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CITY OF CHICAGO

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RAHM EMANUEL  
MAYOR

**Executive Order No. 2011-7**

WHEREAS, in order to protect the health and safety of all the residents of the City of Chicago, continue to strengthen its communities, neighborhoods and its schools, maintain its infrastructure and public spaces, and foster a vibrant local economy, the City of Chicago must be in strong financial health; and

WHEREAS, in order to secure and maintain the fiscal health of the government of the City of Chicago ("City"), it is necessary to regularly evaluate the City's revenues and expenditures, to examine the City's historical financial performance and the factors driving the broader economy, and to evaluate those changes that will affect the City's budget and finances; and

WHEREAS, this Executive Order No. 2011-7, regarding the City's long-term budget and financial analysis, sets forth the manner and process by which the City will plan for, and communicate the details of, a sound financial future for the benefit of all its residents; now, therefore,

I, RAHM EMANUEL, Mayor of the City of Chicago, do hereby order as follows:

1. By July 31 of each year, the Office of Budget and Management shall issue a long-term budget and financial analysis (the "Annual Financial Analysis") consistent with the provisions of this Order. The Annual Financial Analysis will provide the framework for the development of the City's annual operating and capital budgets.
2. The Annual Financial Analysis shall be developed by the Office of Budget and Management with input from the Mayor's Economic, Budgetary, and Business Development Council; the Deputy Mayor; the Chief Financial Officer; the City Comptroller; City departments and sister agencies; elected officials; and other relevant stakeholders.
3. Input will be sought from the City Council to identify appropriate fiscal and programmatic strategies related to the Annual Financial Analysis.
4. The Annual Financial Analysis will be published and made publicly available in a searchable format on the City's website. Members of the public will have an opportunity to review and comment on the proposed Annual Financial Analysis. A summary of the Annual Financial Analysis will be included in the Executive Budget.

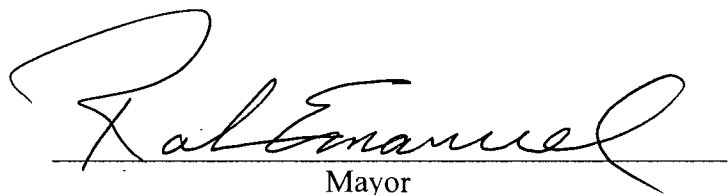
5. The Annual Financial Analysis shall include:

- a) a financial condition analysis, presenting an historical analysis of the City's financial condition over the previous ten years, and which shall include:
  - i. a financial trend analysis of the City's funds, including revenues and expenditures, utilizing such indicators as: property and other tax revenues; license, fee and fine revenues; fee expenditures; cost of services; employee costs including fringe benefits and post-employment obligations; capital outlay; debt service expenditures; and revenues collected 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 such changes 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.
- b) a 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 funds; show projected surpluses and deficits by fund; 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.
- 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.
- d) an analysis presenting the City's capital program, projected capital maintenance expenditures for each year, the funding source for each project, and providing brief descriptions and data for the three-year period of the Annual Financial Analysis regarding new capital projects.

- e) an analysis 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. The debt analysis will evaluate the City's current level of debt, the structure of its debt issues, and provide indicators of future debt capacity.
  - f) an analysis of existing long-term costs and liabilities of the City, including post-employment obligations and claims payable.
  - g) a summary 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.
6. No later than October 15 of each year, the Executive Budget for the ensuing 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.
7. The Budget Director shall provide to members of the public an opportunity to submit comments on the Executive Budget through community forums, written or electronic submissions, or other appropriate means.

**Effective Date.**

This Order shall take effect upon its execution and filing with the City Clerk.

  
Mayor

Received and filed May 20, 2011

  
City Clerk