Roll call

Minutes

Opening remarks

Agenda

| Section	Slide #
Opening remarks	4
Economic update	6
Quarterly updates	10
Preliminary IRFC recommendations	13
Next steps	20
Public comment	22
Adjournment	23

Economic update

Inflation

Inflation is anticipated to remain elevated, and Moody's has increased their forecast accordingly. However, its growth is expected to lessen during the remainder of 2022.

Motor fuel and food are major drivers of current inflation growth. High motor fuel prices may be contributing to both growth in county sales tax revenue and declines in gas tax revenue, as well as price growth of other goods.

Year over year percent change in Consumer Price Index, Chicago MSA, actual and forecasted, 2019-25

Actual CPI - all items, Jun-22, 9.4

Moody's July 2022 forecast, 8.3

Moody's June 2022 forecast, 7.5

— Actual CPI - all items
— Actual CPI - All items less food and energy
...... Moody's June 2022 forecast
– – Moody's July 2022 forecast
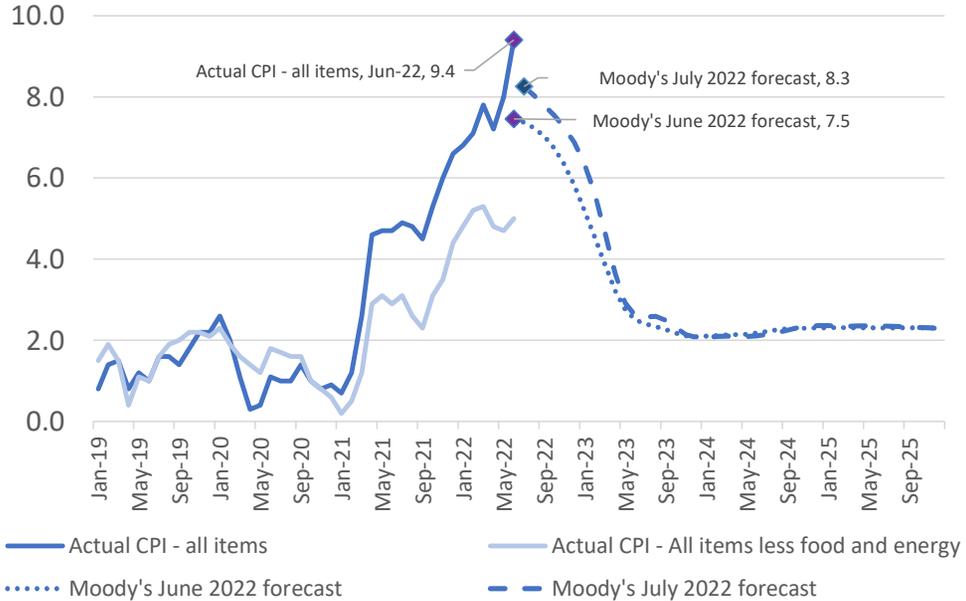
Source: U.S. Bureau of Labor Statistics, July 2022; Moody's Analytics, June 2022 and July 2022

Percent change in Consumer Price Index for Chicago MSA, June 2021 to June 2022

Category	Percent change
Motor Fuel	67.4
Non Durables	24.3
New Vehicles	15.7
Food At Home	13.5
All Items	9.4
Apparel	8.5
Durables	8.5
Other Goods	7.6
Food Away From Home	7.5
Used Cars And Trucks	6.7
Alcoholic Beverages	5.6
Rent Of Primary Residence	4.3
Recreation	3.4
Other Personal Services	2.8
Medical Care	1.6
Education And Communication	-1.5
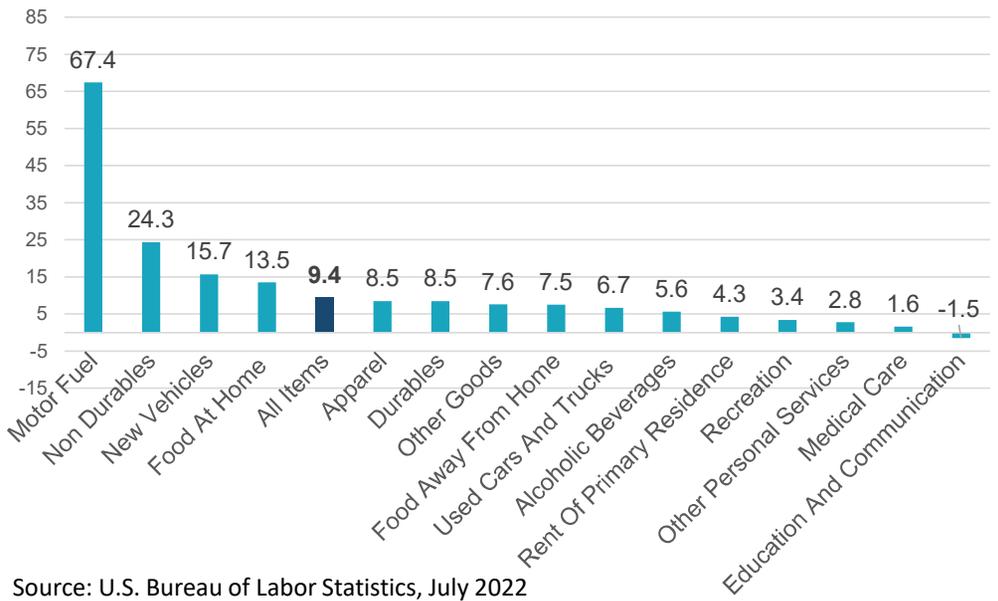
Source: U.S. Bureau of Labor Statistics, July 2022

Overall economic indicators

Job growth is moderating but the U.S. is still anticipated to reach full employment in 2022.

Number employed, Chicago MSA, actual and forecasted (in thousands)
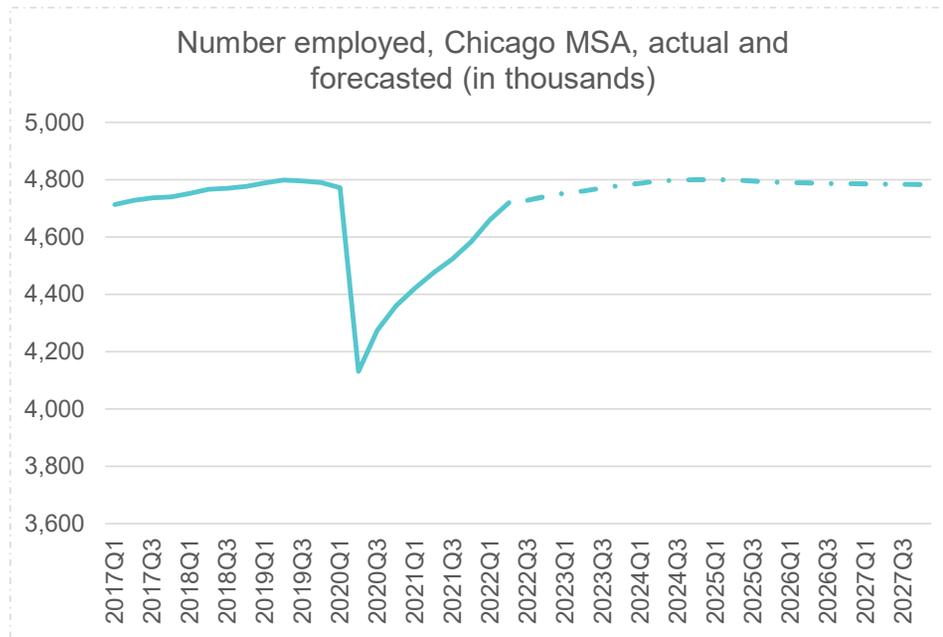
Source: Moody's Analytics, July 2022

U.S. economic growth may pick up in 3rd quarter 2022 but forecasted growth has been revised downward. Low GDP growth has been driven by decreases in inventories and government spending.

Real GDP forecasts

Year	Federal Reserve	Moody's Analytics	Survey of Professional Forecasters	Wall Street Journal
2022	1.7%	1.9%	2.5%	1.3%
2023	1.7%	1.9%	2.3%	1.4%
2024	1.9%	2.7%	2.0%	
2025	1.8%	2.7%	2.3%	

Source: Federal Open Market Committee, June 2022; Moody's Analytics, July 2022; Survey of Professional Forecasters, May 2022; Wall Street Journal Economic Forecasting Survey, June 2022

Sales tax forecast compared to actual revenue

9
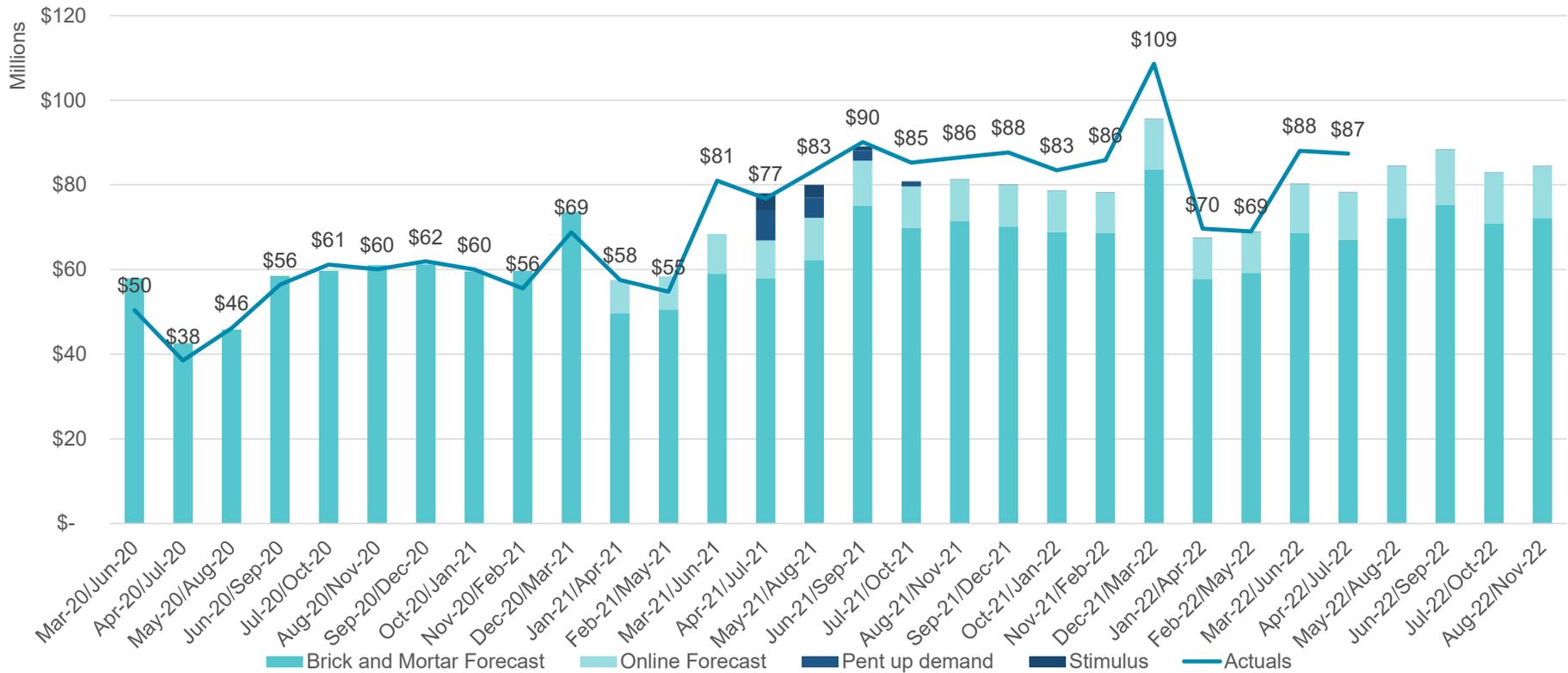
Quarterly updates

Principals of the IRFC -
Advanced since 4/27/22

Principal	Action Taken
Document Economic and Operational Drivers	Working with CCH to identify and provide monthly data sets on NPSR drivers such as gross revenues payer mix and reimbursement rates.
Pursue Consistency in Modeling	Continuing to update data sets
Systematically Track Monthly Operational and Revenue Data	Continuing to track monthly financial reports and board presentation data by CCH team, aligning to our monthly financial reporting
Catalogue Historical Rates and Policies	Revising tax history document to provide additional details and tax types
Review Alternative Scenarios	Updated alternative scenarios leveraging Moody's Analytics scenarios. Revised alternative scenarios for CCH. Drafted alternative scenario methodology document.
Benchmark Forecasts Against Other Jurisdictions	Discussed forecasting issues with other jurisdictions
Strive for Greater Collaboration	Continue to have regular meetings with CCH to develop and fine tune the alternative forecast scenarios with a forward-looking focus on COA Improvement.

Ongoing FY22 IRFC deliverables

Rec #	Deliverable	Description	Timing
1	PMO Meetings	We have established weekly touchpoint meetings between the Office of the CFO and CCH Finance Team for additional knowledge and data transfer sessions.	Biweekly meetings
2	Periodic transmission of data	As part of an ongoing process, will exchange files that provide historical average rates received by population and age cohort on monthly basis.	First week of the month on an ongoing basis
3	Pursue Changes to Chart of Accounts	Testing and implementing Chart of Accounts for HPS and NPSR	FY 2023 Budget
6	Alternative scenario Methodology Document with clear and concise Procedures	The document will provide a central repository for the development of alternative scenarios in both the General and Health Fund	End of FY 2022

Preliminary IRFC recommendations

Recommendation 1

Monitor Health Fund revenue modeling

- Ensure actual revenues associated with new Chart of Accounts are consistent with forecasting model

- Resolve inconsistencies through adjustments to reporting, accounts, or modeling

- Continue to collaborate with CCH on developing model

Recommendation 2

Monitor economic data releases and how the data is integrated into forecasts

• Create calendar of economic data releases

• Integrate calendar into forecasting schedule

• Examine how inflation factors are utilized and integrated into revenue forecasts

Recommendation 3

Document revenue forecasting methodology

- Explain forecasting methods and data sources

- Provide criteria used to assess forecasts and assumptions

Recommendation 4

Explore opportunities to improve fee revenue forecasting

- Explore data availability on key fee revenue sources

- Determine feasibility of changing methodologies around estimating key sources of fee revenue

Recommendation 5

Identify data and indicators that capture short- and long-term changes in work and spending patterns

- Outline steps to integrate data into forecasts of hotel, parking, amusement or other tax revenues

Recommendation 6

Consider options to sustain ARPA programs in the long term

- Determine revenue options for programs that will remain after 2026

Next steps

Upcoming Dates

August

Su	Mo	Tu	We	Th	Fr	Sa
	1	2	3	4	5	6
7	8	9	10	11	12	13
14	15	16	17	18	19	20
21	22	23	24	25	26	27
28	29	30	31			

September

Su	Mo	Tu	We	Th	Fr	Sa
					1	2	3
4	5	6	7	8	9	10
11	12	13	14	15	16	17
18	19	20	21	22	23	24
25	26	27	28	29	30	

October

Su	Mo	Tu	We	Th	Fr	Sa
						1
2	3	4	5	6	7	8
9	10	11	12	13	14	15
16	17	18	19	20	21	22
23	24	25	26	27	28	29
30	31				

November

Su	Mo	Tu	We	Th	Fr	Sa
		1	2	3	4	5
6	7	8	9	10	11	12
13	14	15	16	17	18	19
20	21	22	23	24	25	26
27	28	29	30			

August 26: CCHHS Board meeting – budget vote
August 31: IRFC meeting

September 22: County Board meeting

October 6: Executive Budget Recommendation Released
October 20: County Board meeting
October 27: IRFC Quarterly meeting

November 17: County Board meeting - budget vote

Proposed FY22-FY23 IRFC Meetings
Wednesday, August 31
Thursday, October 27
Monday, January 23, 2023

*Disclaimer: dates are subject to change

21

Public comment

Adjournment