

THE CIVIC FEDERATION ANNUAL REPORT *2018*

RESEARCH | INFORMATION | ACTION

Since 1894





MISSION

To provide research, analysis and recommendations that:

- Champion efficient delivery of high-quality government services;
- Promote sustainable tax policies and responsible long-term planning;
- Improve government transparency and accountability; and
- Educate and serve as a resource for policymakers, opinion leaders and the broader public.

HISTORY

The Civic Federation was founded in 1894 by several of Chicago's most prominent citizens, including Jane Addams, Bertha Honoré Palmer and Lyman J. Gage. They coalesced around the need to address deep concerns about the city's economic, political and moral climate at the end of the 19th century. The Federation has since become a leading advocate for efficient delivery of public services and sustainable tax policies.

Today the work of the Federation continues to evolve as greater emphasis is placed on working with government officials to improve the efficiency, effectiveness and accountability of the State of Illinois and local governments. The Civic Federation's Institute for Illinois' Fiscal Sustainability was launched in 2008 to provide Illinois policymakers, the media and the general public with timely and comprehensive analysis of the state budget and other fiscal proposals for the State of Illinois.

IN THIS REPORT

| | |
|--|-------|
| Letter from the Chair and President | 3 |
| Civic Federation Priorities in 2018 | |
| <i>Research</i> | 4-5 |
| <i>Information</i> | 6-7 |
| <i>Action</i> | 8-9 |
| FY2019 Budget Analysis Summary | 10-11 |
| Institute for Illinois' Fiscal Sustainability | 12-13 |
| Annual Civic Awards Luncheon | 14-15 |
| Motorola Solutions Foundation Excellence in Public Service Award | 16 |
| Financials | 17 |
| Support | 18-19 |



FROM OUR CHAIR AND PRESIDENT

As both the State of Illinois and the City of Chicago welcome new leadership, the Civic Federation has been called on more than ever by elected officials, civic and community groups and the media to provide context and perspective on the many financial and governance challenges facing our region.

As always, this includes publication of research and reports that embrace objective analysis and robust recommendations. The Federation continues to build on our reputation for trusted nonpartisan research to expand the scope of our influence and our work to move the State and region toward greater long-term stability.

When Mayor Emanuel announced in September 2018 that he would not seek re-election, the Federation was a leading voice in both local and national media on what the announcement meant for the City's financial future. Throughout the 2018 and 2019 election cycles, candidates for a variety of State and local offices relied on Civic Federation analysis and recommendations to shape their policy proposals. Following the November gubernatorial election, Civic Federation members and leadership were tapped to serve on a number of Governor-Elect Pritzker's subject-matter transition committees.

All of this speaks to the extraordinary support, guidance and expertise of the Civic Federation's greatest strength: our members.

Representing the region's major corporations, service firms and institutions, our Trustees, Board and Council remain committed to effecting positive change. At Board and committee meetings, members engage in rigorous policy debate, work to affirm the Federation's principles and vet staff research and analysis. These efforts are the reason we believe our work continues to be held in such high regard by the media, government officials, civic leaders and the public.

On behalf of a grateful Civic Federation, thank you to our members for serving as the pillars of our organization, for your continued interest and support and, most of all, for your perseverance in working to move our governments forward.

MONICA MUELLER

Chair

LAURENCE J. MSALL

President

RESEARCH

The Civic Federation's nonpartisan analyses and recommendations promote sustainable tax and fiscal policies. This work is a critical resource for Illinois governments as they address serious financial challenges such as persistent structural deficits and historically low credit ratings.

“The state is on the edge of financial collapse,” says Laurence Msall, president of the Civic Federation, a good-government nonprofit in Chicago. What scares budget experts the most is that Illinois is facing a fiscal crisis even as the national economy, and the state's, is roaring ahead. The unemployment rate in Illinois is 4.1 percent. “If there's a hiccup in the economy, if there is something that's unexpected, Illinois does not have reserves to basically weather any economic downturn at this point,” Msall says.

Politico Magazine, 10-5-18

• Pondering the Options for Public Pension Reform

• In April the Civic Federation and Federal Reserve Bank of Chicago cohosted the policy forum, “Navigating Pension Reform: What Lies Ahead?” Experts, practitioners and academics from around the country gathered to discuss the best and worst case scenarios for the severe public pension issues facing Illinois and its local governments. Panelists looked at pension reform successes from other states and explored a number of proposals for tackling the pension crisis in Illinois, spanning from the consideration model to consolidation. The keynote panel featured Illinois State Representative Elaine Nekritz and Illinois Governor Jim Edgar. Panelists and guests agreed that a varied and multi-faceted approach will be necessary to make true headway on Illinois' crisis.

• Considering the Impact of Violence on the City of Chicago

At the 124th Annual Meeting of the Civic Federation Board of Directors on November 8, members heard from keynote speaker U.S. Senator Dick Durbin. Senator Durbin focused his remarks on gun violence in Chicago and his HEAL (Hospital Engagement, Action and Leadership) Initiative, which began in January 2018. HEAL is a collaboration between ten of the largest hospitals in Chicago's most underserved neighborhoods, and is aimed at reducing violence and improving health. Senator Durbin said he worked to organize HEAL after learning that the hospitals were already working separately to make people safer and healthier. The Federation intends to further explore ways in which it can affect the unacceptable level of violence in the City of Chicago.

• Sharing Civic Federation Research with a Broad Audience

• As fiscal dysfunction continues to cripple Illinois and its local governments, Civic Federation staff are increasingly asked to provide insight and analysis of the ongoing crises and to share recommendations for reform. The Federation presented to or moderated panels for many civic, government and nonprofit groups in 2018, including the City Club of Chicago, Ann & Robert Lurie Children's Hospital, the University of Illinois at Chicago and the Chicago Metropolitan Agency for Planning. Civic Federation research was cited frequently in local and national publications. In addition, the Civic Federation was consulted by a number of candidates for political office in the 2018-2019 election cycle.



(Top right)
U.S. Senator Dick Durbin speaking at the Civic Federation's Annual Meeting

(Bottom left)
Former Governor Jim Edgar and Former Illinois State Representative Elaine Nekritz at the public pension forum

INFORMATION

The Civic Federation works to focus attention on the long-term consequences of current fiscal policies. As the Civic Federation wades into new areas of study, we work to ensure that Federation research remains a nonpartisan and reliable source of information for elected officials, the media and the public.

CPS has much to brag about: Rising graduation rates. Better academic scores. Expanding International Baccalaureate programs. Several high-performing high schools. But all of that can be imperiled by too much spending, too much borrowing or too little future funding from Springfield. CPS's approach to budgeting is "basically tread as you go," Civic Federation President Laurence Msall tells us. That approach nearly drove the district into bankruptcy.

Chicago Tribune, 7-25-18

UPDATES ON STATE OF ILLINOIS FINANCES FROM THE GOVERNOR AND STATE TREASURER

Illinois Governor Bruce Rauner addressed the Civic Federation Board of Directors twice in 2018. The Governor reflected on his first three years in office and said he would seek to lift some regulations on businesses and continue to work toward a balanced State budget if reelected.

In May, Illinois State Treasurer Michael W. Frerichs updated the Federation Board on a number of programs run by his office which he says allow Illinois residents to save and invest with low barriers to entry. These programs include ABLE, Ag Invest, Secure Choice, Bright Start and Bright Directions. Treasurer Frerichs also discussed his proposed legislation aimed at reducing the millions of dollars Illinois pays in interest penalties on its backlog of unpaid bills by allowing his office to purchase the State's overdue bills. The legislation was enacted as Public Act 100-1107 in August 2018.

BRIEFINGS FROM CHICAGO'S MAYOR, CHIEF FINANCIAL OFFICER AND SCHOOLS CHIEF EXECUTIVE OFFICER

At a December meeting of the Civic Federation Board of Directors, Mayor Rahm Emanuel provided an update on the challenges and opportunities facing the City of Chicago. Mayor Emanuel said that Chicago is a city with a strong economy and has the most educated workforce of the country's five largest cities. He also noted that, while Chicago faces significant financial challenges, much progress has been made over the last several years and Chicago is well-positioned to continue its status as a global city. Mayor Emanuel then discussed his plan to further stabilize the City's four pension funds.

In October, the Civic Federation Board of Directors heard from Chicago Public Schools Chief Executive Officer Dr. Janice Jackson. Dr. Jackson noted that CPS is being recognized nationally for its academic improvement, but that continued

(Top right)
Chicago Public Schools CEO Dr. Janice Jackson addressing the Board of Directors

(Top left)
Civic Federation Board members talking with Illinois Treasurer Michael Frerichs

Former Illinois Governor Bruce Rauner addressing the Civic Federation Board of Directors



progress is not possible without fiscal stability at the local and State level. Earlier in the year, City of Chicago Chief Financial Officer Carole Brown met with the Federation Board to present the City's \$8.5 billion expansion plan for O'Hare International Airport. Ms. Brown projected that O'Hare will grow to serve 100 million passengers by 2026 and estimated the plan's contribution to the regional economy at \$50 billion and 460 thousand new jobs.

ANNUAL REPORTS ON CONSUMER TAXES AND ESTIMATED PROPERTY VALUES

The Civic Federation's report on selected consumer taxes included rates and descriptions of taxes in place in the City of Chicago on sales, accommodations, leases, hotels, liquors, restaurants, soft drinks, tobacco and parking. As in past years, local government officials commented to Federation staff in 2018 on the helpfulness of this report to their own work. The Federation's annual report on the estimated full value of real property in Cook County found that the estimated total value of real estate in the County rose for the fourth year in a row after having fallen for six consecutive years prior.



ACTION

The Civic Federation champions the efficient delivery of high-quality government services. Through a robust research agenda and a strategic legislative plan, the Federation continues to shape the way resources are utilized and services are delivered across Illinois.

Several bills are floating around Springfield to allow more state intervention into financially troubled municipal governments. The Civic Federation has pushed a bill creating a task force to evaluate and make recommendations to those governments. Dozens of states have similar provisions in place, but not Illinois.

Chicago Tribune, 5-11-18

(Top right)
A meeting of criminal justice advocates convened following the Civic Federation's report on pretrial data disclosure

(Bottom right)
Civic Federation President Laurence Msall speaking with reporters

DISCOURSE ON ILLINOIS PENSION CHALLENGES AND OPPORTUNITIES

In 2018 the Civic Federation continued to push for solutions to Illinois' ever-worsening pension crisis. To gain insight into challenges related to addressing \$130 billion in unfunded liability at the State level alone and into potential avenues for reform, Federation members and staff met with scholars, public officials and other experts throughout the year, including Executive Director of the Retirement Security Initiative Pete Constant. The April policy forum, co-hosted by the Federal Reserve Bank of Chicago, also focused on public pensions.

Many Illinois local governments are in severe financial distress, primarily due to these crippling pension obligations, and the Civic Federation believes the State of Illinois has a responsibility to these governments. In 2018, the Federation continued to advocate for a Local Government Protection Authority (LGPA), a proposed quasi-judicial structure that would provide financially distressed local governments and their employees with a venue, encouragement and supervision to aid in finding creative, voluntary solutions to financial challenges. In August the Federation convened a meeting with Illinois lawmakers to familiarize them with the proposal and discuss other ideas for assisting distressed local governments.

PROVIDING A SIGNAL BOOST FOR CRIMINAL JUSTICE TRANSPARENCY REFORM

In November of 2017, the Civic Federation published *The Impact of Cook County Bond Court on the Jail Population: A Call for Increased Public Data and Analysis*. The report examined difficulties obtaining data related to the Cook County bond court and jail and also called on Cook County criminal justice officials to follow the practices of other large metropolitan jurisdictions in more fully disclosing critical criminal justice data. According to the report, increased transparency would enable the public to have better informed discussions about criminal justice and the effective use of taxpayer dollars, ultimately empowering taxpayers to hold government officials more accountable.

In January 2018, the Civic Federation convened a meeting of criminal justice advocates to discuss how best to improve public access to county-level criminal justice data and explore the feasibility of pursuing legislation that would require more complete disclosure of public data. Attendees included representatives from Loyola University, Northwestern University, the Illinois Justice Project, the Chicago Justice Project, the Chicago Appleseed Fund for Justice, Injustice Watch and the Chicago Community Bond Fund.

With varying success, advocacy groups had worked for years to shine a light on the lack of available criminal justice data, and the strong signal boost provided by the Federation's report drew increased attention from the media and key public officials, spurring a modest increase in available data from the Sheriff's Office just weeks after publication. In May, the Chief Judge's Office began posting detailed quarterly information about Cook County bond court orders and outcomes online.



PUSHING FORWARD ON LOCAL GOVERNMENT CONSOLIDATION

With nearly 7,000 local government units, Illinois has more units of government than any other state. The multiplicity of local units of government, many of which are funded predominantly by property taxes, is often cited as a reason for high property tax rates in Illinois. In 2018 the Civic Federation continued to work with Transform Illinois, a coalition of elected officials, civic organizations and research institutions, to push for consolidation legislation in Springfield.

The Civic Federation's Local Government Committee hosted public officials throughout the year to discuss consolidation initiatives. In February, members heard from Brad Cole, Executive Director of the Illinois Municipal League. Mr. Cole discussed the IML's 2018 legislative agenda, including five proposals for consolidating Illinois' 663 municipal police and fire pension funds. In discussing the proposals, which were introduced in the 100th General Assembly, he noted that many Illinoisans are familiar with the State of Illinois' \$130 billion unfunded pension liability, but do not know about the many local funds struggling with funded ratios of as low as 20%.



FISCAL YEAR 2019 BUDGET ANALYSIS SUMMARY

The Civic Federation produces annual analyses and recommendations for the budgets of eight local governments, as well as a cycle of Illinois budget reports prepared by the Federation's Institute for Illinois' Fiscal Sustainability. The Federation is often the only independent organization that examines many of these governments' budgets in any detail—or at all—meaning its work is vital to helping citizens understand the governments' spending plans.

Msall's testimony prompted questions from aldermen asking how the pending transaction differed from the previous two and whether the federation believed the structure resembled the scoop-and-toss debt restructurings of the past, in which the city effectively borrowed new money to pay off maturing debt.

The Bond Buyer, 11-5-18

CITY OF CHICAGO

The Civic Federation **supported** the City of Chicago's proposed \$8.9 billion FY2019 budget because it was a reasonable one-year financial plan that did not include any new taxes or fees, made important public safety investments and funded the increased 2019 pension contribution to the police and fire pension funds without a property tax increase.

CHICAGO PUBLIC SCHOOLS

The Civic Federation **supported** Chicago Public Schools' proposed FY2019 budget of \$7.6 billion with reservations. Due to considerable recurring revenue sources, including increased State funding and a property tax levy dedicated to pension funding, the District's financial position had significantly stabilized compared to recent years. However, the Federation had concerns about the reliability of future State funding, the proposed capital plan and the ongoing use of short-term borrowing.

COOK COUNTY

The Civic Federation **supported** Cook County's proposed FY2019 budget of \$5.9 billion because it was structurally balanced without raising new taxes and continued the practice of making supplemental pension payments.

CHICAGO TRANSIT AUTHORITY

The Civic Federation **supported** the Chicago Transit Authority's proposed FY2019 operating budget of \$1.6 billion. Despite continued shortfalls in State funding, the proposed budget did not include any fare increases or service cuts. However, the Federation had significant concerns about the CTA's ongoing decline in overall ridership and a lack of State funding.

METROPOLITAN WATER RECLAMATION DISTRICT

The Civic Federation **supported** the Metropolitan Water Reclamation District of Greater Chicago's (MWRD) proposed FY2019 Tentative Budget of \$1.09 billion because the District continued a proactive plan to fund the MWRD Retirement Fund annually at a level that is projected to reach 100% funding by 2050 and followed a number of other best financial practices.

CITY COLLEGES OF CHICAGO

The Civic Federation **supported** the City Colleges of Chicago's proposed FY2019 operating budget. The \$436.1 million budget was a prudent plan to continue to stabilize the District's finances following the second full year of State funding since fiscal year 2015.

CHICAGO PARK DISTRICT

The Civic Federation **supported** the Chicago Park District's FY2019 proposed budget of \$464.0 million because it continued to reduce reliance on prior year fund balance, implement savings and efficiencies and reduce the size of its workforce. While the District has continued to work to improve the sustainability of its pension fund by providing voluntary supplemental pension payments in FY2018 and FY2019, there is still great uncertainty surrounding the outcome of future pension reform negotiations with its labor partners following a March Circuit Court ruling striking down a 2014 pension benefit and funding reform law.

FOREST PRESERVE DISTRICT OF COOK COUNTY

The Civic Federation **supported** the Forest Preserve District of Cook County's full proposed FY2019 budget of \$204.8 million as a reasonable one-year plan. The District has worked to control costs in recent years by eliminating personnel positions and outsourcing non-critical activities. However, the District finds itself in a challenging fiscal position with significant future revenue shortfalls.

Former Chicago Mayor Rahm Emanuel speaking to the Civic Federation Board of Directors

Civic Federation President Laurence Msall testifying in front of the Chicago City Council





INSTITUTE FOR ILLINOIS' FISCAL SUSTAINABILITY

Launched in 2008 with support from the John D. and Catherine T. MacArthur Foundation, the Institute for Illinois' Fiscal Sustainability informs the Illinois budget process with timely fiscal policy analysis and recommendations to State officials, the media and the public.

JANUARY

Data on the Illinois Comptroller's website showed the State spent \$337.9 million on interest penalties on overdue bills in the first seven months of FY2018. This figure broke the previous annual high of \$317.9 million in FY2013.

An Institute blog post called attention to the State's large and growing infrastructure needs, expressing the need for a transparent capital plan with a reliable, long-term source of funding.

FEBRUARY

The Institute proposed a series of recommendations in its **FY2019 State Budget Roadmap** that would eliminate the State's operating deficit in FY2019 and clear the multi-billion-dollar backlog of bills by FY2023, allowing the State to begin building a rainy day fund to protect against future financial shocks. In the analysis, the Institute noted that none of the painful but necessary recommended spending cuts or increased revenues would go toward better or additional services for Illinoisans, but would instead settle many billions of dollars in obligations already incurred.

Amid concerns about renewed political stalemate, Governor Rauner presented his recommended FY2019 budget to the Illinois General Assembly. The Governor's plan was significantly closer to being balanced than his administration's previous proposals with a modest surplus of \$351 million.

MARCH

As of the end of February, the State owed an estimated \$983 million in late-payment interest on its mountain of overdue bills, an increase of \$96 million in two months.

A series of Institute blog posts explored the possible impact of a graduated income tax.

APRIL

An Institute blog post called for the development of a consensus revenue forecast for the State of Illinois.

MAY

In its **State of Illinois Recommended Operating Budget Analysis**, the Institute did not support Governor Rauner's recommended budget for FY2019 because it was precariously balanced and its modest surplus relied on aggressive assumptions. Additionally, the proposal would have done little to address Illinois' massive backlog of bills.

After three years of political gridlock and missed deadlines, the Illinois General Assembly passed a budget for FY2019 on the last day of its regular spring session.

JUNE

Governor Bruce Rauner promptly signed the FY2019 budget amid bipartisan celebration.

The Institute conducted a preliminary analysis of the \$38.5 billion enacted budget, raising concerns about whether the revenue and spending estimates were realistic, especially assumed savings of \$382 million from a new pension buyout plan that was not vetted in public hearings and the inclusion of proceeds from selling the Thompson Center in Chicago for the third year in a row.

(Left)
Retirement Security Initiative Chief
Executive Officer Pete Constant at a
January Civic Federation Board meeting

(Right)
Former Illinois State Representative David
Harris participating in a discussion of the
Local Government Protection Authority
hosted by the Civic Federation



JULY

Institute analysis confirmed that no specific actuarial review of the pension buyout plans included in the FY2019 budget was conducted and continued to express concern over savings included in the enacted budget.

AUGUST

In response to pending or rumored proposals to issue pension obligation bonds at the State and City levels, an Institute analysis reexamined Illinois' \$10 billion POB sale under former Governor Rod Blagojevich as a cautionary tale.

SEPTEMBER

The State of Illinois enacted Public Act 100-1064 and Public Act 100-1107, which required the Governor's annual budget proposal to show estimated costs for interest penalties on overdue bills and allowed the State to reinvest its own backlogged debt.

The State acknowledged in bond documents that the savings included in the FY2019 budget related to pension buyout programs were speculative: "The State can provide no assurance as to the amount of savings realized from such programs."

OCTOBER

Institute analysis confirmed that the State Universities Retirement System did not expect to be ready to fully implement pension buyout plans for its members during FY2019, again calling the FY2019 Illinois budget's projected surplus into question.

NOVEMBER

After initially projecting a narrow surplus of \$14 million, a report from the Governor's Office estimated that the State's actual financial result for FY2019 would be a budget deficit of more than \$1 billion.

DECEMBER

Governor-Elect Pritzker's transition committees began their work.

Civic Federation President Laurence Msall was one of 17 Illinois civic and business leaders named to the Budget and Innovation Committee.



Former Advance Illinois Executive
Director Ginger Ostro briefing Civic
Federation Local Government
Committee members

The value of the [Civic Federation's Roadmap for Illinois] is in its uneasy mix of solutions. ... What the Civic Federation seems to be saying between the lines is that there is more than one way to skin a cat, and the usual knee-jerk proposed solutions... have dominated the debate too long.

**Chicago
Sun-Times
Editorial,
2-9-18**

THE 2018 ANNUAL CIVIC AWARDS LUNCHEON

honoring

NORMAN R. BOBINS & ITW

The Annual Civic Awards Luncheon, now in its 36th year, recognizes civic leadership in Chicago. Named for the Federation's founding members, the Lyman J. Gage Award and the Addams-Palmer Award recognize the outstanding civic contributions of Chicago individuals and institutions.

The 2018 Civic Awards Luncheon honored **Norman R. Bobins**, Vice Chairman, CIBC US Region, with the **Lyman J. Gage Award for Outstanding Civic Contribution by a Chicagoan**. In addition to his many career accomplishments, Mr. Bobins remains committed to numerous cultural, civic and philanthropic institutions and has previously served on the Board of Education of the City of Chicago.

ITW received the **Addams-Palmer Award for Exemplary Civic Involvement by a Chicago Institution** for its focus on long-term investments, charitable giving and volunteerism in the areas of STEM education, disaster relief and community aid, among others. **E. Scott Santi**, Chief Executive Officer, ITW, accepted the award on behalf of the organization.

On June 19, Illinois' business, civic and government leaders gathered at the Hilton Chicago to celebrate the civic achievements of both honorees. The ITW David Speer Academy Pride Battalion Color Guard presented the colors at the beginning of the event. Speaker of the Illinois House Michael J. Madigan opened the program, delivering the annual salutation address, followed by presentation of the awards featuring videos highlighting the honorees' achievements.

The Civic Federation greatly appreciates the leadership of event co-chairs **David R. Casper**, **Lester Crown**, **Ilene S. Gordon**, **Andrew J. McKenna**, **Michael J. Sacks**, **Maurice Smith** and **Scott C. Swanson**, as well as the generous support of all who attended.



Norman R. Bobins accepting the Lyman J. Gage Award



ITW Chief Executive Officer E. Scott Santi accepting the Addams-Palmer Award on behalf of ITW

Civic Federation President Laurence Msall addressing attendees



The ITW David Speer Academy Pride Battalion Color Guard presenting the colors



Civic Federation Board Member Susan McKeever and previous honoree Lester McKeever speaking with Illinois State Treasurer Michael Frerichs



(Left to right) Maurice Smith, Kent Swanson, Norman R. Bobins, E. Scott Santi, Laurence Msall and Scott Swanson

Event photos by Mike Kelly.

The 27th Annual
MOTOROLA SOLUTIONS FOUNDATION
EXCELLENCE
IN PUBLIC
SERVICE AWARD

honoring

JAMIE RHEE

Jamie Rhee
accepting the
award



awards breakfast at the Palmer House Hilton Grand Ballroom to recognize Commissioner Rhee's outstanding public service accomplishments.

Following brief remarks from Civic Federation President Laurence Msall and Chair Monica Mueller, "Chicago Tonight" host Eddie Arruza welcomed guests and gave the salutation address highlighting the importance of public service, after which Illinois Governor Bruce Rauner congratulated Commissioner Rhee and added his own thoughts on the value of public service. Matthew Blakely, Executive Director of the Motorola Solutions Foundation, introduced Ms. Rhee, discussed her many career and civic accomplishments and presented the award.

In her acceptance speech, Commissioner Rhee discussed the importance of promoting economic opportunity for all Chicagoans and detailed the many initiatives she has been a part of that made City business more inclusive of marginalized communities and populations.

Event photos by Mike Kelly.

(Left)
Jamie Rhee (center) with
husband Mike Carlson and
friend Jennifer Randall



(Right)
Civic Federation Board Chair Monica
Mueller, Motorola Solutions Foundation
Executive Director Matthew Blakely,
Jamie Rhee, Civic Federation President
Laurence Msall



STATEMENT OF
FINANCIAL POSITION
YEAR ENDED SEPTEMBER 30, 2018

| ASSETS | 2018 |
|--------------------------------------|--------------------|
| Cash and cash equivalents | \$ 396,400 |
| Investments | 3,389,219 |
| Receivables | |
| Accounts receivable | 113,892 |
| Trustee pledges receivable | 225,000 |
| Prepaid expenses | 62,073 |
| Leasehold improvements and equipment | 295,425 |
| Total Assets | \$4,482,009 |

LIABILITIES AND NET ASSETS
LIABILITIES

| | |
|--------------------------|------------------|
| Accounts payable | \$ 16,728 |
| Accrued wages | 55,000 |
| Accrued vacation | 37,334 |
| Deferred revenue | 11,000 |
| Deferred rent | 407,182 |
| Total Liabilities | \$527,244 |

NET ASSETS

| | |
|---|--------------------|
| Unrestricted | |
| Undesignated | \$ 190,547 |
| Board designated | 3,539,218 |
| Temporarily restricted | 225,000 |
| Total Net Assets | 3,954,765 |
| Total Liabilities and Net Assets | \$4,482,009 |



(From top to bottom)
Illinois Attorney General Kwame Raoul speaking
to the Civic Federation Board of Directors

Illinois Municipal League Executive Director Brad
Cole at a Civic Federation Local Government
Committee meeting on consolidation

"Chicago Tonight" Host Eddie Arruza at the
Excellence in Public Service Award Breakfast

Civic Federation President Laurence Msall
participating in a CMAP panel

SUPPORT

Support and guidance from the Civic Federation's Trustees, Board of Directors and Council is fundamental to our success. Our membership is made up of a diverse group of business and professional leaders from a wide range of Chicago area companies and institutions. Members give generously of their time and expertise in the planning and execution of our mission to provide a nonpartisan, objective perspective on state and local government tax and finance issues.

(Left to right) Philip Hale, Monica Mueller,
U.S. Senator Dick Durbin, Kent Swanson,
Laurence Msall

CIVIC FEDERATION SUPPORTERS

Abbott
AGAE Contractors, Inc.
Allstate Insurance Company
Lee Ayers
The Boeing Company
Jacolyn and John Bucksbaum
Rita and John Canning
Cable Communications, Inc.
Chicago Bible Society
Choose DuPage
CNA
Beatrice C. Crain and
Dr. Michael S. Maling
Crain-Maling Foundation
The James & Catherine Denny
Foundation
Daley and Georges
Deutsche Bank America Foundation
Exelon
Patti Eylar
Flying Food Group, LLC
Franczek Radelet
Jim Gordon
The Edgewater Funds
ITW
Jack Ringer Family Foundation
Kent and Liz Dauten
Keystone Capital

Kinzie Capital Partners
Karen Z. Gray-Krehbiel and
John H. Krehbiel, Jr.
Ann Lurie
Andrew J. McKenna
Mesirow Financial
Metropolitan Water Reclamation
District of Greater Chicago
Navy Pier
Northwestern Medicine
PNC
Michael Rosenberg
John W. and Jeanne M. Rowe
Samuel K. and Mary J. Skinner
Kathy and Scott Stanton
Avy Stein
Cresset Wealth Advisors
The Vistria Group
Robert Wislow
CBRE

FOUNDATION PARTNERS

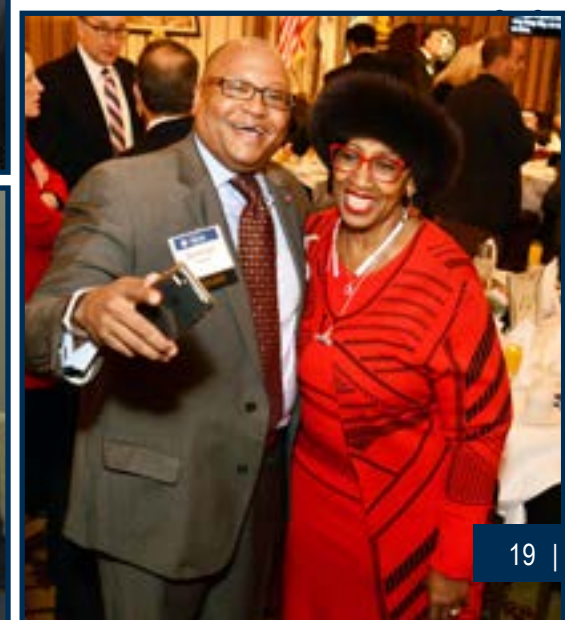
The Chicago Community Trust
Commercial Club Foundation
Crown Family Philanthropies
The Elizabeth Morse Charitable Trust
John D. and Catherine T. MacArthur
Foundation
Motorola Solutions Foundation
Robert R. McCormick
Foundation
Tawani Foundation



(Left)
Civic Federation Trustees, Board and Council
members at a Federation Board meeting

(Bottom left)
Civic Federation members at a committee
meeting

(Right)
Civic Federation Board Vice Chair Donovan
Pepper and Chicago Alderman Carrie Austin





2018 CIVIC FEDERATION STAFF

Lauracyn Abdullah
Finance and Operations Director

Katy Broom
Communications Director

Roland Calia
Project Manager

Laurie Cohen
Senior Analyst, IIFS

Carol Frenda
Membership and Events Manager

Benjamin Kidder
Senior Analyst, IIFS

Annie McGowan
Senior Research Associate

Laurence J. Msall
President

Mark W. Patoska
Manager of Local Government Research

Isabella Romano
Communications Specialist, IIFS

Sarah J. Wetmore
Vice President and Research Director

The Civic Federation
10 North Dearborn Street
Suite 800
Chicago, Illinois
60602

312-201-9066
www.civicrofederation.org
@CivicFederation

2019 CIVIC FEDERATION TRUSTEES

Jay Bergman
Elizabeth Q. Betten
Peter Bowe
Robert J. Buford
David R. Casper
Lew Collens

Robert W. Crawford, Jr.
Lester Crown
Harve A. Ferrill
Kenneth C. Griffin
Adam Hoeflich
Daniel P. Kearney

Michael L. Keiser
Frederick A. Krehbiel
Liam Krehbiel
William C. Kunkler, III
Eileen Mitchell
Sarah Pang

Michael J. Sacks
Maurice Smith
Jennifer W. Steans
Frederick H. Waddell

2019 CIVIC FEDERATION BOARD OF DIRECTORS

Steven H. Abbey
Huntington
Allan R. Ambrose
Northern Trust
James Anderson
CNA
A.G. Anglum
Murray E. Ascher
Henry Crown and Company
Robert Barry
AT&T
Jason Baxendale
The Chicago Community Trust
Brian A. Bernardoni
Illinois REALTORS®
Matthew Berry
The John Buck Company
Jeffrey Bethke
DePaul University
Roger H. Bickel
Freeborn & Peters LLP
Patricia M. Bidwill
One Third3 LLC
Robert Blackwell
EKI-Digital
Scott A. Bremer
Hardwick Law Firm
Whitney Carlisle
O'Keefe Lyons & Hynes, LLC
Cason Carter
Citadel LLC
Victor Chang
Timothy L. Christen
Baker Tilly
Robert J. Christie
Northwestern Memorial Hospital
Richard Ciccarone
Merritt Research Services
Jerry H. Cizek III
Nancy J. Clawson
Bank of America Merrill Lynch
Elizabeth Coolidge
UBS Financial Services Inc.
Ronald S. Cope
Schain Banks
Omar Daghestani
Stifel
Barrett Davie
InFlow Partners, LLC
Mark R. Davis
O'Keefe Lyons & Hynes, LLC
Nancy DeMaso
Illinois Eye Institute, Illinois College of Optometry

Kevork M. Derderian
Continental Offices Ltd
Jon B. DeVries
Charles R. Droege
Baker Tilly
Michelle Dukler
The Grove, Inc.
Arthur Duquette
Brian D. Fabes
Civic Consulting Alliance
Clayton Frick
Deloitte Services LP
Stephen B. Friedman
SB Friedman Development Advisors
Charles R. Gardner
CDCT Land Company, LLC
Anthony G. Gedeller
Wm. Wrigley Jr. Company
Judith A. Gold
Perkins Coie LLP
Susan Hayes Gordon
Ann & Robert H. Lurie Children's Hospital of Chicago
Andrew F. Gottschalk
KPMG LLP
Philip D. Hale
Loyola University Chicago
Albert C. Hanna
Jane A. Hays
The Downey Group
Philip L. Hildebrandt
Segall Bryant and Hamill
Christine Hoagland
HNTB Corporation
Kevin W. Hoecker
Wells Fargo Securities
Gregory C. Hosbein
Segall Bryant & Hamill
Margaret Houlihan Smith
CapitolHill Partners
Lori H. Igleski
Fifth Third Bank
Mark Ishaug
Thresholds
John A. Janicik
Mayer Brown LLP
William Ketchum
Catherine Krawitz
BMO Global Asset Management
Dan Leary
T-Mobile
Kandace C. Lenti
Wintrust Commercial Banking

Thomas E. Livingston
CSX Transportation
Dave Lundy
Aileron Communications
Daniel J. Lynch
United Airlines
Nasutsa M. Mabwa
ServiceMaster Restoration By Simons
William D. Mack
Morgan Stanley
Christine Maki
RR Donnelley
Michael Marrah
MMA Consulting
Susan L. McKeever
Thomas J. McNulty
Neal, Gerber & Eisenberg LLP
Dorri McWhorter
YWCA Metropolitan Chicago
James S. Montana, Jr.
Law Offices of James S. Montana, Jr.
Timothy E. Moran
Schmidt Salzman & Moran, Ltd.
Monica Mueller
Motorola Solutions
Clare Muñana
Ancora Associates, Inc.
Brian Murphy
Grant Thornton LLP
Michael E. Murphy
Bert Nuehring
Crowe
Michael F. O'Brien
JLT Specialty USA
Holly O'Connor
HOC Consulting LLC
Gregory J. O'Leary
Chesley, Taft & Associates LLC
Robert Pasin
Radio Flyer Inc.
Donovan W. Pepper
Walgreen Co.
Brian Peterson
Anderson Economic Group
Joseph J. Prochaska, Jr.
Sylvia Puente
Latino Policy Forum
Anthony T. Reinhart
Ford Motor Company
Aaron C. Rudberg
S2G Ventures

Scott Saef
Sidley Austin LLP
Gabriel W. Sanders
Ernst & Young, LLP
Lois Scott
Epoch Advisors
Harry J. Seigle
The Elgin Company
Brian Septon
The Terry Group
Sapan Shah
Alera Group
James E. Spiotto
Chapman Strategic Advisors LLC
Daniel C. Sprehe
JPMorgan Chase
Kent A. Swanson
Riverside Investment & Development Co.
Carol Thompson
Chapman and Cutler LLP
Kathy A. Thompson
CIBC US
John F. Tierney
Invesco Ltd.
Allen B. Truesdell
Deloitte & Touche LLP
Thomas C. Vanden Berk
UCAN
Robert S. Vihon
Worsek & Vihon LLP
David J. Vitale
Daniel Wagner
The Inland Real Estate Group Inc.
John F. Ward, Jr.
Ward and Ward P.C.
Andrew L. Weil
DLA Piper LLP
A.J. Wilhelmi
Illinois Health and Hospital Association
Simon Wlodarski
Bank of America
Jerold Wolf
Fiscal Choice Consulting
Jill Wolowitz
Health Care Service Corporation
The Hon. Corinne Wood

2019 CIVIC FEDERATION COUNCIL

Catherine Adduci
Bridget Anderson
Karen Atwood
Ed Bachrach
McKim Barnes
William Bennett
Alicia Berg
Aileen Blake
Greg Carlin
Steven Collens
David P. Crosson
John Czulno
Rolanda Derderian

Duane M. DesParte
Julian D'Esposito
Martin Eisenberg
Jeff Emme
Timothy J. Faerber
John B. Filan
Michael Fox
Donald B. Franklin
Carol Garnant
John P. Garvey
Sarah Garvey
Peter G. Glick
Graham Grady

Paul Green
Patrick J. Hagan
Donald Haider
M. Hill Hammock
David Hickerson
Jason Horwitz
Kevin B. Hynes
Blake Johnson
Karen Kane
Jim Kranjc
Joseph C. Lane
Michael Lovett
Rick Mattoon

James G. Maurer
Glenn Mazade
Craig McCrohon
Bradley Mincke
Kevin O'Mara
Bill Planek
Carol Portman
James Regan
Judith Rice
Buzz Sawyer
Daniel Scheeringa
John Shaw
Patrick Sheahan

Dion Smith
William L. Smith, Jr.
Keith Staats
Robert Stanek
Joseph B. Starshak
Kathleen Thomas
John L. Ward
Greg Wass
Marcus Wedner
Lance Weiss
Paul Wierbicki
Kevin Wrenn