

EXHIBIT B-1



CITY OF CHICAGO

OFFICE OF BUDGET AND MANAGEMENT

## MEMORANDUM

**To:** All Commissioners and Department Heads

**From:** Annette Guzman, *Budget Director, OBM* Annette C.M. Guzman

**Date:** September 9, 2024

**Re:** Budget Restrictions Enacted for Remainder of FY2024

**CC:** Sandra Blakemore, *Commissioner, DHR*  
Chasse Rehwinkel, *Comptroller, DOF*

Digitally signed by Annette C.M. Guzman  
DN: cn=Annette C.M. Guzman, o=City of  
Chicago, ou=Office of Budget & Management  
Services,  
email=annette.guzman@cityofchicago.org, c=US  
Date: 2024.09.09 08:31:31 -0500

The Office of Budget & Management (OBM) recently released **the City's 2025 Budget Forecast**, which reflects a projected budget deficit for FY2024 and projected budget gap for FY2025.

In light of the projected FY2024 deficit and in preparation for discussions regarding reduction scenarios that will be considered for the 2025 Budget, OBM is enacting several cost reduction measures.

### ***Hiring Freeze***

Effective immediately and until further notice, OBM is implementing a hiring freeze on the Corporate Fund (0100) and CDBJ Fund (OJ50). No new A-forms will be approved on either fund through the remainder of this year. This hiring freeze is applicable to all departments and positions.

In addition, **all previously approved A-Forms will be suspended** with the following exceptions:

- If a consensus meeting is scheduled or has already occurred with DHR as of the date of this memorandum, departments may proceed with the hire, pending approval by both DHR and OBM.
  - **No new interviews or consensus meetings should be scheduled after the date of this memorandum.**
- If an offer has been extended as of the date of this memorandum, departments may proceed with the hire, pending approval by both DHR and OBM.
- Municipal Code of Chicago (MCC) required positions, Consent Decree required positions, or Contractually Required positions with approved A-Forms as of the date of this memorandum, departments may proceed with the hire, pending approval by both DHR and OBM.

- Revenue generating positions with approved A-Forms as of the date of this memorandum, departments may proceed with the hire, pending approval by both DHR and OBM.
  - A revenue generating position consists of a full-time equivalent position whose work activities result in the direct and measurable collection of revenue by the City (or the State on behalf of the City).
- Reinstatements, as required

We encourage departments to focus hiring efforts on filling positions funded on the grant (other than CDBG), special revenue and/or enterprise funds for the remainder of the year.

### ***Travel Restrictions***

Effective as of the date of this memorandum, travel for all non-essential city business will be suspended pending further notice. These travel restrictions will apply to personnel in all departments. Certain essential travel may be requested for required certifications and trainings, and for witness testimony. Any future travel requests should include justification memorandums detailing the need for the travel request to proceed. The following exceptions will be permitted pending OBM review and approval:

- Travel requests previously approved by OBM with non-refundable arrangements
- Travel requests completely funded by third parties that have Board of Ethics approval
- Travel requests associated with and funded by grant projects

### ***Non-Public Safety Overtime Restrictions***

Overtime expenditures factor in as a significant portion of the City's annual personnel costs. In an effort to reduce these costs, OBM is directing all departments to restrict any further overtime accrual that is not directly required for public safety operations. Questions regarding whether specific operations are applicable to public safety operations can be addressed to your respective Deputy Budget Director. Overtime review meetings will be convened by OBM to discuss continued overtime usage along with review of existing scheduling and staffing practices.

As always, please let us know if you have any further questions.



CITY OF CHICAGO



OFFICE OF BUDGET AND MANAGEMENT

## MEMORANDUM

**To:** The Honorable Jason Ervin  
Chairman, Committee on the Budget and Government Operations

**From:** Annette Guzman  
Budget Director  
Office of Budget and Management

**CC:** Emily Melbye  
Director – Intergovernmental Affairs, Mayor's Office

**Date:** October 30, 2025

**Re:** Request for Information from Annual Appropriation Committee Hearing

**ID#:** 05-01 Hiring Restrictions

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The following information is provided in response to questions posed at our department's hearing on October 21, 2025 to discuss the proposed 2026 budget.

Alderman Rodriguez asked which positions are included/excluded from the 2026 hiring restrictions.

The hiring restrictions will only pertain to Corporate funded positions. Special Revenue Funds, Enterprise Funds, and Grant Funds will not be subject to the restrictions.

Within the Corporate Fund, the following categories of positions will be exempt from the restrictions:

- Public safety positions
- Consent decree positions
- Revenue generating positions
- Legislative positions
- Positions within the Board of Elections
- Positions within the Department of Technology and Innovation
- Mental Health positions
- Positions within the Department of Law that if filled will result in savings in the City's outside counsel expenditures
- Ward superintendents

As always, please let me know if you have any further questions.