

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.

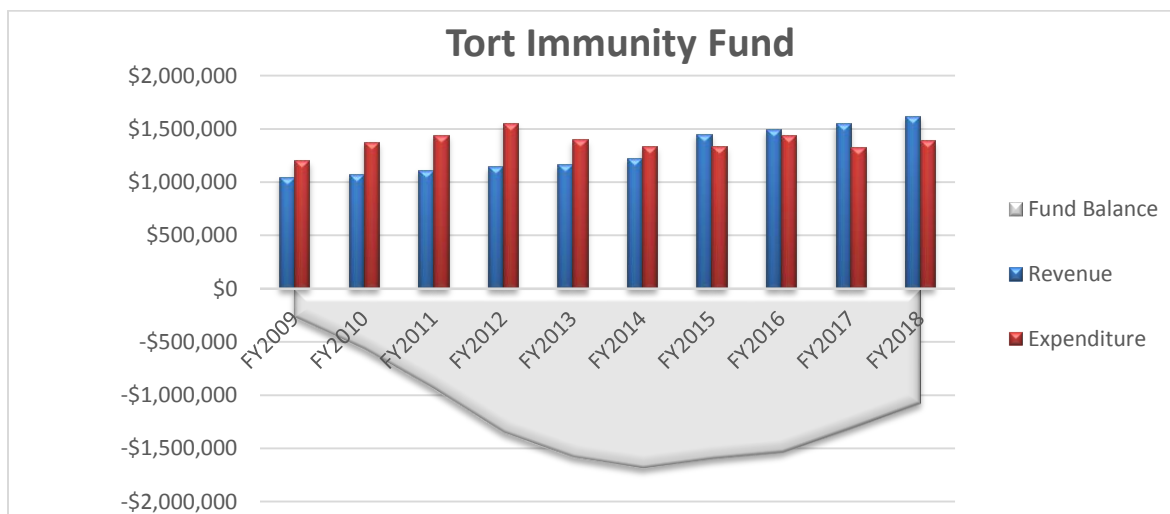
BUDGET HIGHLIGHTS

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 - FY2018, 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 FY2018, the levy increases 5% and provides adequate funding to cover the required expenditures.

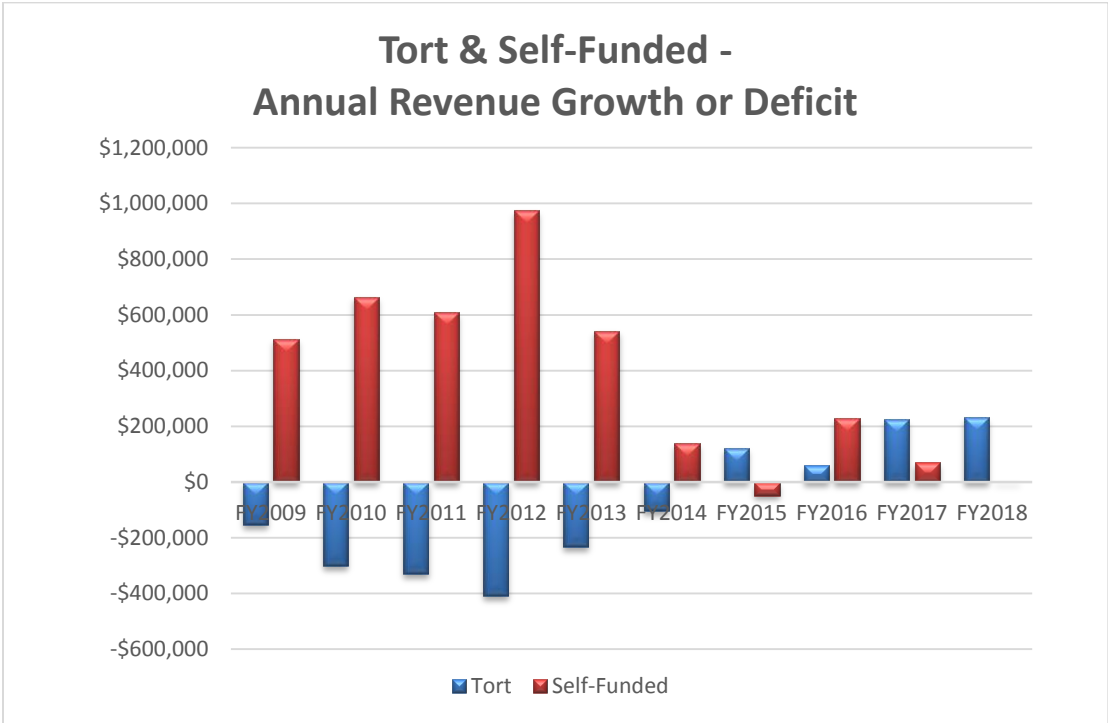
In FY2017, the County prepared its levy to capture new growth revenue in a potential favorable ruling in the hospital property tax exemption case. In March 2017, the case was remanded to the Circuit Court, and the County amended its budgets since it would not receive any additional revenue in the fiscal year. In FY2018, the County will again approve its levy to capture new growth in the event of a favorable ruling prior to the Board of Review certifying the books. In FY2018, there is an additional \$48,450 budgeted in property tax revenue, which if received will go improve the negative fund balance in the Tort Immunity Tax fund.

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.

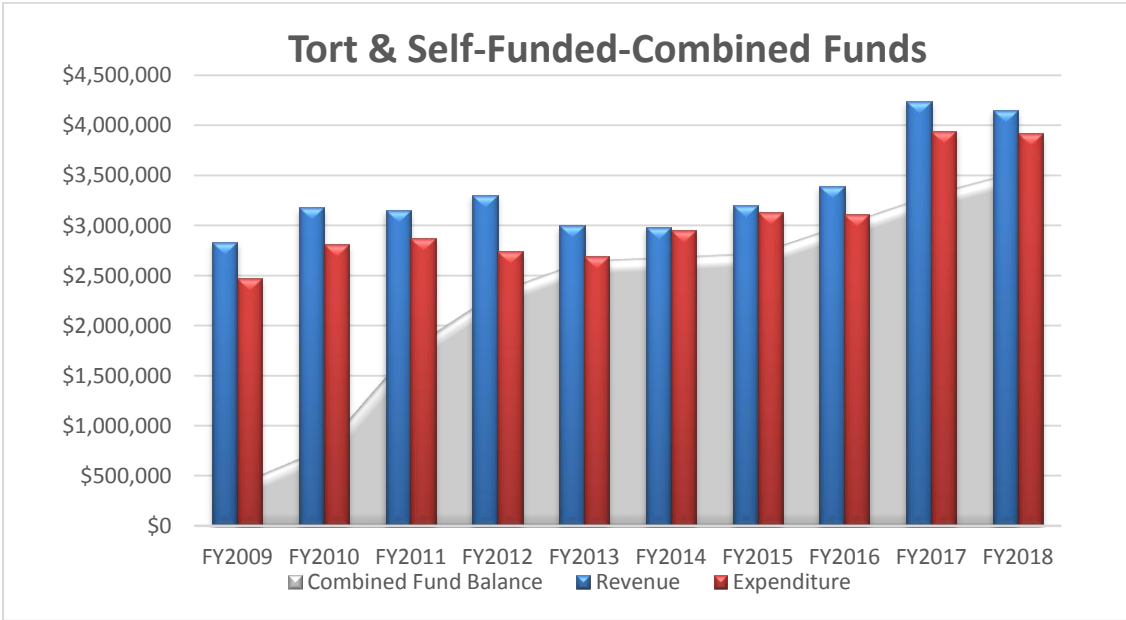


The correction of the negative fund balance will be achieved over time only if the annual revenue from the property tax can exceed the annual expenditure requirements.

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 with the exception of FY2015. 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 FY2018.



FINANCIAL

Fund 076 Dept 075			2016 Actual	2017 Original	2017 Projected	2018 Budget
311	16	CURR PROP TX-LIABILTY INS	\$1,492,550	\$1,603,235	\$1,545,352	\$1,670,884
313	16	RE BACKTAX-LIABILITY INS	\$879	\$0	\$751	\$0
314	10	MOBILE HOME TAX	\$1,381	\$0	\$1,295	\$0
315	10	PAYMENT IN LIEU OF TAXES	\$1,051	\$0	\$810	\$0
		PROPERTY TAXES	\$1,495,861	\$1,603,235	\$1,548,208	\$1,670,884
381	15	WORKER'S COMP REIMB	\$803	\$0	\$500	\$0
381	17	UNEMPLOYMENT INS REIMB	\$1,328	\$0	\$1,300	\$0
		INTERFUND REVENUE	\$2,131	\$0	\$1,800	\$0
REVENUE TOTALS			\$1,497,992	\$1,603,235	\$1,550,008	\$1,670,884
513	4	WORKERS' COMPENSATION INS	\$564,876	\$578,219	\$543,000	\$570,150
513	5	UNEMPLOYMENT INSURANCE	\$185,272	\$295,000	\$115,000	\$120,000
		PERSONNEL	\$750,148	\$873,219	\$658,000	\$690,150
533	20	INSURANCE	\$687,981	\$666,958	\$666,958	\$700,000
		SERVICES	\$687,981	\$666,958	\$666,958	\$700,000
EXPENDITURE TOTALS			\$1,438,129	\$1,540,177	\$1,324,958	\$1,390,150

FUND BALANCE

FY2016 Actual	FY2017 Projected	FY2018 Budgeted
-\$1,487,024	-\$1,261,974	-\$981,240

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 fiscal year as long as growth in the levy allows for revenues to exceed expenditures.