



CITY OF CHICAGO



COMMITTEE ON THE BUDGET AND GOVERNMENT OPERATIONS
CITY COUNCIL
CITY HALL - ROOM 200
121 NORTH LASALLE STREET
CHICAGO, ILLINOIS 60602

ALDERMAN PAT DOWELL
CHAIRMAN

PHONE: 312-744-3166
FACSIMILE: 312-744-9009

Date: January 14, 2022

**COMMITTEE ON THE BUDGET AND GOVERNMENT OPERATIONS
MONTHLY RULE 45 REPORT
DECEMBER 2021**

Pursuant to Rule 45 of the City Council Rules of Order, the Committee on the Budget and Government Operations submits the following Monthly Rule 45 Report for December 2021.

**Date, Time &
Location of
Meeting:**

On December 8, 2021, at 10:00 a.m., the Committee on the Budget and Government Operations held a meeting via video conference, in Chicago, Illinois.

Attendance:

The following members were virtually present at the December 8, 2021 Committee on the Budget and Government Operations Meeting: Chairman Dowell (3), Vice-Chair Silverstein (50), King (4), Hairston (5), Sawyer (6), Mitchell (7), Harris (8), Sadlowski-Garza (10), Thompson (11), Quinn (13), Moore (17), Curtis (18), O'Shea (19), Rodriguez (22), Tabares (23), Scott (24), Burnett (27), Ervin (28), Taliaferro (29), Reboyras (30), Waguespack (32), Austin (34), Ramirez-Rosa (35), Mitts (37), Sposato (38), Napolitano (41), Reilly (42), Smith (43), Tunney (44), Cappleman (46), and Osterman (48).

The following member(s) were virtually not present at the December 8, 2021 Committee on the Budget and Government Operations Meeting: Cardenas (12), Brookins (21), and Villegas (36).

The following non-members were virtually present at the December 8, 2021 Committee on the Budget and Government Operations Meeting: La Spata (1), Beale (9), Burke (14), Lopez (15), and Coleman (16).



CITY OF CHICAGO



COMMITTEE ON THE BUDGET AND GOVERNMENT OPERATIONS
CITY COUNCIL
CITY HALL - ROOM 200
121 NORTH LASALLE STREET
CHICAGO, ILLINOIS 60602

ALDERMAN PAT DOWELL
CHAIRMAN

PHONE: 312-744-3166
FACSIMILE: 312-744-9009

**Date, Time &
Location of
Meeting:**

On December 10, 2021, at 10:00 a.m., the Committee on the Budget and Government Operations held a meeting via video conference, in Chicago, Illinois.

Attendance:

The following members were virtually present at the December 10, 2021 Committee on the Budget and Government Operations Meeting: Chairman Dowell (3), King (4), Hairston (5), Sawyer (6), Mitchell (7), Sadlowski-Garza (10), Thompson (11), Cardenas (12) Quinn (13), Rodriguez (22), Tabares (23), Scott (24), Burnett (27), Ervin (28), Taliaferro (29), Reboyras (30), Waguespack (32), Austin (34), Mitts (37), Sposato (38), Smith (43), Tunney (44), Cappleman (46), and Osterman (48).

The following member(s) were virtually not present at the December 10, 2021 Committee on the Budget and Government Operations Meeting: Vice-Chair Silverstein (50), Harris (8), Moore (17), Curtis (18), O'Shea (19), Brookins (21), Ramirez-Rosa (35), Villegas (36), Napolitano (41), and Reilly (42).

The following non-members were virtually present at the December 10, 2021 Committee on the Budget and Government Operations Meeting: La Spata (1), Beale (9), Burke (14), and Lopez (15).

The Committee on the Budget and Government Operations addressed the following items:

DIRECT INTRODUCTION TO THE COMMITTEE DURING THE DECEMBER 8, 2021 MEETING

- 1. Amendment of Municipal Code 2-92-944 regarding emergency procurement (O2021-5647)**

INTRODUCED IN COMMITTEE 12/8/21

HELD IN COMMITTEE 12/8/21

SUBSTITUTED IN COMMITTEE 12/10/21

SUBSTITUTE PASS COMMITTEE 12/10/21

DEFERRED AND PUBLISHED 12/15/21



CITY OF CHICAGO



COMMITTEE ON THE BUDGET AND GOVERNMENT OPERATIONS
CITY COUNCIL
CITY HALL - ROOM 200
121 NORTH LASALLE STREET
CHICAGO, ILLINOIS 60602

ALDERMAN PAT DOWELL
CHAIRMAN

PHONE: 312-744-3166
FACSIMILE: 312-744-9009

DIRECT INTRODUCTION TO THE COMMITTEE DURING THE DECEMBER 10, 2021 MEETING

2. An ordinance authorizing an amendment to a contract with The Resurrection Project regarding case management services for the Emergency Rental Assistance Program (O2021-5623)

INTRODUCED IN COMMITTEE 12/10/21

PASS COMMITTEE 12/10/21

PASS CITY COUNCIL 12/15/21

REFERRED TO THE COMMITTEE DURING THE DECEMBER 8, 2021 CITY COUNCIL MEETING

3. An ordinance, introduced by Alderman Pat Dowell (3rd Ward), approving the transfer of funds within the City Council Committee on the Budget and Government Operations for Year 2021 (O2021-5283)

PASS COMMITTEE 12/8/21

PASS CITY COUNCIL 12/15/21

SUBJECT MATTER HEARINGS ONLY, NO VOTES TAKEN

4. Hearing on Foreign Fire Insurance Board Expenditures from tax revenue (Fund) – Municipal Code 4-308-025
5. Office of Budget and Management’s quarterly update on FY 2021 annual appropriations (Q3-2021)

On December 8, 2021 Chairman Dowell called the virtual meeting to order pursuant to applicable law and determination that attendance by remote means is necessary because an in-person meeting is not practical or prudent due to the declared public health disaster cause by COVID-19, the meeting was conducted by video conference. Chairman Dowell took a roll call to establish a quorum and a quorum was established. Chairman Dowell opened the floor to begin the public comment period and explained the procedures for public comment. With no speakers signed up to speak, Chairman Dowell closed the public comment period.



CITY OF CHICAGO



COMMITTEE ON THE BUDGET AND GOVERNMENT OPERATIONS
CITY COUNCIL
CITY HALL - ROOM 200
121 NORTH LASALLE STREET
CHICAGO, ILLINOIS 60602

ALDERMAN PAT DOWELL
CHAIRMAN

PHONE: 312-744-3166
FACSIMILE: 312-744-9009

Alderman Dowell called for approval of the Amended October 2021 Monthly Rule 45 Report for the Committee on the Budget and Government Operations. Alderman Austin moved to approve the Amended Rule 45 Report. Hearing no objections, the item was approved.

Chairman Dowell began the meeting with Item Number 1 on the agenda, an ordinance, introduced by Alderman Pat Dowell (3rd Ward), approving the transfer of funds within the City Council Committee on the Budget and Government Operations for Year 2021 (O2021-5283). Chairman Dowell explained the ordinance. Alderman Moore moved do pass Item No. 1 on the agenda by the same roll call vote used to determine quorum. Hearing no objections, the item passed and was reported out at the City Council meeting on Wednesday, December 15, 2021.

Chairman Dowell then went out of order of the regular agenda to consider Item Number 1 on the Addendum to the Agenda, an amendment of Municipal Code 2-92-944 regarding emergency procurement (O2021-5647). Chief Procurement Officer Aileen Velazquez provided an explanation of the ordinance. Following CPO Velazquez's testimony, Chairman Dowell opened the meeting for questions from committee members and non-members. First, Chairman Dowell recognized Alderman Sadlowski-Garza who inquired about the emergency threshold limit. CPO Velazquez explained the material shortages, the contracted items, and the reasoning behind raising the threshold. Alderman Ervin inquired further about material pricing and what happens when a supplier can't meet contract terms. CPO Velazquez answered that this is due to contract price vs. market trends, and this doesn't let anyone out of a competitive process, it just ensures that the City can get the materials they need. What the City is facing isn't a normal circumstance, the vendors literally can not supply the goods at the current price. CPO Velazquez continued by explaining the City's lack of a stockpile and order frequency for the specific commodities previously discussed. She also said once the market stabilizes, the CPO's emergency power will be rescinded, and that the ordinance contains a stringent reporting requirement. Chairman Dowell inquired about the CPO's current contracting authority. CPO Velazquez answered she doesn't have the authority to change existing contracts. Alderman Ramirez-Rosa asked what commodities would be affected by this ordinance and about a sunset provision. CPO Velazquez responded the commodities are four items including aluminum and drinking water additives, and that it will sunset when the market stabilizes. The authority to change contract terms for new contracts is currently in place, it just doesn't apply to existing contracts, which is what the ordinance would do. Alderman Thompson inquired about the current emergency procurement ordinance, and who defines an emergency. CPO Velazquez responded that it was amended in 2018 to bring the threshold to \$500,000, and that the CPO determines an emergency. Alderman Thompson continued by asking if the CPO issued a default to the four contracts. CPO Velazquez answered that they have not issued a default, because these vendors are the only ones that have responded to the bid to deliver the product, and a default would risk the City not being able



CITY OF CHICAGO



COMMITTEE ON THE BUDGET AND GOVERNMENT OPERATIONS
CITY COUNCIL
CITY HALL - ROOM 200
121 NORTH LASALLE STREET
CHICAGO, ILLINOIS 60602

ALDERMAN PAT DOWELL
CHAIRMAN

PHONE: 312-744-3166
FACSIMILE: 312-744-9009

to get the commodity. Pricing has only raised above contract terms very recently and if the City rebids, we would only be able to fulfill the contract at the current market price anyway. Alderman Thompson asked if the CPO has ordinances for the four specific contracts so that the City Council can vote to amend the contracts. CPO Velazquez contends that it's such a fluid situation that going contract by contract through City Council is not a feasible way to fulfill the City's needs. Alderman Reilly asked about how the CPO will determine when the crisis is over. CPO Velazquez answered that the user departments will report to CPO and they will revert back to contract pricing when the markets determine, based on the orders from the user departments. Alderman Reilly stated he is more concerned about the erosion of the City Council's oversight authority. CPO Velazquez stated this ordinance doesn't remove City Council oversight, it just allows the CPO's office to react to emergencies. Alderman Waguespack asked about contract review. CPO Velazquez answered that the Law Department oversees contracts, and the CPO reviews to make sure there isn't price gouging. Jeff Levine with the Law Department added that this ordinance does not transfer authority from the City Council to the CPO, the CPO has authority to enter into contracts on behalf of the City. Jeff continued that the determination of an emergency rests with the purchasing agent in both State and City law. Alderman Cardenas mentioned the force majeure provisions within contracts, and stated the City should have purchased more stable stocks of these essential commodities. Alderman Smith questioned why the City needs this provision now after being in an emergency for a year and a half. Alderman Rodriguez stated he is concerned about the checks and balances in the City, and he isn't comfortable supporting the ordinance at this time. Alderman King asked about when the stockpile of these commodities will run out. CPO Velazquez stated that for some commodities the City will run out by January. Alderman Osterman suggested a sunset for the ordinance and that the CPO needs find a way to modify the ordinance to make it more collaborative with City Council. Alderman Curtis added his experience with DSS and when salt ran out and how detrimental it was on the City. Alderman Reboyras suggested that the CPO talk with the commissioner of AIS to figure out price hedging with other municipalities. Alderman Hairston stated that all contract modifications should come before City Council. Alderman Hadden asked for more regular reporting of commodities supplies so City Council has better understanding and oversight of the City's procurement work. Alderman Lopez made additional suggestions on how to amend the ordinance to make it more acceptable to aldermen, and stated his fear regarding City Council giving away its authority. Following the question-and-answer period, Chairman Dowell moved to hold Item Number 1 on the addendum to the agenda.

Chairman Dowell then moved back to the regular agenda, where the committee conducted a subject matter hearing on Foreign Fire Insurance Board (FFIB) Expenditures from tax revenue (Fund) – Municipal Code 4-308-025. Chairman Dowell recognized Pat Cleary to provide testimony on the Fund's expenditures. Following Mr. Cleary's testimony, Chairman Dowell opened the meeting for questions



CITY OF CHICAGO



COMMITTEE ON THE BUDGET AND GOVERNMENT OPERATIONS
CITY COUNCIL
CITY HALL - ROOM 200
121 NORTH LASALLE STREET
CHICAGO, ILLINOIS 60602

ALDERMAN PAT DOWELL
CHAIRMAN

PHONE: 312-744-3166
FACSIMILE: 312-744-9009

from committee members and non-members. Chairman Dowell asked about the total funding for the FFIB. Pat Quann responded that there was \$6.1 million given to the FFIB in 2021 and \$3.9 million have been spent, with additional large expenditures already planned. Alderman Ervin asked if expenditures follow the City's procurement rules and if these funds are appropriated as part of the normal City budget process. Chairman Dowell confirmed that yes these funds are appropriated with the budget and Mr. Cleary responded the purchases follow City procurement procedures. Alderman Ervin followed-up by asking about specific items that were procured. Mr. Cleary clarified that the jumpsuits are not part of a uniform allowance provided to firefighters, as they are required to wear City issued garments. Alderman King inquired about how the FFIB determines which fire companies receive upgrades. Mr. Cleary responded that AIS, DoB and the individual fire houses put in requests, recommendations and suggestions. Robin Owens from AIS further clarified that they provide recommendations that are consistent with need as well as equitable distribution across the City. Alderman King also asked for the board's diversity. Mr. Cleary answered that the board consists of six white males and the commissioner who is a black female. Alderman Napolitano asked for a full breakdown of projects across the City and complimented the FFIB for their work. Chairman Dowell then concluded the subject matter hearing.

Last, Chairman Dowell moved to conduct a subject matter hearing regarding the Office of Budget and Management's quarterly update on FY 2021 annual appropriations (Q3-2021). Budget Director Susie Park offered a presentation. With no questions, Chairman Dowell concluded the subject matter hearing.

Chairman Dowell stated that there was no further business before the Committee and asked for a motion to recess to Friday, December 10th at 3:00 pm by the same roll call vote as was applied to determine quorum. Alderman Waguespack moved to recess. The Committee on the Budget and Government Operations Meeting recessed at 11:53 pm.

On December 10, 2021 Chairman Dowell called the reconvened virtual meeting to order pursuant to applicable law and determination that attendance by remote means is necessary because an in-person meeting is not practical or prudent due to the declared public health disaster cause by COVID-19, the meeting was conducted by video conference. Chairman Dowell took a roll call to establish a quorum and a quorum was established. Chairman Dowell opened the floor to begin the public comment period and explained the procedures for public comment. With no speakers signed up to speak, Chairman Dowell closed the public comment period.

Chairman Dowell began the meeting with Item Number 1 on the agenda, an ordinance authorizing an amendment to a contract with The Resurrection Project regarding case management services for the Emergency Rental Assistance Program (O2021-5623). Department of Housing Commissioner Marisa



CITY OF CHICAGO



COMMITTEE ON THE BUDGET AND GOVERNMENT OPERATIONS
CITY COUNCIL
CITY HALL - ROOM 200
121 NORTH LASALLE STREET
CHICAGO, ILLINOIS 60602

ALDERMAN PAT DOWELL
CHAIRMAN

PHONE: 312-744-3166
FACSIMILE: 312-744-9009

Novara presented on this item. Following the presentation Chairman Dowell opened the meeting for questions from committee members and non-members. Chairman Dowell asked Commissioner Novara to explain why this item was a direct introduction. Commissioner Novara explained they just found out from Law that DoH could not amend the old contract to allocate additional funding to The Resurrection Project, and that since The Resurrection Project is already processing applications, they did not want any delay in awarding grants. Alderman Ervin asked for a breakdown of grants by community area and demographics. Daniel Hertz from the Department of Housing responded that more than 2/3 of the recipients were under 30% of AMI and will get the additional information through the chair. Alderman Ervin continued by asking about the subgrantees. Commissioner Novara said its against procurement policy for the City to pick subgrantees, but they did ask The Resurrection Project to target certain vulnerable populations through the subgrantee process. Alderman Cappleman inquired about the state rental assistance programs. Commissioner Novara answered the programs are mostly the same and that residents in the City of Chicago have two opportunities to qualify for these funds. There is shared data between the governments so they don't double up on grants, and the County only funds outside the City so there is no duplication. Alderman Reboyras asked if residents who received funds from the first round can qualify for this round. Commissioner Novara answered yes, provided that they are not applying for the same time period. Mr. Hertz continued that they are prioritizing residents that have not received funding. Alderman Reboyras asked about the landlord's role in the process. Commissioner Novara answered that the landlords need to respond for the funding to be released, but if they don't respond, the renter can still receive funding. Alderman Osterman asked for aldermen to support the ordinance. Alderman Osterman moved do pass Item No. 1 on the agenda by the same roll call vote used to determine quorum. Hearing no objections, the item passed and was reported out at the City Council meeting on Wednesday, December 15, 2021.

Chairman Dowell continued with Item Number 2 on the agenda, Amendment of Municipal Code 2-92-944 regarding emergency procurement (O2021-5647). Alderman Austin moved to accept the substitute ordinance. The motion was approved, and the substitute was then put forward for consideration by the committee. Chief Procurement Officer Aileen Velazquez explained the substitute ordinance. Following the presentation Chairman Dowell opened the meeting for questions from committee members and non-members. Chairman Dowell asked about the commodities currently under consideration for the emergency procurement ordinance and if there were other commodities the CPO expects to use the authority for in the future. CPO Velazquez listed the current commodities but didn't know of any other commodities that would qualify in the future. Alderman Sadlowski Garza objected to the increased monetary threshold. Alderman Cardenas explained the City's role in procurement and why this ordinance is needed. Alderman Sawyer wanted to clarify that the CPO will only use this authority in case of emergencies. CPO Velazquez guaranteed this authority will only be used for emergencies, and



CITY OF CHICAGO



COMMITTEE ON THE BUDGET AND GOVERNMENT OPERATIONS
CITY COUNCIL
CITY HALL - ROOM 200
121 NORTH LASALLE STREET
CHICAGO, ILLINOIS 60602

ALDERMAN PAT DOWELL
CHAIRMAN

PHONE: 312-744-3166
FACSIMILE: 312-744-9009

Chairman Dowell reminded that there is a quarterly reporting requirement in the ordinance. Alderman Osterman stated why he supported the ordinance and asked other aldermen to support the ordinance as well. Alderman Ervin agreed with Alderman Osterman, and asked for clarification from Law if the City Council has the authority to terminate the CPO. Jeff Levine from the Law Department confirmed the CPO is appointed for a four-year term and can be removed from office for cause by the City Council. Alderman Burnett asked for clarification on which contracts this new authority applies to. Jeff Levine further clarified the process for emergency procurement as required by state and city law. Alderman Rodriguez expressed uneasy support for the ordinance. Alderman Hairston objected to the City Council abdicating their oversight responsibility, asked about which commodities only have one supplier, and if we can issue a notice to cure. CPO Velazquez outlined which are sole source contracts, what constitutes an emergency, and what would happen to the City if they did issue a notice to cure. Alderman Thompson inquired about storage and capacity issues with the City. CPO Velazquez answered that they are prioritizing the current emergency, and then will do an assessment of the user departments storage and capacity issues to help avoid this issue in the future. Alderman Thompson asked for further clarification that this authority does not expand the user department's budgets. CPO Velazquez confirmed that is the case. Alderman Austin thanked the CPO for bringing this issue to the committee. Chairman Dowell thanked the CPO for adding the sunset provision. Alderman Cardenas moved do pass Item No. 2 on the agenda by the same roll call vote used to determine quorum. Alderman Hairston asked for a roll call on the item. With a vote of 19 yays and 3 nays the substitute ordinance passed and was reported out at the City Council meeting on Wednesday, December 15, 2021. The ordinance was deferred and published on December 15, 2021.

Chairman Dowell stated that there was no further business before the Committee and asked for a motion to adjourn by the same roll call vote as was applied to determine quorum. Alderman Sadlowski Garza moved to adjourn. The Committee on the Budget and Government Operations Meeting adjourned at 4:11 pm.

Respectfully submitted by:

A handwritten signature in blue ink that reads "Pat Dowell".

Pat Dowell, Chairman

Committee on the Budget and Government Operations