



Chicago Park District

Legislation Details (With Text)

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Title:	SUPPLEMENTAL APPROPRIATION ORDINANCE OF THE CHICAGO PARK DISTRICT FOR ADDITIONAL 2022 REVENUES AND EXPENDITURES		
Sponsors:	Chief Financial Officer, Budget and Management		
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Attachments:	1. Proposed 2022 Supplemental Appropriation Ordinance, 2. 2022 Annual Appropriation Ordinance		

Date	Ver.	Action By	Action	Result
9/14/2022	1	Board of Commissioners	approved	Pass

SUPPLEMENTAL APPROPRIATION ORDINANCE OF THE CHICAGO PARK DISTRICT FOR ADDITIONAL 2022 REVENUES AND EXPENDITURES

To the Honorable Board of Commissioners of the Chicago Park District

I. Recommendation

Pursuant to Ch. XII, Sect. C. 11, of the code of the Chicago Park District it is recommended that the Board of Commissioners approve the attached supplemental ordinance to allocate additional revenues from Corporate Fund Personal Property Replacement Tax (PPRT) to be divided among the Corporate Fund Supplemental Contribution to the Pension, the Corporate Fund principal retirement, the Corporate Fund Contractual Services Account, and the Aquarium and Museum Operating Fund for 2022. This ordinance will result in a total increase of \$61,400,000. The total 2022 operating appropriation, including this supplemental appropriation will increase 12% from \$510,949,937 to \$572,349,937.

II. Explanation

Personal Property Replacement Taxes (PPRT) are revenues collected by the State of Illinois and paid to local governments to replace money that was lost by local governments when their powers to impose personal property taxes on corporations, partnerships, and other business entities were taken away in the 1970 Constitution. In 1979, a law was enacted to provide for statewide taxes to replace the funds lost by local governments. PPRT was designed to provide a revenue source for local governments to meet pension obligations, pay outstanding debt and otherwise was an unrestricted source of funding for local government operations and services. By state statute, 7.354% of PPRT revenues must be distributed to the Aquarium and Museums that reside on Park District property.

In State Fiscal Year 2022 (7/1/2021-6/30/2022), the Illinois Department of Revenue distributed \$4.018 billion

in PPRT to 6,486 local governments throughout Illinois. The Chicago Park District receives approximately 3.3% of those distributions, of which \$102,029,572 has been received thus far during the District's Fiscal Year 2022, which is 1/1/2022-12/31/2022. For the 2022 Annual Appropriation Ordinance, the District anticipated to receive \$49,000,000. It is now recommended that the District divide the surplus PPRT revenue as follows:

- \$15,000,000 appropriation in the Corporate Fund to the Supplemental Contribution to the Pension. The District has worked to reduce the outstanding liability in the Pension Fund and this additional funding would help reduce that liability and provide cash flow to the fund so pension assets are not liquidated to make benefit payments.
- \$20,000,000 appropriation in the Corporate Fund to principal retirement. The District will be moving to new headquarters in the Brighton Park neighborhood in 2023 and this funding will help reduce the District's line of credit on the new facility.
- \$20,000,000 to the Corporate Fund Contractual Services Account. This funding will help fund needed repairs and maintenance to District facilities.

In addition, as a result of the increased distributions received from PPRT, the District needs to amend the appropriation to the Aquarium and Museum Operating Fund. The Aquarium and Museum Operating Fund receives 7.534% of all PPRT received by the Park District. For 2022, the Aquarium and Museum Purposes Fund was allocated to receive \$3,691,660 from Personal Property Replacement Tax. Based on revenue received year to date and estimated revenue to be received from the remaining PPRT distributions, an additional approximately \$6,400,000 in supplemental appropriations will be appropriated to the Aquarium and Museums in 2022, which represents an annual total of approximately \$10,100,000.

It is now recommended that the additional \$6,400,000 for the Aquarium and Museum Fund, along with the \$55,000,000 for the Pension, the Debt Service, and the Corporate Fund Contractual Services be reflected in the 2022 budget by adoption of this supplemental ordinance.

2022 SUPPLEMENTAL ORDINANCE SUMMARY

Revenues:

Personal Property Replacement Tax (PPRT)	\$61,400,000
Gross Revenue:	\$61,400,000

Expenses:

Supplemental Contribution to Pension	\$15,000,000
Principal Retirement	\$20,000,000
Corporate Fund Repair & Maintenance	\$20,000,000
Aquarium & Museum	\$6,400,000
Total:	\$61,400,000

	Original Appropriation	Supplemental Appropriation Amount	Total	% Change
2022 Budget Appropriation	\$510,949,937	\$61,400,000	\$572,349,937	12.0%

III. Budget and Financial Information

Budget Classification:

- Corporate Fund Contractual Services
- Pension Fund Supplemental Contribution
- Aquarium and Museum Operating Fund
- Bond Redemption and Interest Funds (Debt Service)

Fiscal Year: 2022