

2016 BUDGET REFORM

OVER \$600 MILLION IN SAVINGS, REFORMS AND EFFICIENCIES

The 2016 budget includes \$170 million in savings, reforms and efficiencies, totaling more than \$600 million worth of savings, reforms and efficiencies over the past five years. The structural deficit heading into 2016 is the lowest it has been since 2008.

2016 Budget reforms and Initiatives:

- Elimination of 150 vacant positions - \$14.1M
- Healthcare savings - \$10M
- Lease consolidations and reduced energy costs, including fuel, natural gas, and electricity expenses - \$1.6M
- Sale of excess City-owned land - \$4.8M
- Utilization of 'zero-based budgeting,' which helped many departments reduce expenses in areas such as outside professional services, transportation costs, and materials and supplies - \$21.8M
- Phasing off of old IT infrastructure, including mainframe and hosting, CSR replacement and desktop transition - \$3.9M
- Grid street sweeping - \$3.0M
- Energy savings - \$16.2M
- Decreased healthcare costs through the phase out of City funding for certain retiree benefits - \$30M
- Fiscal management and contractual savings through the monitoring of 2015 expenditures including IBM contract savings and condo rebate - 12.9M
- Sweeping aging revenue accounts and grant funds - \$20.2M
- TIF reform - \$22M
- Treasurer's investment reforms, including reserve funds - \$6.2M
- Improved debt collection, including revenue from new auditors - \$23.4M
- Allocation of costs to appropriate funds, including moving Millennium Park debt service payments to Fund 355, transfers and CTO budget allocated to appropriate funds - \$9.5M
- Revenue growth - \$7.8M
- Revenue enhancements, including garbage fee (\$62.7M), rideshare/taxi surcharge (\$48.6M), building permit rationalization (\$13.0M) and E-cigarettes (\$1M)

2015 Budget Reforms and Initiatives:

- Utilization of 'zero-based budgeting,' which helped many departments reduce expenses in areas such as outside professional services, transportation costs, and materials and supplies - \$5.8M
- Consolidation of IT systems and software licenses used by multiple departments to achieve Citywide savings - \$3.5M
- Decreased healthcare costs through the phase out of City funding for certain retiree benefits - \$27.2M
- Lease consolidations and reduced energy costs, including fuel, natural gas, and electricity expenses - \$5.1M
- Sale of excess City-owned land - \$10M
- Second year of a three-year phase out of City funding for healthcare benefits for some retirees
- Elimination of vacant positions - \$4M
- Sweeping aging revenue accounts and grant funds - \$27M
- Proper allocation of costs to Citywide programs - \$15.9M
- TIF Surplus and EAV capture - \$17.6M
- Increased City sticker enforcement - \$5M
- Improved collection from scofflaws - \$10M
- Elimination of outdated tax exemptions (luxury skybox amusement tax exemption, cable company amusement tax exemption) and the closing of tax loopholes (elimination of use tax credit, personal property lease tax increase) - \$54.4M
- Revenue Growth - \$75.4M

2014 Budget Reforms and Initiatives:

- Dept. Reforms & Spending Reductions - \$40M
- Healthcare/Personnel Savings - \$26M
- Revenue Growth - \$101.1M
- Proper allocation to Enterprise & Grant Funds - \$18.7M
- TIF EAV capture - \$21.6M
- TIF Surplus - \$8.7M
- New Revenue Enhancements - \$34.2M
- Decreased healthcare costs through the phase out of City funding for certain retiree benefits - \$24M
- Consolidation of offices from leased space to City Hall - \$4.2M
- Reductions in telecom costs by eliminating landlines and switching cellular carriers - \$1M
- Sweeping aging revenue accounts and grant funds - \$35M

2013 Budget Reforms and Initiatives:

- Dept. Reforms & Spending Reductions - \$64M
- Revenue Growth - \$20.3M
- Municipal Marketing - \$14M
- Healthcare, Wellness & Worker's Comp Reform - \$20M
- Improved Debt Collection - \$24M
- Continued aggressive management of healthcare costs through joint RFP with sister agencies, improved claim submission, and fraud detection - \$25M
- Elimination of duplicative IT functions across departments - \$1M
- Transition of additional City services to grid system (tree trimming, graffiti removal) - \$1.3M

2012 Budget Reforms and Initiatives:

- Dept. Reforms & Spending Reductions - \$211M
- Revenue Growth - \$48M
- Revenue Enhancements - \$79.8M
- Healthcare, Wellness & Worker's Comp Reform - \$35M (\$20M wellness and \$15M WC)
- Improved Debt Collection & Waiver Eliminations - \$40.3M
- Cut more than 500 senior and middle management positions - \$24.3M
- Eliminated more than 2,100 unnecessary vacancies throughout City government - \$130 million
- Rational and targeted revenue increases in recurring revenue sources - \$79.8M
- Improved debt collection, including bank debt and 'bad' debt - \$31M
- Reform of fee waivers - \$9.3M
- Wellness program for City employees - \$20M
- Transition to grid garbage collection - \$18M
- Introduction of competitive bidding for City services to ensure that the highest quality services are provided at the best possible price - \$10M

2011 Cost Savings:

During the six months following the inauguration, the City exceeded the Mayor's \$75 million savings goal through:

- Reductions in senior management payroll - \$5.5M
- Right-sizing of the law department and recruitment of pro bono services - \$3.4M
- Mergers of departments (Fleet and DGS, Finance and Revenue, Compliance, Environment) - \$3.7M
- Freeze of non-essential contract spending and improved procurement - \$23.8M
- Real estate and energy reductions (lease cancellations, electric and gas contract negotiations) - \$5M
- Reduction of City's vehicle programs - \$1M
- Improved grants management - \$34.2M
- DWM-CDOT project coordination to reduce construction costs - \$5M