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**JOURNAL of the PROCEEDINGS
of the
CITY COUNCIL
of the
CITY of CHICAGO, ILLINOIS**

Special Meeting--Tuesday, November 10, 1992

at 10:00 A. M.

(Council Chambers--City Hall--Chicago, Illinois)

OFFICIAL RECORD.

RICHARD M. DALEY
Mayor

WALTER S. KOZUBOWSKI
City Clerk

Attendance At Meeting.

Present -- The Honorable Richard M. Daley, Mayor, and Aldermen Tillman, Preckwinkle, Bloom, Steele, Beavers, Dixon, Shaw, Buchanan, Huels, Fary, Madrzyk, Burke, Jones, Coleman, Streeter, Murphy, Rugai, Troutman, Garcia, Laski, Miller, Medrano, Gutierrez, Hendon, E. Smith, Burrell, Bialczak, Gabinski, Austin, Wojcik, Banks, Giles, Doherty, Natarus, Eisendrath, Hansen, Levar, Shiller, Schulter, M. Smith, Moore, Stone.

Absent -- Aldermen Mazola, Rush, Evans, Suarez, Mell, Cullerton, Laurino, O'Connor.

Call To Order.

On Tuesday, November 10, 1992, at 10:00 A.M., The Honorable Richard M. Daley, Mayor, called the City Council to order. The Honorable Walter S. Kozubowski, City Clerk, called the roll of members and it was found that there were present at that time: Aldermen Tillman, Preckwinkle, Bloom, Steele, Beavers, Dixon, Shaw, Buchanan, Huels, Fary, Madrzyk, Burke, Jones, Coleman, Streeter, Murphy, Rugai, Troutman, Garcia, Laski, Miller, Medrano, Gutierrez, Hendon, E. Smith, Burrell, Bialczak, Gabinski, Austin, Wojcik, Banks, Giles, Doherty, Natarus, Eisendrath, Hansen, Levar, Shiller, Schulter, M. Smith, Moore, Stone -- 42.

Quorum present.

Invocation.

The Reverend Reginald O'Dell, Associate Minister of Saint John Missionary Baptist Church, opened the meeting with prayer.

Placed On File -- CALL FOR SPECIAL MEETING.

The Honorable Walter S. Kozubowski, City Clerk, informed the City Council that the following call for a special meeting was filed in his office on November 6, 1992:

OFFICE OF THE MAYOR
CITY OF CHICAGO

November 6, 1992.

*Honorable Walter S. Kozubowski
City Clerk
City Hall, Room 107
121 North LaSalle Street
Chicago, Illinois 60602*

DEAR MR. KOZUBOWSKI -- I hereby call a special meeting of the City Council of the City of Chicago, to be convened at 10:00 A.M. on Tuesday, November 10, 1992, in the City Council Chambers in City Hall, for the following purposes and for no other purpose whatsoever:

1. To receive the Executive Budget for the year beginning January 1, 1993 and ending December 31, 1993, and the Mayor's Budget Message relating thereto; and
2. To receive the Year XIX Community Development Block Grant recommendations; and
3. To consider a resolution calling for publication of the Executive Budget and setting the date, time and place of the public hearing thereon.

Very truly yours,

(Signed) RICHARD M. DALEY,
Mayor.

Referred -- EXECUTIVE BUDGET FOR YEAR 1993.

The Honorable Richard M. Daley, Mayor, submitted the following communication which was, together with the Executive Budget for fiscal year 1993, *Referred to the Committee on the Budget and Government Operations:*

OFFICE OF THE MAYOR
CITY OF CHICAGO

November 10, 1992.

To the Honorable, The City Council of the City of Chicago:

LADIES AND GENTLEMEN -- I transmit herewith the Executive Budget for the fiscal year beginning January 1, 1993, and the Year XIX Community Development Block Grant recommendations.

Your favorable consideration of these items will be appreciated.

Very truly yours,

(Signed) RICHARD M. DALEY,
Mayor.

BUDGET ADDRESS OF
THE HONORABLE RICHARD M. DALEY, MAYOR.

The Honorable Richard M. Daley, Mayor, delivered the following budget address for the year 1993:

Members of the City Council: today, I am submitting the 1993 budget for your consideration and approval.

The priorities established in this budget reflect how far we have come in the last three years and outline where we need to go.

When we began, Chicago was a city without a clear direction or momentum. Many needs went unaddressed.

We were overspending and undercollecting.

The result was a government that cost too much and did too little.

Much of that has changed over the last three years.

The changes we made have been driven by one fundamental commitment and a basic reality: our commitment is to make Chicago work better for people.

The reality is that we live in an age of declining resources and over-taxation, so we must continually find ways to do more with less. And we have.

We brought the private and public sectors together to evaluate programs, departments and agencies.

Where there was waste, we cut. Where there was duplication, we merged. Where there was red tape and bureaucracy, we restructured.

And instead of falling further behind, Chicago moved forward.

Today, we've improved services and saved millions of dollars by turning a wide range of government functions over to the private sector.

We've put hundreds more police officers on the street by replacing sworn officers behind desks with civilians.

We'll put even more police on the street next year once we launch our community policing program.

We've merged our economic development arm with our planning functions, and the results can be seen in communities throughout the city -- in businesses we've helped.

Companies like Dayton Hudson, Lyon & Healy, River North Distributors, Standard Steel and Wire, Fannie May and Brach Candies, Universal Automotive, and Welded Tube of America.

These companies are the backbone of our economy. We're helping them -- and many more, particularly in manufacturing -- with assistance in building, expanding and relocating.

This year, we issued 160 Million Dollars in bonds for infrastructure work and industrial parks. These improvements are inducing companies to stay or expand in Chicago.

At the same time, we've pushed ahead with the building blocks of our future like Navy Pier reconstruction, McCormick Place expansion, the new international terminal at O'Hare Airport, the Southwest Rapid Transit Line, and the Central Area Circulator.

We went to Washington to pass legislation allowing us to collect passenger facilities charges from air travelers. We're now putting together a major building program at O'Hare and Midway Airports.

We're pushing economic growth in the areas of tourism, conventions, and transportation -- leading industries of the future that complement and enhance our role as an international crossroads.

Yesterday, we unveiled state legislation to build a 2 Billion Dollar privately-financed International Theme Park and Casino Complex.

It will generate 37,000 permanent jobs, 7,700 construction jobs and 550 Million Dollars in annual revenues for Chicago and Illinois.

We have put together the best gaming regulations in the country and we announced Classroom 2000 -- a billion-dollar fund for school building projects throughout the state.

Once the theme park is up and running, we will phase out the head tax on business to further improve the business climate and trigger even more growth.

And that's not all. Next year, for example, we're taking a major step forward for small businesses by consolidating licensing requirements to make it easier to comply and easier to administer.

The number of different licenses is being reduced significantly. Furthermore, businesses that need several licenses will be able to get them all at one time, instead of separately.

Slowly but steadily, we're eliminating the road blocks to progress for business, because the key to our future is economic growth.

Three years ago, we set out to make the City of Chicago operate more like a business, and in countless ways we succeeded.

The surest measure of our success is that we passed three budgets in a row without raising property taxes over 1989 levels.

In the first two years, before the state cut our share of the income tax surcharge, we even gave back 25 Million Dollars to the taxpayers.

All of these accomplishments are important, but they don't change the basic realities.

Chicago -- like the rest of the country -- has been struggling through one of the worst recessions in recent memory.

It's had a direct impact on our sales and income tax revenues as well as our state funding.

The fallout of the recession is most sharply felt by people and families losing jobs, working harder, and having less. That increases the pressure for city services.

It also plays out on the streets of our communities where crime, gangs and drug activity thrive in an atmosphere of tough times and limited opportunities.

And here the pressure is even greater, because our first responsibility is to protect people.

We're doing more to protect people in public housing with sweeps, security improvements and the CHANGE task force to go after gangs.

We're taking new approaches to protect our neighborhoods, such as community policing. We passed tough new laws to ban guns, to impound cars illegally transporting weapons, and to prevent known gang members from loitering on street corners.

We're building a new 911 emergency center to speed up response time and a new crime lab to assist investigations and prosecutions.

Because children cannot learn and teachers can't teach in an atmosphere of violence and intimidation, we have provided metal detectors for our schools and begun school patrol units.

These public safety measures are critical if we're to meet our fundamental responsibility to make Chicago safer.

Unfortunately, it costs money, and as we come to closure on new contracts for city employees, the costs for public safety -- and for all other programs -- are going up.

The city has reached agreements on economic issues with the American Federation of State, County and Municipal Employees, and with the Coalition of Building Trades.

The three-and-a-half year contracts call for three percent annual raises retroactive to the start of 1992 and a 1.5 percent raise in 1995.

The contracts also include significant increases in the amount of money city employees contribute for health care.

If applied to the city's entire work force, these changes in the city's health care program could save Chicago taxpayers tens of millions of dollars over the next several years.

With the new contracts and other cost-saving health care reforms we made last year, we're finally getting some control over one of the fastest rising costs in government.

At this point, the arbitrator has not ruled on the police contract, and we're still negotiating with the fire employees union, which also has the right to go to arbitration. As a result, these two contracts are not yet final.

For budgeting purposes, we've included for police and fire employees the same salary increases and health care reforms agreed to with other unions.

I can report today that we expect to cover the anticipated salary increases for 1992 with existing revenues.

For next year, however, we're looking at approximately 66 Million Dollars in salary increases in the corporate fund. We're also being hit with a 23 Million Dollar increase in state-mandated pension and welfare costs.

That's 89 Million Dollars we have had to make up -- either in cuts or new revenues.

To close that hole, I doubled my efforts to root out waste in government and cut over 40 Million Dollars from the budget -- in every area except public safety. It's the only area of government that we won't cut.

To make up the rest, the property tax levy request will rise by 48.7 Million Dollars to 670.2 Million Dollars. This is the first property tax increase over the 1989 levy.

All of that money is needed to pay Police and Fire Department salary increases next year.

This represents an annual property tax increase of less than 2% since I took office.

Over the same period, the cost of living has gone up more than twice that much -- over 4% on average each year, and 16.4% overall.

The tax increase will cost the owner of a home worth 120 Thousand Dollars about 37 Dollars a year.

I fully recognize that these tax hikes come at a time when property taxpayers are feeling overburdened.

Other taxing bodies in Chicago have not followed our lead in reducing costs.

Spiraling costs for other local governments -- particularly schools -- rely more and more on property taxes.

57 percent of Illinois' voters agreed last week that the state should pay more for education.

However, those votes weren't enough to pass the education amendment, which might have given us some small measure of hope for property tax relief.

So, our ability to control taxes is limited to controlling our own spending, and we've bent over backwards to do that.

We have cut to the bone year after year knowing that we faced tough times and rising costs ahead -- knowing that people are squeezed -- and knowing that we should do better with the money we have, before asking for any more.

We laid off almost 900 people last year. We're laying off 740 more this year -- across all funds.

We're also cutting approximately 360 currently vacant positions for a total of 1,100 fewer positions in city government next year.

As we did last year, we will give first consideration to city employees who have been laid off, when vacancies occur for which they're qualified.

In the corporate fund alone, there will be 513 layoffs, which is five-and-a-half percent of the corporate work force, excluding police and fire.

If not for these layoffs and other cost-saving measures we adopted over the past three years, we'd be asking for much more today.

On the other hand, in a better economy, with more jobs, a larger tax base, and more non-property tax revenues, we might be asking for less.

But under no circumstances will I retreat from our public safety responsibilities -- no matter how unpopular new taxes are.

We weren't elected to make the popular decisions. We were elected to make the right decisions.

Had I cut the Police Department by the same percentage as I cut the rest of city government, it would have saved us 52 Million Dollars -- 4 Million Dollars more than the tax increase we're seeking.

But I believe -- while the cost of raising taxes is high, the cost of allowing criminals to control our streets and communities is higher. That's a price Chicago will not pay.

The overall corporate budget request for 1993 is up by 41 Million Dollars -- to 1.761 Billion Dollars.

The total appropriation is up by 68 Million Dollars to 3.3 Billion Dollars.

Next year, assuming the three percent raises, the cost of police and fire protection in Chicago will be 960 Million Dollars. That's 54 percent of our corporate budget.

If the human costs of crime aren't enough to convince elected officials that we need tougher gun laws from Springfield and a greater commitment from Washington, maybe the economic costs will.

There's a limit to what we can ask of local taxpayers. And that's why we're putting even more muscle into collection of fines and fees next year.

We're adding inspectors in the Revenue Department to go after unlicensed businesses and insure that all businesses pay their fair share.

The City Clerk is coordinating with the Secretary of State to cross-reference all car owners with vehicle sticker buyers to identify those who haven't paid.

The Department of Consumer Services will begin a Truck Weight Enforcement Program.

It's expected to generate 2 Million Dollars in revenue and help extend the life of our roads and bridges.

Storage fees at the city auto pounds will be raised from 5 Dollars to 10 Dollars per day to more closely reflect the actual costs of running the pounds.

And we're establishing a Zoning Code Enforcement Bureau to speed-up prosecution of zoning code violations and collection of fines.

A number of functions will no longer be done in-house next year, including construction management and architectural services.

We're entering into a 6.2 Million Dollar contract with OSCO Drug Stores to provide pharmaceutical services to city health clinics.

This contract will save us money, and get us out of a business the private sector can do better.

It also provides service to people at dozens of locations around the city during longer hours, instead of at a handful of city clinics.

The Health Department is also privatizing an extensive new patient registry system to reduce paperwork and speed up service.

We're saving money in other ways as well. Over the next five years, we'll reduce fueling sites for city vehicles.

By consolidating vehicle and equipment rentals under the Department of Fleet Management, we expect to save as much as 1.3 Million Dollars.

A new program to fence 325 vacant lots around the city will discourage fly dumping and save thousands in clean-up costs.

One other cost-saving measure is not one I've chosen.

It was forced on us by Springfield when the state cut 1.3 Million Dollars in operating funds for our libraries next year.

It means we will have to reduce hours at the Harold Washington Library and at branch libraries.

I want to close by emphasizing the positive.

Despite our limited resources, we're moving forward with many important new and expanded programs next year for people, communities and the business sector.

For example, as we introduce recycling programs, we want to help create jobs and stimulate the market for recycled materials.

So, we've set aside 1 Million Dollars for a new business loan program to attract companies that use recycled materials.

The Health Department is starting a Midwife Program in partnership with three area hospitals, so that pregnant women can have prenatal midwife services at city clinics.

We're adding 2 Million Dollars more for emergency food and shelter to address the growing homeless problems triggered by the recession and the state cut in the transitional assistance program.

Next year, we'll also increase funding for housekeeping and home-delivered meals for seniors and people with disabilities.

In order to preserve as many abandoned properties as possible, we're reestablishing a board-up program. This will save the cost of demolition and help maintain our housing stock.

Buildings that can't be saved will fall under our expanded demolition program, which will climb to 9.3 Million Dollars next year -- almost three times what it was just two years ago.

Abandoned buildings are the number one concern in many communities.

This year we launched the focused demolition program to eliminate abandoned buildings in whole areas and give struggling communities a real chance.

We will tear down over 1,000 buildings before the end of this year and we'll do even more in 1993.

Next year, we're also starting a new program to offer technical assistance to new community development groups.

We're also starting the Neighborhood Greening Program -- a pilot project to work directly with community groups to convert vacant land into gardens and mini-parks.

The Planning Department is also continuing its program to target commercial development in low-income neighborhoods.

In the area of housing, we're committing 4.5 Million Dollars in matching funds to qualify for 25 Million Dollars in federal HOME funds.

The money will be used to provide incentives for first-time homebuyers to buy and fix up existing properties. We will also increase funding to house people with disabilities.

We're adding almost 1 Million Dollars to a program that provides loans and grants to correct health and safety conditions in owner-occupied buildings.

And we hope to do another successful Parade of Homes like the one done in the Gap community, which was the first of its kind in any major city in the nation.

These highlights of our 1993 budget reflect ambitious goals, given the tough challenges and limited resources we face.

Last Tuesday's presidential election gives me hope that Washington will be more sensitive to our needs in the future.

We have a lot of ground to make up. Adjusted for inflation, federal aid today is less than half what Chicago received in 1980.

President-elect Clinton is committed to rebuilding our country.

The people of America gave him a mandate to meet that commitment, and I share that commitment with him.

For three years now, I've been calling for more investment at home to stimulate economic growth.

A bigger tax base is our best hedge against continuing pressure on property taxes.

A broader job base is our best hedge against neighborhood decay and rising crime.

And a strong, growing economy is the key to Chicago's future as a thriving city of working communities and a world-class juncture of commerce and industry, tourism and conventions, culture and education.

With this budget I'm submitting today, I ask you to continue with me in pursuit of this vision of Chicago -- for our children and for their children.

Thank you.

Rules Suspended -- TIME FIXED FOR PUBLIC HEARING ON
EXECUTIVE BUDGET FOR YEAR 1993.

Alderman Austin moved to introduce the following proposed resolution:

WHEREAS, Mayor Richard M. Daley on November 10, 1992, submitted to the City Council the Executive Budget of the City of Chicago for the fiscal year beginning January 1, 1993, and ending December 31, 1993; and

WHEREAS, It is provided by law that at least one public hearing shall be held by the corporate authorities on the budget document not less than one week after publication thereof in such manner as the corporate authorities may determine, and prior to final action thereon; and

WHEREAS, It is further provided by law that notice of such hearing shall be given by publication in a newspaper having general circulation in the

City of Chicago not less than one week prior to the time of such hearing; now, therefore,

Be It Resolved, That the budget document for the fiscal year beginning January 1, 1993, and ending December 31, 1993, as submitted by the Mayor to the City Council on November 10, 1992, be published in pamphlet form and made available for public inspection in the Office of the City Clerk and the Municipal Reference Library no later than November 12, 1992; and

Be It Further Resolved, That the public hearing on said budget document be held by the City Council at 12:00 Noon on November 24, 1992, in the City Council Chambers in City Hall; and the City Clerk is hereby directed to cause a notice of such hearing to be published in a newspaper having general circulation in the City of Chicago at least one week prior to the time of such public hearing.

Alderman Austin moved to *Suspend the Rules Temporarily* for the immediate consideration of and action upon the foregoing proposed resolution. The motion *Prevailed*.

Thereupon, on motion of Alderman Austin, the foregoing proposed resolution was *Adopted* by a viva voce vote.

Adjournment.

Thereupon, Alderman Burke moved that the City Council do *Adjourn*. The motion *Prevailed* and the City Council *Stood Adjourned*.



WALTER S. KOZUBOWSKI,
City Clerk.