



CITY OF CHICAGO • OFFICE OF THE MAYOR



FOR IMMEDIATE RELEASE

June 27, 2019

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**MAYOR LIGHTFOOT ANNOUNCES \$22 MILLION IN SAVINGS IDENTIFIED FROM
ELIMINATION OF \$1.4B CREDIT LINE**

City eliminates short-term borrowing as part of broader efforts to identify savings and efficiencies for FY2020

CHICAGO—Mayor Lori E. Lightfoot today announced the City of Chicago will terminate \$1.4 billion of short-term borrowing programs that will save the City an estimated \$22 million in Fiscal Year 2020 (FY 2020). The termination of the lines of credit and commercial paper programs resulted from improved cash flow forecasting and reporting performed by the City, and is one step toward improved cash management processes as the City looks to identify savings and efficiencies without impacting services to residents.

“Chicago's tremendous financial challenges require creative solutions, improved efficiencies and long-term fiscal management,” said Mayor Lightfoot. “By finding savings and creating meaningful financial reform, we are both strengthening our city's fiscal position and freeing up dollars that are better allocated in next year's budget toward investments in public safety, infrastructure, programs for youth, and improvements in our neighborhoods.”

An estimated \$16 million of savings from the terminated line of credit will be redirected to the corporate fund, with \$6 million redirected to investments in infrastructure at O'Hare International Airport. The \$22 million in savings includes \$14 million in reduced fees to banks and \$8 million in reduced interest. The changes will take effect at the end of the month, and will result in cost avoidance savings of over \$1 million each month. The City will continue to improve cash management processes in order to drive further efficiencies.

Today's announcement is an example of the efforts by the Lightfoot Administration to closely examine the full extent of Chicago's fiscal challenges and begin to look at ways to operate more efficiently. Earlier this month, Mayor Lightfoot announced sweeping reforms to the workers' compensation program, which are expected to



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drive down claim costs, restore accountability where there were operational inefficiencies, and generate significant annual savings, among other benefits.

As part of the annual city budget process, the Lightfoot administration will soon outline its financial outlook and begin work with city departments and all stakeholders on solutions for addressing FY2020 costs as well as efforts to ensure a more viable financial future for all of Chicago.

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