



CITY OF CHICAGO

COMMITTEE ON THE BUDGET AND GOVERNMENT OPERATIONS
CITY COUNCIL
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COMMITTEE ON THE BUDGET AND GOVERNMENT OPERATIONS
MONTHLY RULE 45 REPORT
FEBRUARY 2024

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 FEBRUARY 2024.

Date, Time & Location of Meeting: On February 20, 2024, 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, 2nd Floor.

Attendance: The following members were present: Chairman Ervin (28), Vice-Chairman Lee (11), La Spata (1), Dowell (3), Mitchell (7), Harris (8), Ramirez (12), Quinn (13), Moore (17), O'Shea (19), Mosley (21), Rodriguez (22), Scott (24), Sigcho-Lopez (25), Burnett (27), Taliaferro (29), Cardona (31), Rodriguez-Sanchez (33), Conway (34), Ramirez-Rosa (35), Villegas (36), Sposato (38) and Nugent (39).

The following members were present virtually: Robinson (4), Yancy (5), Mitts (37), Vasquez (40), Napolitano (41), Martin (47), Hadden (49) and Silverstein (50).

The following members were absent: Lopez (15), Reilly (42) and Knudsen (43).

The following non-member was present: Beale (9).

Internal witnesses present were: Matt Schmitz, Managing Deputy Budget Director, Office of Budget Management (OBM); Raabiah Ali, Director of Grants Management, Jackie Tiema, Immunization Program Director, Chicago Department of Public Health (CDPH); Tomas Maulawin, Director of Grants, Dan Casey, Managing Deputy Director, Office of Public Safety Administration (OPSA); Grant Davis, Coordinating Planner, Chicago Department of Transportation (CDOT); Bill Mooney, Gerald Nichols, Vice President, Infrastructure Community Relations, Chicago Transit Authority (CTA); Ciere Boatright, Commissioner, Mark Sagun, Assistant Commissioner, Department of Planning and Development (DPD); Sandra Blakemore, Commissioner, Department of Human Resources (DHR); Patrick Hall, General Counsel and Managing Deputy Procurement Officer, Department of Procurement Services.

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

- 1. Approval of the Monthly Rule 45 Report of January 2024.**
- 2. Appointment of Alfonzo Conner, Jr. as Commissioner of Department of Water Management.
(A2024-0007310)**
- 3. Annual Appropriation Ordinance Year 2023 amendment within Fund 925.
(O2023-0007312)**
- 4. Transfer of funds within 1st Ward Wage Allowance/Aldermanic Expense Account for Year 2024. (O2024-0007048)**
- 5. Transfer of funds within 11th Ward Wage Allowance/Aldermanic Expense Account for Year 2024. (O2024-0007032)**
- 6. Transfer of funds within 13th Ward Wage Allowance/Aldermanic Expense Account for Year 2024. (O2024-0007339)**
- 7. Transfer of funds within 17th Ward Wage Allowance/Aldermanic Expense Account for Year 2024. (O2024-0006927)**
- 8. Transfer of funds within 26th Ward Wage Allowance/Aldermanic Expense Account for Year 2024. (O2024-0006962)**
- 9. Transfer of funds within 29th Ward Wage Allowance/Aldermanic Expense Account for Year 2024. (O2024-0007331)**
- 10. Transfer of funds within 31st Ward Wage Allowance/Aldermanic Expense Account for Year 2024. (O2024-0006647)**
- 11. Transfer of funds within 38th Ward Wage Allowance/Aldermanic Expense Account for Year 2024. (O2024-0007004)**
- 12. Transfer of funds within 39th Ward Wage Allowance/Aldermanic Expense Account for Year 2024. (O2024-0007504)**
- 13. Transfer of funds within 41st Ward Wage Allowance/Aldermanic Expense Account for Year 2024. (O2024-0007338)**
- 14. Transfer of funds within 44th Ward Wage Allowance/Aldermanic Expense Account for Year 2024. (O2024-0007018)**
- 15. Transfer of funds within 47th Ward Wage Allowance/Aldermanic Expense Account for Year 2024. (O2024-0007356)**
- 16. Subject Matter Hearing to discuss employment opportunities for residents in socioeconomically disadvantaged areas. NO VOTE TAKEN.**

Chairman Ervin called the meeting to order, took roll call, and recognized a quorum was present. The Chair then made a motion based on Rule 59 to allow remote participation of Committee Members Yancy, Mitts Vasquez, Napolitano, Martin, Hadden and Silverstein, hearing no objections, was so ordered.

Chairman Ervin proceeded to read the Rules of Conduct for Public Meetings, then opened the floor for public comment. The following speakers were present and given three minutes each for public comment:

- George Blakemore
- Jessica Jackson
- Michael Young Bey

The Chair concluded the public comment period and moved to approval of the Rule 45 Report of February 2024, which report was transmitted electronically to the Membership. The Chair asked if there were any requests for discussion. Hearing no such requests, Alderman Rodriguez-Sanchez moved to approve the report. A vote was taken, and the report was approved.

Chairman Ervin made change to agenda order, calling Item #2 for initial discussion, an Annual Appropriation Ordinance Year 2023 amendment within Fund 925. The Chair made a motion to accept a substitute ordinance on item #2, Alderman Dowell so moved, hearing no objection, the item was adopted. Matthew Schmitz, Managing Deputy Budget Director was acknowledged and provided testimony on the substitute ordinance amending the 925 Fund Appropriation of \$50,512,000 from Federal and State Grant Funds for projects and programs for the Department of Public Health, Department of Police, and the Department of Transportation. The Chairman opened the floor for questions and comments.

The Chair recognized Alderman Conway who referenced Exhibit A, \$940 million for awards from agencies for COVID-19, is that all just in 2024 or what period does that cover? Matthew replied that he did not have Exhibit A in front of him and that we will answer back through the Chair. The Chairman provided a point of clarification for the 3 items outlined in the Appropriation and asked Alderman Conway where the \$940 million was located. Alderman Conway stated that it is listed at the top under the strike amount and add amount and asked is that COVID-19 grant money given in 2024? Matt responded that is the amount of money appropriated for the 2024 budget in addition to balances carried over from previous years. Alderman Conway requested a breakdown of the new money received for 2024 and the carryover amount. Matt will provide that through the Chair. Alderman Conway concluded questions and the Chair recognized Alderman Dowell.

Alderman Dowell asked if we bonded for cameras. Dan Casey replied yes. Alderman Dowell proceeded to inquire on how much we bonded for and how much we spent. Tomas Maulawin answered, bond money does not go through grants at this point. Alderman Dowell stated she is aware that bond money does not go through grants, but it is additional money for the purpose of adding cameras. Correct? Dan answered, the bond money is \$6 million, it is additional money for cameras, specifically earmarked for these areas. Alderman Dowell asked, of the \$6 million how much have we spent and what has it been used for? Dan will provide that number through the chair. Alderman Dowell asked how many additional cameras is the \$1.97 million for and can it be used for license plate readers. Dan replied, yes, they can be used for license plate readers, we don't have an exact cost yet because we have not done all of the site walks. Alderman Dowell asked if OPSA is still taking recommendations/requests for new cameras and license plate readers. Dan responded, yes you can input requests via the portal. Alderman Dowell asked for confirmation that the request does not have to come from the commander of the district. Dan confirmed that was accurate.

The Chair next called Alderman La Spata who asked if the \$1.97 million is this in addition or related to the \$10 million that we got from IDOT for similar purposes. Tomas replied the \$1.9 million is in addition to the \$10 million IDOT is providing to the City. Chairman Ervin gave a point of clarification that the \$1.9 million is a part of member initiatives in the General Assembly so it is additional money, but it is earmarked as to where it will go based on that legislator. Alderman La Spata requested a list of members through the chair. The Chairman acknowledged no further questions from the body, Alderman Harris moved do pass, hearing no objections, the item was approved by the same roll call vote used to establish a quorum. The item passed and was to be reported out for the February 21, 2024, City Council Meeting.

Chairman Ervin then called for discussion of Item #1, appointment of Alfonzo Conner, Jr. as Commissioner of Department of Water Management. The Chair introduced Alfonzo Conner, Jr., who provided an overview of his experience/qualifications in city government. The Chairman then opened the floor for questions/ comments by both members and non-members, beginning with Alderman Sposato.

Alderman Sposato welcomed back Acting Commissioner Conner and expressed support for the appointment. Alderman Quinn voiced his support and asked about the lead lines and plans to get them replaced. Alfonzo replied, we are looking at the program in its entirety and at different ways of modeling our contracts, bringing on new contractors, and trying to come up with new ways of funding. We are working with the CFO in the Office of Budget Management; we have money to do the public side but are having some issues with the private side. The money that we are pulling from, we are taking this time to really build a program to prioritize that, whether it's leaks and breaks, daycares, the equity program, or homeowner initiated, we want to build programs around that, so we can build smaller contracts for smaller contractors. We are in conversations with the Park District and will start with the County and Department of Housing, so we can build a robust program. We are going to start small and once we have all the funding, all the players in place and the ability to move forward and hit the ground running we will be able to do all the service lines in a decent amount of time. Alderman Quinn expressed his confidence in Alfonzo's ability to move this plan in the right direction. The Chair acknowledged Alderman Harris who welcomed Alfonzo back and stated that she would like to see programs that would attack and work with 100-year-old infrastructure not only in my community but across the city. Alderman Dowell next welcomed Alfonzo back and thanked him for taking time to talk about how he is modeling the contracts that will come out of DWM, many of us had a conversation regarding lead line replacement contracts and talked about how we could break those contracts out and give them to more African American/minority companies. I hear that you are focused on that, I support you and look forward to working with you over the next 4 years. Alderman La Spata conveyed his support in Alfonzo's ability to facilitate the city's water infrastructure and to work with us on lead line replacement. In addition, Alderman La Spata asked about the culture of the department and how do we ensure the culture continues to shift in a way that is inclusive and respectful of everybody that works there. Alfonzo responded, one word "accountability", from the Commissioner's Office all the way down through the trades. I tell my managers, it's like an unwritten rule "Be your best self", when you set that example then people tend to follow. Alderman Nugent welcomed Alfonzo back and looks forward to partnering with him. Alderman Moore welcomed Alfonzo back and referenced 3 things; maintenance, do we have project managers that check off things for completion, restoration, and cleanup, how are we going to manage and improve that process. Alfonzo answered, we are making some staff changes in the department to address that issue, it is an issue not just in your ward but all wards, accountability of making sure people are following up and addressing issues that need to be addressed. I am available 24 hours, if something comes up, we will address it. Alderman Moore referred to the south plant having problems with roofing and other issues. Alfonzo replied we are currently doing a roof construction project; the South Sawyer was built in the 40's the infrastructure is a

little difficult to maintain and expensive to upgrade. Until we can get an influx of capital improvement money, we are doing little things to extend the life of the building. Alderman Moore conveyed that if we need a new building or funds for improvements let the Council know so that we can get those workers a good space to work in. Alfonzo mentioned 2 things we are doing this year is a facilities assessment, it will drive our 5-year capital program for facilities, it will drive what needs to be done and what gets prioritized in those buildings. The Chair recognized Alderman Sigcho-Lopez who commented on some of the changes in DWM, and voiced his concern about the high water bills, and conditions that require more reforms and changes in the system that don't over burden with debt that end up creating bigger issues for the City, what changes can you foresee to address this, also how do we change some of the issues in the department such as xenophobia and sexism, prioritizing water pipe replacement, how we can be of help. Alderman Sigcho-Lopez concluded his comments. Chairman Ervin acknowledged no further questions from the body and echoed the comments of his colleagues, we need to have quality water and a quality process that's equitable to all parties concerned. Alderman Quinn moved do pass of the appointment, hearing no objections, the item was approved by the same roll call vote used to establish a quorum. The item passed and was to be reported out for the February 21, 2024, City Council Meeting.

The Chair continued to Items #3-6 and 8-14, Transfer of funds within 1st, 11th, 13th, 17th, 29th, 31st, 38th, 39th, 41st, 44th, and 47th Ward Wage Allowance/Aldermanic Expense Account for Year 2024. Chairman then made a motion to accept a substitute ordinance on Items # 8, 14, 6, 13 and 10. Alderman Moore moved to accept, hearing no objections, all substitute ordinances were approved. The Chair asked if there were any questions or comments, seeing there were none, Alderman La Spata moved do pass on Items #3-6 and 8-14, hearing no objections, the items were approved and will be reported out at the next City Council Meeting on February 21, 2024. Chairman Ervin made a correction on Item #7, it will be held at the request of the local Alderman and will be reintroduced at a later date.

Chairman Ervin then addressed Item #15, a Subject Matter Hearing to discuss employment opportunities for residents in socioeconomically disadvantaged areas (SEDA). The Chairman opened the floor to Commissioner Ciere Boatright, DPD to speak on behalf of the ordinance.

Commissioner Boatright proceeded with a PowerPoint presentation giving an overview of the SEDA areas, the criteria in which they are selected, how City Departments are currently utilizing them and why there is a need for change. Following Commissioner Boatright remarks, Chairman Ervin acknowledged Acting Commissioner Sandra Blakemore, DHR and asked her to explain preferences, the types of preferences and what this particular ordinance would do and how this preference would be applied specifically. Commissioner Blakemore outlined the types of preferences and how the preferences work when it comes to hiring at the City of Chicago. In terms of operationalizing a hiring preference if we have candidates that show equal merit, then a preference could be applied to the hiring situation. We currently have hiring preference for CPS Graduates, Veterans for CPD and CFD and a Line of Duty as well. Chairman Ervin asked how those work specifically, i.e. 100 individuals in the cue, using a CPD exam scenario, how would those preferences work, what do they mean or don't mean for persons who meet a specific criterion. Commissioner Blakemore replied, if you have 50 candidates that have passed the test, we are able to give a hiring preference in cases where the candidates are equivalent, we can give a CPS graduate or CPD line of duty. The Chair gave an example of 100 slots with a preference for 10% military hires, there's only 7, does all 7 get that opportunity or if there's 13 and only 10 get that opportunity does the other 3 go back to the general pool. How does that preference work and what advantage or disadvantage does it give to an individual that has a specific preference. Commissioner Blakemore responded, if the individual with the preference has met the scoring or testing standards, they

will be selected over an individual who didn't have that preference. The Chair called Patrick Hall, General Counsel and Managing Deputy, DPD who provided information on how the department utilizes the SEDA Map through 2 different bid incentive programs. The first, Equal Employment Opportunity (EEO) Bid Incentive, where on the front end, at the time of submission the contractor can commit to certain utilization goals for women and minority hiring, each percentage of the total journey worker hours and apprentice hours on that contract create a deduction from their bid submission. When the SEDA Map is factored in the contractor is given extra credit for each work hour performed by someone that lives in a SEDA area. The second is the City Based Bid Incentive, which is tiered, the bidder gets 2% off if they are a city based business, 4% off if the majority of their employees are city residents, 6% off if the majority of the city residents are SEDA residents. At the conclusion of Managing Deputy Hall's remarks, Chairman Ervin opened the floor for questions and acknowledged Alderman Sposato.

Alderman Sposato mentioned that he was happy to see that the 38th Ward was included in the map, he explained that he was totally confused and asked if coming on the job as a firefighter, there's several preferences; military, CPS, live in Chicago and CPFDA. Are we going to now add a socioeconomic preference? Commissioner Blakemore asked for clarity, are you asking how the preferences will be ranked? Alderman Sposato replied are you adding more preferences, is the SEDA preference going to trump everything else, will it be number 1? Commissioner Blakemore answered, the SEDA would be an additional hiring preference to the ones you just named. Commissioner Boatright gave a point of information in reference to the SEDA ward maps, it's not the entire ward, it's based off census data, so you may only have a small area within a larger area. Alderman Sposato asked who is going to be tracking this incentive for businesses. Managing Deputy Hall replied, our contract compliance and certification unit track's goal attainment on contracts where there's a specific commitment made, so it would be housed in DPS, they submit certified payroll data into a program we operate. Alderman Sposato commented that it frustrates him that jobs are given to people that don't live in the city and contracts to businesses that aren't in the city. We should hire people that live in the city, that would cover everything when it comes to contracts and city hiring. Alderman Conway requested clarity on how this advantage compares to other advantages, like Veterans, MBE, WBE. Is there a point system, or purely on percentages? Managing Deputy Hall responded, generally the bid incentives are different from MBE, WBE goals on a contract. Bid incentive programs are about primes and their workforce and provided that other conditions are met if a certain percentage of the workforce being SEDA residents gives you a higher bid incentive on the front end more of a deduction from your bid total. Alderman Conway inquired, how would you rank a veteran versus a non-veteran that lives in a SEDA area, how is that decision to be made during the hiring process. Managing Deputy Hall stated, these are incentives within the code they are not exclusive to one or the other, if the contractor meets the requirements for multiple incentives, they can apply both of them. Chairman Ervin provided a point of clarification on the DPS aspect versus the hiring aspect of the SEDA preference. The preferences are designed to meet the policy goals that the city has set forth for hiring. Alderman Conway asks what percent of employees do we want to hire from SEDA areas? Commissioner Blakemore responded, I don't think we can set something that would appear to be a quota, but if the city's policy is to address poverty and citizens that have the most need, SEDA would be your best metrics. Alderman Conway, it's not clear on how we are using this to decide that preference, how do you choose if someone meets 3 of the 5 criteria's, which criteria is deemed more important than the others. The Chair answered, none are deemed more important than the other, you may qualify for more than one preference, nothing is automatic per say. This is not about having individuals unqualified for work this is about qualified individuals who get a preference similar to that of military veterans and others that the city by policy says we want to give these individuals a preference. Alderman Sposato asked for a point of clarification on the number of preferences a person can get when it comes to hiring.

Commissioner Blakemore stated that information will be provided through the chair. Alderman La Spata asked if this is a new program, would we be talking about 2014 data if this program had not existed for years, correct? Commissioner Boatright replied, no it's not new, the existing SEDA map or any changes using the 2020 census data is what DPS and the Casino currently use to gage our participation from the SEDA identified areas. Alderman La Spata commented on the factors that go into this, it could be argued that measuring income and poverty can be the same thing potentially in different ways, we should have a conversation on the varying factors that contribute to a community being socioeconomically disadvantaged to think about the percentage 25%, 30% and what those areas could look like racially and ethnically. Alderman La Spata thanked the Departments for their work then concluded. The Chair called Alderman Moore who requested a copy of the SEDA PowerPoint presentation. Chairman Ervin stated that we will provide that to all members then concluded questions and comments on Item #15.

The Committee on the Budget and Government Operations having no further business, on motion made by Alderman La Spata for adjournment, meeting was adjourned.

(A video recording of the full meeting 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 February 20th.)

Respectfully submitted by:

A handwritten signature in black ink, appearing to be 'J. Ervin', written over a horizontal line.

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