



CITY OF CHICAGO

COMMITTEE ON THE BUDGET AND GOVERNMENT OPERATIONS
CITY COUNCIL
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COMMITTEE ON THE BUDGET AND GOVERNMENT OPERATIONS
MONTHLY RULE 45 REPORT
NOVEMBER 2023

Pursuant to Rule 45 of the City Council Rules of Order, the Committee on the Budget and Government Operations (CBGO) submits the following Monthly Rule 45 Report for NOVEMBER 2023.

Date, Time & Location of Meeting: On November 6, 2023, at 1:00 P.M., the Committee on the Budget and Government Operations held a meeting in City Hall, Council Chamber, 121 N. LaSalle Street, 2nd Floor.

Attendance: The following members were present: Chairman Ervin (28), Vice Chairman Lee (11), La Spata (1), Dowell (3), Robinson (4), Yancy (5), Mitchell (7), Harris (8), Ramirez (12), Quinn (13), Moore (17), O'Shea (19), Mosley (21), Rodriguez (22), Scott (24), Sigcho-Lopez (25), Burnett (27), Cardona (31), Conway (34), Ramirez-Rosa (35), Villegas (36), Sposato (38), Nugent (39), Vasquez (40), Napolitano (41), Knudsen (43), Martin (47), Hadden (49) and Silverstein (50).

The following members were absent: Lopez (15), Mosley (21), Rodriguez-Sanchez (33) and Reilly (42).

The following members participated virtually: Beale (9), Taliaferro (29) and Mitts (37).

The following non-members were present: Lawson (44) and Hoppenworth (48).

Internal witnesses present were: Annette Guzman, Kevin Murphy, Rey Phillips-Santos, Tom Carney, Ken Meyer, Shannon Trotter, Rupai Bapat, Cole Stallard, Mini Simon, Sandra Blakemore, Nick Lucius, Fikirte Wagaw, Stephen Kane, Andrea Cheng, Joel Vieyra, Matthew Schmitz, Jackie Tiema, Regina Meza Jimenez, Ajanta Patel, Sarah Richardson, Sylvia Dziemian, Raymond Barrett, Maura McCauley, Natalie Gutierrez, Tomas Maulawin and Brain Helmold.

The Committee on the Budget and Government Operations addressed the following items:

- 1. A series of proposed corrections and revisions to the 2024 Budget Recommendations (and text portion).
(02023-0005837)**

2. **The adoption of the Annual Appropriation Ordinance for Year 2024.
(O2023-0005140)**
3. **Amendment of Regulations Governing Administration of Classification Plan and Employee Benefits for Classified Positions set forth in Annual Appropriation Ordinance (Salary Resolution) regarding salary schedules, automobile allowance, holidays, vacations, and sick leave.
(SR2023-0005299)**
4. **Expenditure of portion of Motor Fuel Tax funds allocated to City of Chicago for Year 2024.
(SO2023-0005296)**
5. **Intergovernmental Agreement with Chicago Transit Authority and Cook County for allocation of Motor Fuel Tax funds.
(O2023-0005297)**
6. **Amendment of Municipal Code Titles 2, 3, 4, 6, 7, 9 and 10 (2024 Municipal Code Corrections Ordinance).
(O2023-0005292)**
7. **Amendment of Municipal Code Titles 1, 2, 3, 4, 7, 8, 9, 10, 11 and 18 (2024 Municipal Code Management Ordinance).
(SO2023-0005294)**
8. **Annual Appropriation Ordinance Year 2023 amendment within Fund 925.
(SO2023-0004943)**
9. **Transfer of funds within Committee on Ethics and Government Oversight for Year 2023.
(O2023-0005105)**
10. **Transfer of funds within Committee on Committees and Rules for Year 2023.
(O2023-0005120)**

Chairman Ervin called the meeting to order, took roll call, and observed a quorum was present in the chambers. He next opened the floor for public comments, read the Rules of Conduct for Public Meetings before recognizing below named public speakers:

- Nataki Rhodes
- Antoinette Simmons
- Zoe Leigh
- George Blakemore
- Linda Johnson
- Cata Truss

The Chairman acknowledged public comments were concluded, then opened the floor to address the agenda, first conveying change of order, starting with Item #9. The Chair queried for discussion of item, and there were none. Alderman Scott then Moved Do Pass. Chairman asked all in favor say aye, opposed no and publicized a vote of ayes with no opposition, and recorded a Motion Do Pass. The next call was to address Item #10 and query for discussion. None being observed, Alderman Dowell then Moved Do Pass, followed by vote, where ayes with no opposition, recorded a Motion Do Pass.

The Chair called Item #8 for discussion next. Matthew Schmitz, Managing Deputy Budget Director, OBM, spoke to a substitute ordinance amending the 925 Fund Appropriation of \$38,644,000 from State

and Federal grants designated to department initiatives for Chicago Department of Public Health (CDPH) from U.S. Department of Health & Human Services: \$230,000 to fund adult viral hepatitis programming; \$3,234,000 to help fund their supplemental vaccine program; \$375,000 to fund tobacco prevention; and \$3,418,000 for Opioid prevention. For the Department of Family & Support Services, a grant of \$30,253,000 from the Metropolitan Mayor's Caucus pass-through funds from the Illinois Department of Human Services to help the migrant mission. Next funding initiative was for the Office of Emergency Management & Communications (OEMC), an additional \$653,000 in Federal pass-through funds from the Federal Emergency Management Agency through Illinois Emergency Management Agency, \$547,000 of which is going to OEMC and remaining \$106,000 to the Chicago Fire Department to help supplement their urban area security initiative program. Last was to the Chicago Fire Department in the amount of \$481,000 of state funding from the Office of the Illinois State Fire Marshal to help support the Fire Academy Improvement Program. The 925 Fund Narrative was concluded, and floor was opened for questions. The Chair briefly paused to allow Alders Taliaferro, Mitts and Beale to join remotely under provision of Rule 59, continued querying for a Motion to allow for such inclusion. Alderman Dowell Moved to accept and a favorable vote with no dissents was duly recognized. Attendance was updated with additional Alders in chambers including Robinson, Ramirez and Lawson. Alderman LaSpata then queried, was funding discussed part of State funding in an amount of \$44-\$45 Million to which Managing Director Schmitz affirmed Alderman LaSpata was correct. The Alderman continued to query as to whether this replaced or supplemented municipal funding, which Director Schmitz responded it supplemented funding enabling additional monies for the migrant mission and deferred questions about funding use to the Department of Family & Support Services. DFSS' Deputy Commissioner Raymond Barrett was then acknowledged. He responded that the amount was \$42 Million from the General Revenue Fund, and it is supplemental as part of the effort to support the Migrant Mission. And added that the entirety would be used to fulfill the Favorite Healthcare Staffing contract. Alderman LaSpata conveyed that he was grateful for the State funding coming in, alleviating some of the burden for us and our communities. Alderman LaSpata concluded his questions and the Chairman then recognized Vice Chairman Lee.

Alderman Lee began along the same line of questioning with, can you tell how the money is going to be used toward shelter staffing, food, case management, security, janitors and facilities managers? Do you know how many shelters? And how long the money is going to last? DFSS' Deputy Commissioner Raymond Barrett responded that funding pays expenses partially for August and fully for September. Deputy Commissioner Barrett then called upon DFSS Managing Deputy Commissioner Maura McCauley, who conveyed there were 22 shelters at that time. Vice Chair Lee followed up reiterating months that funding would cover expenses acknowledging that we were still playing catch up and hopeful the State would still continue to give the City money as many of us feel nervous about spending on this, but I know this has to happen right now. Vice Chair concluded her questions and the Chairman next acknowledge Alderman Dowell.

Alderman Dowell first referred to the list of services to be provided, which included interpretation and translation services and queried if the languages included French, Creole and Yoruba. Managing Deputy Commissioner Maura McCauley responded in the affirmative. She further added that Favorite Staffing does have Creole, French and South language staff. Wasn't sure about Yoruba, would check and get through the Chair. Alderman Dowell further augmented her request Deputy Commissioner McCauley provide the capacity, where the people are located and where the services are located. Alderman Dowell's questions were thus concluded. Chairman next recognized Alderman Nugent.

Alderman Nugent initially raised a question for an item further along on the agenda. Chairman conveyed the answer to her question was yes, but to be discussed at appropriate time. He then asked if she had any questions for the 925. Alderman Nugent did not. Chairman acknowledged that there were no other questions for Item #8 and a Motion Do Pass on the floor from Alderman Mitchell, asking all in favor to vote Aye, any opposed No, which vote favored the Motion Do Pass. And gave notice the item would be reported out at the next City Council on November 7th.

Chairman then moved to Item #3, called upon Budget Director Guzman to explain. Director Guzman called upon Deputy Budget Director Kevin Murphy to walk the Body through the Salary Resolution substitute ordinance. Deputy Director Murphy first conveyed changes to the Resolution include language under the Automobile Allowance section, which allows the Department of Finance to create rules for compliance in order to be eligible for reimbursement. Under the Holiday section amended under the prevailing wage rate, employee holidays in addition to Veteran's Day, to conform with the Collective Bargaining Agreement, which was approved under the Coop Agreement. Under the Vacation section was established a citywide policy for vacation excess for carryover in 2023 to carry over in 2024 for 4 years of service within 10 years of service to increase from 5 to 7 days of carryover. This also conforms with our recently approved collective bargaining agreements and applies to all city employees. Also under Vacation, is an adjustment for sister agencies, local or regional government time toward years of service for vacation accrual, which also conforms with our other partners and sister agencies and what they offer in terms of benefits. Lastly, an update to Salary Schedules and reflect 2024 schedules as required by collective bargaining agreements that reflect increases to non-representative code increases that mirror those contracts were also a part of the Budget Ordinance. This concluded Deputy Director Murphy's remarks, and the Director obliged any questions from the Body. Chairman interrupted to acknowledge that Item #3 was a substitute resolution, placed a vote on the floor for acceptance of its adoption/inclusion. Vice Chair Lee so Moved and the substitute was adopted after hearing no objections. The Chairman then opened the floor for questions and acknowledge Alderman Quinn.

Alderman Quinn questioned whether the content regarding salary changes include aldermanic staff in the salary changes as discussed. Deputy Director Murphy responded that such content was under the Budget Amendment for Technical Amendments and not a part of the Salary Resolution. Alderman Quinn continued, so these are non-union employees getting regular adjustments moving forward. Deputy Director Murphy clarified, it's both union and non-union employees. Alderman Quinn then asked how many of these employees are we talking about. How many non-union employees are added to this pay schedule. Does this have something to do with compression. Relative to compression are aldermanic staff included. Deputy Director Murphy answered, the City of Chicago has roughly 30,000 employees and it would cover all those included on a pay schedule. In terms of how many non-union employees are added to this schedule, employees were transitioned to pay schedules as part of compression. Not all employees have been included in that schedule and aldermanic employees were not included within [that] compression study. Aldermanic employees are under the personnel line on another part of the compression study. With the clarification that aldermanic staff were not a part of the compression study and concluding his exchange with Deputy Director Murphy, Alderman Quinn directed that he would be voting no on the item.

Chairman then addressed Alderman Quinn's concern, first clarifying reason Item #1 was not yet addressed is due to a last-minute change and everyone did not have (new content). Chairman then made directive to OBM that even though the information is not before us, can you still answer all of Alderman Quinn's question to get clarification on this particular point. Deputy Director Murphy responded, not every city employee is on a pay schedule. As far as the Salary Compression Study, that is still ongoing.

The City of Chicago has been looking at market rates for those employees that are not on pay schedules, looking to move them onto appropriate pay schedules at market rates compared with our peers in other local agencies and local governments. Aldermanic staff were not part of that compression study. We have a universe of about 900 employees plus aldermanic staff that are called special rated. Aldermanic staff salaries are defined by the Aldermen and adjusted as the Aldermen see fit, whereas other special rated city employees are hired at a budget rated and may be subject to quotas from time to time. The response concluded and Chairman asked Alderman Quinn did that answer his question. Quinn stated in the affirmative with the understanding that aldermanic staff were not a part of the compression process right now and that's a problem because every year we're going to be right back here talking about our aldermanic staff who have been underfunded for the 12 years I've been here. Chairman interjected that he believed there would be more clarity as we got further along and acknowledged that Alderman Quinn's point was taken. Chairman then acknowledged Alderman LaSpata.

Alderman LaSpata, questioned, I just remember this correctly. This feels like its related to the executive order from the tail end of last term. Is that accurate? Deputy Director Murphy responded, I'm sorry Alderman, I'm not sure what your question is. Alderman LaSpata rephrased, I believe that there is an executive order related to examining the pay structure for our employees, is that correct? Deputy Director Murphy continued, so part of I believe the executive order you're referring to is about gender-based pay equity, is there an evaluation for that? And LaSpata responded no, we're thinking about different things. So I'm just going to table it because I'm glad they are voting on this to be honest just like every time we come to the budget season we look at the vacancies in the departments. We say nobody wants to work for the City of Chicago where often times people do not want to work for the City because we're not offering competitive salaries. And so I'm glad that we're doing this like you should work for the city of Chicago because it is like any other professional company. I know that we're never going to compete with what you are going to get on the private market, but I'm glad that we're taking a step that will bring us a little bit more competitive. Thank you sir in concluding his questioning. Chairman Ervin then asked if there were any other questions and conveyed prior to concluding discussion recognized for purposes of quorum Alderman Mitts, who confirmed her presence. Chairman then look to get a Motion for the item recognized Alderman Yancy's Motion Do Pass. He asked for vote, stating all in favor signify by saying aye. Any opposed? Recorded n the opinion of the Chair the ayes have it. And that this will be reported out at our next Council Meeting on November 7th. Addressing an alderman, the Chair affirmed yes Alderman Hadden, we will include you in the quorum call.

The Chairman next addressed Item #4, as an expenditure portion of Motor Fuel Tax Funds allocated to the City for 2024, and that there has been a substitute ordinance passed around to everyone. Do we have a motion to accept the substitute. So Moved by Vice Chair Lee, hearing no objections so ordered. The Chairman acknowledged that the substitute was before the Body and opened the floor to Budget Director Guzman, who declared, so before you is the Motor Fuel Tax Fund Ordinance, which allocates the budget for the motor fuel tax to various line items across the budget. I'll go through these one at a time and then take any questions you may have. So first in Subsection A roughly \$10,302,226 Million of the MFT revenue has been appropriated for costs has been related to the sign management and guardrail maintenance with the Department of Transportation. Secondly, \$1.5 Million of MFT funds has been allocated to the project development traffic studies within Fund 310 under the Department of Transportation. Next, \$133,000,050 Million are being appropriated for costs associated with electrical operations construction and maintenance services within the Department of Transportation. Next, \$50,718,574 Million of the MFT proceeds are being appropriated for in-house construction services related to bridge maintenance costs within the Department of Transportation. Finally, \$8,207,571 is being appropriated for citywide services for landscaping maintenance and boulevard medians within the Department of Transportation. Next, under Subsection D, \$203,960,009 to the new Department of Fleet & Facility Management to cover energy related costs of the street lighting system. And then within the

Department of Streets & Sanitation, under Subsection C, \$18,758,985 of MTF funding is appropriated for the purchase of road salt, [inaudible] and snow fencing in relation to street operations, snow and ice removal program. And then finally, \$20,456,002 being appropriated within the Department of Streets & Sanitation related to the Department of Sanitation snow and ice removal program. And then finally in Subsection 2, more things at Subsection E, we have \$3 Million of MFT appropriated to this CTA And then finally, in Subsection F, \$234,000 appropriated to the Department of Transportation for employee salaries and wages. I will now take any questions that you have. The Chairman thank Director Guzman for budget content and then recognized Alderman Villegas.

Alderman Villegas then stated, in Subsection B where we're talking about street lighting systems, can you explain that content a little more? Because my understanding was that escrow, that we were engaged in escrow around the changing of two LED lights that would help reduce the cost. So can you explain that a little bit more. The Budget Director acknowledged that the AIS Commissioner Sandra Blakemore was in attendance to address the street lighting program. I don't know if you have any particular information related to the Alderman's questions as to the types of streetlights that we are paying for. Then the Director asked, do you mind asking your question one more time Alderman Villegas as it relates to the streetlights. Alderman Villegas conveyed as it relates to streetlighting, I'm just trying to get clarification because I thought at some point when there was an upgrade in LED lights that we had agreed with a Nesco Company that was going to provide the lights and then we were going to share in these cost savings. So I'm just curious as to what these costs are for. Commissioner Blakemore first confirmed if Alderman Villegas could hear her. I think this item is just for the electricity cost that Esco project was done several years ago and saved the city 53% on the transition from regular streetlights to LED lights. So really this is the cost of the electricity for every fund that we have in the city. The Chairman asked if there were any additional questions related to the MTF Resolution? Alderman Villegas, the continued, the \$3 Million to CTA, can you explain one more time what that is? Budget Director Guzman responded, CTA's \$3 Million is the amount we annually pay to CTA from the MFT fund and that's based on State stature. So it's \$3 Million annually. Thank you! The Chair again queried for any other questions on the MFT, and recognized Vice Chair Lee. I'm looking at Subsection A, Item #3 related to traffic studies. I'm just curious how many traffic studies does \$1.5 Million buy us, surveying to locate Tom Carney. Chairman acknowledged the presence and Tom Carney identified himself as Acting Commissioner, CDOT. His initial declaration was the premise that not all traffic studies are the same. So some of them, you know, like the traffic studies we do for major developments versus maybe an issue at a residential contacts. But the team, I'll get the exact number that we completed last year and get that to you all of you. The team typically does a couple of hundred traffic studies a year. Vice Chair Lee, then asked if this was more money than you got last year. Commissioner Carney replied, the same level. Vice Chair then queried, did we find ourselves coming into this year behind for lack of funding. The Commissioner responded that the volume is consistent, a high volume and I think the big difference is we've been able to fill some of our traffic engineer spots so we're hoping to keep the pace of production on the traffic studies moving quickly. Vice Chair Lee affirmed that the Body knows how important traffic studies are, and to help with traffic honing and just making life a little more livable so thank you; then raised another question regarding Subsection C, Item #2 for the Bureau of Streets & Sanitation snow and ice removal program. I'm curious Commissioner Stallard if you can talk to us about whether or not commodity prices have gone up for salt and like basically the same question like I asked [Commissioner] Tom. You feel good about where we are. Commissioner Stallard replied, we're in a good position. We have about 425,000 tons on the ground, work with budget to be able to maintain that number, so we're ready to go. VC Lee continued, so salt prices are about the same, to which the Commissioner replied, yeah, they're in our favor. VC Lee concluded. Chairman then queried if there were any other questions on the Motor Fuel Tax Ordinance?

Chairman then recognized and welcomed Alderman Manaa-Hoppenworth whose question was about in-house construction related to Subsection A6. Is that the amount that's needed to cover what 311

documents? The Chairman directed the question to Commissioner Carney, Acting Commissioner, CDOT, no that division of in-house construction encompasses our bridge section, our asphalt section, concrete section and bridge operations. So, do they handle a lot of 311 requests but its funding for that division. Thank you. Chairman again queried if there were any other questions on the Motor Fuel Tax Resolution? Seeing none, Alderman Nugent Moved Do Pass. Chairman asked that all in favor signify by saying aye, any opposed no. In the opinion of the Chair, the ayes have it and the matter will be reported out at our next City Council meeting on the 7th of November.

Chairman next addressed Item #5, an Intergovernmental Agreement with the Chicago Transit Authority and Cook County for the allocation of motor fuel tax funds to Chicago in year 2024 matching grant pursuant to the Regional Transit Authority, then recognized Director Guzman. So this is the annual IGA that we enter with CTA and the County for the allocation of motor fuel tax funds to each of those entities. Chairman asked the Director, this is \$3 Million, correct? Chairman asked the Body, are there any questions? Seeing none, Chairman acknowledged, Alderman Dowell Moved Do Pass, any objections? All in favor signify by saying aye, opposed nay. In the opinion of the Chair, the ayes have it, the ordinance is approved. The matter will be reported out at the next regular meeting on November 7th.

Chairman then identified that Items #6 and #7 are municipal code amendments to Municipal Code Titles 2, 3, 4, 6, 7, 9 and 10, which is a 2024 municipal code corrections ordinance. Recognized Rey Phillips Santos from the Department of Law. Rey Santos identified himself along with the Department of Law Legal Counsel Division and began with explaining the code ordinance is an annual ordinance where we look at places where there might be a slight error. Or for whatever reason we try to clean it up. Sections 1 through 6 and 14 are there because we no longer use the term criminal record that was folded into criminal history and the more specific arrest record and conviction record. Sections 7 to 11 remove references to Chapter 9108 because at one point that section had to do with licensing horse drawn carriages, which we no longer do. The Section 91 Chapter 910 right now has to do with smart streets, which doesn't have licensing. Sections 12 and 13 clean up invalid entries. Section 15 clears up reference to Sub A and B. Section 16 corrects the title from Corporation Counselor to Corporation Counsel. Section 17 corrects the title from LV2 night games to LV2 Cub's games and Section 16 removes the term firearm from the title of 1036-0-30 because the section has nothing to do with firearms. If you have any questions, I will be happy to answer them. Chairman thanked Counsel Santos and solicited Members/Council for questions for Corporation Counsel. The Chairman then recognized Alderman Mitchell.

Alderman Mitchell, who conveyed his question was related to Section 4, on page 48 of the Management Ordinance, specifically Water Management regarding LED service lines and asked who do we have from the Department of Water Management, modifying that he was including page 47—thereby pages 47 and 48. Director Guzman clarified that OBM had not gotten to the Management Ordinance yet, we're at Code Corrections. And Management Ordinance would be next, and a substitute for the next item would first be addressed at that time. Chairman continued, pending no further questions on Code Corrections, acknowledged Alderman Mitchell's Motion Do Pass for Item #6, amendment of Municipal Code Titles #2, 3, 4, 6, 7, 8, 9 and 10, asked all in favor signify by saying aye, opposed say no. Recorded in the opinion of the Chair, the ayes have it and this matter will be reported out at our next City Council on November 7th.

The agenda moved forward to address Item #7, which the Chairman acknowledged had a substitute ordinance and put the substitute on the floor for vote to adopt. Alderman Robinson Moved Do Pass for the substitute and the Chair recognizing no opposition by voice vote, accepted the substitute ordinance was duly before the Council. He next open the floor for Director Guzman. Director Guzman informed the membership she would walk them through the content before them, and also conveyed there were departments impacted by these codes and they would answer questions at the appropriate contextual occasion. And I did have an opportunity to speak with some of you last week and walking you through

some of these as well. So hopefully you will get some of your questioned answered during today's meeting. So Article 1 of the substitute ordinance establishes the Department of Fleet & Facilities Management and the Department of Technology & Innovation in this study coupling the Department of Assets Information and Services the duties that relate to its infrastructure and having authority over the city's IT infrastructure, have been move to the Department of Technology & Innovation and given to the Chief Information Officer that will be the Commissioner running DTI. Article I Section 5 authorizes the Commissioner of Fleet & Facilities Management together with the Commissioner for the Department of Public Health to enter into lease agreements for the purposes of establishing and maintaining clinical spaces. Article I Section 5 authorizes the Commissioner of Fleet & Facilities Management to enter into agreements for the placement of telecommunications equipment on city-owned buildings and structures are for the purpose of providing Broadband connectivity to community areas where 20% or more of households do not have access to internet at home. Article I Section 7 authorizes the Chief Information Officer to enter into intergovernmental agreements with third parties to improve cybersecurity in the event of incident responses. Article 2 establishes the Department of Environment as an executive department of the city and provides and transfers the power of the Commissioner of the Office of Climate & Environmental Equity to the Department of Environment and also directs the Chief Sustainability Officer to make recommendations to the Mayor and the City Council as to what duties beyond those enumerated within the Article should be articulated and brought under the Department of Environment. Article 3 updates the power and responsibilities of the Department of Streets & Sanitation in many ways. It removes what was pretty much outdated codes. Where it specifically talked about specific bureaus in the Department of Sanitation, so it cleaned that up. It repeals and reveals immense outdated sections related to liens for rodent abatement on private property, food establishment citations and health regulations for parking, for litter, for parking lot litter removal. Article 1 Section 4, which is related to the technical limits, which we will talk about in a second, updates the Aldermanic Expense Account Allowance by removing the ability to use all the medical expenses on hiring and employment of staff, which coincides with the technical limits to increase aldermanic staff wages on personnel account. Article 4 Section 2 aligns the Commissioners of CDOT's existing authority to enter into agreements with public utilities and railroads with their intergovernmental agreements authority by allowing for the inclusion of identification provisions within those IGAs. Article 3 Section 4 requires the Department of Business Affairs & Consumer Protection to post liquor licenses, liquor license applications in public newspapers that have now been changed so they can post those applications on their website and it eliminates the requirement to post those within newspapers. It also repeals the outdated reference to the maintenance of a list of alcohol seller training program providers because that is maintained by the State. Article 4 Section 4 additional administrative authority within the Commissioner of CDOT to regulate the frequency and timing of intercity bus arrivals to preserve public safety and orderly traffic flow. Article 4 Section 5 eliminates 30-day notice requirement for building owners who fail to provide private hauler recycling services as required by the Municipal Code. We no longer provide that notice and allow them to come into compliance before they are out of compliance with the Municipal Code. Article 5 Section 1 grants the Commissioner of the Public Health Department the authority to negotiate and enter into agreements with governmental entities to further public health initiatives, including the placement of vending machines for harm reduction supplies as well as air quality in waste water monitoring devices. Article 5 Sections 2 through 15 cleans up and clarifies processes for regulated industries that must follow the City's environmental code within the health code. Article 6 authorizes the service of pre-suit investigative subpoenas by additional methods permits by pre-suit dispositions by video conference and identifies remedies for failing to comply with such compete subpoenas. This is closing a gap that the Department of Law had noticed occurred within some of their consumer fraud litigation. Article 7 phases out the Taxi Medallion and allows for the issuance of insurance decals. It also eliminates a requirement for license windshield stickers on public passenger vehicles and retains the requirement for license cards to be fully on display on dashboards. Article 8 Section 1 changes the deadline for senior sewer rebate applications from August 1st to submitting those applications within the same calendar year in which you're seeking the rebate. Article 8 Section 2 expands restrictions on small, unmanned aircraft to prohibit operation

within 500 feet of the Chicago Water Works system. Article 8 Section 3 requires notification to the Department of Water Management in the event of damage to any lead service line and the damage and the cessation and all activity that cause that damage and also establishes that the person responsible for that damage is liable for the cost associated with repairing and replacing that damaged lead service line. And finally, Article 8 Section 4 authorizes the city to replace or repair private water main at the owner's expense if those water mains connect to the Chicago Water Works system. Now I will open it up for questions.

Chair thanked Director Guzman, acknowledged Alderman Mitchell who identified Article 8 Section 4B, stating again this is a question for the Department of Water Management and queried that since we are embarking on the service line replacement initiative should language here be reflective of the programs that we are offering to replace LED service lines particularly for the private side of the line. A response was given by Commissioner Andrea Cheng, stating that year, I really think the context that we're really looking at here is that you have a contractor that is doing work in the street and they accidentally pull a service line. So this will be a little different than equity, daycare, breaks and leaks. This is more like you know something was unanticipated. Somebody is not being careful right in the street and what we will do is, you know, we will still do the work, DWM. But we would back charge just like we do for any other damage in the system right now if somebody damages a line before LSLR was a thing, we back billed them for the repair. So this is the same thing, just expanding it to be clear that includes, because it's a State law includes lead service line replacements. Its not really going to be an individual its most likely going to be a contractor is what I'm saying. Alderman Mitchell then asked, that which you just explained would be under Section 3, in the event of damage the person responsible for the damage should immediately contact the Department of Water Management. So I would assume that goes to that. Commissioner Cheng clarified, yes, that was my mistake. So that goes to our private watering. So right now this summer we had to edit a case in Alderman Taliaferro's ward. There can be homeowners who own their water main, it unusual, but it has happened over the history of the water system. A lot of times they don't even know it and when we go there to do the work, we actually see a break and we can't do the work because it's on private property technically. A lot of time, think like townhouse development. So this allows us to be able to do the work and back bill the homeowner on some kind of amortized schedule that reasonable. And so you know this summer we had someone it was 100 degrees out and they had a water main break they couldn't afford to fix it and we couldn't touch it and it was killing us. So this is our answer for that to be actually able to help people in those scenarios. Alderman Mitchell then questioned if we will take that opportunity to discuss the lead service line replacement at that time. Commissioner Cheng continued, yeah, and you know for those specific cases the whole lead service line would be on private property so they have more flexibility. They can say yes to the whole thing, they can say no to the whole thing, as opposed to normal would be half and half. Mitchell then conveyed to Commissioner that they would have more conversation around this initiative. He thanked the Chairman, who recognized he had questions from Alderman Dowell followed by Alderman Villegas.

Alderman Dowell stated, Mr. Chair Article 4 Section 3, I know that what type of buses we're targeting are inner city buses, intercity buses, but these out-of-state buses how will the penalties and fines be collected? What's the current thinking around that? And then if these fines are not paid, what's our remedy? Chairman then called on the Commissioner, who identified himself, yes, Tom Carney, Acting Commissioner CDOT, we'll be working with the police department and AH to stand up those authorities to write those citations for those operators if they don't follow those Jordan Codes. Alderman Dowell interjected that the commentary didn't answer the question about how you're going to if they don't collect them if they don't pay their fines. Commissioner Carney then clarified, that's something we would have to work with the Department of Finance if they're cited and they don't pay. Chairman then asked for someone from Finance to added content to this dialogue, recognizing the Comptroller Rehwinkel was present, asked for a restatement of the question. Alderman Dowell restated, I know that the buses that are being target are intercity buses, and my question is if these out-of-state buses don't pay their fine. First of

all, how will the fines be collected and if they don't pay what is our remedy. Comptroller Rehwinkel responded with, so its similar to our process with anyone outside the city like going after Scofflaw fines, we would use both our legal apparatus for both collections and law to collect on those if they were not paying us. And I am happy to give that history as well. Alderman Dowell then continued you don't have a sense of how much money we're talking about at this time? Comptroller Rehwinkel replied, not at this time, but I could get that for you. Alderman Dowell thanked the Comptroller, then the Chairman thank Alderman Dowell, then raised a question to the Comptroller asking, so the process that she [Dowell] speaks of is a primarily legal process to do collections as any other process inside or outside of the city or what is the difference between actors that are inside the city versus those that are outside the city? Comptroller responds, there really isn't. It depends on our reach, which is a little bit weaker the further you get out of the city. But we do use the same legal collection groups and law firms to do collections in and outside the city. The Chair asked Alderman Dowell if there were any more questions, she had none. The Chair then recognized the order of Alderman Villegas followed by Alderman Nugent would next ask questions.

Alderman Villegas clarified that his question would be directed to the Water Department, along the same lines as his colleague in the 7th Ward, when we're talking about this lead service line replacement, if someone damages it do they have to replace it? If I'm a contractor and I'm on the block and there are 409,000 lead service lines in Chicago, chances are that they're going to be lead service lines. I'm going to bank that into my bid. But every house can expect that. I'm sorry, can we expect that bids are going to go up given the fact that we are now pushing the responsibility of lead service lines on to the contractor. Commissioner Cheng then responded, possibly. We instituted this starting January 1 of this year. What we've seen so far this year is only a handful of times this has happened. So what we're seeing is just people being more careful so far. We had expected based on historical data to see a hit on an actual lead service lines about 53 times a year, which is not a lot for 8,000 lead service lines a year, right. So perhaps there's a small increase of two bids as a result of that. But the real answer is that contractors are given a reason to pause and not rip through the streets without a little extra precaution. But I think you know we can continue to discuss your ideas for mitigating that. Alderman Villegas added, I think that to push off the responsibility in the cost that ultimately comes back to us on the contract I think is the wrong approach. I think that we should be working DWM and the contractor should be working collaboratively to figure this out because I guess if I'm a contractor I'm putting that in a bid. And I suspect that, we just started on this program. I think you testified in the past that we were doing 4,000 a year and now we're going to ramp that up to 9,000. I just have some concerns around this because of the fact that again, because if I'm a contractor know there is a high probability that we're going to be doing lead service and we're doing work and there is unforeseen conditions, I just think that we're going to have ultimately less to spend on the replacement because of the fact that those contractors are going to bake that into the bid so I'd like to figure out if we can work together moving forward especially if we are embarking on this multi-decade capital program that is going to be billions of dollars that we're doing in a responsible manner. Commission Cheng responded absolutely, adding that, I think its worth noting that the process we had in place before January 1st was the same, right. If somebody hit a lead service line and they just had to repair it right now, not replace it but to repair it, they would still be responsible for it. I mean because the other option would be DWM being responsible for a contractor that wasn't being careful or a homeowner being responsible. So you know, I think this is rather a rational or logical conclusion of now the definition of repairing damage include the lead service line replacement but happy to include these discussions. Alderman Villegas concluded, and the Chairman next called Alderman Nugent.

Alderman Nugent began by stating that I just want to talk through probably with the Budget Director Article 4 Section 1 about removing the ability for Alderman to use their expense accounts to pay salary. I know we contemporaneously are having an increase in the personnel line, but can you talk through that a little bit as some of us do pay staff currently off of our expense line. Director Guzman replied, sure I will start and then I do have my Managing Deputy here who works very closely with the Clerk's Office that

manages all of your staff on your expense accounts and some of the rationale for this. So I've had a conversation with a number of you. We currently manage staff, whether it full-time or part-time on two separate accounts: your personnel expense line and non-personnel expense line. That's actually really difficult to manage, especially those on your expense account because that's really about controlling and making sure that we are always cognizant of the number of hours that are sitting on your expense account. It doesn't always allow of to fully account for the fringe benefits of staff that are on the expense line, and we actually can't tell just by looking at the amount you are paying if we are accounting for the full freight of those French dollars. And then finally, what we did was look at every single Alderman's staff that on their expense line and annualize that rate to understand how much you're currently paying your staff on the expense line based on that and the need to put every single employee within one cost center, which is your salary and wage line on your ward staff. And we have moved to put the proposal in place to move all staff from the expense account into your salary and wage line, increasing the amount of your salary and wage cap the number of FTE. Because of that we have heard from a few of you who have concerns about the amount. And so what we have talked about is the ability to shift dollars from your non-personnel account, which stays at \$122,000. So we haven't reduced that number, but you would be able to maintain the \$122, we would be able to shift some of those dollars however much you need into your salary wage line to accommodate that change, but the idea is to be able to manage both from my office and the Clerk's Office manage our staff from one cost center going forward. Alderman Nugent added, thank you and I appreciate that. Okay, so we're all perfectly clear we can move money from the non-personnel line onto the salary wage line with this Revenue & Management Ordinance as written. Director Guzman responded yes, you currently have the ability as the body that appropriates the dollars also do transfers within the account. Alderman Nugent continued, okay and I'd like to thank you and your team for working with me and several colleagues. This is a good thing for us to be able to get more folks to be able to help us in our ward offices so I appreciate the help with that. Thank you Mr. Chairman. Chairman reciprocated and queried if there were any other questions. He next recognized Alderman Silverstein.

Alderman Silverstein started with a question about part-timers. You said we can allocate our money to these part-timers. I guess if you're a part-timer you don't get any other benefits, correct? No health insurance, is that correct? Director Guzman responded, I think it depends on the amount of hours that you have them working. I think 30 or more they are entitled, conferring with Kevin Murphy, Managing Deputy Budget Director, who acknowledged no, clarifying that typically right now, personnel that work over 80 hours per month on average are available for benefits. There are some benefits for paid sick leave that are at-will based on an hourly basis. The general benefits available for the part-timers. Alderman Silverstein then asked, so the cost of the benefits, does that come from the expense account or is that like a regular employee. Director Guzman responded, so currently I don't think we have any part-times eligible for benefits, but I think that based on the compensation that each Alder is able to determine for their own staff. Some have encumbered funds on their expense account to cover that. We want to move personnel onto the salary wage line to better manage that and actually account for funds with we actually pay for within the Finance General line not your salary wage line. Alderman Silverstein added, right, so it would still continue to come out of that. Director Guzman explained, no, that moving everyone out of your expense line, we would not be accounting for personnel, fringe, everything withing your ward office and benefits would be paid out of Finance General. So nothing would be on your expense account anymore. Alderman Silverstein then acknowledged, okay, I think I understand, but I may need to follow up. Director Guzman assured that she would be happy to have a separate conversation with Alderman Silverstein about her office. Alderman Silverstein concluded. Chairman made light that he would crack a joke with his colleague, but declined because she was a licensed accountant, but stated he would leave her alone. So he called the order of next questions would be undertaken by Alderman Quinn next, followed by Vice Chair Lee.

Alderman Quinn queried, how does this impact independent contractors? Managing Budget Director Kevin Murphy responded that there was no impact to the ability to use independent contractors. Alderman

Quinn continued, and so the same applies to every personnel decision would be moved to the employment line? Murphy confirmed, right. Alderman Quinn then stated, back to Alderwoman Nugent's comments, should this be codified? Chairman Ervin injected, should what be codified? Alderman Quinn responded, all of these moving parts that we agreed upon. Director Guzman responded, I think what's being codified is that you currently have the ability to pay employees on your expense account. We're moving all employees so that everything that is not a contract employee. So the actual personnel to your salary wage line. So the removal is the ability to pay for staff on your expense account. So that's what's being codified. Chairman thanked the Director and recognized Vice Chair Lee.

Vice Chair lead stated, just on the same topic as Alderman Nugent, there was a lot of conversation, and I echo Alderman Nugent, thank you Managing Deputy Murphy, and the folks we spoke with this morning, I think this is a great compromise to enable us to have the flexibility and continue to use the funds and I do appreciate the additional head as well. I just want to bring up just in case anybody is wondering part of the reason for this to be done too is for the fringe for the part-timers. They're going to be subject to pay time off so that all going into effect the city's going to have to account for that somehow and that's going into the personnel system. I think that's the right thing to do there and I asked a question earlier in our briefing whether or not we would have to, out of our expense line, you know, budget for the days that people earn should they leave because part of the current ordinance that's on the table. And just to clarify or to confirm that does not need to come out of the expense line that's covered under the Finance Department fringe. MDBD Murphy replied, yeah, that'll be part of your personnel line expenses. To which VC Lee concluded, thanks, great, that's all I got. The Chairman next recognized Alderman O'Shea, who asked the Chair to come back to him later. Chairman the recognized Alderman Vasquez.

Alderman Vasquez started, okay, along the same lines as of just a question, this one through the Chair, if you could send guidelines of an independent contractor, like what the rules are, what can be done or can't because I think a number of us really don't know so I think clarity would be helpful there. The other question I have is really just more kind of logistics process. If a Member wanted to move funds the other way, if for example, they wanted to move from Personnel to Expense because of however they manage their funds, do they have the ability to do that or is this just a one way potential? Director Guzman replied, I think I don't see why we couldn't do that. To which Vasquez injected, I don't think anyone really would but I'm just curious for process and concluded that those were all his questions, Director Guzman then offered, I think I'll do you one better Alderman Vasquez, we'll do not just a through-the-car we'll actually do a training on contractors, how about that? Vasquez responded, that is definitely better and welcomed. Thank you so much for that. Chairman then surveyed if there were any other questions on Item #7. Seeing none, the Chairman acknowledge that Alderman Ramirez's Motion Do Pass, opening the floor with the voice vote, all in favor signify by saying aye, any opposed say no. In the opinion of the Chair, the ayes have it and this matter will be reported out at the next City Council Meeting on November 7th.

The Chairman then open the floor to discuss Item #1, which was the actual package, the last package that was given to everyone, which is the Technical Budget Amendments, then recognized Director Guzman, asking could she walk the Body through the changes that were made from the initial [package] that was brought out because this is a lot of numbers to try to ferret and go through. The Director concurred that yes, there were a lot technical amendments so I'll go through these as best I can. I will start with the revenue amendments. So the technical amendments. There are six of them dealing with increases to revenue funds. I will start with the vehicle tax bond fund, Fund 300. The fund was increased by \$1.71 Million Dollars, we've added additional reimbursements from our GO fund proceeds into Fund 300 to be used toward our labor costs associated with CDOT's labor costs on building and maintaining bridges. This is actually a companion revenue ordinance amendment to a much larger technical amendment dealing with the Department of Streets & Sanitation, which I will get to later, but this will allow us to pay for overtime and move CDOT off of the Corporate Fund into the Vehicle Fund. On the second one is

Fund 310, which is the Motor Fuel Tax Fund. This is an increase of \$3,734,000. This increase is made possible through reconciliation work which was done to understand how much funding will be left over at the end of this year. Our estimates have increased that amount so additional funding will be carried over into 2024. This is also related to a much bigger technical amendment related to the Department of Steets & Sanitation, which will go into much more detail a little bit later. Next is revenue amendment to the Special Events and Hotel Operators Tax Fund based on end of year reconciliation as well. We were able to increase the 2023 end of year amount by \$888,000 as well as add \$464,000 for our estimate for FY24 thereby we increase the prior year amount to be carried over into FY24 by that \$888,000 and increase the estimated revenue for that fund in 2024 to \$464,000. Fund 610 and Fund 740 are the Midway Airport Fund and the Chicago O'Hare Airport Fund, respectively. Their expenditures have increased and as we all know their expenditures equal their revenue based on what they charge their airline operators and so there were additional expenditures added into the Midway Airport Fund of \$969,000 so we increased the revenue by that amount and similarly with the Chicago O'Hare Airport Fund additional increases that will go on the expenditure side of \$3,748,000 and so that amount of revenue was added to the fund as well. And then finally, within the Neighborhood Opportunities Fund, we accounted for land sale proceeds from a one-time sale of a redevelopment agreement with Rush University in the amount of \$5,884,000. e And we will be allocating those land sale funds within the NOF to the Sankofa Wellness Village. So those were the revenue amendments.

The Director continued, turning to the expenditure side, the first one deals with, I should say that a lot of these technical amendments deal with reclassifications and regrades from audits done by the Department of Human Resources that weren't available when the Budget was finalized. So if it's a reclass or regrade I will just quickly tell you that. We'll really just deal with the substance of amendments. So with the Office of the Inspector General's Office's reclass of regrade through the Department of Human Resources moving an Associate Staff Attorney to an Attorney IG title specific title for the Office of Inspector General. For Department of Technology & Innovation and 2FM are three staff members that are currently in AIS IT and were left in 2FM but deal with IT administration have been moved from 2FM's budget into DTI and then there a number of reclassifications based on final job titles and job codes agreed to between the Chief Information Officer and the Department of Human Resources to properly place titles at market titles and market compensation. Chairman Ervin injected a query, Director the items that you have changed since initially being brought forth, could you go into those because I think when we go io questions will get an idea of what the questions are from that. Director Guzman responded sure. The two that I just introduced. Chairman clarified, not the two but the changes with staff I think you already discussed. The changes on the Rules Committee, one was on another committee you can go through those and we can entertain the floor for questions. Director Guzman acquiesced stating absolutely, responding so within City Council a couple of updates. So the additional staffer has been added There are 50 additional staffers for Aldermen have been added. As we went through some of our briefings today. Currently the ward office salary is \$212,724 that's being raised to \$300,000 for an additional \$87,276 per Alder capped at four full-tune equivalents. In addition to that we have added additional funding within the Finance General line for fringe so healthcare costs, benefits and COLA amount for that fourth full-time staffer bringing the grand total amount per Alder to \$537,000. So that was a change between what was proposed in the Budget that was released in October to now to \$4148,894 per staff per Alder. The expense account remains at \$122,000 and as we discussed already, we will be working with all those who need help to shift fund around from their expense account to personnel account. In addition to that we have made some updates to certain committees adding in funding for the Committee on Police & Fire of \$2,500, Committee on Immigration & Refugee Rights within the personnel services, contractual services, and commodities and materials line to provide additional funding to address the migrant situation and they work on communications that come out from that committee. Additional funding within the Committee on Special Events, Cultural Affairs and Recreation related to providing for additional staff in that committee. The Vice Chair providing additional staff and funding that was a correction of an error made in the Budget for additional funding for the contractual services line and then, that was it. And then

the second one was an additional staffer in the Rules Committee to deal with FOIAs that are handled for all of the City Council. Chairman thanked Director Guzman and opened the floor for questions.

Seeing no Members having questions, the Chairman called for Vice Chairman Burnett in a humorous gesture for Director call him Vice Chair. Then duly inquired of Alderman Burnette regarding his Motion, and he confirmed he so Moved. Chairman then called upon the Body, all in favor signify by saying aye, opposed no. In the opinion of the Chair the ayes have it. Alderman Quinn was recognized and recorded as a no vote on the matter.

The Chair restated that the consideration on the floor was consideration of Item #1 and Item #2 together, Item #2 being the Budget Recommendation and Item #1 a series of proposed corrections and revisions to those proposed corrections together with the text portion. So now we move to apply the Text Portion. Vice Mayor Burnette moves to accept the Text Portion of the 2024 Budget Recommendation, for that Motion there were no objections, and thus recognized so ordered.

So Chairman next called for Item #2 on the floor for vote. Director Guzman clarified the vote was the adoption of Appropriation Ordinance, Chairman confirmed, yes. Director continued that the Ordinance was presented by the Mayor in October before this Committee for approval for full vote by the City Council. Chairman asked was there any questions on the Appropriation Ordinance? There were none. Chairman recognized Alderman Dowell for Motion for approval of Items #1 and #2, Alderman Dowell So Moved, Chairman asked all in favor to signify by saying aye, opposed no. Alderman Quinn was recognized as the sole opposing vote. Chairman next recognized that the Motion passed and will be reported out at our next regular meeting of the City Council on November 7th. And further acknowledged that being the last item to be addressed queried if there was a Motion to Adjourn. So Moved by Alderman Rodriguez, Chair called for all in favor to say aye, opposed nay, then recognized that in the opinion of the Chair, the ayes have it. And said he would see everyone tomorrow.

The Committee on the Budget and Government Operations having no further business, on motion made by Alderman Rodriguez for adjournment, meeting was adjourned.

(A video recording of the full meeting with committee members, internal and external experts, as well as any/all public speaking content can be reviewed on the Chicago City Clerk website under Committee Meeting Web Stream Archive dated July 18th.)

Respectfully submitted by:



Jason C. Ervin, Chairman
Committee on the Budget and Government Operations