

49th Ward

# 2021 Budget Town Halls



**MARIA  
HADDEN**

49<sup>TH</sup> Ward Alderwoman

# Agenda

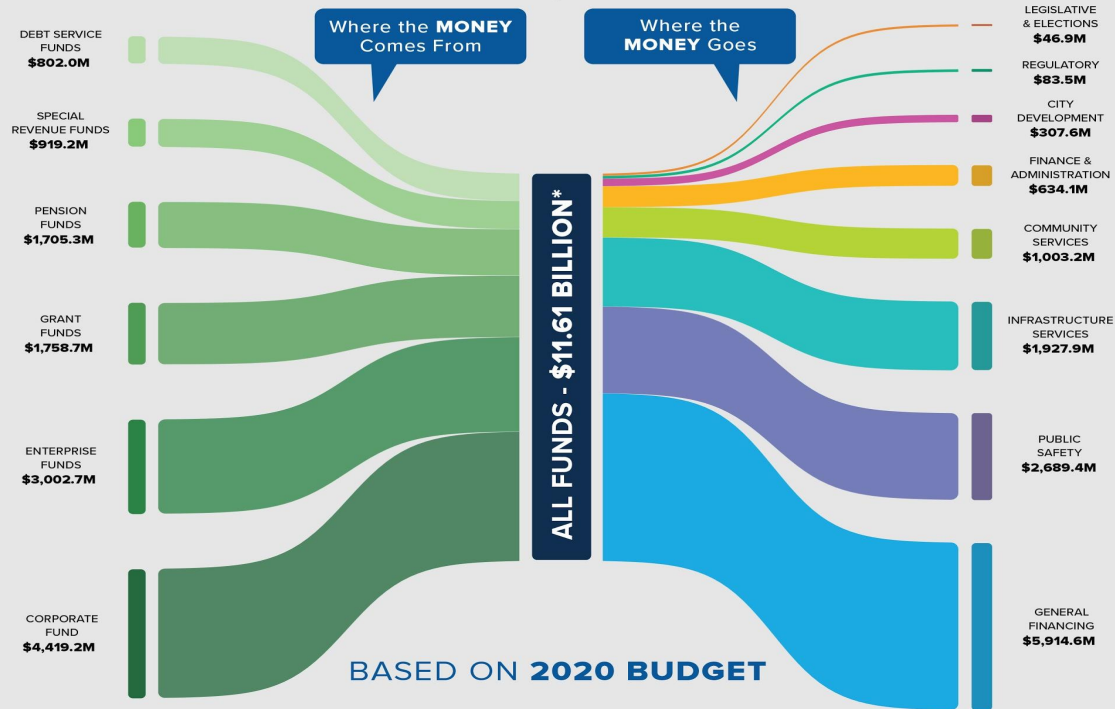
- Welcome and introductions (~2 mins)
- City of Chicago Budget Process Overview (10-15 mins)
- 49th Ward Budget Survey Results (~25 mins)
- Breakout Sessions (~30 mins)
- Breakout Session Report Backs (~10 mins)
- Wrap Up (~5 mins)



# BUDGET PROCESS OVERVIEW



# BUDGET OVERVIEW



\*Proceeds of debt issuances transferred between funds and reimbursements or internal transfers between funds, totaling \$1,000.7M, are deducted to more accurately reflect the City appropriation. Total resources include revenues generated during the year and prior year savings and available resources.

Throughout the Year: OBM monitors revenues and expenditures allocated through the Annual Appropriation Ordinance.

### JULY - AUGUST

- DEPARTMENTS SUBMIT BUDGET REQUESTS TO THE OFFICE OF BUDGET & MANAGEMENT (OBM)

### AUGUST - SEPTEMBER

- PER EXECUTIVE ORDER NO. 2019-3, THE BUDGET FORECAST IS PUBLISHED
- OBM HOLDS BUDGET TOWN HALLS
- OBM WORKS TO CREATE A BALANCED BUDGET



### OCTOBER

- MAYOR SUBMITS BUDGET RECOMMENDATIONS TO CITY COUNCIL



### OCTOBER - DECEMBER

- COMMITTEE ON BUDGET & GOVERNMENT OPERATIONS HOLDS HEARINGS ON THE PROPOSED BUDGET
- CITY COUNCIL MUST APPROVE A BALANCED BUDGET BY **DECEMBER 31ST**

### JANUARY

- ANNUAL APPROPRIATION ORDINANCE GOES INTO EFFECT ON **JANUARY 1ST**





# 2020 BUDGET SHORTFALL

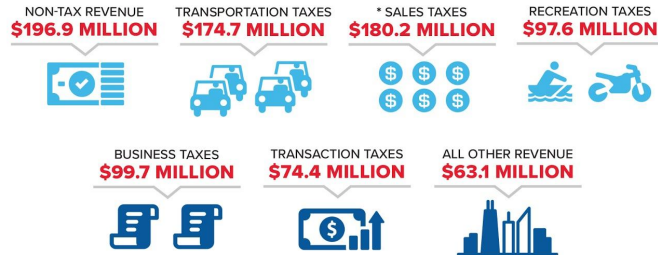
**2020 CORPORATE FUND BUDGET** | **\$4.4 BILLION**

**UPDATED 2020 EXPENDITURE PROJECTIONS • \$4.3 BILLION**

**UPDATED 2020 REVENUE PROJECTIONS • \$3.5 BILLION**

**\$798.8 MILLION SHORTFALL**

Estimated loss from **2020 Budget Revenue** due to COVID-19:



\* Total includes both Chicago Sales Taxes and Sales Taxes Securitization Corporation Residual.

## COVID-19 IMPACT: ECONOMIC CONDITIONS\*

- Increase in unemployment to **18.7 percent**
- 35 percent** decline in small businesses operating in April
- GDP dropped by **10 percent**
- Consumer spending declined **12 percent**

\* As of Q2 2020

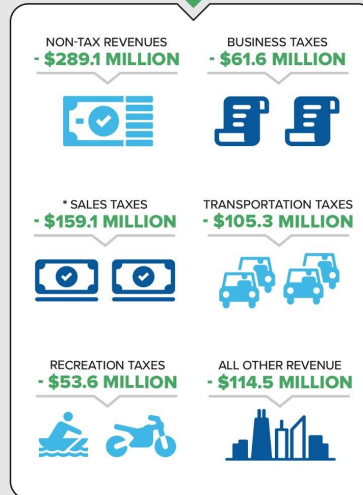
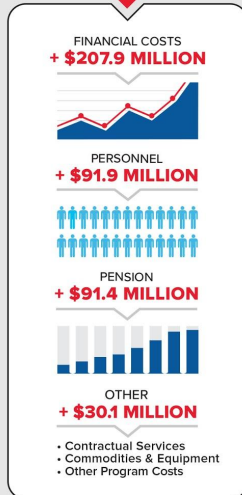
## POTENTIAL SHORTFALL SOLUTIONS

- ➔ Debt Refinancing
- ➔ CARES Act Reimbursement \*
- ➔ Service Efficiencies
- ➔ Hiring Slowdown

\* For eligible unbudgeted or redeployed COVID-19 related expenses.



# 2021 BUDGET FORECAST



\* Total includes both Chicago Sales Taxes and Sales Taxes Securitization Corporation Residual.

A photograph of two people in a meeting. On the left, a person with long, curly brown hair is seen from the side, holding a silver laptop. On the right, a man with a beard and short hair is seen from the side, looking towards the whiteboard. The whiteboard in the background has several hand-drawn diagrams and notes. One diagram is titled 'Homepage' and shows a layout with 'H1', 'H2', 'Email', and 'Download' buttons. Another diagram is titled 'H1-H2 Design' and shows a list of items. There are also some wavy lines and a small green checkmark on the whiteboard. The text '2021 BUDGET SURVEY RESULTS' is overlaid in large, white, bold letters across the center of the image.

# 2021 BUDGET SURVEY RESULTS



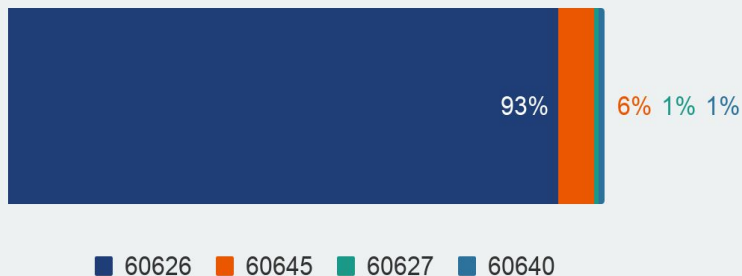
A group of diverse people are gathered in what appears to be an art gallery or a creative workshop. The background is filled with various framed artworks, including abstract geometric pieces and more traditional sketches. In the center, a man in a dark suit and tie stands with his hands on the shoulders of a woman seated in front of him. To the left, a man with a beard and glasses sits, holding a small object. Other individuals are seated or standing around, some looking towards the center, others looking away. The lighting is warm and focused on the group. The word "DEMOGRAPHICS" is overlaid in large, bold, white capital letters across the middle of the image.

# DEMOGRAPHICS

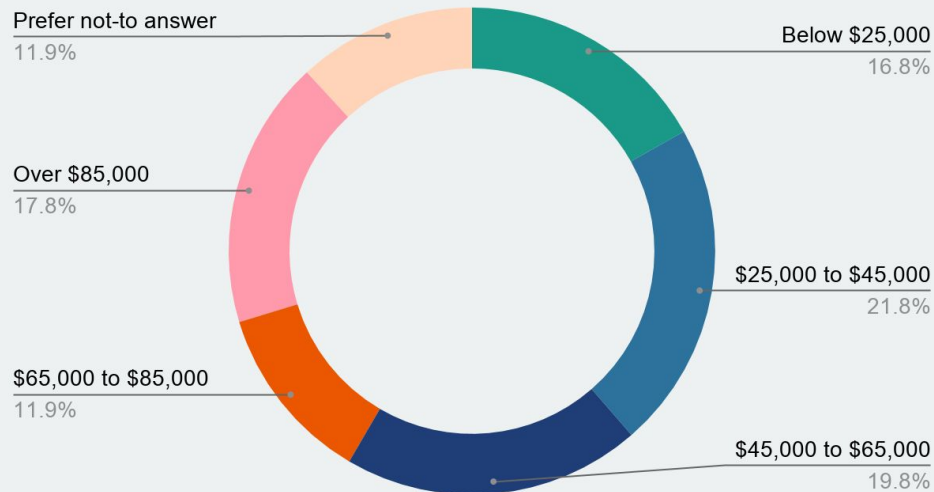
# WHO TOOK THE SURVEY?

There were **137** total responses.

Zip Code Representation

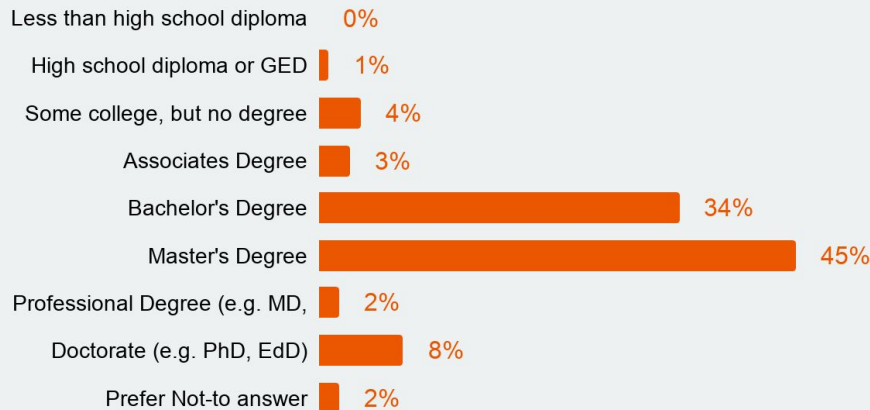


Annual Salary

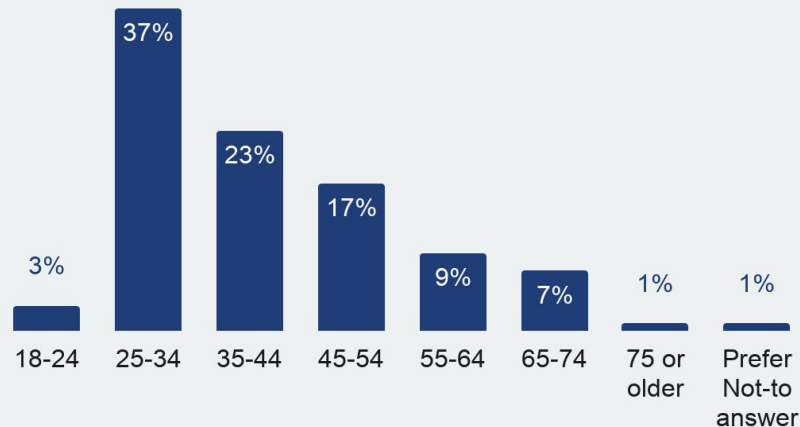


# WHO TOOK THE SURVEY?

Level of Education

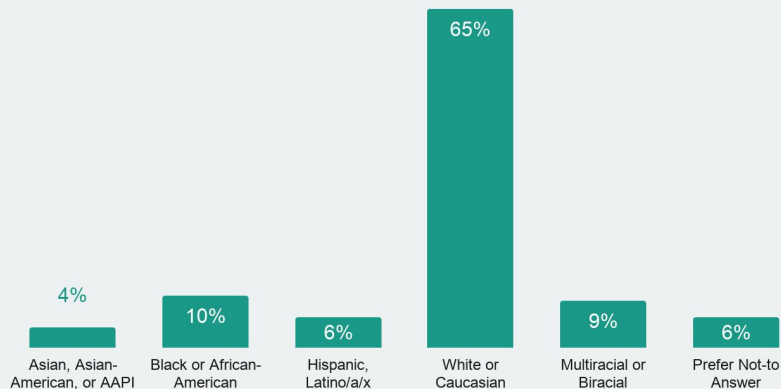


Age Range

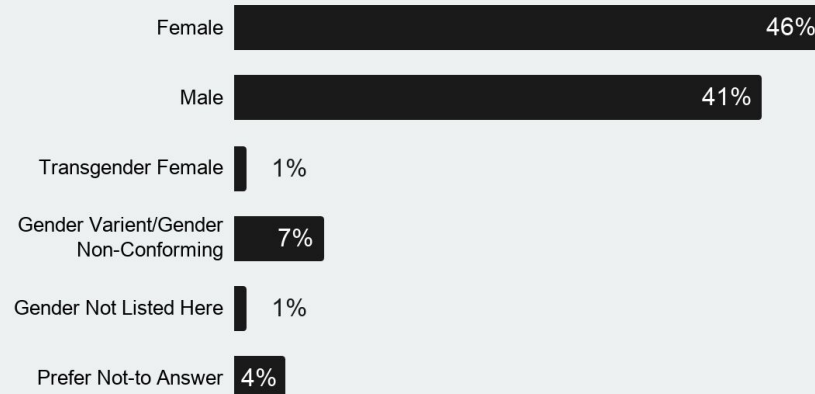


# WHO TOOK THE SURVEY?

Ethnicity



Gender





# IDENTIFYING BUDGET PRIORITIES

A photograph of a silver CTA train with the number 5544 on its front, stopped at a station platform. The train is on tracks with a blue tactile paving strip on the platform. In the background, there are buildings and a cloudy sky. The text "IDENTIFYING BUDGET PRIORITIES" is overlaid in large white letters.



# BUDGET CATEGORIES

**1** **City Development**  
(housing, economic development)

**2** **Community Services**  
(libraries, youth programming)

**3** **Crisis Intervention**  
(street violence disruption, mental health crisis intervention teams, increase in social workers)

**4** **Cultural Affairs**  
(street festivals, public art)

**5** **Infrastructure**  
(bridges, streets, water projects)

**6** **Police**  
(Chicago Police Department)

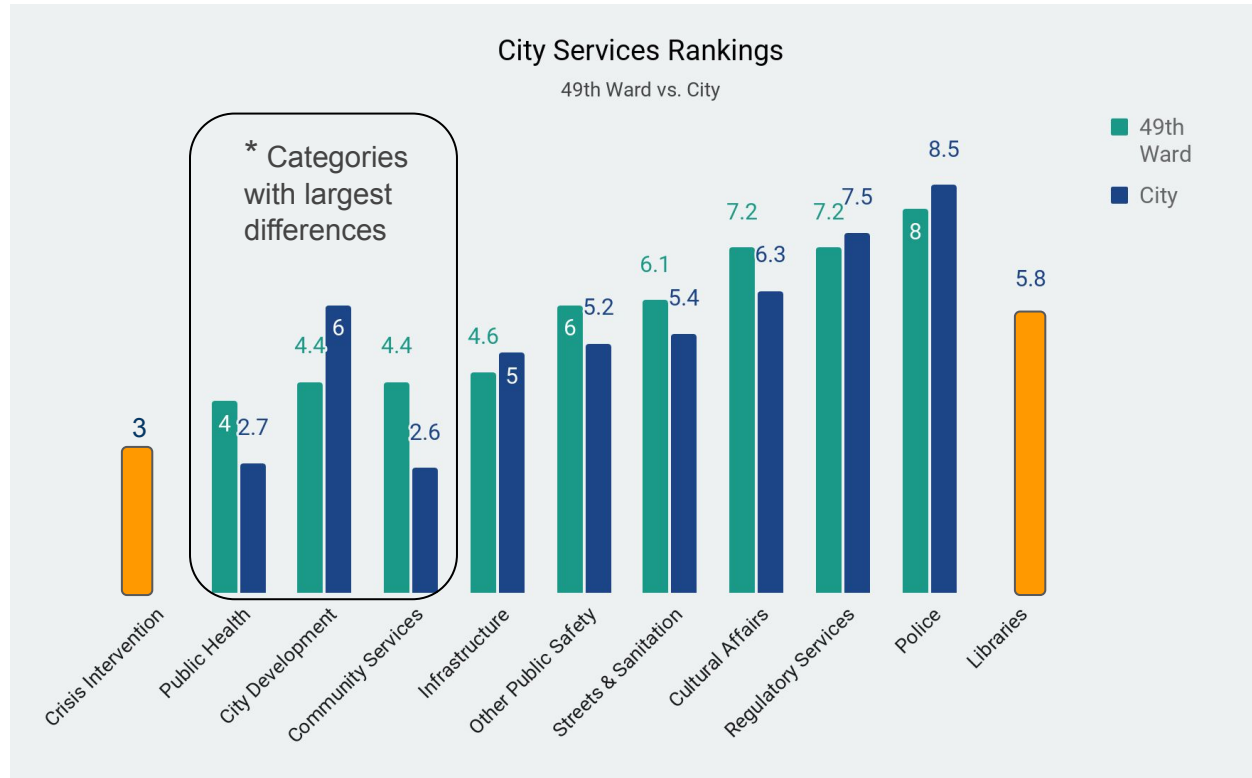
**7** **Public Health**  
(flu shots, COVID-19 response, city health clinics)

**8** **Regulatory Services**  
(City Clerk, Forestry, & other departments)

**9** **Streets & Sanitation**  
(rodent baiting, garbage removal)

**10** **Other Public Safety**  
(ambulances, Fire Department, 911 services)

# PRIORITY RANKING AVERAGES

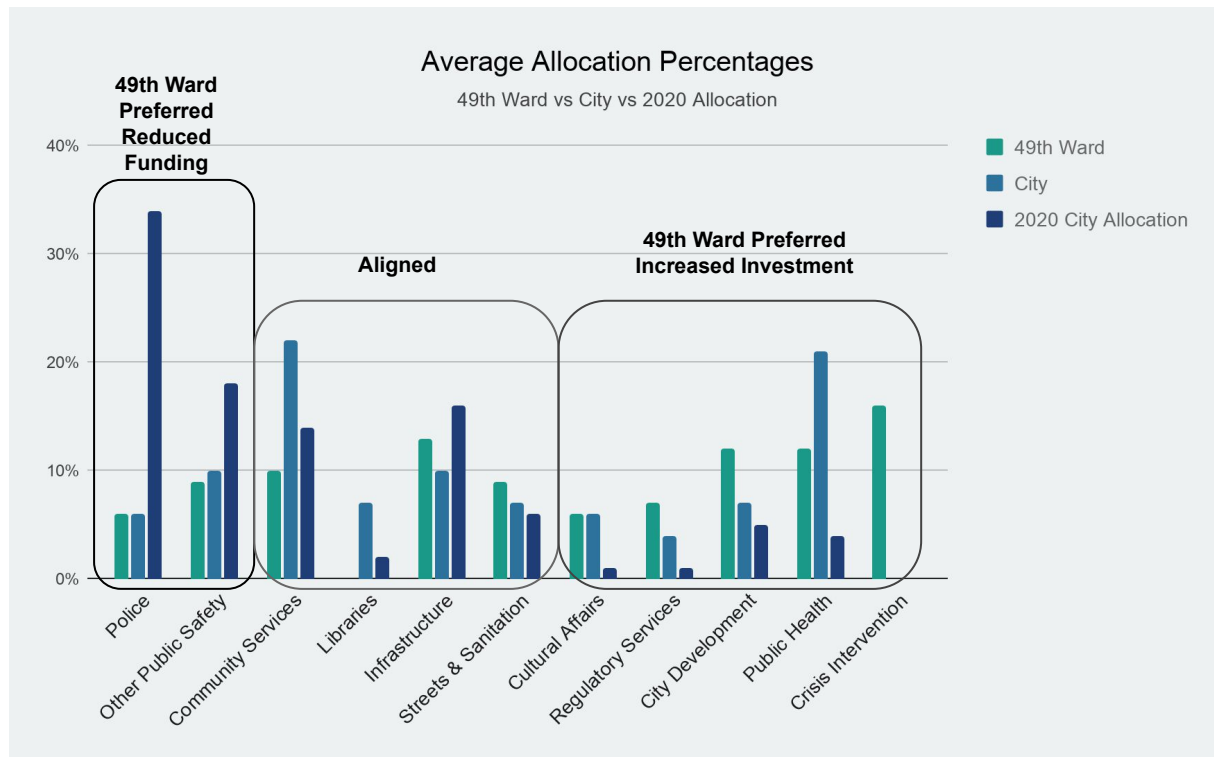


\* smaller  
number =  
higher priority

# CONSENSUS OF RANKINGS

Rank Group		Crisis Intervention	Public Health	City Development	Community Services	Infrastructure	Other Public Safety	Streets & Sanitation	Cultural Affairs	Regulatory Services	Police
Rank Group	<b>Top</b> (1 to 3)	74%	47%	45%	36%	34%	20%	18%	7%	5%	13%
	<b>Middle</b> (4 to 7)	18%	43%	34%	52%	55%	45%	52%	38%	46%	18%
	<b>Bottom</b> (8 to 10)	9%	10%	20%	12%	11%	34%	31%	55%	49%	69%

# ALLOCATION PERCENTAGES

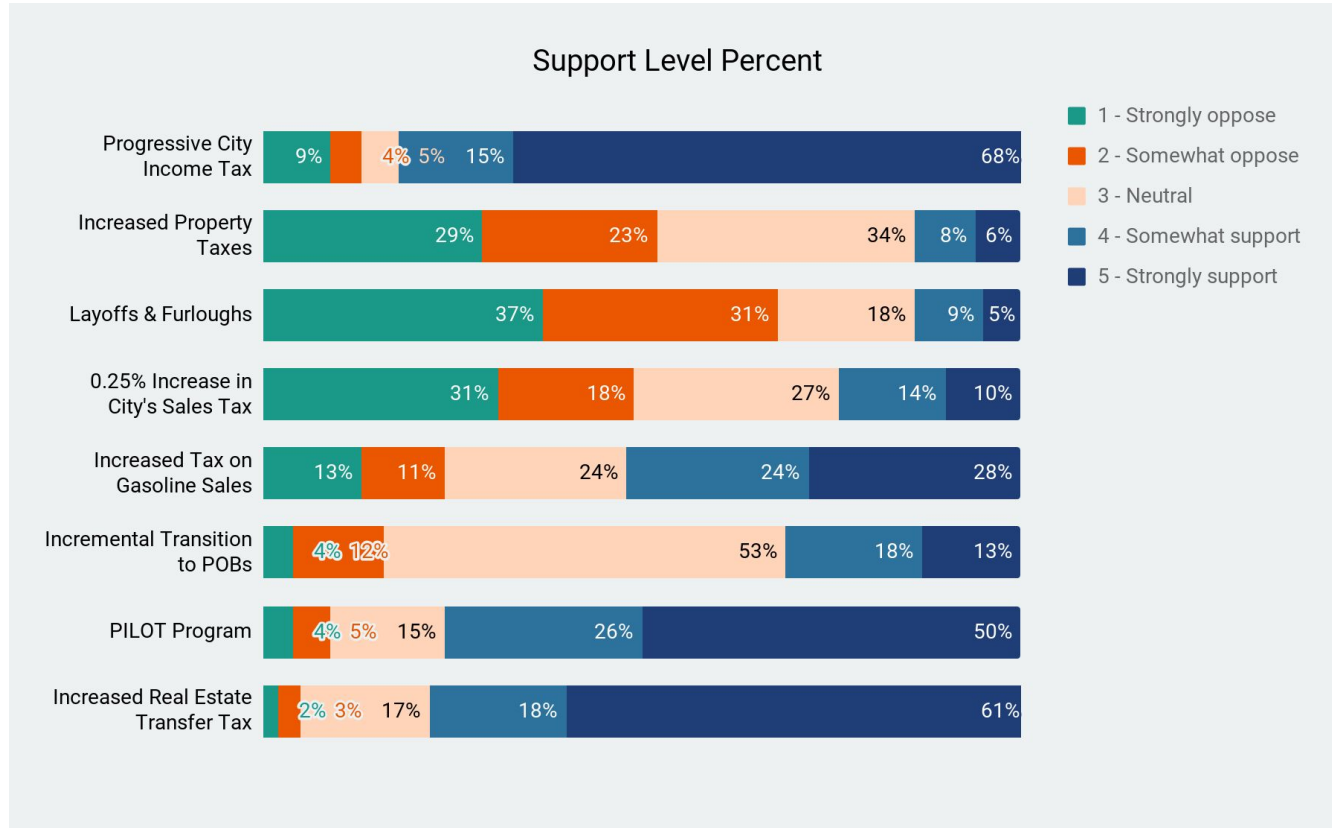


A woman with long dark hair and glasses, wearing a white t-shirt, stands in the center of a meeting room, gesturing towards a whiteboard. The whiteboard is covered with numerous colorful sticky notes (pink, yellow, and orange) arranged in clusters. Several people are seated around a large white table in the foreground, looking towards the presenter. The table has laptops, notebooks, and other meeting materials on it. The room has large windows on the left side, letting in natural light. The overall atmosphere is professional and collaborative.

# REVENUE GENERATING/COST SAVING IDEAS



# IDEA SUPPORT



# IDEA SUPPORT

## **#1 - Increased real estate transfer tax (RETT)**

For properties priced over \$1 million, with a slight decrease for properties priced under \$500,000. If approved by Springfield, it is projected to bring in over \$50 million in 2021.

## **#2 - Progressive income tax for the city**

An additional income tax for residents in Chicago that would be determined by salary level. Larger wage earners would pay a larger percentage, and lower wage earners would pay a smaller percentage. This could be an alternative to increasing property taxes.

## **#3 - PILOT program**

Large institutions with tax-exempt properties make payments to municipal budget.

# NEW REVENUE/COST SAVING IDEAS

## Cost-saving/ revenue ideas

## Additional thoughts about the budget



The most common words were “**police**”, “**tax**”, “**city**”, and “**defund**”

# MAJOR THEMES IN COMMENTS

## “Defund the police”

About 40% of all comments had to do with policing, which made it the most mentioned topic. The vast majority of these comments were to reduce the policing budget.

On the city-wide survey, the police were mentioned in 95% of comments, with many similar points about defunding, increasing accountability, and re-allocating to programs that prevent crime.

Defund the police and redirect funding to other city services

Dramatically slash police services.

Cut the Police budget by at least 75%, which would save us 1.35 billion to 1.8 billion dollars per year.

Drastically cut the police budget allocations and reduce the absolute number of police employed.

Defund the Chicago Police Department. The residents of Chicago will instantly have access to \$1 billion for the city's real needs

Less allocations to policing and more to services like mental health, etc. without a police intervention.

Defund police, they don't need military grade gear

# MAJOR THEMES IN COMMENTS

## **New taxes**

The comments included a wide range of proposals for new taxes or taxing systems, as a way to generate revenue.

While hard to generalize, these comments mainly focused on taxing vacant housing, luxury goods, "sin taxes" on drugs, gas taxes and tolls, and wealth & financial transactions.

Some goals of these taxes included more progressive taxation of wealthier people, promoting affordable housing, de-incentivizing behaviors contributing to climate change, and promoting tourism and local businesses.

Some comments also mentioned that the city needs to re-prioritize and reduce spending before introducing new taxes.



# MAJOR THEMES IN COMMENTS

## Distribution of funding

Many comments had suggestions for how to reallocate funding among city services. These align with the earlier data on ranking services and allocating funding, but also share general priorities and perspectives. Many also mentioned policing.

Overall we need to redistribute city funds to those communities whose denizens need greater access to affordable housing, healthcare, basic infrastructure services and economic opportunities within the neighborhoods they reside in.

Take a long look at making cuts in departments that make up large portions of the budget (i.e., police, though to be clear I strongly support the police), and avoid symbolic cuts in departments that make up a very small portion of the budget (i.e., the public library). Focus on providing funding for necessary services.

Investment in the NEIGHBORHOODS *\*must\** be prioritized over downtown developments. No more sweetheart deals downtown.

Prioritize services that minimize the need for police intervention, such as affordable housing, affordable mental and physical health care, and community safety initiatives that do not involve police.

We cannot decrease spending anymore than we already have. Many departments need increased funding. We will need to increase revenue and shift money away from inefficient/unneeded departments such as police.

A close-up, slightly low-angle shot of a person's head and shoulders. They are wearing a dark-colored baseball cap with a light-colored, possibly tan or brown, brim. The cap features the words "LOVE YOUR NEIGHBOUR" in a bold, yellow, sans-serif font. Overlaid on the center of the image, partially covering the cap and the person's face, is the text "THANK YOU" in a large, white, bold, sans-serif font. The person's face is partially visible below the brim, showing their nose and mouth. The background is heavily blurred, showing a crowd of people in various colors, suggesting an outdoor event or festival. The lighting is warm, possibly from the setting or rising sun, creating a soft glow on the person's face and the cap.

**THANK YOU**

**LOVE YOUR  
NEIGHBOUR**