



OFFICE OF THE MAYOR
CITY OF CHICAGO

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**MAYOR RAHM EMANUEL ANNOUNCES 2013 BUDGET GAP REDUCED BY 50 PERCENT AS A
RESULT OF STRUCTURAL CHANGES MADE IN 2012**

*Tough Choices Made in 2012 Budget Led to \$369 Million Budget Gap for 2013 –
Less than Half the \$741 Million Gap Projected*

CHICAGO - Mayor Rahm Emanuel today released a preliminary estimate of \$369 million for the City's 2013 budget gap, a figure nearly 50 percent less than the \$741 million gap projected for 2013 in last year's Annual Financial Analysis. By making tough choices to reduce the structural deficit during the 2012 budget process, the City stands in a stronger financial position today and closer to ending the long-time structural shortfall in the city's corporate budget.

"By making the tough but necessary choices in 2012, we were able to cut our budget gap in half in one year without using one-time fixes," said Mayor Emanuel. "But this will not be done in one year and while a \$369 million budget shortfall is a substantial gap, we are continuing to make the difficult but necessary choices as we right the city's financial ship and stabilize its fiscal future."

This year's budget gap is the lowest the City has had since 2009. The savings achieved in the 2012 budget were made possible by new efficiencies and city government reforms including improved debt collection, health care cost savings, grid garbage collection, public safety headquarters consolidation and significant personnel reductions.

Mayor Emanuel also reminded residents of the City's budget website –

www.ChicagoBudget.org – a website launched last year that allows Chicagoans to engage in



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the budget process by submitting ideas and discussing solutions together in an online forum.

“As we move forward with the 2013 budget process, my administration continues to be open to ideas from across the city on how to tackle the challenges we face and continue to put our city on solid financial ground,” said Emanuel.

The 2013 budget gap was announced as part of the Office of Management and Budget’s (OMB) second Annual Financial Analysis (AFA) that was released today. The AFA, initiated after Emanuel signed an Executive Order creating a long-term budget and planning process in 2011, sheds light on the disparity between revenues and expenditures the City has experienced over the past decade and provides the budget forecast for the three subsequent years in the future.

While preliminary 2013 estimates forecast a \$369 million budget gap, it also predicts additional increases of \$466 million in 2014 and \$580 million in 2015 in the absence of additional reform. Revenues are projected at \$2.83 billion and expenses are projected at \$3.19 billion for 2013.

Mayor Emanuel will present his 2013 budget proposal to the City Council in October. The complete AFA can be read at www.ChicagoBudget.org.

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