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COPY

JOURNAL of the PROCEEDINGS of the CITY COUNCIL of the CITY of CHICAGO, ILLINOIS

Regular Meeting—Wednesday, June 5, 1985

at 10:00 A.M.

(Council Chamber—City Hall—Chicago, Illinois)

OFFICIAL RECORD.

HAROLD WASHINGTON
Mayor

WALTER S. KOZUBOWSKI
City Clerk

Attendance at Meeting.

Present -- Honorable Harold Washington, Mayor, and Aldermen Roti, Rush, Tillman, Evans, Bloom, Sawyer, Beavers, Humes, Hutchinson, Vrdolyak, Majerczyk, Madrzyk, Burke, Brady, Langford, Streeter, Kellam, Sheahan, Kelley, Sherman, Stemberk, Krystyniak, Henry, Marzullo, Nardulli, W. Davis, Smith, D. Davis, Hagopian, Santiago, Mell, Frost, Kotlarz, Banks, Damato, Cullerton, Laurino, O'Connor, Pucinski, Natarus, Oberman, Hansen, McLaughlin, Orbach, Schulter, Volini, Orr, Stone.

Absent -- Aldermen Huels and Gabinski.

Call to Order.

On Wednesday, June 5, 1985 at 11:23 A.M. (the hour appointed for the meeting was 10:00 A.M.) Honorable Harold Washington, Mayor, called the City Council to order. Honorable Walter S. Kozubowski, City Clerk, called the roll of members and it was found that there were present at that time: Aldermen Roti, Rush, Tillman, Evans, Bloom, Sawyer, Beavers, Humes, Hutchinson, Vrdolyak, Majerczyk, Madrzyk, Burke, Brady, Langford, Streeter, Kellam, Sheahan, Kelley, Sherman, Stemberk, Krystyniak, Henry, Marzullo, Nardulli, W. Davis, Smith, D. Davis, Hagopian, Santiago, Mell, Frost, Kotlarz, Banks, Damato, Cullerton, Laurino, O'Connor, Pucinski, Natarus, Oberman, Hansen, McLaughlin, Orbach, Schulter, Volini, Orr, Stone -- 48.

Quorum present.

Invocation.

Alderman George J. Hagopian (30th Ward) opened the meeting with prayer.

PRESENCE OF VISITORS NOTED.

Honorable Harold Washington, Mayor, called the Council's attention to the presence of the following visitors:

Students from Copernicus School, accompanied by Sonja Kirk;

Students from Wilhelm Roentgen School, accompanied by Mrs. Goss.

TRIBUTE TO LATE FIREFIGHTER RAYMOND MAGNUS.

Honorable Harold Washington, Mayor, on behalf of himself and all the members of the City Council, presented the following proposed resolution:

WHEREAS, Raymond Magnus, an eight-year veteran of the Chicago Fire Department, assigned to Hook and Ladder Company 35 made the ultimate sacrifice in his service to his fellow man on May 29, 1985; and

WHEREAS, Firefighter Magnus succumbed to his injuries he received while fighting a fire at 1914 N. Spaulding on May 26, 1985; and

WHEREAS, Firefighter Magnus lost his life performing his duties in the highest tradition of the Chicago Fire Department; and

WHEREAS, Firefighter Magnus, who served the citizens of Chicago with bravery and devotion from 1977 to 1985 during which time he was awarded the Commissioner's Award of Valor; and

WHEREAS, Firefighter Magnus, age 41, is survived by his mother and three children and mourned by his comrades and the people of Chicago; now, therefore,

Be It Resolved, That we, the Mayor and the members of the Chicago City Council, gathered here this 5th day of June, 1985, A.D., do hereby extend our deepest sympathy to his mother and three children and wish to let them know that the people of Chicago will remember Firefighter Raymond Magnus as one of our dedicated and unselfish heroes; and

Be It Further Resolved, That a suitable copy of this resolution be prepared and forwarded to his family.

Alderman Sheahan moved to *Suspend the Rules Temporarily* to permit immediate consideration of and action upon the foregoing proposed resolution. The motion *Prevailed.*

On motion of Alderman Sheahan, the foregoing proposed resolution was *Adopted*, unanimously, by a rising vote.

REPORTS AND COMMUNICATIONS FROM CITY OFFICERS.

Placed on File -- COMMUNICATION FROM HONORABLE HAROLD WASHINGTON, MAYOR, CONCERNING RESOLUTION ADOPTED BY CITY COUNCIL ON MAY 29, 1985, AUTHORIZING FUNDS FOR YOUTH DEVELOPMENT PROGRAM.

OFFICE OF THE MAYOR
CITY OF CHICAGO

June 5, 1985.

To the Honorable, The City Council of the City of Chicago:

LADIES AND GENTLEMEN -- On May 29, 1985, this Council adopted a resolution purporting to authorize funds for a youth development program. I would like to take this opportunity to explain to the Council why this resolution is of no legal effect.

Sections 1(a) and 1(b) of the resolution purport to direct the expenditure of approximately one million dollars for the corporate fund for implementation of my gang crime program. This money was already appropriated in the 1985 Annual Appropriation Ordinance subject to the concurrence of a special city council committee. That committee concurred in the plan submitted to the Council. The favorable vote of the special committee was the last legislative act necessary to allow expenditure of these funds. As I stated on May 28, 1985, those funds are now being applied in the manner concurred in by the committee. That portion of the Youth Development Program has already been implemented and the sections of the resolution which purport to authorize funds to that end are surplusage.

Sections 1(c), (d) and (e) of the resolution attempt to allocate Year XI Community Development Block Grant funds to implement remaining portions of the Youth Development program. To date, no Year XI funds have been received nor has the final application for those funds been submitted. The ordinance appropriating Year XI C.D.B.G. funds was developed after lengthy public hearings and already contains an allocation for funds to be spent on this program. At best, the resolution adopted by this body merely evidences an intent by the Council to have such an appropriation in the Final Statement of Objectives for Year XI rather than an actual appropriation of those funds. When, and if, an ordinance is adopted by this body authorizing the apportionment of Year XI C.D.B.G. funds, that ordinance will obviously supersede the language contained within this resolution.

Section 1(f) of the resolution is ineffective as community-based agencies apply directly to the Illinois Department of Children and Family Services for those funds.

I am confident that the plan proposed by this administration to combat gang crime in our City and save our children will move forward with all possible speed.

Very truly yours,
(Signed) HAROLD WASHINGTON,
Mayor.

Referred -- MAYORAL VETO OF ORDINANCE AND SUBMISSION OF SUBSTITUTE ORDINANCE REGARDING YEAR XI FINAL STATEMENT OF OBJECTIVES AND PROJECTED USE OF FUNDS FOR COMMUNITY DEVELOPMENT BLOCK GRANT ENTITLEMENT.

Honorable Harold Washington, Mayor, submitted the following communication:

OFFICE OF THE MAYOR
CITY OF CHICAGO

May 31, 1985.

To the Honorable, The City Council of the City of Chicago:

LADIES AND GENTLEMEN -- It is with profound disappointment that I return herewith, without my approval, an Ordinance Authorizing Submission of Final Statement of Objectives and Projected Use of Funds for Community Development Block Grant Entitlement to the U.S. Department of Housing and Urban Development for Year XI. I must withhold my approval of this ordinance because of the amendments proposed by the council majority which, in my opinion, attempt to use these important funds both unwisely and in a manner which is illegal.

The purpose of the Federal Community Development Block Grant program is to develop viable urban communities by providing decent housing, a suitable living environment and the expansion of economic opportunities for persons of low and moderate income. The Year XI ordinance as submitted to this Council fully meets these objectives and equitably distributes limited funds where they are needed most and to those communities which have suffered from a long history of neglect.

The ordinance originally considered by this Council was the result of a comprehensive evaluation process which spanned nearly half a year. The process included public hearings and consultation with members of this Council, service agencies, community organizations and concerned citizens. Requests and proposals were scrutinized in an orderly, professional manner, in light of the technical standards established by federal law and regulations for program and recipient eligibility. In addition, requests were required to meet program criteria established by the City's Office of Budget and Management and approved by the City Council Committee on Finance as required by the Year X C.D.B.G. ordinance. Every member of the City Council was advised of each stage of this process; aldermanic participation was sincerely invited and welcomed. The final decisions incorporated in the ordinance originally proposed reflect not only the necessary technical evaluations, but also thoughtful consideration of the capacity of City departments and delegate agencies to provide desired services, and a keen appreciation of the increasing and competing demands for steadily diminishing federal program funds. The numerous amendments added at this late date without public deliberation or regard for technical program criteria ignore the orderly, comprehensive evaluation process, upset the equitable distribution of funds, and continue the long neglect of significant segments of our population. The amendments proposed by individual aldermen adding large numbers of model blocks in a single ward subvert the procedure followed by the Budget Office and further skew the fair allocation of limited resources in the City.

The City Council majority has proposed to eliminate or reduce ongoing programs and new initiatives in the areas of housing, economic development, health services, aid to the aging and the disabled and job training assistance. The approximate amounts removed from those programs in these eleventh hour amendments are as follows:

Housing

Nearly four million dollars has been cut from Urban Renewal programs. Significant funds have also been eliminated from the program to provide for Housing Action Grants, including a proposed grant to Access Living of Metropolitan Chicago to assist disabled citizens in this City. Funds have also been eliminated from the Rehabilitation Loan and Grant Program, the Emergency Housing Assistance Program, the Senior Citizens/Handicapped Home Maintenance Program and programs designed to assist neighborhood based housing. Total cuts for Housing programs approach 7.1 million dollars.

Economic Development

Major cuts have been proposed in funds earmarked for professional and technical services to such groups as the 18th Street Development Corporation/Pilsen Industrial Council, the Back of the Yards Neighborhood Council, the Center for Neighborhood Technology, the Northwest Neighborhood Federation, the United Neighborhood Organization Southeast Chicago and the Westtown Concerned Citizens Coalition. Funds have also been seriously reduced for Business Development Loans and Industrial Infrastructure Improvements; total funds eliminated from these programs approach one million dollars.

Health Services

Entire programs, such as the Nutrition Program and the Adolescent Substance Abuse Program, have been eliminated. Funds to various departments which perform services essential to the health and safety of this City, such as funds for Rodent Control, have been eliminated or reduced. Total cuts for such services exceed one million dollars.

Other Programs

Funds for rehabilitation of private not-for-profit facilities, for assistance to the aging and disabled, for job training and for a variety of other renovation programs have been cut. Eliminated funds exceed one million dollars.

The loss or reduction of these programs will encourage economic decline and will have an obvious, immediate and adverse effect on the life, health and safety of the citizens who are to be served by these programs.

The council majority has acted irresponsibly not only by eliminating necessary programs, but by tacking on amendments which add funds to programs that clearly ignore the purposes of the C.D.B.G. program. For example, 2.6 million is slated for a single branch library. One million dollars is earmarked for the Chicago Port Authority, which is a separate governmental entity with its own funding sources. It is not clear from the amendments how this money is proposed to be spent. In addition, 1.3 million is slated for W.P.A. street construction, a project already provided for in my General Obligation Bond Issue which the Finance Committee has refused to consider for nearly two years. Even if this bond issue were not before this council, C.D.B.G. regulations clearly prohibit the use of C.D.B.G. funds to resurface the W.P.A. streets.

By adding amendments at this late date, the Council majority has circumvented the process by which programs are reviewed to determine if they meet eligibility requirements. In order to be included in the proposal for Year XI funds, all programs were required to meet eligibility criteria under federal and local law. Some of the organizations added by these amendments, such as the Beverly Area Planning Association and the Jefferson Park Chamber of Commerce, were originally considered and rejected as ineligible under the established criteria. Other organizations which were added, such as the Chicago Community Corporation, were never reviewed with respect to these criteria and it is impossible to tell whether they are eligible or not.

The amendments proposed by the Council majority also contain language which gives the Council control over contracts, loans and proposals for reprogramming. These controls are not acceptable to my administration because they unnecessarily delay the distribution of these needed funds and inject political considerations into the process. These funds are too important to allow them to be subjected to political whim.

An established procedure exists for the evaluation of applications for C.D.B.G. funding. The Community Development Advisory Committee assiduously adhered to that procedure. This Council, by its amendments, has completely disregarded these procedures and the nearly six months of diligent work by the Citizens Advisory Committee. The result of this callous disregard for procedures could very well be that the City will lose its opportunity to obtain these funds. Under the ordinance passed on May 29, 1985, narrow interests would be served at the expense of this City's disabled, aging, and disadvantaged. I cannot in good conscience allow this to happen. I therefore withhold my approval of the ordinance and return, as a substitute, the ordinance developed in accordance with the procedures established last year.

I take this opportunity to advise the City Council that I will seek from the Secretary of Housing and Urban Development a waiver, pursuant to 24 C.F.R. §570-5 of the June 1 deadline for filing the City's application for Year XI funds. I encourage the Council to use this time to adopt the ordinance transmitted herewith, so that the City of Chicago may continue its participation in the C.D.B.G. program.

Very truly yours,
(Signed) HAROLD WASHINGTON,
Mayor.

On motion of Alderman Roti and Alderman Burke, the foregoing veto and substitute ordinance were *Referred to the Committee on Finance.*

Referred -- MAYORAL VETO OF ORDINANCE AUTHORIZING GENERAL OBLIGATION REFUNDING BONDS, SERIES 1985 AND SUBMISSION OF SAME IN ORIGINAL FORM.

Honorable Harold Washington, Mayor, submitted the following communication:

OFFICE OF THE MAYOR
CITY OF CHICAGO

June 5, 1985.

To the Honorable, The City Council of the City of Chicago:

LADIES AND GENTLEMEN -- I return herewith, without my approval, an ordinance authorizing the issuance of General Obligation Refunding Bonds, Series 1985, passed on May 29, 1985. I must withhold my approval of this ordinance because of certain amendments added to it in the Committee on Finance. In those amendments, the council majority have imposed intolerable conditions on the sale of these bonds. For the first time, the City Council has named the underwriters of a bond issue, as well as underwriters' counsel and the City's bond counsel. These actions are irresponsible from both a fiscal and a governmental point of view.

Section 7-3 of the Municipal Code provides in relevant part that the City Comptroller "shall have supervision of the issuance and sale of all bonds, warrants and obligations." Prior to the submission of the original ordinance, and in exercise of the responsibility conferred by ordinance, the City Comptroller solicited, received and evaluated proposals from organizations desiring to perform underwriting services on this bond issue. This process was established to achieve the most favorable conditions of sale of these bonds, both in terms of commissions to be paid and in terms of the performance of the underwriters. Careful evaluation resulted in the Comptroller's selection of such prominent Chicago-based firms as First National Bank of Chicago, Continental Bank, Prudential-Bache and Dean Witter and Co. to act as underwriters of this important bond issue. The council majority chose to ignore or subvert this orderly process, and to install as underwriters some organizations whose proposals had been evaluated and rejected by the Comptroller. This intrusion on the Comptroller's statutory authority, and attempt to overturn its orderly exercise, is unseemly and totally unacceptable.

The council has also selected as underwriters' counsel the former law firm of the chief administrative officer of the Committee on Finance. The method by which this selection was made through an eleventh hour amendment may cause public commentary and suspicion, and may sully the excellent reputation enjoyed by the law firm and the administrative officer.

By selecting the City's bond counsel, the council majority have impermissibly interfered with the function of the Corporation Counsel. Pursuant to Section 6-2 of the Municipal Code, the Corporation Counsel, whose appointment has already been approved by the City Council, superintends and conducts <u>all</u> the law business of the City. This must include the selection of bond counsel and other special assistants, since the Corporation Counsel is ultimately accountable for their performance on behalf of the City. This attempt by the council majority to impose improper restrictions on the orderly operation of executive departments of the City government must be rebuffed.

It is pointless to complain that this veto may prevent considerable savings by reducing the interest rate payable on the original notes refunded by this ordinance. Had the

Committee on Finance recommended, and the City Council passed, the bond refunding ordinance in the form originally submitted, the same savings could have been effected without interference in the executive function. The opportunity to accomplish this objective in a responsible manner has not been lost. I submit herewith the ordinance in its original form and request your prompt and favorable consideration thereof.

Very truly yours,
(Signed) HAROLD WASHINGTON,
Mayor.

On motion of Alderman Roti and Alderman Burke, the foregoing veto and attached ordinance were *Referred to the Committee on Finance*.

Adjournment.

Thereupon, Alderman Sheahan moved that the City Council do *Adjourn*. The motion *Prevailed* by yeas and nays as follows:

Yeas -- Aldermen Roti, Vrdolyak, Majerczyk, Madrzyk, Burke, Brady, Kellam, Sheahan, Stemberk, Krystyniak, Marzullo, Nardulli, Hagopian, Mell, Kotlarz, Banks, Damato, Cullerton, Laurino, O'Connor, Pucinski, Hansen, McLaughlin, Orbach, Schulter, Stone -- 26.

Nays -- Aldermen Rush, Tillman, Evans, Bloom, Sawyer, Beavers, Humes, Langford, Streeter, Kelley, Sherman, Henry, W. Davis, Smith, D. Davis, Frost, Natarus, Oberman, Volini, Orr -- 20.

Thereupon, the City Council *Adjourned* to meet in regular meeting on Wednesday, June 12, 1985, at 10:00 A.M., in the Council Chamber in City Hall, pursuant to Chapter 4, Section 4-1 of the Municipal Code of Chicago.

Walter S Kozubowski

WALTER S. KOZUBOWSKI,
City Clerk.