



Chicago Park District

Legislation Text

File #: 22-1123-1214, Version: 1

2023 ANNUAL APPROPRIATION ORDINANCE AND BUDGET RECOMMENDATIONS

To the Honorable Board of Commissioners of the Chicago Park District

I. Recommendation

It is recommended that the 2023 Annual Appropriation Ordinance be adopted for the fiscal year ending December 31, 2023. This recommendation also establishes the recommended allocations of General Fund balance for fiscal year 2023.

II. Explanation

Prior to the beginning of the ensuing fiscal year, which commences on January 1, 2023, the Board of Commissioners must adopt an appropriation ordinance that appropriates such sums of money as may be required to meet all necessary expenditures during the following fiscal year.

The 2023 Budget Appropriation submitted for adoption includes the proposed fiscal program of estimated revenues, estimated expenditures, and proposed allotments. The proposed fiscal year 2023 budget is balanced at \$545.4 million which represents a 6.7% increase compared to the fiscal year 2022 budget.

The Proposed Annual Appropriation Ordinance is being submitted in accordance with Section 17 of the Chicago Park District Act, 70 ILCS 1505/17, and Section C of Chapter XII of the Code of the Chicago Park District. Adoption of the Appropriation Ordinance does not constitute automatic approval of specific expenditures and funds. Expenditures will be approved in accordance with personnel, contracting, and purchasing rules set forth in the Code of the Chicago Park District.

The table below shows the allocations of General Fund balance as recommended for fiscal year 2023.

January 1, 2023 General Fund - Fund Balances

(In millions)

\$95.98	Committed for Working Capital ¹
25.80	Committed for Economic Stabilization ²
5.00	Committed for PPRT Stabilization Fund
0.06	Assigned to Northerly Island
12.00	Assigned to Park Operations & Maintenance and Budget Stabilization ³
10.00	Assigned to Long Term Liability
0.50	Assigned for Legal Judgments Exceeding Appropriations
39.8	Unassigned
\$190.61	Total Unrestricted Fund Balance ⁴

¹These funds are to be used for short term cash management and to alleviate the need to issue short term debt or other external financing in lieu of property tax collections. The Board of Commissioners must approve any amounts which will not be repaid in accordance with section 1.2 of the Long-Term Income Reserve Fund Balance Policy. Any other draw from the Reserve must be approved by the Board of Commissioners and should

only be for non-recurring expenditures or one-time capital costs as the result of the occurrence of a natural disaster or other major event, and not ongoing operational type expenditures.

²A range of 8% to 16% of the preceding fiscal year's general fund expenditures are to be designated as Economic Stabilization funds. These monies are to be expended in cases of general fund revenue shortages of 10% or more below expectations, caused by economic downturns or the occurrence of natural disasters or other major events. Funds may also be held in this category in order to maintain or improve debt or credit ratings. The Board of Commissioners must give prior approval of any amounts to be expended from the Economic Stabilization funds. A repayment plan which projects to restore the balance to the minimum level, must also be submitted and approved prior to expenditure. After expenditures have occurred, the General Superintendent or his designees shall provide a summary report to the Board as soon as practical on the usage of these funds.

³In addition to the categories above, any amounts which will be used to balance a subsequent year's budget will be categorized as Budget Stabilization funds. The amounts may vary from fiscal year to fiscal year or depending on the District's budgetary condition, may not be designated at all. The funds may be assigned by the General Superintendent/CEO or his designee, up to the amount of available Unassigned fund balance at the end of the previous fiscal year. Please note that the Budget Stabilization amount cannot, in any fiscal year, exceed the amount of the expected budgetary shortfall.

⁴Nonspendable (Prepays and Long-term Receivables) and Restricted amounts are not included in Unrestricted Fund Balance.