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OPENING STATEMENT  
BUDGET & GOVERNMENT OPERATIONS COMMITTEE  
HEARING ON THE 2019 BUDGET FOR THE OFFICE OF INSPECTOR GENERAL  
OCTOBER 24, 2018

To the Chair and Members of the City Council:

Thank you for the opportunity to appear before the City Council Committee on Budget & Government Operations and to submit the following opening statement. I look forward to answering your questions and discussing the Office of Inspector General's (OIG) 2019 Budget Proposal.

2019 will be a year of significant transition for the City. While the public turns its attention to an election that will result in a change of administration, City officials and employees will continue to engage in transformative work important to residents and taxpayers. The City's work on police reform should be expected to reach two important milestones critical to its long-term success. First, the federal court will enter the consent decree and appoint the consent decree monitor. Second, the City will implement the next phase of structural reform for the police oversight structure with the creation and integration of a community advisory board that will provide an institutional platform for full community voice, perspective, and insight in the reform effort, which, if history is a guide, may be a years-long undertaking. Additionally, the City will begin work on the biggest infrastructure project of this generation: the years-long, multibillion-dollar O'Hare expansion project. Even as OIG executes its core functions by conducting performance audits and program reviews of City programs and operations to identify opportunities for improvements and investigating allegations of administrative and criminal misconduct, it will also be working to support the ongoing success of these long-term initiatives.

*Police and Police Accountability*

In the area of police and police accountability reform, OIG's dedicated Public Safety Section, which recently issued a report on the Chicago Police Department's (CPD) management of School Resource Officers, plans to issue reviews and evaluations of:

- COPA/CPD Compliance with the City of Chicago's Video Release Policy
- CPD Officer Wellness Programs

- CPD Gang-Related Designations and Tracking
- CPD Strategic Subject List (SSL)
- Litigation Data Project (pattern and practice assessment of settlements & judgments)
- CPD Bureau of Internal Affairs' Professional Development Practices
- CPD Compliance with Body-Worn Camera Internal Review Procedures
- CPD Crisis Intervention Team Implementation
- CPD Grievance Process
- CPD Management and Production of Records
- CPD Compliance with Post-Firearm Discharge Training Requirements
- CPD Secondary Employment Policy Practices
- CPD Handling of U Visa Certifications
- CPD Hiring Process (landscape review of application and testing processes)

Work in this arena is increasingly informed by OIG's community outreach and engagement efforts. Public forums hosted by community organizations have directly informed OIG's identification and prioritization of several of the above-listed topics, and expert roundtables have deepened OIG's understanding of issues and challenges the community experiences in engaging various City programs, enabling us to better focus performance audits and reviews for maximum public value.

OIG's Audit and Program Review Section, whose past work has included reports on CPD's administration of overtime as well as opportunities for civilianization within CPD, will complement Public Safety's efforts through, among other things, a performance audit on CPD's Juvenile Intervention Support Center, expected to be reported out in early 2019.

#### *Audit and Program Review*

In the coming months, OIG's Audit and Program Review (APR) Section will be issuing Yellow Book performance audits currently in process on the following topics:

- Chicago Department of Health Environmental Permitting
- Low-Income Housing Trust Fund Inspections
- Fleet and Facility Management CPD Vehicle Repair
- Department of Innovation and Technology IT Investment Strategy
- Department of Water Management Overtime
- Chicago Board of Election Operations
- Chicago Department of Transportation Driveway Billing

Audits tentatively on deck for near-term initiation include examination and assessment of:

- Affordable Housing Requirements Ordinance Administration Follow-Up
- Administration and Adjudication of Sanitation Citations
- Chicago Fire Department Administration and Disposition of Discrimination and Sexual Harassment Matters
- Department of Planning and Development Zoning Review and Approval Process
- TIF Progress Report on Implementation and Compliance with TIF Task Force Recommendations, the Surplus Executive Order, and the Sunshine Ordinance

As it does annually, in September OIG published its APR Draft Audit Plan for 2019 with the objective of soliciting comments from stakeholders, including the members of the City Council. Indeed, a number of the ongoing or soon to be initiated projects noted above were prompted by suggestions from Aldermen. I strongly encourage feedback from you and your staff on the Draft Audit Plan (which can be found at: <https://igchicago.org/wp-content/uploads/2018/09/APR-Draft-2019-Annual-Plan.pdf>) to assure that our work in 2019 better meets the interests, concerns, needs, and priorities of the members of this body and the constituents we all serve.

### *Investigations*

As specified by its enabling ordinance, OIG cannot disclose matters under investigation. However, 2018 has brought to final disposition both criminal and administrative investigations of significance, including:

- Racist and offensive emails in the Department of Water Management;
- Sexual harassment and sexual assault cases involving personnel of Buildings, Water Management, Cultural Affairs, and Aviation Departments, among others;
- FMLA and personal disability leave fraud schemes by employees of the Department of Transportation and the Office of Emergency Management & Communications;
- Tax fraud conviction (and restitution) for a former administrative staffer of the Public Building Commission, arising from a payroll fraud scheme;
- Forgery and misappropriation and conversion of funds of a Special Service Area (SSA);
- Felony theft of government property conviction and order of restitution to the City for a former security guard of a contractor to the Department of Revenue;
- MBE fraud by a pass-through resulting in three criminal convictions and orders of restitution to the City in excess of \$100,000; and

- Electric vehicle charging station mail fraud scheme resulting in a criminal conviction and order of restitution to the City of nearly \$500,000.

### *Hiring Oversight (Shakman 2.0)*

OIG has a responsibility to cast an analytical lens on itself, which we do in cyclical fashion through both external mechanisms such as a regulatorily self-imposed triennial peer review (with the latest review to begin in FY 2019) and internal mechanisms such as a triennial strategic planning process. We also re-assess and re-calibrate priorities based on evolving City operations. In 2014, the City was released from federal court oversight of its hiring and promotion systems in the 45-year Shakman litigation that revealed systems historically tainted with patronage-based political considerations. This signal achievement of the outgoing administration was predicated on court and public confidence in effective OIG oversight. While OIG monitoring continues to pre-emptively catch procedural anomalies and improper practices, improvement and reform Citywide require the Hiring Oversight Section to evaluate which of the original procedural mechanisms needed to prevent improper political considerations in hiring have outlived their usefulness. In 2019, therefore, OIG's Hiring Oversight Section will begin a process, in dialogue with both outgoing and incoming leadership of the City's Law Department and the Department of Human Resources, to revise the City's Hiring Plans and re-orient our compliance monitoring and auditing activities to more extensively focus on departments where the vestiges of improper practices may remain or, equally important, are perceived to remain. The bandwidth for this anticipated initiative will be made available through the data tracking and visualization tools developed for OIG's Information Portal.

### *OIG Information Portal*

OIG's community and outreach engagement efforts have revealed how best-intentioned efforts, positive results notwithstanding, can fall short of meeting communities' needs, penetrating community consciousness, or obtaining community legitimacy because they were executed without community input. The result is that the good work of public officials does little to surmount the prevailing public mistrust of government. One lesson from these observations is that how we identify and institute reforms may often turn out to be as important as the reforms themselves. An important measure of the community's assessment of any reform is how public and transparent the reform process is and the ready availability of performance metrics by which we measure its implementation. In the absence of more public and transparent engagement, the very best reforms will still be deemed suspect, and the patience and trust needed for their successful implementation will be lacking. We must acknowledge (and respect) that for the foreseeable future the

public's perception of progress will not be assessed from a trust-but-verify framework, but rather, a verify and (only then) trust paradigm.

To lay part of the foundation for greater public transparency to combat this mistrust, OIG recently flipped the switch on the Information Portal, which provides the public, legislators and staff in this body, and City administrators with user-friendly data visualizations of important aspects of City operations. The OIG Information Portal, found at <https://informationportal.igchicago.org>, is based on data that is scrubbed, verified, and refreshed daily. The data is fed into an interactive platform that allows public stakeholders to easily change filters to create visualizations crafted to more closely meet their individual and local interests. The community response and, indeed, the response of some of you here today and the staff that support you can be summarized in a single word – “More.” OIG’s 2019 budget proposal seeks to meet that call through recalibrated staffing of its Center for Information Technology and Analytics (CITA), the OIG unit that built the Portal and does the data work needed to support its further development and expansion.

### *O'Hare Integrity Monitoring*

As the City moves from the architectural design phase (currently in the bid evaluation stage) to the construction bid and initiation stages of the projected \$8.7 billion, multi-year O'Hare expansion project, OIG will be working in collaboration with the Commissioner of Aviation and the City's Chief Procurement Officer to institute an integrity monitoring program to provide real-time project monitoring of work that will include broader and deeper contract and program (including M/WBE) compliance. As projected, this will be managed through a combination of external integrity monitoring services drawing from an expansion of the roster of qualified professional service entities currently certified from a 2015 RFQ initiated jointly by OIG and the Department of Procurement Services (DPS). They will report and receive direction from a working group that will include dedicated OIG personnel collocated at O'Hare and representatives from the Aviation Commissioner's project management team. Among other things, the integrity monitoring team will be expected to:

- Conduct forensic audits;
- Review the Construction Manager's business activities;
- Verify disclosure forms, payment requests, change orders, invoices, certified payrolls, manifests, insurance and bonding forms;
- Assist with investigations and inquiries, including interviews, site visits, field activities, records reviews, and background checks; and
- Prepare periodic reports documenting detailed results of any audits and reviews, and other activities as directed.

O'Hare project monitoring will draw on and create precedents in Chicago for the implementation of best-in-nation practices originally developed by the NYC Department of Investigation and the Port Authority of NY and NJ's OIG who, working with leadership of the departments and agencies they oversee, have accomplished significant proactive, pre-emptive fraud prevention and quality assurance in the context of massive public works projects such as the ongoing rebuilding of the Lower Manhattan World Trade Center complex.

This front-end monitoring can fairly be seen as an important oversight innovation spawned by the continuing collaborative work of OIG and DPS stemming from the Mayor's 2015 Procurement Reform Task Force (PRTF). The Chief Procurement Officers Committee, which was endorsed by City Council legislation in response to PRTF recommendations, will in the coming year move to final phase development and implementation of a unified City sister agency procurement, contract management, and contractor compliance administration and reporting platform. Efforts in this arena have, to date, brought the City significant attention and acclaim from the national government procurement community.

### *Conclusion*

Operational continuity amidst a period of change management is needed for an orderly transition critical to the early success of an incoming administration. OIG looks forward to building on its record of service to the City Council, and the public it represents and serves, through the provision of professional performance audits, reviews, investigations, and compliance monitoring, all in the pursuit of its mission to promote economy, effectiveness, efficiency, and integrity in City programs and operations.

Thank you.

Joe Ferguson  
Inspector General  
City of Chicago

**STATEMENT FROM BUDGET DIRECTOR SAMANTHA FIELDS ON 2019 BUDGET PROPOSAL TO  
THE CITY COUNCIL COMMITTEE ON BUDGET AND GOVERNMENT OPERATIONS**

*Monday, October 22, 2018*

Good morning Chairman Austin, Vice Chairman Ervin, members of the Committee on Budget and Government Operations, and members of the City Council.

Over the past seven years, the City Council and Mayor Emanuel have systematically worked to address the City's legacy liabilities, pension funding and use of scoop and toss through fundamental changes in the way the City manages its finances. The tough choices the Mayor and this Council have made over the years have led us to a stable and balanced budget, allowing the City to make key youth and essential neighborhood investments that the City's residents have come to appreciate.

The 2019 projected operating shortfall is \$97.9 million, the lowest structural deficit in a decade and a reduction of over 85 percent since the Mayor took office. This proposed budget was balanced using a mix of improved efficiencies, spending cuts and financial reforms combined with revenue growth from strategic revenue sources. Together, these steps improved our overall fiscal health and created the pathway to make investments that have the widest impact.

***Overview***

Just as it has been done in the past seven budgets, this budget is balanced because of our efforts to streamline government operations while maintaining core services and enhancing public safety and programming for youth.

The total Corporate Fund budget for 2019 is \$3.8 billion, which represents a \$24.5 million increase over 2018 largely due to consent decree investments. With Special Revenue Funds, Pension Funds, Enterprise Funds, Debt Service Funds and Grant Funds, the total proposed budget for 2019 is \$10.7 billion.

Using a zero-based budgeting method that ensures our revenues match our expenditures, the 2019 proposed budget achieves \$73.7 million in reductions, including significant savings in commodities and equipment purchases and reductions in healthcare costs. In addition, we repurposed existing vacancies and made other personnel changes, resulting in additional savings and reforms.

Through improved fiscal management, the City realized more than \$73.5 million in improved savings, including debt service savings and financial policy reforms by sweeping aging revenue accounts, achieving higher credit ratings through the Sales Tax and Securitization Corporation, revenue growth through TIF surplus funds and growth in some economically-sensitive revenues.

## ***Youth Investments***

The City has increased its investment in youth programming threefold since 2011. Whether it's providing universal mentoring to junior high and high school at-risk young men, doubling the size of the City's summer jobs program or offering homework help at the Chicago Public Libraries, the 2019 proposed budget reflects the values our communities believe in.

In total, \$77.6 million in youth investments and afterschool programs ranging from One Summer Chicago, to workforce programs are included in the proposed 2019 budget, an increase of \$54.4 million since 2011.

This budget also dedicates resources to ensure that housing is more affordable and accessible for Chicago residents. Building on the Mayor's commitment to supporting access to housing in all City neighborhoods, the 2019 budget invests \$1.4 million in the creation of the Department of Housing, a new department that will implement Chicago's affordable housing strategies and create a long-term framework that addresses the unique and changing needs of affordable housing.

## ***Public Safety and Other Key Investments***

The 2019 budget proposal includes a robust investment in our public safety and police accountability agencies, reflecting the Mayor's commitment to comprehensive police reform and maintaining neighborhood safety.

Building on the Mayor's commitment to provide additional resources to make our neighborhoods safer and help our communities thrive by rebuilding trust, the 2019 budget provides \$25.7 million across all impacted departments to implement consent decree reforms. They include \$21 million for CPD to invest in increased supervision for officers; training for officers; technology system development and upgrades; forensic support; new equipment and equipment repair; language access; and officer wellness. The Civilian Office of Police Accountability's budget shows a \$1.4 million investment in personnel; technology systems; training and materials intended to meet the requirements of the proposed consent decree. Additionally, \$3.3 million in funding will go towards costs associated with the independent monitor, the Police Board, the Office of Emergency Management & Communication, and the Office of the Inspector General.

Separate from the proposed consent decree, the 2019 budget continues to support data driven policing that will assist CPD in making strategic resource allocation decisions. Beginning in 2017, the Mayor and the Superintendent installed Strategic Decision Support Centers, or SDSCs, across the City as part of CPD's smart policing strategy. These district-based "nerve centers" were equipped with predictive technology and analytical tools as well as additional cameras, mobile technology and software to aide CPD by providing real-time, analysis-based information using data trends to assist deployment and crime fighting strategies within the respective districts. Over the past year and a half, SDSCs have been installed in more than half of the City's

police districts. The 2019 budget provides for CPD's expansion of their smart policing strategy to six additional districts, a \$5 million investment.

To further the Mayor's commitment to public safety, this budget adds the emergency medical services personnel needed for the five new advanced life support ambulances recently added to the Chicago Fire Department. The five new ambulances increased the EMS fleet to a total of 80 ALS ambulances.

Along with increasing investments in youth programming and public safety, Mayor Emanuel is proposing to increase funding for neighborhood services. Included in the proposed 2019 budget is \$2.3 million in neighborhood service enhancements such as garbage carts, rodent control and new trees planted in neighborhoods throughout Chicago.

### ***Savings***

As a result of the significant cost cutting and reform efforts put in place in previous budgets, this year our operating budget shortfall is at its lowest point in a decade, and with the proposed 2019 budget, we have identified tens of millions in additional corporate fund savings and reforms. This includes \$27.7 million in combined savings in healthcare and workers compensation compared to initial projections, over \$2 million in repurposing vacancies, and \$17 million in non-personnel expense management reforms.

### ***Revenue***

Building on the savings and efficiencies in 2018 and prior years, the City has worked each year to increase sustainable revenue sources and take advantage of economic growth from our diverse set of revenues.

The 2019 proposed budget reflects an increase in many of the City's economically-sensitive revenue sources, which is consistent with the modest, but steady expansion of the national and local economies in recent years.

Utility taxes, such as cable television, electricity taxes, and telecommunication taxes are expected to total \$430.0 million in 2019, or slightly below 2018 year-end budget estimates. Transaction taxes, such as real property transfer tax and personal property lease tax, are budgeted at \$440.4 million in 2019, which is \$17.8 million higher than 2018 budgeted amounts.

Income Tax revenues and the City's share of Personal Property Replacement Tax revenue for 2019 are estimated nearly \$5.5 million above 2018 budgeted amounts of \$392.2 million. Year-to-date PPRT revenues have been slightly higher than originally budgeted due in part to increased corporate profits resulting the 2017 federal tax reform. However, PPRT revenue continue to be impacted by the State's diversion of additional PPRT revenue from municipalities for other purposes resulting in an estimated \$8.0 million reduction in FY2019 from the FY2018 budgeted amount.

Transportation taxes include taxes on parking, vehicle fuel purchases, and ground transportation for hire. The proposed 2019 budget includes \$341.9 million in transportation taxes, which is a \$31.1 million increase over 2018 year-end estimates. Much of this growth is attributable to the Ground Transportation Tax revenue which is estimated to increase by \$21.6 million over 2018 year-end estimates. This growth is tied to a \$0.05 per ride increase previously adopted by this City Council as part of the 2018 budget and the expanding rideshare industry.

The proposed 2019 budget includes \$132.2 million in business tax revenue, down \$5.5 million from the 2018 year-end revenue estimate of \$137.7 million. Business tax revenues would otherwise be flat with 2018 year-end estimates were it not for changes made by the Illinois Legislature regarding the distribution the City's Foreign Fire Insurance Tax. On July 31, 2018, the Governor signed HB 5197 which requires the Foreign Fire Insurance Tax collected by the City to be transferred to a board formed by the Chicago Fire Department. These revenues are now diverted to a special revenue fund for expenditures authorized by the Chicago Fire Department's newly formed Foreign Fire Insurance Board.

In October 2017, this City Council passed an ordinance authorizing the creation of a Sales Tax Securitization Corporation or STSC. Sales taxes are projected to grow 2.8 percent over the year-end estimate; however, this increase is offset by the timing of increased STSC debt service payments. The amount transferred to the City from the STSC in 2019 is projected to total \$576.6 million.

In conclusion, the proposed 2019 budget builds on the reforms Mayor Emanuel and the City Council have made over the past seven years to stabilize the City's financial health.

Thank you for your time, and I look forward to working with this Committee and members of the City Council as we continue our progress toward a more financially secure Chicago.

**STATEMENT FROM CHIEF FINANCIAL OFFICER CAROLE BROWN ON 2019 BUDGET PROPOSAL  
TO THE CITY COUNCIL COMMITTEE ON BUDGET AND GOVERNMENT OPERATIONS**

**Monday, October 22, 2018**

Chairman Austin, Vice Chairman Ervin, members of the Committee on Budget and Government Operations, and members of the City Council, thank you for the opportunity to present the financial strategies included as part of Mayor Rahm Emanuel's proposed 2019 budget.

As the Chief Financial Officer, my primary responsibility is to direct the City's overall financial policy and provide day-to-day oversight of the City's debt portfolio. My office also oversees our public-private partnerships, which includes the Chicago Parking Meters, Millennium Park Garages, and the Skyway. In addition, my office manages the Municipal Marketing program comprised of the Chicago Digital Network and various advertising opportunities on city assets, such as Divvy bike stations, street furniture, and bus shelters.

Financial Road Map

In April 2015, Mayor Emanuel outlined five actions that will be implemented as part of the City budget each year to end unsustainable financial practices and mitigate risk to taxpayers.

The five steps include:

- Terminating swaps to end the risk associated with taxpayers
- Converting all of the City's general obligation variable-rate debt portfolio to fixed-rate
- Continuing to increase operating budget funding for working capital and short-term obligations
- Continuing to build the City's long-term reserve funds in each budget and,
- Ending the practice of "scoop and toss" by 2019.

We have made measurable steps to implement each of these reforms and ended the practice of scoop and toss a year early in 2018.

*Swaps and Variable Rate Debt*

Concluding in 2016, we converted the City's entire tax-back variable rate debt portfolio to stable, fixed rate debt, reducing taxpayer risk and helping to secure the City's financial stability. Additionally, we terminated \$2.5 billion in corresponding swaps, ending taxpayer risk associated with this financial practice.

### *Long Term Reserves*

As part of its budget stabilization policy, the city adheres to the Government Finance Officers Association (GFOA) recommendation and maintains an unrestricted fund balance in the general fund of no less than two months of operating expenses.

Additionally, it is the City's policy to maintain sufficient unrestricted fund balance to mitigate current and future risks, emergencies, or unanticipated budget shortfalls. As part of its financial and budget practices, the City establishes and maintains three sources of the unrestricted budgetary fund balance, referred to collectively as fund stabilization or fund balance: (i) Asset Lease and Concession Reserves, (ii) Operating Liquidity Fund, and (iii) Unassigned Fund Balance.

Rather than raid the City's reserve funds or sell City assets for one-time revenue, Mayor Emanuel has added to the City's reserves each year and established additional measures to stabilize the City's budget. Since 2012, the City has added over \$50 million into its asset lease and concession reserves fund.

In 2016, the City created the Operating Liquidity Fund for purposes of financial management. The Operating Liquidity Fund is expected to function as recurring short-term funding for the City operations that are funded from a dedicated revenue source (i.e. Chicago Public Library property tax revenue), to mitigate against temporary shortfalls caused by timing difference in the receipt of certain revenue. The Operating Liquidity Fund is not intended to provide one-time revenue to the General Fund budget or provide an indefinite line of credit. The City has set aside \$5 million in 2015, 2016, 2017, and 2018 for the Operating Liquidity Fund, which is reflected in the CAFR in the assigned fund balance. The City plans to deposit another \$10 million in the Operating Liquidity Fund in 2019.

Surplus revenues identified throughout the annual financial audit process make up the unassigned fund balance. The City's unassigned fund balance has increased from \$33.8 million in 2013 to \$155.5 million in 2017. The growth has been due in part to the improving economy, enhancements in revenue systems, including debt collection and investment strategies, and ongoing savings and efficiencies. Further the City does not appropriate more than one percent of the value of the annual corporate budget from the prior year's audited unassigned fund balance in the current year's budget.

### *Achieving Debt Service Savings*

In October 2017, Mayor Emanuel and the City Council approved an ordinance to create a sales tax revenue securitization structure for the City of Chicago, which allows the City to achieve significant debt service savings through a higher credit rating for this specific type of debt therefore reducing the cost to taxpayers. Through the Sales Tax Securitization Corporation or

STSC, we have completed two successful pricings totaling \$1.4 billion in refunding bonds issued at roughly 300 basis points less than the City's most recent General Obligation Bond issuance. Since the STSC was approved by City Council, we received a 'AAA' bond rating, the highest bond rating available, from Fitch Ratings and Kroll Bond Rating Agency. The rating agencies cited the strong legal framework, solid growth prospects, superior financial resilience, and sound economic resource base as the rationale for the high ratings.

The STSC's first transaction priced in December 2017. At that time, we refunded \$515 million of existing sales tax bonds and \$166 million of GO bonds, attracting over 70 investors and achieving over \$46 million in net present value savings. The true interest cost for this transaction was 3.35 percent or 302 basis points less than the January 2017 GO pricing, which had a true interest cost of 6.37 percent. In early January, despite a changing market environment, we successfully refunded \$680 million in GO debt. This transaction had a true interest cost of 3.88 percent which is 249 basis points less than the January 2017 GO pricing. The creation of the STSC and refunding of higher debt provided the City significant budgetary savings in 2018 and 2019. The City expects to sell an additional \$650 million of STSC bonds and refund GO debt for savings later this month. Due to the STSC, the City is expected to realize over \$700 million in budgetary savings over a five-year period.

### Pension Funding

Today, all four of the City's pension funds are on a path to solvency through pension funding reform achieved by Mayor Emanuel, labor leaders, and the Chicago City Council. Without these reforms, the City's four pension funds would have gone insolvent in 2020.

From 2015-2019, the City will budget over \$3.6 million to the Police and Fire pensions and then begin budgeting actuarially determined contributions in 2020. To support the phase-in pension contributions, the City passed a \$543 million four-year property tax increase for police and fire pensions, funding the City's growing contributions in 2015 through 2018. The City is meeting the \$32 million increase for Police and Fire pensions in 2019 through available operating revenue.

To fund the City's growing contributions to the Municipal Pension Fund, the City passed a phased-in tax on water-sewer usage in 2017 that is assessed on Chicago businesses and residents. The City will use available operating revenue to meet the growing laborers' employer pension contribution. From 2017-2021, the City is budgeting more than \$2.4 billion to the Municipal and Laborers' Pension funds and will begin budgeting the actuarially required contributions in 2022.

## Capital Projects

### *Water & Wastewater*

The City continues to fund a portion of its capital improvement projects for our water and sewer systems and airports through bond proceeds.

In 2012, the City launched a ten-year capital improvement program to modernize and rebuild the City's aging water and sewer systems. Through this initiative, the Department of Water Management (DWM) will replace a total of 880 miles of century-old water pipes, reline or rebuild more than 750 miles of sewer lines, reline 14,000 sewer structures, and upgrade four of the original steam-powered pumping stations. These ongoing DWM projects will ensure continued economical and reliable delivery of water.

The water and sewer capital improvement programs are primarily funded by bond proceeds, grants and loans, and water and sewer revenue. Any debt payments, including revenue bonds and loans, are paid with revenue from each system's charge for service. The City has received funding from the Illinois Environmental Loan Funds program, which provides loans with lower interest rates and shorter repayment schedules than long-term bonds.

In June, City Council approved the issuance of Water Revenue Project and Refunding bonds in an aggregate principal amount not to exceed \$500 million and Wastewater Transmission Revenue Project and Refunding Bonds in an aggregate principal amount not to exceed \$400 million. These bonds are intended to be sold in 1<sup>st</sup> Quarter 2019 and will fund new money projects.

### *O'Hare*

In spring 2018, the City and airlines signed a new Airline Use and Lease Agreement for O'Hare that includes an \$8.7 billion Terminal Area Plan (TAP). The TAP provides a new Global Terminal, a new Global Concourse and two new satellite concourses as well as enhancements throughout other existing terminals. The TAP will provide an additional three million square feet to outfit the Airport with new technology and security enhancements as well as 25 percent more gate capacity. Construction of the major elements of TAP will be completed over the next ten years. This Council authorized \$4 billion of bonds to fund initial portions of the TAP. We expect to sell the first series of bonds to fund this groundbreaking project later this year.

## Conclusion

Through the hard work of Mayor Emanuel and the City Council, Chicago is as financially sound as it has been in decades. This budget shows the tremendous gains we've made to strengthen our fiscal standing, reduce our structural deficit, confront big financial challenges. The deficit is the

smallest it has been in over a decade. The pensions are finally right-side up, rather than upside down. The City's credit outlook is stable and our financial future is brighter.

I would like to take a minute to recognize this Council for your work in securing Chicago's fiscal future and the 2019 budget will continue to build upon this effort.

Thank you and I look forward to our discussion today.

## **2019 Budget Hearing Opening Statement**

### **Department of Innovation and Technology**

Thank you, Madam Chairman and Council members, for the opportunity to be here today. I am Danielle DuMerer, Chief Information Officer and Commissioner of the Department of Innovation & Technology (DoIT). Sitting next to me today is Carleton Nolan, First Deputy and Chief Technology Officer, and Yolanda Gardner, Director of Finance and Administration.

I would like to provide an overview of the department's accomplishments for the past year, as well as a preview of our plans for 2019. It continues to be the department's focus to make Chicago a city empowered by technology, where residents and businesses are at the center of our strategies, and where our department works to provide City government with innovative technology solutions.

DoIT is the City's central department for technology policy, planning, implementation, and operations. We partner with the other City departments to enhance the delivery of City services through the smart application of technology; and in the past year, we continued these technology investments and the use of data-driven solutions that allow the City to offer our residents and businesses more efficient and effective services. We are also committed to improving how residents and businesses interact with government.

To that end, our team has been working with the Office of Emergency Management and Communications (OEMC) and all City departments to modernize Chicago's 311 system. This effort will result in an improved digital experience for our residents by providing multiple channels to access services and information, including via text, social media, and mobile applications. We have engaged departments to better understand how they do their work, where pain points exist today, and how we

can streamline or improve processes with the implementation of the system. We have talked with you and your teams to understand how we can better serve your teams and constituents. We have conducted in person workshops and focus groups to get Chicagoans input to create an accessible system that's easy to use. In short, we have all been working together to address the short-comings of the current system, to define innovative processes that address your constituents' needs and improve the way we deliver service. We will continue to solicit input and improve the system after launch later this year. It's important that our technology tools evolve with our communities' needs. Your constituents can sign up for updates on this project and to be notified when we launch at [whatsthe311.org](http://whatsthe311.org).

We also continued to work with the Chicago Department of Transportation and the Chicago Infrastructure Trust to implement the Chicago Smart Lighting Project. The "Smart" in this project not only refers to the cost savings achieved through the conversion to LED, but also to the deployment of a networked lighting management system in conjunction with the conversion. When complete, the new lighting system will be able to automatically identify a street light outage, create a ticket in 311, and allow residents to track that issue to resolution through multiple avenues.

The DoIT team is committed to making it easier for residents, businesses, and City departments to access government information and services. This year, we made updates to [ChicagoEarlyLearning.Org](http://ChicagoEarlyLearning.Org), the front-facing site that parents and customer service agents use to search for and compare programs and begin the early learning application process. The site brings together information across agencies to help parents find the best early education options and apply for those programs. We also worked with Business Affairs and Consumer Protection (BACP) and the Department of Finance to rollout Chicago Business Direct, a new and improved platform for businesses. Chicago Business Direct allows business owners, and/or their legal representatives, to

apply for City of Chicago business licenses, renew business licenses and weighing/measuring device certifications, file tax returns, and make tax payments online. We also kicked off the development of a Chicago Design System to standardize the user interfaces, or the 'look and feel', of City applications. In addition, the Chicago Design system promotes accessibility and inclusion for all Chicago residents and employees who use our applications by providing a consistent implementation of standards for ADA compliance. We will continue to make updates to the City's website in 2019.

Our priority is always to provide solutions that leverage technology to improve how City departments deliver services. In 2018, we worked with Administrative Hearings to upgrade their core system to ensure resiliency, improve functionality, and enhance the resident experience when interacting with department personnel. Our team has been working with several City departments to upgrade the enterprise case management system. The upgrade, which will be completed in 2019, will allow for improved user efficiencies and overall system performance, thereby providing City departments the ability to better serve their constituents. We also continue to rollout enhancements to our inspections and permitting systems, including improving the process for telecom public way permits, enabling CDOT to stop or put permits on hold, and improving reporting capabilities for City staff to more efficiently manage processes. We will continue to make improvements to inspections and permitting processes in 2019.

DoIT also works with City departments to leverage data to drive decision-making, make City services more efficient and effective, and improve outcomes. This year, DoIT and CDPH received the Milbank Memorial Fund and Academy Health State and Local Innovation Award for the Lead Safe program. Lead Safe is a free service for Chicago clinics and hospitals that will help health care providers determine if children under one are at an elevated risk for lead-paint

poisoning so that they can recommend appropriate interventions. The award was established to recognize state and local efforts to advance innovation using data to improve the health of their populations and the performance of health systems. DoIT also worked with CDOT to release traffic crash data on the City's Data Portal. With this public data release, everyone will be able to understand where crashes occurred, whether they've led to significant injuries or fatalities, and the impact on pedestrians and bicyclists. Crash data will be updated each day from the Police's new E-crash System. The E-Crash System allows police officers to electronically file new crash reports, replacing a paper-based process, and enables the City to share crash data more efficiently and effectively so other departments and the public can analyze how crashes impact the community.

This year, Chicago won a Smart City Connect's Smart 50 Award for the Array of Things, which is a partnership with the University of Chicago and Argonne National Labs to deploy a network of environmental sensors across the City and is funded through the National Science Foundation. The Smart 50 Awards, in partnership with Smart Cities Connect, Smart Cities Connect Foundation, and US Ignite, annually recognize global smart cities projects, honoring the most innovative and influential work.

Internally, we continue to drive efficiencies and savings throughout the City's IT operation, while improving services to City departments to make their jobs easier. To that end, DoIT's telecom team is implementing a multi-year, citywide project to replace and upgrade the city's central phone system with modern technology. This project will drive 50 percent savings per line for 21,000 phones, saving the City an estimated \$15M over 10 years. The new technology also provides employees with collaboration tools. In 2017, we installed the core system and updated all the phones at the DePaul Center, City Hall, and the Daley Center. In 2018, we deployed approximately 7,000 lines at more than

60 facilities and will complete this migration in 2019. DoIT staff also rolled out new and upgraded technology—including staff and public resources—prior to the reopening of the Woodson Regional Library and other new library locations. We've also kicked off a project to upgrade the City's wireless networks and will complete the implementation in 2019. In 2019, we will continue working on refreshing the City's core IT infrastructure and end user devices to support security and enable all City staff to perform their job functions effectively.

In 2018, we issued an RFP to conduct a citywide IT assessment and with this analysis, develop and implement an updated strategic plan that will leverage savings to continue to modernize the City's technology infrastructure and applications, and invest in cybersecurity capabilities. This procurement is in progress, but we look forward to kicking off this effort in earnest as soon as it is complete and will continue this work into 2019. To support this effort, in 2018 we introduced an updated IT governance policy to ensure that the City's technology investments generate positive business value. Recently DoIT kicked off a partnership with the Mayor's Office for People with Disabilities to pilot a digital inclusion framework and maturity model developed by the international non-profit G3ICT and SmartCities4All to ensure that we are creating solutions that are accessible and work for everyone. This model will provide a benchmarking tool that will help identifying opportunities to improve accessibility as the next strategic plan is developed.

The cybersecurity space is active 24 hours a day, 7 days a week and 365 days a year—and protecting the personal, payment, and other information of the residents of Chicago demands continuous improvement of cybersecurity practices. This October is Cyber Security Awareness month and we are sending out weekly newsletters, conducting phishing tests and staffing informational tables at City Hall to promote cyber safety. In 2019, our Information Security Office will continue its focus on implementing strategic cyber security solutions. We will also continue to drive strong governance,

policy, and awareness across the City and provide strong programmatic commitment to information security compliance for all City departments.

It would not be possible for my department to do all of this work alone. We share our success with our City department partners as well as universities, the civic development community, and local businesses. DoIT's Target Market Master Consulting Pool now has 34 members across eight categories and that pool continues to be our most active contracting vehicle. At the end of last year, DoIT and DPS hosted a general information session for all information technology vendors interested in doing business with the City. This past May, we partnered with Government Technology magazine to host the first ever Chicago Digital Government Summit where our team was able to engage both existing and new technology vendors in meaningful dialogues about how we might best leverage design, data, and technology to improve government services.

While the technologies we use evolve, the goals of this department remain the same: to provide City departments, communities, residents and businesses with technology solutions that meet their needs today and are designed to grow in the future.

I want to thank you in advance for your feedback, and look forward to continuing to work with you in the coming year.

## DEPARTMENT OF CULTURAL AFFAIRS AND SPECIAL EVENTS

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### *City Council Budget Hearing – October 31, 2018*

#### *Remarks – Commissioner Mark Kelly*

Thank you, Chairman Austin and Council members for the opportunity to discuss the Department of Cultural Affairs and Special Events (DCASE). Guided by the visionary leadership of Mayor Rahm Emanuel, my team and I have enjoyed working with you on a wide range of projects that advance the City of Chicago and its vibrant neighborhoods—including youth arts initiatives, cultural grants, markets, public art installations, community concerts celebrating Chicago’s music legacy, neighborhood festivals, block clubs and positioning Chicago as a hub for film and TV production.

At DCASE, with a small-but-mighty staff of just 66 people, we accomplish big things. By the end of this year, we will present 2,000 cultural programs for an audience of well over 25 million residents and visitors.

I’m pleased to share a few more facts and figures—a snapshot of DCASE, by the numbers:

- Chicago is a city of festivals, with some 700 neighborhood events facilitated by DCASE this year.
- Our Chicago City Markets program has delivered more than 60 markets to wards across the city, with an emphasis on underserved communities.
- A record-breaking 10 TV series filmed here in 2018. (Last year, Chicago Film Office projects generated \$423 million in Illinois spending and 13,797 jobs, employing a diverse local workforce.)
- In 2018, our Cultural Grants Program will award 340 grants totaling \$1.7 million to artists and organizations in 90% of Chicago’s wards—up from 70% in 2016.
- DCASE partnered with the Chicago Park District to bring 2,000 cultural events to 77 neighborhoods via Mayor Emanuel’s Night Out in the Parks program.
- And we partnered with 2FM and many others to bring new public art, free events and more visitors to the Mayor’s award-winning Chicago Riverwalk, a top destination for residents and visitors alike.
- An estimated 1.5 million residents and visitors attended the 2018 Taste of Chicago, which showcased 72 local eateries including 25 new vendors, employed over 3,000 people, hired 600 artists and performers, and contributed \$106 million to the local economy.
- We presented some 80 free concerts, films and special events at the Jay Pritzker Pavilion in Millennium Park, featuring mariachi, house, gospel, blues, jazz, classical, opera, Broadway and more.
- We extended the 40th Annual Chicago Jazz Festival from four days downtown to 10 days citywide, including free concerts in 10 neighborhood venues.
- We completed the last 15 of our 50x50 neighborhood arts projects, commissioned during Mayor Emanuel’s “Year of Public Art” using matching funds from our aldermen.
- More than 32,000 people came out to witness history at the recent launch of Art on theMART. The vision of Mayor Rahm Emanuel and a result of Chicago’s first Public Art Plan, this multi-million-dollar investment by Vornado is the largest permanent digital art projection in the world.
- And more than 10,000 people attended our new creative youth festival across the Millennium Park campus this fall—the culminating event of Mayor Emanuel’s “Year of Creative Youth.” Throughout 2018, we have celebrated Chicago’s creative youth and the mentors who inspire them in collaboration with CPS and some 50 youth arts organizations.

Our renewed focus on Latino programming has re-energized Maxwell Street Market, brought Juanes to Taste of Chicago and welcomed Chicago's Latino community to Millennium Park for performances by the Chicago Mariachi Festival, Louie Vega, and a popular screening of *Coco* with the Chicago Latino Film Festival. We have celebrated the creative contributions of Chicago's African American community with our "Bronzeville Echoes" and "African American Designers" exhibitions at the Chicago Cultural Center, footwork and steppin' dance events, festivals celebrating Chicago's black music legacy, and many other programs. Our programming reflects the vibrant diversity of our city.

And we have established a new Visitor Experience department to provide access and engagement for all of our guests at all of our events and venues—via a new Welcome Center and Learning Lab at the Cultural Center, 55 new volunteers (joining a total volunteer corps of 100), field trips for students, and new tours to better serve Spanish speakers, visitors who are blind, and visitors who are deaf or hard-of-hearing.

Looking forward to next year, Mayor Emanuel and DCASE along with the League of Chicago Theatres have designated 2019 the "Year of Chicago Theatre." This citywide, year-long focus on theatre is the first of its kind in the U.S. The initiative will include theatre performances and special events for the public at hundreds of cultural venues, theaters, parks and neighborhood locations throughout the city. The City of Chicago and its partners will also launch a marketing campaign that leverages a powerful new brand for Chicago theatre; provide additional financial grants to theatre projects; encourage dialog around inclusion and equity; and call on civic, philanthropic, arts and business leaders to support the theatre community.

In addition:

- We will continue our relentless focus on public art in 2019, launching the first-ever public art fund.
- We will improve the Millennium Park campus, Chicago's town square—where the city comes together and where we showcase the best of Chicago.
- We will strengthen our Blues Festival, Jazz Festival, SummerDance series and the Taste of Chicago.
- We will promote the many free cultural activities that happen across the city—including museum free days, Park and Library events—via social media, email marketing and our Free, Free, Free! website.
- And we will continue to advance Chicago's vibrant neighborhoods through film and TV production, cultural grants, markets, public art, community concerts, block clubs and neighborhood festivals.

There is great enthusiasm and support for this work across Chicago's creative industries. There's a palpable sense that the City's current support of the arts and culture is unprecedented, thanks in very large part to your unflagging commitment and the leadership of our Mayor.

We all look forward to working closely with you and your constituents in 2019.

Thank you. I'm happy to answer any questions you may have at this time.

Good morning and thank you, Chairman, for having me here today.

Today I am joined by the following members of my team who, if you could, please raise your hand when I call your name:

- **Stacy Howlett**, Chief Operating Officer;
- **Jorge Ramirez**, Deputy Chief Operating Officer;
- **Riley Bowlin**, Director of Operations;
- **Marion Linton**, Director of Data Services;
- **Joseph Remiasz**, Director of Audit and Verification;
- **Amada Fitzsimmons**, Administrative Coordinator;
- **Helena Wright**, Chief Legal Counsel;
- **Tonantzin Carmona**, Chief of Policy;
- **Luis Roman**, Deputy Chief of Policy;
- **Kate Le Furgy**, Chief Communications Officer,
- **Jose Sanchez**, Deputy Chief Communications Officer;
- **Eric Vazquez**, Chief Technology Officer;
- **Peter Polacek**, Managing Editor of the Journal;

- **Stacy Haskin**, Assistant Deputy Managing Editor; and,
- **Lamar Brown**, Head of Intergovernmental and Community Affairs.

In the well next to me are my Chief of Staff, Kathryn O’Connell, Chief Administration and Finance Officer, Charles Watkins and my Senior Advisor, Natashee Scott.

Since I took office a year and a half ago, my team and I have had the opportunity to work with all of you in different capacities. I first want to say thank you for being so incredibly responsive and open to working with our team as well as your patience when it was needed.

I want to spend just a moment talking about this incredible team. I am proud to say that 70% of my entire team is women and they make up 54% of manager positions. In terms of diversity, our team accurately depicts the racial makeup of our City: 34% African American, 29% Latino and 34% Caucasian.

As you have heard me say countless times before, diversity is incredibly important to me. It means our team is better at making decisions and

creating policies because we all come at it from our different lived experiences and perspectives. It means that we have a better understanding of the 1.3 million people we serve every year. I'm proud to say that our team not only talks the talk but also walks the walk by practicing what we preach in terms of creating an inclusive, equitable and diverse office. It means we are being intentional about creating a pipeline of diverse leaders and investing in their capacity and abilities. I'm proud to say that my office is creating the next generation of public servants and civic leaders.

By putting these qualities front and center in all that we do, we are creating a more accessible office. It means that we are bringing people into government in a way that they have not been brought into the process before.

In the twelve months since I last sat up here, we have gone full speed into our Council Modernization initiative to bring City Council into the digital age. We have created a working group in which several of you

and your staff are already involved to make it easier for residents to access legislation. One of the first steps we took was to introduce a new encoder to allow for live-streaming of Council on any device and on any browser, when previously it was only available on your desktop or on an outdated version of Internet Explorer. A direct result of this Council Modernization working group has been to create templates for legislation to make it easier for Alderman to submit ordinances to our team. Thank you to Alderman Moreno, Alderman Beale, and Alderman Burnett for allowing my office to pilot these templates with your committees. We hope to expand to all of council and additional committees next year. As always, any aldermen that would like to join this initiative are welcome to reach out to me.

One of our biggest initiatives has been the Chicago CityKey which as you know has been in incredibly high demand. This was an initiative that community members advocated for and something they also helped to design. It is a four-in-one card that serves as a government-

issued ID, your Chicago Public Library card, Ventra card and Chicago Rx card. We have more than 40 business partners including five banks where the CityKey can be used as a form of identification when transacting business. We are working to solidify even more, exciting, partnerships in the next few months and welcome any ideas or businesses from your community to participate.

We often take having a government-issued ID for granted. I know from first-hand experience that being asked to show an ID to prove who I am when entering private buildings or even public like; schools or hospitals. It's an important part of my daily routine and to prove I am over 21 when entering a bar, which I will say is sadly less and less these days.

For many people, however, this is no joke. Obtaining a government-issued ID can be incredibly difficult and there can be many barriers including cost, the lack of existing proof of identity, your license is suspended or expired, you were previously incarcerated, you're under the age of 16 or you're a senior, and even location, for individuals who

live in isolated communities. National data shows that 10% of Latinos and 13% of African Americans do not have a valid form of ID. And the number is even higher for young people between the ages of 17 and 20 with 15% of them saying they do not have a valid form of ID.

And at our CityKey events, these are exactly the type of people we see.

I sat up here last year and mentioned a few instances of why people need this program, but this year I found out just how true some of these stories were: a woman needed an ID to start chemotherapy for her stage three breast cancer, a young man who needed an ID to start his new job the next day so that he could provide for himself and his daughter, a middle aged woman needed an ID to be able to get an apartment after being involved in the justice system and a woman who needed an ID to pick up her child's report card at her school.

To date we have printed over 20,000 cards and have been at over 160 events across our City. By the end of this month, we will have been to all 50 wards, several of them multiple times. I want to say thank you to

all of your teams who have been incredibly helpful when we came to your Ward offices especially in the very beginning including Alderman Curtis, Alderman Moreno, Alderman Pawar, Alderman Taliaferro, Alderman Santiago, Alderman O'Shea and Alderman Osterman who were some of the very first to host our CityKey Mobile Printing Sites. Thank you for your patience and partnership, it has been invaluable in making our program much stronger and more efficient.

What's even more impressive is the way we were able to do the program on a shoestring budget, compared to other cities' programs, making sure that our program was as efficient as possible and that our office continues to be good stewards of Chicagoans' tax dollars. Last year we did not use the entire million dollars that was allotted, giving back approximately \$337,000. Chicago has the second largest Municipal ID program in the country with two full time dedicated team members compared to New York's program with an annual budget of \$18 million and 30 full time staff.

Our goal was to administer CityKeys to 2% to 3% of the City's population in the first two full years of the program. I am proud to say that because of your help, and the help of community organizations and business partners across the city, five months into the program, we are on track to do just that.

To help measure the program's success, we partnered with the University of Chicago with support from The Chicago Community Trust, **at no cost to the tax payers**, to do an evaluation of the program. Once we have the full picture of the data on the program, we will do Aldermanic briefings before the end of the year.

Another one of our initiatives has been the Chicago Rx Card which I mentioned briefly can be printed on the back of your CityKey but can also be obtained in a standalone card that can be obtained online, at a Chicago Public library branch or in many of your offices.

The idea for the Chicago Rx Card, and adding this fourth benefit to the Chicago CityKey came directly from one of our community partners,

Michelle Garcia from Access Living, an organization that advocates for people with disabilities. It was another idea where the community spoke and we listened.

Through the Chicago Rx Program, Chicago residents have the opportunity save money on name brand and generic prescription drugs including discounts for our pets. So far, we have seen residents save an average of 61.7% on their prescriptions.

Whether our seniors and families save \$10 or \$100, for many Chicagoans, that savings means paying rent, signing their kids up for extracurricular activities or not having to skip a meal in order to get prescription medicine.

With the Affordable Care Act in jeopardy in D.C., we are leading the way to provide healthcare services to our residents. The Chicago Rx Card has the potential to save Chicago residents millions of dollars on prescriptions and medical devices while improving access so that Chicagoans across the city can live longer and healthier lives.

In addition to going out into the community and delivering services to create access, we also want to create access here at City Hall by opening up our doors to the next generation of civic leaders who have the chance to sit in the seats of power and see themselves reflected in those roles; to know that they too are worthy and capable of holding those types of positions someday.

That is exactly why I launched our Civic Engagement initiative last year with 8 CPS schools from across our city: Uplift High School, Roosevelt High School, Fenger Academy High School, South Shore International College Prep, Juarez High School, Michelle Clark High School, Kennedy High School and King High School. Working closely with Chicago Public Schools' Civic Education team, we selected and piloted a program that invited these eight diverse schools both racially and geographically to come to City Hall to learn not only that their voice mattered but how to use their voice so that they knew we were listening. I want to give a special thanks to Alderman Michael Scott and Alderman Joe Moore for

sitting on our Civic Engagement Advisory Council and to Alderman Michelle Harris, Alderman Deb Mell, Alderman James Cappleman, Alderman Joe Moore, Alderman David Moore, Alderman Sophia King, Alderman Gilbert Villegas, Alderman Emma Mitts and Alderman Carrie Austin who met with our city's next generation of leaders in both the classroom and during City Hall visits.

In total, 240 CPS students were engaged over a five month period at no expense to the tax payer. With the help of a generous grant from Boeing and other small businesses, we were able to deliver an incredible experience to our young leaders. This year, we are looking to expand the program to 12 schools and re-shape our curriculum after getting very honest feedback from the students.

And it's not just high school students who we are bringing into government; we're also bringing in women and girls. Reading the news these past couple weeks can be incredible disheartening particularly if you're a woman of color. In Chicago the percentage of female-headed

households by three points to 23 percent while Black and Latina women are graduating college at a third of the rate of white men and women. No one is going to make the change for us so we must be that change ourselves.

That is why I am proud to announce that in partnership with the members of Women's Caucus and a diverse group of leaders from our City, we are launching the Status of Women and Girls Working Group. More than 150 women will come together from across sectors, neighborhoods and backgrounds to help create a plan that will lay the framework for Chicago to be the best city in the nation for our women and girls.

Our goal is to introduce this plan and report during women's history month in March and provide tangible steps and actions in the coming months and years for our city. With the shape of our national political structure, local government must step in with plans of our own to close the gender gap.

While our office has taken a lot of new initiatives this year, we have improved the way we have done many of the things that our office has been responsible for many years. In addition to the many improvements to our Council Division we have also updated many of our operations processes to increase access to City services and create a better customer experience with the ultimate goal of increasing compliance.

This includes exploring a larger office space for our satellite offices to better serve residents, seniors and people with disabilities. Gone will be the days of long lines on the sidewalk and customers standing in the rain. We have increased the number of frontline staff which has in turn increased our ability to handle the number of people who come into our locations.

And it's not just the humans of Chicago we're looking out for it's our furry family members too. We started sending out monthly dog license renewals, something that had not been done since early 2016. We also

partnered with Cook County to match up rabies vaccinations with dogs living in Chicago to send out letters to get them into compliance. In partnership with the Office of Budget Management and Animal Care and Control, we launched a public education campaign using the City's municipal marketing agreement to encourage people to register their dogs in the month of September. I'm proud to say that we have seen the highest number of dog registrations in September of this year since September 2014.

To make all of our services easier to access, we are currently in the process of creating a new e-commerce site to make it more user friendly and easier for residents to find what they need whether they're on a desktop computer, a mobile phone or getting access to the internet at their local library. It will include new ways to take advantage of our office's products including a pick up option where people can order their items in advance and they will be available for pick up at a

designated time, similar to how you can order your coffee ahead of time at Starbucks.

While a new digital platform creates a better user experience by allowing residents to track products where they are and create better access for all of our residents, we want to take it a step further by making our products more financially accessible. As the administrator of the City Sticker, we have a duty to make sure that all Chicago residents who have a car are compliant with their Wheel Tax. Research experts have demonstrated that what has been done in the past hasn't worked for all Chicagoans. My office needs to be part of a larger solution.

With help from local experts and community stakeholders, we developed a three pronged approach to help tackle this issue of non-compliance. Many residents across the city live paycheck to paycheck. My goal is to create a path and lower the barrier of entry for those residents to come into compliance with the Wheel Tax.

First, we will be introducing the four month sticker. In addition to being able to purchase a one year, or two year city sticker, residents will have the option to purchase a four month sticker. This policy balances the need to provide residents more affordable options for their Wheel Tax while ensuring that the City has enough funds to cover the maintenance of our roads. Growing up, my family lived paycheck to paycheck. Many families in Chicago know all too well what it is like to have to choose between putting food on the table or paying a tax like the City Sticker. By giving residents the opportunity to pay \$29 instead of almost \$90 at one time, this choice may be a little easier. We never know what someone else is going through and we believe that a four month sticker can be a more manageable way for residents to come into compliance with the Wheel Tax.

Second, we found that some people are not in compliance with the Wheel Tax because they simply don't know it exists. We will expand our efforts to educate residents in these areas about the Wheel Tax by

creating materials in different languages, billboards and through working in partnership with community based organizations, faith communities and all of you here.

And third, our office is exploring a forgiveness program for residents who have fallen out of compliance with the Wheel Tax. This would allow residents to get back into compliance with no late fee or back charges.

Best of all, we estimate that we would need less than 1% of those who are needed to come into compliance in order to pay for the technology changes required for our system, making this a win-win for both our tax dollars and our residents. This is not the whole solution, we need a holistic approach and my office will explore what we can about other fines and fees. My office is committed to doing its part to improve the day-to-day lives of Chicagoans. We will also be taking a hard look at our own office's fines and fees and come back to you all with possible recommendations. It's a team effort and we're happy to do our part.

This has been an incredible year and I haven't been able to do all of this alone. Thanks to the work of this incredible team – those who are sitting here today and those that are currently at work on the front lines – as well as the community leaders who have helped us shape the policies that I have spoken about today and to the aldermen and your teams who have been great partners on CityKey and other initiatives. Your hard work does not go unnoticed and we could not have done any of this without your dedication to the community you serve. I look forward to discussing the great work of our office and your consideration of our budget request. At this time I am happy to take your questions.

**STATEMENT FROM COMPTROLLER ERIN KEANE ON 2019 BUDGET PROPOSAL TO THE CITY COUNCIL  
COMMITTEE ON BUDGET AND GOVERNMENT OPERATIONS**

*Monday, October 22, 2018*

Good morning, Chairman Austin, Vice-Chairman Ervin, members of the Committee, and members of City Council. Thank you for the opportunity to appear before you today and to participate in these budget hearings.

I feel lucky to continue serve you and the public and to lead the dedicated staff of the Department of Finance (DOF). The department operations include paying city vendors, enforcing parking regulations, collecting revenue, billing for utilities, administering tax code, managing employee benefits, issuing payroll and accounting for and reporting the city's finances. We are not perfect, but we work hard and strive for continuous improvement. That said I would like to share some highlights from the past year.

**PROCESS IMPROVEMENTS AND EFFICIENCIES**

Over the past year, DOF has worked to expand the functionality of existing technology and invest in new technology where needed to improve processes, become more efficient, improve accountability, increase revenue or decrease cost.

*Street Operations*

During the budget hearing last year, we talked about new handhelds devices and predictive analytics software for our Parking Enforcement Aides. The project was delayed by a few months, but we expect the new system to be rolled out before the end of the year. The purpose of the new system is to use data to efficiently direct enforcement personnel toward areas where it is most needed. The software will not only increase the effectiveness of the PEAs in the field, but will also improve the accuracy of tickets with real-time data feeds. Currently, we analyze historic enforcement data without waiting for that technology, and continue to allocate resources based on concerns by residents and businesses about compliance with the City's parking laws and restrictions.

Technology has also allowed us to partner with the Chicago Police Department to receive a daily upload of the State of Illinois Police stolen vehicle file into our Boot vans. The boot vans are driven throughout the city and are now able to collect information on the location of stolen vehicles as they drive. Since beginning this program in March, we have reported over 775 stolen vehicles to CPD.

Technology is also helping us plan for remote deployment for booters using satellite antennas to transmit boot data wirelessly throughout the City. This change would cut down on travel time and improve productivity.

*Delegate Agency Payments*

Technology has helped improve the delegate agency process as well. A new eProcurement functionality went live with the City's Delegate Agencies at this time last year. Change can be a challenge to many of us, so we had some bumps along the way. We appreciate everyone's patience with this change and are pleased to report success. All Delegate Agencies are now managing their organizational information and account details, reviewing/responding to RFP solicitations, tracking contract awards actions, submitting payment invoices, and communicating online via i-Supplier with City department contacts. The average

processing time for delegate contracts is down by more than 60% and the payment processing time down by 30%.

#### *Time and Attendance*

Swiping has been successfully implemented at the Police Department. Although currently CPD personnel are only required to swipe in each work day, the goal by the end of 2018 is to have all Police Department employees swipe in and out each day. Transitioning from a manual, paper-driven system will eliminate redundant processing and provide greater accountability for regular and overtime hours.

### **TAX POLICY AND ENFORCEMENT**

Technology enhancements have also been achieved in the Tax Division. In 2017, we strengthened ground transportation tax enforcement measures for non-Chicago taxis and liveries. Historically, collection of the tax from these non-Chicago entities has been a significant challenge because the vehicles are not licensed by the City. In order to close this loophole, we are now collecting the tax from suburban taxis and liveries at the airports utilizing license plate recognition technology. This effort has resulted in nearly 400 new taxpayer registrations and collection of nearly \$1 million in tax.

Through ongoing enforcement efforts, a compliance gap was identified with non-titled use tax and construction contractors. The non-compliance appears to be a result of lack of awareness of the tax, rather than willfulness. Therefore, a special voluntary tax disclosure program will be offered in the fourth quarter of 2018. The program's goal is to educate businesses about the tax and to encourage businesses to voluntarily come into compliance. Businesses who come into compliance through this program will not have to pay penalties.

Another significant achievement was the launch of Chicago Business Direct, the City's new website which provides Tax and License services in one convenient place. Business owners and their legal representatives may now apply for and renew City of Chicago business licenses, file tax returns and make tax payments online without having to visit two different sites and maintain separate logins for each.

### **FOCUS ON PAYMENT OPTIONS**

The Department of Finance has continued to focus on providing additional notice to those who owe money to the city and making it easier to pay. We have instituted additional reminder notices and provide an opportunity to sign up for payment plans before penalties are assessed. Easier payment plan terms and cost saving online payment plans have been put in place to help motorists avoid enforcement action. In addition, the City has entered into a contract for new payment processing services which will replace and improve current technology and expand payment services throughout Chicago's neighborhoods.

#### *Payment Plans*

We will continue to explore options to assist those who want to be in compliance, but cannot afford to pay their debt in full, or afford a large down payment or high monthly payments. Early payment plans provide up to 3 extra months to pay a new ticket without any penalties. Further, online payment plans allow motorists up to 24 months to pay off tickets, save up to 22% in collection fees and can be started

with just the first monthly payment. Hardship payment plans are available for those who need assistance after they have been booted or licenses have been suspended.

Additionally, the Department of Finance has launched payment plan programs designed to offer convenient and cost saving ways to pay administrative hearings and utility debt. These payment plans provide flexible terms and allow participants to avoid collection costs and additional fees. Payment plans can be set up online, over the phone or in-person.

#### *Payment Processing*

The Department is upgrading its payment processing technology and growing the number of payment kiosks in Chicago's neighborhoods. The new solution will provide improved data security and expand online payment opportunities in an effort to move toward a single place to make payments for various city fees. Further, additional payment kiosks will be installed in various police stations and libraries throughout Chicago. Many of the kiosks will be available 24 hours a day, seven days a week and will accept cash, in addition to checks and credit cards, providing a secure and convenient alternative to visiting a payment center.

#### **WELLNESS PROGRAM – “CHICAGO LIVES HEALTHY”**

Employee participation in the City's wellness program has been very strong. On average, more than 80% of the employees and their spouses, domestic partners/civic union spouses, excluding members of the Fraternal Order of Police, are enrolled.

The program data indicates significant improvements in members' health. The number of participants at high-risk for developing cardiovascular disease in the next 10-years decreased by 17% and the number of participants at an elevated-risk for developing diabetes decreased by 8%. Furthermore, significant improvements also occurred in several key biometric health measures, including blood pressure, total cholesterol, fasting glucose, and obesity. The improvements were observed in participants who were in the highest risk category at their initial measurement. These results can be used to remind people that on-going participation in the wellness program results in improved health outcomes.

#### **INTERNAL CONTROLS**

A key area of focus within the Department since 2011 has been improving our financial reporting to ensure proper internal financial controls and improve financial transparency. In 2018, the Department of Finance released the 2017 Comprehensive Annual Financial Report or CAFR, which details the significant progress the Mayor and the City have made in improving financial reporting and accountability. For the sixth consecutive year, the independent auditors did not find any material weaknesses in the City's annual CAFR.

#### **CONCLUSION**

I again want to thank you for this opportunity and for reaching out to let us know when and where we have room for improvement in our service to you, residents and other city departments.

**2019 Budget Hearing Statement**  
**Patricia Jackowiak, Director**  
**Department of Administrative Hearings**  
**Friday, November 2, 2018**

Good Morning Chairman Austin and members of the City Council. Thank you for the opportunity to speak before you today about the Department of Administrative Hearings (DOAH), what we have achieved this year, and what we plan to accomplish in 2019.

The mission of DOAH is to provide quality administrative hearings for the City in a timely and efficient manner, with respect for the dignity of individuals and their due process rights. DOAH is an independent entity that hears cases relating to violations of the Municipal Code, the Chicago Park District Code, and the Chicago Transit Authority Code. The Department maintains an exceptionally high level of service to the public. We have accomplished this through cross-training personnel and employing various efficiencies.

The Department retains and trains outside attorneys to adjudicate cases and serve as Administrative Law Judges. In 2017, DOAH conducted 607,830 hearings. As of 9/30/18, these Administrative Law Judges have presided over 502,037 hearings this year. The Department hears cases under four categories: Buildings, Municipal, Environmental Safety/Consumer Affairs, and Vehicles.

The Department also remains committed to assisting *pro se*, or “self-represented,” litigants to effectively navigate the administrative hearing process. The help desk at the Central Hearing Facility, which is staffed and independently operated by attorneys from the Coordinated Advice & Referral Program for Legal Services -- known as CARPLS --, is open four days a week. CARPLS is a non-profit legal aid service that provides low-income client’s direct access to experienced attorneys through legal aid hotlines and court-based help desks. The help desk provides support to these *pro se* litigants by educating them about their legal rights and remedies, providing them with practical “how to” advice to present their side of the case, and providing assistance in preparing motions. As CARPLS attorneys have become more experienced in a wider variety of municipal code violations, the services provided by the help desk have expanded to almost every type of violation adjudicated by DOAH. The help desk, which is jointly funded by the City and the Chicago Bar Foundation, assisted 1,526 low-income respondents from 7/1/17 through 6/30/18.

A second source of assistance for respondents continues to be provided by the Telephone Language Line Interpretation Service, known as the “Language Line.” This service is available for respondents whose first language is not English. All the hearing rooms at the Central Hearing Facility and neighborhood hearing sites provide access to Language Line interpreters.

This service enables respondents to understand and fully participate in the administrative hearing process by providing ready telephone access to interpreters who are skilled in more than 170 languages. The average time to connect to an interpreter is under one minute. This service also promotes efficiency by eliminating the need for continuances caused by the absence of an interpreter. It also minimizes the inconvenience to non-English speaking respondents who might otherwise need to rely on the schedules of family members or friends to serve as interpreters.

The Language Line service is also available at DOAH information desks at all of its facilities through the use of dual handset telephones. In this way, both our customer service staff and the non-English speaking respondent are able to more effectively communicate once they are connected to the interpreter. As of 9/30/18, there were 24,953 minutes of interpretation service in twenty-seven (27) different languages.

Quality training for staff and Administrative Law Judges continues to be a key component to our successful operation. In addition to ongoing civility and customer service training, DOAH conducts annual training programs for its ALJs. These programs address evidentiary and procedural matters, recent case law, judicial demeanor and common legal and situational issues which may arise during the proceedings.

I would also like to highlight an ongoing customer service initiative which became operational at DOAH in 2016 and continues to be substantially used by the public in 2018.

In January 2016, the new 'E-request' website went live at DOAH. This upgrade provides more convenient methods to request an in-person hearing and contest vehicle violations. In the past, in-person hearing requests could only be requested by U.S. Mail, via phone call, or by personally delivering a written request to one of the payment or hearing locations; and 'contest-by-mail' (CBM) hearings could only be requested and conducted by U.S. Mail or by personally delivering documentation (including evidence) to DOAH. On average, DOAH adjudicates 150,000 CBM hearings annually, and all CBM documents must be manually scanned upon receipt. The new 'E-request' website enhances customer service by allowing vehicle owners to request an in-person hearing via the website or to contest tickets by uploading and submitting their supporting documents via the website. This E-request enhancement substantially reduces the manual scanning of documents received by U.S. Mail. In 2016, 73,385 respondents used the new E-request service. In 2017, 119,015 respondents used this customer service enhancement. As of 9/30/18, there were 100,449 Respondents who availed themselves of this customer service enhancement.

Another customer service enhancement DOAH is planning for 1<sup>st</sup> Quarter 2019 is text message reminders to respondents regarding their upcoming court dates. Respondents who misplace their citations either call DOAH to obtain the court date or fail to appear on their original court date.

Consequently, they receive a default judgment. These particular Respondents must then appear and seek to vacate their default judgments. It is anticipated that the text message reminders will serve to increase appearance rates on the initial court dates, thereby obviating the entry of default judgments. In addition, DOAH expects to achieve additional staff efficiencies resulting from a reduction in the number of motions to set aside default judgements filed at the courthouse.

DOAH remains committed to achieving the Department's core mission in 2019 – providing a forum for fair and impartial adjudication; maintaining an exceptionally high level of courteous, respectful and prompt customer service for the public; and responding effectively to the needs of the enforcing departments and respondents.

Thank you.

**STATEMENT OF CORPORATION COUNSEL EDWARD N. SISSEL  
IN SUPPORT OF THE DEPARTMENT OF LAW'S  
PROPOSED 2019 BUDGET  
NOVEMBER 2, 2018**

Good morning Chairman Austin, members of the Budget Committee and other members of the City Council. On behalf of the Chicago Department of Law (DOL), I want to thank you for the opportunity to testify in support of DOL's proposed 2019 budget.

I have enjoyed the honor to serve as Corporation Counsel since February 2017, and in that time, I have been very fortunate to lead an exceptional group of attorneys and professionals who are dedicated to public service and the residents of Chicago. Every day I am reminded of their expertise and commitment as the department works to protect and improve the lives of residents, support City Departments and the City Council and defend our shared values in the courtroom.

Since I was before you last year, I am happy to report that we have achieved some noteworthy successes, including defeating the Trump Justice Department and obtaining the entire amount of our Edward Byrne Memorial Justice Assistance Grant after the U.S. Department of Justice attempted to put unlawful conditions on the receipt of those funds that did not align with our values as a Welcoming City.

Before I highlight more of our work, I would like to emphasize that everyone in the Department recognizes that there is more to be done and we are not slowing down. As part of our commitment to the residents and this body, I plan to continue to lead the department until the next Mayor is elected and will work to ensure a smooth transition to the next Corporation Counsel.

As part of our 2019 budget, along with minor changes, we are reinforcing our commitment to work with you and other city departments to have a positive impact on the lives of Chicago's residents.

Our proposed budget includes an increase of 4.1 percent. This increase reflects the current environment, where the legal battles for our values and our residents are continuing. It also reflects the role city lawyers are playing in reforming the police department and implementing the consent decree.

**Protecting Residents, Communities and Chicago's Values**

When I appeared before you last year, I detailed the ongoing legal battles we were having with the Trump Administration and its assault on our values.

Our efforts to stand up against unlawful actions by the Trump Administration continues, whether that means joining other cities in fighting against adding a citizenship question on the upcoming 2020 census or seeking to intervene in EPA actions in which our residents have an inherent interest.

Thanks to the City Council and the Mayor's support in last year's budget, the Department has now created the Affirmative Litigation Division, which is a new division that represents the City in a broad range of investigation and litigations matters in federal and state courts to protect the interests of the City and the rights, health and safety of its residents. This division also brings litigation involving the federal government in order to defend to the rights of Chicago residents, including in the environmental, immigration, data privacy and health care areas.

This division is now working on many cases, including the opioid litigation; the data breaches by Equifax and Uber; the environment violations by U.S. Steel; violations of the Take Care clause of the Constitution regarding the Affordable Care Act; and concerns regarding immigrants, including the proposed census question on citizenship.

As I discussed last year, we had already won a victory against the Trump Department of Justice (DOJ) in its efforts to place immoral and unlawful conditions on public safety grants. While there is still an appeal pending in the 7th Circuit, we are pleased to report that the DOJ has awarded us our entire amount for the 2017 fiscal year. However, we remain disappointed that the DOJ is attempting to place more conditions on the 2018 grant, we are currently evaluating the application and determining our next steps.

Based on our actions during the past year, I have no doubt that there will continue to be times when it will be necessary to take legal action to protect the rights and values of our residents, and this division will be at the forefront of these legal battles.

### **Fighting Discrimination by the Federal Government and Others**

While I have mentioned that we have taken many legal actions this year against the Trump administration, I'd like to expand on a few of the key issues.

The Trump administration has indicated that it wants to politicize the 2020 census by adding an unnecessary citizenship question that will depress response rates in cities like Chicago with large immigrant populations, threatening those cities' fair representation in Congress and the Electoral College, as well as billions of dollars in critical federal funds. We have been working closely with other governments who share our concerns about these efforts and have taken two key steps to fight this decision.

First, we authored a formal comment to the Trump Administration on behalf of Chicago and 18 states, 10 cities and five counties urging the Census Bureau to reconsider its decision, and second, we joined a coalition in filing a lawsuit to block the Trump Administration from

demanding citizenship information in the 2020 Census. We are currently in the discovery phase of this litigation, and our team is working diligently in preparation for a trial that is set to start on November 5.

I am pleased to say that, as part of this trial, Chicago was chosen as one of the few governmental plaintiffs to provide witnesses.

I am pleased to report that this year we joined the cities of Los Angeles, New York and San Francisco to file an amicus brief in a federal lawsuit, *Flores v. Sessions*, which is aimed at protecting children separated from their families by the Trump Administration.

We are also preparing a comment to be submitted by Chicago and a coalition of cities objecting to the Trump Administration's proposed rules setting forth the terms and conditions for detaining immigrant children and seeking to terminate the *Flores* settlement. If the rules are adopted as proposed, we are preparing a lawsuit seeking to enjoin the rules.

These efforts send a strong message to our residents and communities across Chicago that we do not accept discrimination in any form.

We are also leading a coalition of cities in preparing a comment opposing the Trump Administration's proposed rule changes that consider immigrants' reliance on certain government programs in determining immigration status, which is also commonly referred to as the "public charge" rules. The proposed changes would expand the types of government programs that are considered in making the public-charge determination and would for the first time consider relatives' use of government programs. If the rules are adopted as proposed, we are preparing a lawsuit seeking to enjoin the rules.

On another important issue, the Law Department worked with 19 local governments in filing an amicus brief in support of Planned Parenthood's appeal to the U.S. Court of Appeals for the District of Columbia Circuit in a challenge to changes made by U.S. Department of Health and Human Services to the Title X funding requirements. These proposed changes threaten neighborhood health centers that provide essential services.

### **Protecting Residents from Financial Fraud**

Last year, we worked with Chairman Burke and other Aldermen to file a consumer protection lawsuit against Equifax to ensure that the company is held accountable for its massive data breach and its failure to give timely notice to Chicago residents, as well as to force the company to offer remedies and restitution to those impacted by the breach.

Other jurisdictions across the country have also filed cases against Equifax, and as such, our case has been included with others in a Multi-District Litigation in Atlanta. The City continues to

vigorously advocate for residents in this case as we work within the parameters set by the court this expansive litigation.

We also continue our legal efforts against Uber for its data breach, even though Attorney Generals from across the country have reached a settlement. In this case, Chicago's ordinances were violated, and we want to send a strong message to every business that they have a responsibility to protect the data they collect from our residents and to provide timely disclosures to the public when breaches happen.

### **Continuing to Reform the Police Department**

Lawyers are often recognized for their success inside a court and at trial, but this year, the Law Department worked outside the courtroom, and closely with the Mayor's Office and the Police Department, to negotiate the proposed Consent Decree with the Illinois Attorney General. This consent decree will have a long-lasting, positive impact on the Chicago Police Department (CPD) and Chicago residents.

From the very beginning of the DOJ's civil rights investigation, the Law Department has worked closely with the CPD to respond and to help develop reforms designed to improve the CPD's use of force policies, training, transparency and accountability.

After the investigation was complete, we committed to negotiating a consent decree with the DOJ, and attempted to negotiate a consent decree with the United States Attorney General after the change in administration. However, because the Trump Administration would not commit to pursuing a consent decree, we explored a number of options and soon after began discussions with the Illinois Attorney General regarding the best method to ensure lasting reforms.

In August 2017, we announced that we were working with the Illinois Attorney General's Office to seek an enforceable consent decree to implement the numerous reforms outlined in the reports by the U.S. Department of Justice and the Police Accountability Task Force. The Law Department spent the ensuing months negotiating the consent decree while helping the CPD move forward with reforms, including the rollout of body-worn-cameras, a new use of force police and improved training.

As everyone in this Council is aware, in September of this year, we announced that we had successfully negotiated a consent decree with the Attorney General's Office and released the terms of the agreement for public comment.

The proposed consent decree mandates comprehensive reform of CPD's policies, practices, training and accountability mechanisms to address the use of force, ensure police accountability, improve public and officer safety and, ultimately, build trust between CPD and Chicago's residents.

It also includes hundreds of requirements that touch on virtually every aspect of CPD's operations. It contains detailed provisions that address the DOJ-recommended reforms. It mandates changes that go beyond the DOJ recommendations and break new ground, such as a requirement for unprecedented transparency in how CPD publishes data regarding use of force incidents and a significant expansion of support services provided to CPD officers.

The proposed consent decree also includes numerous reforms intended to ensure accountability for police misconduct by strengthening the roles of the agencies charged with police oversight, including the Civilian Office of Police Accountability and the Police Board.

Ultimately, the consent decree will include an independent monitor and be overseen by a federal judge. It will include reforms that provide the support police officers need to implement constitutional policing practices and rebuild trust between community residents and police. We are currently evaluating candidates for the independent monitor to identify the best option for ensuring compliance with the decree and presenting this information to the federal judge, who will continue to oversee this process.

As I reported last year, Chicago is not waiting for that agreement to be finalized to implement necessary reforms. Through new policies, training, and efforts to rebuild the relationship between the Police Department and the community, the City has made and is continuing to make substantial and meaningful reforms.

### **Pursuing Damages from Opioids Manufacturers**

The Department of Law continues its groundbreaking litigation against manufacturers and marketers of highly addictive opioid-based pain relievers, the usage of which fueled a national health crisis. Chicago's lawsuit – the first of its kind in the country – alleges that the defendant pharmaceutical companies misrepresented the benefits of opioids and concealed the serious addiction risks associated with their use, specifically targeting the elderly and veterans, and made false promises that opioids were unlikely to be addictive and would help improve patients' function and quality of life.

The use of these drugs has led to a dramatic rise in drug addiction, overdose and diversion in communities across the nation, including in Chicago. We continue to pursue our legal action to stop drug companies from deceptively and unlawfully marketing opioids and to hold these companies responsible for the harm their deception has caused, including serious damage to individuals, families and neighborhoods and the fueling of the heroin epidemic.

Since Chicago first filed this suit in 2014, we have defeated repeated attempts by the well-resourced defense teams representing the pharmaceutical companies to have the suit dismissed.

To provide a glimpse of the monumental effort on this case thus far, we have received approximately 10 million pages of documents, assembled a team of healthcare experts, and have

conducted hundreds of interviews as part of discovery. In addition, there are multiple city agencies that had to document and quantify the impact opioids have had on Chicago.

Since the City's suit was filed, a growing body of medical research has brought an even greater spotlight to the crisis of opioid addiction and the related explosion of heroin use in the Chicago area and throughout the United States. Chicago's pioneering lawsuit against the deceptive and destructive marketing practices of the industry has drawn significant national attention. Other jurisdictions across the country have filed similar cases to ours, with the same claims of misconduct.

This litigation is now also part of Multi-District litigation and continues to move forward. Fortunately, since we played such an important role as the first city to bring a suit against these companies, Chicago is expected to be one of the first lawsuits brought to trial in this litigation.

We have also filed a complaint against the top three distributors of opioids for their role in the public health crisis caused by the rampant over-prescribing and abuse of pharmaceutical opioids, a class of highly addictive narcotic painkillers. The City filed its suit against AmerisourceBergen Drug Corporation, Cardinal Health Inc. and McKesson Corporation for their unfettered and unlawful distribution of opioids into the city. Known colloquially as the "Big Three," defendants account for approximately 90 percent of all revenues from prescription drug distribution in the U.S. and dominate the wholesale drug distribution market, including in the city.

### **Increasing Diversity in the Law Department**

Increasing diversity within the DOL and retaining legal firms who are diverse are key goals for me and the leadership of the DOL. I continue to place a priority on diversifying the department and have gone to speak with diverse groups to recruit attorneys to the DOL.

The Law Department employs a number of strategies to attract diverse candidates. We have increased our outreach to the minority bar associations and organizations, including the National Bar Association, Black Women Lawyers' Association of Greater Chicago, Cook County Bar Association, Chicago Committee on Minorities in Large Law Firms, LGBT Network, National Asian Pacific American Bar Association, Asian American Bar Association, Hispanic National Bar Association, Hispanic Lawyers Association of Illinois, Indian-American Bar Association of Chicago, Women's Bar Association of Illinois, Dominican Bar Association, and Arab American Bar Association of Illinois.

I, along with our Director of Legal Recruitment and our attorneys, continue to meet with diverse bar associations and their memberships to talk about the benefits of working for the DOL and to encourage applications.

This year, we hosted a Diversity Bar Association Meet & Greet in the City Council Chamber to include a presentation by diverse attorneys to members of 10-12 diverse bar associations, the members of the Black and Latino Caucuses, and attorney Aldermen, followed by a networking hour in the City Council Chamber Annex. I presented how diversity is a priority for the DOL in two ways: 1) We seek talented, promising individuals from a wide variety of backgrounds to work as attorney employees; and 2) We seek diverse counsel to help staff our cases and projects when we engage outside counsel.

DOL has also teamed up with the Diverse Attorney Pipeline Program to recruit diverse law students. As part of this initiative, diverse students spend one summer working for the Law Department and the following summer working for law firms that do a significant amount of legal work for the City.

You have my commitment that we will continue to expand on these relationships going forward and will continue to explore new ways to attract diverse candidates.

### **Pursuing Revenue and Protecting City Finances**

Law continues its effort to be vigilant in ensuring that the City of Chicago collects all of the revenues it is owed. We also take steps to proactively file litigation to ensure that companies cannot evade their responsibilities.

For example, this year the Law Department, in conjunction with the Department of Business Affairs and Consumer Services, negotiated more than \$10 million in settlements from rideshare providers Uber, Lyft and Via. These payments, along with internal changes made by the companies, settle allegations that the companies committed process violations by performing background checks that were not consistent with Chicago's standards as set by the City's rideshare ordinance.

The Department of Law worked closely with the Department of Business Affairs and Consumer Protection to ensure the processes were corrected, background checks were being performed in compliance with the ordinance and that the companies were being held accountable.

Through September, we have collected over \$8 million in various City taxes and fees, including the real property transfer tax, telecommunications tax, 911 surcharges, amusement tax, hotel tax, ground transportation tax, personal property lease tax, vehicle fuel tax, non-titled use tax, and parking tax. On average, this represented collections of about \$1 million for each attorney staffing these cases. These amounts are collected from cases and projects handled by Law - it does not include the substantial additional revenues we help secure through our activities such as advising and drafting.

## **Recouping Funds in Water Fund Cases**

The Law Department continues to pursue unpaid water bills from the City of Harvey.

We reached a consent decree with the City of Harvey requiring Harvey to make timely payments for water it receives from Chicago and to repay past due amounts. Harvey, however, failed to follow the terms of the consent agreement, and the City won several new court rulings that will allow Chicago to collect directly from five suburban municipalities. Harvey is responsible for paying \$21.7 million in overdue bills, which includes \$5.8 million in penalties that the city had conditionally waived as part of the consent decree. So far, Harvey has paid \$8.7 million to Chicago.

In August, the court granted Chicago's motion to appoint a receiver as an independent monitor to oversee the operation of Harvey's water fund to ensure that it is run in accordance with the dictates of Illinois law and the consent decree.

The receiver has been in place since August 2017 and has been making regular payments to Chicago for current water charges and partial past due amounts since December 2017. However, the litigation continues. Chicago is seeking to amend the judgment to include an additional \$10.6M in unpaid current water charges and penalties that accrued before the receiver started making current water payments to Chicago, which will bring the past due amounts to approximately \$28.5M (as of July 2018).

The Law Department also filed suits in March against Dolton and Robbins, alleging the towns had violated past contracts, repayment agreements and the law by making unauthorized transfers of millions of dollars from water fund accounts into their general funds. We are pursuing more than \$9 million from Dolton and \$15 million from Robbins.

### **Helping to Stabilize Finances and Fund Government**

Our work protecting taxpayers and is not limited to simply pursuing money that is owed to the City. We also work with both the Budget and Finance Departments to play a key role to help improve the City's financial outlook. This includes providing legal counsel and helping close \$652,371,000 in bond transactions in 2018.

In 2017, Law helped draft the ordinance that creates a securitization structure for the City of Chicago, which has achieved higher credit ratings and reduced debt service costs for taxpayers. This revenue securitization structure helps address the City's legacy liabilities, eliminate unsustainable financial practices of the past, and improve the City's long-term financial health.

So far, the Sales Tax Securitization Corporation (STSC) has issued \$1,424,015,000 of bonds which paid off our existing sales tax revenue bonds and refunded some outstanding general

obligation bonds. We're now getting ready to have the STSC issue another \$664 million in bonds which would be used to refund more general obligation bonds of the City.

### **Enforcing Quality of Life Ordinances**

Law also continues to aggressively enforce quality of life ordinances and to take other steps to make our communities safer and otherwise improve the lives of Chicago residents. This includes our continuing defense of the food truck ordinances and the home sharing ordinance, both of which continue to be successfully defended by the Law Department. Law also continues to use all of the prosecutorial tools at its disposal to close nuisance businesses and eliminate drug and crime hot spots.

### **Closing Nuisance Businesses / Eliminating Drug Sale and Crime Hot Spots**

Law continues to work with CPD and the Department of Buildings (DOB) to rapidly and effectively reduce narcotic trafficking by criminal street gangs through our Drug and Gang House Enforcement Section (DGHES) and License Enforcement Unit (LEU). Law, CPD and DOB proceed on multiple fronts in targeting problem businesses, and start by eliminating the "cover" and extra income that would be allowed by the continued operation of the establishment. As a result, the drug business is stopped immediately and financial pressure is placed on the licensee to ensure that the drug business is eliminated permanently.

Several years ago, DOL attorneys began prosecuting businesses that cause a community nuisance under the recently-revised public nuisance ordinance. The ordinance revisions were prompted by Law, and these revisions expand the scope of the ordinance from liquor-only to include non-liquor businesses. Based on police reports of criminal activity at or around these businesses, and on input and testimony from community members, Law seeks the revocation of licenses of problem businesses. So far in 2018, we have prosecuted almost 400 DGHES cases in Circuit Court and the Department of Administrative Hearings, and litigated more than 650 LEU cases, which includes liquor and non-liquor license revocations, as well as house-share cases. Law continues to work to obtain closures and revocations of liquor licenses of businesses being used by street gangs as locations for narcotics trafficking and other illegal activities.

As in past years, several establishments have been closed as a result, and Law continues to develop strategies for many on-going investigations and resulting prosecutions. Aggressively targeting these nuisance businesses improves public safety for business patrons and neighbors. Law routinely assists Police in determining when use of the Summary Closure ordinance is appropriate in the wake of violent incidents occurring at business establishments with a history of criminal activity or nuisance related activity. During 2018, Law has assisted in six summary closures, and has helped craft strong nuisance abatement plans that have proven effective in forcing businesses to address chronic problems at violence prone locations.

## **Saving Troubled Buildings**

The City's Troubled Building Initiative is a multi-department program designed to preserve properties by stabilizing the property and halting blight in our communities.

So far this year under the Troubled Buildings Initiative, Law has prosecuted more than 359 cases in Circuit Court, impacting 1,746 residential units. In another 113 cases, we successfully had an independent receiver appointed, resulting in the stabilization of 430 additional residential units. During the same period, Law concluded litigation on an additional 111 properties, impacting 646 residential units, and these buildings are either under rehabilitation or available as affordable housing in the City's neighborhoods. During this same period, Law continues to maintain cases with active receiverships on 333 buildings, impacting 2,493 units, preserving these properties as viable housing.

## **Processing Streets and Sanitation Violations**

The Law Department has also made great strides in processing violations written by the Department of Streets and Sanitation. Thanks to the City Council and the Mayor, Law was able to add three attorneys to help with title searches last August, and we are budgeted for an additional three attorneys next year. As a result, we have filed 75 percent more cases this year compared to last year, and reduced the number of open title searches from more than 33,000 to 20,000.

## **Collecting on Overdue Debts**

Oftentimes, enforcing these and other ordinances leads to fines and other penalties. If landlords, business owners and others refuse to pay, Law is charged with helping to collect these revenues.

Overall, Law continued to be a major revenue generator for the City. This year, we have collected \$140 million in fines, assessments, and other debts owed to the City, and we expect to exceed more than \$175 million this year.

This is after our Collections Division collected almost \$172 million in overdue monies owed the City during 2017.

## **Improving Legal Services and Reducing Legal Costs**

During the past year, Law has continued to implement a number of initiatives to improve the delivery of legal services and reduce the City's legal costs. On the delivery of legal services front, this included more continuous training and improvements in how Law defends police misconduct cases, particularly with respect to discovery. On the cost reduction front, it includes making an early assessment whether cases should be settled or tried, and continuing our efforts: (1) to bring more legal work in-house; (2) to take non-meritorious cases to trial and win; (3) to

reduce the number of new cases filed against the City; and (4) to enlist some of the City's leading lawyers and law firms to represent the City at no or reduced cost pursuant to the pro bono program that was initiated when the current administration first took office.

### **Early Assessment**

DOL continues to follow its policy whereby cases are investigated and evaluated promptly after they are filed. A determination is then made regarding whether the case is one that should be tried or settled, and if settled, the settlement value of the case. If the City is likely to lose the case, and further litigation would only increase the City's exposure (including by generating attorney's fees that the City would ultimately be responsible for), we will attempt to settle the case at an amount at or below the estimated value of the case. If a reasonable settlement cannot be reached, and the City believes it has a reasonable prospect of winning, or if further litigation is likely to reduce the City's exposure, we will aggressively defend and, if necessary, try the case.

This early assessment strategy continues to achieve significant cost savings for taxpayers by promptly evaluating and moving to settle the most difficult cases before potential damages and attorneys' fees proliferate.

### **Pro Bono Program**

Another ongoing initiative is the Department's partnership with a number of leading Chicago law firms to represent the City in significant matters on a pro bono basis. The total savings from this program, as well as the number of firms participating, have continued to grow. This year, we received pro bono support from Kirkland & Ellis, Riley Safer, Wilmer Hale and Jenner & Block on a number of legal issues, including the ongoing lead litigation suit, the public safety grant litigation and compliance with the ACLU agreement.

As in the past, we want to personally thank each of these firms for their efforts on behalf of the City.

As I stated in the beginning, it has been an honor leading DOL for 2018, and I look forward to working with all of you on behalf of Chicago residents in 2019 and ensuring a smooth transition to a new administration.

Once again, thank you Chairman Austin. I look forward to answering your questions.

## **Department of Human Resources**

### **2019 Budget Statement**

**October 30, 2018**

#### **OPENING**

Good afternoon, Chairman Austin, and esteemed members of the City Council for the opportunity to present the proposed Department of Human Resources (“DHR”) budget for 2019.

DHR provides human resources services to job applicants and City employees, as well as works with City departments, boards, and commissions to attract and retain quality personnel. In addition to managing a fair and equitable hiring process, we are responsible for all human resources functions within the City, such as: human resources records management and retention, classification and compensation, training, testing, and writing and enforcing City policies, including the City’s Equal Employment Opportunity, Reasonable Accommodation, and Violence in the Workplace policies. It is our mission to administer cost-effective HR services, foster a professional, inclusive, and thriving workforce, and provide equal employment opportunities for all the citizens of Chicago.

#### **ACCOMPLISHMENTS**

##### **Employment Services**

Our Employment Services Division is responsible for administering the City’s hiring processes. DHR remains committed to maintaining and enhancing a high level of integrity in our hiring process while filling positions efficiently. We continue to build on improved communications with applicants and increase the transparency of our hiring process.

We have processed 228,158 applications and have filled 3920 vacancies as of October 15, 2018. On average, it is taking 72 days to fill vacancies. We continue to work to reduce the time to fill vacancies, and this year, we have further reduced the time to clear background checks, which gets new hires in the door faster.

In addition, the Employment Services Division continues to work closely with the Chicago Police Department (“CPD”) on hiring more Police Officers, which includes recruitment for exams, development and administration of exams, and providing assistance with CPD’s pre-employment process when possible.

We have also been working to improve communications with departments. This year, we have established regular monthly meetings with departmental administrative teams (which includes both Deputy-level and Human Resource Liaisons) for the following departments: CDOT, DSS, 2FM, CDPH, and CDA. We will be expanding this regular communication to more departments with the larger goal of establishing these relationships with every department.

##### **Testing**

###### **Chicago Police Department**

The Testing Division administered the Police Officer (“PO”) entry exam in May 2018 and a make-up exam in June 2018 to a total of 4,273 candidates.

- In 2018, the Testing Division also administered make-up exams to an additional 59 candidates who had signed up for the December 2017 PO exam but were granted accommodation due to military, medical, and life event conflicts.

On December 8, 2018, we will administer another PO exam. 8,875 applicants have been invited to the exam. To improve participation, we have been taking the following actions:

- Surveying applicants for their preferred session (morning vs. afternoon) to give candidates more scheduling flexibility.
- Sending emails and text messages to applicants (1-2 per week from now until the exam) to keep them engaged
- Revising correspondence with applicants to more clearly communicate information.
- Ensuring that applicants are aware that they can request accommodation to take a make-up exam and how to do so.

With respect to the time between the exam and getting the results, we have reduced that timeframe from 12 weeks (the Spring 2017 exam) to five (5) weeks (the Spring 2018) exam.

#### Chicago Fire Department

The Testing Division finalized the eligibility lists for Fire Engineer, Battalion Chief, and Fire Captain, which entailed reviewing extensive technical reports, analyzing results to identify adverse impact and making remedial adjustments, and providing requested information to the Department of Justice. Hiring has begun for Fire Engineer and Battalion Chief, and the Fire Captain hiring is expected to begin in December.

#### Other Testing

To date, DHR has developed and administered testing for over 1,800 candidates for a wide variety of positions across the rest of the City departments.

#### **Diversity and EEO**

The Diversity and EEO Division created a new module on sexual harassment that was added to the Board of Ethics mandatory online employee training. This new training material provides an overview of the kinds of inappropriate conduct that could constitute sexual harassment and offers details on the avenues available to employees who wish to make complaints.

The content of this sexual harassment training module has also been incorporated into the sexual harassment portion of an online EEO training that we will begin to roll out in December. It will be mandatory for all City employees on an annual basis.

The Diversity and EEO Division also completed updates to the City's Diversity and EEO Policy, including new language regarding whistleblower protection and additions to clarify various processes related to complaints of harassment, discrimination and retaliation. The revised policy is currently under review by unions, and the review period will end in early November, after which we will move towards implementation.

#### **Training and Development**

The Training and Development Division, with the assistance of the Information Services Division, worked closely with several departments to launch projects using Chicago eLearning, the City's new Learning Management System. With the Training Division's support, the Chicago Fire Department used Chicago eLearning to streamline course registration, tracking, and certification for a continuing education course, saving significant time over the manual process previously used. In addition, we worked with the Chicago Department of Public Health to launch its federally mandated HIPAA (Health Insurance Portability and Accountability Act) training on Chicago eLearning.

The Training Division also trained departmental HR Liaisons on the use of Chicago eLearning to enroll employees in classroom courses. This will significantly reduce time spent using manual, paper-based processes to register employees in DHR courses.

### **Information Services**

In 2016, the Information Services Division implemented an Electronic Employee Document Management System that converted microfiche records into an electronic format, which reduced maintenance costs, better preserved old records, and provided quicker access to the information. In 2017, we successfully moved 10 departments on the new system. This year, we have moved the rest of the City departments on the new system. As a result, improvements to departmental business processes, access to records, and reductions of paper have been made.

And as noted above, the Information Services Division has been helping the Training and Development Division to launch projects using Chicago eLearning.

### **Classification and Compensation**

#### Classification

The Classification and Compensation Division completed 168 job audits to ensure proper classification for occupied, vacant, and new positions assigned to various operating departments. 62 of these audits were reclassification recommendations for both occupied and new positions that were submitted to the OBM for implementation in the 2019 budget.

Also, the Classification and Compensation Division continues the pre-intake analysis of all vacant positions to be posted for hire. To date, the job responsibilities of 517 vacancies have been reviewed in 2018 to ensure proper classification. (We reviewed 457 vacancies in 2017). Disqualifying questions for current job titles were reviewed and updated when necessary.

We revised 26 job descriptions and created nine (9) new job titles. Classification and Compensation Analysts met with departmental subject matter experts and conducted external research to accurately document job duties, qualifications (including licenses and certifications), and physical requirements for these job descriptions.

#### Compensation

The Classification and Compensation Division recommended salary ranges for 33 Special Rate positions, which involved the analysis of market data and comparing internal position data.

We responded to 41 salary surveys throughout the year. Specifically, we participated in surveys conducted by national cities and local municipalities, including the Bureau of Labor Statistics and cities such as Charlotte, Dallas, Denver, Detroit, Houston, New York City, Philadelphia, and Seattle, as well as sister

agencies and other local governmental entities, including: the Chicago Transit Authority, City Colleges, the Chicago Park District, Chicago Public Schools, Cook County, the Metropolitan Water Management District, and Metra. In doing so, we continue to enhance our relationships with these entities and increased the resources we are able to utilize when conducting salary analyses.

### MMI Project

In partnership with the Department of Finance, we have been working on a project to engage those on Duty Disability/Maximum Medical Improvement (“MMI”) to assist them in returning to work in some capacity. There are currently a total of 107 people on the "MMI out of work" list. DHR and Finance have established monthly orientations. So far, we have invited 60 MMI employees to attend a presentation and training on how to navigate the City's hiring process, self-directed job searches, the reasonable accommodation process, and what is required to continue receiving benefits.

### Project Relating to Domestic Violence and Sexual Assault

DHR worked closely with Alderman O’Shea and Chicago Says No More, a coalition of 20 businesses, civic and philanthropic leaders collaborating with 25 executive directors of not-for-profit organizations with a mission to serve those affected by domestic violence and sexual assault, to develop a guidebook of all the services the City has readily available for its employees who may be experiencing domestic violence or sexual assault. Just like many employers, the City offers numerous services, but the information about them was housed in multiple different policies and procedures, so employees had to conduct their own research and as a result, may not have known about everything that is available to them. Our goal was to implement an easily accessible document to centralize this information, ensuring that our employees can easily access the assistance they need, and know that we support them and encourage them to seek our help. As of April 1, 2018, we established the City of Chicago’s Guidebook concerning City Policies Regarding Domestic or Sexual Violence. Employees who are in need of assistance can access this document, available on the City’s DHR website, and will have a guidebook concerning all resources and City policies available to them including time-off through FMLA or VESSA Leave, confidential consultations, and assistance with DHR’s clinical therapist, residency waivers if an employee needs to quickly relocate, and reasonable accommodations such as changing work phone number or modifying a work schedule or location.

In addition to the Guidebook, the City also expanded its Victims’ Economic Security and Safety Act (“VESSA”) Policy. VESSA is an Illinois State law, which requires employers to provide survivors of domestic violence and sexual assault with three months of job protected unpaid leave. We have amended our policy, effective January 1, 2018, to give City employees who qualify for VESSA one month of paid leave. We are leading the state in granting our employees any paid time off under VESSA.

### **Chief Diversity Officer**

After conducting an extensive search, I am pleased to announce that we have hired our Chief Diversity Officer (“CDO”). In a short amount of time, our CDO developed a framework within which we are organizing our efforts. Work has focused in a number of key areas:

- *Recruitment:* Our CDO has reached out to numerous professional and community organizations that DHR has worked with in the past to discuss how DHR can better communicate information about our hiring process and provide information about job postings so that information can reach interested applicants more effectively. Communication with those organizations has improved, which allows these partnerships to be more successful. In addition, our CDO has identified and engaged additional organizations to be added to DHR’s partner list. The response has been very

positive, and partner organizations, both existing and new, have been actively contacting our CDO with questions and ideas.

- *Hiring:* Our CDO has developed a pilot program with six (6) City departments varying in size and function so that we can test the ideas we have and use the deeper knowledge we get from those departments to build on that effort citywide. Additional detail on this pilot is outlined below. Our CDO has quickly gotten to know the City's hiring process through reviewing the Hiring Plan and talking with the entire Employment Services Division. In doing so, he has created a team of DHR employees who are passionate about improving diversity in City hiring who have started scrutinizing our process for ways we can improve DHR's ability to hire more diverse candidates [and what are we doing with this information/group?].
- *Communication:* The CDO identified areas in which DHR can improve communication with the public and has begun: mapping out changes to DHR's public website to be more accessible and useful, revising the materials we currently provide the public, and drafting better communication regarding job postings to our partners so the information is more likely to be used and disseminated. These items were identified as priorities through a combination of feedback from professional and community organizations, DHR employees, other departments, Aldermen, and other entities. Conversations with many members of City Council have already occurred, and we will continue to reach out to the Aldermen so that we can strengthen our partnership.

## **GOALS**

### **Employment Services**

The Employment Services Division will continue to effectively administer a hiring process that provides equal employment opportunities to City residents and maintains public trust in the integrity of that process. At the same time, we critically evaluate our practices so that we can build on our successes and continue to improve the efficiency and effectiveness of City hiring.

The Employment Services Division quickly established frequent, regular communication with the Chief Diversity Officer, and as a result, has already begun a deep, detailed evaluation of the hiring process specifically as it relates to our diversity initiatives with the benefit of our newly obtained expertise. This analysis has resulted in the identification of action items that can be implemented in the short-term while also identifying longer-term goals that we can start to work on immediately.

Additionally, we will create new communications between DHR, hiring departments, and OBM to better prioritize hiring demands and further reduce time to fill vacancies.

### **Testing**

With respect to the Police Officer exam, the Testing Division has contracted with a vendor to complete an updated job analysis and find and validate a new entry exam. We are looking for exams that can be administered both through traditional written means and electronically so we can further explore the possibility of electronic testing while maintaining the ability to administer written exams as needed. We are targeting testing for the CPD Sergeant rank in late 2019.

We will also be working with CFD on their next Fire Lieutenant exam and evaluating the psychological requirements for Paramedics.

We also will continue to explore avenues for electronic testing for the Police Officer exam.

## **Diversity and EEO**

The Diversity and EEO Division will release a Religious Accommodation Policy, setting out the procedures to be followed when employees seek an accommodation in order to observe religious practices. The City currently responds to such employee requests in compliance with the law and our existing EEO Policy. However, implementation of a specific policy and related procedures will ensure consistent review of religious accommodation requests and promote inclusion in all departments.

The Diversity and EEO Division will also expand its new practice of including process improvement recommendations in investigation reports when warranted. Through these process recommendations, we can and will continue to address department-level processes that sometimes contribute to employee perceptions of inequity, such as enforcement of dress codes, application of time and attendance rules, and/or distribution of overtime. By encouraging departments to monitor the equitable application of such policies, we hope to improve workplace morale and assist departments in addressing employee issues.

## **Training and Development**

The Training and Development Division will roll out an updated training course on City policy relating to working with contractors. Based on recent changes to the City's Contractor Policy and in collaboration with the Inspector General's Hiring Oversight Division, the Training and Development Division will offer an updated course that will be mandatory for senior leadership of City departments, and all City employees involved with the contracting process.

As part of the ongoing implementation of Chicago eLearning, we will also partner with departments to design the training components of major initiatives, such as the introduction of a new tracking system at 311 City Services and a new case management system at COPA.

## **Information Services**

One of the Information Services Division's goals for next year is to have all City departments using the electronic employee records system so that the transmission of HR records can be better streamlined and easier for departments generally.

Another goal is to expand this function beyond HR-related records to a City-wide secure enterprise document management system that incorporates other types of City business documents. We plan to kick off this initiative in early 2018.

The Information Services Division continues to actively work with the Training and Development Division on further implementation of the online training system. The goal is to train departments so they can upload their own online courses specific to their operations.

In addition, we will continue to work on extracting more use of our Taleo application system with respect to hiring metrics, onboarding processes, and performance management.

The Information Services Division has been working this year on developing the Taleo Onboarding module, which will get new hires up to speed faster by increasing the consistency, accuracy and effectiveness of the onboarding process across the City. We expect to implement this module in 2019.

## **Classification and Compensation**

In 2019, the Classification and Compensation Division will work with the Department of Budget on addressing salary compression issues that and will closely monitor recent changes in the Department of Labor's regulations that may affect City positions.

We will also continue work on a database of publicly available pay data from cities and counties throughout the US with a target completion in 2019.

### **Chief Diversity Officer**

Our CDO will continue the work that has already started and ensure that we maximize the fruits of those efforts. We expect that through our pilot department project, we will gain some knowledge quickly about modifications to the hiring process that we can expand City-wide.

Four specific ideas we will be piloting in 2019 City-wide are: (1) providing departments with detailed data and creating recruitment plans that include specific item actions for both DHR and the departments; (2) for positions where we have had a history of difficulty recruiting diverse applicants and positions that are generally hard to fill, especially those of a professional and/or managerial level, we will run demographic information on applicant pools mid-posting so that we can extend the posting to intensify our recruitment efforts before closing it; and (3) directly working with hiring departments on diversifying interview panels as much as possible; and (4) incorporating interview questions geared to assess a candidate's knowledge and understanding of the value of a diverse workforce, and for managers, the ability to identify and address issues relating to EEO and inclusion.

We will also bring more professional and community organizations to our network and build inter-connections between them so we can more effectively assist those organizations in communicating with their client bases and networks.

DHR's electronic and written communications will be revised to be more helpful to potential applicants. We will create user-friendly instructions on navigating Taleo that will be distributed in both paper and electronic form. We will also provide detailed information to the Aldermen on upcoming postings on a regular basis.

In addition, our CDO, who has already begun delving into the City's applicant and hiring data, will use his expertise to identify specific problem areas in recruiting and hiring. As we start to identify problem areas in more detail, we will be able to create clear, concrete action items for DHR, the hiring departments, and our many partners to directly address those areas so that we can achieve measurable and more successful results.

### **Additional Projects**

Currently, DHR has been working on a department-wide performance management system to conduct consistent, regularly scheduled performance reviews. The benefit of a well-organized performance management system is that employees receive ongoing feedback on their performance, and supervisors are better equipped to assess employee performance and are able to work collaboratively with their employees on performance issues. We plan to expand what we have developed in-house to other departments in the coming year.

To continue our work on domestic violence and sexual assault, we have started working with Chicago Says No More and their affiliates to develop training for our employees, and especially for our managers and supervisors, to increase awareness, recognize early warning signs of abuse, and how to act responsively to ensure that they are equipped to support affected employees. We expect to start these trainings in 2019.

To build on the successes we have seen using a vendor for Police Officer exam recruitment, we would like to explore the possibility of a Master Consulting Agreement that would allow us to expand use of vendors for recruitment and outreach for other City departments. Our hope is that we will be able to more effectively diversify applicant pools with the additional resources and expertise. When we are ready to issue the MCA, which we plan to do in 2019, we will work with City Council and actively recruit minority and women owned firms.

### **IN CLOSING**

Thank you, Chairman Austin and City Council, for your support of DHR. It has been a privilege to partner with you to continue improving the providing of human resources services to the City, and I look forward to the progress that is to come in the coming year from our partnership.

Last, but not least, I would like to thank my staff. Across divisions and throughout the department are passionate, talented, hard-working individuals who dedicate their lives to City service. The City of Chicago is lucky to have them, and I am so fortunate to have the opportunity to work with them. It is truly an honor to be able to represent them here today.

**CITY OF CHICAGO - DRAFT**  
**Department of Procurement Services**  
**2019 Budget Hearing November 2, 2018**  
Shannon E. Andrews, Chief Procurement Officer

On behalf of the Department of Procurement Services (DPS), I would like to thank Mayor Emanuel, Chairman Austin, Vice Chairman Ervin and the members of the City Council for allowing me to present on behalf of DPS.

Under the leadership of Mayor Rahm Emanuel; the former Chief Procurement Officer Jamie Rhee; and this City Council, DPS has made a priority of making contracting processes more streamlined, standardized, equitable, and transparent. In addition, DPS has made it a priority to ensure that every resident in every neighborhood has the access and opportunity to participate in the economic future of Chicago. Our primary focus is to support Chicago's communities and ensure economic inclusiveness throughout our City. Economic development is critical to ensuring increased efficiencies and business development.

In 2019, DPS will remain committed to promoting economic development and creating opportunities for Chicago's vendor community and the City's residents by requiring and prioritizing local hiring and by providing incentives and opportunities to firms at all stages of growth. These key components are at the core of what we do and are vital to widespread economic success. DPS continues to believe that everyone should have a chance to participate in the business of government. This includes participation by way of bidding on a contract, being a supplier, becoming a certified vendor, or even learning about how to do business with the City.

We count both government agencies as well as community assist agencies as our valued partners to assist communities in efforts to improve business development. Building strategic partnerships, paired with innovative and supportive strategies to promote entrepreneurship, has created an environment where businesses can flourish. Entrepreneurs have already begun to take advantage of resources and have ignited long-term economic growth and prosperity in neighborhoods and for residents across the City.

### **Procurement Reform Partners**

As you know, the Procurement Reform Task Force (PRTF) was tasked with developing recommendations to make procurement and contract management at the City and its sister agencies more uniform, efficient and cost effective, while increasing accountability. Co-chaired by Inspector General Joe Ferguson and the City's Chief Procurement Officer, its goal is to distinguish successful practices, identify areas for improvement and promote a greater level of uniformity across City government and each participating sister agency.

To date, the PRTF has issued seven quarterly reports and two Annual Reports. Most recently, a public hearing was held on September 18, 2018 as part of Chicago City Council's Committee on Workforce Development and Audit and included testimony from the Chief Procurement Officer, Chief Information Officer and the Inspector General.

The City of Chicago also continued its participation in the nationally recognized City Accelerator program run by Living Cities and funded by the Citi Foundation. Chicago and the four other selected cities (Charlotte, Los Angeles, Memphis, and Milwaukee) worked diligently to refine their approach to procurement spending, and pursue new strategies to increase the diversity of municipal vendors and contractors. In September of this year, Chicago hosted the final City Accelerator program cohort meeting.

### **Certification Programs**

As the certification arm for the City, we are responsible for approximately 3,000 new, renewed and ongoing certifications of Minority-owned Business Enterprises (MBE), Women-owned Business Enterprises (WBE), Veteran-owned Business Enterprises (VBE), and Business Enterprises owned or operated by People with Disabilities (BEPD), as well as over 700 new and ongoing certifications of Disadvantaged Business Enterprises (DBE) and Airport Concessions Disadvantaged Business Enterprises (ACDBE).

In 2016, we converted the certification application process to an all-online process, a move that helped to reduce the application processing time for certification applications, and which improved record keeping and reduced waste. Processing time cycles for certification applications continues to decrease, from an average of **127 days in 2017 to 77 days in 2018**. This is a significant improvement from the average processing time of 244 days in 2013. We continue to review processes and implement enhancements to decrease processing times even further.

In 2017, working with the Veteran's Caucus, the City passed legislation to establish a certification program for Veteran-owned Business Enterprises (VBE) in order to recognize the contributions of veterans in our community. By certifying VBEs, DPS can ensure that small, local veteran-owned businesses seeking to take advantage of the City's bid incentives are legitimately owned, operated, and controlled by veterans. As of September 30, 2018, **28 firms have been certified as VBEs**.

DPS also certifies Business Enterprises owned or operated by People with Disabilities (BEPDs). By certifying BEPDs, DPS can ensure that firms benefitting from the City's BEPD utilization incentive, which provides a bid incentive of up to 4% for committing to the utilization of BEPDs, are either legitimately owned or operated by people with disabilities or are utilizing subcontractors that are legitimately owned or operated by people with disabilities. As of September 30, 2018, **21 firms have been certified as BEPDs**.

### **2018 Participation**

As provided by City ordinance, it is the aspirational goal of the City to award at least 26% of the annual dollar value of all **construction contracts** to MBEs and 6% of the annual dollar value of all construction contracts to WBEs. This is achieved by setting contract-specific participation goals and through race- and gender-neutral methods such as our Small Business Initiative (SBI) program.

Construction payments made between January and September 2018 totaled \$546 million. Of the total payments made during this year's period, \$141 million, or 26%, went to MBEs and \$55 million,

or 10%, went to WBEs. Of the construction payments in this period, African American firms were paid \$48 million, or 9% in 2018; Hispanic firms were paid \$75 million, or 14%; Asian American firms were paid \$24 million, or 4%; women-owned firms were paid \$49 million, or 9%.

Projects not in the construction realm have different goals, as set by ordinance. It is the goal to award not less than 25% of the annual dollar value of professional services contracts to MBEs and 5% of the total dollar value of professional services contracts to WBEs. The programmatic participation goals for work services and commodities contracts are 16.9% MBE and 4.5% WBE. In order to achieve these goals, DPS, with the assistance of user departments, sets contract-specific goals for all non-construction contracts valued over \$10,000. Goal-setting allows the user departments to look for meaningful opportunities available for minority and women-owned businesses to participate on a direct basis.

For non-construction projects, payments totaled \$479 million. Of those payments, \$136 million, or 28%, went to MBE and WBE firms, with \$112 million, or 23%, to MBE firms and \$24 million, or 5% to WBE firms. African American firms were paid \$45 million, or 9%; Hispanic firms were paid \$45 million, or 9%; Asian American firms were paid \$29 million, or 6%; women-owned firms were paid \$17 million, or 4%.

At last year's budget, we were able to report the detailed breakdown of \$575 million in construction payments and \$485 million in non-construction payments between January 2017 and September 2017. Of the total construction payments made during last year's period, \$216 million, or 38%, went to MBEs and WBE firms, with \$178 million, or 31%, to MBE firms and \$38 million, or 7% to WBE firms. Of the total non-construction payments made during last year's period, \$113 million, or 23%, went to MBE and WBE firms, with \$88 million, or 18%, to MBE firms and \$25 million, or 5%, to WBE firms.

### **2018 Tracking Impact**

In addition to tracking the economic impact of the City's certification programs on minority-owned, women-owned, and disadvantaged businesses, we also continue to track economic impact for local individuals and businesses. With this Council's leadership, programs have been developed to support all of our City residents by requiring and incentivizing City contractors to hire locally.

The Chicago Residency Ordinance requires that 50% of the total work hours on non-federally funded City construction projects be performed by City residents. We have exceeded requirements again this year, with 54% of all qualifying labor hours being provided by City residents.

Contractors are also required to utilize residents from the surrounding construction project area for 7.5% of these labor hours. The aim of this requirement is to ensure residents of the community where a City construction project is taking place have the opportunity to work on that project. Of 97 active projects, the City is exceeding requirements and is trending at 16% project area utilization, which represents 5,095 community area employees.

We also reward the creation of job opportunities, especially in socio-economically disadvantaged areas. The Equal Employment Opportunity bid incentive increases job opportunities for minority and female workers on all City-funded construction projects and boosts hiring from underserved areas by

allowing contractors to receive 1.5 hours of credit for each hour worked by residents from socio-economically disadvantaged areas. It was designed to target job growth for disadvantaged populations and ensure that the City is spending its funds within its own communities.

For the period from January to September 2018, for locally funded construction projects over \$100,000, there were over 1.27 million hours performed by minorities and over 98,000 hours performed by females in the categories of journeyworkers, apprentices and laborers. Of the total hours performed, minority workers made up 66% of the journeyworkers, 80% of the apprentices, and 82% of the laborers. Female workers made up 4% of the journeyworkers, 39% of the apprentices and 6% of the laborers.

### **New Programs and Initiative Enhancements**

DPS works to continuously identify how best to expand resources and programs that empower our diverse vendor community to compete for opportunities.

With this Council's leadership, we are proud of the continued support of DPS programs for small and mid-sized local businesses. The Small Business Initiative (SBI), the Mid-Sized Business Initiative (MBI), and the new Non-Construction Mid-Sized Business Initiative (NMBI) provide a level playing field for small and mid-sized, local businesses to compete for City contracting opportunities. These programs are exclusive to small businesses or mid-sized businesses.

As small businesses grow into mid-sized businesses, we aim to ensure that there continues to be a path for that growth to continue. The MBI Program was enhanced this year to significantly increase the number of opportunities available to mid-sized local businesses. Like the SBI Program, the MBI Program now has two tiers, with additional eligibility requirements. There are currently five MBI-1 and four MBI-2 projects in development, valued at \$76 million.

In addition, a new non-construction program was created in 2018 for mid-sized businesses. The Non-Construction Mid-Sized Business Initiative (NMBI) program will create opportunities for mid-sized, local businesses that have exceeded small business size standards, yet are still developing, to have the exclusive right to bid on certain non-construction projects.

In 2018, improvements were also made to the Phased Graduation Program, which allows businesses to receive subcontracts at a partial utilization rate for three years, even though they no longer meet the certification gross receipts size standard. The improved graduation program now allows for firms whose qualifying owners have exceeded the personal net worth limit eligible for continued participation in the City's MBE/WBE Construction Program for three years at the same partial utilization rate.

New ordinances in 2018 also included a pilot program for setting VBE participation goals, a requirement that contractors have a sexual harassment policy in place, a prohibition on contractors inquiring about prospective employees' wage history, a new bid incentive for management and workforce diversity, and an increase of the City-based business bid incentives.

## **High Standards in Contract Compliance**

Monitoring vendor obligations to our taxpayers remains a key priority for this department. Because monetary damages were previously taken out of retainage, which has been eliminated from City construction contracts, the DPS Compliance Unit works diligently to maintain vendor accountability by monitoring and enforcing Equal Employment Opportunity, Chicago and Local Residency Ordinance, and MBE/WBE obligations.

To monitor compliance, the team conducts scheduled and unannounced site visits to various job sites throughout the City. In 2018, DPS field analysts conducted 400 site visits. While onsite at construction locations, the compliance team thoroughly inspects the job site, interviews workers and documents their findings. Deficiencies are identified during the site visit in the areas of underutilization of minorities and females, job/bulletin board requirements, and lack of employee training. There are significant consequences for vendor non-compliance. In addition to the assessment of damages for failure to meet contractual EEO, CRO, and MBE/WBE commitments, primes can be subject to a finding of non-responsibility, prohibiting them from bidding in the future. Real-time contractor monitoring has proven to be critical to ensuring compliance; with the addition of two compliance officers in 2019, we will be able to further enhance our compliance activities.

## **eProcurement Implementation**

DPS has been on a multi-year journey to change the focus of City procurement from moving paper to cost savings and supplier management. To this end, we have worked with the Department of Finance and the Department of Innovation and Technology to implement an eProcurement system. In 2018, online bidding was extended to new contract requests for commodities, small orders, construction, and requests for proposals and qualifications. In 2019, most, if not all, of the remaining contracts advertised via paper solicitations will be awarded. This will complete the transition to online bidding of new contracts. Task orders or mini-solicitations to pools of pre-qualified vendors will be moved to eProcurement in 2019. In fact, we are currently preparing for a pilot task order solicitation for DoIT to be held later this year. DPS will focus on continuing to register vendors for iSupplier and improving customer service by retraining and redeploying staff from support of paper processes to support of the new electronic processes. DPS will also explore additional system enhancements to eProcurement that will further reduce manual work required during the contracting process.

## **Training & Outreach**

DPS continues to be committed to training and outreach, which is integral to ensuring all interested parties have access to information on bid opportunities, new programs, and innovations. Some form of outreach is taking place on an almost daily basis in Chicago's communities, including over 100 DPS Alerts and 100+ workshops and outreach events in the communities annually.

We have continued to expand our Buying Plan publication to forecast the goods and services that we expect to procure in the upcoming year. The Buying Plan grows each quarter and contains FAQs about the procurement process related to not just the City, but also to twelve other City procurement entities. The latest version of the Buying Plan is available on the DPS website.

Our DPS Alert email newsletter subscriber list this year reached approximately 12,000 subscribers. We also post updates on social media about new bid opportunities, events, free workshops, and other areas of interest to the vendor community. Interested individuals can follow us on two platforms: Facebook ([www.facebook.com/ChicagoDPS](http://www.facebook.com/ChicagoDPS)) or Twitter ([www.twitter.com/ChicagoDPS](http://www.twitter.com/ChicagoDPS)) for the latest information.

The Department of Procurement Services also maintains a YouTube Channel with livestreaming capability, designed to bring additional transparency to the procurement process. The DPS YouTube Channel, [www.youtube.com/ChicagoDPS](http://www.youtube.com/ChicagoDPS), broadcasts all City of Chicago bid openings. This is beneficial for small business, because they can save time and money by being able to view bid openings from their office computers or mobile devices. Also broadcasted are DPS workshops, as well as educational videos about procurement, certification and compliance, and eProcurement.

### **Public Engagement: Strategic Partnership for Vendor Growth and Empowerment**

In 2019, we look to take all of these efforts to the next level. The work has been done to create a foundation to build a better Chicago by forming more strategic collaborations in ensuring the City of Chicago is a place where businesses in all 77 of Chicago's communities have an opportunity to be successful in doing business with the City of Chicago. These efforts will include working with our partners to improve business development. Building strategic partnerships paired with implementing innovative and supportive strategies to promote the competitiveness of entrepreneurship will create an environment where businesses will flourish.

DPS will continue to share knowledge on governmental contracting policies and procedures to increase the existing vendor pool and maintain transparency in the contract process. We will continue to implement outreach programs that are strategically geared to Chicago's business community to address issues and concerns of our small, local businesses, including our MBE, WBE, VBE, and BEPD vendor community, and to provide information vital to their success.

We look forward to supporting all who are working to make Chicago's economic growth a reality. We will continue to brief the Aldermen on continuing progress and the latest developments at DPS, as we have done this year by providing quarterly updates. We welcome the opportunity to tailor specialized trainings and attend events to promote City resources and provide education about how to participate in the business of Chicago.

I look forward to working with all of you on continuing the hard work that was well underway, and to identify and find solutions to new challenges as they arise. Thank you, and I would be happy to answer any questions you may have.

**Department of Fleet and Facility Management**  
**2019 Budget Statement to the City Council**  
**Committee on Budget and Government Operations**  
**Commissioner David J. Reynolds**

**INTRODUCTION**

Good morning Chairman Austin, Vice Chairman Ervin, and members of the City Council. Thank you for allowing me to join you today to present and discuss the 2019 budget request for the Department of Fleet and Facility Management, also known as 2FM.

2FM's mission is to support the operations of other City departments and sister agencies by providing high-quality and cost-effective asset management and operational support services. We ensure the safe and efficient use of the City of Chicago's assets by effectively managing the maintenance and repair of vehicles, equipment, and properties used or occupied by the City. In addition, we provide a range of support services including environmental health and safety programs, energy procurement, graphics and reproduction, records management, and mail delivery.

**EQUIPMENT**

Our portfolio of equipment includes 1,706 pieces of leased or rented equipment and 9,110 pieces of owned equipment for a total count of 10,816. We also provide equipment maintenance services and fuel through intergovernmental agreements with the Chicago Park District, Chicago Transit Authority, City Colleges of Chicago, Chicago Public Schools, and other sister agencies. The total sister agency fleet size we service, and fuel is 1,849 and includes leased, owned, and rented equipment.

## Public Safety Purchases

We continue to analyze the state of our fleet and make strategic purchases as funding becomes available. As in 2017, our 2018 purchases included a substantial investment in public safety equipment.

In 2018 we received 20 new Advanced Life Support ambulances in addition to the 28 units received last year. Also, in 2018 we received seven fire engine pumpers and a mobile command van for the Chicago Fire Department (CFD).

We continue to purchase all-wheel drive SUV police vehicles built at Chicago's Ford Assembly Plant on South Torrence Avenue. Since the contract award in 2012, we have purchased and received 1,931 of these vehicles. Purchasing these Chicago-made vehicles at a total cost of more than \$74 million strengthens our local economy and provides another component to protecting our communities. The average age of a front-line SUV used by the Chicago Police Department (CPD) is now less than four years.

## **FACILITIES**

Our facility portfolio currently includes 457 owned and 53 leased facilities for a total count of 510. The owned properties include 16 parking lots and 28 vacant or abandoned buildings managed on behalf of DPD. Twelve of the vacant buildings 2FM manages for DPD are in the process of being sold or otherwise disposed of.

## Repairs and Maintenance

2FM's Facility team continues to prioritize repairs and maintenance in our facilities to ensure "safe, dry, and warm" locations to the various user departments.

In 2018, 2FM has been heavily involved in improvements at CFD and CPD facilities. In 2017 and 2018 2FM continued with extensive renovations of building envelopes, heating and cooling systems, and improvements to provide equal access at CFD facilities.

Concerning CPD, in 2017 and 2018 2FM completed strategic support center construction in seven districts and radio and body camera build-outs in eight districts.

2FM continues to make substantial progress in improving the conditions of libraries across the City. Recent work at libraries has included both regional libraries (Woodson and Sulzer), Kelly, Chicago Bee, Austin, North Austin, and Jefferson Park. 2FM is beginning significant renovation projects at Douglass Library and South Shore Library. 2FM implemented "CARE" programs (Clean and Repair Everything) at Richard J Daley, Mable Manning, West Belmont, and West Town libraries. 2FM will add to its inventory of libraries with four new facilities opening in Q4 2018.

Work on City Hall continues under 2FM's direction. Façade repairs on Washington, Randolph and LaSalle streets are complete and improvements to the elevator shafts in the central light courts are underway. 2FM is also in the process of modernizing the elevators.

In 2018 2FM made significant structural repairs to the North Park Village Senior Apartment building and completed interior renovations at the King Center and the Englewood Health Center. Work is underway on renovations at the Levy Senior Center and renovation is expected to begin on the Garfield Center later this year.

Last year I reported the City was on track to complete the sale of 2FM's 18-acre headquarters facility at 1685 N. Throop Street in the North Branch Industrial Corridor. This transaction did indeed close. Working with the Chicago Infrastructure Trust, 2FM has completed and opened the new fuel site at 1150 N North Branch. The satellite shop at 4243 N Neenah will be complete in November 2018 and the main shop at 210 W 69<sup>th</sup> will be complete in January 2019.

## Riverwalk

2FM manages and oversees the Chicago Riverwalk operations and solicits businesses to provide food, drink, and services on the Riverwalk. As the Riverwalk continues to grow in popularity and use, revenues to support Riverwalk debt service repayments increased from \$1.2 million in 2014 to \$11.6 million in 2017. Based on the revenue thus far in 2018 the City expects to exceed the 2017 total; as of August 31, 2018, gross revenues were already at \$10.6 million.

2018 saw the completion and debut of Art on the Mart, the largest video installation in the world at over two and one-half acres. The project was completely funded by the Mart's owner, Vornado Real Estate, and will feature video installations free of branding and advertisement five nights a week, ten months of the year.

Lastly, 2FM has worked closely with BACP, the Black Caucus, and the Latino Caucus to formulate a plan for the City Marketplace on the Riverwalk, a series of concession spaces intended to feature food and retail from minority-owned neighborhood businesses. 2FM has received qualification statements from 39 vendors and evaluation of these statements is underway. 2FM intends to have the Marketplace in operation for the 2019 season.

## **SERVICES**

### Environmental Health & Safety

In 2018, 2FM's EH&S staff assisted with the proper disposal of nearly 1,000 tons of waste from an improper building demolition. 2FM staff also expanded its review of DPD property dispositions to include the Large Lots and Adjacent Land programs to help control the City's environmental liability and protect the health of residents.

Also, in 2018, to improve environmental awareness and environmental compliance, 2FM provided training to all relevant employees on proper stormwater management and green infrastructure, including spill prevention and bioswale maintenance. Similar to our consolidate

inventory efforts, 2FM established a dedicated universal waste collection area for spent light bulbs and batteries generated during facility maintenance.

Concerning the Citywide EHS program, in 2018 2FM worked with infrastructure departments to initiate the uniform collection of incident data to ensure accurate OSHA reporting and to allow for more rigorous accident data analysis.

### Energy Procurement

In recent years, 2FM has implemented a number of initiatives to reduce energy use across the City's fleet and facilities. The Energy Procurement and Management Bureau has also been able to leverage favorable market timing to reduce energy costs despite overall increases in energy commodity prices. 2FM has minimized the impact of a 22 percent year-over-year increase in average fuel prices while capitalizing on lower electricity and natural gas prices. Through these hedging actions, the City has been able to reduce energy spend by \$2.2 million, year over year. This marks the third straight fiscal year of reducing energy spend.

### Technology

2FM continues to utilize and leverage technology in order to accelerate growth, bring innovation, and more effectively serve our customers. 2FM is currently implementing an inventory management system to better control the use and procurement of materials by our building trades. The inventory system will allow us to set minimum and maximum quantities of materials being held in stock virtually eliminating excessive spending on unneeded materials. In addition, the ability to see what parts and materials are on hand will help in planning and coordinating jobs to reduce the amount of time between work order creation to job completion.

By the end of 2018 2FM's Fleet Operations will complete the implementation of M5, a state-of-the-art equipment maintenance and management system, and Fuel Focus, a state-of-the-art fuel management system. These systems will increase 2FM's ability to make data-driven

decisions about the City's fleet. This technology will help drive cost-savings through preventative vehicle maintenance and efficient fuel purchasing.

## **CONCLUSION**

2FM accomplished much in 2018 and we look forward to continuing to work with the City Council to provide city departments the services and infrastructure they need to fulfill their important missions. We appreciate your ideas, your input, and your continued partnership to address the needs in your communities.

Managing and caring for the City's public infrastructure is an important responsibility, and it is one that every employee at 2FM takes very seriously. We are committed to delivering the highest quality of services to the city departments in the most efficient and cost-effective manner possible. I would like to personally thank our employees for their tireless effort to continuously improve on the services we provide.

Madam Chairman, this concludes my prepared statement. My staff and I are pleased to answer any questions you or the members of the City Council may have on our presented budget.

**Department of Public Health**  
**2019 Budget Opening Statement to the City Council**  
**DATE, TBD**

Good morning Madam Chair, Vice Chairman Ervin and honorable members of the City Council. First, I would like to thank you and Mayor Emanuel for your leadership and support in our efforts to improve health equity across Chicago.

I am honored to be with you today to discuss our successes from this past year and our vision moving forward as we continue to strengthen the health, safety and wellbeing of Chicago residents in every community. I want to highlight recent progress that we have made thanks to your support; the data that informs our planning; and some of our key plans for the year ahead.

Make no mistake; Chicago is healthier now than we were eight years ago.

- Our teen birth rates are at historic lows, following nine consecutive years of decline. Birth rates among African American teens, who have faced the greatest historical disparity, are falling the fastest and are closing the gap when compared to other teens.
- We've seen dramatic, historic declines in teen smoking and continue our efforts to ensure we make tobacco products less attractive, less accessible and less affordable for teens in order to achieve a tobacco free generation. Most recently, we supported the City Council's decision to raise the cost of e-cigarette products to help keep more young people from ever trying these deadly and addictive devices.
- We have seen rates of new HIV infections plummet – to the lowest rates since 1991 – and we're on target to effectively get to zero new infections within the next decade.

We have also made real progress in providing services to residents.

- Thanks to a partnership with two Federally Qualified Health Centers (FQHCs), more than four times as many residents receive HIV primary care services at our neighborhood health centers than when that program was managed directly by CDPH.
- More than 6,000 residents receive mental health services from CDPH and our four FQHC partners – a 20 percent increase of residents served as compared to the year prior to our mental health transition.
- More than 55,000 vision exams were provided to students in their schools last year, thanks to a new program that did not even exist until 2013.

This is why Chicago received the Gold Medal award from CityHealth two years in a row – one of only five cities in the nation to be recognized with this prestigious honor this year – and the only one in the Midwest.

This progress is in spite of the repeated attacks from President Trump and his administration.

- For example, last year, the Trump Administration abruptly cut \$2 million in funding to our Teen Pregnancy Prevention evaluation efforts. As I mentioned, Chicago has made tremendous efforts

in reducing the number of teen births across all ethnic groups, but most particularly among African American teens. By cutting funding, the Trump Administration was turning its back on our young people. The City of Chicago joined a class action suit which we won, restoring funding to CDPH, which has allowed us to continue the evaluation and build on our progress.

- Similarly, the federal administration is cutting strong, smart environmental regulations that protect our most vulnerable communities. CDPH is speaking out. Earlier this month I testified in support of the Clean Power Plan. Earlier this year, I called on the US EPA to conduct time-critical soil assessments following our own analysis of residential neighborhoods near industrial facilities. CDPH has also hired additional environmental inspectors who will strengthen our ability to ensure our local industries are in compliance with our strict environmental rules in every neighborhood.

Even in the face of such obstacles, we continue to move forward.

Nearly three years ago, we launched Healthy Chicago 2.0, a four-year plan to improve health equity across all our neighborhoods and communities. Healthy Chicago does this in a number of key ways including building and leveraging partnerships and using data to determine the best ways to invest our limited resources in the neighborhoods and communities with the greatest need. The plan also addresses the root causes of health inequalities and disparities, including education, housing, transportation and economic opportunity.

At the same time, we've also taken a look inward to address racial equity within our own department – with the goal of becoming a stronger, more equitable team that can help continue to build a stronger, more equitable city.

Racial equity in our department is an ongoing process, but by making these goals a part of our everyday work, we are starting to see progress:

- We have engaged experts in the field - many of our staff have already gone through the intensive three-day People's Institute Anti-Racism training and we joined the Government Alliance for Race and Equity and attended their national meeting a few weeks ago.
- We have already started reviewing our hiring practices and have added language requirements, as appropriate, so that our staff can effectively communicate within the diverse communities we serve.
- And, we are updating our standard RFP language to highlight economic and racial equity issues and use data to guide the allocation of resources with a focus on health equity.

Our 2019 budget focuses on leveraging partnerships and data, using data from our Healthy Chicago Survey to identify opportunities and challenges, and finding new opportunities to work directly with community providers and partners to further improve health outcomes.

This budget leverages our resources to build on these successes and ensure better health outcomes for every resident – by both protecting the public’s health through smarter enforcement and by improving health equity across Chicago, as laid out in Healthy Chicago 2.0.

I would like to highlight a few key priorities in our 2019 budget and how they align with the Mayor’s vision of achieving health equity.

**Expand Citywide Response to Opioid Use:** In line with national trends, Chicago continues to face an increase in deaths due to opioid overdoses. In the next year, we will launch a new peer training program with Blue Cross Blue Shield of Illinois that will empower residents to educate their neighbors and respond to crises. We are working closely with the state to ensure new federal dollars are invested smartly, focusing on areas of need within our city.

**We are making new investments in mental health services,** building a bridge for residents in need to get the care that is already available at more than 250 sites across the city, including 60 federally-funded sites that serve uninsured residents. Residents will now be able to call 311 and get connected to the National Alliance on Mental Illness’ Helpline, where a trained operator will be able to connect them to a provider in their neighborhood so residents can get the help they need. In addition, we will expand psychiatric services and crisis counseling by investing in community providers, ensuring residents can quickly access these needed services. We will also strengthen our department’s ability to rapidly respond to community crises, ensuring the department can coordinate with community providers to provide essential community mental health services following an emergency situation or traumatic event.

**Understanding that housing is health,** CDPH continues to support the City’s Flexible Housing Pool by providing access to permanent supportive housing for residents in need. Understanding that access to housing is integral to improved behavioral health outcomes, CDPH will ensure residents with behavioral health needs are prioritized, as well as residents facing homelessness and those who are justice involved. We will also work with the philanthropic community and local hospitals including Cook County Health and Hospital System to secure additional funding sources, thereby allowing us to expand the number of residents we are able to serve.

All of these investments and partnerships are designed to protect the health and wellness of our residents and to provide more resources and opportunities for them to thrive. By gathering and analyzing data, working with partners and strengthening public health systems, we will be able to continue to meet the ambitious goals laid out in Healthy Chicago 2.0 and protect the health of all Chicagoans. Thank you.

**BUDGET STATEMENT  
FY2019**

**MONA NORIEGA  
CHAIR AND COMMISSIONER  
CHICAGO COMMISSION ON HUMAN RELATIONS**

October 26, 2018

Honorable Chairman Austin and Honorable Members of the City Council Committee on the Budget and Government Operations:

On behalf of the Board of Commissioners and staff, I hereby submit the following statement in support of the Mayor's 2019 Budget Recommendation for the Chicago Commission on Human Relations (CCHR).

Discrimination and prejudice can serve as barriers in equal access to jobs, housing, and public accommodations, and are the basis for community tensions and hate crimes. Thus the CCHR continues bilingual outreach efforts with community-based organizations, chambers of commerce, schools, and faith-based institutions, to educate communities on their rights and their obligations to avert discrimination as provided under the Chicago Human Rights and Fair Housing Ordinances. We also work to prevent hate crimes and upon request respond to intergroup tensions through educational trainings, mediations, and peace circles.

**Background**

The Chicago Commission on Human Relations (CCHR) serves as the City of Chicago's Civil Rights agency. The CCHR addresses issues of discrimination by enforcing the Chicago Human Rights and the Fair Housing Ordinances. We carry out this work through our Adjudication Unit, Inter-Group Relations Unit (IGR), and Advisory Councils.

- The Adjudication Division receives and investigates complaints of discrimination in the areas of housing, employment, public accommodations, and credit. While there are 16 protected classes under the ordinances, most complaints are based on race, gender, disability, or source of income. If an investigation reveals substantial evidence of an ordinance violation, an administrative hearing will be held. However, we encourage parties to enter into a settlement agreement at any time. At the conclusion of the administrative hearing, a hearing officer will prepare a recommended decision that is presented to our Board of Commissioners. If the Board rules that discrimination has occurred, violators can be ordered to pay damages, attorney fees, and fines to the city. Injunctive relief may also be ordered.
- CCHR's Inter-Group Relations Unit (IGR) mediates conflicts, most often based on race, advocates on behalf of victims of hate crimes, and proactively works to prevent discrimination through the delivery of educational programs in schools and communities most at risk for violence based on bias and stereotypes.

- The CCHR’s Equity Advisory Council convenes representatives of the protected classes to serve as a resource for the Mayor and City Council on policy matters regarding civil rights and assist the CCHR in creating programs and outreach strategies for communities that experience discrimination and hate-based violence.

### **Investigating and Adjudicating Discrimination Complaints**

Delivering a quality and timely neutral complaint process for individuals who seek to file a discrimination complaint is the primary means by which to deliver on the City’s mandate to address bias and discrimination. When a person (referred to as a “complainant”) files a discrimination complaint with our office, it is most often because they believe they have been wrongfully denied an employment opportunity, a place to live, or access to a public place or service. The CCHR represents the City’s commitment to civil rights and the process by which the complainant seeks redress.

The CCHR has continued to strive to deliver the most thorough and efficient investigations of discrimination complaints possible. High quality and timely investigations are essential to protecting the rights of both parties to a complaint and ensuring that justice is served.

From January 1, 2018 through September 28, 2018, the CCHR received 169 new discrimination complaints. Housing uncharacteristically represented the most frequently filed basis with 68 complaints, followed by employment, typically the area with the most complaints, with 62, and public accommodations with 39. The number of complaints filed this year is slightly above the 167 total complaints filed at this time last year.

Housing complaints increased by 28% over 2017 totals with source of income complaints based on Housing Choice Voucher (Section 8) discrimination being the most frequently cited basis. This is a pattern the CCHR has documented now for many years, and is the rationale behind launching a fair housing testing and training program from 2017 to 2018, which is discussed in more detail below.

Employment discrimination complaints thus far have actually shown a decrease of 23% from 2017. This is surprising, particularly in light of the #MeToo Movement. While we expected to see an increase in sexual harassment complaints, this hasn’t materialized, even after an extensive outreach and media campaign we helped conduct to educate women and men about this problem.

Public accommodation complaints, however, have increased 18% in 2018. This may reflect CCHR’s renewed emphasis on outreach with the implementation of our new regulations regarding disability access. In preparation for the July 1, 2017 effective date for the new regulations, CCHR staff conducted extensive outreach to businesses, chambers of commerce, and disability advocacy agencies to share information about the new regulations.

### **2018 Initiatives**

#### **Fair Housing Testing and Training Program**

Discrimination against Housing Choice Voucher (HCV) holders is the most prevalent form of housing discrimination in terms of complaints received by the CCHR. In 2017, 36% of fair housing complaints received by the CCHR were based on source of income discrimination/HCV complaints. To help address this continuing problem, in 2017 the CCHR successfully advocated for funding through the CDBG Program to conduct fair housing discrimination tests based on HCVs. The Lawyers Committee for Civil

Rights (LCCR) was retained as the consultant on this two year initiative. The testing program, now complete, targeted specific areas where higher levels of complaints about HCV discrimination have been received by the CCHR. Following the testing phase of the project, fair housing training was conducted in those areas to help landlords and real estate professionals better understand the law.

### **Building Bridges between the Police and the Muslim Community**

In our continuing efforts to increase our outreach to the Muslim Community, in 2018 the CCHR co-hosted Ramadan Iftars with the 8<sup>th</sup>, 17<sup>th</sup>, and 25<sup>th</sup> Police Districts. For many community members, this was their first opportunity to meet and talk with police officers in an informal setting where they could truly begin to learn more about one another. The International Human Relations Council on the city's Southwest Side co-sponsors the program and is instrumental in assisting the CCHR in our outreach to the Muslim community. The Iftars create safe and respectful opportunities for shared learning and dialogue, while building stronger communities.

### **CCHR Quarterly Newsletter**

In 2018 the CCHR created its new quarterly newsletter, "CCHR a Closer Look." The newsletter highlights the work of the agency, new changes in the law, and other information that is distributed by email to hundreds of community groups, government agencies, elected officials, and community partners. The first edition was launched in April 2018, followed by the second in July, and the latest edition was just released October 1.

### **Increased Mediation Capacity**

To provide additional assistance in resolving community conflicts, the First Deputy Commissioner completed training to become certified to conduct court mediations. He is currently mediating cases in the Circuit Court of Cook County and will provide additional support for CCHR's Inter-Group Relations Unit.

We are proud of these accomplishments and look forward to implementing additional innovations in program delivery. The ultimate goal is to create a more efficient and effective Commission to serve the needs of Chicagoans facing discrimination. We hope that you will give the Mayor's budget request for our department your most thoughtful consideration, so we may continue to improve upon this important work. Thank you.

Respectfully,

Mona Noriega,  
Chairman and Commissioner  
Enclosures

**Mayor's Office for People with Disabilities**

**2018 Budget Statement to the City Council Committee  
on the Budget and Government Operations**

**November 1, 2018**

**Karen Tamley, Commissioner**

Good morning, Chairman Austin and esteemed members of the City Council. Thank you for the opportunity to present the Mayor's Office for People with Disabilities' (MOPD) budget request for fiscal year 2019.

MOPD promotes total access, full participation and equal opportunity for people with all types of disabilities. Our comprehensive approach to systemic change for people with disabilities includes: the delivery of direct independent living services; public education and awareness about disability issues; policy reform; and initiatives with the goal of making Chicago the most accessible and inclusive city in the nation. Additionally, MOPD provides disability-related expertise to City departments and sister agencies, as well as to private sector companies and non-profit organizations.

This past year has been very productive and successful for MOPD.

**2018 Program & Services Accomplishments:**

In July 2018, CTA released the All Station Accessibility Program (ASAP) Strategic Plan. ASAP is the City's plan for making the remaining 42 rail stations fully accessible over the next 20 years. For the past several years, MOPD played a significant role on the ASAP committee reviewing and evaluating ways in which the rail stations could be made accessible. The strategic plan outlines both short- and long- term station accessibility projects, including repairs/replacements of 160+ existing rail station elevators, cost estimates and proposed implementation schedule.

MOPD is in the process of finalizing the recommendations of Mayor's Task Force on Employment and Economic Development for People with Disabilities. The purpose of the Mayor's Task Force is to advise the City on ways to increase employment opportunities for people with disabilities by: 1) encouraging economic development opportunities through entrepreneurship; 2) facilitating alignment between job training, referrals, employers and service providers; 3) facilitating greater preparation of students in higher education for careers; and 4) examining City policies that promote and/or discourage employments. Each of the four working groups has submitted its draft recommendations to MOPD, who is reviewing and editing them in preparation for being submitted to the Mayor and City Council.

MOPD works closely with OEMC to ensure that the City's emergency plans are inclusive of people with disabilities. Starting in 2017, MOPD worked to establish and staff the Humboldt

Park MARC for evacuees from Puerto Rico. MOPD staff surveyed all the proposed shelters for accessibility, scheduled sign language interpreters and secured donated wheelchairs and medical supplies. Additionally, MOPD secured and sent 12 pallets of medical supplies to hospitals in Puerto Rico. This past year, MOPD reviewed and suggested edits to the 2018 Emergency Operation Plan. Additionally, MOPD participated in an emergency exercise at Midway Airport to ensure that issues related to people with disabilities were part of the response. Finally, MOPD also worked with the Chicago Department on Aviation (CDA) on their emergency preparedness policies for people with disabilities.

MOPD and the Chicago City Treasurer's Office formed a Financial Advisory Council for the Empowerment of People with Disabilities (FACED). The purpose of FACED is to identify and address barriers to accessing financial institutions by the disability community and make recommendations for ways the disability community can take advantage of banking services. People with disabilities are more likely to use alternative financial services than those without disabilities (38% vs. 25%). Members of the Council consist of agencies that serve and represent people with disabilities, organizations with expertise in financial literacy, as well as City, State and Federal government entities. This will represent the first such Financial Inclusion Council in the nation.

MOPD's HomeMod Program continues to be in high demand. Since the beginning of the program in 1999, 1,167 home accessibility modifications have been made to the homes of Chicago residents with disabilities. In 2018 YTD, 48 homes have been modified for accessibility, which include lifts, accessible entryways, kitchens and bathrooms. We have already begun the preliminary work for more modifications that will begin in 2019.

This past year, MOPD worked very closely with the Mayor's Office, CDOT and BACP on the development of the City's Pilot Dockless Bike Program. Unlike dockless bike programs in other cities, Chicago's program took into consideration various accessibility issues. Chicago's Dockless Bike Program is the first program in the country that requires bikes to have "lock-to" technology that ensures the public right-of-way remains clear and hazard free for pedestrians with disabilities. Additionally, participating vendors must report to the City any complaints received regarding public right-of-way beings blocked or cluttered by dockless bikes.

MOPD has worked extensively with BACP to increase the number of accessible taxis and TNP vehicles. Currently, there are 337 wheelchair accessible vehicles (WAVs) and nearly 150 accessible TNPs. The Mayor's goal is to grow the WAV taxi fleet to 400 by 2020. This past year BACP and MOPD announced new incentives to WAV owners and drivers that will subsidize the purchase, conversion and maintenance of WAVs. MOPD will continue monitoring the effects of the incentives, as well as the continued implementation of TNP accessibility plans (approved in 2017). In 2018, MOPD also served on the Selection Committee to award five medallions to taxi drivers who provides excellent service to people with disabilities. Those medallions were presented at MOPD's Access Chicago event in August.

MOPD's Information and Referral Services remain in high demand. In 2018 YTD, MOPD provided over the phone and in-person information and referral assistance to 27,026 individuals, in-home personal assistance/homemaker services to 171 individuals and independent living services to 235 individuals. MOPD provided 62 assistive devices to people with disabilities.

In 2018, Chicago Meals on Wheels collaborated with MOPD to provide home delivered meals to a total of 133 people with disabilities under the age of 60, who are unable to prepare their own meals or have support for meal preparation. This program fills a gap in current services and was expanded in 2018 to accommodate additional individuals.

MOPD distributes free amplified land-line phones and cell phone amplifiers to individuals who are hard-of-hearing and unable to use the telephone. In 2018 YTD, MOPD distributed 192 amplified land-line phones and cell phone amplifiers which generated \$7,680 in revenue for the department. Outreach for the program included participation at 37 exhibits and fairs, including the City's Annual Senior Fest. This program has served clients in seven additional languages during this past year (Chinese, Vietnamese, Korean, Polish, Russian, Bosnian, and Spanish).

### ***Making Chicago a More Accessible City***

One of MOPD's key functions is to increase accessibility throughout the city and achieve greater compliance with federal, state and municipal laws. MOPD's Accessibility Compliance Unit (ACU) works to guarantee the ongoing accessibility of commercial and residential buildings through the provision of permitting, pre-permit reviews and technical assistance to developers and architects. For 2018 YTD, ACU conducted 782 plan reviews, 283 pre-permit plan reviews (generating \$23,450 in fees); responded to 1,730 requests for technical assistance and conducted four site surveys.

MOPD completed a draft of the amendment to the Chicago Building Code Chapter 18-11 (Accessibility), which is currently being reviewed by other City departments prior being introduced to the City Council. The amendment will align current accessibility provisions with the requirements of the 2010 ADA standards, update and strengthen them based on recent experiences enforcing the code and elevate the accessibility of multi-family housing. The amendment will enhance the understanding of Chicago's accessibility requirements by developers, architects and the disability community, and result in increased compliance.

Additionally, ACU worked with the Department of Aviation to make additional accessibility improvements, including

- Installing adult changing tables at both airports;
- Installing additional service relief areas at O'Hare, terminal #3 on the secure side – in addition to the relief areas installed outside terminals #1, #2 and #5;
- Installing relief areas at Midway on the lower level (door #4) on the landside and Concourse A on the secure side.
- Finalizing the designs for a separate taxi cue line at O'Hare;

- Reviewing CDA’s website for accessibility related information for the travelling public;
- meeting with United Airlines to discuss accountability of their wheelchair assistants, and
- Exploring technological options to provide wayfinding for travels who are either blind or sighted.

### ***Disability Awareness Training***

MOPD also works to make Chicago more accessible and inclusive through its training programs. In 2018 YTD year, MOPD provided disability awareness and etiquette training to public and private employees (24 sessions and over 484 individuals). Of note, some of the conducted sessions included DCASE staff and volunteers, Taste of Chicago vendors, CHA, DHR staff Disability Liaisons and staff, the School of the Art Institute, and the Salvation Army. Additionally, MOPD is working with other employers to explore the possibility of providing training via video in order to reach the maximum number of employees within their respective offices. These entities include CNA, the Department of Aviation and the Chicago Park District.

### ***Promoting Employment and Economic Opportunities***

Unemployment among working age members in the disability community remains a serious issue in Chicago and nationwide. To combat this problem, MOPD provides comprehensive benefits counseling to Chicago’s Social Security disability beneficiaries, ages 14 ½ and older, receiving SSI and/or SSDI benefits under the Work Incentives Planning and Assistance (WIPA) grant from the Social Security Administration (SSA). MOPD’s SSA-certified Community Work Incentives Coordinators inform individuals who are working or on the brink of work how employment will impact their current SSA benefits. During 2018 YTD, WIPA staff provided 169 benefits analyses, while referring 337 individuals for job training/placement assistance through our network of WIPA Program Partners. WIPA Program Partners consist of approximately 123 members who represent entities that provide services that help support individuals with disabilities as they seek employment, further education, transportation, housing and legal assistance. Of those beneficiaries who were referred by WIPA staff, 164 gained employment and received benefits analyses. WIPA staff conducted 143 presentations (1,742 individuals), that included educators, students, parents, adults within the disability community, counselors and case workers at community-based organizations, as well as local, state and federal government agencies.

### ***Employment services:***

MOPD’s Youth Employment Program (YEP) is collaboration between MOPD and Chicago Public Schools-Office of Diverse Learners Support and Services (ODLSS). YEP consists of a series of job readiness and career exploration activities that take place throughout the school year (and into the summer) for transition-aged CPS students with disabilities. The components of YEP include a Student Transition Fair, Job Shadow Day and One Summer Chicago internship opportunities. In addition, MOPD and ODLSS hosted its second annual Parent Expo designed to provide resources for students, their parents, and educators.

- Job Shadow Day: This past spring, 280 students were placed with various types of businesses and agencies for Job Shadow Day. These students experienced a day of hands-on career exploration activities with companies such as PepsiCo, Solstice, Illinois Department of Rehabilitation Services, Anti-Cruelty Society, Chicago Department of Aviation, Northern Trust and MOPD.
- One Summer Chicago: MOPD, ODLSS and Department of Family and Support Services worked together to implement a paid summer internship program under One Summer Chicago. A total of 100 students participated in this six-week, part-time program, which was an increase of placements over last year's total.
- Partners Breakfast: In August, MOPD and ODLSS hosted a "Partners Breakfast" at Northern Trust, who graciously sponsored the event again this year. Over 70 attendees learned about YEP plans for the coming school year, as well as successes from this past year. Walgreens and MOPD provided testimonials on their positive experiences hosting students.
- Student Transition Fair: To initiate the YEP activities for the 2017/18 school year, MOPD and ODLSS hosted its 4th Annual Student Transition Fair last October. A total of 680 students attended. Exhibitors included community-based agencies who offer support services to youth with disabilities, as well as employers with job opportunities. Workshops on resume writing and interviewing were also provided. The 2018/19 kick-off event is scheduled for October 23<sup>rd</sup> at South Shore Cultural Center. In addition to the usual activities for students, this year there will be an increase in the number of interactive mock interviewing and resume reviews conducted by business representatives volunteering their time to assist.

## **2019 Programs, Services and Initiatives**

### ***Serving Residents with Disabilities***

In 2019, MOPD will continue to provide its full array of services to Chicagoans with disabilities in an effort to reach our goal of making Chicago a world-class disability-friendly city. MOPD will be:

- Working to implement the recommendations of the Employment and Economic Development Task Force. MOPD will determine timelines and staffing needs for implementing the recommendations, the results of which are expected to help the City in its efforts to increase the employment of people with disabilities;
- Establishing a CDA Advisory Group to improve accessibility at Midway and O'Hare airports. The committee of people with disabilities will provide guidance, and advice on accessibility enhancements to be included in the O'Hare Modernization Project; and
- Continuing its partnership with the City Clerk's Office to conduct extensive outreach of the CityKey card to the disability community.

### ***Promoting Accessibility Compliance***

In 2019, MOPD will:

- Begin outreach and technical assistance on the new provisions of Chapter 18-11 of the Chicago Building Code (Accessibility)
- Continue revising its materials on how City departments and agencies can ensure that their meetings are accessible to people with disabilities, i.e. how to secure sign language interpreters and provide materials in alternate formats;
- Work over the next year with the Chicago Department of Transportation to initiate a program for installing Accessible Pedestrian Signals (APS) in downtown Chicago. The program will install APS at approximately 100 locations, which will include between 25 and 100 intersections. These installations will be critical for creating accessible paths of travel for pedestrians who are blind or visually-impaired.

### ***Improving Access via Technology***

Access to computers, the internet and other technologies have the potential to increase the independence and improve the daily lives of people with disabilities. They can provide access to shopping, news publications, and government and community services. Unfortunately, people with disabilities are less than half as likely to own a computer, and are about one-quarter as likely to use the internet. In 2019, MOPD plans to implement new initiatives to address the lack of digital literacy and computer access of the disability community, including:

- Developing an airport and large venue, e.g. Navy Pier, way-finding strategy for people who are blind or visually-impaired; and
- Working with DoIT and DPS to draft an ordinance or implement a policy that will ensure that all technology purchased by the City is accessible to people with disabilities and meets existing accessibility guidelines. The proposal could result in significant savings for the City. (Retrofitting technology to be accessible is much more costly than purchasing technology already built to be accessible. Utilizing technology that meets existing guidelines would also limit the City's liability under Title II of the ADA); and
- Collaborating with DoIT to adopt a benchmark tool to assess the City's level of digital inclusion for people with disabilities. DoIT and MOPD will be partnering with Microsoft and the Global Initiative for Inclusive Information and Communications Technologies (G3ICT) and will be the first U.S. city to pilot this assessment tool.

### ***Emergency Preparedness and Public Safety***

MOPD will continue its work to ensure that people with disabilities are included in the City's emergency preparedness plans. In 2019, MOPD will:

- Work extensively with the Department of Aviation to revise its Emergency Operation Plan for O'Hare and Midway Airports. MOPD's role will be to ensure that people with disabilities are included in both the emergency preparedness and response planning;
- Continue its partnership with OEMC, CFD, DFSS to provide appropriate and alternative resources to individuals who call 911 for non-emergency and non-medical assistance;

- Participate in OEMC’s Mass Care and Sheltering Work Group, which serves as the coordinating body of the City’s Mass Care Operations Plan (emergency assistance, sheltering and human services resulting from natural and/or human caused incidents);
- Finalize and implement emergency shelter tier system policy;
- participate in OEMC hosted table top exercises and on-location drills to ensure people with disabilities are included in all aspects of emergency planning;
- Hold another Town Hall Meeting on emergency preparedness for people with disabilities (partners will include OEMC and FEMA); and
- Continue the efforts of the Pedestrian Access Advisory Committee which MOPD co-chairs with CDOT. The Advisory Committee solicits input from the disability community on city infrastructure affecting pedestrians with disabilities.

***Increasing the Number of Accessible Taxi Cabs and Improving Service for the Disability Community***

MOPD will continue its work with BACP and the Accessible Transportation Advisory Council on initiatives that will increase the number of wheelchair accessible taxis and improve services for passengers with disabilities.

In 2019, MOPD will work with BACP to:

- Add more WAVs to Chicago’s taxi fleet, for a total of 400;
- Utilize funding strategies that will result in the increase of accessible taxis and TNPs;
- initiate strategies to improve taxicab service for passengers with disabilities, including, but not limited to, enhancing driver training;
- Monitor the rideshare accessibility plans and ensure that they are delivering timely service to customers using wheelchairs; and
- Create a new training video, in collaboration with Olive Harvey College, for taxi drivers on how to provide service to people with disabilities.

In closing, MOPD will continue to provide dedicated customer service and advocacy on behalf of Chicagoans with disabilities in the upcoming year. MOPD’s budget reflects the department’s best efforts to sustain integral programs, services and priority initiatives in the coming year. MOPD will remain steadfast in its commitment to maximize all available resources to increase accessibility, opportunity and independence for people with disabilities who live, visit and work in Chicago.

Thank you.

**Department of Planning and Development**  
2019 Budget Statement  
Commissioner David L. Reifman

Good afternoon Chairman Austin and honorable members of the City Council. Thank you for the opportunity to present the Department of Planning and Development (DPD) budget request for 2019. I'll use our time today to recap some of DPD's most important accomplishments over the first three quarters of the year and key goals for the coming year.

Our \$183.3 million budget request is intended to maintain or improve the City resources that your constituents and businesses deserve and expect from our department, especially in terms of the jobs, affordable housing, and quality of life amenities that make our neighborhoods so special. Our fundamental goal is to ensure every neighborhood benefits from equitable and innovative solutions to community needs.

We're also working to ensure our resources are efficiently and equitably allocated on behalf of Chicago taxpayers. Total 2018 MBE spending to date is approximately \$32.6 million or 26.8% of the total expenditures. WBE spending to date is \$9.78 million, or 8% of total expenditures. I'm pleased to report that both of these figures exceed the City's target participation rates.

As you know, 2019 will see the formation of a department specifically for the City's housing priorities. For today's purposes, I will more broadly reference the City's housing efforts within the scope of DPD's current responsibilities.

In 2018, those responsibilities were part of the mayor's commitment to a more equitable Chicago, where commercial investment, affordable housing, industrial growth, and other public and private development efforts are dispersed throughout the city. Staff intends to be equally productive in 2019.

**ZONING BUREAU**

**PLANNING, HISTORIC PRESERVATION AND SUSTAINABILITY BUREAU**

We started the year by reformatting our Zoning and Land Use Bureau into two distinct bureaus – one focused solely on Zoning and one focused on Planning, Historic Preservation and Sustainability. The two bureaus worked together and with the entire department on a wide range of community planning and development initiatives that directly impact our residents, workers and visitors, including community plans and projects involving individual buildings and initiatives.

*Planned Developments*

Planned Developments (PDs) are Chicago's largest construction projects, and our PD and design review staff work to shepherd them through multiple approval processes. The projects approved by Plan Commission this year include One Chicago Square, which will be the City's sixth tallest building, located across the street from Holy Name Cathedral; a pair of 20-story office buildings on Green Street in the West Loop; a rehabilitation of the former St. Boniface Church in Noble Square; a 52-story tower on Randolph overlooking the Kennedy Expressway; an eight-story rental project at Clark and School in the heart of Lakeview; and dozens more.

PDs approved through September are valued at over \$7.7 billion, and they're anticipated to create more than 76,000 permanent and temporary jobs.

### *M/WBE Hiring Executive Order*

Last summer, Mayor Emanuel signed an Executive Order mandating that the City's largest construction projects report on their efforts to solicit and hire minority- and women-owned businesses (M/WBE) for projects seeking PD zoning approvals. Through September, 51 projects have been approved by CPC subject to the executive order. Collectively, they represent nearly 19,000 construction jobs and \$4.1 billion in project costs.

Previously, no MBE/WBE or local participation was required of developers seeking zoning approval who didn't also seek other forms of City financing. Failure to provide the affidavits may prevent the projects from receiving approval or being certified for occupancy by the Department of Buildings.

The Executive Order is both unprecedented and timely: Planned Development applications resulted in record-numbers of construction cranes operating over the past 18 months. And we've recently discovered that New York and Los Angeles are both following Chicago's lead and examining a similar requirement of their major developments.

### *Industrial Corridor Modernization*

Another planning priority that moved forward this year was the mayor's Industrial Corridor Modernization Initiative, which is creating contemporary land use parameters within key portions of the city's industrial corridor system. In the spring, DPD launched the review in three of the city's 26 corridors: Ravenswood, Little Village and Kinzie.

The goals of each of the corridor review processes remain largely consistent with those of the North Branch Framework, approved in 2017: maintain the corridor as an economic engine and vital job center, provide better access for all transportation modes, and enhance the area's unique natural and built environment by encouraging sustainable and in-character development.

With your assistance we hope to move forward as efficiently as possible, with zoning refinements and other land use initiatives, so the city is in a great position to grow its

industrial base. Our process will help achieve a balance for future growth while looking at the costs and benefits of what we're doing.

### *Transit Oriented Development (TOD)*

I also want to update you on our Transit-Served Location ordinance, through which we promote transit-oriented development on behalf of local neighborhoods with transit stations.

Since the TSL ordinance went into effect on Jan. 1, 2016, 128 projects have utilized TOD benefits, primarily with parking reductions. These projects are collectively valued at \$3.26 billion and they're generating more than 16,000 construction jobs. We're happy to work with the Department of Transportation and CTA on the Mayor's commitment to expand transit-oriented development around busy bus corridors and key bus-bus and bus-rail connections and look forward to bringing a proposal to the Council in the coming months.

### *Landmarks*

Along with the city's future, the Department is equally committed to the city's past. By the end of the year, our historic preservation staff will have coordinated eight formal landmark designations, including the former Cook County Hospital Building; two single-family homes in Lakeview dating to the 19th century; a former public school in West Pullman; the former municipal tuberculosis sanitarium complex in North Park, and the former YMCA/YWCA complex on the Near West Side. Most of these designations come in conjunction with multi-million dollar redevelopment projects that will maintain their viability for years to come.

### *Theater Restoration*

The largest cultural restoration project in the City's history moved forward this year with the announcement of a joint partnership for the restoration of the 93-year-old Uptown Theatre at Broadway and Lawrence Avenue in Uptown. Vacant for more than 35 years, the theater's \$75 million restoration by Jam and Farpoint Development will include all-new and expanded seating and comprehensive interior and exterior improvements that will restore this one-time jewel of the former entertainment district. City assistance will tentatively include \$14 million in PACE financing, \$13 million in Tax Increment Financing and \$3 million in Adopt-A-Landmark funds, which we hope to present for your review in the coming months.

Meanwhile in Logan Square, the \$69 million rehabilitation job for the vacant Congress Theater also moved forward this year. The project will increase the capacity to 4,000 people, restore adjacent retail shops, and repurpose the existing residential units into affordable rental apartments as well as a boutique, 44-room hotel. City support includes up to \$9.65 million in TIF assistance.

### *Neighborhood Opportunity Bonus*

As I mentioned, the department's four bureaus collaborate on projects throughout the city, especially involving projects funded through the Neighborhood Opportunity Bonus ordinance. Approved in 2016, the ordinance simplified and updated the bonus system that developers voluntarily use to increase the allowed density for downtown construction projects; expanded the downtown zoning district boundaries; and created a funding system that provides new financial resources for commercial development projects in neighborhoods lacking private investment, as well as designated City landmarks and local infrastructure.

Through October, the NOB system has generated more than \$92 million in developer commitments, of which \$74.5 million will be allocated upon receipt to underserved neighborhoods, \$9.2 million toward infrastructure, and \$9.2 million toward landmarks citywide. A 52-story office building planned for 110 N. Wacker Drive is the largest approved project to date, with more than \$21 million being allocated toward the system in 2018.

Other 2018 bonus system payments include:

- \$5 million for an office towers at 333 N. Green St.
- \$1.8 million for a residential complex at 933 W. Washington St.
- \$1.75 million for an office tower at 845 W. Adams St.
- \$1.07 million for a residential tower at 172 N. Ada St.

I'll shift at this point to our Economic Development Bureau, which administers the allocation for strategic neighborhood development projects through the Neighborhood Opportunity Fund.

## **ECONOMIC DEVELOPMENT BUREAU**

### *Neighborhood Opportunity Fund*

The Neighborhood Opportunity Fund conducted three more rounds of grants in 2018. In the spring, 25 businesses on the South and West side were selected, totaling \$3.28 million in grants. In August, another 33 businesses were selected, amounting to \$5 million more.

Selected projects included a community art space on 91st Street in South Chicago, a community café and business incubator in Little Village, a family-owned barbecue restaurant on Chicago Avenue in Austin, and a barber college on Halsted Street in Roseland.

And at the end of the summer, Mayor Emanuel and DPD staff selected eight businesses to receive grants in excess of \$250,000. Those eight projects require City Council approval and total \$8.8 million in investment:

- Austin Fine Arts Center at 5608 W. Washington Blvd in Austin
- Bronzeville Salon Suites at 80 E. Pershing Road in Douglas Park

- Enlace Chicago at 2759 S. Harding Ave in South Lawndale
- Home Run Inn Pizza Inc. at 4254 W. 31st St in South Lawndale
- Leamington Foods at 3250 W. Roosevelt Road in North Lawndale
- Sunshine Gospel Ministries at 360-76 E. 61st St in Washington Park
- SYTE Corp. at 6793 S. South Chicago Ave. in Woodlawn

All told, 70 percent of the grants have gone to entrepreneurs of color.

Eligible costs for the program include building acquisition and rehabilitation, small business owner training and coaching, required public infrastructure, and local hiring subsidies.

### *Opportunity Zones*

Another new development initiative that we're excited about involves the federal Opportunity Zone program, offered through new tax legislation passed by Congress in late 2017.

The program encourages private investment in low-income communities by offering tax incentives for qualified investors. The program allows a temporary deferral of taxable income from capital gains invested in a designated Opportunity Fund. Because these investments can be permanently excluded from taxable income of gains after 10 years, the program could be a game changer for disinvested neighborhoods, especially among investors that ordinarily only look at opportunities in stronger markets.

The mayor chose the 135 low-income census tracts that were approved for participation in the program, which we determined based on federal guidelines, plus additional criteria involving unemployment rates, median family income, and poverty rates. We'll be looking to leverage our existing development tools like the Neighborhood Opportunity Fund and TIF to augment this program in the years ahead.

### *Tax Increment Financing*

I'll quickly turn to Tax Increment Financing as a development tool and the ongoing refinements that are making the program more effective than ever for neighborhoods in need.

Since Mayor Emanuel took office in 2011, TIF has been used primarily to pay for public improvements and infrastructure like schools, transit, roads, bridges, parks and open space. In 2018, projects to date include investments of more than \$60 million in schools, parks, libraries and other public facilities; approximately \$270 million in infrastructure expenditures, including \$181 million in bridge and viaduct repairs; and \$7.75 million in new allocations for the Small Business Improvement Fund.

TIF is also used to support affordable housing and spur economic development, and since 2011, those projects have been located overwhelmingly in our neighborhoods, such as the

\$10 million being proposed to help convert the last remaining empty Dominick's to a new Shop & Save market in South Shore.

A pair of neighborhood TIF designations moved forward in 2018. First, the 116th/Avenue O TIF district in Hegewisch will enable construction of a \$169 million distribution center on 196 acres of mostly vacant land. The 2-million-square-foot complex from NorthPoint Development will leverage the area's multi-modal transportation resources, with the TIF money going toward roadway improvements and infrastructure upgrades necessary to operate a distribution center on the long-vacant site. More than 1,300 permanent and 650 construction jobs are expected to be generated by the project.

Second, the Foster/Edens TIF district in Albany Park will accomplish two goals. First, it will allow for the redevelopment of former manufacturing land into a new, 144,000-square-foot retail center known as The Edens Collection. The \$58 million shopping center is expected to create 300 jobs from local and national retailers. Additionally, as part of the redevelopment agreement with the developer, Jaffe Company, the firm will pay the City \$2 million upfront to finance improvements at the nearby Gompers Park.

Both of these designations will create new centers for employment and commerce on highly accessible land that is, at the moment, drastically underutilized. We expect to present RDAs for your review in the months ahead.

#### *Property Tax Incentives*

Many of the new jobs supported by DPD in 2018 involved the strategic use of our property tax incentives, which foster redevelopment of qualifying industrial and commercial properties by reducing the standard Cook County tax rates for a period of 12 years. By the end of this year, total permanent and temporary jobs to be retained and created through the property tax programs exceed 1,800.

The projects we anticipate moving forward include 120,000 square feet of speculative industrial space in South Lawndale; and a new addition to a maker of soy products on North Broadway in Edgewater.

#### *Delegate Agencies*

Of course, DPD's delegate agencies remain an essential part of our business assistance efforts, especially as they relate to our local industrial and commercial corridors. We will continue to provide funding assistance in the 2019 budget to the 10 LIRIs that support local manufacturers and industrial firms. We will also continue to work with the boards of 54 Special Service Areas to assure compliance as they provide local shopping district with additional services that include public safety, aesthetics and marketing, among other benefits.

#### *Woodlawn RFP and Residential Land Sale*

I would be remiss if I didn't mention the planned Obama Presidential Center in Jackson Park, which is moving forward through several use agreements that require City Council approval. As the largest private investment project in the City's history, the center will hopefully catalyze additional investment in adjacent areas of Woodlawn on behalf of existing residents.

In the summer of 2018, DPD began a series of public and stakeholder meetings regarding the vacant and under-utilized City-owned property in Woodlawn. DPD is preparing to issue an RFP to sell City-owned commercial land vacant along 63rd Street, as well as four vacant City-owned buildings. The goals are to build community wealth and provide amenities residents want and need.

Additionally, the Department's Housing bureau is working to develop a rubric for the sale of the neighborhood's residential property. The City will schedule and attend numerous community meetings on this matter in the coming months with both the RFP and the residential rubric expected to be issued in 2019.

## **HOUSING**

I'd like to conclude my statement with our Housing Bureau, which will serve as the foundation for the Housing Department to be formed next year. 2019 will also serve as the first year of the forthcoming five-year housing plan.

The Five-Year Plan is a collaborative effort to develop the City's housing investment and policy priorities for 2019 through 2023. The overall goal will be to create a roadmap for City housing policies that accurately reflect Chicago's needs and wants, which will be represented with specific strategies within the plan.

This will be the sixth plan that we have undertaken since the first Five-Year Plan was initiated 25 years ago. Each plan since then had its own place in history; this one is no different.

The 2014-2018 Plan, called "Bouncing Back," was developed in response to a housing recession that left a landscape of depressed home values and foreclosures in its wake.

It established a vision to create and preserve more than 40,000 units through \$1.3 billion in coordinated public and private investment that we are on pace to largely achieve. DPD's 2018 housing commitments will assist more than 8,500 units of housing through \$321 million in direct assistance. Through the second quarter, we've committed more than \$65 million in funds to support 5,168 units, which represents approximately 20 percent of our unit and 60 percent of our allocation goals.

The 2019 - 2023 Plan will address an updated set of challenges, now that the market is bouncing back. Key issues include protecting residents from displacement, preserving affordability in gentrifying neighborhoods, supporting and expanding affordable rental

options, expanding opportunities for homeownership, and addressing the critical issue of chronic homelessness.

The plan will be presented to City Council for adoption toward the end of this year.

### *Multi-Family Projects*

Through June, our multi-family housing commitments are supporting nearly 491 units with \$258 million in direct assistance. These include new and rehabbed units made possible through our multi-family loan, bond, and tax credit programs, as well as Tax Increment Financing.

Several City-supported projects have opened in 2018, including the 36-unit Brainerd Park supportive housing complex in Washington Heights, the 88-unit, LGBTQ-friendly John Pennycuff Memorial Apartments in Logan Square, the 36-unit Tierra Linda Apartments on scattered sites near Humboldt Park, a 12-unit supportive housing development in West Englewood, and the Carling Hotel, an 80-unit SRO on the Near North Side.

New projects coming online in 2019 or later include the 58-unit Life Center Artist Residences in Woodlawn, the 20-unit Lincoln Park Community Shelter supportive housing facility in Old Town, the 134-unit Montclare Senior Residences in Calumet Heights, and the 111-unit, mixed-income, mixed-use Concord at Sheridan in Rogers Park.

### *Preservation of Existing Affordable Rental (PEAR) Program*

Earlier this year, DPD announced a new pilot program that will preserve housing affordability in appreciating neighborhoods on the North, Northwest and West sides. The Preservation of Existing Affordable Rental (PEAR) program refinances private sector debt on residential properties with six or more units, ensuring at least 20 percent of the units will be affordable to tenants earning up to 80 percent of area median income over a 30-year term. Funding for the program will be provided by the City's Affordable Housing Opportunity Fund. The City closed on the first PEAR project in August, preserving the affordability of 15 units at a cost of just \$133,000 each, a fraction of the typical price to develop affordable housing in Chicago.

### *City Lots for Working Families*

Next year, new affordable homeownership opportunities are expected to be created through the City Lots for Working Families program, which provides vacant, City-owned lots to developers of affordable single-family homes and two-flats for \$1 each. Through the program, eight to 20 City-owned lots with a maximum appraised value of \$125,000 will be conveyed per developer for each project. Seventy-five percent of homes built will be priced at approximately \$150,000 to \$300,000, depending on the neighborhood. The Department issued a Request for Applications to developers in September aimed at capitalizing on the

program in the North Lawndale neighborhood, which has gone several years without seeing a new residential construction permit.

### *Building Neighborhoods and Affordable Homes Program*

Another new program expected to coalesce later this year and next will help qualifying residents purchase newly built affordable homes in Englewood, North and South Lawndale, Humboldt Park, Garfield Park and Woodlawn. The Building Neighborhoods and Affordable Homes program will offer up to \$60,000 in assistance to support the purchase of homes built through the City Lots for Working Families program. Residents earning up to 140 percent of area median income would be eligible to participate. The pilot has the dual goals of helping working families with down payment and closing costs as well as stimulating targeted housing markets. The assistance would be made available for up to 100 buyers to purchase a home to use as their primary residence for 10 years.

### *Co-Located Library and CHA Buildings*

Three combination library-affordable housing projects initiated by DPD on the City's West, North, and Northwest sides are anticipated to be completed this winter. Made possible by a 2017 DPD design contest and various forms of assistance, the projects are destined to become community anchors. The Taylor Street Apartments and Roosevelt Library Branch, designed by SOM, will have 73 senior apartments at 1342 W. Taylor St. The Northtown Apartments and Library Branch, designed by Perkins+Will, will have 44 senior apartments. The Independence Apartments and Library Branch, designed by John Ronan Architects, will also have 44 senior apartments. Each library branch will offer reading materials and state-of-the-art educational resources.

### *Affordable Requirements Ordinance Pilot Program*

In late 2017, DPD implemented a three-year pilot program to eliminate the in-lieu fee option for new residential projects subject to the ARO within a 16-square-mile area on Chicago's Near North and Near West sides. The purpose of the pilots is to enhance the ARO's balanced approach to neighborhood affordability in exchange for the zoning entitlements that make these projects lucrative for the development market.

DPD is currently tracking approximately 20 pilot area projects consisting of 8,500 potential units, of which roughly 1,800 affordable units would need to be created on-site or nearby under the ordinance. It's still early to draw conclusions, and additional variables that include rising land prices and interest rates are involved, but the pace of projects moving forward in the pilot areas is meeting City projections. Additional data will provide for more informed market assessments as the pilots run their course over the next two years.

### *Large Lots*

The Large Lots program continues to resonate in local neighborhoods thanks to our bureaus' ongoing collaboration, especially our Zoning and Planning staffs. The most recent round closed in July 2018, and the City received 1,416 applications from neighborhood property owners. DPD will continue to review these applications over the next several months and aims to hold closings early next year. To date, 1,246 City-owned lots have been sold to property owners on the same block for just \$1.

#### *Public Safety Officer Homebuyer Assistance Program/SARFS/TIF-NIP/Roof & Porch*

Now in its second year, the Public Safety Officer Homebuyer Assistance pilot program is providing forgivable, 10-year loans to Chicago first responders with funding from the Affordable Housing Opportunity Fund, with nearly 10 participating police and firemen participating to date. The program requires homes to be located in specific areas that are part of six Chicago Police districts and need new investment and increased public safety.

Other programs that support property owners include the Small Accessible Repairs for Seniors program; the TIF-Neighborhood Improvement Program (NIP); the Roof and Porch Program; and Emergency Heating Program, which continue to be our most popular housing assistance initiatives, affecting more than 1,100 households annually. These programs and others are partly managed by the more than 80 neighborhood-based delegate agencies and not-for-profit organizations that DPD will continue to fund in the proposed 2018 budget.

#### *Chicago Low Income Housing Trust Fund*

The Chicago Low Income Housing Trust Fund continues to serve the needs of many renters who are unable to meet their housing expenses. In 2018, the Trust Fund is committing monthly rental subsidies on behalf of 2,662 Chicago households, including many veterans, female-headed households, and people living with HIV or AIDS.

#### *Single Room Occupancy*

Another affordable housing initiative seeks to preserve Single Room Occupancy (SRO) buildings as housing of the last resort in many neighborhoods. The City passed the SRO Preservation Initiative in 2014 with a goal to preserve 700 SRO units by 2018. More than 1,400 units in 11 buildings are being preserved through the initiative to date, which represents more than 200 percent of its original preservation goal.

The most recent project is the 148-unit Mark Twain Hotel at Clark and Division on the Near North Side, which is undergoing a \$52.8 million renovation thanks to a \$30 million bond issue, a \$5 million multi-family loan, and \$1.3 million in Low Income Housing Tax Credits by DPD to the NHP Foundation.

#### *Opportunity Investment Fund*

Approved in July, the Opportunity Investment Fund will enhance affordability in high-cost

neighborhoods through a new developer incentive program. The program will provide low-cost loans to purchasers of multi-family buildings in targeted areas in exchange for the buyer's commitment to make at least 20 percent of the units affordable for at least 15 years. The program will preserve an estimated 300 affordable units in the target areas, which have less than 20 percent of residents living below the poverty level. The affordable units could be leased to tenants making up to 50 percent of the area median income. The \$30 million program is being administered by the non-profit Community Investment Corporation, with funding provided by the City's Affordable Housing Opportunity Fund and public and private sources.

### *Department of Housing*

Effective Jan. 1, 2019, DPD's Housing Bureau will function as an independent department that is focused exclusively on the City's housing priorities. The new department will implement the forthcoming Five-Year Housing Plan (2019-2023) while partnering on a variety of public and private-sector initiatives that underscore access to quality housing as the fundamental quality-of-life amenity for every neighborhood. The last time the City had an independent Housing Department was 2008.

In closing, I want to reiterate the department's commitment to affordable housing, jobs, and the quality-of-life enhancements that they make possible for residents, businesses, and workers. We will continue to work with you and your constituents to identify and implement community improvement projects that enhance Chicago as one city for all people.

Thank you.

POLICE BOARD  
CITY OF CHICAGO

STATEMENT BEFORE THE CITY COUNCIL  
COMMITTEE ON THE BUDGET AND GOVERNMENT OPERATIONS

October 2018

Good morning, Madam Chairman and members of the City Council. I am Ghian Foreman, President of the Police Board.

We are in the midst of a period of great change in policing in Chicago with increased attention to the importance of police-community relations to effectively fight crime and the city's ongoing police reform efforts. During this time of change, the values of impartiality, transparency, and accountability are more important than ever. The Police Board furthers these important values, carrying out its responsibility to decide the most serious police disciplinary cases—those in which the Superintendent of Police files charges recommending that an officer be discharged from the Chicago Police Department.

The following initiatives ensure that the Board is accountable and that its handling of disciplinary cases is fair and transparent:

- A list of cases currently before the Board and the actual charges filed by the Superintendent are posted on the Board's website. These charges detail alleged rule violations and the specific improper or illegal acts the officer is alleged to have committed.
- The schedule of the Board's disciplinary hearings is on the website, and all of the hearings, like trials in court, are open to the public.
- The Board takes final action on all cases in public at our monthly meeting, where each Board member's vote is announced and recorded.
- After the Board decides a case, it issues a written decision, which includes detailed explanations of the reasons for the Board's findings; these documents are posted on the Board's website.

- The Board's hearing officers, through frequent status calls and an in-depth pre-hearing conference for each case, ensure that there are no unnecessary delays in deciding cases. Over the past five years, the median amount of time from the filing of charges until the first day of hearing is five months, and the median amount of time from the filing of charges until a decision is announced is eight months.

As for the Board's budget request for the upcoming year, there is no increase over 2018. The Board is a lean operation. We have two full-time staff, and 90% of our non-personal budget is for expenses directly related to police disciplinary cases—fees for hearing officers to preside over hearings, and fees for having the hearings transcribed and video recorded.

Thank you very much for your consideration of the Board's budget, and I am happy to respond to any questions you have.



CHICAGO POLICE DEPARTMENT  
OFFICE OF THE SUPERINTENDENT  
COMMUNICATIONS & NEWS AFFAIRS



**TESTIMONY OF SUPERINTENDENT JOHNSON  
CPD BUDGET HEARING  
OCTOBER 30, 2018**

GOOD MORNING.

THANK YOU CHAIRMAN AUSTIN, VICE-CHAIRMAN ERVIN AND MEMBERS OF THE CITY COUNCIL FOR INVITING ME AND MY SENIOR COMMAND STAFF HERE TO SPEAK ABOUT THE 2019 PROPOSED BUDGET FOR THE CHICAGO POLICE DEPARTMENT (CPD).

AS YOU MAY RECALL, WHEN I WAS APPOINTED SUPERINTENDENT OVER TWO YEARS AGO, OUR CITY FACED FORMIDABLE CHALLENGES OF GUN VIOLENCE, FRACTURED COMMUNITY TRUST, PERCEIVED LACK OF TRANSPARENCY, AND A BROKEN PARTNERSHIP BETWEEN COMMUNITY RESIDENTS AND THE POLICE OFFICERS SWORN TO PROTECT AND SERVE THEM.

SINCE THEN, MY TEAM – BACKED UP BY 13,000 DEDICATED MEN AND WOMEN - HAS WORKED EXTRAORDINARILY HARD TO CEMENT THE FOUNDATION OF A COMPREHENSIVE VIOLENCE REDUCTION STRATEGY AND EMBARKED ON A ROAD TO REFORM THAT WILL BRING ABOUT TRANSFORMATIVE CHANGE IN THE DEPARTMENT AND IN OUR COMMUNITIES.

OUR COMPREHENSIVE VIOLENCE REDUCTION STRATEGY IS BUILT UPON DATA, TECHNOLOGY AND SMART POLICING TO GET OUR POLICE OFFICERS IN THE RIGHT PLACES AT THE RIGHT TIMES.

SINCE IMPLEMENTATION, OUR STRATEGIC DECISION SUPPORT CENTER STRATEGY IS SHOWING CONTINUED PROGRESS WITH MONTH OVER MONTH REDUCTIONS IN SHOOTINGS.

AS MANY OF YOU KNOW, THE STRATEGY CREATES DISTRICT BASED SITUATION ROOMS WHERE WE INTEGRATE CRIME CAMERAS WITH GUNSHOT DETECTION TECHNOLOGY AND INCORPORATE THE POWER OF PREDICTIVE POLICING THROUGH CRIME ANALYSTS FROM THE UNIVERSITY OF CHICAGO.

THIS ALLOWS OFFICERS TO RESPOND TO INCIDENTS OF GUN VIOLENCE FASTER AND PREVENT FUTURE ACTS OF RETALIATION.

- AS OF TODAY, 1,087 FEWER PEOPLE HAVE BEEN A VICTIM OF GUN VIOLENCE IN CHICAGO WHEN COMPARED TO 2016 BEFORE THIS STRATEGY WAS IN PLACE - THAT'S A 30% REDUCTION IN ROUGHLY 22 MONTHS
- OVER THAT SAME TIME PERIOD, ROBBERIES IN THE CITY ARE DOWN 16%
- BURGLARIES ARE DOWN 15%
- AND MOTOR VEHICLE THEFTS, INCLUDING CARJACKINGS, ARE DOWN 10%.

WE ARE CONTINUING TO BUILD ON THAT PROGRESS AND SINCE LAST YEAR, MURDERS ARE DOWN 18% AND SHOOTINGS ARE DOWN 16%.

THIS IS NOT A CAUSE FOR CELEBRATION BUT A CALL FOR FURTHER ACTION AND INVESTMENT INTO THE TACTICS AND STRATEGIES THAT WE KNOW ARE MAKING OUR NEIGHBORHOODS SAFER.

DESPITE THIS PROGRESS, I AM FAR FROM SATISFIED. GUN VIOLENCE IN OUR CITY REMAINS UNACCEPTABLY HIGH AND I NEED THE HELP OF

EVERYBODY IN THIS ROOM TO ENSURE THAT WE CONTINUE TO HEAD IN THE RIGHT DIRECTION

I'D NOW LIKE TO UPDATE YOU ALL ON OTHER WORK BEING DONE TO STRENGTHEN OUR DEPARTMENT AND MAKE OUR CITY SAFER.

THIS YEAR WE ARE WELL ON OUR WAY TO ADDING A TOTAL OF NEARLY 1,000 NEW POLICE OFFICERS AS PART OF THE HIRING PLAN WE ANNOUNCED IN 2017. I AM PLEASED TO SHARE THAT WE WILL MEET THIS GOAL ON SCHEDULE BY THE END OF THE YEAR.

BY DECEMBER WE WILL HAVE ADDED AN ADDITIONAL 500 POLICE OFFICERS, 92 FIELD TRAINING OFFICERS, 200 DETECTIVES, 112 SERGEANTS AND 50 LIEUTENANTS. IN ADDITION, WE WILL HAVE KEPT UP WITH ATTRITION AND BY THE END OF THE YEAR WILL HAVE THE LOWEST NUMBER OF VACANCIES ANYONE IN THE POLICE DEPARTMENT CAN REMEMBER.

IN ADDITION TO THE TWO YEAR HIRE PLAN, AS PART OF CPD'S REFORM EFFORTS, CPD WILL HAVE ADDED 100 MORE FIELD TRAINING OFFICERS TO STRENGTHEN SUPPORT FOR NEW OFFICERS

DURING THEIR FIRST MONTHS IN THE FIELD. THESE HIRES WILL BRING THE TOTAL SWORN COUNT TO 13,631 BY THE END OF 2018.

WE ARE DOING THIS WHILE ALSO DIVERSIFYING THE POLICE DEPARTMENT SO THAT THE MAKEUP OF THE CPD BETTER REPRESENTS THE DIVERSE NEIGHBORHOODS OF OUR CITY.

I AM PLEASED TO REPORT THAT THESE LAST SEVERAL CLASSES OF POLICE RECRUITS ARE THE MOST DIVERSE IN RECENT HISTORY. WE WORKED HARD OVER THE PAST TWO YEARS TO ENSURE THAT THE POLICE OFFICER ENTRANCE EXAM EXPERIENCED A SIGNIFICANT INCREASE IN MINORITY CANDIDATES AS A RESULT OF TARGETED RECRUITMENT EFFORTS UTILIZING SOCIAL MEDIA, BILLBOARDS, SPECIAL PARTNERSHIPS WITH, FOR EXAMPLE, THE UNIVERSEOUL CIRCUS AND WVON, AND ON-THE-GROUND RECRUITMENT AT EVERY BEAT AND CITY COLLEGE.

BUILDING OFF THIS MOMENTUM, CPD WILL CONTINUE IN 2019 TO IMPLEMENT NEW APPROACHES TO REACH A DIVERSE GROUP OF CANDIDATES TO JOIN THE DEPARTMENT.

FOR OUR CURRENT OFFICERS WE ARE CREATING A WORLD-CLASS DEPARTMENT THAT THE ENTIRE CITY CAN BE PROUD OF BECAUSE IF WE WANT OUR OFFICERS TO BE THE BEST THEN WE HAVE TO SUPPORT THEM AND TREAT THEM LIKE THE BEST.

THAT MEANS STATE OF THE ART TRAINING AND EQUIPMENT TO HELP THEM DO THEIR JOBS AND KEEP OUR FAMILIES SAFE.

TO THAT END WE BEGAN A COMPREHENSIVE EFFORT TO IMPROVE THE DEPARTMENT AND THIS YEAR BEGAN EXECUTING ON A NEW STRATEGIC IMPROVEMENT PLAN.

WE REINVIGORATED OFFICER SUPPORT PROGRAMS AND STARTED A NATIONAL WORKING GROUP ON EARLY INTERVENTION SO THAT WE CAN DETECT ISSUES BEFORE THEY BECOME PROBLEMS AND GET OUR OFFICERS THE TRAINING AND MENTORING THAT THEY MAY NEED.

WE REDEVELOPED MAJOR PROTOCOLS INCLUDING THE USE OF FORCE POLICY THAT, WITH SIGNIFICANT COMMUNITY INPUT, IS NOW CENTERED AROUND THE SANCTITY OF LIFE, DE-ESCALATION AND NATIONAL BEST PRACTICES.

EVERY OFFICER HAS NOW HAD HANDS-ON TRAINING IN THIS POLICY, AND EVERY OFFICER RESPONDING TO CALLS IS TRAINED TO USE, AND HAS IN THEIR POSSESSION, A TASER SO THAT OFFICERS CAN UTILIZE LESS-LETHAL FORCE OPTIONS TO ADDRESS A DISTURBANCE.

WE INVESTED IN TECHNOLOGY SO THAT EVERY OFFICER ON THE STREET IS NOW EQUIPPED WITH A BODY-WORN CAMERA A YEAR AHEAD OF SCHEDULE. THIS IS THE LARGEST POLICE DEPLOYMENT OF BODY-WORN CAMERAS IN THE COUNTRY AND STRENGTHENS OUR EFFORTS TO REBUILD TRUST WITH THE COMMUNITY AND GIVES CPD NEW TOOLS TO HOLD OFFICERS ACCOUNTABLE WHEN NECESSARY.

WE IMPLEMENTED A MANDATORY 16-HOUR IN-SERVICE TRAINING REQUIREMENT THAT WILL EXPAND TO 40 HOURS OF MANDATORY TRAINING BY 2021.

WE REINVIGORATED OUR POLICE ACADEMY CURRICULUM FROM TOP-TO-BOTTOM AROUND SCENARIO-BASED INSTRUCTION SO OUR OFFICERS CAN TRAIN AND LEARN IN SITUATIONS THAT ARE AS CLOSE TO REAL LIFE AS POSSIBLE.

THIS YEAR, WE SOLIDIFIED OUR PATH TO REFORM WITH A FEDERAL CONSENT DECREE THAT WILL STRENGTHEN THE CHICAGO POLICE DEPARTMENT AND RESTORE COMMUNITY TRUST BY SUPPORTING, MENTORING AND INVESTING IN OUR HARD WORKING POLICE OFFICERS.

THE CONSENT DECREE WILL REQUIRE CPD TO CREATE POLICIES, PRACTICES, AND TRAINING IN A MANNER THAT INCREASES TRANSPARENCY AND ACCOUNTABILITY. THE CONSENT BUILDS ON REFORMS THAT WE HAVE BEGUN AND FOCUSES ON COMMUNITY ENGAGEMENT, IMPARTIAL POLICING, CRISIS INTERVENTION, FORCE MITIGATION, SUPERVISION, AND OFFICER WELLNESS AMONG OTHER REFORMS.

WE DID ALL OF THIS WORK BY BEING INCLUSIVE, BY LISTENING AND PARTNERING WITH COMMUNITY LEADERS, MAJOR CITY POLICE DEPARTMENTS FROM AROUND THE COUNTRY, INDUSTRY EXPERTS LIKE THE UNIVERSITY OF CHICAGO CRIME LAB AND MOST IMPORTANTLY, ALL OF YOU.

WHILE I AM PROUD OF THE PROGRESS WE HAVE MADE, THERE IS MUCH MORE WORK AHEAD IN 2019.

ON THE ADMINISTRATIVE FRONT, THE BUREAU OF ORGANIZATIONAL DEVELOPMENT WILL IMPLEMENT TECHNOLOGY INVESTMENTS TO IMPROVE TIME, ATTENDANCE AND OVERTIME COMPLIANCE.

THIS YEAR, CPD BEGAN WORKING TO TRANSITION FROM A PAPER-BASED TIMEKEEPING SYSTEM TO THE CITY'S ELECTRONIC TIMEKEEPING SYSTEM. AS OF JULY, THE DEPARTMENT HAS COMPLETELY ENROLLED ALL CPD PERSONNEL AND IS WORKING TOWARDS FULLY AUTOMATING THE TIME AND ATTENDANCE SYSTEM BY MID-2019. THANKS TO THESE EFFORTS, OVERTIME SPENDING IS DOWN NEARLY 30% COMPARED TO THIS TIME LAST YEAR.

AND WE ARE PUTTING IN PLACE MECHANISMS TO BUILD ON THIS PROGRESS NEXT YEAR.

THE DEPARTMENT WILL BE LEVERAGING PARTNERSHIPS WITH THE UNIVERSITY OF CHICAGO, THE US DEPARTMENT OF JUSTICE AND OTHER MAJOR CITIES LIKE MILWAUKEE AND LOS ANGELES TO PROVIDE TECHNICAL ASSISTANCE ON POLICIES, PRACTICES AND PROCEDURES SO THAT THE DETECTIVE BUREAU CAN FUNCTION IN THE MOST EFFECTIVE MANNER POSSIBLE.

WE ARE PILOTING DIFFERENT PROSECUTORIAL STRATEGIES WHERE COOK COUNTY STATE'S ATTORNEY'S ARE WORKING OUT OF POLICE DISTRICTS AND INTEGRATING WITH THE STRATEGIC DECISION SUPPORT CENTERS TO BETTER ADDRESS GUN CASES.

WE WILL BE EXPLORING TECHNOLOGICAL OPTIONS SO THAT DETECTIVES HAVE AREA-BASED TECH CENTERS THAT ARE STAFFED WITH ANALYSTS WHO CAN HELP THEM BETTER ANALYZE VIDEO, CELL PHONES AND DATA.

WE ALSO PLAN TO ADD 23 ADDITIONAL EVIDENCE TECHNICIANS AND ARE LOOKING TO PROVIDE SMART PHONES FOR EVERY DETECTIVE SO THAT THEY CAN HAVE MOBILE ACCESS TO DEPARTMENTAL DATABASES AND IMPROVE COMMUNICATION WITH WITNESSES AND VICTIMS.

CONTINUING ON THE TECHNOLOGY FRONT, WE WILL EXPAND OUR SMART POLICING STRATEGY AND BRING STRATEGIC DECISION SUPPORT CENTERS TO THE FOLLOWING DISTRICTS:

- 14TH (SHAKESPEARE),

- 17TH (ALBANY PARK),
- 20TH (LINCOLN),
- 22ND (MORGAN PARK), AND
- 24TH (ROGERS PARK) DISTRICTS.

IN EACH OF THE DISTRICTS, NEW STATION-BASED STRATEGIC NERVE CENTERS, CRIME CAMERAS AND MOBILE TECHNOLOGY WILL BE DEPLOYED TO ASSIST IN DISTRICT-LEVEL CRIME STRATEGIES AND INVESTIGATIONS.

WITH THIS EXPANSION, 20 OF THE CITY'S 22 POLICE DISTRICTS WILL NOW BE EQUIPPED WITH THESE STRATEGIC NERVE CENTERS.

THIS EXPANSION WILL TRULY ALLOW US TO MAXIMIZE ON OUR INVESTMENT IN TECHNOLOGY TO IDENTIFY AREAS IN REAL-TIME THAT REQUIRE AN EVEN GREATER VISIBLE PRESENCE WITH EFFECTIVE TACTICS, SUCH AS FOOT AND BIKE PATROLS, INCREASED COMMUNITY INTERACTION, AND TRAFFIC PATROLS, AMONG OTHERS, TO PREVENT AND DISRUPT CRIME AND VIOLENCE.

WE WILL ALSO EXPAND THE LICENSE PLATE READER OR "LPR" TECHNOLOGY TO 200 MORE PATROL VEHICLES TO QUICKLY IDENTIFY STOLEN

CARS, REDUCE CARJACKINGS AND RECOVER STOLEN VEHICLES.

THE INVESTMENT WILL BRING THE POLICE FLEET OF LPR EQUIPPED VEHICLES TO NEARLY 300 IN ADDITION TO 126 LPR POLE MOUNTED UNITS AND MOBILE BOOTER VEHICLES THAT ARE UTILIZED BY PARTNER CITY AGENCIES INCLUDING THE OFFICE OF EMERGENCY MANAGEMENT & COMMUNICATIONS AND THE DEPARTMENT OF FINANCE.

AND LASTLY, WE ARE WORKING TO RESTORE THE CPD AS THE NATIONAL LEADER IN COMMUNITY POLICING BY IMPLEMENTING A COMPREHENSIVE NEIGHBORHOOD POLICING AND COLLABORATION STRATEGY THAT WILL ALLOW US TO BUILD BRIDGES BETWEEN OFFICERS AND RESIDENTS AND THAT PUT THESE VALUES AT THE FOREFRONT OF NEIGHBORHOOD POLICING.

FOR FAR TOO LONG, POLICING HAS BECOME LIKE THE FAST FOOD INDUSTRY WHERE POLICE OFFICERS RACE FROM CALL TO CALL AND HAVE LITTLE TIME TO REALLY DEVELOP RELATIONSHIPS WITH THE PEOPLE THEY SERVE.

WE NEED TO BETTER EMBRACE THE CRITICAL ROLE COMMUNITY CAN AND SHOULD PLAY IN ADDRESSING ISSUES OF CRIME.

CPD MUST AND WILL BE ORIENTED AROUND A COMMUNITY POLICING STRATEGY THAT IS BASED UPON GIVING EVERY CHICAGOAN AN EQUAL VOICE, EQUAL TREATMENT, AND EQUAL RESPECT.

THAT IS WHY I AM PLEASED TO ANNOUNCE THE NEW DISTRICT COLLABORATION OFFICER PILOT PROGRAM, WHICH WILL KICK OFF IN JANUARY IN THE 25TH DISTRICT.

THE PROGRAM IS MODELED IN PART AFTER THE NATIONALLY RECOGNIZED NEIGHBORHOOD POLICING MODEL DEVELOPED BY RETIRED NYPD COMMISSIONER BILL BRATTON.

THE DISTRICT COLLABORATION OFFICER PROGRAM MODIFIES DISPATCH PROTOCOLS AND DISTRICT STAFFING SO WE CAN GIVE OFFICERS MORE TIME TO BUILD RELATIONSHIPS WITH RESIDENTS AND BUSINESS OWNERS ON THEIR BEAT WHICH WILL ULTIMATELY IMPROVE COLLABORATION, COMMUNICATION AND CRIME REDUCTION.

THE PILOT PROGRAM WILL ALSO HAVE A MULTIFACETED EVALUATION THAT INCLUDES TRACKING COMMUNITY ENGAGEMENT, PROBLEM-SOLVING, AND PERFORMANCE MANAGEMENT TO ENSURE IT IS WORKING.

THIS POLICING MODEL IS CURRENTLY BEING USED IN EVERY POLICE PRECINCT IN NEW YORK CITY AND MANY OF US TRAVELED THERE AND WERE GENUINELY IMPRESSED WITH THE LEVELS OF ENGAGEMENT FROM THE POLICE OFFICERS AND THE COMMUNITY ALIKE.

I TRULY BELIEVE THIS IS THE NEXT GENERATION OF COMMUNITY POLICING AND I AM VERY EAGER TO GET IT STARTED HERE IN CHICAGO.

I'D LIKE TO ACKNOWLEDGE THE PERSON WHO HELPED MAKE THIS PILOT-PROGRAM POSSIBLE AND THAT IS COMMANDER TONY ESCAMILLA OF THE 25TH DISTRICT WHO IS SITTING HERE TODAY.

TONY HAS REALLY EMBRACED THIS CONCEPT AND HE SHARES MY BELIEF THAT COMMUNITY POLICING IS EVERY OFFICER'S JOB, NOT JUST THE JOB OF THE DISTRICT CAPS UNIT.

IT IS OUR RESPONSIBILITY AS A DEPARTMENT TO ENGAGE AND COLLABORATE WITH COMMUNITIES IN THE CRIME FIGHT.

OVER THE NEXT YEAR, WE PLAN TO MAKE SIGNIFICANT STEPS IN OUR EFFORTS TO FOSTER BETTER PARTNERSHIPS, TRANSPARENCY AND TRUST WITH THE PUBLIC.

WE ALSO PLAN TO GIVE OUR OFFICERS GREATER RESOURCES AND TRAINING IN PROVIDING BETTER SERVICE TO THE CITY.

WITH THE SUPPORT OF SO MANY CITY AGENCIES PROVIDING CRITICAL SUPPORT AND INTERVENTION SERVICES, WE HAVE TO GIVE OUR COMMUNITIES A REASON TO HOPE, TO SHOW YOUNG MEN AND WOMEN IN AREAS OF THE CITY FACING PERSISTENT GUN VIOLENCE THAT THERE IS A WORLD BEYOND WHAT THEY KNOW AND THAT THEY CAN MAKE A REAL FUTURE FOR THEMSELVES.

WE HAVE A GREAT DEAL MORE WORK TO DO AND WE ARE COMMITTED TO DO IT AND DO IT RIGHT

MADAME CHAIRMAN AND MEMBERS OF THE COUNCIL, I THANK YOU FOR THE OPPORTUNITY TO TESTIFY TODAY AND I AND MY TEAM LOOK FORWARD TO ANSWERING YOUR QUESTIONS.

## OEMC Executive Director Tate-Nadeau Budget Remarks

Good Morning/Afternoon, Chairman Austin, Vice Chairman Ervin and members of the City Council.

My name is Alicia Tate-Nadeau and I'm the Executive Director for the Office of Emergency Management and Communications (OEMC). It is my honor to be here with you today to answer your questions and any concerns you might have regarding OEMC.

I'm pleased to report we are ahead of schedule and on budget to deliver a NEW 311 System to the residents of Chicago before the end of the year, which will allow residents to make city service requests on their mobile device and track requests for City services in real time.

As part of our efforts to strengthen the accurate, timely and effective dispatch of emergency resources in crisis situations, we implemented SMART911 in September 2018. SMART911 allows residents to upload, in a safe and secure manner, a wide range of information into their profile, like a schematic of their home, the names and pictures of household members, including pets, and known medical conditions like diabetes, autism, Alzheimer's Disease, or a mental health condition. For residents or visitors who may be deaf, hard of hearing or nonverbal, a 9-1-1 operator can initiate a two-way text message when they view the individual's Safety Profile, which can include a notification that texting is preferred. This information is invaluable to first responders and greatly enhances their response to assist you.

By the end of this quarter we will have selected a vendor for our 9-1-1 Computer Aided Dispatch (CAD) System and be on a path to being Next Gen 911 compliant by 2020, providing our residents better interoperability between other Public Safety Answering Points, as well as the ability to text to 911, share photos and videos directly to 911 from a mobile device and other enhancements.

We are also in year two of our five year plan to have all first responder radios encrypted by 2022.

In addition, this year the Office of Emergency Management and Communications has reduced our FMLA usage by approximately 4,000 hours, reduced absenteeism by over 900 shifts, and will have reduced our overtime \$800,000 by year end.

This year, in partnership with Chicago Public Schools and the Archdiocese of Chicago, OEMC embarked on a public awareness campaign around school crossings safety. For the first time, Mayor Emanuel proclaimed February 14 to March 14 Crossing Guard Appreciation Month. Last month, OEMC handed out the city's first Crossing Guard of the Year Award in recognition of the important role crossing guards play in helping Chicago children and families travel to and from school safely. In addition, OEMC launched a new "Stay Alert, Don't Get

Hurt” public awareness campaign aimed at keeping students and crossing guards safe under the city’s larger Vision Zero plan for pedestrian safety.

In closing, I would like to thank the great men and women who work at OEMC. I applaud their dedication and commitment to our great city and its residents. Their tireless efforts and personal sacrifice ensure the safety of those who live, work and play in Chicago.

Again, thank you, Madam Chairman and members of the City Council, and I look forward to answering any of your questions.

Madam Chairman and members of the City Council, my name is Richard C Ford II, Acting Commissioner of the Chicago Fire Department (CFD).

Please allow me the opportunity to introduce my staff, who will stand as their names are called.

Sitting to my right is:

- Katreina York- Director of Finance
- Anthony Vasquez - DFC for Administrative Services
- Renee Mayden - Assistant Director of Finance
- Adrienne Bryant - Deputy Commissioner of Personnel

In the Box to my right is:

- Larry Langford - Director of News Affairs
- Timothy Sampey- Acting DFC of Operations, also the District Chief for District 2 and District 3
- Aaron DeCamp - CFD's General Counsel
- Anastasia Walker- Chief Administrative Officer
- Mary Sheridan -Assistant Deputy Fire Commissioner for EMS
- Richard Edgeworth - DFC for Fire Prevention Bureau
- Joanne Farrell- MARC division
- Daniel Cunningham - District Chief of the 4th District
- Glen Lyman -District Chief of Safety
- Timothy Walsh - District Chief of Special Operations and District Chief for the 5<sup>th</sup> District

In the second row is:

- Brian Helmond- Assistant Deputy Fire Commissioner of Training and and the District Chief for the 1st District
- Michelle Cullerton-Conforti- Assistant Commissioner-Homeland Security and Emergency Preparedness
- Janice Hogan - Deputy Chief in Labor Relations
- Walter Schroder- Coordinator of Fire Awareness
- Juan Hernandez - District Chief-EMS

Thank you.

Ladies and gentlemen, the Chicago Fire Department (CFD) is pleased to be here today to discuss its 2019 budget request.

Under the leadership of Mayor Emanuel and with your support, CFD continues to make the most of technology, training, and personnel to safeguard the residents and visitors of our great city.

As has always been the case, the core mission of the CFD is to protect the lives and property of the residents and visitors of Chicago from fire, disasters, emergency medical issues and hazardous materials incidents.

Both residents and visitors to our city can rest well knowing they are under the protection of a world class fire department. And while that is my personal belief, I can say that opinion is also shared by the Insurance Services Office, a nationally recognized accrediting organization that has examined our operation extensively and has issued the CFD a Class One rating, the highest available from the ISO. That rating means the people and businesses of Chicago can enjoy the best possible insurance rating based on the expectation of fire response and rescue from CFD. The Class One rating is based on an analysis of the 911 system, the Fire Department's equipment and training, and our water system to provide fire suppression and rescue.

The Public Education Unit promotes life safety, warning and escape. Through this unit, CFD maintains a robust community engagement program to educate residents on how to avoid fires in the first place and escape them safely if they occur.

Public Education Unit trains residents on installation and use of smoke and carbon monoxide detectors, that those detectors are required by law, and on how to use the warning provided by detectors to effectively escape. We reach out to single family homes, apartment buildings, high-rise structures and dormitories in our city to promote the simple, yet critical message that smoke detectors save lives.

This year, the CFD's Public Education Unit has engaged with 225,000 people for drills, training and education on fire escape and safety, conducted more than 5,000 safety programs in the community and distributed over 14,000 smoke detectors to Chicago residents – all free of charge.

Our public education division also has a dedicated staff that teach safety programs year-round at the Survive Alive House, a specialized, interactive training tool that provides a realistic fire environment to give youth and adults hands-on experience on the proper way to escape a burning home. There is one located at 1010 South Clinton Street as well as a mobile version that travels to different communities to reach an even wider audience.

Additionally, working with our partners Oculus and Ogilvie, during the winter months when the Survive Alive House can't be used, our Public Education Unit uses a virtual reality device to

engage youth and seniors for continued hands on instruction with active feedback in a 3D virtual fire scene.

CFD works with various vendors and seeks regular grant funding to make sure that we can continue to provide and install smoke detectors to Chicagoans who need them most at no cost to the City.

CFD's Fire Prevention Bureau ensures that the city's commercial buildings and high-rise structures are in compliance with safety codes. These important codes make the structures as safe as possible, protect occupants in case of fire, and allow CFD to inspect fire suppression systems that will hold fire in check until fire personnel can arrive on the scene.

To reinforce ongoing fire protection and increase efficiency of fee collections, we are implementing a new hand-held computer system that will greatly enhance our ability to track annual compliance for commercial buildings.

The CFD also continues strengthen its ability to respond to medical calls quickly. Recently, we added five new Advanced Life Support (ALS) ambulances to our fleet, for a total of 80, which will provide critical care to those in need. Locations for the new ambulances were selected based on study of run volume, type of medical calls, response time and distance traveled. All CFD ambulances meet federal guidelines for equipment and we exceed the State of Illinois requirements for staffing as we have two fully licensed Paramedics on each vehicle.

In addition to our daily fleet of fire suppression and EMS apparatus, we have 10 ALS ambulances in reserve that are fully stocked and ready for service, in case we have a sudden need for even more EMS presence on the street for any reason - including weather, planned events or unexpected disasters.

We also continue to invest in alternate methods for reaching patients in need of our services. Along with our expanded ambulance fleet, we have paramedic bike teams that work our lakefront, downtown area and special events to deliver emergency medical care to areas with dense crowds or in an area where motorized vehicles are not the best choice, like beaches.

The Chicago Fire Department has responded to over 771,000 calls for service so far this year. We always make it a priority to respond to each one with the highest level of professionalism.

Through its training in tactical and EMS command and crisis mitigation, the CFD continues to strengthen its role as a public safety partner in Chicago and the surrounding region in partnership with the Chicago Police Department.

We will always be prepared for events we hope we never have to respond to. To that end we train under real world conditions using our Public Schools, our Airports, the public transit

system, our lakefront and our high-rise buildings so that if the unthinkable happens we already know how to meet the challenge.

We also work closely with our private partners to prepare for large-scale events including music festivals, the annual marathon and celebrations for the occasional sports championship.

Let me assure you that I will assemble a command staff and response specialists to ensure that we continue to make the most efficient use of personnel and equipment and to meet our commitment to public safety as a local and regional resource. It is my personal goal to do all we can internally to ensure that our CFD leadership reflects the makeup of our great city, so that we can include a diversity of views, backgrounds and experiences that will make this Department even better in the years to come.

In closing, I assure you that I will continue to lead the Chicago Fire Department in delivering unparalleled fire suppression and emergency medical services in every neighborhood of this city.

My staff and office are always available to discuss how our services can continue to meet the needs of every community in Chicago.

I, along with key members of my staff, am prepared to answer your questions.

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My staff and office are always available to discuss how our services can continue to meet the needs of every community in Chicago.

I, along with key members of my staff, am prepared to answer your questions.

Thank you.



Good Morning/Afternoon Madame Chairman Austin, Vice Chair Ervin and members of the City Council. My name is Sydney Roberts, the Chief Administrator for the Civilian Office of Police Accountability or COPA. Before I begin, I would like to introduce my staff:

Sitting to the right of me is Deputy Chief Administrator Karlo Flowers, General Counsel Kevin Connor, and Director of News Affairs, Ephraim Eaddy

I am also joined by my staff in box, including:

- Deputy Chief Investigator, Angela Hearts-Glass;
- Deputy Chief Investigator, Andrea Kersten;
- Deputy Chief Investigator, Jay Westensee;
- Director of Information Services, Martin Guzman; and
- Director of Training and Professional Development, Lydia Watts

I want to thank you for the opportunity to present COPA's 2019 budget request. Police oversight and police accountability are two of the most critical issues facing this City. COPA's vision is to be the leader in police accountability by conducting objective and thorough investigations that influence policing practices and culture and build our community's trust in civilian oversight.

In this last year, COPA has been hard at work building an infrastructure that receives and investigates complaints against members of the Chicago Police Department (CPD). We have deployed a robust community engagement process that attempts to equally engage Chicago residents along with rank & file officers. In addition, we started an overhaul of our case management system to improve the timeliness of case investigations and promote information sharing with CPD when necessary.

In 2019, COPA will have three key priorities that will capitalize on this year's progress to improve the investigative process and to provide the highest quality service to the residents of Chicago.

**Priority 1:** Improving the timeliness of our investigations and enhancing our case closure capacity with an emphasis on reducing the IPRA backlog is a top priority. Specifically, COPA is seeking to increase the number of complaint intake personnel to assess jurisdiction of complaints, as well as two Directors of Investigation to increase case closure. Adding this necessary staff will help ensure we meet the requirements of the pending consent decree.

**Priority 2:** We will be able to enhance compliance and transparency with one additional staff member who will manage consent decree deliverables, and direct COPA's transparency project by ensuring timely compliance with the City's Video Release Policy.

**Priority 3:** Continued development of our Case Management System will provide greater transparency of our investigative data, activity and outcomes to the public. It will also create technology-based efficiencies to enhance investigative operations and provide the requisite infrastructure for COPA to capture specific data mandated by the consent decree.

In preparing this budget we were cognizant of our duty to provide excellent quality service to the community and CPD. As such, COPA's 2019 budget is mission critical and representative of an efficient, responsible and measured approach to move the city closer to a police oversight system that meets the needs of all Chicagoans, civilian and sworn.

We thank you for your time and support and welcome your comments and questions.

Chicago Department of Buildings

2019 Budget Statement to the City Council Committee on the Budget and Government Operations

October 25, 2018

Judy Frydland, Commissioner

Good morning Chairman Austin, Vice Chairman Ervin and Aldermen of the City Council. I am pleased to be here today to discuss the 2019 budget request for the Department of Buildings (DOB). I am grateful for the opportunity to serve Mayor Emanuel and the members of the City Council and work in partnership to support the economic development of our city and the safety and quality of life for its residents through the administration of the Chicago Building Code.

Chicago's building industry is thriving and the Department of Buildings is working hard to support construction and investment in all communities of our city. In the last three years we have implemented several reforms that make it more cost-effective to build and easier to obtain permits through a streamlined, more user-friendly process. Our efforts to enhance and streamline the permit process, together with Chicago's building boom, resulted in a record number of 48,408 permits issued in 2017, and we are on track to surpass that number this year.

In 2018, DOB issued streamlined and updated rules for our popular self-certification permit program which expanded projects eligible to participate to include new construction of buildings for business and/or mercantile use up to four stories and 30,000 square feet, as well as tents and stages for special events. Through September 30, 2018, we've issued 2,758 self-certification permits. This is a seven percent increase over last year and a 17 percent increase over the average of the last three years.

In mid-November the Department of Buildings will roll out further enhancements to its online plan review system. Chicago was one of the first major cities to move most of its plan review function to an electronic system in 2012. Today, architects can submit plans from anywhere with an internet connection and multiple departments and divisions review the plans simultaneously. This has significantly reduced time to permit. Our E-Plan system and other permitting and inspection processes are considered best practice models in North America and abroad. The updated version coming online next month will improve usability and performance for architects and engineers based on customer feedback.

We are also pleased to announce that the Direct Developer Services pilot program will become a permanent program effective January 1, 2019. The Department initiated the pilot in 2016 with the goal of further streamlining and expediting plan reviews for large development projects. Through Direct Developer Services, the time it takes to permit large projects can be drastically reduced from several months to only a matter of weeks. More than 360 permits have been issued under Direct Developer Services since the program launched.

Last fall we launched a pilot program to study the use of alternative plumbing materials and gather data on cost implications. Under the program, new buildings which are completely residential up to 4 stories may apply to use PVC for drain waste and vent pipe and CPVC for water distribution pipe, both above and below grade. To encourage the reuse of existing buildings, existing buildings up to 4 stories of any occupancy may participate in the pilot program. More than 330 have participated and the program has saved \$8.746 million for building owners and small developers working on projects throughout the City including affordable housing.

Last year, we provided all our permit field inspectors with electronic tablets, allowing them to enter inspection results in real time. This has allowed inspectors to spend more time in the field available for inspections and less time on paperwork.

Trade licensing is also a major role of the Department. We license 12 different trades and regulate more than 25,000 licensees. While the overwhelming majority of licensed contractors are responsible and reputable, we have a handful of bad actors that were putting enormous demands on the Department's resources and compromising safety for workers and the public. In 2017, the City Council gave the Department additional tools to progressively discipline contractors who are caught breaking the rules or endangering public safety. In addition, a long sought-after initiative by the Department and aldermen to allow inspectors to work evenings and weekend hours was effectively implemented earlier this spring. These reforms have been tremendously successful in bolstering the City's efforts to identify and take action against bad contractors who do work without permits or work beyond the scope of a permit. The new inspection shifts combined with the passage of the Bad Actor ordinance has resulted in the suspension of permitting privileges for more than 60 contractors whose illegal work was compromising safety for workers and the public. Most importantly, these measures have spurred a real change in attitude in the field by deterring bad practices and leveling the playing field for contractors who play by the rules. To further these efforts, the Department established a working group between Buildings, BACP and Law and consumer fraud units from the Cook County State's Attorney and the Illinois Attorney General to share information on bad contractors and coordinate consumer fraud efforts.

Another key role of the Department is complaint-based inspections. Overall, response times by inspectors have improved significantly and our inspectors are spending more time in the field due to improved technology and our initiatives to reallocate resources and reassign inspectors. For heat related calls during winter, for which rapid responses are critical, the DOB has inspectors on the property within 24-48 hours. Through September 30, 2018, the Department completed 41,236 complaint-based inspections in response to 311 calls or online requests. Nearly a fourth of those requests are complaints about construction work without permits. From January 1, 2018 through September 30, 2018, DOB responded to 5,003 complaints for work without permits. The DOB takes these complaints seriously and responds to each and every complaint. While the number appears high at first glance, it's important to note that only about 15 percent of the total complaints are found to be actual cases of work without permits that result in enforcement action by DOB. This is consistent with overall inspection results of 311 complaints. Often complaints are duplicative, unfounded or inspectors are unable to gain entry to the building. As you know, DOB inspectors cannot force their way into people's homes. That said, we make every effort to conduct inspections

and in some cases work through the court to gain entry when necessary. We have also reminded, and will continue to remind, permittees of the requirement to prominently post all permits throughout the construction period as that will educate the community and reduce unwarranted 311 calls.

At the heart of what DOB does is enforce the building code and we've focused on improving our code by better aligning with widely-used national standards.

In March, changes to the Chicago Electrical Code took effect. The DOB introduced the new Electrical Code last fall, making Chicago one of the first major cities to align with the National Electrical Code. The new Electrical Code advances sustainability and brings additional energy efficiency to our booming building industry. It improves safety requirements and can lower costs on electric bills for residents and businesses. The major effort to update the code was initiated by the Chicago Electrical Commission, which was reinstated in 2015 after a hiatus of 14 years. The transition to the new code was remarkably smooth and seamless due to extensive preparation and training prior to implementation as well as strong buy-in from the industry.

This spring, we also introduced updates to the code for elevators and other conveyance devices. The changes went into effect earlier this month. New elevators will be able to use the latest energy-saving technologies and more certainty will be provided for owners of older elevators about what will be considered safe. Building on the success of the updated Electrical Code, we are now working with a wide range of stakeholders and technical experts to update and modernize the core requirements of the building code for new construction and renovation with the International Building Code and International Existing Building Code. The updated version will incorporate the best of our existing building code with the new features from the model codes.

Let me share with you additional details about our key accomplishments from 2018.

### **Permit Update**

As of September 30, 2018, DOB issued a total of 36,623 building permits. Through September 30, 2018, the city has collected \$33,932,961.59 in building permit fees.

Of the 36,623 permits issued as of September 30, 2018, 42 were issued through Developer Services, 139 permits were issued through Direct Developer Services, 8,682 through Standard Plan Review and 27,760 through the Easy Permit Process.

There are currently 40 high-rise buildings currently under construction, and 22 tower cranes are currently operating on construction sites in the city with two more pending installation. To date in 2018, 25 cranes have been erected and 55 have been operating on construction sites throughout Chicago.

### **Inspection Update**

DOB performs a wide variety of inspections each year, including annual technical inspections for buildings, signs, elevators and other devices; permit inspections; restaurant and other small business inspections; carnival rides and stages to ensure life safety during summer events; and

thousands of inspections in follow-up to complaints coming into the 311 CSR system with regard to local homes or businesses that may not be in compliance with the Municipal Code.

Our inspectors completed 180,582 inspections as of September 30, 2018 which includes 41,256 complaints closed via 311. To date in 2018, DOB has responded to 15 emergency incidents including building inspections post-fire and other incidents related to building structures.

### **Targeted Programs**

#### ***Vacant Buildings***

DOB works closely with the Chicago Police Department (CPD) to identify, secure and in some cases, demolish vacant buildings that can serve as a hub for criminal and gang activity. That successful working partnership with CPD continues with the focus on vacant buildings in high-crime districts. To date, DOB has demolished 375 buildings to remove these hubs of violence from our communities. Additionally, DOB has boarded up and secured 1,824 properties through September 30, 2018.

In addition to working with CPD, DOB also received 5,312 vacant building related calls to 311 through October 1, 2018 and the DOB demolition unit inspections have led to 742 cases on the demolition call in Cook County Circuit Court. As of October 1, 2018, 4,991 vacant buildings have been registered as required under the vacant building ordinance and DOB completed 6,207 troubled building complaint inspections.

Our Forfeiture Program encourages redevelopment of vacant property through third-party ownership assigned in housing court. We continue to meet with our community groups and developers to educate them on the program.

#### ***Strategic Task Force***

DOB's Strategic Task Force (STF) works closely with CPD and the Department of Law to keep neighborhoods and school passages safe by holding building owners responsible for activities inside their building, encouraging landlords to properly screen all new tenants and taking action against those that are destroying communities. This includes the enforcement of the Drug and Gang House Ordinance and the Responsible Establishment Safe Neighborhood initiative (RESN), which targets troubled businesses.

Through September 30, 2018, STF has conducted 664 inspections of buildings referred to DOB by CPD, including 72 inspections of troubled business, of which 47 businesses were determined to have dangerous and hazardous conditions and were closed down. STF will continue to actively partner with CPD in 2019.

#### ***Signs***

DOB continues to work with the Illinois Sign Association and is actively working to address sign issues and make the sign permit process more efficient. Through the tools granted by the Bad Actor ordinance passed by City Council last year, the Department has cracked down on illegal sign installations throughout the City. To date we have suspended the licenses of 11 contractors and we have issued 10 cease and desist orders against unlicensed contractors.

### ***Life Safety Evaluations***

For many years, the Department has been diligently working to get buildings to achieve compliance with the Life Safety Evaluation ordinance. There are a total of 733 pre-1975, high-rise buildings that require LSE reports. We are pleased to report that there are only 16 buildings remaining that need to come into compliance with the ordinance and we are 98 percent complete. Fourteen of the buildings are working toward compliance in Circuit Court and the DOB is closely monitoring and working with the other two buildings.

### **Communications Strategy**

Building upon our regular communication with Aldermanic offices, in 2018, DOB continued ongoing communication to the design professional community, industry partners and the public at large, including:

- Regular emails to the design professional community notifying them of important updates to permit and inspection processes.
- Active social media accounts on Twitter and Facebook highlighting important DOB events and public safety information.
- Continued conversations with industry partners to listen to their ideas and explore additional opportunities to streamline our processes, identify policy initiatives and evaluate potential code updates.
- Launched the first video of a series on the website and social media that shows residents and business owners what an inspection looks like so they can be prepared for when DOB inspectors come to the property. Watching the video can save building owners time and money during the permitting and inspection process. The first video is about electrical inspections and it will be followed in the coming months by more videos covering the most common permit inspections, including plumbing and HVAC.

We will continue our ongoing communication to City Council members including daily reports on permit applications and monthly reports on all buildings referred to DOAH and Circuit Court. You may also continue to contact Ms. Earnestine Black who can assist on any questions or concerns you may have.

### **Looking Ahead**

Chairman Austin, Vice-Chairman Ervin and members of the City Council, as you can see 2018 has been another productive and successful year for the Buildings Department. Working together with City Council, we look forward to continuing our work to be responsive to those that invest in our city and in our neighborhoods and to all who live or visit our Chicago home. Our senior management has been working tirelessly on all of these initiatives and they are completely committed to our mission. This is truly a team effort. We want to be supportive in every way possible so that Chicago is known as being welcoming to all.

**STATEMENT FROM BACP COMMISSIONER ROSA ESCARENO****2019 BUDGET PROPOSAL TO THE CITY COUNCIL COMMITTEE ON BUDGET AND  
GOVERNMENT OPERATIONS****October 26, 2018**

Good afternoon Chairman Austin, Vice Chairman Ervin and members of the City Council. My name is Rosa Escareno, Commissioner of the Department of Business Affairs and Consumer Protection (BACP). Thank you for your time and for the opportunity to highlight the hard work and dedication of my team.

I would first like to thank the Mayor for his dedicated and thoughtful leadership on this budget and the small business reforms we have worked on over the past year. I would also like to thank all of you for your consideration of the reforms that I've brought before this body and for your continued support. These will go a long way to promote Chicago small businesses and consumers now and into the future.

BACP has an overriding mission: to nurture and support businesses, to stop bad actors, and to protect consumers and employees from becoming victims. We are excited to announce a series of new initiatives for 2019 that build upon our work in 2018 and in previous years.

A priority of our Department is to support public safety and protect consumers through robust enforcement efforts. We have heard your complaints and residents' concerns about bad businesses, many of which pose problems that occur after normal business hours. Last year, we launched a Night and Weekend pilot program to investigate these

issues. So far this year we have conducted 17 strategic night missions and issued 504 tickets to problem business operators.

This year, I am happy to announce that, due to the success of our strategic missions and in response to your concerns, we are creating a permanent night and weekend team. This team is completing training now and will begin regular shifts in December to help us respond quickly and effectively to problems that arise outside of our regular business hours.

Often, when conducting investigations and issuing citations, we hear that businesses did not know that what they were doing was wrong. To better support business be compliant with regulations, as part of the rollout of our night and weekend program, we are creating a pilot initiative called the Active Compliance Program. Through this program, BACP investigators will conduct proactive, educational and non-disciplinary inspections of businesses in certain problem industries. These inspections will provide business owners the opportunity to ask questions and learn firsthand what investigators are looking for and how to remain compliant. Our goal is to increase compliance rates and help BACP target resources efficiently on the truly bad actors.

Cracking down on illegal tobacco operators is an ongoing priority of our Department. This includes enforcing the new e-cigarette rules, targeting the selling of synthetic marijuana, and working to shut down any business selling illegal tobacco and tobacco to minors. This year, we have revoked 35 tobacco retailer licenses and issued 726 total tickets for tobacco violations. As part of our 2019 budget, we are adding two new investigators to focus on tobacco enforcement. This will ensure

that no one slips through the cracks of our strict tobacco rules that protects the health of all Chicagoans, particularly our youth.

BACP is also responsible for the enforcement of Chicago's two landmark labor standards laws: minimum wage and paid sick leave. Effective this past July, all Chicago workers are to be paid \$12 an hour, rising to \$13 an hour next July. Since the ordinance came into effect, we have directed the backpay of over \$300,000 to nearly 500 employees that had been exploited by their employers. In just this year alone we have issued citations and fines under the Minimum Wage law totaling over \$150,000. These laws are intended to lift Chicagoans out of poverty while injecting more income in our community economies, and we are proud of our enforcement efforts.

Just recently announced as part of the 2019 Budget, the new BACP Office of Labor Standards will strengthen to these efforts. We would like to thank Chairman O'Connor of the Committee on Workforce and the other members of City Council that helped us create this new office, which will serve as the dedicated labor standards bureau for the people of Chicago. The Office will be empowered with committed staff ready to enforce Chicago's strict labor rules and fight for the most vulnerable among us.

In 2018, we were the front line for implementing the Mayor's signature Small Business Plan to support economic opportunity and growth in every corner of the city. For the past year, we have visited with the community, listened to their concerns and turned those concerns into a plan. As a result, in April, Mayor Emanuel announced a series of new reforms to support small business growth by reducing red tape and promoting innovation. I am happy to announce that a number of these

initiatives have been enacted, thanks to your help, and we are already seeing results.

As part of our commitment to accountability, transparency and cutting red tape, we have posted a clock online which gives a rundown of average time to issue licenses. Last month, licenses were issued in an average of 18 days, 14 days faster than January, and 70% of all licenses were issued within one day or less.

We have instituted a “start-up” license fee, through which entrepreneurs can receive a two-year Limited Business License for the price of one-year. Since this program was implemented on July 1, we have already seen over 700 entrepreneurs take advantage of this program— a 14% rise in the number of licenses issued.

Just last month, with your support, we created a first-of-its-kind initiative to support new venture and entrepreneurial innovation through the pop-up license. This program developed after listening to the business community, and will help bring new business ideas to communities and decrease retail vacancies. We are excited to roll out this program with your assistance on December 1, in time for the holiday shopping season.

Small businesses are the economic engines of our city and the largest job creators. As the City’s one stop-shop for businesses we provide entrepreneurs the support they need to open and/or grow their business. With 70% of our licenses issued in just one day, we help business get up and running, fast.

Attendance is up 25% compared to last year at our free small business workshops. This year, more than 3,000 entrepreneurs will come

through our doors for the opportunity to connect with experts and learn everything they need to launch and grow their business. In addition, five times a year we take our resources to communities around the city as part of our Small Business Expo “On The Road” series. These Expos—which are also free—are generating large and enthusiastic crowds and we are on track to host nearly 1,500 Expo attendees this year.

Chicago continues to be a leader in the effort to make all City processes easy and business friendly through our Paperless Initiative. Launched in June, our innovative Chicago Business Direct now allows business owners to pay taxes and do all their transactions on one online system, thanks to a joint effort with the Department of Finance. And our online payment portal now, for the first time, supports payment for all 18,500 public way use permits.

These new initiatives are part of the Mayor’s ongoing commitment to make small business growth a priority of his administration, including:

- Reducing the fees for numerous licenses, benefiting 10,000 business owners.
- Cutting the total number of business licenses from 117 to 40.
- Streamlining inspections to help reduce the number of inspections for more than 2,000 businesses and helping businesses open an average of 30 days faster.
- Doubling health inspection passage rates and helping participating restaurants open an average of 45 days earlier through the Restaurant Startup Program.
- Working with more than 70 delegate agencies to bring indispensable business support to neighborhoods

We are also excited about our ongoing progress to carry out reforms that regulate businesses and protect consumers. As part of the City's efforts to fight deceptive and predatory pharmaceutical marketing and help curb addiction to opioids and other prescription drugs, more than 1,550 pharmaceutical representatives have now been licensed, exceeding the original estimate of 1,000 licensees. This new license is the country's toughest regulation on pharmaceutical representatives and holds pharmaceutical companies accountable while freeing up funding to provide critical opioid addiction treatment for approximately 4,000 Chicagoans, mostly on Chicago's West Side, through the Chicago Department of Public Health.

Within the rideshare industry, we have taken steps to improve safety measures this year, by requiring regular third-party audits of the background check process and increasing data transparency. We have worked closely with the rideshare companies to implement these strong safety measures and, through settlements with the companies, support the Mayor's Mentoring Initiative.

Additionally, we have now licensed two home-share operators and approved over 4,500 registrants through our landmark home-share ordinance. These regulations not only protect public safety and allow BACP to enforce against bad actors but has enabled the City to implement a shared housing surcharge and dedicate millions towards homelessness and domestic violence programs.

We here at BACP are sensitive to the neighborhood issues that cause problems in your community. Some of you have shared your concerns

about illegal donation bins that have become health hazards and eyesores in your neighborhoods. As a result, our enforcement team moved to identify illegal operators and shut them down. We have issued 149 tickets and removed 130 illegal collection bins.

In addition to the highlights emphasized above, each year BACP is proud to promote neighborhood economic opportunity in the way we:

- License over 61,000 businesses, from mom-and-pop restaurants to large chains that operate across the city;
- Issue over 18,500 public way use permits, such as signs, canopies, and sidewalk cafes;
- License thousands of public passenger vehicles and public chauffeurs;
- Handle more than 14,000 consumer complaints, including grievances regarding illegal activity at businesses, problem public passenger vehicles and various types of consumer fraud.
- Inspect and investigate thousands of businesses each year to ensure compliance with city laws;
- Hold over 150 community meetings annually to improve quality of life matters;
- Support 68 neighborhood chambers and business agencies;
- Host over 100 FREE business events at City Hall and in the community each year

I am proud of the BACP team and all that we do to support businesses, protect consumers, and help this city thrive. This year BACP has generated \$83 million in revenue on a budget of \$18.7 million. We are a strong, efficient team working to maximize taxpayer dollars.

In conclusion, BACP looks forward to continuing to work with you and the Mayor to promote small business growth, protect consumers simplify our regulatory environment, increase access to data and resources, and, of course, to continue making Chicago a truly business and consumer-friendly, world-class city.

Thank you for your time. My staff and I would be happy to answer any questions.

**Chicago Animal Care and Control (CACC))**  
**2019 Budget Statement to the City Council Committee**  
**on Budget and Government Operations**  
**Kelley A. Gandurski, Acting Executive Director**  
**October 25, 2018**

Madame Chairman Austin, Vice-Chairman Ervin and the honorable members of the City Council. As Acting Executive Director of Chicago Animal Care and Control (CACC), I am honored to be here today to highlight and discuss our budget, review our progress, and present our initiatives for the upcoming year.

CACC's mission is to protect the public safety and to promote the humane care of animals. The department's control division enforces animal-related laws to protect the public health and safety and investigates matters to protect against neglect or abuse of Chicago's animals. The department's shelter component provides a safe environment and medical treatment for unwanted, stray, abused and neglected animals. The department also works with the community to provide education and resources for Chicago's pet owners, seeks innovative ways to continue to increase return of stray animals to their owners, and through its homeward bound rescue partners and donors, seeks to increase live outcomes through adoption and rescue.

We are presenting a budget for 2019 which will allow us to efficiently and effectively carry out our mission with the \$6,843,307 recommended appropriation provided through the City's Corporate Fund.

**Animal Outcomes**

As an all-access municipal shelter, CACC takes in animals of all kinds, including wild and domestic; owner surrenders; and strays, confiscated and cruelty case animals. In 2017, CACC's total intake was 14,899 animals. As of September 2018, CACC has taken in 12,173, and is positioned to take in well over 15,000 by year-end.

Despite this increase in animal intake, CACC's live outcome rate to date for 2018, is 91 percent; a four percent improvement over 2017.

This success would not be possible without the continued dedication of our incredibly committed rescue community, our tireless advocates, amazing volunteers, and energetic staff. In 2018, CACC has seen more rescue transfers and adoptions than ever before. To date, CACC has conducted over 300 more dog adoptions and 300 more dog rescue transfers over last year.

This past year, CACC's focus has been to increase rescue transfer of animals and direct adoption. We have worked to increase the number of animals available for adoption or transfer at any given time by streamlining work processes.

In addition, through the generosity of Safe Humane Chicago, CACC has been working with Trainer Janice Triptow, who is certified in dog behavior to provide a system of behavioral assessments. Not only have the assessments been helpful to determine if a dog is appropriate for a direct adoption, but the rescues have also found them useful in determining the type of foster home needed for a dog. The program has been so successful that Janice Triptow is now training a group of volunteers on how to conduct the assessments to increase the number of evaluations performed.

Chicagoland Rescue and Intervention Program (“CRISP”) is also at CACC three days per week and is planning to increase its commitment to seven days per week. CRISP is comprised of a group of rescue and donor partners who attempt to divert animal intake at CACC by providing owners an alternative means to surrendering their pets, such as funded medical care, training, food, and other types of supports. Additionally, CRISP seeks to quickly transfer those animals to a rescue when an owner cannot keep his / her pet in the home. To date, over 800 animals have been successfully diverted or rescued through the CRISP program this year.

### **Shelter Operations**

As we work to continually enhance the well-being of animals while in our care, this year CACC has partnered with Department of Family and Support Services and the West Side Health Authority (WSHA) who are providing staff to assist CACC in cleaning kennels and feeding animals. As you may know, WSHA specializes in providing job training support and access to employment opportunities for those who have barriers to employment. This valuable partnership provides these individuals with workplace training and experience while helping CACC improve the shelter environment and care of its animals.

CACC also continues to maintain and advance our medical life-saving measures within the shelter. In 2019, CACC will begin the rehabilitation of its existing medical facility which will allow the medical practice to more efficiently and effectively treat CACC’s animals and provide more critical care. Also, medical renovation will provide CACC the capability of hosting veterinary medical students to assist with providing care to its animals.

In addition, Friends of Chicago Animal Care and Control (FCACC) has committed to providing a capital fundraising contribution to procure new medical equipment for CACC’s medical facility once the renovations are completed. The new medical equipment will provide CACC with the capability to more quickly assess at-risk animals and provide more effective means of treatment.

### **Volunteer Programs**

Volunteers are invaluable to CACC and without their commitment to our animals, CACC would not be able to effectively manage or care for its animal population. To that end, CACC is working to increase our volunteer team and provide greater opportunities for engagement.

Recently, CACC revamped its volunteer policy to allow new volunteers to more quickly begin training at the shelter and to keep new volunteers engaged as we complete the background check process. In addition, CACC has partnered with Safe Humane Chicago and FCACC to create a more robust and effective volunteer program that will focus on two key components: (1) engagement of current volunteers and recruitment new volunteers; (2) development of new initiatives to enrich and market CACC's animals while in shelter. CACC and its partners plan to roll out the new volunteer program by the end of this year. I look forward to sharing this plan with you and your constituents in the coming months.

CACC also recognized the issue of "kitten season," a period of time over the summer months in which the shelter notes an uptick in kittens and neonate kittens being brought to the shelter. CACC extended its volunteer hours to allow volunteers more access to bottle feed kittens where necessary in order to increase care and live outcomes. Furthermore, CACC has created a TLC Cat Team designated to providing more individualized care of CACC's cats and to provide in-kennel enrichment for the cats during their stay at CACC.

### **Community Outreach and New Programs:**

Every third Wednesday of the month, CACC hosts a low-cost microchip and vaccine clinic to the first 100 people seeking those services that day. CACC provides this valuable public service at a much lower cost than the public would receive at a private animal medical facility. CACC has also conducted public education through social media and its newsletter encouraging all pet owners in Chicago to vaccinate and microchip their pets. Throughout the summer season, CACC visits various Chicago wards and provides these clinics on Saturdays. The clinics have grown in popularity, and this year, we have extended the clinics in the wards through October. By the end of the year, CACC will have provided 27 microchip and vaccine clinics to the public. CACC has also hosted 25 adoption events to date and intends to host three more before the end of the year. The offsite events encourage pet owners to keep pets safe and healthy and also promote CACC's adoptable animals.

CACC and Safe Humane collaborated with the Cook County Sheriff's Office for the Tails of Redemption program in August of this year. Tails of Redemption provides an opportunity for five Cook County jail detainees to learn dog training and handling while caring for five to ten of CACC's dogs. The program allows for behaviorally challenged dogs to learn basic manners and training skills to make them suitable for adoption into a home. The program lasts eight consecutive weeks. Detainees learn job training skills, compassion, patience and routine while providing a second chance to CACC's dogs.

CACC also launched the "Who Do You Think We Are?" campaign. FCACC donated twelve DNA testing kits and CACC tested twelve dogs. Josh Feeney, a professional photographer, donated his time and took photos of each dog for the campaign in an effort to promote adoption of CACC's larger, bully breed dogs. The DNA tests revealed many of the dogs were mixed

breeds. CACC used the campaign to educate the public that a look of a dog does not determine personality or behavior. Of the dogs tested, 92 percent were either adopted or rescued thus far. CACC intends to continue promoting this message and testing more dogs, educate and encourage rescue and adoption.

### **Field Operations:**

In 2018, CACC's operations has received 33,443 calls for service representing a seven percent increase in call volume since last year. We are committed to working with aldermen and communities to support the safety of residents and animals through an effective field response.

Earlier this year, an amendment to MCC §7-12-040(b) was introduced by Alderman Raymond Lopez, 15<sup>th</sup> Ward, and passed by City Council which allows animal control officers to return a stray animal recovered in the field if the animal control officer determines that its owner resides within three miles of the site of recovery.

Through generous donations from Animal Farm Foundation and Best Friends Animal Society, CACC received donations of microchip scanners so that strays may be scanned and returned to home in field under the ordinance. In conjunction with the microchip clinics hosted by CACC and its partners, CACC believes 2019 will see a rise in animals returned home in field.

In 2018, return to owner of stray animals increased from 2017 by five percent for dogs and 22 percent for cats.

Regarding Business Inspector assignments, CACC has seen a decrease in the number of animal business complaints or inspections this year by 16. This represents a five percent decrease since last year. Of the 364 businesses licensed with the City of Chicago, 266 have been inspected this year with 73 percent completed.

Dangerous Dog Investigations are down by 29 percent since last year. CACC has completed 76 of the 111 Dangerous Dog Compliance Inspections to date, representing a 68 percent completion. All compliance inspections due to date have been completed, including along the Safe Passage routes.

### **Advancements in Shelter Technology and CACC Staff Training**

Chameleon, the shelter software we use to monitor animals housed at CACC, now has the additional capability of uploading documents. This will reduce the use of paper at CACC, provide more detailed profiles of the animals, and serve to streamline the adoption process. Staff are being trained in the use of the new technology to further refine customer service at the front desk.

Furthermore, CACC has created adoption counseling training for volunteers and the front desk staff, which will serve in reducing the number of adoption returns and better matchmaking of

animals to homes. CACC has also implemented a system of adoption follow up for newly adopted animals to ensure that the transition from the shelter to the home is more fluid. This system will serve to pinpoint issues of concern for an animal in a home, provide new pet owners with additional resources and further seek to reduce the number of adoption returns.

In closing, I would like to thank Mayor Emanuel and the entire City Council for their support of CACC. Moving forward, CACC will continue its commitment of to saving all healthy and treatable animals as resources and care permit, both at the shelter and in the community. Through partnerships and innovation, CACC intends to increase this trend and is committed to providing excellence in public safety and the humane treatment of animals.



LICENSE APPEAL COMMISSION  
CITY OF CHICAGO

STATEMENT OF DENNIS MICHAEL FLEMING, CHAIRMAN

The License Appeal Commission hears appeals from parties seeking a review of decisions of the Department of Business Affairs and Consumer Protection/Local Liquor Control Commission. These appeals are brought before the License Appeal Commission to challenge revocations, suspensions, or fines of existing liquor licenses by the Department of Business Affairs and Consumer Protection/Local Liquor Control Commission. In these matters, the disciplinary proceedings at the hearing level are examined, reviewed, and appellate arguments are entertained. Additionally, our Commission has reviewing jurisdiction over denials of applications for new liquor licenses. Applicants who have been denied their request for a license are entitled to a trial de novo to determine whether the denial of their application was appropriate.

The License Appeal Commission has collected, through the Department of Finance, \$875.00 in filing fees to date. The Commission is budgeted for one full-time position.

As always, my office and I will work with the Office of Budget and Management and members of City Council to continue to lower operational costs and provide savings to the citizens of Chicago.

To: The Honorable Carrie Austin, Chair, Honorable Members  
City Council Budget and Government Operations Committee

From: Steven I. Berlin, Executive Director

Re: **OPENING STATEMENT/FISCAL YEAR 2019 BUDGET**

Date: October 30, 2018

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**Overview and Mission:** Good afternoon, Madame Chair Austin and Members of the City Council Committee on Budget and Government Operations. I thank you for the opportunity to address the Committee.

Now in our 32nd year, the Board of Ethics administers, interprets and enforces Chicago's Governmental Ethics Ordinance (the "Ordinance"). Under the leadership of our Board members and Executive Director, we promote integrity, transparency and accountability in City government by giving confidential advice, educating City employees and officials, vendors, lobbyists, and others subject to the Ordinance, regulating their conduct, and enforcing the Ordinance by adjudicating cases involving violations of the law.

Through our guidance and casework program, we receive requests for and issue more than 4,800 confidential advisory opinions each year (mostly from City employees and officials) on complying with the letter and spirit of the Ordinance and responsibly handling potential conflicts of interests. Through our educational programs, we provide annual training for the entire City workforce, thereby raising awareness of ethics standards, promoting a workplace free from sexual harassment, and helping to foster knowledgeable City workers, lobbyists, and regulated communities. Through our enforcement program, we: (i) issue notices of probable cause where information available to us indicates apparent violations of the Ordinance; (ii) where appropriate, refer complaints alleging violations for factual investigation to the IG or other investigative agencies; (iii) dismiss, settle, or adjudicate any ethics investigations completed by the IG, as well as all Board-generated regulatory actions, and make final, public determinations as to whether ethics violations occurred and impose appropriate penalties; and (iv) enforce ethics training and filing requirements for lobbyists and City employees, officials, and candidates for City elected office, assessing penalties and/or issuing recommendations for corrective action. Through our regulatory program, we foster transparency and accountability by making public thousands of disclosures filed by governmental personnel and lobbyists.

**Highlights of 2018 Achievements, and 2019 goals:**

1. **EDUCATION:** Educating persons subject to the Ordinance is a critical Board responsibility, which receives scant attention when government ethics issues are discussed publicly. We offer the following:

◆ **Mandatory Annual On-line Ethics Training.** All lobbyists and City officials and employees and officials must complete an annual ethics training program that we design and administer. We revise the program every year and produce separate programs for lobbyists, aldermen and other City personnel. The most recent programs include detailed information on sexual harassment: what it is, how to prevent it, and how to report it so those who engage in it are held accountable. Our programs are models nationwide – Chicago is one of a few jurisdictions requiring annual ethics education for all governmental personnel and lobbyists. With the assistance of Ethics Officers from every City department and aldermanic office, and under our administration, the City again achieved 100 percent (100%) compliance with the 2017 training requirements (31,470 completions). The Board determined that 19 individuals violated the Ordinance by failing to complete the training by the deadline, and assessed appropriate penalties.

To date, 26,913 City governmental personnel (and eight (8) aldermen) have completed the 2018 training (approximately 87% of the expected total). The deadline to complete the training is 11:59:59 pm on December 31, 2018.

In 2019, we will rewrite these programs and implement technical and visual enhancements. We cover sexual harassment and gifts every year; other topics vary, though many are repeated periodically, such as political activity and post-employment/revolving door. We regularly consult with sister agencies and other governmental ethics agencies around the country on creating effective training programs.

The steady and high numbers of lobbyists and City employees and officials seeking confidential advice from us are markers of the success of our educational programs.

◆ **Mandatory Annual Lobbyist Training.** Registered lobbyists—currently 818, a record—must complete annual training. While not required by law, this training also includes a unit on preventing and reporting sexual harassment, as lobbyists have been reported as victims of this scourge in state capitals nationwide. In 2019, we will again offer this program, emphasizing sexual harassment, gifts and political contributions.

◆ **Other Training.** Since November 2017, we have conducted 44 face-to-face ethics training seminars for the approximately 12% of the City’s workforce required by law to attend ethics training every four years (City Council members and their staff, Mayoral staff, and senior executive service employees). We also design and conduct other seminars upon request, for appointed officials, aldermanic offices, and executive branch departments. Since November 2017, more than 1,345 City employees and officials, contractors, and lobbyists have attended ethics classes. We also have designed and posted training programs for incoming and outgoing City employees and officials. In 2019, we will work with the Department of Procurement Services to enhance training for City vendors and persons seeking to be vendors.

◆ **Educational Materials.** Our website includes the current and last seven (7) versions of the Ordinance, our Rules and Regulations (most recently revised as of January 2017), the full text of every formal advisory opinion issued by the Board since 1986 (903 at current count), indexed by subject matter and redacted to preserve confidentiality, a searchable index and summary of these opinions (which we add to as new opinions are issued), 25 educational brochures and “Plain English” guides, and ongoing guides to all Board enforcement matters, naming names as permitted by law. In the past year, we revised all publications, and added three (3) Plain English Guides, including two (2) covering political activity, and one (1) covering the “trade-skill exemption” to the City’s post-employment/revolving door prohibitions. Also included are Board meeting minutes since 2005, and the Executive Director’s monthly reports on agency activity.

◆ **2019 COGEL Conference Hosts.** I am proud that Chicago will host the 2019 annual conference of the Council on Governmental Ethics Laws (“COGEL”), in December 2019. COGEL, founded in 1978 in the aftermath of the Watergate scandal, when Congress passed the Ethics in Government Act, is the only professional organization devoted to bettering government ethics, campaign financing, lobbying and freedom of information laws, and election administration. Its 600+ members include government agencies in these disciplines from other large U.S. and Canadian cities, nearly all 50 states, Canadian provinces, and the relevant branches of both the U.S. and Canadian federal governments, including the Office of Government Ethics, Federal Election Commission, and House and Senate Ethics Offices. It also has international members from the U.K. Mexico, and Australia, and reform groups, attorneys in private practice, corporate political law compliance professionals, and political science and law professors. Our agency is an active member. We will co-host this conference with our colleagues from the Illinois State Executive Ethics Commission, the Illinois State Board of Elections, and the Cook County Board of Ethics. Hosting entails small expenditures for photocopying, banners, logo design, and “swag” bags for attendees.

The 4-day conference will bring in 450 attendees and take place at the Michigan Avenue Marriott, when stores are stocked with holiday merchandise. In addition, I am a member of the organization’s Steering Committee, and could be elected COGEL’s President for a term beginning in December 2019. We will serve on the program committee and put together breakout sessions of interest to anyone who follows local or national politics, and try to include members of the Council, the media, and good government groups.

Last, for 2019, we will focus efforts on public outreach and education, and offer speakers at neighborhood association meetings and aldermanic ward nights.

**2. CONFIDENTIAL GUIDANCE AND CASEWORK:** In my 25+ years of experience with the Board, I have found that the *most* effective way to prevent misconduct and foster a culture of ethics in government is to enable and encourage persons to seek *confidential* ethics guidance and advice *before they act*. We are a trusted, neutral authority that provides this advice to City officials and employees in both branches, and to others subject to City ethics laws. We advise them on complying with both the letter and spirit of these laws, and on handling potential conflicts of interests responsibly. This advisory function, when coupled with regular education, constitutes our most critical responsibility.

Since November 2017, we have issued more than 4,800 confidential advisory opinions: 75% to City governmental personnel. Fifteen percent (15%) were issued to lobbyists or potential lobbyists, and the rest to attorneys, contractors, candidates for elected office, political committees or campaign contributors. Note: members of the public or the media do *not* have standing to receive an advisory opinion unless they are personally involved in the specific situation.

As noted above, we make formal advisory opinions available to the public, in full text, with confidential information removed. They are all indexed by subject matter, with a searchable index summarizing their holdings and providing key words to facilitate searching. Informal advisory opinions do not become public, even in redacted form, though we use them for educational purposes, and to notice trends and alert other departments about potential problems, and to give consistent advice.

Our work would be impossible without ethics officers from every City department and aldermanic office. They are our eyes and ears, referring their personnel with substantive questions and assisting us with required filings and educational requirements. We help them keep current with the law.

**3. FINANCIAL DISCLOSURE:** The Ordinance requires about 15% of the City's workforce (including aldermen and many appointed officials; the criteria are no longer based on annual salary rate, but on job responsibilities) to file annual Statements of Financial Interests with us. We distribute, collect and make publicly available forms going back seven (7) years from the date of filing. Forms filed in 2011 and after are posted on our website (forms filed in 2010 are available in paper format). Since 2011, filers can also complete and file their forms via a secure website; 87% file this way. Few government bodies enable their personnel to file online *and* make this information publicly available online. In 2018, we found 44 employees and officials in violation of the Ordinance for filing late, and made their names, violations, and fines public on our website, as required by law.

The Ordinance also requires persons who qualify as candidates for elected City office to file Statements of Financial Interests with us within five (5) days of so qualifying. The Board notifies all newly declared candidates via certified and first class mail of their filing requirements. All filed forms are posted on our website – to date more than 129. Candidates who do not file by the deadline stated in their notifications are subject to findings that they violated the Ordinance and fines. Board determinations are made public: to date, one (1) candidate was found in violation of the Ordinance; the Board settled the matter for a \$250 fine.

**4. REGULATION:** The Ordinance requires all persons who lobby City personnel to register annually with us (there is a \$350 annual registration fee and \$75 client fee for each client after the first; we waive these fees for certain non-profits) and file quarterly activity reports. Filings provide detailed information about matters lobbied upon, lobbyists' clients, political contributions, and gifts offered. In 2018, the Board has to date collected \$455,300 in registration fees, about 55% of our 2018 budget allocation.

Shakman-exempt employees and Mayoral appointees must sign ethics pledges binding them to a two-year post-City service lobbying ban. We post a link to the complete list of pledgees. We also post hundreds of disclosures made by City personnel each year regarding business travel, gifts, and aldermanic recusals.

In 2018, we added enhancements to the lobbyist database, including a new search interface and a link to view and sort the full datasets made available through the City-wide data portal.

**5. CAMPAIGN FINANCING:** The Ordinance limits at \$1,500 the amount that registered lobbyists or persons doing or seeking to do business with the City or its sister agencies can contribute in a calendar year to any elected City official or candidate for elected City office, or their political committees. At the Board's urging, in 2013 the Ordinance was amended to strengthen penalties for *both* those who make *and* accept excess contributions. The Ordinance requires that violators' names be made public. Since November 2017, the Board has commenced two (2) enforcement actions based on apparent violations, each involving excess contributions by persons doing business with the City, and closed three (3) opened prior to November 2017 after the contributor and candidate committee effected refunds of the excess amount contributed.

**6. ENFORCEMENT:** Since 2013, far-reaching changes to the City's ethics laws and Board operations have been made in enforcement. Many were recommended by the Mayor's Ethics Reform Task Force and enacted to ensure that fairness and due process of law are guaranteed in all ethics investigations and post-investigation procedures.

◆ **Board-Generated Enforcement Actions.** Since early 2017, under the leadership of our Chair, William

Conlon, the Board has found probable cause in cases where available evidence indicates that the Ordinance was violated, but no factual investigation is needed. After finding probable cause, the Board affords subjects (and/or their attorneys) the right to present materials and/or evidence and arguments before the Board prior to when the Board makes a final determination. Where the Board finds, after hearing from the subject, that the Ordinance was violated, it may publicly settle these matters with the subject for fines or other remedies, or, if no settlement is reached, make its determinations public and impose appropriate fines. Final Board determinations are appealable to the Cook County Circuit Court.

Since November 2017, the Board has handled three (3) such actions, not including the three (3) campaign financing matters we closed, as discussed above.

◆ **Ethics Adjudications.** In 2013, the Board became an adjudicative agency: we do not conduct factual investigations of complaints alleging ethics violation. We refer complaints requiring factual investigation to the IG, which may then investigate according to its own rules. After the IG completes an investigation of an Ordinance violation, the Board considers the IG's final investigative report and supporting evidence, then must either dismiss the matter or find probable cause to believe that the Ordinance was violated. These findings are confidential, though the Board may comment on them without identifying the parties. When the Board finds probable cause, it may settle the case (settlements are public, and can involve discipline and/or fines), or the subject may "have his day in court" in a confidential evidentiary hearing before an administrative law judge ("ALJ"). At the conclusion of that hearing, the Board reviews the ALJ's findings, and determines whether the subject violated the Ordinance, and assesses appropriate penalties. These Board determinations are appealable to the Circuit Court. (To date, there have been no such appeals.)

The Board issues written public opinions on all matters that have gone to an evidentiary hearing. If the Board determines, after a hearing, that the subject did not violate the Ordinance, it dismisses the matter and makes public comment without identifying the subject, unless the subject requests to be identified. Summaries of each such matter are posted on our website, consistent with the Ordinance's confidentiality requirements.

◆ **Enforcement Actions Regarding Training.** In January 2018 we determined that 19 individuals had not completed their 2017 ethics training by the January 1 deadline, but assessed no fines, because they all completed the program within the time allotted by law before fines began accruing. We posted all names of violators on our website, per the Ordinance.

In July 2018, we found 27 lobbyists in violation of the Ordinance for failing to complete their training program before the July 1, 2018 deadline. We assessed five (5) lobbyists a total of \$1,200 in fines, and made their names public. As we do every year, we will revise this training for the 2018-2019 training year.

◆ **Enforcement Actions Regarding Statements of Financial Interests.** In March 2018, 3,719 employees and officials were notified of their requirement to file 2018 Statements of Financial Interests. The deadline for filing was June 1, 2018. As noted above, we determined that 44 employees and appointed officials violated the Ordinance for failing to file on time, and assessed fines as to four (4) of them. Names of all violators were made public, as required by law. The Board works closely with ethics officers to reach our perennial goal of zero (0) filing violations.

◆ **Enforcement Actions Regarding Lobbyist Registrations.** Lobbyists who fail to timely register or report are subject to fines and/or suspension of their registration; the City may cancel contracts awarded based on unregistered lobbying. As is now well-known in the regulated community nationwide, the Board aggressively enforces these registration requirements. Since November 2017, 178 lobbyists were determined to have violated the Ordinance for failure to timely re-register in January 2018 - 18 of these lobbyists failed to file by the time fines began accruing and were assessed a total of \$39,000 in fines; two (2) of them never re-registered or properly terminated, so their fines continue to accrue at \$1,000 per day. Should they ever attempt to re-register, they will need to settle their outstanding fines before the Board will allow that. Nine (9) were found in violation for failing to file quarterly reports on time, and two (2) of these were assessed a total of \$2,000 in fines. As per the Ordinance, the names of all these lobbyists and their fines were posted on the Board's website.

**CHICAGO CITY COUNCIL COMMITTEE ON BUDGET AND GOVERNMENT OPERATIONS**  
**Budget Hearing for the Chicago Department of Streets and Sanitation**  
**November 1, 2018**  
**Commissioner John F. Tully, Jr.**

**Honorable Chairman Austin, Vice Chairman Ervin and members of the Chicago City Council:**

Annually, the Chicago Department of Streets and Sanitation (DSS) responds to more than one million service requests from residents. We work 365 days of the year; through rain, sleet and especially snow. In 2018, our crews have worked hard to deliver the services and vital resources that residents need, effectively and efficiently. Every day, we strive to make neighborhoods throughout the City cleaner, greener and safer for us all to enjoy.

While we have accomplished a great deal together this year, there is more work to do. As we plan for the future, our goal is to continue to work to make Chicago better for its residents, the taxpayers. In 2019, efficiency will remain a top priority for DSS operations to ensure we are making every dollar count. We will work collaboratively with unions to develop our workforce and leverage available technological resources to increase productivity. When operational savings are realized, they will be reinvested back into the Department to assist us in providing the most cost-effective, timely and impactful services that Chicagoans need and deserve.

**COMMISSIONER'S OFFICE**

**Neighborhood Outreach**

The department's neighborhood outreach team of Field Sanitation Specialists (FSS) has been working with a focus on community engagement to increase recycling education. FSS visit town halls, CAPS meetings and community events throughout the city to distribute outreach materials and tips for residents to reduce recycling contamination.

**BUREAU OF SANITATION**

**Refuse**

Since the inception of Grid 2.0 in 2016, DSS has sustained a daily deployment average of 291 garbage trucks. We continuously monitor the grid system by assessing time-in-alley, reviewing daily tonnage reports and conducting field audits. DSS will continue to evaluate crew performance and make any necessary adjustments to the system.

Grid has enabled us to reallocate resources across the Department, making way for the Quality of Life-Extra Mile initiative through which crews have cleaned more than 1,200 normally untapped areas in all 50 wards. In August 2018, we rolled out additional training sessions to all laborers to expand the program to each division.

Improved placement and management of dumpsters used by this program has resulted in more than \$1.5 million of savings since 2016.

In April 2018, we rolled out the online Sweeper Tracker tool for viewers to view our sweepers work in real-time every day. The bureau has swept more than 176,000 miles of streets and alleys city-wide in 2018.

## **Recycling**

In 2018, the Department implemented several strategies to reduce contamination in the Blue Cart program following the success of a recycling pilot that helped reduce contamination by 32 percent in test areas. In January 2018, the Department launched a new online tool for residents to easily find their recycling and garbage pick-up schedule and sign up for email reminders, in partnership with Recycle By City.

The tagging system used in the pilot was rolled out citywide on May 1st, allowing for a unified message from City crews and private haulers regarding contamination. Ward superintendents also continue to make direct contact with their ward's most frequent contaminators to offer education and support. We have also ramped up our yard waste collection efforts to help reduce contamination. Yard waste remains one of our biggest contaminants and we will continue collecting yard waste from residents throughout the season, which ends in November.

## **BUREAU OF STREET OPERATIONS**

### **Snow**

The Bureau of Street Operations is fully prepared for winter operations. DSS will add 20 new spreaders and four new hi-lifts to its fleet this year and all equipment will remain at the ready to ensure that arterial and residential streets are safe and passable during snow events. The department maintains salt stations across the City throughout the year and has more than 370,000 tons of salt prepared for deployment when needed.

### **Neighborhood Blitzes**

Since April, the Department has worked in partnership with the Dept. of Transportation and the Department of Water Management to deliver more than 21 neighborhood service blitzes throughout the city, up from 16 in 2017. The blitz model allows us to quickly and efficiently address requests from residents for services like tree trimming, rodent abatements and lot cleaning. In 2018, crews trimmed 400 trees, removed 302 abandoned vehicles, baited alleys and removed graffiti from more than 1,000 locations.

### **Graffiti**

DSS continues to respond to graffiti removal requests in four days or less. In 2018, the grid-based removal system allowed graffiti crews to complete more abatement jobs proactively, resulting in a 20% decrease in requests from the public compared to 2017. Crews have completed more than 95,000 removals in 2018.

### **Fly Dumping**

The Department continues to use FlashCams as a deterrent for fly dumping and graffiti vandalism in areas with chronic activity. Since the inception of the FlashCam program last year, there have been a total of 56 cases submitted to Law for fine collection. To date, 34 offenders have pled liable generating more than \$63,000 in revenue to the City. We are confident that this program will continue to yield return on our initial investment of \$90,000 and help support our street operations.

## **BUREAU OF FORESTRY**

The Bureau of Forestry maintains more than 500,000 trees each year, addressing insect and disease problems and tree trimming and removals to protect the City's urban canopy. In 2018, the bureau has trimmed more than 24,000 trees, an increase of 20 percent from 2017. The bureau also planted nearly

4,000 trees this year, many in areas that had been previously impacted by the Emerald Ash Borer. DSS also continues to support CDOT in the citywide Smart Lighting project. Forestry crews trim or remove trees to clear the way for CDOT electricity crews as they convert old high pressure sodium lamp technology to new, more cost effective LED lamps.

In July 2018, Forestry began an apprenticeship for tree trimmers to improve productivity and reduce the duty disability rates. A total of 56 tree trimmers will be trained through the program. The department is also exploring a citywide tree inventory in the coming months.

#### **BUREAU OF RODENT CONTROL**

Under the leadership of Mayor Emanuel, DSS has taken a more proactive approach to rodent abatement. Crews continue to bait alleys and sewers in addition to the implementation of the dry ice pilot which was revived last year to combat rodents in parks and along the Riverwalk. In 2018, crews have proactively addressed more abatement jobs and have implemented an improved method for placing dry ice, resulting in a 20 percent decline in rodent abatement requests from residents.

Crews have completed more than 33,000 rodent abatement jobs and continue to respond to requests in five days or less. DSS has also ramped up education about the New Construction Site Rodent Abatement Ordinance through direct contact with contractors to encourage compliance ahead of full enforcement in 2019.

In 2018, additional investments allowed DSS to eliminate the cart backlog from 2017. DSS has delivered more than 44,000 black garbage carts in 2018—double the amount of last year. The Department continues to refurbish carts where possible to respond to the high volume of requests from residents, yielding a cost savings of more than \$300,000 in 2018.

#### **BUREAU OF TRAFFIC SERVICES**

The Bureau of Traffic Services continues to keep streets safe through towing and relocation of vehicles, abandoned vehicle removal and support for emergency operations and special events. In 2018, Traffic Services removed more than 17,000 vehicles and provided support to 700 special events throughout the City.

In closing, DSS remains committed to efficiently delivering the highest quality of services to residents to ensure our investments are working for us all. We welcome your ideas and input as we move forward. By working together, we will continue to make a greater impact on neighborhoods throughout Chicago to keep them healthy and thriving.

I would like to thank the entire staff of the Chicago Department of Streets and Sanitation for their tireless efforts and commitment to the residents of Chicago.

This concludes my prepared statement. My staff and I are happy to answer any questions you or the members of the City Council may have on our proposed budget.



**2018 BUDGET STATEMENT TO THE CHICAGO CITY COUNCIL  
COMMITTEE ON THE BUDGET AND GOVERNMENT OPERATIONS  
REBEKAH SCHEINFELD, COMMISSIONER  
CHICAGO DEPARTMENT OF TRANSPORTATION  
OCTOBER 26, 2018**

Good afternoon, Chairman Austin, Vice-Chairman Ervin and members of the City Council. Thank you for having CDOT here today to discuss our work to strengthen the City's neighborhoods and economic vitality.

CDOT's mission is to keep the city's surface transportation networks and public way safe for all users, environmentally sustainable, in a state of good repair and attractive. Under Mayor Emanuel's leadership, we have been working to realize the vision for Chicago to be a vibrant international city equipped with 21<sup>st</sup> Century infrastructure – a City that competes to win in the global economy.

CDOT is responsible for more than 4,600 miles of streets, 300 bridges and viaducts, 250 miles of on-street bikeways, 300,000 streetlights and 3,000 signalized intersections citywide. Each year, with the support of the City Council, CDOT invests millions of dollars in the City's infrastructure, which is critical to Chicago's economic strength and residents' quality of life.

However, transportation is not just these things we build and maintain--it is the lifeblood of Chicago—it is how people get around, and how business is conducted. And mobility is changing rapidly. That is why I am excited that Mayor Emanuel created the New Transportation and Mobility Task Force which began this week. Led by former Secretary of Transportation Ray LaHood, the Task Force will provide to the City guidance and valuable recommendations for the city to pursue in the months and years to come.

This past year we have made progress on a number of high profile projects. Among them are the following:

**Chicago Smart Lighting Project** - CDOT in partnership with the Chicago Infrastructure Trust and the Department of Innovation and Technology launched the Chicago Smart Lighting Project in 2017. CDOT has replaced 80,000 street lamps during Phase 1 of the program and is on track to complete the replacement of 270,000 of Chicago's outdated High-Pressure Sodium (HPS) lamps with modern, longer-lasting, higher quality LED fixtures over the next three years. The project is one of the largest municipal lighting modernization programs in the country. It will reduce street light electricity consumption by more than 50 percent and is projected to save \$100 million in electricity costs in the first ten years.

We appreciate the City Council's support for this project and have worked hard to keep Aldermen informed about its progress through a variety of printed materials and the project website - [chicagosmartlighting.org](http://chicagosmartlighting.org). The website includes an interactive map with updated information on the progress of installation work. We are also sending weekly updates to those Aldermen with active work in their ward, which can be shared with constituents.

**Transit Improvements** – This spring we began work for the construction of a new CTA in-fill Green Line Station at Damen and Lake Street as part of the reconstruction of Lake Street from Ashland Avenue to Damen Street. Preliminary work for columns and underground utility work for the station will be done this year and the station house construction will begin in 2019.

CDOT is also working with the CTA to improve the safety of pedestrians accessing more than 15 CTA stations around the City. The work is underway and expected to be completed next year as part of the federally-funded Walk to Transit and Arterial Resurfacing programs, with plans for work around nine more stations in future years.

We also continue to work closely with the CTA to improve bus operations across the city, which move 250 million people annually citywide and are a critical part of our transportation system. We are pleased to report that as part of the 2019 budget, the Mayor has allocated \$5 million to support his plan to create transit-oriented development on high capacity bus corridors. The investment will be targeted to eliminate bus “slow zones” at bottleneck intersections with the goal of improving bus speeds and reliability. Our initial priority corridors will be Chicago Avenue and 79th Street. We look forward to working with all the affected Aldermen as we develop and implement these improvements.

**South Lakefront Bridges** – The new pedestrian bridge at 41st St. and the reconstructed vehicle bridge at Oakwood Boulevard over Lake Shore Drive are expected to be completed by the end of this year, and CDOT expects to break ground on another pedestrian bridge at 43<sup>rd</sup> St. in coming months. A new pedestrian bridge at 35th Street opened in late 2016. This series of new bridges is part of our commitment to improve connectivity for the South Side to the Lakefront.

**Albany Park Stormwater Diversion Tunnel** – Earlier this year CDOT completed the Albany Park Stormwater Diversion Tunnel. This is a key project for eliminating the threat of flooding for Albany Park, which has suffered several major floods over the past ten years. The system transfers overflow water from the North Branch of the Chicago River through a mile-long tunnel dug under Foster Avenue and deposits the overflow into the North Shore Channel at River Park. We have already activated the tunnel four times this year, regularly protecting this community from flood risk.

**Navy Pier Flyover** – By the end of this year, we expect to substantially complete Phase 2 of the Navy Pier Flyover project, which will provide a usable segment carrying pedestrians and bike riders along the Lakefront Trail over the congested at-grade street crossings at

Illinois and Grand Streets. This will connect the two halves of the Lakefront Trail and create an uninterrupted, 18-mile ribbon along the City's lakefront. Work on the final segment crossing the Chicago River, which will also include major repairs to the bascule bridge, is expected to start by the end of 2018 and be completed by 2020.

CDOT has also broken ground on the **Riverview Bridge**, a new pedestrian/bicycle bridge on the North Branch of the Chicago River near Addison. The new bridge will connect Clark Park to California Park. It is part of the new 312 RiverRun announced by the Mayor last year, a nearly two-mile long network of parks and recreational amenities across the river that CDOT is working in partnership with the Park District. It will also include the reconstruction of the Irving Park Road Bridge with an underbridge linking California Park to Horner Park. Construction on this bridge is scheduled to start later this year and will be completed in mid-2020.

**Wells/Wentworth Corridor** - The multi-phase project led by CDOT will create a new gateway to Chinatown from the fast-growing South Loop area. Completed in 2016, Phase 1 widened the existing right of way to incorporate new sidewalks and a buffered bike path on both sides of Wentworth Ave. between 17th Street and 19th Street. It also improved access to the Ping Tom Memorial Park Fieldhouse. Phase 2 is under construction and will realign Wentworth Avenue between Archer Avenue and Cermak Road to improve pedestrian safety and traffic flow and create a new pedestrian plaza near the new Chinatown Public Library. The final phase will rebuild Wells Street between Roosevelt Road and 16th Street, connecting with Wentworth Avenue and creating a new north-south through street between Clark Street and the South Branch of the Chicago River through the new development known as "the 78."

**Neighborhood Services** - As all of you know so well, these larger projects get the headlines, but it is the day-to-day neighborhood services CDOT provides that are critical to quality of life in your wards and for your constituents. By the end of this year, CDOT will have:

- Coordinated the resurfacing of 300 miles of streets and alleys as a key part of the City's 2018 multi-agency plan to improve infrastructure in every corner of the City. This year's efforts bring the total resurfacing miles since Mayor Emanuel took office to more than 2,000 miles, almost half of Chicago's roadways.
- Issued and coordinated almost 100,000 public-way work permits, using the online e-permitting system that went live in 2015. Since we started improved coordination of public way construction permits in 2012, CDOT has saved the City close to \$140 million in infrastructure investments.
- Repaired or replaced more than 148 blocks of sidewalks.
- Installed or replaced 59 blocks of new curbs and gutters.
- Installed 7,000 ADA sidewalk ramps in coordination with other agencies and third parties ramps city-wide, bringing the total to 103,000 ADA compliant ramps across the city since 2006.
- Painted crosswalks and stop bars at more than 1,000 residential intersections, especially around parks and schools

- Installed, replaced or repaired nearly 46,000 traffic and street signs
- Installed 170 blocks of residential and arterial street lights in addition to the 80,000 new Smart Lighting Program fixtures
- Performed more than 20,000 bridge lifts on Chicago's rivers to allow sailboats and commercial vessels to travel between Lake Michigan and the river system.

Also, in 2018, several communities have benefited from the continuation of our aggressive efforts to carry out **Neighborhood Service Blitzes** that marshal resources to “flood the zone” to fix potholes, streetlights and clear refuse in specific neighborhoods targeted by CDOT and its partners DSS and DWM. Mayor Emanuel kicked off the blitz season in April. The blitzes allow city agencies to efficiently fulfill service requests from residents at one time and address issues like rodent abatement and tree trimming on a larger scale.

**Vision Zero** – Making our public way safer for all who use Chicago's roads, parks, bike paths and walkways is CDOT's top priority. Every life lost due to a traffic crash is one too many. That's why Mayor Emanuel announced the Vision Zero Chicago initiative last year with the goal of eliminating all traffic fatalities and serious injuries by 2026. Vision Zero Chicago involves the coordinated efforts of more than a dozen City departments and sister agencies working at the direction of the Mayor's Office, foremost among them CDOT, the Department of Public Health, and the Police Department. With the support of the City Council we are making real progress in our Vision Zero efforts.

CDOT released the High Crash Corridors Framework Plan in June to provide guidance for improving traffic safety on the 43 High Crash Corridors (totaling 70 miles of streets identified in the action plan). We also are wrapping up the Vision Zero West Side outreach effort and have convened a Downtown Task Force, co-chaired by Alderman Reilly, to develop specific recommendations for the downtown High Crash Area. Finally, we secured federal funding to begin work on a Vision Zero South Side outreach plan next year. We also greatly appreciate the \$4.8 million in menu projects since the initiative was announced in 2017 committed by Aldermen to support Vision Zero.

CDOT is making our streets safer for the most vulnerable users. During 2018, CDOT expects to complete 200 pedestrian safety improvement projects toward the goal of 300 projects by the end of 2019. CDOT is also expanding Chicago's bicycle network and upgrading existing bicycle facilities, including improving the Milwaukee Avenue, Elston Avenue, and Dearborn Street protected bike lanes by installing concrete curbs to better separate people biking and driving.

**Neighborhood Streetscapes** - We are also working hard to make our communities more livable and vibrant through streetscape projects in cooperation with members of the City Council in neighborhoods across the city. Among the notable Streetscape projects that we have completed this year include:

- **Devon Avenue Streetscape** – completed the entire 20 block improvement project in the West Ridge Business District.

- **Fulton Market** – completed Section 1 of Fulton Market St., creating space and amenities for an outdoor market in this historic neighborhood.
- **Broadway/Lawrence Streetscape** – created new outdoor plaza at Racine and improved access to the CTA Station.
- **Damen Avenue Streetscape** – created a new bicycle lane and pedestrian safety improvements on Damen Ave. between Monroe St. and Jackson Blvd.

### **Creating Opportunities for Contracting and Jobs**

Last year, I updated you about our ongoing efforts to create more opportunities for M/W/DBE firms and to increase local hiring. Today I'd like to provide an update on those commitments and share some recent success stories.

CDOT is creating **Target Market DUR** (Depends Upon Requirements) contracts for Professional Design Engineering and Construction Engineering Services. This opportunity is limited to certified M/WBE firms and includes a contract value of up to \$10M for each retained firm. There were 27 proposals received for the design engineering RFQ and 27 proposals were received for the construction engineering RFQ. The proposals are currently being reviewed and evaluated and we expect to make contract awards within the next few months. These Target Market contracts will provide CDOT with greater opportunities to award locally-funded professional services prime contracts to M/WBE firms.

Another success story is the **Chicago Smart Lighting Program**. The vendors for this critical infrastructure program have been meeting or exceeding the subcontracting and workforce goals:

- **Construction Services** – awarded in 2017 to a vendor team led by Ameresco, this contract includes nine M/WBE sub-contractors. The vendor is exceeding the initial project goals of 26% MBE and 6% WBE participation. The current MBE participation since the program's inception is 33.3% and the WBE participation is 6.8%.
- **Construction Management Services** – awarded in 2017 to Milhouse Engineering and Construction, Inc., an African-American owned MBE firm. The contract is valued at \$10 million over five years. I am pleased to report that the MBE participation since the program's inception is 70%.
- **Workforce** – the contractors are also exceeding workforce goals for the Smart Lighting Project. The contract requires that at least half of all labor hours for fixture installations and targeted infrastructure repairs will be performed by City residents, including 10% performed by residents of socio-economically disadvantaged areas of the city. Since the start of the program, 64% of this work has been performed by City residents and 36.2% has been performed by residents of socio-economically disadvantaged areas. The contract also requires that at least 50% of the workers conducting the condition assessment of the existing streetlight infrastructure will be graduates of Chicago Public School vocational programs, City Colleges of Chicago training programs or programs for

previously incarcerated individuals. 17 of the 21 (80%) individuals hired to conduct the condition assessment met this requirement.

Finally, we are also pleased to report that the Mayor's proposed 2019 budget includes more support for programming that provides pathways to jobs for ex-offenders. CDOT is proud to house the Greencorps Chicago program, which works with over 30 partners to recruit participants, support job readiness, and provide professional certifications; often leading to permanent jobs once training is completed. The 2019 proposed budget includes an additional \$700,000 for this program, which will allow Greencorps to train up to 25 additional individuals with barriers to employment in 2019.

We have accomplished much in 2018 in close cooperation with the City Council, and we look forward to building on this success and continuing to deliver the best possible services to the residents of Chicago next year. In partnership with aldermen and their communities, we will together ensure that Chicago's transportation network provides high-quality service to residents, businesses, and our visitors.

Thank you.

**Jamie L. Rhee  
Commissioner  
Chicago Department of Aviation**

**2019 Budget Hearing  
Chicago City Council  
Committee on Budget and Government Operations**

**October 29, 2018**

On behalf of the Chicago Department of Aviation (CDA), I would like to thank Mayor Emanuel, Chairman Austin, Vice-Chairman Ervin and the members of City Council for allowing us to present on our 2018 accomplishments and to highlight key projects ahead in 2019.

Under the leadership of Mayor Emanuel and with the support of the City Council, the CDA is charged with managing one of the world's busiest airport systems, comprised of O'Hare and Midway International Airports.

Together, Chicago made history in 2018 with the passage of an \$8.5 billion terminal expansion plan for O'Hare - a groundbreaking component of the Mayor's O'Hare 21 vision that will keep the airport at the forefront of aviation and competitive in today's fast-growing commercial aviation industry.

This budget reflects our plans for supporting Chicago's airports in remaining competitive for the future, while also sustaining the airport system as a major economic engine for the City of Chicago's residents and business community. Importantly, our budget is also essential to the delivery of programs which provide safe and efficient operations for more than 100 million passengers each year.

The proposed 2019 operating budgets for O'Hare and Midway International Airports are \$1.328 billion and \$316.3 million, respectively. The CDA independently manages both O'Hare and Midway International Airports as Enterprise Funds, segregated and separate from all other City funds – no local or state tax dollars are part of our budget. All major capital improvement projects at Chicago's airports are also financed without the use of city and/or state tax revenues. Funding for these projects comes from airline-backed bonds, Passenger Facility Charges (PFCs), Customer Facility Charges (CFCs) and Federal Airport Improvement Program (AIP) funds.

Paving the way for these improvements, the new Airline Use and Lease Agreement (AULA) crafted for O'Hare by the City and its airline partners, and approved by the City Council, sets the course for O'Hare's future. Not only will the agreement facilitate continued growth by all airline partners at O'Hare, and greater competition to benefit passengers, it also includes a 15-Year O'Hare Capital Improvement Plan (CIP) to establish a plan for making continuous investments to ensure infrastructure remains safe and efficient over time. We want to thank the City Council as well as our airlines for their vision, and for taking initiative to secure these crucial programs.

We have also continued progress on Midway's own \$400 million Midway Modernization Program—the biggest capital program in nearly two decades—with improvements to security processing, an expanded concessions program, and terminal parking in progress today. The full complement of improvements is on target for 2020 completion.

Combined, these projects will ensure Chicago remains a top global hub and an attractive destination for travelers as the industry grows and air travel demands continue to rise.

Chicago is fortunate to be home to one of the most connected airport systems in the world, supported by a significant hub presence from three of the nation's largest airlines – United, American and Southwest – as well as an expansive lineup of foreign-flag carriers.

Thanks to our carrier partners, who have continued to invest in growing their presence in Chicago, total passenger traffic at O'Hare and Midway reached a new record of 102.3 million last year, and we are on track this year to surpass the 2017 total.

2018 has been a record year for air service growth for Chicago's airports—with nearly 50 new international and domestic U.S. services added, providing more travel options between Chicago and destinations throughout the globe than ever before.

Highlights of this year's new air services include important new routes to never-before-served regions of the world such as direct service to Ethiopia, the first flight from Chicago to Africa; as well as new nonstop service to New Zealand set to start later this year. In the summer of 2018, O'Hare also welcomed the first-ever scheduled passenger A380 service to Chicago, a daily, summer seasonal service to London-Heathrow by British Airways. By the end of 2018, with these new services, Chicago will become the only U.S. city, and one of only five airports globally, to have nonstop passenger air service to all six major inhabited regions of the world (Africa, Asia, Europe, North America, Oceania, South America)

The new air services commenced in 2018 are not only increasing Chicago's global and domestic connectivity, but they are essential to the economic health of the Chicago metropolitan area as well. It is estimated that each new daily international widebody service has an economic impact of approximately \$200 million for the region each year.

O'Hare's new air service growth in 2018 also contributed to the recognition, just last month, of O'Hare as the best-connected airport in the nation for domestic services, according to OAG, a leading air travel intelligence company. Not only has O'Hare been named the best-connected airport for domestic U.S. services for the third year in a row, but it has risen in the international connectivity rankings, too: second only to London–Heathrow. Looking ahead, the CDA will continue to aggressively market Chicago and its airports to expand nonstop air service options to presently underserved areas of the world while enhancing Chicago's reputation as a globally connected city.

O'Hare is well positioned for future growth, thanks to the continued investments made by the City of Chicago in the O'Hare Northeast Cargo Center. The nearly \$220 million cargo development, funded at no cost to Chicago taxpayers, has been a tremendous success in developing capacity to serve the growing demands for moving air cargo internationally through Chicago. The development has supported approximately 1,900 permanent jobs to date – which is 50 percent more jobs than were originally projected for the project. With a third phase anticipated for 2020, O'Hare's burgeoning cargo campus will continue to add new cargo jobs as well as revenues at O'Hare to benefit the city.

There is no question that O'Hare and Midway provide significant tax revenue to the City's operating funds. Chicago's airports are projected to generate \$180.9 million in tax revenue to the City in 2018, compared with \$164.4 million in 2017. Because Chicago is fortunate to have two major transit lines connecting our airports to the neighborhoods, O'Hare and Midway are supported by a talented workforce of more than 47,000 employees throughout the City and the region. With active capital programs at either airport, the size of this workforce is expected to grow considerably over the next decade. And we must do more to ensure we are recruiting a diverse workforce.

Beyond the increased connectivity for both travelers and residents, investments at O'Hare will fuel growth in jobs, tourism, and trade for the City of Chicago and its residents at a pace like never before. The O'Hare 21 program is expected to yield tens of thousands of new construction and construction-related jobs over the next eight years, and one of the biggest public works projects of our time. The Midway Modernization Program has already hired more than 2,500 residents for construction work; and over 1,000 residents to support a modern new concessions program—keeping steady pace toward our goal of 1,700 permanent jobs created by this program.

In 2018, overall payments to Minority (MBE), Women-Owned (WBE), Disadvantaged (DBE), and Small Business Enterprise (SBE) enterprises for O'Hare and Midway were \$246.3 million, or 31 percent of all contract payments. This is an increase of \$8.0 million over last year.

Going forward, we recognize the enormous responsibility our department has in administering O'Hare's unprecedented \$8.5 billion program in a way that brings more economic vitality to all of our city's neighborhoods. The CDA is working with the Departments of Law and Procurement (DPS) to develop a comprehensive economic inclusion plan that will feature more local and community hiring requirements and incentives for our contractors, and that will drive higher utilization of services provided by small-, minority-, women-, Veteran- and people with disability-owned businesses from across our 77 community areas throughout O'Hare's upcoming projects.

To ensure our upcoming programs create more wealth for more of Chicago, we have already gotten to work on new initiatives that will advance opportunities for residents and businesses of all sizes and types.

Under my leadership, the CDA will ensure that contracting opportunities across O'Hare and Midway always ensure the maximum in diversity and inclusion. We are identifying these opportunities according to programs and policies created under the leadership of Mayor Emanuel and the Chicago City Council—including the Small Business and Mid-Size Business Initiatives which deliver packages that are of right size and scope for small and diverse firms and subcontractors. More than half of the projects that we are bidding to general contractors will be packaged and offered exclusively to small and mid-size companies. The value of these contracts for small and mid-size firms is over \$124 million. And this is only the start of our capacity building.

Over the next decade, our projects will require all hands-on deck, and we will work with our city agency partner to get every firm in town involved in helping us move our O'Hare

program forward. To help more firms become certified for construction and airport work, the CDA will partner with the Department of Procurement Services (DPS) to identify areas and trades where participation will be needed and then to hold workshops to engage the community in those needs. We'll rely on the Department of Business Affairs and Consumer Protection (BACP) and their small business center to then assist us in getting businesses licensed so that they can get to work.

We'll establish capacity building opportunities to help our small and local firms grow their businesses through valuable experience earned on one of the largest terminal expansion projects in the nation. This includes workforce development requirements of our CM At-Risks to unbundle work to maximize job opportunities. We will also require the CM at-Risks to include bid incentives in their trade packages as they are issued throughout the course of each contract.

Working with our partners from the unions, we will focus on workforce inclusion, requiring and coordinating new pre-apprentice and apprentice opportunities for job seekers on every project.

We will make these investments in workforce development to not only support the needs of our capital program, but to build up a permanent path to our airports by demonstrating career opportunities to more residents, from every corner of the city, and every city block.

We are getting started on these efforts now so that we can hit the ground running next year, and every year going forward throughout our multi-year programs.

Working in close collaboration with the City Council, the Department of Procurement Services (DPS), and all our city and assist agencies, we will take additional measures to ensure that more local firms and more of our city's residents and youth are engaged in O'Hare's expansion every step of the way, and that diversity can be achieved at the highest level.

We will collaborate with the City's education institutions—the City Colleges of Chicago (CCC) and Chicago Public Schools (CPS)—to grow the diversity of our workforce by involving more of the City's youth in internship and career training opportunities at O'Hare and Midway. Through proven models such as CPS' Chicago Builds Program, and the CCC College to Careers initiatives, we'll introduce programs to help more youth to cultivate real-world construction and transferrable skills by working on our airport programs. We'll do it with a goal in mind of helping more youth to consider a broad range of jobs in our field—whether it's as the next construction manager, mechanical engineer, pilot or airport executive.

2018 was a successful year for community outreach—with the department engaging in over 50 community outreach events, including five citywide career fairs which drew in 1,300 residents from every ward in the city. In 2019, we will host more career fairs throughout the neighborhoods to help every interested resident gain access to opportunities powered by the airports.

I firmly believe that Chicago works best when all governmental partners come together to combine access to resources on behalf of residents. That's why, in 2019, we will double down on

our outreach efforts by planning a series of community outreach events alongside our partners at city and sister agencies. This outreach will extend beyond just career fairs, including more vendor fairs, training, certification workshops and pre-bid conferences that will help more of our city's residents and businesses to stay apprised of our procurement and hiring opportunities every step of the way and as they come online. In addition, we will have a continued presence at the annual construction summits and Government Procurement Compliance Forum, as well as at several annual vendor fairs throughout the city.

In fact, on December 19th, the CDA is partnering with DPS, BACP, the Chicago-Cook Workforce Partnership (CCWP), and assist agencies to host a citywide outreach fair. This event will engage job seekers and businesses from around the city in an opportunity to meet with airport contractors, concessions, and City of Chicago departments alike under one roof for information on our programs, updates on bid opportunities, and steps residents can take to get involved in our programs.

Through frequent and targeted outreach planned by the CDA, we are aiming to help more of our city's residents and businesses to bid for and attain opportunities created by our airports' success. We will conduct many more community events in the years ahead, because we know that continued engagement with the community is equally essential to achieving our goals of transparency and inclusion as it is to the future success of our airports going forward.

We'll keep ourselves accountable throughout this process, by tracking our fulfillment of hiring goals set forth by the City Council Diversity Working Group committees, as well as those participation goals established by City Council ordinance.

With all of this said—we recognize that CDA has a major responsibility in administering these programs; and that to sustain our goals for the program, this requires strong leadership and the embodiment of integrity at our most central level.

To facilitate our commitment to an open and inclusive workforce throughout our airport programs, we are investing in training designed to support all of our employees in an equal opportunity to succeed, and advance, at the airports. This includes training for CDA staff, as well as contractors, to ensure every member of the airport teams conveys our values of embracing diversity in ideas as well as backgrounds to help solve our challenges and move our airports forward. We're committed to ongoing training to help every single one of our talented team members receive the support and the positive work environment they need to succeed in our core mission: delivering a positive experience and world class customer service for every single one of our passengers served each year.

We have already seen progress in 2018 with the help of skilled talent throughout the City and region working on our projects, the CDA has made substantial progress on multiple modernization and infrastructure projects at O'Hare and Midway.

At O'Hare, progress continued on projects in support of both the O'Hare 21 and O'Hare Modernization Program (OMP).

Work continued at O'Hare on Runway 9C/27C and other projects to finalize the O'Hare Modernization. Runway 9C/27C is scheduled to be commissioned in 2020 and creates more than 4,900 jobs during construction. Additionally, the CDA, working with our airline partners, has secured final approval on the extension of 9R/27L, the last major runway to be completed under the OMP. When OMP is completed, O'Hare will have the most modern and efficient airfield in the country.

O'Hare 21 is also underway, with work on a variety of projects including the new Multimodal Facility, the Terminal 5 Concourse M Extension, and the Centralized Deicing Facility. The first major gate expansion in 25 years, the Terminal 3 Concourse L extension built with our partners at American Airlines, was commissioned earlier this year.

At Midway, the CDA continued construction on the Midway Modernization Program, designed to enhance and expand key passenger amenities. The Midway Modernization Program includes a significant expansion and modernization of the following key passenger amenities: concession facilities, terminal parking garage, and the security checkpoint. Construction activities on all of these projects progressed in 2018—with the garage and the checkpoint expansion projects expected to be completed by winter 2019; and the concessions renovation set to be completed in summer 2020.

The concessions program at Midway made major headway in 2018, with the opening of a new state-of-the-art dining hall on Concourse A in July. The 15,000-square foot dining space brought forward several new local restaurants at Midway, supporting a stronger Airport Disadvantaged Business Enterprise Program (ACDBE) participation rate. At 46 percent ACDBE, Midway's concessions program not only exceeds the goals set forth in the agreement but boasts one of the highest ACDBE participation rates when compared to other major hubs nationwide. One year into the project, concessions employment at Midway has also increased by 60 percent over the previous program, with nearly 1,000 residents already hired into permanent roles.

Throughout our developments, the top priority of the CDA will always be safety and security for passengers and employees at O'Hare and Midway. The CDA maintains a multilayered approach to safety and security, which involves close partnership by our own dedicated Aviation Security Officers (ASOs) working in tandem with the Chicago Police Department, the Chicago Fire Department, and a number of Federal agencies to achieve compliance with Federal Aviation Administration (FAA) and Transportation Security Administration (TSA) requirements.

This year's budget again ensures that all of the CDA's committed safety and security personnel have the ongoing training, expertise, resources, and technology needed to fulfill our critical mission of protecting the safety and security of every passenger and every aspect of our operations. This includes the development of a first-of-its-kind Integrated Airport Operations Center (AOC) to be unveiled at O'Hare next year. The AOC will align operations to enhance incident management and reporting by aligning all airport partners under one roof. This initiative follows on the CDA's commitment to enhancing emergency preparedness with new and emerging technologies as the airports continue to grow and modernize.

Under the Mayor's leadership, the CDA has and will continue to make investments to ensure our airports provide the absolute best and most efficient experience for the passengers we serve, as well as opportunities for the residents right here at home. We will take concerted efforts to ensure everyone in the city who wants an opportunity has one, as we embark on transformative programs to change the future of our airports, as well as deepen their impact on our local economy.

In 2019 and in the years ahead, the CDA is committed to working with every member of the City Council to achieve programs and policies that will serve in the best interest of our airports, and foster greater opportunities for the City of Chicago and its future.

Respectfully Submitted,

Jamie L. Rhee  
Commissioner  
Chicago Department of Aviation

**Department of Water Management  
2018 Budget Hearing  
Remarks of Randy Conner, Commissioner  
October, 2018**

Good morning Chairman Austin, members of the Committee on Budget and Government Operations and members of the City Council. I am pleased to appear before you today to present and discuss the 2019 budget proposal for the Department of Water Management (DWM).

The mission of the 2,000 men and women of the Department of Water Management is to deliver high quality drinking water in the most environmentally and fiscally responsible manner possible and to efficiently manage waste and storm water. Through our operations at the Jardine and Sawyer Water Purification Plants –two of the largest conventional treatment plants in the world – DWM purifies on average about 750 million gallons of water a day. We operate 12 pumping stations that distribute water through more than 4,300 miles of water mains. On the sewer side, the department is responsible for the transmission of wastewater through more than 4,400 miles of sewer mains to the Metropolitan Water Reclamation District.

We provide purified water to more than 2.7 million customers in Chicago and about 2.7 million customers in 125 surrounding suburbs. On a daily basis, approximately 5.4 million customers, or 42 percent of the Illinois population, depend on us for their drinking water.

One year ago, I sat before you for the first time as the Commissioner of Water Management. When I was given the reins of the department in June of last year, Mayor Emanuel set some very high goals for me. I am very proud to tell you that we have made substantial progress on all fronts.

The Mayor charged me with identifying and implementing efficiencies designed to deliver better service and save money. I created a Division of Performance Management to develop, review and revise policies, procedures and directives to improve the level of service provided by our department. Over the last year, we have catalogued procedures for winter operations, plumbing inspections, emergency dispatch procedures, inventory control and badging. We established an overtime management process to streamline requirements and allow for efficient reporting and tracking for our employees.

I created and filled a Deputy Commissioner of Finance position, bringing expertise and insight into our financial management; including working with OBM, Finance and Procurement and to oversee our capital budget.

Under the guidance of my construction and engineering team, we have continued to meet the Mayor's goals for his incredibly ambitious 10-year Building A New Chicago capital plan, which is now more than halfway complete. We have been in all your wards this year as we push towards the 2021 finish line that will include replacing 880 miles of water mains, rehabilitating 699 miles of sewer mains, lining 95,000 sewer structures to extend their useful life and converting three pumping stations from steam to electric power.

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I'm happy to announce that for 2018, we are on track to replace 22 miles of sewer mains, line 42 miles of sewers and 5,000 sewer structures. Additionally, we are on track to install 90 miles of new water mains, building stronger, more efficient water and sewer systems for generations to come.

In 2019, we aim to hit these targets again.

We will also begin the conversion of the Central Park Pumping Station from steam to electric power. Estimated for completion in 2022, this conversion will save approximately \$4.5 million dollars annually through a greener, more efficient power source.

At the end of the Building A New Chicago plan, we will have invested a total of \$6 billion upgrading and maintaining our facilities and infrastructure while maintaining one of the lowest service rates in the country.

In order to accomplish these lofty goals, we have developed an aggressive training program focused on safety. We meet monthly with other City departments, the labor unions and utility providers to create efficiencies through coordinated trainings. We offer training and mandatory refreshers to our employees on hazard recognition for the operation of heavy equipment, OSHA competent person protocols in trenching, shoring, excavation and personal protection equipment.

We know that this training is working. Utility hits during construction are down 18%. Coupled with more rigorous safety policies and procedures, increased unscheduled inspections and aggressive return to work procedures, we have seen Worker's Compensation claims drop 46% over the last year. This translates into a savings of almost \$3.7 million dollars.

Another challenge that the Mayor has put before us is to leverage innovation to maintain our reputation as a water industry leader. Through a unique partnership between the area's universities, the Metropolitan Water Reclamation District and the nonprofit CURRENT, we are identifying and piloting promising new technologies. Committed to keeping our department at the forefront of new technology, we search the world for the best new tools and are currently piloting an Israeli technology designed to improve cybersecurity and predict operations anomalies.

In perhaps the most challenging task of all, Mayor Emanuel charged me with developing an inclusive, welcoming environment at the Department of Water Management. I've been very clear from the beginning that I will not tolerate racism, sexism, or homophobia. From my appointment in June of 2017 and continuing this year, we have conducted EEO training for everyone at Water Management - including departmental managers and supervisors. I've made this training mandatory on an annual basis and we are on track to once again train all DWM employees by the end of this month.

I'm also working to improve outreach to employees. We have started an employee newsletter, developed a DWM social media presence and DWM senior staff conducts site visits on a weekly basis. To build camaraderie both inside and outside the department, this year I reinstated a department-wide picnic at Jardine to view the Air and Water Show and invited employees to

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participate in the Bud Billiken Parade. Going forward, I will continue to identify opportunities to have our employees engage in community activities.

Cultural change takes time, but I am putting the pieces in place to build a stronger sense of community.

We are in every ward, hard at work implementing the Building A New Chicago plan and providing exemplary customer service to your wards and constituents.

In the areas of catch basin and outlet repairs, our 2018 response rate decreased by an impressive 20 days each. Sewer repair requests decreased 10 days in duration and water main break repairs have decreased by four days. Due to the Building A New Chicago program and our dedicated men and women out in the field, we have successfully created an increasingly more efficient water and sewer system

Water has become big news across the globe. We are seeing our climate change with more 50- and 100-year storms that tax our systems and create new challenges in storm water management. To address this problem here in Chicago, we have prioritized conservation, including permeable construction materials and ground water detention techniques in our projects. Through the Space to Grow program, we are partnering with the Chicago Public Schools to create bioswales, rain gardens and outdoor classrooms at elementary schools across the city. These projects keep hundreds of thousands of gallons of rainwater out of the storm water system and cultivate an interest in conservation in the next generation of citizens.

Through another stakeholder partnership with the Center for Neighborhood Technology and the Metropolitan Water Reclamation District, we are scheduled to launch a pilot program in the chronically water-logged Chatham neighborhood to evaluate potential runoff reduction and flood prevention strategies. The pilot will involve 40 single-family homes located in this neighborhood.

The pilot program will include the installation of a combination of two systems at the sewer lateral outside of the houses to minimize flooding. Green infrastructure elements such as surface storage, subsurface storage (trenches, wells, and underground cisterns), rain gardens and bioswales will also be incorporated.

We are committed to providing the highest level of professional service to our customers and building a strong water infrastructure to meet Chicago's needs now and for future generations. I pledge to continue to work with all of you as we look at each ward's service needs and to make the improvements necessary to maintain our quality of life.

Thank you.

Commissioner Brian Bannon, Chicago Public Library  
2019 Budget Testimony to the City Council

Good Morning Madam Chair, Vice Chairman Ervin and honorable members of the City Council. I would like to begin by thanking you and Mayor Emanuel for your leadership and support in making Chicago Public Library (CPL) a world class leader in designing and delivering innovative, responsive library services.

Chicago Public Library is the largest and most visited cultural institution in Chicago. Our soon-to-be 81 locations serve as community anchors throughout the city, providing the free library services, information resources, engaging cultural and educational programs, technologies and tools that Chicagoans need to reach their goals and to support Chicago as a competitive force in the global marketplace.

Since 2011, CPL has gone through a 21st century transformation that includes new investments in capital, people and programs. CPL has championed efforts to revitalize its programs and services. This includes an investment of more than \$275M in new capital improvements through philanthropic giving and city funding to support the operational resources to scale new services for children, teens and adults.

By 2019, CPL will have built 12 new library branches and will have updated, expanded or renovated another 18 existing library branches, including a new West Side Regional Library. CPL has, and continues to increase investments in new technology, programs and services at branches throughout the city.

In recent years, Chicago Public Library has been designing new and improved programs that support Chicagoan's evolving information needs over the course of their life. This has led to significant increases in program participation and has resulted in families who are better equipped to support their child's health development, improved learning and postsecondary outcomes for youth, new skills and jobs for adult learners, and stronger communities.

The Library means something different to everyone but has still made demonstrable impact throughout all Chicago communities – increasing literacy, bridging the digital divide, and delivering a sense of excitement and wonder to each generation. With the goodwill and support from patrons across the city, the City of Chicago and private support through the Chicago Public Library Foundation – as well as growing national and international recognition - CPL is well-positioned to expand its offerings to support Chicagoans to excel in the knowledge economy.

We circulate over 10 million items per year and provide state of the art digital content for download and streaming. Chicago Public Library also:

- Is the biggest provider of free digital access in the city;
- Is the largest provider of preschool literacy programs in the city;

- Provides 24/7 access to library services through the CPL website and apps for android and Apple devices where patrons can read eBooks and magazines and listen to audiobooks; get homework assistance; learn new languages and stream movies, TV and music;
- Offers the largest, most comprehensive free after-school homework help program in the country, with both in-person and online options; and
- Provides one-on-one support and digital tools aimed at helping people improve computer skills, as well as prepare for the workforce and apply for jobs.

**The following is an overview of the Library's 2018 operations:**

- Over 110,000 kids read more than 108 million minutes over the summer through Rahm's Readers Summer Learning Challenge.
- During the 2017-2018 academic year, CPL delivered over 118,000 Homework Help sessions with certified teachers, including in-person help, live online assistance, Test Prep sessions, and writing lab submissions.
- More than 8,500 teens participated in YOUmedia workshops through August 2018.
- During the first nine months of 2018, nearly 6.4 million patrons visited a Chicago Public Library location to use computers, seek reference assistance, check out materials, attend an author program, take part in a children's program, attend a workshop, view an exhibit, or simply find a quiet place to read or study.
- The Library's website received over 35.6 million page views and over 8.2 million visits through September 2017. The website offers patrons 24/7 access to an extensive list of subscription databases and resources, resource and reading recommendations for all ages prepared by CPL librarians and a catalog of online account services.
- During the first three-quarters of 2018, CPL circulated more than 7.9 million items, including books, magazines, and DVDs.
- As is the case across the country, the public library is the only access to computers and online information for many residents. Chicago Public Library has provided well over one million people free access to the computers in library in just the first eight months of this year.
- There are more than one million active library card holders in the city. That's equal to one-third of all Chicago households.

## Branching Out: Building Libraries, Building Communities in 2018

- The Library continues to invest in Chicago neighborhoods. CPL announced, broke ground or cut ribbons on multiple modernization and infrastructure projects at sixteen neighborhood branches. All new libraries include Early Learning Play Spaces, YOUmedia for teens, technology, and additional meeting and study space.
- A new 16,000 square foot **Independence Branch**, co-located with 44 senior housing units in a new planned development at 4022 N. Elston, will open in December. This will be the first CPL branch to open in partnership with the Chicago Housing Authority under the **community benefits agreement** to build public libraries and affordable housing together, designed by world-class architects.
- Thanks to the partnership with Sterling Bay, a new 17,000 square foot 21st Century library branch will open in the **West Loop** by the end of the year to serve one of the fastest growing neighborhoods in Chicago. This will be **CPL's 81<sup>st</sup> location**.
- The **Whitney Young Branch** in Chatham will reopen after a complete renovation to the existing 10,210 square foot, one-story building, as well as a new 4,172 square foot addition. This project will have a new programmatic elements linked to the Chatham economic development and jobs, in collaboration with the Chicago Cook Workforce Partnership.
- CPL reopened both the north and south regional libraries this year after significant renovations and announced that, for the first time since the 1970s, CPL will open a new West Side Regional Library.
  - South Regional: The \$8.9 million **Woodson** project, which was funded through a state construction grant and managed by Fleet & Facilities Management, included an entire removal and replacement of the exterior shell of the building.
  - North Regional: The \$7.5 million **Sulzer** renovation project, also managed by 2FM, was funded through the Western Avenue North TIF.
  - West Side Regional: Pending funding from a public art sale, the **Legler** branch library will begin offering 7 day services in 2019 and begin planning with the PBC for a major renovation that will provide library patrons with expanded access to computers and technology, larger collections, maker activities, enhanced spaces and additional early learning and teen programming including a sound studio, and the first ever studio for artists.
- CPL and the Obama Foundation announced via joint letter of agreement with the Obama Foundation that a new public library branch will be located in the future **Obama Presidential Center**. This branch will serve as CPL's 82<sup>nd</sup> library and neighborhood anchor and the first in the nation to be housed within a presidential center.

- CPL has worked with the Department of Fleet & Facilities Management on significant neighborhood **branch renovations and programmatic investments** at multiple locations, including the Chicago Bee Branch (\$2.32 million) in Bronzeville, the Kelly Branch (\$1.95 million), and the Austin Branch (\$1.5 million).

**Below are some of the exciting programmatic initiatives and accomplishments from this year:**

- Participation went up again for CPL's **Homework Help Program**, which continues to be the largest, most comprehensive free program of its kind in the nation. The more than 118,000 sessions with certified teachers represents a 90 percent increase over five years, since the program was expanded to branch locations citywide and online tutoring through Brainfuse. A recent Chapin Hall analysis also indicates that CPL is reaching students who are most in need of academic support.
- Participation and engagement in the award-winning **Rahm's Readers Summer Learning Challenge** were both at an all-time high, with more than 110,000 children - representing an approximately 83% increase over 6 years - reading a total of 108 million minutes this summer. CPL remains the only public library system in the nation to receive an award from the National Summer Learning Association for excellence in summer learning, and solidifying CPL's national leadership in summer learning at public libraries. The CPL team and partners at the Museum of Science & Industry released the bestselling book *Summer Matters: Making All Learning Count*.
- CPL's STEAM Team became the first library in the nation to systemically offer early literacy programming in laundromats with **Laundromat Story Hours**, in partnership with Libraries Without Borders and the Too Small to Fail Foundation.
- CPL launched a **Social Worker in the Library** pilot in partnership with AMITA Health to provide licensed social workers in branch libraries, offering an invaluable service to library patrons with case management and referrals to health care and social services.
- CPL's **CyberNavigator** program once again served as a reliable resource for Chicago job-seekers. CPL CyberNavigators in neighborhood branches throughout the city have helped at least **1,000 people find new jobs** in each of the past two years – and that's just those who self-reported.
- Partnered with the Chicago Park District to digitize and make publicly available more than 61,000 photographs from the 19th century to 21st century. This photography collection documents the social and cultural importance of Chicago's park system.

- CPL renewed our commitment to our digital collections, launching a redesigned **digital collections website** to make it easier for our patrons to find thousands of images, documents and artifacts from CPL’s special collections. The updated site is now easy to use on devices of all sizes, including tablets and phones.
- We also added two new digital collections to the site in 2018:
  - **Chicago Park District Records:** Photographs: 10,000 photographs from the Chicago Park District document how the city’s parks have grown, changed and been enjoyed for more than a century. Archival collection housed in Special Collections at Harold Washington Library Center.
  - **Philip David Sang Collection:** Published and unpublished materials chronicle the struggle of Africans and African Americans through the Middle Passage to the civil rights movement. Archival collection housed in Vivian G. Harsh Research Collection at Woodson Regional Library.
- CPL’s Special Collections Division received and cataloged the **Charlie Trotter Archives**. The collection was processed and is now open to the public, along with an exhibit at Harold Washington Library through the beginning of 2019. This collection includes photographs, menus, handwritten recipes and drawings by Charlie Trotter as well as artifacts, such as plates from the restaurant. It demonstrates the development of one of Chicago’s major fine dining restaurants and the charitable events, mentoring and educational outreach programs to students and young chefs.
- CPL created an expanded new Exhibits Unit, focused on a robust series of exhibits at the Harold Washington Library, as well as support for branch exhibitions. This has resulted in a 230% increase in exhibitions to-date this year.
- From designing, installing and hosting the first ever “African American LitFest” in February to partnering with non-profit organizations and agencies, to Consulate Generals of Japan, Mexico and Lithuania, exhibitions coordinated through the Exhibits Unit have been a true reflection of the literary and cultural diversity of Chicago’s citizenry and library patrons.
- CPL launched the City’s latest partnership with the Greater Chicago Food Depository at the Douglass Branch – the **Healthy Student Market** program. The Food Depository supplies semi-monthly distributions of fresh produce and nutritious groceries for families with children enrolled in city-supported Head Start programming in North Lawndale. This pilot initiative is part of the recently launched *Forward Together: A Roadmap to Reduce Food Insecurity across the City of Chicago* between the City and the Food Depository.

- The Library partnered with the Illinois Writing Project on **Write Across Chicago**, an initiative to encourage writing through workshops, write-ins and programming at CPL libraries, culminating in Grand Celebration at the Harold Washington Library.
- CPL partnered with Chicago Innovation to co-host the annual **Chicago Innovation Summit**, engaging hundreds of Chicagoans and providing the first free, public program and expo.
- CPL's **One Book, One Chicago** selection *I'll Take You There: Mavis Staples, the Staple Singers, and the Music That Shaped the Civil Rights Era* by Greg Kot, engaged nearly 56,000 Chicagoans on the topic of *Music: The Beat of Our City* through over 140 programs, events, including walking tours, art exhibits, discussions, music performances and more, to bring people, businesses and civic agencies together to engage with the book and theme during the 2017-2018 season.
- Chicago Public Library was the largest convener of **"On The Table" discussions** hosted at library branches citywide in partnership with Chicago Community Trust.
- CPL's **Authors in the Library Series**, the Library presents high profile authors and other civil and cultural events on the mainstage at the Harold Washington Library Center. CPL recently hosted Supreme Court Justice Sonia Sotomayor for a discussion of her children's book with 700 people from around Chicago.

**CPL will continue to offer the following initiatives and programs in 2019:**

- CPL continues to offer the largest, most comprehensive free **homework help program** in the country. In-person Teacher in the Library assistance is available at CPL branches throughout the city, as well as online homework help seven days per week in both English and Spanish.
- CPL has begun a series of **parent engagement workshops** to encourage parents and caregivers to learn more about issues that pertain to raising their children, such as parent workshops on Early Math skills, the importance of Play and more.
- The Library's traveling **STEAM team** continues to conduct STEAM-based story times to pre-school aged children throughout Chicago. Introducing these skills at a young age will make children more successful and school-ready.
- CPL continues to participate in the **2018 Art Design Chicago** initiative through a program grant awarded to the Chicago Public Library Foundation from the Terra Foundation for YOUmedia teen programming to explore Chicago connections to the practice of

printmaking. Teens have created original work and mounted an exhibition that is traveling to various CPL branches.

- The **2018-2019 One Book, One Chicago** selection is *Do Androids Dream of Electric Sheep?*, by Philip K. Dick. CPL will offer a variety of events and programs, including art exhibits, discussions, performances and more, to bring people, businesses and civic agencies together to engage with the book and theme – *Imagine the Future*. The program runs through April 2019.
- Library branches continue to **serve as community centers**, offering free meeting spaces to neighborhood groups, serving as early voting locations and providing workshops on topics like financial management, legal issues, energy efficiency and computer literacy.
- CPL's **Maker Lab**, the award-winning advanced manufacturing lab, will continue to bring together people of all ages to explore their creative interests and strengthen Chicago's economic competitiveness and expand to Whitney Young and Legler.
- CPL will continue to offer the award-winning **Learning Circles** program, and will continue to expand digital skills through the CPL-created online tool, **Chicago DigitalLearn**, and will develop new content modules to support basic technology skills.
- **CyberNavigators** will continue to guide Chicagoans through the digital world and assist with online job search, communication and workforce readiness.
- Patrons across the city will continue to have access to CPL's **Digital Collections 24/7**. Stream movies, music and download ebooks, audiobooks and digital magazines. Learn a new language with Mango Languages, explore Chicago's history through our digital archives, or listen to interviews with African Americans who have made significant contributions in American life or culture through HistoryMakers – all for free with your CPL card.

**Below are some of the exciting new projects and initiatives for 2019:**

- The Library will continue to **invest in Chicago's neighborhoods** with new capital projects. By 2019, over \$275 million will have been invested in people, programs, technology and spaces throughout the city since 2011, representing one of the largest periods of investment in CPL's history. The Library is increasingly seen as an essential community anchor in all Chicago neighborhoods. All new libraries will include Early Learning Play Spaces, YOUmedia for teens, technology, and additional meeting and study space.

- The following branch projects will open in 2019 as the community benefits collaboration continues with the Chicago Housing Authority to combine public libraries, public housing, and strong civic architecture.
  - A new 16,000 square foot **Little Italy Branch** co-located with 73 multi-family housing units at 1328 W. Taylor Street
  - A new 16,000 square foot **Northtown Branch** will be co-located with 44 units of senior housing in a new planned development at 6800 N. Western.
  - A new stand-alone **Altgeld Branch** will be built on a shared campus with a childcare center within the Altgeld Gardens public housing campus.
  
- The Legler Branch Library will be converted into a west side Regional Library in 2019, providing the west side with a regional hub for the first time since the 1970s. By turning Legler into a regional library, we are ensuring expanded services, enhanced spaces, increased accessibility and resources for the entire West Side community. **Legler Regional Library** will be a cultural and educational destination for children, youth, families and adults living in all communities on the west side. Interior and exterior improvements will include the addition of multiple community and study spaces, an increase in collections, and transformative early learning and YOUmedia spaces. It will also include the first-ever art studio at CPL and Maker Space for adults.
  
- CPL will complete several significant rehabilitation and modernization projects in 2019, including a completely gut rehabbed **Merlo Branch Library**, as well as completing major rehab projects at the **Douglass, South Shore and Jefferson Park Branch Libraries**.
  
- CPL and the Obama Foundation will complete the design of the new state-of-the-art public library branch, which will serve as Chicago Public Library's 82<sup>nd</sup> branch and will be located in the future **Obama Presidential Center**.
  
- The Library will launch a new **Workforce Essentials** program to connect adult job-seekers with the basic training, and resources needed to find jobs, as well as offering small business resources.
  
- Create and staff 15 additional **early learning play spaces** at Libraries across the City, bringing the total to 40 in 2019. Librarians and partners in these library-based early learning centers will provide research based programs and services to support brain, language and social development, increasing high quality early learning experiences for Chicago's children while engaging and supporting families as their child's first teacher.
  
- The nationally recognized **YOUmedia** program, which builds on young people's interest in technology and creating by connecting teens with skilled mentors to engage them in active learning in a teens-only space, will expand to **11 additional** branches. This expansion brings the total to 23 free digital media labs around the city, creating links

between students' academic studies, their personal passions, and opportunities to engage with peers who support and share their interests.

- **Ready, Set, Learn:** A new strategy for birth-age 8 will focus on early literacy skills for pre and emerging readers, which will align our early childhood offerings to the Center for Childhood Creativity's School Readiness Checklist. This will include programming and services such as expanded music and movement programs and 'mini-makers' programs that are being prototyped in Thomas Hughes Children's Library in 2018.
- CPL will unveil a new **Information Literacy Campaign** focusing on a new strategy to help teach the skills and knowledge to employ an effective use of information retrieval for children K-8. This work is being done in conjunction with the University of Wisconsin-Madison iSchool.

### Looking Ahead

Libraries are in a renaissance. The Library means something different to everyone and Chicago Public Library continues to provide world class services to every citizen of Chicago. From CPL's youngest patrons enjoying Early Learning spaces to adult learners utilizing Workforce Development services, the Library is working to increase reach and impact.

Our library spaces and the skilled librarians on staff help children build early learning skills, enrich their understanding of science, technology, engineering, art and math, and discover the world around them. Teens are introduced to new interests, educational and career opportunities through mentor-led programs. We help Chicagoans compete in our workforce, guiding them with tools and support to learn basic digital skills and apply for jobs. We create collaborative spaces in which community members come together to share, to make and to create. Adults keep their love of learning, doing and reading alive through the diverse programs offered by the library.

Thanks to the support of Mayor Emanuel, the members of the City Council, the Chicago Public Library Board and the Chicago Public Library Foundation, Chicago Public Library is a national and international leader in libraries and learning. We will continue serving Chicagoans with innovative ideas, impactful programs and enlightening resources.