

A RESPONSIBLE BUDGET THAT INVESTS IN CHICAGO'S FUTURE

Today Chicago is making great progress – our economy continues to strengthen, we are adding jobs and attracting families and business to our City, and we're improving quality of life for all our residents.

Mayor Emanuel's 2016 Budget continues his record of addressing the City's fiscal challenges while continuing to make important investments in the education of our children, the safety of our residents and the quality of life in our neighborhoods. This budget proposal also meets our city's obligations to ensure a secure retirement for our police officers and firefighters in a way that does not burden those who can least afford it.

This budget also continues the Mayor's efforts to right the city's fiscal ship and put an end to using gimmicks and one-time fixes to paper over our financial challenges. Since 2011, the City's structural deficit has been reduced with every budget delivered by the Emanuel administration, cutting it by two-thirds over four years. With the 2016 budget, the structural deficit will be at its lowest since 2008 – setting the City on a course to completely eliminate it within the next four years. Moreover, this budget will continue adding to the City's rainy day fund, rather than raiding it as had been done in years past and reduce "scoop and toss" by \$100 million, placing it on the path to elimination by 2019.

The 2016 Budget includes important investments in youth, infrastructure, and services to ensure that Chicago remains a world-class city by:

- Investing more than \$50 million to support our youth that will allow for 27,000 youth afterschool opportunities, 25,000 summer youth jobs, 5,500 pre-school slots, and open 15 new early learning centers at Chicago Public Library Branches
- Using \$2 million in revenue from a tax on e-cigarettes to build 5 school-based community health care clinics that will serve 3,000 patients annually per site.
- Protecting hundreds of seniors through new units of affordable housing, and retrofitting homes and transit for accessibility
- Doubling the number of uninsured women served by free breast health services and mammography screenings, reaching 5,000 women.
- Expanding primary care health services to 2,000 low-income individuals living with HIV/AIDS.
- Moving 319 police officers from behind desks to the beat and expanding the Chicago Police Department's body camera pilot program to another police district
- Repaving 300 miles of neighborhood and arterial streets
- Replacing 90 miles of water, 72 miles of sewer and installing 14,000 sewer structures and 20,000 water meters.
- Investing in more responsive city services by adding 5 additional rodent baiting crews ensuring all rodent requests are closed in 5 days, and adding 10 additional tree trimming crews to eliminate the backlog of requests by the end of 2016.
- Providing more than 115,000 free preventative dental care visits, 45,000 free eye examinations, and approximately 25,000 free pairs of eyeglasses.
- Implementing a \$45 million a year school modernization property tax levy that will support capital improvements to complete critical capital projects and relieve overcrowding at schools across the City.

Mayor Emanuel's budget includes \$170 million in savings and reforms, matching dollar for dollar new revenue sources devoted to closing the city's structural deficit, and bringing the total saved over the past five years to more than \$600 million. Some of those savings and reforms include:

- Substantial healthcare reforms and savings for active employees and retirees, saving \$40 million
- Eliminating 140 vacant positions, saving \$4 million
- Putting street sweeping on a grid, saving \$3 million
- Closing Central Business District TIFs and other TIF reforms will provide \$113 million to the City, CPS and other local governments, the largest in years.
- Moving to "Grid 2.0" to further enhance garbage collection efficiency, saving an additional \$9.5 million
- Utilizing zero-based budgeting to reduce non-personnel costs by \$21 million
- Through greening of city building infrastructure and energy hedging contracts, saving \$16 million in energy costs

However, the City cannot meet its financial challenges through cuts alone. In fact, in order to make required pension payments in the coming years, we would be forced to decimate City services. Such cuts would include reducing the size of the Police Department by 20 percent, laying off 40 percent of its firefighters, and eliminating critical services such as rodent baiting, pothole repair, and graffiti removal. These cuts would make the city unlivable and would be totally unacceptable to the residents, businesses, and future generations of Chicago.

In order to secure the pensions of our police officers and fire fighters, the city will implement a \$544 million property tax that will be phased in over four years while fighting for state legislation to dramatically increase the state homeowners' exemption in order to reduce the impact on working families.

Mayor Emanuel wants to ensure that the progressive property tax is as fair as possible and he believes that expanding the homeowners' exemption ensures everyone pays their fair share. Expanding the homeowners' exemption would benefit all owner occupied homeowners. However, a doubling of the exemption would mean that homeowners of homes valued at \$250,000 or less will see little or no property tax increase for each year of the four year phase in period.

The Mayor's proposal will ensure the commercial property owners, especially those in the City's thriving downtown, pay a larger share of the property tax increase to support our first responders. Commercial properties will account for nearly half of the overall increase in property taxes, with downtown commercial owners alone responsible for one-fourth of the total.

And to close the structural deficit, the 2016 budget includes more than \$100 million in new revenue sources – less than the \$170 million in savings and reforms contained in the budget– and includes:

- Establishing a \$9.50 monthly fee per household for garbage pickup. By comparison, the other half of Chicago residents who already pay for garbage collection, typically pay up to \$16 per month. Residents of Berwyn pay nearly 25 dollars per month while residents of Seattle pay up to 100 dollars per month. This fee will generate more than \$60 million. Seniors on a limited budget will be protected through a 50% discount on the new fee.
- Streamlining building permitting, reducing wait times by 1 week while modernizing the fee structure to raise \$13 million

- Assessing new rideshare and taxi fees that will create \$60 million in 2016 – an increase of \$48 million from 2015 – the rideshare industry will be responsible for more than 80 percent of this revenue. Residents and visitors will have more transit options at our airports and McCormick Place and a portion of this revenue will support a significant expansion of wheelchair accessible taxi vehicles.
- Creating a new tax on e-cigarettes that will discourage youth from vaping, becoming the first big city in the nation to do so. The tax will generate \$1 million in revenue in 2016 and a portion will be dedicated to support community health services.