



OFFICE OF THE MAYOR
CITY OF CHICAGO

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MAYOR EMANUEL ANNOUNCES THAT CITY HAS DELIVERED ON COMMITMENT FOR \$75 MILLION IN 2011 TAXPAYER SAVINGS

More than \$83 Million in Savings Reached through Measures Announced in May

Mayor Rahm Emanuel announced today that the City has achieved and exceeded the goal of reaching \$75 million in savings for 2011, which he announced on his first day in office in May. To date, more than \$83 million has been saved through the cost-cutting initiatives launched in May, including reducing senior staff expenses, merging government functions and freezing non-essential contracts, among many others.

"We have not only followed through on a promise, we have exceeded it," said Mayor Emanuel. "Our first responsibility is to the taxpayers of Chicago, and every day we are finding new ways to be more efficient in the way we do business."

Examples of how departments were able to exceed their savings goals include \$14,000 in savings from the Graphics Department renegotiating its copy machine contract, \$100,000 in savings through the termination of an unnecessary office space lease for BACP in the Daley Center and \$4.9 million in savings from enhanced coordination between the Chicago Department of Transportation (CDOT) and the Department of Water Management (DWM) on 25 water and sewer main replacement projects in 2011.

The additional savings were included in the City's 2012 budget assumptions. The following steps were taken to achieve \$83 million in savings in 2011. The Office of Budget and Management (OBM) will continue to work to find additional savings in all of these areas:

Cuts in Senior Management Payroll

(Goal: \$5.5 million; Savings Achieved: \$5.5 million)

More than 100 middle- and senior-management positions were cut this summer while other vacant management positions went unfilled to achieve the 2011 savings goal.



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CITY OF CHICAGO

Reduce Outside Legal Counsel Expenses

(Goal: \$3 million; Savings Achieved: \$3.3 million)

The Law Department hired 14 new in-house lawyers, which allowed the department to take back certain cases from outside counsel and to cease outsourcing certain types of cases. The Law Department has reduced expenses for outside counsel by more than 12 percent compared to 2010, and has engaged four firms to provide pro bono counsel valued at \$485,000. These reductions in the use of outside counsel, through both targeted hiring and the increase in pro bono services, has yielded \$3.3 million in 2011 savings.

Merge Overlapping Functions Across Departments

(Goal: \$3.5 million combined; Savings Achieved: \$3.7 million)

The merger of the Departments of General Services and Fleet Management (Fleet and Facilities Management) is complete, as well as the merger for the Departments of Finance and Revenue (Department of Finance). Some additional savings have been realized in 2011 by not filling vacancies in anticipation of the dissolution of the Office of Compliance and Department of Environment.

Freeze All Non-Essential Contract Spending

(Goals: \$17.5M, Savings: \$23.8M)

A six-percent holdback on all the non-essential contracts that remain has saved approximately \$23.8 million. In addition, OBM continues to review existing contracts that have been outstanding for a substantial period of time but not yet spent against. Meanwhile, Accenture is working with the Department of Procurement Services to identify existing City contracts that can be renegotiated to obtain more favorable pricing and terms to create additional savings for the City.

Real Estate and Energy Reductions

(Goal: \$5 million; Savings Achieved: \$5 million)

These savings were achieved through better management of real estate and fuel purchases. In particular, the Department of Fleet and Facility Management implemented the first phase of their space consolidation plan, canceling five leases, and moving departments into other available City held space, most notably, moving Chicago Fire Department administration into the same building as the Chicago Police Department administration. Additional savings came from a fuel-hedging program for natural gas.



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CITY OF CHICAGO

Rationalization and Reduction of City's Vehicle Programs

(Goal: \$1.5 million; Savings Achieved: \$1.01 million)

The Department of Fleet and Facility Management negotiated a reduction in alternative fuel prices and terminated the City's shared lease program. The remaining goal of \$500,000 in fuel savings was not achieved due to an increase in fuel prices.

Return Laborers to Work

(Goal: \$500,000; Savings Achieved: \$0)

The City continues to meet with Laborers' Local Union 1001 regarding the return to work of employees currently on duty disability. OBM and DWM are working to identify alternative return to work options for these employees.

Parking Enforcement and Traffic Control Efficiencies

(Goal: \$2.3 million; Savings Achieved: \$2.3 million)

The Office of Emergency Management Communications (OEMC) has fully implemented the plan to significantly decrease full-time Traffic Control Aides (TCAs) in the Loop. The reduction of 97 positions, including filled and vacant positions, was completed in August. OEMC maintains 24 full-time TCA positions and supplements its staff with part-time employees on an as-needed basis for special projects, emergencies, and special events.

The Department of Revenue expanded its parking enforcement to include daytime enforcement in the Loop in order to ensure that there is no reduction in enforcement. In September, the City and SEIU Local 73 reached an agreement regarding the TCAs which granted them priority bidding on new detention aide positions in the police department. These positions were made available by returning more sworn officers to street patrol duty.

Improve Grants Management

(Goal: \$31.2 million; Savings Achieved: \$34.2 million)

OBM's regularly recurring process of flagging, reviewing and preventing the under-utilization of grant funds has captured approximately \$34.2 million in savings to date. As a result of OBM's efforts, these dollars, otherwise at high risk of being left unspent or returned to the grantor, will be utilized for City programs and services. OBM has also fully implemented a regularly recurring process for flagging, reviewing and preventing personnel-related overspending on grant accounts.



OFFICE OF THE MAYOR
CITY OF CHICAGO

Department of Water Management/Department of Transportation Project Coordination

(Goal: \$5 million; Savings Achieved: \$5 million)

DWM and CDOT completed a comprehensive survey of all scheduled water/sewer projects and street/alley resurfacing projects to identify water main replacement and sewer lining projects in areas where deteriorated road conditions currently exist. DWM organized its work schedule and replaced mains in these areas prior to CDOT completing planned road resurfacing work.

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