



CITY OF CHICAGO

COMMITTEE ON THE BUDGET AND GOVERNMENT OPERATIONS  
CITY COUNCIL  
CITY HALL-ROOM 200  
121 NORTH LASALLE STREET  
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CHAIRMAN

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COMMITTEE ON THE BUDGET AND GOVERNMENT OPERATIONS  
MONTHLY RULE 45 REPORT  
DECEMBER 2025

Pursuant to Rule 45 of the City Council Rules of Order, the Committee on the Budget and Government Operations (CBGO) submits the following Monthly Rule 45 Report for DECEMBER 2025 (for December 17<sup>th</sup>, December 22<sup>nd</sup> & December 29<sup>th</sup> Meetings).

**WEDNESDAY, DECEMBER 17<sup>TH</sup>**

Date, Time & Location of Meeting:	On December 17, 2025, at 2:00 P.M., the Committee on the Budget and Government Operations held a meeting in City Hall, Council Chamber, 121 N. LaSalle Street, 2 <sup>nd</sup> Floor.
Attendance:	The following members were present: Chairman Ervin (28), Vice-Chairman Lee (11), La Spata (1), Dowell (3), Mitchell (7), Beale (9), Quinn (13), Lopez (15), Moore (16), O'Shea (19), Scott (24), Sigcho-Lopez (25), Burnett (27), Taliaferro (29), Cardona (31), Conway (34), Quezada (35), Villegas (36), Mitts (37), Sposato (38), Nugent (39), Vasquez (40), Napolitano (41), Reilly (42), Knudsen (43), Martin (47) and Silverstein (50).
	The following members attended virtually: Robinson (4), Yancy (5), Harris (8), Ramirez (12), Mosley (21), Rodriguez (22), Rodriguez-Sanchez (33) and Hadden (49).
	The following non-members were present: Coleman (16), Fuentes (26), Waggespack (32), Lawson (44) and Hoppenworth (48).
	Internal witnesses present: <b>Office of Budget and Management (OBM):</b> Budget Director Annette Guzman; <b>Department of Finance (DOF):</b> Chief Financial Officer Jill Jaworski, Comptroller Mike Belsky, Deputy Director Brian Carlson; <b>Department of Law:</b> Senior Assistant Corporation Counsel Rey Phillips Santos, Deputy Corporation Counsel David Holtkamp

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

- Approval of the Monthly Rule 45 Report of November 2025.

1. **Amendment of Municipal Code Titles 2 and 9 regarding technical and scriveners' corrections (2026 Municipal Code Corrections Ordinance).**  
(O2025-0021036)
2. **Text Portion of Annual Appropriation Ordinance for Year 2026.**  
Direct Introduction (O2025-0021101)
3. **Fiscal Year 2026 Budget Recommendations.**  
(O2025-0020516)
4. **Amendment of Municipal Code Titles 2, 4, 6, 7, 8, 9, 10, 11, 14A, 15, 17 regarding management, structure, powers and functions of various departments and agencies (2026 Municipal Code Management Ordinance).**  
Direct Introduction (O2025-0021100)
5. **Expenditure of portion of Motor Fuel Tax (MFT) funds allocated to the City of Chicago for Year 2026.**  
(O2025-0021031)
6. **Intergovernmental Agreement with Chicago Transit Authority (CTA) and Cook County for the allocation of Motor Fuel Tax (MFT) funds for Year 2026.**  
(O2025-0021015)
7. **Amendment of Regulations Governing Administration of Classification Plan and Employee Benefits for Classified Positions set forth in Annual Appropriation Ordinance (Salary Resolution).**  
Direct Introduction (R2025-0021098)
8. **Transfer of funds within 1st Ward Wage Allowance/Aldermanic Expense Account for Year 2025.**  
(O2025-0021033)
9. **Transfer of funds within 14th Ward Wage Allowance/Aldermanic Expense Account for Year 2025.**  
(O2025-0021706)
10. **Transfer of funds within 21st Ward Wage Allowance/Aldermanic Expense Account for Year 2025.**  
(O2025-0021666)
11. **Transfer of funds within 22nd Ward Wage Allowance/Aldermanic Expense Account for Year 2025.**  
(O2025-0021703)
12. **Transfer of funds within 33rd Ward Wage Allowance/Aldermanic Expense Account for Year 2025.**  
(O2025-0021166)
13. **Transfer of funds within 34th Ward Wage Allowance/Aldermanic Expense Account for Year 2025.**  
(O2025-0020971)

- 14. Transfer of funds within 36th Ward Wage Allowance/Aldermanic Expense Account for Year 2025.  
(O2025-0021517)**
- 15. Transfer of funds within 39th Ward Wage Allowance/Aldermanic Expense Account for Year 2025.  
(O2025-0020927)**
- 16. Transfer of funds within 40th Ward Wage Allowance/Aldermanic Expense Account for Year 2025.  
(O2025-0021529)**
- 17. Transfer of funds within 41st Ward Wage Allowance/Aldermanic Expense Account for Year 2025.  
(O2025-0021705)**
- 18. Transfer of funds within 46th Ward Wage Allowance/Aldermanic Expense Account for Year 2025.  
(O2025-0021518)**
- 19. Transfer of funds within Committee on Committees and Rules for Year 2025.  
(O2025-0021020)**
- 20. Transfer of funds within Committee on Committees and Rules (Personnel Services to Commodities and Materials) for Year 2025.  
(O2025-0021702)**
- 21. Transfer of funds within Committee on Education for Year 2025.  
(O2025-0021112)**
- 22. Transfer of funds within Committee on Education for Year 2025.  
(O2025-0021113)**
- 23. Transfer of funds within Committee on Housing and Real Estate for Year 2025.  
(O2025-0021704)**
- 24. Transfer of funds within Legislative Reference Bureau Expense Account for Year 2025.  
(O2025-0020922)**
- 25. Transfer of funds within Committee on License and Consumer Protection for Year 2025.  
(O2025-0021004)**
- 26. Transfer of funds within Committee on License and Consumer Protection for Year 2025.  
(O2025-0021005)**

Chairman Ervin called the meeting to order, took roll call, and recognized a quorum was present, then made a motion to allow Committee Members Aldermen Yancy, Harris, Ramirez, Rodriguez-Sanchez and Hadden to join virtually pursuant to Rule 59, so moved by Vice Chair Lee. Hearing no objections, the Aldermen were added to the roll. He proceeded to read the Rules of Conduct for Public Meetings, then opened the floor for public comment, acknowledging that 28 people signed up and 15 will be given an

opportunity to speak, two minutes each. The Seargent at Arms drew 15 speakers and handed them to the Chairman.

The following speakers were present for public comments:

- Rocio Garcia
- Jada Potter
- Casey Sweeney
- Jasmine Smith
- Kelsey Kerin
- George Blakemore
- Amy Masters
- Vicki Kurzydlo
- Nasr Bin Safuan
- Alex Goldenberg
- Lanetta Thomas
- Julie Dworkin
- Ishan Daya
- Dennis White
- Carl Gutierrez

(During the public comment period the Chairman recognized Committee Members, Aldermen Taliaferro, Quezada and Reilly for purposes of quorum and Non-Members Aldermen Fuentes and Waguespack).

Chairman Ervin concluded the public comment period, took a moment to recognize Alderman Vasquez for purposes of quorum, he then made a motion to allow Committee Members Mosley and Robinson to join virtually pursuant to Rule 59, so moved by Alderman Dowell, hearing no objections, the Aldermen were added to the roll. He also acknowledged Non-Members Lawson and Hoppenworth. The Chair proceeded to the approval of the Rule 45 Report of November 2025, which report was transmitted electronically to the Membership. The Chair asked if there were any requests for discussion. Hearing no such requests, Alderman La Spata moved to approve the report. A vote was taken, and the report was approved.

Chairman then moved to Items 8 through 26 of the agenda, Transfers of Fund Ordinances. Substitutes are proposed for Item #11, the 22nd Ward, Item #15, the 39th Ward, Item #17, the 41st Ward and Item#19, the Committee on Committees and Rules, which substitute ordinances had been distributed to Committee Members, then queried for a Motion to accept the substitutes, so Moved by Alderman Taliaferro. He queried for all in favor to signify by saying Aye, any opposed? He recorded that in the opinion of the Chair the Ayes have it and the Substitutes are before us so we will entertain a Motion to pass Items 8 through 26, which are Transfers of Funds in the 1st Ward, 14th Ward, 21st Ward, 22nd Ward, 33rd Ward, 34th Ward, 36th Ward, 39th Ward, 40th Ward, 41st Ward, 46th Ward, Committee on Committees and Rules (2), Committee on Education (2), Committee on Housing and Real Estate, Legislative Reference Bureau and Committee on License and Consumer Protection. So Moved by Alderman Taliaferro. The Chair then queried for all in favor to signify by saying Aye, any opposed? There were all Ayes, no Nays, the Motion was recorded as approved and to be reported out at the next regular City Council Meeting on Friday, December 19, 2025.

The Chairman returned to Items #1-7, a series of items in relation to the 2026 appropriation and budget. Beginning with Item #1 an Amendment of Municipal Code Titles 2 and 9 regarding technical and scriveners' corrections (2026 Municipal Code Corrections Ordinance), he then introduced Budget Director Annette Guzman who deferred to Ray Phillips-Santos, Department of Law to walk the City

Council through those items. Phillips-Santos proceeded, stating that the Substitute Code Correction Ordinance consists of 11 subsections, it is recommended that we adopt the substitute. Chairman then called a motion to accept the substitute ordinance, Alderman Lopez made a motion to accept, the Chair called a vote, recognizing all Ayes and no Nays, the substitute was adopted and now before the Body. Senior Asst. Corporation Counsel Phillips Santos continued, explaining that these are corrections as small as removing a coma in Section 3 between the words excessive force to putting in a correct subsection as seen in Section 5, adding a subsection A in between 251-050-A42. Senior Asst. Corporation Counsel concluded and welcomed questions. The Chair queried for questions, there were none, acknowledged Alderman La Spata's Motion for Move Do Pass, requesting all in favor signify by saying Aye, any opposed? Recorded in the opinion of the Chair the Ayes have it, the matter was approved and would be reported out at the next City Council Meeting on Friday, December 19, 2025.

Chairman Ervin next called Item #2, A series of proposed corrections and revisions to the 2026 Budget Recommendations (and text portion) and Item #3, Adoption of the annual Appropriation Ordinance for 2026 (taken together). He introduced Budget Director Annette Guzman who will provide a presentation.

Budget Director Guzman greeted/thanked Council Members for their time, effort and work that went into the budget, then introduced Chief Financial Officer Jill Jaworski and Comptroller Mike Belsky. The Chair paused and acknowledged Alderman Villegas who asked if the Budget Director is going to give a presentation on the budget that the administrations proposing? The Chairman replied that she is giving a presentation on what came from the revenue ordinance, from yesterday and the technical amendments. Alderman Beale was recognized, and stated that the items that were presented, passed and approved yesterday was in Finance, further asking if those matters should be in the Finance Committee and not the Budget Committee. The Chairman clarified that the actual amendment of the appropriation ordinance is a matter for the jurisdiction of the committee, pieces of the ordinance that was passed by the Finance Committee are incorporated into the appropriation ordinance, the revenues and other things have changed based on what passed yesterday. Alderman Beale asked where is the Mayor's proposal? The Chair responded that the original ordinance that was presented to the Body back in October is theoretically before us, however the revenue component of the proposal has changed, which is going to cause a change in the overall appropriation ordinance, which is what she's essentially going to discuss. Budget Director Guzman continued and provided an Analysis of the City Council Alternative Budget Package via power point slide presentation. She identified what was presented, which projected additional new revenues and expenditure savings of \$176 million of new items presented by City Council, not including the ones provided in the Mayor's budget. OBM along with the rest of the finance team reviewed those projections in the alternative budget sources: Additional Corporate Fund Savings/Revenue from Efficiency Initiatives at \$46.6 million; Ground Transportation Tax, VGT Licenses at \$6.8 million; Shopping Bag Tax at \$12.2 million; Liquor Tax at \$6 million; Rentals and Leases, Environmental Benchmark & Debt Collection at 92.6 million; Augmented Reality Advertising at \$6 million; Advertising Revenue at \$29.3 million; and Prior Year Available Resources. Stating that the alternative budget proposal overly relies on speculative and one-time revenue sources, resulting in just over \$180 million in proposed non-structural solutions to the FY2026 budget (ie: Unspecified Efficiency Savings, including Fire Alarm and Fines, VGT Revenue, Sale of Debt, Bridge House Advertising Pilot, Augmented Reality Advertising). Of the \$216 million of newly proposed revenue and expenditures savings in the alternative budget proposal, the revisions overwhelmingly shift, the burden onto residents and our labor force based on the inclusion of the sale of debt, liquor tax, shopping bag tax and cuts or efficiencies within the budget. As we are working our way towards structural balance we should think about structural solutions (i.e.: sustainable revenue sources; Shopping Bag Tax, Liquor Tax, Environmental Benchmark Ordinance, Advertising on Light Poles) versus one-time solutions, not only in next year's budget but in future year budgets. The Budget Director took a moment and recognized CFO Jill Jaworski who presented the projection on the Video Gaming Tax. CFO Jaworski explained that the proposal that was presented assumed that 80% of the potential establishments in Chicago would obtain a license for VGTs at \$1,000 per terminal, for \$6.8 million in

revenue. Further, OBM analysis shows, if VGT terminals are authorized we would have a \$3 million decline in revenue in fiscal year 2026, based on the timeframe to get a license (6-12 months) which doesn't include the impact of increased applications from Chicago, assumes that 6% of potential establishments would get approved in one year, the City would immediately lose the \$4 million in community benefits payment from Bally's. In addition, the license fee appears to be a tax because it does not pay for services, the State Video Gaming Act preempts home rule municipalities from imposing taxes on video gaming terminals. CFO Jarworski further described in detail how they got to their calculations (outlined in the power point slide), then turned it back over to Budget Director Guzman who continued with the proposals/projections for the Shopping Bag Tax, an increase in the shopping bag tax from \$0.10 to \$0.15, allowing retailer commission of \$0.01. The Liquor Tax, which would replace existing unit-based tax with percentage-based tax for off-premise liquor sales (amended in committee to 1.5% from the originally released 3.0%). Budget Director turned it over to Brian Carlson, Deputy Director of Tax Administration and Enforcement, Department of Finance who provided a breakdown of the current tax received by the city in four categories: Beer, ABV<14%, ABV 14-20% and ABV>20%. So based on the proposed tax rate at 1.5% would result in a \$4.2 million loss in the first year of 2026 with a January 1 effective date, this is all based on 75% of liquor sales being off-premises or packaged liquor. Budget Director Guzman moved on to Fines, Forfeitures and Penalties in which the proposal included Environmental Benchmark Ordinance at \$3 million and Increased Debt Collection at \$89.6 million. OBM analysis projects about \$165,000 in annual enforcement revenue contingent on compliance behavior and pro-rated timing beginning in 2026. As for the Sale of Debt, increased debt collection is already included in the proposed budget at \$113 million. Budget Director then acknowledged CFO Jaworski to give more insight into the difficulty in selling the type of debt the City has; parking tickets, speed cameras, etc. CFO relayed that non-property tax debts do not have perfected liens or other enforcement mechanisms making the debt challenging to collect by the City or other outside entity, therefore making them unattractive to potential investors. Lastly, Budget Director addressed Augmented Reality Advertising and Advertising Revenue, content on city property (ie Pokemon Go and other types of events), forecasted at \$6 million, OBM projection \$0, there are no U.S. or international municipalities who have successfully implemented the licensing framework for this. Establishing a viable AR licensing regime would require lengthy policy, legal and procurement deliberation across several departments, including BACP, DOH, DOL, DCASE, 2FM and DTI. So, without a precedent for the projected revenue the City cannot responsibly rely on these figures for fiscal planning. As for the Advertising Revenue, 3 options were presented Bridge House Pilot Program, Light Pole Advertising Pilot Program and Advertising on City fleet vehicles. The 29.3 million first year revenue projection does not align with likely revenue outcomes based on current ad revenue streams. CFO provided a breakdown of current advertising programs that the City of Chicago has and the revenue that they generate. Budget Director Guzman concluded the presentation and turn it back over to the Chairman. The Chair then opened the floor for Q &A starting with committee members then followed by non-committee members; Aldermen La Spata, Beale, Dowell, Reilly, Vice Chair Lee, Lopez, Villegas, Moore, Napolitano, Quezada, Sposato, Rodriguez, Sigcho-Lopez, Cardona, Vasquez, O'Shea, Martin, Scott, Robinson, Conway, Burnett, Yancy, Fuentes, Waguespack and Hoppenworth. The Chairman queried the Body for any additional questions then proceeded with a series of questions for the panel. Vice Chair Lee made a motion to accept the amendment to the text amendment that has been brought to the Body, the Chair then took a roll call vote, 21 to 12, the amendment was accepted. Alderman Lopez then made a motion to accept a second amendment to the amendment, the Chairman requesting all in favor signify by saying Aye, any opposed? Recorded in the opinion of the Chair the Ayes have it and this too will be incorporated into the amendment. Then on a motion made by Alderman Beale move do pass on the twice amended package that is now the Appropriation Ordinance. The Chair took a roll call vote, by a vote of 21 to 13, it is passed. (During Q&A the Chairman recognized Alderman Martin for purposes of quorum, he then made a motion to allow Committee Member Rodriguez to join virtually pursuant to Rule 59, so moved by Alderman Mitts, hearing no objections, the Aldermen were added to the roll).

The Chairman then moved to Item#4, an amendment of Municipal Code Titles 2, 4, 6, 7, 8, 9, 10, 11, 14A, 15, 17 regarding management, structure, powers and functions of various departments and agencies (2026 Municipal Code Management Ordinance). He stated that representatives from OBM, DOF and DOL were there to answer any questions, he then acknowledged Budget Director Guzman who gave an overview of the ordinance. The Chair queried for questions, Alderman Moore requested clarification on one item. Alderman Nugent was recognized and moved to adopt a substitute for the management ordinance, which was passed around to the Body, she then offered to explain the changes. The Chair held Item #4 until it was distributed to members. He then moved to Item #5, the Expenditure of portion of Motor Fuel Tax (MFT) funds allocated to the City of Chicago for Year 2026. The following Aldermen asked questions to the panel; Dowell, Lopez and Villegas. Alderman (inaudible)Motion for Move Do Pass, requesting all in favor signify by saying Aye, any opposed? Recorded in the opinion of the Chair the Ayes have it, the matter was approved and would be reported out at the next City Council Meeting on Friday, December 19, 2025.

The Chair continued to Item #6, an Intergovernmental Agreement with Chicago Transit Authority (CTA) and Cook County for the allocation of Motor Fuel Tax (MFT) funds for Year 2026. He queried for questions, seeing there were none, Alderman Beale made a Motion for Move Do Pass, requesting all in favor signify by saying Aye, any opposed? Recorded in the opinion of the Chair the Ayes have it, the matter was approved and would be reported out at the next City Council Meeting on Friday, December 19, 2025.

The Chairman proceeded to Item #7, an Amendment of Regulations Governing Administration of Classification Plan and Employee Benefits for Classified Positions set forth in Annual Appropriation Ordinance (Salary Resolution). Chair Ervin asked if there were any questions, there were none, acknowledged Alderman Beale's Motion for Move Do Pass, requesting all in favor signify by saying Aye, any opposed? Recorded in the opinion of the Chair the Ayes have it, the matter was approved and would be reported out at the next City Council Meeting on Friday, December 19, 2025.

Chairman Ervin returned to Item #4 then recognized Alderman Nugent who explained the changes. The Chair then opened the floor for any questions, Aldermen Vasquez, Conway, Lopez, Moore and La Spata. On a motion made by Alderman Nugent to accept the substitute, the Chair called a vote, recognizing all Ayes and no Nays, and the substitute was adopted and before the Body. Then on a motion made by Alderman Hadden for a roll call vote on the matter, the Chair called the roll, the motion passes by a vote of 22 to 11. Having no further business, on motion made by (inaudible) for adjournment, acknowledging all ayes and no nays, the meeting was adjourned. For additional content, please refer to the video recording on the City Clerk's website.

#### **MONDAY, DECEMBER 22<sup>ND</sup>**

Date, Time & Location of Meeting:	On December 22, 2025, at 1:00 P.M., the Committee on the Budget and Government Operations held a meeting in City Hall, Council Chamber, 121 N. LaSalle Street, 2 <sup>nd</sup> Floor.
Attendance:	The following members were present: Chairman Ervin (28), Vice-Chairman Lee (11), Dowell (3), Robinson (4), Yancy (5), Mitchell (7), Quinn (13), Lopez (15), Moore (17), O'Shea (19), Mosley (21), Scott (24), Sigcho-Lopez (25), Burnett (27), Cardona (31), Rodriguez-Sanchez (33), Conway (34), Quezada (35), Villegas (36), Mitts (37), Sposato (38), Nugent (39), Vasquez (40), Napolitano (41), Reilly (42), Knudsen (43), Martin (47) and Silverstein (50).

The following members were present virtually: Harris (8), Rodriguez (22), Taliaferro (29), Hadden (49) and Silverstein (50).

The following members were absent: La Spata (1), Beale (9) and Ramirez (12).

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

- 1. A series of proposed corrections and revisions to the 2026 Budget Recommendations (and text portion).**
- 2. Fiscal Year 2026 Budget Recommendations.**
- 3. Amendment of Municipal Code Titles 2, 4, 6, 7, 8, 9, 10, 11, 14A, 15, 17 regarding management, structure, powers and functions of various departments and agencies (2026 Municipal Code Management Ordinance).**
- 4. Transfer of funds within 4th Ward Wage Allowance/Aldermanic Expense Account for Year 2025.  
(O2025-0021847)**
- 5. Transfer of funds within 6th Ward Wage Allowance/Aldermanic Expense Account for Year 2025.  
(O2025-0021897)**
- 6. Transfer of funds within 9<sup>th</sup> Ward Wage Allowance/Aldermanic Expense Account for Year 2025.  
(O2025-0021884)**
- 7. Transfer of funds within 28th Ward Wage Allowance/Aldermanic Expense Account for Year 2025.  
(O2025-0021843)**
- 8. Transfer of funds within 37th Ward Wage Allowance/Aldermanic Expense Account for Year 2025.  
(O2025-0021764)**

Chairman Ervin called the meeting to order, then called the role to establish quorum. The Chairman acknowledged a quorum with 19 Members present, then recognized 6 Members participating virtually via Rule 59: Alderman Hadden, Silverstein, Taliaferro, Rodriguez, Harris and Robinson. A voice vote was taken to add the virtual members to the quorum by voice vote of all Ayes and no Nays.

The Chairman moved the meeting forward to allow for public participation and conveyed to the Body this would be a short meeting. The public speakers, each allowed 3 minutes for their commentary, were as follows:

- Safiya James
- Dennis White
- George Blakemore

- Apostle Sandie Norman
- Pastor David Carillo
- Ron Rurik

The Chairman next returned to address the Agenda. Budgetary Items #1 thru #3 were not heard at this forum, with the expectation for redress at the Monday, December 29th meeting.

Chairman Ervin then placed Items #4 through #8, which were Transfers of Fund Ordinances in Wards 4, 6, 9, 28 and 37 on the floor. Substitutes were proposed for 3 of the 5. Chair called for a motion to adopt, which was motioned by Alderman Martin. Chair asked all in favor signify by saying Aye. Any opposed. It was recorded as all Ayes and no Nays. The substitutes were before the Body.

Chairman conveyed that if there were no objections, he would have the Transfer Ordinances all voted together. Hearing no objection, he called for the passage of the Transfers of Funds in Ward 4, 6, 9, 28 and 37 by voice vote, which was so moved by Alderman Dowell. Chairman said all in favor signify by saying Aye. Any opposed? The motion passed with all Ayes and no Nays, to be reported out at the City Council Meeting on December 29, 2025.

#### **MONDAY, DECEMBER 29<sup>th</sup>**

**Date, Time & Location of Meeting:** On December 29, 2025, at 9:30 A.M., the Committee on the Budget and Government Operations held a meeting in City Hall, Council Chamber, 121 N. LaSalle Street, 2<sup>nd</sup> Floor.

**Attendance:** The following members were present: Chairman Ervin (28), Vice-Chairman Lee (11), Dowell (3), Yancy (5), Mitchell (7), Harris (8), Beale (9), Quinn (13), Lopez (15), O'Shea (19), Mosley (21), Rodriguez (22), Scott (24), Sigcho-Lopez (25), Burnett (27), Taliaferro (29), Cardona (31), Rodriguez-Sanchez (33), Quezada (35), Villegas (36), Mitts (37), Sposato (38), Nugent (39), Vasquez (40), Napolitano (41), Reilly (42), Knudsen (43), Martin (47) and Silverstein (50).

The following members were present virtually: La Spata (1), Robinson (4), Ramirez (12), Moore (17), Conway (34) and Hadden (49).

The following non-members were present: Taylor (20), Waguespack (32) and Hoppenworth (48).

Internal witnesses present: **Office of Budget and Management (OBM):** Budget Director Annette Guzman, First Deputy Jonathan Ernst and Managing Deputy Budget Director Kevin Murphy

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

1. **A Series of technical corrections to the 2026 Annual Appropriation Ordinance passed by the City Council on December 20, 2025.**  
*Direct Introduction*

- 2. Transfer of funds within 15th Ward Wage Allowance/Aldermanic Expense Account for Year 2025.  
(O2025-0021918)**
  
- 3. Transfer of funds within 28th Ward Wage Allowance/Aldermanic Expense Account for Year 2025.  
(SO2025-0021843)**

The Chairman bid all a good morning, called for the Committee on Budget & Government Operations to come to order and observed a rollcall. There were 21 Members present in Chambers, and he acknowledged a quorum was present. And after announcing the floor open for Public Comment, the Chairman paused to observe the Members participating via Rule 59. Eight Members were recognized for virtual participation, called for a voice vote with all in favor signifying by saying Aye. Any opposed? Chairman declared the Ayes have it and the 8 Alders were approved to join the quorum.

The Chair next returned to the floor, acknowledged the one speaker present: Pat Doerr, for a 3-minute commentary. At Mr. Doerr's conclusion, Chairman Ervin thanks the speaker and the meeting was returned to the Agenda, which had 3 Items. He addressed Items 2 and 3 first, which were Transfers of Fund Ordinances for Wards 15 and 28. Substitute Ordinances were proposed for both, and Chairman solicited a Motion to accept the Substitutes, so moved by Alderman Yancey. Chairman called a voice vote, signifying all in favor say Aye. Any opposed? Declared the Ayes have it and acknowledged the Substitutes were before the Body, then opened the floor for discussion.

Alderman Lopez was recognized and asked why the ordinance for the two wards was being re-addressed. Chairman explained Alderman Moore withdrew his Transfer Ordinance and two separate ordinances were written to detach them from the previous instrument combining all three, so this was just legislative house cleaning so to speak. Alderman Lopez received the revision and made a Motion Do Pass for both items. Chairman then acknowledge the motion on the floor, called a voice vote signifying all in favor signify by saying Aye. Any opposed? Declared the Ayes have it and the Items would be reported out at today's City Council meeting, December 29, 2025.

The Chairman next returned to address Item #1, which was a series of technical corrections to the 2026 Annual Appropriation Ordinance passed by the City Council on December 20, 2025. He acknowledged that it was a Direct Introduction, which was a bit of a cleanup to ensure all previous amendments approved were now included. The Chairman then called for a brief recess to allow the Director to be seated for further discussion. Chairman then acknowledged Alderman Lopez.

Alderman Lopez stated he had a few questions with regards to the library amendment related to prior year reduction of available resources and asked the Director to explain the changes. She introduced herself, Annette Guzman, Budget Director, then responded that when we implemented the amendments into the budget system there was a surplus within the library fund based on the property tax levy that was passed as well as the correcting amendments that we are proposing today to align the additional positions that were added to the salary schedule. Therefore, there was an overallocation of revenue within the library fund. Given that the property tax levy has been passed by City Council we lowered the prior year resources that would be supporting the ongoing costs of the library fund in order to bring it back into balance. Alderman Lopez concluded his remarks and thanked the Chairman, who then solicited for any additional questions and recognized Alderman Lee.

Alderman Lee prefaced wanting to follow up on one final item regarding the coding of CDPH Violence Reduction Program. Can we get that changed to Community Violence Intervention instead of Violence

Reduction under CDPH for that \$32M add amount? The Director responded yes, we can but we must be mindful that we'll no longer be able to track across years how those dollars are spent because currently they spend their CVI programming under the violence reduction program. Alderman Lee acknowledged she understood and further added that if we can get that changed that would be her last question.

Chairman next recognized Alderman Beale.

Alderman Beale reiterated the Director stating, you said that once you put everything into the system there's a surplus. Director Guzman affirmed yes, for the library fund. Conveying to Alderman Beale that the question was specific to the library fund. Alderman Beale then queried, so now the budget is balanced, is that what you're telling me? Director responded with, the proposed amendments that are before the Body, with this amendments funds are now balanced. Alderman Beale continued, was it balanced based on all the information that was provided to you on the budget that was passed? Director Guzman answered no it wasn't. When we put everything into the system the budget was not balanced. Alderman Beale restated it wasn't, you say passed? The Director restated no, and that I think what we had talked about was there probably needs to be correcting amendments to make sure that the intention of the City Council were implemented in order to ensure that the budget was balanced, that's why the proposed amendment are before you, to which Alderman Beale asked how much was the total amount of the amendments? The amendments before us? Director Guzman restated the question, how much do the amendments total? So, the Corporate Fund is balancing through removing a \$33M deficit. And the library fund is being balanced by removing a \$1.3M surplus. Alderman Beale concluded and the Chair next recognized Alderman Villegas.

Alderman Villegas prefaced having one quick question for Director Guzman on the second item, the advanced pension payments reduction of \$22M from the expense. So, this is the other enterprise fund picking up the pension payment? Specifically advanced pension payment, Director if you can explain to the Body how those funds were appropriated and potentially additional revenue that's unassigned. The Director welcomed the question and offered, so the proposed amendment before the Body corrects an overallocation of the additional advanced pension contributions on the Corporate Fund. All of our contributions to our pension funds, whether it's the statutory amount or the advanced amount, are allocated proportionately across the pension fund, as well as enterprise funds and some special revenue funds. And then we have a specific calculation for that. And so, we're correcting to remove around just over \$22M that was overallocated onto the corporate fund of the additional pension advance in the original technical amendment that was passed by the City Council. Alderman Villegas acknowledged the content shared by the Director. He went on to add for the Body's information that there's a Senate bill circulating down in Springfield around the online sport's betting where potentially every dollar collected will result in a dollar being lost to LGDF, adding that he wanted everybody's attention on that. So that means that the money we're projecting 2025, \$20.9M potentially would be zero given the fact that the General Assembly is making a move to capture every dollar that we capture and take it from the LGDF. Alderman Villegas concluded. Chairman next recognized Alderman Lopez.

Alderman Lopez touched on a quick question, expressed appreciation for the Director's efforts on amending the library section, asked did the library fund previously run at a deficit? Director Guzman responded it has been, yes. Alderman Lopez further queried, and moving forward, based on what we've done, do we anticipate the deficit continuing or will that have been alleviated by what City Council has passed? Director responded that it would support the library fund through the end of 2026. I think there's some more work that we'll have to do to stabilize the libraries. As you know, the library until this year with the \$5M on the Corporate Fund, bring the collections back to \$10M. The library is fully funded by a property tax levy, and so without additional revenues or maintaining an increase in the property tax levy every year there will be pressure on the library fund. We've been spending down their prior year reserves each year to support the natural growth in their expenditures because salaries and wages go up every year. And so, without new revenues or discussions around property tax levy that supports the library, there will

continue to be pressure and potential future year budgetary gaps for the library. Alderman Lopez then asked if the Director anticipated that that pressure will present itself in 2027, or do we have some time before? To which the Director responded I think it will present itself again in 2027. I know that the library fund is working on efficiency initiative as well within their own operation to find better ways to operate at a lower cost. So, I think that I will continue to work with them to do that but I do think that there will continue to be pressure unless we take a hard look at how we are funding the libraries. Alderman Lopez then asked Director Guzman if she could provide Through-the-Chair what projections OBM has based on what the new revenue that we've provided through the increased levy? And she replied yes. And Alderman Lopez continued, so that we can see what planning we have to start making. Director again replied yes. And the Alderman went on to say, for the library fund. And concluded with "awesome." Chairman solicited the floor for additional questions, then recognized Alderman Martin.

Alderman Martin asked the Director had anyone asked about prior year available resources for the library fund? Director Guzman replied that Alderman Lopez had asked and Alderman Martin conveyed he would review the video and concluded his comments. Chairman again engaged the Body for additional questions, then recognized Alderman Robinson, who was not online.

Chairman Ervin, acknowledging there were no additional questions or a motion? Alderman Harris then motioned Move Do Pass, and Chairman called a voice vote calling for all in favor to signify by saying Aye. Any opposed? Acknowledged the Motion unanimously passed and the matters would be reported out at City Council shortly, December 29th. He then solicited a motion to adjourn, motioned by several Alders. The Chair placed a voice vote with all in favor signifying Aye. None opposed. And the meeting was duly adjourned.

*(A video recording of the full meetings with committee members, internal and external experts, as well as any/all public speaking content can be reviewed on the Chicago City Clerk website under Committee Meeting Web Stream Archive dated December 17<sup>th</sup>, December 22<sup>nd</sup> and December 29<sup>th</sup>, respectively.)*

Respectfully submitted by:



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Jason C. Ervin, Chairman  
Committee on the Budget and Government Operations