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CHICAGO CITY COUNCIL APPROVES MAYOR EMANUEL'S 2017 BUDGET

*Ensures Progress to Improve the City's Long-Term Financial Stability;
Invests in Families, Neighborhoods, Infrastructure, and Public Safety*

The City Council today approved Mayor Rahm Emanuel's 2017 budget, continuing his record of investing in Chicago families, neighborhoods, infrastructure, and public safety without sacrificing the City's long-term financial stability. Over the past five budgets and continuing with this budget, the Mayor and City Council have made fundamental changes to the way the City manages its finances. The City's 2017 budget shortfall is \$137.6 million, which is the lowest budget shortfall in nearly a decade and 80 percent smaller than it was in 2012.

"For the first time in a long time, the City passed a budget free of an immediate pension crisis and free of the black cloud of insolvency that was threatening the retirements of City employees and the financial future of Chicago," said Mayor Emanuel. "Our work of righting the financial ship is not complete, and we will continue to invest in our future, tackle new challenges as they arise and safeguard prosperity in Chicago's neighborhoods."

To ensure continued investments in Chicago's future, the 2017 budget includes \$33.7 million in government reforms and spending cuts, including:

- \$9.4 million in energy savings;
- \$17.5 million in savings from zero based budgeting;
- \$1.3 million in savings from lease consolidations;
- \$3.5 million from the sale of excess City-owned land; and
- \$2 million in savings from the implementation of printer and copier controls, reducing machine lease costs and printing costs.

In total, since 2011, the City has identified over \$600 million in savings and government reforms, changing the way the City delivers core services and ensuring investments continue to reflect the needs of Chicago's neighborhoods.

Over the last five budgets, the City worked to increase sustainable revenue sources, match expenditures to revenue, and take advantage of economic growth following the Great Recession, ensuring the City does not rely on one single revenue source, but a collection of diverse revenues.

2017 revenue is projected to increase by \$148 million. This is driven by growth in economically-sensitive revenue sources, like sales tax and personal property lease tax, coupled with growth in vehicle sticker tax revenue and changes to the State's remittance of personal property replacement tax. This budget also includes \$175 million in TIF surplus from the City's annual TIF surplus process and \$37 million in sweeps of aging revenue accounts and grant funds.

"Passing this budget allows Chicago to rise to meet new challenges before us. We will continue to invest in the future of Chicago through mentoring programs, investments in public safety, relief for working-class families and improvements to our infrastructure," said Mayor Emanuel.

To increase economic opportunity in neighborhoods, the Mayor is launching the Chicago Community Catalyst Fund to provide targeted investments in businesses and community projects in the City's neighborhoods most in need. This will be a separate fund that will be registered as a qualified investment vehicle that can accept and invest funds from the City and from private investors.

To strengthen public safety, the 2017 budget provides new resources for the Chicago Police Department, including additional police officers, detectives and sergeants; the size of the police department will increase by 970 positions by the end of 2018. The budget also provides new investments in technology, including body cameras, to help our police be more effective in solving and preventing crime.

To expand mentoring services for at-risk youth, the City is investing \$36 million over three years in quality mentoring programs with half coming from the City and the other half coming from the private and philanthropic sources. Through this initiative, the City will provide roughly 7,200 Chicago Public School 8th, 9th and 10th grade young men in communities most affected by violence with a mentor through high quality programs like Becoming a Man (BAM). Further, the successful Working on Womanhood (WOW) program will be expanded by 30 percent in 2018.

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