

PRESIDENT’S BUDGET MESSAGE

PRESIDENT’S BUDGET MESSAGE



October 22, 2009

Chicago, Illinois

**REMARKS OF PRESIDENT TODD H. STROGER
ON HIS EXECUTIVE BUDGET RECOMMENDATION
FOR COOK COUNTY FISCAL YEAR 2010.**

To be delivered at 1:30 PM, Thursday, October 22, 2009

Chairman Daley, Commissioners, fellow County executive officers, our guests in the board room today, and residents of Cook County: Today marks the fourth time I have come before you to present an executive budget recommendation for Cook County government.

The budgetary road that we have traveled together these past three years has brought Cook County to a more efficient, more modern, and more financially stable place.

At a time when governments throughout our region have been raising taxes to address huge deficits, this year ... like last year ... Cook County can and will hold the line on new taxes.

At a time when governments throughout our region no longer honor commitments to vendors . . . forsake promises made to employees at the collective bargaining table . . . and eliminate services that are needed by everyday people . . . Cook County can and will meet its obligations.

Today I present a budget plan for fiscal year 2010 that calls for total spending for operations of \$3.0 billion -- \$2.3 billion of which represents general fund spending.

This reflects an increase in general fund spending of \$80 million, or 3.6 percent, when compared to the current fiscal year.

Under the executive budget recommendation I present today, full-time employees in the general fund will be reduced by 714. . . to 22,155 workers.

This will mark the first time since 1984 -- yes, 26 years ago -- that our general fund headcount will fall to the 22,000 range.

The executive budget recommendation I place before you is balanced. No delays of payment cycles... no long-term borrowing to fund operations ... no use of reserve funds to pay our bills.

Like last year, my budget recommendation for 2010 proposes no new taxes... NONE.

And for the 13th consecutive year, this budget asks nothing more from our property tax payers.

Total property tax collections for Cook County government -- our levy -- will remain at \$720 million . . . just as it has been every year since 1996.

For our homeowners, this flat levy means that Cook County government each year receives a smaller and smaller portion of your property tax bill.

Take a look at your tax bill, which for the first time this year will give you a simpler, more clear picture of how your property taxes are broken down.

My budget recommendation for 2010 maintains all core county services. We will continue to deliver those critical services upon which our residents depend each and every day.

Services that span law enforcement and corrections, health care for the needy and uninsured, operation of the largest unified court system in America, maintenance of some 1,500 lane-miles of roads and 140 bridges, tax collection for 550 units of local government, and a great deal more.

In maintaining core county services, this budget recommendation squarely confronts our unavoidable spending pressures.

The relatively modest expense growth reflected in my budget plan for 2010 is the result of legal mandates in public safety, contractual commitments, and public health and public safety initiatives.

Areas of increased spending include:

- The \$37 million increase this board approved in September for the Cook County Health and Hospitals System Board -- representing front-end investments in systems and technology to promote cost savings in future years.
- A \$35 million increase for the Sheriff, in part to comply with federal court staffing mandates at the Cook County Jail and other facilities.
- A total increase of \$13.8 million in funding for the State's Attorney, Public Defender and Chief Judge.
- Some \$22 million to satisfy contractual step increases, primarily for our union employees, to meet obligations approved by this board prior to my administration.
- \$17.5 million to fill a funding shortfall for the Cook County Juvenile Temporary Detention Center, caused in part by the loss of state appropriations support.
- \$13.4 million in increased health insurance costs for our work force.
- And \$30 million in added pension system contributions -- part of our ongoing obligation to make up for a deferred pension payment approved by this board in 2007.

Under this spending plan, Cook County will also fund its self insurance reserves with \$91.8 million in general funds -- money that will be needed to pay medical malpractice and workers' compensation claims.

To confront these many spending pressures, the expected growth in total county revenues is not nearly enough.

As with governments across the nation, our various tax and fee revenues will generally be down next year. Some of those decreases will be offset next year by federal stimulus funds ... including money that Cook County will receive for our health care system.

I also fought in Springfield and Washington DC for previously unavailable DISH funds for our three public hospitals – and won that funding effort. While the availability of these dollars over the long term is tenuous, at best, in the short term they provide a critical and deserved revenue stream for our health system.

Even with this modest overall increase in county revenue, because of the scope of our spending pressures, closing the budget gap for 2010 requires maintenance of the significant belt-tightening my administration has spearheaded over the last three years.

In short, my 2010 budget recommendation continues our shared commitment to find efficiencies in, and bring modernization to, county government.

It also sharpens our focus on long-term financial planning. This focus is reflected in a number of new fiscal management initiatives proposed in my 2010 budget plan.

To begin, using existing county staff, I propose creating within the Department of Budget and Management Services a Process Review and Improvement Unit.

This team will work with offices and departments throughout county government to facilitate the development of more efficient systems for serving the public ... resulting in greater customer satisfaction and less cost.

They will also review all information technology requests to promote comprehensive I.T. strategies... and safeguard against the inconsistencies and redundancies that result from patchwork approaches.

My budget plan calls for enhanced fiscal accountability through timely completion of financial control reports common to the private sector, and through further improvements to our purchasing and accounts payable processes.

In the coming fiscal year, I suggest that we continue our ongoing effort to upgrade and integrate county technology to improve efficiency and service.

My budget recommendation for 2010 enlarges our Administrative Hearing Department ... allowing more ordinance violation cases to be diverted from the judiciary, so that they may be administratively adjudicated at less cost.

This coming year, as the nation continues to deal with the economic downturn, I propose that Cook County do its part to spur economic activity and job creation.

My budget plan suggests that Cook County begin using the \$196 million in “volume cap” that was made available to us through the American Recovery and Reinvestment Act of 2009 for so-called “Recovery Zone Facility Bonds.”

At no risk to county taxpayers, this bond program essentially gives expanding businesses access to presently scarce capital ... at lower interest rates and longer repayment terms than traditional financing ... through the county as a conduit issuer of tax-exempt debt.

This board has already taken the first step by declaring all of Cook County a “recovery zone.”

Also in the interest of producing private sector jobs, and with a modest investment of \$250,000, this budget proposal creates a Cook County Film Commission.

That body will work to fill in the gaps left by the highly successful Illinois and Chicago film offices, and it will help make Cook County an even more attractive venue for the television and film industries and the jobs they bring.

In the area of criminal justice, my executive budget recommendation for 2010 seeks to reduce the overall costs for detaining the criminally accused.

Specifically, this budget supports an “administrative supervised release project,” a collaborative effort among Cook County’s public safety agencies that will reduce taxpayer costs while lowering the daily population at Cook County Jail.

My budget plan also recommits this government to helping stem the growing tide of violence against kids ... the sort of violence that last month tragically claimed the life of honor student Derrion Albert.

I am recommending that this board approve a pair of grants, totaling \$200,000 each, to two proven programs.

One grant will go to the Boys and Girls Club of Chicago, a non-profit organization that has provided mentoring and after-school programming to at-risk children for over a century.

I know that representatives of the Boys and Girls Club are with us today, and I would ask that they stand and be recognized. *(Pause)*

The other grant recommendation is for the CeaseFire program -- which works with community-based organizations and focuses on street-level outreach, conflict mediation, and the changing of community norms to reduce violence.

Again, we have CeaseFire representatives with us today, and I would ask that they stand and be recognized. *(Pause)*

At a time when charitable giving is down, given the state of the economy, we can and should support organizations with proven track records like these. We owe it to the children of Cook County.

My budget recommendation also seeks to improve our delivery of services to military veterans as our nation fights two wars. We do this by relocating the Veterans Assistance Commission to the Cook County Juvenile Temporary Detention Center campus -- closer to the Jesse Brown VA Medical Center, with easier access to public transportation for our veterans.

The budget I present for your consideration places strong emphasis on energy efficiency and cost savings in the operation of county facilities.

I propose that we become even more sophisticated energy consumers, continually monitoring natural gas and electricity purchase options for cost savings.

I also suggest that we continue our work with utility bill auditors who review past natural gas and electricity bills for billing errors ... and recover monies due us from utilities.

My budget recommendation proposes that, next fiscal year, our Capital Planning and Environmental Control Departments pursue appropriate capital improvements to county facilities -- including hospital, correctional and administrative properties -- that will generate even greater long-term energy savings.

I recommend that we develop a demand-side management program to modify our level and pattern of electricity use, and thereby save additional energy costs.

Finally, as proposed under this budget plan, the ongoing work of an inter-department Energy Task Force will continue, seeking out worthy cost-saving projects related to energy and environmental issues.

The executive budget recommendation before you today is, in significant measure, the by-product of our work together these past three years.

We committed to directly addressing the budgetary challenges that had long confronted Cook County ... and to making the necessary tough decisions to get this government on track.

Three years ago, in my first budget proposal, I proposed and you enacted deep across-the-board cuts. We held the property tax levy for Cook County government flat for then the 11th straight year, and we imposed no new taxes or fees.

The following year, having already pushed through substantial cuts and efficiencies, a majority of this board joined me in resolving to finally address the structural deficit that had long gripped Cook County government.

That structural deficit was the product of a flat revenue base, largely the result of a continuing commitment by Cook County government to keep its property tax levy absolutely flat, when compared to its spending base that each year grows with inflation.

That budget cycle, we avoided the type of cuts that would have deprived our citizens of needed services. We said “no” to those who would have dismantled our public health system.

In raising the county sales tax by a single point, we created stability in Cook County government’s revenue base that addressed the County’s longstanding structural deficit.

Today, as our national and state governments face terrible deficits, and as many local governments in Illinois find themselves in dire financial shape, Cook County is relatively strong. Our bond rating is solid -- having just this week been reaffirmed by Standard and Poors at “double-A.”

In this and next fiscal year, our focus is on modernization, efficiency, and long-term financial management.

This year and next, my administration has neither imposed nor requested new taxes. We continue the proud tradition of holding the Cook County property tax levy absolutely flat.

As your Cook County Board President, I resolved from the outset to make the tough but necessary decisions that would serve our long-term needs. I am most grateful to this county board for your partnership in this cause ... even when there has been disagreement among us.

I do appreciate and acknowledge that proposals have been made to roll back the sales tax increase that gave Cook County its solid financial footing.

Let us be clear on what such a proposal would mean, if enacted.

Of some \$2.3 billion dollars in general fund spending proposed in the 2010 budget, almost \$700 million is required by law or contract -- and that amount cannot be cut.

That means that roughly \$400 million in cuts would have to be found within the remaining \$1.6 billion – or more than 25 percent of all such spending.

Cuts of that level, I respectfully suggest, would dramatically impact the lives of our residents in many negative ways.

I respectfully urge that we work together in more positive ways, building on our work together over these past three years.

Work that has brought landmark reforms, like putting the administration of the Juvenile Temporary Detention Center under the administration of the chief judge, just as all other juvenile detention centers are administered in Illinois.

Like giving Cook County its first Independent Inspector General ... and enacting numerous reforms in the areas of ethics and procurement.

Yes, those were landmark achievements -- the sort of reforms that will be remembered years from now as having been significant.

In that same spirit of working together, it is my hope that we can enact a budget for next year by Thanksgiving ... before the start of the 2010 fiscal year on December 1st.

Let us make a break from the past ... repeated now eight years in a row ... of waiting until the end of the first quarter to adopt a county budget. Sound fiscal practice is to approve budgets prior to the start of the next fiscal year.

And so it is with confidence in the good motivation and collective wisdom of this county board that I now place my executive budget recommendation for fiscal year 2010 in your capable hands.

Thank you.