OFFICE OF THE INSPECTOR GENERAL
City of Chicago

Joseph M. Ferguson
Inspector General

180 N. Michigan Avenue, Suite 2000
Chicago, Illinois 60601
Telephone: (773) 478-7799
Fax: (773) 478-3949

FOR IMMEDIATE RELEASE:
September 27, 2011

CONTACT: (773) 478-0534
Jonathan Davey

Inspector General Announces Second Annual Budget Options Report for the City of Chicago

Focused on meeting its mandate of promoting efficiency and effectiveness in City government, the City of Chicago Office of Inspector General (IGO) today released its annual report of Budget Options for the City.

The IGO's Budget Options report for the 2012 budget provides a total of 44 separate, stand-alone options to cut spending. This year's report also includes 19 possible revenue generating options, including new or restructured taxes, tolls, and fees. In total, the 63 options detailed in the report provide background for nearly $3 billion in possible savings or new revenue for the City. Each option includes a brief overview of how proponents and opponents might argue each option, as well as a new section that notes important questions and discussion topics for the public and decision makers.

"In last year's report, we provided data and analysis explaining that Chicago's budget was fundamentally broken," said Inspector General Joseph Ferguson. "One year later, the situation remains difficult. The new Administration has candidly acknowledged the fiscal mess it inherited and has publicly committed itself to fixing it. This report is meant to support efforts to balance the budget by arming the public and City officials with context, basic data, and analysis needed to inform the tough choices ahead."

The list of options is not meant to be an exhaustive one, and the inclusion of any option in this report is not, and should not be, construed as an endorsement by the IGO. The IGO intends to use public feedback and official responses to the report in order to provide periodic updates and corrections to this year's report.

Some options included in the report are:

- Reducing the ratio of managers to non-supervisory employees in City government to save more than $100,000,000 annually
- Eliminating all Tax Increment Financing Districts to increase tax revenues to the City's general fund by an estimated $100 million annually
- Increasing the work week of all City employees to 40 hours to save approximately $40 million annually
- Broadening the City's Sales Tax to include more services generating an estimated $450 million annually
- Eliminating Police and Fire Duty Availability Pay that costs the City approximately $52 million a year
- Raise Water and Sewer Rates to the national average which would increase annual revenues by $380 million
- Eliminating Police Department Supervisor Quarterly Pay saving approximately $9.6 million annually

- Create a Commuter Tax estimated to generate $300 million in annual revenues
- Eliminate Tuition Reimbursement for City Employees, saving approximately $7.3 million
- Implement Congestion Pricing for vehicular traffic that is estimated to generate an additional annual revenues of $235 million
- Reducing the number of paid holidays for City workers from 13 to 10 resulting in annual savings estimated at $4.9 million
- Broadening the City's Amusement Tax which would produce an additional $105 million in annual revenues
- Eliminate the Fire Commissary Contract for yearly savings of $2 million
- Doubling the City's Boat Mooring Tax to generate an additional $1.3 million

The IGO is charged by ordinance with promoting economy, efficiency, effectiveness and integrity in the operation of the City government. To help meet its mission, the IGO encourages City residents to send in budget reduction ideas for IGO consideration and analysis. These suggestions may be included in the IGO's next Budget Options report. Please send suggestions, ideas, comments, questions, corrections, and criticisms to: budgetoptions@chicagoinspectorgeneral.org.

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