



City of Chicago



O2015-6433

Office of the City Clerk

Document Tracking Sheet

Meeting Date:	9/24/2015
Sponsor(s):	Ramirez-Rosa (35)
Type:	Ordinance
Title:	Recommendation of salary reduction for all City Hall officials and employees earning more than \$100,000 annually
Committee(s) Assignment:	Committee on Budget and Government Operations

ORDINANCE

ALDERMANIC AND EXECUTIVE SALARY REDUCTION

WHEREAS, the City of Chicago is a home rule unit of government as defined in Article VII, Section 6 (a) of the Illinois Constitution, and, as such, may exercise any power and perform any function pertaining to its government and affairs; and

WHEREAS, on September 3, 2015 the Mayor of the City of Chicago called for a property tax increase that may amount to a sixty percent increase over the City's 2014 levy; and

WHEREAS, a drastic property tax increase of this amount imperils the financial well-being of many residents;

WHEREAS, property taxes are intended as partial payment for city services, it would follow that an increase in property tax would not correspond with a decrease in city services,

WHEREAS, officials and employees of City Council owe a fiduciary duty to the City of Chicago and its residents under Chapter 2-156-020 the Governmental Ethics Ordinance; and

WHEREAS, the mismanagement of city funds and failure to pay into pension funds have directly caused a budget shortfall estimated at \$754 million dollars to be paid in part by the proposed property tax increase; now, therefore,

BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF CHICAGO, AS FOLLOWS:

Section 1. Purpose; Relation to other Ordinances.

The purpose of this Ordinance is to provide a salary cut correspondent to any percentage increase over the 2014 Average Tax Rate (ATR) of 6.81% for all City Hall officials and employees earning more than \$100,000.00 annually. A further salary cut would occur in any percentage by which the funds to City Services may be cut. To the extent that the provisions of this Ordinance conflict with any prior Ordinance or provision of the City, this Ordinance shall control.

Section 2. Definitions.

For the purposes of this Ordinance, the following definitions shall apply:

"Official" means any person elected or appointed to any office of the City of Chicago earning an annual salary equal to or above \$100,000.00.

"Employee" means any individual performing services for remuneration employed by the City of Chicago earning an annual salary equal to or above \$100,000.00.

"City Services" includes, but is not limited to, Chicago Police Department, Chicago Fire Department, Fleet and Facility Management, Streets and Sanitation, Water Management, Emergency Management and Communication and Transportation.

Section 3. Calculation of Salary Decrease by Property Tax Increase

Upon the passage of any ordinance resulting in an increase over the 2014 Average Tax Rate of 6.81%, a corresponding decrease in the salaries defined above would match the percentage over 6.81%. If, for instance, the increase is 0.8%, a salary of \$100,000 would be decreased in the amount of \$8000.00 annually. This formula would be applied to all salaries as defined above.

Section 4. Calculation of Salary Decrease by Service Cut Percentages

Upon the passage of a budget that increases property taxes and/or cuts city services, the percentage of the service cut will be added to the tax increase percentage referenced above and then applied to all salaries defined in Section 2.

In formula: $((TI\% \times 10) + SC\%) \times SAL = \text{Total cut to salaries.}$

TI %: Tax Increase in percentage points

SC %: Service Cut %

SAL: All salaries equal to or more than \$100,000.00

Section 5.

This ordinance shall be in full force and effect from and after its passage and approval.



Carlos Ramirez-Rosa
Alderman, 35th Ward