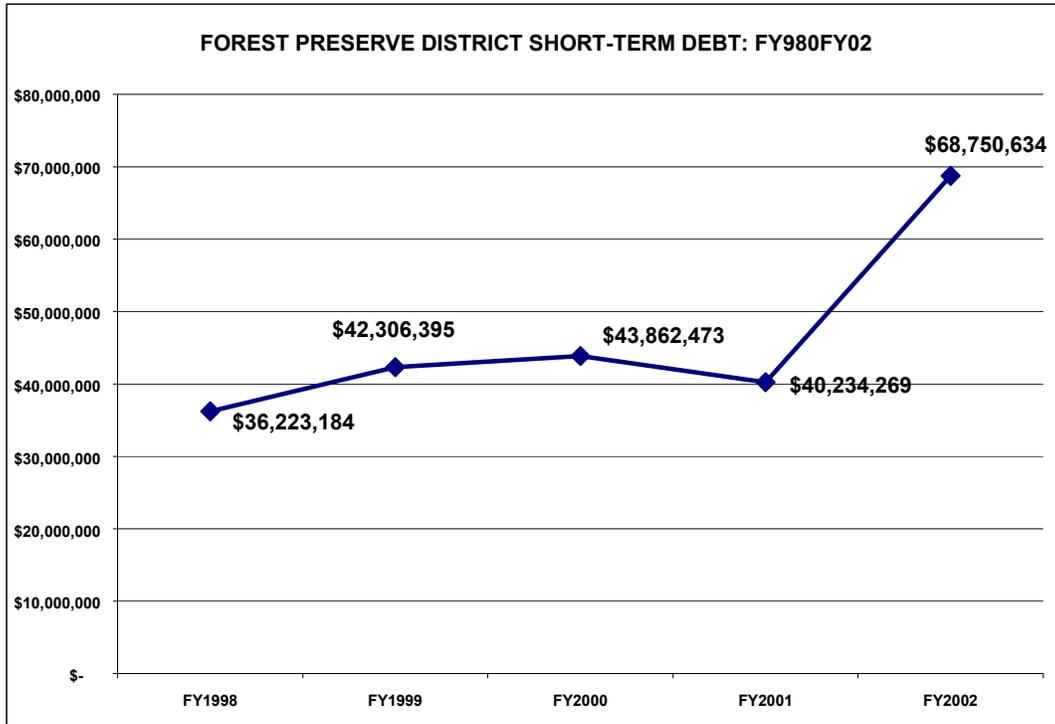
The Civic Federation has employed two measures of debt for purposes of this analysis: short-term debt trends and long-term debt per capita. The data are drawn from the District's audited financial reports. The last year for which data are available is FY2002.

Short-Term Debt Trends: 90% Rate of Growth FY1998-FY2000

Short-term debt is a financial obligation that must be satisfied within one year. An increasing trend in short-term debt may be a warning sign of future financial difficulties. It is a measure of budgetary solvency, that is, a government's ability to generate enough revenue over the course of a normal budgetary period to meet its expenditures and prevent deficits.

Short-term debt in the General and Special Revenue Funds includes obligations such as accounts payable, contracts payable, deposits, interest payable, interest due to other funds, and liabilities from restricted assets. In sum, it includes all liabilities except accrued salaries and wages, accrued payroll, compensated absences and long-term debt.

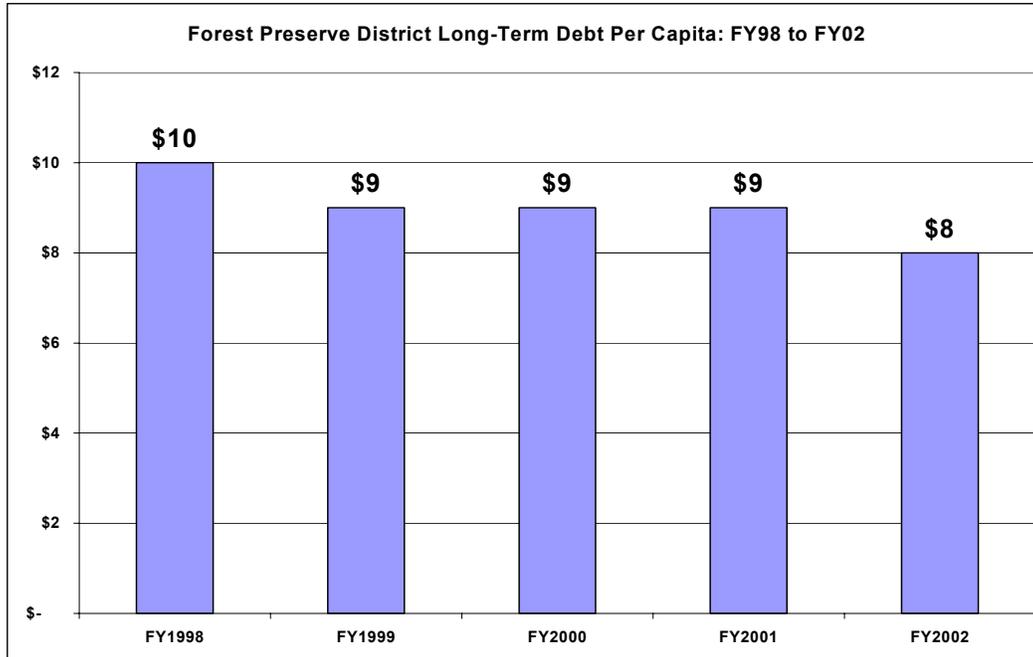
Between FY1998 and FY2002, Forest Preserve District short-term debt increased by 90%, from \$36 million to \$68 million. Much of the increase came between FY2001 and FY2002, when short-term debt rose from \$40 million to \$68 million. If the trend toward rapid increases in short term debt continues in subsequent years, it will be a cause for concern.



Long-Term Debt Per Capita: Fell From \$10 to \$8 Between FY1998 and FY2002

Long-term debt per capita is a measure of a government’s ability to maintain its current financial policies. This long-term debt analysis takes the total long-term debt liabilities reported in Note #7 of the District’s audited financial statements and divides them by population. The Forest Preserve District’s long-term debt includes general obligation bonds payable, capital leases payable, compensated absences, claims and judgments payable, and worker’s compensation. Increases in this indicator bear watching as a potential sign of increasing financial risk. The population is that of Cook County: 5.1 million residents from 1998-2000 and 5.3 million residents from 2001-2002.

The FPD’s long-term debt burden declined slightly between FY1998 and FY2002, falling from \$10 per capita to \$8 per capita. This decrease represents a drop from just over \$50 million to approximately \$44 million.



CIVIC FEDERATION RECOMMENDATIONS

The Civic Federation has several recommendations regarding ways to improve the Forest Preserve District's financial management.

End the Legal Relationship Between the Forest Preserve District and Cook County

The Civic Federation is convinced that true management reform and operational efficiency would be best served by legally separating the governments of the County and the District.

For the past 75 years, the Forest Preserve District has suffered from neglect. We believe that much of the neglect is a result of the current governance system, which burdens Cook County Commissioners with untenable oversight responsibilities for the District.

The Civic Federation strongly opposes any move to merge the Forest Preserve District into Cook County government. We do not believe the purposes and authority granted to home rule governments and exemptions from property tax caps should be used to supplement another property tax capped unit of government. Rather, the legal relationship between the District and the County should be ended.

Establishing a separate Forest Preserve District Board of Commissioners would allow them to focus solely on District issues. This Board would have the political imperative to sustain and expand upon the promising start proposed in the FY2003 budget. County Commissioners, in turn, could focus all of their attention on County issues. In short, separating the two governments would substantially improve the operations and management of both governments.

More Time Needed for Public Review of Budget

The Civic Federation urges that in the future citizens should be given at least 10 working days to review the proposed budget document before the District schedules a hearing that seeks public comment and input. The current truncated time period between release of the budget and public testimony does not afford sufficient time for interested citizens to prepare for the public hearing.

Eliminate Forest Preserve Police Department

The Forest Preserve District should work to eliminate duplication of effort whenever possible to effect cost savings. For example, The Civic Federation has had a longstanding recommendation that District evaluate the efficacy of maintaining a police force. We believe that the police force could be eliminated and its functions assumed by the County Sheriff or local municipalities.

Transfer Ownership of Swimming Pools to Municipalities

The Civic Federation believes that it would be a cost effective strategy to completely transfer ownership of the Forest Preserve District swimming pools to interested park districts or community organizations.

According to the 2001 *Cost of Services* study prepared by Deloitte and Touche for the District, the pools costs as much as \$856,790 per year to operate.³ Currently, two of the pools are closed for renovation and will be re-opened at a future date. A proposal has been advanced to transfer pool *operation* to another government in order to reduce the cost of operation to the District. However, the Civic Federation has concerns with that proposal because it may be difficult for another entity to assume full operating costs and maintain the practice of free or inexpensive admission. In addition, the District would still retain responsibility for liability issues.

We believe it would more cost effective for the District to fully transfer *ownership* of the pools to other entities. The District should focus on its core mission, which does not include the maintenance of pools. Swimming pools are more appropriately maintained by park districts or private swim clubs. The money spent on their maintenance and operation could be better spent on core activities.

Transfer Operations of the Trailside Museum to a Private Nonprofit Foundation

The Trailside Museum, located on Forest District Preserve property in River Forest, functions as a visitor center and a rehabilitation center for wildlife. Currently, the District provides exclusive funding for its \$600,000 in annual operating expenses. The Civic Federation supports efforts to transfer the management of the Museum to a private non-profit foundation. The District could gradually reduce its annual subsidy over time to permit the new management to raise sufficient funds to operate the Museum. Under a proposal that has been advanced, the District would eventually cap its subsidy at approximately \$200,000 per year. We believe that this is a sound

³ Deloitte & Touche. *Cost of Services Study for the Forest Preserve District of Cook County*, November 1, 2001, p. 24

and sensible proposal that can help reduce costs for the Forest Preserve District and improve operations at the Museum. Similar arrangements have worked well with both the Brookfield Zoo and the Chicago Botanic Garden.

Improve Budget Format

The budget format should be dramatically overhauled to increase its transparency and make it more user-friendly to citizens. Specifically, the budget should include a more detailed transmittal letter that outlines the District's goals and objectives for the fiscal year, summary tables and 5-year trends of revenues, expenditures, appropriations, and personnel.

The current line item format makes it virtually impossible to pinpoint costs for activities or programs. In the future, the District should move toward developing a program budget that would permit the allocation of costs to specific activities and programs.

The District should look at other local government budgets, including the Cook County budget and the budget of the Forest Preserve District of Lake County as potential models for improving its budget format.

Implement a Long-Term Financial Planning Process

The National Advisory Council on State and Local Budgeting (NACSLB) and the Government Finance Officers Association (GFOA) both recommend that all governments formally adopt a long-term financial plan as a key component of a sound budget process.⁴ The Civic Federation urges the Forest Preserve District to develop and implement a formal long-term financial plan that is shared with and/or reviewed by key policymakers and stakeholders.

Develop and Utilize Performance Measures

All governments should evaluate the performance of programs and services they provide. This is the best means available to determine if they are accomplishing intended program goals and making efficient use of resources. Evaluating and reporting on program results keeps all stakeholders aware of actual results compared to expectations.⁵ Using a few well-chosen measures, particularly those measuring efficiency and effectiveness that are produced consistently and developed with the support of staff can be a valuable tool in assisting the District to improve its management and operations. The Civic Federation recommends that the Forest Preserve District develop and utilize a performance measurement system as part of a broader strategic planning strategy.

⁴ See National Advisory Council on State and Local Budgeting and Government Finance Officers Association

⁵ See Recommended Practice 11.1 "Monitor, Measure, and Evaluate Program Performance," in National Advisory Council on State and Local Budgeting. *Recommended Budget Practices: A Framework for Improved State and Local Budgeting* (Chicago: GFOA, 1998).