

Board of Commissioners of Cook County

118 North Clark Street
Chicago, IL



Journal of Proceedings

Wednesday, October 10, 2018

1:00 PM

Special Meeting:

Presentation of the FY 2019 President's Executive Budget Recommendation

Cook County Building, Board Room, 118 North Clark Street, Chicago, Illinois

LUIS ARROYO, JR.
RICHARD R. BOYKIN
JERRY BUTLER
JOHN P. DALEY
DENNIS DEER
JOHN A. FRITCHEY
BRIDGET GAINER
JESUS G. GARCIA
GREGG GOSLIN

EDWARD M. MOODY
STANLEY MOORE
SEAN M. MORRISON
TIMOTHY O. SCHNEIDER
PETER N. SILVESTRI
DEBORAH SIMS
LARRY SUFFREDIN
JEFFREY R. TOBOLSKI

**DAVID ORR
COUNTY CLERK**

Board met pursuant to law and pursuant to the following call:

September 24, 2018

The Honorable David Orr, Cook County Clerk
69 West Washington Street Fifth Floor
Chicago, Illinois 60602

Re: SPECIAL MEETING NOTICE for October 10, 2018 at 1:00 P.M. in County Board Room,
118 North Clark Street, Room 569, Chicago, Illinois

Dear Clerk Orr:

Pursuant to the authority vested in me, I hereby call a Special Meeting of the Board of Commissioners of Cook County to be convened on Wednesday, October 10, 2018, at the hour of 1:00 P.M. in the County Board Room, Room 569, County Building, 118 North Clark Street, Chicago, Illinois. At said meeting, the Executive Budget for Fiscal Year 2019 will be presented to the Cook County Board of Commissioners.

Please issue the Notice of this Special Meeting as required by law.

Very truly yours,

Toni Preckwinkle, President

COPY OF LETTER SENT TO ALL COMMISSIONERS

September 24, 2018

President and Members
Cook County Board of Commissioners

Ladies and Gentlemen:

Toni Preckwinkle, President of the Board of Commissioners of Cook County, has directed me to call a Special Meeting of the Board of Commissioners of Cook County on Wednesday, October 10, 2018 at the hour of 1:00 P.M. in the County Board Room, Room 569, County Building, 118 North Clark Street, Chicago, Illinois. At said meeting, the Executive Budget for Fiscal Year 2019 will be presented to the Cook County Board of Commissioners.

Very truly yours,

David Orr
County Clerk

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The following Legal Notice appeared in the Chicago Tribune Newspaper, Thursday, October 4, 2018 through Wednesday, October 10, 2018.

LEGAL NOTICE

Toni Preckwinkle, President of the Board of Commissioners of Cook County, has directed me to call a Special Meeting of the Board of Commissioners of Cook County on Wednesday, October 10, 2018 at the hour of 1:00 P.M. in the County Board Room, Room 569, County Building, 118 North Clark Street, Chicago, Illinois. At said meeting, the Executive Budget for Fiscal Year 2019 will be presented to the Cook County Board of Commissioners.

Very truly yours,

DAVID ORR, Cook County Clerk and Clerk
of the Board of the Commissioners of Cook County, Illinois

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OFFICIAL RECORD

President Preckwinkle in the Chair.

CALL TO ORDER

At 1:00 P.M., being the hour appointed for the meeting, the President called the Board to order.

QUORUM

County Clerk David Orr called the roll of members and there was found to be a quorum present.

ROLL CALL

Present: Commissioners Arroyo, Boykin, Daley, Fritchey, García, Goslin, Moody, Moore, Morrison, Schneider, Silvestri, Sims, Steele, Suffredin and Tobolski (15)

Absent: Commissioners Butler and Gainer (2)

PUBLIC TESTIMONY

Pursuant to Cook County Code of Ordinances, public testimony will be permitted at regular and special meetings of the Board. Duly authorized public speakers shall be called upon at this time to deliver testimony germane to a specific item(s) on the meeting agenda, and the testimony must not exceed three (3) minutes. The names of duly authorized speakers shall be published in the Post Board Action Agenda and Journal of Proceedings as prepared by the Clerk of the Board.

1. Mark F. Armstrong - Chicago Urban Fine Arts Commonwealth
2. George Blakemore - Concerned Citizen
3. Raye Kyritsi, Program Director – Center for Conflict Resolution
4. Mary Hartsfield – Warriors on the Watch
5. Carina Delgado, LOT Lead Case Manager – Brighton Park
6. Phillip Jordan – Precious Blood Ministry of Reconciliation
7. Christine Weil, Director – Precious Blood Ministry of Reconciliation

PRESIDENT

18-6084

Presented by: TONI PRECKWINKLE, President, Cook County Board of Commissioners

EXECUTIVE BUDGET RECOMMENDATION FOR FISCAL YEAR 2019

Department: Office of the President

Summary: Executive Budget Recommendation Message of the President to the Cook County Board of Commissioners and submittal of the Executive Budget for Fiscal Year 2019.

Fiscal Year 2019 Executive Budget Recommendation Remarks

Below are my prepared remarks from this afternoon—October 10, 2018—on the Fiscal Year 2019 executive budget recommendation.

Good afternoon. I am pleased to present to you my Fiscal Year 2019 executive budget recommendation. This \$5.92 billion dollar budget represents principled progress toward our commitment to making Cook County healthier, safer and more fiscally responsible.

This budget builds on the considerable progress we have made during my eight years in office to reform and reshape Cook County into a government that truly serves all of its residents. Whether you're from Evanston or Englewood, Pullman or Palatine, you can expect a government working for you. I will add that we are doing so without any new taxes, fines or fees in the coming fiscal year.

I ran for this job because I had a vision for a new Cook County that was responsible and responsive. A Cook County that was efficient and effective. A Cook County that was successful and sustainable. A Cook County that was transparent and truthful. And I believe that each balanced budget I have presented has been a step toward realizing this vision.

We have achieved much because we have avoided quick fixes and one-time solutions. We have done the hard work and heavy lifting to instill sound fiscal discipline and ensure that more than 90 percent of our annual budgetary solutions are structural in nature. And this budget is no different.

In June, I released a preliminary financial forecast acknowledging an expected \$81.8 million dollar budget gap.

\$29.5 million dollars of the gap was related to the Health and Hospitals System with the other \$52.3 million shortfall in the General Fund. Increases in CountyCare membership have helped close the Health Fund gap. A growth in projected sales tax and enhanced enforcement activities have increased gas tax, use tax and amusement tax revenue. Reducing overtime at the jail through prudent management by the Sheriff's office and eliminating vacancies has helped close the General Fund gap by decreasing expenditures.

The County's budget is more than \$5.9 billion. That's a lot of money by any measure. Yet I want to point out that nearly 90 percent of that money is spent in the public health and public safety arenas.

In truth, the departments that operate under my purview comprise approximately five percent of the budget. Ensuring that the budget is balanced each year involves a great deal of collaboration with commissioners and independently elected officials who run other County offices.

Since I took office in December 2010, we have closed \$2.1 billion dollars in budget gaps and cut expenditures by more than \$850 million dollars.

We are also working to put the County on even stronger financial footing by being more judicious and careful about how we incur and pay down debt. Despite having to account for borrowing that predated my administration, we have decreased outstanding debt by more than \$400 million dollars, or 11 percent, since 2011. We are living within our means and being disciplined in spending.

We have done all of this by ending the bad practices of the past. We are not selling bonds to pay settlement costs or other non-capital purposes. And we are buying assets with short useful lives, like computers, with our operating funds instead of using credit. These efforts have been recognized by all major ratings agencies. We are being recognized for our strong financial management, commitment to fiscal balance and strides in improving pension funding. Rating agencies have consistently commended the County's work to create financial stability and confront legacy liabilities. Cook County has investment grade ratings for our bonds, making us a bit of an anomaly when compared to other large local governments in Illinois. This in turn allows us to borrow at much lower costs.

Through a combination of fiscal prudence and with the advent of the Affordable Care Act, Cook County has reduced the direct taxpayer allocation by 74 percent, from \$389 million dollars in 2010 to \$102 million dollars in 2018. That amount covers the cost of healthcare for the detainee population in the County corrections system and funds our public health system, both services we must provide under the law. This significant reduction has been accomplished while still providing more than \$500 million dollars annually in uncompensated care to those who use our Health and Hospitals System.

For more than a century, our Health and Hospitals System has provided quality care to anyone who needs it, regardless of their ability to pay. And though there are 72 hospitals in the County, our two hospitals provide nearly 50 percent of all the charity care administered in Cook County. I am grateful to Chairman Hill Hammock, Dr. Jay Shannon, his team and the hospital board for the exemplary work they have done, and I am proud to say that our health care system is increasingly one of choice, not simply one of last resort.

We are projecting CountyCare membership of 345,000 next year, up from 140,000 members in 2017. In addition to caring for CountyCare patients, the hospital continues to increase its contracts with managed care plans further driving new funding to the system. This means that we are expanding and improving services while at the same time reducing costs to taxpayers.

These improved services are being acknowledged. U.S. News and World Report recognized Stroger Hospital with its highest rating for cardiac care in the 2018 Best Hospital rankings. Stroger Hospital was re-designated as a Level III Perinatal Center and recertified as an Advanced Primary Stroke Center by the Joint Commission, while the burn unit was reaccredited by the American Burn Association.

In Fiscal Year 2019, the hospital system will establish dialysis services at Provident Hospital to meet a growing need in the community. Currently, we refer patients to private dialysis centers interrupting their continuity of care and sending revenues elsewhere.

The opening of the new Professional Building later this month will provide tens of thousands of patients long served by Fantus Clinic with state-of-the-art healthcare in a bright, modern space. Our patients deserve no less. The opening of the Professional Building marks the beginning of the health system's commitment to renovate or relocate the community health centers to allow them to compete in this new environment that is heavily focused on outpatient care. We look forward to opening the new Vista and North Riverside clinics in Fiscal Year 2019 as well.

To succeed in this new environment, the goal is to keep patients healthy and avoid unnecessary hospitalizations. Care management is a large part of that strategy. Care managers work with patients and CountyCare members to ensure they are getting the services they need when they need them. They visit people in their homes to make sure they are managing their conditions and link them to community based services they may need to improve their long term health. To accomplish this, the health system will be expanding care management in 2019.

I am pleased to introduce you to a patient at Cook County Health. Efrain Torres is a young man who has had several health matters successfully treated at Stroger.

Mr. Torres is starting his first year at Malcolm X and dreams of being a physical therapist. He is immensely grateful for the care he has received at Stroger and is a shining example of how access to adequate healthcare can impact other areas of our lives.

While we have made dramatic improvements in the public health arena, we continue to also make significant progress in public safety as well.

By continuing to advocate for criminal justice and bond reform we have seen a sustained reduction of the pre-trial detainee population in the jail. This has allowed us to demolish a number of buildings on the jail campus, reducing costs that reflect the lower detainee population.

Through collaborative efforts between the Public Safety stakeholders which include the Justice Advisory Council, State's Attorney, Sheriff, Public Defender, Clerk of Circuit Court and Chief Judge, the jail population is now at its lowest since 1991. For years, the daily jail population hovered at roughly 10,000. Today, it has been reduced by more than 30 percent.

We have also invested millions in community-based programming to reduce violence and recidivism. When I walked in the door our grant efforts were non-existent. Since then we have distributed almost \$18 million dollars to community partners in anti-violence, anti-recidivism and restorative justice grants.

In 2019, the County will award more than \$4 million dollars in grants to 20 community-based organizations. With us today are several grantees and representatives of these laudable organizations. I want to recognize Rae Kyritsi from the Center for Conflict Resolution for their efforts to offer pro bono mediation services and conflict management training in the County. I'd also like to recognize Carina Delgado from Brighton Park Neighborhood Council for their expansive work to improve education opportunities, provide alternatives to gangs and bring together their community. And with us today are Christine Weil and Phillip Jordan from Precious Blood Ministry of Reconciliation. Their focus on restorative justice work, work and study programs and resources for neighborhood youth and families should be commended. Thank you for all that you do.

We have kept people out of the criminal justice system and in their communities, working, going to school and contributing to the community. We have also worked with the legislature to end automatic probation, ease the process of expungement, dramatically decrease the automatic transfer of youth to adult court, and overseen the end of a federal oversight at the Juvenile Temporary Detention Center. These efforts have resulted in a decline in our detained youth population of 45 percent since 2009.

One of the true joys of this job is hearing and seeing young men and women thrive after experiencing hardship. I think at times we forget the good that government can do and that our policies and programs that attack at the grassroots can be life altering.

It is uplifting and encouraging to see the County making a difference in people's lives, which is why I am also proud of the County's recent efforts to administer SAT testing for the first time ever for youth at the JTDC and our work to expand pre-vocational programming.

The SAT had never been administered to JTDC students before. JTDC coordinated with CPS, the Courts, and other stakeholders to ensure that all residents who were in their junior year took the SAT exam. Completing this college placement test is critical to high school graduation and to beginning a post-secondary education.

The JTDC is also offering residents a number of pre-vocational programs, including a licensed barber school, pre-apprentice painting program and now a pre-apprentice electrician program. This program introduces JTDC residents to the electrical trade, including basic electrical circuits, wiring techniques, and how to secure employment as an apprentice. Those in the JTDC can leave the facility with a new skill, ready to participate in the workforce or continue their education.

While we create opportunities and hope for individuals we are also undertaking similar efforts for our local Cook County businesses. We have taken important actions to foster economic development and encourage job growth through increasing exports for small and medium sized businesses, strengthening the fabricated metal and machinery sectors and recognizing the critical role of the South Suburbs through strategic and concentrated investments in them.

Our Bureau of Economic Development recently closed on a \$3 million dollar loan with Alsip Minimill designed to spur economic growth in the south suburbs. It will assist in the generation of approximately \$70 million dollars in private capital investment and support more than 100 jobs for the minimill.

I'm also pleased to recognize John Schneider the Economic Development Director for Franklin Park who is in the audience. A couple of years ago, the Cullerton Street Industrial Area located in Franklin Park experienced crumbling infrastructure that jeopardized a number of area businesses. As a direct result of County intervention and \$6.5 million for road improvements, five businesses located in the project area have committed to increasing full-time employment by an estimated 133 jobs. These companies have also committed to retaining more than 1,000 existing jobs.

Transportation and infrastructure play a pivotal role in economic development and regional growth and I am proud that our Department of Transportation and Highways is the newest member of CREATE, a

partnership of railroads and public-sector agencies that supports rail improvements across northeastern Illinois. Since joining the partnership, the County's participation has proved transformative.

The Department's commitment of \$78 million dollars in matching funds was critical in winning a \$132 million dollar federal grant in June for much-needed area rail improvements. Cook County is North America's freight capital. By advancing this nationally significant project and creating additional capacity for rail, we are enabling businesses to move their products to market in the U.S. and, ultimately, overseas efficiently, with further downstream job creation.

While we reshape our roads and bridges we are also updating our technology infrastructure. Not long ago, many County workers were signing in and out on paper timesheets.

We have now fully implemented a biometric Time and Attendance system, which has simplified reporting for our workforce, reduced the potential for fraud and increased accountability, while also providing a strong return on investment for County government. Now employees scan a finger to record precisely when they arrive at work and when they depart for the day. The new system is a Countywide replacement for the multiple disparate systems used by offices across the County. By unifying our time and attendance system and records, we have effective management and oversight of our operations.

The Bureau of Technology has also made significant strides toward modernizing Cook County in the past year and plans to continue to bring innovations and efficiencies.

In Fiscal Year 2018, the Bureau of Technology completed an overhaul of the County's back-office financial systems with a modern Enterprise Resource Planning System.

The new system is retiring eight outmoded systems and centralizing supply chain data—such as information about materials and vendors—to reduce inventory expenses and increase automation.

We have introduced new artificial-intelligence-based security systems and prevented more than 1.75 billion possible security threats between July 2017 and July 2018. Governments, just like businesses and individuals, are under constant threat of cyber-attack.

Recognizing the importance and effectiveness of our modernization efforts, we are further expanding our work to provide smart governance. In the coming year, we will establish the Office of Research, Operations and Innovation to further make the business of government more efficient and cost effective. The new department will identify opportunities for improvement and implement creative, data-driven solutions, to enrich services and the overall effectiveness of the County.

My vision for a better Cook County hasn't come without challenges and difficulties. Doing what is right and responsible isn't always easy and we have not shied away from tough decisions.

The difficult but necessary choice to increase the Sales Tax by 1 percent has put the County on a solid financial foundation to address pensions, legacy debt service costs and transportation infrastructure needs.

By dedicating this revenue from the sales tax, Cook County has provided supplemental pension payments of almost \$1 billion dollars above the statutorily required contribution.

Additionally, in the last three fiscal years, legacy debt service payments were increased by \$107 million dollars and transportation funding by \$139 million dollars to address deferred maintenance. An additional \$369 million dollars in increased contributions to these categories in Fiscal Year 2019 will bring the total to over \$1.7 billion dollars. Yes, that's billion with a B. While this has allowed us to address our legacy liability costs, it does little for future government operations.

Although the County has a diverse revenue base, expenditures rise over time due to inflationary pressures, with health benefits and several other categories of expenditures growing faster than general inflation. Unfortunately, natural growth in our revenues struggles to keep pace. This is not an encouraging trend but it is an unavoidable reality.

This makes structurally balancing the budget difficult and necessitates difficult decisions. To cope with our revenue needs, sustain our critical services and establish a three-year financial plan, last year we moved forward with a new revenue proposal. With its repeal, the County lost a source of funding and the opportunity to create a three-year financial plan.

We had to adjust some ambitious goals and delay some worthy projects that would better serve the residents of Cook County. Through the dedicated work of our budget team, separately elected officials and commissioners, we closed a \$300 million dollar gap last year.

However, without revenue—and I recognize the commissioners have no appetite for new revenue—tough decisions will need to be made. Make no mistake about it. We continue to benefit from a robust consumer economy as measured by our sales tax revenue, but we should not make the mistake of believing the economic trend line will point upward forever. In fact, most economists believe we are overdue for a recession, and while it would be convenient to avoid talking about this, I did say that my vision for Cook County included a more transparent and truthful government.

Each and every budget, we have faced these challenges head on and navigated these difficulties and we will continue to do so. Our residents expect it of us and they deserve it.

I am proud of what we have done and excited about what we are going to do. Thank you.

**REFERRAL OF EXECUTIVE BUDGET FOR FISCAL YEAR 2019
TO THE COMMITTEE ON FINANCE**

Pursuant to the statutes of the State of Illinois, Chapter 55, Article 6, a motion was made by Commissioner Daley, seconded by Commissioner Sims, that the Executive Budget Recommendation for Fiscal Year 2019 be referred to the Finance Committee. The motion carried.

ADJOURNMENT

A motion was made by Commissioner Daley, second by Commissioner Sims, that the meeting do now adjourn to meet again on October 17, 2018, in accordance with County Board Resolution 18-0624. The motion prevailed and the meeting stood adjourned.


