



FISCAL STRATEGIES FOR THE COOK COUNTY FOREST PRESERVE DISTRICT

2001

Prepared by:

**Mike Quigley
Cook County Commissioner—10th District**

*and staff: Jennifer Koehler, Brendan Moore, Kimberly Walz
February 2001*

EXECUTIVE SUMMARY

Through the winding rivers, extensive trails, and acres of forest, the natural beauty of Cook County is ever present. In 1914, the residents of Cook County voted to establish a forest preserve district to protect our natural lands and provide recreational and educational activities for our residents.¹ Today, the Cook County Forest Preserve District (FPD) employs 1,151 people who maintain our almost 68,000 acres of preserves with a budget of \$145 million.²

The FPD has made significant strides in recent years including the passage of our land acquisition plan and a partial lift on our restoration moratorium. We have identified more than 20,000 acres for potential acquisition and are in the process of actively acquiring more than 500 acres. We have approved more than 70 land management plans, and added additional miles of bike trails. We are moving towards environmentally-friendly golf courses including two courses that are nearing certification as *Audubon Signature Golf Courses*. The FPD Purchasing Department is economizing by joint purchasing with the county and finally, we recently secured \$21 million from the Illinois Legislature to address a portion of our sorely needed deferred maintenance expenses.

However, many challenges still lie ahead for the FPD. County-wide, our preserves are still in need of extensive restoration before our native species are destroyed. Our public relation efforts have left many residents unaware of the preserves or the educational opportunities we have to offer. Surprisingly, recycling is not available in our preserves, along our nature trails or even at our FPD facilities.

From an economic perspective, we also face many inherent challenges. Our FPD's projected non-tax revenue³ will decrease by almost 8%, while the non-tax revenues for neighboring forest preserve districts are on the rise. Most importantly, our 1999 Fiscal Audit Report reveals a \$16 million dollar deficit that is threatening our bond rating. Our deferred maintenance costs are steadily mounting -- at the start of FY2001, the FPD, Brookfield Zoo and Botanic Garden had a staggering \$95 million in combined deferred maintenance costs. Stone sales, which previously buoyed our FPD's annual

¹ Cook County Forest Preserve District FY1999 Budget

² Stroger 2000

³ For the purpose of this document, taxes are defined as property taxes and personal property replacement taxes

revenues, are now on the decline due to our diminishing supplies. Finally, we cannot issue bonds to fill the void because of the limitations of our tax cap.

Despite these difficulties, the FPD still lacks responsible short-term and long-term strategic funding plans. Unfortunately, our ability to create such plans with any urgency will be hindered by our failure to compile the most basic statistical information about our preserves, such as demographic data, staffing needs of each preserve, etc. Our failure to track our visitors' level of satisfaction with our programs and preserves will make it difficult to assess which programs are worthwhile, and which should be terminated. Moreover, our financial cash and management system is outdated and does not allow us to truly assess the cost of any of our individual preserves. In short, we do not know the true cost of our programs and services, nor whether our visitors are pleased or displeased with them.

These obstacles can be viewed as a prelude to disaster or as an invitation to address old challenges in new, creative ways. We prefer the latter view. As a result, we recommend that the FPD begin to address some of these issues with innovation, for example by:

- cultivating alternative revenue sources;
- implementing thoughtful cost containment measures, such as privatization, consolidation, joint purchasing and expanded volunteer recruitment;
- incorporating program-based budgeting with an eye towards self-sustaining programs and facilities;
- developing a public information plan, including a website; and
- funding the proposed land acquisition plan, via bond referendum, if necessary.

Now is the time for the FPD to reflect upon and re-evaluate its priorities. Some of these ideas will be unpopular, however the alternatives are far worse—cut-backs in service, major user fee increases, or the cessation of future land acquisition.

Finally, note that our founding statute dictates that we acquire and hold lands, "...for the purpose of protecting and preserving the flora, fauna, and scenic beauties within [our] district."⁴ We hope you will agree that these ideas, along with the support of Cook County governance, can help the Cook County Forest Preserve District achieve excellence while containing costs, maintaining financial efficiency, and promoting accountability.

⁴ From the Statute of the State of Illinois allowing for the establishment of Forest Preserve Districts, 1911

NON-TAX REVENUE

Based on the Cook County Forest Preserve District's revenue projections, our non-tax revenue for fiscal year 2001 will be 8% lower than FY98.⁵ While a diminishing supply of stone accounts for a portion of the decrease, even excluding stone sales, our non-tax revenues will decrease by 5%.⁶ Excluding our golf revenues, our non-tax revenue sources will yield 33%⁷ less revenue than three years ago. This trend is not evident in our neighboring forest preserves. The Lake County Forest Preserve District projects an increase in non-tax revenues of 91%⁸ since FY98; excluding golf revenues, the increase is projected to be 136%.⁹ The DuPage County Forest Preserve District projects an increase in their total non-tax revenues of 194%¹⁰ since FY98.

The Cook County FPD must increase non-tax revenues to maintain quality service and quality forest preserves. This continual decrease in non-tax revenues will ultimately lead to service decreases, a decline in quality, or significant increases in user fees. The Cook County FPD must explore revenues beyond golf courses and beyond user fees. Through careful management and innovative financing, improvements can come without increasing usage fees for county residents.

⁵ Figure is the decrease of the corporate fund non-tax revenue since FY98, not including the surplus

⁶ Figure is the decrease of the corporate fund non-tax revenue since FY98, not including stone sales

⁷ Figure is decrease of the corporate fund non-tax revenue since FY98, not including the surplus or golf

⁸ Lake County Forest Preserve District Budget FY2001; figure is increase of total non-tax revenue since FY98, not including Fund Balance

⁹ Lake County FPD Budget FY2001; figure is increase of total non-tax revenue since FY98, not including the fund balance and not including golf revenues

¹⁰ DuPage County Forest Preserve District Budget FY2001; figure is total non-tax revenues, not including carry-overs

CURRENT REVENUE SOURCES

Currently, the FPD receives non-tax revenue from user charges, permits, and miscellaneous fees.

- *Golf Courses (74% of non-tax revenues)*¹¹: golf course fees, golf cart rentals, and driving range fees.
- *Other Recreational User Charges (4.97% of non-tax revenues)*: picnic permits, winter sports fees, equestrian licenses, and Nature Center Activities.
- *Sales (3.45% of non-tax revenues)*: mining and sale of stone on FPD property.
- *Land Use Fees (2.89% of non-tax revenues)*: revenue from Forest Preserve employees who rent homes owned by the FPD. In addition, this includes fees charged by farmers who purchase the right to cut hay on FPD Land.¹²
- *Concessions (3.57% of non-tax revenues)*: revenue from fees charged to vendors who lease space on District land. This revenue includes a fixed rate fee and a small percentage of sales. This includes concessions in the forest preserves and on the golf courses.
- *Fines and Grants (less than 1% of non-tax revenues)*
- *Interest Income (7% of non-tax revenues)*: from our investments.

This revenue, is projected to decrease by 8% since FY98.¹³ When our non-tax revenues decrease, our reliance on tax revenues to sustain our forest preserves and implement our recreational programs increases. To illustrate, in the past four years, our tax revenue has gone from comprising 70% of our total corporate fund revenue to the current projection of 76%.¹⁴

¹¹ Figure is based on what percentage of the non-tax revenue in the corporate fund is generated from this activity

¹² The Civic Federation 1997

¹³ Cook County Forest Preserve District Budget FY2001

¹⁴ Cook County Forest Preserve District Budget FY2001; figures are percentages of total revenues in corporate fund generated by taxes, not including the surplus

This is not the trend at neighboring parks and forest preserve districts. In Lake County, forest preserve revenue generated from taxes has decreased from 72% in FY98 to 62% in FY01.¹⁵ In DuPage County, only 32.86% of forest preserve revenues are tax generated.¹⁶ In 1993, the Skokie Park District was 72% tax supported; today, only 30% of their total revenues are tax supported.¹⁷

The Cook County Forest Preserve District's reliance on tax proceeds as a source of revenue is too high. Comparatively, we are the highest among our neighboring counties. In lieu of raising user fees for our current revenue generators, the solution lies in the creation of non-tax alternative revenue sources.

¹⁵ Lake County Forest Preserve District Budget FY2001; figures are percentages of total revenues generated by taxes, not including the fund balance

¹⁶ DuPage County Forest Preserve District Budget FY2001; figures are percentages of total revenues generated by taxes, not including carry over funds

¹⁷ Hartman 2001

CREATING ALTERNATIVE REVENUE SOURCES

There are numerous possibilities for alternative revenue sources currently utilized by neighboring governments including sponsorships, preferred vendor contracts, advertising, and foundation support. These revenue sources can include concessions advertising, parking lot and signage advertising, sponsorship of county events, exclusive sales rights at county facilities, and category exclusivity and/or official product status.¹⁸

Sponsorships and advertising create more than revenue sources—they create opportunities. Events created through sponsorships and advertising help promote the mission of the FPD by offering recreational opportunities. The opportunities created by sponsorships attract additional participants to the forest preserves. Additional participants (i.e. consumers) attract additional sponsors. This synergy leads to a more marketable forest preserve for additional sponsors and, in turn, a more attractive forest preserve for visitors. The result is an increase in recreational opportunities for county residents to enjoy without an increase in the use of tax-supported funds. The Cook County FPD could apply these alternative revenue sources to events such as the Haunted Forest Preserve, advertising on trail signs, or preferred credit card programs. These contracts in no way tarnish our natural landscapes, but better our preserves through revenue enhancement that can be utilized for forest restoration and nature programs.

PREFERRED VENDORS

Preferred vendor contracts, or category exclusivity contracts, create the opportunity for non-tax revenue without substantial resources from the FPD. These vendor contracts range from preferred soft drink and concessions contracts, to preferred credit card programs.

Soft Drink and Concessions Contracts

¹⁸ Larose 2000

The FPD has the potential to generate substantial revenue from soft drink providers and various other concessions contracts. The Chicago Park District has a contract that allows Royal Crown Cola (RC) to be the official soft drink provider of the Chicago Park District. RC provides and maintains all vending machines and beverage concessions. In exchange, the Chicago Park District receives marketing revenue, better product pricing, and greater concession revenues. Their annual marketing revenue alone has increased from \$150,000 to \$600,000.¹⁹

The Skokie Park District has entered into an agreement with Pepsi as their exclusive soft drink provider for the park district. Pepsi provides the park district with an annual marketing fee of \$45,000 for the next five years in addition to a commission from all sales.²⁰

San Diego, California also named Pepsi as the exclusive soft drink provider for the city. In exchange for the opportunity for exclusive Pepsi sales in 500-2,000 vending machines in city buildings, parks, events, and police stations, the City received a \$1.5 million rights fee from vending machine sales and is guaranteed \$250,000 annually for 11 years of the contract. Pepsi also provided two recycling bins at each vending machine in their parks and recreation centers, two vehicles, complimentary products for a grassroots sports team.

Vancouver Parks and Recreation Department entered into an agreement with Kodak. Kodak pays an annual fee of \$34,000 to provide their camera products at events.²¹

Official Products of the Forest Preserve District

Many vendors provide free or reduced cost equipment to park or forest preserves in exchange for the right to be the official product provider. For example, a lawnmower company would provide lawnmowers to the FPD at no or reduced cost and would then label themselves as '*the official lawnmower of the Cook County Forest Preserve*'. The Chicago Park District has actively ex-

¹⁹ Colon 2001

²⁰ Hartman 2000

²¹ Larose 2000

plored this possibility. Any needed items can serve as candidates for this type of sponsorship, for example: paper products, snow blowers, etc.

Credit card companies also actively pursue arrangements with park districts and similar entities to become their preferred credit card. For example, Skokie Park District has an arrangement with Visa to be the *preferred card of the Skokie Park District*. While the Visa Card is the preferred card, all credit cards, except for American Express, are accepted at the Skokie Park District. Visa places small decals on entrance doors and small signs indicating their preferred status. In exchange, Skokie will receive \$42,000 in revenue annually from Visa.²² Other counties, including Lake County, are actively pursuing this program. Currently, Lake County has a credit card program that allows them to obtain a percentage of the interest that the cardholders pay on their purchases.²³

ADVERTISING

The FPD has had success incorporating advertising on golf courses. Since last year, the FPD installed 180 new ball/club washers throughout FPD golf courses and began to explore advertising on golf scorecards. The ball/club washers were provided through an advertising agreement that not only provided the ball/club washers at no cost, but will generate additional revenue.

This should only be the beginning of advertising on our golf courses. Additional possibilities include tee sign advertising as utilized by the Milwaukee Park District Golf Courses or the Lake County Forest Preserve District who were able to acquire new tee signs for their golf courses at no cost to the district. Additionally, the Lake County tee signs provide brief information on the environment to visitors, users, and players.²⁴

Signs are also an advertising possibility off the golf course. The Chicago Park District recently acquired new signs for their trails through an advertising agreement with the Chicago Area Run-

²² Hartman 2001

²³ Westerman 2001

²⁴ Westerman 2001

ners Association.²⁵ Before any new signs are purchased for our FPD, advertising should be explored.

Throughout the Forest Preserve District, there is also a need for increased public information, such as trail maps and brochures. The FPD could sell advertising space for related corporations, such as sporting goods stores, and cover the cost of the publication. Additionally, the FPD prints a variety of tickets to Forest Preserve events. These could include advertising on the back of the tickets.

SPONSORSHIPS—REVENUE PRODUCING

The Lake County Forest Preserve District generates \$100,000 to \$200,000 in sponsorship revenue annually.²⁶ This does not include the sponsorship revenue used to generate programs and activities wholly funded by sponsors. Events created through sponsorships help promote the mission of the FPD by offering recreational opportunities. Many forest preserve districts have also actively explored the possibility of venue sponsorships. This includes naming rights for our forest preserves, ice skating rinks, etc.

The City of Chicago Special Events Department routinely recruits large corporate sponsors. For example, the City recently put on “Chicagoween,” a series of Halloween celebrations around the city. The clothing and apparel company “Old Navy,” paid \$50,000 for the right of sponsorship for the events.²⁷

SPONSORSHIPS--SELF SUPPORTING EVENTS

The FPD currently accepts food and resource contributions from sponsors to help reduce the costs of staging the district's special events. The FPD also recruits corporate sponsors for the annual forest preserve clean up. There is potential, however, for greater use of event sponsors. These sponsors will allow for revenue enhancement and the possibility of additional events.

²⁵ Colon 2001

²⁶ Westerman 2001

²⁷ For more information, see Appendix One

For example, four years ago, the sports and outerwear gear store REI sponsored a volunteer trail cleanup in partnership with the Cook County Forest Preserve District. The cleanup commemorated the June National Trails Day and attracted at least 50 people. REI, in conjunction with several biking organizations, promoted the cleanup, sponsored a bike ride afterwards and provided lunch and souvenir T-shirts for the volunteers. The FPD also promoted the event at Harms Woods, where the cleanup took place. Since then, the event has not been rescheduled.

The Skokie Park District has produced two recent events completely funded by Kraft and Dominick Foods: *The World's Largest Marshmallow Fight* and *The World's Largest Apple Bob*.²⁸ These events only generated a small amount of revenue but provided worldwide media exposure and were at no cost to participants or the park district.²⁹ The Lake County Forest Preserve District offered a Senior Day in their forest preserves sponsored by Walgreen's.³⁰ The event was attended by 6,000 participants.³¹

The City of Chicago recently enjoyed tremendous success with its "City Sports Festival" this past December at the McCormick place. The event offered a myriad of activities for children of all ages. Among the sports and activities offered were: volleyball, soccer, whiffle ball, wall climbing, jump roping, and fishing. Although the costs of staging such an event were significant, the city was able to cover their costs through aggressive sponsorship seeking, and put on an event that was very popular with the public.

Such events are not revenue enhancing, but do raise the profile of the Forest Preserves. They also advance the image of the FPD as a worthy recipient of corporate attention and support for the future. The FPD should pursue such partnerships, even if they do not bring in immediate revenue because they can lead to profitable partnerships down the line. Finally, the events help the Forest Preserve District to achieve its recreational mission.

ACTION:

- **Asset Inventory.** The FPD should produce a comprehensive list of assets in-

²⁸ Hartman 2001

²⁹ For additional information, see Appendix One

³⁰ Westerman 2001

³¹ Lake County Fiscal Year 1998-1999 Annual Report

cluding number of groves, trails, etc. and should produce an accurate demographic report for all of our venues.

- **Meet with a marketing company.** The FPD should consult with a marketing company to determine our potential sponsorship revenues and to produce a marketing plan to solicit potential sponsors.
- **Actively seek sponsors.** Events such as our “Haunted Forest”, which has many visitors, particularly of younger ages, could generate larger streams of revenue. The FPD could attempt to solicit sponsorships for our events.
- **Use a preferred card.** The FPD should actively pursue preferred credit card contracts.
- **Create adopt a preserve programs.** Nationally, “Adopt a Highway” programs have been successful revenue generators. Locally, Brookfield Zoo raises approximately \$1 million through its "Shared Care" animal adoption program. The FPD could investigate allowing groups to “adopt” certain sections of the forest preserve.
- **Expand advertising.** Before any new FPD signs are purchased, the FPD should explore potential sign sponsorships. The FPD golf courses should also consider cooperative advertising agreements in other areas such as golf carts and tee signs. The FPD should develop and implement a plan to sell advertising space on all its publications, from brochures to event tickets.

FOUNDATIONS

The Chicago Park District established its own nonprofit foundation, The Parkways Foundation, in 1994 to better Chicago's parks. The Foundation raises new funds from private sources for projects that fall outside the scope of the Park District budget. The Foundation also develops public-private partnerships to help improve Chicago's parks. Parkways has three areas of focus: program development, environmental enhancement, and capital improvement projects

Parkways has two paid staff, an Executive Director and a Development Associate. The Foundation also has a volunteer board of directors who oversee operations. The Foundation has its own website, on which it lists all of its volunteers and donors. Some of their donors include *The Sun-times*, *The ChicagoTribune* and others. Over the last five years, Parkways has helped the Park District raise nearly \$7 million to "support[s] the Park District's effort to maintain its pledge against raising taxes."³²

ACTION:

- **Establish a foundation.** The FPD should establish its own foundation to raise revenues from the private sector. The foundation could host an annual event, to fund the FPD's more popular programs, such as the Haunted Forests. The foundation could hold smaller-scale events also, to offset the costs of other ongoing services the FPD provides, such as the Nature Centers or the FPD's toboggan slides.

ENHANCING CURRENT REVENUE SOURCES

GOLF COURSES--Usage Fees

Cook County Golf Courses provide golfers the opportunity to play for very affordable rates. Courses such as Indian Boundary, Chick Evans, Edgebrook, Burnham Woods, and others currently charge a standard weekday rate of \$16, and only \$11 with an activity card. The increase for 2001 is only \$1, to \$17 and \$12 respectively.

The FPD should also explore debit card golf ball dispenser machines and enclosed driving ranges. The FPD should also explore enclosed driving ranges that allow for year round usage. Skokie has a 40-station, two-tier, fully automated enclosed driving range. It has achieved profits of over \$700,000 annually on this driving range alone.³³ Golfers may purchase cards with values

³² Parkways Foundation 2001

³³ Hartman 2001

ranging from \$5 to \$100. In addition to retaining significant amounts of money that is typically lost in cash transactions by hand, Skokie reported that 28% of the money-value put on these cards goes unused every season.

ACTION:

- **Investigate fee increases.** While the fees to play on these public courses should be substantially lower than private courses, perhaps the County is undervaluing the service they provide. The County could increase the rates more significantly, and generate a substantial amount of revenue as a result. The rate increase could be non-applicable to seniors, thereby putting no monetary strain on the most tight-budgeted segment of the community.
- **Charge differing fees for non-residents.** Furthermore, the FPD currently charges the same rates for residents as it does for non-residents. The Chicago Park District charges a higher green fee for non-residents, and this seems to be a valid levy for the County to impose as well.
- **Offer Instruction.** By offering golf instruction, you recruit the players of tomorrow.
- **Expand the season.** By offering enclosed driving ranges, these can produce revenue year round. Skokie Park District has year round ranges that even during the winter months pay for themselves and their related salary costs

RECREATIONAL OPPORTUNITIES

Offering recreational opportunities for Cook County Residents remains a key element of our mission statement for the Forest Preserve District. The difficulty lies in building participant opportunity – by establishing user fees or entrance fees that offer all residents the opportunity to participate. Additionally, when budget constraints are present, these activities are often the first to suffer.

This does not have to be the case. The FPD could solicit sponsors for our current activities and solicit sponsors for new activities. There is a great potential for additional recreational activities in our Forest Preserve District. Through sponsorships, as illustrated above, we cannot just generate revenue – we can generate opportunities. Our preserves can offer a wealth of activities for little or no cost by involving the corporate or business community into our district.

CURRENT OPPORTUNITIES

Educational Programs

The FPD runs a wide variety of educational programs including six nature centers. The FPD also oversees the Youth Opportunity Corps, the Mighty Acorns and the Urban Fisheries. However, there is a greater possibility for expanded programs. Lake County's Forest Preserve District, for example, organizes a "Ranger Explorer" program to encourage youth's interest in both nature and law enforcement. The Explorers, ages 14 -21, work alongside actual Forest Preserve Rangers throughout the year. Once they are considered fully trained, they are qualified to wear the Ranger Explorer uniform and are assigned to ride with Rangers staff. The Explorers study everything from conservation law to wildlife rehab.

The Skokie Park District provides golf lessons for its visitors. Providing golf lessons not only has the potential to increase revenues, but providing this service also recruits new players to the game and thus, new repeat visitors to our courses.

ACTION:

- **Investigate additional opportunities.** The FPD could investigate whether there are courses that can be run primarily for profit, perhaps in partnership with the city, community colleges, school districts, or private educational opportunities.

Concessions and Activities

The FY2001 budget anticipates \$362,106 in income from concessions. This is a 11% decrease since FY97. The FPD currently offers the following concessions and activities:

- 10 golf course food/pro shops
- 1 driving range
- 1 golf car rental contract
- 2 food/fishing concessions
- 3 food/pool concessions
- 2 winter sports food concessions

Adding concessions could not only generate additional revenue, but could attract more visitors to our preserves. For example, Lake County offers a bait and concessions site near fishing areas and a traveling trailer of dog treat concessions that frequents recreational areas.

ACTION:

- **Expand concessions.** The FPD should create other concessions, while only considering those that would not despoil the preserves. This could include bait sales at fishing locations.
- **Expand rentals.** The FPD should offer additional rentals such as paddleboats, cross-country skis, ice-skates, or sporting equipment.

CREATING NEW RECREATION

Recreational programs Lake County has introduced numerous revenue sources that not only are self-sustaining, but offer revenues to the FPD and meet a recreational need in the community.

One example is their recent addition of dog exercise areas. The county offers three dog exercise areas ranging in size from 15 to 44 acres and plans are underway for a fourth area. These grove areas include a large pond, retrieving games, a mini dog playground, and training grounds. They

are fenced in so that dogs can go "off leash." All participants must have an approved permit that cost \$35 annually for the first dog and \$10 each additional dog. The non-resident fee is \$100 for the first dog; \$50 for each additional dog. Vehicle stickers indicating the valid permit information must be visible while visiting the areas.

Last year alone, the areas produced over \$100,000 in revenue – more than the revenue generated from all of their picnic shelters combined. Most importantly, the exercise areas addressed a community recreational need.

Through comprehensive information gathering, as indicated above, we can assess community recreational needs and subsequently create revenue generating programs or sponsored events to bring new participants into the Forest Preserve District.

ACTION:

- **Determine recreational needs.** Through community surveys, the FPD should determine what types of events are needed in the forest preserves.
- **Create new recreational activities.** Offer additional recreational activities such as dog exercise areas in the preserves.
- **Create seasonal tournaments or festivals.** By putting on a similar summer tournament or festival at little or no cost to its users, the Forest Preserve District would expand and diversify the scope of recreational services it offers to the public, the goal stated in the mission statement of the recreation department.

MANAGEMENT, ACCOUNTABILITY AND COST CONTAINMENT

Operational costs continue to grow each year in Cook County. However, the exact costs of our activities are impossible to determine through the budget. Without assessing the true cost of golf, for example, how can we justify our fees? Without assessing the true cost of usage of our picnic shelters, how can we determine if our permits are truly covering our costs of maintenance?

Additionally, many residents of Cook County are unaware of our preserves, and we are unaware of our residents. We are unable to fully establish need for our recreational opportunities and unable to determine participant satisfaction due to a lack of demographic information on our participants. Are we reaching all residents of our county – it is impossible to determine.

FINANCIAL MANAGEMENT

The Cook County FPD budget continues to increase over the recent years. However, there continues to be a lack of information presented in the budget, making it difficult to gain a sufficient understanding of our fiscal situation. Without complete information, it is impossible to determine our full operations costs, including the costs of our recreational activities. Hence it is difficult to determine adequate and sufficient fees to cover the costs of operation. We should move towards program based budgeting so that at any time we can determine the exact cost to operate our picnic shelters or the exact cost of a child to use our pools.

According to the Government Finance Officer's Association, "The full cost of providing a service should be calculated in order to provide a basis for setting the charge or fee. Full cost incorporates direct and indirect costs, including operations and maintenance, overhead, and charges to the use of capital facilities....information on charges and fees should be available to

the public. This includes the government's policy regarding full cost recovery...³⁴ Our budget must clearly indicate not only salary costs dedicated to each activity or fund, but the total cost of operations for each activity.

A key example is our golf course. Currently it is impossible to document, based on the budget, the exact cost of operating and maintaining the golf courses. By allowing golf to remain in the recreation budget, you cannot ascertain the cost of golf salaries, pensions, management, maintenance, etc. Additionally, it is virtually impossible to plan sound management decisions, such as future fee increases, without this information.

Lake County Forest Preserve District operates their golf courses in an enterprise fund – all revenue is self-contained and automatically reallocated into the golf courses. Tax-supported funds are not used for the golf courses.³⁵ They are moving towards program based budgeting for all of their recreational programs so that they will be able to determine the exact dollar amounts from the cost to mow an acre of land to the cost to maintain a picnic shelter. By establishing enterprise funds for each of our recreational activities and the golf courses, we can better track our expenses and profits to assist with planning.

ACTION:

- **Implement program based budgeting.** Separate budgetary accounts for all recreational activities to determine exact costs and labor allocated to each activity.
- **Develop policy of self-sustaining activities and funds.** Develop policy of keeping recreational revenues in the same fund as the revenue generator to eventually lead to operating self-sustaining activities.

INFORMATION

It is impossible to market to, or provide programs for, our county residents if we do not understand our residents' needs or track who visits our preserves or participates in our activities. If a

³⁴ GFOA 1996

³⁵ Lake County Forest Preserve District Budget FY2001

significant portion of our county population is not visiting the forest preserves or attending our activities, we need to find out why. Are our marketing efforts reaching all residents of Cook County? Are we addressing the recreational needs of a majority of our population?

The Lake County Forest Preserve District aggressively surveys residents of their county. Through an independent research firm, their Forest Preserve District conducts a telephone survey of county residents to determine what, if any, programs in the preserves they utilize. If the resident indicates that they do not use their Forest Preserve District, they find out what needs of the resident are not currently met. They survey participants at the completion of each program and offer a satisfaction guarantee.³⁶

This type of information will improve our potential for sponsorships and advertising. For example, if we know that 2,000 children visit our Haunted Forest Preserves each year with their parents, a youth oriented advertiser may pay for a portion of its operational costs; or, if a sporting goods store knows that 5,000 bikers use our bike trails, they may be willing to pay for our trail signs.

A telephone survey, such as the one completed by the Lake County Forest Preserve District, also heightens the visibility of the preserves. A phone survey may pique a resident's interest in the FPD's activities. Tracking our demographics, is about assessing whether or not we are truly meeting the needs of our residents. We may not realize that our marketing or recreational programs are completely missing a demographic group. Additionally, we may be missing recreational opportunities desired by our residents.

ACTION:

- **Track program participants.** Compile demographic information on all program participants and preserve visitors, when possible.
- **Survey participant satisfaction.** The FPD should take a survey of participants at the completion of every FPD program or activity. The FPD could also offer a satisfaction *guarantee* similar to Lake County.

³⁶ Westerman 2001

- **Survey residents.** Annually, the FPD should hire an outside firm to survey Cook County residents to determine what their perceptions of the FPD are, if they attend programs in the FPD and why or why not.
- **Track marketing of preserves.** The FPD should identify which demographic groups are not participating in our programs and/or visiting our preserves. The FPD should then use this information to expand our programs to meet all recreational needs.

LAND

Surplus Land & Land Acquisition

The County has moved forward on selling the last two major land parcels in the Forest Preserve District. The FPD has taken steps to achieve our land acquisition goals. The FPD has passed the land acquisition plan, identifying more than 20,000 acres for potential acquisition. This plan has not yet received dedicated funding.

ACTION:

- **Implement plans.** Fund the land acquisition plan for the FPD, which has already been passed. If necessary, utilize a bond referendum.

JOINT PURCHASING

Joint purchasing offers the opportunity for significant cost savings through bulk purchases. Collaborative agreements with other government entities offer discounts on products ranging from office paper to fuel to health care. Local governments have utilized buying cooperatives for many years. These cooperatives can involve regional buying groups and the opportunity to piggyback on national contracts. The Cook County Forest Preserve District currently engages in joint purchasing with the county on products including vehicles, gas, recycled paper, and office equipment. Greater cost savings might be possible through expanding our joint purchasing to include national piggyback agreements and the inclusion of other local government entities.

The Chicago Public Schools has joined with the City of Chicago to reduce their fuel costs. Through this joint purchasing arrangement, the school district is able to fuel their vehicles for a base price based on the oil price index (\$1.25 gallon as of 1/2/01) plus a .21/gallon mark up. This gallon price includes personnel costs and all fluids.³⁷

The U.S. Communities Purchasing and Finance Agency, sponsored by the National Association of Counties (NACo), The U.S. Conference of Mayors, and the National Institute of Governmental Purchasing, is a non-profit corporation, established by local government, to assist in reducing the cost of purchased goods for public agencies. Their alliance offers bulk volume discounts to any county, city, school district, special district, state, or public agency that wishes to participate. County or city agencies or independent districts can participate regardless of whether the county or city in which they reside is participating. Currently over 7,000 agencies participate in joint purchasing contracts for furniture, office supplies, computer hardware, computer software, computer peripherals, and electrical products and related supplies. The office supply contract alone offers discounts of up to 61% off list price.³⁸

Since 1997, the Government Purchasing Alliance has saved over \$70 million for local governments. In 1999, Fairfax County Virginia saved over \$800,000 on office supplies alone. If the FPD participated in this program, assuming an average savings of 40%, it could save at least \$102,040 annually.³⁹ This does not include potential savings afforded the Zoo or Botanic Garden. Additionally, the State of Illinois offers a program for local government entities to purchase items off state contracts. Thousands of items are available at an average savings of up to 35% off list price.⁴⁰

ACTION:

- **Expand joint purchasing agreements.** The Forest Preserve District should investigate joining the NACo Purchasing Alliance or purchasing from the State of Illinois contracts whenever possible.

³⁷ City of Chicago 2001

³⁸ NaCO 2000

³⁹ Figure based on office supply expenditures listed in Cook County Forest Preserve District Budget FY2001

⁴⁰ State of Illinois 2000

PRIVATIZATION

Privatization affords local governments increased flexibility and decreased costs while fostering market competition. If a particular service can be offered at an equal or higher degree of quality, for less expense to the County, it is practical to implement this course of action. Beyond cost savings, privatization is also about convenience, quality, and expertise. For example, certain specialized services, such as special event coordination and seasonal activities are typically conducive to privatization. The following areas should be researched as to possible benefits from privatization:

- Pools
- Golf Course Maintenance
- Information Technology
- Special Events Coordination
- Waste Disposal
- Recycling

The Lake County Forest Preserve District privatizes catering, boat rental, bait shops, equestrian boarding center, and various consulting services.⁴¹ The following are a few examples in which the Cook County FPD could benefit from privatization.

Pools

Currently, Cook County pools do not charge a fee and are a drain on county revenue. Due to our small number of pools, we are unable to operate and maintain our pools efficiently. Cook County should enter into an intergovernmental agreement with local park districts for pool maintenance and operations. The pools would greatly benefit from economies of scale with the pools costing less to operate, and having a larger group of lifeguards and staff members to hire from.

⁴¹ Westerman 2001

ACTION:

- **Intergovernmental agreements.** The FPD should consider entering into an intergovernmental agreement either with local park districts or local municipalities for pool maintenance.

Golf Course Management

While privatizing government services is not always prudent, the opportunity to contract golf course services would likely prove to be efficient and effective. The game of golf is growing tremendously in popularity. Over the last 15 years, the number of golfers has increased approximately 25% to a total of over 27 million.⁴² The sport appeals to a much wider audience today than it ever has in the past. While Cook County golf courses are profitable, they currently are not realizing their extremely lucrative revenue potential.

Privatizing golf courses is simply a sound management decision. It presents the opportunity to improve the quality of the courses and achieve substantial revenue increases as well. The central reasons why so many government bodies are turning to privatization include the cost savings, increased quality, risk minimization, and community outreach resources at their disposal.

Cost Savings

Government rules and practices can drive up costs. Golf course management companies are able to consolidate many administrative services, including insurance, employee benefits, data processing, and accounting. Because these firms usually operate many golf courses, they are able to purchase supplies in bulk, a concentrated buying power advantage that is stronger than that of the FPD's, due to our maintenance of a relatively low number of courses. These economies of scale result in higher gross margins for the individual golf courses.

⁴² Reason Public Policy Institute 1998

Additionally, according to National Golf Foundation Statistics, public courses on the average spend 13% more on salary than do private courses. More specifically, the typical municipal facility spends about \$ 80,000 more on annual payroll than a similar privately owned course.

Capital Improvements/ Higher Quality of Play

Often included in the RFP is a provision that the contractor is required to set aside a set amount of funds to make capital improvements. Poor conditions at municipal golf courses often make it difficult to attract new players. When significant capital improvements are made, without any expense to the municipality, the quality of play can be greatly improved and more golfers are attracted to the new course look as a result. The City of Detroit decided to privatize courses principally because they were unable to afford needed capital improvements. American Golf was given the contract and then invested \$ 2 million in capital improvements to the six golf courses under their management. The private firm has paid Detroit at least \$250,000 each year since operating their courses, and in 1997 paid out more than \$330,000 to the city.⁴³

Increased Revenue

Private operators often institute management programs that increase revenues. Examples of this include recruiting business and charity groups for tournament play, and implementing methods that speed up play. The City of Houston's public courses never had more than a total of 65,000 rounds played in one year. After switching over to private management however, it has averaged 77,000 rounds per year.⁴⁴

Risk Minimization

Contracting out golf course management to a private company is a way of managing risk. Cook County could receive a guaranteed rate of return regardless of unforeseen obstacles that may arise at any given time and limit revenue. For instance, a significant problem for municipalities running golf courses can be the weather. Harsh off-season weather increases maintenance costs on the greens and fairways, while inclement weather during the golf season can result in large revenue losses. In Cin-

⁴³ Reason Public Policy Institute 1998

⁴⁴ Reason Public Policy Institute 1998

cinnati, hot weather and heavy rains during the summer of 1995 and spring of 1996 led to 90,000 fewer rounds of golf and 1.4 million in losses.⁴⁵ In FY2000, the city courses realized profits of approximately \$7.5 million. This was at least in part due to efforts to gear programs and promotions to slow periods of play. Poor weather or seasonal conditions that previously resulted in operating losses instead became a profitable portion of the year.

Privatization has succeeded in the Country's largest markets

Golf Course privatization has already been extremely successful right here in Chicago. In 1993, Kemper Sports Management was contracted to operate the city's courses. As a result of both capital improvements and more efficient operation strategies, Kemper turned a \$530,000 operating deficit from 1992 into a \$550,000 profit in 1994. Furthermore, course reservations increased from about 4,000 before privatization to about 40,000 in its second year of operation.⁴⁶ Other improvements include expanded instruction programs, greater availability of golf carts, and the inception of Chicago's first ever Women's Amateur Tournament.

Golf course privatization has had success in other extremely large metropolitan areas such as New York. Since contracting out 13 golf courses, New York City has gone from losing \$2 million a year to realizing a profit of over \$2 million.⁴⁷ Seven courses are run by American Golf Course Management. The company overhauled the clubhouses, repaired the irrigation systems, brought in new golf carts, and revamped the pro shops and snack bars. Rounds played have increased by 50%-from 300,000 before privatizing to more than 450,000 in 1997. Before ACG took over the courses, the city was losing \$1 million a year alone on these seven courses. It now receives \$1.7 million per year in revenue.⁴⁸

Other Considerations

Should the Cook County FPD decide not to privatize, there are other managing strategies it may implement that can generate substantially more revenue than do its current services alone. For example, the Skokie Park District manages its own golf course that is merely self-sustaining, but it is able to generate substantial profits from other golf-related activities. Skokie has a 40-

⁴⁵ Reason Public Policy Institute 1998

⁴⁶ Reason Public Policy Institute 1998

⁴⁷ New York City, City Department of Revenue 2000

station, two-tier, fully automated enclosed driving range. It has achieved profits of over \$700,000 annually on this driving range alone.⁴⁹ Lake County Forest Preserve District does not privatize out their courses, however, they have the expertise and experience to self-operate at greater returns without utilizing tax supported funds.

ACTION:

- **Privatize maintenance and/or operations.** The Forest Preserve District (FPD) should contract out management and maintenance. The changeover could most likely be made without layoffs of current employees, and the change would create significant operational cost savings. The FPD should maintain control of the proshops.
- **Automate procedures.** Investigate automated driving ranges that need little staff support to operate.
- **Contain funds.** Create a self-contained enterprise fund for golf and other activities so that revenues are easily quantified.

STAFF AND VOLUNTEERS

Forest Preserve District Police

The FPD Department of Law Enforcement consists of 164 employees—152 sworn police personnel and 12 civilian support services personnel. The Cook County Forest Preserve Officers make up the sixth largest police department in the state.⁵⁰ There is considerable overlap between the Cook County Sheriff's Department and the forest preserve. Often the Sheriff's department travels through forest preserves to reach unincorporated areas they patrol.

ACTION:

The FPD should consider the following options:

- **Consolidation with the Cook County Sheriff's Department.** Consolidation could reduce staffing needs and costs in dispatching, radios and equipment and

⁴⁸ Reason Public Policy Institute 1998

⁴⁹ Hartman 2001

⁵⁰ Krause 1995

vehicles and would reduce paperwork. Additionally, Bill McCamey, an instructor of law enforcement at Western Illinois University at Macomb, indicated that, “a combined forest preserve-sheriff’s department could suit innovative policing techniques, which call for a more sensitive, involved approach to law enforcement”⁵¹ Additionally, unincorporated land throughout the county has decreased from 450 square miles in 1976 to 230 square miles in 1997. The Cook County Sheriff’s Department’s jurisdiction is shrinking. With less mileage to patrol, they could assume some responsibilities in the Forest Preserve District.

- **Utilize part-time assistance.** An option would be to utilize part-time patrols for the summer months and during special events, thereby reducing the need for a large number of full-time year round police officers in the forest preserves. Lake County Forest Preserve has one Superintendent of Public Safety, 3 shift commanders, and 4 full time ranger police. In addition, they use 30 part time deputy rangers and rangers during weekends. These part-time deputies are full time Lake County Sheriffs and Firefighters.⁵²

Their total police force is 8 full time police employees and 30 part-time employees yielding a full-time equivalent work force of 23 (including part-time weekend and special event officers) patrolling 26,000 acres of forest preserve land; a ratio of 1130 acres: 1 full-time equivalent police ranger.⁵³ The Cook County FPD patrols 68,000 acres and 152 full –time police officers; a ratio of – approximately 447 acres: 1 full time police officer.

Volunteers--Forest Preserve Volunteer Accreditation

Our 68,000 acres of Forest Preserve land are in need of not only maintenance, but also clean-up and major restoration. The County has a valuable supply of volunteers with training and expertise in these areas. Last year the 4,000 volunteers and grade schools students saved the county \$400,000 in labor.⁵⁴

However, there have been instances where many volunteers arrive at the Forest Preserve for a day of restoration activities, only to have to return home when their FPD supervisor does not show up for work. Volunteer crew leaders could maximize the use of volunteers through ex-

⁵¹ Gregory 1995

⁵² Westerman 2001

⁵³ Lake County Forest Preserve District Budget 2001

⁵⁴ Strand 2000

panded volunteer opportunities and could increase the quality of work through increased supervision.

The Lake County Forest Preserve District spends \$200,000 annually on their volunteer program. They offer general orientation supplemented by extensive task-related training. Additionally, staff coordinators recruit, train, and manage volunteer stewards who lead volunteer activities. Annually, they estimate that their 3,000 volunteers donated over 45,000 hours of volunteer time and led to a savings of over \$750,000.⁵⁵

ACTION:

- **Increase volunteer funding.** The FPD should increase the funding for the volunteer program from \$75,000 to at least \$150,000 as recommended by the Calumet Sierra Club. The short-term cost will result in substantial long-term gains, as evidenced by Lake County.
- **Enhance web information.** The FPD should use a website to actively recruit volunteers.
- **Offer quality training.** The FPD should consider taking measures to increase the number and quality of trained burn crews and offer more comprehensive volunteer training.
- **Implement volunteer crew leader program.** The FPD should pursue the initiative to train volunteer crew leaders. The FPD could increase the gain from volunteers if certified crew leaders could supervise work. As a result, a significant amount of staff time is saved.

SHERIFF'S WORK ALTERNATIVE PROGRAM (SWAP)

Since its origination in 1990, SWAP has grown yearly in numbers and stature to become a very successful jail alternative program. The majority of the participants originate from traffic court. Nearly 20,000 registered offenders participated in SWAP during 2000.

⁵⁵ Westerman 2001

SWAP makes a major fiscal impact in two regards. In addition to providing huge labor savings to the City and County, SWAP itself is a revenue generator. The offenders that participate in the program must pay to work. Each offender pays a registration fee of \$35.00 and a work fee of \$10.00 per day for a total amount of \$135 at the completion of the ten-day program. SWAP used to retain this revenue to operate their program, but now turns all of the money over to the County, and holds an annual spot in the County budget that covers its operational costs. In 2000, the SWAP program generated over \$800,000 in revenue for the County.

The FPD is currently one of SWAP's biggest clients. In 2000, SWAP offenders worked 127,958 hours for the FPD; an increase of approximately 118% over 1999. In 1998, the FPD did not use SWAP labor at all.

ACTION:

- **Increase SWAP usage.** The FPD has made very good use of the SWAP program in the last two years. This upward trend should continue. While there is still debris in need of collection, or vegetation in need of removal, the FPD must request even more laborers from SWAP.

WEB ACCESSIBILITY

The Cook County Forest Preserve District does not currently have an official website. Our trail and preserve information is available only on unofficial website sponsored by local residents. Out of all of our neighboring Forest Preserve Districts, Cook County is the only one without an official web page.

It is crucial to market our preserves and to provide comprehensive information via the internet. Often times, residents may be unaware of all of our activities. Web based program listings would greatly enhance this. The DuPage County Forest Preserve District offers a calendar of events, maps of the district, educational program listings, children's pages, recreational activity listings, permits and fee information, and pages on how to become a volunteer or sponsor.⁵⁶

⁵⁶ DuPage County FPD Website 2001

Additionally, as we continue to expand our bike trails and connect with neighboring counties, this information will be desired from residents outside our county lines.

The web would make the preserves more user-friendly. By providing permit information, we free up staff time from answering phone calls with the same questions. Additionally, that information is now available 24 hours a day, 7 days a week. Eventually, the district could move towards web-based program registration.

Additionally, a website could make the district more attractive to sponsors. It could provide the opportunity to attract sponsors, through web-based proposals or simply a new way of presenting the district. When the site is advertising an upcoming event in our forest preserve district, sponsors could receive recognition on the site as well.

ACTION:

- **Create a website.** The FPD should launch a comprehensive web site in the upcoming months.
- **Offer permits and registration.** The FPD should offer permits and program registration via the internet, eventually allowing for credit card registration.
- **Recruit sponsors and volunteers via website.** The FPD should follow the lead of the Lake County and DuPage County Forest Preserve Districts and recruit volunteers and corporate sponsors through our web site.

ENVIRONMENTAL MEASURES

ENVIRONMENTALLY FRIENDLY GOLF COURSES

The International Audubon Society sponsors a program that allows golf courses to become more environmentally responsible. Courses work closely with Audubon to achieve recognition in six designated areas and they receive status as an Audubon Certified Course. Over 260 courses nationally, and 19 in the Chicagoland area are currently Audubon certified and the program has re-

ceived overwhelmingly positive feedback for both the aesthetics of the courses as well as the positive publicity that certification has brought. Two of the 10 FPD courses have received official certification status in ‘environmental planning’ for both courses.⁵⁷

ACTION:

- **Continue pursuing green courses.** The Forest Preserve District has begun the process for certification of two of its courses. The FPD should actively pursue the completion of the certification.

RECYCLING

Cook County has made an effort at recycling yet our FPD currently does not recycle at its own facilities. The recycling ordinance now in the Environmental Committee would require all FPD and county-run facilities to achieve a waste diversion rate of 25%. This would reduce waste disposal costs by the same 25%. The Lake County Forest Preserves offers recycling containers at all of its facilities. Additionally, they have an audit committee to track recycling in the district.

ACTION:

- **Pass legislation.** The County should pass both versions of the recycling ordinance currently in committee and implement a 25% diversion rate plan as quickly as possible.
- **Offer recycling containers.** The FPD should introduce recycling containers at all facilities for visitors and employees.
- **Create a recycling committee.** The FPD should convene an audit committee, comprised of volunteers, to monitor our recycling efforts.

⁵⁷ Nevius 2000

APPENDIX ONE

CASE STUDIES

Case Study One: An Overview of the Skokie Park District

In 1993, 72% of the revenue in the Skokie Park District (SPD) was tax supported. Each year, swimming pools were losing \$100-150,000; the golf courses were losing \$20-25,000 and the "skatium" was the only revenue generator. The parks were unsafe and dirty and through a survey, the park district learned that 80% of park attendees were dissatisfied with the park district. However, that year, the parks gained a new director, Steve Hartman, who implemented new revenue generating programs. Through golf course enhancements, such as the addition of year round driving ranges, automated golf ticketing to prevent theft, and golf lessons with PGA professionals the golf courses are now generating a profit of \$700,000 annually. The Skokie Park District created other user fees for new programs including a new fitness center that will generate \$300-500,000 a year while providing a fitness facility for the community at a very low cost.

The real success is evident through sponsorships and marketing. The Skokie Park District created a marketing department with three full time staff devoted to maintaining sales and contracts. The highlights of their marketing efforts include:

- **Pepsi Cola.** SPD entered into a contract with Pepsi to be their exclusive soft drink provider. Pepsi provides the SPD with a marketing fee of \$45,000/year for the next five years in addition to commission from all sales.
- **Visa.** SPD entered into a contract with Visa to be the *preferred credit card* of the SPD. The contract allows the SPD to still accept all other cards, except for American Express. The contract provides \$42,000 in revenue annually.
- **Kraft foods.** SPD sponsored an event exclusively for Kraft Foods—*The World's Largest Marshmallow Fight*. The event attracted 3,000 children and worldwide

press coverage. Kraft funded the entire event and while the SPD only generated a small amount of revenue, they received heavy exposure and the opportunity to offer their park participants an enjoyable activity.

Currently the Skokie Park District's revenue is **70% self generated** through sponsorships, advertising, and user fees from new programs and only 30% tax supported. Tax revenues do not fund any of the community centers. The last survey indicated that 97% of park district participants had favorable impressions of the Skokie Park District. The parks are now safe and clean, and program participation has increased 300%.

Case Study Two: An Overview of the Lake County Forest Preserve District

The Lake County Forest Preserve District currently owns 22,000 acres of land and has an ultimate land acquisition goal of 26,000 acres. Their goal is population based with the intent of ultimately having 40 acres per 1000 residents or 40,000 acres.

The District conducts very successful fundraising due to a non-profit organization that raises money for the forest preserves. Additionally, they have passed two successful bond referendums totaling \$140 million. They believe their key to success lies in operating the FPD as a business while keeping to the mission of the FPD.

Lake County employs a public relations department that has turned around the perception of the district. It generates high support since the community is constantly aware of what they are doing. They survey program participants at the conclusion of every program and offer a satisfaction guarantee. They hire an independent research firm to survey the county to determine overall satisfaction with the preserves and to determine why some residents are choosing not to participate in their activities or utilize the preserves.

Lake County also actively recruits sponsorships and advertising. They have hosted a variety of events including a Senior's Day completely sponsored by Walgreens that was attended by 6,000 residents. The district frequently attends workshops and classes through park associations designed to teach the employees new marketing techniques and sponsorship ideas.

The District operates five golf courses that are completely self-sustaining with revenues that are self-contained for each course. No tax-supported funds are used to operate or maintain the golf courses. They operate an Audubon Signature Golf Course that includes tee signs completely funded through advertising. The signs include the tee information, information on nature and golf, and a small removable advertising sign on the bottom that can eventually be changed to include other advertisers.

The Lake County Forest Preserve District also actively creates new opportunities for recreation. This year they will complete their new recreational area in the Independence Grove Forest Preserve. The preserve will include a music pavilion; visitor's center with an indoor café, gift shop, and meeting room; sand beach with wading areas; sand volleyball courts; canoe and boat launch with 34-foot voyageur canoe, paddle boat, rowboat, and kayak rentals; bike and in-line skating trails; and picnic areas. This area was built after a two year public input process.⁵⁸

Case Study Three: The Chicago Park District

The Chicago Park District has actively become involved in privatization and sponsorships. They maintain an office dedicated to acquiring sponsorships and advertising contracts. Thus far, they have entered into such agreements as soft drink concessions, special event sponsorships, and trail signs. Additionally, they have successfully privatized their golf courses.

Examples of their sponsorships include:

- **Soft drink concessions contract.** Utilizing a beverage broker, the CPD began a contract with Royal Crown (RC) Cola to offer only RC products in all park district vending machines and concession stands. In exchange, the park district received marketing revenue of \$600,000, an increase of 300% from their previous contracts. In addition, the park district receives a commission from all sales.

⁵⁸ Lake County 2001

- **Trail Signs.** The CPD entered into an agreement with the Chicago Area Runners Association, to provide, at no cost, mile markers on their trails. The CPD is investigating further sponsorship tie-ins with lawn mowers, paper products, snow blowers, to name a few.
- **Special Events.** The City of Chicago Special Events Department routinely recruits large corporate sponsors. For example, the City recently put on “Chicagoween,” a series of Halloween celebrations around the city. The clothing and apparel company “Old Navy,” paid \$50,000 for the right of sponsorship for the events.⁵⁹

The Chicago Park District has also privatized their golf course management. In 1993, Chicago Park District contracted Kemper Sports Management to operate the city’s courses. As a result of capital improvements and more efficient operation strategies, Kemper turned a \$530,000 operating deficit from 1992 into a \$550,000 profit in 1994. Furthermore, course reservations increased from about 4,000 before privatization to about 40,000 in its second year of operation.⁶⁰ Other improvements include expanded instruction programs, greater availability of golf carts, and the inception of Chicago’s first ever Women’s Amateur Tournament.

⁵⁹ For more information, see Appendix A

⁶⁰ Reason Public Policy Institute 1998

APPENDIX TWO

BIBLIOGRAPHY OF SOURCES

Catherine LaRose. *Municipal Marketing* (2000).

The Civic Federation. *Local Government Fees and User Charges: A Trend Analysis of the Reliance on Fees and User Charges of Five Local Governments in Cook County* (1997). (On file with the Civic Federation).

Cook County Forest Preserve District. *1999 FPD Annual Appropriation Ordinance*. (1999)

Cook County Forest Preserve District. *2001 Executive Budget Recommendations*. (2001)

DuPage Forest Preserve District. *FY 2000/2001 Budget*. (2001)

DuPage County Forest Preserve. <http://www.dupageforest.com>. (25 January 2001).

Government Financial Officers Association (GFOA). *Recommended Practices Budgeting*. www.GFOA.com. (2 February 2001)

Gregory, Ted. "Forest Preserve Police." *Chicago Tribune*. (27 February 1995).

Interview with Dan DaRose, Chicago Park District. Chicago, Il. (2 January 2001).

Interview with Al Westerman, President, Andrew S. Kimmel, Director of Environmental Education & Public Affairs, and Steven Messerli, Executive Director, Lake County Forest Preserve District. Lake Forest, Il. (30 January 2001).

Interview with Nonanye Smith, City of Chicago Department of Fleet Management. Chicago, Il. (8 January 2001).

Interview with Steve Hartman, Director of the Skokie Park District. Skokie, Il. (January 25, 2001).

Krause, Karen C. "Endearing 'Smokey' Look is Left to U.S. Forest Service." *Chicago Tribune*. (21 July 1995).

Lake County Forest Preserve District. *1998-1999 Annual Report*. (1999).

The Parkways Foundation. <http://www.parkways.org>. (6 February 2001).

Lake County Forest Preserve District. *Annual Budget, FY 2000-2001*. (2001)

NaCO. "Frequently Asked Questions." *NACO 2000 County News*. (5 December 2000).

Reason Public Policy Institute. *Getting Greens in the Black* (1998).

State of Illinois. *Statute of the State of Illinois*. (1976).

Stroger, John H. Remarks at the Forest Preserve District budget hearing. (2 November 2000).