

Good afternoon, Chair Ervin, Vice Chair Lee, and members of the Budget Committee and City Council.

I'm Julie Hernandez-Tomlin, Commissioner of the Department of Fleet and Facility Management, or 2FM. With me are Managing Deputy Glen Cross, Deputy Commissioner of Fleet Management Mark Chapulis, and Director of Finance Alvin Smith.

Today, I'll present 2FM's 2025 budget request, which prioritizes cost-effective operations while delivering essential services. Our core mission is to provide efficient fleet management, effective facility maintenance, and responsible energy procurement for City Departments. We also offer crucial support services, including Riverwalk and Millennium Park management, environmental engineering, real estate, graphics, and records management.

2FM is committed to racial equity and justice. In 2024, we achieved a 48% MWBE participation rate, with a significant increase in spending for African American businesses. This growth is due to increased investments in our fleet and facility bureaus for replacement vehicles and ongoing facility maintenance.

Additionally, the Community Market Place on the Riverwalk empowers minority and women-owned businesses, with 80% of current vendors being minority-owned. We are issuing a new RFP in 2025 to further expand these opportunities.

2FM manages 478 facilities, including 426 owned and 52 leased. We partnered with CDPH to convert two facilities into neighborhood health centers, leveraging in-house resources to minimize costs. In 2025, we are reducing our corporate funding by \$3 million and will leverage TIF and bond financing for major emergency City building repairs.

Our fleet comprises over 14,300 units of equipment (which includes CPD, CDOT, DSS to name a few), including approximately 10,100 owned, 2,800 leased, and 1,300 rented. The Chicago Works program provides annual bond funding to replenish the fleet. Key fleet highlights include:

- CPD: 277 new vehicles in 2024, 382 ordered for 2025
- CFD: 47 new units in 2024, 41 planned for 2025
- DSS: 84 new units in 2024, 62 ordered for 2025

2FM is actively electrifying the fleet, with 1,212 hybrid, 60 plug-in hybrid, and 236 electric vehicles. Hybrid vehicles have increased CPD's fuel efficiency by more than 50%, saving the City just over \$1 million in fuel costs in 2024.

2FM remains committed to operational efficiency and has implemented several initiatives over the past year:

- Asset Management: Optimizing space and lease costs and reviewing ROE fees
- EHS: Streamlining environmental clearance processes via Cut the Tape initiative
- Facility Ops: Resuming in-house management at 740 N Sedgwick to save \$600,000
- Energy Efficiency: Achieving \$141,000 in annual utility savings with the Library Solar projects

2FM will continue to prioritize cost-effectiveness while delivering essential services. I want to thank our 880 dedicated employees and look forward to collaborating with you to build a better Chicago.

Thank you, Chair. We're ready to answer any questions you may have.