

**COMMITTEE ON FINANCE
MONTHLY RULE 45 REPORT
January 2021**

On January 25, 2021, at 10:00 am, the Committee on Finance held a remote meeting pursuant to applicable law.

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

The following member was absent: Brookins.

The following additional aldermen were present: Coleman, Sigcho-Lopez, Cardona, Nugent.

Chairman Waguespack opened the meeting with a statement regarding the impracticability of meeting in person. Chairman Waguespack took a roll call to establish a quorum, as reflected above.

Chairman Waguespack opened the floor for public comment. Tremel Williams, Marilyn May, and Ephraim Martin spoke in support of efforts to honor Jean Baptiste Point du Sable with a statue, the renaming of Lake Shore Drive, and a City holiday.

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

On Item 1, Ald. Lopez moved do pass by the roll call taken to establish quorum. Motion carried on a voice vote.

2. Direct Introduction A communication recommending the approval of the independent firm of Deloitte & Touche, LLP and a consortium of minority- and women-owned accounting firms to perform the audit for the City of Chicago fiscal year ending December 31, 2020.

Chairman Waguespack noted that he shared a letter with the Committee regarding his request that a Request for Proposals be issued for future audit years. Chairman Waguespack invited Comptroller Reshma Soni to speak regarding the item, which she did.

Ald. Cardenas asked about minority participation in the work, and Soni explained various reporting requirements and the potential for future minority participation. Ald. Cardenas noted that the City should seek a minority firm to lead the audit team in future years.

Ald. Ervin asked how the firm selected impacts borrowing. Soni said the need for a top firm to participate in the audit does not preclude a minority firm from leading the audit team. Ald. Ervin asked if it made sense to exclude Deloitte in the future since they had done the work over the previous 20 years. Soni said Deloitte rotates the auditors and partners who perform the audit

work for the City to ensure fresh eyes on the audit. Ald. Ervin asked how many mid-tier MBE/WBE firms exist to do the work. Soni said many firms exist, but the issue is bandwidth to perform the work. Soni added that having a consortium helps alleviate that issue, allowing for more MBE/WBE participation.

Ald. Dowell asked if Soni had spoken to Deloitte concerning their minority hiring. Soni said she had, and Deloitte was issuing a report concerning the issue.

Ald. Cardenas asked how many separate audits were involved, and Soni said about 15. Ald. Cardenas also requested information regarding how many partners and employees working on the audit are minorities, and Soni provided the information.

Ald. Dowell asked for more general information on diversity at Deloitte, as well as how that has changed over time. Bridget Flint, Managing Director at Deloitte and point person on the City audit, provided information on both Ald. Dowell's and Ald. Cardenas's questions. Flint said more firm-wide data would be provided later in the week.

Chairman Waguespack asked if the report on diversity was voluntary or mandatory, and Flint said it was voluntary. Ald. Cardenas said Deloitte needed to do better at promoting their minority associates.

Ald. Villegas asked if the City had considered target marketing for some of the audits. Soni said they had, but there was significant overlap between the audits, as well as other structural issues that made breaking the audits out individually impractical. Ald. Villegas asked how MBE/WBE participation would be reflected in the scoring of the RFP, and Soni provided an explanation. Chairman Waguespack spoke in support of the 2021 RFP.

On Item 2, Ald. Cardenas moved do pass by the roll call taken to establish quorum. Motion carried on a voice vote, with Ald. Silverstein abstaining under the provisions of Rule 14 due to having a relative who works as a director at Deloitte.

3. O2020-5181 A communication recommending a proposed ordinance regarding the authority to issue free permits and associated fee waivers for all applications filed by the Chicago Board of Education or its contractors for buildings, facilities and projects used for public or governmental purposes with quarterly reporting of waivers to the Office of Budget and Management.

Chairman Waguespack held Item 3 in Committee.

4. O2020-6213 A communication recommending a proposed ordinance regarding the authority to enter into and execute an Intergovernmental Agreement with Metra to provide tax increment financing (TIF) assistance for engineering studies of various grade crossings and other eligible projects on the Milwaukee District Rail Line.

Chairman Waguespack invited Jeff Sriver, Director of Transportation Planning and Programing with the Chicago Department of Transportation, to explain the ordinance, which he did. Chairman Waguespack also noted that David Kralik, Director of Long Range Planning at Metra, and Shanta Williams, Director of the Office Diversity and Business Enterprises at Metra, were available for questions.

Ald. Burnett thanked all involved in moving this forward, noted that the improvements were demanded by residents in the surrounding area, and mentioned that the TIF will soon expire.

Ald. Thompson asked if the aldermen of the wards where the projects are planned were supportive, and Aids. Reilly and Burnett said they were. Ald. Thompson asked that Metra invest more of their capital budget in the City.

Ald. Osterman asked how much TIF was going to the project, and Chairman Waguespack reiterated that detail. Ald. Osterman asked about the possibility of a train stop in the area, and Kralik said Metra is working on a feasibility study.

Ald. Villegas asked about MBE/DBE participation. Sriver said Metra standards would be applied since the City does not typically work on railroads. Ald. Villegas asked what Metra's plans are for ensuring DBE participation. Williams said the DBE target was 5-10 percent on the engineering phase and 25 percent on construction. Ald. Villegas asked why it was lower on the engineering, and Williams said there were not more DBE firms available.

Ald. Villegas asked what Metra was doing to expand the number of DBE firms qualified to do the work, and Williams said Metra is developing a mentor program. Ald. Villegas asked if Metra would consider more points in the scoring for firms that provide such mentoring. Williams said she understood the concern, but without the mentor program in place, that would not be possible. However, Williams said there would be some targeted marketing. Ald. Villegas noted that the selection process on engineering contracts is more subjective.

Ald. Villegas asked if anyone in procurement at Metra could commit going above 10 percent DBE on the engineering. Williams said the 10 percent goal is only on the preliminary phase, and there will be more opportunities in the future. Williams also said she would start the conversation on modifying the procurement process to include more DBE. Kralik said the hesitation was that Metra might use a previously engaged consultant on this project. Williams said that firm has DBE participation of 34 percent. Ald. Villegas said that would be a better avenue but stressed the need for the creation of a mentor program. Kralik said that is one of the consultant's tasks.

Chairman Waguespack asked Williams for any information regarding previous improvement and future goals regarding DBE, especially in engineering. Williams said she would provide the information.

Vice Chairwoman Hairston expressed disappointment with the DBE participation and said she opposes the ordinance. Ald. Burnett reiterated his support for Metra improvements and encouraged Metra to improve their DBE.

Ald. Dowell expressed dismay with the maintenance at a rail yard at 47th Street and LaSalle and said she could not support the ordinance unless Metra did better. Ald. Austin, Ald. Sadlowski-Garza, Ald. Mitchell, and Ald. Reboyras made similar points about stations in their wards.

Ald. Burnett said he has had similar challenges, but the TIF will soon expire, and his community is desperate for the work outlined in the ordinance. Ald. Burnett asked that his colleagues reconsider their opposition. Chairman Waguespack said it would behoove Metra to work better with City Council members and CDOT to address these issues.

Ald. Lopez asked when the TIF expires. Sriver said it expires at the end of 2022. Ald. Lopez suggested holding the item. Kralik said the engineering study will take 12 months, and TIF expenditures need to be tied up about six months before expiration, creating challenges completing the work within the timeframe if the ordinance was delayed.

Ald. Lopez asked if the TIF funds were reimbursement, and Kralik said it was. Ald. Lopez said that aldermen have been waiting for many years on their issues, and the money should provide some motivation for Metra to work on those other items.

Ald. Burnett reiterated that his community is desperate for this work to happen and asked the Committee to allow the ordinance to proceed.

Ald. Osterman echoed Ald. Burnett's comments and mentioned how long it has taken to bring a new station near his ward. Ald. Sposato echoed Ald. Osterman's comments.

Ald. Dowell said she was willing to support the ordinance at Committee, but she would need an answer from Metra on her concerns before City Council. Ald. Harris suggested aldermen in various parts of the City meet separately with Metra to discuss their issues. Chairman Waguespack suggested that CDOT organize a list of the various projects and concerns so it can be shared with the Committee and issues can be addressed. Sriver said that could be done and he would follow up.

Ald. Austin asked for more dialog between Metra and aldermen, but she withdrew her opposition to this particular ordinance. Ald. Sadlowski-Garza echoed Ald. Austin's comments.

Ald. Reilly echoed Ald. Harris's comments and said that even basic maintenance requests seem to be ignored, and he urged Metra to be more collaborative.

Ald. Burnett noted that Metra is only doing this work because of available TIF funds and asked for the Committee's favorable consideration.

On Item 4, Ald. Mitts moved do pass by the roll call taken to establish quorum. Motion carried on a voice vote, with Ald. Lopez and Vice Chairwoman Hairston voting "no."

5. O2020-3996 A communication recommending a proposed ordinance evidencing intent to issue Chicago O'Hare International Special Facility Revenue Bonds in an amount not to exceed \$55,600,000.00 for the benefit of Transportation Infrastructure Properties, LLC and/or Aero O'Hare II, LLC or affiliates thereof.

Chairman Waguespack invited Chicago Department of Aviation Commissioner Jamie Rhee, CDA Managing Deputy Commissioner Amber Ritter, Department of Law Chief Assistant Corporation Counsel Trace Payne Henry, and Aeroterm Vice President Greg Russell to explain the ordinance, which they did.

Ald. Ervin thanked Aeroterm for addressing questions raised at a previous Committee meeting.

On Item 5, Ald. Ervin moved do pass by the roll call taken to establish quorum. Motion carried on a voice vote, with Ald. Burke abstaining under the provisions of Rule 14 due to work other members of his law firm previously performed for Aeroterm.

6. Direct Introduction A communication transmitting reports of cases in which judgments or settlements were entered into for the month of November 2020.

Chairman Waguespack said Item 6 would be placed on file with the Clerk.

7. Direct Introduction A proposed order authorizing the payment of various small claims against the City of Chicago.
8. Direct Introduction A proposed order denying the payment of various small claims against the City of Chicago.

On Items 7 and 8, Chairman Waguespack said the items would be placed on the Omnibus Agenda at City Council. There was no objection.

Chairman Waguespack moved to the Supplemental Agenda and read a brief description of the suit.

1. One proposed order authorizing the Corporation Counsel to enter into and execute Settlement Orders in the following case:
 - A. Antwon Golatte v. City of Chicago, et al., cited as 17 C 929 (N.D. IL.)(J.Tharp) Amount: \$525,000 and forgiveness of certain debts owed to the City of Chicago in the amount of \$44,808.68.

Chairman Waguespack invited Deputy Corporation Counsel Jeff Levine provided additional context to the case, which he did.

Ald. Sposato asked if the plaintiff had tried to hit officers with his car, and Levine said he did back into a squad car, but no officers were in danger at the time the plaintiff was shot.

Ald. Scott asked what additional training the officers received after serving their suspensions, and Levine provided the details.

On Supplemental Item 1A, Ald. Scott moved do pass by the roll call used to establish quorum. Motion carried, with Aids. Sposato and Lopez voting “no.”

The Committee having no further business, on a motion by Ald. Sposato, the meeting was adjourned at 12:25 pm.

Respectfully submitted,



Scott Waguespack
Chairman, Committee on Finance