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

Special Meeting--Thursday, October 12, 1995

at 10:00 A. M.

(Council Chambers--City Hall--Chicago, Illinois)

OFFICIAL RECORD.

RICHARD M. DALEY
Mayor

JAMES J. LASKI
City Clerk

Attendance At Meeting.

Present -- The Honorable Richard M. Daley, Mayor, and Aldermen Granato, Haithcock, Tillman, Preckwinkle, Holt, Steele, Beavers, Dixon, Shaw, Buchanan, Huels, Frias, Olivo, Burke, Coleman, Streeter, Murphy, Rugai, Troutman, Evans, Munoz, Zalewski, Chandler, Medrano, Ocasio, Burnett, E. Smith, Burrell, Wojcik, Suarez, Austin, Colom, Banks, Giles, Allen, Laurino, O'Connor, Doherty, Natarus, Hansen, Levar, Shiller, Schulter, M. Smith, Moore, Stone.

Absent -- Aldermen Jones, Gabinski, Mell, Bernardini.

Call To Order.

On Thursday, October 12, 1995 at 10:00 A.M., The Honorable Richard M. Daley, Mayor, called the City Council to order. The Honorable James J. Laski, City Clerk, called the roll of members and it was found that there were present at that time: Aldermen Granato, Haithcock, Tillman, Preckwinkle, Holt, Steele, Beavers, Dixon, Shaw, Buchanan, Huels, Frias, Olivo, Burke, Coleman, Streeter, Murphy, Rugai, Troutman, Evans, Munoz, Zalewski, Chandler, Medrano, Ocasio, Burnett, E. Smith, Burrell, Wojcik, Suarez, Austin, Colom, Banks, Giles, Allen, Laurino, O'Connor, Doherty, Natarus, Hansen, Levar, Shiller, Schulter, M. Smith, Moore, Stone -- 46.

Quorum present.

Invocation.

The Honorable Ed H. Smith, Alderman of the 28th Ward, opened the meeting with prayer.

Placed On File -- CALL FOR SPECIAL MEETING.

The Honorable James J. Laski, City Clerk, informed the City Council that the following call for a special meeting was filed in his office on October 6, 1995, at 1:53 P.M.:

OFFICE OF THE MAYOR
CITY OF CHICAGO

October 6, 1995.

*Honorable James J. Laski
City Clerk
City Hall, Room 107
121 North LaSalle Street
Chicago, Illinois 60602*

Dear Mr. Laski -- I hereby call a special meeting of the City Council of the City of Chicago, to be convened at 10:00 A.M. on Thursday, October 12, 1995, in the City Council Chambers in City Hall, for the following purposes and for no other purpose whatsoever:

1. To receive the Executive Budget for the year beginning January 1, 1996, and ending December 31, 1996, and the Mayor's Budget Message relating thereto; and
2. To receive the XXII Community Development Block Grant recommendations; and
3. To consider a resolution calling for publication of the Executive Budget and setting the date, time and place of the public hearing thereon.

Very truly yours,

(Signed) RICHARD M. DALEY,
Mayor.

Referred -- EXECUTIVE BUDGET FOR YEAR 1996.

The Honorable Richard M. Daley, Mayor, submitted the following communication which was, together with the Executive Budget for fiscal year 1996, Program and Budget Summary for 1996, Budget Revenue Estimates for 1996 and Draft Consolidated Plan/Action Plan for 1996, *Referred to the Committee on the Budget and Government Operations:*

OFFICE OF THE MAYOR
CITY OF CHICAGO

October 12, 1995.

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

LADIES AND GENTLEMEN -- I transmit herewith the Executive Budget for the fiscal year beginning January 1, 1996, and the Year XXII Community Development Block Grant recommendations.

Your favorable consideration of these items will be appreciated.

Very truly yours,

(Signed) RICHARD M. DALEY,
Mayor.

BUDGET ADDRESS OF
THE HONORABLE RICHARD M. DALEY, MAYOR.

Members of the Chicago City Council:

Over the last six years, we've worked together, block by block, to improve Chicago's quality of life.

We've ended the divisive and unproductive conflicts.

We've remade city government, making it smaller in size but greater in performance.

We've focused on strengthening neighborhoods and communities.

We've made community policing a priority and embarked on an ambitious effort to involve all of our citizens in fighting crime.

And we've put our children first by demanding performance and accountability from our schools.

There has never been a tougher time to govern a city as big, complex and dynamic as Chicago.

Every major city is faced with gangs, drugs and violent crime. The bonds of families and communities are weakening. And our infrastructure is aging.

There are no magic solutions to these problems.

And now, cities are also challenged by federal and state cutbacks -- on the one hand -- and growing demand for basic services for our citizens on the other.

Today, Congress is in the process of cutting or eliminating assistance for mass transit, public housing, education and health care.

As I have said before, although it will be painful to our city, I cannot ask Chicago taxpayers to pick up the costs of federal programs that are cut.

We cannot afford -- and can't be expected to provide -- services that the federal government can no longer deliver.

As a result of these cuts, we have already been forced to make layoffs and there will be more. There will also be program cuts.

Under the current federal budget cuts, there will be no summer jobs program next year. Some of our job training programs will also be eliminated.

These cuts will be painful. But our only alternative to making these cuts would be even higher taxes or deep cuts in our neighborhood programs.

We're also facing new mandates by Congress, even though just a few months ago the President signed a bill that forbids new mandates without new funds.

As part of Medicare reform, Congress is debating imposing a new unfunded mandate, 17 Million Dollars the city must raise to pay for new Medicare taxes.

That's 17 Million Dollars that we won't have.

No matter how much we dislike having these changes imposed upon us, they are a reality. Our challenge as a city is to confront these changes -- while delivering to our citizens and taxpayers what they expect from our city government today.

Since I was elected mayor six years ago, we have worked hard to provide basic services that improve the quality of life.

My aim today is to stay the course we have set over the past six years.

To work hard day by day to provide the basic services that strengthen our neighborhoods.

To fight back against the gangs and drugs in our communities. To provide affordable housing. To remove graffiti, tow abandoned cars, tear down abandoned buildings, and improve our streets, sidewalks and alleys.

And to continue to find ways to do these things better and more efficiently.

The budget I propose builds on these commitments.

Basic government services aren't glamorous. But they help attract jobs and keep families in our city -- and working families are the backbone of our city.

But no program can work without the cooperation of citizens and community leaders. The best answers always come from the people.

The progress we have made in the last six years has come from working together.

When the world comes to Chicago next year for the Democratic National Convention, they will find a city that looks eagerly to the future.

And a diverse city that works together and is not torn apart by its differences. That is a major accomplishment today and we should be especially proud.

They will also find a city that builds and celebrates its communities and its diversity.

We have always been a city of neighborhoods. A great international city like ours that celebrates diverse cultures has distinct advantages in the changing world economy.

So we must make our neighborhoods -- all of our neighborhoods -- livable and safe. Every child should have access to a quality school. Every street, bridge and sidewalk should be in good repair, and everyone who cares about safety in his or her community should know the name of a police officer on the beat.

That is why, over the past three years, we have invested more than 465 Million Dollars in our neighborhoods, commercial areas and industrial infrastructure through general obligation bond issues.

We propose to spend an additional 160 Million Dollars next year, building on the most extensive reinvestments this city has ever seen.

By the end of 1996, we will have resurfaced more than half of the residential streets in Chicago.

From 1989 to 1995, we resurfaced more than 3,000 alleys, and expect to resurface another 600 next year.

Over the last six years, we've installed close to 14,000 new alleylights.

And in the past three years, we've completed nearly 60 bridge improvement projects. Additional improvements are planned for 1996.

These improvements have come about with your input and with the help of our citizens. All across Chicago we can see the benefits of our work together, from the Sheridan Road landscaping project which has enhanced Rogers Park;

To the SNAP Projects in Austin, Lawndale and South Chicago -- which will do for those communities what it did for the Near West Side;

To the new libraries in Humboldt Park and Auburn and repairs at libraries all across the city;

To the improvements at the police stations throughout the city;

To the model industrial corridors project in Ravenswood and other improvements at the Stockyards, which are helping to attract and retain good manufacturing jobs to the city;

To the vaulted sidewalk construction and restoration projects going on throughout the city;

To the resurfacing of 47th Street, between Pulaski Road and Cicero Avenue, and -- for the first time -- the paving of the Works Projects Administration streets without an added cost to homeowners;

To the viaduct lighting program at over 600 sites throughout the city, making them safer for pedestrians and cars;

To the new homes we've built at affordable prices in Pilsen, Little Village, South Chicago and the Near West Side;

You see it in the rebirth of communities like North Kenwood and Oakland;

And in the demolition of over 4,000 abandoned buildings, the removal of over 250,000 abandoned cars, and the removal of graffiti from tens of thousands of brick walls and buildings throughout the city.

And in the 500,000 new trees that have been planted in our city over the past six years.

We've listened and we've delivered.

We've made our neighborhoods better, and have done so with a leaner, more efficient government.

Through reorganization, layoffs and elimination of vacancies, we have cut over 1,600 positions from the corporate budget since 1989 -- one in five non-public safety positions.

Through all of these efforts, we have worked hard to hold the line on taxes.

The City of Chicago's government over the past six years has the best property tax record of any taxing body in this county. We imposed a cap on ourselves as a guarantee.

The budget that I am proposing today builds on these three principles -- building neighborhoods, improving government efficiency and keeping tax increases to a minimum.

It maintains our police strength at a twenty year high. It helps to fund and complete our new 911 center and network. And it continues our commitments to our children and affordable housing.

As I have already mentioned, a key component of this proposed budget is for neighborhood investments and improvements.

Included in this program is 69.6 Million Dollars for neighborhood infrastructure. The money will go towards new street construction, the 50/50 sidewalk program, our new alley construction program. As in the

past, alderman can choose from a menu of improvements depending on the needs.

All of this money goes directly to Chicago's neighborhoods and for projects where it is most needed.

Taken together over several years, we have embarked on the most ambitious program in our city's history to restore neighborhoods, maintain property values, and improve the quality of life for our citizens.

We have also made vital economic development improvements that have enhanced business activity around the city.

We plan roughly 37 Million Dollars in economic development projects, including industrial streets, commercial landscaping, hazardous building demolition, our model industrial corridor program, and viaduct improvements.

We're also spending about 36 Million Dollars on the arterial street system, traffic lights, street and viaduct lighting and bridge repairs.

Beyond that, we will spend 18 Million Dollars next year for repairs at fire stations, police stations, health, human service and senior centers and other public building improvements.

Other neighborhood development programs we are planning include completing reconstruction of more than twenty-four miles of our city's sewers lines over the next two years.

We will continue relining sewers at a record pace, reconstruct and expand thirty-five miles of water mains, and rehabilitate the Roseland, Southwest, Springfield, Mayfair and Cermak pumping stations.

We will also be expanding the Ward Services Blitz program, in which the Department of Streets and Sanitation provides intensive, coordinated neighborhood clean-up services, such as bulk garbage and abandoned car removal, tree trimming and street sweeping and street light repair.

Of course, a key component of strong neighborhoods is home ownership.

We recently announced a Chicago Department of Housing program to commit up to 50 Million Dollars in tax-exempt bonding authority to help working families buy homes.

It encourages working families to become part of communities, making communities more stable and livable, and it is part of our commitment to creating mixed-income communities.

The Department of Housing will also dedicate up to 25 Million Dollars to allow first-time homebuyers to deduct up to 2 Thousand Dollars in mortgage interest payments from their federal income taxes.

Next year, half of the city's shelter beds will provide housing of homeless people for up to four months at a time, while providing counseling, drug and alcohol treatment and job opportunities.

Other housing initiatives we proposed include expanding the Lots for Less program, where the city sells property for the price of closing costs to developers of affordable housing. In 1996, we seek to raise the threshold for eligible property from 10 Thousand Dollars per lot to 20 Thousand Dollars, which means more lots will qualify.

And the New Homes for Chicago program will be expanded to include condominium units with purchase prices of 75 Thousand Dollars or less.

Another way we are working to revitalize communities is to expand retail business in those communities. Our Retail Chicago program assembles land for retailers and cuts red tape, making it easier for them to enter underserved markets. Next year, we will focus on bringing a major retail center to the Near West Side.

And finally, we must never forget that public safety is the most important element in maintaining viable communities.

Our sworn police strength is at the highest levels in twenty years -- and we will continue to maintain those levels next year.

Our battle against crime continues -- block by block, day by day, in partnership with community and church groups, through community policing.

Our community policing program has received national attention, and is starting to enlist more of our citizens in the fight against crime.

But this program has only begun to scratch the surface of its potential.

We need more block clubs, more neighborhood meetings, more interaction between beat officers and residents.

There has to be more outreach into all communities. Beat officers have to become visible members of the neighborhoods they serve, and our citizens have to do their part to work with these officers.

Next year, we're spending an additional 750 Thousand Dollars to increase community awareness and involvement, because the program is built on partnerships.

We're adding 190 tactical officers to our district beats, they will be deployed early next year.

We will begin the process of moving to a more modern police headquarters this year. A new site will be selected shortly, at which time we will announce a timeline for the move.

And our new 911 system will make community policing work better and be more accountable to our citizens.

Our investment in 911 will give us much more than a new telecommunications center. It will be a vital addition to the community policing system, improving the efficiency of our rapid reaction teams.

This new system will connect calls faster and it will provide better information for police officers, improving their response time and decreasing the risk of danger to them and to the people.

Of course, the best anti-crime program is a job.

Our program starts with the industrial projects included in the bond program.

It continues downtown with a redesign of State Street, from Wacker Drive to Congress Parkway. We're working to beautify the street, opening it up to traffic, and making it a more vital part of downtown Chicago -- and this should lead to more retail business activity and more jobs.

But perhaps most important for business, we will continue to streamline government and to eliminate burdensome regulations.

The Department of Revenue will institute a number of licensing reforms that will consolidate the licensing process, eliminating many obsolete and redundant categories.

Cutting down on bureaucracy and red tape will help small businesses start and expand -- and small businesses are the greatest source of new jobs in our economy.

In other areas as well, we will continue to improve the efficiency of Chicago government this year.

We are reviewing operations in the Water Department. We've already made some changes that are making it work more efficiently, and we're exploring other options.

Chicago already has some of the best water in the country -- and it's among the most affordable. There's no reason why it can't also be delivered more efficiently and professionally.

Another improvement aimed at greater efficiency involves health care partnerships. The Lakeview Neighborhood Center will begin a new partnership with Columbus Hospital, which should improve health care services and save the city 2.1 Million Dollars.

And Provident Hospital will take over operations of the Department of Health clinic at Woodlawn -- saving 2 Million Dollars.

By making the program more efficient, our meals on wheels program for seniors will deliver 2.2 million meals next year, up from 943,000 six years ago, with no significant increase in costs.

The Chicago Public Library is turning its security guard services over to outside firms, saving 750 Thousand Dollars a year.

The Board of Elections is eliminating twenty positions and saving about 500 Thousand Dollars due to increased computerization. Because of this new efficiency, they are prepared to fully implement the federal Motor Voter registration law. But they will not fund any program that requires dual registration for federal and state elections.

The dual registration program would cost the city 1 Million Dollars in 1996 alone. This system is patently unfair and must be changed.

And the Department of Streets and Sanitation is retaining a private sector company to operate its auto pound, enhancing revenue by 2 Million Dollars and allowing for better customer service.

Altogether, the city budget I propose today totals 3.644 Billion Dollars, an increase of 1.7 percent over last year's budget -- which is substantially below the inflation rate.

In the preliminary budget, the shortfall for 1996 was projected at 107.4 Million Dollars. This did not include 28 Million Dollars that we have anticipated for contract wage increases.

Over the past two months, we have further increased efficiencies, reduced non-police payroll and trimmed new revenue needs in the corporate budget to 36.4 Million Dollars for 1996.

This funding gap is an unfortunate reality, created by the rising costs of government. Our government is leaner and more efficient today than it was six years ago, but if we are to maintain our commitments to neighborhoods and public safety, we are going to have to pay more.

For six years, higher taxes have always been our last resort -- and that's why we have the best taxing record of any local taxing body.

To fund the sewer and water bonds necessary to keep our system modern and safe, we are asking for a modest user fee increase.

The potential list of options to fill the remainder of this hole include a 30 cents a month hike in the telecommunications user tax to pay for the costs of operating our new 911 system, a change to the amusement tax, higher parking fines, and a modest increase in property taxes.

As always, I'm open to suggestions from aldermen, our citizens and other interested parties regarding other options. But as the debate begins, we must be realistic. Any suggestions to fill this revenue gap must meet four basic requirements:

1. They must be long-term, ongoing solutions -- not one-time revenues.
2. They must rely on our local home-rule authority. In the current political climate, we can't base our budget on changes from Springfield.
3. They must be stable sources of revenue, not subject to fickle economic or social variables, like the cigarette tax.
4. And finally, we must be able to verify exactly what we expect to raise from these sources. I won't support a budget based on inflated revenue projections.

I will give serious consideration to any proposal that meets the four requirements I just laid out.

But I must remind you of one more fact. Over the last six years, together we have accomplished something that no other major city in America has done -- we've raised our bond rating.

In February, Standard and Poor's upgraded our bond rating from A- to A. As a result, we are paying less interest on our bonds, and those savings have kept taxes down, helped us hire more police, and helped us pave more streets.

We cannot jeopardize our bond ratings. Unsound budget practices that damage our credit standing will harm the taxpayers of Chicago far more than reasonable tax increases.

I look forward to an open, honest dialogue on this budget and these critical issues in the weeks ahead, but I urge you to understand reality and to act reasonably.

We have taken a responsible course over the past six years, holding down the property tax levy increase to less than five percent. A property tax increase has been -- and remains -- a last resort for balancing our budget.

But if we are to continue to rebuild Chicago's streets, bridges and alleys and to continue our fight against graffiti, abandoned buildings and crime, we are left with very few choices.

Over the next few years, we will continue to be a target for budget cuts. No federal program is safe.

Many of these cuts have the potential to divide our city. That is why we must work together to build the Chicago of tomorrow.

We must do it together -- and we must not be afraid of doing it alone.

Our city wasn't built by Washington bureaucrats, and we certainly aren't going to let them destroy it.

Our future will not be based on decisions made in Washington. It will be shaped by Chicagoans.

We can rebuild our neighborhoods.

We can keep our streets safe.

We can put our children's education first.

We are on the front lines, keeping our kids safe from gangs and drugs.

We are the only people who can make Chicago the city it can be and the city it should be.

Thank you.

Rules Suspended -- TIME FIXED FOR PUBLIC HEARING
ON EXECUTIVE BUDGET FOR YEAR 1996.

Alderman Dixon moved to introduce the following proposed resolution:

WHEREAS, Mayor Richard M. Daley, on October 12, 1995, submitted to the City Council the Executive Budget of the City of Chicago for the fiscal year beginning January 1, 1996, and ending December 31, 1996; and

WHEREAS, It is provided by law that at least one public hearing shall be held by the corporate authorities on the budget document not less than one week after publication thereof in such manner as the corporate authorities may determine, and prior to final action thereon; and

WHEREAS, It is further provided by law that notice of such hearing shall be given by publication in a newspaper having general circulation in the City of Chicago not less than one week prior to the time of such hearing; now, therefore,

Be It Resolved, That the budget document for the fiscal year beginning January 1, 1996, and ending December 31, 1996, as submitted by the Mayor to the City Council on October 12, 1995, be published in pamphlet form and made available for public inspection in the Office of the City Clerk and in the Harold Washington Library Center no later than October 14, 1995; and

Be It Further Resolved, That the public hearing on said budget document be held by the City Council at 11:00 A.M. on November 1, 1995, in the City Council Chamber in City Hall; and the City Clerk is hereby directed to cause a notice of such hearing to be published in a newspaper having general circulation in the City of Chicago at least one week prior to the time of such public hearing; and

Be It Further Resolved, That the City Clerk publish the Mayor's budget address in the Journal of Proceedings of the City Council of the meeting of October 12, 1995.

Alderman Dixon moved to *Suspend the Rules Temporarily* for the immediate consideration of and action upon the foregoing proposed resolution. The motion *Prevailed* by a viva voce vote.

Thereupon, on motion of Alderman Dixon, the foregoing proposed resolution was *Adopted* by a viva voce vote.

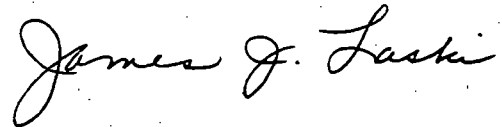
10/12/95

SPECIAL MEETING

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Adjournment.

Thereupon, Alderman Burke moved that the City Council do *Adjourn*. The motion *Prevailed* and the City Council *Stood Adjourned*.

A handwritten signature in cursive script that reads "James J. Laski". The signature is written in dark ink and is positioned above the printed name and title.

JAMES J. LASKI
City Clerk.

