



IRFC

Quarterly Meeting

July 26, 2023



Roll Call

Opening Remarks

Approval of the Minutes

Agenda

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Quarterly updates



Principles of the IRFC

Principle	Action Taken
Document Economic and Operational Drivers	Tracked economic indicators and updating calendar of economic releases
Pursue Consistency in Modeling	Utilized consistent methods for revenue forecasting, including alternative revenue scenarios
Systematically Track Monthly Operational and Revenue Data	Used actuals posted to new Health Fund accounts to validate assumptions
Catalogue Historical Rates and Policies	Continued to catalogue in the tax history document
Review Alternative Scenarios	Updating Health Fund scenarios for resumption of redetermination
Benchmark Forecasts Against Other Jurisdictions	Discussed forecasting with other entities, such as the Regional Transportation Authority (RTA) and City of Chicago
Strive for Greater Collaboration	Conducted biweekly meetings with Cook County Health (CCH) staff

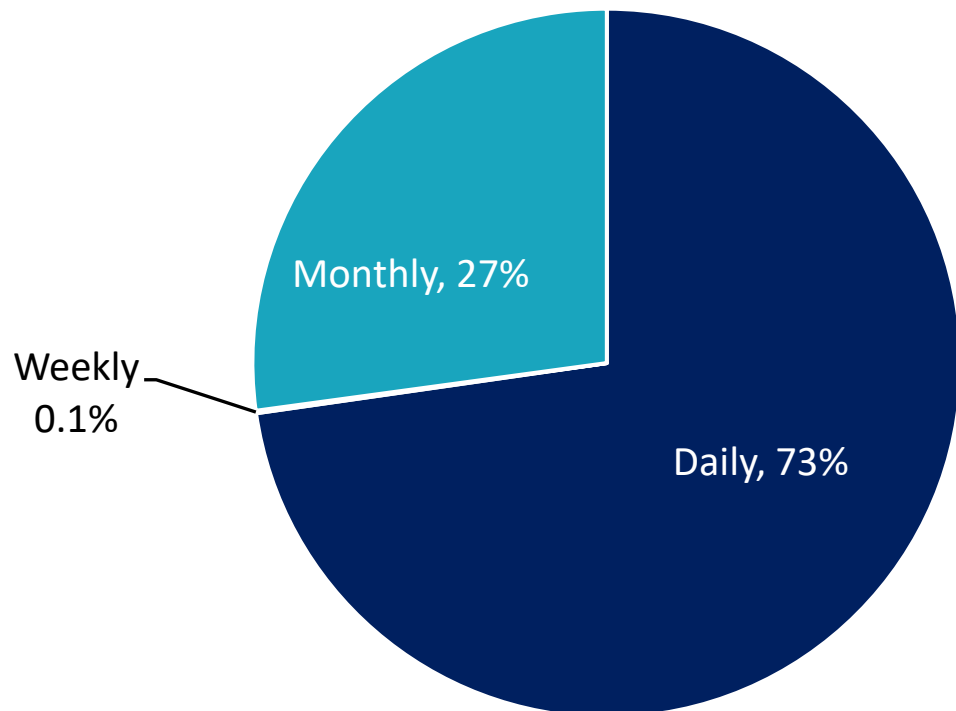
FY2023 IRFC deliverables

Deliverable	Progress
Methodological report	Methodology drafted for property tax and investment income. Sales tax underway. The assumptions used to develop the October forecast will be included in the final draft.
Health Fund validation	Started the process to create new accounts for eliminating domestic transfers. Drafted model that compares actual collection rates to collection rate assumptions used in the forecast
Create a calendar of economic data releases and integrate that calendar into forecasting schedule	Calendar of economic data releases is updated for 2023.
Identify data and indicators that capture short- and long-term changes in work and spending patterns	Analyzed detailed data from Dept. of Revenue for gasoline, amusement, and parking tax revenues.
Prioritize an initial set of fees to explore and collaborate with the offices that impose the fees to obtain data on fee rates and volumes	Working with three departments to obtain data on fee rates and volumes.
ARPA sustainability analysis of the potential impact on the fund balance of providing funding support to after 2026	Surveyed departments on their ARPA initiatives in order to update the potential range of impacts on the fund balance.

Revenue recovery from the pandemic

Parking Lot and Garage Operation Revenues

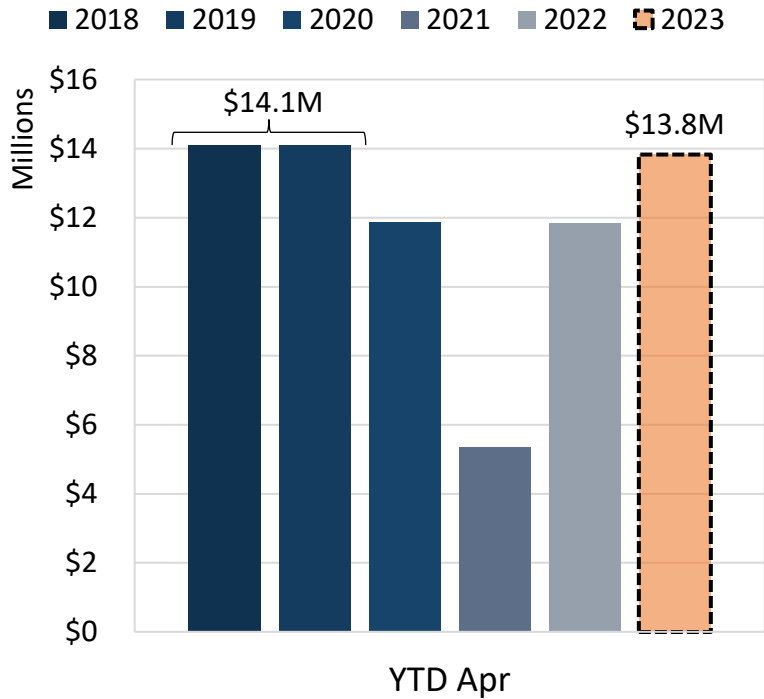
Parking Revenue Breakdown – YTD April 2023



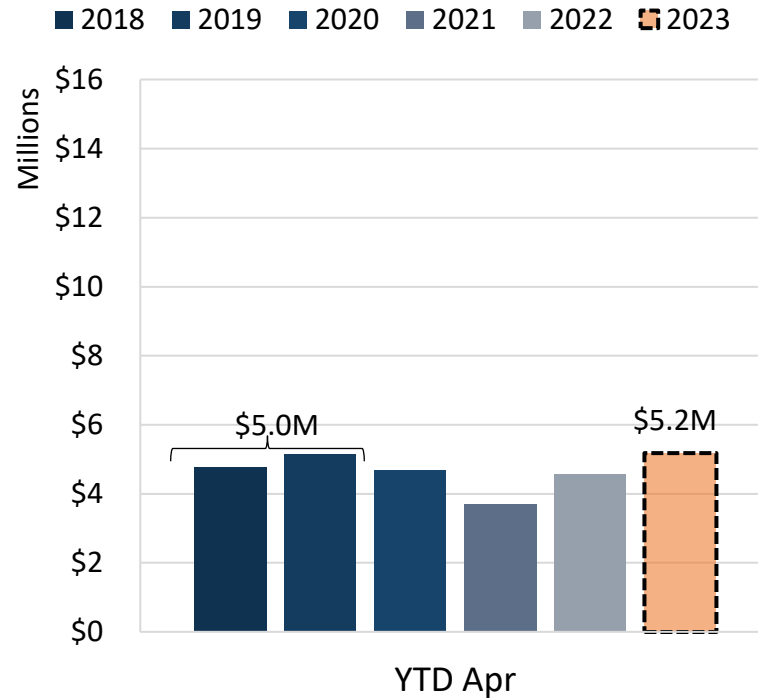
- Not fully recovered
- Parking revenues are slightly below pre-pandemic (2018-2019) averages
 - Through April, YTD revenues were 0.2% below, or (\$39K), pre-pandemic average
 - Majority of parking revenue derived from daily parkers
- FY24 Preliminary Estimate: \$47.3M

Parking Lot and Garage Operation Revenues

YTD Revenue – Daily
6.0% tax rate



YTD Revenue – Monthly
9.0% tax rate

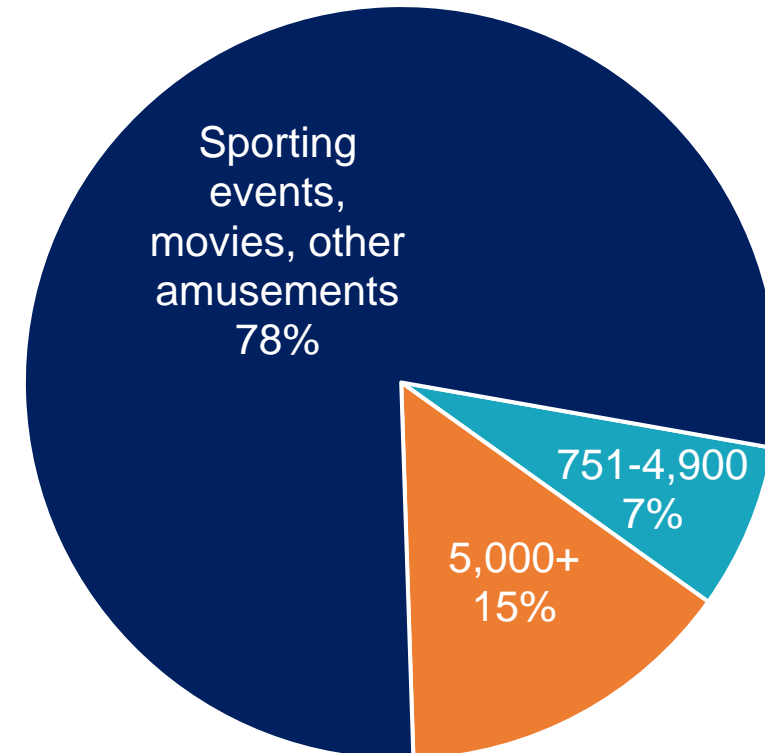


- Daily parking revenues still lagging
 - Daily number of parkers still lower than pre-pandemic average by ~23%
- Favorable monthly parking revenues

Amusement Tax Revenues

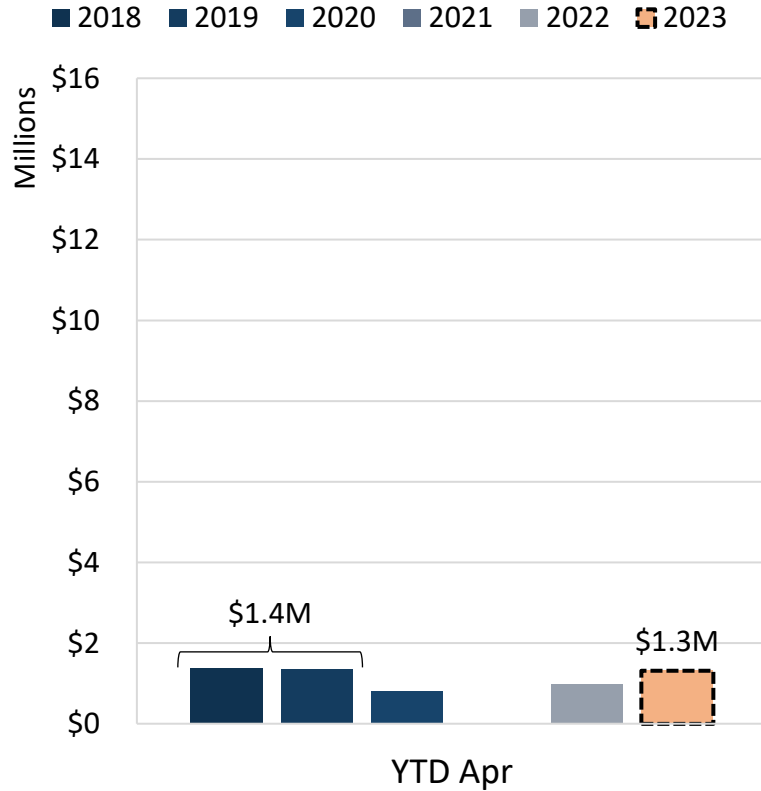
- Fully recovered
- Overall YTD amusement revenues are above pre-pandemic (2018-2019) averages
 - Through April, YTD revenues were 9.2% higher, \$1.6M, than the YTD pre-pandemic average
 - Driven by sporting events, large concerts, movie theaters; more than 90% of revenue
- FY24 Preliminary Estimate: \$41.0M

Amusement Revenue Breakdown – YTD April 2023

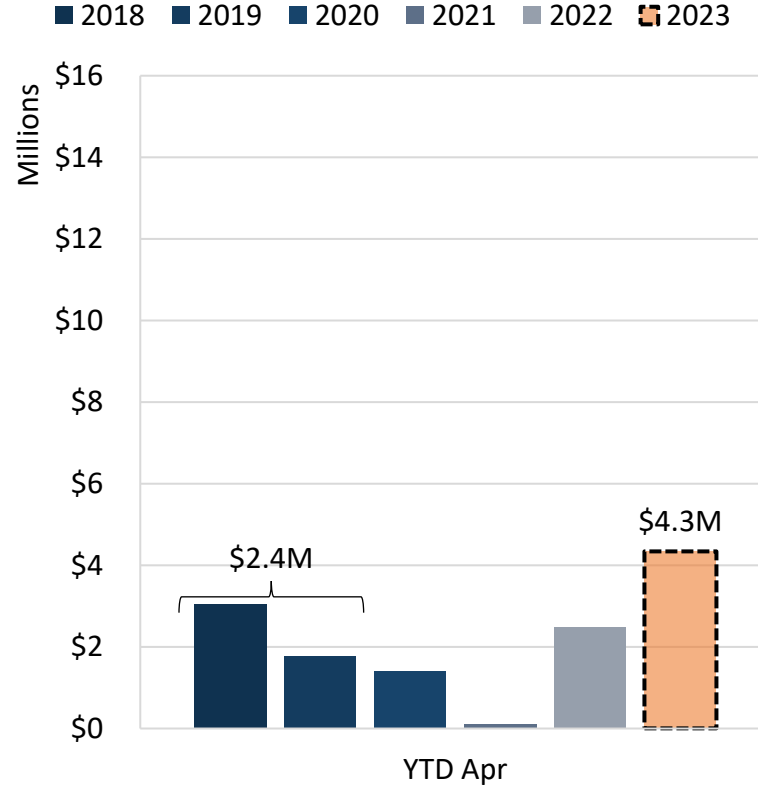


Amusement Tax Revenues

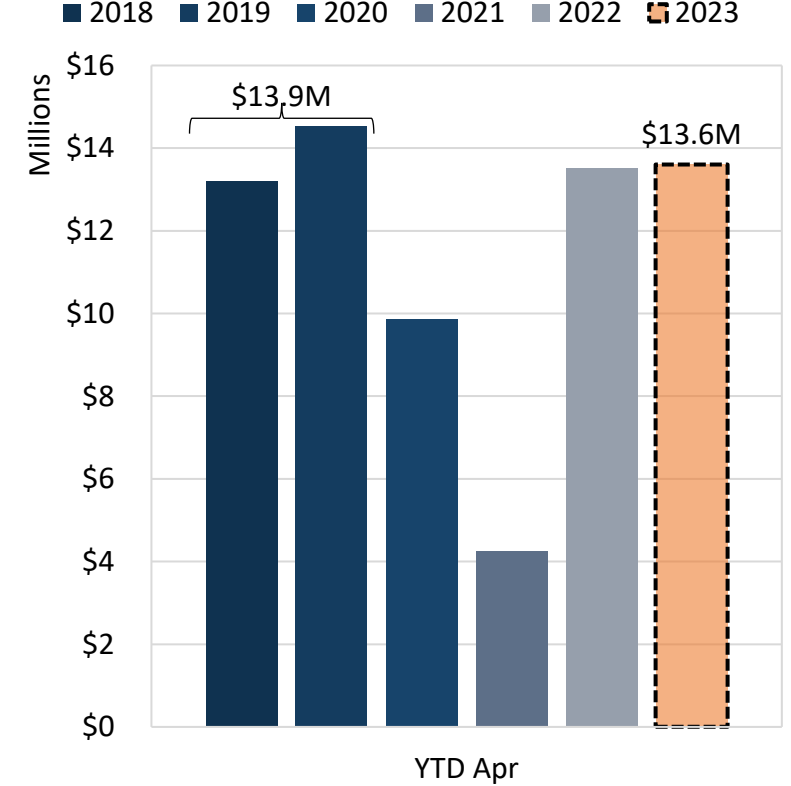
YTD Revenue - 751-4,999 capacity
1.0% tax rate



YTD Revenue - 5,000+ capacity
1.5% tax rate



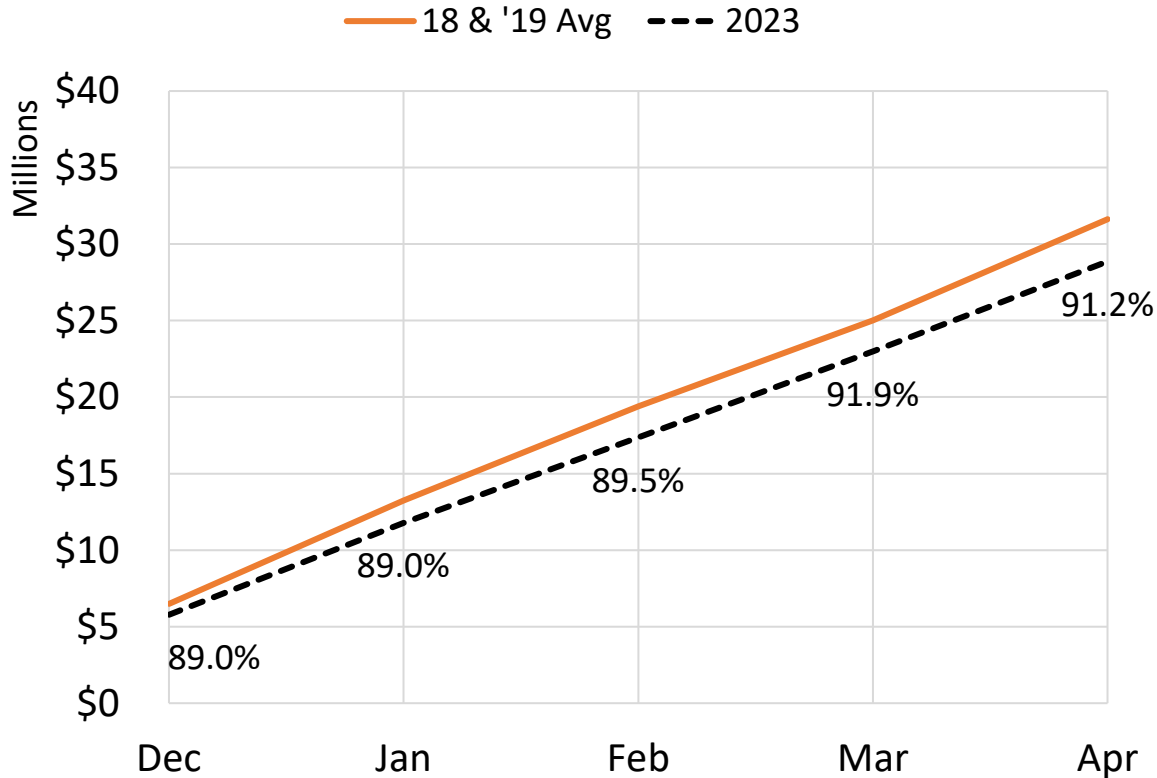
YTD Revenue - Sporting events,
movie theaters, other amusements
3.0% tax rate



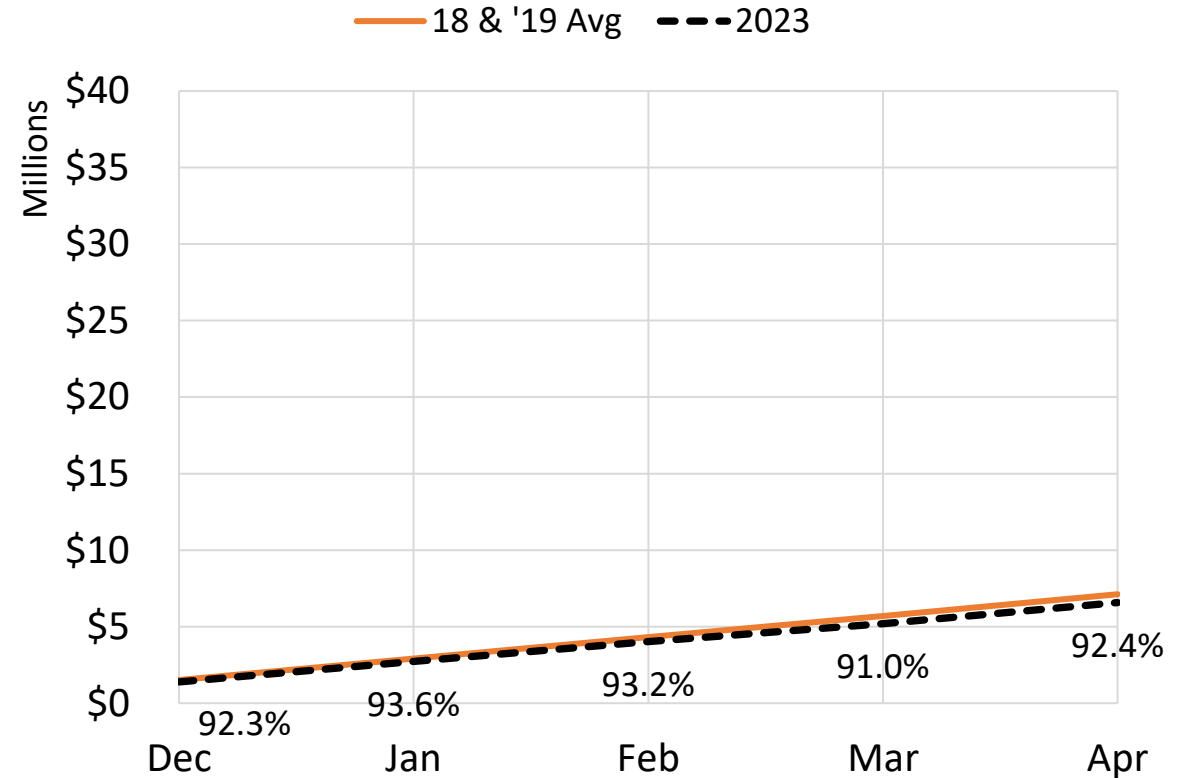


Gas & Diesel Tax Revenues

YTD Revenue – Gas (Not fully recovered)
Percent recovered from pre-pandemic average



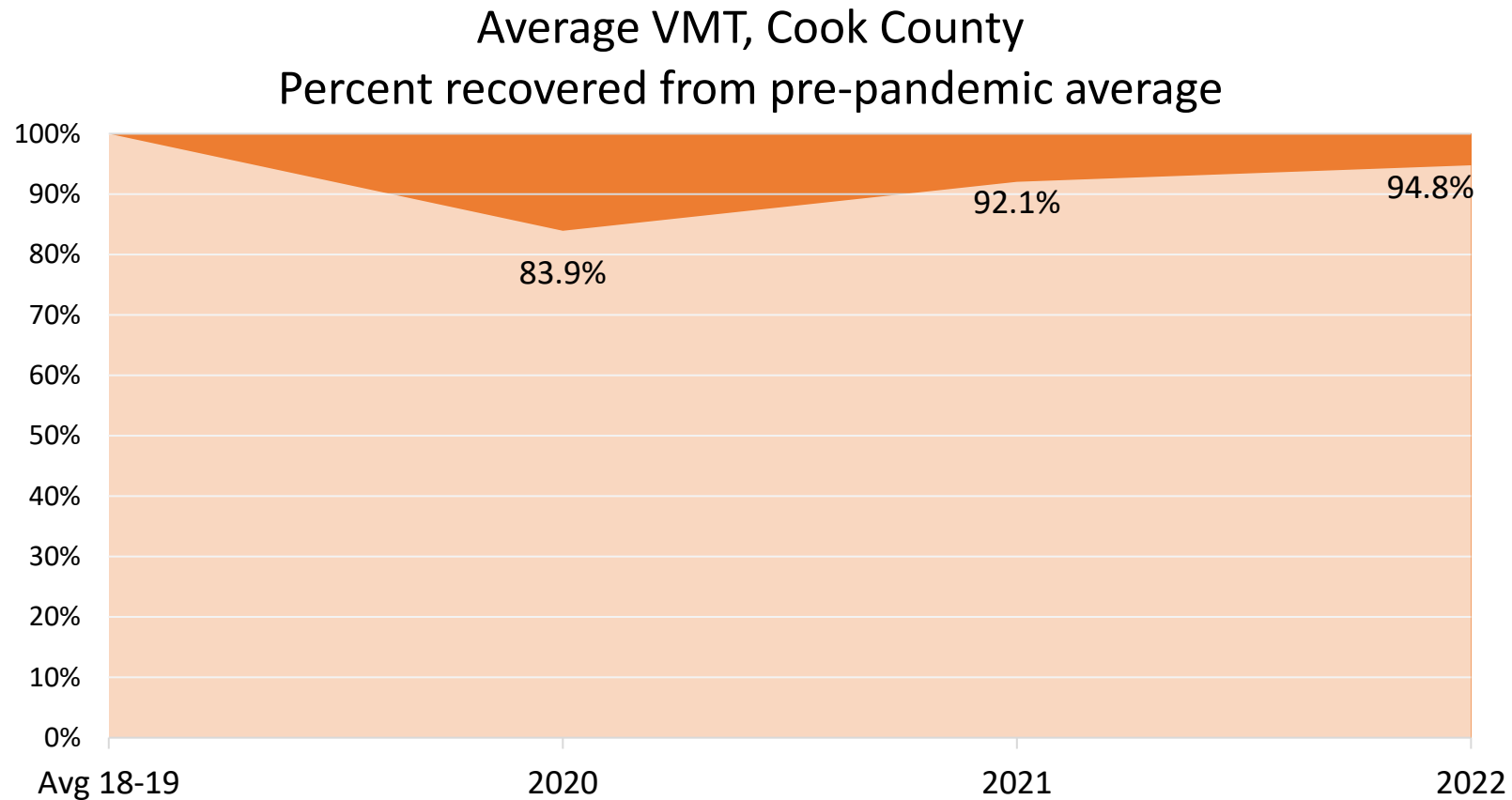
YTD Revenue – Diesel (Not fully recovered)
Percent recovered from pre-pandemic average



➤ FY24 Preliminary Estimate: \$86.3M (Gas & Diesel)



Vehicle Miles Traveled

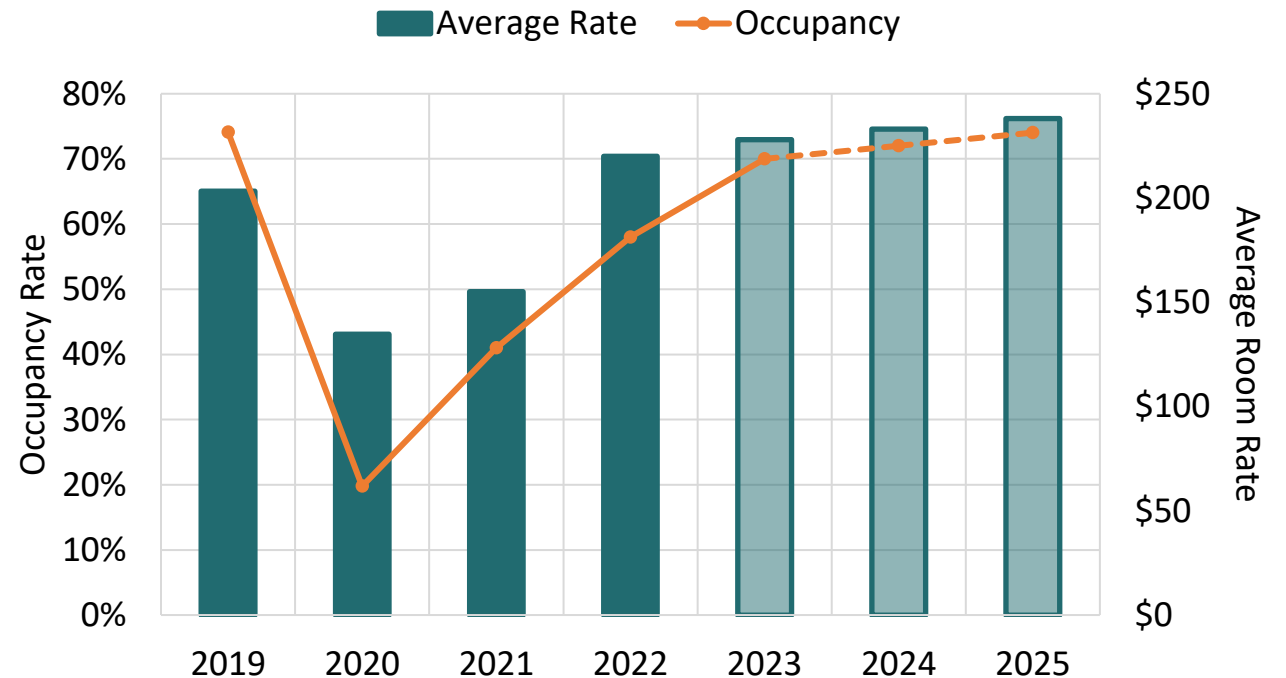


Source: Illinois Department of Transportation

Hotel Accommodations Tax Revenues

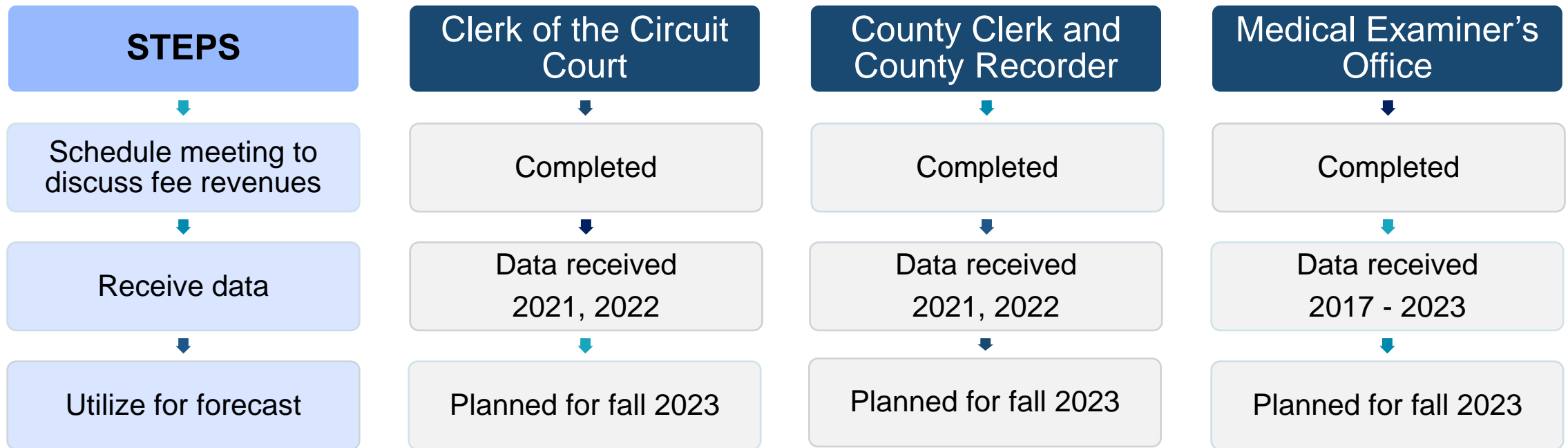
- Fully recovered
- Meeting with Illinois Hotel & Lodging Association (IHLA)
 - Hotel room rates have recovered as a result of inflation
 - Occupancy rates still lagging, expect full recovery in 2025
- FY24 Preliminary Estimate: \$31.5M

Hotel Occupancy and Rate Recovery, Chicago

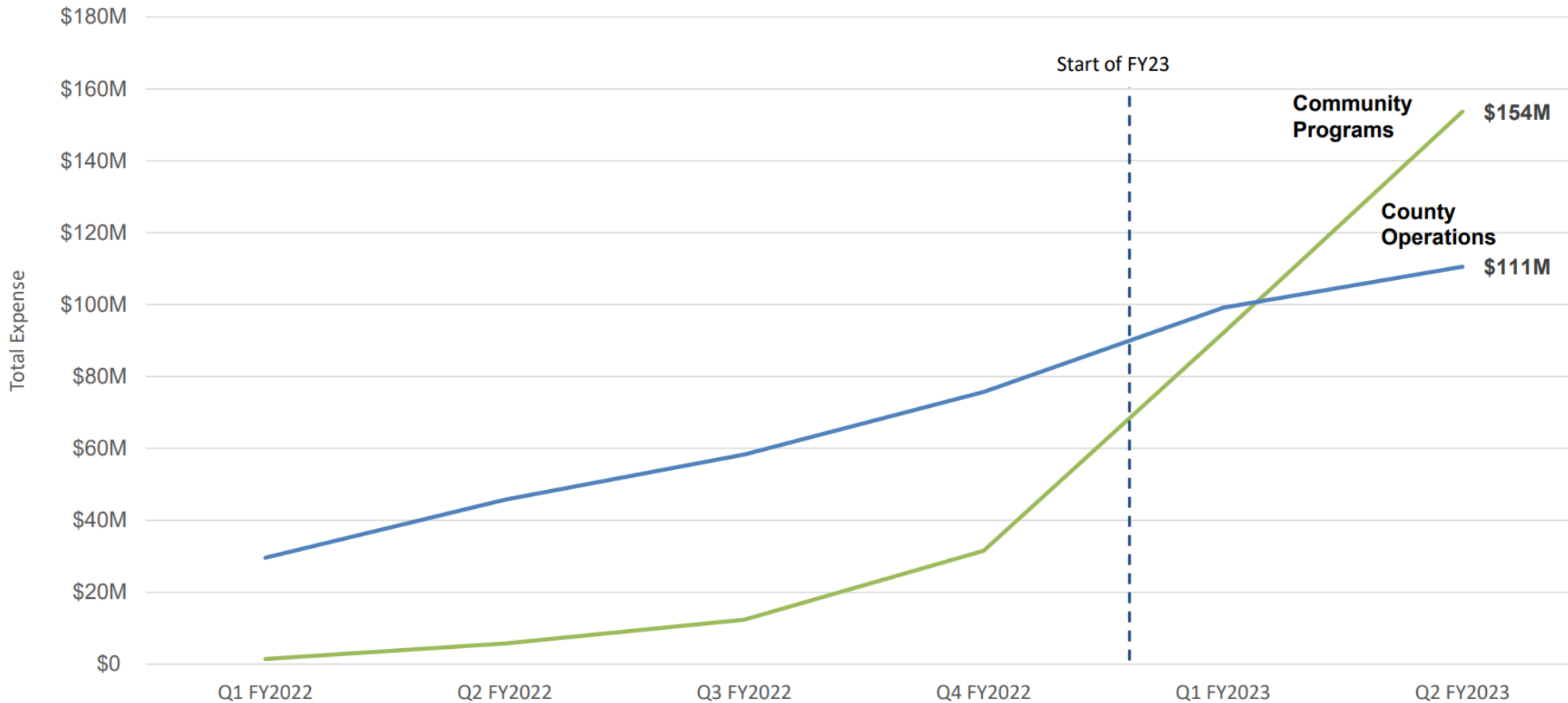


Source: Illinois Hotel & Lodging Association

Fee Revenue Forecasting



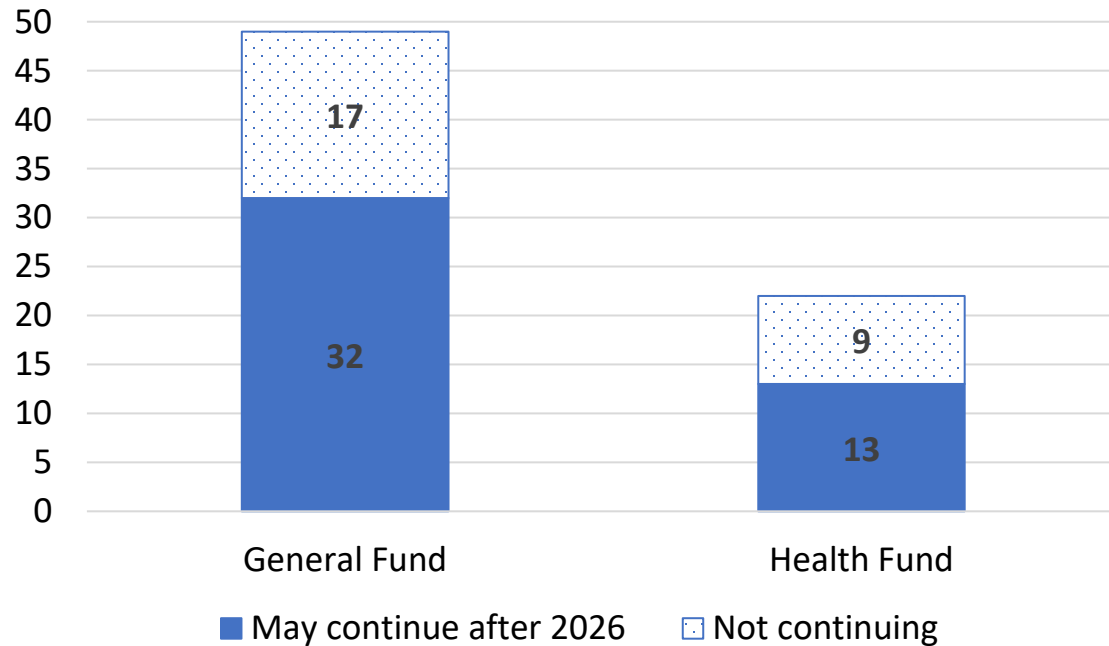
ARPA Expenses Over Time



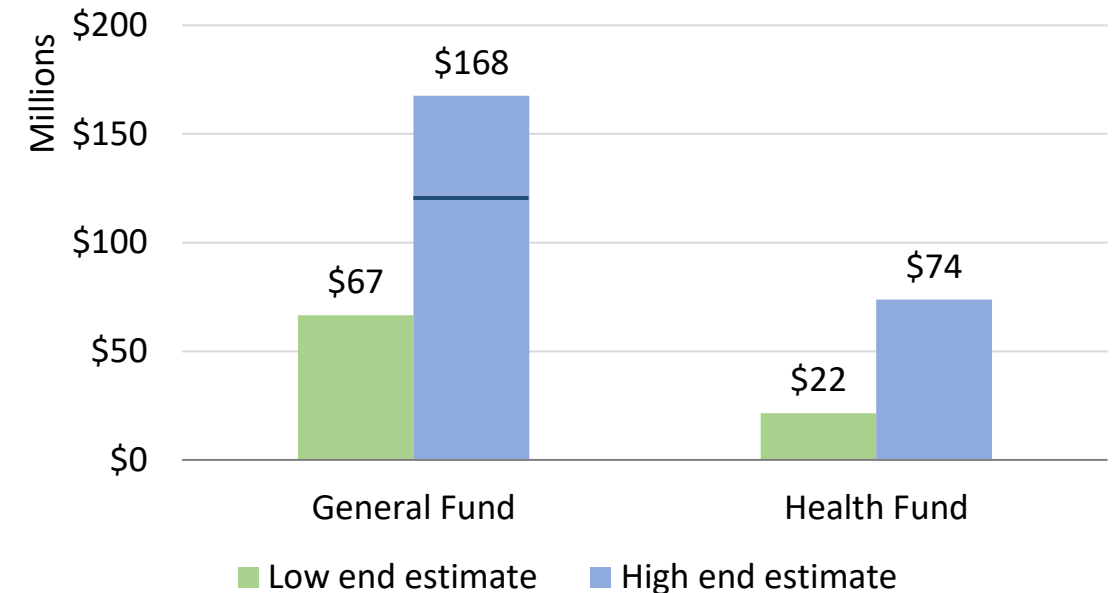
*Note that expenses are calculated based on the last Friday of the month unless noted. Amounts may fluctuate from December through February of each year due to year-end reconciliations. Data as of June 30, 2023.

ARPA Sustainability

Number of initiatives



Range of ARPA project costs after 2026 (including outside funding)

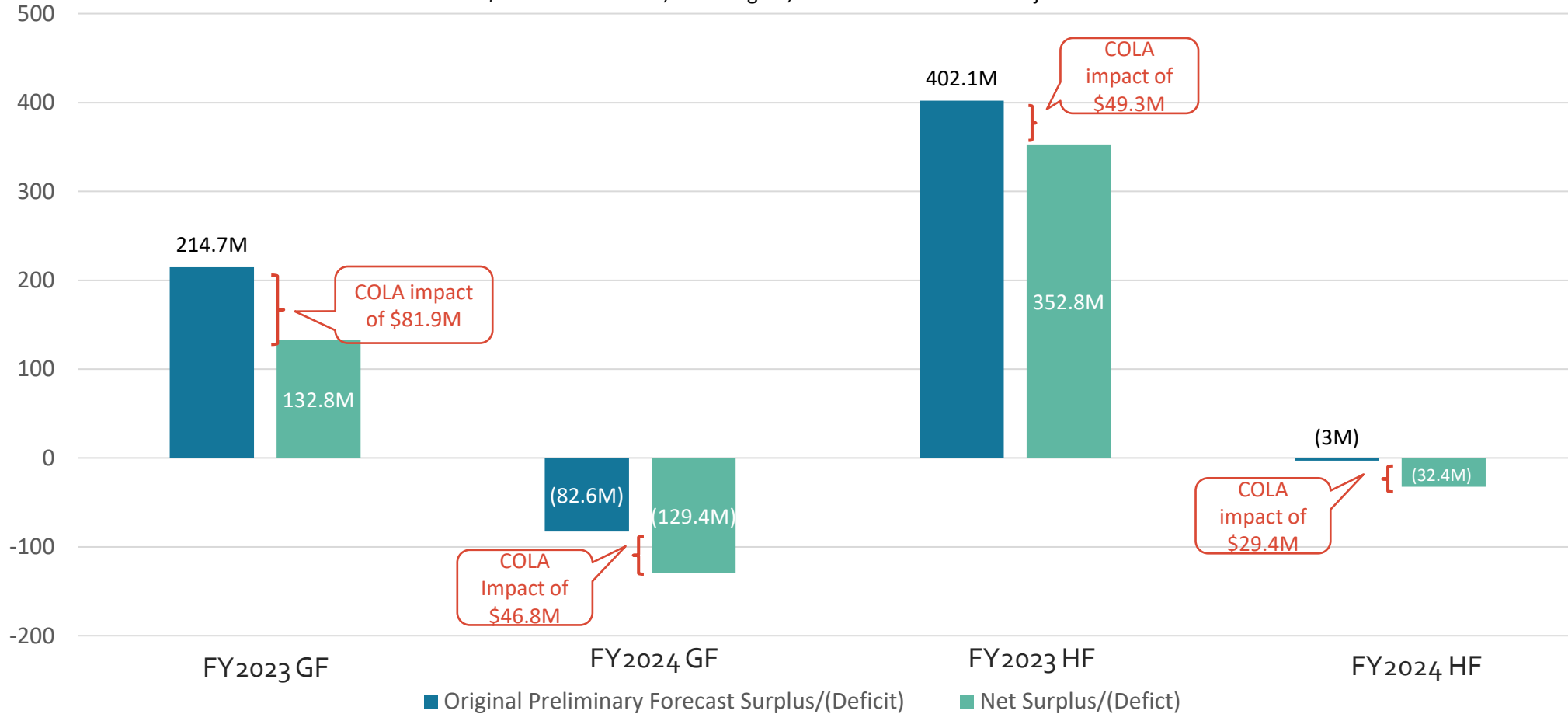


- Departments administering ARPA programs anticipate that 45 of the County's 72 ARPA initiatives could continue after 2026
- Many of these programs expect to receive grant and other outside funding
- Approximately **\$50 million** of the General Fund high end estimate reflects that programs would be scaled to amount of outside funding received



Cost of Living Adjustment Impact

Cook County has recently negotiated collective bargaining agreements (CBAs) with its unions to execute Cost of Living Adjustment (COLA) retroactive Dec 2021. Both union and non-union employees are to receive retro COLA. Total fiscal impact of COLA is estimated at \$143.1M for FY2023 and at \$84.2M for FY2024, including GF, HEF and all other non-major funds.



Preliminary IRFC recommendations

Recommendation 1

Examine the feasibility of analyzing impact of the economy on the Medicaid revenue forecast

- Review literature to determine what metrics should be analyzed as potential drivers Medicaid membership
- Perform sensitivity tests to determine whether economic factors have a material impact to the CountyCare forecast relative to policy changes
- Reexamine current inputs to net patient service revenue forecast

Recommendation 2

Engage with Illinois Department of Revenue (IDOR) to access detailed sales tax data

- Work with the IDOR on a way to receive sales tax data pertaining to incorporated areas of Cook County

Recommendation 3

Continue to consider options to sustain ARPA programs in the long term

- Determine revenue options for programs that will remain after 2026

Recommendation 4

Update and enhance tax history and methodological reports

- Continue to enhance report on long-term forecasting methods
- Update tax history document

Schedule and next steps



Meeting calendar

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		

August 24: IRFC meeting

August 25: CCHHS Board meeting

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

September 21: County Board meeting

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				

October 5: Executive Recommendation

October 19: County Board meeting

October 26: IRFC quarterly meeting

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		

November 16: County Board meeting

Public comment

Adjournment