

OPENING REMARKS FOR CHIEF FINANCIAL OFFICER, JENNIE BENNETT, ON THE 2021 BUDGET RECOMMENDATION TO THE CITY COUNCIL COMMITTEE ON THE BUDGET AND GOVERNMENT OPERATIONS

Monday, October 26, 2020

Good morning Chairwoman Dowell, Vice-Chairwoman Silverstein, members of the Committee on the Budget and Government Operations, members of the City Council and members of the public.

Over the course of the last few weeks, we have had a lot of discussion about the gap closing solutions in the 2021 budget.

Through the course of this discussion, I ask that the City Council consider this budget in its entirety and in the context of the historic financial challenges we are faced with, perhaps never seen before by the City. There are going to be difficult solutions in the midst of a \$1.2 billion gap, or 30% of our \$4 billion corporate fund budget. These are the cards that COVID dealt us.

However, in spite of these challenge, we are proud to present this 2021 budget which has held true to several key principles – including balance, equity, foresight and responsibility. This budget is balanced, not just in revenues matching expenses, but because it draws from solutions in moderation from across all areas of the City.

This budget works to preserve who we are as a City, so that we are all there during the recovery when the City can rise up out of these current challenges even stronger. The Chicagoland economy is back up and running, and will be the City's most effective tool to power the recovery and address our long-term financial challenges. At nearly \$700 billion annual gross regional product and 21st largest in the world, our overall economy is one of our greatest strengths. And to be clear, this economic base includes all of us - corporations, small businesses, our residents, our working families, our neighborhoods and our employees. We are all in this together.

This budget remains committed to walking the path toward structural balance and living within our means. We cannot fill this budget with all one-time measures – it only means we will have to make the same difficult choices in the years to come. As a result, the 2021 budget includes \$562 million in structural solutions or nearly half of the gap and puts us on a path to structural balance in FY2023.

Lastly, before I conclude, clearly more federal stimulus is needed, not just for the City of Chicago, but for cities and states across the country. Despite the lack of federal funding, this budget is structured to allow for flexibility should we see additional funding down the line. Regardless, our fiduciary responsibility is to plan for what we know now, which is that there is no certainty around federal funding.

With that, I look forward to our conversation today. Your feedback has been invaluable, and I appreciate your leadership in engaging in this dialogue over an important budget. Thank you.