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COPY

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

Special Meeting -- Wednesday, October 11, 2000

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 Haithcock, Tillman, Preckwinkle, Hairston, Lyle, Dixon, Beale, Pope, Balcer, Frias, Olivo, Burke, T. Thomas, Coleman, L. Thomas, Murphy, Rugai, DeVille, Munoz, Zalewski, Chandler, Solis, Ocasio, Burnett, E. Smith, Carothers, Wojcik, Suarez, Matlak, Mell, Austin, Colom, Banks, Mitts, Allen, Laurino, O'Connor, Doherty, Natarus, Daley, Hansen, Levar, Shiller, Schulter, M. Smith, Moore, Stone.

Absent -- Aldermen Granato, Beavers, Troutman.

Call To Order.

On Wednesday, October 11, 2000 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 Haithcock, Tillman, Preckwinkle, Hairston, Lyle, Dixon, Beale, Pope, Balcer, Frias, Olivo, Burke, T. Thomas, Coleman, L. Thomas, Murphy, Rugai, DeVille, Munoz, Zalewski, Chandler, Solis Ocasio, Burnett, E. Smith, Carothers, Wojcik, Suarez, Matlak, Mell, Austin, Colom, Banks, Mitts, Allen, Laurino, O'Connor, Doherty, Natarus, Daley, Hansen, Levar, Shiller, Schulter, M. Smith, Moore, Stone -- 47.

Quorum present.

At this point, The Honorable Richard M. Daley, Mayor noted that Alderman Beavers was absent due to the death of his wife.

Invocation.

The Reverend Darryl James of Messiah Saint Bartholomew Episcopal Church 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, 2000, at 8:42 A.M.:

OFFICE OF THE MAYOR
CITY OF CHICAGO

October 5, 2000.

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 Wednesday, October 11, 2000, 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, 2001, and ending December 31, 2001, and the Mayor's Budget Message relating thereto; and

2. To receive the Year XXVII 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 hearings on the Executive Budget and on the tax levy ordinance for the year 2001.

Very truly yours,

(Signed) RICHARD M. DALEY,
Mayor.

Referred -- EXECUTIVE BUDGET FOR YEAR 2001.

The Honorable Richard M. Daley, Mayor, submitted the following communication which was, together with the Executive Budget for fiscal year 2001, Program and Budget Summary for year 2001, Draft Action Plan for year 2001 and Revenue Estimates for year 2001, *Referred to the Committee on the Budget and Government Operations:*

OFFICE OF THE MAYOR
CITY OF CHICAGO

October 11, 2000.

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, 2001, and the Year XXVII 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 City Council and distinguished guests:

Eleven years ago Chicago accepted the challenge to build neighborhoods where our families can thrive, our children can learn and our businesses can prosper.

We also accepted the challenge to manage government well, protect our taxpayers and keep our neighborhoods affordable for people of all incomes.

Since then, we've worked hard, worked together and made real progress on each of these fronts.

Our investments have enhanced quality of life in neighborhoods across the city.

And, our day by day management of government has saved taxpayers millions and kept tax and fee increases our last resort.

This morning, I come before you with a budget for the year 2001 that will balance our commitment to make wise investments to keep our city moving forward, with our commitment to manage government well.

But, let's be honest. Our city's progress over the last decade is not the result of "just" good luck or "just" a strong economy.

Year by year, we have worked hard both to manage government more efficiently and to make prudent investments in our neighborhoods and people.

And, year by year, in preparing our budget, we have been guided by three simple, yet vital, commitments:

First, to improve the way government is managed so we get the most from every tax dollar.

Second, to invest in people's priorities, starting with neighborhood quality of life and safety.

And, third, to keep Chicago's neighborhoods affordable for people of all incomes by protecting long-time residents and seniors.

Since 1989, we have invested $6 billion in neighborhoods all across Chicago.

No other body of taxpayers in our country has stepped up to support this kind of effort more than the hard-working taxpayers in our city.

These investments have been for our families, our children, our seniors and our long-time residents.

To improve neighborhood quality of life, we've re-paved thousands of miles of streets and alleys in every neighborhood in our city, installed new sewer and water lines and improved commercial areas to secure jobs in our communities.

To bring greater stability to our neighborhoods, we have built or improved dozens of community anchors, including libraries, schools and park field houses throughout Chicago.

To improve safety and facilitate community policing, we've hired 1,400 new police officers, and built a state-of-the-art emergency communications center, a brand-new police headquarters in Bronzeville and three new district police stations.

And, today, our neighborhoods are changing for the better, and many are stronger than ever.

This is true not just in Lincoln Park and Bucktown, but in neighborhoods all across Chicago. It's true in Auburn-Gresham and North Lawndale, in Englewood and Austin and other parts of our city that many felt had been abandoned and forgotten.

Today, these neighborhoods are coming alive with new investments and new hope.

More and more families are staying in Chicago or deciding to return. Home ownership is at an historic high, thanks to confidence in the city and thanks to City programs that have built, re-habbed or helped to finance tens of thousands of affordable homes.

Because of our investments, Chicago has what so many other cities wish they had: a vibrant downtown, which attracts our families and children as well as conventions and tourists from around the world, and which creates jobs for tens of thousands of our people.

Because of our investments, Chicago's economy is stronger and more diverse today, as we add high-technology companies to our base of manufacturing and financial services industries.

Over the last ten years, our investments alone have created or retained more than 100,000 jobs in neighborhoods across our city.

To build on these efforts, in the next four years, we will invest in new or improved police and fire stations and libraries. These facilities will have community rooms for C.A.P.S. meetings and advanced crime-fighting and fire-fighting technology.

Chicago's 77 branch libraries will become after-school centers for children and gathering places for the community. And they'll offer the Internet to all.

But even with all our progress, there is much more to be done.

That's why the budget I present to you today will continue to invest in our neighborhoods and people.

This budget will continue to make the investments necessary to keep Chicago's economy growing.

But perhaps most important, this budget will deepen our commitment to protect our hard-working taxpayers and keep our neighborhoods affordable.

I understand that people work hard for their money.

They have families to support, mortgage or rent to pay, and homes to maintain. They're saving for college and for their retirement.

They expect government to be managed as efficiently as possible. Year by year, we can always do better.

And we can never forget that for each investment the City makes, we are asking taxpayers to shoulder the cost.

Just last year, we asked our taxpayers to assume greater responsibility to invest in new or improved police and fire stations and libraries and in major improvements in our aging water and sewer system.

That's why I come to you today with a budget that is balanced as a result of management savings, greater efficiencies and a growing economy.

I want you to know that even as we invest to keep Chicago moving forward, I will not propose any new or higher taxes or fees in next year's budget.

In this budget, we can both keep our city moving forward and protect taxpayers, without asking them to pay any new or higher fees or taxes.

I'm proud to say that this budget continues our eleven-year commitment to good management -- a commitment that has been recognized by the nation's three major credit rating agencies, which rate the City's credit at double-A-minus, A-one and A-plus -- among the highest in the country for cities in managing tax dollars.

In the last eleven years, our management improvements and efficiencies have saved taxpayers millions and made government more accessible to people and businesses.

We have brought management efficiencies to every City department. These economies have not always been glamorous, but they have been effective.

For example, we've changed the way we buy replacement auto parts, consolidated property management and reduced utility bills by participating in a local energy alliance.

By aggressively pursuing public employees with unpaid parking tickets and water bills, we've added $8.5 million to the City treasury.

But we can do even better.

Under the budget I present today, we propose to cut 250 non-essential jobs from the City payroll without affecting service delivery.

Most of these positions are being eliminated through reorganization or because we have used new technology to provide better services with fewer employees.

In other words, we're applying sound business principles to improve our productivity. And this allows us to redirect our resources into areas where the need is greatest: public safety, public health, libraries and neighborhoods.

We are not simply leaving vacant positions unfilled. We are removing these jobs from the City payroll. They will no longer exist.

With your support, we will save $11.5 million alone from this step.

That will mean at the end of this budget cycle in 2001, the City of Chicago will have fewer non-police employees than it did in 1990, while dramatically expanding the delivery of services to Chicago's neighborhoods.

We've accomplished this in part by turning over some 40 City functions -- such as billing and janitorial services to private contractors, because they could be provided in a more cost-efficient way by the private sector. These efforts have saved taxpayers millions and helped grow our economy, primarily in union-based jobs.

In addition, over the last few days, I have announced several other steps we are taking in this budget to save tax dollars and more efficiently manage government.

We will establish a new Taxpayer Cost Recovery Unit in the Department of Revenue to spearhead our efforts to collect fines and recover the costs of City services that were incurred as the result of someone else's negligence. This will range from $50 fines to costs in the hundreds of thousands of dollars for cleaning up illegal dump sites.

This year, the City and other local municipalities in northeastern Illinois formed a coalition to buy electrical power in bulk -- at an expected savings for Chicago of about $2 million next year.

The Department of Environment will implement a program to retrofit at least 50 City buildings with energy-saving windows, lights and other equipment, reducing our energy costs by up to $3 million a year.

In addition, the City will reduce its use of private printers and graphic designers, at an annual savings of $1.3 million, because we can provide this service more cheaply in-house.

The City also will enter into a lease arrangement to provide cars to those employees whose duties require the regular use of a vehicle. Under the new cost-sharing program, those employees will pay the cost of insurance, fuel and maintenance.

The initiative will generate a savings of $1 million from the sale of City-owned vehicles and an annual savings of hundreds of thousands of dollars.

The Department of Fleet Management will purchase vehicle parts on behalf of the Police, Water and Sewer departments and the Chicago Park District, at an annual savings of $775,000.

The functions and materials of the Municipal Reference Library will be merged with the Harold Washington Library, saving $660,000 a year and reopening the collection to the public.

We will begin a four-year initiative to install electronic surveillance devices in City buildings, so we can reassign security personnel to other positions, saving the City approximately $7 million over the next four years alone.

Other initiatives will make City government more efficient, allowing us to provide more and better services at the same cost.

For example, we will consolidate vehicle maintenance functions of the Water and Sewer departments and the Chicago Park District into the Department of Fleet Management, reducing vehicle downtime.

The Mayor's Office for People with Disabilities will look for ways to eliminate abuse of the disabled parking sign program.

The Department of Human Services will consolidate its Emergency Services and Community Services divisions to expand outreach efforts through their community centers and strengthen the City's partnerships with community-based organizations.

And I have created a new cabinet-level position to oversee the City's 311 non-emergency communications unit and make sure City service requests receive a prompt response. This will enable us to be more responsive than ever to the needs of the residents of Chicago.

Those are just a few of our most recent efforts to improve the delivery of services while cutting the cost of government.

While doing our best to keep spending down, we have also done our best to keep property taxes and fees down, as well, and to keep Chicago's neighborhoods affordable.

In fact, the record shows we've been sensitive about raising property taxes.

Let me put this in real terms. Had we taken full advantage of the opportunity to raise property taxes, even with the tax cap we imposed on ourselves in 1993, we could have raised City property taxes by another $565 million over the last eleven years.

But, we chose not to.

Instead we cut property taxes twice and froze them four years.

Altogether, including future investments in police and fire stations and libraries we announced last year, we will have kept average property tax increases to a little more than one percent a year through 2003.

Nevertheless, even with good government management and our reluctance to raise property taxes, we've still been forced to raise fees and other taxes to continue to improve neighborhood quality of life.

No one wants to raise fees or taxes unless it is absolutely necessary.

But with our sensitivity about raising the property tax and our commitment to invest in neighborhood quality of life, there has been no alternative.

This is why, earlier this summer, I once again called for reforming our property tax system.

Since then, we have reached out to the County Assessor, the Civic Federation, and many other groups to develop a common agenda for change.

We are considering options for reform that can be acted on both here in Chicago and in Springfield.

We cannot forget that Illinois has the 10th highest per capita property tax rate in the country, while the state's per capita income tax ranks 30th.

As I've said, how much more evidence do we need before Springfield steps up and enacts fundamental property tax reform for our working families?

Until that happens, here in Chicago we will continue to develop new programs to keep our neighborhoods affordable for long-time residents, seniors and others hard pressed by rising property values.

That's why, two months ago we announced three more improvements in the Chicago Homeowners Assistance Program -- C.H.A.P. -- which allows certain homeowners in rapidly improving neighborhoods to defer the higher portion of their property tax caused by rising property values until they sell their homes or transfer the title.

Building on last year's expansion of eligibility, we reduced the interest rate for each loan to 3 percent, from 4.5 percent, which is below the cost to the City.

Second, we ended the requirement that a lien be placed against the taxpayer's home. It will be replaced by a repayment agreement, which will not be recorded against the title of the home. We hope this change alone will make the program more inviting.

Third, we further expanded eligibility to participants in City of Chicago programs for subsidized home ownership, including New Homes for Chicago and City Lots for City Living.

I do not want any Chicagoan to be forced from their home by higher property taxes caused by higher property values.

In addition to addressing the issue of neighborhood affordability, we have also made considerable reforms this year in our contracting process and worked to improve on our already strong record of working with women and minority-owned businesses.

Although we have more to do, these reforms should help assure people that the City's contracting process is transparent, open and fair.

These reforms should help assure people that the interests of taxpayers and the public are protected, and that contracts are monitored frequently.

Already, we have made the contracts process more open by dramatically increasing the amount and type of contract information available on the Internet -- including a listing of everyone who participates in City contracts, bid tabulations, contract awards and upcoming contracts, as well as contract value, scope and funding source.

Other major changes have begun to streamline contract preparation, ensure accuracy in data and make the process more efficient and professional.

When it comes to doing business with women and minority-owned firms, I came to office at a time when these programs were under attack, and led the effort to turn Mayor Harold Washington's executive order into law.

So I am proud that for every year of my administration we have met or exceeded our goal of granting 25 percent of the dollar value of contracts to minority firms and 5 percent to women-owned businesses.

In the last few months, we have taken significant steps to improve on our record.

To more aggressively recruit minority companies, we held a jobs fair that attracted more than 2,000 firms, with a follow-up event scheduled for later this month.

We increased the Target Market program -- which sets aside certain contracts exclusively for minority and women-owned businesses -- from $79 million to $140 million, which will be our highest yet.

Already, through the first half of this year, 37 percent of contract awards were to minority-owned businesses and 7 percent to women-owned businesses.

We're cracking down and enacting tough new penalties on front companies that falsely represent themselves as minority or women-owned.

We've decertified and ended contracts with firms that abused the program.

Just last week, we laid out tough, new procedures under which companies seek certification to qualify for women or minority business status.

Also to make sure the interests of taxpayers and the public are protected, we've closed loopholes for "behind the scenes" lobbying. Now, everyone who lobbies anyone at City Hall must register as a lobbyist. If they don't, they'll face stiffer penalties.

Yet, even as we make government more efficient, open the contracts process and protect our citizens from the effects of rising property values, we are deepening our commitment to invest in our neighborhoods and our people, starting with our children, our seniors and low-income families.

Next year we will invest another $210 million in Neighborhoods Alive, our effort to improve the streets, sidewalks and alleys in every neighborhood in Chicago.

We will:

-- Reconstruct 100 blocks of Works Progress Administration -- or W.P.A. -- streets.

-- Resurface 1,100 blocks of residential streets, 650 blocks of alleys and 40 miles of arterial streets.

-- Construct 300 blocks of new sidewalks.

-- Replace 200 blocks of curbs and gutters and 50 miles of water mains.

-- Replace or reline 20 miles of sewer mains.

-- Continue implementation of the Rain Blocker flood control program.

-- Demolish scores of hazardous and vacant buildings throughout the city.

This is in addition to the $200 million investment we'll make through Neighborhoods Alive 21 to build and renovate police and fire stations and libraries and other facilities throughout the city.

Since 1989, we have built or fully renovated 39 libraries, and an additional 20 projects will be completed by 2005.

We have already opened three new district police stations and the Central Police Headquarters, and we will be building 11 more district police stations and 10 new fire houses, and renovating the rest.

We will purchase 25 new ambulances, 20 fire engines, 15 ladder trucks and three tower trucks next year. In addition, we will purchase a new helicopter that will be used by the Fire Department and other City agencies.

Through the Department of Housing, we will implement the third year of our five-year, $1.3 billion affordable housing plan with investments in affordable home ownership, rental housing for seniors and families and education against predatory lending.

In addition, the Emergency Housing Assistance Program or E.H.A.P., a program that provides emergency home repairs for low-income homeowners, will be expanded by nearly 50 percent to repair hundreds of additional homes next year.

The program is part of the City's strategy to help people stay in their homes and combat predatory lenders who target low-income homeowners in need of emergency home repairs.

Our increased investments in people start with expanded programs in the Department of Public Health to help women needing prenatal care.

Those programs, which provide ongoing home visitation, will offer a broad array of services to pregnant women and low-income families.

Again this year, we will lead the way in alerting thousands of Chicagoans to the financial assistance available to them by claiming the Federal Earned Income Tax Credit.

To give our seniors improved access to services and one another, we will develop or expand at least 10 senior satellite offices across the city.

The satellites will be developed in areas of the city where there is currently little senior programming. These centers will offer nutrition and wellness programs, opportunities to socialize, and links to social service agencies.

As thousands of families make the difficult transition from welfare to work, the City will contribute more than $11 million over the next two years to help build, renovate and repair child care centers throughout the city and make physical and program improvements to child care homes.

Through this effort, the City will create an additional 127 licensed child-care settings.

This is the centerpiece of our Early Child Care and Education Plan, which seeks to make full-day, full-year child care available to an additional 5,000 children under the age of six by 2002.

To provide more alternatives to keep our children away from a life of gangs, guns and drugs, this budget adds $2.5 million for youth programs offering a wider variety of after-school activities, which will improve our children's physical, social and intellectual development.

For the first time in 43 years, we have launched a comprehensive overhaul of the zoning code, in cooperation with community groups, business owners, neighborhood representatives and the City Council.

The new code will improve the quality of life in our neighborhoods by encouraging more family-friendly development, more open space and less congestion.

To help market Chicago, the Department of Cultural Affairs will establish a new Tourism Center in partnership with the State of Illinois and the Convention and Tourism Bureau.

In the spirit of 1999's Cows on Parade, local artists will design and decorate fiberglass furniture pieces that will be displayed throughout Chicago. The project commemorates Chicago's history as a furniture design and manufacturing center.

Finally, I want to talk briefly about our efforts to attract and retain industry and keep our economy diverse -- because, in addition to building a solid education system, that's the real key to improving the quality of life and keeping the pressure off higher property taxes for homeowners.

During the past two years, we have created two new organizations -- each with a majority of private-sector representatives -- to market Chicago to companies around the world.

One is the Council of Technology Advisers, which concentrates on the technology sector and has the broader role of developing technology policy and infrastructure for the city.

The other is World Business Chicago, formerly the Chicago Partnership for Economic Development, which markets the city to industries around the world.

Both groups work closely with our Department of Planning and Development to make sure that we've used every tool at our disposal to attract employers from across the country and around the world -- and to keep our local companies from leaving.

They have had a number of notable success stories. You've heard of some of them:

MarchFIRST, a nationally renowned information technology consulting firm formerly known as Whittman-Hart, is building its world headquarters just west of the Loop.

Solo Cup, a long-time Chicago manufacturer, will consolidate its operations on the old USX South Works site, which will become a showcase of diversified development.

We recently announced that Ford Motor Company will build a supplier campus near its Torrence Avenue plant on the South Side.

Those are the ones that get the publicity, and they'll create thousands of short and long-term jobs for the working people of Chicago.

But for every MarchFIRST and Solo Cup, there are dozens of smaller companies that move to Chicago or expand their operations here because of our economic development efforts and financial incentives.

These are companies like:

-- Soodik Printing, which is improving its plant on the Near West Side with our help, retaining 59 jobs and creating 30.

-- MRC Polymers, which will expand on the Southwest Side, retaining 132 jobs and creating 50.

-- and LSL Industries, which makes disposable medical products and is moving to a larger facility on the North Side, retaining 27 jobs and creating 25.

Day after day, we are working to attract companies like these -- big and small -- because they are vital to the continued growth and prosperity of our city.

This is our budget for the year 2001.

It is a budget that keeps our city, our neighborhoods and our downtown moving forward.

A budget that continues our commitment to make wise and prudent investments and manage government well.

Still, there is much more to be done.

I don't believe there is any person in this room today who will be satisfied until we've built the city and neighborhoods we aspired to eleven years ago. . .

. . . where every neighborhood is safe and affordable;

. . . where every child has a good education and productive life;

. . . where businesses large and small prosper;

. . . where families come together and thrive.

These remain our commitments for Chicago.

These are the commitments of this budget.

Thank you.

Rules Suspended -- TIME FIXED FOR PUBLIC HEARINGS ON EXECUTIVE BUDGET AND PROPERTY TAX ORDINANCE FOR YEAR 2001.

Alderman Dixon moved to introduce the following proposed resolution:

WHEREAS, Mayor Richard M. Daley, on October 11, 2000, submitted to the City Council the Executive Budget of the City of Chicago for the fiscal year beginning January 1, 2001, and ending December 31, 2001; 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, 2001, and ending December 31, 2001, as submitted by the Mayor to the City Council on October 11, 2000, be published in pamphlet form and made available for public inspection in the Office of the City Clerk and in the Chicago Public Library no later than October 13, 2000; 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, 2000, in the City Council Chambers 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 public hearing on the ordinance levying taxes on all taxable property within the City of Chicago for the year 2001, as required under Illinois law, shall be conducted by the City Council of the City of Chicago through its Committee on Finance at 10:00 A.M. on Monday, December 4, 2000, in the City Council Chambers 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 seven days and no more than fourteen days prior to the time of such public hearing.

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.

Adjournment.

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

James J. Laski

JAMES J. LASKI,
City Clerk.