



COOK COUNTY INDEPENDENT REVENUE FORECASTING COMMISSION

July 30, 2020

5:30PM-7PM

Microsoft Teams

MINUTES

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

1. Logistics

Cathryn Marsico requested that all participants stay muted and said that registered speakers would be able to comment at the end of the meetings. Individuals who were not registered could sign up to speak in the chat. The meeting was recorded for public record. Cathryn called the meeting to order.

2. Opening Remarks

Chairman Rizki thanked the commissioners for their time and flexibility, particularly for meeting again in such a short time frame. Expressed the importance of the commission during this pandemic, which has created immense uncertainty. Expressed appreciation for the expertise of the commissioners. Chairman Rizki spoke to the need to adjust methodologies for revenue forecasting due to the pandemic and expressed that many tax revenues were impacted by the pandemic.

3. Approval of the Minutes from the Meeting of 07/01/2020

A motion was made by Dr. David Merriman, seconded by Dr. Paula Worthington, to approve the minutes from the meeting of 07/01/2020. There were no changes to the minutes. The motion was approved unanimously

4. Quarterly Report to the IRFC

Dean Constantinou discussed updates to the website and methodological improvements, including the Split CAGR forecast.

Principles of the IRFC

Dean Constantinou discussed how the recommendations from the IRFC have been adopted as principles, and how these principles have been advanced since the last quarterly meeting on 4/29/2020

Review of the IRFC's recommendations

Dean Constantinou discussed the progress on recommendations from the July 1, 2020 meeting and individual meetings.

5. Proposed Methodological Improvements

Methodological Improvement 1: Alternative Scenarios

Dean Constantinou discussed alternative scenarios for the progression through the phases of the Restore Illinois plan.

Comment from Commissioner Worthington: How can the phases be meaningfully linked to expectations for economic activity and revenues? Longer term, would encourage the team to consider how this kind of approach (laying out scenarios, stress testing, etc) aligns with the Split CAGR method.

Comment from Commissioner Merriman: May be possible that parts of Cook County will be in different phases. Think about what changes would be needed if all or part of Cook County moved back into Phase 3.

Comment from Commissioner Walker: Must understand the drivers and assumptions behind different scenarios so that we can have a final recommendation for what happens on the expense side to balance the budget.

Methodological Improvement 2: Continuous Improvement on Sales Tax Estimate

Dean Constantinou discussed changes to the sales tax estimate, including cross-checking with national estimates.

Methodological Improvement 3: Online Sales Tax

Dean Constantinou discussed changes to the Online Sales Tax method.

Comment from Commissioner Worthington: Should consider how much of new revenue from the online sales tax will be coming at the expense of sales that would otherwise be taking place at brick and mortar stores

Comment from Commissioner Rizki: Concerned about the ability of ILDOR to collect this tax, may be administrative obstacles, hope that we can get this ironed out before starting date of January 1, 2021

Methodological Improvement 4: Hotel Accommodation Tax

Dean Constantinou discussed incorporating the impact of cancelled conventions and business travel into the Hotel Accommodation Tax estimate

Methodological Improvement 5: New LTFP Method

Dean Constantinou discussed incorporating various GDP projections into the LTFP model.

Comment from Commissioner Worthington: May be good to examine how most cyclically sensitive revenue sources move with respect to GDP to get a better picture of how GDP forecasts can be used to forecast County revenues (back-testing revenues against GDP to see correlation)

Question from Commissioner Merriman: Recessions can be unpredictable. Think of this as helping us know what we need should a downturn occur, rather than predicting revenue level.

Methodological Improvement 6: Cannabis Tracking

Dean Constantinou discussed the development of a timeline of cannabis licensing, tracking this information.

6. Next Steps

FY 2021 Proposed Budget Calendar

Is an interim meeting necessary?

Commissioner Worthington: No interim meeting needed.

Commissioner Merriman: No additional meeting for now, but may reconsider if there is a change in phase

Commissioner Walker: Agree that we don't need to schedule an additional meeting, but can keep the option open. Would like to see draft of the report ahead of time.

Commissioner Rizki: Will see how things change, can hold another meeting if needed.

7. Public Comment

Cathryn Marsico stated that there were no registered public speakers.

Commissioner Rizki opened it up to speakers that wanted to address the commission.

None came forward

8. Adjournment

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

The next Independent Revenue Forecasting Commission meeting will be on August 31st, 2020