

CITY OF CHICAGO

2020
BUDGET
FORECAST



MAYOR LORI E. LIGHTFOOT



2020 BUDGET FORECAST
LETTER FROM THE MAYOR



My Fellow Chicagoans,

I am pleased to present the City of Chicago's 2020 Budget Forecast. This document includes a historical picture of our City's finances, current costs and obligations, as well as future financial projections that will enable us to budget more efficiently, promote our shared values more effectively, and expand opportunity and investment across Chicago's neighborhoods and communities.

It's time to shine a light on the budget-making process. That is why this year's Budget Forecast was designed to be even more accessible and user-friendly, providing numerous data visualizations and a clearer analysis of the City's long-term financial situation. We hope that you find this document both insightful and empowering.

As we move forward towards announcing our budget this October, it is critical that we maintain an open dialogue between our residents, City departments, public officials and other stakeholders, so that, together, we can develop sustainable solutions that place our city on firm fiscal footing and a clear path to lasting financial strength.

Throughout this process, I am committed to being as open, transparent, and inclusive as possible, and I look forward to working together to create the needed reforms that will strengthen our City's fiscal health and lay the foundation to building a Chicago that is stronger, more fair, and more prosperous for every resident for generations to come.

Sincerely,

A handwritten signature in blue ink that reads "Lori E. Lightfoot".

Mayor Lori E. Lightfoot





CONTENTS

Disclaimer and Advice to Readers..... 7

Executive Summary 9

Financial Forecast 13

 Introduction..... 13

 Methodology 13

 General Economic Considerations 13

 General Expense Conditions..... 14

 2019 Corporate Fund Year-End Estimates..... 15

 2019 Year-End Revenues 15

 2019 Year-End Expenditures 15

 2020 Corporate Fund Projections..... 16

 2020 Projected Corporate Fund Revenues..... 17

 2020 Projected Corporate Fund Expenditures..... 18

 2021-2022 Corporate Fund Outlook 19

 Outlook for Special Revenue Funds..... 21

 Outlook for Enterprise Funds..... 22

 Pension..... 23

 Debt..... 24

Appendices 29

 Historic Revenue and Expense Review 29

 Corporate Fund 29

 Special Revenue Funds 38

 Enterprise Funds 41

 Debt Detail 44

 Asset Lease and Concession Reserves 45

 Capital Investments 46

 Tax Increment Financing 47

 Property Tax..... 48

 Glossary 50



2020 BUDGET FORECAST
DISCLAIMER AND ADVICE TO READERS

The City of Chicago (“City”) is pleased to present this Budget Forecast. The purpose of this document is to provide general information about the history and future of major components of the City’s overall finances and City budget. Information presented is as of the date of publication or, if such information is dated, as of its date.

Throughout this document, specific items of revenue and/or expenditure are grouped together with other items of revenue and/or expenditure for purposes of presentation. The manner in which such items are grouped and labeled is consistent with the groups and labels in the City’s appropriation ordinance and not in the City’s Comprehensive Annual Financial Report (“CAFR”). Therefore, the manner of grouping and labeling herein may not match the manner in which such revenues and/or expenditures are grouped and labeled in the CAFR.

This discussion includes forward-looking statements based on current beliefs and expectations about future events. Those events are uncertain; their outcome may differ from current expectations which may in turn significantly affect expected results.

Where information is presented that has come from sources other than the City, the City presents that information only for convenience. Specifically, the projections set forth in the pension section rely on information produced by the Retirement Funds’ independent actuaries (unless specifically noted) and were not prepared with a view toward complying with the guidelines established by the American Institute of Certified Public Accountants with respect to prospective financial information. The City does not verify any of that information.

Where the tables present aggregate information, such combined information results solely from the application of arithmetic to the data presented from the source information and may not conform to the requirements for the presentation of such information by the Governmental Accounting Standards Board (“GASB”).

Readers are cautioned not to place undue reliance on the prospective financial information. Neither the City, the City’s independent auditors, nor any other independent accountants have compiled, examined, or performed any procedures with respect to the prospective financial information contained herein, nor have they expressed any opinion or any other form of assurance on such information or its achievability, and assume no responsibility for, and disclaim any association with, the prospective financial information.

The discussion of City revenues and debt does not include conduit debt (debt issued by the City to finance privately-owned projects and repayable solely from loan repayments from the project owners) or revenues received from such project owners and used to repay the conduit debt.

The Budget Forecast has not been prepared to give information for making decisions on buying or selling securities and should not be relied upon by investors in making investment decisions. With respect to any bonds, notes, or other debt obligations of the City, please refer to information in the City’s ordinances and notifications of sale and the related disclosure documents, if any, or continuing disclosure filings, if any, for such bonds, notes, or other debt obligations.

The information is provided “as is” without warranty of any kind. Neither the City nor any of its agencies nor any of its officers or employees shall be held liable for any use of the information described and/or contained in this document.



2020 BUDGET FORECAST EXECUTIVE SUMMARY

The Budget Forecast is required by Executive Order 2019-3 to provide the City of Chicago's residents with an analysis that identifies the opportunities and challenges of the coming budget year. This is achieved by providing a data-driven review of the current and future financial health of the City's revenues and expenditures to provide the framework for the development of the City's Annual Budget. The Budget Forecast utilizes a variety of data visualizations to provide a more transparent analysis of the current state of the City's finances.

The 2020 Budget Forecast discusses the City's 2019 year-end estimates, 2020 preliminary revenue and expense projections, and three revenue and expense scenarios for 2021 and 2022 – with a base outlook, a negative outlook, and a positive outlook. These projections are based on historical revenue and expenditure data, current economic and expense trends and conditions, and other known factors that are anticipated to have an impact on the City's finances.

The preliminary revenue and expense projections for 2020 reflect the City's structural budget deficit, commonly referred to as the "gap", which is any budget imbalance between existing revenues and anticipated expenses for that budget year.

Prior to 2019, the structural budget deficit did not define long-term liabilities for future years as structural budget imbalances. Beginning with the 2020 structural budget deficit presented here, the methodology for projecting the structural budget deficit includes known long-term liabilities such as pensions and debt service. This projection does not reflect new revenue sources, new investments to be added in the upcoming budget, or unanticipated long-term liabilities for future years as these are not current structural budget imbalances. The City's annual budget is presented each October with revenues and expenditures balanced.

Based on current revenue and expenditure projections of existing operations, the City estimates a 2020 Corporate Fund gap of \$838.2 million. This increase is driven by several factors, including personnel, pension and debt obligations. The 2020 projection for these expenses assumes salary and wages will grow based on required contractual wage and prevailing rate increases for current collective bargaining agreements ("CBAs") as well as certain estimated salary and wage growth for CBAs under negotiation. Personnel expenditures are expected to grow by more than \$296.3 million in 2020, totaling \$2,779.6 million.

Over the past several years, the City has been increasingly budgeting on the Corporate Fund for expenses incurred in connection with settlements and judgments against the City. This projection continues that trend, which is expected to increase the budget for Claims, Refunds, Judgments, and Legal Fees by \$89.7 million over the 2019 budget.

In 2020, the Police and Fire Pensions will be funded on an actuarially-calculated statutorily required contribution for the first time. Additionally, 2020 represents the third year of statutory contribution increases in the Municipal and Laborers Pension Funds. These contribution increases will result in a \$277.4 million increase to the Corporate fund, totaling \$414.1 million. Reimbursements and Financial Expenses are also expected to increase by \$98 million in 2020. This is driven by a \$114 million increase in debt service, offset by short-term borrowing savings. The increase in debt service is primarily due to lower savings realized from the Sales Tax Securitization Corporation in 2020 when compared to 2019.

The City's Budget Forecast is completed based on the critical understanding that in order to protect the health and safety of all Chicagoans, strengthen neighborhoods, maintain infrastructure and public spaces, and to foster a vibrant local economy, the City must be in strong financial health. In order to secure and maintain its fiscal health, the City must plan for the future with a clear view of the present.

FINANCIAL FORECAST



2020 BUDGET FORECAST FINANCIAL FORECAST

INTRODUCTION

This section discusses the City’s 2019 year-end estimates, 2020 preliminary revenue and expense projections, and three revenue and expense scenarios for the years 2021 and 2022 – with a base outlook, a negative outlook, and a positive outlook. These projections are based on historical revenue and expenditure data, current economic and expense trends and conditions, and other known factors that are anticipated to have an impact on the City’s finances. The purpose of this analysis is to ensure that the 2020 budget is formulated within the context of the City’s current financial state, and with an informed view of future conditions and the long-term fiscal consequences of today’s decisions.

The forecast focuses primarily on the Corporate Fund, which not only accounts for many basic services provided by the City, but also has historically experienced the largest disparity between revenues and expenditures. Projections for the City’s major Special Revenue and Enterprise Funds are included at the end of this section.

METHODOLOGY

The preliminary revenue and expense projections for 2020 reflect the City’s structural budget deficit, which is any budget imbalance between existing revenues and anticipated expenses for that budget year. This projection does not reflect new revenue sources, investments to be added in the upcoming budget, or unanticipated long-term liabilities for future years as these are not current structural budget imbalances.

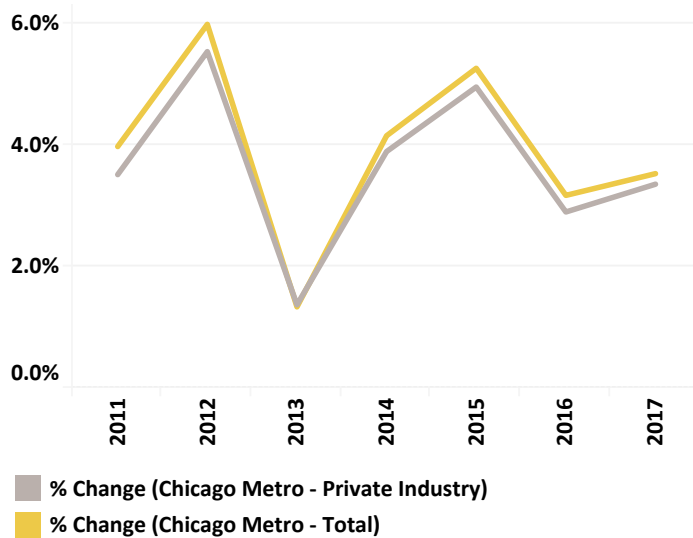
Prior to 2019, the structural budget deficit methodology did not define long-term liabilities for future years as structural budget imbalances. Beginning with the 2020 structural budget deficit presented here, the methodology for projecting the budget deficit includes known long-term liabilities, such as pensions and debt service. The new Budget Forecast also utilizes data visualizations to provide a more transparent analysis on the current state of the City’s finances. The City’s annual budget is presented each October with revenues and expenditures balanced.

Future years’ structural budget deficits included in this document are projections for the City’s Corporate Fund based on positive, negative, or base economic scenarios founded on existing revenues and anticipated expenditures. These figures assume that no substantive changes are made to City operations, revenue or the cost of City services as part of the 2020 budget and beyond.

GENERAL ECONOMIC CONSIDERATIONS

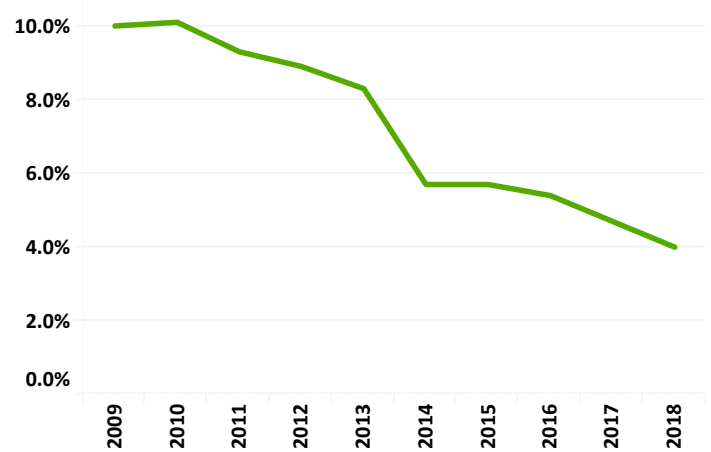
Chicago has one of the world’s most robust and diverse economies with no single industry employing more than 12 percent of Chicago’s workforce. This diversity provides financial stability from mature industries such as financial services, manufacturing, education, healthcare, and transportation and warehousing, which enables the City to support growing and emerging businesses in sectors like technology, tourism, biotech, and life sciences.

CHICAGO GROSS DOMESTIC PRODUCT



Source: Bureau of Economic Analysis, GDP for Chicago Metro Area

UNEMPLOYMENT RATE



Source: Bureau of Labor Statistics 2018. Unemployment Rate for Chicago - Naperville - Illinois Metropolitan Area

2020 BUDGET FORECAST FINANCIAL FORECAST

Business

Business growth has continued to increase at a steady pace over the past ten years. Current businesses have renewed licenses at a consistent rate of approximately 60 percent over the past few years, including in 2018. Similarly, new business license applications were consistent with prior years with just under 8,000 new applications in 2018. The first half of 2019 saw slight growth in total applications, indicative of a stable business environment.

Economy

Continued low inflation, as measured by the Consumer Price Index (“CPI”), combined with low borrowing rates, have contributed to strong economic growth in the Chicago region. In 2017, the most recent year for which data is available, the Chicago metro gross domestic product grew by 3.36 percent. Additionally, the City’s total sales tax collections continue to increase, reflecting improved State application and collection of sales tax rates applied to goods purchased online, as well as sales growth occurring in retail establishments located in the City.

Labor Force

In July 2019, the Federal Bureau of Labor Statistics released quarterly employment data showing the Chicago metropolitan area gaining more jobs in the first six months of 2019 than any other metro area in the country except New York City. The City’s unemployment rate declined

to 4.1 percent in the first quarter of 2019, nearing the national rate of 3.8 percent. The City’s total labor force has remained consistent at 1.3 million.

Tourism

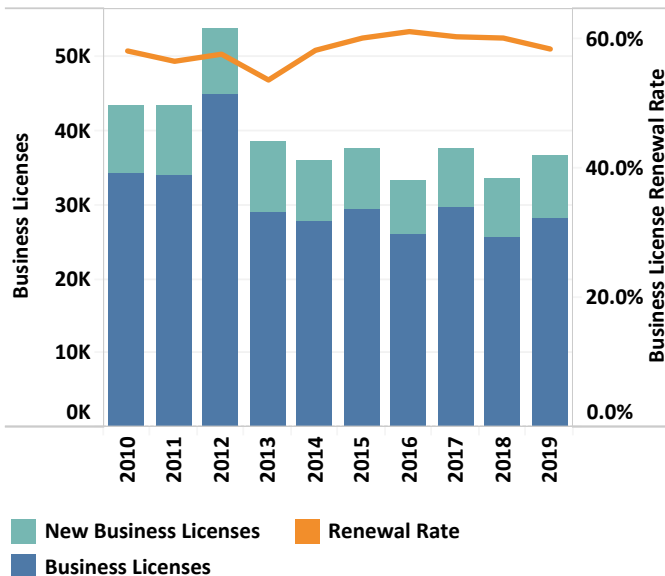
According to Choose Chicago, tourism grew by 4.3 percent in 2018, with an estimated 57.7 million visitors. This continues a decade-long trend of increasing tourism in Chicago. While hotel occupancy decreased slightly in 2019, the number of available rooms in the City have increased due to new hotels entering the market in response to an increasing demand, indicating Chicago’s tourism sector remains strong.

GENERAL EXPENSE CONDITIONS

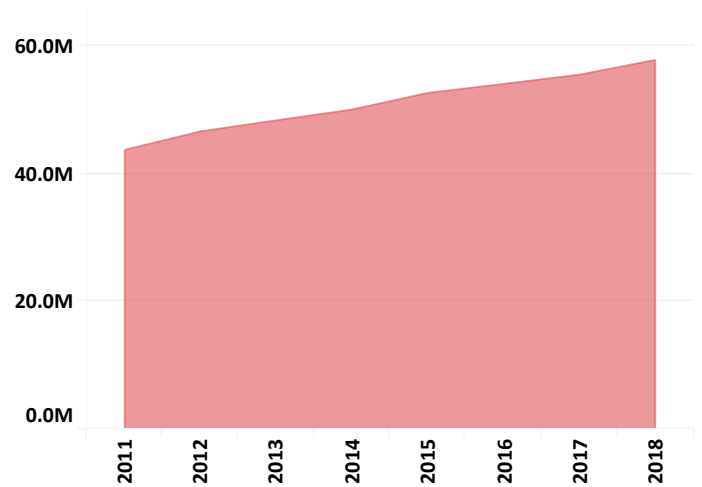
Personnel-related expenditures, including salaries and wages, pensions, healthcare, overtime pay, workers’ compensation, and unemployment compensation account for roughly 80 percent of total Corporate Fund expenditures in recent years and is one of the largest drivers of expense growth.

Over the past ten years, the City’s workforce has decreased from 40,108 budgeted Full Time Equivalents (“FTEs”) in 2008 to 36,596 budgeted FTEs in 2019. While the number of FTEs has decreased, the City’s overall personnel-related costs are significantly higher than they were ten years ago due to contractual and prevailing wage increases and growing pension contributions.

BUSINESS LICENSES AND RENEWALS



CHICAGO TOURISM - NUMBER OF ANNUAL VISITORS



Source: Choose Chicago (www.choosechicago.com)

**2020 BUDGET FORECAST
FINANCIAL FORECAST**

The increase in personnel expenses is primarily due to salary increases resulting from contractual obligations under collective bargaining agreements (“CBA”). Approximately 90 percent of total City employees are covered by a CBA. As the overall number of City positions has decreased over the last ten years, the relative proportion of union positions has increased. The City has CBAs with more than 40 different unions. The CBAs with each of these unions include cost of living increases, resulting in higher personnel costs year-over-year.

While personnel related expenses are anticipated to have the largest impact on future expenditures within the City’s budget, non-personnel related expenses, such as fuel, energy purchases and other commodities, may be impacted by the global economy and tariffs. As it relates to energy procurement, the City utilizes price hedging to take advantage of favorable market pricing without sacrificing budget certainty.

These broader expenditure factors are accounted for in the following projections. The 2019 projections and the base outlook for 2020-2022 present what is currently viewed as the most likely scenario. The positive and negative outlooks for 2021 and 2022 provide insight into how changes in employment, salary and wages, benefits and other related factors could affect the City’s finances over the next several years.

2019 CORPORATE FUND YEAR-END ESTIMATES

| 2019 YEAR-END ESTIMATES | |
|--------------------------------|-------------------|
| Revenues | \$3,841.7M |
| Expenditures | \$3,815.2M |
| Surplus / (Deficit) | \$26.5M |

The City currently projects the Corporate Fund to end 2019 with a \$26.5 million surplus due to strong performance in certain revenue areas and the timing of expenses on some contracts occurring later than anticipated.

2019 YEAR-END REVENUES

Total Corporate Fund revenues are projected to end 2019 approximately \$26.0 million above budgeted levels, at \$3,841.7 million.

Transaction taxes are expected to exceed 2019 budgeted amounts by \$19.4 million. This increase is driven primarily by Lease of Personal Property Tax, which is expected to end the year \$26.1 million over budget at \$300.3 million.

Ground Transportation Tax and the Amusement Tax are

expected to end 2019 approximately at budget estimates of \$146.4 million and \$190.5 million respectively. Beginning January 1, 2019, the Ground Transportation Tax applied to rides provided through transportation network providers increased to \$0.60 per trip from \$0.55. As part of the 2018 budget, the Amusement Tax was amended to close an existing loophole and better align the tax structure with the City’s cultural, theatrical, and musical performance goals. The City eliminated the 5.0 percent tax on live-cultural performances in venues of 1,500 or less and applied the existing 9.0 percent tax (previously only paid by movie theaters, sporting events and other non-live cultural events) to all events, including live cultural events in venues with a capacity of more than 1,500 people.

Personal Property Replacement Tax (“PPRT”) is anticipated to end 2019 over budget estimates by \$26.6 million, totaling \$158.6 million. This is due in part to increased corporate profits resulting from 2017 federal tax reform.

Local non-tax revenue is anticipated to end 2019 under budget by 3.1 percent. This is driven by an anticipated decrease in Fines, Forfeitures and Penalties, in part due to policy changes implemented in mid-2019.

2019 YEAR-END EXPENDITURES

The 2019 Corporate Fund expenditures are currently projected to end the year approximately on budget at \$3,815.2 million. These estimates are based on year-to-date spending, incorporating payroll trends, market pricing for commodities, and known changes or events that have or are anticipated to occur during the remainder of 2019.

The 2019 year-end projections reflect higher than expected expenses in certain personnel-related categories. Personnel services is expected to end 2019 over budget by \$13.8 million, driven primarily by overtime spending. Additionally, benefits expenditures are anticipated to end 2019 over budget by \$8.4 million, of which \$7.5 million is due to higher than anticipated costs related to medical claims for employees. This is offset by \$20.6 million of anticipated savings in contractual services due to the timing of contract expenditures.

While Corporate Fund revenues and expenses are anticipated to end 2019 with a slight surplus, numerous factors can impact the City’s revenues and expenditures, and these estimates may change as the year progresses. Decisions are made throughout the course of the year in response to new or changing needs and citywide priorities. The City closely monitors its revenues and expenses.

2020 BUDGET FORECAST
FINANCIAL FORECAST

2020 CORPORATE FUND PROJECTIONS

| | 2020 Projected |
|----------------------------|-------------------|
| Revenues | \$3,831.0M |
| Expenditures | \$4,669.2M |
| Surplus / (Deficit) | (\$838.2M) |

The following is an outline of the City’s operating revenue and expenditure projections for 2020. These expenditure and revenue projections assume no substantive changes to City operations in 2020. Cost saving initiatives are not incorporated into these estimates as the 2020 projections reflect the structural gap in the City’s operating budget related to existing expenses and revenues. As in all previous years, revenue and expense initiatives are developed by the City and will be included in the 2020 budget recommendation submitted to the City Council in October.

The difference between revenues and expenditures anticipated by the City in the preliminary Corporate Fund budget estimate is the structural budget deficit, commonly referred to as the “gap.” Based on current revenue and expenditure projections of existing operations, the City estimates a 2020 Corporate Fund gap of \$838.2 million.

INCOME STATEMENT - CORPORATE FUND

| | 2019 BUDGET | 2019 YEAR-END ESTIMATES | 2020 PROJECTED | 2021 PROJECTED | 2022 PROJECTED |
|--|-------------------|-------------------------------|-------------------|---------------------|---------------------|
| Revenues | | | | | |
| Local Tax Revenue | \$1,662.7M | \$1,674.7M | \$1,710.2M | \$1,731.9M | \$1,755.1M |
| Proceeds and Transfers In | \$604.6M | \$605.6M | \$645.7M | \$621.2M | \$635.9M |
| Intergovernmental Revenue | \$398.2M | \$444.3M | \$433.2M | \$439.1M | \$444.9M |
| Local Non-Tax Revenue | \$1,074.3M | \$1,041.1M | \$1,003.9M | \$988.7M | \$986.6M |
| Prior Year Assigned and Unassigned Available Resources | \$76.0M | \$76.0M | \$38.0M | \$38.0M | \$38.0M |
| Total Revenue | \$3,815.7M | \$3,841.7M | \$3,831.0M | \$3,818.8M | \$3,860.5M |
| Expenditures | | | | | |
| Personnel Services | \$2,483.3M | \$2,497.1M | \$2,779.6M | \$3,050.9M | \$2,783.6M |
| Benefits | \$453.0M | \$461.4M | \$469.0M | \$497.2M | \$527.0M |
| Contractual Services | \$392.8M | \$372.2M | \$400.7M | \$408.7M | \$416.9M |
| Commodities and Equipment | \$82.3M | \$81.5M | \$83.9M | \$85.6M | \$87.3M |
| Claims, Refunds, Judgments and Legal Fees | \$63.2M | \$63.0M | \$152.9M | \$152.9M | \$152.9M |
| Delegate Agencies and Other Program Costs | \$138.2M | \$137.0M | \$141.0M | \$141.0M | \$141.0M |
| Reimbursements and Financial Expenses | \$29.2M | \$29.2M | \$127.2M | \$127.2M | \$119.2M |
| Miscellaneous | \$6.4M | \$6.6M | \$6.4M | \$6.4M | \$6.4M |
| Transfers Out | \$30.5M | \$30.5M | \$94.3M | \$82.3M | \$82.3M |
| Pension | \$136.8M | \$136.8M | \$414.2M | \$454.5M | \$700.8M |
| Total Expenses | \$3,815.7M | \$3,815.2M | \$4,669.2M | \$5,006.7M | \$5,017.3M |
| GAP (REVENUES LESS EXPENDITURES) | \$0.0M | \$26.5M | (\$838.2M) | (\$1,187.8M) | (\$1,156.8M) |

(Table may not sum due to rounding)

2020 BUDGET FORECAST FINANCIAL FORECAST

2020 PROJECTED CORPORATE FUND REVENUES

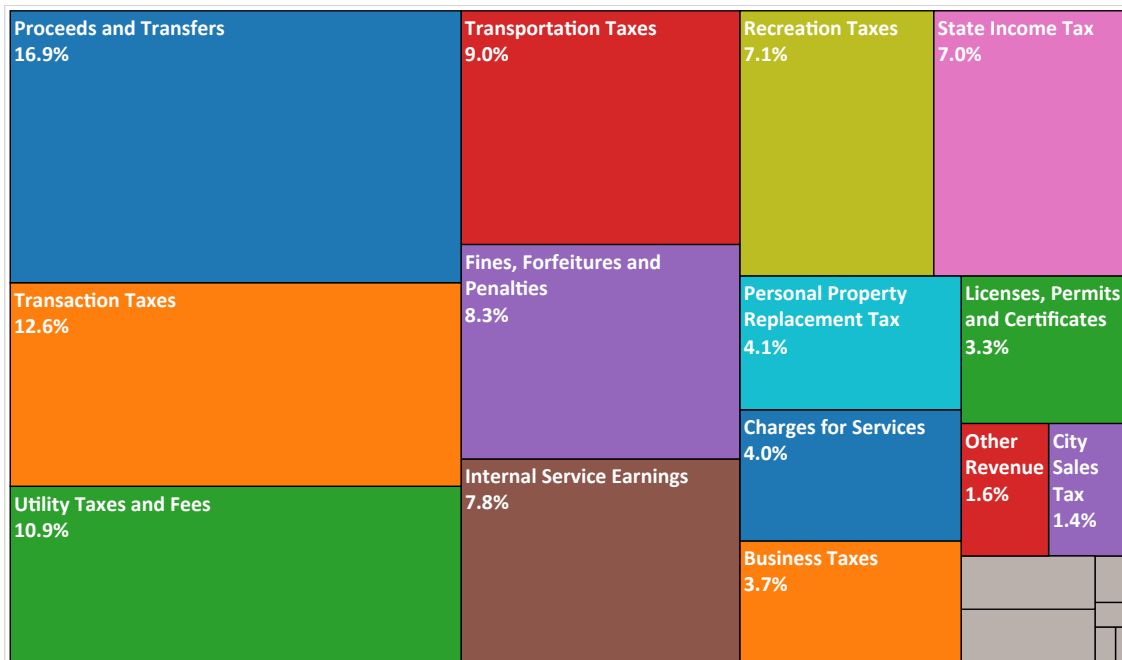
Corporate Fund revenues in 2020 are projected to increase slightly from 2019 budgeted amounts by 0.4 percent, or \$15.3 million, to \$3,831.0 million. Local tax revenue is projected to increase by 2.9 percent or \$47.5 million over the 2019 budget; however, this increase is offset by decreased non-tax revenues and one-time revenues, such as sweeping aging revenue accounts, used as part of the 2019 budget.

The increase in local tax revenue is driven primarily by a projected increase in Lease of Personal Property Taxes which are expected to grow to \$325.7 million, an increase of \$51.5 million from the 2019 budget. Slight growth is also expected in both Amusement Tax and Ground Transportation Tax, increasing by 0.7 percent and 2.7 percent over 2019 budgeted totals respectively.

The projected increase in Proceeds and Transfers In is due to residual Sales Tax Securitization Corporation proceeds, which are expected to increase from 2019 budget by more than \$41.1 million in 2020, driven by State legislative changes to improve the application and collection of sales taxes applied to online sales.

Non-tax revenues are expected to decrease by \$70.4 million from the 2019 budget. This change is mostly due to an anticipated decrease in 2020 for Internal Service Earnings, Interest and Other Revenue by \$51.7 million to \$362.0 million driven by one-time sweeps of aging revenue accounts in 2019. Additionally, this category includes transfers to the Corporate Fund for services provided to other City agencies, such as police, fire and sanitation services. Other Revenue includes multiple different revenue sources such as reimbursements and Tax Increment Financing surplus.

2020 PROJECTED REVENUE - CORPORATE FUND: \$3,831.0M



Prior Year Assigned and Unassigned Available Resources = 1.0%; Leases, Rentals and Sales = 1.0%; Municipal Enterprises = 0.2%;
 Interest Income = 0.1%; Municipal Auto Rental Tax = 0.1%; Reimbursements for City Services = 0.1%
 (Chart may not sum due to rounding)

**2020 BUDGET FORECAST
FINANCIAL FORECAST**

2020 PROJECTED CORPORATE FUND EXPENDITURES

The 2020 expenditures are forecast to grow by approximately \$853.5 million over the 2019 budget levels to \$4,669.2 million. These projections are based on the 2019 budget and 2018 actuals, adjusted for anticipated growth trends and known changes to existing expenses such as normal increases in contractual services, commodities and materials costs, and salary increases resulting from contractual obligations under collective bargaining agreements (“CBAs”).

This increase is driven by several factors, including personnel, pension and debt obligations, as described in the sections below. Additionally, over the past several years, the City has been increasingly budgeting on the Corporate Fund for expenses incurred in connection with settlements and judgments against the City. This projection continues that trend, which is expected to increase the budget for Claims, Refunds, Judgments, and Legal Fees by \$89.7 million over the 2019 budget.

Personnel

Much of the projected expense increases for 2020 are personnel costs, primarily wages and other related expenses. The 2020 projection for these expenses assumes salary and wages will grow based on required contractual

wage and prevailing rate increases for current collective bargaining agreements as well as certain estimated salary and wage growth for CBAs under negotiation. Personnel expenditures are expected to grow by more than \$296.3 million in 2020 from the 2019 budget, totaling \$2,779.6 million.

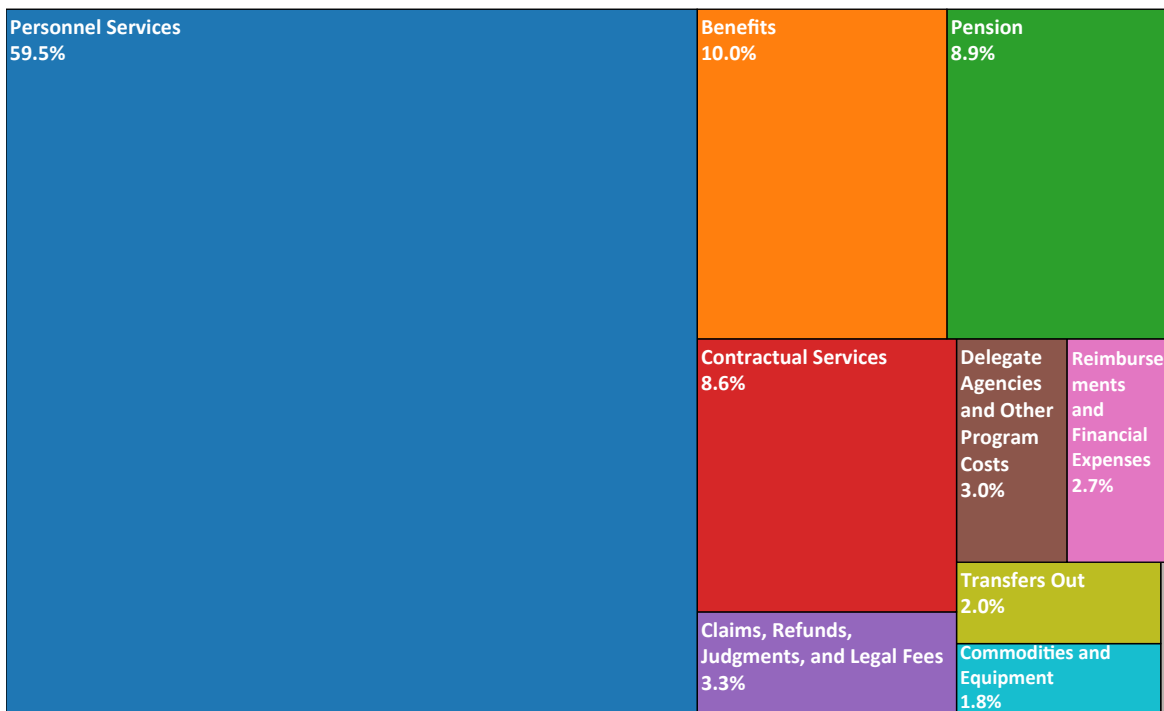
Pension

As is discussed further in the Pension section, in 2020, the Police and Fire Pensions will be funded on an actuarially-calculated statutorily required contribution for the first time. Additionally, 2020 will be the third year of statutory contribution increases in the Municipal and Laborers Pension Funds. These contribution increases will result in a \$277.4 million increase to the Corporate Fund, totaling \$414.1 million.

Reimbursements and Financial Expenses

Reimbursements and Financial Expenses are expected to increase by \$98 million in 2020. This is driven by a \$114 million increase in debt service, offset by short-term borrowing savings. The increase in debt service is primarily due to lower savings realized from the Sales Tax Securitization Corporation in 2020 when compared to 2019. Refer to the Debt section for more information.

2020 PROJECTED EXPENDITURES - CORPORATE FUND: \$4,669.2M



(Chart may not sum due to rounding)

2020 BUDGET FORECAST
FINANCIAL FORECAST

2021-2022 CORPORATE FUND OUTLOOK

The following three scenarios project budget gaps for the years 2021 and 2022 for the City's Corporate Fund based on different revenue and expenditure outlooks. While the City shows growth in the gap for 2021 and 2022, these numbers assume that no substantive changes are made to City operations, revenue or the cost of City services as part of the 2020 budget that would impact future budgets.

The majority of the projected expense increases in 2020 are personnel, pension and debt service. These costs are also the primary driver of growth in Corporate Fund expenses in 2021 and 2022 as shown in the gap projections for those years. The projected gap in each of the scenarios highlights expenditure growth relative to revenue growth.

Base Outlook

The base outlook projects overall Corporate Fund revenue growth to be relatively flat compared to the prior year in both 2021 and 2022, resulting in total Corporate Fund revenues of \$3,818.8 million and \$3,860.5 million, respectively. As in past years, the City takes a conservative approach to these projections under the assumption that the economy will continue to experience modest growth going forward.

Corporate Fund expenditures are projected to outpace Corporate Fund revenue growth during this period, due largely to growth in wages and other personnel-related costs, as well as increasing pension and debt obligations. In 2021 and 2022, expenditures are projected to increase by approximately 7.4 percent over 2020 costs. In 2021, the projected expenditures reach \$5,006.7 million, and in 2022, expenditures are projected to increase to \$5,017.3 million.

Under the base outlook, most non-personnel categories of expenditures, including motor fuel and other miscellaneous expenses are assumed to grow at historical average rates. Salary, wages and healthcare expenditures projections – the largest portion of the City's operating expenses – are based on the assumption that the number of full-time equivalent positions will remain stable and that the costs associated with these positions will experience growth in line with long-term, historical trends.

Negative Outlook

The negative outlook presents a picture of City finances under unfavorable economic conditions with low to negative growth in economically sensitive revenues, and expenditures growing at a significantly higher rate. Total Corporate Fund revenues in 2021 under this scenario are projected to be \$3,667.0 million and \$3,697.0 million in 2022.

Assuming a similarly negative outlook for expenditures, in which City spending increases more rapidly over the next three years, Corporate Fund operating expenditures are driving the large operating shortfall. Driven by personnel, costs in 2021 and 2022 would significantly outpace revenues, growing at an average annual rate of roughly 13.2 percent to \$5,288.0 million in 2021 and another 2.8 percent to \$5,438.2 million in 2022. Most categories of expenditures are assumed to grow at the rates seen during their fastest period of historical growth in the past decade. Under the negative outlook, the City's operating budget shortfall would grow to \$1,621.0 million in 2021 and \$1,741.3 million in 2022.

Positive Outlook

The positive outlook assumes that the economy will grow at a slightly faster rate over the next three years resulting in modest revenue growth in economically sensitive revenues and slower average annual growth rate in expenses. The positive outlook projects a smaller Corporate Fund revenue reduction in 2021 and stronger growth in 2022, resulting in total Corporate Fund revenues of \$3,916.5 million in 2021 and \$3,962.6 million in 2022.

Under this positive outlook, the City can limit its future average annual growth rate, keeping expenditures lower than the base outlook. Total Corporate Fund expenditures grow to \$4,817.5 million in 2021 and \$4,761.6 million in 2022. Under this scenario, wage and salary costs experience a lower rate of growth, and healthcare costs grow at a lower rate than in the base outlook. This scenario also assumes costs associated with settlements and judgments are mitigated through risk management efforts.

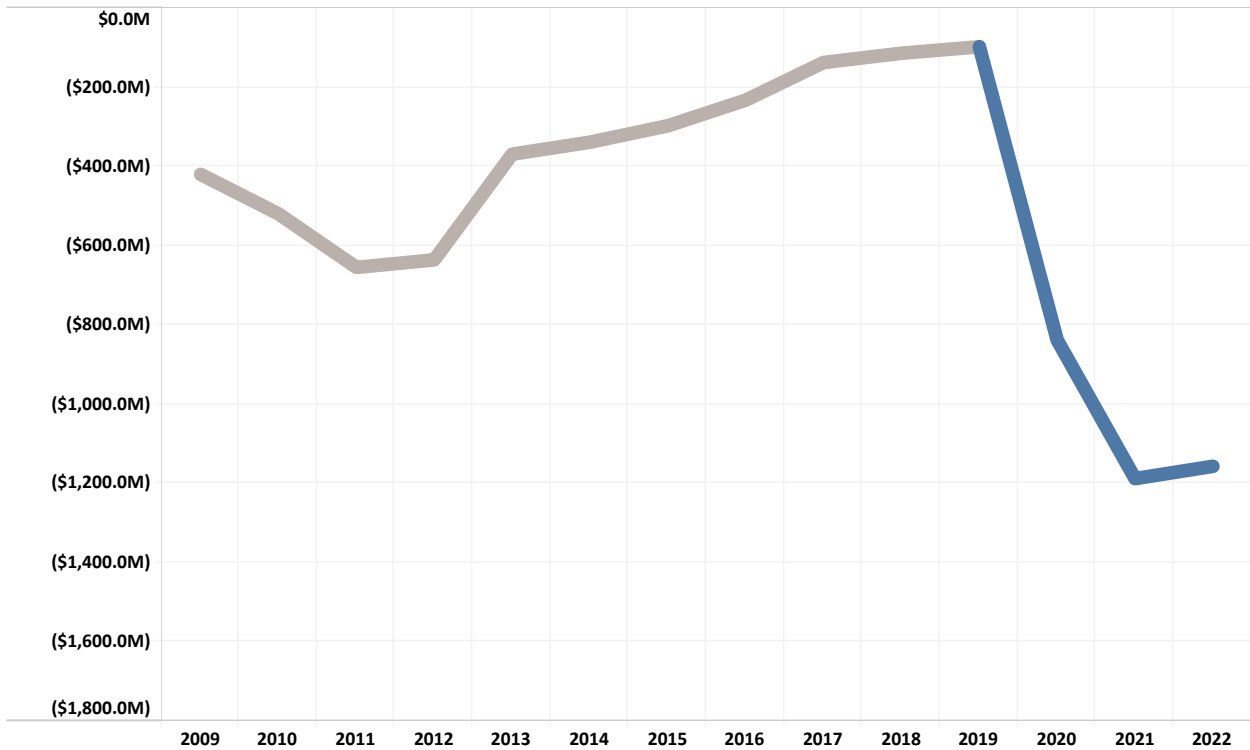
Under a positive outlook with the ability to control expenditures, coupled with moderate revenue growth, the budget deficit in 2021 is projected to be \$901.1 million and \$799.0 million in 2022.

2020 BUDGET FORECAST FINANCIAL FORECAST

OUTLOOK FOR CORPORATE FUND: 2019 - 2022



GAP HISTORY – CORPORATE FUND



Gap calculations as of 2020 reflect the new methodology as described in this document.

**2020 BUDGET FORECAST
FINANCIAL FORECAST**

OUTLOOK FOR SPECIAL REVENUE FUNDS

The City’s current 911 surcharge of \$5 per month for wireless and landline connections allows the City to fully fund the City’s 911 operations using surcharge funds as well as invest in a new 911 system. The 2019 year-end estimate for revenues from this surcharge is \$150.9 million, 2.6 percent above budgeted expectations. Revenues are expected to decrease slightly in 2020, with a significant decrease in 2021 and 2022 due to the sunset of the State authorization on the \$5 per month increase for the 911 surcharge.

Motor Fuel Tax Fund revenues are projected to end 2019 at \$93.4 million, approximately \$19.9 million above original budget estimates due to recent State changes to the Motor Fuel Tax that went into effect July 1, 2019. Revenue from Chicago Riverwalk concessions and tour boat operations as well as Motor Fuel Tax revenues have been pledged to pay debt service on both outstanding Motor Fuel Tax bonds and a loan issued by the U.S. Department of Transportation under the Transportation Infrastructure Finance Innovation Act (“TIFIA”). The City used proceeds from the TIFIA loan to fund expansion of the Chicago Riverwalk.

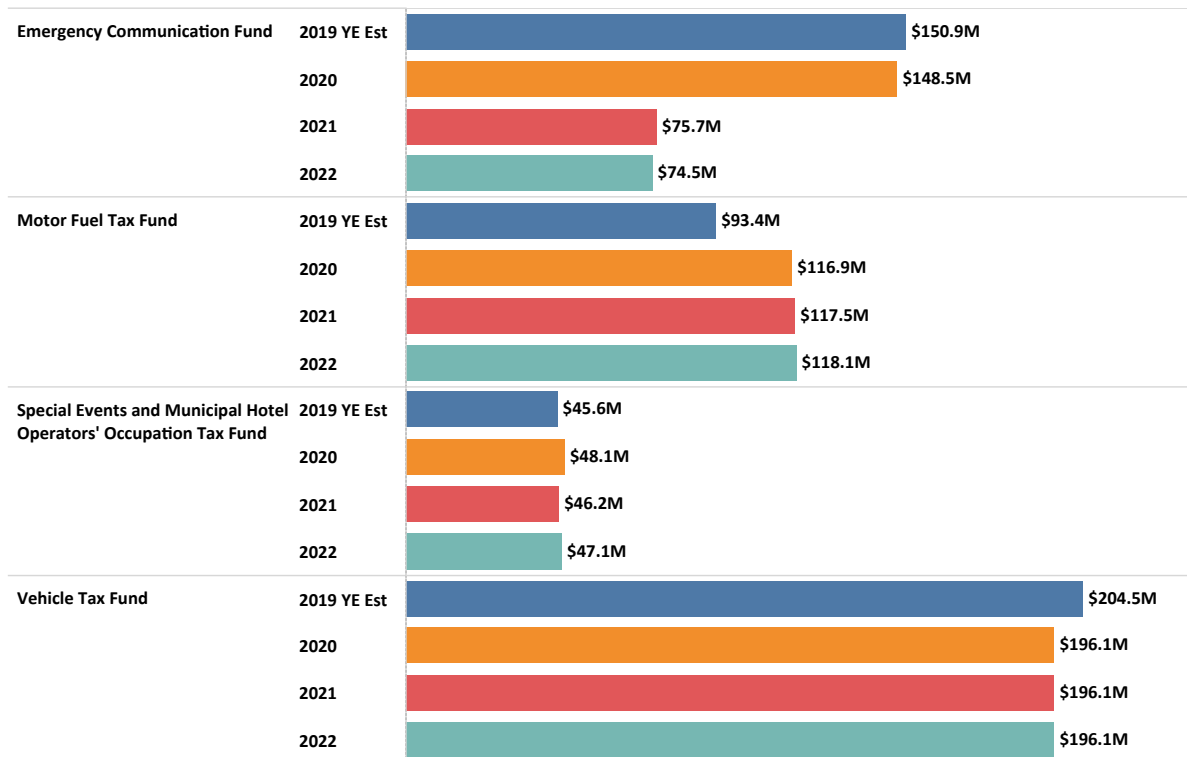
Further growth in business travel and tourism to Chicago will help Hotel Tax revenue and festival-related revenues grow modestly in 2019 and beyond, resulting in relatively stable Special Events and Municipal Hotel Operators’ Occupation Tax Fund revenues. The year-end estimate for

2019 for Hotel Tax revenue is \$25.9 million while the City’s special events and festivals are expected to generate \$19.7 million. The outlook for growth in tourism, convention, and business travel over the three-year forecast period remains positive when compared to 2019 year-end estimates. The City anticipates growth in both occupancy and room rates over the forecast period which should contribute to growth in Hotel Tax revenue in 2020, with a slight decrease from 2021 through 2022, though still experiencing growth from 2019 year-end estimates.

The City anticipates revenue from the sale of vehicle stickers and other revenues in the Vehicle Tax Fund will finish 2019 at \$204.5 million, or 1.9 percent below budgeted expectations. The year-end revenue estimate for vehicle stickers is \$129.0 million, which is flat to budgeted expectations.

Projected Vehicle Tax Fund revenue for 2021 through 2022 is expected to remain flat, after a four percent decrease in 2020. Beginning in 2016, mandated increases in vehicle sticker tax rates based on CPI changes went into effect. Rates increased 0.84 percent over prior rates in January 2016 and increased by another 1.3 percent effective January 1, 2018. The next CPI adjustment will be made in 2020. Despite the CPI adjustment, vehicle sticker revenue is estimated to remain flat overall as residents have become accustomed to the process of year-round sales as well as the option of a 24-month vehicle sticker.

OUTLOOK FOR SPECIAL REVENUE FUNDS: 2019 - 2022



2020 BUDGET FORECAST
FINANCIAL FORECAST

OUTLOOK FOR ENTERPRISE FUNDS

Water and Sewer Funds

Revenues to the Water and Sewer Funds are expected to slightly decrease over the next three years, primarily due to continued conservation efforts. These three-year projections account for collection loss and current trends in water usage.

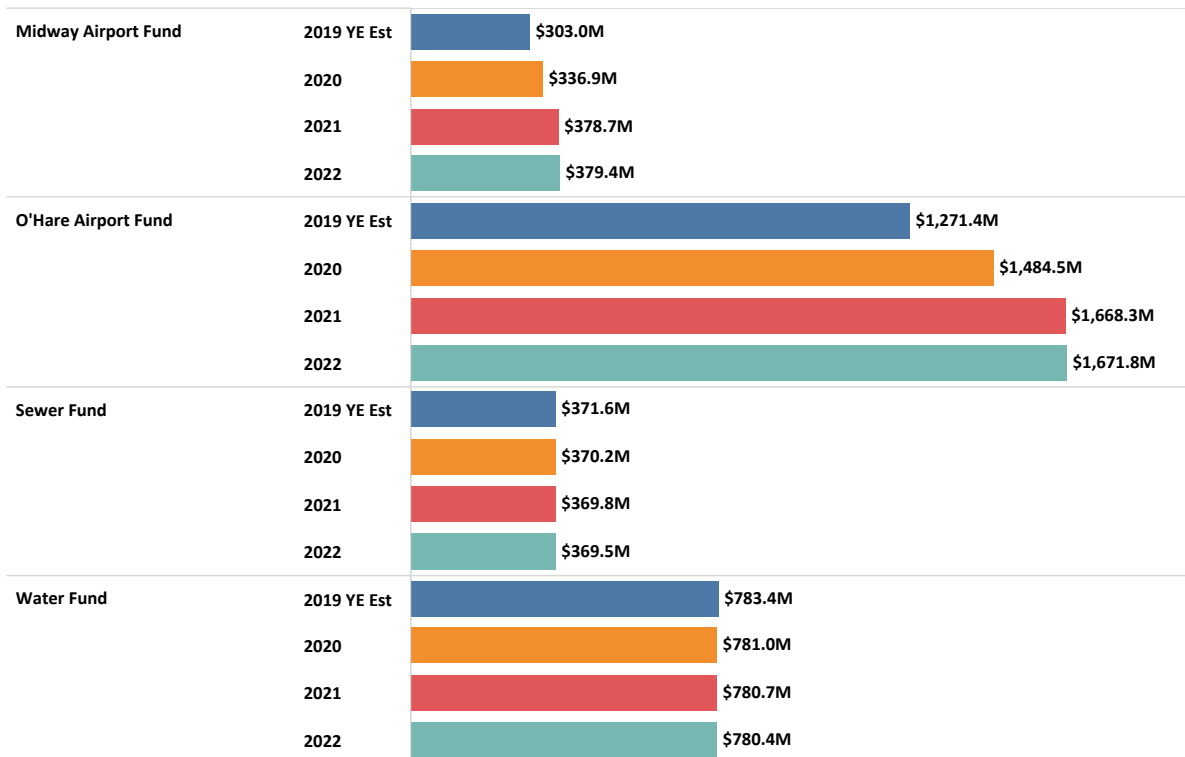
The year-end estimate for 2019 Water Fund revenue is \$783.4 million and \$371.6 million for Sewer Fund revenue. Over the next three years, the Water and Sewer Funds are estimated to decrease by less than 0.4 percent annually reflecting current trends in conservation efforts.

Aviation Funds

Estimates for the O’Hare and Midway International Airport Funds anticipate that revenue is set at a level necessary to pay debt service and support the operations of the airports. The year-end estimate for 2019 Midway Fund revenue is \$303.0 million and \$1,271.4 million for O’Hare Fund revenue.

In 2020, revenue will increase from 2019 budgeted levels by approximately 11.7 percent for O’Hare Airport and 5.8 percent for Midway Airport. The City projects continued growth in 2021 and 2022 as the airports move forward with large scale capital projects and other improvements necessary to accommodate increased tourism and business travel.

OUTLOOK FOR ENTERPRISE FUNDS: 2019 – 2022



2020 BUDGET FORECAST FINANCIAL FORECAST

PENSION

The City’s employees are covered under four defined benefit retirement plans established by State statute and administered by independent pension boards. These plans are the Municipal Employees’ Annuity and Benefit Fund (“MEABF”), the Laborers’ Annuity and Benefit Fund (“LABF”), the Policemen’s Annuity and Benefit Fund (“PABF”) and the Firemen’s Annuity and Benefit Fund (“FABF”).

State statute mandates the payments to the City’s four pension funds. Prior to pension reforms in 2015 and 2017, State law required the City to contribute a statutory multiple of the amount contributed to each pension fund by the employees who were members in that fund two years prior. This funding formula did not adjust for changes in benefits or changes in the funding level of each pension fund resulting in a City contribution that did not adequately support the pension funds. The City’s 2014 budget was the final year the City’s employer contribution for all four pension funds was based on this statutory multiplier calculation and totaled \$478.3 million to all four pension funds.

In 2015, the State passed a new funding formula for the City’s PABF and FABF, establishing five years of increasing fixed contributions set in statute between 2015 and 2019, after which the City’s annual payment will be based on an actuarially-calculated contribution designed to bring the two funds to a 90 percent funded ratio by 2055. The funding formula for the City’s MEABF and LABF was revised in 2017 to establish a five-year period of increasing fixed contributions between 2017 and 2021, after which the City’s annual payment will be based on an actuarially-calculated

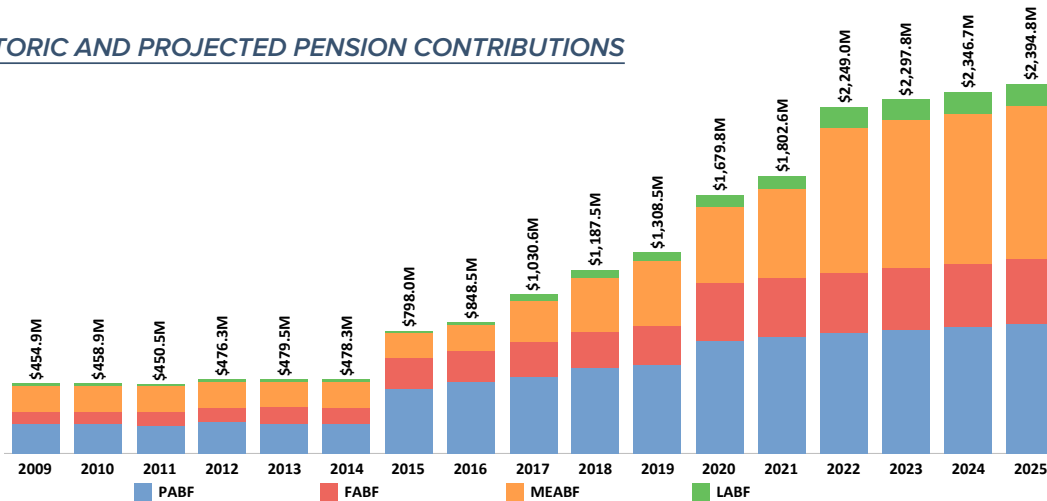
contribution to bring the two funds to a 90 percent funded ratio by 2058.

Historically, the City’s pension contributions have been made primarily from the proceeds of an annual property tax levy for each fund; however, State law also allows for proceeds from other legally available funds, in lieu of a property tax levy to make contributions to a pension fund.

The third year of increased statutory contributions for the MEABF and LABF will be reflected in the 2020 budget. A dedicated tax on water-sewer usage was passed by the City Council in 2016 to pay for the increased contributions to the MEABF through 2021. In 2018, the City Council increased the 911 surcharge to generate sufficient revenue to pay for all eligible 911 operations and emergency preparedness costs. This allowed Corporate resources previously appropriated for 911 operations to be dedicated to other Corporate Fund expenses, including pensions. In 2020, the LABF contribution is projected to require an additional \$7.6 million from Corporate resources in order to make the total contribution.

The 2020 budget marks the first year the City’s contribution to the PABF and FABF will reflect an actuarially-calculated contribution. This will increase the City’s total pension contribution for the two funds by approximately \$281.2 million, including \$269.7 million in Corporate Fund resources, from the \$827.5 million budgeted in 2019. In 2015, the City Council adopted a four-year Property Tax increase totaling \$543 million to fund increasing contributions to the PABF and FABF between 2015 and 2018.

HISTORIC AND PROJECTED PENSION CONTRIBUTIONS



1) The historic contributions presented in this chart differ slightly from amounts presented in previously published documents as a result of differences in the accounting documentation of these contributions. The 2015 and 2016 MEABF and LABF amounts reflect a revised employer contribution amount made by the City after P.A. 98-641 was declared unconstitutional by the Illinois Supreme Court in 2016. All other years, including 2019, represent the amounts found in the annual appropriation ordinance.

2) The PABF and FABF projected contributions in 2020-2025 and the MEABF and LABF projected contributions in 2022-2025 are based on the December 31, 2018 Actuarial Valuation Reports. These projections may shift over time based on investment returns and other pension fund changes as the City gets closer to making those actuarial-determined contributions.

2020 BUDGET FORECAST
FINANCIAL FORECAST

DEBT

The following graphs provide a historical and three-year outlook for the City's long-term debt.

Long-Term Debt

Long-term debt is used to finance infrastructure projects in City neighborhoods including street and alley construction and improvements, lighting, sidewalk replacement, curb and gutter repairs and replacement, and transportation improvements, including street resurfacing, bridge rehabilitation and traffic safety improvements.

- **General Obligation Debt** is backed by the full faith and credit of the City. The City has three types of General Obligation Bonds ("G.O. Bonds") outstanding: 1) Tax Levy Bonds for which an annual property tax levy has been established to make payments; 2) Alternate Revenue Bonds for which an annual property tax levy has been established but is annually abated if certain other revenues are available that year to make payments; and 3) Pledge Bonds for which an annual property tax levy has not been established and payments are appropriated from other sources of revenue other than property taxes.
- **Motor Fuel Tax** revenue bonds are issued to pay for eligible transportation projects. Additionally, Motor Fuel Tax revenues are pledged to pay an outstanding Transportation Infrastructure Finance Innovation Act ("TIFIA") loan from the U.S. Department of Transportation to complete the Chicago Riverwalk along the main branch of the Chicago River. Additional City revenues generated by the operations of the Chicago Riverwalk are also pledged to the repayment of the TIFIA loan and Motor Fuel Tax revenue bonds.
- **Tax Increment Allocation** bonds are limited obligations of the City payable solely from available incremental tax revenues collected from the related project redevelopment area and are issued to fund or reimburse redevelopment and infrastructure projects in Tax Increment Financing ("TIF") districts.
- **Water and Wastewater** bonds are secured by revenues of the Water and Sewer Systems, respectively, and are primarily issued to fund capital projects for such systems. Additionally, the City applies for and receives funding from the Illinois Environment Protection Agency State Revolving Loan Funds Program.
- **O'Hare and Midway** bonds are issued to fund capital improvements and are backed by revenues generated at the respective facility.

- **Sales Tax** revenues were purchased by the Sales Tax Securitization Corporation ("STSC") after it was organized by the City in 2017 for the limited purpose of purchasing certain Sales Tax revenues and issuing bonds, notes, or other obligations for the benefit of the City. Bonds issued by the STSC in 2017 were applied by the City to refund all of the outstanding City of Chicago Sales Tax revenue bonds as well as certain outstanding G.O. Bonds for debt service savings. In exchange, the STSC was given all of the City's right, title, and interest in Sales Tax revenues collected by the State.

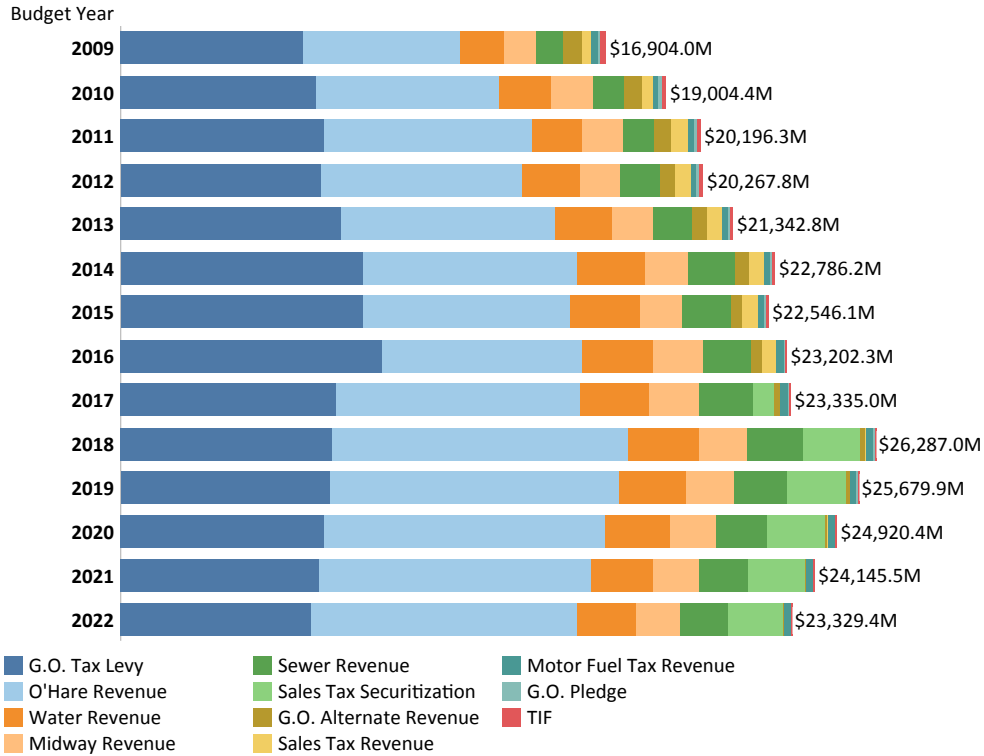
Short-Term Debt

In addition to the long-term debt discussed above, the City issues certain types of short-term debt to address various operating, liquidity, and capital needs.

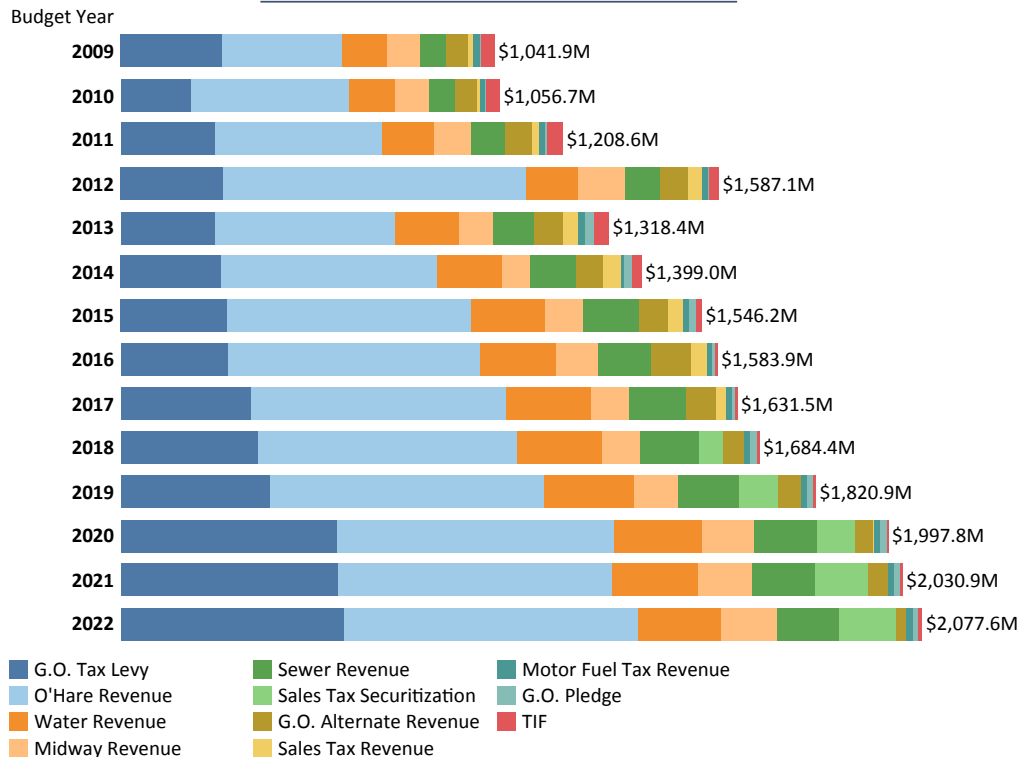
- **General Obligation Short-Term Borrowing Program** is used by the City for working capital in anticipation of receipt of other revenue to fund capital projects, debt refinancing or restructuring, and to pay noncapital expenditures, such as settlements and judgments or retroactive payment of employment salaries and wages.
- **Water and Sewer Systems Commercial Paper Notes and Line of Credit Notes** can be authorized for the purposes of financing or refinancing capital improvements to the Water and Sewer Systems or providing funds to meet the cash flow needs of the respective system; however, there are no notes currently outstanding.
- **Chicago O'Hare International Airport Commercial Paper Notes and Credit Agreement Notes** can be used by the airport for working capital in anticipation of receipt of other revenue, to fund capital projects, and for debt refinancing or restructuring; however, there no notes currently outstanding.
- **Chicago Midway Airport Commercial Paper Notes** are available to support cashflow needs at Midway, to fund capital projects, and for debt refinancing or restructuring.

2020 BUDGET FORECAST FINANCIAL FORECAST

OUTSTANDING LONG-TERM DEBT



LONG-TERM DEBT SERVICE PAYMENTS



APPENDICES



HISTORIC REVENUE AND EXPENSE REVIEW

This section provides a ten-year trend analysis of the revenues and expenditures in the City's Local Funds, beginning with the Corporate Fund.

Corporate Fund Revenue

The revenue information contained here is based primarily on the City's Comprehensive Annual Financial Report ("CAFR"), but may vary slightly from that printed in the City's CAFR due to rounding.

Corporate Fund revenues are divided into five broad categories including local tax revenue, intergovernmental tax revenue, local non-tax revenue, proceeds and transfers, and prior year available resources.

Local tax revenue consists of taxes collected by the City, including utility, transportation, transaction, recreation and business taxes. In 2018, local tax revenue made up approximately 45.9 percent of total Corporate Fund revenues and reflected the following changes made to taxes collected by the City:

- The Amusement Tax was amended to eliminate the 5.0 percent tax on live-cultural performances in venues of 750 or more, and applied the existing 9.0 percent tax (previously only paid by movie theaters, sporting events and other non-live cultural events) to all events, including live cultural events in venues with a capacity of more than 1,500 people.
- The Ground Transportation Tax, applied to rides provided through transportation network providers, increased to \$0.55 per trip from \$0.40 per trip. In 2019, this increased to \$0.60 per trip.
- The City Council approved an additional surcharge of 2.0 percent on homeshare rentals, bringing the total Homeshare Surcharge to 6.0 percent, effective December 1, 2018.

Intergovernmental tax revenue totaled 10.8 percent of Corporate Fund revenues in 2018 and includes the City's share of State Income Tax, Personal Property Replacement Tax and Municipal Auto Rental Tax. Prior to 2018 and the creation of the Sales Tax Securitization Corporation ("STSC"), the City's share of state-collected Sales Tax was included in this revenue category.

Local non-tax revenue consists of licenses, permits, services, fees and fines, proceeds from land and materials, sales and leases, and transfers to the Corporate Fund from the City's Special Revenue and Enterprise Funds for services provided. Local non-tax revenue totaled 26.3

percent of Corporate Fund revenues in 2018.

Proceeds and transfers consist of amounts transferred into the Corporate Fund from outside sources. In 2018, this revenue source totaled 17.0 percent of Corporate Fund revenues.

The City's 2018 fiscal year was the first full year implementation of the STSC. This revenue securitization structure was developed because of legislation passed by the Illinois General Assembly, allowing all home rule municipalities to create a special purpose corporation organized for the sole purpose of issuing bonds paid for from revenues collected by the State. In December 2017, the City entered into a sale agreement ("Agreement") with the STSC. Under the Agreement, the City sold to the STSC the City's rights to receive Sales Tax revenues collected by the State. In return, the City received the proceeds of bonds issued by the STSC as well as a residual certificate. Sales Tax revenues received by the STSC are paid first to cover the STSC's operating expenses and debt service on the STSC's bonds. All remaining Sales Tax revenues are then paid to the City as the holder of the residual certificate. Based on this structure, the Sales Tax revenues received by the City from the STSC are recorded in the City's Corporate Fund as a transfer in.

Prior year available resources is the result of savings and sustainable revenue growth, along with spending controls and other efficiencies, resulting in healthy growth of the Corporate Fund balance, referred to as prior year available resources. In 2018, the City budgeted \$37.0 million of prior year available resources; however, this resource was not required.

Corporate Fund Expenditures

Corporate Fund expenditures are reported as a major governmental fund within the general fund in the City's basic financial statements. Corporate Fund expenditures totaled \$3.67 billion in 2018. This report breaks down these expenditures into the three broad categories of personnel, non-personnel, and other.

Personnel expenditures represent the majority of City expenses and include employee pay, benefits, workers' compensation and the City's Corporate Fund pension allocation. In 2018, these expenses represented approximately 81.7 percent of the City's Corporate Fund expenditures.

The second half of a two-year initiative to hire an additional 970 sworn police officers was completed in 2018; however, employee pay on the Corporate Fund actually decreased

2020 BUDGET FORECAST
APPENDICES

in 2018 compared to 2017 as a result of a budgetary move of emergency communications expenses off of the Corporate Fund to better align those expenses with their dedicated revenue source.

Non-personnel expenditures represented 16.9 percent of the City's Corporate Fund in 2018. This includes contractual services, refunds, rebates, and legal costs, utilities, commodities, delegate agencies, employee travel, and contingent expenses.

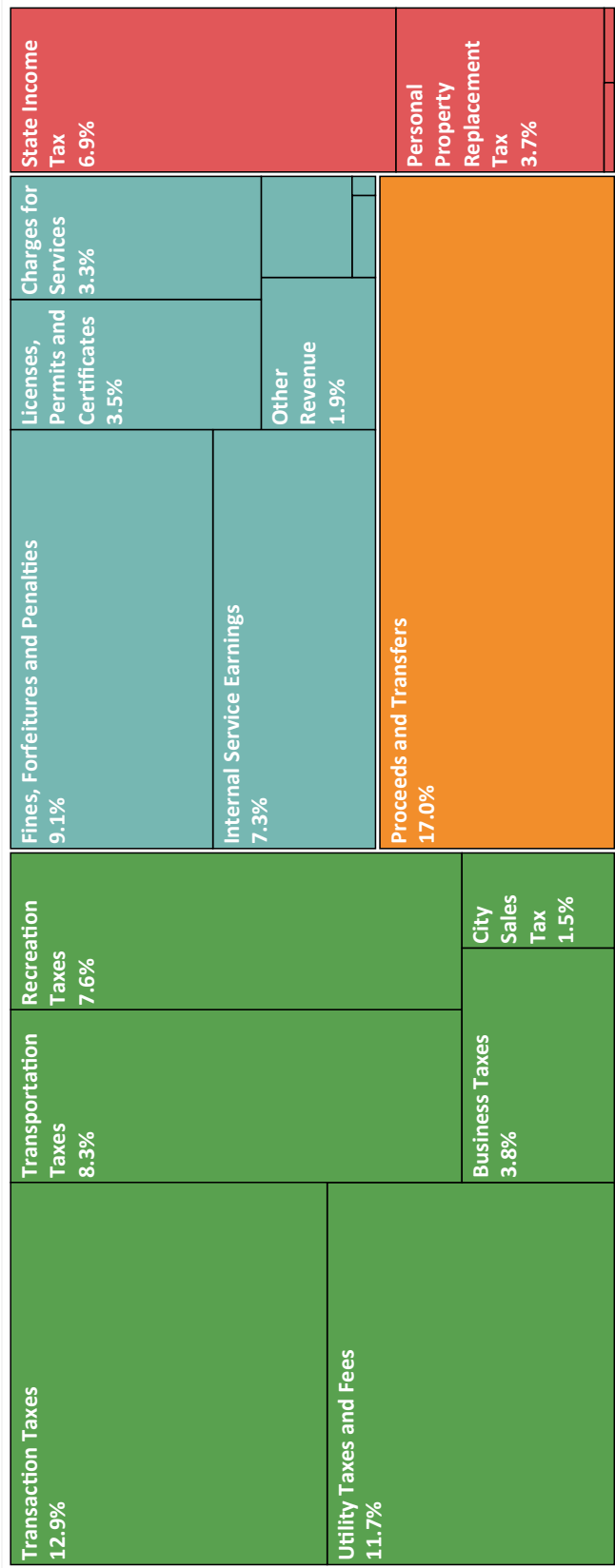
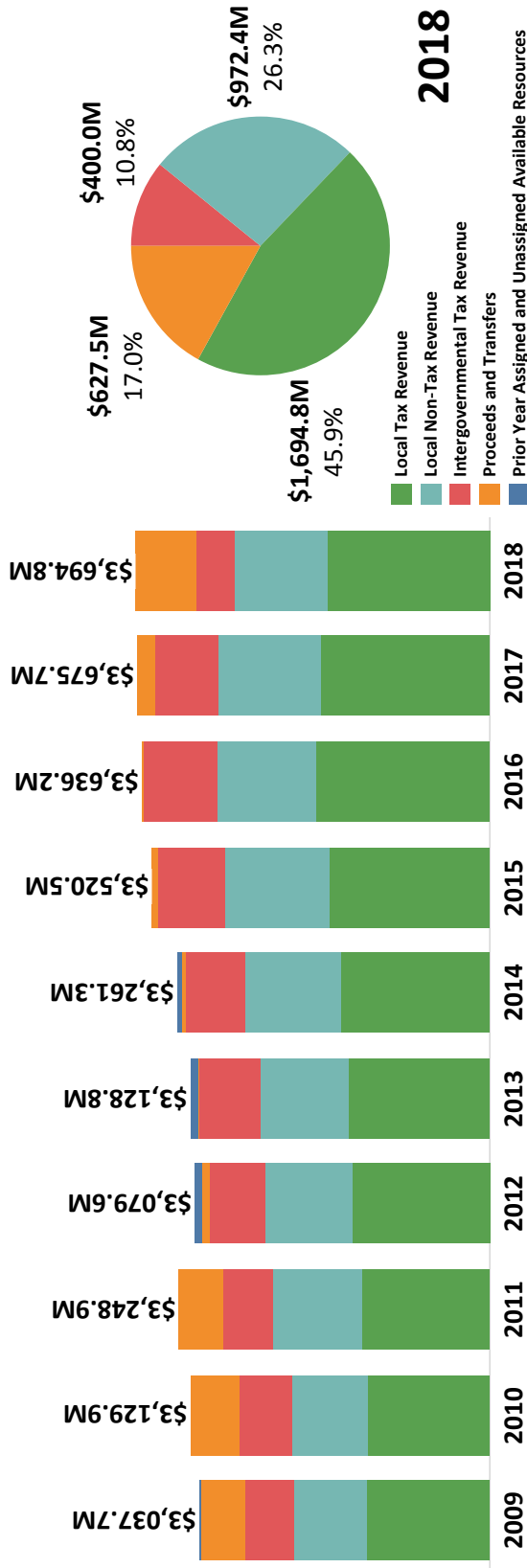
Non-personnel expenditures also include the City's payments of settlements and judgments. The City historically has used a mix of Corporate Fund and Enterprise Fund resources as well as bond proceeds, to pay for expenses incurred in connection with settlements and judgments against the City. In 2018, the City's Corporate Fund expenditures for settlements and judgments which

is included in the Claims, Refunds, Judgments, and Legal Fees budget, totaled \$114.2 million, an increase compared to 2017.

Other expenditures totaled \$54.4 million in 2018, or approximately 1.4 percent of the total Corporate Fund budget. These expenses include operating transfers to other funds, cash match for grants, financing costs, and indirect costs.

The City maintains a segregated fund to support the maintenance and operations of the Chicago Public Library ("CPL") system. Revenue to this fund is primarily generated from a dedicated property tax levy; however, the Corporate Fund has historically subsidized the difference between property tax revenues and library expenditures. In 2018, this subsidy totaled \$15.2 million.

CORPORATE FUND - REVENUE



Leases, Rentals & Sales = 1.0%; Municipal Enterprises = 0.2%; Interest Income = 0.1%
 Municipal Auto Rental Tax = 0.1%; Reimbursements for City Services = 0.1%

2020 BUDGET FORECAST
APPENDICES

CORPORATE FUND - REVENUES

| | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 |
|---|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|
| Local Tax Revenue | | | | | | | | | | |
| Municipal Public Utility Taxes and Fees | \$180.6M | \$191.0M | \$188.8M | \$188.8M | \$189.2M | \$186.6M | \$182.8M | \$190.1M | \$183.7M | \$189.4M |
| Electricity Taxes | | | | | | | | | | |
| Natural Gas Use and Occupation Taxes | \$126.8M | \$114.3M | \$113.7M | \$98.8M | \$122.1M | \$153.3M | \$119.7M | \$111.1M | \$124.7M | \$128.6M |
| Telecommunication Tax | \$152.5M | \$139.5M | \$141.1M | \$119.4M | \$119.4M | \$106.1M | \$105.5M | \$103.6M | \$101.9M | \$87.4M |
| Cable Television Franchise Tax | \$21.4M | \$22.7M | \$24.1M | \$25.5M | \$26.2M | \$27.5M | \$29.8M | \$29.6M | \$28.7M | \$26.7M |
| Total | \$481.3M | \$467.4M | \$467.6M | \$462.5M | \$456.9M | \$473.5M | \$437.8M | \$434.4M | \$439.0M | \$432.1M |
| City Sales Tax (HROT) | \$224.9M | \$229.2M | \$252.5M | \$273.3M | \$267.6M | \$285.8M | \$308.9M | \$308.1M | \$229.9M | \$57.0M |
| Total | \$61.9M | \$81.3M | \$86.0M | \$102.6M | \$141.9M | \$157.2M | \$191.1M | \$197.1M | \$161.7M | \$175.5M |
| Transaction Taxes | \$112.2M | \$108.4M | \$123.5M | \$132.5M | \$140.2M | \$152.6M | \$192.5M | \$259.9M | \$265.7M | \$295.4M |
| Personal Property Lease Transaction Tax | \$5.6M | \$5.4M | \$5.8M | \$6.0M | \$6.2M | \$6.4M | \$6.7M | \$6.6M | \$6.8M | \$6.6M |
| Motor Vehicle Lessor Tax | \$179.6M | \$195.1M | \$215.3M | \$241.1M | \$288.4M | \$316.2M | \$390.3M | \$463.6M | \$434.2M | \$477.5M |
| Parking Garage Tax | \$93.1M | \$92.3M | \$93.4M | \$119.2M | \$124.4M | \$126.5M | \$131.5M | \$134.5M | \$135.4M | \$134.0M |
| Vehicle Fuel Tax | \$53.9M | \$49.8M | \$49.4M | \$49.8M | \$49.1M | \$48.2M | \$49.3M | \$53.0M | \$54.2M | \$53.7M |
| Ground Transportation Tax | \$8.8M | \$8.6M | \$9.1M | \$8.9M | \$9.1M | \$10.4M | \$17.1M | \$59.6M | \$85.4M | \$119.4M |
| Total | \$155.9M | \$150.7M | \$151.9M | \$177.9M | \$182.5M | \$185.1M | \$197.9M | \$247.1M | \$275.0M | \$307.1M |
| Recreation Taxes | \$79.1M | \$85.7M | \$86.1M | \$87.8M | \$96.7M | \$112.9M | \$145.7M | \$163.6M | \$172.6M | \$195.5M |
| Amusement Tax | \$1.2M | \$1.0M | \$0.9M | \$0.9M | \$0.6M | \$0.6M | \$0.5M | \$0.5M | \$0.4M | \$0.4M |
| Automatic Amusement Tax | \$1.4M | \$1.3M | \$1.4M | \$1.4M | \$1.3M | \$1.3M | \$1.4M | \$1.3M | \$1.3M | \$1.8M |
| Boat Mooring Tax | \$32.1M | \$31.5M | \$31.6M | \$32.6M | \$32.0M | \$32.1M | \$33.7M | \$33.1M | \$32.6M | \$33.0M |
| Liquor Tax | \$21.0M | \$19.3M | \$18.7M | \$18.0M | \$16.3M | \$24.0M | \$22.8M | \$23.1M | \$21.3M | \$21.3M |
| Cigarette Tax | \$18.1M | \$18.6M | \$19.9M | \$21.8M | \$21.6M | \$22.2M | \$22.9M | \$24.4M | \$24.3M | \$27.0M |
| Non-Alcoholic Beverage Tax | \$1.3M | \$0.9M | \$0.8M | \$0.7M | \$0.6M | \$0.5M | \$0.5M | \$0.6M | \$0.6M | \$0.5M |
| Off Track Betting Tax | \$154.0M | \$158.4M | \$159.4M | \$163.2M | \$169.1M | \$193.7M | \$227.5M | \$246.6M | \$253.1M | \$279.5M |
| Total | \$50.1M | \$54.3M | \$60.1M | \$85.6M | \$89.9M | \$100.4M | \$109.8M | \$113.5M | \$131.6M | \$130.4M |
| Business Taxes | \$23.9M | \$23.5M | \$23.5M | \$17.9M | \$11.3M | | | | | |
| Hotel Accommodations Tax | \$5.5M | \$5.1M | \$4.6M | \$4.8M | \$4.6M | \$4.4M | \$6.0M | \$5.4M | \$5.6M | \$4.9M |
| Employer Expense Tax | | | | | | | | | | |
| Foreign Fire Insurance Tax | | | | | | | | | | |
| Checkout Bag Tax | | | | | | | | | | |
| Total | \$79.6M | \$83.0M | \$88.2M | \$108.3M | \$105.7M | \$104.8M | \$115.8M | \$118.9M | \$142.9M | \$141.7M |
| Proceeds and Transfers | \$1,275.2M | \$1,283.8M | \$1,335.0M | \$1,425.3M | \$1,470.2M | \$1,559.1M | \$1,678.1M | \$1,818.7M | \$1,774.1M | \$1,694.8M |
| Proceeds of Debt | \$58.5M | \$16.5M | \$95.0M | \$55.0M | | | | | | |
| Transfers In | \$416.1M | \$502.5M | \$372.7M | \$31.6M | \$21.0M | \$39.7M | \$53.9M | \$8.0M | \$180.2M | \$627.5M |
| Total | \$474.6M | \$519.0M | \$467.7M | \$86.6M | \$21.0M | \$39.7M | \$53.9M | \$8.0M | \$180.2M | \$627.5M |
| Intergovernmental | \$474.6M | \$519.0M | \$467.7M | \$86.6M | \$21.0M | \$39.7M | \$53.9M | \$8.0M | \$180.2M | \$627.5M |
| State Income Tax | \$201.0M | \$231.5M | \$200.3M | \$245.2M | \$276.0M | \$250.3M | \$286.5M | \$254.0M | \$239.9M | \$255.0M |
| Total | \$201.0M | \$231.5M | \$200.3M | \$245.2M | \$276.0M | \$250.3M | \$286.5M | \$254.0M | \$239.9M | \$255.0M |
| State Sales Tax (MIROT) | \$251.7M | \$266.6M | \$283.8M | \$299.9M | \$316.1M | \$334.5M | \$356.9M | \$366.4M | \$270.5M | |
| Total | \$251.7M | \$266.6M | \$283.8M | \$299.9M | \$316.1M | \$334.5M | \$356.9M | \$366.4M | \$270.5M | |
| Personal Property Replacement Tax | \$50.8M | \$50.5M | \$36.2M | \$37.6M | \$32.9M | \$27.8M | \$50.5M | \$159.7M | \$148.3M | \$137.4M |
| Total | \$50.8M | \$50.5M | \$36.2M | \$37.6M | \$32.9M | \$27.8M | \$50.5M | \$159.7M | \$148.3M | \$137.4M |
| Municipal Auto Rental Tax | \$3.4M | \$3.4M | \$3.6M | \$3.9M | \$4.0M | \$4.2M | \$4.2M | \$4.2M | \$4.1M | \$4.1M |
| Total | \$3.4M | \$3.4M | \$3.6M | \$3.9M | \$4.0M | \$4.2M | \$4.2M | \$4.2M | \$4.1M | \$4.1M |
| Reimbursements for City Services | \$1.7M | \$1.7M | \$1.7M | \$1.1M | \$1.9M | \$2.3M | \$1.8M | \$1.9M | \$2.5M | \$3.4M |
| Total | \$1.7M | \$1.7M | \$1.7M | \$1.1M | \$1.9M | \$2.3M | \$1.8M | \$1.9M | \$2.5M | \$3.4M |
| Local Non-Tax Revenue | \$508.6M | \$553.8M | \$525.2M | \$587.6M | \$630.8M | \$619.1M | \$699.9M | \$786.2M | \$665.4M | \$400.0M |
| Licenses, Permits and Certificates | \$12.1M | \$11.2M | \$12.2M | \$11.3M | \$12.2M | \$11.6M | \$12.5M | \$12.7M | \$12.5M | \$12.5M |
| Business Licenses | \$22.2M | \$20.5M | \$20.5M | \$19.2M | \$19.0M | \$18.1M | \$19.4M | \$18.5M | \$22.3M | \$21.4M |

"\$0.0M" indicates amounts less than \$100,000

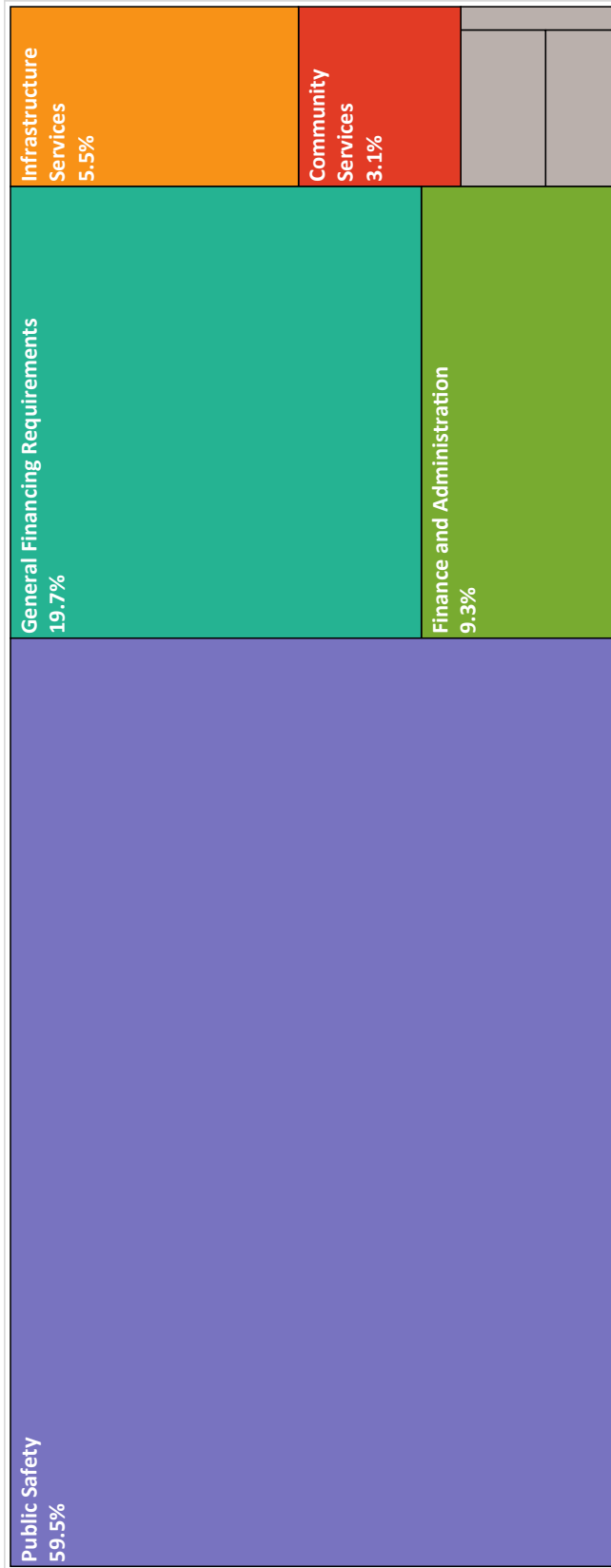
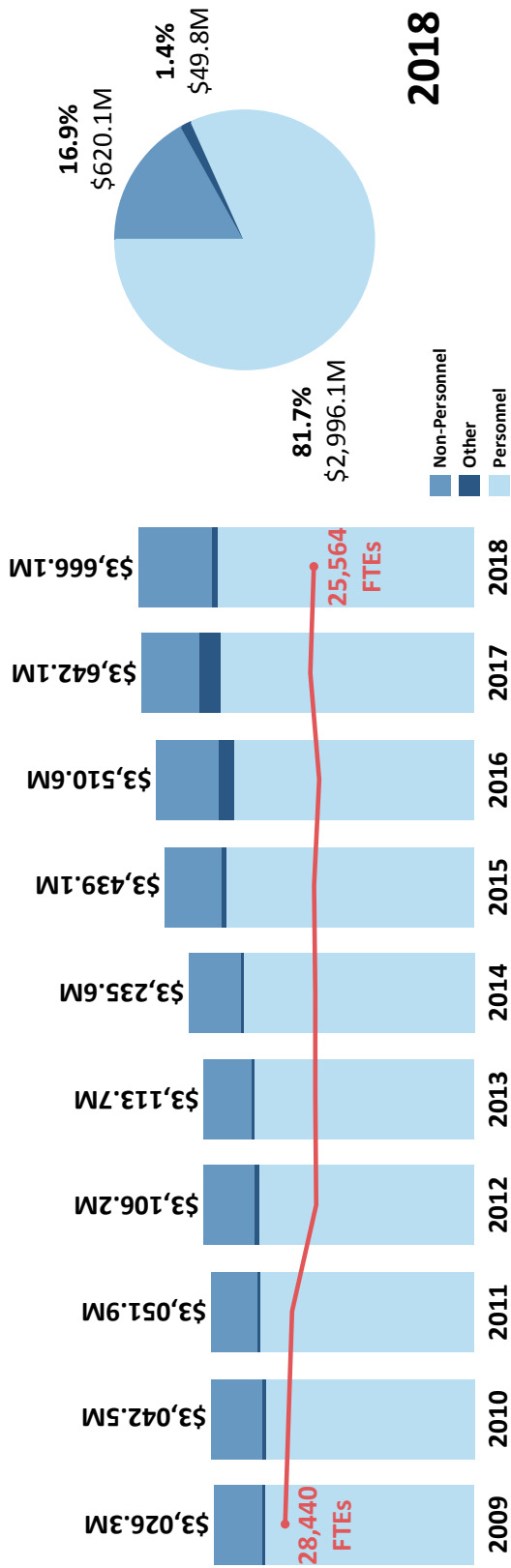
2020 BUDGET FORECAST
APPENDICES

CORPORATE FUND - REVENUES (CONT.)

| | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 |
|--|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|
| Local Non-Tax Revenue | | | | | | | | | | |
| Licenses, Permits and Certificates | | | | | | | | | | |
| Building Permits | \$16.2M | \$17.3M | \$24.5M | \$36.6M | \$37.8M | \$39.3M | \$43.7M | \$43.5M | \$43.2M | \$42.5M |
| Other Permits/Certificates | \$42.7M | \$40.3M | \$39.2M | \$44.3M | \$48.8M | \$44.9M | \$45.0M | \$48.3M | \$49.3M | \$48.1M |
| Prior Period Fines | \$7.3M | \$6.9M | \$6.3M | \$6.2M | \$5.9M | \$6.0M | \$6.2M | \$7.9M | \$6.1M | \$4.9M |
| Total | \$100.5M | \$96.2M | \$102.7M | \$117.6M | \$123.6M | \$119.9M | \$126.7M | \$130.4M | \$133.5M | \$129.3M |
| Fines, Forfeitures and Penalties | \$252.5M | \$258.8M | \$263.3M | \$290.8M | \$313.5M | \$338.3M | \$366.3M | \$318.4M | \$344.9M | \$335.9M |
| Total | \$252.5M | \$258.8M | \$263.3M | \$290.8M | \$313.5M | \$338.3M | \$366.3M | \$318.4M | \$344.9M | \$335.9M |
| Charges for Services | \$14.7M | \$10.3M | \$9.9M | \$10.7M | \$10.1M | \$14.4M | \$15.0M | \$13.1M | \$12.7M | \$13.1M |
| Inspection | \$0.7M | | | | | | | | | |
| Health | | | | | | | | | | |
| Information | \$0.8M | \$1.0M | \$1.0M | \$0.9M | \$0.8M | \$0.7M | \$0.7M | \$1.5M | \$0.3M | \$1.1M |
| Safety | \$50.3M | \$51.5M | \$100.7M | \$78.7M | \$74.6M | \$90.0M | \$61.5M | \$77.3M | \$70.0M | \$73.7M |
| Current Expense | \$9.4M | \$7.5M | \$7.2M | \$13.1M | \$10.1M | \$5.8M | \$13.0M | \$6.3M | \$6.3M | \$4.6M |
| Other Current Charges | \$11.6M | \$7.5M | \$13.8M | \$21.2M | \$24.2M | \$23.7M | \$29.4M | \$32.5M | \$28.9M | \$30.2M |
| Total | \$87.5M | \$77.7M | \$132.6M | \$124.6M | \$119.9M | \$134.6M | \$119.6M | \$130.8M | \$118.2M | \$122.7M |
| Municipal Enterprises | | | | | | | | | | |
| Municipal Parking | \$9.1M | \$6.4M | \$9.1M | \$8.4M | \$6.4M | \$7.3M | \$6.5M | \$7.5M | \$7.7M | \$7.8M |
| Total | \$9.1M | \$6.4M | \$9.1M | \$8.4M | \$6.4M | \$7.3M | \$6.5M | \$7.5M | \$7.7M | \$7.8M |
| Leases, Rentals and Sales | | | | | | | | | | |
| Rentals and Leases | \$6.0M | \$6.8M | \$5.4M | \$6.2M | \$12.4M | \$13.5M | \$14.0M | \$13.0M | \$13.2M | \$26.5M |
| Sale of Land | \$0.8M | \$6.1M | \$6.7M | \$3.7M | \$3.5M | \$2.9M | \$3.5M | \$9.6M | \$10.8M | \$6.2M |
| Vacation of Streets | \$1.8M | \$0.1M | \$5.1M | \$1.3M | \$0.4M | \$5.6M | \$6.5M | \$2.2M | \$0.9M | \$2.2M |
| Sale of Impounded Autos | \$0.1M | \$2.1M | \$0.1M | \$0.0M | \$0.0M | \$0.0M | \$0.0M | \$0.0M | \$0.0M | \$0.0M |
| Sale of Materials | \$2.1M | \$2.6M | \$5.3M | \$3.5M | \$2.6M | \$2.0M | \$1.4M | \$1.3M | \$1.0M | \$0.7M |
| Total | \$10.7M | \$17.6M | \$22.6M | \$14.7M | \$19.0M | \$24.1M | \$25.5M | \$26.1M | \$25.9M | \$35.7M |
| Interest Income | \$3.0M | \$4.2M | \$3.4M | \$5.4M | \$1.4M | \$1.6M | \$0.9M | \$8.3M | \$7.0M | \$1.9M |
| Total | \$3.0M | \$4.2M | \$3.4M | \$5.4M | \$1.4M | \$1.6M | \$0.9M | \$8.3M | \$7.0M | \$1.9M |
| Internal Service Earnings | | | | | | | | | | |
| Enterprise Funds | \$128.2M | \$127.3M | \$131.6M | \$143.4M | \$145.0M | \$163.1M | \$137.1M | \$168.4M | \$162.6M | \$171.9M |
| Special Revenue Funds | \$96.2M | \$90.7M | \$103.1M | \$85.4M | \$109.6M | \$88.2M | \$138.0M | \$128.5M | \$133.5M | \$51.5M |
| Intergovernmental Funds | \$27.2M | \$30.4M | \$34.7M | \$38.7M | \$34.6M | \$34.7M | \$42.0M | \$32.9M | \$37.0M | \$35.3M |
| Other Reimbursements | \$37.5M | \$26.2M | \$36.6M | \$35.4M | \$17.3M | \$19.8M | \$28.4M | \$12.9M | \$14.7M | \$11.5M |
| Total | \$289.1M | \$274.6M | \$306.1M | \$302.9M | \$306.5M | \$305.7M | \$345.4M | \$342.6M | \$347.7M | \$270.2M |
| Other Revenue | | | | | | | | | | |
| Other Revenue | \$25.4M | \$37.8M | \$81.3M | \$43.3M | \$39.0M | \$66.5M | \$97.6M | \$59.3M | \$71.2M | \$69.0M |
| Total | \$25.4M | \$37.8M | \$81.3M | \$43.3M | \$39.0M | \$66.5M | \$97.6M | \$59.3M | \$71.2M | \$69.0M |
| Prior Year Assigned and Unassigned Available Resources | \$777.8M | \$773.3M | \$921.1M | \$907.8M | \$929.4M | \$998.0M | \$1,088.6M | \$1,023.4M | \$1,056.1M | \$972.4M |
| Total | \$1.5M | | | \$72.3M | \$77.2M | \$45.5M | | | | |
| Total | \$1.5M | | | \$72.3M | \$77.2M | \$45.5M | | | | |
| Total | \$1.5M | | | \$72.3M | \$77.2M | \$45.5M | | | | |
| Grand Total | \$3,037.7M | \$3,129.9M | \$3,248.9M | \$3,079.6M | \$3,128.8M | \$3,261.3M | \$3,520.5M | \$3,636.2M | \$3,675.7M | \$3,694.8M |

2020 BUDGET FORECAST
APPENDICES

CORPORATE FUND - EXPENDITURES



2020 BUDGET FORECAST
APPENDICES

CORPORATE FUND - EXPENDITURES BY DEPARTMENT

| | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 |
|---|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|
| Finance and Administration | | | | | | | | | | |
| Office of The Mayor | \$6.1M | \$5.5M | \$6.1M | \$5.8M | \$6.9M | \$6.1M | \$6.1M | \$6.6M | \$6.9M | \$7.1M |
| Office of Budget and Management | \$2.0M | \$1.9M | \$2.2M | \$1.8M | \$1.9M | \$2.4M | \$2.2M | \$4.8M | \$3.6M | \$2.9M |
| Department of Innovation and Technology | \$13.9M | \$19.8M | \$20.9M | \$18.9M | \$18.9M | \$23.6M | \$25.1M | \$20.1M | \$16.0M | \$19.6M |
| City Clerk | \$3.0M | \$2.8M | \$2.9M | \$2.7M | \$2.6M | \$2.9M | \$2.9M | \$2.9M | \$2.9M | \$3.8M |
| Department of Finance | \$11.2M | \$10.6M | \$11.0M | \$53.1M | \$56.0M | \$56.0M | \$59.2M | \$61.9M | \$60.3M | \$63.2M |
| City Treasurer | \$1.9M | \$1.9M | \$2.1M | \$2.2M | \$2.2M | \$2.2M | \$2.1M | \$1.3M | \$1.4M | \$1.4M |
| Department of Administrative Hearings | \$7.7M | \$6.8M | \$6.7M | \$6.9M | \$7.4M | \$7.4M | \$7.8M | \$7.8M | \$7.9M | \$7.8M |
| Department of Law | \$27.6M | \$25.8M | \$25.7M | \$28.1M | \$27.7M | \$28.1M | \$27.3M | \$26.7M | \$26.7M | \$27.7M |
| Department of Human Resources | \$6.6M | \$6.0M | \$5.0M | \$5.0M | \$5.2M | \$5.0M | \$5.3M | \$5.6M | \$5.7M | \$6.0M |
| Department of Procurement Services | \$5.9M | \$4.4M | \$3.9M | \$4.4M | \$5.0M | \$5.7M | \$6.1M | \$5.7M | \$6.3M | \$6.4M |
| Department of Fleet and Facility Management | \$84.0M | \$85.8M | \$83.2M | \$157.0M | \$161.9M | \$167.5M | \$157.1M | \$186.3M | \$179.5M | \$195.5M |
| (Department of Revenue) | \$44.1M | \$42.6M | \$40.3M | \$1.6M | \$0.2M | | | | | (\$0.1M) |
| (Office of Compliance) | \$2.0M | \$2.2M | \$2.3M | \$0.0M | | | | | | \$0.0M |
| (Graphics and Reproduction Center) | \$0.0M | \$0.0M | \$0.0M | \$0.0M | | | | | | \$0.0M |
| (Department of Fleet Management) | \$81.8M | \$75.6M | \$83.6M | \$0.1M | \$0.0M | | | | | \$0.0M |
| Total | \$297.7M | \$291.6M | \$295.7M | \$287.6M | \$296.1M | \$306.9M | \$301.3M | \$329.6M | \$317.2M | \$341.2M |
| Infrastructure Services | | | | | | | | | | |
| Department of Streets and Sanitation | \$219.5M | \$178.0M | \$175.8M | \$178.1M | \$187.0M | \$195.4M | \$199.6M | \$137.6M | \$137.2M | \$147.4M |
| Chicago Department of Transportation | \$27.0M | \$70.0M | \$69.7M | \$53.8M | \$52.4M | \$47.3M | \$67.1M | \$35.4M | \$50.1M | \$54.4M |
| Department of Aviation | | \$0.0M | | | | | | | | |
| Department of Water Management | | | | | | | | \$0.0M | | |
| Total | \$246.5M | \$248.0M | \$245.5M | \$231.9M | \$239.4M | \$242.7M | \$266.8M | \$173.0M | \$187.3M | \$201.8M |
| Public Safety | | | | | | | | | | |
| Police Board | \$0.4M | \$0.4M | \$0.4M | \$0.4M | \$0.4M | \$0.4M | \$0.4M | \$0.8M | \$0.4M | \$0.4M |
| Independent Police Review Authority | \$6.8M | \$7.0M | \$7.0M | \$7.6M | \$7.6M | \$7.8M | \$7.4M | \$7.7M | \$3.2M | \$0.1M |
| Department of Police | \$1,236.2M | \$1,227.5M | \$1,253.9M | \$1,293.1M | \$1,300.6M | \$1,286.0M | \$1,369.7M | \$1,463.0M | \$1,498.2M | \$1,568.5M |
| Office of Emergency Communication | \$90.7M | \$77.0M | \$85.6M | \$84.8M | \$79.4M | \$82.0M | \$78.8M | \$95.2M | \$100.1M | \$26.0M |
| Fire Department | \$487.2M | \$479.5M | \$479.0M | \$533.4M | \$526.3M | \$602.3M | \$563.3M | \$583.0M | \$576.3M | \$578.1M |
| Civilian Office of Police Accountability | | | | | | | | \$0.0M | \$6.6M | \$11.0M |
| Total | \$1,821.3M | \$1,791.3M | \$1,825.9M | \$1,919.3M | \$1,914.2M | \$1,978.5M | \$2,019.5M | \$2,149.8M | \$2,184.8M | \$2,184.0M |
| Community Services | | | | | | | | | | |
| Department of Health | \$36.6M | \$31.2M | \$29.0M | \$24.3M | \$26.6M | \$25.9M | \$26.0M | \$29.4M | \$30.1M | \$30.8M |
| Commission on Human Relations | \$1.9M | \$1.7M | \$1.7M | \$1.2M | \$1.0M | \$1.0M | \$1.0M | \$1.0M | \$1.1M | \$1.0M |
| Office for People with Disabilities | \$1.5M | \$1.7M | \$1.0M | \$1.1M | \$1.1M | \$1.1M | \$1.0M | \$1.4M | \$1.4M | \$1.5M |
| Department of Family and Support Services | \$17.8M | \$22.8M | \$18.4M | \$16.7M | \$15.8M | \$45.7M | \$58.8M | \$62.2M | \$68.1M | \$79.3M |
| Chicago Public Library | | | | | | | | \$0.1M | | |
| (Department of Senior Services) | \$0.0M | \$0.0M | \$0.5M | \$0.1M | | | | | | \$0.0M |
| (Department of Children and Youth Services) | \$0.3M | | | \$0.0M | | | | | | \$0.0M |
| (Department of Human Services) | \$0.3M | | \$0.1M | \$0.0M | | | | | | \$0.0M |
| Total | \$58.5M | \$57.3M | \$50.7M | \$43.4M | \$44.5M | \$73.8M | \$86.9M | \$94.2M | \$100.7M | \$112.6M |
| Department of Cultural Affairs and Special Events | | | | | | | | \$0.4M | | |
| Department of Planning and Development | \$17.3M | \$28.9M | \$23.7M | \$25.5M | \$20.3M | \$22.7M | \$28.0M | \$20.5M | \$13.3M | \$13.7M |
| (Department of Planning and Development) | \$1.0M | \$0.1M | \$0.0M | \$0.0M | | | | | | \$0.0M |
| (Mayors Office of Workforce Development) | \$1.5M | \$0.5M | \$0.0M | | | | | | | \$0.0M |

Inactive departments shown in parenthesis.
"\$0.0M" indicates amounts less than \$100,000

2020 BUDGET FORECAST
APPENDICES

CORPORATE FUND - EXPENDITURES BY DEPARTMENT (CONT.)

| | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 |
|--|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|
| City Development | | | | | | | | | | |
| (Department of Housing) | \$3.4M | \$1.1M | \$0.1M | \$0.3M | | | | | | \$0.0M |
| (Department of Zoning and Land Use Planning) | \$5.9M | \$6.0M | \$0.3M | \$0.0M | \$0.0M | | | | | |
| (Mayor's Office of Special Events) | \$0.7M | \$0.5M | | | | | | | | |
| (Department of Zoning) | \$0.0M | | | | | | | | | |
| Total | \$29.8M | \$37.1M | \$24.6M | \$25.8M | \$20.3M | \$22.7M | \$28.0M | \$20.9M | \$13.3M | \$13.6M |
| Regulatory | | | | | | | | | | |
| Office of Inspector General | \$2.2M | \$2.4M | \$2.5M | \$2.4M | \$2.4M | \$2.1M | \$2.4M | \$2.9M | \$4.9M | \$5.5M |
| Department of Buildings | \$22.2M | \$19.6M | \$20.3M | \$18.9M | \$18.8M | \$19.9M | \$21.6M | \$24.6M | \$22.1M | \$22.9M |
| Department of Business Affairs & Consumer Protection | \$15.6M | \$14.1M | \$13.3M | \$13.7M | \$16.0M | \$16.8M | \$15.6M | \$16.1M | \$16.1M | \$16.4M |
| Commission on Animal Care and Control | \$4.3M | \$4.4M | \$4.7M | \$4.6M | \$4.9M | \$5.3M | \$5.2M | \$5.5M | \$6.1M | \$6.5M |
| License Appeal Commission | \$0.2M | \$0.2M | \$0.2M | \$0.2M | \$0.2M | \$0.2M | \$0.1M | \$0.2M | \$0.2M | \$0.2M |
| Board of Ethics | \$0.6M | \$0.6M | \$0.6M | \$0.7M | \$0.8M | \$0.8M | \$0.8M | \$0.8M | \$0.8M | \$0.8M |
| (Department of Construction and Permits) | | | | | | | | | | |
| (Department of Environment) | \$4.4M | \$4.4M | \$3.4M | \$0.1M | | | | | | \$0.0M |
| (Department of Business Affairs and Licensing) | \$0.1M | \$0.0M | \$0.0M | \$0.0M | \$0.0M | \$0.0M | \$0.0M | \$0.0M | \$0.0M | \$0.0M |
| Total | \$49.6M | \$45.7M | \$45.0M | \$40.6M | \$43.1M | \$45.1M | \$45.7M | \$50.1M | \$50.2M | \$52.3M |
| Legislative and Elections | | | | | | | | | | |
| City Council | \$23.7M | \$23.1M | \$23.1M | \$24.3M | \$24.5M | \$24.6M | \$25.0M | \$25.2M | \$25.6M | \$26.0M |
| Board of Election Commissioner | \$10.1M | \$12.2M | \$18.9M | \$12.4M | \$9.0M | \$12.0M | \$28.5M | \$14.9M | \$12.3M | \$15.8M |
| Total | \$33.8M | \$35.3M | \$42.0M | \$36.7M | \$33.5M | \$36.5M | \$53.6M | \$40.0M | \$37.9M | \$41.7M |
| Finance General | | | | | | | | | | |
| Finance General | \$489.2M | \$536.2M | \$522.5M | \$520.8M | \$522.7M | \$529.5M | \$637.4M | \$653.0M | \$750.7M | \$718.8M |
| Total | \$489.2M | \$536.2M | \$522.5M | \$520.8M | \$522.7M | \$529.5M | \$637.4M | \$653.0M | \$750.7M | \$718.8M |
| Grand Total | \$3,026.3M | \$3,042.5M | \$3,051.9M | \$3,106.2M | \$3,113.7M | \$3,235.6M | \$3,439.1M | \$3,510.6M | \$3,642.1M | \$3,666.1M |

Inactive departments shown in parenthesis.
"\$0.0M" indicates amounts less than \$100,000

2020 BUDGET FORECAST
APPENDICES

CORPORATE FUND - EXPENDITURES BY TYPE

| | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 |
|--------------------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
| Personnel | | | | | | | | | | |
| Employee Pay | \$2,157.8M | \$2,139.0M | \$2,192.3M | \$2,190.1M | \$2,220.6M | \$2,304.6M | \$2,361.1M | \$2,375.7M | \$2,458.9M | \$2,439.7M |
| Employee Benefits | \$369.1M | \$373.8M | \$369.3M | \$389.2M | \$393.3M | \$403.5M | \$416.3M | \$401.2M | \$341.7M | \$390.3M |
| Workers' Compensation | \$64.1M | \$65.8M | \$71.2M | \$58.2M | \$64.5M | \$61.7M | \$68.0M | \$64.3M | \$58.8M | \$58.6M |
| Pension Allocation | | | | | | | \$71.8M | \$11.6M | \$106.3M | \$107.5M |
| Total | \$2,591.0M | \$2,578.6M | \$2,632.8M | \$2,637.6M | \$2,678.5M | \$2,769.8M | \$2,917.2M | \$2,852.7M | \$2,965.7M | \$2,996.1M |
| Non-Personnel | | | | | | | | | | |
| Contractual Services | \$268.4M | \$280.2M | \$266.3M | \$268.0M | \$261.0M | \$291.6M | \$322.6M | \$315.5M | \$315.0M | \$326.6M |
| Refunds, Rebates & Legal Costs | \$37.2M | \$52.1M | \$33.2M | \$82.6M | \$65.1M | \$41.3M | \$50.9M | \$115.0M | \$66.3M | \$142.1M |
| Utilities | \$53.7M | \$56.2M | \$59.4M | \$48.2M | \$52.3M | \$57.9M | \$45.1M | \$61.0M | \$45.6M | \$42.1M |
| Commodities | \$33.5M | \$27.2M | \$27.7M | \$26.2M | \$23.4M | \$28.6M | \$48.1M | \$15.8M | \$40.7M | \$46.0M |
| Delegate Agencies | \$12.6M | \$10.9M | \$11.1M | \$7.5M | \$13.4M | \$17.7M | \$18.9M | \$21.6M | \$26.3M | \$61.8M |
| Employee Travel Expenses | \$1.8M | \$1.4M | \$1.0M | \$0.8M | \$0.9M | \$1.3M | \$1.3M | \$1.3M | \$1.4M | \$1.6M |
| Contingencies | \$0.2M | \$0.1M | \$0.1M | \$0.1M | \$0.0M | \$0.1M | \$0.1M | \$0.1M | \$0.1M | \$0.0M |
| Total | \$407.4M | \$428.1M | \$398.8M | \$433.2M | \$416.0M | \$438.5M | \$487.1M | \$530.3M | \$495.4M | \$620.1M |
| Other | | | | | | | | | | |
| Transfers Out | \$17.2M | \$13.6M | \$14.4M | \$27.0M | \$7.0M | \$5.0M | \$6.5M | \$85.6M | \$142.0M | \$15.2M |
| Cash Matching - Grants | \$9.5M | \$9.6M | \$5.3M | \$5.6M | \$9.6M | \$9.5M | \$12.2M | \$14.8M | \$15.9M | \$19.2M |
| Financing Costs | \$0.9M | \$12.4M | \$0.3M | \$2.5M | \$2.2M | \$12.1M | \$15.0M | \$24.5M | \$20.6M | \$13.0M |
| Indirect Costs | \$0.3M | \$0.3M | \$0.3M | \$0.3M | \$0.4M | \$0.7M | \$1.1M | \$2.7M | \$2.5M | \$2.4M |
| Total | \$27.9M | \$35.9M | \$20.3M | \$35.4M | \$19.2M | \$27.3M | \$34.8M | \$127.6M | \$181.0M | \$49.8M |
| Grand Total | \$3,026.3M | \$3,042.5M | \$3,051.9M | \$3,106.2M | \$3,113.7M | \$3,235.6M | \$3,439.1M | \$3,510.6M | \$3,642.1M | \$3,666.1M |

SPECIAL REVENUE FUNDS

The City's budgeted Special Revenue Funds are used to account for revenue from specific sources that must be used to finance specific operations, such as road repairs, libraries, 911 services, special events and tourism promotion. The following six budgeted Special Revenue funds were categorized as general fund or non-major governmental funds in the City's 2018 CAFR:

Vehicle Tax Fund – Includes revenue from vehicle sticker sales, impoundment fees, abandoned auto sale fees, pavement cut fees, and a portion of the Garage Parking Tax for the maintenance of the public way. Vehicle Tax Fund revenues are reported as a non-major Special Revenue Fund in the City's basic financial statements.

Motor Fuel Tax Fund – Revenue derived from the Motor Fuel Tax ("MFT") are reported as a non-major Special Revenue Fund in the City's basic financial statements. The debt service portion of the MFT is reported in Bond, Note Redemption and Interest. MFT Fund expenses include costs associated with streetlight energy, salt purchases for snow removal, street pavement, bridge maintenance, and related personnel costs. A total of \$3 million of these funds are also transferred annually to the Chicago Transit Authority ("CTA") to support public transportation.

Special Events and Municipal Hotel Operators' Occupation Tax Fund – Includes revenues from the Municipal Hotel Operator's Occupation Tax and are used to support the promotion of tourism, cultural and recreational activities. Revenues to this fund are reported as a non-major Special Revenue fund in the City's basic financial statements.

Library Fund – Revenue to this fund comes primarily from an annual library operations property tax levy and historically, an annual subsidy from the City's Corporate Fund. The Library Fund supports the maintenance and operations of the Chicago Public Library System and its central, regional and branch locations. Library Fund revenues are reported as a non-major Special Revenue Fund in the City's basic financial statements.

Emergency Communication Fund – Revenue comes through the collection of the emergency communication surcharge ("911 surcharge") on all billed subscribers of telecommunications services in Chicago. The City uses revenue from the 911 surcharge for expenses specifically related to the 911 and emergency preparedness activities of the Office of Emergency Management and Communications ("OEMC"). The City maintains two segregated funds to support the 911 and emergency related functions of OEMC

– one fund for operational expenses and one to pay debt service on bonds issued for the construction of the City's 911 call center. Revenues to this fund are reported as a non-major governmental fund within the City's basic financial statements while the debt service portion is reported in Bond, Note Redemption and Interest.

Garbage Collection Fund – Consists of the monthly Garbage Fee charged by the City on single family homes and multi-family buildings with four units or fewer. The fund covers a portion of the cost of providing garbage collection services to these households. Revenues to this fund are reported as a major governmental fund within the general fund in the City's basic financial statements.

In addition to the funds listed above, the City budget identifies the following four funds as Special Revenue Funds:

CTA Real Property Transfer Tax Fund – Revenue for this fund is derived from the proceeds from a supplemental tax on real estate transfers, which is then transferred to the CTA. Revenues to this fund are reported as a non-major Special Revenue fund within the miscellaneous fund in the City's basic financial statements.

Affordable Housing Opportunity Fund ("AHOF") – Introduced in the 2016 budget, the revenue in this fund is collected through the City's density bonus program and the Affordable Requirements Ordinance. These revenues are used to meet permanent housing needs of Chicago's low-income residents. AHOF revenues are reported as agency funds in the City's basic financial statements.

Neighborhood Opportunity Fund ("NOF") – Revenue to this fund is generated from the collection of the Neighborhood Opportunity Bonus, which consists of payments received in exchange for density bonuses that allow developers to exceed zoning limits for a specific development site. Eighty percent of the revenue from the Bonus is dedicated towards the NOF for commercial development and job creation in neighborhoods where the need is the greatest; ten percent of funding goes toward the Landmarks Fund to improve and maintain landmarks throughout the City. An additional ten percent of funds goes toward the Local Improvement Fund for local infrastructure improvements within one mile of the contributing development. NOF revenues are reported as agency funds in the City's basic financial statements.

TIF Administration Fund – This fund accounts for all administrative expenses incurred by the City to operate and maintain its TIF program.

2020 BUDGET FORECAST
APPENDICES

SPECIAL REVENUE - REVENUES

| | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 |
|---|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|
| Vehicle Tax Fund | \$146.9M | \$148.6M | \$140.3M | \$157.5M | \$165.1M | \$188.9M | \$182.7M | \$202.0M | \$216.2M | \$195.6M |
| Motor Fuel Tax Fund | \$58.6M | \$70.6M | \$69.4M | \$65.1M | \$65.1M | \$78.3M | \$55.5M | \$58.3M | \$55.7M | \$57.5M |
| Special Events and Municipal Hotel Operators' Occupation Tax Fund | \$43.3M | \$40.9M | \$31.2M | \$37.2M | \$39.6M | \$39.8M | \$40.8M | \$44.4M | \$44.2M | \$43.1M |
| Library Fund | \$88.3M | \$86.8M | \$87.7M | \$81.3M | \$83.6M | \$83.6M | \$84.8M | \$99.6M | \$98.2M | \$100.9M |
| Emergency Communication Fund | \$75.8M | \$72.5M | \$83.7M | \$64.2M | \$68.4M | \$74.8M | \$102.7M | \$101.3M | \$100.5M | \$131.2M |
| Garbage Collection Fund | | | | | | | | \$54.4M | \$64.0M | \$63.0M |
| Grand Total | \$412.9M | \$419.4M | \$412.3M | \$405.3M | \$421.8M | \$465.5M | \$466.5M | \$560.0M | \$578.7M | \$591.5M |

2020 BUDGET FORECAST
APPENDICES

SPECIAL REVENUE - EXPENDITURES

| | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 |
|---|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|
| Vehicle Tax Fund | \$139.7M | \$136.8M | \$132.5M | \$151.6M | \$163.2M | \$182.9M | \$196.2M | \$186.9M | \$206.8M | \$203.7M |
| Motor Fuel Tax Fund | \$59.5M | \$49.8M | \$58.1M | \$48.5M | \$53.0M | \$82.9M | \$70.7M | \$45.5M | \$54.8M | \$62.1M |
| Special Events and Municipal Hotel Operators' Occupation Tax Fund | \$48.3M | \$40.2M | \$24.4M | \$34.1M | \$36.9M | \$41.9M | \$40.5M | \$47.2M | \$44.6M | \$46.5M |
| Library Fund | \$84.6M | \$84.9M | \$84.8M | \$81.5M | \$80.2M | \$84.4M | \$85.5M | \$97.8M | \$98.1M | \$102.6M |
| Emergency Communication Fund | \$76.3M | \$71.0M | \$83.1M | \$65.4M | \$68.7M | \$67.0M | \$109.6M | \$96.4M | \$94.0M | \$110.6M |
| Garbage Collection Fund | | | | | | | | \$59.8M | \$61.0M | \$59.4M |
| Grand Total | \$408.5M | \$382.8M | \$383.0M | \$381.1M | \$402.1M | \$459.1M | \$502.6M | \$533.6M | \$559.3M | \$584.9M |

Does not include amounts designated for debt service.

ENTERPRISE FUNDS

The City's Enterprise Funds support the operation, maintenance, and capital programs of the City's water and sewer systems, Chicago O'Hare International Airport ("O'Hare") and Chicago Midway International Airport ("Midway"). These funds are self-supporting, in that each fund derives its revenues from charges and associated user fees. The cost of capital improvements for the City's Enterprise Funds are included in the overall budgets of these self-supporting funds. Enterprise Fund revenues are reported as major proprietary funds in the City's basic financial statements.

Revenues from the sale of the City's water provide for the operations and maintenance of the water system and debt service of the water bonds. The Water Fund receives no share of any State, local property, or income taxes. The City receives water system operating revenues only from the users of the water system. The operating revenues from users of the water system do not flow through the State, any State agency or any other political subdivision, but are paid directly to the City.

Revenues from sewer service charges provide funds for the operation and maintenance of the Sewer System and debt service on sewer bonds and loans. The City obtains sewer system operating revenues only from the users of the sewer system. The Sewer Fund receives no share of any State or local property or income taxes. The operating revenues from users of the sewer system do not flow through the State, any State agency or any other political subdivision, but are paid directly to the City.

O'Hare and Midway operating revenues are comprised of landing fees, terminal area rental/use charges, other rentals and concessions as well as non-airline sources, such as charges for parking and revenues from concessions. The City charges airlines based on a projection of revenues, and recognizes revenues from the airlines only to the extent required to fund operating costs including debt service.

2020 BUDGET FORECAST
APPENDICES

ENTERPRISE FUNDS - REVENUE

| | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 |
|---|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|
| 0200 - Water Fund | | | | | | | | | | |
| Water Service | \$397.0M | \$445.5M | \$441.8M | \$562.6M | \$620.5M | \$670.6M | \$750.2M | \$735.9M | \$729.6M | \$746.5M |
| Non-Operating Revenues | \$3.5M | \$3.9M | \$4.2M | \$1.4M | \$1.0M | | \$3.3M | \$1.2M | \$13.5M | \$7.1M |
| Other | \$13.3M | \$12.9M | \$12.5M | \$13.7M | \$16.6M | \$22.1M | \$19.2M | \$25.5M | \$29.4M | \$27.4M |
| Total | \$413.8M | \$462.3M | \$458.4M | \$577.7M | \$638.1M | \$692.6M | \$772.7M | \$762.6M | \$772.5M | \$781.1M |
| 0314 - Sewer Fund | | | | | | | | | | |
| Sewer Service | \$173.9M | \$197.5M | \$202.3M | \$252.9M | \$291.1M | \$321.1M | \$374.8M | \$367.8M | \$356.5M | \$368.2M |
| Non-Operating Revenues | \$0.3M | \$3.1M | \$3.4M | \$1.1M | \$2.2M | \$3.8M | \$3.9M | \$1.1M | \$4.4M | \$7.4M |
| Capital Grants | | \$21.4M | \$1.9M | \$2.5M | \$2.5M | | | \$16.6M | \$6.4M | \$2.3M |
| Other | \$1.3M | \$0.8M | \$1.0M | \$1.0M | \$1.2M | \$1.1M | \$1.1M | \$1.1M | \$1.2M | \$1.5M |
| Total | \$175.5M | \$222.8M | \$208.6M | \$257.5M | \$297.0M | \$326.0M | \$379.8M | \$386.7M | \$368.4M | \$379.4M |
| 0610 - Midway Fund | | | | | | | | | | |
| Landing Fees, Terminal Area Use Charges | \$52.6M | \$78.2M | \$79.4M | \$70.9M | \$90.0M | \$83.5M | \$84.6M | \$87.4M | \$95.4M | \$106.1M |
| Rents, Concessions, and Other | \$69.7M | \$70.9M | \$77.9M | \$86.9M | \$85.2M | \$86.8M | \$91.5M | \$94.8M | \$99.6M | \$100.4M |
| Non-Operating Revenues | \$46.9M | \$41.5M | \$61.3M | \$48.3M | \$47.1M | \$51.5M | \$53.2M | \$50.7M | \$55.2M | \$54.5M |
| Capital Grants | \$0.0M | \$2.5M | \$3.1M | \$4.7M | \$5.0M | \$4.8M | \$9.3M | \$27.9M | \$31.6M | \$6.8M |
| Total | \$169.2M | \$193.1M | \$221.7M | \$210.8M | \$227.3M | \$226.6M | \$238.6M | \$260.8M | \$281.8M | \$267.8M |
| 0740 - O'Hare Fund | | | | | | | | | | |
| Landing Fees, Terminal Area Use Charges | \$394.3M | \$458.9M | \$417.6M | \$436.9M | \$442.9M | \$552.4M | \$546.1M | \$635.2M | \$651.0M | \$709.9M |
| Rents, Concessions, and Other | \$230.2M | \$243.7M | \$261.9M | \$265.7M | \$274.7M | \$292.1M | \$299.2M | \$312.6M | \$325.2M | \$352.0M |
| Non-Operating Revenues | \$134.2M | \$158.9M | \$199.8M | \$201.9M | \$189.2M | \$233.3M | \$224.5M | \$222.2M | \$256.9M | \$258.1M |
| Capital Grants | \$50.3M | \$57.6M | \$59.7M | \$73.5M | \$203.5M | \$89.0M | \$76.7M | \$70.7M | \$82.0M | \$131.0M |
| Total | \$808.9M | \$919.1M | \$939.0M | \$978.0M | \$1,110.4M | \$1,166.9M | \$1,146.5M | \$1,240.6M | \$1,315.1M | \$1,451.0M |
| Grand Total | \$1,567.4M | \$1,797.3M | \$1,827.6M | \$2,024.0M | \$2,272.8M | \$2,412.1M | \$2,537.6M | \$2,650.8M | \$2,737.8M | \$2,879.3M |

2020 BUDGET FORECAST
APPENDICES

ENTERPRISE FUNDS – EXPENDITURES

| | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 |
|--|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
| 0200 - Water Fund | | | | | | | | | | |
| Administrative & General | \$16.1M | \$18.6M | \$17.1M | \$21.9M | \$21.2M | \$22.0M | \$22.1M | \$20.3M | \$13.6M | \$13.0M |
| Central Services & General Fund Reimbursements | \$98.5M | \$103.0M | \$96.6M | \$107.4M | \$108.7M | \$119.2M | \$129.1M | \$126.4M | \$121.7M | \$127.0M |
| Customer Accounting & Collection | \$11.2M | \$10.3M | \$10.7M | \$10.0M | \$11.6M | \$11.9M | \$14.7M | \$15.3M | \$18.2M | \$22.1M |
| Non-Operating Expenses | \$69.6M | \$76.1M | \$86.5M | \$79.1M | \$92.3M | \$99.7M | \$106.1M | \$209.6M | \$108.3M | \$91.3M |
| Pension Expense | | | | | | | \$12.7M | \$12.3M | \$24.4M | \$32.1M |
| Power & Pumping | \$47.5M | \$42.9M | \$38.2M | \$41.7M | \$43.2M | \$43.1M | \$41.3M | \$39.6M | \$41.4M | \$41.1M |
| Purification | \$49.4M | \$49.7M | \$66.5M | \$56.1M | \$60.8M | \$68.5M | \$57.1M | \$57.5M | \$60.5M | \$62.9M |
| Source of supply | \$0.1M | \$0.1M | \$0.2M | \$0.2M | \$0.1M | \$0.3M | \$0.2M | \$0.1M | \$0.1M | \$0.2M |
| Transmission & Distribution | \$40.9M | \$38.7M | \$39.0M | \$36.5M | \$29.5M | \$43.7M | \$37.3M | \$39.2M | \$39.6M | \$59.7M |
| Total | \$333.4M | \$339.3M | \$354.7M | \$352.9M | \$367.4M | \$398.5M | \$420.6M | \$520.4M | \$427.9M | \$449.3M |
| 0314 - Sewer Fund | | | | | | | | | | |
| Administrative & General | \$14.4M | \$17.2M | \$18.8M | \$21.3M | \$24.5M | \$14.4M | \$12.3M | \$11.8M | \$12.6M | \$13.5M |
| Engineering | \$3.3M | \$3.1M | \$3.5M | \$3.1M | \$3.3M | \$3.3M | \$3.3M | \$2.2M | \$2.5M | \$3.7M |
| General Fund Reimbursements | \$25.4M | \$27.1M | \$29.1M | \$31.7M | \$32.1M | \$36.7M | \$40.0M | \$50.8M | \$47.5M | \$51.2M |
| Maintenance | \$24.4M | \$24.1M | \$23.7M | \$21.8M | \$23.0M | \$24.4M | \$25.3M | \$21.9M | \$24.7M | \$24.9M |
| Non-Operating Expenses | \$58.1M | \$48.2M | \$55.2M | \$54.8M | \$68.5M | \$69.6M | \$153.9M | \$81.7M | \$81.4M | \$77.6M |
| Pension Expense | | | | | | | \$4.4M | \$4.4M | \$9.5M | \$12.7M |
| Repairs | \$42.1M | \$42.5M | \$38.8M | \$35.7M | \$38.9M | \$40.4M | \$42.1M | \$36.4M | \$41.9M | \$43.7M |
| Total | \$167.7M | \$162.0M | \$169.1M | \$168.4M | \$190.3M | \$188.9M | \$281.4M | \$209.2M | \$220.0M | \$227.2M |
| 0610 - Midway Fund | | | | | | | | | | |
| Non-Operating Expenses | \$59.3M | \$66.0M | \$57.0M | \$56.5M | \$79.4M | \$72.5M | \$84.1M | \$89.4M | \$62.6M | \$60.8M |
| Other Operating Expenses | \$15.4M | \$18.5M | \$10.2M | \$16.8M | \$18.4M | \$14.3M | \$14.7M | \$17.1M | \$13.7M | \$15.7M |
| Pension Expense | | | | | | | \$6.1M | \$6.7M | \$9.5M | \$11.5M |
| Professional & Engineering Services | \$6.7M | \$15.8M | \$15.7M | \$15.0M | \$19.1M | \$23.3M | \$21.0M | \$20.9M | \$24.3M | \$24.1M |
| Repairs and Maintenance | \$38.0M | \$31.9M | \$40.7M | \$38.0M | \$39.6M | \$44.2M | \$44.1M | \$48.3M | \$44.5M | \$47.3M |
| Salaries and Wages | \$39.5M | \$42.1M | \$43.6M | \$44.5M | \$44.0M | \$47.8M | \$43.3M | \$48.5M | \$48.2M | \$51.4M |
| Total | \$158.9M | \$174.4M | \$167.1M | \$170.7M | \$200.5M | \$202.1M | \$213.4M | \$230.8M | \$202.8M | \$210.9M |
| 0740 - O'Hare Fund | | | | | | | | | | |
| Non-Operating Expenses | \$228.8M | \$239.0M | \$280.7M | \$272.9M | \$315.0M | \$321.0M | \$342.2M | \$326.8M | \$348.2M | \$326.1M |
| Other Operating Expenses | \$116.7M | \$118.7M | \$116.2M | \$123.5M | \$97.3M | \$113.0M | \$92.1M | \$101.4M | \$103.4M | \$115.1M |
| Pension Expense | | | | | | | \$25.8M | \$27.5M | \$38.7M | \$46.7M |
| Professional & Engineering Services | \$54.8M | \$58.0M | \$65.4M | \$74.3M | \$81.1M | \$88.1M | \$83.3M | \$95.6M | \$101.8M | \$111.6M |
| Repairs and Maintenance | \$82.5M | \$86.5M | \$94.5M | \$88.8M | \$85.5M | \$110.9M | \$98.9M | \$104.5M | \$95.3M | \$115.0M |
| Salaries and Wages | \$150.3M | \$147.4M | \$155.0M | \$163.5M | \$162.2M | \$183.0M | \$191.8M | \$204.1M | \$206.0M | \$222.6M |
| Total | \$633.1M | \$649.6M | \$711.8M | \$723.1M | \$741.1M | \$816.0M | \$834.1M | \$860.0M | \$893.4M | \$937.2M |
| Grand Total | \$1,293.1M | \$1,325.3M | \$1,402.7M | \$1,415.1M | \$1,499.3M | \$1,605.4M | \$1,749.5M | \$1,820.4M | \$1,744.1M | \$1,824.5M |

Non-cash expenses are excluded from this chart as there is no budgetary impact. Pension Expenses for 2014 and before were included in Salaries and Wages. See the Debt section for information regarding annual debt service payments.

2020 BUDGET FORECAST
APPENDICES

OUTSTANDING LONG-TERM DEBT

| | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 |
|--------------------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| G.O. Tax Levy | \$6,344.8M | \$6,818.2M | \$7,077.6M | \$7,004.8M | \$7,658.1M | \$8,436.3M | \$8,440.4M | \$9,102.4M | \$7,473.9M | \$7,366.4M | \$7,316.2M | \$7,102.7M | \$6,883.5M | \$6,640.7M |
| O'Hare Revenue | \$5,505.9M | \$6,403.8M | \$7,259.8M | \$6,970.9M | \$7,476.3M | \$7,466.5M | \$7,245.3M | \$6,970.6M | \$8,531.5M | \$10,318.0M | \$10,026.9M | \$9,750.2M | \$9,514.2M | \$9,262.4M |
| Water Revenue | \$1,464.8M | \$1,753.8M | \$1,721.2M | \$2,030.2M | \$1,996.9M | \$2,381.8M | \$2,391.4M | \$2,468.4M | \$2,401.0M | \$2,457.3M | \$2,360.3M | \$2,264.3M | \$2,166.5M | \$2,064.6M |
| Midway Revenue | \$1,184.8M | \$1,461.5M | \$1,435.3M | \$1,383.2M | \$1,412.6M | \$1,506.3M | \$1,482.9M | \$1,755.8M | \$1,755.8M | \$1,713.5M | \$1,677.0M | \$1,628.8M | \$1,574.9M | \$1,514.8M |
| Sewer Revenue | \$902.8M | \$1,126.0M | \$1,112.1M | \$1,363.8M | \$1,369.5M | \$1,638.9M | \$1,686.2M | \$1,692.8M | \$1,861.4M | \$1,893.6M | \$1,831.2M | \$1,770.9M | \$1,710.5M | \$1,648.1M |
| Sales Tax Securitization | | | | | | | | | \$743.7M | \$2,036.4M | \$2,033.4M | \$2,030.3M | \$1,988.5M | \$1,939.9M |
| G.O. Alternate Revenue | \$660.4M | \$629.5M | \$593.0M | \$554.9M | \$514.8M | \$472.6M | \$426.4M | \$355.0M | \$216.9M | \$176.9M | \$131.8M | \$92.9M | \$50.4M | \$29.2M |
| Sales Tax Revenue | \$355.6M | \$355.1M | \$577.3M | \$566.0M | \$554.1M | \$541.6M | \$528.5M | \$514.7M | \$0.0M | \$0.0M | \$0.0M | \$0.0M | \$0.0M | \$0.0M |
| Motor Fuel Tax Revenue | \$203.9M | \$198.6M | \$193.0M | \$187.2M | \$181.0M | \$183.8M | \$207.4M | \$234.1M | \$249.8M | \$245.4M | \$240.4M | \$235.1M | \$229.3M | \$223.1M |
| G.O. Pledge | \$106.1M | \$104.6M | \$102.9M | \$101.2M | \$99.4M | \$88.3M | \$77.2M | \$75.1M | \$72.8M | \$59.6M | \$46.3M | \$33.1M | \$19.9M | \$6.6M |
| TIF | \$174.8M | \$153.3M | \$124.0M | \$105.7M | \$80.1M | \$70.0M | \$60.7M | \$33.5M | \$27.9M | \$19.9M | \$16.2M | \$12.1M | \$7.7M | \$0.0M |
| Grand Total | \$16,904.0M | \$19,004.4M | \$20,196.3M | \$20,267.8M | \$21,342.8M | \$22,786.2M | \$22,546.1M | \$23,202.3M | \$23,335.0M | \$26,287.0M | \$25,679.9M | \$24,920.4M | \$24,145.5M | \$23,329.4M |

LONG-TERM DEBT SERVICE PAYMENTS

| | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 |
|--------------------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|
| G.O. Tax Levy | \$381.2M | \$310.6M | \$367.8M | \$386.7M | \$367.7M | \$382.0M | \$394.7M | \$399.1M | \$452.1M | \$472.3M | \$501.0M | \$662.9M | \$664.0M | \$677.9M |
| O'Hare Revenue | \$292.3M | \$380.5M | \$401.2M | \$731.9M | \$432.9M | \$521.0M | \$592.6M | \$607.8M | \$620.5M | \$625.7M | \$662.7M | \$669.8M | \$666.1M | \$711.4M |
| Water Revenue | \$110.3M | \$110.3M | \$127.8M | \$129.4M | \$158.2M | \$158.7M | \$179.2M | \$184.6M | \$206.4M | \$205.1M | \$216.9M | \$212.1M | \$204.5M | \$204.4M |
| Midway Revenue | \$77.2M | \$81.8M | \$90.6M | \$113.7M | \$80.4M | \$69.0M | \$91.9M | \$102.2M | \$90.4M | \$91.9M | \$108.1M | \$127.0M | \$130.3M | \$133.8M |
| Sewer Revenue | \$64.4M | \$63.8M | \$82.4M | \$83.4M | \$100.8M | \$109.4M | \$135.0M | \$126.8M | \$138.3M | \$145.5M | \$150.0M | \$152.6M | \$152.7M | \$152.7M |
| Sales Tax Securitization | | | | | | | | | \$0.0M | \$54.7M | \$92.4M | \$92.4M | \$130.9M | \$135.9M |
| G.O. Alternate Revenue | \$53.7M | \$54.8M | \$67.1M | \$67.1M | \$67.2M | \$68.3M | \$70.3M | \$97.8M | \$71.9M | \$51.3M | \$54.3M | \$45.7M | \$47.3M | \$23.7M |
| Sales Tax Revenue | \$13.1M | \$5.2M | \$15.5M | \$32.6M | \$38.6M | \$38.6M | \$36.9M | \$39.4M | \$24.9M | \$0.0M | \$0.0M | \$0.0M | \$0.0M | \$0.0M |
| Motor Fuel Tax Revenue | \$15.6M | \$15.6M | \$15.5M | \$15.7M | \$15.6M | \$12.0M | \$14.4M | \$14.3M | \$15.1M | \$15.4M | \$15.6M | \$15.8M | \$15.9M | \$16.1M |
| G.O. Pledge | \$2.4M | \$2.3M | \$2.4M | \$2.4M | \$25.0M | \$16.6M | \$16.1M | \$5.2M | \$5.0M | \$15.7M | \$15.2M | \$14.8M | \$14.3M | \$13.8M |
| TIF | \$31.6M | \$31.8M | \$38.4M | \$24.3M | \$32.0M | \$23.5M | \$15.2M | \$6.5M | \$7.1M | \$6.9M | \$4.6M | \$4.8M | \$4.9M | \$7.9M |
| Grand Total | \$1,041.9M | \$1,056.7M | \$1,208.6M | \$1,587.1M | \$1,318.4M | \$1,399.0M | \$1,546.2M | \$1,589.9M | \$1,631.5M | \$1,684.4M | \$1,820.9M | \$1,997.8M | \$2,030.9M | \$2,077.6M |

2020 BUDGET FORECAST
APPENDICES

ASSET LEASE AND CONCESSION RESERVES

In 2005, the City entered into a 99-year lease of the Chicago Skyway, under which a private company was granted the right to operate and collect tolls from the Skyway. In return, the City received an upfront payment of \$1.83 billion. Approximately \$850 million of this amount was used to pay off existing debt, including \$446.3 million to refund the outstanding Skyway bonds at the time of the transaction.

In 2009, the City entered into a 75-year concession agreement for its metered parking system, under which a private company was granted the right to operate and collect revenue from the parking meter system and the City received an upfront payment of \$1.15 billion.

Both of these transactions resulted in the establishment of a long-term reserve fund, a mid-term reserve fund, and a human infrastructure fund.

The City established a \$500 million long-term reserve with a portion of the proceeds of the Chicago Skyway lease. The principal of this fund was intended to supplement Corporate Fund reserves, with interest earnings to be used for City operating expenses. These funds have been utilized as planned - the principal balance remains \$500 million and the earned interest has been transferred to the Corporate Fund each year, with the dollar amount of the transfer reflecting variations in interest rates.

The City established a \$400 million long-term reserve with a portion of the proceeds of the parking meter concession. This fund was created to replace revenues that would have been generated from parking meters by transferring interest earnings to the Corporate Fund, with the principal remaining intact at \$400 million. However, starting in 2009, the City began utilizing these long-term reserve funds to subsidize the City’s operating budget. Utilizing these funds reduced the principal balance substantially below the initial deposit and accordingly reduced the interest earnings generated by the fund. The original ordinance establishing the fund directed that an annual transfer of \$20 million be made from the fund into the Corporate Fund to replace lost meter revenue. However, in order to maintain these important reserves, the City amended the ordinance in 2012 to state that only interest generated from the fund, and not principal, must be transferred for this purpose. In addition, the City began to rebuild these reserves in 2012,

with \$40 million deposited into the reserves from 2012 to 2014 (\$20 million deposited in 2012, \$15 million deposited in 2013, and \$5 million deposited in 2014) and another \$20 million deposited into the operating liquidity fund from 2015 through 2018 (\$5 million deposited each of those years).

The City also established mid-term reserve funds of \$375 million and \$325 million, respectively, with proceeds from the Skyway lease and parking meter concession. Both of these funds were created to supplement Corporate Fund revenues. The Skyway mid-term reserve fund has been drawn upon as scheduled, with the principal depleted in 2010 and the approximately \$50 million in accumulated interest transferred from this fund to the Corporate Fund in 2011.

The parking meter mid-term reserve was established to assist the City in weathering the national economic downturn occurring at the time of the closing of the parking meter concession. Initially, \$326.4 million was deposited into the fund and the principal was fully utilized by the end of 2010. A small amount (approximately \$600,000) of interest remained in the fund and was transferred to the parking meter long term reserve fund in 2012.

The City set aside \$100 million of the proceeds from each of the Skyway and the parking meter concession transactions to be used to fund programs to improve the quality of life in Chicago neighborhoods. The principal of the Skyway human infrastructure fund was fully utilized by the end of 2009, and the remaining interest in the fund was utilized in 2011. The remaining balance of the parking meter human infrastructure fund was used in 2014.

In 2008, the City entered into an agreement with a private company for the long-term lease of Midway International Airport. The private company failed to carry out the transaction and surrendered its \$126.1 million security deposit to the City in 2009; \$13.1 million of this amount was used to pay various fees associated with the proposed lease transaction, \$33 million was used to pay off existing debt, and \$40 million was transferred to the Corporate Fund for use in that year. The remaining \$40 million was transferred to the Corporate Fund in two \$20 million transfers, one in 2010 and the second in 2011. The chart below provides the year-end balance as recorded annually in the CAFR for the City’s asset lease and service concession reserves.

ASSET LEASE FUND BALANCES

| | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 |
|---------|------------|----------|----------|----------|----------|----------|----------|----------|----------|----------|
| Balance | \$1,304.5M | \$877.9M | \$718.5M | \$624.8M | \$590.2M | \$626.0M | \$624.5M | \$640.2M | \$668.3M | \$652.5M |

CAPITAL INVESTMENTS

The City's Capital Improvement Program ("CIP") funds the physical improvement or replacement of City-owned infrastructure and facilities with long useful lives, such as roads, buildings and green spaces. Each year, the City updates the CIP, producing a spending "blueprint" based upon the most current revenue projections and project priorities. Continued investments in infrastructure and facilities are critical to support and enhance neighborhoods, stimulate the economy, and improve services.

The CIP is primarily funded through the following sources:

- General obligation bonds, which are backed by property tax revenue and are used for a variety of City infrastructure and facility projects.
- Water and sewer revenue bonds, which are backed by water and sewer user fees, respectively, and are used for the construction and repair of water and sewer lines and related facilities.
- O'Hare and Midway revenue bonds, which are backed by airport revenues, are used to fund airfield and terminal improvements and related facilities. The City

also uses other airport operating revenues to fund capital improvements at both O'Hare and Midway Airport.

- Tax Increment Financing ("TIF"), which is used to fund infrastructure such as roads, lighting, libraries, and bridges.
- State and federal funds which are used by the Chicago Department of Transportation for bridges and roadways and the Department of Water Management for water and sewer improvements.

The City's 2019-2023 CIP includes a total of \$8.5 billion in planned capital improvements. Details regarding the allocation, funding source, timing, and scope of each planned capital improvement project will be available on the City's Office of Budget and Management website at <https://www.chicago.gov/city/en/depts/obm.html>.

2020 BUDGET FORECAST
APPENDICES

TAX INCREMENT FINANCING

Tax Increment Financing (“TIF”) is a funding tool used to improve neighborhood infrastructure and promote investment in communities across the City. The program is governed by State law, which allows municipalities to capture property tax revenues derived from the amount of incremental equalized assessed value (“EAV”) above the base EAV that existed when an area was designated as a TIF district.

There have been a total of 184 TIF designations in Chicago since the start of the TIF program in 1984. The number of active TIF districts peaked in 2011 at 163 but has since declined to 140 currently active in the city. Since the start of the TIF program, 25 districts have been terminated, 14 districts have expired, and five have been repealed. The City designated two TIFs in 2018, the Foster/Edens TIF and the 116th and Avenue O TIF, and two TIFs in 2019, the Roosevelt Clark TIF and the Cortland Chicago River TIF. Seven TIFs were terminated in 2018. While no TIFs are scheduled to expire in 2019, the City may yet decide to terminate TIFs that have no scheduled projects or obligations.

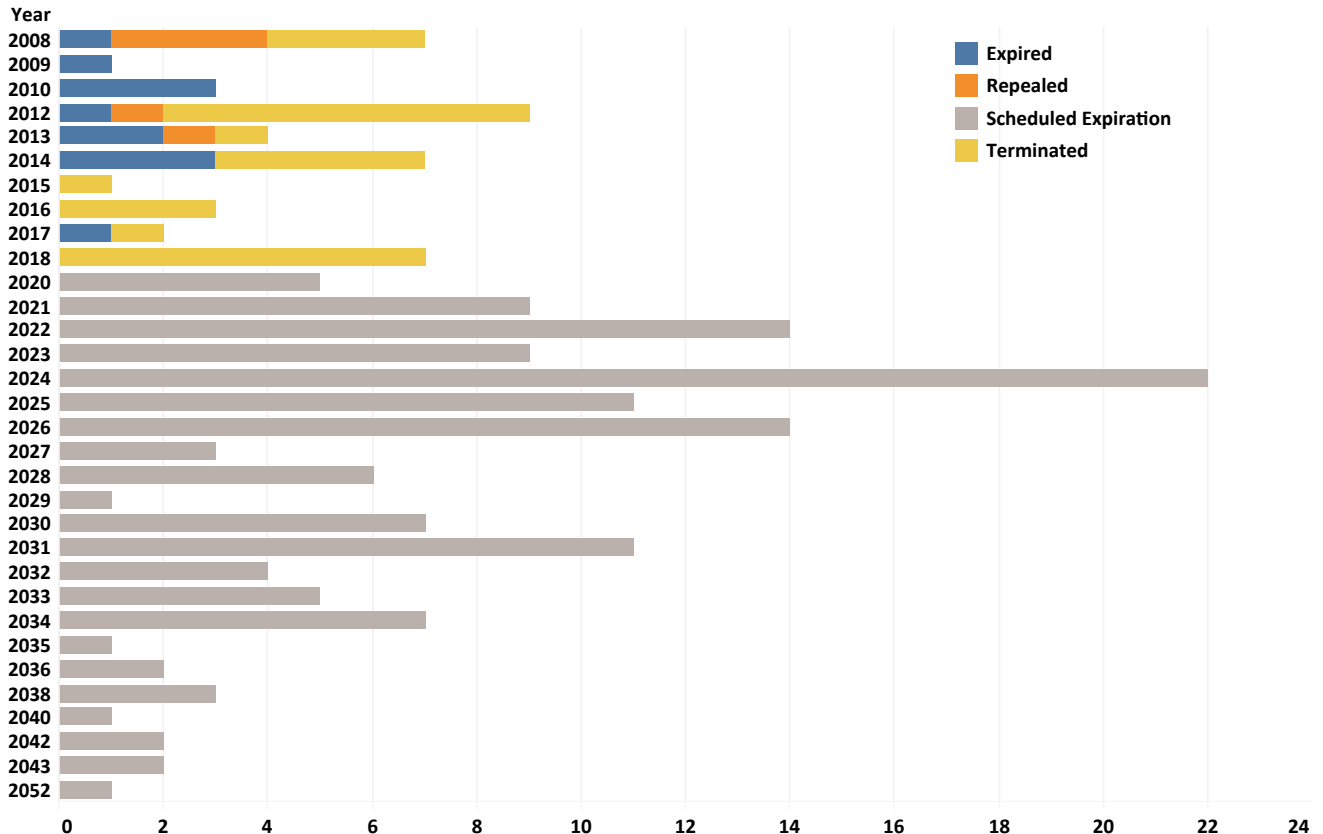
TIF revenues are generated from incremental property taxes within a designated district over a period of 23 or 24

years, or up to 36 years if extended by State legislation, with the exception of transit TIFs which have a maximum 36-year life. TIF revenues are used to fund community projects, public improvements, and provide incentives to attract private investment to the area. Funds are used to build and repair neighborhood streets, alleys, bridges, and lighting; modernize and improve schools; construct and upgrade the transit system; build and improve parks; increase affordable housing; and promote neighborhood economic development.

On an annual basis, the City declares a portion of the funds in an active TIF as surplus, which is then distributed on a proportionate basis to each of the overlapping taxing districts. Surplus declaration occurs during the budget process and is pursuant to State law which requires that any incremental revenues not identified as designated for eligible costs be declared as surplus.

Expenditure data, categorized at a high level into financing, public improvement, site preparation, administration, development, and job training costs, can be found online in the audited annual financial reports for each TIF at <https://www.chicago.gov/city/en/depts/dcd/provdrs/tif.html>.

TIF COUNT BY END YEAR



2020 BUDGET FORECAST
APPENDICES

PROPERTY TAX

Property values are assessed by the Cook County Assessor every three years, and values are assigned based on three prior years of sales of similar properties. By comparing the actual selling price of individual properties with the assessed value placed on those properties by the county assessor, the State adjusts the home valuations so that properties of similar value are assessed at similar rates.

This adjustment occurs after the assessment and any adjustments by the Cook County Board of Review. In Illinois, State law requires an adjustment if the median level of assessment for all property in the county varies from 33 1/3 percent of the actual property values. An equalization factor is applied, providing the property owner with equalized assess value (“EAV”) of the property. The County aggregates EAVs of similar types of properties (residential, apartments, commercial, industrial), and based on the amount of money local governments need, determines the percentage of EAV for each property type that a property owner should pay toward the levy for each taxing district in the county.

There are more than 1,400 taxing districts in Cook County. These include city governments, schools, parks, libraries, public safety, mosquito abatement and other programs that have their own budgets.

Each taxing district determines how much money it needs to collect through property taxes (as opposed to other types of taxes and fees) and notifies Cook County of its needs. The County then uses the EAV to create tax bills for individual property owners. Property tax bills represent the portion (based on EAV) of the total expenses for the taxing districts in which that property is located.

Tax bills are mailed to each property owner two times a year. The first payment, usually due in late winter, goes to pay the second installment of the previous year’s levy. Any changes to the property tax levy are reflected in the summer payment, usually due in August. Each bill includes a list of the amount being collected on behalf of each taxing district. The City is one of several taxing districts reflected on a Chicago resident’s property tax bill.

The citywide 2018 equalized assessed value is \$86.3 billion, an increase of 12.45 percent over 2017.

COOK COUNTY PROPERTY TAX EXEMPTIONS

The Homeowner Exemption provides tax relief by reducing the EAV of an eligible residence by \$10,000. First-time applicants must have been the occupants of the property as of January 1 of the tax year in question.

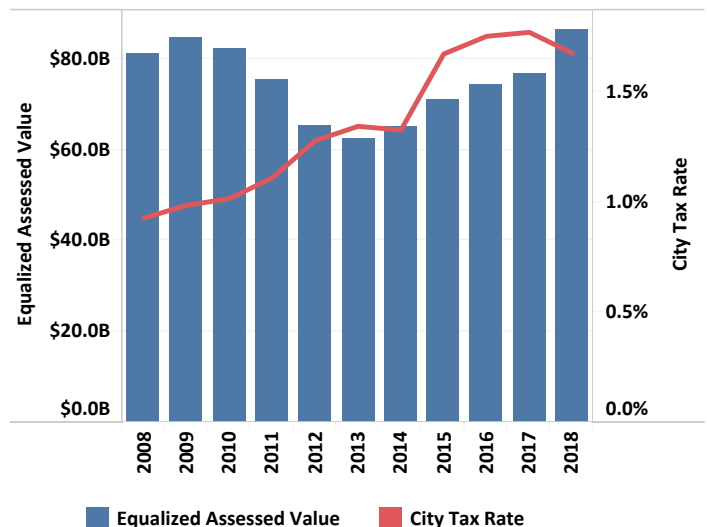
The Senior Citizen Exemption provides tax relief by reducing the EAV of an eligible residence for seniors who own and occupy their homes (in addition to savings from the homeowner exemption).

EQUALIZED ASSESSED VALUE – TOP PROPERTIES

| Property | EAV |
|------------------------------|---------------|
| Willis Tower | \$507,224,322 |
| Prudential Plaza | \$285,268,209 |
| Blue Cross Blue Shield Tower | \$283,971,880 |
| 150 N. Riverside | \$278,890,700 |
| Aon Center | \$255,795,349 |
| Water Tower Place | \$251,219,181 |
| 222 Merchandise Mart Plaza | \$235,898,896 |
| 300 N. LaSalle | \$234,419,874 |
| 320 N. Wells St | \$234,387,179 |
| Franklin Center | \$218,162,209 |

Source: Cook County Treasurer, 2018 (www.cookcountytreasurer.com)

AGGREGATE CITY EAV VS CITY TAX RATE



The Senior Freeze Exemption allows qualified senior citizens to apply for a freeze of the EAV of their properties for the year preceding the year in which they first apply. For example, if a senior applies in 2019 for the freeze, it would be retroactive to the 2018 tax year.

The Home Improvement Exemption allows homeowners to make up to \$75,000 worth of property improvements without an increase in property taxes for at least four years. The value varies depending on the reduction of the assessed value and the tax rates. Any exemption that is granted is reflected on the second installment tax bill.

Veterans Returning from Active Duty in armed conflict are eligible to receive a \$5,000 reduction in the EAV of their property for the taxable year in which they return.

The Disabled Veteran Homestead Exemption provides tax relief to veterans as certified by the U.S. Department of Veteran Affairs as disabled. A disability of 30-49 percent qualifies for a \$2,500 reduction in the EAV. A disability of 50-69 percent qualifies for a \$5,000 exemption in the EAV. A disability of 70 percent or more may qualify for a 100 percent tax exemption.

The Disabled Persons Exemption provides disabled persons with an annual \$2,000 reduction in the EAV of their property.

2020 BUDGET FORECAST
GLOSSARY

Actuarially-Calculated Contribution: An amount determined sufficient to increase the funded ratio of the City of Chicago's pension funds, including Municipal Employees' Annuity and Benefit Fund, the Laborers' Annuity and Benefit Fund, the Policemen's Annuity and Benefit Fund and the Firemen's Annuity and Benefit Fund, to a statutorily required amount over a number of years.

Amusement Tax: A tax imposed upon the patrons of amusement activities within the City of Chicago including sporting events, theater productions, and a variety of other entertainment activities. The tax does not apply to admission fees to witness in-person live theatrical, live musical, or other live cultural performances that take place in a venue whose maximum capacity is 1,500 persons or fewer. The tax rate is 9.0 percent of the fee paid to witness in-person live theatrical, live musical, or other live cultural performances that take place in a venue whose maximum capacity is more than 1,500 persons. Authorization: Municipal Code 4-156-020.

Appropriation: An amount of money in the budget, authorized by the City Council, for expenditures for specific purposes. Appropriations are made by account group within each department and fund.

Asset Lease and Concession Reserves: Reserve funds are funds that the City of Chicago sets aside as an economic safety net to mitigate current and future risks such as contingencies, emergencies, or revenue shortfalls. Asset lease and concession reserves are reserve funds established in connection with the long-term lease or concession of City of Chicago assets, specifically the Skyway and parking meters.

Automatic Amusement Device Tax: A tax imposed on each automatic amusement device or machine used within the City of Chicago for gain or profit. The tax rate is \$150 per amusement device annually. Authorization: Municipal Code 4-156-160.

Aviation Funds: Funds established to account for acquisition, operation, and maintenance of the City of Chicago's airports. Aviation funds are comprised of the O'Hare International Airport Fund and the Midway International Airport Fund.

Benefits: Includes costs such as healthcare, workers' compensation, life insurance, social security contributions and Medicare contributions.

Boat Mooring Tax: A tax imposed on the mooring or docking of any watercraft for a fee in or on a harbor, river or other body of water within the corporate limits or jurisdiction of the City of Chicago. The tax rate is 7.0 percent of the mooring or docking fee. Authorization: Municipal Code 3-16-030.

Bonds: Long-term debt primarily used to finance infrastructure projects including street and alley construction and improvements, lighting, sidewalk replacement, curb and gutter repairs and replacement, and transportation improvements, as well as Enterprise Fund related projects. The City of Chicago has several different types of bonds including general obligation bonds, Motor Fuel Tax revenue bonds, tax increment allocation bonds, water and wastewater bonds, O'Hare and Midway Bonds.

Business Taxes: Consists of revenue from the City of Chicago's tax on hotel accommodations, the Checkout Bag Tax, and prior to 2019, Foreign Fire Insurance.

Capital Improvement Plan: A five-year plan that identifies capital projects, provides a planning schedule and identifies options for financing projects.

Charges for Service: Charges levied for services provided by the City of Chicago that are not covered by general tax revenue. Such services include building inspections, information requests, emergency medical services, and safety services.

Checkout Bag Tax: A tax of \$.07 per bag on the retail sale or use of paper and plastic checkout bags in Chicago, of which retail merchants retain \$.02 and the remaining \$.05 is remitted to the City of Chicago. Authorization: Municipal Code 3-50-030.

Cigarette Tax: A tax of \$0.059 per cigarette (\$1.18 per pack of twenty) is imposed upon all cigarettes possessed for sale within the City of Chicago. The tax is paid through the purchase of tax stamps from the City of Chicago's Department of Finance. In the City of Chicago's budget, this also includes the liquid nicotine product tax, which is imposed on the retail sale of liquid nicotine products in the City of Chicago at \$1.50 per product unit and \$1.20 per fluid milliliter of consumable nicotine solution. Authorization: Municipal Code 3-42-020 (cigarette) and 3-47-030 (liquid nicotine).

2020 BUDGET FORECAST
GLOSSARY

Claims, Refunds, Judgments and Legal Fees: Includes expenses incurred with claims filed against the City of Chicago, legal settlements and judgments, and related legal fees including attorney costs.

Choose Chicago: The official destination marketing organization for the City of Chicago.

Collective Bargaining Agreements (“CBAs”): A written legal contract between an employer and union representing employees.

Commercial Paper: A short-term debt instrument issued by an organization, typically for the financing of short-term liabilities.

Commodities and Equipment: Consists of costs for gas, electricity, and natural gas, as well as small equipment.

Comprehensive Annual Financial Report (“CAFR”): Provides complete and accurate financial information from an independent third party auditor which complies with the reporting requirements of the Municipal Code of Chicago.

Consumer Price Index (“CPI”): Generally understood as a way to measure inflation, CPI measures the average change over time in the prices paid for a set of consumer goods and services.

Contractual Services: Comprised of costs incurred related to services provided to the City of Chicago by a vendor that are dictated by a contractual agreement, such as information technology or auditing services.

Corporate Fund: The City of Chicago’s general operating fund, used to account for basic City operations and services such as public safety, business and consumer services, and tree trimming.

Debt Service Funds: Debt Service Funds are used to account for the accumulation of resources for, and the payment of, long-term debt service and related costs. Revenue bonds issued for the City of Chicago’s Enterprise Funds and debt issued for special taxing districts are not included in the City’s general Debt Service Funds.

Delegate Agencies: Organizations that provide services on behalf of the City of Chicago through a grant contract.

Emergency Communication Surcharge: A surcharge imposed on all billed subscribers of telecommunications services within the City of Chicago for the purpose of funding a portion of the maintenance and operation of the City’s emergency 911 system. The surcharge is \$5.00 per month for each network connection and wireless number, and a 9.0 percent tax on pre-paid wireless service. Authorization: Municipal Code 3-64-030 and 7-50-020.

Emergency Communication Fund: A Special Revenue Fund that is comprised of funds from the collection of the emergency communication surcharge, and funds 911 and emergency preparedness activities of the Office of Emergency Management and Communication.

Enterprise Funds: Funds established to account for acquisition, operation, and maintenance of government services such as water, sewer, and the airports. These funds are self-supporting in that they derive revenue from user charges.

Equalized Assessed Value (“EAV”): The equalized assessed value of a property is the result of applying a State equalization factor to the assessed value of a parcel of property. The State equalization factor is used to bring all property in Illinois to a uniform level of assessment.

Fines, Forfeitures, and Penalties: Fines and any associated penalties levied for violations of the Municipal Code. The primary source of this type of revenue is from parking tickets. Also included in this category are red-light and automated speed enforcement fines, moving violations, booting-related fees, sanitation code violations, and housing court fines.

Fiscal Year (“FY”): The City of Chicago’s fiscal year aligns with the calendar year: January 1 to December 31.

Full Time Equivalent (“FTEs”): The ratio of the total number of paid hours during a period by the number of working hours in that period. One FTE is equivalent to one employee working full-time.

Foreign Fire Insurance Tax: A tax imposed on any business not incorporated in the State of Illinois that is engaged in selling fire insurance in the City of Chicago. The tax is paid for the maintenance, use, and benefit of the Chicago Fire Department. The tax rate is 2.0 percent of the gross receipts received for premiums. Authorization: Municipal Code 4-308-020.

2020 BUDGET FORECAST
GLOSSARY

Garbage Fee: Chicago residences receiving City-provided garbage collection services are charged a \$9.50 monthly fee per dwelling unit. City-provided garbage collection services are provided to single family homes and multi-family buildings with four units or fewer. Authorization: Municipal Code 7-28-235.

General Obligation Debt: Comprised of three types of general obligation bonds including Tax Levy Bonds, Alternate Revenue Bonds and Pledge Bonds.

General Financing Requirements: Comprised of the Finance General budgeting category that represents cross-departmental expenses such as information technology systems, employee benefits, contributions to employee pension funds, and long-term debt service payments.

Governmental Accounting Standards Board (“GASB”): An independent, private-sector organization that establishes accounting and financial reporting standards for U.S. state and local governments that follow Generally Accepted Accounting Principles.

Gross Domestic Product: The total value of goods produced and services provided in a country during one year.

Ground Transportation Tax: A tax imposed on the provision of hired ground transportation to passengers in the City of Chicago. The tax rate is \$98 per month on medallion licensees. There is a \$3.50 per day charge for each non-taxicab vehicle with a seating capacity of 10 or fewer passengers, \$6 per day for each non-taxicab vehicle with a seating capacity of 11 to 24 passengers, \$9 per day for each non-taxicab vehicle with a capacity of more than 24 passengers. Transportation network provider vehicles are charged \$0.60 per trip for trips that begin or end in Chicago, and \$0.10 per trip Accessibly Fund payment for trips that begin or end in Chicago. Additionally, a \$5.00 per trip surcharge on all transportation network provider vehicles for airport, Navy Pier, and McCormick Place pick-up and drop-off. Lastly, the City of Chicago charges \$1.00 per day for pedicabs for each day in service. Authorization: Municipal Code 3-46-030.

Hotel Accommodations Tax: A 4.5 percent tax imposed on the rental or lease of hotel accommodations in the City of Chicago. For vacation rentals and shared housing units, a 6.0 percent surcharge is added to the 4.5 percent base rate for a total City tax rate of 10.5 percent of the gross

rental or leasing charge. Authorization: Municipal Code 3-24-030.

Income Tax: A tax imposed by the State of Illinois on the privilege of earning or receiving income in Illinois. The tax rate is 7.0 percent of net income for corporations and 4.95 percent of net income for individuals, trusts, and estates. Of the net income tax receipts after refund, 6.06 percent of personal income tax receipts and 6.85 percent of corporate income tax receipts is placed in the Local Government Distributive Fund, which is then distributed to municipalities based on population. Authorization: 35 ILCS 5/201, 5/901; 30 ILCS 115/1, 115/2.

Intergovernmental Tax Revenue: Consists of the City of Chicago’s share of State Income Tax, Personal Property Replacement Tax and Municipal Auto Rental Tax received through the State of Illinois.

Internal Service Earnings: Reimbursements from other City of Chicago funds to the Corporate Fund for services that are provided to other City funds. Certain internal service earnings are allocated using cost accounting methods, while others are reimbursed using intergovernmental purchase orders.

Lease of Personal Property Tax: A tax that applies to businesses or individuals that either are a lessor or lessee of personal property used in the City of Chicago.

Licenses and Permits: Licenses and permits are required for the operation of certain construction and business activities in the City of Chicago. Fees for these licenses and permits vary with the type of activity authorized.

Liquor Tax: A tax imposed on the retail sale of alcoholic beverages in the City of Chicago. Each wholesale dealer who sells to a retail dealer located in the City of Chicago collects the tax and any such retail alcoholic beverage dealer in turn collects the tax from the retail purchaser. The tax rate is \$0.29 per gallon of beer, \$0.36 per gallon for alcoholic liquor containing 14.0 percent or less alcohol by volume, \$0.89 per gallon for liquor containing more than 14.0 percent and less than 20.0 percent alcohol by volume, and \$2.68 per gallon for liquor containing 20.0 percent or more alcohol by volume. Authorization: Municipal Code 3-44-030.

Local Funds: All funds used by the City of Chicago for non-capital operations other than Grant Funds. Includes the

2020 BUDGET FORECAST
GLOSSARY

Corporate Fund, Enterprise Funds, and Special Revenue Funds.

Local Non-Tax Revenue: Local non-tax revenue consists of fees charged for the issuance of licenses and permits; fines, forfeitures and penalties for traffic or other violations; various charges for services; municipal parking; leases, rentals and sales of City-owned property; internal service earnings; and interest and other revenue.

Local Tax Revenue: Consists of taxes collected by the City of Chicago, including utility, transportation, transaction, recreation, and business taxes.

Long-Term Debt: Used to finance infrastructure projects in City of Chicago neighborhoods including street and alley construction and improvements, lighting, sidewalk replacement, curb and gutter repairs and replacement, and transportation improvements, including street resurfacing, bridge rehabilitation and traffic safety improvements, as well as Enterprise Fund related projects.

Midway Airport Fund: A fund established to account for the acquisition, operation, and maintenance of Midway International Airport.

Motor Fuel Tax: A tax imposed by the State of Illinois on the sale of motor fuel within the State. The tax rate is \$0.38 per gallon of gasoline and \$0.455 per gallon of diesel fuel. A portion of the revenue is distributed to municipalities and townships based on population via a Statewide allocation formula. Authorization: 35 ILCS 505/2, 505/8.

Motor Fuel Tax Fund: A Special Revenue Fund comprised of revenue derived from the Motor Fuel Tax that funds expenses such as costs associated with streetlight energy, salt purchases for snow removal, street pavement, bridge maintenance, and related personnel costs.

Motor Vehicle Lessor Tax: A tax imposed on the leasing of motor vehicles in the City of Chicago to a lessee on a daily or weekly basis. The lessor is allowed to pass this tax on to lessees as a separate charge on rental bills or invoices. The tax is \$2.75 per vehicle per rental period. Authorization: Municipal Code 3-48-030.

Municipal Hotel Operators' Occupation Tax: A tax authorized by State legislation and imposed on the activity of renting hotel accommodations in the City of Chicago. The tax rate is 1.0 percent of gross receipts. The tax is

administered and collected by the Illinois Department of Revenue and distributed monthly to the City of Chicago. Authorization: Municipal Code 3-40-470.

Municipal Parking: A category of revenues that currently includes revenue generated by various parking permits. Historical collections in this category also include parking meter revenues generated prior to the long-term lease of the City of Chicago's parking meter system in 2009.

O'Hare Airport Fund: A fund established to account for the acquisition, operation, and maintenance of O'Hare International Airport.

Parking Garage Tax: A tax imposed on the privilege of parking a motor vehicle in any commercial parking lot or garage in the City of Chicago. The tax rate is currently 22.0 percent for daily parking during the week as well as all weekly and monthly parking and 20.0 percent for daily parking on the weekends. Authorization: Municipal Code 4-236-020.

Personnel Services: Personnel-related costs, which include salaries and wages, pension contributions, healthcare, overtime pay, and unemployment compensation.

Pension Funds: The City of Chicago's employees are covered under four defined-benefit retirement plans established by State statute and administered by independent pension boards. These plans are the Municipal Employees' Annuity and Benefit Fund, the Laborers' Annuity and Benefit Fund, the Policemen's Annuity and Benefit Fund, and the Firemen's Annuity and Benefit Fund. Each independent pension board has authority to invest the assets of its respective plan subject to the limitations set forth in 40 ILCS 5/1-113.

Personal Property Lease Transaction Tax: A tax imposed on the lease, rental or use of rented, personal property in the City of Chicago. The tax rate is currently 9.0 percent of the lease or rental price. The lease transaction tax rate for nonpossessory computer leases of software and infrastructure – referred to as cloud software and cloud infrastructure – is 5.25 percent. Authorization: Municipal Code 3-32-030.

Personal Property Replacement Tax: Two categories of taxes levied by the State and distributed to local governments to replace personal property taxes no longer allowed under the Illinois Constitution: 1. An income-based tax on corporations, partnerships, and

2020 BUDGET FORECAST
GLOSSARY

other business entities. The tax rate is 2.5 percent for corporations and 1.5 percent for partnerships, trusts, and subchapter S corporations. The tax allocation formula for local governments in Cook County is based on the 1976 distribution of the repealed personal property tax. Authorization: 35 ILCS 5/201(c), (d); 30 ILCS 115/12. 2. A tax on invested capital imposed by the State of Illinois on public utilities. The tax rate is 0.8 percent on invested capital. The tax allocation formula for local governments in Cook County is based on the 1976 distribution of the repealed personal property tax. Authorization: 35 ILCS 610/2a.1, 615/2a.1, 620/2a.1, 625/2a.1; 30 ILCS 115/12.

Prior Year Available Resources: The result of savings and sustainable revenue growth, along with spending controls and other efficiencies, resulting in healthy growth of the Corporate Fund balance.

Proceeds and Transfers In: Consists of amounts transferred into the Corporate Fund from outside sources.

Proceeds of Debt: Funds generated from the sale of bonds or notes.

Property Tax: A tax levied on the equalized assessed valuation of real property in the City of Chicago. Cook County collects the tax with assistance from the Illinois Department of Revenue. Authorization for the City's property tax levy occurs through bond ordinances and property tax levy ordinances in connection with the annual appropriation ordinances.

Real Property Transfer Tax: A tax imposed on the transfer of title to, or beneficial interest in, real property located in the City of Chicago. The tax rate is \$3.75 per \$500 of transfer price, or fraction thereof, and is paid by the transferee. Authorization: Municipal Code 3-33-030.

Real Property Transfer Tax—CTA Portion: A supplemental tax on the transfer of real property in the City of Chicago for the purpose of providing financial assistance to the Chicago Transit Authority. The tax rate is \$1.50 per \$500 of the transfer price or fraction thereof and is paid by the transferor. Authorization: Municipal Code 3-33-030.

Recreation Taxes: Consist of taxes on amusement activities and devices, the mooring of boats, liquor, cigarettes, non-alcoholic beverages, and off-track betting.

Reimbursements and Financial Expenses:

Reimbursements consist of amounts transferred to the Corporate Fund from other City of Chicago funds for central services such as information technology, police and fire services, street and building maintenance, and administrative services.

Reserves: Funds that the City of Chicago sets aside as an economic safety net to mitigate current and future risks such as contingencies, emergencies, or revenue shortfalls

Sales Tax Securitization Corporation Residual Revenues:

In October 2017, the City Council passed an ordinance authorizing the creation of a Sales Tax Securitization Corporation ("STSC"). This revenue securitization structure was developed because of legislation passed by the Illinois General Assembly, allowing all home rule municipalities to create a special purpose corporation organized for the sole purpose of issuing bonds paid for from revenues collected by the State. In December 2017, the City of Chicago entered into a sale agreement ("Agreement") with the STSC. Under the Agreement, the City sold to the STSC the City's rights to receive Sales Tax revenues collected by the State. In return, the City received the proceeds of bonds issued by the STSC as well as a residual certificate. Sales Tax revenues received by the STSC are paid first to cover the STSC's operating expenses and debt service on the STSC's bonds. All remaining Sales Tax revenues are then paid to the City as the holder of the residual certificate.

Sewer Fund: An Enterprise Fund that supports the operation, maintenance, and capital programs of the City of Chicago's sewer systems.

Short Term Debt: Comprised of debt issued to address various operating, liquidity, and capital needs, including general obligation short-term borrowing program, water and sewer systems commercial paper notes and line of credit notes, Chicago O'Hare International Airport commercial paper notes and credit agreement notes, and Chicago Midway Airport commercial paper notes.

Special Events and Municipal Hotel Operators' Occupation Tax Fund:

Includes revenues from the Municipal Hotel Operator's Occupation Tax and is used to support the promotion of tourism, cultural and recreational activities.

Special Revenue Fund: A fund established to account for the operations of a specific activity and the revenue generated for carrying out that activity. Special Revenue

2020 BUDGET FORECAST
GLOSSARY

Funds are used to account for the proceeds of specific revenue sources (other than special assessments, expendable trusts, or major capital projects) requiring separate accounting because of legal or regulatory provisions or administrative action.

Structural Budget Deficit: Any structural budget imbalance between existing revenues and anticipated expenses for that budget year. Commonly referred to as the “gap”.

Tax Increment Financing (“TIF”): TIF is a funding tool used to improve neighborhood infrastructure and promote investment in communities across the City of Chicago. The program is governed by a State law allowing municipalities to capture property tax revenues derived from the amount of incremental equalized assessed value (“EAV”) above the base EAV that existed before an area was designated as a TIF district.

Transaction Taxes: Consist of taxes on the transfer of real estate, the lease or rental of personal property, and the short-term lease of motor vehicles within the City of Chicago.

Transportation Network Providers (“TNP”): Rideshare companies that provide prearranged transportation services for compensation through an Internet-enabled application or digital platform to connect passengers with drivers of vehicles for hire.

Transportation Taxes: Consist of taxes on vehicle fuel, garage parking, and hired ground transportation.

Transfers Out: The movement of resources from local funds to reserves and other non-recurring revenue sources.

Utility Taxes and Fees: Consist of taxes on the purchase of telecommunication services, electricity, natural gas and cable television.

Vehicle Fuel Tax: A tax imposed on the purchase of vehicle fuel purchased or dispensed within the City of Chicago. The tax rate is \$0.05 per gallon. Authorization: Municipal Code 3-52-020.

Vehicle Tax Fund: Includes revenue from vehicle sticker sales, impoundment fees, abandoned auto sale fees, pavement cut fees, and a portion of the Garage Parking Tax for the maintenance of the public way.

Water Fund: An Enterprise Fund that supports the operation, maintenance, and capital programs of the City of Chicago’s water systems.

Water and Sewer User Fees: A fee imposed on water and sewer usage within the City of Chicago. The revenue collected via water charges and the sewer surcharges on City of Chicago utility bills. The Water and Sewer Funds are segregated funds where water fund revenue is used to support the water system and sewer fund revenue is used to support the sewer system. Authorization: Municipal Code 11-12-260.

Water and Sewer Tax: A utility tax assessed on water and sewer use within the City of Chicago. Beginning in 2017, the tax was \$.59 per 1,000 gallons of water and sewer use and increased to \$1.28 per 1,000 gallons in 2018. The current rate is \$2.01 per 1,000 gallons in 2019 and \$2.51 per 1,000 gallons in 2020. Authorization: Municipal Code 3-80-040.

Wheel Tax (referred to as the Vehicle Sticker Fee): An annual fee imposed on the privilege of operating a motor vehicle within the City of Chicago that is owned by a resident of the City of Chicago. The annual fee is \$87.82 for smaller passenger automobiles (less than 4,500 pounds) and \$139.48 for larger passenger automobiles (4,500 pounds or more). The fee varies for other vehicle classifications. Authorization: Municipal Code 3-56-050.

ALBANY PARK * ARCHER HEIGHTS * ARMOUR SQUARE * ASHBURN * AUBURN GRESHAM * AUSTIN *
AVALON PARK * AVONDALE * BELMONT CRAGIN * BEVERLY * BRIDGEPORT * BRIGHTON PARK * BURNSIDE
* CALUMET HEIGHTS * CHATHAM * CHICAGO LAWN * CLEARING * DOUGLAS * DUNNING * EAST GARFIELD
PARK * EAST SIDE * EDGEWATER * EDISON PARK * ENGLEWOOD * FOREST GLEN * FULLER PARK * GAGE
PARK * GARFIELD RIDGE * GRAND BOULEVARD * GREATER GRAND CROSSING * HEGEWISCH * HERMOSA
* HUMBOLDT PARK * HYDE PARK * IRVING PARK * JEFFERSON PARK * KENWOOD * LAKE VIEW * LINCOLN
PARK * LINCOLN SQUARE * LOGAN SQUARE * LOOP * LOWER WEST SIDE * MCKINLEY PARK * MONTCLARE
* MORGAN PARK * MOUNT GREENWOOD * NEAR NORTH SIDE * NEAR SOUTH SIDE * NEAR WEST SIDE *
NEW CITY * NORTH CENTER * NORTH LAWNSDALE * NORTH PARK * NORWOOD PARK * OAKLAND * OHARE
* PORTAGE PARK * PULLMAN * RIVERDALE * ROGERS PARK * ROSELAND * SOUTH CHICAGO * SOUTH
DEERING * SOUTH LAWNSDALE * SOUTH SHORE * UPTOWN * WASHINGTON HEIGHTS * WASHINGTON
PARK * WEST ELSDON * WEST ENGLEWOOD * WEST GARFIELD PARK * WEST LAWN * WEST PULLMAN *
WEST RIDGE * WEST TOWN * WOODLAWN * ALBANY PARK * ARCHER HEIGHTS * ARMOUR SQUARE *
ASHBURN * AUBURN GRESHAM * AUSTIN * AVALON PARK * AVONDALE * BELMONT CRAGIN * BEVERLY
* BRIDGEPORT * BRIGHTON PARK * BURNSIDE * CALUMET HEIGHTS * CHATHAM * CHICAGO LAWN *
CLEARING * DOUGLAS * DUNNING * EAST GARFIELD PARK * EAST SIDE * EDGEWATER * EDISON PARK *
ENGLEWOOD * FOREST GLEN * FULLER PARK * GAGE PARK * GARFIELD RIDGE * GRAND BOULEVARD *
GREATER GRAND CROSSING * HEGEWISCH * HERMOSA * HUMBOLDT PARK * HYDE PARK * IRVING PARK *
JEFFERSON PARK * KENWOOD * LAKE VIEW * LINCOLN PARK * LINCOLN SQUARE * LOGAN SQUARE * LOOP
* LOWER WEST SIDE * MCKINLEY PARK * MONTCLARE * MORGAN PARK * MOUNT GREENWOOD * NEAR
NORTH SIDE * NEAR SOUTH SIDE * NEAR WEST SIDE * NEW CITY * NORTH CENTER * NORTH LAWNSDALE
* NORTH PARK * NORWOOD PARK * OAKLAND * OHARE * PORTAGE PARK * PULLMAN * RIVERDALE *
ROGERS PARK * ROSELAND * SOUTH CHICAGO * SOUTH DEERING * SOUTH LAWNSDALE * SOUTH SHORE
* UPTOWN * WASHINGTON HEIGHTS * WASHINGTON PARK * WEST ELSDON * WEST ENGLEWOOD * WEST
GARFIELD PARK * WEST LAWN * WEST PULLMAN * WEST RIDGE * WEST TOWN * WOODLAWN * ALBANY
PARK * ARCHER HEIGHTS * ARMOUR SQUARE * ASHBURN * AUBURN GRESHAM * AUSTIN * AVALON PARK
* AVONDALE * BELMONT CRAGIN * BEVERLY * BRIDGEPORT * BRIGHTON PARK * BURNSIDE * CALUMET
HEIGHTS * CHATHAM * CHICAGO LAWN * CLEARING * DOUGLAS * DUNNING * EAST GARFIELD PARK *
EAST SIDE * EDGEWATER * EDISON PARK * ENGLEWOOD * FOREST GLEN * FULLER PARK * GAGE PARK
* GARFIELD RIDGE * GRAND BOULEVARD * GREATER GRAND CROSSING * HEGEWISCH * HERMOSA *
HUMBOLDT PARK * HYDE PARK * IRVING PARK * JEFFERSON PARK * KENWOOD * LAKE VIEW * LINCOLN
PARK * LINCOLN SQUARE * LOGAN SQUARE * LOOP * LOWER WEST SIDE * MCKINLEY PARK * MONTCLARE
* MORGAN PARK * MOUNT GREENWOOD * NEAR NORTH SIDE * NEAR SOUTH SIDE * NEAR WEST SIDE *
NEW CITY * NORTH CENTER * NORTH LAWNSDALE * NORTH PARK * NORWOOD PARK * OAKLAND * OHARE
* PORTAGE PARK * PULLMAN * RIVERDALE * ROGERS PARK * ROSELAND * SOUTH CHICAGO * SOUTH
DEERING * SOUTH LAWNSDALE * SOUTH SHORE * UPTOWN * WASHINGTON HEIGHTS * WASHINGTON
PARK * WEST ELSDON * WEST ENGLEWOOD * WEST GARFIELD PARK * WEST LAWN * WEST PULLMAN *
WEST RIDGE * WEST TOWN * WOODLAWN * ALBANY PARK * ARCHER HEIGHTS * ARMOUR SQUARE *
ASHBURN * AUBURN GRESHAM * AUSTIN * AVALON PARK * AVONDALE * BELMONT CRAGIN * BEVERLY
* BRIDGEPORT * BRIGHTON PARK * BURNSIDE * CALUMET HEIGHTS * CHATHAM * CHICAGO LAWN *
CLEARING * DOUGLAS * DUNNING * EAST GARFIELD PARK * EAST SIDE * EDGEWATER * EDISON PARK *
ENGLEWOOD * FOREST GLEN * FULLER PARK * GAGE PARK * GARFIELD RIDGE * GRAND BOULEVARD *
GREATER GRAND CROSSING * HEGEWISCH * HERMOSA * HUMBOLDT PARK * HYDE PARK * IRVING PARK *