



THE CIVIC FEDERATION
2010 ANNUAL REPORT

RESEARCH · INFORMATION · ACTION
SINCE 1894



HISTORY

In 1894 a group led by several of Chicago's most prominent citizens—including Jane Addams, Bertha Palmer and Lyman J. Gage—coalesced around a serious issue: the need to address deep concerns about the city's economic, political and moral climate. They created the Civic Federation, which grew to become a leading voice for governmental fiscal responsibility and an effective champion of rational tax policy. The work of the Civic Federation continues to evolve in the 21st century, as a greater emphasis is placed on working with State of Illinois and local government officials to improve governmental efficiency, effectiveness and accountability.

THE CIVIC FEDERATION'S MISSION

The Civic Federation remains true to the non-partisan mission established by its founding members as it helps governments reduce their costs and improve the quality of services by:

- Promoting opportunities to reform local tax structures;
- Guarding against wasteful expenditure of public funds; and
- Serving as a technical resource to public officials and opinion leaders through non-partisan tax and fiscal research.

2010 ACCOMPLISHMENTS

Pension Reform

In 2010 Illinois Governor Pat Quinn signed into law two bills that represented significant first steps toward pension reform in Illinois. Senate Bill 1946 reduced pension benefits for state and local public employees not yet hired and Senate Bill 3538 did the same for police and fire employees across Illinois. The Civic Federation has long recommended similar reforms to the Illinois pension system in its budget analyses and reports such as the “Fiscal Rehabilitation Plan for Illinois.”

Cook County Health Board Made Permanent

In June 2010 the Cook County Board of Commissioners voted 13-3 to make the Cook County Health and Hospitals System independent board permanent, a move the Civic Federation has championed. Since its founding in 2008, the independent board has installed new management across the executive ranks of the System, implemented a strategic planning process and introduced operational efficiencies. The Federation first recommended the creation of an independent board to oversee the Cook County Health System in a 2001 research report.

TIF Reform

A tax increment financing (TIF) transparency bill (Public Act 096-1358) passed by the Illinois legislature and signed into law by Governor Quinn in July 2010 included a number of long-standing Civic Federation recommendations detailed in the Federation's 2007 TIF report. The new law requires counties and municipalities to generate 10-year status reports, include TIF revenues and expenditures in their annual budgets and submit TIF reports in electronic format to the State Comptroller.



FROM OUR CHAIRMAN AND PRESIDENT



The Civic Federation saw many years of advocacy for improved government financial practices yield significant successes in 2010. The accomplishments listed on the opposite page, the first steps toward public pension reform in Illinois, a permanent independent board for the Cook County Health System and significant improvements to the reporting requirements for tax increment financing districts, show that the Civic Federation’s good government message is being heard.

In 2010 much of the nation was starting to recover from recession, but many governments in Illinois were still facing significant fiscal challenges of their own creation. The State of Illinois, City of Chicago and Chicago Public Schools all faced enormous budget shortfalls caused in part by burgeoning pension liabilities and/or past budget gimmicks. Other governments, like DuPage County and the Chicago Park District, were able to rely upon budget reserves and efficiencies to close budget gaps without raising taxes or significantly cutting services. Read more about the Civic Federation’s analysis of local government budgets on pages six and seven of this report.

The Federation’s work to improve property tax policy was boosted in 2010 by a series of four educational primers on how the property tax system works (and doesn’t work) in Cook County. The series was capped off with the release of the Federation’s comprehensive position statement on the property tax system with recommendations for reform. To read more about how the Civic Federation provided information about government reform, turn to pages eight and nine.

The Civic Federation’s state research institute, the Institute for Illinois’ Fiscal Sustainability (IIFS), in February 2010 released a landmark report on the State of Illinois fiscal crisis. The “Fiscal Rehabilitation Plan for the State of Illinois” provided comprehensive recommendations for cutting expenditures and increasing revenue to put the State on stronger financial footing. The influential report was much cited in the local, national and international media and won the national Governmental Research Association’s award for best research. To read more about IIFS, turn to page 13.

Throughout 2010, Civic Federation researchers reported on government finance issues, current events and offered additional commentary and information through our weekly blog posts. To read blog posts about local government in the Chicago area, visit civicfed.org/blog and for blog posts about State of Illinois issues, visit civicfed.org/iifs/blog.

It is the Board of Directors and members of the Civic Federation whose commitment and support make all of the Civic Federation’s research, information and action possible. We would like to thank each and every one of them for sharing their expertise and insight over the past year. We would also like to thank outgoing Civic Federation Board Chairman Thomas McNulty and outgoing Vice Chair A.G. Anglum for their many excellent years of service as Federation officers. As the Civic Federation’s influence grows, we are fortunate to have such excellent members and staff. This report is a mere snapshot of all they do to help improve government in Illinois.

Thomas E. Livingston
Chairman

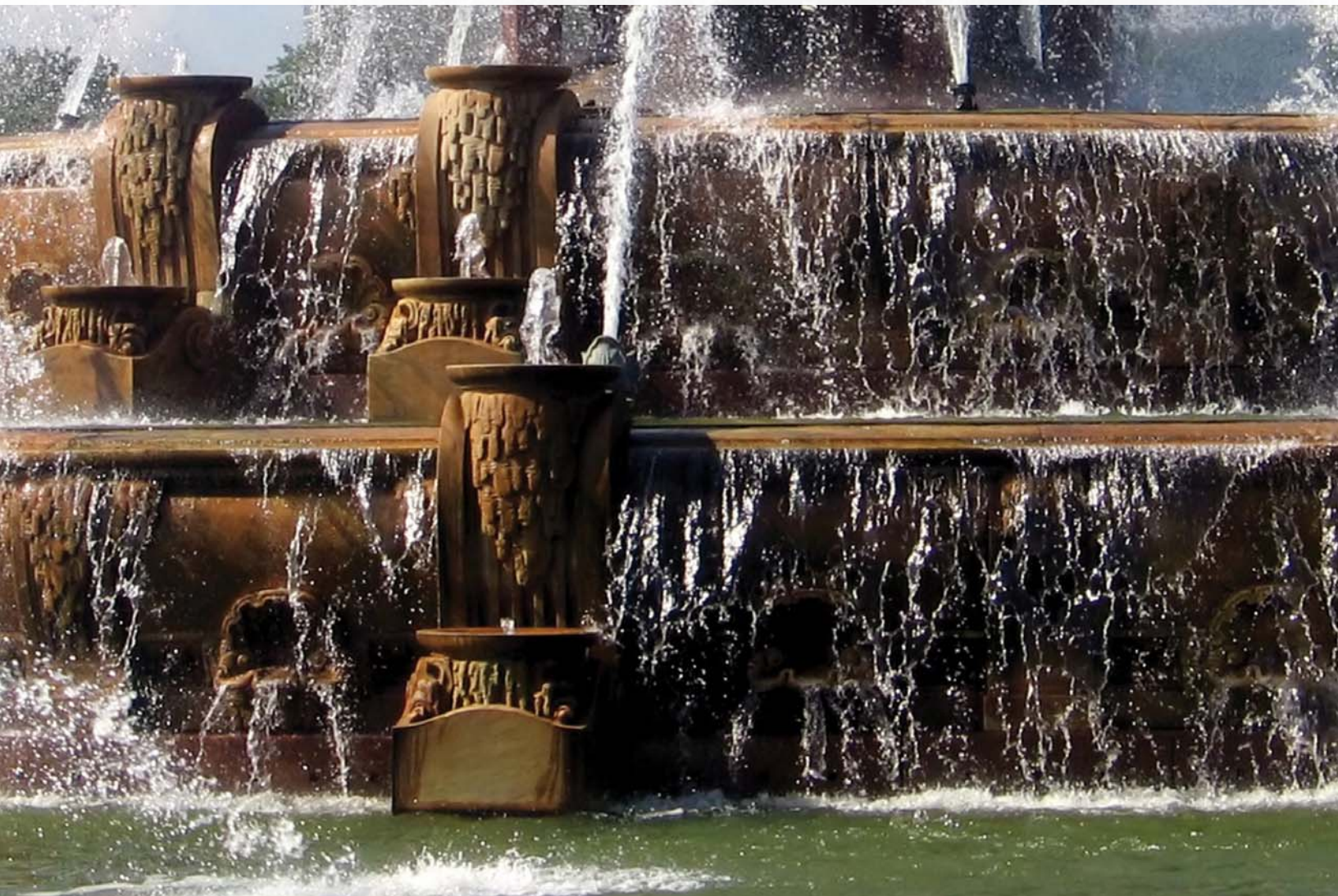
Laurence J. Msall
President



RESEARCH

“The Civic Federation is an important and dedicated group of individuals who care deeply about government and its finances. We look forward to continued work with the Civic Federation as we move toward fiscal stability in Illinois.”

—Pat Quinn, Governor, State of Illinois



The Civic Federation's work to improve government efficiency and sustainability begins with our long-term, in-depth research reports, which cover a wide range of public finance issues at the state and local levels. From translating the arcane Cook County property tax system into plain English to keeping tabs on the status of local and state pensions, our work helps inform officials and shape policy. All of our reports are available free of charge on our website, civiced.org.

A Fiscal Rehabilitation Plan for the State of Illinois described the basis of Illinois' current fiscal crisis and presented the Civic Federation's plan to salvage the State's finances. The plan called for a comprehensive package of budget cuts, pension reforms and revenue increases to put Illinois on solid financial footing and address its nationally-recognized fiscal crisis. The Governmental Research Association awarded the Civic Federation a Most Distinguished Research Award in 2010 for the project.

Cook County Modernization Report provided leaders of the County with ideas for reshaping and refining County government that will improve service delivery to residents while reducing wasteful spending and decreasing reliance on taxpayer funds. The report contained actionable recommendations that could be implemented in the first 100 days after the new President of the Cook County Board of Commissioners took office, as well as others that would require a sustained, multi-year effort.

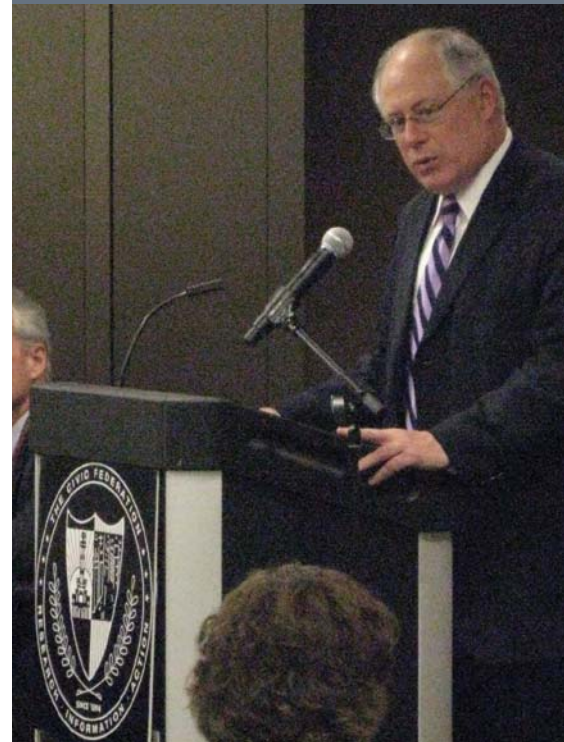
Cook County Property Tax Primers

The Civic Federation prepared this series of four primers in order to help inform residents and stakeholders about the various processes and associated governmental bodies that manage the Cook County property tax system. These reports discuss how principles of taxation apply to the Cook County property tax system, property tax rates and extensions, assessment and exemptions and the appeals process.

Annual Reports on Pensions in Chicago and Property Taxes in Cook County

The Civic Federation annually produces reports on the status of ten local pension funds in metropolitan Chicago, an estimate of the full value of real estate in Cook County and an analysis of effective property tax rates in the six-county region of Northeast Illinois. Visit civiced.org to read more about the conclusions of these much-anticipated reports.

The Civic Federation and IIFS blogs have provided a constant source of research and data on fiscal issues across Illinois. Updated weekly, the two blogs provide additional commentary and analysis about government budgets, pension funding and taxes, among many other topics. Visit the blogs at civiced.org/blog and civiced.org/iifs/blog.



Illinois Governor Pat Quinn speaks to Civic Federation members at a Board meeting

Budget Analyses

The Civic Federation conducts analyses of the budgets of major taxing bodies in the City of Chicago, Cook and DuPage Counties and the State of Illinois every year. Our reports evaluate government fiscal policy and provide recommendations for effective financial management. In 2010 we took the following positions:

State of Illinois FY2011 Recommended

Operating and Capital Budgets:

The Civic Federation **opposed** Governor Pat Quinn's \$52 billion FY2011 recommended budget for the State of Illinois because it was unbalanced and did too little to address the State's fiscal crisis. The budget proposed borrowing billions to pay for operations while continuing to ignore the massive backlog of unpaid bills, which would make the State's financial condition worse.

City Colleges of Chicago FY2011

Proposed Budget:

The Civic Federation **supported** the City Colleges' FY2011 proposed budget totaling \$581.9 million. City Colleges proposed a reduction to its property tax levy while it pursued a reorganization plan that would centralize more administrative functions and increase programmatic specialization at its seven college campuses. However, the Civic Federation **was concerned** with a predicted funding gap through FY2013 and the inadequate amount of time allotted for public review of the budget document.

Chicago Public Schools FY2011

Proposed Budget:

The Civic Federation **supported** Chicago Public Schools' proposed \$6.5 billion budget for FY2011, which was a reduction of 5.9% or \$402.3 million from the proposed FY2010 budget. The proposed budget offered a short-term solution to the District's difficult and deepening financial crisis. While acknowledging that the District was left with few options to close its budget deficit for the fiscal year, the Civic Federation was **very concerned** that the FY2011 budget exposed the District to greater financial risk.

Chicago Transit Authority FY2011

Proposed Budget:

The Civic Federation **supported** the Chicago Transit Authority's proposed FY2011 budget of \$1.3 billion. The Federation had **significant concerns** about the agency in the longer term because its budget was balanced on \$83.0 million in anticipated payments from the State that had not yet materialized, as well as a \$113.0 million transfer from capital funds to the operating budget.

DuPage County FY2011 Proposed Budget:

The Civic Federation **supported** DuPage County's FY2011 proposed operating budget of \$459.4 million. The Federation found that the County planned to reduce operating expenditures for the second year in a row while pledging to maintain the existing level of service and keep the property tax levy at roughly the same level as the prior year. The analysis recommended that DuPage County fully adopt the planning policies the Civic Federation enumerated in its past analyses of the County's budgets.

City of Chicago FY2011 Proposed Budget:

The Civic Federation **opposed** the proposed FY2011 City of Chicago budget of nearly \$6.2 billion because it did not effectively address the structural deficit and relied too heavily on non-recurring revenues such as asset lease reserve funds and debt restructuring to close a \$654.8 million budget deficit. The proposed budget deferred costs and postponed changes needed to align current year expenditures with recurring revenues.

State of Illinois Enacted Budget FY2011:

The Civic Federation examined the State of Illinois' \$53.5 billion enacted operating budget for Fiscal Year 2011, which began on July 1, 2010 and ends on June 30, 2011. The report provided Illinois residents with a resource to understand expenditure and revenue trends at the State of Illinois.



“The Civic Federation’s authoritative research provides critical insight into the many difficult issues facing Illinois government.”

—Christine Radogno,

Minority Leader, Illinois Senate



Chicago Park District FY2011 Proposed Budget:

The Civic Federation **supported** the Chicago Park District's FY2011 proposed operating budget of \$397.6 million, which held the property tax levy flat and maintained expenditures at close to FY2010 levels through operating efficiencies and personnel cuts. However, the Civic Federation was **concerned** that the District's pattern of relying on non-recurring revenue sources appeared to indicate a structural deficit.

Metropolitan Water Reclamation District FY2011 Tentative Budget:

The Civic Federation **supported** the Metropolitan Water Reclamation District's FY2011 Tentative Budget of nearly \$1.0 billion. The Civic Federation had **concerns** about the MWRD's proposed budget because the District's pension fund showed signs of declining fiscal health, including increasing unfunded liabilities and a declining funded ratio.

Forest Preserve District of Cook County FY2011 Proposed Budget:

The Civic Federation **supported** the FY2011 Forest Preserve District of Cook County's budget of \$198.0 million. The proposed FY2011 budget represented a decrease of \$236,300 or 0.1% from the FY2010 proposed budget. The Federation commended the District for holding its property tax levy flat at a time when Cook County residents are facing serious economic hardships. However, the Federation **strongly urged** support for the creation of a separate Board of Commissioners for the Forest Preserve District. The current board structure that oversees both the District and Cook County results in an unavoidable conflict of interest.

Cook County FY2011 Recommended Budget:

The Civic Federation **supported** Cook County's \$3.0 billion FY2011 Executive Budget Recommendation as it reflected a significant effort to reduce expenditures. The new County administration appeared to be on a path toward significant reform of governmental operations, as recommended by the Federation in its Cook County Modernization report. The analysis noted that the County still faced significant challenges, including budgetary shortfalls in coming years due to significant cost drivers and the repeal of the remaining portion of the sales tax, as well as the need to address its declining pension funds.



“Illinois governments are fortunate to have a resource like the Civic Federation—their assistance has been helpful to our efforts in the General Assembly to implement results-based budgeting.”

—Dan Kotowski,

Illinois State Senator



INFORMATION

“The Civic Federation is a great example of Chicago’s unique climate of cooperation between government and the private sector. I look forward to working with them to make City government more efficient and effective.”

— Rahm Emanuel, Mayor of Chicago

The Civic Federation works closely with governments to improve their effectiveness by participating in their commissions and providing evidence-based, independent analysis of some of the most difficult issues they face. The Federation also helps keep our members and the public informed about the most important fiscal policy questions of the day through conferences and events.

The State of the State of Illinois

In January 2010 Illinois State Senator Reverend James Meeks addressed members of the Civic Federation Board at a meeting hosted by Columbia College Chicago. Reverend Senator Meeks expressed his support for charter schools and school vouchers because they offer students more education options. Reverend Senator Meeks also discussed some of the reforms he believes are necessary to restore solvency to the State's pension systems.

The Impact of the State Fiscal Crisis on the University of Illinois

University of Illinois President Stanley Ikenberry spoke at the February meeting of the Civic Federation Board, hosted at the Chicago Auto Show by Board member Jerry Cizek, past Chairman of the Chicago Automobile Trade Association. Dr. Ikenberry explained how the State of Illinois' practice of accumulating a backlog of unpaid bills was threatening the daily operations of the University system.

The Challenges and Opportunities Facing Chicago Government

Gene Saffold, then Chief Financial Officer for the City of Chicago, spoke to Civic Federation Board members at a meeting hosted by JPMorgan Chase. Mr. Saffold discussed the previous financial challenges faced by the City of Chicago and future challenges the City must address in its FY2011 budget, the City's privatization efforts and the future of Chicago's pension systems.

The Cook County Health System Strategic Plan

Bill Foley, then CEO of the Cook County Health and Hospitals System, spoke at a meeting of the Civic Federation Healthcare Committee. Mr. Foley discussed his work to create a strategic plan for the System, which would focus its operations and improve efficiency. Mr. Foley also commented on efforts to make the System's Board of Directors permanent.

The Challenges and Opportunities Facing Chicago Schools

Civic Federation Board members and guests heard past Chicago Public Schools Chief Executive Officer Ron Huberman's presentation about measures CPS was taking to combat a major budget deficit. Mr. Huberman outlined efforts to reduce administrative staff levels, renegotiate teacher contracts and improve educational programming. He also described in detail new programs to overhaul underperforming schools.

A Forum with Illinois Gubernatorial Candidates

State of Illinois Governor Pat Quinn and Illinois gubernatorial candidates State Senator Bill Brady and Rich Whitney presented their platforms at a special Civic Federation Board of Directors meeting hosted by The John Buck Company. The candidates each discussed how they would tackle the State's budget and pension funding troubles and answered questions from Federation Board members and their guests.

A Forum with Assessor Candidates

Candidates for Cook County Assessor – Joseph Berrios, Forrest Claypool, Robert Grota and Sharon Strobeck-Eckersall – spoke to the Civic Federation Board of Directors and their guests in a series of forums. The candidates explained some of the ways they could improve the quality of assessments in the County, including making improvements to the transparency of the Assessor's Office operations and implementing new assessment procedures.



Mayor Rahm Emanuel explains his priorities for the City of Chicago at a Civic Federation Board of Directors meeting



ACTION

“We share the Civic Federation’s commitment to long-term structural reform. We will continue our shared work on proposals to move the County forward.”

—Toni Preckwinkle, Cook County Board President



The Civic Federation's research and information creates a solid, factual foundation for public information campaigns to maximize the quality and cost-effectiveness of state and local government. In 2010 the Civic Federation took action on a number of important policy issues that affect taxpayers across Illinois. The issues include:

A Separate Board for the Forest Preserve District of Cook County

Since the release in 2008 of a joint Civic Federation and Friends of the Forest Preserves publication calling for the creation of a separate Board of Commissioners for the Forest Preserve District of Cook County, both groups have worked to promote the report's findings and recommendations. At the local level, Friends gave presentations to community and environmental groups, while at the state level both Friends and the Federation testified in favor of legislation to create a separate governing board for the Preserves.

Commission to Strengthen Chicago's Pensions

Civic Federation President Laurence Msall was a member of Mayor Daley's Commission to Strengthen Chicago's Pension Funds. The Commission gauged the severity of the underfunding of Chicago's pension systems and offered recommendations to help restore solvency to those funds. The Civic Federation also submitted supplemental material to the recommendations of the Commission, saying that the severity of the City's pension crisis could not be overstated and that major reforms were needed to set the City's systems on the correct course.

Comprehensive Position on the Cook County Property Tax System

This report, two years in the making, articulated the Civic Federation's overall position on the Cook County property tax system. The report expressed the Federation's vision for a better property tax system and was intended to serve as a framework against which proposals to change the Cook County property tax system may be evaluated. The report identified positive and negative features of the current system as well as unintended consequences.

Support for the Cook County Health and Hospitals System Strategic Plan

After a year of work, the separate governing board in charge of the Cook County Health and Hospitals System, which provides healthcare for mainly low income and uninsured patients, released its strategic plan. The plan is designed to help the System better serve the needs of its clients by reorienting the County's health system more toward outpatient care and away from inpatient hospital services. The Civic Federation testified in support of the proposal at a Cook County Board hearing. The Board later approved the plan, which will improve the delivery of healthcare services to County residents by increasing access to preventive care and reducing costly emergency room visits and hospitalizations.

Presentation on the State of Illinois Fiscal Crisis at the Federal Reserve Bank of Chicago

Civic Federation President Laurence Msall was invited to give a presentation on the State of Illinois' fiscal crisis at the Federal Reserve Bank of Chicago. Mr. Msall informed the attendees of the Illinois Fiscal Future Conference about the origins and consequences of the crisis, as well as possible solutions.



Cook County Board President Toni Preckwinkle shares her perspective on how to reform the County with the Civic Federation Board of Directors



Congressman Mike Quigley at a Civic Federation Board meeting

“The Civic Federation strikes a rare balance among watchdog groups: they critique public policy while still believing in government’s ability to create positive outcomes for citizens.”

—Mike Quigley,

United States Representative

Position Statement on School Vouchers

The Civic Federation released a position statement on school vouchers as the General Assembly debated legislation that would have created a pilot voucher program for the Chicago Public Schools. The Federation noted that it could support a voucher program that would be revenue neutral or provide savings to taxpayers, would be limited to the lowest-performing public schools during an initial trial period and would be subject to a detailed review and evaluation within five years of implementation.

Illinois Fiscal Crisis Town Hall Meeting

In August Federation President Laurence Msall participated in a town hall discussion about the State’s fiscal crisis convened by Illinois State Senator Heather Steans and State Representative Greg Harris. Mr. Msall explained that Illinois’ fiscal troubles were rooted in an underfunded pension system and its practice of spending more than it could expect in revenue. Mr. Msall added that the fiscal crisis has put extraordinary pressure on State service providers and agencies.

Opposition to Borrowing for Public Pensions

In FY2010 and FY2011 the State of Illinois borrowed billions in order to make its statutory contributions to its employee pension funds. The Federation strongly opposed pension borrowing because it increases the cost of the pension program and allowed the State to use General Funds revenue to pay for other state services, rather than funding the pension systems. The Federation noted its opposition in its analyses of state budgets, in the media and through letters to the members of the General Assembly.

What the Media are Saying about the Civic Federation

Chicago Tribune:

“...Many of the best and gutsiest budget proposals have come from the Civic Federation of Chicago.”

Chicago Sun-Times:

“The respected Civic Federation put it on the line today: Illinois desperately needs a major income tax increase to clean up the financial mess it’s in. That’s called leadership.”

Bloomington Pantagraph:

“We would recommend that all candidates and members of the General Assembly read the Civic Federation’s ‘Fiscal Rehabilitation Plan for the State of Illinois.’”

New York Times: “Influential”

Crain’s Chicago Business: “Respected”

ABC7 Chicago: “Powerful”

NBC5 Chicago: “The State’s most prominent watchdog group”

Chicago Magazine: “Indispensable”

INSTITUTE FOR ILLINOIS' FISCAL SUSTAINABILITY

The Fiscal Rehabilitation Plan

In 2010 IIFS published its most important project to date: the “Fiscal Rehabilitation Plan for the State of Illinois,” which described the basis of Illinois’ current fiscal crisis and presented a plan to salvage the State’s finances. The report called for a comprehensive package of budget cuts, pension reforms and revenue increases to put Illinois on solid financial footing and address its nationally-recognized fiscal crisis. IIFS also published materials to help readers navigate the plan. The plan received the Most Distinguished Research Award from the Governmental Research Association.

State of Illinois Enacted FY2010 and FY2011 Budgets

IIFS analyzes the State of Illinois’ enacted budgets because they often bear little resemblance to the Governor’s proposed budget. The reports distilled months of negotiations and hundreds of pages of data into concise and useful information that has helped Illinoisans keep tabs on government expenditure and revenue trends.

The Cost of the Crisis

The “Cost of the Crisis” report made a comparative analysis of the cost of the \$9.6 billion in bonds the State of Illinois issued between September 2009 and July 2010. The report estimated that the state may pay as much as \$551.3 million extra for its borrowing over the life of the bonds as a consequence of its deteriorating bond rating. The report noted that the cost of the extra borrowing will continue to stress future budgets with increased debt service costs and a higher cost of government for the taxpayers of Illinois.

The Institute for Illinois’ Fiscal Sustainability is made possible by a generous grant from the John D. and Catherine T. MacArthur Foundation.

The “Fiscal Rehabilitation Plan for the State of Illinois” was also funded by the Chicago Community Trust, Joyce Foundation and McCormick Foundation.

Our gratitude goes out to all of our foundation funders for their support.

State of Illinois Revenue Trends

In April 2010, David Vaught, Director of the Governor’s Office of Budget and Management, spoke at a meeting of the Civic Federation State Budget Committee. Mr. Vaught discussed the challenges facing the State of Illinois in its attempts to bridge a major budget gap and restore solvency to its underfunded pension systems.

Budgeting for Results

Following IIFS’ calls for such requirements in the “Fiscal Rehabilitation Plan” and its analyses of the State’s budgets, Illinois government in 2010 implemented new performance measurement requirements that may significantly improve the General Assembly’s annual budget appropriations process. The performance measurement legislation required legislators to prioritize outcomes and goals and the Governor to produce performance assessments and budget forecasts prior to the publication of the FY2012 budget recommendation.



“The Civic Federation’s independent research and efforts to improve efficiency and transparency in state government have helped greatly as Illinois leaders deal with a difficult financial situation.”

—Dan Rutherford,
Illinois Treasurer



2010

CIVIC FEDERATION AWARDS LUNCHEON

From our founding, the Civic Federation has brought together business leaders who share an interest in making the Chicago metropolitan area a better place to live and work. Named for the Federation's founding members, the Lyman J. Gage Award and Addams-Palmer Award recognize the outstanding civic contributions of individuals and institutions whose leadership and dedication set an example for all of us. The award presentation luncheon celebrating our honorees was attended by Chicago's business, civic and government leaders as well as Civic Federation Board members and the luncheon co-chairs.

The 2010 Civic Federation Awards Luncheon honored the exceptional civic leadership of John F. Sandner, Retired Chairman and Member of the Executive Committee of CME Group, Inc., with the Lyman J. Gage Award for Outstanding Civic Contribution. Luncheon co-chair Andrew J. McKenna presented the award to Mr. Sandner, emphasizing his commitment to community service through the Amicus program he founded and involvement with many civic organizations in Chicago.

Abbott, a global, broad-based health care company, received the Addams-Palmer Award for Exemplary Civic Involvement. Abbott Chairman and Chief Executive Officer Miles D. White accepted the award on behalf of his company from luncheon co-chair Lester Crown. Mr. Crown highlighted Abbott's dedication to promoting good health around the globe and in its hometown of Chicago.

Special thanks from the Civic Federation staff and Board of Directors to luncheon co-chairs Lester Crown, W. James Farrell, Andrew J. McKenna and J. Christopher Reyes, who provided invaluable counsel and support.



“To me the Addams-Palmer Award recognizes the two sides of civic improvement—the passionate visionary and the committed patron. At Abbott we need to be visionary in our business of innovating new health care technologies. In citizenship we take on the role of committed supporter, embracing the best ideas of those who have made the betterment of our communities their passion and their life’s work.”

—Miles White,
Chairman and Chief Executive
Officer, Abbott

L to R: Civic Federation President Laurence Msall, Luncheon Co-Chair Lester Crown, Abbott Chairman and CEO Miles D. White, CME Group Retired Chairman John F. Sandner and Luncheon Co-Chair Andrew J. McKenna



“Lyman Gage, Bertha Palmer and Jane Addams, when they look down and see what we’ve done and what we continue to do to enlighten and to deliver on the mission that they set out 116 years ago in this very hotel, to be the best city, the best governed city and the healthiest city in the country, they’ll see that we’re still delivering on that promise and that mission. And they should be proud.”

—Jack Sandner, Retired Chairman,
Member of the Executive Committee, CME Group, Inc.



“These are still truly challenging times not only for our city, state and nation, but the entire world. These trying times underscore the importance to our community of an organization like the Civic Federation. Without the Civic Federation, the vital flow of research, non-partisan information and spirit of collaboration that helps guide our City’s decision makers would be cut off. Our communities would be worse off and our City not nearly as great.”

—Stephanie Neely,
City of Chicago Treasurer



(Clockwise from top left) CME Group Retired Chairman John F. Sandner and Luncheon Co-Chair Andrew J. McKenna; Abbott Chairman and CEO Miles D. White and Luncheon Co-Chair Lester Crown; Civic Federation Board member Martin Eisenberg, Elizabeth Ahlgren and Civic Federation Board member Carol Garnant; and Dale Johnson and Civic Federation Board member William Ketchum

19TH ANNUAL
MOTOROLA
FOUNDATION
EXCELLENCE IN PUBLIC
SERVICE AWARD

In 1990 executives at Motorola recognized the need to identify and promote the exemplary work of public servants throughout the State of Illinois. Motorola had previously worked with the Illinois business community to support the achievements and hard work of non-elected government officials.

Now sponsored by the Motorola Foundation and the Civic Federation, the Excellence in Public Service Award annually recognizes a non-elected government official who has had an extraordinary impact on the quality of government services in the City of Chicago, Cook County and the State of Illinois. The award seeks to honor individuals who show dedication to a vision of quality management, leadership and innovation that leads to lasting achievements and more effective government in Illinois.

The 19th Annual Motorola Foundation Excellence in Public Service Award honored James R. Reilly. As the Trustee of the Metropolitan Pier and Exposition Authority (MPEA, also known as “McPier”), Mr. Reilly was entrusted by Illinois Governor Pat Quinn and the General Assembly with the task of saving Chicago’s multi-billion dollar convention and trade show industry by streamlining operations at McCormick Place. Mr. Reilly’s 18-month role also includes promoting Navy Pier as the Midwest’s premier tourist destination and maximizing the income the venue generates. Mr. Reilly has already succeeded in cutting costs and making other changes that allowed McCormick Place to retain large and important trade shows that were threatening to leave.

During a distinguished career in public service, Mr. Reilly has served as Chairman of the Regional Transportation Authority, led the Chicago Convention and Tourism Bureau, was Chief of Staff to two Illinois governors and was elected Representative in the Illinois General Assembly.

Honorary Co-Chairs for the event included dignitaries such as Illinois Governor Pat Quinn, then-Chicago Mayor Richard M. Daley and past recipients of the Excellence in Public Service Award. Civic, business and government leaders packed the Palmer House Hilton Grand Ballroom for the awards breakfast. The program included a welcome speech by Illinois Department of Healthcare and Family Services Director Julie Hamos and the presentation of the award by Motorola Foundation Director Matthew Blakely. To see more pictures from the event and to read Mr. Reilly’s acceptance speech, visit the Events page on the Civic Federation’s website.



L to R: Past Illinois Governor Jim Edgar, Veronica Reilly, James R. Reilly, Darcy Davidsmeyer and Matthew Blakely



Attendees chat at the coffee reception

SUPPORT

The Civic Federation's Board of Directors is the powerhouse behind all of our success. Our Board is a diverse and highly talented group of business and professional leaders from a wide range of Chicago area companies and institutions. Board members give generously of their time and expertise in the planning and execution of our mission to provide a non-partisan, objective perspective on state and local government tax and finance issues. In our system of Board committees, members of different interests and skills debate and discuss issues with staff and each other, ensuring a rigorously vetted research process and policy analysis that reflects the highest standards of our business and civic community.



Board members David Abel and Bennett Johnson III talk before the 2010 Civic Federation Annual Meeting



L to R: Ed Wertzberger, RSM McGladrey, and Civic Federation Board members Andrew Gottschalk and Patrick Hagan chat after the Civic Federation's forum with the major party candidates for Illinois governor



New Civic Federation Chairman Thomas Livingston (L) and Federation President Laurence Msall (R) thank outgoing Chairman Thomas McNulty (C) for his service to the Civic Federation



Civic Federation Vice-Chairman Mark Davis (R) introduces special guest speaker Illinois State Senator Reverend James Meeks (L) at a Federation Board meeting



“In both the business community and government, the Civic Federation has an excellent reputation for hard-hitting but fair and evidence-based analysis of government policy.”

—Sarah Pang,

Senior Vice President, Corporate Communications, CNA and Civic Federation Board Member

2010 Civic Federation Supporters

Mark A. Angelini	William M. Goodyear, Jr.	John W. Rogers, Jr.
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Foundation Support

The Civic Federation’s work to improve the effectiveness of local and state governments is made possible by the generous support of the foundation community. In 2010 the Civic Federation received grants to develop an analysis of the State of Illinois’ fiscal crisis, create a modernization plan for Cook County and do research on the Medicaid program in Cook County, among many other projects.

Our gratitude goes out to the following foundations for their financial and experiential support:

- The Chicago Community Trust
- Crown Family Philanthropies
- The Elizabeth Morse Genius Charitable Trust
- The John D. and Catherine T. MacArthur Foundation
- The Joyce Foundation
- McCormick Foundation
- The Motorola Foundation
- Robert Wood Johnson Foundation
- The Searle Funds at the Chicago Community Trust

STATEMENT OF FINANCIAL POSITION

Year Ended September 30, 2010

ASSETS	2010
Cash and cash equivalents	\$ 278,574
Investments	2,042,891
Receivables	
Pledges	250,000
Other	41,213
Website development costs (Accumulated depreciation of \$3,000 in 2010)	12,000
Prepaid expenses	7,632
Total Assets	\$2,632,310
LIABILITIES AND NET ASSETS	
LIABILITIES	
Accounts payable	\$ 6,129
Accrued wages	14,720
Accrued vacation	20,141
Deferred revenue	3,500
Total Liabilities	\$44,490
NET ASSETS	
Unrestricted	
Undesignated	\$ 217,089
Board-designated	2,042,891
Total Unrestricted	\$2,259,980
Temporarily Restricted	\$ 327,840
Total Net Assets	2,587,820
Total Liabilities and Net Assets	\$2,632,310



State of Illinois Budget Director David Vaught speaks to the Civic Federation State Budget Committee



Board members J.D. Bindenagel and Sarah Garvey



Then Cook County Assessor Candidate Joseph Berrios answers questions at a Civic Federation candidate forum

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