

TORT IMMUNITY TAX

Fund 076-075

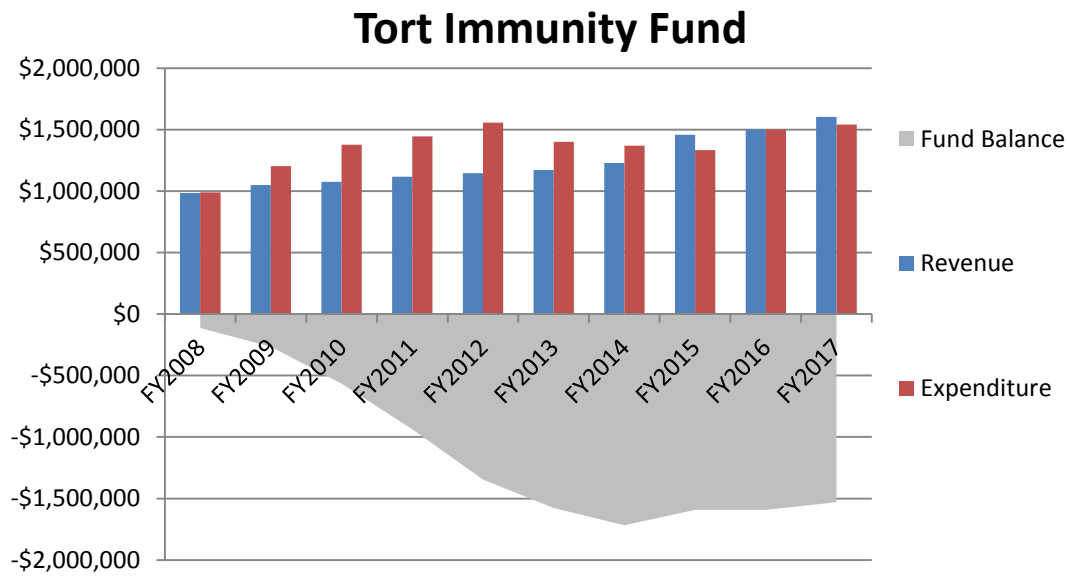
The Tort Immunity Tax Fund is established pursuant to 745 ILCS 10/9-107 to provide an extraordinary tax for funding expenses relating to tort liability, insurance, and risk management programs.

BUDGET HIGHLIGHTS

The Tort Immunity Fund, a property tax based revenue fund, is the source of funding for the General Corporate Fund’s share of payment of premiums and claims to the Self-Funded Insurance Fund. The claims payments for property and liability are determined based on the most recent actuarial study recommendations, and Worker’s Compensation claims payments are determined based on Worker’s Compensation rates calculated on wages for categories of employment.

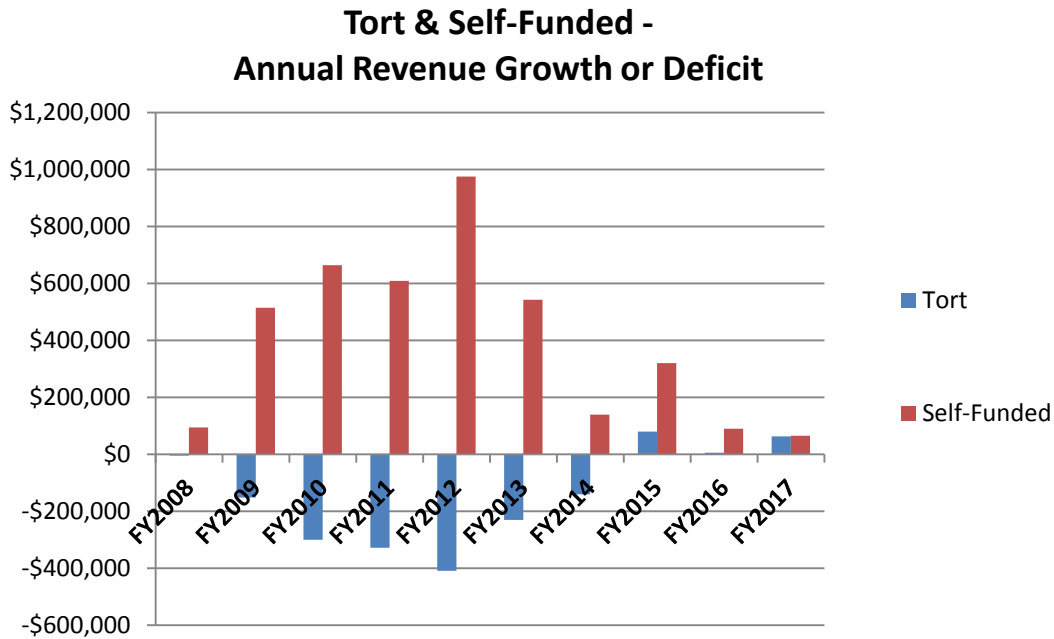
Because the property tax is the only revenue stream for this fund, the tax caps applied to the property tax have not allowed the revenue to keep pace with the annual required contributions from FY2008 to FY2014. In FY2015 and FY2016, because of decreases in the required property tax levies for IMRF and Social Security, the property tax levy for Tort Immunity finally had the capacity to increase to match the budgeted expenditures for those fiscal years. Under the application of the PTELL formula to the tax levy to be collected in FY2017, the levy increases 6.52% and provides adequate funding to cover the required expenditures. It is important to note that \$52,324 of budgeted property tax revenues may not actually be received in FY2017. The levy was prepared to capture potential new growth revenue associated with an anticipated ruling in the hospital property tax exemption case. Please see the FY2017 Budget Summary for more information. At this time, it is uncertain whether the County will actually receive the additional tax revenues.

The history of the effect on this fund from FY2008 to FY2017 is reflected in the chart below – depicting the increasing negative fund balance until the levy could be corrected to cover expenditures beginning in FY2015.

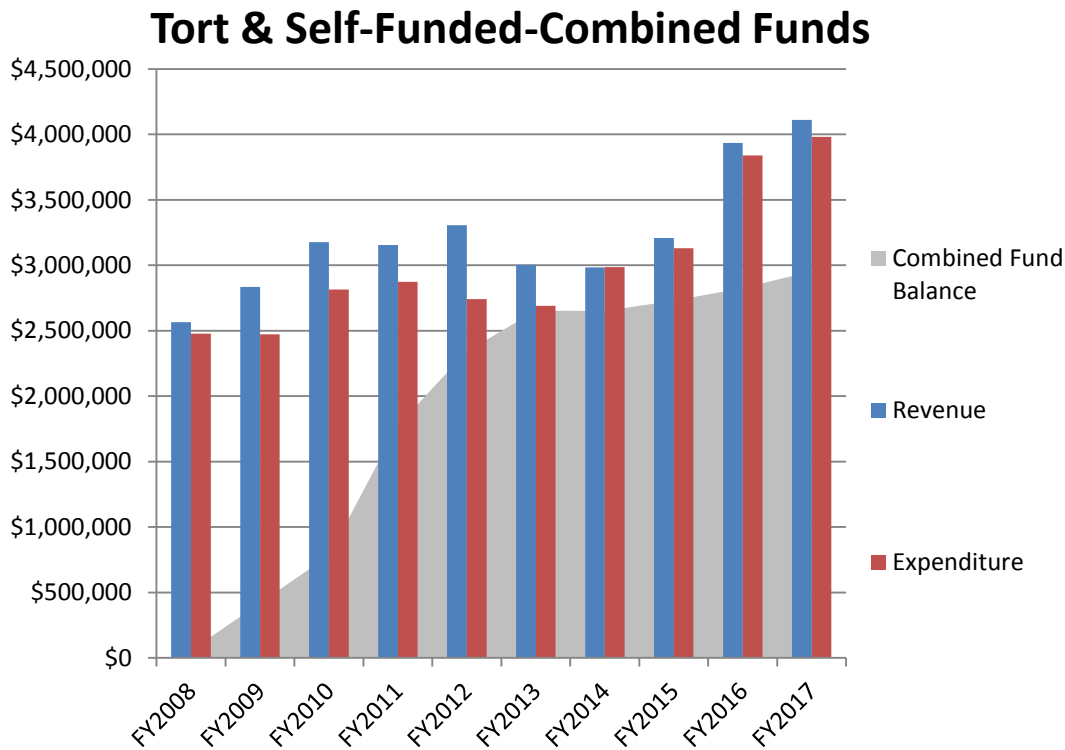


The correction of the negative fund balance will be achieved over time only if the annual revenue from the property tax can exceed the annual expenditure requirements.

While the Tort Immunity Fund has experienced annual revenue deficits up to FY2015, the Self-Funded Insurance Fund, to which all Tort Immunity Fund payments are made, has experienced annual revenue growth. The following chart depicts the comparable annual revenue deficit or growth in Tort to the annual revenue growth in Self-Funded Insurance over the same time frame.



When the Tort Immunity Fund and Self-Funded Insurance Funds are combined the balance of the Self-Funded Insurance Fund exceeds that negative balance of the Tort Immunity Fund, placing the combined funds in a position that has improved from FY2008 to FY2017.



FINANCIAL

Fund 076 Dept 075			2015 Actual	2016 Original	2016 Projected	2017 Budget
311	16	CURR PROP TX-LIABILTY INS	\$1,453,706	\$1,504,649	\$1,497,856	\$1,603,235
313	16	RE BACKTAX-LIABILITY INS	\$1,007	\$0	\$0	\$0
314	10	MOBILE HOME TAX	\$1,406	\$0	\$0	\$0
315	10	PAYMENT IN LIEU OF TAXES	\$1,010	\$0	\$0	\$0
		PROPERTY TAXES	\$1,457,129	\$1,504,649	\$1,497,856	\$1,603,235
381	15	WORKER'S COMP REIMB	\$221	\$0	\$358	\$0
381	17	UNEMPLOYMENT INS REIMB	\$522	\$0	\$669	\$0
		INTERFUND REVENUE	\$743	\$0	\$1,027	\$0
REVENUE TOTALS			\$1,457,872	\$1,504,649	\$1,498,883	\$1,603,235
513	4	WORKERS' COMPENSATION INS	\$548,478	\$566,881	\$566,881	\$578,219
513	5	UNEMPLOYMENT INSURANCE	\$227,050	\$290,000	\$290,000	\$295,000
		PERSONNEL	\$775,528	\$856,881	\$856,881	\$873,219
533	20	INSURANCE	\$556,650	\$642,643	\$642,643	\$666,958
		SERVICES	\$556,650	\$642,643	\$642,643	\$666,958
EXPENDITURE TOTALS			\$1,332,178	\$1,499,524	\$1,499,524	\$1,540,177

FUND BALANCE

FY2015 Actual	FY2016 Projected	FY2017 Budgeted
-1,592,273	-1,592,914	-1,529,856

The fund balance goal is \$500,000 to maintain cash flow and to provide funding for emergency claim payments. The current negative fund balance, as stated above, was caused by an inability to increase the property tax revenue to match the required expenditure over the period from FY2008 to FY2014, and is absorbed by the fund balance in the Self-Funded Insurance Fund. Slight improvement in the negative position is anticipated each year as we move forward. As explained earlier in this document, the FY2017 budgeted fund balance includes \$52,324 in property tax revenue that the County may not actually receive.