

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

On December 7, 2021, at 10:10 am, the Committee on Finance held a remote meeting pursuant to applicable law.

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

The following other alderpersons were present: LaSpata, Coleman, Rodriguez, and Sigcho-Lopez.

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

Chairman Waguespack opened the floor for public comment. Farazan Parang with the Building Owners and Managers Association of Chicago requested that the Committee invite the association to discuss assessments.

1. Subject matter hearing regarding municipal depositories as required by MCC 2-32-400.

Chairman Waguespack invited Treasurer Melissa Conyears-Ervin, Comptroller Reshma Soni, Ben Jackson with the Illinois Bankers Association, Horacio Mendez with the Woodstock Institute, Anthony Simpkins with the Neighborhood Housing Services of Chicago, and Ald. Osterman, to speak regarding the subject of the hearing, which they did.

Ald. LaSpata asked if any of the banks attending the meeting wished to comment on the data presented. Jackson attempted to provide some context. Ald. LaSpata lamented that much of the City data might be difficult for the average person to understand. Ald. LaSpata asked if the banks at the meeting felt the presentations from the witnesses were representative of their individual lending practices. Jeff Sundheimer with JP Morgan Chase said he would need more time with the information and outlined efforts by his bank to expand lending in underserved communities. Mendez added that news reporting and the efforts of elected officials have greatly encouraged banks to look at increasing lending in underserved communities. Ald. LaSpata asked if more banks would be interested in participating in loans through the Chicago Community Land Trust. Jackson said he would be able to discuss the issue more fully at a separate meeting.

Ald. Dowell asked about the interplay between appraisals and lending. Mendez said that appraisal bias is a very serious issue. Simpkins added that efforts are being made to address the issue. Jackson added that banks are also supportive of reform on this issue. Ald. Dowell asked for the Woodstock Institute to further study the issue, and Mendez said they would.

Ald. Sigcho-Lopez asked about data for community banks and lending. Soni said that only the banks applying to be municipal depositories have provided data. Ald. Sigcho-Lopez asked if it was possible to incentivize community bank participation, and Soni said they were making those efforts. Conyears-Ervin said that her office continues to try and lower barriers for small banks.

Ald. Moore asked that the presentation slide decks be sent to Committee members, and Chairman Waguespack said they would be sent. Ald. Moore asked what equity looks like to the banking industry, and Jackson provided a reply. Ald. Moore said banks need diverse leadership to address equity issues regarding lending and asked how that issue was being addressed. Sundheimer said he would follow up with Ald. Moore to provide very specific details about what JP Morgan Chase is doing to address the issue. Conyears-Ervin said that many efforts are being made on the issue with the State of Illinois Treasurer and noted that a report regarding the issue is forthcoming. Ald. Moore said more neighborhood associations should be engaged regarding the issue. Mendez said he has been working to bring banks and neighborhood associations together. Simpkins said community development corporations do much of the work in that space, but more work needs to be done to translate those efforts into concrete change. Ald. Moore said banks should be making more investments into underserved communities, compared to well-banked neighborhoods, to make up for past disinvestment.

Chairman Waguespack thanked the witnesses and alderpersons for a robust discussion.

2. Subject matter hearing regarding R2021-1302, a resolution regarding the impact of property tax distribution on commercial corridors, as well as a recent study of assessments conducted by the International Association of Assessing Officers.

Chairman Waguespack invited Cook County Assessor Fritz Kaegi to speak regarding the topic, which he did.

Ald. Reboyras said he introduced the resolution because of calls he received from large building owners. Ald. Reboyras asked if they can expect to pay more in 2022. Kaegi said they would because assessments are more accurate now. Kaegi also noted that undervaluing larger buildings shifts the property tax burden to homeowners and small business owners. Ald. Reboyras asked if the increases would level out at some point, and Kaegi said it would through the tri-annual assessment process.

Ald. Smith praised Kaegi for his efforts toward fairness and asked about the land banking of vacant storefronts. Kaegi said his office is cracking down on the abuse of vacancy assessment reductions. Ald. Moore, on a point of information, asked for clarification on vacancy assessment reductions, and Kaegi provided it. Ald. Smith said Kaegi's efforts are helping reduce commercial vacancies.

Ald. Sadlowski-Garza asked how the most recent assessments are benefiting small property owners. Kaegi said that correctly assessing larger buildings makes for a more fair distribution of the property tax burden.

Ald. Austin said she has heard from small business owners in her ward complaining about large assessment increases and asked that the Committee provide an opportunity for those business owners to speak at a future date. Chairman Waguespack said he would consider it, along with BOMA's request during public comment. Kaegi said his office works to differentiate every

commercial property during the assessment process. Kaegi also said that anyone with an assessment increase smaller than the average increase could actually see a lower tax bill. Ald. Austin said that people have difficulty understanding the property tax process and there needs to be more education. Kaegi said he was happy to provide such information anytime.

Ald. Rodriguez said he appreciated Kaegi's efforts toward fairness. Ald. Rodriguez asked how Kaegi had changed his office, and Kaegi provided the information. Ald. Rodriguez asked if the median tax bill had actually declined last year, and Kaegi said it had. Ald. Rodriguez asked what further could be done to make structural changes. Kaegi said it was nearly impossible to get every assessment perfect every time, but further investments in field staff and data sets are improving the process. Kaegi noted that assessment appeals have actually been decreasing. Ald. Rodriguez expressed concern that there had been previous resistance to improving technology and thanked Kaegi for making changes to the senior home exemption process. Kaegi explained the obstacles that existed to making that change. Ald. Rodriguez asked about Kaegi's transparency efforts, and Kaegi provided the information.

Ald. Reboyras thanked Kaegi for appearing and said neighborhood property owners also need to be heard.

Ald. Sigcho-Lopez asked what the City might be able to do to lower tax bills for longtime owners in rapidly gentrifying areas. Kaegi said that making assessments more fair reduces the load on those impacted by gentrification. Kaegi also said his office is taking proactive action to ensure that affordable housing providers are getting all the exemptions to which they are entitled. Kaegi outlined other efforts as well. Ald. Sigcho-Lopez said there needs to be further efforts toward creating a progressive tax system. Kaegi agreed.

Chairman Waguespack thanked Kaegi and Committee members for the discussion.

The Committee having no further business, on a motion by Ald. Austin, the meeting was adjourned at 12:40 pm.

On December 13, 2021, at 10:05 am, the Committee on Finance held a remote meeting pursuant to applicable law.

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

The following members were absent: Moore, O'Shea, and Reboyras.

The following other alderpersons were present: Nugent and Vasquez.

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

Chairman Waguespack opened the floor for public comment. George Blakemore expressed displeasure with the structure of public comment and expressed displeasure with the time it took to reach a settlement in the Young case.

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

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

2. O2021-5284 A communication recommending a proposed ordinance concerning the authority to amend the 35th and Halsted tax increment financing (TIF) redevelopment plan, project and ordinance for conformity and compliance with Illinois state law setting 35-year limit on retirement of obligations.

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

Ald. Thompson expressed support for the ordinance.

On Item 2, Ald. Austin moved do pass by the roll call used to establish quorum. Motion carried on a voice vote.

3. Direct Introduction A communication recommending the approval of the designation of the 2022 Municipal Depositories for the City of Chicago.

Chairman Waguespack held the item in Committee.

4. Direct Introduction A communication recommending an independent auditor and a consortium of minority- and women-owned accounting firms to perform the audit for the City of Chicago fiscal year ending December 31, 2021.

Chairman Waguespack invited Comptroller Reshma Soni to explain the ordinance, which she did.

Ald. Austin praised the Comptroller for her work on the auditors. Ald. Austin asked about minority participation, and Soni provided the information.

Ald. Ervin asked if any other of the Big Four accounting firms bid on the work. Soni said no and provided the reasons why. Ald. Ervin asked about the supervision of the subcontractors, and Soni provided the information. Ald. Ervin asked about liability for an incorrect audit, and Soni provided the information. Ald. Ervin said he looked forward to expanded responsibilities for the minority contractors in the future and said he would vote for the ordinance. Soni noted that the lack of competition among large audit firms was an issue, but the audit teams rotate to ensure fresh eyes on the audit.

On Item 4, Ald. Ervin moved do pass by the roll call used to establish quorum. Motion carried on a voice vote.

5. Direct Introduction A communication transmitting reports of cases in which judgments or settlements were entered into for the month of November 2021.

Chairman Waguespack said Item 5 would be placed on file with the Clerk.

6. Direct Introduction One (1) proposed order authorizing Charitable Solicitations on the Public Way (Tag Day) permits:

- A. Children's International, Inc.
January 1, through June 30, 2022
Citywide
- B. Greenpeace USA
January 1, through March 31, 2022
Citywide

Chairman Waguespack said Item 6 would be placed on the Omnibus Agenda at City Council. There was no objection.

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.

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

Chairman Waguespack moved to the Supplemental Agenda.

1. Four (4) proposed orders authorizing the Corporation Counsel to enter into and execute Settlement Orders in the following case:

- A. Lawrence Scott v. City of Chicago, et al., cited as 15 CV 7172 (N.D. Ill.) (J. Lefkow). Amount: \$625,000.00

Chairman Waguespack invited Jeff Levine with the Department of Law to explain the settlement, which he did.

Ald. Sposato asked if there was body camera video, and Levine said no.

Alds. Napolitano, Quinn, and Reilly expressed opposition to the settlement.

Ald. Burke asked who represented the plaintiff, and Levine provided the information.

On Supplemental Item 1A, Ald. Cardenas moved do pass by the roll call used to establish quorum. Motion carried on a voice vote, with Alds. Quinn, Burke, Curtis, Napolitano, and Reilly voting "no."

B. Frederick Bell v. City of Chicago, et al., cited as 16 CV 1034 (N.D. Ill.) (J. Leinenweber) Amount: \$330,000.00

Chairman Waguespack invited Jeff Levine with the Department of Law to explain the settlement, which he did.

Ald. Sposato asked clarifying questions about the traffic stop, and Levine provided the information. Deputy Corporation Counsel Victoria Benson provided further clarification.

Vice Chairwoman Hairston asked about the plaintiff's medical bills, and Benson said it was more than \$138,000. Vice Chairwoman Hairston asked if he still required medical care, and Levine said no. Vice Chairwoman Hairston asked if the officers were disciplined, and Levine said no. Vice Chairwoman Hairston asked who conducted the investigation into the potential misconduct, and Levine said it was finished by the Civilian Office for Police Accountability.

On Supplemental Item 1B, Ald. Harris moved do pass by the roll call used to establish quorum. Motion carried on a voice vote.

C. Pedro Rios v. City of Chicago, et al., cited as 15 CV 3119 (N.D. Ill.) (J. Alonso) Amount: \$1,200,000.00

Chairman Waguespack invited Jeff Levine with the Department of Law to explain the settlement, which he did.

Ald. Lopez asked if gang affiliation would be regularly disclosed. Levine said it has been sometimes. Ald. Lopez asked for consistency. Ald. Lopez expressed opposition to the settlement. Levine clarified that, despite COPA finding that the shooting was justified, that finding would likely not be presented at trial. Ald. Lopez renewed his opposition to the settlement.

Alds. Tabaras and Napolitano expressed opposition to the ordinance.

Ald. Thompson asked if punitive damages were possible, and Levine said yes. Benson said the plaintiff was requesting punitive damages. Ald. Thompson asked about trial costs, and Levine provided the clarification.

Ald. Cardenas asked if the City could sue the parents of the deceased plaintiff. Levine said that could be discussed in the future, but it could be potentially risky.

Ald. Sposato asked how far the incident happened from the decedent's home. Benson said she did not know, but it was in a different ward.

Ald. Burke asked who was representing the plaintiffs, and Levine provided the information. Ald. Burke asked who was representing the City, and Benson provided the information. Ald. Burke asked if the decedent fired at police, and Levine said no. Ald. Burke expressed opposition to the settlement.

Chairman Waguespack asked which judge the case was before, and Levine provided the information. Chairman Waguespack asked if the judge had ordered a settlement conference, and Benson said no.

Ald. Ervin said that the settlement seemed a little high, but it limited the City's liability.

Ald. Cardenas agreed with Ald. Ervin.

On Supplemental Item 1C, Ald. Reilly moved do pass by roll call. Motion carried by the following roll call:

Yes: Hopkins, Dowell, King, Sawyer, Mitchell, Harris, Beale, Sadlowski-Garza, Thompson, Cardenas, Scott, Brookins, Burnett, Ervin, Taliaferro, Austin, Mitts, Tunney, Osterman, Silverstein, Vice Chairwoman Hairston, and Chairman Waguespack.

No: Quinn, Burke, Lopez, Curtis, Tabares, Sposato, Napolitano, Reilly, and Smith

D. Anjanette Young v. City of Chicago, et al., cited as 19 CV 5312 (N.D. Ill.) (J. Tharp, Jr.) Amount \$2,900,000.00

Chairman Waguespack invited Corporation Counsel Celia Meza to explain the settlement, which she did.

Ald. Burke asked if the City retained outside counsel, and if so, who and for how much. Meza provided the information. Ald. Burke asked for clarification on if the plaintiff had agreed to the settlement, and Meza said she had.

Ald. Sposato asked how the fact that the Sergeant on the scene apologized would factor into any suit, and Meza provided the information.

Ald. Lopez said he did not believe the settlement was enough. Meza clarified the progression to this settlement. Ald. Lopez asked why the City wasn't offering the plaintiff more. Meza explained the legal footing regarding the suit.

Ald. Napolitano asked for details regarding the search warrant, and Meza provided the information. Ald. Napolitano asked questions regarding the search, and Meza provided the information. Ald. Napolitano asked if officers could elect not to be part of a team executing a search warrant in the future, and Meza said she did not know.

Chairman Waguespack asked how much it would cost to do 12 depositions, and Meza said there were many variables.

On Supplemental Item 1D, Ald. Reilly moved do pass by the roll call used to establish quorum. Motion carried on a voice vote.

The Committee having no further business, on a motion by Ald. Lopez, the meeting was adjourned at 12:01 pm.

Respectfully submitted,

A handwritten signature in black ink, reading "Scott Waguespack". The signature is written in a cursive style with a large, prominent initial "S".

Scott Waguespack
Chairman, Committee on Finance