



COOK COUNTY INDEPENDENT REVENUE FORECASTING COMMISSION

July 31, 2019

10AM-12PM

Cook County Building
118 N. Clark St., Room 4S-B,
Chicago, IL 60602

MINUTES

Present: Chairman Ammar Rizki, Dr. David Merriman, Dr. Paula Worthington, Karen Walker

1. Public Comments

Chairman Rizki called upon registered public speakers, there were none at the commencement of the meeting

[Note: George Blakemore, Concerned Citizen, arrived after the public comment period but was given the opportunity to speak prior to adjournment.]

2. Approval of the Minutes from the Meeting of 07/02/2019

A motion was made by Dr. Merriman, seconded by Dr. Worthington, to approve the minutes from the meeting of 07/02/2019. The motion was approved unanimously.

[Note: Prior to discussing the forecasting data and assumptions, Dr. Worthington and Dr. Merriman asked that the memos they had written and distributed to other members not be shared as they should be considered rough drafts/work product and had not been intended for public distribution]

3. Pending Commission Item: Working Session/Discussion on Revenue Forecasting Data and Assumptions

Chairman Rizki began by noting that the focus of the Commission should be on the methodology used to develop the forecasts and not necessarily on the numbers, as they may change with each new month of data that comes in. The Chairman then asked each member to summarize their memos so the commission could use the information as a basis for the discussion and the forthcoming recommendations that would be issued to the Cook County Board of Commissioners.

Dr. Worthington provided the Commission members with a memo on her overall recommendations, as well as memos specific to fuel taxes, cannabis and the health and hospital system. Dr. Worthington stressed the importance of developing the capacity to vary key assumptions to test the sensitivity of revenue forecasts to those changes and report some scenario-based forecasts. Dr. Worthington also noted that she believed the County's forecast on the Fuel

tax seemed a little optimistic. Additionally, Dr. Worthington said that it is too early to know how much the Cannabis tax will bring in because there are so many factors which have no historical data to look at.

Dr. Merriman's focus was on the sales tax since it is the largest single source of tax revenue for the County. He noted that in order to ensure more accuracy, monthly data should be used because the effective tax rates can vary from month to month since taxable purchases are not spread out evenly throughout the fiscal year and there can be administrative delays at the state level in forwarding revenue to the county. His conclusion was that the sales tax was not sustainable in the long run because of a shrinking tax base on the sale of goods and the County must look for ways to modernize the tax system.

Karen Walker stated that, moving forward, anticipating policy changes could be key to coming up with future forecasting models. Ms. Walker also thought it might be worthwhile to look at the seasonality of certain revenue sources such as the Hotel tax.

Commission members then discussed next steps and what the Independent Revenue Forecasting Commission Ordinance requirements were. Commission members discussed the possibility of providing a report to the Cook County Board of Commissioners with recommendations on how to improve upon the current forecasting and vote on approving it at the next Independent Revenue Forecasting Commission meeting.

It was moved by Dr. Merriman that Commission members draft a report to the Cook County Board of Commissioners with recommendations on how to improve upon the current forecasting models to be approved at the next Commission meeting. The motion was approved unanimously.

4. Adjournment

A motion was made by Dr. Merriman, seconded by Dr. Worthington, to adjourn the meeting. The motion was approved unanimously.

The next Independent Revenue Forecasting Commission meeting will be on August 26, 2019 at 1pm.