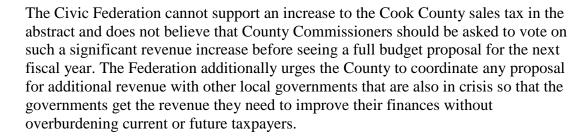
Board of Directors Steven H. Abbey David A. Abel A.G. Anglum* Adrienne Archia* Murray E. Ascher Brian A. Bernardoni Jeffrey Bethke Roger H. Bickel Scott A. Bremer Whitney Carlisle Victor Chang* Timothy L. Christen Robert J. Christie Richard A. Ciccarone* Jerry Cizek III☆ Nancy J. Clawson Elizabeth G. Coolidge* Ronald S. Cope Omar Daghestani Mark R. Davis☆ Nancy DeMaso Kevork M. Derderian Ö Jon B. DeVries Charles R. Droege³ Michelle Dukler Jeff Emme Brian D. Fabes Stephen B. Friedman Charles R. Gardner* John P. Garvey Anthony G. Gedeller Ronald J. Gidwitz Judith A. Gold* Andrew F. Gottschalk* Paul D. Green Philip Hale Albert C. Hanna Patricia M. Holden Jason Horwitz Gregory C. Hosbein Margaret Houlihan Smith Lori H. Igleski Mark Ishaug John A. Janicik James H. Kane William Ketchum Jim Kranic* Kandace C. Lenti Thomas E. Livingston William D. Mack* Christine Maki Glenn Mazade Susan McKeever Thomas J. McNulty☆ Bradlev D. Mincke Timothy E. Moran Monica M. Mueller* Brian Murphy Michael E. Murphy Bert Nuehring* Michael F. O'Brien Holly O'Connor Gregory O'Leary Robert Pasin Donovan W. Pepper* Samuel L. Persico Moira K. Pollard Sylvia Puente Amar Rajpurkar Tony Reinhart Aaron C. Rudberg Scott Saef☆ Harry J. Seigle* Brian Septon Stratford Shields Stephen R. Smith* James E. Spiotto* Daniel C. Sprehe Barbara L. Stewart Eugene S. Sunshine Courtney A. Thompson* Jack Tierney Christopher Tobin Allen B. Truesdell Thomas C. Vanden Berk Robert S. Vihon Daniel Wagner Sue E. Wallace3 John F. Ward, Jr John L. Ward Andrew L. Weil Jerrold Wolf Jill Wolowitz Corinne Wood Daniel T. Yunker

The Civic Federation

10 North Dearborn Street, Suite 800, Chicago, IL 60602 • 312.201.9066 fax 312.201.9041 • civicfed.org

July 3, 2015





The Civic Federation commends Cook County for developing a plan to fully fund its pension obligations within 30 years. The County is taking initiative now to improve its pensions instead of waiting for action from the Illinois General Assembly on its proposed pension reforms. However, the Federation emphasizes that it is not certain that approving increased revenue now would improve the prospects for pension reform later.

The Civic Federation acknowledges that the County will require increased revenues to adequately fund its pension obligations in the future, but has concerns about relying on a single, economically-sensitive revenue source like the sales tax. The sales tax has a history of disproportionately negative impacts on border areas and a one cent increase would burden Chicago taxpayers with the highest aggregate sales tax in the nation.

The County has outlined a plan for balancing this revenue increase with \$110 million in cuts. This is a good step in the right direction, but for additional balance and to avoid making Chicago an outlier, the Civic Federation would like to see more efficiencies and consideration of a broader mix of revenue options including fees and possibly the County's property tax levy. The State of Illinois should also assist the County and other local governments by expanding the sales tax to include services.

In order to ensure that pension funding will continue to improve in future years, the County should consider lockboxing any additional revenues proposed for pension funding to ensure that increased revenues go to stabilizing the pensions instead of growing County operations. And finally, any ordinance to increase the sales tax should also include a sunset provision that would abate the tax partially or fully if the County's pension reform legislation becomes law. The Civic Federation continues to support the County's proposed pension reform package and urges legislators and the Governor to approve it.



OFFICERS

Allan R. Ambrose Chairman Eileen Mitchell Vice Chairman Kent A. Swanson

Vice Chairman

Patrick J. Hagan Treasurer Laurence J. Msall Sarah J. Wetmore

Vice President