

**COMMITTEE ON FINANCE
MONTHLY RULE 45 REPORT FOR SEPTEMBER, 2019**

On September 16, 2019, at 10:05 a.m., the Committee on Finance held a meeting in City Hall, City Council Chambers.

The following members were present: Hopkins, Dowell, King, Sawyer, Mitchell, Harris, Sadlowski-Garza, Thompson, Cardenas, Quinn, Lopez, Moore, 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 members were absent: Beale, Burke, Curtis, Brookins.

The following additional Aldermen were present: M. Rodríguez, Gardiner.

The Committee addressed the following items:

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

Chairman Waguespack asked for comments regarding the Rule 45 report for July and August. There were none. Alderwoman Dowell moved to accept the report. The Committee approved the report on a voice vote.

2. A2019-41 Appointment of Reshma Soni as City Comptroller.

Chairman Waguespack introduced the appointment. Reshma Soni presented her credentials to the Committee. Vice Chairwoman Hairston asked about parking enforcement priorities. Soni responded that the Loop is a priority, as well as areas where parking enforcement is needed to increase safety. Vice Chairwoman Hairston asked about parking enforcement on the South Side, and Soni responded that the Department of Finance is working to make enforcement more equitable. Soni welcomed aldermanic input on the issue.

Alderman Tunney praised the appointee and asked about business billing, especially as it relates to loading zones. Alderman Tunney also expressed concerns about how long it was taking for businesses and others to receive notices of code violations. Soni responded that the Department is working on new technology to improve the process. There are currently 7 different computer systems that don't communicate, she said. Alderman Tunney noted that this has been an issue for at least 12 years. Alderman Tunney also asked about municipal depositories and federal changes on requirements that banks invest back into communities. Soni replied that the depository RFP is in the works and will include requirements above and beyond the federal requirements.

Alderman Lopez asked about monthly reports on the spending within departments. Soni replied that they are receiving such reports to ensure that money is spent as it was allocated within the 2019 budget, as well as tracking year-to-date spending. Alderman Lopez asked that those reports also be shared with the Budget Committee. Alderman Lopez also commended the increase in weekend parking enforcement and asked that there be more enforcement in the evening and overnight.

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Alderman Reilly asked about where the Department is in creating a centralized business billing platform, since he has been told it is in the works since 2007. Soni said she doesn't have the historical background, but the work toward such a platform continues. Alderman Reilly asked that Soni look into the number of businesses that are receiving repeated warnings, instead of tickets, for issues like right-of-way violations. Soni said she would look into the issue.

Aldermen Sposato and Hopkins expressed support for the nominee, and Soni said she appreciated it.

Alderwoman Dowell asked about the status of a lawsuit against the State of Illinois Comptroller regarding some state payments withheld from the City. Soni deferred to the Department of Law. Alderwoman Dowell asked how much the state owes the City, and Soni said she would provide the information through the Chair.

Alderman Thompson expressed support for the nominee.

Alderwoman Mitts thanked Soni for her assistance when she was a senior compliance officer and asked that she continue to provide such assistance. Soni said she would.

Chairman Waguespack opened the floor for public comment. George Blakemore noted that the nominee has extensive experience in government and expressed his opposition.

Alderman Reilly moved do pass on the appointment. Motion carried on a voice vote.

3. O2019-5547 A substitute ordinance to amend Municipal Code Chapters 3-56, 9-64 and 9-100 regarding wheel tax license fees, violation fines and payment plans.

Vice Chairwoman Hairston moved to accept the substitute ordinance. Motion carried on a voice vote.

Chairman Waguespack invited Acting Comptroller Reshma Soni and Department of Finance First Deputy Director Tina Consola to speak regarding the ordinance, which they did.

Alderman Tunney asked how the 15-day grace period would apply to residential permit parking guest passes. Consola said the grace period wouldn't apply, but they would look into the issue.

Alderman Cardenas asked about the revenue impact of the ordinance. Consola said any loss of revenue would be offset in the 2020 budget, but the vast majority of changes should be revenue neutral. Alderman Cardenas asked how the payment plans would work, and Consola explained the various options in the ordinance. Alderman Cardenas asked about adding tickets onto a payment plan, as well as how one could get the boot removed. Consola explained that new tickets could be added to an existing payment plan, and there are payment plans that provide for boot removal.

Alderman Ervin asked if the Department of Finance had run any simulations to see how this would change revenue. Consola said the changes would cost \$15 million at first, but that cost would decrease through the years as people paid more of their tickets. Consola added that the University of Chicago will be studying the impacts of the changes in the ordinance. Alderman Ervin asked how much ticket debt is outstanding, and Consola said about \$1.3 billion. She added

that 25 percent of all tickets never get paid. Ervin asked about an amnesty program for ticket debt.

Alderman Tunney on a point of information asked how much of that outstanding debt was from in-state vehicle owners versus out-of-state vehicle owners. Consola said she would provide the information through the Chair.

On amnesty, Consola said the City has offered it 3 times, and each time, it is less effective. Based on City data, city stickers are the biggest ticket burden, so the Administration is targeting that first, she said. Alderman Ervin asked what percentage of ticket debt is related to vehicle sticker tickets, and Consola said she would provide that information through the Chair. Alderman Ervin asked if there is consideration of lowering the vehicle sticker ticket amount. Consola said they would look into that, but the ordinance provides a six-month payment plan on the value of the original ticket.

Alderman Ervin asked about why vehicle owners only have 48 hours to get the boot off before the vehicle is towed. Consola said that the longer the boot is on, the more likely it is to be tampered with. Also, the City would need to buy more boots if the period was extended. However, she said, they would look into making changes. Ervin asked how many boots the City has, and Consola said she would provide that through the Chair. Ervin asked, under the proposed ordinance, in what circumstances the City would move to have a driver's license suspended. Consola said the City would stop doing that immediately. Ervin suggested that, in some cases, suspension might be warranted and asked who would make that determination. Consola said they would still seek suspension for red light and speed camera tickets. However, she noted, a bill is moving through the State Legislature to end license suspensions for unpaid parking tickets. Ervin said there needs to be clarification on when parking tickets would trigger a suspension. He also expressed concern that suspensions are out of the question with this ordinance. Ervin asked who would have the authority to determine if the City seeks a license suspension. Soni said she would, but rules have not been drafted to outline that process.

Alderwoman Dowell on a point of information asked if vehicle sticker tickets were included in the debt number, and Consola said they were.

Alderman Thompson asked what had changed in the substitute ordinance. Chairman Waguespack explained the only change was the effective date. Alderman Thompson asked for a breakdown on lost revenue. Consola said it was about \$7.5 million on vehicle sticker tickets, \$4.2 million on ending license suspensions, and \$3.3 million on the debt relief program. Alderman Thompson asked if the City did a hardship analysis for those in the payment programs. Consola said there are some hardship programs, but most of them self-certify the hardship. Rules on hardship qualifications and certification would be included in the rule-making, Consola said.

Alderman Ervin on a point of information asked that license suspension criteria also be included in those rules. Consola said they would work on it.

Alderman Thompson expressed concerns about the rulemaking because, in the past, items were not always clarified in the rules. Alderman Thompson asked for a breakdown on how old the

ticket debt is and how many of those debtors are repeat offenders. Alderman Thompson expressed concern that some people have no respect for the law. Consola said they would look for other avenues to compel compliance from repeat offenders, and Soni said they would look into the issues raised. Alderman Thompson expressed concern about the financial impact of the ordinance given the City's projected deficit.

Vice Chairwoman Hairston asked how quickly boots are being removed after payment. Consola said the goal is to have them off in 4 hours. Vice Chairwoman Hairston said it takes much longer, especially on holidays and weekends. Soni agreed that it is a concern.

Alderman Lopez asked how many of the 69,000 suspended driver's licenses are in each ward. Consola said she would provide that information through the Chair. Alderman Lopez commended the Administration for the ordinance and asked how much of the debt is actually collectable. Consola said they discuss this frequently and are open to any suggestion on how to collect the debt. Alderman Lopez asked if the Administration has considered allowing community service in lieu of payment. Consola said they had considered it but worried that, if there were a substantial debt, the community service might also be a burden. Additionally, City resources would need to be tasked to managing such a program. Alderman Lopez said such a program should be considered for those for whom every dollar counts, and Consola said they would continue exploring the option.

Alderman Osterman said he supports the intent of the ordinance but wanted to know the number of red light, speeding, and parking tickets by ward from 2017 and 2018, through the Chair. Alderman Osterman asked about budget impacts, and Consola said the University of Chicago study would examine impacts both to the City and the public.

Alderman Reilly asked what happens if someone stops paying on a payment plan. Consola said, outside of any hardship, they would be eligible for the boot and a \$100 default fee. Alderman Reilly asked what happens if a habitual offender doesn't add new tickets to an existing ticket plan. Consola said they would be boot eligible. Alderman Reilly said the rules need to lay out consequences for habitual offenders. Alderman Reilly asked how the financial impact estimate was arrived at. Consola said they looked at historical data. Alderman Reilly asked that the date be provided through the Chair. Alderman Reilly also asked that the ordinance be reviewed by the City Council Office of Financial Analysis. Although he supports the goals of the ordinance, Alderman Reilly expressed concern about the fiscal impact.

Alderman Reboyras asked how they would proceed on those who currently have suspended licenses, especially those who are dead. Consola said they are working with the state on how to re-instate those licenses. A bill would need to pass the state legislature, but they are working with the Secretary of State to be prepared once such a bill passes. As for dead people, Consola said that if the City is notified, they are removed from the suspended list.

Alderman Moore asked for clarification on if the time for compliance was in calendar days or business days. Consola said that would be clarified in rulemaking.

Alderman Cardenas asked how it helps people to allow them to keep adding tickets to an existing payment plan. Consola said the point is to allow them to continue the payment plan to avoid the

boot, and getting vehicle stickers is now easier with the creation of the 4-month pro-rated sticker.

Alderman Villegas asked about collection agencies and how amnesty would impact the, Consola said the debt always remains in the City's control, so collection fees would not apply in amnesty.

Alderman Ervin asked if the City could lift license suspensions on its own. Consola said the advice they were given was that it required a change in state law, but they will look again. Alderman Ervin asked about the rulemaking process. Chairman Waguespack explained the Council's role in that process. Alderman Ervin asked if the Committee should see the rules before approving the ordinance. Alderman Ervin also said there needs to be some sort of amnesty beyond vehicle sticker tickets.

Alderman Thompson asked for briefings or a hearing once the rules are created. Soni agreed and explained that the ordinance needs to pass before the Department of Finance is authorized to create rules. Alderman Reilly agreed with Alderman Thompson and expressed confidence in the rulemaking process. Alderman Ervin questioned the council abdicating its authority with regard to rulemaking.

Alderman Burnett praised Soni, expressed support for the ordinance, and asked how many people might take advantage of it. Consola said that once people are aware of the payment plans, they expect many people will take advantage of them, and more tickets would be paid. Alderman Burnett asked if they had looked into changing how many tickets were required before one was boot-eligible. Consola said they have and are continuing to. This is a first step in reform, she said.

Alderwoman Mitts expressed support for the ordinance and asked if unemployment would qualify one for a hardship plan. Consola said they would look into it.

Alderman Scott reminded the Committee that these reforms were put forward through collaboration between community members, leaders of non-profits, aldermen, and the City Clerk. Alderman Scott expressed support for the ordinance and noted that other cities that have done this have seen an increase in revenue. Alderman Scott also asked for a broader amnesty program.

Chairman Waguespack opened the floor for public comment. George Blakemore expressed distain for Committee members. Jenna Severson of the Woodstock Institute spoke in support of the ordinance. Eric Halvorson of the Chicago Jobs Council spoke in support of the ordinance.

Alderman Scott moved do pass. Motion carried on a voice vote.

4. Direct Introduction An ordinance to amend the Program Report setting forth terms of the PACE (Property Assessed Clean Energy) Act to come into compliance with amended Public Act 101-0169, effective July 29, 2019.

Chairman Waguespack invited Tim Jeffries, Deputy Commissioner with the Department of Planning and Development, to speak on the ordinance, which he did.

Alderman Osterman asked how the City is letting people know about the program. Jeffries explained that only commercial, industrial, or residential buildings of five or more units were eligible, and the Department was engaging with the contractor community. Alderman Osterman asked if lead water service line replacement was an eligible cost, and Jeffries said it was. Alderman Osterman asked that promotional materials be provided to aldermen.

Alderwoman Smith asked how this program impacts planned developments, especially those along the river. Jeffries said it would impact planned developments only if they owned land being used for storm water retention.

Alderman Reilly asked how many projects are in the process. Jeffries said there were several dozen at various stages. Alderman Reilly asked if condominium associations would qualify. James McDonald, Deputy Corporation Counsel with the Department of Law, said they would look into it and provide an answer through the Chair.

Alderman Cardenas asked if a project could qualify for this program and TIF reimbursement. Jeffries said they could, but they would not be able to receive double reimbursement for one cost. Alderman Cardenas also asked about the interplay between the program and property taxes.

No one in the public indicated a desire to speak on the ordinance. Alderman Lopez moved do pass. Motion carried on a voice vote.

5. Direct Introduction A communication transmitting a list of cases in which judgments or settlements were entered into for the month of July, 2019.

Chairman Waguespack indicated that the communication would be placed on file with the City Clerk.

6. Direct Introduction One order authorizing one application for City of Chicago Charitable Solicitation (Tag Day) permits to Misericordia Heart of Mercy for April 24 through April 25, 2020.
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.
9. Direct Introduction A proposed order authorizing the payment of senior citizen rebate sewer claims.
10. Direct Introduction An order authorizing the payment of condo refuse rebate claims.

No one in the public indicated a desire to speak on the orders. Alderman Osterman asked for an update on the Condo Refuse Rebate Program. Anne Emerson, Chief of Staff for the Committee, said an update would be provided to Committee members. Chairman Waguespack asked for a motion to place Items 6, 7, 8, 9, and 10 on the City Council omnibus agenda. Vice Chairwoman Hairston motioned to do that. Motion carried on voice vote.

The Committee moved on to the supplemental agenda.

1. Four proposed orders authorizing the Corporation Counsel to enter into and execute a Settlement Order for the following cases:

- A. Catalin L Dumitrescu and Alexandra Dumitrescu, M.D., v. City of Chicago, cited as 15 L 10629.
Amount: \$9,500,000
- B. Baskins v. Patrick Gilmore (Employee #17104), Marc Jarocki (Star #2778), Michael R. Kelly (Star #6950), and City of Chicago, cited as 17 CV 7566.
Amount: \$450,000
- C. Jarrold Horton, as Independent Administrator of the Estate of Marlon Horton, Deceased v. City of Chicago, Officer Kenneth F. Walker (Star #9191), Shaquila R. Moore, the Chicago Housing Authority, H. Russell & Co., and Maverick Security, Inc., cited as 13 CV 06865.
Amount: \$700,000
- D. Jermarie White v. Officer Carlos Barona (Star #16054) and the City of Chicago, cited as 18 CV 04138.
Amount: \$300,000

Chairman Waguespack invited Renai Rodney, First Assistant Corporation Council, to speak to the orders. Rodney spoke to Item 1A.

Alderman Osterman asked about bike route maintenance. Rodney said in this instance, the bike route was removed. Rodney also said the Chicago Department of Transportation is working to identify all remaining street car rails. Alderman Osterman asked that the City do more to make bike routes safer. Alderman Osterman also asked the Department of Law to look into how requiring helmets might limit the City's liability in the future. Rodney said they would provide that information through the Chair.

Alderman Hopkins mentioned a similar case from DuPage County that went to trial and asked if the Law Department had looked into it. Rodney said she wasn't sure but noted that the trial court here prohibited the City from mentioning the fact that the plaintiff was not wearing a helmet. Alderman Hopkins expressed support for the settlement.

Vice Chairwoman Hairston stressed the need for better coordination by CDOT to make roadways safer.

No one in the public indicated a desire to speak on Item 1A. Vice Chairwoman Hairston moved do pass. Motion carried on voice vote.

Rodney spoke on Item 1B.

Alderman Lopez expressed deep concerns about this case and said he could not support the settlement.

Alderman King asked what the City's liability could be here. Rodney said the demand amount was \$950,000. Additionally, no litigation costs had been incurred at this point, but they would be

if the case proceeded. Alderwoman King noted a pattern of complaints against the officers involved, even if those complaints were not sustained.

No one in the public indicated a desire to speak on Item 1B. Alderman Reboyras moved do pass. Motion carried by voice vote with the exception of Alderman Lopez, who requested to be noted as voting no.

Rodney spoke to Item 1C

Alderman Lopez expressed his displeasure with the City being liable for the conduct of a police officer while the officer was working another job.

No one in the public indicated a desire to speak on Item 1C. Alderman Osterman moved do pass. Motion carried by voice vote with the exception of Alderman Lopez, who requested to be noted as voting no.

Rodney spoke to Item 1D. Chairman Waguespack noted a Scribner's error on the agenda that was corrected.

Alderman Sposato asked how much the plaintiff had demanded. Rodney said it was \$850,000. Alderman Sposato said he opposed the settlement.

Alderman Lopez said the plaintiff should not have run, and he did not support the ordinance.

No one in the public indicated a desire to speak on Item 1D. Alderman Hopkins moved do pass. Motion carried by voice vote with the exception of Aldermen Thompson, Lopez, and Sposato, who requested to be noted as voting no.

The Committee having no further business, on a motion by Alderman Sposato, the meeting was adjourned at 1:05 pm.

Respectfully submitted,



Scott Waguespack

Chairman, Committee on Finance