



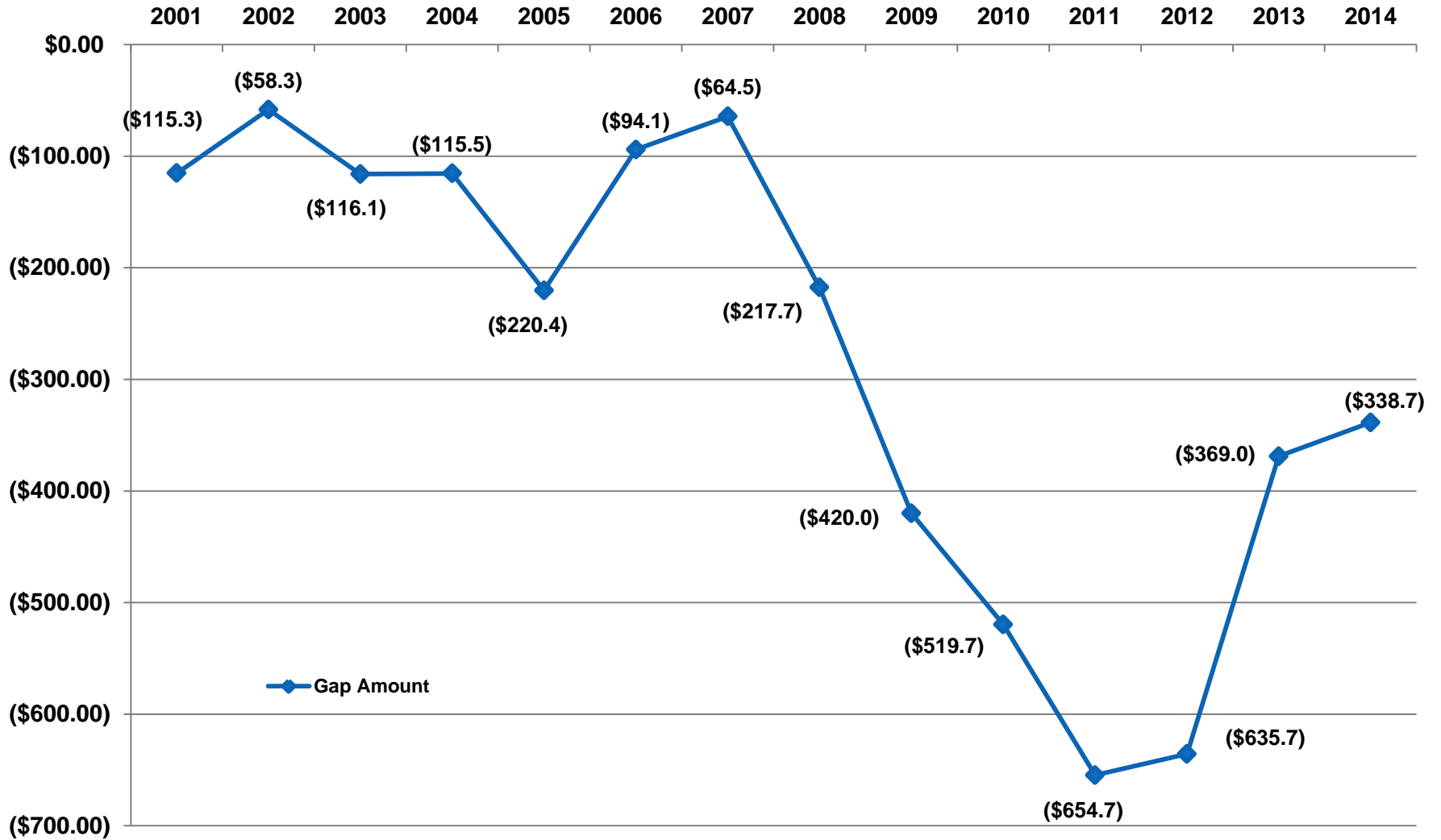
CITY OF CHICAGO  
OFFICE OF BUDGET & MANAGEMENT

# **2014 BUDGET RECOMMENDATION**

OCTOBER 23, 2013

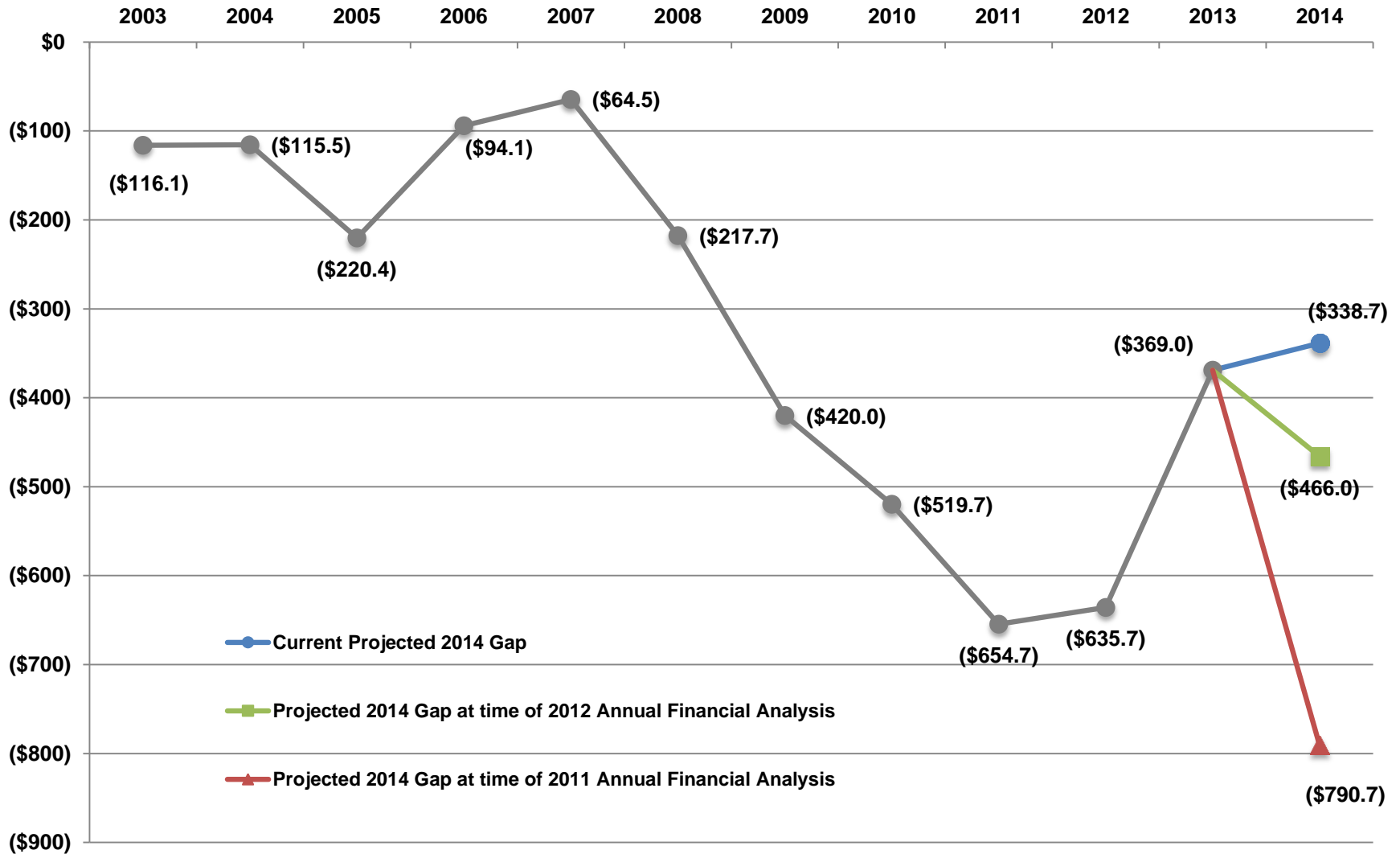


# CITY OF CHICAGO OFFICE OF BUDGET & MANAGEMENT





# CITY OF CHICAGO OFFICE OF BUDGET & MANAGEMENT





## 2014 Proposed Budget Summary

|                 | <b>2013<br/>Appropriation</b> | <b>2014<br/>Proposed</b> | <b>2014/2013<br/>Change</b> |
|-----------------|-------------------------------|--------------------------|-----------------------------|
| Corporate Fund  | \$3,161.8                     | \$3,289.2                | 4%                          |
| All Local Funds | \$6,545.1                     | \$6,977.0                | 7%                          |
| Grants          | \$1,628.6                     | \$1,695.1                | 4%                          |



# CITY OF CHICAGO OFFICE OF BUDGET & MANAGEMENT

|   |                 |
|---|-----------------|
| <b>Cutting spending and reforming government</b>  | <b>\$66M</b>    |
| Non-personnel savings and reforms   |                 |
| Personnel savings and reforms   |                 |
| <b>Improved fiscal management</b>   | <b>\$137.4M</b> |
| Sweeping aging revenue accounts and grant funds   |                 |
| Proper allocation of personnel and non-personnel costs to non-corporate funds                     |                 |
| Utilizing surplus generated by fiscal discipline in 2012 and 2013                                 |                 |
| TIF reform – surplus and value capture  |                 |
| <b>Economic growth &amp; revenue enhancements to invest in children and improve city Services</b> | <b>\$101.1M</b> |
| <b>Other revenue enhancements</b>   | <b>\$34.2M</b>  |
| <b>TOTAL</b>  | <b>\$338.7</b>  |



# Expense Reductions and Reforms

- Non-personnel savings
  - Lease savings
  - Reduced telecom and IT costs
  - Contract re-negotiations
  - Waste disposal savings from city-wide recycling
- Personnel savings
  - Targeted elimination of vacancies
  - Rolling hiring freeze for non-essential positions
- Healthcare savings
  - Restructuring of City's HMO program
  - Changes to retiree healthcare



## Economic Growth and Revenues

- Economically sensitive revenue growth and Children's Safety Zones
  - Real property transfer tax
  - Hotel tax
  - Sales tax, PPRT, and income tax
  - Safety zone cameras
- Targeted revenue enhancements
  - Zoning fee reform
  - Update of tow storage and select street violation fines
  - Reduction of cable amusement tax exemption
  - Increase in cigarette tax



## Improved Fiscal Management

- Sweep of aging revenue accounts and grant funds: \$35M
- Proper allocation of costs to Enterprise and Grant funds: \$18.7M
- Prior year available resources due to spending controls and revenue growth: \$53.4M
- TIF:
  - \$8.7M surplus from expiring TIFs and TIFs with unallocated balances of greater than \$1M
  - \$20M from the capture of EAV including in expiring or terminating TIF districts





# Investments

- Medicaid enrollment and vision care for CPS students
- Investment in neighborhood cultural events
- Increase in students served through CPL YOUMedia
- Pilot EITC assistance program
- Increased funding for neighborhood services such as graffiti removal, lot cleaning, tree trimming/planting
- Expansion of microlending initiative
- Paperless licensing and permitting by 2016
- Increased summer job and after school opportunities
- Additional investment in Family Net Centers