

## **Statement of The Civic Federation Regarding The FY 1999 Chicago Park District Budget By Lance Pressl, Ph.D., President.**

The Civic Federation would like to thank the President and members of the Board of Commissioners for this opportunity to comment on the proposed FY 1999 budget. As a government and finance watchdog group, The Civic Federation has closely monitored and commented on the fiscal health of local area governments for over 100 years.

Before discussing the information contained in the proposed budget, The Civic Federation has serious concerns regarding the timing of the release of the budget document itself. The public has had only five business days to review the proposed budget prior to the public hearing today. Given the Park District's recent efforts to improve communications and increase public awareness, the limited time the Park District has allotted for public review of the budget is troubling. We believe that this document is key to the public's understanding of the services provided by the Park District and the revenue it collects, and should receive appropriate time for review. We ask that in the future the Park District provide the proposed budget to the public at least two weeks prior to the public hearings to allow sufficient time for a comprehensive review and discussion of the resources and programs outlined in the budget.

### **I. 1999 BUDGET**

#### **A. Taxes & Spending**

FY 1999 represents the sixth year in a row that the Chicago Park District budget does not include a property tax increase. In addition, the budget continues the trend of shifting resources from administration to recreation. We strongly support and applaud both efforts.

#### **B. Fees**

In 1997, the Civic Federation released its report "Local Government Fees and User Charges." Like other local governments in the Chicago region, the Park District continues to become less dependent on the property tax. In FY 1999, non-property tax revenues will account for 32% of the Park District's revenues. Between 1993 and 1998, non-property tax revenues have increased from 17% to 32% as a percent of the total budget. Although we believe this to be a positive trend, The Civic Federation cautions the Park District about becoming too reliant on these fees given the uncertainty of the continued stability of the economy. While we encourage and support the trend towards greater reliance on fees, the Park District must recognize the elasticity of demand for discretionary services. The Civic Federation recognizes the balancing act, but feels strongly that the Park District not become overly dependent on fees.

In addition, we ask the Park District to evaluate whether any of these non-property tax fees and charges are excluding the public from participating in Park District events.

### C. Aquarium & Museum Funds

This past year, the Shedd Aquarium, the Museum of Science and Industry, and the Art Institute of Chicago came before the Park District Board of Commissioners requesting admission fee increases. At the time of those hearings, The Civic Federation expressed concern that any increases in admission fees may limit public access to these institutions. In addition, The Civic Federation put forth a number of proposals that we believed would expand access to those institutions. We ask that the Board of Commissioners require, prior to approving the annual appropriation for the aquarium and museums, that these institutions present an accounting of recent policy changes that have been initiated to ensure continued access for the taxpaying citizens of Chicago.

In March 1995, the Chicago Park District came under the Property Tax Extension Limitation Act. Under this state statute, the Chicago Park District is restricted in its ability to raise taxes and issue debt. At the present time, over 15% of the Chicago Park District's tax levy goes for aquarium and museum purposes. We do not question the value of having these institutions supported with public funds. However, as we have stated numerous times in the past, visitors to these institutions come from a region-wide area. Therefore, we believe it is unfair to limit taxes for these institutions to only City of Chicago property taxpayers.

### D. Budget Presentation

As with previous Park District budgets, we continue to support the path being taken by the current administration in terms of the efficiencies being created and the expansion of programming and opportunities for the public to recreate and enjoy open spaces. However, we once again repeat our recommendation regarding the inclusion of performance measures and indicators in the budget. This will further enable the Park District to improve how it communicates its budgetary policies and plans to the public. We offer the following suggestions on budget presentation:

- **Expand Funding Tables:** Although the "Summary of Operating Revenues and Expenditures" table presents budgeted to actual comparisons in the *1999 Budget Recommendation* document, the sections containing the budgets of each region only present the revised estimates for the current fiscal year and the proposed budget for next year. A third column should be included showing the actual appropriation for the current year. This additional column would enable the public to gauge whether budgetary expectations are being realized and the funds that had been budgeted in the past are actually spent.
- **Include Performance Indicators:** One of the priorities of this administration is to increase the use of parks by the public and improve the environmental condition of the parks. In order for the public to have a better understanding of the improvements in both of these areas, we recommend that a performance indicator section be included in the budget document. The section would expand on special initiatives presented in this year's budget, such as the number of ballfields that have been renovated. This section should also include statistics on trends in the number and type of recreation programs, attendance, and capital improvements. We recommend that the first set of indicators be reported by region. The Government Finance Officers Association has recently published a report entitled,

“Recommended Budget Practices”, that provides a series of recommendations on performance measures and evaluating performance. We urge the Park District to pay close attention to the report’s recommendations and incorporate appropriate sections in forthcoming documents.

- **Synthesize Information by Policy Area:** As evidenced by testimonies in past public hearings, the public is interested in how money is being appropriated for the Chicago Park District’s primary objectives: landscape, recreation, land acquisition, etc. We continue to recommend that the budget include a section that groups appropriations by program area. For example, the budget document should list those departments within the Park District that are responsible for landscaping and the level of funding allocated for that program area.

In closing, The Civic Federation applauds your efforts to provide the citizens of Chicago with recreational services and open space. We encourage the Park District to continue on the path it started in 1993 of decentralization and serving the needs of the local communities.

Respectfully Submitted,

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