Chicago mayor to shut down government for six days

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CHICAGO (Reuters) - Facing a huge hole in Chicago's current and upcoming budgets, Mayor Richard Daley announced on Tuesday a plan to partially shut down city government for six days.

Along with several other measures, the mayor's plan was aimed at saving $62 million for the city's corporate or operating fund, which currently faces a $469 million shortfall.

Under the plan, city employees, with the exception of mostly public safety workers, would not work and would not be paid for the day after Thanksgiving or for Christmas Eve and New Year's Eve this year and in 2009.

Daley also said the fiscal 2009 budget he will unveil on Wednesday will eliminate 1,346 currently vacant positions and will include various cost-cutting or revenue-raising measures.

"I know that no one will be completely satisfied with our recommendations," the mayor said in a statement. "But, if we work together and responsibly cut spending this year, we'll be taking an important step toward addressing the financial challenges we'll still face in the years ahead."

On Friday, the mayor announced the consolidation of several city departments in a move that will cut almost 240 jobs and save Chicago about $5 million a year.

The city expects to collect $2.52 billion early next year from a long-term lease of Midway Airport to a private operator, but most of that money would be earmarked to pay off airport debt, as well as for infrastructure improvements and pension funding.

Daley has rejected using all of the remaining $100 million to tackle the budget shortfall.

(Reporting by Karen Pierog)