



OFFICE OF THE MAYOR
CITY OF CHICAGO

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**MAYOR EMANUEL RELEASES FIRST EVER QUARTERLY BUDGET REPORT TO ENSURE MORE
OPEN, HONEST BUDGETING PROCESS**

*Assessment Shows Cost Cuts and Efficiencies Led to Decreased Expenditures;
Year End Corporate Fund Revenues On Track Overall*

CHICAGO – Mayor Rahm Emanuel today announced the release of the first-ever Quarterly Budget Report to ensure more transparency and honesty in the City's budgeting process. The report, issued by the Office of Budget and Management (OBM), details that City revenues and expenditures for the fourth quarter of 2011 are on the track OBM predicted during the 2012 budget process.

"Throughout the budget process, we made the tough, but necessary decisions to protect taxpayers and put our City on a path for a stable financial future," said Mayor Rahm Emanuel. "For the first time ever, the City is providing the public with regular progress reports on where the City stands financially to ensure a more open and honest budgeting process. Through this assessment, we are assured that the City's finances are on track."

Each quarterly report will detail progress made during that quarter on the major initiatives introduced as a part of the 2012 budget. The initiatives include critical investment in the City's aging water system; launching a consolidated public safety headquarters; the creation of a \$20 million Innovation Loan Fund; improved management of City grant funding; increased energy efficiency for the City's fleet and facilities; improved debt collection; expanded competitive bidding; transition to garbage collection based on a grid system; implementing a new wellness program for City employees to improve health and productivity while reducing the City's healthcare costs.

According to today's report, the City was accurate in predicting that it would surpass the revenue estimates originally projected in the 2011 budget. The City is meeting its revised corporate fund revenue projections for 2011 overall, which are about \$50 million higher than originally budgeted. Much of this is due to increases in hotel, sales and commercial real estate taxes, among others.



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Expenditures are down due to a number of tough costing cutting decisions in 2011 that led to increased efficiencies, a hiring freeze on non-essential positions, and a freeze in non-priority contract spending. The City surpassed its goal of cutting expenditures by \$75 million, realizing more than \$83 million in 2011 savings through these cost-cutting initiatives. These savings were accounted for in the 2012 budget process and were critical to balancing the budget, putting the City in a stronger financial position as it moved into the coming year.

"The City consistently monitors its revenues and expenditures so that it can proactively respond to unanticipated changes or emerging trends. This internal monitoring is critical to maintaining the City's fiscal health and discipline," said Budget Director Alex Holt. "It is equally important that this valuable information is shared with the citizens of Chicago, to whom we are accountable."

These quarterly reports are meant to serve as progress reports and not definitive audits of the city's finances. The City's Annual Financial Report (CAFR), which is released every summer, serves as the official audit for the City.

The Quarterly Report will be available online at www.cityofchicago.org. The Mayor's commitment to improving the City's fiscal management and transparency have led to a number of reforms, including the creation of the Annual Financial Analysis (AFA), an annual accounting of the overall standing of city finances across funds that serves as a guide for the budgeting process. The 2011 AFA is available online and the 2012 AFA will be released later this year.

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