



FY2017 Bureau of Finance Budget Presentation

October 17, 2016

Ivan Samstein

Chief Financial Officer, Cook County

Revenue

Risk Management

Budget and Management Services

County Comptroller

Office of the Chief Financial Officer

Contract Compliance

Enterprise Resource Planning

Office of the Chief Procurement Officer

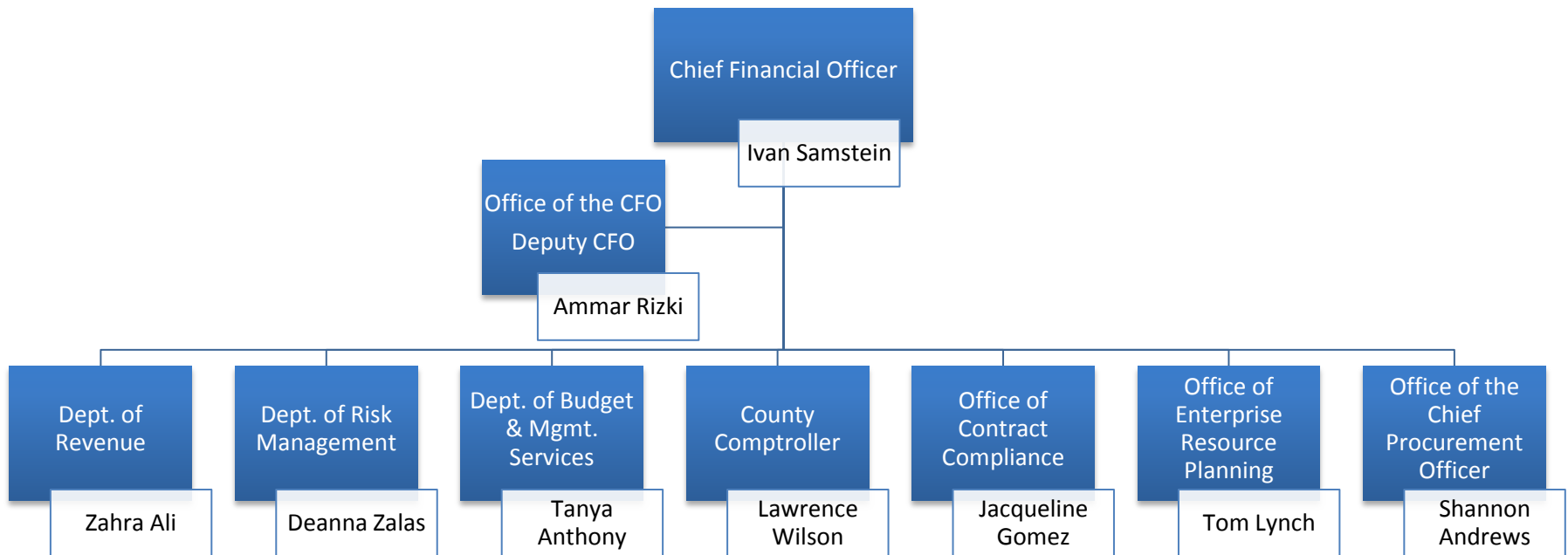
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Bureau of Finance Management Team

FY2017 Bureau of Finance Budget Presentation



FY2017 Budget Framework

FY2017 Bureau of Finance Budget Presentation



Fiscal Responsibility

- **Emphasizes long-term fiscal sustainability through increased pension funding and continuing workforce reduction**
- Completely ends diversion of Motor Fuel Tax funding historically allocated to public safety operations; now all funds support Transportation initiatives

Innovative Leadership

- **Delivers critical public safety services during a time of crisis; doubles our investment in community based anti-violence efforts**
- Supports permanent sustained jail population reduction and support of legislation to provide expedient representation to pre-trial youth and adults.

Transparency & Accountability

- **Implements a Countywide biometric Time and Attendance system to streamline timekeeping activities and provide accountability**
- For the first time, allocating employee benefit costs to departments to facilitate transparency in total cost of operations

Improved Services

- **Continues to support Health System focus on improving customer experience through evidence-based practices and appropriate staffing**
- Implements Residential Rental Licensing Program to protect public health, safety and welfare of unincorporated Cook County.

FY2017 General and Health Funds Budget Summary

FY2017 Bureau of Finance Budget Presentation



| \$ in Millions | 2016 Appropriation | FY2017 Executive Recommendation | (FY16 v FY17) \$ | (FY16 v FY17) % |
|---|--------------------|---------------------------------|---------------------|--------------------|
| General Fund Revenues | \$ 1,734.4 | \$ 1,873.1 | \$ 138.7 | 8.0% |
| Total General Fund Expenditures (net of additional pension appropriation) | \$ 1,463.9 | \$ 1,519.3 | \$ 55.4 | 3.7% |
| Additional pension appropriation | \$ 270.5 | \$ 353.8 | \$ 83.3 | 30.8% |
| | | | | |
| Health Fund Fee Revenue | \$ 1,519.1 | \$ 1,480.4 | \$ (38.69) | -2.5% |
| Health Fund Allocation | \$ 121.2 | \$ 111.3 | \$ (9.99) | -8.2% |
| Health Fund Expenditures | \$ 1,640.4 | \$ 1,591.7 | \$ (48.67) | -3.0% |
| | | | | |
| Total Revenue | \$ 3,374.8 | \$ 3,464.8 | \$ 89.97 | 2.7% |
| Total Expenditures | \$ 3,374.8 | \$ 3,464.8 | \$ 89.97 | 2.7% |

Excluding Supplemental Pension Appropriation the Health and General Funds budget is essentially flat at 0.2% change; Supplemental Pension Appropriation grows by 31%

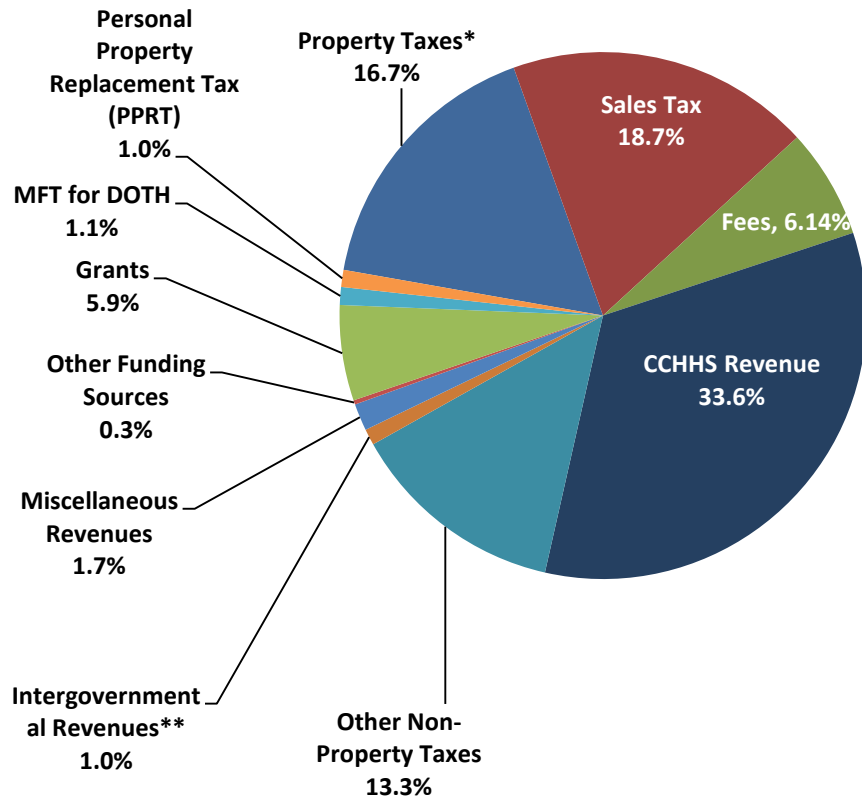
FY2017 Operating Budget Summary

FY2017 Bureau of Finance Budget Presentation



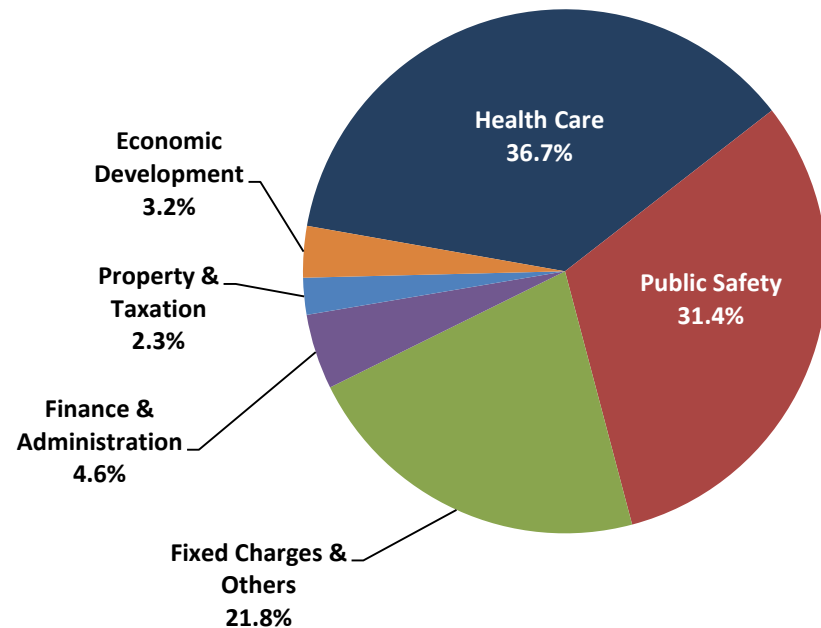
Total Operating Budget (In Millions) = \$4,403.6

Where the Dollars Come From



* Includes TIF Surplus

Where The Dollars Go



Public Health and Public Safety are 87% of operations, excluding pensions & debt service

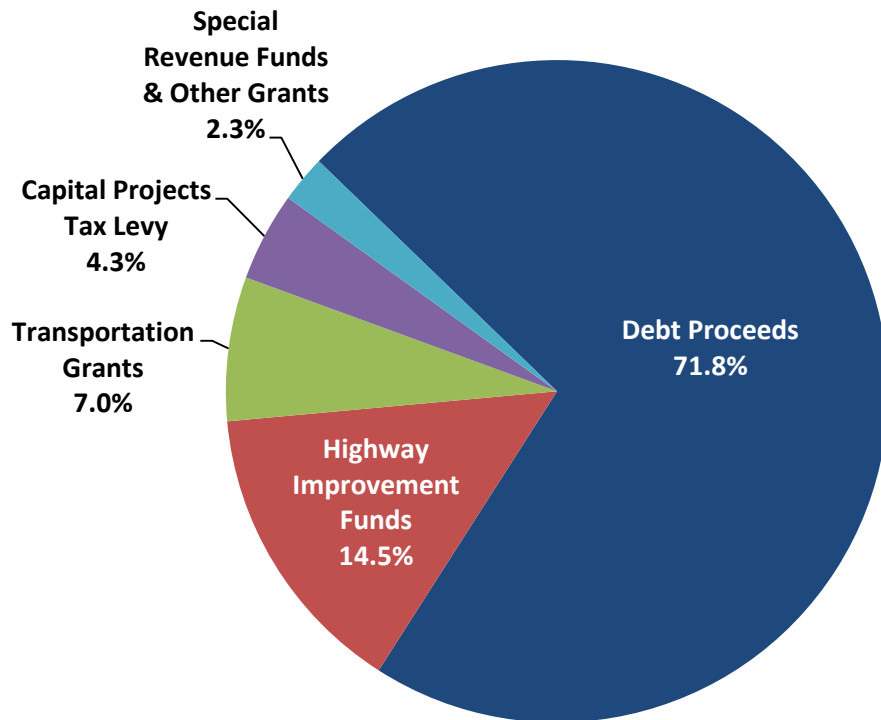
FY2017 Capital Budget Summary

FY2017 Bureau of Finance Budget Presentation

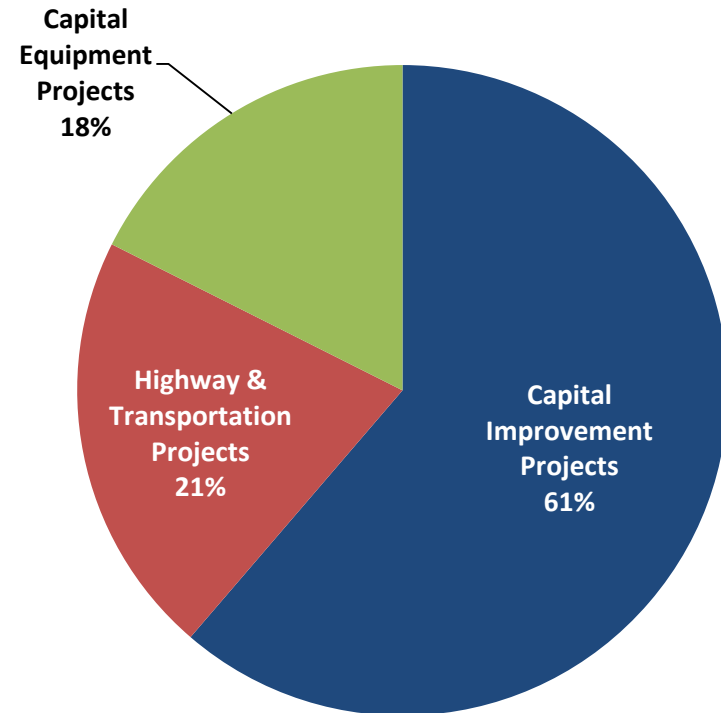


Total (In Millions) = \$475.66

FY2017 Capital Funding Sources

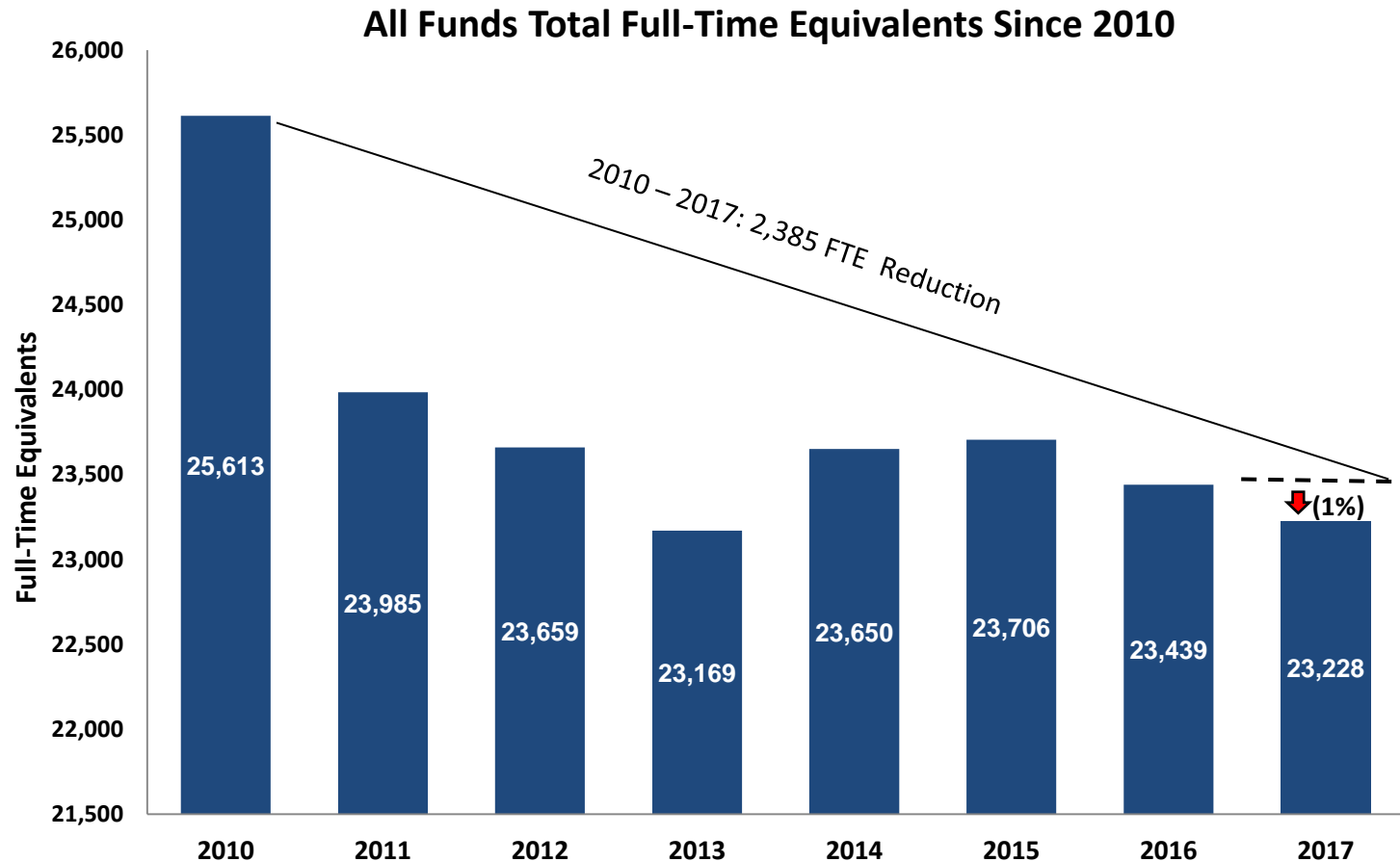


FY2017 Capital Investment Plan



Total FTE FY2011 – FY2017 (All Funds)

FY2017 Bureau of Finance Budget Presentation



Since 2010, there has been a 10% FTE reduction across the General, Health and Grant funds

Fulfilling Sales Tax Commitments

FY2017 Bureau of Finance Budget Presentation



In 2016 the entire sales tax increase was utilized to fund the commitments laid out as part of the FY2016 budget:

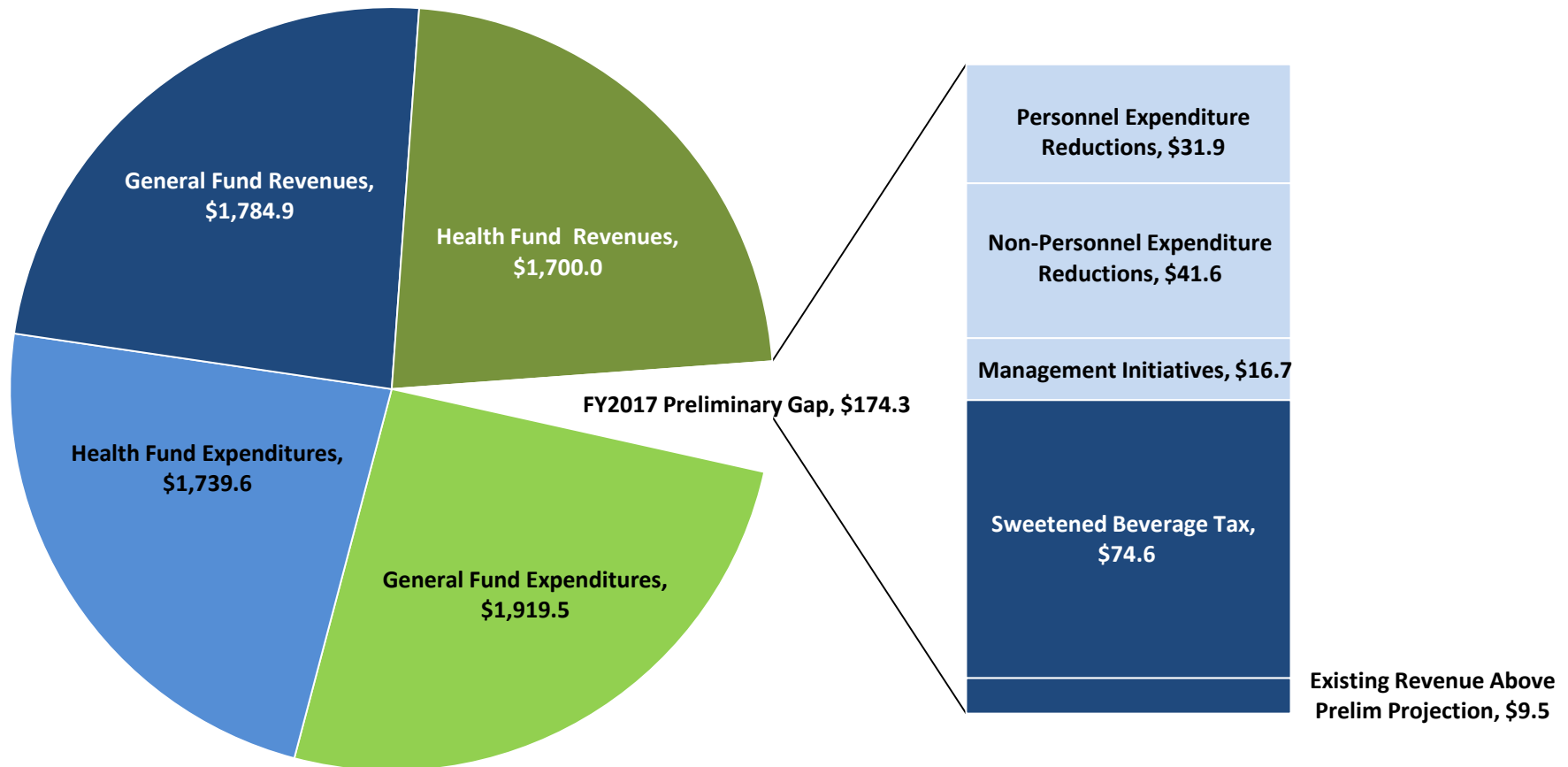
- Additional Pension Appropriation : \$270.5M
- Increased Transportation Funding: \$10M
- Increased Debt Service: \$25M

Below are the additional commitments that were projected last year that have been recommitted in the upcoming FY2017 budget:

| | Projection | FY2017 Budget |
|----------------------------------|---------------|---------------|
| Additional Pension Appropriation | \$340 M | \$353.4M |
| Increased Transportation Funding | \$64.5 M | \$64.5M |
| Increased Debt Service Costs | \$55 M | \$52 M |
| Pay As You Go Capital Equipment | \$13.6M | \$20.3M |
| Total Uses | \$473M | \$490M |

Closing the Gap

FY2017 Bureau of Finance Budget Presentation



Expenditure Reductions – \$78.5 million

FY2017 Bureau of Finance Budget Presentation



▼ Personnel Reductions - \$31.9M

- 300 Layoffs countywide (CCHHS, Recorder and Offices of President)
- 297 Vacancy Eliminations in General Fund
- Non Union COLA reduction
- Health Benefit Savings

▼ Non-Personnel Reductions - \$41.6M

- Professional and Managerial Services
- Managed Care Expenses
- Maintenance of Facilities
- Medical, Dental and Lab Equip/Supplies
- Other Contractual Services

▼ Various Management Initiatives - \$5M

- Jury Fees Reductions
- Vehicle Fleet Reductions

Revenue Increases

FY2017 Bureau of Finance Budget Presentation



Tax Imposed: Includes carbonated soft drinks, fruit beverages (excluding 100% fruit juice), sports drinks, ready-to-drink (RTD) tea, energy drinks, and RTD coffee; both canned and bottled sugar-sweetened beverages and fountain drinks; diet drinks and flavored/enhanced water

Exemptions: 100% natural fruit/vegetable juice, syrup and powder w/ no added sweetener; 50% or more milk, soy, rice, or similar milk substitutes are primary ingredient; Infant formula; weight reduction/therapeutic nutritional meal replacements; any syrup or powder that the consumer himself or herself combines with other ingredients to create a beverage

Consumer Tax Rate: \$0.01 per ounce (City of Philadelphia recently set a similar tax at 1.5 cents per ounce)

FY2017 Revenue Estimate: \$74.6M at \$0.01 per ounce assuming a July 1, 2017 effective date based on data from the Rudd Center at the U. of CT (used by Philadelphia)

| Product Type | \$0.01/oz. |
|---|------------|
| | Tax Impact |
| Can of soda 12 oz. @ \$0.99 | \$0.12 |
| Cans of soda 288 oz. (24 pack) @ \$8.00 | \$2.88 |
| Bottle of soda 20 oz. @ \$2.19 | \$0.20 |
| Snapple 16.0 oz @ \$1.29 | \$0.16 |

Estimated Revenues FY2016 vs. FY2017

FY2017 Bureau of Finance Budget Presentation



| Revenue Type | FY2016 Appropriation | FY2017 Recommendation | \$ Change | % Change |
|---|-------------------------|--------------------------|-----------------|--------------|
| Property Taxes for Operations (Excluding Allowance for Uncollected and excluding Capital Projects Levy) | \$752.30 | \$736.20 | (\$16.20) | -2.15% |
| Non-Property Taxes | \$1,157.70 | \$1,408.30 | \$250.60 | 21.65% |
| Fees | \$229.10 | \$217.50 | (\$11.60) | -5.05% |
| CCHHS Fees | \$1,519.10 | \$1,480.40 | (\$38.70) | -2.55% |
| Intergovernmental Revenues | \$50.80 | \$43.50 | (\$7.20) | -14.21% |
| Miscellaneous Revenues | \$32.20 | \$28.60 | (\$3.60) | -11.13% |
| Other Financing Sources | \$64.60 | \$11.60 | (\$53.00) | -82.05% |
| Special Purpose Fund Revenue | \$129.30 | \$173.60 | \$44.30 | 34.25% |
| Grants | \$224.80 | \$257.90 | \$33.10 | 14.74% |
| Personal Property Replacement Tax (PPRT) | \$57.30 | \$46.00 | (\$11.40) | -19.83% |
| Total Operating Revenues | \$4,217.20 | \$4,403.60 | \$186.40 | 4.42% |

Allocation of Revenue FY2016 vs. FY2017

FY2017 Bureau of Finance Budget Presentation



| Allocation Type | FY2016 Appropriation | FY2017 Recommendation | \$ Change | % Change |
|----------------------------------|-------------------------|--------------------------|-----------------|-------------|
| General Fund* | \$1,463.90 | \$1,519.30 | \$55.40 | 3.8% |
| Supplemental Pension Appropriat. | \$270.5 | \$353.8 | 83.3 | 30.8% |
| Health Enterprise Fund | \$1,640.40 | \$1,591.70 | -\$48.70 | -3.0% |
| Election Fund | \$42.7 | \$22.0 | -20.7 | -48.5% |
| Annuity & Benefits Fund | \$195.60 | \$208.20 | \$12.60 | 6.4% |
| Bond and Interest Fund | \$250.0 | \$277.1 | 27.1 | 10.8% |
| Other Special Purpose Funds | \$129.30 | \$173.60 | \$44.30 | 34.3% |
| Grants | 224.8 | 257.9 | 33.1 | 14.7% |
| Total Operating Budget** | \$4,217.20 | \$4,403.60 | \$186.40 | 4.4% |
| Capital Budget | 321.5 | 424.9 | 103.4 | 32.2% |

*Excludes supplemental pension appropriation

**Includes supplemental pension appropriation

Impact of State Budget

FY2017 Bureau of Finance Budget Presentation



- The State's delay in passing a full year FY2016 and FY2017 budget creates uncertainty for the County budget as well as for Public Safety and Public Health services to residents.
- As of 8/31/2016 the County is owed \$58.8M in State funding, this amount has been as high as \$180M during the last 12 months
- County FY2017 budget based upon activities presented in State's stop gap spending plan

Program Reductions:

- Administrative Office of Illinois Courts (AOIC) reimbursement reduced by 6 percent
- The Child Support Enforcement programs were reduced by 22 percent
- Adult Redeploy program was reduced by 28 percent
- West Nile Virus Response program was reduced by 28 percent
- Vision and Hearing Screening programs were reduced by 8 percent
- Tobacco-Free Communities were reduced by 15 percent

Eliminated Programs:

- Appellate Assistance Program anticipated award of \$2 million
- Election Assistance grants anticipated award of \$362,500
- Motor Theft Prevention programs anticipated award of \$823,600

The State must pass a structurally balanced budget to limit the damage to the local governments, non-profits and the statewide economy

FY2017 Bureau of Finance Budget Initiatives

FY2017 Bureau of Finance Budget Presentation



Revenue – Implementation of five additional tax types in the Integrated Tax Processing System (Gas, Diesel, Amusement, Liquor, Parking) and expanded functionality for taxpayers

Risk Management – Utilize data for improved analytics around the County's workers' compensation, general liability and insurance costs

Budget and Management Services – Collect detailed information requested in the approved amendment to the Performance Based Management and Budgeting Ordinance

Comptroller – Promote capital asset inventory compliance (Performance Based Management and Budgeting Ordinance # 16-3977)

Chief Financial Officer – Established a sustainable long-term debt structure utilizing the new Capital Equipment Inventory submission requirements from County Agencies

Contract Compliance – Implement and publish processes and procedures for setting contract-specific M/WBE goals as recommended in the Disparity Study

Enterprise Resource Planning – Complete STEP Enterprise Resource Planning Core Financials project and migrate to Production support

Chief Procurement Officer – Enhance vendor tools and resources to include: Quarterly Procurement Bulletins and increase participation in vendor outreach events



Department of Revenue

FY2017 Bureau of Finance Budget Presentation

October 17, 2016



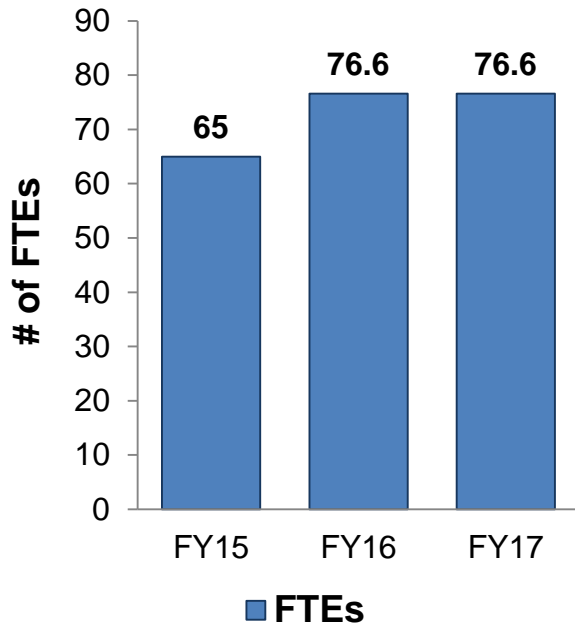
Department of Revenue

FY2017 Bureau of Finance Budget Presentation

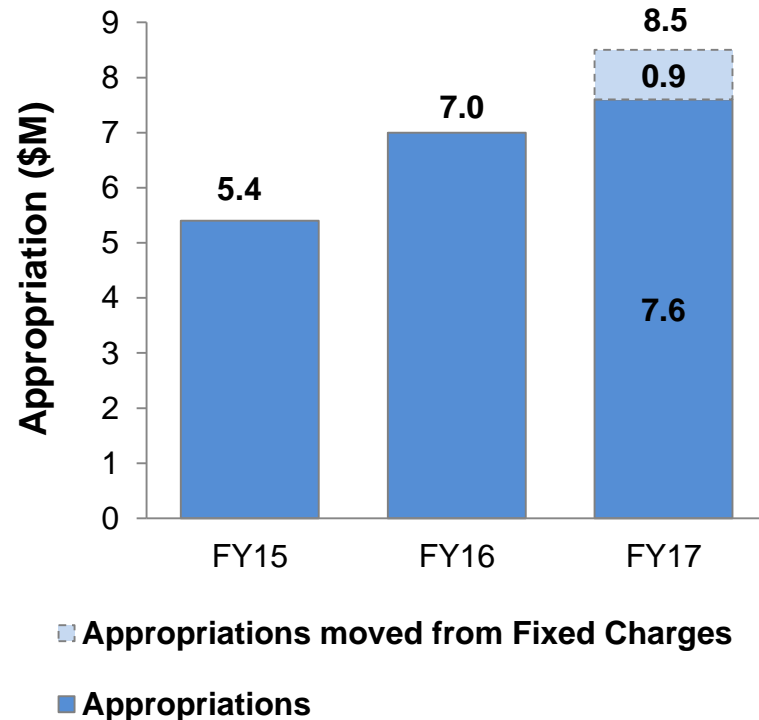
Mission

To efficiently administer and equitably enforce compliance with Cook County Home Rule taxes while providing courteous and professional service to the public. To process Cook County fines, fees, and license applications in an accurate and timely manner

Staffing



Budget





Department of Revenue – Program Inventory

FY2017 Bureau of Finance Budget Presentation

Administration (7 FTE): Supervises departmental programs and manages administrative functions. Compiles and updates delinquent property master, scavenger sale list, maintains warrant book audit report, REDI file preparation and no-bid program

Compliance (32.6 FTE): Enforces various Cook County ordinances and encourages tax compliance by conducting field and desk audits, reviewing tax documents and undertaking various collection activities

Collections (6 FTE): Directs collections via accounts receivable and receipting system for Home Rule Tax returns, payments, fees and charges, general fee collections, iNovah/JDE reconciliation, individual use tax processing, vehicle sticker accounting, cigarette stamp sales, daily cash/bank reconciliation and customer service

Investigations (17 FTE): Conducts field investigations

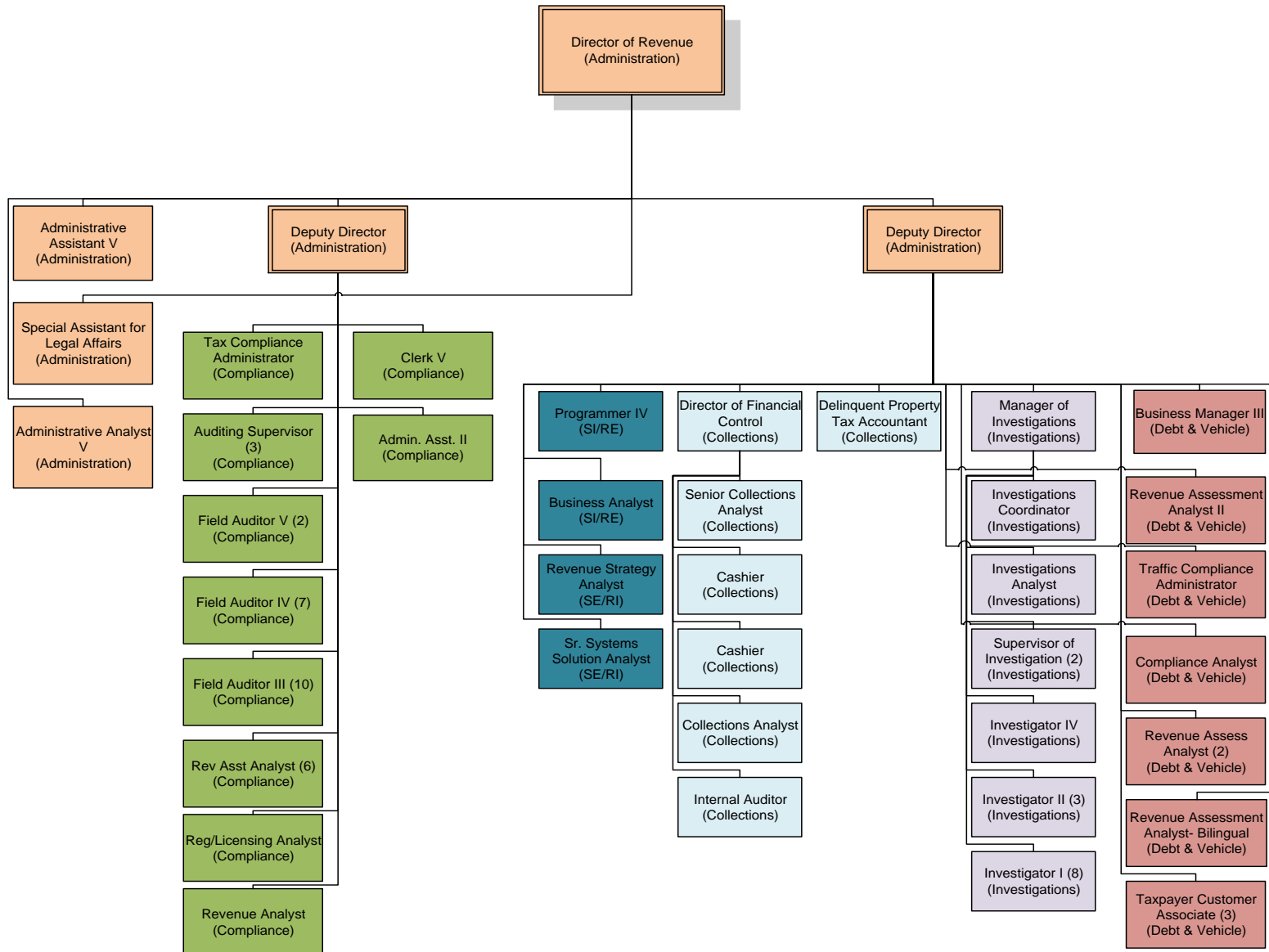
Debt & Vehicle Compliance (10 FTE): Manages the administration and collections of licenses and fees related to vehicle and traffic ordinance, and works with collection agencies to recover all amounts owed to the County.

Strategic Initiatives/Technology (4 FTE): Leads revenue enhancement, strategic initiatives and administration through budget and purchasing process, internal audits, asset management, IT support, management reporting record retention, staff development, procurement activities, project management and ordinance review



Department of Revenue – Organization Chart

FY2017 Bureau of Finance Budget Presentation



Department of Revenue – FY2016 Accomplishments

FY2017 Bureau of Finance Budget Presentation



- Successful roll-out of Hotel Tax in Revenue Premier, DOR's new Integrated Tax Processing System (ITPS)
- Successful implementation of iNovah cashiering system at remote locations (Law Library, Animal Control and Medical Examiner's Office)
- Exceeded targets for number of audits conducted, successful tax discovery targets identified and assessments yielded from those initiatives
- Successful implementation of various Home Rule Tax changes including expansion of the following:
 - Firearms Tax to cover ammunition
 - Tobacco Tax to cover vapor products
 - Amusement Tax to cover ticket reseller revenue
- Exceeded targets for Tobacco, Liquor, and Gaming inspections along with conducting more special operations investigations than previously targeted

Department of Revenue – 2017 Strategic Initiatives & Goals

FY2017 Bureau of Finance Budget Presentation



- Implementation of five additional tax types in ITPS (Gas, Diesel, Amusement, Liquor, Parking) and expanded functionality including the following:
 - Taxpayer portal that will allow for self-registration and account maintenance
 - Electronic return filing
 - Online payment features
- Implementation of a web-based solution for Liquor License applications and additional enforcement of rules and regulations
- Use of additional technological tools to assist with the Tax Discovery process which will allow expansion of coverage to additional areas within our current taxation structure
- Increased usage of both the Administrative Hearing and Circuit Court processes to increase collections of outstanding tax and fee debt owed to the County
- Expand our relationships with Federal, State and Municipal law enforcement agencies to increase compliance for our Home Rule Taxes
 - Illinois Gaming Board, ICE, FBI, municipal police departments

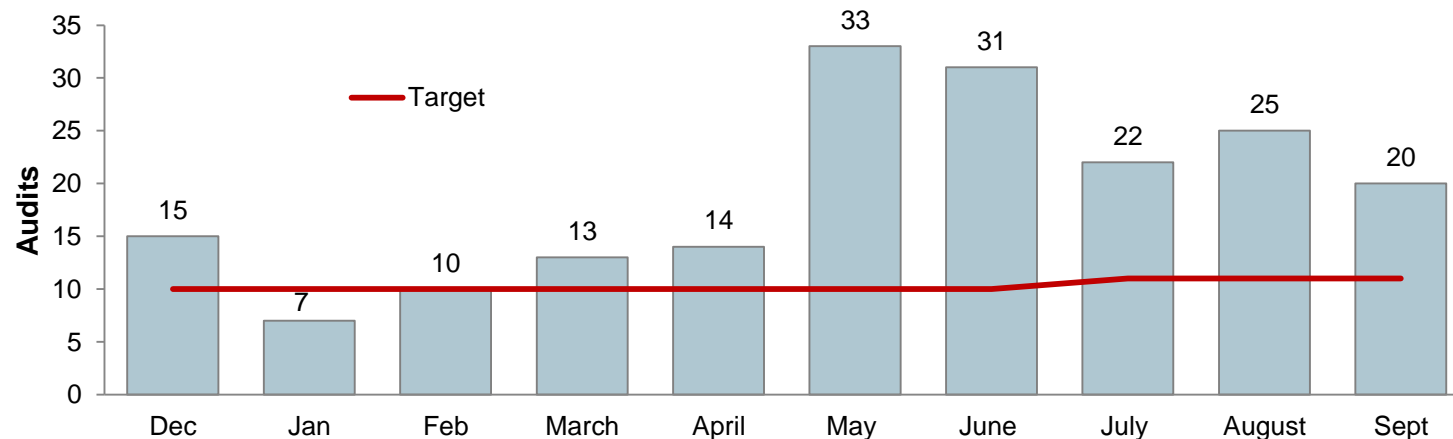
Department of Revenue – FY2017 STAR Goals and Targets

FY2017 Bureau of Finance Budget Presentation



| Performance Metric | FY2015 Actual | FY2016 Projected YE | FY2017 Target |
|---|---------------|---------------------|---------------|
| Collections Program Output Metric | | | |
| \$ Collected from all home rule taxes excl. cigarettes (millions) | \$321.57 | \$355.78 | \$355.96 |
| Compliance Program Efficiency Metric | | | |
| Average time to process refund (days) | 113.5 | 175 | 100 |
| Compliance Program Outcome Metric | | | |
| % of tobacco investigations that are in compliance | 89% | 90% | 85% |
| Zero Based Budget Metric | | | |
| Cost per tobacco investigation site visit | \$227.26 | \$298.00 | \$315.00 |

Number of Home Rule Tax Audits Completed





Department of Risk Management

FY2017 Bureau of Finance Budget Presentation

October 17, 2016



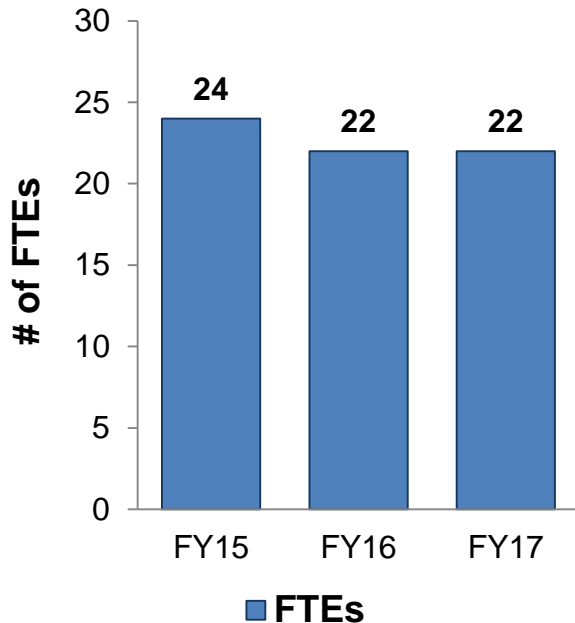
Department of Risk Management

FY2017 Bureau of Finance Budget Presentation

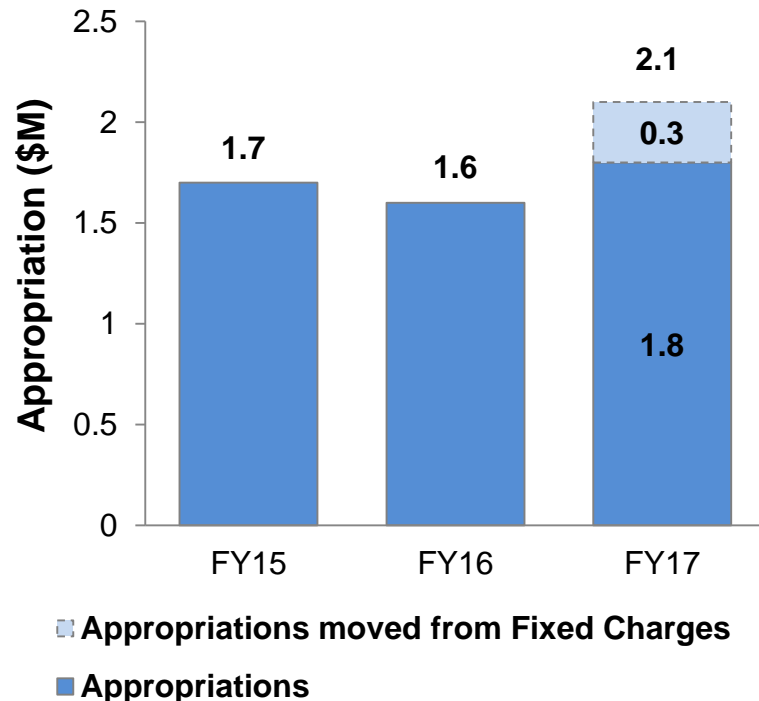
Mission

The Department of Risk Management is responsible for the cost-effective and customer-focused administration of countywide employee benefits, workers' compensation programs and general liability programs in accordance with local, state and federal requirements

Staffing



Budget



Department of Risk Management – Program Inventory

FY2017 Bureau of Finance Budget Presentation



Administration (3 FTE): Supervises departmental programs and manages administrative functions

Workers Compensation (9 FTE): Processes and resolves claims which lead to the administration and payment of workers' compensation benefits for injuries or illness sustained in the course of employment with Cook County

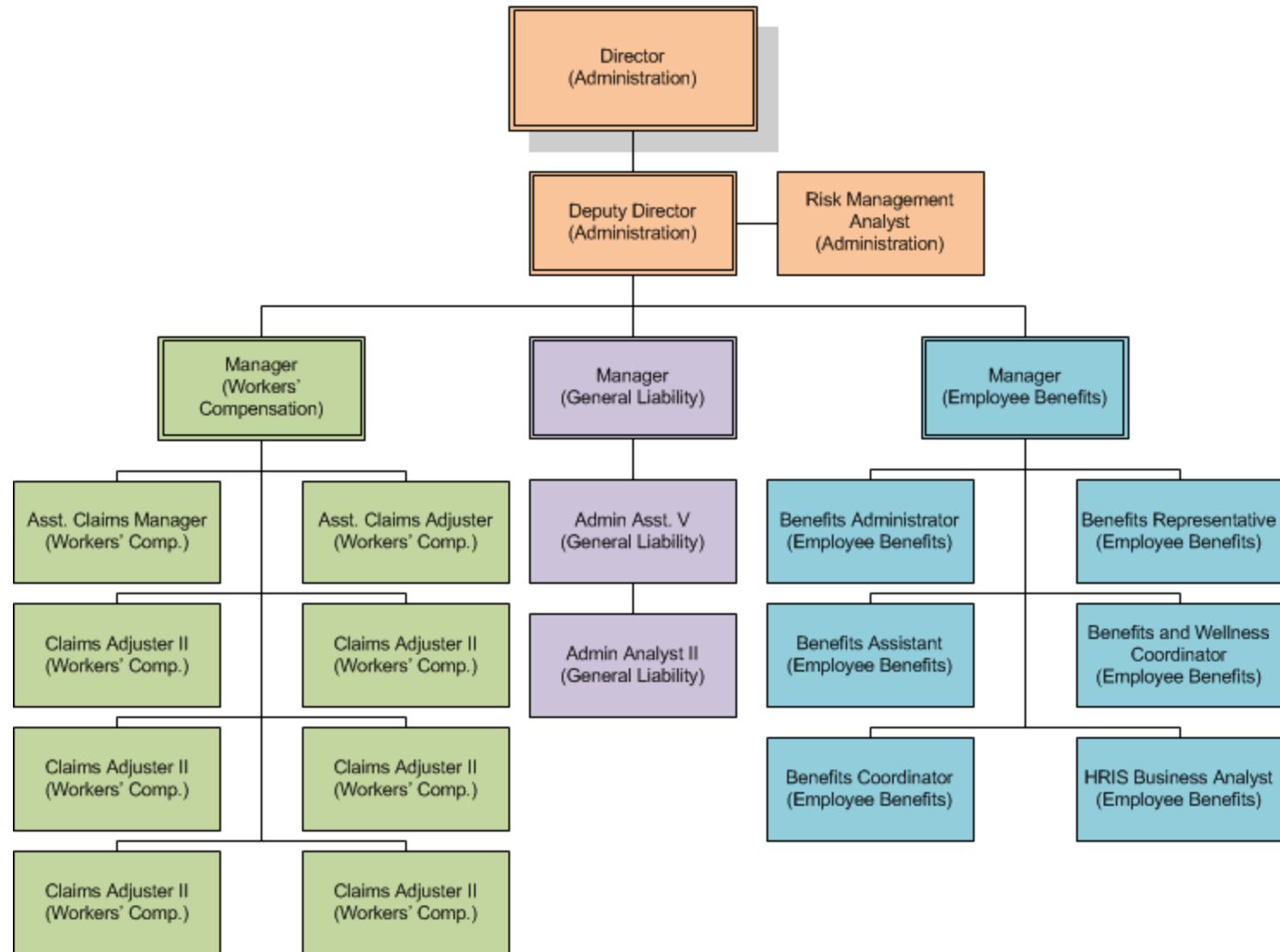
Employee Benefits (7 FTE): Administers benefits including health, pharmacy, dental, vision, life, commuter and flexible spending for active Cook County employees and their dependents

General Liability (3 FTE): Administers and reports on claims related to property, municipal and healthcare professional liabilities



Department of Risk Management – Organization Chart

FY2017 Bureau of Finance Budget Presentation





Department of Risk Management – FY2016 Accomplishments

FY2017 Bureau of Finance Budget Presentation

- Implemented the new Risk Management Information System (RMIS) in April 2016, used for the administration of both general liability and workers' compensation claims
- Cook County met federal deadlines for both individual and employer new ACA reporting regarding the County's offer of health benefit coverage
- Standardized the Certificate of Insurance document which replaced previously personalized statements
- Improved accountability around COBRA and other employee benefit payments by transitioning receipt to the Department of Revenue
- Employee benefit spend continues to beat industry trends; continued review, adoption and support of health and pharmacy management programs mitigate trends and manage spend
- A claims audit of the pharmacy plan is anticipated to complete by year end 2016



Department of Risk Management – 2017 Strategic Initiatives & Goals

FY2017 Bureau of Finance Budget Presentation

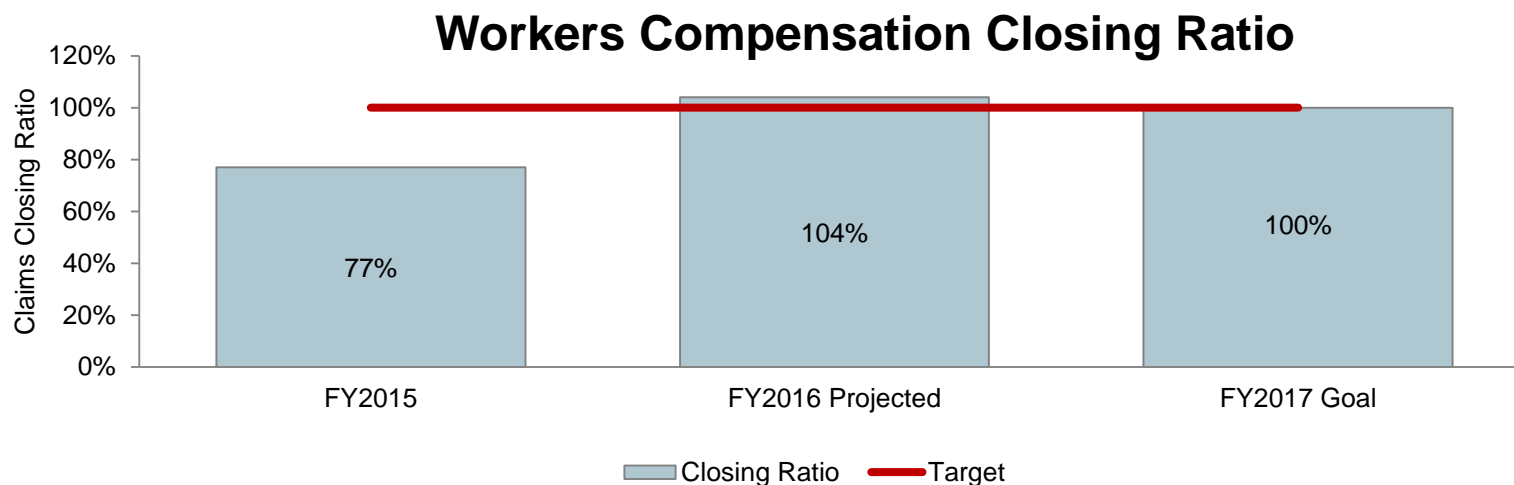
- Utilize data for improved analytics around the County's workers' compensation, general liability and insurance costs
 - Begin a pilot program for select departments to directly input claims information into the Origami risk management system
- Offer market-competitive health benefit plans and plan designs while implementing cost saving programs around benefits administration
 - Expansion of wellness offerings
 - Paperless Open Enrollment process
- Coordinate with the Office of the Chief Procurement Officer for the competitive evaluation and award of contracts for:
 - Employee vision care
 - Flexible spending accounts and health savings accounts
 - Other voluntary benefits
- Utilize new STEP (ERP) Core Financials applications to support standardized business processes following industry best practices

Department of Risk Management – 2017 STAR Goals and Targets

FY2017 Bureau of Finance Budget Presentation



| Performance Metric | FY2015 Actual | FY2016 Projected YE | FY2017 Target |
|---|------------------|------------------------|------------------|
| Workers' Compensation Program Output Metric | | | |
| # Workers' Compensation claims closed | 731 | 1,248 | 900 |
| Benefits Program Efficiency Metric | | | |
| Average number of days to review and prepare carrier payments | 19.5 | 26.2 | 20 |
| Benefits Program Outcome Metric | | | |
| % of COBRA coverages that were implemented on time | 100% | 100% | 100% |
| Zero Based Budget Metric | | | |
| Cost per subrogation claim processed | \$518 | \$536 | \$490 |





Department of Budget and Management Services FY2017 Budget Presentation

October 17, 2016



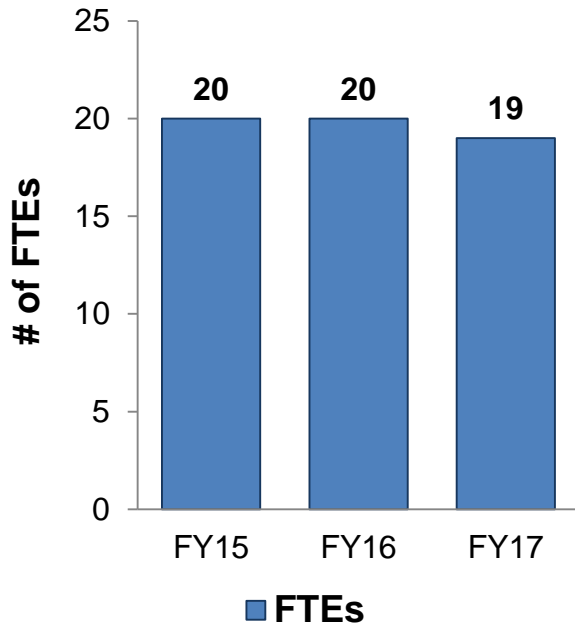
Department of Budget and Management Services

FY2017 Bureau of Finance Budget Presentation

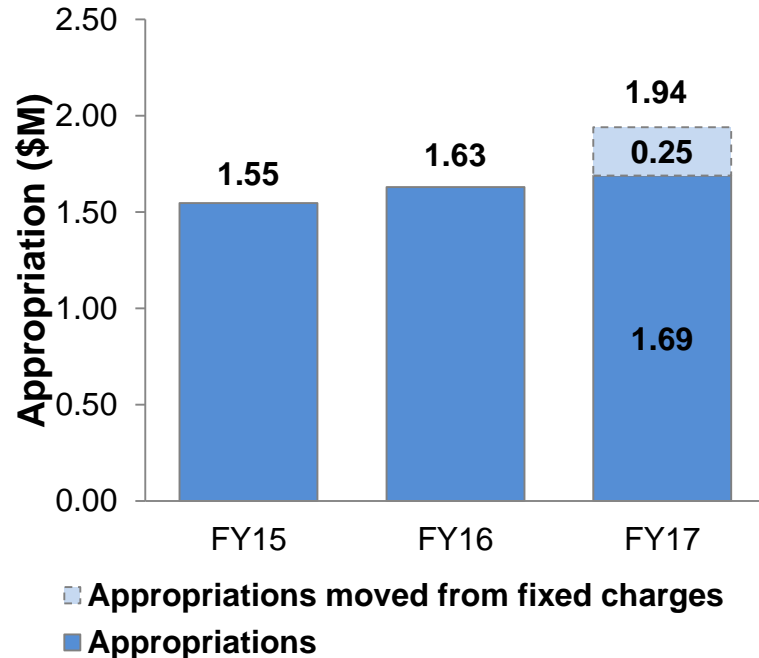
Mission

The Department of Budget and Management Services prepares, manages and executes the County budget. To increase efficiency and budget savings, it also evaluates and analyzes performance data to recommend potential improvements. Additionally, the department prepares budgets for federal, state, and private grants

Staffing



Budget



Department of Budget and Management Services – Program Inventory

FY2017 Bureau of Finance Budget Presentation



Administration (2 FTE): Supervises departmental programs and manages administrative functions

Budget Preparation & Monitoring (8 FTE): Prepares and submits annual budget for all operating funds, including grants. Manages departmental expenditure activity

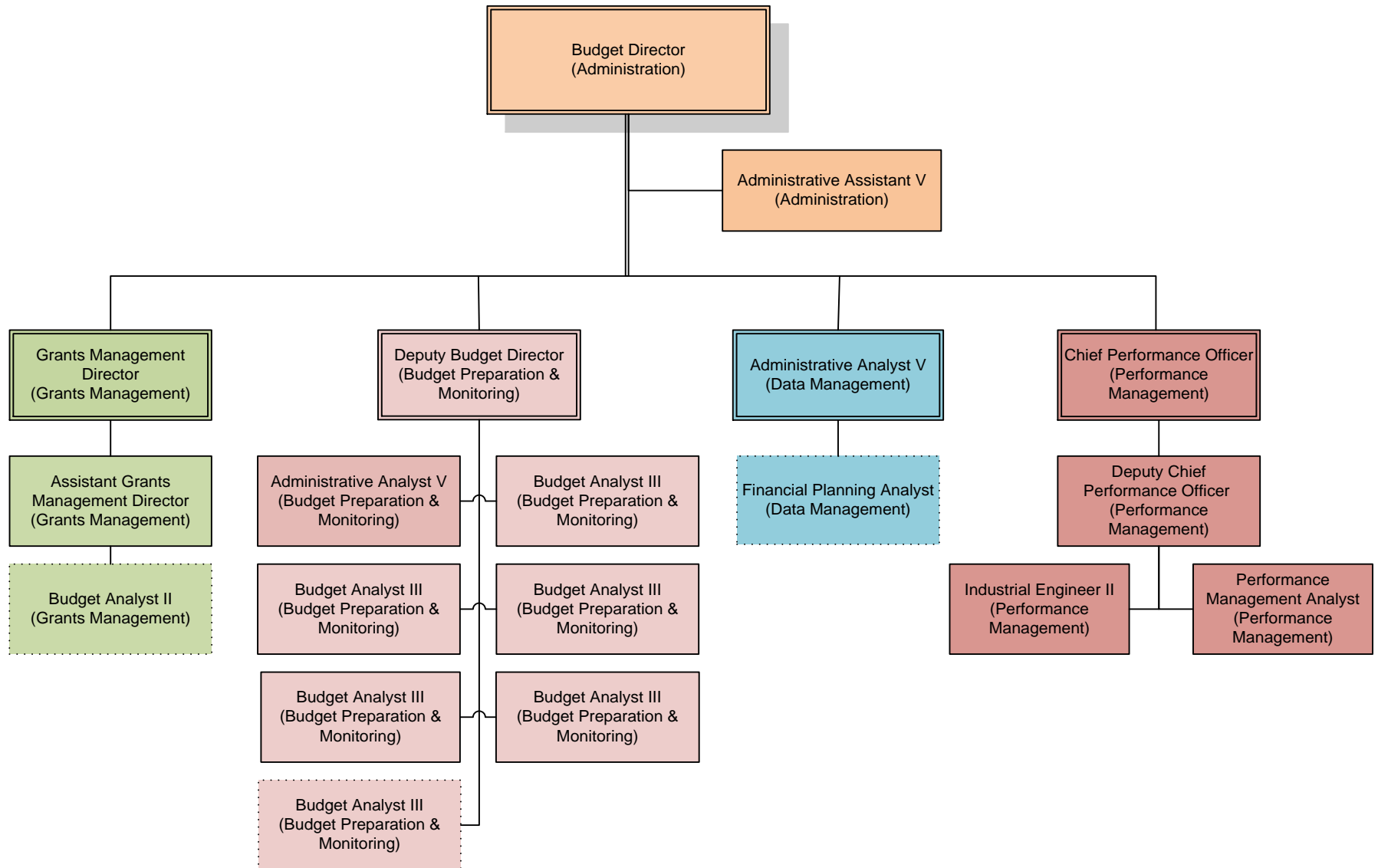
Grants Management (3 FTE): Prepares and integrates grant budgets into the Annual Appropriation book. Supports grant departments with updates on grant opportunities and trainings, as needed. Monitors grant spending levels in addition to developing financial policies

Data Management (2 FTE): Provides fiscal analysis, forecasting and reporting for the management of countywide resources and for the preparation of fiscal budget documents

Performance Management (4 FTE): Executes the performance management program including conducting review sessions, managing data and other duties as ordained in Chapter II, Article X of the Cook County Code of Ordinances

Department of Budget and Management Services – Organization Chart

FY2017 Bureau of Finance Budget Presentation



Department of Budget and Management Services – FY2016 Accomplishments

FY2017 Bureau of Finance Budget Presentation



- Expanded the allocation of costs from fixed charges by moving benefits to departments in an effort to facilitate transparency in total cost of operations in the FY2017 Budget
- Received the GFOA Distinguished Budget Presentation Award for the FY2016 budget
- Began collecting the detailed information requested in the approved amendment to the Performance Based Management and Budgeting Ordinance
- Performance Management Office facilitated 60 STAR review sessions in FY2016 (a 107% increase from FY2015) with all departments presenting at least twice

Department of Budget and Management Services – 2017 Strategic Initiatives & Goals

FY2017 Bureau of Finance Budget Presentation



- Collect and Integrate detailed Program and Metrics information received for all agencies, per the amended PM & Budget Ordinance to increase the level of information provided to the Board
- Expand the use of Program-Based Budgeting in FY2018 as a framework to streamline resource allocation decisions
- Grants Management plans to secure new Grant funding in FY2017 by increasing revenues 15% or \$33M in comparison to FY2016
- Utilize new STEP (ERP) Core Financials applications to support standardized business processes following industry best practices

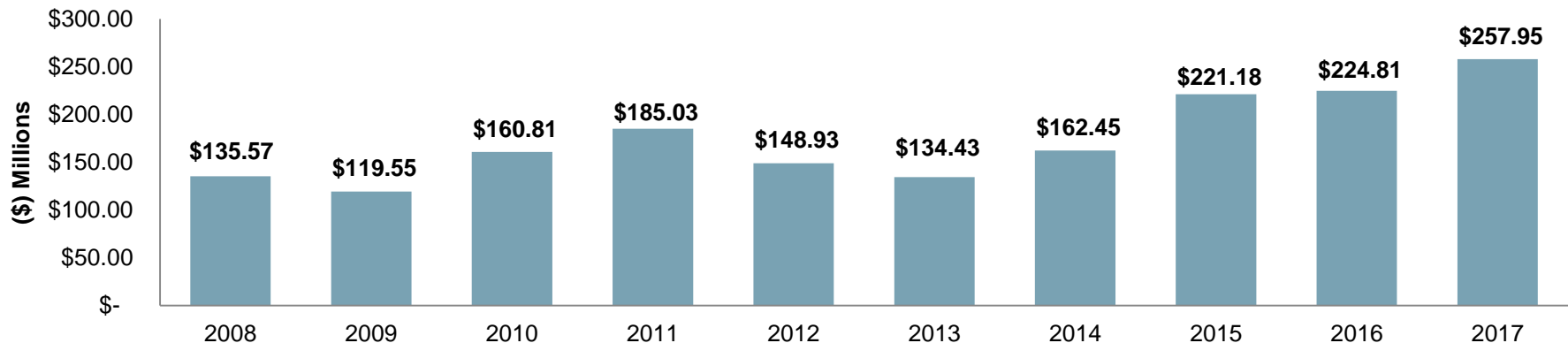
Department of Budget and Management Services – 2017 STAR Goals and Targets

FY2017 Bureau of Finance Budget Presentation



| Performance Metric | FY2015 Actual | FY2016 Projected YE | FY2017 Target |
|--|------------------|------------------------|---------------|
| Administrative Support Program Output Metric | | | |
| Number of public events | 0 | 6 | 6 |
| Budget Preparation and Monitoring Program Efficiency Metric | | | |
| % of departments with actual expenses with 5% | N/A | 92% | 95% |
| Performance Management Program Outcome Metric | | | |
| % of departments that had STAR sessions on scheduled date | N/A | 96% | 100% |
| Zero Based Budget Metric | | | |
| Cost per STAR Review Session | \$743 | \$470 | \$551 |

Grant Budget History





Office of the Comptroller

FY2017 Bureau of Finance Budget Presentation

October 17, 2016

Office of the Comptroller

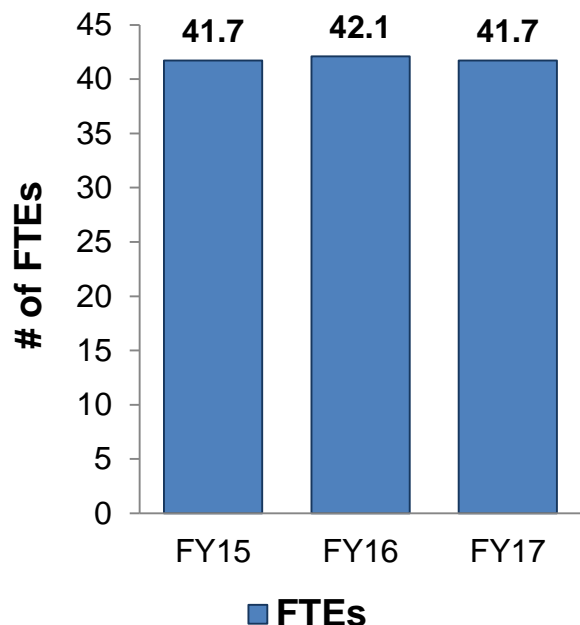
FY2017 Bureau of Finance Budget Presentation



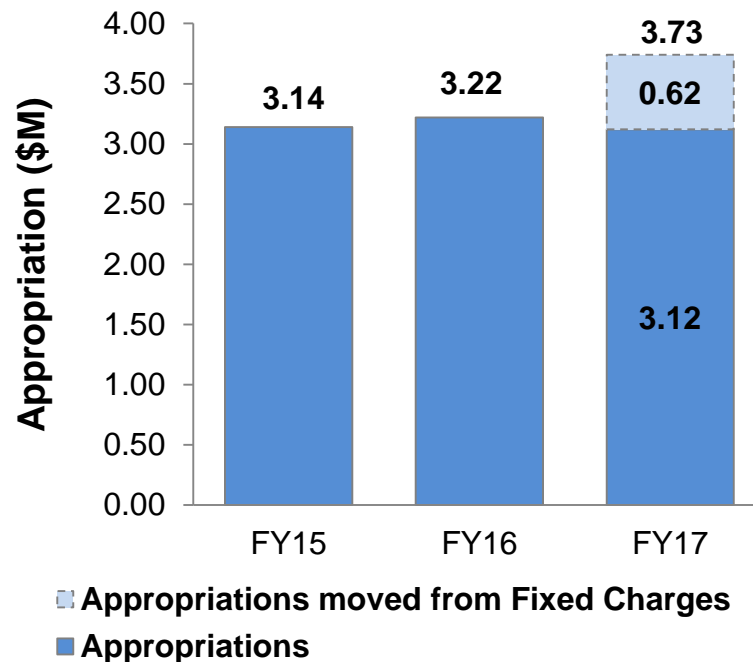
Mission

The Cook County Comptroller supervises the fiscal affairs of the County by maintaining the general ledger, accounting records, financial reporting, accounts payable, payroll and garnishments. The Comptroller is also responsible for the external audit function and timely completion of the Comprehensive Annual Financial Report (CAFR) and Single Audit Report

Staffing



Budget





Office of the Comptroller – Program Inventory

FY2017 Bureau of Finance Budget Presentation

Administration (3 FTE): Supervises the fiscal affairs of the County through Accounts Payable, General Accounting, Financial Reporting and Payroll - Garnishments

Accounts Payable (9 FTE): Responsible for executing payments to County-wide vendors and maintaining the necessary support documentation for these payments

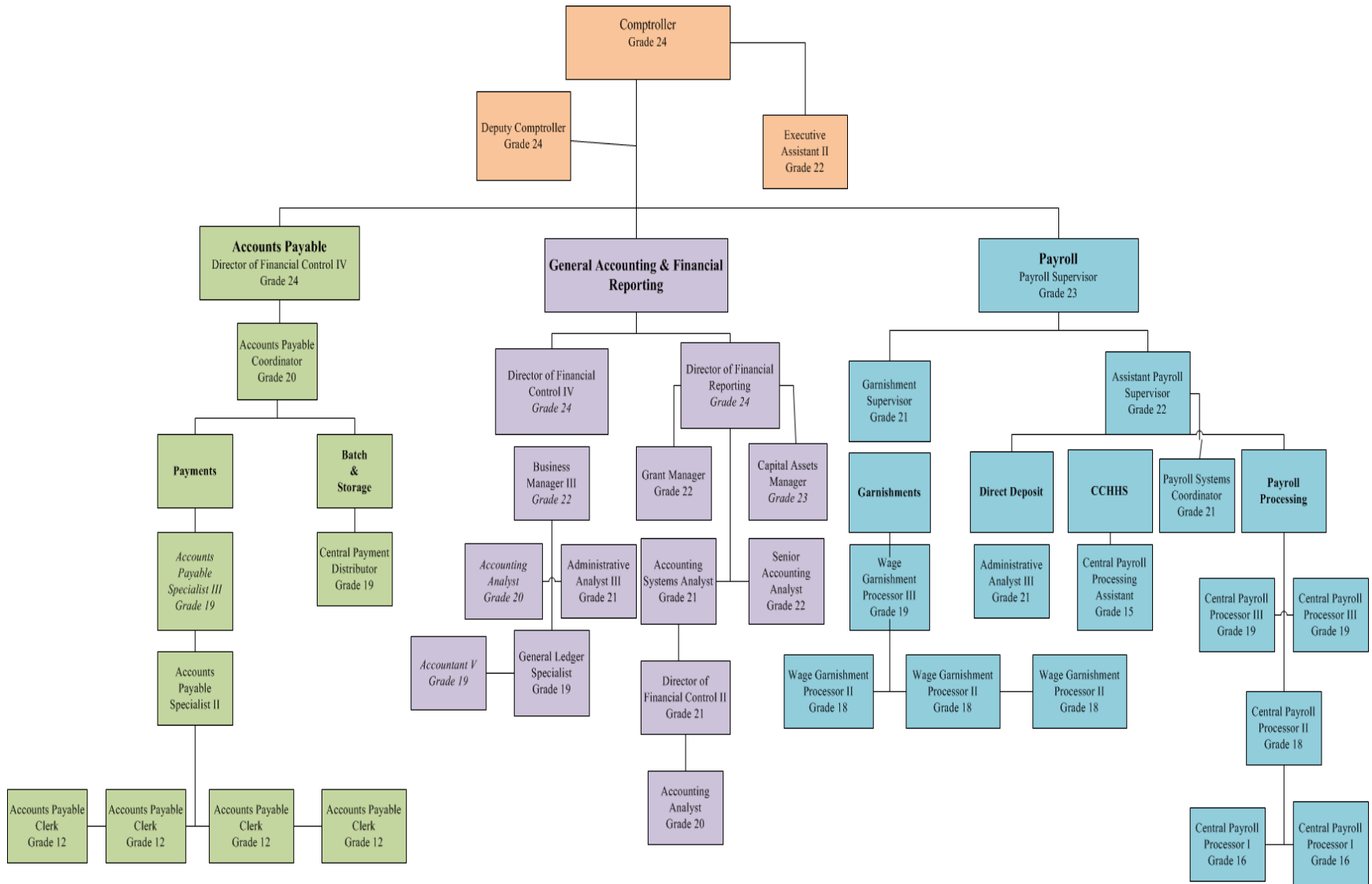
General Ledger (General Accounting - Financial Reporting) (14 FTE): Responsible for maintaining the County's general ledger, issuance of monthly and annual financial reports, and leading and participating in the County's annual external audit function

Payroll & Garnishments (15.7 FTE): Responsible for executing the County wide bi-weekly payroll process, payroll tax reporting and maintaining the necessary support documentation for the payroll process



Office of the Comptroller – Organization Chart

FY2017 Bureau of Finance Budget Presentation



Office of the Comptroller – FY2016 Accomplishments

FY2017 Bureau of Finance Budget Presentation



- Issued the FY2015 CAFR and A-133 Single Audit Reports within 6 months of fiscal year end
- Received the GFOA Certificate of Achievement for Excellence in Financial Reporting for the FY2014 CAFR
- Reduced CAFR audit findings by 75% (from four to one)
- Promoted and sustained payroll efficiencies while supporting the implementation of CCT (Time and Attendance system)
- Processed vendor payments within 10 working days of office receipt
- Promoted enhanced payment methods (ACH and E-Pay) that both offer quick payment options to vendors as well as realize cost savings to the County
- Eliminated the printing and distributing of the payroll payment advices



Office of the Comptroller – 2017 Strategic Initiatives & Goals

FY2017 Bureau of Finance Budget Presentation

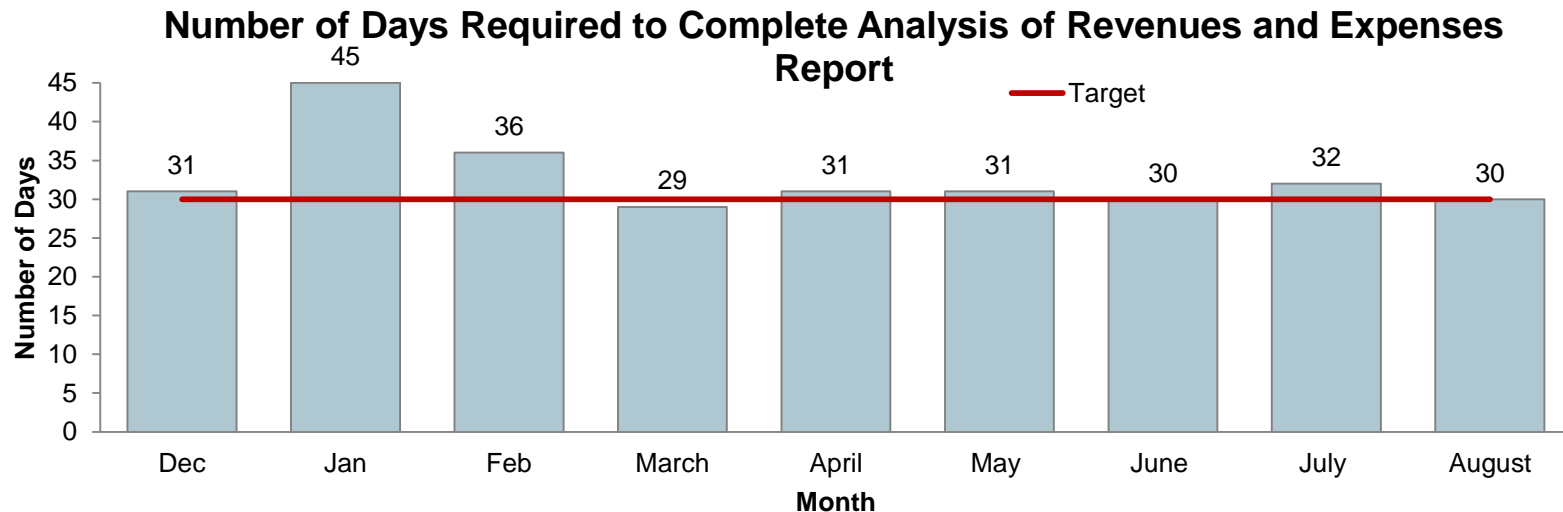
- Promote capital asset inventory compliance (Performance Based Management and Budgeting Ordinance # 16-3977)
- Review annual physical inventory from all County Agencies
- Improve county-wide accounting process efficiencies within Oracle EBS
 - Automate vendor payment workflow
 - Improve monthly/annual general ledger closing and reporting requirements
- Merge CCHHS into County-wide payroll schedule
- Discontinue the printing and distribution of the bi-weekly payroll verification reports (14,15 and 16) with the completion of the CCT implementation
- Utilize new STEP (ERP) Core Financials applications to support standardized business processes following industry best practices



Office of the Comptroller – 2017 STAR Goals and Targets

FY2017 Bureau of Finance Budget Presentation

| Performance Metric | FY2015 Actual | FY2016 Projected YE | FY2017 Target |
|---|---------------|---------------------|---------------|
| Payroll & Garnishments Program Output Metric | | | |
| # of interim payroll checks process per month | 890 | 1,150 | 500 |
| Accounts Payable Program Efficiency Metric | | | |
| Average # of days to process invoices | 54 | 53 | 50 |
| Accounts Payable Program Outcome Metric | | | |
| Percent of payments made electronically | 47.08% | 46.25% | 50% |
| Zero Based Budget Metric | | | |
| Cost per payroll transaction | \$2.44 | \$2.06 | \$2.05 |





Office of the Chief Financial Officer

FY2017 Bureau of Finance Budget Presentation

October 17, 2016



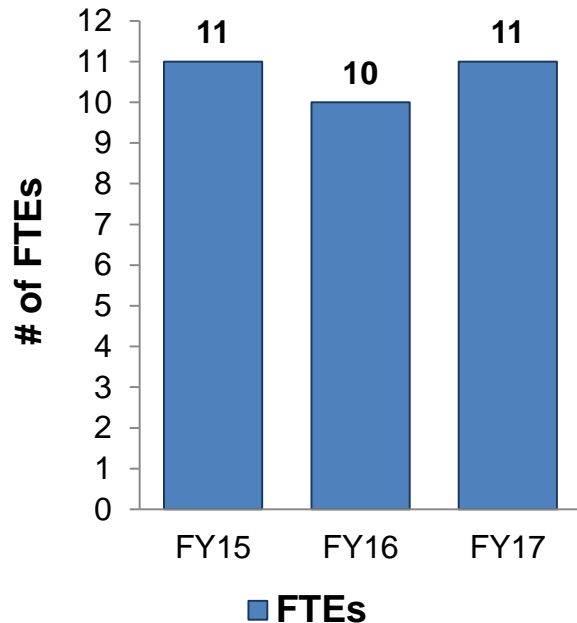
Office of the Chief Financial Officer

FY2017 Bureau of Finance Budget Presentation

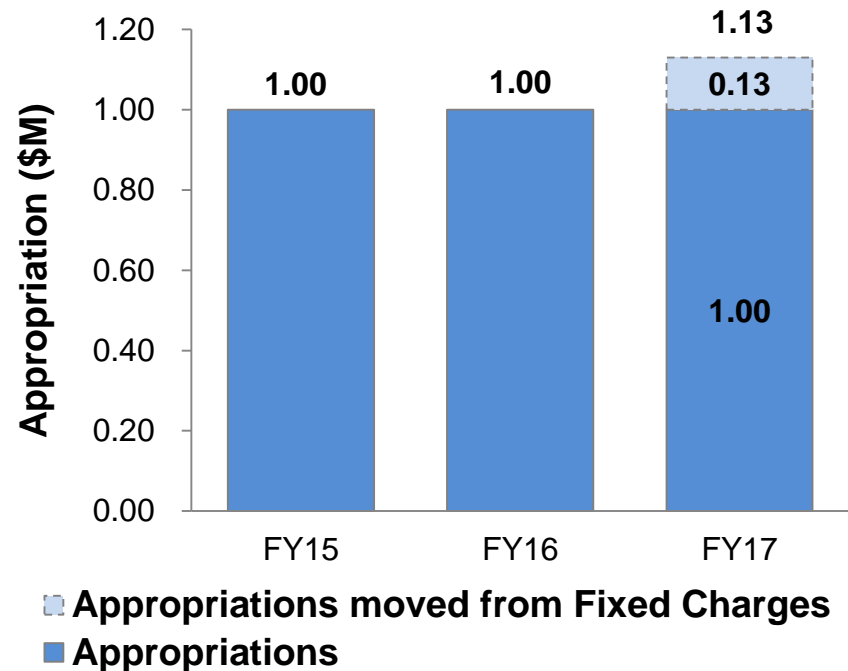
Mission

The Chief Financial Officer ensures the fiscal affairs of the County are managed using best-in-class public finance practices with an eye toward long-term fiscal stability. The Office of the Chief Financial Officer will use quantitative expertise and principles of project management to support all departments under the Bureau of Finance

Staffing



Budget



Office of the Chief Financial Officer – Program Inventory

FY2017 Bureau of Finance Budget Presentation

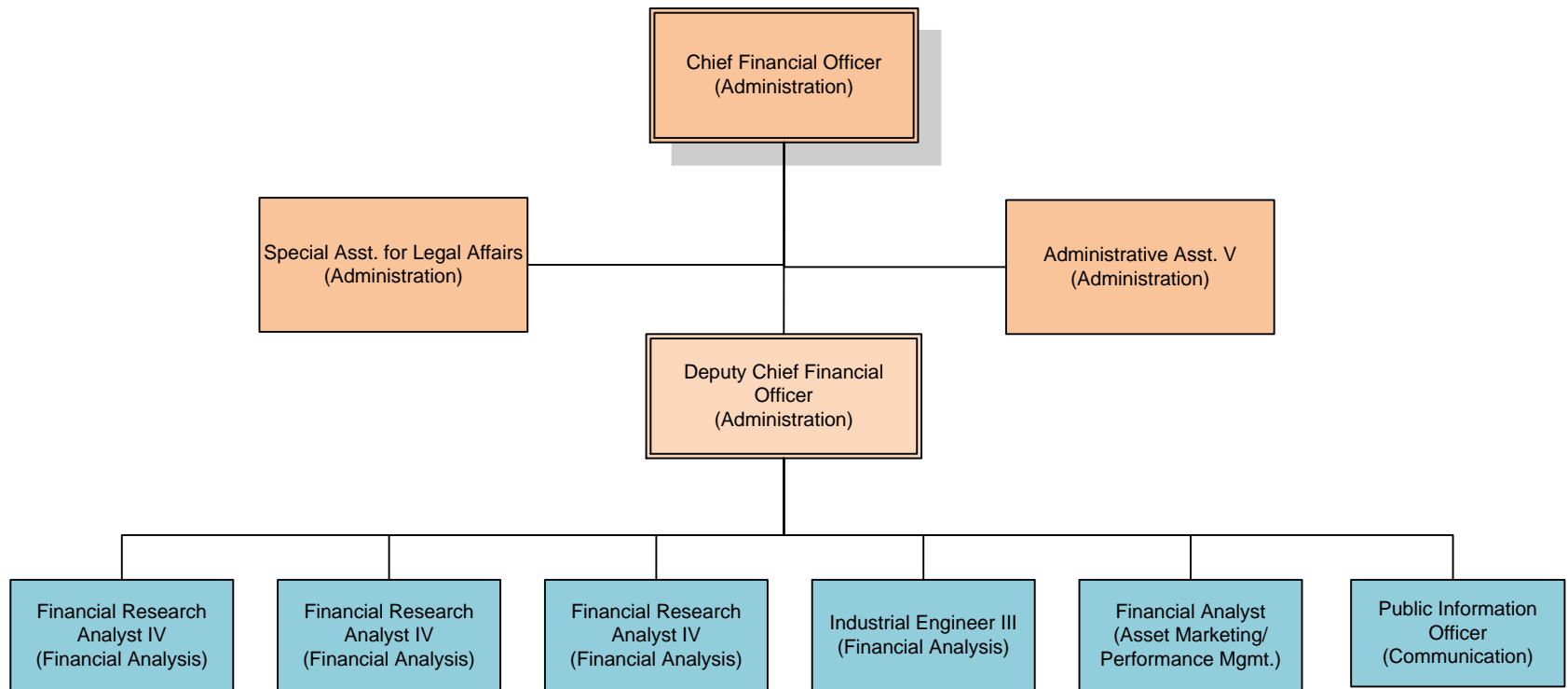


Administration (4 FTE): Responsible for managing the financial risks of Cook County government. Supervises departmental programs and provides legal counsel and administrative functions including performance management and asset marketing

Financial Analysis (6 FTE): Manages debt and investment of County funds. Provides financial research, analysis, and forecasting

Office of the Chief Financial Officer – Organization Chart

FY2017 Bureau of Finance Budget Presentation



Office of the Chief Financial Officer– FY2016 Accomplishments

FY2017 Bureau of Finance Budget Presentation



- Established a sustainable long-term debt structure, which when factoring new bond issuances combined with legacy debt service, will rise by no more than a 2% inflationary growth rate
- Refinanced the Series 2006A Bonds to produce overall savings of over \$56 million in interest costs and received **“Stable Outlook”** from all three major rating agencies
- Secured approval for an exclusive Pouring Rights contract with Pepsi Bottling Group for a period of ten years, projected to generate approximately \$4.1 million over that time
- Achieved an average investment return of 0.38% higher than the benchmark 6-Month T-Bill for the County’s bond proceeds and debt service funds investment portfolio
- Further enhanced the long-term forecasting model with detailed projections for payroll cost of living increases and step progression to forecast those costs over a five year period



Office of the Chief Financial Officer – 2017 Strategic Initiatives & Goals

FY2017 Bureau of Finance Budget Presentation

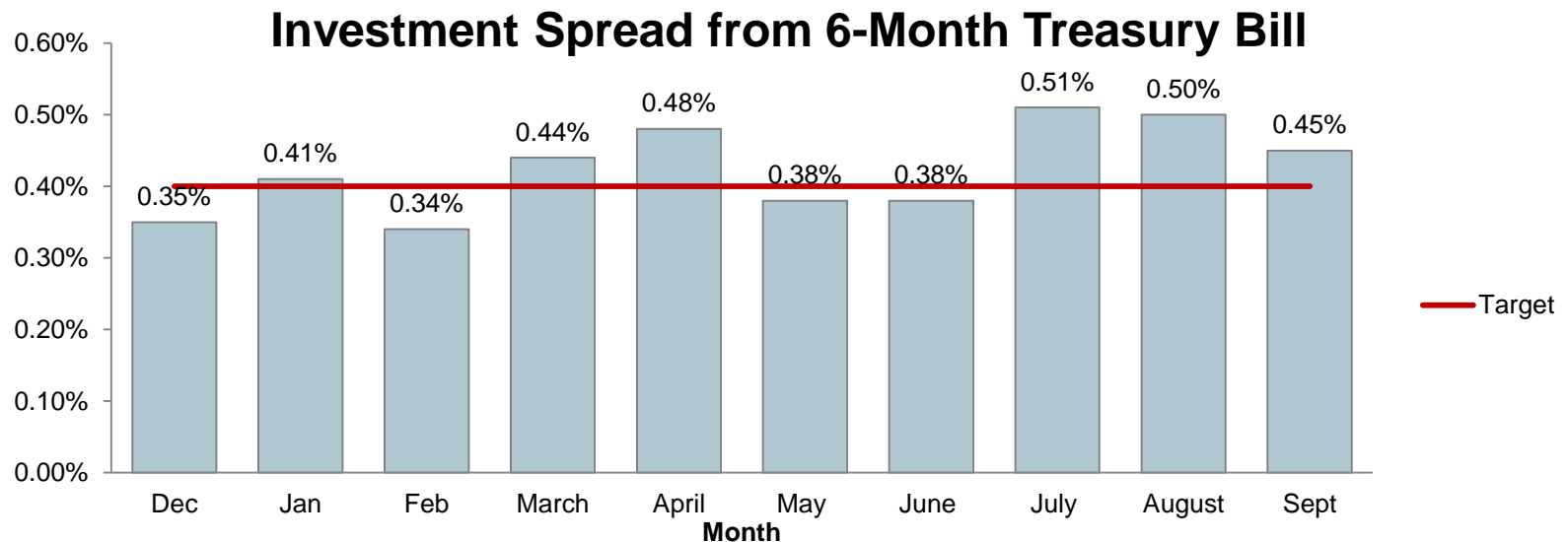
- Expand the Asset Marketing Program by exploring Digital Marketing and Naming Rights opportunities to generate additional non-tax revenues
- Anticipate additional interest cost-savings opportunities from refinancing of the Series 2006B bonds, that will further enhance our efforts to create a sustainable long-term debt structure
- Utilize new Capital Equipment inventory submissions from County Agencies to integrate a long-term replacement cycle for capital equipment into the County debt structure forecast
- Conduct a Countywide Accounts Payable audit to garner potential savings
- Utilize new STEP (ERP) Core Financials applications to support standardized business processes following industry best practices



Office of the Chief Financial Officer– 2017 STAR Goals and Targets

FY2017 Bureau of Finance Budget Presentation

| Performance Metric | FY2015 Actual | FY2016 Projected YE | FY2017 Target |
|--|---------------|---------------------|---------------|
| Administration Program Output Metric | | | |
| Number of Bureau of Finance press releases | 18 | 7 | 10 |
| Financial Analysis Program Efficiency Metric | | | |
| Average number of days to complete cash flow analysis at month end | 22 | 20 | 20 |
| Financial Analysis Program Outcome Metric | | | |
| Investment spread from 6 month T-Bill | 0.42% | 0.38% | 0.40% |





Office of Contract Compliance

FY2017 Bureau of Finance Budget Presentation

October 17, 2016

Office of Contract Compliance

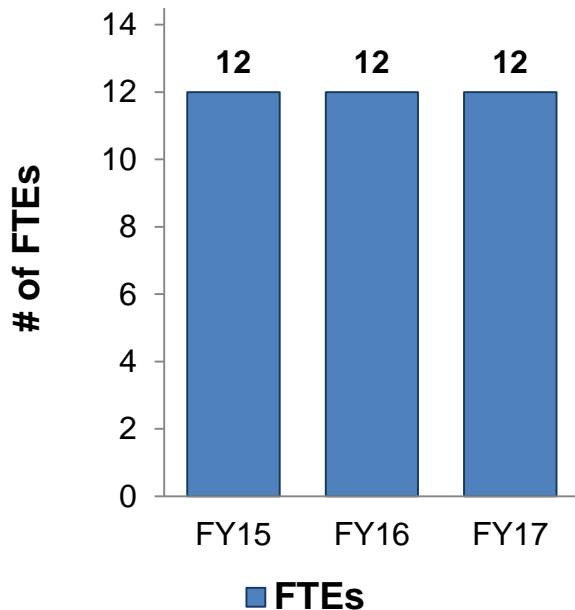
FY2017 Bureau of Finance Budget Presentation



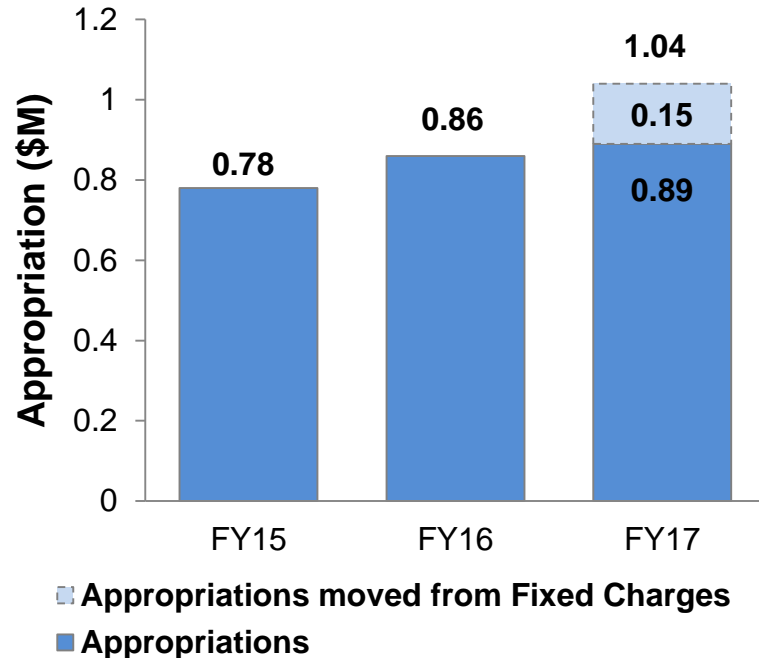
Mission

The mission of the Office of Contract Compliance is to (1) certify bona-fide Minority, Women, Veteran, and Service-Disabled Veteran-owned Business Enterprises (MBE/WBE/VBE/SDVBEs); (2) ensure that all County contracts comply with the Cook County MBE/WBE Ordinance (the Program); and (3) perform outreach activities to the business community about the County's Program in effort to seek greater inclusion of MBE/WBEs and VBEs on County contracts

Staffing



Budget



Office of Contract Compliance – Program Inventory

FY2017 Bureau of Finance Budget Presentation



Administration (3 FTE): Supervises departmental programs and manages administrative functions

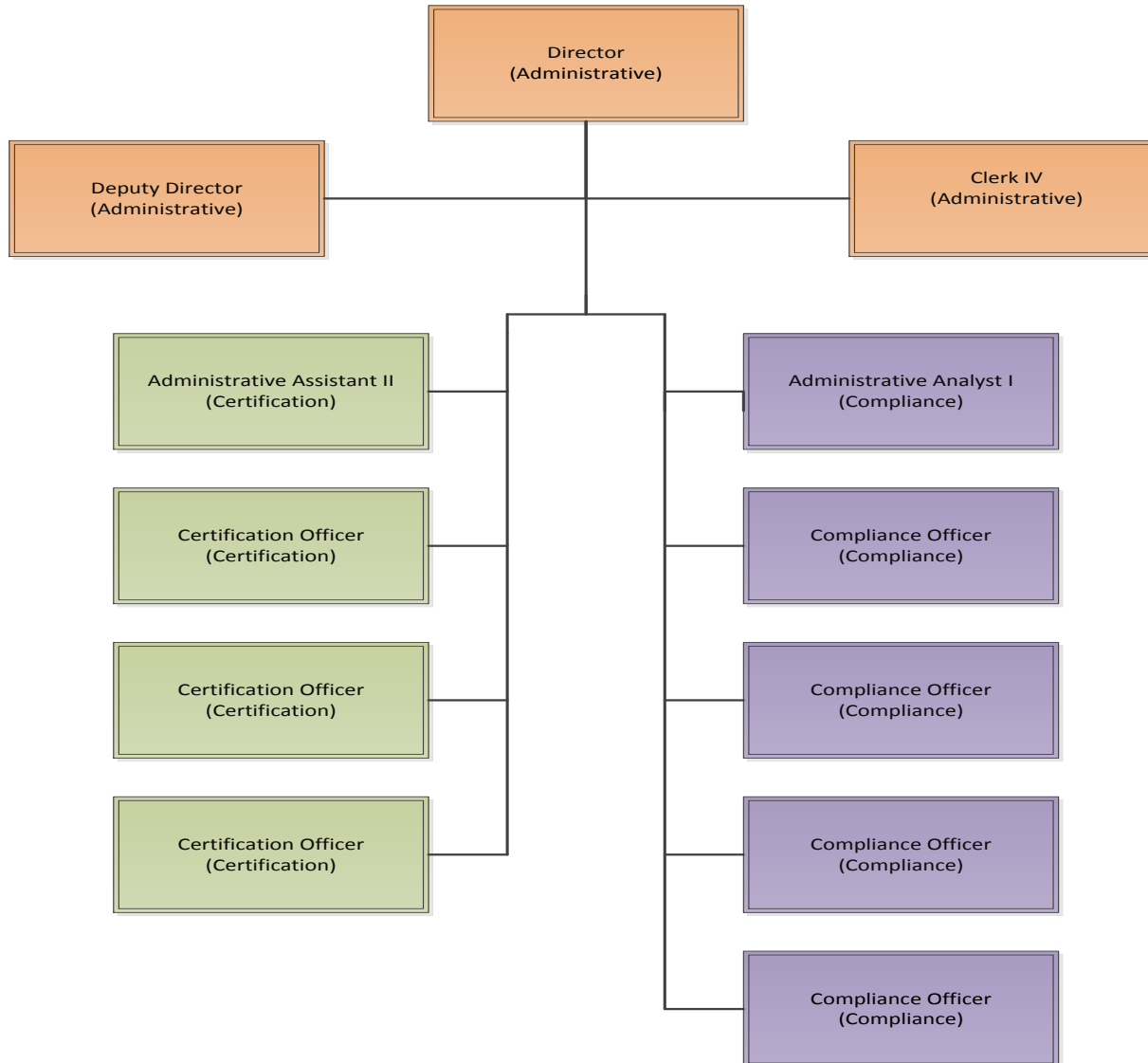
Certification (4 FTE): Reviews and processes applications for MBE/WBE/VBE/SDVBE status with Cook County Government

Contract Compliance (5 FTE): Reviews and monitors contracts awarded to ensure vendors adhere to the M/W/VBE Program in accordance to the County Code



Office of Contract Compliance – Organization Chart

FY2017 Bureau of Finance Budget Presentation





Office of Contract Compliance – FY2016 Accomplishments

FY2017 Bureau of Finance Budget Presentation

- Completed the County's first Disparity Study on its M/W/VBE Program
- Amended the Procurement Code to add enforcement measure and enhancements to the M/W/VBE Program
- Conducted commercially useful site visits on contracts to ensure M/W/VBE subcontractors were actually performing goods or services as reported by prime
- Published the County's third Business Diversity Report on M/W/VBE actual spend and dollars awarded

Office of Contract Compliance – 2017 Strategic Initiatives & Goals

FY2017 Bureau of Finance Budget Presentation



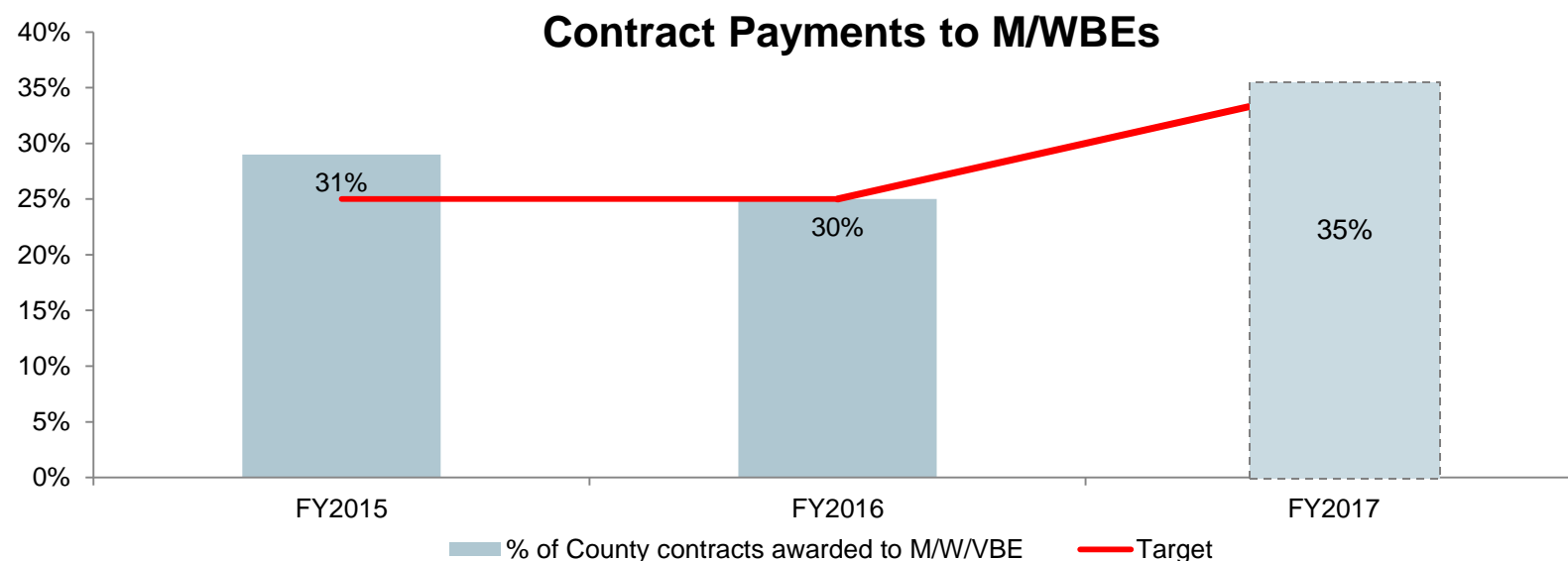
- Implement and publish processes and procedures for setting contract-specific M/W/VBE goals as recommended within the Disparity Study
- Increase outreach initiatives and awareness to Veteran businesses in addition to M/WBEs about contracting opportunities with Cook County and CCHHS
- Continue collaborative efforts with OCPO and User Agencies to increase inclusion of M/W/VBEs on County contracts

Office of Contract Compliance – 2017 STAR Goals and Targets

FY2017 Bureau of Finance Budget Presentation



| Performance Metric | FY2015 Actual | FY2016 Projected YE | FY2017 Target |
|--|---------------|---------------------|---------------|
| Department Wide Output Metric | | | |
| Number of vendors served | 359 | 360 | 360 |
| Contract Compliance Program Efficiency Metric | | | |
| Number of days to review contract for compliance | N/A | 10 | 12 |
| Contract Compliance Program Outcome Metric | | | |
| % of spend to M/W/VBE on County contracts | 31% | 30% | 35% |
| Zero Based Budget Metric | | | |
| Cost per M/W/VBE | \$1,200 | \$900 | \$900 |





Enterprise Resource Planning FY2017 Budget Presentation

October 17, 2016



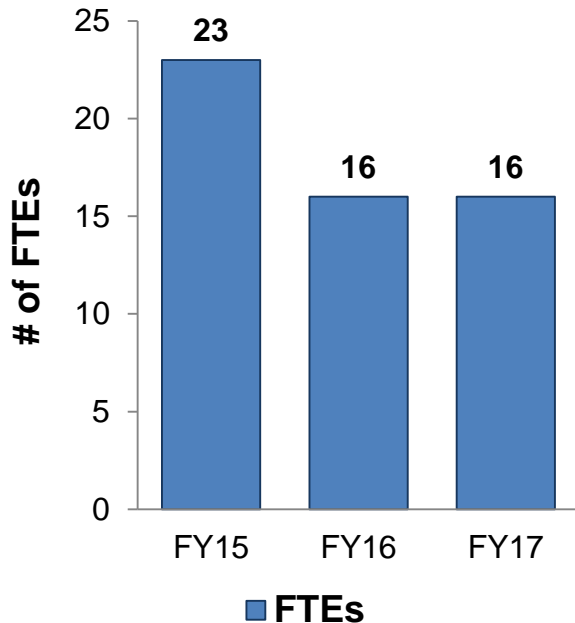
Enterprise Resource Planning

FY2017 Bureau of Finance Budget Presentation

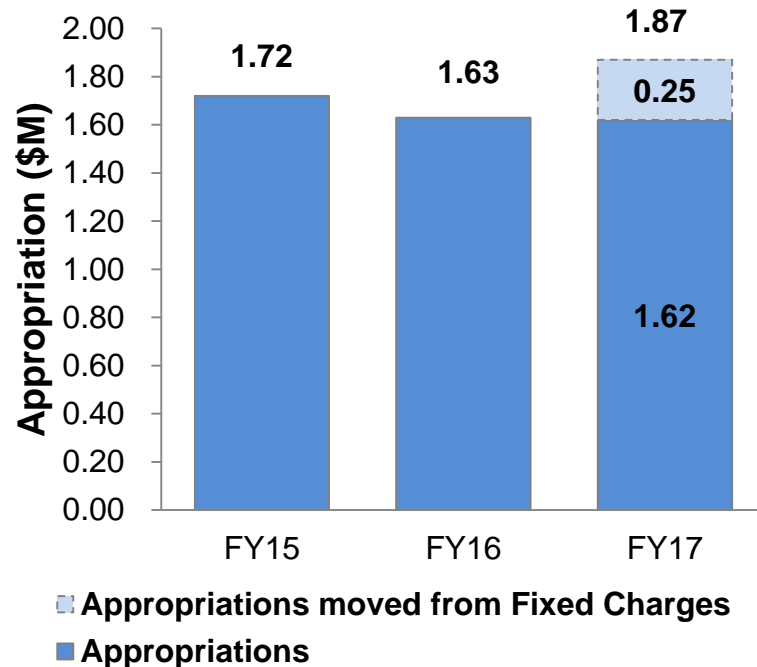
Mission

Enterprise Resource Planning (ERP) is charged with implementing and supporting Countywide financial system projects to improve business operations. ERP serves as a County resource for the development and maintenance of new efficiency and accountability technologies

Staffing



Budget



Enterprise Resource Planning – Program Inventory

FY2017 Bureau of Finance Budget Presentation



Administration (3 FTE): Supervises departmental programs and manages administrative functions including financial and human resources activities

Functional Analysis (5 FTE): Responsible for the analysis of the current administrative and data processes in order to develop recommendations to be adopted during implementation of the time and attendance system and countywide ERP system

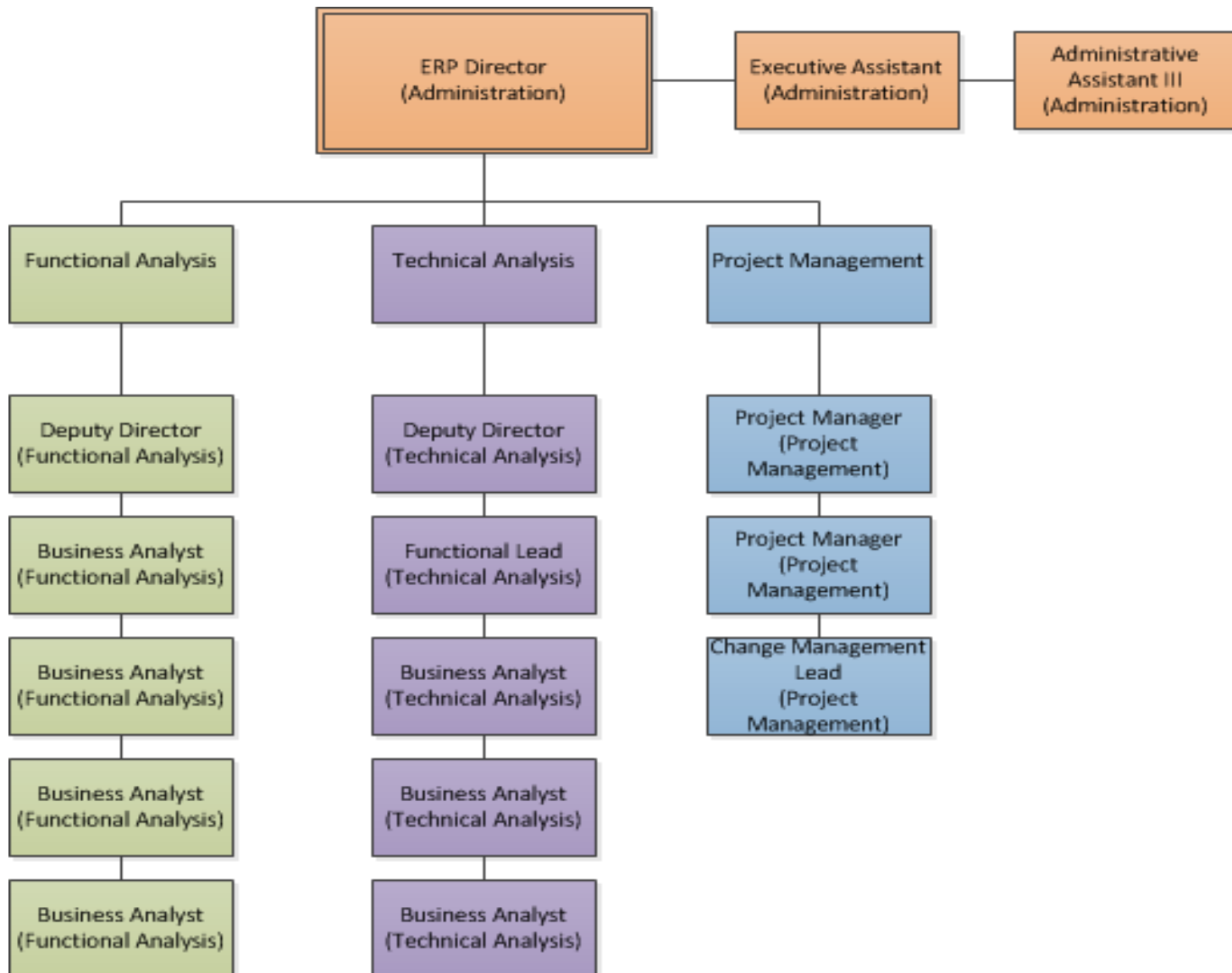
Technical Analysis (5 FTE): Responsible for the development and testing of the user interface and applications of the time and attendance system and countywide ERP system

Project Management (3 FTE): Manages the project timeline of the development and implementation of the time and attendance system and countywide ERP system



Enterprise Resource Planning – Organization Chart

FY2017 Bureau of Finance Budget Presentation



Enterprise Resource Planning – FY2016 Accomplishments

FY2017 Bureau of Finance Budget Presentation



- Launched six CCT Time & Attendance project Groups to Production
 - **Group 1:** Treasurer, Circuit Court
 - **Group 2:** Forest Preserves, Recorder of Deeds
 - **Group 3:** Bureau of Finance, Bureau of Technology
 - **Group 4:** County Clerk, Bureau of Administration, Bureau of Economic Development, Public Health
 - **Group 5:** Board of Commissioners, Bureau of Asset Management, Land Bank, Oak Forest Hospital
 - **Group 6:** Board of Review, Chief Judge, Public Defender, Justice Advisory Council, State's Attorney, DHSEM, Sheriff Administration, CCHHS CORE
- Completed four Phases of STEP Enterprise Resource Planning Core Financials project
 1. Requirements Validation
 2. Design
 3. Testing
 4. Training
- Completed two Phases of STEP Enterprise Resource Planning Budget Planning project
 1. Requirements Validation
 2. Design



Enterprise Resource Planning – 2017 Strategic Initiatives & Goals

FY2017 Bureau of Finance Budget Presentation

- Complete Cook County Time & Attendance project and migrate to Production support
- Complete STEP Enterprise Resource Planning (ERP) Core Financials project and migrate to Production support
- Complete STEP ERP Budget Planning project and migrate to Production support

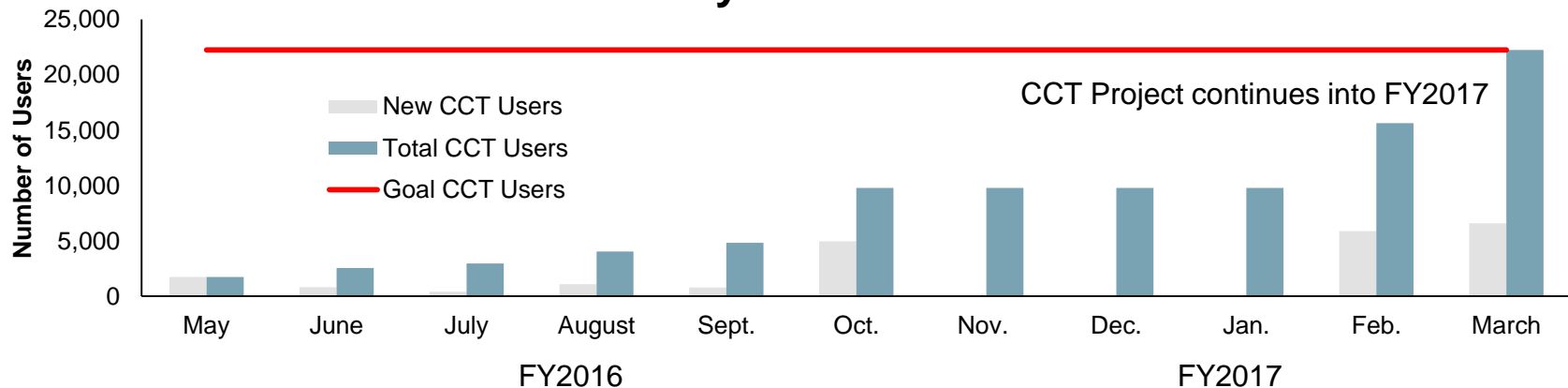
Enterprise Resource Planning – 2017 STAR Goals and Targets

FY2017 Bureau of Finance Budget Presentation



| Performance Metric | FY2015 Actual | FY2016 Projected YE | FY2017 Target |
|---|---------------|---------------------|---------------|
| Technical Analysis Program Output Metric | | | |
| Number of employees using Cook County Time | 0 | 9,800 | 22,200 |
| Functional Analysis Program Efficiency Metric | | | |
| Business Process improvements post-analysis per FTE | N/A | 27 | 30 |
| Functional Analysis Program Outcome Metric | | | |
| % of business process improvement recommendations adopted | N/A | 94% | 95% |
| Zero Based Budget Metric | | | |
| Cost per Cook County Time user | N/A | \$583 | \$153 |

Cook County Time User Rollout





Office of the Chief Procurement Officer

FY2017 Bureau of Finance Budget Presentation

October 17, 2017

Office of Chief Procurement Officer

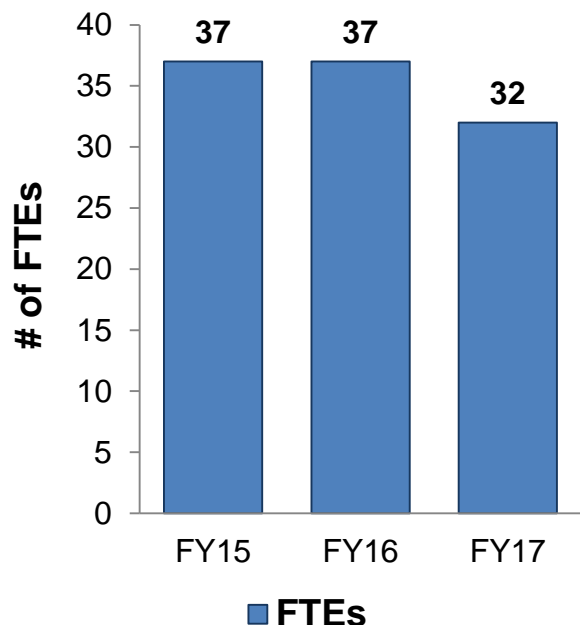
FY2017 Bureau of Finance Budget Presentation



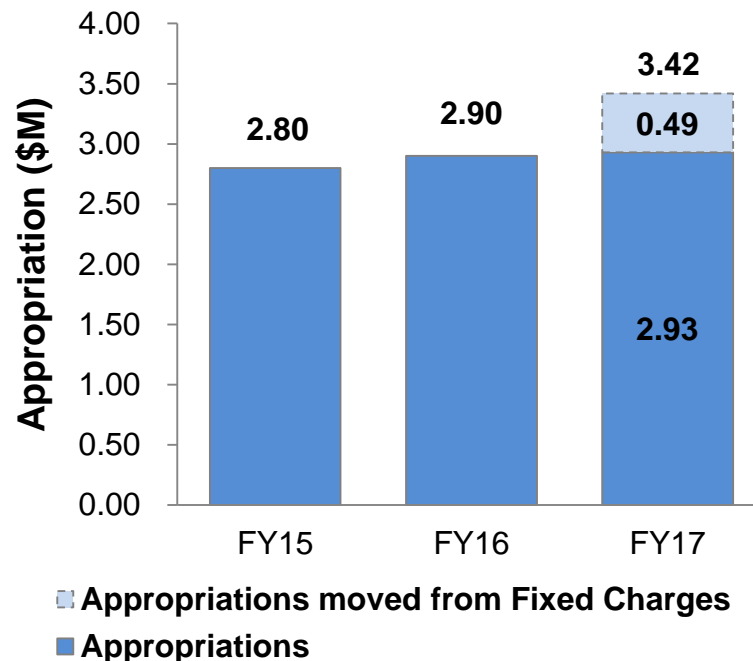
Mission

Our mission is to procure quality goods and services for Cook County agencies at the best price by promoting competition and implementing best practices. To achieve this goal, the Office of the Chief Procurement Officer is committed to implementing open and transparent procurement methods to promote maximum vendor participation while leveraging overall County volume to achieve lower costs

Staffing



Budget



Office of the Chief Procurement Officer – Program Inventory

FY2017 Bureau of Finance Budget Presentation



Administration (4 FTE): Manage internal and external legislative and programmatic affairs; identify and provide resources needed to ensure provision of services through innovative leadership in public procurement

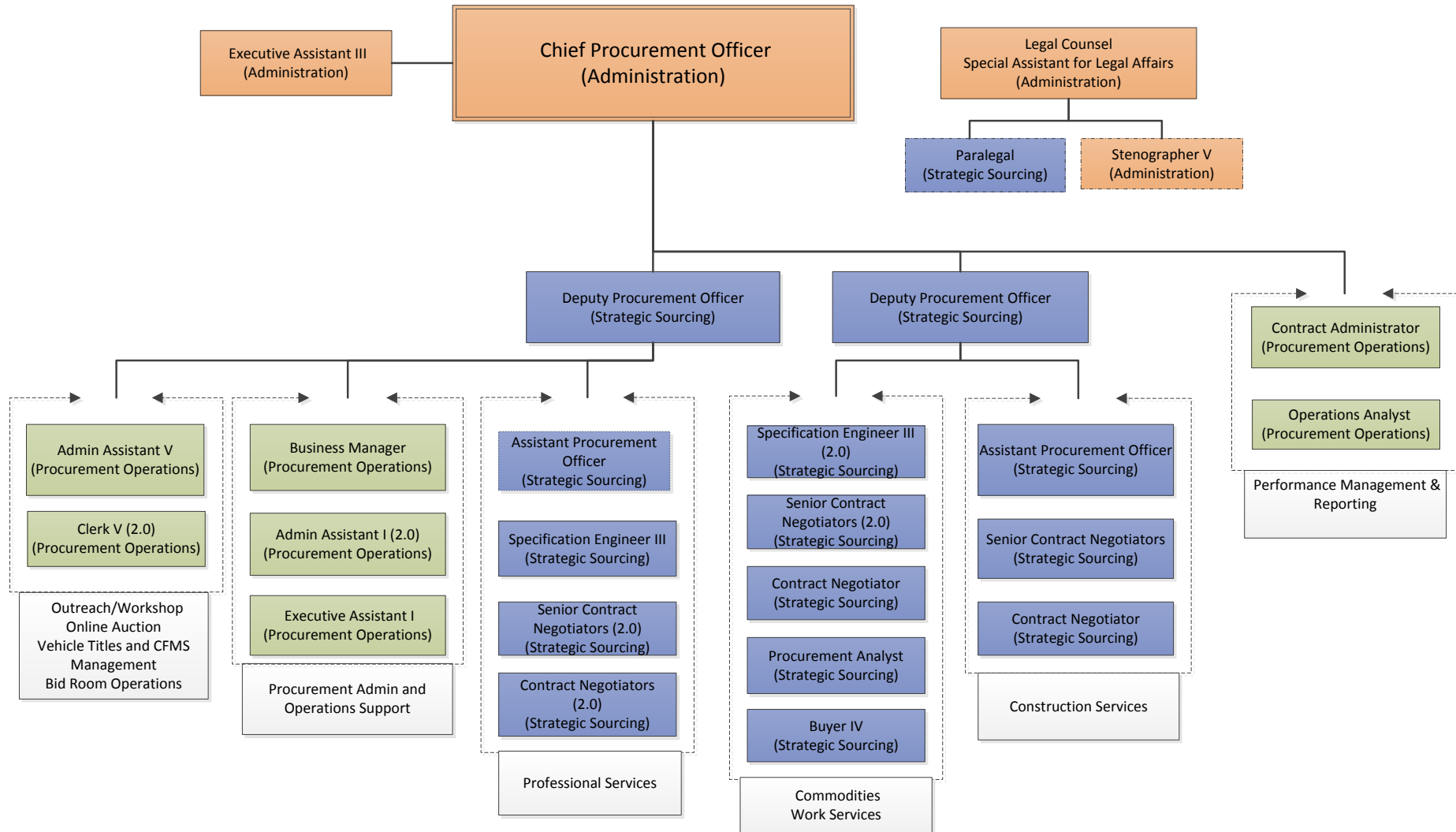
Procurement Operations (9 FTE): Provide operational support to the Department as well as User Departments/Agencies by maintaining contract related documents, implementing and documenting processes, while incorporating technologies to improve services to internal customers and external vendor community

Strategic Sourcing (19 FTE): Provide professional expertise in procuring goods and services through various sourcing methods outlined in the Cook County Procurement Code and best practices in public procurement; assist Using Agencies in identifying collaborative opportunities and market information; conduct spend analysis and develop specifications; assist in contract negotiations to ensure best cost for the goods and services provided to the County by its vendors



Office of the Chief Procurement Officer – Organization Chart

FY2017 Bureau of Finance Budget Presentation





Office of the Chief Procurement Officer – FY2016 Accomplishments

FY2017 Bureau of Finance Budget Presentation

- FY2016 year-to-date improvement in new contract processing time by increasing percentage of contracts meeting target goals from 36% to 45%
- Enhanced transparency by adding the following datasets to County Website:
 - Contract Amendments
 - Vendor Documents now include PDF-fillable documents
 - Open Data sortable Bid Tabulations, Intent to Award, and Intent to Execute
- Since implementation in August 2014, closed 460 online auctions of surplus goods which resulted in over \$487,000 in revenue
- Leveraged purchasing power for similar services in FY2016
 - On pace to reduce the number of new contracts by 19% from last year (FY2015)



Office of the Chief Procurement Officer – 2017 Strategic Initiatives & Goals

FY2017 Bureau of Finance Budget Presentation

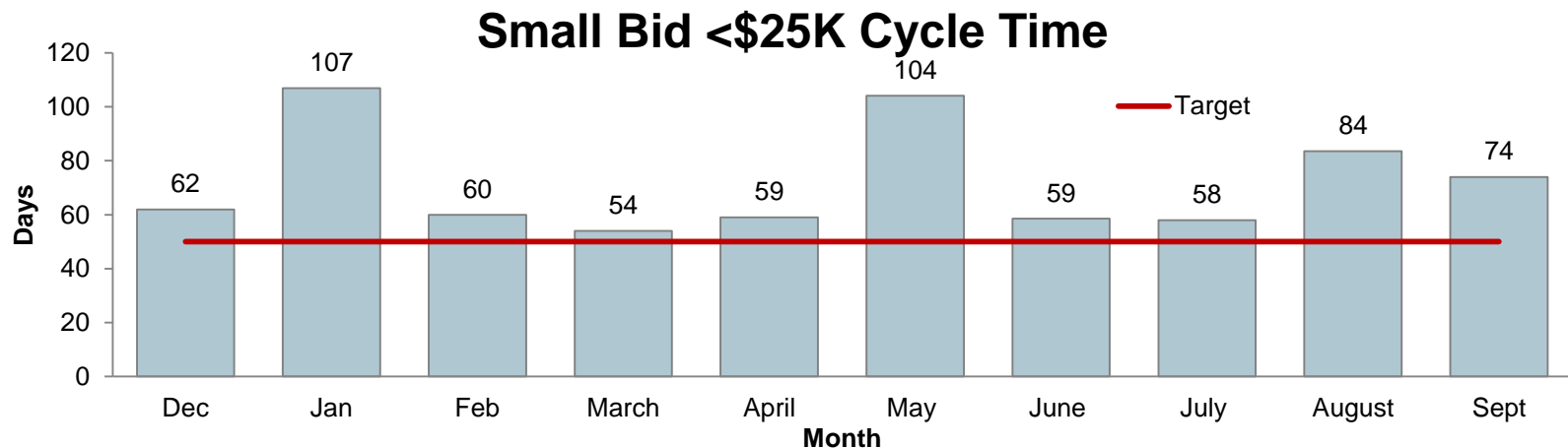
- Enhance vendor tools and resources to include:
 - Quarterly Procurement Bulletins
 - Increase participation in vendor outreach events
- Implement a SharePoint site to automate the M/W/VBE compliance-related document review process with the Office of Contract Compliance
 - Reduce the use of paper and printing
 - Additional office supplies savings of 5% in FY 2017
- Enhance User Agency Training by providing quarterly strategic training sessions
- Leverage ERP Efficiencies to re-align resources to improve new contract and amendment cycle times



Office of the Chief Procurement Officer – 2017 STAR Goals and Targets

FY2017 Bureau of Finance Budget Presentation

| Performance Metric | FY2015 Actual | FY2016 Projected YE | FY2017 Target |
|---|---------------|---------------------|---------------|
| Strategic Sourcing Program Output Metric | | | |
| Percentage of contracts meeting cycle time | 36% | 45% | 50% |
| Strategic Sourcing Program Efficiency Metric | | | |
| Median procurement cycle time for small bid <\$25k contracts (days) | 78 | 70 | 60 |
| Strategic Sourcing Program Outcome Metric | | | |
| Number of new contracts completed | 443 | 358 | 320 |
| Zero Based Budget Metric | | | |
| Department cost per additional encumbrance | \$242 | \$272 | \$0 |





Fixed Charges and Self Insurance Fund

FY2017 Bureau of Finance Budget Presentation

October 17, 2017

Fixed Charges and Self Insurance Fund

FY2017 Bureau of Finance Budget Presentation



Highlights

- Additional appropriation for pensions increased in FY 17 by \$83.3M to \$353.8M
- Moved benefits to each department, with claims and expenses paid out of the Self Insurance Fund
- Moved MS Office licenses to Departments
- Continue to perform chargebacks for Real Estate Costs
- Legacy debt service increasing by \$27M
- Workers' Compensation (WC) threshold adjusted to allow greater departmental ownership of their WC claims' costs
- Further transfers can be expected in the FY2018 budget to increase transparency

Budget

