

**OPENING REMARKS FROM COMPTROLLER RESHMA SONI ON THE 2021 BUDGET
PROPOSAL TO THE CITY COUNCIL COMMITTEE ON BUDGET AND GOVERNMENT
OPERATIONS**

Monday, October 26, 2020

Good morning, Chairman Dowell, Vice-Chairman Silverstein, 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 am honored to serve you and the public and to lead the dedicated team at the Department of Finance. I would like to highlight some of the programs and initiatives from the past year and discuss planned initiatives for 2021.

COVID-19 Response

The Department of Finance implemented measures and reallocated resources to continue to provide essential City services to residents and employees and assist with the City's response to the COVID-19 pandemic. We limited enforcement of certain violations and suspended the booting of vehicles during the stay at home order. For our residents, we temporarily suspended debt referrals and the default of payment plans, and deferred collection of utility bill payments. We also deferred collection of payments for several economically sensitive taxes to alleviate the strain on businesses most heavily impacted by COVID-19. In addition, for our employees, we allowed telehealth medicine access to primary care providers and specialists.

Fines and Fees Reforms

2020 was the first full year of the implementation of the first phase of fines and fees reforms:

- The city sticker ticket debt relief program provided forgiveness totaling \$11.1M in fines to 11,213 motorists.
- By extending out the term of the standard payment plan to up to 60 months, we have seen an increase in standard payment plans by 223%
- Due to the enhancements to our online payment plans and changes to the municipal code, a greater number of motorists were able to take advantage of the new user-friendly payment plan options. Consequently, we removed \$1.1M in driver's licenses suspension fees from approximately 52,000 motorists and \$2 million in collection fees.
- Since April of this year, the City has enrolled 7,403 homeowners into the Utility Billing Relief program who are eligible to have \$6.7 million in debt forgiven if they remain compliant with payments for one year from enrollment.
- The second phase of fines and fees reform was passed by Council this past summer and included changes to the City's impoundment program. These changes resulted in the removal of \$129 million in storage fees from 35,003 vehicle impoundment program dockets.

Audits and Findings

Both the City's financial audits and Federal Single Audit were completed remotely and on time for the year 2019. For the second year in a row, the City was deemed a "low-risk auditee" as a result of this audit.

In 2021, for the first time in over 30 years, the Department will issue a Request for Proposal to audit the City's financial statements for the fiscal year ending December 31, 2021.

Technology Enhancements

The Department, in conjunction with other City departments, is currently working on the scope to replace the over 20-year-old time and attendance system. This will allow for better tracking of hours worked and absences, as well as improved scheduling to reduce structural overtime in accordance with the CBAs.

Contract Review and Audit

New to the Department of Finance is Contract Review and Audit. The overarching goal of this area is to prevent waste, identify cost savings and advance essential contract management principles, including efficiency, integrity, and uniformity. This group will establish contract management standards while also providing insight on best practices by industry area related to contract development.

Workers' Compensation Program

The Workers Compensation Department has completed transition of day-to-day management claims to the third-party administrator, Gallagher Bassett. Gallagher Bassett has implemented and recommended claim handling practices and procedures that are aligned with industry best practices. There have been nearly 123,000 claims transferred to Gallagher Bassett. We continue to improve the program by developing more robust post injury return to work best practices, including a formal transitional duty policy, which will ultimately gain efficiencies and reduce costs for the City in the long-term.

Payment Efficiencies

The Department of Finance and the Department of Procurement Services implemented a pilot program in August 2020 to streamline and expedite payments to the City's prime construction contract vendors and subcontractors with the four major infrastructure departments. This is a 6-month pilot program with a goal to improve the timing of the flow of funds that support our small business subcontractors.

Conclusion

I again want to thank you for this opportunity. We will strive in continuously improving our service to the residents and taxpayers of the city of Chicago.