



CITY OF CHICAGO



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

ALDERMAN PAT DOWELL
CHAIRMAN

PHONE: 312-744-3166
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Date: May 14, 2021

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

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

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

On April 14, 2021, at 10:00 a.m., the Committee on the Budget and Government Operations held a meeting via video conference, in Chicago, Illinois.

Attendance:

The following members were virtually present at the April 14, 2021 Committee on the Budget and Government Operations Meeting: Chairman Dowell (3), Vice-Chair Silverstein (50), King (4), Hairston (5), Sawyer (6), Mitchell (7), Harris (8), Sadlowski-Garza (10), Thompson (11), Cardenas (12), Quinn (13), Moore (17), Curtis (18), O'Shea (19), Brookins (21), Rodriguez (22), Tabares (23), Scott (24), Burnett (27), Ervin (28), Taliaferro (29), Reboyras (30), Waguespack (32), Austin (34), Ramirez-Rosa (35), Villegas (36), Mitts (37), Sposato (38), Napolitano (41), Reilly (42), Smith (43), Tunney (44), and Cappleman (46).

The following member(s) were virtually not present at the April 14, 2021 Committee on the Budget and Government Operations Meeting: Osterman (48).

The following non-members were virtually present at the April 14, 2021 Committee on the Budget and Government Operations Meeting: La Spata (1), Beale (9), Burke (14), Lopez (15), Coleman (16), Cardona (31), Martin (47), and Hadden (49).



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

REFERRED TO THE COMMITTEE DURING THE MARCH 24, 2021 CITY COUNCIL MEETING

- 1. Substitute Annual Appropriation Ordinance Year 2021 amendment within Fund No. 925 for Office of Emergency Management and Communications, Department of Assets, Information and Services, and Fire Department (SO2021-1218).**

SUBSTITUTE ADOPTED BY COMMITTEE 4/14/21

SUBSTITUTE PASS COMMITTEE 4/14/21

SUBSTITUTE PASS CITY COUNCIL 4/21/21

On April 14, 2021 Chairman Dowell called the virtual meeting to order pursuant to applicable law and determination that attendance by remote means is necessary because an in-person meeting is not practical or prudent due to the declared public health disaster cause by COVID-19, the meeting is conducted by video conference. Chairman Dowell took a roll call to establish a quorum and a quorum was established. Chairman Dowell opened the floor to begin the public comment period and explained the procedures for public comment. Tremell Williams was recognized as the first speaker. Mr. Williams was followed by Ephraim Martin. The final speaker was Marilyn May. With no further speakers signed up to speak, Chairman Dowell closed the public comment period.

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

Chairman Dowell then asked for a motion to accept the substitute Fund No. 925 ordinance. Motion made by Alderman Reilly, which was passed by the same roll call vote used to establish quorum. With the substitute ordinance under consideration, Alderman Dowell recognized Office of Budget and Management Deputy Director Latoya Vaughn to speak on item 1 on the agenda, a Substitute Annual Appropriation Ordinance Year 2021 amendment within Fund No. 925 for Office of Emergency Management and Communications, Department of Assets, Information and Services, and Fire Department (SO2021-1218). Deputy Director Vaughn explained the ordinance. At the conclusion of Director Vaughn's opening remarks, Chairman Dowell then opened the meeting up for questions from committee members and other aldermen. With no questions from those in attendance Alderman Austin moved do pass Item No. 1 on the agenda by the same roll call vote used to determine quorum. Hearing



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no objections, the item passed and was reported out at the City Council meeting on Wednesday, April 21, 2021.

Next Chairman Dowell moved to the subject matter portion of the hearing, a quarterly update on the FY 2021 annual appropriation presented by Budget Director Susie Park of the Office of Budget and Management (First Quarter 2021). Chairman Dowell recognized Budget Director Susie Park to offer her presentation. Following Budget Director Park's presentation, CFO Jennie Bennett delivered her prepared remarks. COFA Director Ken Williams then added his prepared remarks. Alderman Smith asked about the use of future stimulus funds. Budget Director Park explained that it's a priority to use stimulus funds to repay the debt related to the scoop and toss used to balance last previous budgets. However, nothing is set in stone until guidance is provided by the federal government for the use of future stimulus funds. The amount to repay the scoop and toss debt is approximately \$900 million. Alderman Smith then asked about what the City's revenue loss from COVID-19. CFO Bennett stated the revenue loss from the pandemic is \$1.7 billion, which is just barely covered by ARP funds the City expects to receive, and far less than the future revenue gap for the 2022 City Budget. Budget Director Park explained that the federal funding will come in two tranches, one now, one much later. Alderman Ervin asked for the projected shortfall for 2021 and 2022. CFO Bennett said \$700 million for 2021 but can't answer for 2022. Budget Director Park also explained that the expenditure period for these grant funds is the end of 2024. Alderman Ervin asked if there were remaining funds from CARES Act that the City can use for 2021. Director Park stated there is some funding remaining, but it can't be used for revenue replacement. Alderman Ervin clarified that the funds can be used for expenditure replacement and what can be shifted from the 2021 Budget to CARES funding. Director Park can not say how much can be shifted and there is very little funding left, and added that FEMA money is now reimbursed at 100%. Budget Director Park stated that the 2022 budget gap looks to be around \$1.5 billion, but around \$500 million of structural solutions will carry over from 2021 to help fill that gap. Alderman Ervin stressed that spending all the federal funding on repaying debt is difficult for Chicago residents to understand as they need financial assistance due to COVID-19. Alderman Villegas asked about other sister agencies that receive federal funding and also receive funding from the City's budget. Alderman Thompson asked about the interest rate on the \$900 million of scoop and toss. CFO Bennett answered its about 2%. The City is already paying on the \$400 from 2020 and hoping to cancel the \$500 million for 2021. The term on the line of credit is 1 year with a 6-month option to cancel. Alderman Thompson then asked for the priority spending list from the administration. Alderman Martin asked about transaction taxes. CFO Bennett stated the increase is primarily due to the increase in the lease transaction tax. Alderman Martin asked for a breakdown in police overtime. Director Bennett answered that in January-February, the cost was \$9.9 million for police overtime. During the same period last year spending was \$16 million last year.



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Alderman La Spata asked about the public process for ARP spending. Director Bennett stated they are looking into that but have no solid plan. Alderman La Spata asked about the carry over CARES funding, which was clarified by Director Bennett. Alderman Burke asked for clarification about February 23rd memo sent by Director Park. Director Park said she would respond to the letter send by Alderman Burke and work with the CPD on responding to the issues he requested. Alderman Hadden asked about funding for early childhood education centers. Director Park answered that there is \$38 billion for early childhood and childcare in ARP package and said it's a priority for the City to help providers access these funds even if the funds aren't coming from the City directly. Alderman Scott asked about outreach for the Protect Chicago Plus program through the chair.

Chairman Dowell stated that there was no further business before the Committee and asked for a motion to adjourn by the same roll call vote as was applied to determine quorum. Alderman Scott moved to adjourn. The Committee on the Budget and Government Operations Meeting adjourned at 11:55 am.

Respectfully submitted by:

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

Pat Dowell

Chairman, Committee on the Budget and Government Operations