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

Special Meeting -- Tuesday, November 9, 2004

at 10:00 A.M.

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

OFFICIAL RECORD.

RICHARD M. DALEY
Mayor

JAMES J. LASKI
City Clerk

Attendance At Meeting.

Present -- The Honorable Richard M. Daley, Mayor, and Aldermen Flores, Haithcock, Tillman, Preckwinkle, Hairston, Lyle, Beavers, Stroger, Beale, Pope, Balcer, Cárdenas, Olivo, Burke, T. Thomas, Coleman, L. Thomas, Murphy, Rugai, Troutman, Brookins, Muñoz, Zalewski, Chandler, Solis, Ocasio, Burnett, E. Smith, Carothers, Reboyas, Suarez, Matlak, Mell, Austin, Colón, Banks, Mitts, Allen, Laurino, O'Connor, Doherty, Natarus, Tunney, Levar, Shiller, Schulter, M. Smith, Moore, Stone.

Absent -- Alderman Daley.

Call To Order.

On Tuesday, November 9, 2004 at 10:00 A.M., The Honorable Richard M. Daley, Mayor, called the City Council to order. The Honorable James J. Laski, City Clerk, called the roll of members and it was found that there were present at that time: Aldermen Flores, Haithcock, Tillman, Preckwinkle, Hairston, Lyle, Beavers, Stroger, Beale, Pope, Balcer, Cárdenas, Olivo, Burke, T. Thomas, Coleman, L. Thomas, Murphy, Rugai, Troutman, Brookins, Muñoz, Zalewski, Chandler, Solis, Ocasio, Burnett, E. Smith, Carothers, Reboyas, Suarez, Matlak, Mell, Austin, Colón, Banks, Mitts, Allen, Laurino, O'Connor, Doherty, Natarus, Tunney, Levar, Shiller, Schulter, M. Smith, Moore, Stone -- 49.

Quorum present.

Pledge Of Allegiance.

Alderman Balcer led the City Council and assembled guests in the Pledge of Allegiance to the Flag of the United States of America.

Invocation.

Dean Ralph Blackman, Saint James Episcopal Cathedral, opened the meeting with prayer.

Placed On File -- CALL FOR SPECIAL MEETING.

The Honorable James J. Laski, City Clerk, informed the City Council that the following call for a special meeting was filed in his office on November 1, 2004 at 2:23 P.M.:

OFFICE OF THE MAYOR
CITY OF CHICAGO

November 1, 2004.

*Honorable James J. Laski
City Clerk
City Hall, Room 107
121 North LaSalle Street
Chicago, Illinois 60602*

DEAR MR. LASKI -- 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 9, 2004, 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, 2005, and ending December 31, 2005, and the Mayor's Budget Message relating thereto; and
2. to receive the Year XXXI Community Development Block Grant Recommendations; and

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3. to consider a resolution calling for publication of the Executive Budget and setting the date, time and place of the public hearing on the Executive Budget.

Very truly yours,

(Signed) RICHARD M. DALEY,
Mayor.

Referred -- EXECUTIVE BUDGET FOR YEAR 2005.

The Honorable Richard M. Daley, Mayor, submitted the following communication which was, together with the Overview and Revenue Estimates, Budget Recommendations, Program and Budget Summary and Draft Action Plan for fiscal year 2005, *Referred to the Committee on the Budget and Government Operations:*

OFFICE OF THE MAYOR
CITY OF CHICAGO

November 9, 2004.

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

LADIES AND GENTLEMEN -- I transmit herewith the proposed 2005 Budget Recommendations and the Year XXXI 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.**

Over the last 15 years, we've made real and lasting progress in Chicago because we have worked together.

I'd like to say that again: Worked together.

In this chamber we have listened to one another and debated the challenges facing our city.

But at the end of the day, we have always put our personal disagreements aside, found common ground and acted in the best interests of the people we serve.

Together, we've kept our city moving forward in good times and bad because we've had the courage to make the tough choices that would bring about needed change and reform.

You can see the results of our work to improve the quality of life in every neighborhood, for all the people of our city.

For them, and with their support, we have invested in new parks, schools and libraries.

New and improved police and fire stations.

Better city services.

And greater police coverage to keep our neighborhoods safe and secure.

For our taxpayers, we have better managed government and implemented innovative ideas such as leasing the Skyway, which will protect them for years to come.

We have cut spending by over \$2 Billion and made government more accountable so that Chicago can be more affordable and higher property taxes would be only a last resort.

For our children, seniors and families, we have tackled the major problems facing our city.

We have turned around a once failing education system. And today test scores continue to increase, while the dropout rate is down and attendance and graduation are up. And we're providing more pre-school and after-school opportunities than ever.

We have prevented and fought crime in every neighborhood in our city. And today violent crime is at a 12-year low. The number of murders is down 23 percent so far this year and the number of non-fatal shootings is down 40 percent.

That's more than 1,000 fewer shootings.

We've created, supported and preserved more than 100,000 affordable homes and apartments across the city. And today our city is more diverse, because people of all backgrounds and incomes can afford to live here.

We're delivering on our groundbreaking plan to transform the Chicago Housing Authority. And today there are more than 12,000 new or rehabbed homes and apartments and a better quality of life for thousands of families.

We have diversified our economy. And today it is slowly but surely on the rebound and we're creating new jobs.

We have made our city environmentally friendly. And today our neighborhoods have more green spaces and parks, and the public and private sectors are increasing the use of green technology.

And we have enhanced our downtown as a destination.

So, today, whether it is our new Millennium Park, a renovated Navy Pier, a revived Soldier Field or what will become a great new destination at Northerly Island, our families and visitors can appreciate the greatness of our city and our lakefront.

It's been over 15 years of progress, unmatched by any other major city in the nation.

And today, people in every neighborhood in Chicago are better off, and our city is recognized around the world because of the progress we've made.

Yet in many ways we've just begun.

Our work is far from done.

While we've invested billions to improve the infrastructure in every neighborhood in our city, we need to continue improving our streets, alleys and sidewalks.

There always is more we can do to protect our children, seniors and low-income families and enhance their quality of life.

We've lowered the crime rate, but there are still many neighborhoods that suffer from gang, drug and gun violence.

And we can build on our record of keeping Chicago affordable by providing even more affordable housing to those who most need it.

As we've worked to keep our city moving forward, we've always been open and honest with our people about the challenges we face.

Today as I present our balanced budget for next year, the truth is that this continues to be the most challenging financial time we've faced since I've been Mayor.

And we will continue to face financial challenges for the foreseeable future.

Revenues are slow. The cost of personnel continues to increase. And, we're not getting all the support we need from Springfield or Washington, D.C.

I also come before you at a time when the actions of a few city employees have tarnished the reputations of the thousands of hard-working city employees who do their jobs honestly everyday.

I've been very clear on this point.

The people of Chicago know that I am committed to government that is well managed, transparent and accountable to them.

I believe that working for taxpayers is a public trust.

Government and all those who work for it -- whether they are employees or contractors -- can only have one interest: the public interest.

I will not accept anything less than a day's work for a day's pay from them.

Unfortunately, there will always be some who will disregard the laws, rules and standards that the rest of us live and work by everyday.

I am serious about making sure these people are found, prosecuted and punished.

I am equally serious about doing all we can to assure that we are getting the most from every tax dollar and holding ourselves to even higher standards of accountability.

People must know that we're demanding and getting a day's work for a day's pay -- from employees and companies that do business with the city.

That's why I recently proposed an ordinance to protect Chicago's taxpayers and the integrity of government by making it easier for employees to come forward when they know of possible wrongdoing by an employee or contractor.

I have also proposed an ordinance enabling us to recover any costs the city incurs as a result of a false employment application or economic disclosure statement.

In next year's budget we will enhance the management of the Department of Transportation and the Department of Water Management to improve oversight of city projects.

We will implement a new management structure for construction sites so that we have even better control over our projects on a day-to-day basis.

It is modeled on the approach used by private-sector firms.

Further, we will update our personnel process to take full advantage of modern technology.

The Personnel Department will begin receiving applications online, rather than on paper. This will reduce the time and expense of processing, copying and filing more than 40,000 paper applications per year.

This will create a single source of information for the Personnel Department and all other city departments.

Through improved training of Personnel Department managers and staff, we are implementing uniform hiring guidelines and enforcement procedures across all city departments.

In the Department of Procurement Services we will strengthen and streamline purchasing by creating standard contracts that will reduce legal reviews, increasing small order and emergency purchase limits, and developing an online bidding system.

These steps build on the strengthened management and oversight we've already brought to the M.B.E./W.B.E. and Hired Truck Programs.

In the last several months, we have implemented major reforms to ensure that only legitimate companies have access to the M.B.E./W.B.E. program.

Under our new rules, a company must be in business for at least a year before applying for M.B.E./W.B.E. certification.

Companies will be required to provide much more information when they are revalidated. And those that falsify information can be denied city business for up to three years.

We have raised entry standards for the Hired Truck Program and instituted aggressive day-to-day management safeguards to improve its integrity.

We have centralized dispatching, instituted performance tracking and made the program's operations transparent.

These steps greatly enhance our commitment to hold city government to higher standards of accountability to taxpayers.

We will continue to bring innovative thinking and approaches to the way we manage government, so our residents get the most for their tax dollars.

For example, I believe we can do a better job serving our city's businesses by making it easier for them to interact with government.

So I intend to consolidate several existing department functions into one Department of Business Affairs and Licensing.

We need to simplify access to services for our city's businesses and provide them with a first-stop gateway to assist with licensing.

In one place we need to provide them with ongoing support -- whether they are mature businesses or start-ups.

We will streamline the application process and provide a single point of accountability for licensing.

When we do a better job supporting our city's businesses, we enhance our city's attractiveness as a place to do business and create jobs.

In addition, I have instructed my staff and our Office of Budget and Management to carefully review how we can do an even better job of getting city work performed for even lower costs.

We've privatized many government services, but we should be looking for additional ways for the private sector, our unions and others to compete for city business.

When we create greater competition for city work, we increase the likelihood that we can get it done at a lower cost to taxpayers.

As we take these steps, I believe the time has come to ask ourselves even more fundamental questions.

How much government do people really need? And how much can they afford?

These are serious questions and over the next few months they will receive serious examination.

Years ago we began to make our operations more transparent and government services more accessible to all.

I believe we all benefit when we shine a light on the decisions we make.

We put every contract on line because I believe we all benefit when the public can learn the names of everyone who participates in them.

At the same time, we have used the Internet to make city services more accessible to the people and business of Chicago.

And we have worked to simplify our procedures so that people can do their business with the city electronically.

In many respects, Chicago has led the way when it comes to using the Internet to better connect with the people we serve.

I'm proud that earlier this year we received a national award from the Center for Digital Government, which affirmed our commitment to openness and transparency in government.

In addition, the budget documents we have prepared include an overview that is easy to read and understand, and that follows many of the recommended standards of the Government Finance Officers Association.

Whether it's applying for building permits, paying water bills and parking tickets, finding information on towed cars or getting information on how to set up a small business, it can be done online by our citizens and our businesses.

Just a few weeks ago we expanded the list of neighborhood services that any Chicagoan can apply for online.

We've reformed government, made it more accessible and our decisions more transparent so that every Chicagoan would know that our only interest is their interest.

On their behalf, we've also cut spending and improved the management of government so that higher property taxes would be only a last resort and we could help make Chicago more affordable for everyone.

In fact, the record shows that since I've been Mayor we've limited increases in property taxes to an average of a little more than one percent a year.

It also shows that I've cut well over \$2 Billion in spending since I've been Mayor.

Our financial situation would be far worse today, had we not worked together to make these cuts.

From privatization and new efficiencies to overtime reductions, I'm proud that Chicago has led the way in managing government in a businesslike fashion.

By the end of next year we will have 4,200 fewer non-sworn city personnel than when I became Mayor -- even as we have improved service delivery across our city and added more than 1,500 new police officers.

We've been able to achieve these significant reductions through greater efficiencies, privatization, departmental consolidation and mergers, and early retirement programs.

Those, taken with other personnel cost reductions like unpaid furlough days and delaying pay increases for managers, have saved city taxpayers nearly \$1.5 Billion over the last 15 years.

Three years ago, we instituted an aggressive overtime management policy that permitted overtime only in emergencies or to maintain essential city services.

As a result, city overtime costs have been reduced by \$40 Million a year over the last three years, producing \$120 Million in savings by the end of this year.

On the non-personnel side, our efficiencies have saved nearly \$700 Million of taxpayer funds.

We have renegotiated contracts to get a better deal for our taxpayers. We have reformed the city's pension funding structure and negotiated changes in the city's health care program.

We've stepped up the city's defense of lawsuits and sold unneeded land. We've consolidated city operations and better leveraged our purchases of natural gas and electricity.

But even with over \$2 Billion in spending cuts and significant improvements in management, we still began our budget deliberations facing a shortfall of \$220 Million.

There are three basic reasons that this is the most challenging financial time we've faced.

First, our local economy remains sluggish.

Economic sectors that are sensitive to ups and downs of the economy have not rebounded. So city tax revenues are not keeping up with inflation.

Second, the cost of government continues to increase.

Four out of every Five Dollars in the city's operating budget are spent on personnel, including ever-rising health care costs.

In the last year alone, the cost of employee health insurance has increased by nearly \$25 Million -- or 8 percent.

With every union contract now in negotiation, we have to anticipate that costs will increase. Every one percent increase in wages adds \$23 Million to the city budget.

That poses a real challenge not just in next year's budget, but in future years, as well.

Third, and finally, we have not received the support we need from Springfield and Washington, D.C.

Every year Chicago's taxpayers pay hundreds of millions for programs that have been mandated, but not fully funded by both Springfield and Washington, D.C.

The federal No Child Left Behind Act has admirable goals, but it's unrealistic and inadequately funded.

The Homeland Security Act imposes new requirements on local public safety officers, but also is inadequately funded, especially for urban states.

Federal programs for special education and the new Medicare prescription drug law also place new, unfunded responsibilities on state and local governments.

At the state level, we receive inadequate funding for a number of state-mandated programs, including driver training, environmental clean-up and public health.

When are they going to stop imposing the costs of their programs on our taxpayers?

The bottom line is that even with major spending cuts and management improvements over the last 15 years, we still faced very difficult choices in preparing this budget.

Do we cut services or do we increase revenue just to maintain them?

Do we cut police and fire protection, or do we find new revenue to continue our work?

Do we end our efforts to invest to improve our streets, sidewalks and alleys or do we find new revenue to fund them?

Stated even more bluntly -- do we cut services and set our city's progress back, or do we make the tough choice to find new revenue to keep our city moving forward?

I've wrestled with these questions, and I have decided that there is only one choice.

Given all the progress we've made in the last 15 years, this is no time to go back.

We must choose the path that keeps Chicago moving forward.

We must choose to keep our city safe and secure.

We must choose to keep investing in neighborhood infrastructure to improve quality of life.

We must continue to invest in programs that protect our children, our seniors and our homeless.

We must continue to provide job training and invest to create good jobs for those who need them.

As difficult as this is for me to say, to keep Chicago on the right track and maintain, not cut, services, we must find new revenue for next year.

I know this won't be easy or painless for anyone.

I want to assure the taxpayers of Chicago that I have worked hard in the budget I am submitting today to keep any increase in property taxes as the last resort.

Our plan won't please everyone, especially those who believe the proceeds from the Skyway will solve all our problems.

I've already announced that next year we will cut almost \$50 Million in spending.

We will tighten our belts and do more with less through better management by instituting two mandatory furlough days for managers.

We will delay pay increases for exempt personnel by six months.

We will reduce the number of vacancies by another 320 positions. When we do this, there will be 1,250 fewer budgeted positions in this year's budget than last year's.

We will cut consulting and other non-personnel services by 3 percent.

And, of course, we will privatize the operations of the Skyway.

I know that many people believe that our recent deal to lease the Skyway is the magic answer to all our problems.

When I announced the agreement several weeks ago, many people jumped to the conclusion that we should use all the proceeds to balance next year's budget and close our city's projected operating deficits for the next few years.

I believe that would be totally irresponsible.

Though we will use some of the Skyway proceeds to help balance future budgets, the bulk of these funds must be responsibly and prudently used to put Chicago on an even stronger financial footing over the long term.

We will pay off Skyway debt.

We will pay off some city debt.

And we will also create a \$500 Million long-term reserve fund, essentially a savings account that will generate new revenue for decades to come.

These wise steps will strengthen our city's finances and, hopefully, our city's bond rating, which in turn protects taxpayers.

I will not allow this one-time source of revenue to be an excuse to avoid even better managing government or controlling its increasing cost, which is our fundamental challenge.

Unless we get even better control of the increasing cost of government we will continue to have budget problems for the foreseeable future.

It's for these reasons, that we have again challenged our unions to be part of the solution and negotiate in a way that will help avoid service cuts and keep higher property taxes as the last resort in next year's budget.

In the balanced budget that I am presenting today, I have worked to protect our families, our homeowners, our low-income Chicagoans and our seniors.

So that we can continue to protect our homeowners and businesses and keep Chicago affordable, I will not seek an increase in property taxes next year.

I believe this will go a long way toward keeping Chicago a place where people will want to live and businesses will want to locate.

To do this, I propose using \$325 Million in Skyway proceeds to create another account which our city can draw on for the next several years as needed to address our financial problems and invest in neighborhood infrastructure.

Using Skyway proceeds in a way that will benefit our city and our people for decades to come is the right thing to do.

This is in addition to the long-term reserve fund from which we will withdraw only interest income.

Using a portion of the proceeds from this mid-term account, we'll be able to continue to make the investments in neighborhood infrastructure that have improved the quality of life so dramatically in our city over the last 15 years.

As a result of the Skyway lease, we'll be able to keep investing in every neighborhood in the city -- in new streets, alleys, sidewalks and other improvements.

These are the investments that truly make a difference in the lives of the people of our city.

I will also propose using a portion of the proceeds from the Skyway over the next five years to invest in the people of our city.

During these tough economic times I believe we have an obligation to do what we can to help those who most need our help and support. I wish we could do even more.

So the bottom line is that we will responsibly use proceeds from the Skyway over both the short- and long-terms -- to pay off city debt and balance our budget, as well as invest in our neighborhoods and people.

As a result, we will be able to avoid a property tax increase next year.

But even with new spending cuts and funds from the Skyway, we must do more to balance next year's budget.

I have reluctantly decided to propose an increase on some fees and taxes. Many of these will be paid by visitors.

Even with these steps, more must be done if we're to avoid a property tax increase.

So I have made the very difficult choice to recommend raising the sales tax to help balance next year's budget, so that we can maintain basic services and shore up our city's structural revenues.

Unless we take this important step, we run the risk that our bond rating will be lowered, potentially harming taxpayers for years to come.

This is a bare minimum increase. Because of legislation I passed in Springfield as a state senator to protect our seniors and low-income Chicagoans, this increase will not be imposed on food or prescription drugs.

To take that commitment even further, I propose a tax credit for low-income families and individuals to help reduce any hardship this increase might cause.

I do not want to raise the sales tax, but there is no acceptable alternative.

I believe an increase in the gasoline tax could have a greater negative impact on low-income families, as would increases in water taxes and, of course, property taxes.

And, given the increasing cost of new union contracts, our fiscal situation will not improve substantially next year or the year after.

So the tough choices we will make over the next few weeks can lessen the challenges we face down the road.

But we still must continue to cut spending and improve the management of government.

And we must continue to fight in Springfield and Washington to get the support we need.

I know that many people have problems with allowing gaming in our city.

But, the rest of Illinois already benefits from gaming.

Why shouldn't Chicago?

The rest of Illinois has demonstrated that it can successfully deal with the unique challenges it brings, and so will we.

So I will continue to pursue a taxpayer-owned casino.

This casino would be operated by an outside management group selected by an independent outside group. This makes sense to me and many others.

We estimate that gaming could create 11,000 new jobs in the hospitality industry alone and generate \$250 Million to \$300 Million a year in new revenue for Chicago and \$600 Million to \$700 Million a year for the State.

It can help grow our region's economy by making Chicago an even more attractive destination to tourists and conventioners.

I will also continue to pursue enactment of a surcharge on phone bills, to pay for the higher cost of the police and fire contracts, which are currently under negotiation and for improvements in our 911 Center, which are much needed.

The balanced budget I am proposing today maintains vital city services and avoids the cuts that we'd otherwise be forced to make.

Although I'd like to do more, we are also able to make some of the investments we need to keep our city moving forward.

Next year, through our Neighborhoods Alive program, we will invest another \$150 Million for capital improvements in neighborhoods across the city.

This program will maintain the ward menu program for street, alley and sidewalk improvements at its current \$60 Million level.

Our Capital Improvement Program for 2004 also contains \$100 Million for water system projects and \$45 Million for sewer improvements.

As I've said, we will also responsibly use some of the funds from the Skyway over the next five years to help the people of our city.

We will invest even more in our plan to end homelessness.

We will build new senior satellite centers for our older Chicagoans and provide more funding for after-school programs for our children.

We will do even more to keep Chicago affordable, and contribute millions more to our "City Block" home improvement program and to the emergency housing assistance program.

We will pay the current backlog owed to homeowners as part of the condo rebate program.

We will help train even more ex-offenders for good jobs and help permanently turn their lives around.

We will contribute more to help improve the homes of families with disabled children.

And we will step up our city's contribution to the meals-on-wheels program and provide more home heating assistance to those who most need it.

In addition to the investments in our neighborhoods and people I've already reviewed, with this budget we continue to invest to make our neighborhoods safer and our city more secure.

We'll maintain our commitment to the new strategies that have been implemented in the last year that have so effectively lowered our homicide rate.

These improvements include:

- three new targeted response units that can be rapidly deployed to high-crime areas to conduct aggressive, visible patrols;
- a new deployment operations center that uses state-of-the-art technology and daily crime intelligence to deploy police quickly and effectively to solve and prevent crime;
- the installation of security cameras at drug hot spots to disrupt their criminal operations; and
- the formation of the Gang Intelligence Section, which has built cases against some of the most violent gang members in Chicago.

The Fire Department will have three new firehouses in operation by the end of this year. It has instituted new procedures for dealing with high-rise incidents, and its high-rise safety programs will be expanded in 2005.

Through the Department of Children and Youth Services, we will expand our commitment to early childhood education. With the help of the Children's Capital Fund, we have opened three child-care facilities in low-income neighborhoods, are awaiting final approval of two more and have four more under development.

We are redoubling our efforts to inform parents of available Head Start slots, and I am proud that Chicago is one of just a few major cities that have secured full Head Start funding from the federal government.

We'll continue to create good, higher-paying jobs by providing financial incentives to encourage companies to locate and expand in Chicago.

We will push ahead with our five-year affordable housing plan, which will support 48,000 units by the end of 2008.

Through the Low-Income Housing Trust Fund, we will provide \$6.5 Million in rental assistance to more than 2,000 low-income families.

We also will launch a new initiative, in partnership with The Salvation Army and the Chicago Continuum of Care, to donate furniture to homeless people moving into permanent housing.

But our efforts to protect our property taxpayers, manage better, cut spending and keep Chicago affordable will not end there.

As everyone knows, I was very concerned last year when new home assessments went out from the County Assessor's Office and the taxable value of homes skyrocketed beyond expectations for many, especially our longtime residents and seniors.

So, I worked with Assessor Houlihan and the state legislature to enact legislation that limited the increase in a home's taxable value to 7 percent and kept tax bills from rising as rapidly as they otherwise would have.

In addition to this relief, as a result of legislation I proposed in Springfield, next year the senior assessment freeze will increase to \$45,000 and the Senior Homestead Exemption will increase from \$2,500 to \$3,000.

But as helpful as it will be, this short-term relief will not be enough.

So I will continue to work to assure that the property tax assessment system is reformed to protect our hardworking homeowners.

We must have fundamental reform before the middle of next year, when the reassessment process begins in Chicago.

Today, I again challenge Assessor Houlihan to accept this responsibility so that our homeowners are not priced out of Chicago once the 7 percent cap on taxable value expires in 2005.

And I will continue to build a consensus that it is time for the State of Illinois to assume its full responsibility and fund education so that we can provide real relief to our property taxpayers, who bear too much of the burden today.

In 2002, almost half of a City of Chicago property tax bill went towards funding the Chicago Public Schools.

Since 1989, the percentage of the City of Chicago property tax bill going towards the Chicago Public Schools has increased from 42 percent to 49 percent, even as our schools improved management and cut spending by hundreds of millions of dollars.

This year, despite greater funding in recent years, the State of Illinois still contributed only \$6.9 Billion, 36 percent of the cost of education.

Illinois ranked 48th in the amount of funding that the state provides for education.

Other states have reformed the way they fund education.

Why can't Illinois?

The bottom line is that we must take the pressure off local property taxpayers to carry the burden for funding education in Illinois.

This year's budget was the most challenging I've prepared as Mayor.

As you deliberate it comes down to this -- do we keep Chicago moving forward, or do we fall behind?

To me, there's only one path -- to make the tough decisions that enable us to maintain city services and keep investing to improve neighborhood quality of life, build more affordable housing and make our streets safer and our city more secure.

It won't be easy or painless.

But, after all the progress we've made over the last 16 years, this is no time to go back.

For the sake of the people of Chicago -- our children, our seniors, our families -- together, let's keep our city moving forward and working on behalf of everyone.

Thank you.

Rules Suspended -- TIME FIXED FOR PUBLIC HEARING
ON EXECUTIVE BUDGET FOR YEAR 2005.

Alderman Beavers moved to introduce the following proposed resolution:

WHEREAS, Mayor Richard M. Daley on November 9, 2004, submitted to the City Council the Executive Budget of the City of Chicago for the fiscal year beginning January 1, 2005 and ending December 31, 2005; 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, 2005 and ending December 31, 2005, as submitted by the Mayor to the City Council on November 9, 2004, be published in pamphlet form and made available for public inspection in the Office of the City Clerk and in the Chicago Public Library no later than November 12, 2004; and

Be It Further Resolved, That the public hearing on said budget document be held by the City Council at 11:00 A.M. on December 1, 2004, in the City Council Chamber 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 published hearing.

Alderman Beavers moved to *Suspend the Rules Temporarily* for the immediate consideration of and action upon the foregoing proposed resolution. The motion *Prevailed* by a viva voce vote.

On motion of Alderman Beavers, the foregoing proposed resolution was *Adopted* by yeas and nays as follows:

Yeas -- Aldermen Flores, Haithcock, Tillman, Preckwinkle, Hairston, Lyle, Beavers, Stroger, Beale, Pope, Balcer, Cárdenas, Olivo, Burke, T. Thomas, Coleman, L. Thomas, Murphy, Rugai, Troutman, Brookins, Muñoz, Zalewski, Chandler, Solis, Ocasio, Burnett, E. Smith, Carothers, Reboyras, Suarez, Matlak, Mell, Austin, Colón, Banks, Mitts, Allen, Laurino, O'Connor, Doherty, Natarus, Tunney, Levar, Shiller, Schulter, M. Smith, Moore, Stone -- 49.

Nays -- None.

11/9/2004

SPECIAL MEETING

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Adjournment.

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

A handwritten signature in cursive script that reads "James J. Laski".

JAMES J. LASKI,
City Clerk.

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