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MAYOR EMANUEL FORMALLY INTRODUCES 2013 BUDGET TO CITY COUNCIL

No New Taxes, Fines or Fees, Head Tax Eliminated

Major Investments in Children's Programs, Public Safety, Neighborhood Services

Mayor Rahm Emanuel today formally introduced his proposed 2013 budget to the City Council, an \$8.3 billion budget that balances the City's finances without introducing new taxes, fines or fees, and completely eliminates the employee head tax by the end of 2013.

"I am proud to introduce a balanced budget that does not increase new taxes, fees or fines for Chicago residents," said Mayor Emanuel. "We have been able to come this far because of smarter governing that led to increased efficiencies, increased revenues and departmental savings. I hope the City Council will support this budget, and I look forward to working together in the coming weeks to pass it so we can turn our focus to Springfield and passing meaningful pension reform."

Today's formal introduction follows two weeks of hearings held by the City Council's Committee on Budget and Government Operations during which City department heads and officials testified at length regarding the 2013 budget proposal.

The 2013 budget proposal makes important investments in programs that enhance the quality of life for the people of Chicago, promotes small business development and increases public safety. Further, it makes a significant investment in programs that enhance the health, safety and education of the children of Chicago. The proposed 2013 budget also improves the City's long-term financial stability by making a \$15 million investment in Chicago's Rainy Day Fund, following a \$20 million investment made in last year's budget.

The City began the 2013 budget process with a projected deficit of \$369 million, half of what had originally been projected, but still a substantial gap. This deficit was cut to \$298 million in September when the City identified \$71 million in additional savings and revenue for the remainder of 2012 and 2013, including \$26 million in additional cost savings and \$45 million in additional revenue. The \$298 million gap is the smallest since the 2008 recession.

The City closed the remaining 2013 gap through \$67 million of spending reforms and cuts, including \$10 million in savings from strategic sourcing on city contracts and \$5.8 million in information technology reforms; \$45 million in personnel savings including \$20 million in layoffs, attrition and vacancy sweeps, and \$5 million from partnerships with labor; \$70 million in healthcare savings; \$10 million from TIF reforms; \$24 million in improved debt collection; \$42 million in additional revenue growth; and \$40 million from refinancing long-term debt.

The spending reforms and cuts spearheaded by Mayor Emanuel have enabled the City to make investments in several key areas that will ensure that Chicago's children have more afterschool opportunities and summer jobs, while improving public safety, promoting business growth and jobs and improving the quality of life in our communities.

Investing in our Children

- There will be 5,000 additional early childhood education slots.
- There will be 3,000 additional slots for afterschool programs.
- There will be 1,000 additional summer jobs slots.
- There will be eye exams and glasses for 23,000 more kids, bringing the total to 30,000 kids.

Supporting Chicago Businesses

- A new Small Business Center in the Department of Business Affairs and Consumer Protection (BACP) will serve as a one-stop-shop for small business owners.
- The Employee Head Tax, which penalized job growth and creation, will be completely eliminated by the end of 2013.

Investing to Enhance Public Safety

- Funding for CPD to hire officers to remain at full strength at all times, including 457 by the end of 2012, and quarterly classes of 125 recruits throughout 2013.

- Because CPD will be at full strength, weekend surge overtime will be available year-round instead of summer weekends only.
- Community policing resources that are concentrated at CPD headquarters will be allocated to the police districts and communities where they belong.

Investing to Improve Neighborhood Quality of Life

- Recycling will be expanded citywide by the end of 2013.
- The Department of Streets and Sanitation (DSS) is adding 18 forestry crews and funding for tree trimming and treatment of Emerald Ash Borer.
- DSS employees on limited duty due to injuries will bait for rodents, enabling the City to bait up to 1,800 more alleys in 2013.
- The Department of Buildings will hire additional elevator and construction inspectors.

Expanding Services to Support Residents Most in Need

- By partnering with non-profit food pantries, the Department of Family and Support Services (DFSS) will be able to provide more than 150,000 additional healthy meals at nearly 400 locations throughout Chicago.
- By partnering with delegate agencies, DFSS will be able to provide more comprehensive, holistic services at its service centers at a lower cost. The savings will be used to provide domestic violence services to an additional 3,000 victims of domestic violence.

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