Department of Housing and Economic Development
2012 Budget Message
Commissioner Andrew J. Mooney
Thursday, Oct. 27, 2011

Thank you for the opportunity to present the Department of Housing and Economic Development (HED) budget request for 2012.

As you know, HED is completing its first year directing the City of Chicago's affordable housing, economic development, and land use planning initiatives. These functions were merged from separate departments to synergize our services at the neighborhood level, and I'd like to use my time to recap 2011 and to highlight our expectations for 2012.

With 243 budgeted staff positions in three specialized bureaus, HED is a direct reflection of the market, the city's needs, and the challenges facing our neighborhoods.

In terms of staff, we're 60 percent as large as the legacy departments that predated our formation. In terms of budget, our 2012 request reflects a 27 percent cut in Corporate and nine percent cut in CDBG funds compared to the current year. Our challenge is to do more with less, to work cooperatively, and to provide comprehensive results for workers and residents.

As you are well aware, the primary issues affecting our neighborhoods involve foreclosures, jobs, and diminished quality-of-life amenities resulting from an ongoing recession.

I'd like to start with an update on our housing efforts.

More than 9,800 Chicago properties were subject to foreclosure filings in the first half of the year. This was a 12 percent decrease from the same period in 2010, with some neighborhoods showing substantial improvements and others experiencing dramatic downturns.

The fluctuations from community to community illustrate how unevenly distributed and unpredictable the crisis is at the neighborhood level. The effect, though, remains the same: lost homes, vacant buildings, and declining property values.

We know there are limited resources available from federal and state sources to stabilize the crisis, and that we must look internally for a workable solution that protects everyone who has a stake in the city's economic well-being.

We also know that the effects of the crisis are too widespread for our resources to have a significant impact on a house-by-house basis. That's why this summer we implemented the Micro-Market Recovery Program, which is targeting geographically specific residential areas that each consist of several contiguous blocks.

Nine of these micro-markets have been identified so far, each characterized by significant foreclosures and vacancies, well-defined boundaries, and other characteristics, including residual market interest. We're identifying the banks and mortgage holders within each of these areas and asking them to work with us, mainly by restructuring the loans on at-risk homes that are still occupied, taking care of their own vacant properties, and providing new resources to stabilize ongoing disinvestment.

In instances where homes are already vacant, we're working with several capital partners, including the Community Investment Corporation, Neighborhood Housing Services, LISC, and the MacArthur Foundation, to leverage more than $50 million for re-occupancy and stabilization efforts.

We're layering their capital with our own recovery resources, including funds in our Neighborhood Stabilization Program, or NSP. NSP, as you know, involves $169 million in federal funds that are earmarked to return vacant and foreclosed homes to the private market. To date, nearly 800 Chicago homes have entered the program, approximately half of them in the last 12 months. In the next three or four years, we expect another 1,700 homes to be acquired, rehabbed, and reoccupied through NSP.

Our first Micro Market interventions will take place in November and, pending the program's success, we may target additional communities in months to come. Meanwhile, we will be laying the groundwork to leverage Tax Increment Financing resources for re-occupancy efforts as yet another tool to help stabilize neighborhoods across the city.

Of course, keeping property owners in their homes is a main priority. Between January and September, we mailed more than 15,800 early warning notifications to homeowners within days of the foreclosure process being initiated in Circuit Court. The early notice provides valuable time for owners to get help and work out solutions with one our nine delegate agencies that are available to mediate specific issues.

Homeowners can also attend the training and educational seminars that we co-host throughout the city every month. We'll have completed 100 of them by year's end, and we know they work. For example, one of HED's in-house non-profits, the Chicago Community Land Trust, hasn't lost a home to foreclosure in the five years that it has trained buyers for its deed-restricted affordable properties.

Our housing assistance efforts also include apartments. In 2011, we're committed to supporting more than 5,600 rental units through construction and rehabilitation loans and through rental subsidies. Some of this year's construction projects include: Casa Maravilla, a 73-unit senior apartment complex in Pilsen; King Legacy Apartments, a 45-unit complex in North Lawndale; and Hope Manor, a 50-unit building for homeless veterans in West Humboldt Park.

Of course, rental properties are not immune to the foreclosure issue. Last year, nearly 125 apartment buildings went into foreclosure every week in Chicago, many resulting in forced evictions and widespread vacancies. We intervene where possible, especially through our Troubled Buildings Initiative, which puts foreclosure-threatened buildings in the hands of receivers. By the end of the year, will have kept more than 900 units occupied through the initiative, and we expect to preserve an equivalent number of units in troubled buildings in 2012.

When tenants are actually forced out of foreclosed apartment buildings, many turn to HED's other in-house non-profit, the Chicago Low Income Housing Trust Fund. As the largest rental subsidy program of its type in the nation, the Trust Fund is committing more than $15 million in rental assistance for 2,800 units of housing throughout the city. Approximately 40 percent of the subsidies involve formerly homeless families, people with HIV/AIDS, female-headed households, and veterans.

The buildings in which the Trust Fund is active face the same economic instability as rental properties across the country, including reduced rent collections that can lead to deferred maintenance, bankruptcy and foreclosure. The Trust Fund will continue to ensure that our participating properties meet quality standards through ongoing audits, inspections, and a new data management system implemented this year.

To provide resources for both tenants and landlords that are experiencing rental issues, the department co-hosted its eighth annual Rents Right Expo last week in Pilsen, where more than 160 people received free advice and resources from 40 counseling agencies.

In 2012, our affordable housing efforts will be highlighted by the opening of several new projects made possible through loans, fee waivers, and donations tax credits. They include Zapata Apartments, a 61-unit, scattered site project in Logan Square; All Saints Residence, a 42-unit senior building in Roseland; and New Moms Inc., a 40-unit supportive housing development for new mothers in Austin.

All these projects, like affordable housing projects in general, are characterized by multiple funding sources, including Low-Income Housing Tax Credits. We're currently reviewing applications to help distribute the tax credit allocations, and we will have a finalist selected by the end of the year.

Our active multi-family projects involve more than $317 million in construction financing, and our MBE participation is more than 27 percent. Our WBE particpiation is more than six percent.

This includes projects that are also funded with TIF, which is being used to rehabilitate several long-vacant neighborhood icons, including the 89-unit Viceroy Apartments, a designated landmark in the West Loop; and the 101-unit Goldblatt's Senior Living project, a landmark structure in Back of the Yards.

I don't need to tell you that TIF is the City's most effective development tool, whether for affordable housing, commercial development, industrial expansion, or other uses, but I would like to share some new details about the program and our overall economic development efforts in 2011.

The most significant development involving TIF this year was the work of the TIF Reform Task Force, which made 99 pages of recommendations to make the program more accountable, more efficient, and more responsive to its own success.

In the weeks ahead, we will be implementing new performance metrics that will subject future TIF projects to a thorough justification process. We will also be publishing more details about the jobs, housing units, public infrastructure, and property value improvements that the program makes possible; and we'll be developing a monitoring system to make sure our private redevelopment partners follow-through on their RDA commitments.

These and other reform measures will start rolling out early next year. As a result, the program administration costs will be adjusted to enable us to implement the reforms that the Task Force is calling for.

Historically, about 50 percent of TIF program expenditures were allocated for private redevelopment projects. The other half largely supported public works projects involving schools, but also streets, public buildings, and parks. 2011 reflects a continuation of these trends.

Of the 3,500 jobs that HED incentives are helping to retain or create so far this year with City Council approval, approximately one third were through TIF. Considering that Chicago's unemployment rate is more than a point higher than the nation's rate of just over nine percent, every one of these jobs will make a difference.

Recent RDAs approved by City Council include: Accretive Health, which is creating 650 positions in the Loop; Gateway Plaza, which will bring 200 retail jobs to the West Loop; and JMC Steel, which is reinforcing its commitment to nearly 400 new and existing jobs in Chicago, including a new downtown headquarters and two South Side production facilities.

Other approved TIF projects that will see construction in the months ahead include A. Finkl & Sons' relocation from Lincoln Park to the former Verson Steel facility in Burnside; Resurrection Hospital's new teaching facility in West Town; and the Harper Court mixed-use complex in Hyde Park.

Your approval of these projects all made headlines, but we are equally committed to the smaller, lesser known business improvements that TIF makes possible.

For example, the Small Business Improvement Fund, or SBIF, has supported hundreds of industrial, commercial and retail buildings throughout Chicago. This year, more than 200 properties will receive a variety of SBIF-funded building system upgrades and façade enhancements through matching grants up to $150,000. This year's total is equivalent to last year's SBIF activity. A new transparency improvement in 2011 involves a public record of every SBIF deal on HED's TIF data portal.

TIF funds are also available for small residential properties through the Neighborhood Improvement Program, or NIP, which provides matching grants for eligible single- and multi-family projects. Our NIP grants are down about 20 percent compared to last year's $2.5 million allocation due to the depressed housing market and owners' lack of capital to meet their match requirements. That said, the assistance is more important than ever to the pool of people who can afford to invest.

In addition to capital improvements, TIF also addresses one of Chicago's most pressing economic development needs: skilled employees. In meeting with companies, we hear that they want to hire,

but they can't find people with the requisite skills. To address this issue, we recently expanded our TIFWorks program into 40 additional TIF districts to help employers with worker training and skill-building initiatives. We also expanded the use of multiple-employer applications to enable numerous businesses with similar needs to access the TIFWorks program through a single form. As a result, we had five times as many businesses participate in the incentive this year over last year, including Accelerate Labs, which is incubating numerous start-up businesses in the Kinzie Industrial Corridor, and Neighbor Capital, which is training vendors to operate fresh food carts in partnership with a well known convenience store chain across the city.

Of course TIF is just one of several development tools that we use to spur investment. Other resources include New Markets Tax Credits, which helped rehabilitate the historic Hairpin Lofts building as 28 units of affordable housing in Avondale. It also helped renovate the 100,000-square-foot Charter Steel warehouse in North Lawndale and expand the Testa Produce facility in Bridgeport.

I'll also mention the property tax incentives that we've made available through the county. Recent projects include WMS Gaming's expanded R&D facility in Avondale, and Costco's new store in the Lower West Side. Together, the tax reductions helped contribute to nearly 800 retained and new jobs.

While these and other projects reflect Chicago's continuing viability for new investment, they also underscore our need to work with the organizations, associations and business development groups that support citywide goals on a local level; namely our delegate agencies.

We fund approximately 120 agencies on specific work plans that involve either housing or business services. Our Corporate budget cuts are reflected in the decreased assistance they're getting year, but we were able to limit the falloff to eight percent by re-allocating a portion of TIF and Housing Revenue Fund proceeds on their behalf.

The delegate agencies provide critical support for many issues, especially involving jobs. For example, we know that our local industrial councils were directly involved in nearly 3,000 new and retained jobs this year, and that our commercial area agencies have helped more than 500 companies to open or expand.

The positions are vital, but so are the goods and services that businesses provide. As you know, we've been working for several years now on food security and access in local neighborhoods. In fact, $50 million in TIF and other resources have been allocated in recent years to bring grocery stores to underserved communities, including key sites that we marketed in Roseland and the Near West Side. Nearly two dozen other stores are planning to open on their own by 2014, including seven small-scale Walk-Mart stores and five Sav-A-Lot stores. With their success, we expect many more retailers to follow suit.

I also want to mention our real estate portfolio and its role involving food, open space, and economic development. The inventory includes about 14,000 vacant parcels, as well as 60 buildings in various states of repair, including several former police and fire stations. We're actively marketing these properties for new investment through the Request for Proposal and Negotiated Sale processes. This year we successfully sold the former 17th District police station in Irving Park for a Thai-themed

community center. We also sold a 59,000-square-foot West Pullman warehouse to help a food production operation relocate from out of state.

The real estate is also key to community gardens and working farms that are becoming so important to healthy food initiatives. Earlier this month, Growing Home farm in Englewood expanded onto a half-acre site through a City-owned land sale, while the new Perry Street Farm in Washington Park is being developed on 1.5 acres of City-owned land. These and other projects will continue to move forward thanks to the urban agriculture ordinance that City Council approved this summer. You can expect more garden and farm projects to move forward in the months ahead, along with formal protocols for farms that utilize City-owned land, and zoning recommendations that would allow commercial apiaries.

The most significant real estate transaction that we completed this year in terms of size involved 650 acres that we transferred to the Chicago Park District for the Calumet Open Space Reserve. It was the largest single land transfer to the Chicago Park District since the 1940s. We're also working on the eventual transfer of 20 acres we recently acquired in an unused portion of Rosehill Cemetery in Lincoln Square, and the 20-acre Celotex site in North Lawndale.

We know these projects will have significant impact because of the comprehensive open space inventory we completed this year of the entire city. The 12,000 acres that were identified represent the most accurate assessment of the city's open space resources to date, including the first-ever assessments for 22 of the city's 77 total community areas. The effort marked the first phase of an update to the 1998 CitySpace plan, for which we will be seeking your input in the months ahead.

In addition to neighborhood open spaces, the department works to protect and enhance the City's historic resources by helping owners to maintain their historic properties, and by providing staff services to the Commission on Chicago Landmarks.

Landmark recommendations that were approved by City Council this year include long-time neighborhood icons like White Castle #16 on the Near South Side, and nine Schlitz brewery-tied structures throughout the city. Ten other landmark designations moved forward this year, which is down slightly from last year due to staff reductions and an enhanced focus on owner education and technical assistance.

Preservation staff is participating in a new, multi-departmental effort to monitor the condition of historically significant structures and to provide preservation resources for restoration projects. These efforts directly involve our Neighborhood Improvement Program and NSP programs, which have already saved important structures from uncertain fate, including The Forum building in Bronzeville and several row-houses in North Pullman.

Neighborhood context is vital to all of HED's efforts, but none more than our zoning, strategic planning and land use endeavors.

Before I close, I would like to relate some current and future plans to promote business-, pedestrian- and transit-friendly development in our neighborhoods.

Perhaps our most important planning project right now is the "Chicago Sustainable Industries" strategy, or CSI, which is the city's first effort to coordinate the economic, social and environmental aspects of Chicago's manufacturing sector as part of a comprehensive plan to promote industrial growth. The goal of the strategy is to develop and allocate government resources that provide the greatest value to Chicago manufacturers and the more than 100,000 jobs they represent.

Two key CSI components will address how local companies can become more export-oriented, which brings new dollars into the local economy; and how the City can help workers develop the skills needed for the industrial jobs of tomorrow. CSI is being funded through a federal grant and, in coming months, we'll continue to meet with businesses and consultants and have a formal strategy prepared for Plan Commission approval next spring.

CSI is really just the first component of a forthcoming economic development strategy for the entire city; one that comprehensively addresses every aspect of business and business development. In advance of that strategy formulation, we're conducting a detailed inventory of the city's retail corridors that, as you know, are over-zoned for commercial uses by as much as 50 percent. The inventory will help determine how well our business streets cater to local demand, and whether excess space along our business arterials should be devoted to housing, agriculture or other uses. Again, we will be seeking your insight and input as the work progresses.

Several forthcoming community plans will provide more detailed analysis at the neighborhood level, including studies that involve: a portion of 63rd Street in Greater Grand Crossing; the six-corners intersection in Portage Park; and a portion of Broadway in Uptown and Edgewater. We'll be looking at pedestrian activity in each of these areas in conjunction with local transit options. The goal will be the creation and implementation of strategies that promote convenient, walkable, and use-appropriate neighborhoods, similar to the Halsted Triangle plan recently approved by Plan Commission.

Another HED planning effort called "Green Healthy Neighborhoods" is generating a land use plan for Greater Englewood, Washington Park, and Woodlawn. The purpose of that plan will be to harness the area's vacant land resources to provide stability for local homes, businesses and institutions, primarily through urban agriculture projects and other endeavors that promote sustainable investment.

By sustainable, I'm talking about projects that will remain viable as community amenities for decades to come. We're not interested in chasing trends or short-term fixes that don't address our fundamental needs, regardless of their location. We look at every project with this perspective, including private projects that come in for zoning review and Planned Development designations before approval by City Council.

Project review is a huge part of our daily work because every project, no matter where it's located, starts with zoning. By the end of the year, we'll have reviewed more than 20,000 projects for zoning compliance, hundreds more for proposed zoning changes, and about 44 for Planned Development recommendations by the Chicago Plan Commission.

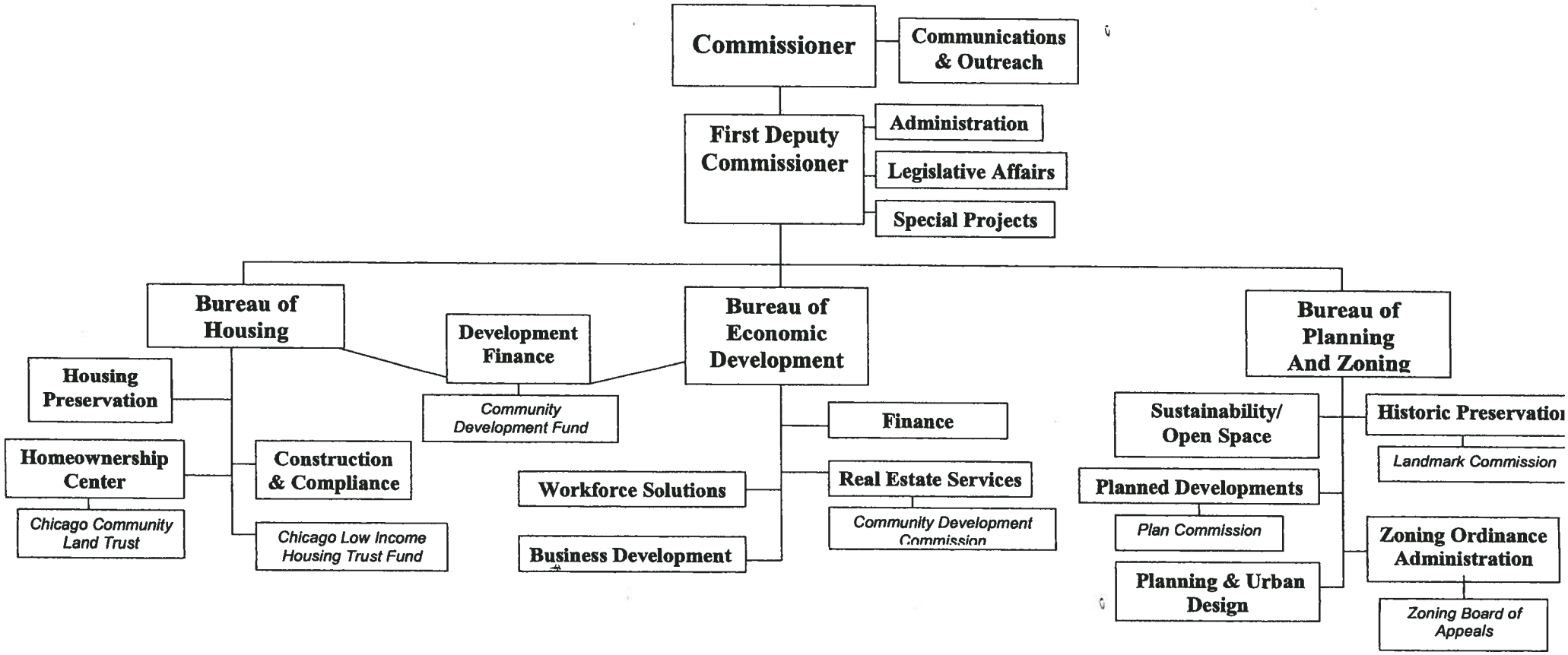
These projects, along with the investments that companies like Ford and Ernst & Young are making, truly demonstrate Chicago's continued viability as a place to live and work. More importantly, they show what happens when we help the market to take care of itself.

In closing, I want to reiterate our commitment to affordable housing, jobs, and the quality-of-life enhancements that they make possible for residents and workers.

While the challenges are significant, the department's renewed effectiveness and accountability gives me great hope for the future.

We appreciate your ideas, your input, and your continued partnership in the months to come. Thank you.

CHICAGO DEPARTMENT OF HOUSING AND ECONOMIC DEVELOPMENT
Table of Organization



Department of Housing and Economic Development
Personnel and Management Demographics

HED Ethnicity and Gender

	Male	Female	Total	%
Asian	5	6	11	5%
Black	17	60	77	35%
Hispanic	19	26	45	20%
White	46	43	89	40%
Total:	87	135	**222**	
	39%	61%		

HED Managers Ethnicity and Gender

	Male	Female	Total	%
Asian	0	2	2	5%
Black	5	1	6	15%
Hispanic	2	4	6	15%
White	12	13	25	64%
Total:	19	20	**39**	
	49%	51%		

CITY OF CHICAGO
DEPARTMENT OF HOUSING AND ECONOMIC DEVELOPMENT
MBE/WBE DATA

2011 SUMMARY @ Sept 2011

	EXPENDITURE	MBE $	MBE %	WBE $	WBE %
CONSULTING /PLANNING/ SURVEYS[1]	$ 3,236,161.46	$ 1,362,130.01	42.09%	$ 486,227.37	15.02%
CONSTRUCTION SMALL REPAIR JOBS (JOCS)[1]	$ 5,548,684.00	$ 2,282,587.40	41.14%	$ 1,086,046.80	19.57%
OTHER (COMMODITIES/ WORK SERVICES/FACILITIES)[1]	$ 504,276.32	$ 28,886.00	5.73%	$ 80,369.10	15.94%
SUB TOTAL	**$ 9,289,121.78**	**$ 3,673,603.41**	**39.55%**	**$ 1,652,643.27**	**17.79%**
HOUSING CONSTRUCTION OPPORTUNITIES-NON DPS[2]	$ 317,496,665.00	$ 86,171,588.00	27.14%	$ 20,636,844.00	6.50%
GRAND TOTAL	**$ 326,785,786.78**	**$ 89,845,191.41**	**27.5%**	**$ 22,289,487.27**	**6.8%**

[1]- Reflects payments/releases issued during: 1/1/2011 through 9/30/2011

[2]- Housing Construction $ are made up of Construction hard costs and are based on final close out expenditures for Multi-Family, TIF, and Land Sales. These values represent final contract amounts over multiple years.

MBE ETHNICITY

Ethnicity	MBE	%
AFRICAN AMERICAN	$ 54,253,017.09	60.39%
ASIAN	$ 3,492,363.13	3.89%
HISPANIC	$ 31,091,961.40	34.61%
OTHER	$ 1,007,009.79	1.12%
GRAND TOTAL	**$ 89,844,351.41**	100.00%

WBE ETHNICITY

Ethnicity	WBE	%
AFRICAN AMERICAN	$ 2,986,774.09	13.40%
ASIAN	$ -	0.00%
HISPANIC	$ 1,308,446.40	5.87%
WHITE	$ 17,875,198.27	80.20%
OTHER	$ 119,068.51	0.53%
GRAND TOTAL	**$ 22,289,487.27**	100.00%

10/24/2011

Department of Cultural Affairs and Special Events
City Council Budget Hearing
October 27, 2011
Commissioner Michelle T. Boone's Remarks

Good morning. Thank you to Chairman Austin and to the entire committee for inviting us to talk about the Department of Cultural Affairs and Special Events (DCASE). We are truly grateful for your support of our department throughout the year and appreciate all the hard work you do on behalf of the people of Chicago.

As you know, we are a young department, created through the merger of the Department of Cultural Affairs and the Mayor's Office of Special Events last year. Nevertheless, we offer an incredible breadth and depth of free public programming and support to artists and to all Chicagoans.

It's our department that runs the major lakefront festivals like the Air and Water Show, the Chicago Blues and Jazz Festivals, and, again in 2012, the Taste of Chicago. We provide hundreds of free public programs in Millennium Park and the Chicago Cultural Center. We support artists through direct grants, professional development opportunities, and the Chicago Artists Resource website. And we work directly with communities by facilitating permits for neighborhood festivals, running Chicago Farmers Markets and assisting sports presenters with their races and other events.

In this difficult economy, it's important that we maintain our commitment to the arts and culture. Our department's efforts create opportunities for Chicagoans and visitors to come together in celebration; they make this city a better place to live and work; and, perhaps most importantly, they act as an economic engine, generating tourism dollars and creating secondary spending at restaurants, hotels, shops and other establishments throughout the city. In fact, it's these tourism dollars that are responsible for 125,000 jobs and $11 billion in economic impact for the City of Chicago.

We have big plans for this department in the coming months and it's important to note that we'll be doing them with a budget that's been reduced by approximately 10% - from $32.8 million in 2011 to $29.2 million in 2012.

One of our most important projects in 2012 will be developing a new Cultural Plan for Chicago. As you may know, our city's last cultural plan was developed in 1986, under Mayor Harold Washington. It was a good plan, and many of its recommendations have been implemented over the past 25 years.

However, with a new generation of Chicagoans and new technologies available, it's time for us to develop a new plan that creates a framework for Chicago's future cultural and economic growth. This plan will become the centerpiece for

the city's goals of becoming a global destination for creativity, innovation and excellence in the arts.

We expect this plan to be completed in May of 2012. And while our department will take the lead on creating it, the most important voices in the process will belong to all Chicagoans. Public engagement will play a huge role in the development of the plan. Throughout the winter months, we'll be hosting approximately 30 community forums in neighborhoods throughout the city. We'll also be developing an interactive new website where all Chicagoans can offer their ideas. And, we'll be looking to each and every one of you for your thoughts and suggestions on Chicago's cultural future.

I'm very proud to say that we've secured a significant amount of private funding that we anticipate will cover most of the cost of developing the Cultural Plan.

The Cultural Plan isn't the only major initiative our department has planned for 2012. We're working to bring back the Chicago Gospel Music Festival in a new South Side location. This effort will be a key part of one of our most important goals - to make the arts more accessible to all Chicagoans by offering free cultural programming in neighborhoods throughout the city, not just downtown. To that end, we're planning to actively work with other arts presenters, like the Chicago Dancing Festival, to extend their programming into the communities. Our free SummerDance program will continue to be offered in neighborhood outposts as well as downtown in Grant Park. And we're hoping to expand the Farmers Market program by offering additional markets in underserved communities.

We're also planning to re-imagine the Taste of Chicago in an exciting new way for 2012. We'll be looking at a number of things, including how we can best showcase Chicago's diverse and acclaimed culinary offerings by giving even more neighborhood restaurants the opportunity to participate.

This past summer, our department, in partnership with the Chicago Civic Alliance, conducted an exhaustive audit of all the programs delivered directly by DCASE and on our behalf by our partners with the Chicago Office of Tourism and Culture.

As a result of that audit, we've determined that the most cost-efficient and effective way for DCASE to provide arts programming in 2012 and beyond will be to do so directly. You'll see that this budget includes a new division of DCASE – the arts programming division. By restructuring our department in a way that fully takes advantage of the merger between the Department of Cultural Affairs and the Mayor's Office of Special Events, we are able to provide this service to the public with a net increase of only 6 total full-time positions in the Department.

Next year, we will continue to contract with COTC to deliver tourism-related programs and services and to market Chicago as a premiere leisure travel destination to national and international audiences.

However, with these recommended changes, we will significantly reduce the amount of the City's grant to the Chicago Office of Tourism and Culture, resulting in cost savings and eliminating programmatic redundancies.

Our plans for 2012 will be brought to fruition with the passion and support of the newly appointed Cultural Advisory Council. In early September, you passed an ordinance that expanded the size of this Council from 21 to 30 members, while also broadening the definition of the arts to include all genres, not only the visual and performing arts.

Since that time, Mayor Emanuel appointed, and this body approved, 26 members to the Cultural Advisory Council. They represent all aspects of Chicago's cultural community, from practicing artists to representatives from the city's largest cultural organizations to voices from the for-profit arts sector and the community at large.

We are excited to work with the Cultural Advisory Council in 2012 and are confident that a thriving council, filled with engaged and informed members, will greatly assist us in fulfilling the important goals of our department, in particular, making the arts more accessible to all Chicagoans. We are grateful to Mayor Emanuel and this council for your commitment to strengthening Chicago's cultural community.

These are just a few of the highlights of 2011 and our plans for 2012. A longer list is attached.

This department could not accomplish anything without the continued support of the City Council, so we would like to extend our sincere thanks to each and every one of you. My staff and I look forward to working closely with you in the coming years.

CHICAGO DEPARTMENT OF CULTURAL AFFAIRS AND SPECIAL EVENTS
Michelle T. Boone, Commissioner

In 2011, the Chicago Department of Cultural Affairs and the Mayor's Office of Special Events merged to create the Department of Cultural Affairs and Special Events. The Department of Cultural Affairs and Special Events is dedicated to promoting an ongoing celebration of the arts; supporting the development of Chicago's diverse arts sector; and marketing Chicago's cultural assets to local and worldwide audience. DCASE offers over 2000 free public programs and provides support services to hundreds of neighborhood festivals and events each year, generating economic and cultural benefits for the city.

Following is a representative sampling of the programs and services that DCASE provided the people of Chicago this year and highlights for 2012.

2011 ACCOMPLISHMENTS

FREE PUBLIC PROGRAMS

Presented over 500 free public programs (as of September) at the Chicago Cultural Center, the nation's most comprehensive free showcase of the arts including theater, music, dance, film and visual art exhibitions. The landmark building has welcomed 680,000 visitors (YTD) and ranked fifth in the 2011 *Crain's Chicago Business* list of the most popular Chicago tourist attractions / cultural institutions.

Presented eight productions by Chicago-based itinerant theater companies in the DCA Storefront Theater (YTD 2011, January through September), and as of September offered residencies to six emerging theater companies through the Incubator Series, which provides a month's use of space to develop and rehearse an original project.

Hosted 6,500 people at the annual Kids and Kites Festival on May 7 in Lincoln Park.

Offered 20 Farmers Markets throughout the city. Doubled the number of markets that accept LINK cards from five to ten. Secured presenting sponsorship by COUNTRY Financial for three years.

Produced the annual Memorial Day Parade on Sunday, May 29, 2011, featuring Grand Marshall General Raymond T. Odierno, U.S. Army, Commander, and dedicated to "Honoring our Cadets."

Filled Millennium Park with 140 days of free public programming that included 121 Jay Pritzker Pavilion concerts, 83 open rehearsals, 280 Family Fun Festival concerts, 4 Caroling At Cloud Gate concerts, 18 theater presentations, 45 free workouts, 74 public tours and 19 days of children's Red Kite Project theater performances. Summer highlights included Downtown sound: New Music Mondays featuring cutting-edge rock and pop; and the Music Without Borders international series. Millennium Park ranked second in the 2011 *Crain's Chicago Business* list of the most popular Chicago tourist attractions with an attendance of 4 million.

Produced the 28th Annual Chicago Blues Festival in Grant Park, celebrating the centennial of the birth of Robert Johnson, and featuring tributes to the late Pinetop Perkins and the 40th Anniversary of Alligator Records.

Presented the 2011 Bike to Work Week, featuring several new events including an evening ride, a bicycle-themed movie in Grant Park, a preview of the WTTW special "Biking the Boulevards", and a Bike Fashion Show.

Featured 50 free sessions of dance lessons and live music at the 15th annual Chicago SummerDance, held in the Spirit of Music Garden in Grant Park, in neighborhood parks and at Navy Pier.

Presented the 53rd Annual Chicago Air and Water Show, the largest free show of its kind in the United States, on August 20 and 21, with record crowds for Sunday's event. Introduced the new Bravo Zulu Lounge, a VIP seating area offering prime seating as a means of generating additional revenue.

Presented the 12th Annual Summer Opera at the Chicago Cultural Center with three free performances of the tango operita "Maria de Buenos Aires."

Coordinated a summer-long celebration of the 40th Anniversary of Soul Train, including free *Soul Train Photo Exhibition at* Expo 72 and the anniversary concert celebration at Millennium Park on Labor Day.

Presented the 33rd annual Chicago Jazz Festival at locations throughout the city, including Grant Park, Millennium Park, the Chicago Cultural Center and Roosevelt University. Honored Chicago trumpeter Orbert Davis as the Festival's Artist-in-Residence, and debuted two new pieces commissioned specifically for this year's Festival.

Celebrated the 13th anniversary of the World Music Festival (WMF) by showcasing more than 40 international and local acts in concerts, live radio programs and film screenings at more than 20 venues in Chicago's diverse neighborhoods.

Celebrated the 175th Anniversary of the Clarke House Museum, Chicago's oldest building, with a series of public programs, including a free family day held on October 1.

Coordinated and promoted the 16th annual Chicago Artists Month, an October celebration of Chicago's diverse visual arts community featuring 200 exhibitions, openings, demonstrations, tours, lectures, and panel discussions with Chicago artists.

Will host the annual free Franken Plaza Halloween celebration in Daley Plaza, from October 28 – 30, 2011, featuring family-friendly performances, a children's costume contest, movie screening, hay rides, arts & crafts and more.

Coordinating the second annual contest to find the City of Chicago's official Christmas Tree, which will be displayed in Daley Plaza from November 23 through the New Year. More than 35 trees were nominated, and the public had the opportunity to vote on the top three selections from October 17-25.

Will present the annual Christmas Tree Lighting ceremony in Daley Plaza on Wednesday, November 23. The program will feature holiday music, special celebrity guests, and the family who donated the winning Christmas Tree. Working with presenting sponsor UL to host the free UL Santa House on Daley Plaza throughout the holiday season.

PUBLIC ART

Organized and presented 29 visual arts exhibitions in 7 galleries, including Chicago Cultural Center, Expo 72 and City Gallery at the Historic Water Tower; collectively showcasing a total of 286 artists and 1269 original works of artistic media: painting, sculpture, photography, drawing, installation and new media. *Movie Mojo: Hand Painted Posters from Ghana, Wounded in Action: An Art Exhibition of Orthopedic Advancements, Write Now: Artists and Letterforms, Louis Sullivan's Idea,* and *Finding Vivian Maier: Chicago Street Photographer.* Related programming was offered for each exhibition, from tours and gallery talks to musical performances and film.

Added new works of art to Chicago's Public Art Collection through Percent for Art installations at the West Englewood Branch Library and the 23rd District Police Station. Began the selection process for new percent for Art commissions at the 12th District Police Station, 23rd District Police Station, the Norwood Park Senior Center, and the following Chicago Public Library branches: Beverly, West Humboldt Park, Greater Grant Crossing, Dunning, and Richard M. Daley.

Dedicated "The Runners" sculpture at O'Hare International Airport. This massive 16-foot tall piece was donated to the city by the Athens Committee of the Chicago Sister Cities International Program and is the largest gift ever given to the City's public art collection.

TOURISM

As part of a contract with the Chicago Department of Cultural Affairs and Special Events, the Chicago Office of Tourism and Culture delivered the following tourism programs and services on the city's behalf:

Presented seasonal campaigns to promote Chicago to leisure travelers, including Winter Dance in Millennium Park during February, and *Urban Excursions: Explore Chicago*, during the summer. The *Urban Excursions* campaign showcased hundreds of treks, tours and other urban adventures downtown and throughout Chicago's 77 neighborhoods.

Partnered with WTMX-FM on summer promotional campaign ("Ten Things to Do in Chicago This Week") valued at $200,000 for Millennium Park programming and other attractions and events taking place throughout the city. In September, COTC partnered with Motorola on StoryPlace.me, a new mobile tourism app; and partnered with travel site Trazzler.com (35,000 visitors per month) on their Chicago Writing Contest in February. Trazzler.com accepted essay entries from hundreds of writers and chose 5 winners to send to Chicago to write travel stories about the city and its neighborhoods. The resulting editorial content appeared on Trazzler.com and ExploreChicago.org, the City of Chicago's official tourism website.

Enhanced and expanded ExploreChicago.org, the City of Chicago's official tourism website – the No. 1 travel and tourism site for Chicago based on traffic volume. The site registered more than 5 million visits in 2011, and logged a record 1.1 million visits during the month of June.

Worked with local, national and international press to promote Chicago as a premier cultural destination for leisure travelers, generating positive coverage of Chicago in publications and media worldwide, valued at over $48 million in free editorial advertising (through September). Chicago was the #1 destination in the country for Memorial Day, according to Priceline.com's annual survey of the most popular holiday destinations.

Hosted 213 members of the media visiting Chicago, and assisted 535 domestic and international journalists with general inquiries and/or b-roll and image requests, (through September).

Hosted the 60th anniversary conference of the Midwest Travel Writers Association in April. Working with over 200 cultural and community partners and supported by $15,000 in sponsorship, created 50 different tours of neighborhoods and cultural attractions and restaurant and theater excursions for 60 travel writers and travel professionals from the Midwest.

Scheduled 78 Chicago Neighborhood Tours, including seven newly-launched tours: Andersonville and Edgewater; Avondale, Old Irving and the Villa; Back of the Yards and Bridgeport; Bronzeville, South Loop and IIT Campus; Chinatown and Greektown; Columbus Park and Garfield Park; and Lincoln Park, Lakeview and Wrigleyville.

Opened one additional InstaGreeter outpost for the Chicago Greeter program at the National Museum of Mexican Art in the Pilsen neighborhood (summer), and continued to operate outposts in Old Town and Hyde Park (summer); in Millennium Park (summer); at the Water Works Visitor Information Center off of the Magnificent Mile (winter); and at the Chicago Cultural Center in the Loop (year-round). As of October, approximately 5,500 visitors have been served, a 26% increase over 2010. Demand increased across the program this summer, with 81% more visits at the Loop outpost alone.

COMMUNITY SUPPORT
Continued to present the New Maxwell Street Market, a Chicago tradition. Surpassed the target goal for spaces sold from January through September. On-pace to match 2010 market earnings.

Assisted 664 neighborhood festivals and events through the permitting process (as of September 2011), including new events such as the Dave Matthews Band Caravan.

Hosted the "Race to Taste" with more than 1700 participants and a special "Kids Dash"

Assisted 260 privately-managed sporting events throughout the city, involving more than 650,000 participants (through September 2011.)

INDUSTRY SUPPORT
Through the Chicago Film Office, a division of DCASE, worked with two new television series, "Boss" (airing on Starz) and "Playboy Club" (airing on NBC), both headquartered at the new Cinespace soundstages in the Lawndale neighborhood. The two productions combined generated an estimated $40 million in local spending. Also assisted the producers of "Superman: Man of Steel" on filming in downtown Chicago during the month of September.

ARTS ENGAGEMENT
Coordinated the 17th annual Spotlight on Chicago event in October, showcasing the upcoming year of programs from Chicago's cultural community to a wide audience including media, tour operators, and concierges.

Projected to award cultural grants totaling $1,200,230 to non-profit arts organizations, social service agencies with arts programming and individual artists. The grants provide operating funds, support creation of new work, enhance professional development, and support instructional arts programs in low to moderate income communities.

Hosted the 8th Annual Creative Chicago Expo in March, connecting more than 5,000 people to services and resources for affordable housing; small business, community and professional development. Individual creative entrepreneurs and organizations in the arts participated in 25 workshops, 74 one-on-one consultations, 130 vendors and services.

Maintained the Chicago Artist Resource Website, a valuable resource for they city's Music, Dance, Literary, Visual and Theater communities, featuring thousands of links to professional resources, artist profiles and community-contributed content. Traffic grew to more than 22,000 unique visitors per month in 2011.

Expanded the successful Artists and Musicians at Work Forum series to Theaters, Dancers, Literary Artists and Creatives. Twenty-one free forums highlighted local and national issues and best practices, serving over 1800 arts practitioners.

Worked with the Mayors Office, arts groups and the City Council Committee on Special Events, Cultural Affairs and Recreation on revisions to the requirements for business licensing for artists, licensing for street vendors, and for arts in farmers markets.

VENUE MANAGEMENT
On track to exceed revenue goals for private rentals of the Chicago Cultural Center, generating more than $1.25 million to support the department's free public programs.

Welcomed more than 4.25 million visitors to Millennium Park. Worked with the property management company, MB Real Estate, to oversee the Park while staying on budget and maintaining the park to expectations.

Offered the *312 In The Park* concession area on the east side of the Jay Pritzker Pavilion in Millennium Park, generating $60,000 in revenue for the department. The concession, which was approved by the City Council, provided a valuable food and beverage amenity for patrons attending 63 summer concerts in the Pavilion.

Generated revenue through private rental and promotional use of spaces in Millennium Park, including the beer garden next to *312 In The Park* concession area and the ice rink during non public skating hours. Expected to meet revenue goals of $1 million in 2011.

Amended the Ground Lease with the Harris Theater to reflect the real-time use of the shared facilities and costs of the Pritzker Pavilion and the Theater itself over the past 8 seasons. Much of the backstage area, including dressing rooms, loading facilities and such are addressed in this document.

SPONSORSHIP/PARTNERSHIPS

Maintained relationships with corporate sponsors from 2010 (~82% renewal rate), resulting in over $3.7 million cash and budgetary line item sponsorship funds and an additional $5.5 million in promotional/advertising partnerships to support special events programming. Some of our major corporate sponsors have included: Underwriters Laboratories, Shell, The Boeing Company, PepsiCo and Anheuser-Busch.

Brought in 69 new sponsors, who comprised over $1.5 million of total sponsorship value; of the $1.5 million, over $840,000 (56%) is cash support.

Continued to execute on diverse funding partnerships, such as The Chicago Jazz Partnership, a unique collaborative group made up of corporate, foundation and public funders to support and recognize Chicago jazz as a vital part of the city's history and culture. The Chicago Jazz Partnership has contributed over $500,000 in the last three years toward jazz programming.

Partnered with The Chicago Community Trust and Allstate to help fund the city-wide, public engagement process and development of the 2012 Chicago Cultural Plan, a framework for Chicago's future cultural and economic growth and the centerpiece for the City's plan to become a global destination for creativity, innovation and excellence in the arts. The work for the plan will begin in late Fall 2011 with a goal to release the plan by May 2012.

2012 HIGHLIGHTS

Resume management of the Taste of Chicago, while re-imagining the event in an exciting new way for 2012. Continue to focus on the food aspects of the festival, including generating increased involvement from neighborhood restaurants.

Provide free cultural events in the Chicago Cultural Center, Millennium Park and venues throughout the city, as well as valuable artist support directly to the people of Chicago through the new arts programming division of DCASE.

Collaborate with the Harris Theater and the Grant Park Orchestra to present a free performance by the Paris Opera Ballet in Millennium Park's Jay Pritzker Pavilion as part of their 3-city US tour.

Bring back the Chicago Gospel Music Festival in a new South Side location, expanding cultural events offered throughout the city.

Partner with the popular Chicago Dancing Festival to introduce a free neighborhood programming component.

Celebrate the City of Chicago's 175h Birthday with a free public celebration throughout the city.

Continue to present the Chicago Blues and Jazz Festivals in Grant Park, while adding additional neighborhood programming elements.

Issue grants to Chicago artists and arts organizations at level funding from 2010. These grants are awarded through a competitive, peer review process and provide funding for arts activities that reach people in every Chicago ward.

Expand the Chicago Farmers Market program, offering new markets in various neighborhoods, and transitioning management of existing market to neighborhood organizations.

Department of Cultural Affairs and Special Events

STAFF DEMOGRAPHICS

ALL STAFF

Male	34%	21
Female	66%	41
Total	100%	62

White	53%	33
Asian	10%	6
Hispanic	13%	8
African American	24%	15
Total	100%	62

SENIOR STAFF
(Deputy Commissioners)

Male	43%	3
Female	57%	4
Total	100%	7

White	71%	5
Asian	14%	1
Hispanic	0%	0
African American	14%	1
Total	100%	7

SENIOR STAFF
(Incl. Program Managers)

Male	35%	7
Female	65%	13
Total	100%	20

White	55%	11
Asian	10%	2
Hispanic	10%	2
African American	25%	5
Total	100%	20

NEW HIRES

Male	25%	1
Female	75%	4
Total	100%	5

White	60%	3
Asian	20%	1
Hispanic	0%	0
African American	20%	1
Total	100%	5

LAYOFFS

Male	0%	0
Female	100%	2
Total	100%	2

White	0%	0
Asian	0%	0
Hispanic	50%	1
African American	50%	1
Total	100%	2

VACANCY ELIMINATIONS

Male	0%	0
Female	0%	0
Total	0%	0

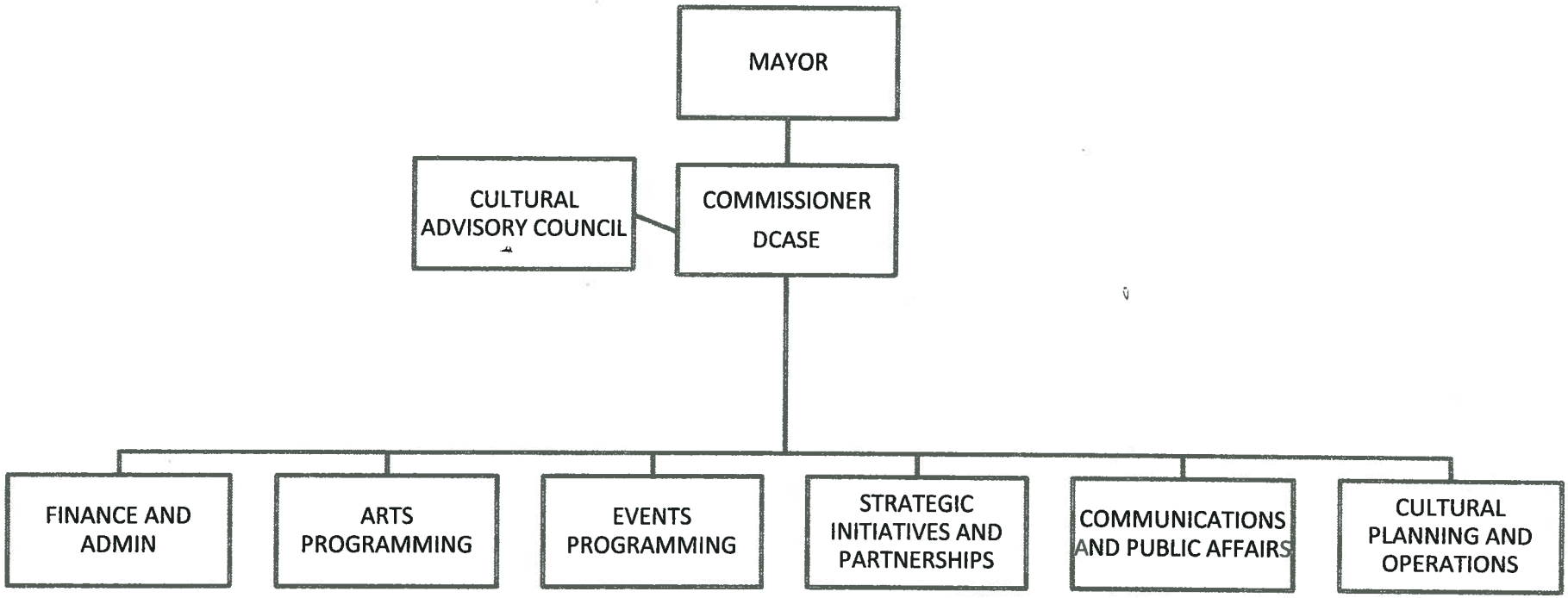
White	0%	0
Asian	0%	0
Hispanic	0%	0
African American	0%	0
Total	0%	0

M/WBE

In 2012 DCASE has entered into 39 active contracts with $6.5m in spending to date. Of this $6.5m, $2.47M or 37.8% meet M/WBE requirements

Group	Contract Value	Percent of Total
Asian	$675,266.00	27%
African American	$740,019.00	30%
Hispanic	$590,929.00	24%
Women	$464,244.00	19%
Total	$2,470,458.00	100%

DCASE 2012 BUDGET REQUEST
PROGRAM STRUCTURE



BOARD OF ETHICS

CITY OF CHICAGO

To: The Honorable Carrie Austin, Chair,
City Council Budget and Government Operations Committee

From: Steven I. Berlin,
Executive Director

Re: OPENING STATEMENT/FISCAL YEAR 2012 BUDGET

Date: October 27, 2011

Overview: Now in its 25th year, the Board administers, interprets and enforces Chicago's Governmental Ethics and Campaign Financing Ordinances, and is assuming responsibility for ensuring the City's legal compliance functions. The Board's educational and regulatory programs promote transparency, integrity and accountability in City government. Through our casework and enforcement programs, we advise more than 6,000 people each year on complying with these laws and related policies and orders, receive complaints alleging violations, conduct investigations, and make determinations and recommendations for penalties or corrective action, all in accordance with the laws' confidentiality provisions. I am pleased to report that the Board has recently been given the responsibility of assuming the functions of the Legal Compliance unit of the former Office of Compliance. We will begin with an audit of outstanding issues involving ARRA grants and curb cut compliance, environmental information management, identity protection, and payment card security. The legal compliance function involves training, education, trust, and its goal is to foster and fill in City employees' and officials' fiduciary duties to the City. These are functions that the Board of Ethics has worked hard at mastering for 25 years–the final aims being to foster what the corporate world calls "an ethical culture," to build employee professionalism and morale, and, of course, to reduce the chances for the occurrence of illegal or unethical conduct by City personnel. We look forward to this challenge, and appreciate the City's confidence in our agency.

The Board has seven full-time employees, including one vacancy currently. Please note that we will be hiring a Deputy Director, who will begin employment in January 2012. The addition of this Deputy is crucial, given the agency's assumption of the Legal Compliance function from the former Office of Compliance and the agency's ever-increasing number of advisory opinions requested and issued, and to ensure that due process is observed in cases in which the Legislative Inspector General works with the Board. Board members (up to 7) are appointed by the Mayor and confirmed by City Council (there is one vacancy currently), as is the Executive Director. Our 2012 request and Mayoral recommendation reflect a 32% increase overall, to provide for increased responsibilities–including the assumption of the Legal Compliance functions. Given our small staff's dedication and experience, I am confident that agency service levels will continue to exceed those of each passing year.

Highlights of 2011 achievements, and 2012 goals:

1. Education: Educating persons about the Ordinances and other relevant rules and policies is a critical and mandated agency responsibility. We offer the following programs:

◆ Mandatory Annual On-line Ethics Training. In 2005, City Council amended the Governmental Ethics Ordinance to require that all aldermen and ~33,200 full-time City employees complete, each year, an ethics training designed by the Board. The Board administers and revises this program every year, produces separate programs for aldermen and employees, and constantly monitors City-wide compliance. Approximately 92% of employees complete their training via our on-line training program; the rest complete their training via a DVD the Board produces. Chicago's program is a model nationwide–we are one of the few jurisdictions requiring annual ethics education for all full-time personnel (and, beginning in 2010, registered lobbyists). With the assistance and coordination of Training Administrators from every City department and aldermanic office, and under the Board staff's administration, the City achieved 100% compliance for 2006, 2007, 2008 and 2009. The numbers for each year are: 37,643 in 2006; 36,598 in 2007; 35,776 in 2008; 34,138 in 2009; and 32,832 in 2010. As of this morning, there are 33,100 employees scheduled for 2011, and approximately 21,500–66%–have completed their requirement. Our City's perfect rate of compliance would be impossible without assistance from ethics Training Administrators. For 2012, we will again revise the program completely and implement technical enhancements to assist them.

◆ Mandatory Annual Lobbyist Training. In 2009, City Council amended the Governmental Ethics Ordinance to require all registered lobbyists–currently 675 of them–to complete an annual ethics training program designed and administered by the Board, beginning in July 2010. Chicago is the only government entity in the country to require its registered lobbyists to complete annual ethics training. All but 2 lobbyists completed the 2010-2011 training (they were found to have violated the Ordinance and fined $750). The fully revised 2011-2012 training will be posted within 2 weeks.

◆ Face-to-face Training Seminars. We conduct face-to-face ethics training seminars for approximately 3,000 City personnel who are required by Ordinance to attend ethics training every four years (aldermen and staff, City Council Committee staff and senior executive service employees). We also design and conduct other seminars upon request. Since November 2010, 225 City employees and officials have attended ethics seminars to fulfill these requirements. The Board has also conducted two dozen classes for vendors and others, including foreign delegations.

◆ Ethics Officers and Training Administrators. We work with Ethics Officers from every City agency and aldermanic office to distribute notices about ethics education, outside employment, post-employment and Statements of Financial Interests, and to direct employees here for advice. Officers file quarterly reports with us, indicating their activities.

◆ Educational Materials. Our website includes Ordinances, Rules and Regulations, redacted opinions indexed by subject matter, educational brochures, Annual Reports, and training videos. Our guides for the public and for City vendors are available at City Hall and on our website. We recently published and distributed five "Plain English Guides" explaining the gifts, lobbying, and revolving door rules and the rules covering political activity and outside service with non-profit organizations.

2. Guidance and Casework: Since November 2010, the Board has provided more than 5,900 persons with *confidential* guidance–either formal or informal advisory opinion (including many City Council members and their staff) or general information, and issued more than 120 written advisory opinions, responses and investigative reports. As provided by law, advisory opinions are available for public review, with confidential information removed. All formal opinions (properly redacted) issued by the Board since 1986 are posted on our website and indexed by subject matter.

3. Financial Disclosure: The Ordinance requires certain City employees and officials to file annual Statements of Financial Interests with the Board. The Board prints, distributes, reviews, maintains forms going back seven years; forms filed in 2009 and after are also available on the internet. 2011 was the first year that City employees and officials were able to file their forms over a secure internet system. To date, 14,700 persons have filed 2011 Statements–2/3 of them using the on-line system. Few government bodies enable their personnel to file on-line and make this information available on-line.

4. Lobbyist Regulation: The Ordinance requires all persons who lobby City personnel to register annually with the Board, pay an annual registration fee, and file semiannual activity reports giving detailed information about each of their lobbying clients. The Board collects approximately $325,000 in lobbyist fees each year. In September 2011, amendments to the Ordinance took effect that: i) subjects lobbyists to the same gift-giving restrictions as City contractors; ii) requires full-time employees or officers of membership-based non-profits to register as lobbyists; iii) beginning in May 2012, will require lobbyists to file quarterly reports of their lobbying activity, including disclosing political contributions made in the previous quarter; iv) requires the Board of Ethics to build and maintain a system enabling lobbyists to file reports on-line and make the data they disclose available on-line for the public; and v) requires that Shakman-exempt Executive branch employees and Mayoral appointees sign an ethics pledge binding them to a two-year lobbying ban after they leave City service. The Board will amend its Rules & Regulations accordingly, and submit them to City Council for its approval, as required by law.

5. Campaign Financing: Our Campaign Financing Ordinance limits the amount registered lobbyists and persons doing or seeking to do business with the City or its sister agencies may contribute to elected City officials and candidates for elected City office (or their political committees). The Board monitors compliance by regularly examining filings made by political committees of City elected officials and candidates with the State Board of Elections and comparing them to City and sister agency records and City Council proceedings. In accordance with §2-156-475 of the Municipal Code, our website contains a link to the list of City contractors, and links to similar sites maintained by sister agencies. It also has a link to the Campaign Contribution Disclosure database maintained by the Illinois State Board of Elections. Board legal staff has closely following recent changes to Illinois's campaign financing laws.

6. Enforcement:

◆ **Complaints; Legislative Inspector General.** In May 2010, City Council amended the law to grant the Board the authority and responsibility to determine whether there is reasonable cause to investigate or direct the new Legislative Inspector General's Office to investigate signed and sworn

complaints alleging misconduct by City Council members and employees. The Board will also formally adjudicate such investigations, after full evidentiary hearings, consistent with the requirements of due process. The Board will work closely with the Legislative Inspector to ensure that all complaints and investigations are handled in accordance with legal requirements.

In addition, the Board may: i) receive, initiate, refer or investigate complaints; ii) make determinations as to whether the Ordinances were violated; and iii) impose fines or recommend appropriate corrective action or penalties. All complaints, investigations and recommendations are confidential, as provided by Ordinance. Board legal staff determines whether there is reasonable cause to investigate any complaint; if there is, the Board investigates or refers the case. If there is not, the Board will refer the complaint or complainant where possible. Since November 2009, the Board has received, dismissed and/or referred 17 complaints.

The Board prepares written reports of all investigative findings, determinations and recommendations. By law, these are sent to the Corporation Counsel, the person(s) investigated, and others deemed necessary by the Board.

◆ **Financial Disclosure.** The Board will have collected $10,000 in late filing fees in 2011. It also conducted and concluded 36 investigations of City employees and officials who failed to timely file Statements of Financial Interests (each was found in violation of the law). All but 4 of them filed as of this date. Board legal staff also reviews all filings, and initiates appropriate follow-up action where a noncompliance is indicated.

◆ **Ethics Education.** Individuals who fail to attend or complete their required ethics training are subject to investigation and $500 fines or employment sanctions. Lobbyists who fail to complete their annual ethics training requirements are subject to a $750 fine.

◆ **Lobbyists.** Lobbyists who fail to timely register or report are subject to fines (as are their clients) and/or suspension of their registration; the City may cancel contracts awarded based on unregistered lobbying. The Board aggressively enforces these requirements. Since November 2010, the Board has commenced 12 investigations of delinquent lobbyists. In 2, it determined that a lobbyist failed to file reports as required, assessed fines, terminated their registration, and ordered that the fines would need to be paid were the lobbyists ever to lobby activity again; the other lobbyists brought themselves into compliance with the law.

◆ **Campaign Financing.** The Board can receive and investigate complaints alleging violations of the Campaign Financing Ordinance. Where campaign contributors appear to have exceeded the Campaign Financing Ordinance's limitations, the Board initiates investigations, determines whether the contributors have violated the Ordinance, and if so, effects corrective action. Since November 2010, the Board has commenced 39 investigations, determined that 34 contributors had violated the Ordinance, and closed 30 after effecting corrective action.

BOARD OF ETHICS
OCTOBER 2011

MBE/WBE participation numbers: BOE is the owning department in only one ongoing contract, with Crowe Horwath, to design and build the EFIS system for filing annual statements of financial interests. 21.4% ($53,095) of the contract was allocated to an MBE, Senryo Technologies. We are now into a 10% contingency phase, bringing the total amount of the contract to $273,000.

Board Staff (2 vacancies):

Total:
4 male; 3 female
2 African American; 1 Latino; 3 White

Management:
3 male; 2 White; 1 African-American; 1 vacancy

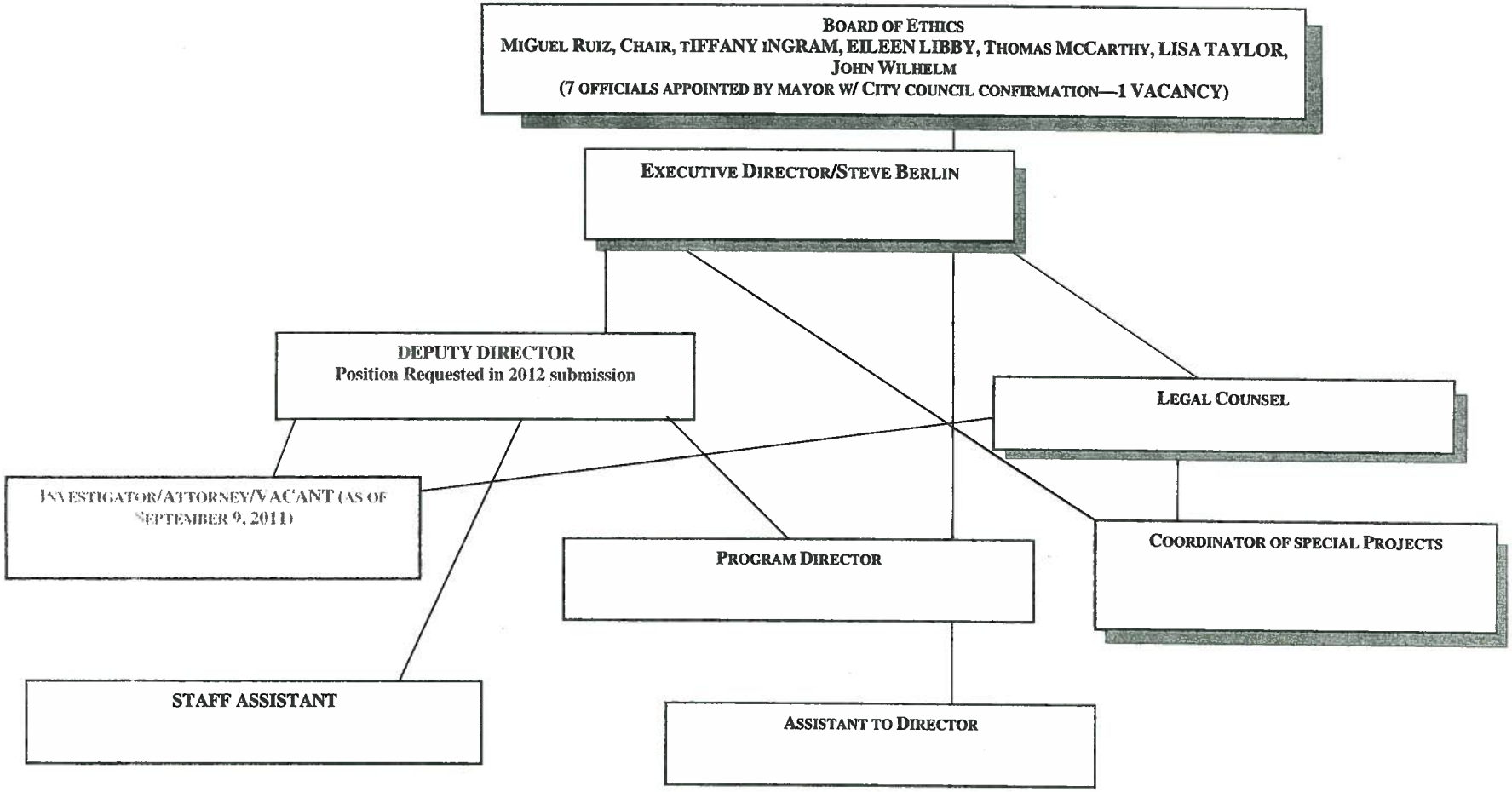
We have 2 vacancies; neither has yet been filled.

We had no vacancy eliminations or layoffs in 2011; we did have one voluntary resignation, of an African-American female

Our organization chart is attached.

BOARD OF ETHICS
ORGANIZATION CHART
OCTOBER 2011

8 FTE as of 1/1/12



Budget Statement
Police Superintendent Garry F. McCarthy
October 27, 2011

Good afternoon. Madam Chairman; Mr. Vice Chairman; Honorable Members of the Committee on Budget and Government Operations; distinguished Aldermen; Ladies and Gentlemen.

I am pleased to be here with you today to discuss the proposed 2012 budget for the Chicago Police Department and our efforts to create a more efficient and effective Department.

Public safety is our number one priority. The changes we have proposed in our budget will allow the Chicago Police Department to provide greater public safety and do so in a more efficient manner.

The fact is, traditional policing methods are a thing of the past and law enforcement organizations need to be structured more like a business to optimize resources and manpower.

Since I arrived, we have implemented a number of changes to make the Department function at a higher, more efficient level, and hold all members accountable for their performance.

First, we have focused on putting officers back into districts and onto the beat patrolling neighborhoods and keeping them safe.

In doing this, we have refocused our attention onto the district level, giving District Commanders more resources

and holding them accountable for what occurs in their district.

This is done through CompStat – a data-driven crime strategy that we have implemented – which enables us to monitor crime trends, and engage in smarter policing by targeting resources to the areas where they are needed most.

CompStat is an invaluable tool and dynamic method to reduce crime, improve quality of life, and allocate personnel.

Since its implementation – as well as the redeployment of officers from administrative and other functions back into districts – we have experienced twelve consecutive weeks of crime reductions. Our work is by no means complete, but this is encouraging news.

Second, we have reduced bureaucracy. On my first day, I started looking for ways to streamline, improve chain of command and communication, and get the most out of every resource we have.

I began by cutting top-level bureaucracy. The old organizational structure was, in my opinion, too large, impeding our police work and creating too many layers in the chain of command.

To rectify this, we eliminated layers of costly upper-level management and created a new organizational structure that is more efficient, cost-effective, and outlines a clear chain of command.

We are doing the same reorganization at the district level to ensure that we are getting the most out of every single

officer, every single resource, and ensuring that every single dollar spent is spent wisely.

Also at the district-level, we are working with the appropriate bargaining units to establish the position of executive officer. In the current structure, district commanders do not have a second in command. So if they are out sick or on vacation, the commander from the neighboring district is in charge of their district.

This does not make operational or managerial sense and we want to establish the position of executive officer and give that person the same responsibility and accountability as the commanding officer.

All of this is in an effort to push down accountability and authority to our commanding officers to empower them to do the best job possible.

Continuing along that same vein, included in our proposed budget is a structural change that I believe will strengthen the Department as a whole and improve our operations.

Major changes to the district structure have not been made in over three decades and it is time to update the way we deliver police services.

The structure in the proposed budget moves from 5 Area commands in both the Patrol and Detective Bureaus to 3 Area commands. This will reduce the amount of bureaucracy at the Area level while increasing synergies between neighboring districts.

We also propose consolidating three districts – 13, 19, and 21 – with neighboring districts. The consolidation of these

districts will allow us to strengthen our resources and increase the deployment of officers in these areas, while eliminating duplicative services and streamlining bureaucracy.

These districts were selected for consolidation based on data including crime statistics; their ability to fight crime, accommodate additional officers; and the condition of the facilities.

This consolidation will have a number of benefits, principally that we will have more police officers on the streets.

We will also eliminate the need for redundant administrative functions and provide for the redeployment of those officers who had previously performed those administrative functions.

Consolidation will also provide additional resources that will allow for proactive problem-solving. With additional officers deployed for street duty, district commanders will be able to mobilize vehicles such as sector cars or rapid response vehicles to assist beat officers throughout the district.

Having more cars on the streets will also result in faster response to appropriate 911 calls.

Additionally, having more officers on the streets working the same beat every day will allow us to engage in meaningful community policing. Officers will know what is happening in the community they serve, who the residents are, and how they can work with community members and groups to proactively address issues affecting the community.

Finally, the proposed budget eliminates over twelve hundred vacant positions. As the Mayor said, for too long we have kept vacant positions in the budget and counted them savings. That process ends this year. Vacancies do not represent officers on the street. We are working with the resources we have to keep this city safe and over the past three months, we have proven that we can do a great deal with what we have.

There may come a time when we need more officers, but until such time that I am confident that we are using every officer and resource to its fullest potential, I will not ask for more officers.

I believe that these changes will allow the Department to provide greater public safety and increase its work with the community. This structure allows for a more effective utilization of resources, greater flexibility in the areas in which we need it most, and increased information sharing.

All of this will lead to better policing and lower crime.

Thank you for your time. I would be happy to answer any questions you may have.

# # #