CITY COUNCIL
CITY OF CHICAGO

COUNCIL CHAMBER
SECOND FLOOR, CITY HALL
TELEPHONE: 312-744-6800

September 28, 2026

The Honorable Brandon Johnson
Mayor, City of Chicago
121 N. LaSalle Street
Chicago, Illinois 60602

Dear Mayor Johnson:

Chicago begins the FY2027 budget process confronting a projected $882.4 million deficit. That figure is lower than earlier forecasts, but it remains a fiscal challenge of the first order — one that will demand hard and honest choices from the administration and the City Council alike.

We are prepared to make those choices, and to work with you toward a budget worthy of this great city. As the process begins, we believe three principles should anchor our consideration of the FY2027 budget:

1. No property tax increase.
Chicago's homeowners, renters and businesses already shoulder a heavy property tax burden. Adding to it is not the way to close this gap, and we will not ask them to carry more.

2. No head tax, and no tax on job growth.
A great city should court employers, not punish them for the act of putting people to work. We will not support a head tax, or any levy that makes it costlier to keep and create jobs for Chicagoans.

3. No reliance on Springfield revenues that have not been approved.
The City cannot balance its books on the assumption that the General Assembly will act — that it will pass new legislation, enlarge Chicago's share of state revenue or extend aid that does not exist on the day Council votes. If Springfield acts, let it bring relief in its season. We should not spend what has not yet arrived. Ruling out these taxes does not

make the deficit smaller — it means the work of closing it has to be done honestly, through the cost of government itself.

Our first demand is simple: reduce the recurring cost of City government before asking anyone to pay more.

Let’s start with the $3 million EY report commissioned by your office in 2025 that identified more than $1 billion in savings through efficiencies that the city can pursue. This includes retiring long-vacant positions, cutting management overhead, reforming procurement, disciplining overtime, civilianizing posts that don't require a sworn officer, confronting health and workers' compensation costs, shedding surplus fleet and real estate, and ending programs that duplicate one another or deliver too little.

These must be real savings, not savings on paper. If the budget claims an efficiency, Council and the public should be able to name the position, contract or program that was actually cut.

Our second demand follows from your own forecast. Your administration has already named the deficit's drivers — some $400 million in police misconduct settlements, $90 million in added pension costs, $70 million in higher debt service, cost-of-living adjustments and inflation. What it has not done is draw the line that matters: how much of the $882.4 million is permanent structural imbalance, and how much is one-time or temporary. The settlements are largely one-time. The pension and debt growth is not. That distinction is the difference between a sound budget and a sleight of hand.

A one-time expense does not justify a permanent tax. A program launched on temporary federal dollars should not quietly become a standing obligation of Chicago's taxpayers. And new discretionary spending deserves a second look before anyone is asked to pay more.

Our third demand: one-time money must not paper over a permanent problem. Borrowing, refinancing, reserves and asset sales have no business underwriting recurring operations. Used well, they can meet genuine one-time costs or fund reforms that lower expenses for good — but they can never substitute for structural balance.

We recognize spending cuts alone may not responsibly erase the entire deficit. Once meaningful recurring savings are on the table, we are prepared to weigh reasonable, locally controlled revenue options — beginning with the money already owed to the City: collecting it, recovering our costs, and modernizing existing revenues where it makes sense.

The order is not incidental. It is the whole point: Reduce the cost of government. Protect essential services. Collect what is already owed. Determine the true remaining structural deficit. Then, and only then, decide what new revenue, if any, is truly necessary.

Mayor Johnson, there are hard decisions ahead, and Chicagoans deserve candor about that. They deserve equal candor about what this budget cannot become: one more exercise in leaning on uncertain revenues, temporary fixes and higher taxes to avoid changing the underlying cost of government.

Our position is plain: No property tax increase. No head tax or tax on job growth. No counting Springfield money that has not been approved.

Within those bounds, we stand ready to work with you — to pass a responsible budget that protects essential services and sets Chicago on firmer fiscal ground.

Sincerely,

Alderperson Brian Hopkins
Alderperson Pat Dowell
Alderperson Desmon C. Yancy
Alderperson Greg Mitchell
Alderperson Michelle Harris
Alderperson Anthony Beale
Alderperson Peter Chico
Alderperson Nicole T. Lee
Alderperson Marty Quinn
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