



## **Chicago Park District 2020 Budget Address**

*Michael P. Kelly, General Superintendent & Chief Executive Officer*

Wednesday, December 4, 2019

Good Morning.

President LaVelle, distinguished members of the board, park patrons, and Chicago citizens – thank you for giving me the opportunity to propose the Chicago Park District’s 2020 operating budget.

This coming year’s \$487 million budget was developed with care and rigor and is rooted in the Park District’s core values.

We remain focused on putting children first, offering the best deal in town, supporting a capital campaign that is “built to last” and providing a staff that always makes the extra effort.

As Mayor Lori Lightfoot has ushered our city into a new era of equity, inclusion and transparency – the Chicago Park District has been active in helping to improve the quality-of-life for Chicago.

Two months ago, at our Mayor’s budget address to City Council, the Rev. Ira Acree delivered a very special invocation for the proceedings.

During that introduction, Rev. Acree reminded those who gathered that a budget is a moral document. One that reflects values and priorities.

In my ninth year as General Superintendent and CEO, I am proud to present a plan to you that re-affirms our values and priorities. We are committed to serve our children and our families by investing in all of Chicago’s parks and neighborhoods.

And it is an honor to say that those very values and priorities drive our work as park professionals every day. And the budget I present to you is evidence of that.

At \$487 million, the Park District’s 2020 spending plan is 5 percent higher than the 2019 adopted budget.

At its heart, the budget includes the expansion of existing programming, the launch of new programmatic opportunities, and a list of unprecedented investments in neighborhoods on the South and West Sides.

For example:

- We will increase after-school programming on days when schools are closed, such as holidays – and we will increase our Park Kids after-school programs and “Girls in Sports” activities.
- We will collaborate with After School Matters to enhance and reinvest in a summer work program for teenagers through a Sports and Leadership Apprenticeship;
- We will expand our community sailing program at Monroe Harbor to further help build awareness on water safety and recreation;
- We will foster a new partnership with the U.S. Soccer Foundation that will bring a “Soccer for Success” program to parks across Chicago;
- We will extend the Park District’s legendary boxing program, by adding a traveling element that will allow our athletes to compete in tournaments throughout the country;
- And on the heels of the tremendously successful Girls Empowerment Fair this past year, we will increase youth and female empower “HER” programs, as well as create LGBTQ youth and teen programming that provides a safe place to interact and participate.

On the capital budget, in 2020, the Chicago Park District will unveil a world-class investment on the South Side. We will soon open the doors to a 140,000 square foot venue that will deliver athletics and wellness and become one of the crown jewels of our city. The Gately Park Track & Field Center will serve the Pullman and Roseland communities, and through an instrumental partnership with After School Matters, this incomparable project will help create new opportunities in sports and the arts.

Staying with our pledge to “build things to last,” the Park District will also open the long-awaited Ford Calumet Environmental Center on the Southeast Side. The center will establish a gateway to nature-based education.

This past year, through a partnership with the Chicago Housing Authority, we opened a stunning new fieldhouse at Williams Park on the south side; and this coming year will open a first-class indoor recreation center on the near west side at Addams Park. The Park District also is currently completing major capital projects at Odgen Park in Englewood and Dunbar Park in Bronzeville.

And keeping with our commitment on the South Lakefront Framework Plan, this coming year we will unveil a new beach house at the South Shore Cultural Center and also build a much needed breakwater at Jackson Harbor.

This coming year's operating budget is an estimated \$23.6 million increase over the 2019 adopted budget. It was developed through careful analysis, as well as numerous conversations with staff, and with input and direction from stakeholders. The budget positions us to stay on our path to expand in a fiscally responsible manner.

The budget includes more than \$3.4 million in expenditure savings in the form of strategic changes to healthcare costs, as well operational efficiencies in IT, landscaping, managed assets, utilities and personnel.

Through a continued staff right-sizing process and detailed resource allocation, the Park District will decrease the number of full-time equivalent positions in 2020 – a total of 11. This minimal decrease will not prevent us from serving the needs of each community. In addition, families in need will continue to have access to more than \$3 million in financial assistance. Further, our policy for the last nine years stands, no child will be turned away from a program for an inability to pay.

Property taxes and personal property replacement tax continue to make up the majority of the Chicago Park District revenues at \$324 million or (67 percent). This coming year, the Park District will implement an uncommon property tax increase that will cost the average homeowner less than \$4.

The Park District anticipates an increase in TIF surplus funds received from the city that will go directly toward the pension fund – that is \$6.2 million more in 2020 than in 2019, when we will start a multi-year payment ramp up that will help stabilize the condition of the fund.

Revenue growth also will come in the form of a new permit fee structure that ensures usage fees are set in an equitable manner. We will continue to pursue new sponsorships and partnerships and last we forecast an increase in revenue with the Chicago Fire's much anticipated return to Soldier Field.

Chicago's parks are for everyone and we will continue to work to make sure that facilities and programs are accessible and affordable in all communities. That is why program fees for Chicago families will stay at current 2019 rates. All Chicagoans are entitled to engaging, high-quality and safe programming – from summer day camp to sports to the arts. The Chicago Park District will continue to deliver on those needs.

This past year was momentous on numerous levels for the Chicago Park District.

Aside, from celebrating our 85<sup>th</sup> Anniversary in grand fashion. The Chicago Park District was a finalist for the National Recreation and Park Association Gold Medal Award. And most importantly, we surpassed previous programming records.

I am proud to report that 55,000 kids participated in our summer day camp program, another record number of enrollments and a 10 percent increase from 2018.

We saw nearly 97,000 overall program enrollments during the summer of 2019 (6 percent more than the previous year). Those increases can be attributed to an (7 percent) increase in program

offerings districtwide, and a 21 percent increase in free park programs – that is more than 1,200 free programs citywide.

It feels customary to come before you at the end of each year to share record-breaking numbers. I cannot tell you how proud I am of the Park District team.

It is their hard work that has allowed us to offer more than 26,000 programs, (covering more than 408,000 hours, to-date). That is award-winning, quality programming.

It is their dedication to their jobs and the community that enabled 21,000 enrollments in our learn to swim program in 2019;

13,000 enrollments in the Park Kids program;

5,000 in Kiddie College;

2,000 in Junior Bear football;

3,500 in the Park District's boxing program;

2,000 in Windy City Hoops;

More than 30,000 young people enrolled in teen programs;

And almost 39,000 senior citizen enrollments across the city.

Earlier this year, the Chicago Park District reached agreements with each of the 25 unions that represent our staff employees. That includes SEIU Local 73, which represents more than two-thirds of the Park District's workforce.

These new labor agreements demonstrate passion for the work and mutual respect among park staff. And I'm happy to say that it was clearly on display as we averted any work stoppage at the Park District.

As a result of the agreements, the 2020 proposed budget calls for wage increases for staff, where the lowest paid staff members will see the greatest increase. This aligns with the Mayor and City Council's plan to raise wages in Chicago at an accelerated rate.

The new accords showcase a strong and common recognition of the Park District's values, along with the importance of the contributions of its employees.

I want to take a brief moment to recognize the park staff and union members in attendance today.

We are not out of the woods yet with respect to the pension fund. But we have taken strides, together, that help the situation. As part of the labor agreements, employees will contribute more to their healthcare costs to assist with the pension predicament.

As mentioned earlier, this year we begin a four year \$6.2 million pension payment ramp up.

Despite contributing more than 2.5 times the amount we are required to under statute, the required contribution needed to avoid insolvency is nearly double this amount.

This serves as a stark reminder that our work on the pension is far from done. The Chicago Park District's position remains the same – critical changes are necessary to ensure retirement security for our current employees and retirees. We must take significant steps toward raising the funded ratio of the pension fund.

Meeting the needs of millions of park visitors across 77 neighborhoods requires delicate financial balancing. We do that with the understanding that parks serve Chicagoans in many different ways. Coaches, counselors, lifeguards – Chicago's parks and staff are the glue that binds our city.

Today, the Chicago Park District can proudly say that 99 percent of Chicago residents live within a 10-minute walk of a park.

We boast 26 miles of lakefront and a trail that complements the lake – unlike any other on the planet. This past year we experienced historically high lake levels. That is an issue we are working vigorously with agency partners and the Army Corps of Engineers to address for the long-term.

The Park District manages more than 8,800 acres of parkland, more than 600 parks, 10 harbors, two world-class conservatories, 16 historic lagoons and 1,850 acres of natural area. That does not include Soldier Field, 10 world-class museums, an aquarium and a zoo that we recently extended and ensured would remain free for decades for Chicago families.

The proposed budget for the coming year is the next step in ensuring that we meet the needs of all of Chicago's residents. The budget is more than a balance sheet or an accounting of what has been accomplished and what we hope to do – but IT IS a "moral document." It is about delivering meaningful resources and services to each neighborhood in this city.

On behalf of the women and men of the Chicago Park District, I can attest that we are up to the task. Year after year Park District staff have raised the bar and continue to innovate for the good of all Chicagoans.

The 2020 budget reflects the accountability, efficiencies and transparency the Chicago Park District promises all citizens.

I affirm that this budget positions us to continue to grow in a financially responsible manner.

Therefore I deliver to you this budget proposal and I thank you for the opportunity to serve.