



OFFICE OF THE MAYOR  
CITY OF CHICAGO

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**CITY COUNCIL APPROVES MAYOR RAHM EMANUEL'S 2012 BUDGET PLAN**

*Reforms and efficiencies will save taxpayers more than \$406 million*

*New Infrastructure initiative will create 18,000 jobs in next 10 years*

*\$20 million in Rainy Day fund gets City back on path to financial security*

The City Council today approved Mayor Rahm Emanuel's balanced \$8.2 billion 2012 budget plan, which fills a \$635.7 million budget deficit by cutting spending and increasing efficiencies without increasing property or sales taxes.

The Council voted unanimously, 50-0 in support of the budget plan.

"This was a vote for change, and represents a break from the past," said Mayor Emanuel. "We made the tough choices that will move Chicago forward, but this budget is just a first step."

Mayor Emanuel immediately called a meeting with City Commissioners tomorrow to discuss next steps for implementing the reforms passed with the 2012 budget.

The City was able to avoid new taxes by identifying innovative reforms, efficiencies, revenue enhancements and investments that will allow the City to invest in infrastructure while creating a \$20 million safety net in the City's rainy day fund.

"This budget reflects the right priorities for Chicago," said the Mayor. "It begins to change the way city government does business, addressing our current needs while securing a prosperous future for the city. And most importantly, it puts the city taxpayer before the city payroll."

The budget plan includes savings – realized by cutting spending, increasing efficiencies, and additional innovations or government reforms – that add up to more than \$406 million. The savings include: vacancy reductions; increases in debt collection; health care savings from an employee wellness program; fee waiver reforms and departmental spending reductions. As approved, the budget includes 385 total layoffs that will be effective January 1<sup>st</sup>, and the elimination of more than 2,150 vacant positions.



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Mayor Emanuel's budget plan also includes approximately \$250 million in investments, financing and growth, which allow the City to make key investments in infrastructure and neighborhoods. Revenue enhancements include: a slight increase in the city's portion of the hotel tax; a congestion premium on parking; an increase in vehicle sticker fees; valet and loading zone fee adjustments; and increased fines for criminal and negligent activity.

The 2012 budget proposal includes a critical investment and jobs program launched to update the City's aging water system. An increase in water and sewer fees will be used to fund an ambitious infrastructure improvement program that will lead to the replacement of 900 miles of century-old water pipes; the relining of 750 miles of sewer lines; the relining of 140,000 sewer catch basins; and the upgrade of the City's four aging, steam-powered water pumping stations. Further, and most importantly, it will boost the City's economy by creating 18,000 jobs over the next 10 years.

The budget proposal also calls for the creation of a \$20 million innovation fund that will allow the City to invest in key, innovative projects for departments and agencies by providing loans that will be paid back after savings have been realized. The 2012 budget plan also includes returning \$20 million to the City's rainy day fund.

The budget also reflects a historic reform in the Chicago's public safety departments. Chicago will become the first major city to launch a consolidated public safety headquarters for both the Police and Fire Departments. In addition, the Police Department will consolidate area offices, detective bureaus and some of the police districts.

For the first time in the City's history, a website was used to continue the conversation about the budget. [ChicagoBudget.org](http://ChicagoBudget.org) received more than 2,500 ideas on the budget, and nearly 70,000 votes or comments on those ideas. Nearly 130 of the ideas submitted by Chicagoans are reflected in the 2012 budget plan. Additionally, Mayor Emanuel held two budget town halls this summer with over 1,000 people to discuss the budget directly with Chicagoans.

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