

Sender: Rahm Emanuel <mayor_re@rahmemail.com>
Sent: Saturday, October 17, 2015 7:53:51 PM
Recipient: Henry J. Feinberg <[REDACTED]>
Subject: Re: The Shock and Awe Budget Address Rahm Should Have Given
Attachments: image001.gif

Never which is why I eliminated retiree health care. Only elected official to eliminate not cut or reform a benefit. Thank you very much. A 175 million saving!

Sent from my iPhone

On Oct 17, 2015, at 2:52 PM, Henry J. Feinberg <[REDACTED]> wrote:

Since when did Rahm Emanuel let a judicial ruling get in his way and not find a creative work around solution

Henry J. Feinberg
[REDACTED]

Chicago, IL 60614

773-525-8937 (office)

[REDACTED] **(mobile)**

773-525-8938 (fax)
[REDACTED]

From: Rahm Emanuel [REDACTED]
Sent: Saturday, October 17, 2015 2:46 PM
To: Henry J. Feinberg
Subject: Re: The Shock and Awe Budget Address Rahm Should Have Given

You obviously have not read the Supreme Court decision on the state of Illinois constitution. Their view is pretty clear. No reform allowed.

Sent from my iPhone

On Oct 17, 2015, at 2:41 PM, Henry J. Feinberg [REDACTED] > wrote:

No one doubts your heartfelt commitment and passion.

If you remember when we first met with Tim Mullen for lunch at Coco Pazzo, I shared with you my conviction that Pensions were the

1000 lb gorilla in the room. There were many other priorities however Pensions were the mission critical objective that

could/would sink Chicago even if you made progress across many other fronts (which to your credit, you have!).

So we may need to agree, to disagree. Massive tax hikes without Pension reform is fiscally insane.

Bruce gets it and is sticking to his guns. Tim voted with his feet and is soaking up the sun in Palm Beach. Many have proceeded him and many will follow.

Surely you have noticed the self fulfilling prophecy of long term irresponsible fiscal policies (starting pre-Rahm), emigration of the best and brightest

that then puts the larger burden on the fewer and fewer.

However, I'm still here and have repeatedly offered to help. You have never taken me up on that offer. I guess that's your prerogative.

Btw my participation on the Board and Committees and investment in Cleversafe reaped a wonderful outcome.

Always happy to discuss anytime and be helpful in any way I can.

Kind Regards Henry

Henry J. Feinberg

████████████████████
Chicago, IL 60614

773-525-8937 (office)

████████████████████ **(mobile)**

773-525-8938 (fax)
████████████████████

From: Rahm Emanuel [mailto:mayor_re@rahmemail.com]

Sent: Saturday, October 17, 2015 1:59 PM

To: Henry J. Feinberg

Subject: Re: The Shock and Awe Budget Address Rahm Should Have Given

Usually I read your material I am very proud civic federation endorsed my budget as has Crains and sun times. Major restructuring of our finances. You may want to look up

Sent from my iPhone

On Oct 17, 2015, at 8:07 AM, Henry J. Feinberg <████████████████████> wrote:

Massive tax hikes without reform is the problem that got us here!

The Shock and Awe Budget Address Rahm Should Have Given

Posted October 16, 2015 10:43 pm by [WirePoints](#)

<image001.gif>

By: Mark Glennon*

If Mayor Emanuel were intent on halting Chicago's downward spiral

and if we had a General Assembly in Springfield willing to authorize him to do it, Rahm's budget address would have included things like this:

Upon completion of this speech I am ordering implementation, as rapidly as law allows, of the emergency financial measures I will describe.

Each of these measures can and will be accomplished either through voluntary agreement, legislation or bankruptcy. It is important to understand the role of bankruptcy as an option. We have prepared a full reorganization plan that incorporates these measures, all of which are needed to end our crisis and all of which are achievable in bankruptcy. All city employees, creditors and other stakeholders will be asked to agree voluntarily to them but if they refuse we will get them through bankruptcy.

We have directed our Congressional delegation to seek amendments to a Chapter 13 of the Federal Bankruptcy Code, which are already drafted. Those amendments will make bankruptcy, if it becomes necessary for a city our size, a much faster, firmer and more predictable route to robust recovery. Recognizing the severity of our crisis, we are confident Congress will act quickly on those amendments. Stakeholders who balk at voluntary agreement to the concessions we need will regret waiting until those amendments become law. Regardless of the outcome of those amendments, we are confident all the measures I propose below and our full reorganization plan would be confirmed in bankruptcy:

- All existing collective bargaining agreements will be terminated.
- Layoffs and pay cuts will be broad and deep.
- Massive operational changes mostly designed to reduce excessive labor use will be aggressively enforced.
- Overtime will be eliminated to the the full extent allowable under Federal law.
- Underperforming workers will be fired summarily.

– The Chicago Public School System will be reconstituted. An entirely new one will be created that will acquire needed assets from the old entity and all funding for education will go to the new entity. The new system will include elements of privatization and choice. Liabilities of the old system will be left unpaid except insofar as they must be assumed by the new system to acquire needed assets. Good employees of the old system will be rehired.

– No further contributions will be made to Chicago's four pensions or the Chicago teachers' pension. Instead, a new, affordable plan will be funded to cover new employees and certain participants in the old pensions who are particularly hurt by terminating the old plans. We are confident in our position that the city is not liable on obligations to pensioners in the old plans, so they can be allowed to run dry. We have already asserted that in court and our position awaits a final ruling on appeal. Failing that, a constitutional amendment deleting the pension protection clause will be passed by the General Assembly and put to referendum. If those efforts fail, bankruptcy again provides a decisive, last resort to deal with unfunded liabilities of the old pensions.

-Taxes will be raised, but not until our entire list of reforms is fully implemented. I pledge that no further tax revenue will be squandered in vain.

Those financial measures will fail in the long term unless matched by a cultural revolution in Chicago area government. From this day forward nothing will be the same about the 'Chicago Way.' Nothing:

– We will adopt a radical, new ethical ordinance that includes, for example, a ban on lawmakers working on property tax assessments and appeals. That ordinance will be enforced by inspectors general with broad powers and full budgets. The leaches and mopes among you left over from the Daley years would be wise to retire now.

– As for rank and file workers who have been part of the problem, you have disgraced the many who work with commitment. The joke about public employees here has long been about one guy working and two guys watching. No more. To the contrary, the layoffs coming mean remaining employees will shoulder more work than should normally be expected. I recognize the unfairness for you

who already work hard, but I ask you to stick it out and help see us through this.

– To the private sector, I ask for your generosity. We've failed to provide many public services that should be expected from a city with our resources, and I beg you to fill in where you can until we get this fixed.

Chicago, you have been misled, and I have been horribly wrong. The crisis we face is more severe than commonly known and much worse than I ever understood. To date, I've made some tough decision but mostly denied and delayed.

That's over. The remedy must fit the malady or we are doomed.

Henry J. Feinberg

Chicago, IL 60614

773-525-8937 (office)

[REDACTED] (mobile)

773-525-8938 (fax)