

**COMMITTEE ON FINANCE
MONTHLY RULE 45 REPORT FOR JULY AND AUGUST, 2019**

On July 22, 2019, at 10:08 a.m., the Committee on Finance held a meeting in City Hall, City Council Chambers.

The following members were present: Hopkins, Dowell, Mitchell, Harris, Beale, Sadlowski-Garza, Thompson, Quinn, Burke, Lopez, Moore, Curtis, O'Shea, Brookins, Tabares, Scott, Burnett, Ervin, Taliaferro, Reboyras, Austin, Villegas, Mitts, Sposato, Reilly, Smith, Tunney, Osterman, Silverstein, Vice Chairwoman Hairston, and Chairman Waguespack.

The following members were absent: King, Sawyer, Cardenas, Napolitano.

The following additional Aldermen were present: Taylor, Rodríguez, Sigcho-Lopez, Gardiner.

The Committee addressed the following items:

1. Approval of Rule 45 Report of the previous meetings of the Committee on Finance.

Chairman Waguespack asked for comments regarding the Rule 45 report from June. Corrections were made to indicate Aldermen Scott and Harris were present. Vice Chairwoman Hairston moved to approve the report. The Committee approved the report on a voice vote.

2. O2019-4100 A communication recommending the proposed ordinance concerning the authority to enter into and execute an Intergovernmental Agreement with the Chicago Board of Education for the redevelopment of Philip Rogers Elementary School.

Chairman Waguespack invited James Harbin, Deputy Commissioner with the Department of Planning and Development to speak about the ordinance. Vice Chairwoman Hairston asked where CPS is getting the rest of the money for the project, and Harbin said he didn't know. Hairston asked what schools on the South Side are seeing similar investments. Harbin said he would provide the information through the Chair. Alderwoman Austin asked for similar information concerning South Side schools.

Chairman Waguespack asked for a full list for all CPS schools receiving improvements and said he would provide that list to Committee members. Alderman Scott asked other aldermen to provide questions for CPS to him so he could work to convene a meeting of the Committee on Education and Child Development at a later date.

Alderwoman Silverstein expressed her support for the project and asked that others support it. No one in the public indicated a desire to speak on the ordinance. Alderman Tunney moved do pass, and the motion was approved on a voice vote.

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3. O2019-4102 A communication recommending a proposed ordinance concerning the authority to enter into and execute an Intergovernmental Agreement with the Illinois International Port District for the redevelopment of Butler Drive Rail and Butler Drive Road.

Chairman Waguespack invited Tim Jeffries, Deputy Commissioner with the Department of Planning and Development, and Clayton Harris III, Executive Director for the Illinois International Port District, to speak on the ordinance. Alderman Moore asked how many are employed by the District, and Harris said 5. Alderwoman Sadlowski-Garza mentioned that the Port generates about 6,000 jobs. Harris said it is actually 8,000. Alderman Moore asked for demographic information regarding those employees, and Harris said he did not have that data. Alderwoman Sadlowski-Garza offered to take Alderman Moore on a tour of the Port. Alderman Moore asked about MBE/WBE participation on the project, and Harris said they would meet or exceed the City requirements.

Alderman Reilly asked which government entity was paying what part of the project costs, other than the City. Jefferies said Cook County was paying about \$300,000 and Illinois was paying about \$13 million. Alderman Reilly asked if that was from the recent state capital projects bill, and Jefferies said it was not. Alderman Reilly asked if the Port was going to try and get money out of the capital bill, and Harris said they would, although that money would likely be used as the local match for federal dollars.

Alderwoman Dowell asked about ownership of the rail line, and Harris explained that the Port owns it, and it is maintained through a contract with railroads. Alderwoman Dowell asked if hazardous materials are shipped on the line, and Harris said no. Alderman Brookins asked if the Port is economically viable, and Harris said it is well on the way to viability. Brookins asked if the Port is blighted, and Harris said it is. Alderman Brookins asked if the Port has an MBE program for purchasing supplies, and Harris said, as such a small operation, they do not. The Port is staffed by Harris, an assistant, and 3 maintenance people. Alderman Brookins asked about the Port's budget, which Harris said is about \$5 million.

Alderwoman Sadlowski-Garza noted that the Port basically operates as a landlord for users of the Port. Additionally, she said the Southeast Side has a 22% unemployment rate, and the Port is a huge job generator. Alderman Brookins asked how the Port spends its budget, and Harris said he would provide that information through the Chair while noting that they started with a deficit and are well on the way to righting the ship. Alderman Thompson asked if the rail lines that use the Port's rail pay rent, and Harris said right now, they provide maintenance. Future payments for the rail line, once it is rehabilitated, are being negotiated, Harris said.

Alderwoman Sadlowski-Garza provided some background on the Port, noted that a dock in the port has a massive hole in it, and spoke in favor of the ordinance. Vice Chairwoman Hairston asked who the legal team on negotiations is, and Harris said it is Neal and LeRoy. Vice Chairwoman Hairston asked for briefings on future agreements like this, or at least visuals to assist the Committee. Alderwoman Dowell asked for the vacancy rate at the Port, and Harris said there are about 122 acres available out of 1,800. Chairman Waguespack asked that Harris provide a map of the Port that can be distributed through the Chair.

Alderman Beale asked which TIF the money is coming from, and Jeffries said it is from the Lake Calumet TIF. Alderman Beale asked if any of the TIF is in the 9th Ward, and Jeffries said he could not recall. Alderman Beale asked how DPD notifies aldermen when money is being spent from a TIF in their ward, and Jeffries said DPD depends on the alderman of the ward in which the project is located to contact other aldermen who may share the TIF. Committee members discussed their varied recollections of how DPD would notify aldermen of TIF expenditures. Chairman Waguespack asked that DPD provide the current notification policy, especially in light of Executive Order 2019-02, so it could be distributed through the Chair.

Alderman Lopez asked how much money is in the TIF, and Jeffries said he did not know but would provide the information through the Chair. Alderwoman Sadlowski-Garza noted that six percent of the TIF is in the 9th Ward and apologized to Alderman Beale for not discussing this project with him sooner. Alderman Beale accepted the apology and said DPD should have notified him. Alderman Reilly noted that the new Administration has a great opportunity to bring more transparency to the TIF process and should outline their process going forward for aldermen and the public.

No one in the public indicated a desire to speak on the ordinance. Vice Chairwoman Hairston moved do pass. Motion approved on voice vote.

4. O2019-4212 A communication recommending a proposed ordinance concerning the authority to enter into and execute an Intergovernmental Agreement with the Chicago Park District for the redevelopment of McInerney Park.

Alderman Thompson noted that he also did not know he needed to notify other aldermen who share the TIF about proposed expenditures and apologized for not doing so. Alderman Thompson spoke in support of the ordinance and noted that about \$5 million is in the TIF. Alderwoman Dowell mentioned that children from her ward attend the adjacent school.

No one in the public indicated a desire to speak on the ordinance. Alderwoman Dowell moved do pass. Motioned approved on voice vote.

5. O2019-4214 A communication recommending a proposed ordinance concerning the authority to enter into and execute an Intergovernmental Agreement with the Chicago Park District for the redevelopment of Bosley Park playground.

Alderman Thompson spoke in support of the ordinance. No one in the public indicated a desire to speak on the ordinance. Alderman Lopez moved do pass. Motioned approved on voice vote.

6. Direct Introduction A communication transmitting a list of cases in which judgments or settlements were entered into for the month of January, 2019.
7. Direct Introduction A communication transmitting a list of cases in which judgments or settlements were entered into for the month of February, 2019.
8. Direct Introduction A communication transmitting a list of cases in which judgments or settlements were entered into for the month of March, 2019.

9. Direct Introduction A communication transmitting a list of cases in which judgments or settlements were entered into for the month of April, 2019.
10. Direct Introduction A communication transmitting a list of cases in which judgments or settlements were entered into for the month of May, 2019.
11. Direct Introduction A communication transmitting a list of cases in which judgments or settlements were entered into for the month of June, 2019.

Chairman Waguespack noted that Items Six through Eleven would be placed on file with the Clerk.

12. Direct Introduction A proposed order authorizing the payment of various small claims against the City of Chicago.
13. Direct Introduction A proposed order denying the payment of various small claims against the City of Chicago.
14. Direct Introduction A proposed order authorizing the payment of senior citizen rebate sewer claims.

No one in the public indicated a desire to speak on the orders. Chairman Waguespack asked for a motion to place Items 12, 13, and 14, on the City Council omnibus agenda. Vice Chairwoman Hairston motioned to do that. Motion carried on voice vote.

The Committee moved on to the supplemental agenda.

1. Two (2) proposed orders authorizing the Corporation Counsel to enter into and execute a Settlement Order for the following cases:
 - A. Julicia Lee, Individually and as Special Administrator to the Estate of Samyra Lee, Deceased v. Eric Rice, Truck Tire Sales, Inc. and City of Chicago, cited as 16 L 5968 in the amount of \$4,000,000. (Circuit Court of Cook County, Illinois)
Amount: \$4,000,000
 - B. Tyrone Scott v. the City of Chicago, and Chicago Police Officers Haven Matthews(#3698), Ryan Goldie (#10478), Agustin Torres (#13901), Michael Wells (#10887), Darren Borum (#11195), and Steven Martin (#9180), and Chicago Police Sergeant Geoff Pienta (#1387), cited as 18 C 2340 in the amount of \$650,000. (Northern District of Illinois)
Amount: \$650,000

Chairman Waguespack invited Renai Rodney, First Assistant Corporation Council, to speak to the orders. Rodney spoke to Item 1A. Vice Chairwoman Hairston and others welcomed Rodney to her first Committee meeting. Vice Chairwoman Hairston asked that the \$1 million liability insurance requirement be re-examined. Alderman Moore asked where the equipment was stored, and Rodney said it was in the Streets and Sanitation ward yard. Alderman Moore asked that the Administration examine if ward yard consolidation is actually saving the City money. Chairman

Waguespack said he would make that request to Streets and Sanitation. Alderman Moore noted that this incident was terrible and tragic.

Alderwoman Smith asked if the driver had a CDL. Rodney said he had a driver's license and CDL was not required. Alderman Smith asked if there were charges, and Rodney said he was ticketed, which triggered drug and alcohol tests which came back negative. Smith asked if any procedures have changed since the incident, and Rodney said the Law Department and Streets and Sanitation are working on new procedures. The Office of the Inspector General is also auditing the program, Rodney noted. Alderman Smith asked how the insurance dispute would impact payment, and Rodney said that if the City is successful, it would offset the City's portion of the settlement.

Alderman Hopkins asked if the City's tort immunity extended to the weed cutter. Rodney said she did not know, but the issue at trial was whether the City controlled the worker's actions at the time of this incident. Alderman Curtis asked what time of day the incident happened and Rodney said it was in the morning. Alderman Curtis also questioned the efficiency of ward yard consolidation and asked where the driver was going. Rodney said she didn't know, but he had just taken a restroom break at a McDonald's.

Alderman Scott asked about the structure of the insurance, and Rodney provided the details. Alderman Scott asked that Rodney update the Committee on the results of the City's suit against the insurer, and Rodney said they would through the Chair.

Alderman Lopez described the incident as tragic and asked about the structure of the City's contract with the contractor and how that would impact the independent contractor determination. Rodney said that, at trial, the issue was the level of the City's control over the contractor. Rodney also said the contract is under review. Vice Chairwoman Hairston noted that, in this instance, Streets and Sanitation operating procedures that were not vetted by Law created the issue at trial. Alderman Beale noted that weed cutting is awful right now due to this lawsuit.

No one in the public indicated a desire to speak on Item 1A. Alderman Lopez motioned do pass. Motion carried on voice vote.

Rodney spoke on Item 1B. Chairman Waguespack excused himself, and Vice Chairwoman Hairston took the chair. Alderwoman Mitts asked about the officers involved, and Rodney provided the information. Alderman Taliaferro asked what the jury demand was, and Rodney said it was \$2 Million.

No one in the public indicated a desire to speak on Item 1B. Alderman Beale motioned do pass. Motion carried on voice vote.

The Committee having no further business, on a motion by Alderman Scott, the meeting was adjourned at 12:02 pm.

The Committee on Finance did not meet in August 2019.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Scott Waguespack". The signature is written in a cursive style with a large initial "S".

Scott Waguespack
Chairman, Committee on Finance