



# City of Chicago



F2019-116

Office of the City Clerk  
Document Tracking Sheet

**Meeting Date:** 9/18/2019  
**Sponsor(s):** Lightfoot (Mayor)  
**Type:** Executive Order  
**Title:** Executive Order No. 2019-3 (Budget Forecast and Financial Analysis)  
**Committee(s) Assignment:**



OFFICE OF THE MAYOR  
CITY OF CHICAGO

LORI E. LIGHTFOOT  
MAYOR

July 30, 2019

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2019 JUL 30 PM 5:36  
OFFICE OF THE  
CITY CLERK

Anna Valencia  
City Clerk  
Room 107, City Hall  
Chicago, IL 60602

Dear Ms. Valencia:

I transmit herewith for filing Executive Order No. 2019-3, which I have signed this date.

Your prompt attention to this matter is appreciated.

Sincerely,

A handwritten signature in cursive script, appearing to read "Lori E. Lightfoot".

Mayor

### **Executive Order No. 2019-3**

WHEREAS, Protecting the health and safety of all residents of the City of Chicago; continuing to strengthen communities, neighborhoods and schools; maintaining infrastructure and public spaces; and fostering a vibrant local economy requires that the government of the City (“City”) be fiscally sound; and

WHEREAS, Securing and maintaining the City’s fiscal health requires a regular review of its revenues and expenditures; examination of its historic financial performance and the factors driving the broader economy; and evaluation of any changes that will affect the City's budget and finances; and

WHEREAS, The Budget Forecast required by this Order will provide the City of Chicago’s residents with an analysis that identifies the opportunities and challenges of the coming budget year; and

WHEREAS, The City is committed to transparency and accountability in the reporting of its overall financial status; and

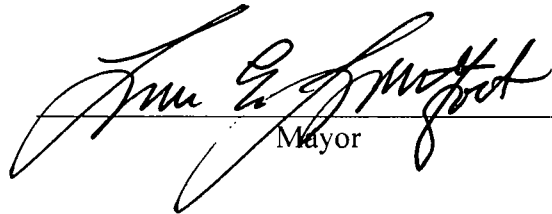
WHEREAS, This Order sets forth the manner in which the City will communicate its current and future financial health for the benefit of its leadership and residents, and provides a framework for developing the City’s Annual Budget; now therefore,

I, LORI E. LIGHTFOOT, Mayor of the City of Chicago, do hereby order as follows:

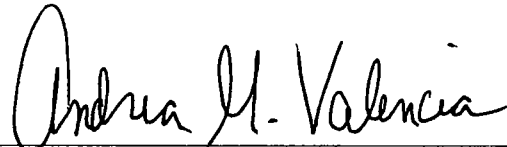
1. Following publication of the City’s Comprehensive Annual Financial Report (“CAFR”), the Office of Budget and Management (“OBM”) shall prepare a budget and financial analysis (“Budget Forecast”) consistent with this Order that will provide a framework for the development of the City's Annual Budget. OBM shall develop the Budget Forecast with input from the Chief Financial Officer and the City Comptroller. OBM shall publish the Budget Forecast by August 31st of each year.
2. The Budget Forecast shall include:
  - a) a local fund financial forecast, which shall include:
    - i. a three-year baseline forecast based on historical trends, current service levels and revenue sources, which will break out information for each of the City's local funds; show projected surpluses and deficits; explain the primary factors affecting the surpluses or deficits; and describe the assumptions used to prepare the forecasts; and
    - ii. a three-year alternative forecast based on available data to provide a positive and negative variance for the City's revenues and costs.

- b) a local fund financial condition analysis, presenting historical data on the City's financial condition over the previous ten years, which shall include:
    - i. a financial trend analysis of the City's Corporate Fund, including revenues and expenditures, utilizing such indicators as: property and other tax revenues; licenses and permits; fee and fine revenues and expenditures; cost of services; employee costs including fringe benefits and post-employment obligations; capital outlay; debt service expenditures; and revenues and expenditures arising from the City's relationships with other local government agencies, including, but not limited to, the Chicago Public Schools, the City Colleges of Chicago, the Chicago Park District, Cook County, the Illinois Sports Facility Authority, the Public Building Commission, and the Chicago Transit Authority;
    - ii. in the event that there are changes in the availability of the above-listed data or indicators, a description of, and the reasons for, such changes;
    - iii. a discussion of the key factors impacting the performance of the City's revenue streams and the City's revenue mix; and
    - iv. a discussion of any changes in any federal, state or local law that have impacted the City's financial condition.
  - c) a reserve analysis, which presents current and estimated levels of the City's reserves, including the Corporate Fund reserve and asset lease reserves, to ensure that they are adequate to provide for the needs of the applicable fund or program.
3. OBM shall publish and make the Budget Forecast publicly available in a searchable format on the City's website.
  4. OBM shall seek input from the City Council and the City's residents on the opportunities and challenges identified in the Budget Forecast, which will help guide the development of the Annual Budget.
  5. No later than October 31 of each year, the Executive Budget for the upcoming fiscal year shall be submitted to the City Council pursuant to 65 ILCS 5/8-2-2. Upon submission to the City Council, the Executive Budget shall be made available on the City's website and copies shall be distributed to all members of the City Council and to the Chicago Public Library and its regional libraries, where copies shall be made available for public inspection and copying.
  6. The Budget Director shall provide members of the public with an opportunity to submit comments on the Executive Budget through community forums, written or electronic submissions, or other appropriate means.
  7. In addition to the Budget Forecast, the City shall annually publish the following:

- a) a report presenting the City's capital improvement program, projected capital maintenance expenditures for each year, the funding source for each project, and providing brief descriptions and data for a five-year period.
  - b) a report of general obligation debt, installment purchase agreements, capital leases, sales and motor fuel tax revenue bonds, and tax increment financing and special service area bonds, included with the CAFR. The debt report will provide the City's current level of debt, the structure of its debt issues, and indicators of future debt capacity.
  - c) a report of the City's existing long-term liabilities, including post-employment obligations and claims payable, as included in the CAFR.
  - d) a report of the City's key fiscal policies and associated measurements of compliance, along with a discussion of whether and how any policy should be amended, or if new policies should be added, to be included in the City's Budget Overview.
8. This Order shall supersede any inconsistent provision in any previous Executive Order.
9. This Order shall take effect upon its execution and filing with the City Clerk.

  
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Mayor

Received and filed July 30, 2019

  
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City Clerk

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