CITY OF CHICAGO

# 2025 BUDGET FORECAST


CHICAGO
MAYOR BRANDON JOHNSON

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# LETTER FROM THE MAYOR

Dear Fellow Chicagoans,

Today, I present the City of Chicago's FY2025 Budget Forecast with a clear focus on the work we must do together to ensure Chicago remains resilient. Despite the challenges we face, I am confident that through our collective efforts, we can steer our city toward a brighter and more sustainable future. This forecast outlines the tough decisions ahead and presents a comprehensive financial outlook that reflects our city's revenues, expenditures, and overall fiscal health. This forecast is more than just numbers; it is the foundation upon which we will build a budget that not only addresses our fiscal responsibilities but also advances the goals of this administration: to invest in our young people, expand mental-health services, to make our communities safe, and tackle homelessness and housing affordability.

The challenges we face are significant, with a projected budget gap of $982.4 million for the 2025 fiscal year. This gap underscores the need for strategic decisions that will require balancing fiscal responsibility with the well-being of our residents. We must be steadfast and commit to making tough decisions that prioritize our people while ensuring the financial stability of our city.

My administration's approach to closing this budget gap will be rooted in the same values that have guided us thus far: collaboration, transparency, and accountability. From our community engagement expansion, through the FY2025 Budget Engagement Roundtables, to our increased data transparency in financial reporting, we are dedicated to involving the public in these critical conversations. As we move forward, this spirit of collaboration will continue to guide us, ensuring that our budget reflects the values of equity and fairness.

Equity will not only guide our investments, but it will also be the cornerstone of every strategy implemented to balance the FY2025 budget. I recognize the strength of our city lies in collective efforts and together, we will meet these challenges head-on. I also believe in the power of collective responsibility. Just as the City remains steadfast in supporting its workforce, I call on all our sister agencies to do the same. True power resides in our ability to work together, ensuring that every commitment made is honored, and that we continue to show our people—our greatest asset—that they are valued and supported. I am confident that through our shared commitment, we will craft a budget that invests in people, meets our obligations, and builds a stronger, more resilient Chicago.

Let us approach this commitment, to closing the budget gap, with the belief that together we can create a future where every Chicagoan can thrive. I have shared this before; and it is even more relevant today—this effort will take compromise and a strong partnership. I believe in our ability to work together to overcome these budgetary challenges. Together, with discipline, resilience and hope, we will continue working to build a better, stronger, safer Chicago for us all.

Sincerely,

Mayor Brandon Johnson

## TABLE OF CONTENTS

# DISCLAIMER AND ADVICE TO READERS

The City of Chicago ("City") presents the 2025 Budget Forecast, the purpose of which is to provide general information about the history and future of major components of the City's overall finances and City budget. Information is presented as of July 2024.

Throughout this document, specific items of revenues and/or expenditures 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 annual appropriation ordinance and not in the City's audited Annual Comprehensive Financial Report ("ACFR"). 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 ACFR.

This discussion includes forward-looking statements based on current beliefs and expectations about future events. Those events are uncertain and do not take into account events that may alter actual outcomes; 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 of the reader. 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 independently verify such 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.

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 or actuaries 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 such parties (other than the City) assume no responsibility for, and disclaim any association with, the prospective financial information.

The discussion of City revenues and debt does not include debt and associated revenues which are not reported in the City's ACFR, nor in the City's annual budget. These debt and associated revenues consist of (i) conduit debt (debt issued by the City to finance privately owned projects and repayable solely from loan repayments from the project owners) as well as revenues received from such project owners and used to repay the conduit debt; and (ii) special assessment bonds and the special assessments on specified properties in the City which are the sole source of repayment for such bonds.

This 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.

# EXECUTIVE SUMMARY

BACK TO TOC

# EXECUTIVE SUMMARY

The Budget Forecast is required by Executive Order 2023-19 to provide the City of Chicago's residents with an analysis that identifies the opportunities and challenges of the upcoming budget year. This is achieved through 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 2025 Budget Forecast discusses the City's 2024 year-end estimates, as well as projections for 2025 to 2027 with three revenue and expense scenarios: a base outlook, a negative outlook, and a positive outlook. These projections are based on historical revenue and expenditure data, current economic trends and conditions, and other known factors that are anticipated to have an impact on the City's finances. This includes the anticipated end of COVID-19 economic relief programs and the pandemic-related changes that cities, including Chicago, will continue to experience moving forward.

The City currently projects the Corporate Fund to end 2024 with total expenses exceeding revenues by $222.9 million or 4.2 percent. The primary driver of the current year financial situation stems from lower revenues and not from higher spending. The revenue gap is driven by two primary factors: State Personal Property Replacement Tax (PPRT) revenue from business income and reimbursement revenue for pension payments made on behalf of Chicago Public Schools. Together, these two items account for more than 80 percent of the current year revenue imbalance. While these external factors drive revenue down, local tax revenue in the City remains resilient and is currently forecasted to outperform budget assumptions by nearly 1 percent. Nevertheless, to respond to this potential deficit and continue on our path towards fiscal sustainability, the City is taking action to maximize existing resources and further manage spending.

Based on current resource and expenditure projections of existing operations, the City estimates a 2025 Corporate Fund gap of $982.4 million. This gap is driven by both revenue and spending factors. For revenue, the factors driving underperformance in 2024 are assumed to continue into next year. For spending, factors include rising personnel, pension, and contractual costs, as well as the cost to care for new migrants arriving to the city. The 2025 projection for these expenses assumes salary and wages will grow based on required and estimated contractual wage and prevailing rate increases, as well as cost of living adjustments for City employees, and updated pension contributions based on the most up to date actuarial reports and calculations. Personnel expenditures are expected to grow by more than $304.4 million in 2025, totaling $3,661.6 million.

The 2025 budget will mark the sixth year for the City's Police and Fire Pensions, and the fourth year for the Municipal and Laborers Pension Funds, that contributions will reflect an actuarially-calculated statutorily-required contribution. 2024 marks the second year in which the City made supplemental payments towards each of the four pension funds to reduce the long-term collective liability. The last two years the City has made a total of $548.6 million in supplemental payments. For 2025 payments from the Corporate Fund alone, the forecast assumes $951.7 million in total costs with $227.0 million in supplemental payments and $723.8 million in required contributions.

Contractual services are expected to increase by $16.1 million from the 2024 budget. This is driven by expected inflationary impacts to contract costs, as well as planned contractual increases for new and expanded information technology services.

The City continues to consider the long-term outlook when ensuring each budget includes structural solutions to offset future revenue and expenditure changes.

# FINANCIAL FORECAST

BACK TO TOC

## INTRODUCTION

This section addresses the City's 2024 year-end estimates, 2025 preliminary revenue and expense projections, and three revenue and expense scenarios for the years 2026 and 2027: 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 2025 budget is formulated within the context of the City's current financial state, including an informed view of future conditions. This way, the City appropriately incorporates any long-term fiscal consequences of today's decisions.

The forecast focuses on the Corporate Fund, which accounts for core services provided by the City and 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 2025 reflect the City's budget gap. This is defined as any anticipated budget imbalance between existing revenues and expenses for that budget year.

Prior to 2019, the budget gap methodology did not define long-term liabilities for future years as structural budget imbalances. Beginning with the 2020 Budget Forecast, the methodology for projecting the budget gap now includes known long-term liabilities such as pensions and debt service. The Mayor's Budget Recommendations are presented each fall with revenues and expenditures balanced.

Future years' budget gaps included in this document are projections for the City's Corporate Fund based on various economic scenarios founded on anticipated revenues and expenditures. These figures assume that no substantive changes are made to City operations or revenue sources.

## GENERAL ECONOMIC CONSIDERATIONS

Recent indicators show that the U.S. economy continues to expand as evidenced by growth in Gross Domestic Product (GDP), increases in consumer spending, and a strong labor market. Inflation has decreased since the pandemic and continues to trend toward the Federal Reserve's longer-run goal of 2 percent. After having tightened its monetary policy over the last year and a half, recent trends increase the likelihood of upcoming interest rate reductions for the first time since the pandemic. This action would incentivize spending and investment with potentially positive impacts on tax revenues to the City This forecast is based on the economic considerations as of July 2024, which will evolve in the months and years ahead.

Chicago has one of the most robust and diverse economies in the country with no single industry comprising more than 14 percent of the economy by employment. This diversity typically provides financial stability for industries like financial services, manufacturing, education, healthcare, transportation, and warehousing, which enables the City to provide support for growing and emerging businesses in sectors like technology, tourism, biotech, and life sciences. The economic recovery from the COVID-19 pandemic has been industry dependent. This is apparent in the uneven economic growth seen since 2019. Industries related to tourism have continued on the path towards full recovery, while others, like the real estate market, lag due to higher interest rates.

This economic forecast, as with any forecast, can never fully anticipate the impact of future events. The projections are based on information available to the City as of July 2024. Forecast scenarios range from assuming continued economic growth and consumer spending (positive scenario) to a "soft landing" that avoids a recession (baseline scenario) to an economy that is weighed down by high interest rates and limited growth (negative scenario). These assumptions are further discussed later sections.

### *Economy*

Inflation, as measured by the Consumer Price Index for All Urban Consumers ("CPI-U"), rose to a four decade high of 9.1 percent in June 2022 and remained elevated through the end of the year. Inflation slowed through 2023 and has remained steady through the first half of 2024. If economic growth and labor market conditions remain steady, the Federal Reserve could reduce interest rates as early as this fall for the first time since the pandemic.

The 2025 projection reflects the baseline scenario, which does not assume that Chicago will experience a recession. Instead, the baseline scenario assumes modest, steady GDP growth during 2025 through 2027 with inflation continuing its downward trend through 2025 before steadying in 2026 through 2027.

### *Business*

Business growth in Chicago increased at a steady pace for nearly a decade before the pandemic. In fact, Chicago has been rated the number one U.S. metro for corporate relocation and site selection, 11 years running, by Site Selection magazine. In 2023, World Business Chicago reported a total of 163 "pro-Chicagoland decisions" throughout the year resulting in 23,000 job opportunities and in 2024, Chicago was selected as the site of Illinois' future quantum computing campus where the nation's first utility-scale quantum computer will be built. After pandemic-related declines in many industries, like restaurants, Chicago has seen a rebound in business license issuances. This trend continues in 2024, with new business license issuance up 1.2 percent over the same period in 2023 while the license-renewal rates have remained steady.

### *Labor Force*

Based on revisions by the Bureau of Labor Statistics ("BLS"), the unemployment rate at the height of the pandemic in 2020 for the Chicago metro region soared to 18.4 percent, with record numbers of new unemployment claims. As the effects of the pandemic waned and businesses reopened, the unemployment rate in the region fell to 3.8 percent by the end of 2023 and has increased to 4.8 percent driven by professional services, information, and construction sectors. Baseline estimates assume the unemployment rate will slightly increase in 2025 and remain steady thereafter in 2026 through 2027.

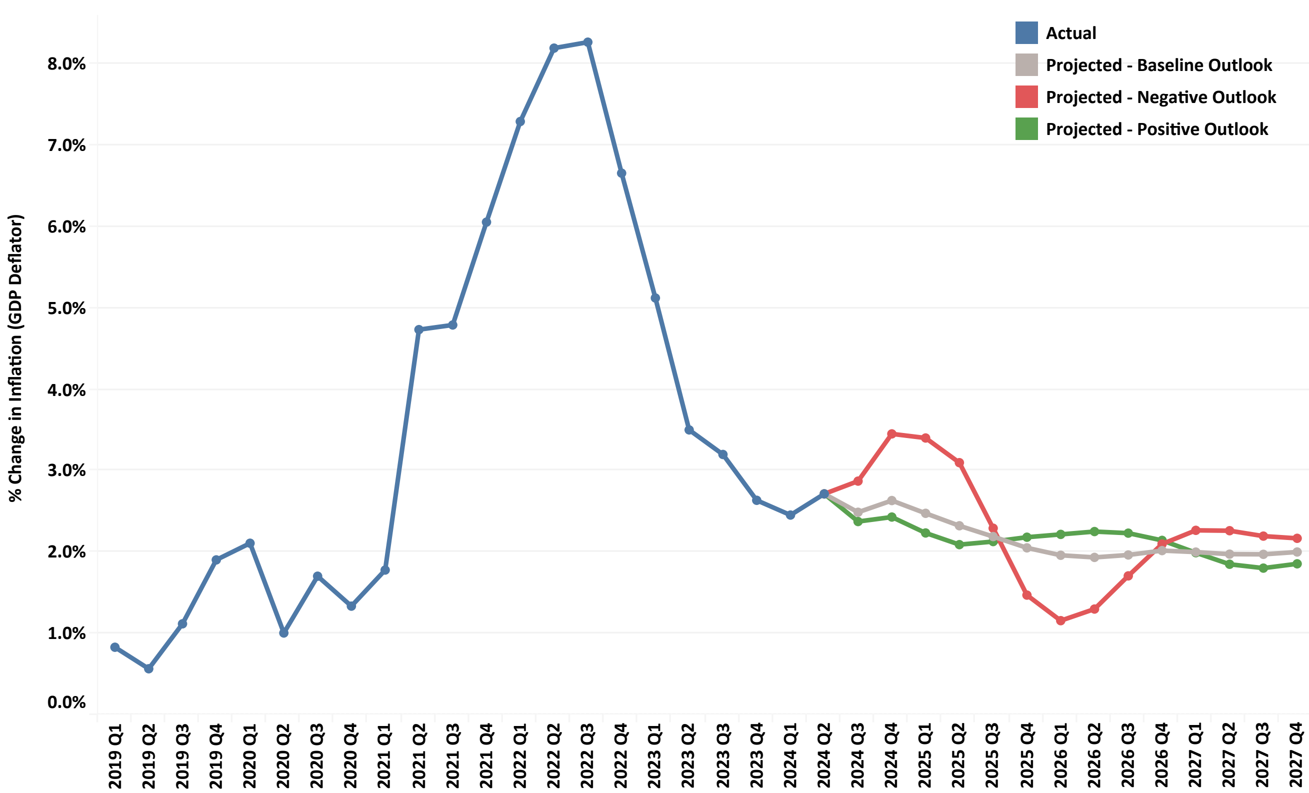
### *Tourism*

Tourism plays a critical role in Chicago's economy. Since the pandemic, visitation numbers continue to grow year-over-year. According to Choose Chicago, 52 million visitors came to the city in 2023, representing a 7 percent increase over the prior year. This can be seen through Chicago hotels realizing 10 percent more occupied rooms than the prior year as the industry continues its recovery from the pandemic.

This year, 2024, has provided unique opportunities to showcase the vibrancy and strength of our city with several high-profile events. This includes the Sundance Institute xChicago film event, the second NASCAR Chicago Street Race Weekend, and the Democratic National Convention. Additionally, over the first half of the year, 10 different Chicago conventions set all-time attendance records.

In 2024, Choose Chicago also announced a number of future meetings and events that further cement Chicago's

**Inflation Rate**




Sources: Oxford Economics for US GDP, Illinois state GDP, and GDP for the Chicago-Naperville-Arlington Heights Metropolitan Division (MSAD) status as the best city in the United States for conventions. This includes Microsoft Ignite 2024, A3 Automate, the 2025 Destinations International Annual Convention, AnitaB.org's Grace Hopper Celebration 2025, as well as the extension of the annual Radiological Society of North America Annual Meeting.

## GENERAL EXPENSE CONDITIONS

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

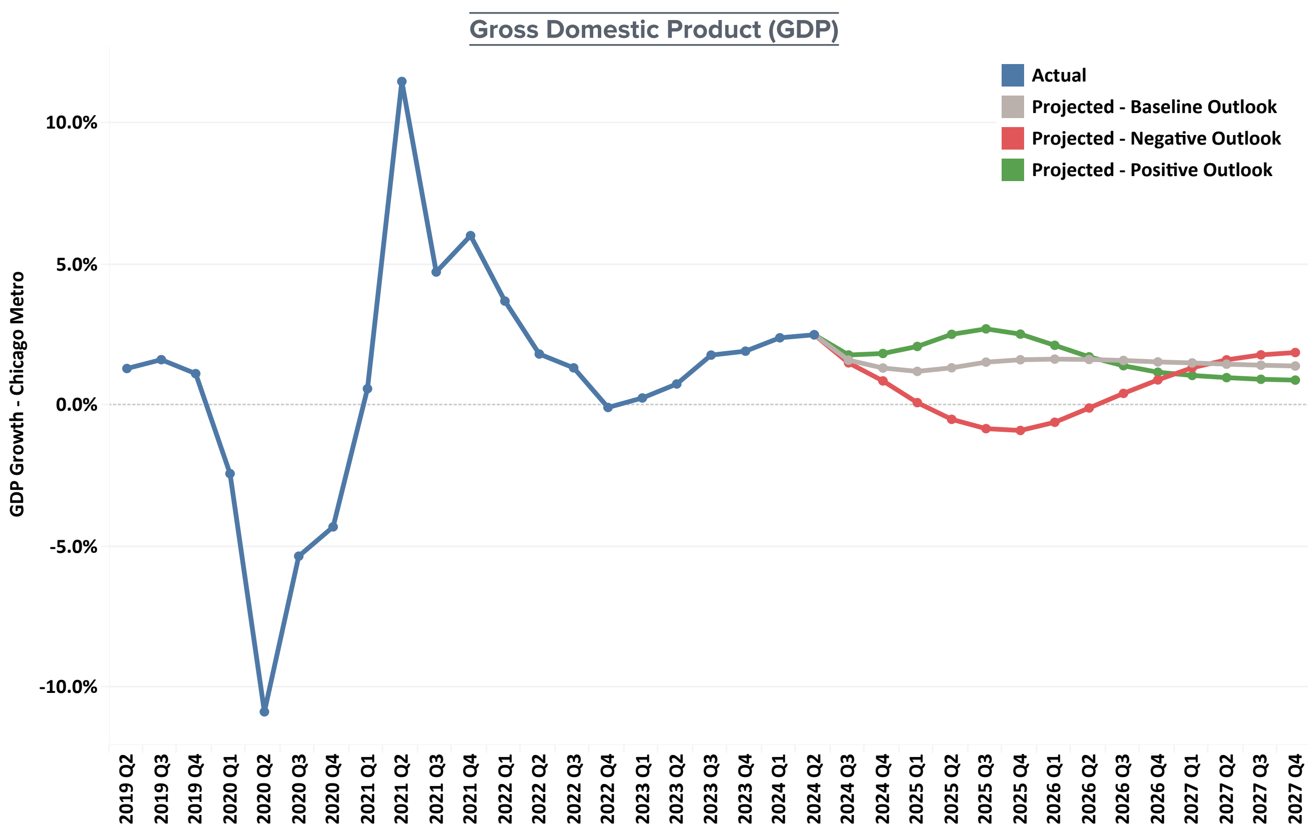
Over the past 10 years, the City's workforce has increased from 34,045 budgeted Full Time Equivalents ("FTEs") in 2014 to 36,420 budgeted FTEs in 2023. While the number of FTEs has increased slightly, the City's overall personnel-related costs are significantly higher than they were 10 years ago due to contractual and prevailing wage increases, rises in healthcare costs, and growing pension costs.

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.

Over the last 10 years, the relative proportion of union positions has increased. The City has CBAs with more than 40 different unions. The CBAs with most of these unions generally include cost-of-living increases, as well as step increases based on years of service, 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 expenses, such as fuel and other commodities, equipment, information technology, and professional services, may be adversely 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 year-end projections and the base outlook present what are currently viewed as the most likely scenario. The positive and negative outlooks 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.




Sources: Oxford Economics for the Chicago-Naperville-Arlington Heights Metropolitan Division (MSAD) GDP

## CORPORATE FUND YEAR-END ESTIMATES

The City currently estimates the Corporate Fund to end 2024 with total resources below expenses by $222.9 million. The estimates provided herein reflect actual revenues and expenditures as of July 2024. Note that fluctuations in economic conditions could further impact the City's finances positively or negatively.

### YEAR-END REVENUES

Corporate Fund resources are estimated to end the year $417.7 million below budgeted levels, at $5,361.5 million.

State Personal Property Replacement Tax (PPRT) revenue serves as one key driver of this variance. Per the Illinois Department of Revenue, PPRT are revenues collected by the State of Illinois from corporations, partnerships, and trusts that are then paid to local governments to replace money that was lost by local governments when their powers to impose personal property taxes on these business entities were removed.

Local tax revenues are estimated to be above budget by 0.8 percent, or $17.5 million. Transaction taxes are projected above budget by 1.6 percent, or $12.7 million, driven primarily by Personal Property Lease Tax (PPLT) with increased demand in cloud services. At the same time, Real Property Transfer Tax continues to lag below budget by $6.8 million, or 4.8 percent as higher interest rates limit activity in the real estate market. Utility taxes are estimated to end the year 7.8 percent, or $31.9 million below budget. Transportation taxes are expected to end the year above budget by 1.4 percent, or $5.8 million. This is largely due to Ground Transportation Tax performing better than anticipated. This source is estimated to end the year 2.6 percent, or $5.3 million above budget as demand grows from Transportation Network Provider (TNP) or ride-share services. Mitigating this variance is the Vehicle Fuel Tax, which is expected to end the year 4.3 percent, or $2.5 million below budget, as vehicle fuel efficiency improves Business taxes are estimated to end the year 11.5 percent, or $17.8 million above budget. This is attributable to the Hotel Tax and the Checkout Bag Tax. The former is estimated to exceed budget by 3.6 percent, or $5.2 million due to increased leisure demand while the latter is estimated to more than double budget assumptions due to one-time audit and enforcement activity. Recreation taxes are expected to end 2.0 percent, or $7.0 million above budget. This increase is driven by the Amusement Tax, which is expected to end the year $5.5 million, or 2.1 percent above budget. This was impacted by key events along with increased pricing and demand for streaming services.

Local non-tax revenue is anticipated to end 2024 below budget by 17.0 percent, or $278.6 million. This is driven by the City not receiving $175 million in reimbursement from Chicago Public Schools (CPS) for pension payments of non-teacher staff.

Proceeds and transfers are expected to be within 0.5 percent of budget with this category reflecting residual sales tax revenue from the Sales Tax Securitization Corporation (STSC).

Intergovernmental revenue is expected to end the year 17.7 percent, or $155.2 million below budget due to the aforementioned state PPRT revenue stream. State income tax revenue mitigates this loss as it projects to be 3.0 percent, or $12.7 million above budget.

### YEAR-END EXPENDITURES

Corporate Fund expenditures are estimated to end the year below budget by 3.4 percent, or $194.8 million. These estimates are based on available data as of July 2024, and incorporate payroll trends, market pricing for commodities, and known or anticipated changes or events for the remainder of the year. Personnel services are expected to be under budget by $44.6 million. These estimated savings are due to attrition and grant reimbursement, which is partially offset by high expenditures in certain areas, such as overtime. Contractual services are expected to end the year $47.3 million below budget.

### DEFICIT MITIGATION STRATEGIES FOR 2024

Given the projected $222.9 million deficit for 2024, the City is exploring a variety of options to ensure the City ends the year with balanced revenues and expenditures, while preserving as many City services as possible. While we are continuing to monitor end-of-year revenues and expenditures, difficult choices will need to be made in order to achieve a balanced budget, particularly if anticipated resources to reimburse CPS's non-teacher pension payment are not received. At the time of publication, CPS has not allocated funding within its 2025 budget to reimburse the City for such payment.

To end the year in balance, potential deficit mitigation strategies include reducing expenditures through operational efficiencies and a hiring freeze; identifying operational expenditures eligible for allocation to available grant resources; reducing some City programs and services; and delaying projects. The City continues to monitor revenues and expenditures to identify any fluctuations, and will make necessary changes to ensure revenues and expenditures are balanced at year-end.

## CORPORATE FUND PROJECTION

The difference between resources and expenditures anticipated by the City in the preliminary Corporate Fund budget estimate is the budget deficit, commonly referred to as the "gap."

Based on current revenue and expenditure projections of existing operations, the City estimates a Corporate Fund gap of $982.4 million for 2025.

The following is an outline of the City's operating revenue and expenditure projections.

These revenue and expenditure projections assume no substantive changes to City operations. Cost saving or revenue initiatives are not incorporated into these estimates.

The projections reflect the gap in the City's operating budget based on approved expense and revenue policies.

As in previous years, revenue and expense adjustments to close the gap are developed by the City, in consultation with elected officials.

A balanced budget will be presented in the Mayor's Budget Recommendations submitted to the City Council.

### Income Statement - Corporate Fund

| | 2024 BUDGET AS AMENDED | 2024 YEAR-END ESTIMATES | 2025 PROJECTED | 2026 PROJECTED | 2027 PROJECTED |
|---|---|---|---|---|---|
| **Revenues** | | | | | |
| Local Tax Revenue | $2,201.2M | $2,218.7M | $2,255.9M | $2,286.8M | $2,314.5M |
| Proceeds and Transfers In | $580.7M | $579.3M | $600.0M | $571.0M | $563.8M |
| Intergovernmental Revenue | $878.3M | $723.2M | $740.3M | $748.5M | $768.0M |
| Local Non-Tax Revenue | $1,634.7M | $1,356.1M | $1,354.9M | $1,343.6M | $1,339.3M |
| Prior Year Assigned and Unassigned Available Resource | $484.3M | $484.3M | $227.9M | $67.1M | $0.0M |
| **Total Resources** | **$5,779.2M** | **$5,361.5M** | **$5,179.0M** | **$5,017.0M** | **$4,985.7M** |
| **Expenditures** | | | | | |
| Commodities and Materials | $105.7M | $100.6M | $117.6M | $129.3M | $142.3M |
| Contingencies | $0.2M | $0.1M | $0.2M | $0.2M | $0.2M |
| Contractual Services | $585.8M | $538.6M | $601.9M | $632.0M | $663.6M |
| Equipment | $2.2M | $1.5M | $2.4M | $3.3M | $4.6M |
| Financial Costs | $366.6M | $339.4M | $336.5M | $311.4M | $335.8M |
| Pension Costs | $801.9M | $801.9M | $951.7M | $930.1M | $887.5M |
| Permanent Improvements | $0.0M | $0.0M | $0.0M | $0.0M | $0.0M |
| Personnel Services | $3,357.2M | $3,312.7M | $3,661.6M | $3,788.5M | $3,929.9M |
| Special Event Projects | $220.0M | $157.0M | $150.0M | $0.0M | $0.0M |
| Specific Items and Projects | $331.6M | $325.5M | $331.0M | $332.3M | $333.5M |
| Transfers and Reimbursements | $5.9M | $5.5M | $5.9M | $5.9M | $5.9M |
| Travel | $2.1M | $1.7M | $2.7M | $2.9M | $3.2M |
| **Total Expenses** | **$5,779.2M** | **$5,584.4M** | **$6,161.4M** | **$6,136.0M** | **$6,306.6M** |
| **GAP (RESOURCES LESS EXPENDITURES)** | **$0.0M** | **($222.9M)** | **($982.4M)** | **($1,118.9M)** | **($1,320.9M)** |

## REVENUE PROJECTION

Corporate Fund resources in 2025 are projected to be $5,179.0 million. A decrease of 10.4 percent or $600.2 million.

Local tax revenue is projected to increase by 2.5 percent, or $54.8 million from 2024. This is driven by PPLT, telecommunications, and amusement taxes. PPLT and amusement taxes are expected to continue their growth while telecommunications tax revenue will increase due to a state law change. In 2025, PPLT is projected to increase by $34.4 million, or 5.3 percent above the 2024 budget. Similarly, amusement tax expects growth of $11.3 million, or 4.3 percent above budget. Business taxes, comprised of Hotel and Checkout Bag Tax, are expected to grow by $10.4 million, or 6.7 percent in 2025. Increased hotel occupancy and enhancements of Checkout Bag Tax remittances from retailers drive this category. Transportation taxes are expected to rise by 3.4 percent, with a projection of $416.6 million in 2025, driven by TNP usage and demand.

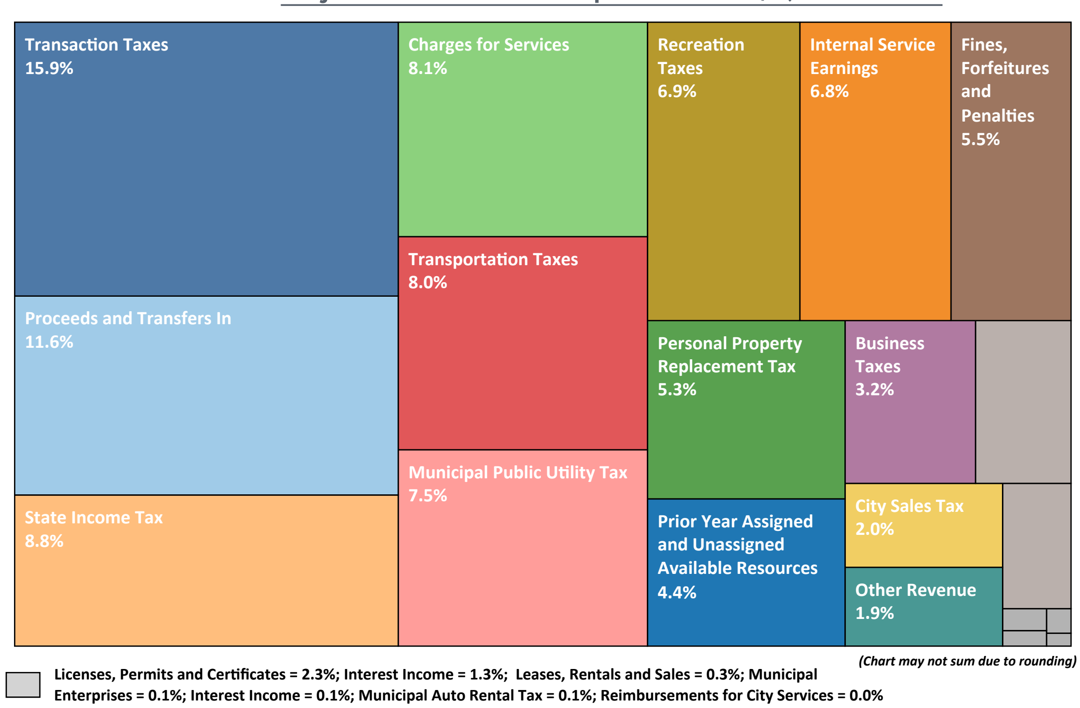
Intergovernmental revenue is expected to decrease by $138.0 million, or 15.7 percent from the 2024 budget to $740.3 million due to a decline in state PPRT revenue. Rreconciliations of income taxes at the state level have seen a shift from PPRT to income tax that expects to continue in 2025. Although this helps contribute to an increase of $25.9 million, or 6.0 percent, in income tax revenue, the cumulative effect of this reconciliation negatively impacts City revenues. This is due to Chicago's distributive share of PPRT revenue, which is 12.0 percent compared to only 1.0 percent of individual income tax.

Local non-tax revenues are expected to decrease by $279.8 million, or 17.1 percent. This is due to the lack of CPS pension payment reimbursements along with an anticipated decrease in Other Revenue as one-time gap closing solutions are exhausted. This includes a one-time sweep of available fund balances.

Proceeds and Transfers are projected to increase by $19.3 million, or 3.3 percent. This reflects the City's residual sales tax revenue from the STSC after obligated debt service payments. Growth projections have steadied after elevated inflation and higher consumer spending in recent years.

Prior year available resources are expected to decrease by $256.4 million, or 52.9 percent. The $227.9 million assumed in 2025 relates to the previously assigned fund balance for pension supplemental payments to mitigate further growth of the City's pension liabilities. This assigned fund balance will be exhausted in 2026 ahead of the opening of the City's permanent casino, the proceeds of which will be used to support pension payments to the Police and Fire pension funds.

**Projected Resources - Corporate Fund: $5,179.0 Million**



## EXPENDITURE PROJECTION

In 2025, Corporate Fund expenditures are projected to be $6,161.4 million. This is an overall increase of 6.6 percent, or $382.2 million, from the 2024 budget.

These projections are based on the budget and actual expenditures, and adjusted for anticipated growth trends, and known changes to existing expenses such as normal increases in contractual services, commodities and materials costs, and contractual salary increases and cost-of-living adjustments.

The increase is driven by several factors, including personnel, pension and contractual services, as described in the sections below.

One contributor to the projected expenditure increases are personnel costs, primarily wages and other related expenses. The projection for these expenses assumes salary and wages will grow based on scheduled contractual wage and prevailing rate increases.

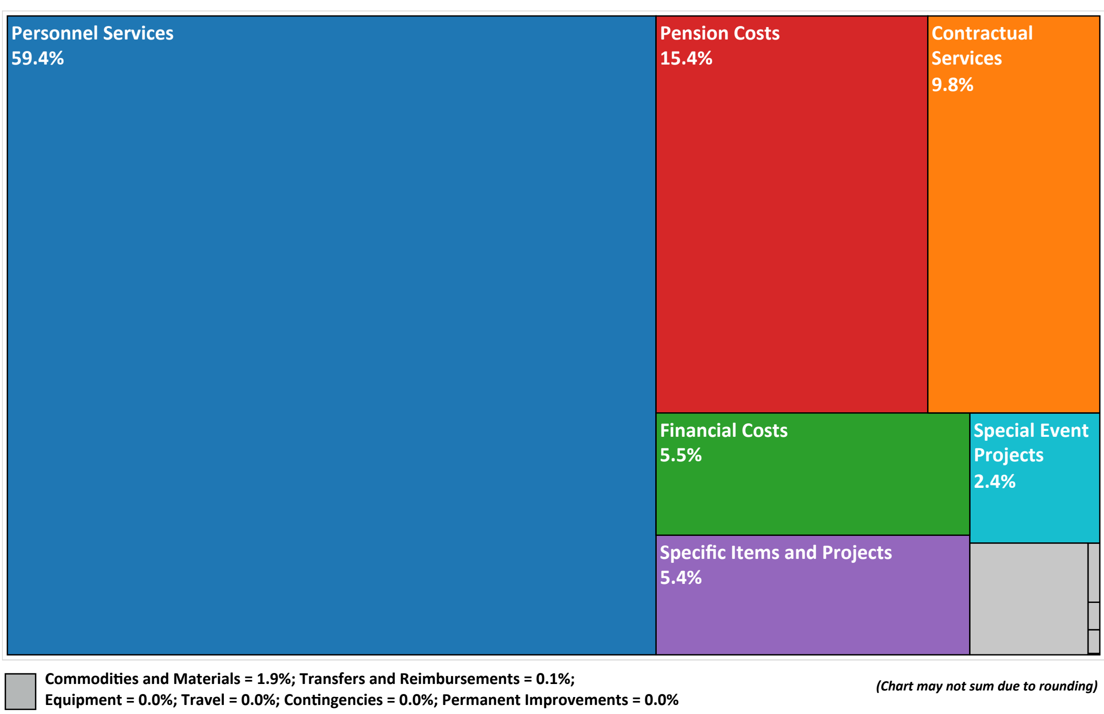
Personnel services are expected to grow by approximately $304.4 million, totaling $3,661.6 million.

The increase in pension costs reflects the statutorily-required, actuarially-calculated contribution, as well as a supplemental pension payment, resulting in a $149.8 million increase from the previous year. This is discussed further in the pension section.

Contractual services are expected to increase by $16.1 million, or 2.8 percent. This is driven by planned, contractual increases for elections and new and expanded information technology services.

Special-event projects are expected to decrease by $70.0 million, or 31.8 percent. This is driven by services associated with new arrivals.

**Projected Expenditures - Corporate Fund: $6,161.4 Million**




*(Chart may not sum due to rounding)*

## OUTLOOK FOR CORPORATE FUND

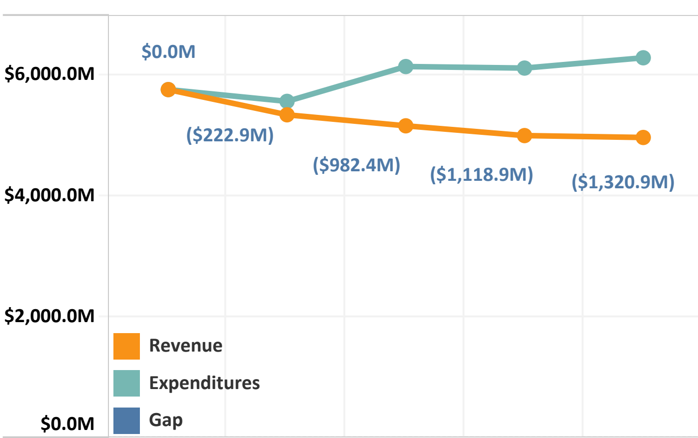
The following three scenarios project budget gaps for the years 2026 and 2027 for the City's Corporate Fund, based on different revenue and expenditure outlooks. In each outlook, budget-gap projections increase year-over-year to varying degrees, indicating expenses outpace revenues on a recurring basis. The range of the budget gaps demonstrate how future economic conditions can positively or negatively impact City finances. As noted earlier, future-year projections incorporate economic projections and only state or local statutes as of July 2024.

The majority of the projected expenditure increases are related to personnel and pension costs. The personnel assumptions account for scheduled contractual salary and prevailing rate increases for current collective bargaining agreements, as well as certain assumed salary and wage growth for collective bargaining agreements under negotiation.

The projected revenue forecasts vary based on the assumptions outlined below. All three scenarios anticipate varying economic growth assumptions over the period of the forecast. The projected gap in each of the scenarios highlights expenditure growth relative to revenue growth.

### BASE OUTLOOK

Corporate Fund Projections - Base Outlook




| 2024 Budget | 2024 YE Est | 2025 | 2026 | 2027 |
|---|---|---|---|---|
| $5,779.2M | $5,361.5M | $5,179.0M | $5,017.0M | $4,985.7M |
| $5,779.2M | $5,584.4M | $6,161.4M | $6,136.0M | $6,306.6M |
| $0.0M | ($222.9M) | ($982.4M) | ($1,118.9M) | ($1,320.9M) |

The base outlook projects a decline in Corporate Fund revenue in 2025. From an economic perspective, the base outlook assumes a "soft landing" with interest rates just high enough to lower inflation but avoid a recession.

In the base scenario, projected revenues decrease year-over-year as assigned fund balances help mitigate annual budget gaps. After adjusting for this one-time revenue source, underlying revenue growth remains relatively flat in 2026 with 0.7 percent growth in 2027. As for revenue policy changes, the forecast only incorporates known or authorized changes as of its release. This includes the State's repeal of sales tax revenue to cities/towns related to groceries beginning January 1, 2026. This translates to an estimated $60 million to $80 million revenue loss to Chicago that is assumed in the 2026 and 2027 base and negative outlook.

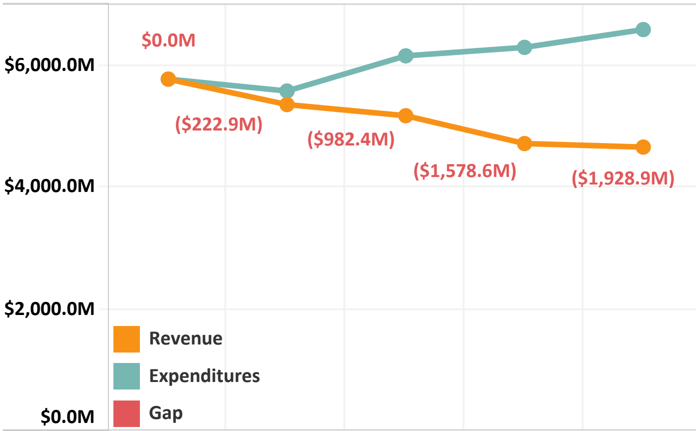
Corporate Fund expenditures are projected to outpace revenue growth during this period, due to growth in wages, other personnel-related costs, as well as increasing pension obligations. Increased pension obligations include Public Act 103-0582 (effective December 2023) that grants an annual 3 percent, non-compounded cost-of-living-adjustment (COLA) to all Tier 1 Chicago Police retirees, who reach age 55, with 20 years of service. In 2026, the projected expenditures reach $6,136.0 million, and in 2027, expenditures are projected to increase to $6,306.6 million.

Most non-personnel expenditures are assumed to grow at historical average rates. Salaries and wages, along with healthcare, make up the largest portion of the City's operating budget. The projections are based on the assumption that the number of City employees will remain stable and that the costs associated with these positions will experience growth in line with long-term, historical trends.

In this base outlook, there would be budget shortfalls of $1,118.9 million in 2026 and $1,320.9 million in 2027.

## NEGATIVE OUTLOOK

**Corporate Fund Projections - Negative Outlook**




| 2024 Budget | 2024 YE Est | 2025 | 2026 | 2027 |
|---|---|---|---|---|
| $5,779.2M | $5,361.5M | $5,179.0M | $4,721.9M | $4,664.0M |
| $5,779.2M | $5,584.4M | $6,161.4M | $6,300.6M | $6,592.9M |
| $0.0M | ($222.9M) | ($982.4M) | ($1,578.6M) | ($1,928.9M) |

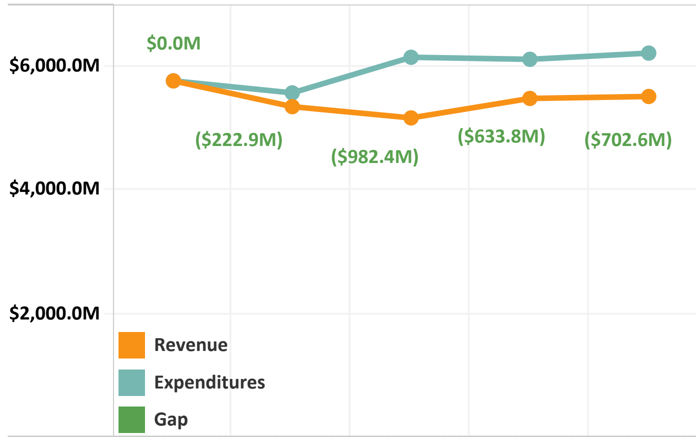
The pessimistic outlook represents unfavorable investment and credit conditions, which lead to subpar economic growth. Economic decline would begin in 2025 before a recovery in 2026 that would give way to growth through 2027. Underlying year-over-year revenue decreases 2.1 percent in 2026 with 0.2 percent growth in 2027.

Expenditures in this scenario grow at a significantly higher rate. Under this outlook, total Corporate Fund expenditures are projected to be $6,300.6 million and $6,592.9 million in 2026 and 2027, respectively. The negative outlook assumes an increase in spending over the next several years. In this scenario, City spending would continue to outpace revenues. Most expenditure categories are assumed to grow at historically higher rates, with personnel being the most significant driver.

In this negative outlook, there would be budget shortfalls of $1,578.6 million in 2026 and $1,928.9 million in 2027.

## POSITIVE OUTLOOK

**Corporate Fund Projections - Positive Outlook**



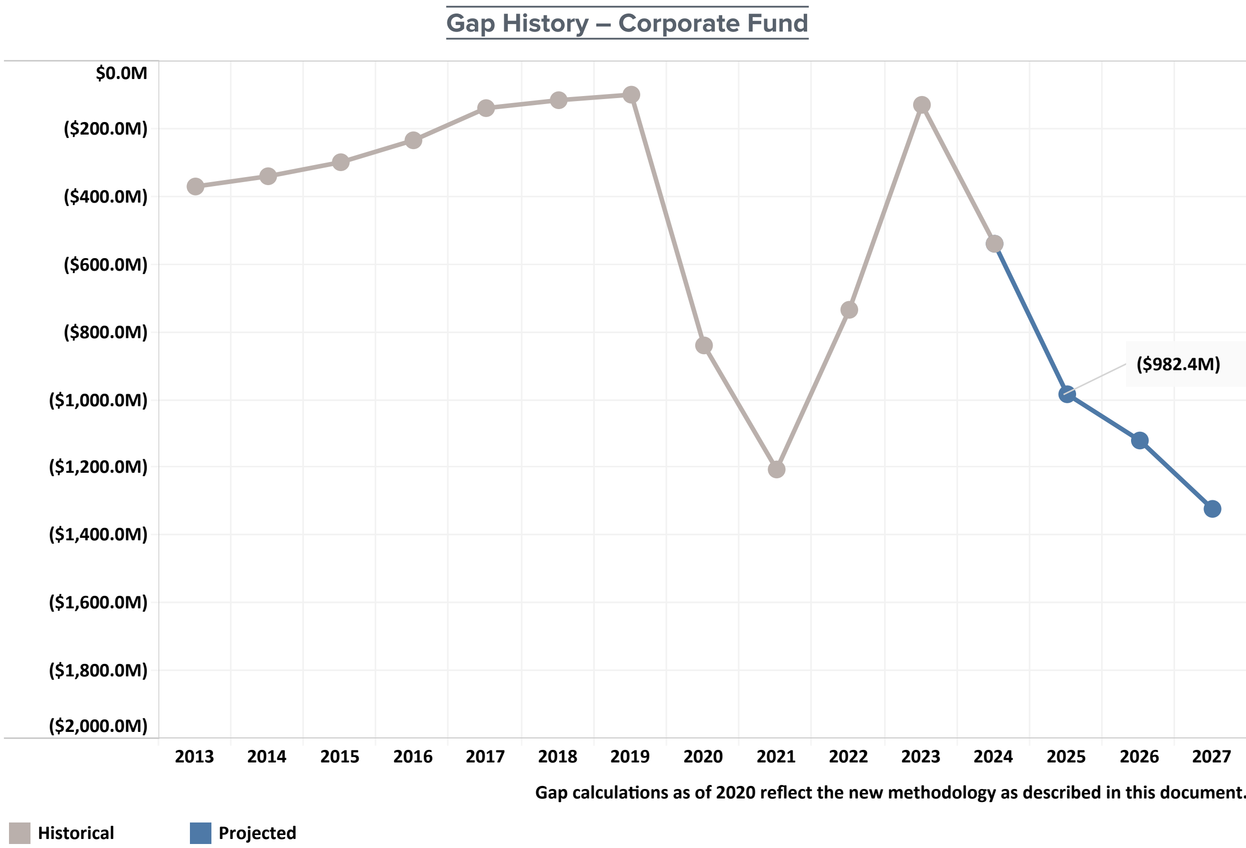

| 2024 Budget | 2024 YE Est | 2025 | 2026 | 2027 |
|---|---|---|---|---|
| $5,779.2M | $5,361.5M | $5,179.0M | $5,494.4M | $5,526.1M |
| $5,779.2M | $5,584.4M | $6,161.4M | $6,128.3M | $6,228.7M |
| $0.0M | ($222.9M) | ($982.4M) | ($633.8M) | ($702.6M) |

The positive outlook assumes current monetary policy successfully reduces inflation with a shift to supporting economic growth. Accordingly, concerns over elevated inflation fade and consumer spending drives revenue collections. The positive outlook projects sustained, yet modest growth over the three-year forecast period. This translates into 2.4 percent growth in 2026 and 1.8 percent growth in 2027 (excluding one-time, prior year surplus revenue).

Different from the base and negative outlooks, this outlook assumes no loss in grocery tax revenue and no loss in pension-payment reimbursement from CPS.

In this positive scenario, the City would have greater control over expenditures. In particular, the personnel-related costs would grow at a rate lower than the base outlook, revenue resulting in total projected expenditures of $6,128.3 million in 2026 and $6,228.7 million in 2027.

In this positive outlook, there would be budget shortfalls of $633.8 million in 2026 and $702.6 million in 2027.


Gap History – Corporate Fund
$0.0M
($200.0M)
($400.0M)
($600.0M)
($800.0M)
($1,000.0M)
($1,200.0M)
($1,400.0M)
($1,600.0M)
($1,800.0M)
($2,000.0M)
2013
2014
2015
2016
2017
2018
2019
2020
2021
2022
2023
2024
2025
2026
2027
($982.4M)
Gap calculations as of 2020 reflect the new methodology as described in this document.
Historical
Projected

## OUTLOOK FOR SPECIAL REVENUE FUNDS

The City has multiple special revenue funds with dedicated revenue streams. Similar to the Corporate Fund, projections for these funds are based on current-year actuals through July 2024. Revenue projections will likely vary from the final year-end actuals.

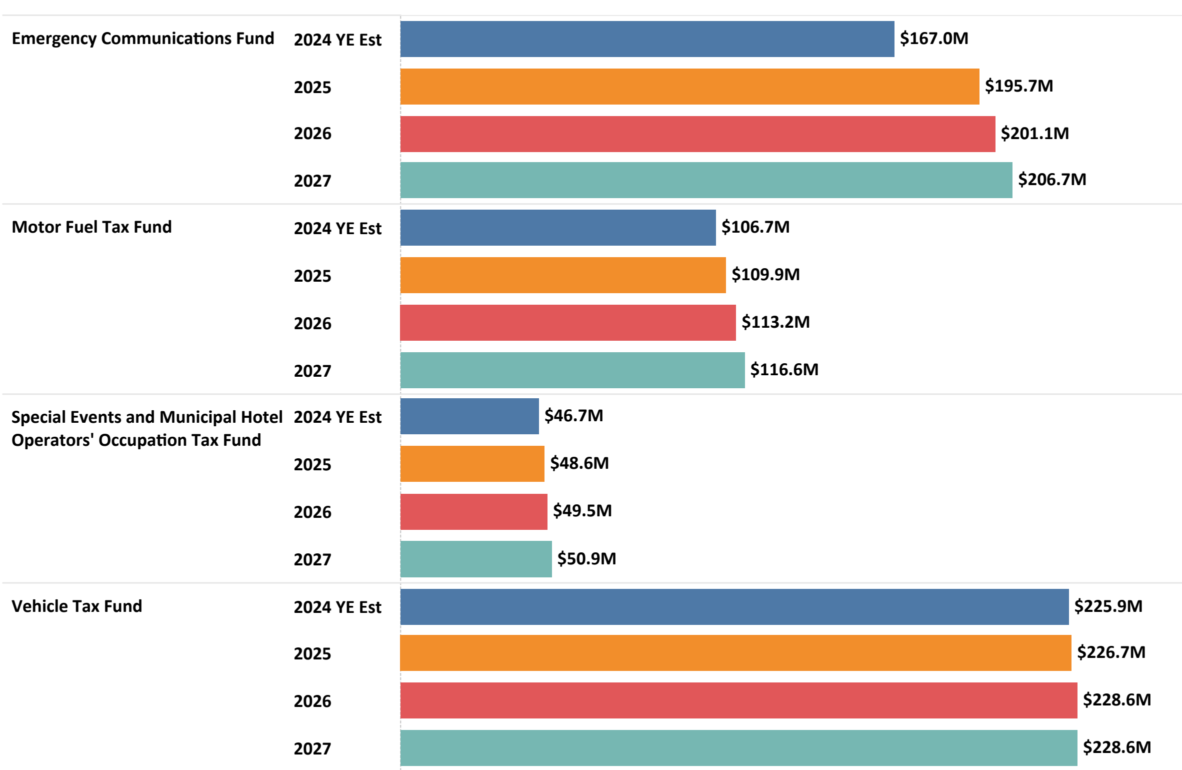
The City's current 911 surcharge of $5.00 per month for wireless and landline connections allows the City to fully fund the City's 911 operations as well as invest in a new 911 system. The 2024 year-end estimate for revenues from this surcharge is $8.1 million, or 4.6 percent below budgeted expectations. At the same time, the aforementioned state law change impacting prepaid wireless plans also has an impact on this fund and contributes to a $20.7 million, or 11.8 percent expected increase in 2025.

Motor Fuel Tax Fund revenues are projected to end 2024 below the $128.8 million budgeted, as growth assumptions fall short of expectations. In the years ahead, the forecast expects to see continued increases in the distributive state share, but at a level aligned with inflation and historical revenue performance.

The Special Events and Municipal Hotel Operators' Occupation Tax Fund is expected to end the year below budget. Chicago's festivals and events continue to attract visitors to the City boosting hotel tax revenues, but other revenue sources in the fund fall below budget. This is mainly due to special event fee revenue below pre-pandemic levels. The forecast assumes future growth in the fund, but at a more moderated level of about 2.9 percent.

The City anticipates revenue from the sale of vehicle stickers and other revenues in the Vehicle Tax Fund to end the year at 15.5 percent, or $41.4 million below budgeted expectations due to the expected level of capital-related projects and their expected reimbursements to the fund. While the forecast assumes city sticker pricing continues to adjust with inflation, other revenue to the fund has been adjusted to levels consistent with prior year actuals.

Outlook for Special Revenue Funds



## OUTLOOK FOR ENTERPRISE FUNDS

### WATER AND SEWER FUNDS

The Water Fund and Sewer Fund are separate entities from the City, funding the operation and maintenance of the water and sewer systems. For the Water Fund, this includes 4,245 miles of water mains across an area of 806 square miles inhabited by 5.3 million people. For the Sewer Fund, it includes 4,500 miles of sewers, 205,000 collection structures, and 146,000 manholes across a service area of 230 square miles inhabited by 2.7 million people.

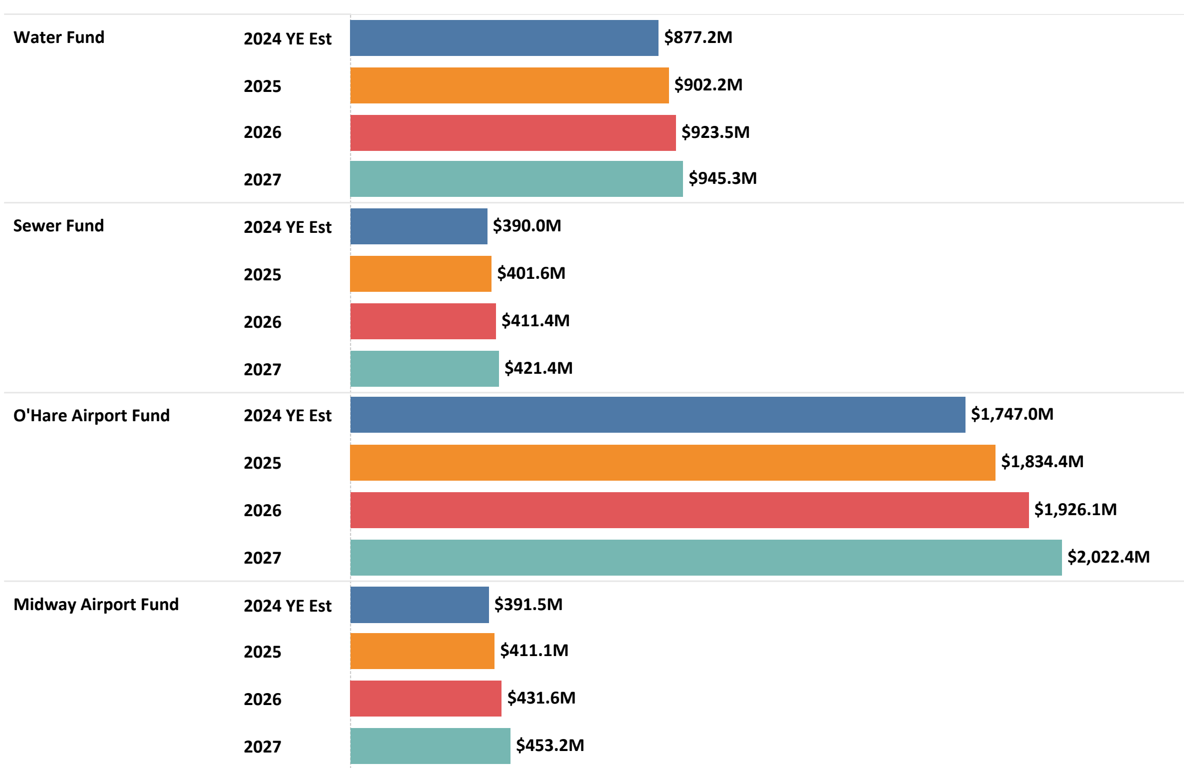
The year-end estimate for Water Fund revenue is $877.2 million and $390.0 million for Sewer Fund revenue. Revenues to the Water and Sewer Funds are expected to end the year under budget in 2024 due to usage and capital reimbursements below budgeted assumptions, but increase over the next three years. These three-year projections account for any collection loss and current trends in water usage, as well as anticipated inflationary adjustments in rates.

### AVIATION FUNDS

Both O'Hare and Midway International Airport Funds continue their strong recovery from the pandemic with O'Hare registering as the second busiest airport in the U.S. for total aircraft operations in 2023 and Midway realizing an 10.5 percent increase in enplanements from 2022.

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 Midway Fund revenue and O'Hare Fund revenue match budgeted levels. The City projects continued growth in its forecast consistent with historical budget increases as the airports move forward with their capital projects and improvements to improve connectivity, efficiency and capacity and to maintain a state of good repair for the airport facilities.

Outlook for Enterprise Funds



## 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 2020, after which the City's annual payment is based on an actuarially-calculated contribution designed to bring the two funds to a 90 percent funded ratio by 2055. Similarly, 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.

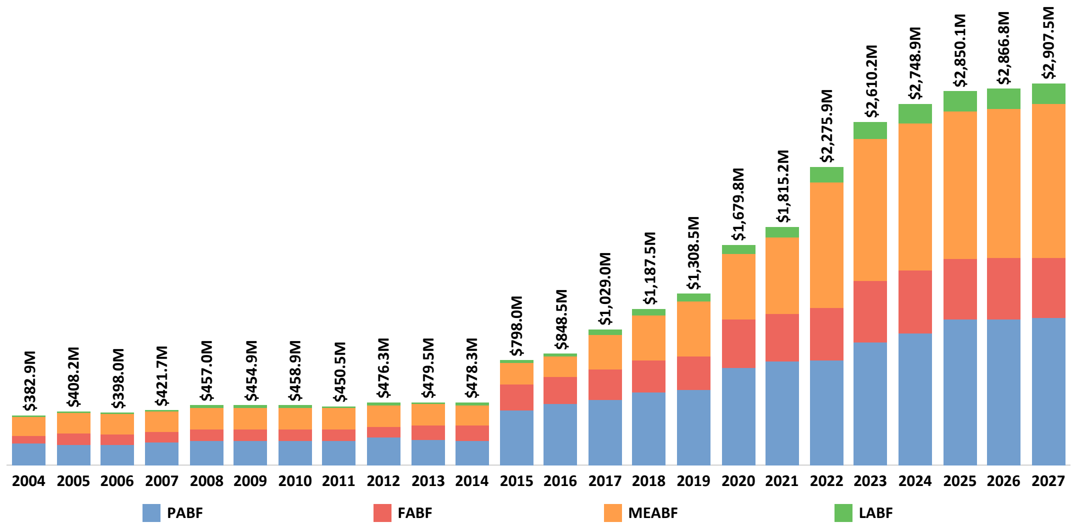
The 2022 budget included the final year of increased statutory contributions for the MEABF and LABF. A dedicated tax, on water-sewer usage, was passed by the City Council in 2016 to pay for the increased contributions to the MEABF through 2021. In 2018, the City Council increased the 911 surcharge to generate sufficient revenue to pay for all eligible 911 operations and emergency preparedness costs. This allowed Corporate Fund resources previously appropriated for 911 operations to be dedicated to other Corporate Fund expenses, including pensions. Beginning in 2020, CPS began making payments to the City in reimbursement for the employer contributions to cover their non-teacher employees who are members of the MEABF. In 2022, both MEABF and LABF moved to actuarially-calculated contributions.

In 2022, the City also adopted the Pension Advance Policy which would ensure supplemental pension payments be made in addition to the statutory contributions already budgeted. This supplemental payment prevents further growth of the City's unfunded pension liabilities. In 2023, $242.0 million of the City's total $2.610 billion pension contributions were supplemental payments.

Supplemental payments from the Corporate Fund have been supported through a one-time assigned fund balance and are projected to run out by 2026. As a result, supplemental pension payments in this forecast are only partially funded in 2026 and unfunded in 2027, contributing to the budget gap in those years.

In 2024, $2.749 billion in pension contributions are expected across all funds, $306.6 million of which are supplemental payments. The 2025 budget will mark the sixth year of actuarially calculated contributions from the City to the PABF and FABF. This will increase the City's total pension contribution for the two funds by $112.3 million from the $1.374 billion budgeted in 2024.

## 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 contributors. 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 2023, represent the amounts found in the annual appropriation ordinance.
2) The projected contributions from 2025 through 2027 for all pension funds are based on the actuarial reports for year ending December 31, 2023. These projections may shift over time based on investment returns and other pension fund changes as the City gets closer to making actuarially determined contributions.
3) The 2023-2027 contributions include required contributions and supplemental payments.

## 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.

The City also utilizes long-term debt to strategically drive economic growth, meet housing needs and support pandemic response and recovery. The Housing and Economic Development Bonds will be allocated to fund projects that support housing; business, innovation and job growth; and cultural and community assets. These strategic investments will support sustainable growth in the City. The repayment of the bonds will be supported by increases in incremental property taxes in the Corporate Fund which will be realized as Tax Increment Financing districts expire.

General Obligation Debt is backed by the full faith and credit of the City. The City has two types of General Obligation Bonds ("G.O. Bonds") outstanding: Tax Levy Bonds for which an annual property tax levy has been established to make payments, and Alternate Revenue Bonds for which an annual property tax levy is established but annually abated if certain other revenues are available that year to make payments.

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 periodically recieves loans through the Illinois Environmental Protection Agency State Revolving Loan Funds Program. The City has also entered into a Water Infrastructure Finance and Innovation Act ("WIFIA") loan agreement with the United States Environmental Protection Agency, though the City has yet to make its first draw on the loan.

O'Hare and Midway Bonds are issued to fund capital improvements and are backed by general revenues generated at the respective facility. Additionally, the City has issued bonds to fund capital improvements at O'Hare, secured by Passenger Facility Charges and Customer Facility Charges ("CFC") collected at O'Hare. CFC revenues are also pledged to the repayment of an outstanding Transportation Infrastructure Finance and Innovation Act ("TIFIA") loan to fund the airport transit system extension at the new O'Hare multi-modal facility.

In 2017, the City sold its right, title, and interest in Sales Tax revenues collected by the State to the Sales Tax Securitization Corporation ("STSC"). The STSC was organized as an instrumentality of 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. Beginning in 2017, bonds issued by the STSC refunded outstanding City of Chicago Sales Tax revenue bonds as well as certain outstanding G.O. Bonds for debt-service savings.

In October 2020, the City Council approved the issuance of $1.56 billion in G.O. Bonds for the purpose of supporting Chicago Recovery Plan and Chicago Works projects. $1.15 billion in G.O. Bonds have been issued pursuant to this authority thus far, and the City expects to issue the remaining $409.75 million in 2025. In April 2024, the City Council approved the issuance of $1.25 billion in G.O. Bonds for the purpose of supporting housing and economic development projects. These bonds are expected to be issued in multiple series over the next five years, with the first issuance of approximately $75 million expected before the end of 2024.

### *Short-Term Debt*

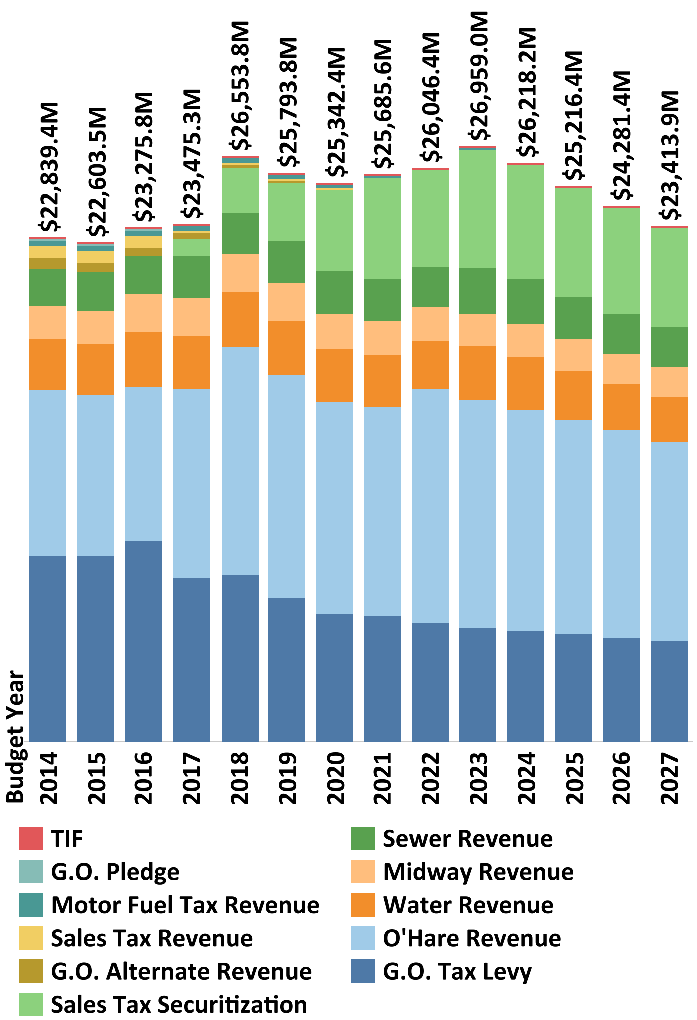
In addition to the long-term debt discussed above, the City issues certain types of short-term debt to address various operating, liquidity, and capital needs.

General Obligation Short-Term Borrowing Program has historically been 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. The City currently has two facilities in place under the General Obligation Short-Term Borrowing program for capital purpose. Both lines of credit have agreements in place up to $225 million ($450 million total). Both lines were fully drawn as of August 15, 2024, and expected to be paid down before the end of the year with the issuance of long-term G.O. Bonds.

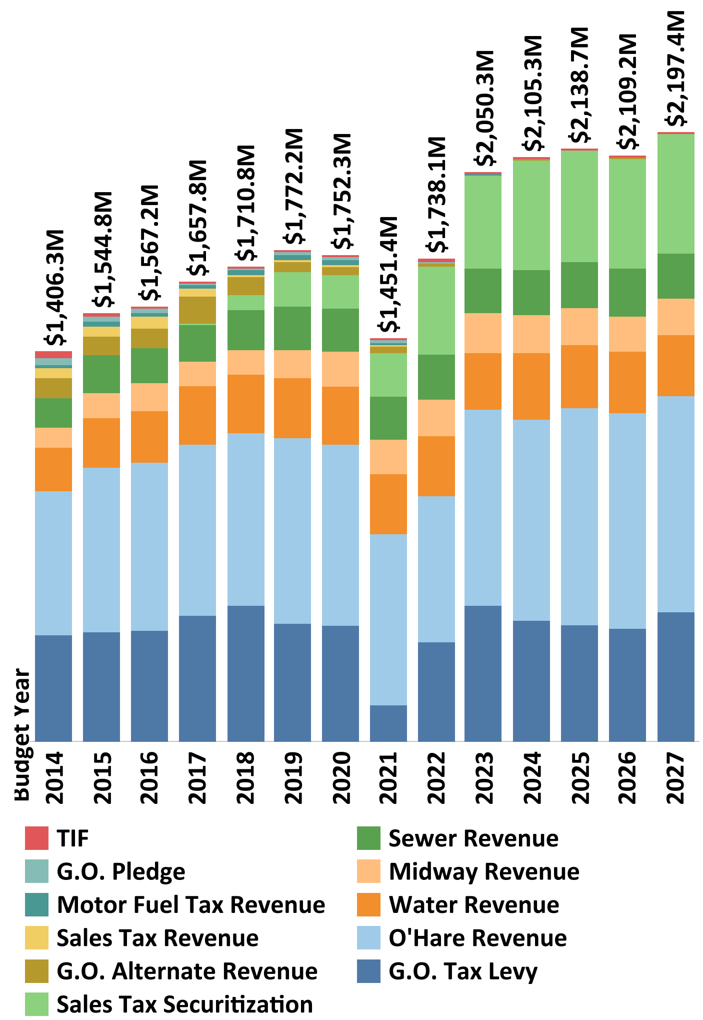
Water and Sewer Systems Commercial Paper Notes and Line of Credit Notes have been authorized for the purposes of financing or refinancing capital improvements to the Water and Sewer Systems or providing funds to meet the cash flow needs of the respective system. There are, however, no such programs currently in place and 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. There are currently two Credit Agreement Notes facilities in place at O'Hare for capital projects: (1) a line of credit facility for up to $500 million; and (2) a line of credit facility for up to $300 million. The larger credit facility is partially drawn and the smaller credit facility is fully drawn. Both credit facilities are expected to be repaid before the end of the year with the issuance of long-term General Airport Revenue Bonds. Chicago Midway Airport Commercial Paper Notes are available to support cashflow needs at Midway, to fund capital projects, and for debt refinancing or restructuring. There are no such programs currently in place and there are no notes currently outstanding.

**Outstanding Long-Term Debt**




**Long-Term Debt Service Payments**



# APPENDICES

BACK TO TOC

## HISTORICAL REVIEW

This section provides a 10-year review of the revenues and expenditures in the City's Local Funds, beginning with the Corporate Fund.

### CORPORATE FUND - HISTORICAL REVIEW

*Corporate Fund Revenue*

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

**Local tax** revenue consists of taxes collected by the City, including utility, transportation, transaction, recreation, and business taxes. In 2023, local tax revenue made up approximately 39.6 percent of total Corporate Fund revenues.

**Intergovernmental** revenue totaled 15.8 percent of Corporate Fund revenues in 2023 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 totaled 15.8 percent of Corporate Fund revenues in 2023 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.

**Proceeds and transfers** consist of amounts transferred into the Corporate Fund from outside sources, including STSC residual sales tax revenue. In 2023, this revenue source totaled 10.2 percent of Corporate Fund revenues.

The City's revenue from most state and local sales taxes appears in the budget as a transfer, since the creation of the STSC, in 2017. 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.

**Prior year available resources** are the result of higher revenues and/or lower spending. Any available funds, both assigned and unassigned, can be carried into the next year and treated as a one-time revenue source. In 2023, this category made up 5.0 percent of total Corporate Fund revenues.

*Corporate Fund Expenditures*

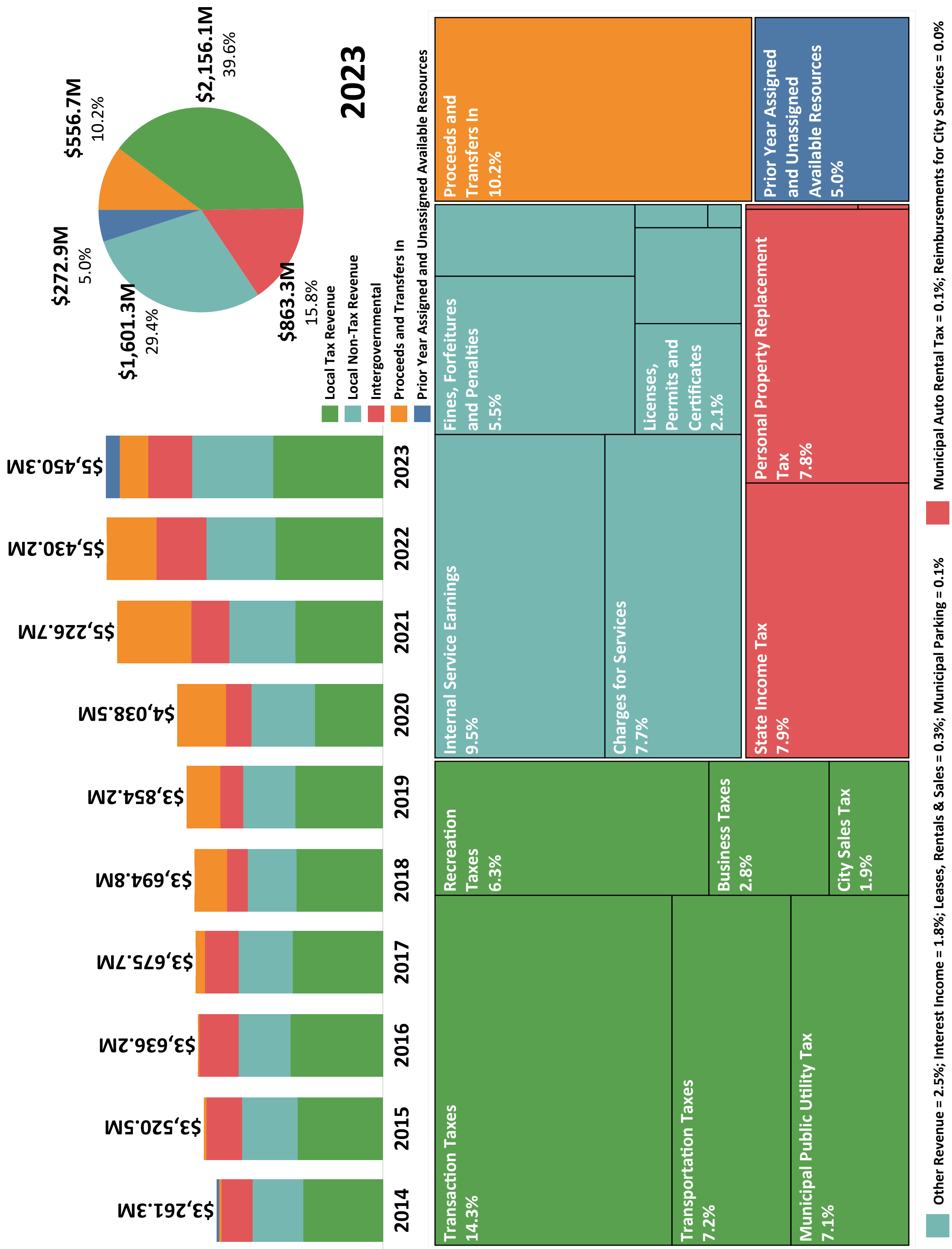
Corporate Fund Expenditures are reported as a major governmental fund within the general fund in the City's basic financial statements. Overall, Corporate Fund expenditures totaled $5.5 billion in 2023. This report breaks down these expenditures into the three broad categories of personnel, non-personnel, and other.

**Personnel expenditures** represent a significant majority of City expenses. These expenditures include employee pay, benefits, workers' compensation, and the City's Corporate Fund pension allocation. In 2023, personnel expenditures represented approximately 72.2 percent of the City's Corporate Fund expenditures.

**Non-personnel expenditures** accounted for 18.8 percent of Corporate Fund expenditures. This category includes contractual services, refunds, rebates, legal costs, utilities, commodities, delegate agencies, employee travel, and contingent expenses. This category also encompasses the City's payments for settlements and judgments. The City has historically used a combination of Corporate Fund and Enterprise Fund resources, as well as bond proceeds, to cover these costs.

**Other expenditures** totaled $495.8 million in 2023, or approximately 9.0 percent of the total revenue. These expenses include operating transfers to other funds, cash match for grants, financing costs, and indirect costs.

## Corporate Fund - Revenue



## Corporate Fund - Resources

| | | | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Local Tax Revenue | Municipal Public Utility Taxes and Fees | Electricity Taxes | $186.6M | $182.8M | $190.1M | $183.7M | $189.4M | $184.7M | $180.0M | $183.4M | $182.7M | $173.6M |
| | | Natural Gas Use and Occupation Tax | $153.3M | $119.7M | $111.1M | $124.7M | $128.6M | $128.3M | $114.4M | $134.3M | $165.4M | $133.8M |
| | | Telecommunication Taxes | $106.1M | $105.5M | $103.6M | $101.9M | $87.4M | $77.6M | $73.0M | $66.8M | $63.1M | $61.8M |
| | | Cable Television Fees | $27.5M | $29.8M | $29.6M | $28.7M | $26.7M | $26.1M | $24.0M | $23.5M | $21.6M | $19.3M |
| | | Total | $473.5M | $437.8M | $434.4M | $439.0M | $432.1M | $416.7M | $391.4M | $408.0M | $432.9M | $388.6M |
| | City Sales Tax | City Sales Tax / HROT | $285.8M | $308.9M | $308.1M | $229.9M | $57.0M | $63.7M | $58.7M | $77.7M | $93.9M | $101.3M |
| | | Total | $285.8M | $308.9M | $308.1M | $229.9M | $57.0M | $63.7M | $58.7M | $77.7M | $93.9M | $101.3M |
| | Transaction Taxes | Real Property Transfer Tax | $157.2M | $191.1M | $197.1M | $161.7M | $175.5M | $152.4M | $130.3M | $184.1M | $196.4M | $133.6M |
| | | Personal Property Lease Transaction Tax | $152.6M | $192.5M | $259.9M | $265.7M | $295.4M | $328.7M | $344.1M | $491.1M | $602.3M | $639.2M |
| | | Motor Vehicle Lessor Tax | $6.4M | $6.7M | $6.6M | $6.8M | $6.6M | $6.7M | $3.0M | $4.1M | $5.2M | $5.9M |
| | | Total | $316.2M | $390.3M | $463.6M | $434.2M | $477.5M | $487.8M | $477.5M | $679.4M | $803.9M | $778.7M |
| | Transportation Taxes | Parking Garage Tax | $126.5M | $131.5M | $134.5M | $135.4M | $134.0M | $144.1M | $65.4M | $104.6M | $133.2M | $147.3M |
| | | Vehicle Fuel Tax | $48.2M | $49.3M | $53.0M | $54.2M | $53.7M | $54.1M | $34.1M | $54.9M | $57.0M | $57.3M |
| | | Ground Transportation Tax | $10.4M | $17.1M | $59.6M | $85.4M | $119.4M | $138.8M | $94.4M | $96.2M | $142.9M | $187.4M |
| | | Total | $185.1M | $197.9M | $247.1M | $275.0M | $307.1M | $337.0M | $193.9M | $255.7M | $333.2M | $391.9M |
| | Recreation Taxes | Amusement Tax | $112.9M | $145.7M | $163.6M | $172.6M | $195.5M | $196.5M | $104.3M | $159.1M | $233.2M | $262.5M |
| | | Automatic Amusement Tax | $0.6M | $0.5M | $0.5M | $0.4M | $0.4M | $0.4M | $0.4M | $0.3M | $0.3M | $0.3M |
| | | Boat Mooring Tax | $1.3M | $1.4M | $1.3M | $1.3M | $1.8M | $1.1M | $1.0M | $1.5M | $1.5M | $1.7M |
| | | Liquor Tax | $32.1M | $33.7M | $33.1M | $32.6M | $33.0M | $32.0M | $27.5M | $29.8M | $29.7M | $30.1M |
| | | Cigarette Tax | $24.0M | $22.8M | $23.1M | $21.3M | $21.3M | $19.8M | $20.8M | $17.4M | $16.5M | $14.7M |
| | | Non-Alcoholic Beverage Tax | $22.2M | $22.9M | $24.4M | $24.3M | $27.0M | $25.3M | $22.2M | $25.9M | $27.9M | $30.7M |
| | | Off Track Betting Tax | $0.5M | $0.5M | $0.6M | $0.6M | $0.5M | $0.4M | $0.3M | $0.3M | $0.2M | $0.0M |
| | | Cannabis Excise Tax | | | | | | | $1.7M | $5.1M | $5.6M | $5.6M |
| | | Total | $193.7M | $227.5M | $246.6M | $253.1M | $279.5M | $275.5M | $178.1M | $239.4M | $314.9M | $345.6M |
| | Business Taxes | Hotel Accomodations Tax | $100.4M | $109.8M | $113.5M | $131.6M | $130.4M | $133.7M | $25.7M | $65.5M | $119.6M | $134.7M |
| | | Foreign Fire Insurance Tax | $4.4M | $6.0M | $5.4M | $5.6M | $4.9M | $0.0M | $0.0M | $0.0M | $0.0M | $0.0M |
| | | Checkout Bag Tax | | | | $5.6M | $6.4M | $6.4M | $6.3M | $7.5M | $19.0M | $15.3M |
| | | Total | $104.8M | $115.8M | $118.9M | $142.9M | $141.7M | $140.1M | $31.9M | $72.9M | $138.6M | $150.0M |
| Total | | | $1,559.1M | $1,678.1M | $1,818.7M | $1,774.1M | $1,694.8M | $1,720.7M | $1,331.5M | $1,733.2M | $2,117.3M | $2,156.1M |
| Proceeds and Transfers In | Proceeds and Transfers In | Proceeds of Debt | | | | | | | $450.0M | | | |
| | | Transfers In | $39.7M | $53.9M | $8.0M | $180.2M | $627.5M | $640.9M | $500.5M | $1,450.9M | $969.4M | $556.7M |
| | | Total | $39.7M | $53.9M | $8.0M | $180.2M | $627.5M | $640.9M | $950.5M | $1,450.9M | $969.4M | $556.7M |
| Total | | | $39.7M | $53.9M | $8.0M | $180.2M | $627.5M | $640.9M | $950.5M | $1,450.9M | $969.4M | $556.7M |
| Intergovernmental | State Income Tax | State Income Tax | $250.3M | $286.5M | $254.0M | $239.9M | $255.0M | $284.2M | $321.4M | $376.7M | $412.4M | $428.9M |
| | | Total | $250.3M | $286.5M | $254.0M | $239.9M | $255.0M | $284.2M | $321.4M | $376.7M | $412.4M | $428.9M |
| | State Sales Tax (MROT) | Municipal Retailers Occupation Tax | $334.5M | $356.9M | $366.4M | $270.5M | | | | | | |
| | | Total | $334.5M | $356.9M | $366.4M | $270.5M | | | | | | |
| | Personal Property Replacement Tax | Personal Property Replacement Tax | $27.8M | $50.5M | $159.7M | $148.3M | $137.4M | $185.6M | $165.8M | $370.7M | $559.8M | $426.9M |
| | | Total | $27.8M | $50.5M | $159.7M | $148.3M | $137.4M | $185.6M | $165.8M | $370.7M | $559.8M | $426.9M |
| | Municipal Auto Rental Tax | Municipal Auto Rental Tax | $4.2M | $4.2M | $4.2M | $4.1M | $4.1M | $4.4M | $2.1M | $3.9M | $5.0M | $5.1M |
| | | Total | $4.2M | $4.2M | $4.2M | $4.1M | $4.1M | $4.4M | $2.1M | $3.9M | $5.0M | $5.1M |
| | Reimbursements for City Services | Other Reimbursements | $2.3M | $1.8M | $1.9M | $2.5M | $3.4M | $1.5M | $1.4M | $1.8M | $2.1M | $2.3M |
| | | Total | $2.3M | $1.8M | $1.9M | $2.5M | $3.4M | $1.5M | $1.4M | $1.8M | $2.1M | $2.3M |
| Total | | | $619.1M | $699.9M | $786.2M | $665.4M | $400.0M | $475.8M | $490.8M | $753.2M | $979.2M | $863.3M |
| Local Non-Tax Revenue | Licenses, Permits and Certificates | Alcohol Dealers | $11.6M | $12.5M | $12.2M | $12.7M | $12.5M | $13.3M | $10.1M | $14.3M | $11.8M | $13.1M |
| | | Business Licenses | $18.1M | $19.4M | $18.5M | $22.3M | $21.4M | $25.4M | $21.4M | $24.3M | $24.5M | $26.1M |
| | | Building Permits | $39.3M | $43.7M | $43.5M | $43.2M | $42.5M | $40.1M | $33.1M | $33.0M | $35.3M | $32.5M |
| | | Other Permits/Certificates | $44.9M | $45.0M | $48.3M | $49.3M | $48.1M | $51.6M | $39.9M | $39.2M | $37.7M | $36.4M |

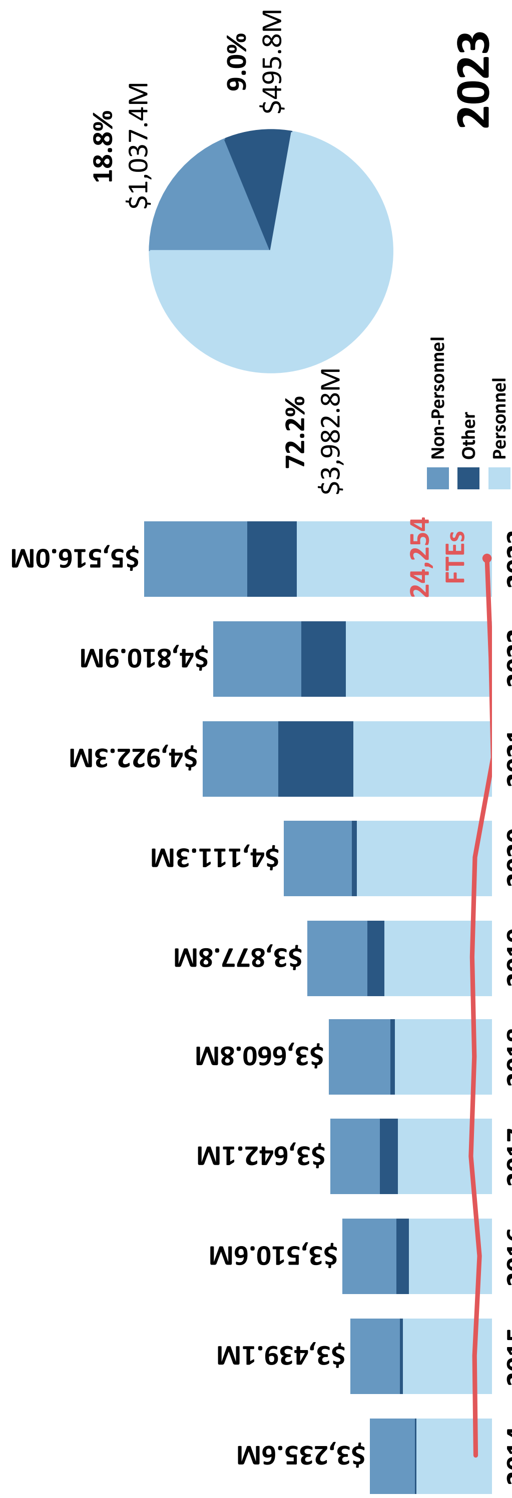
"$0.0M" indicates amounts less than $100,000

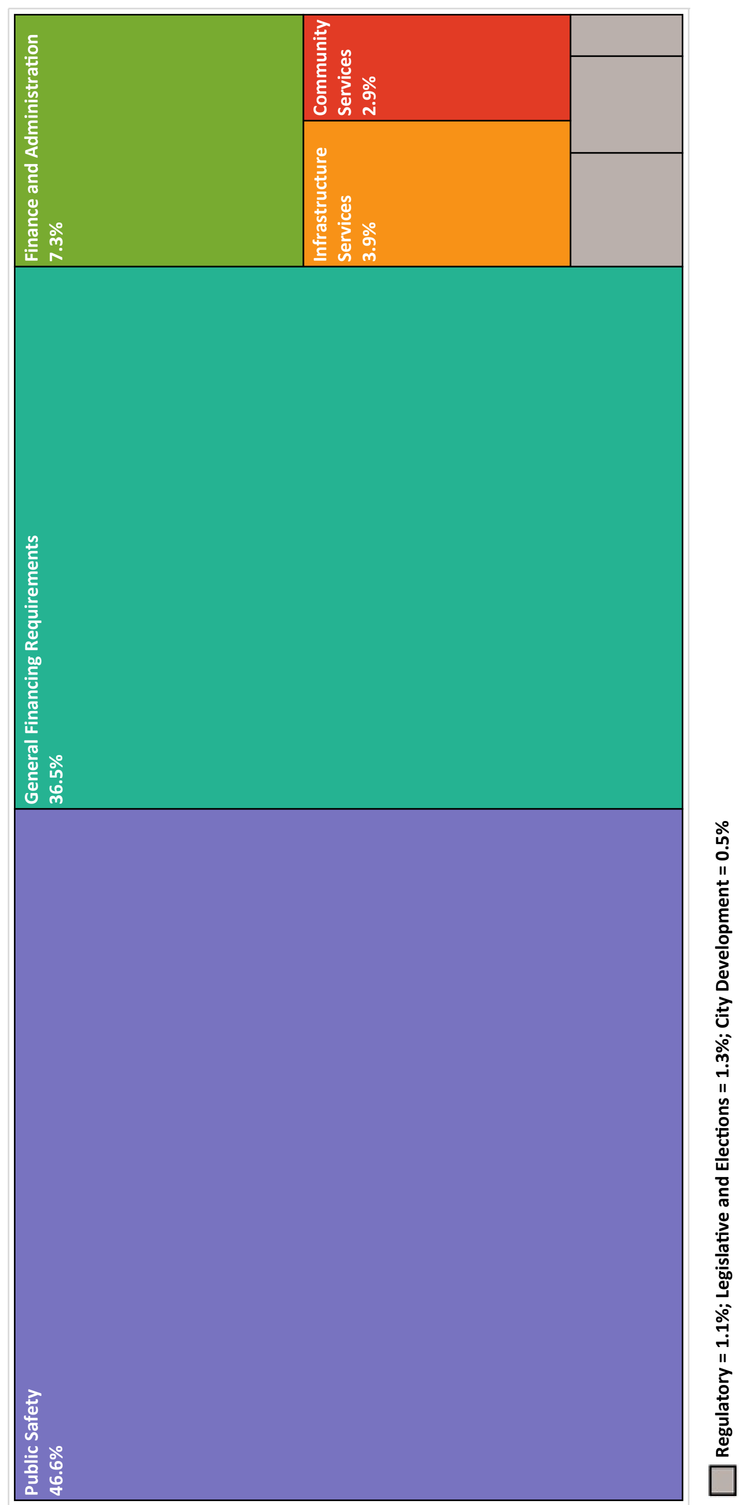
## Corporate Fund - Resources (cont.)

| | | | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Local Non-Tax Revenue | Licenses, Permits and Certificates | Prior Period Fines | $6.0M | $6.2M | $7.9M | $6.1M | $4.9M | $5.5M | $3.3M | $4.8M | $4.2M | $3.8M |
| | | Total | $119.9M | $126.7M | $130.4M | $133.5M | $129.3M | $136.0M | $107.8M | $115.6M | $113.5M | $111.8M |
| | Fines, Forfeitures and Penalties | Fines, Forfeitures and Penalties | $338.3M | $366.3M | $318.4M | $344.9M | $335.9M | $319.2M | $230.6M | $316.0M | $307.6M | $299.5M |
| | | Total | $338.3M | $366.3M | $318.4M | $344.9M | $335.9M | $319.2M | $230.6M | $316.0M | $307.6M | $299.5M |
| | Charges for Services | Inspection | $14.4M | $15.0M | $13.1M | $12.7M | $13.1M | $14.6M | $11.7M | $12.1M | $9.6M | $10.4M |
| | | Information | $0.7M | $0.7M | $1.5M | $0.3M | $1.1M | $1.2M | $0.9M | $1.0M | $1.0M | $1.1M |
| | | Safety | $90.0M | $61.5M | $77.3M | $70.0M | $73.7M | $80.2M | $266.5M | $278.0M | $344.3M | $363.9M |
| | | Current Expense | $5.8M | $13.0M | $6.3M | $6.3M | $4.6M | $7.4M | $7.9M | $6.7M | $7.5M | $6.8M |
| | | Other Current Charges | $23.7M | $29.4M | $32.5M | $28.9M | $30.2M | $31.0M | $30.9M | $31.1M | $34.6M | $35.1M |
| | | Total | $134.6M | $119.6M | $130.8M | $118.2M | $122.7M | $134.4M | $317.9M | $328.9M | $397.0M | $417.2M |
| | Municipal Parking | Municipal Parking | $7.3M | $6.5M | $7.5M | $7.7M | $7.8M | $7.7M | $7.1M | $7.4M | $7.0M | $7.3M |
| | | Total | $7.3M | $6.5M | $7.5M | $7.7M | $7.8M | $7.7M | $7.1M | $7.4M | $7.0M | $7.3M |
| | Leases, Rentals and Sales | Rentals and Leases | $13.5M | $14.0M | $13.0M | $13.2M | $26.5M | $25.5M | $6.0M | $10.8M | $17.4M | $11.2M |
| | | Sale of Land | $2.9M | $3.5M | $9.6M | $10.8M | $6.2M | $0.2M | $1.0M | $1.1M | $6.7M | $2.6M |
| | | Vacation of Streets | $5.6M | $6.5M | $2.2M | $0.9M | $2.2M | $15.8M | $4.1M | $2.6M | $1.5M | $1.3M |
| | | Sale of Impounded Autos | $0.0M | $0.0M | $0.0M | $0.0M | $0.0M | $0.0M | $0.0M | $0.0M | $0.0M | $0.0M |
| | | Sale of Materials | $2.0M | $1.4M | $1.3M | $1.0M | $0.7M | $0.4M | $0.2M | $1.0M | $0.6M | $0.5M |
| | | Total | $24.1M | $25.5M | $26.1M | $25.9M | $35.7M | $42.0M | $11.3M | $15.5M | $26.2M | $15.6M |
| | Interest Income | Interest Income | $1.6M | $0.9M | $8.3M | $7.0M | $1.9M | $31.4M | $24.1M | ($5.0M) | ($77.6M) | $95.6M |
| | | Total | $1.6M | $0.9M | $8.3M | $7.0M | $1.9M | $31.4M | $24.1M | ($5.0M) | ($77.6M) | $95.6M |
| | Internal Service Earnings | Enterprise Funds | $163.1M | $137.1M | $168.4M | $162.6M | $171.9M | $173.6M | $176.4M | $175.2M | $182.7M | $188.7M |
| | | Special Revenue Funds | $88.2M | $138.0M | $128.5M | $133.5M | $51.5M | $62.6M | $49.6M | $52.2M | $52.1M | $65.2M |
| | | Intergovernmental Funds | $34.7M | $42.0M | $32.9M | $37.0M | $35.3M | $33.6M | $146.7M | $145.2M | $244.1M | $254.3M |
| | | Other Reimbursements | $19.8M | $28.4M | $12.9M | $14.7M | $11.5M | $1.5M | $71.9M | $12.9M | $7.6M | $10.4M |
| | | Total | $305.7M | $345.4M | $342.6M | $347.7M | $270.2M | $271.3M | $444.6M | $385.6M | $486.6M | $518.5M |
| | Other Revenue | Other Revenue | $66.5M | $97.6M | $59.3M | $71.2M | $69.0M | $74.9M | $122.3M | $125.5M | $103.9M | $135.7M |
| | | Total | $66.5M | $97.6M | $59.3M | $71.2M | $69.0M | $74.9M | $122.3M | $125.5M | $103.9M | $135.7M |
| Total | | | $998.0M | $1,088.6M | $1,023.4M | $1,056.1M | $972.4M | $1,016.8M | $1,265.7M | $1,289.4M | $1,364.2M | $1,601.3M |
| Prior Year Assigned and Unassigned Available Resources | | | $45.5M | | | | | | | | | $272.9M |
| | | Total | $45.5M | | | | | | | | | $272.9M |
| Total | | | $45.5M | | | | | | | | | $272.9M |
| Grand Total | | | $3,261.3M | $3,520.5M | $3,636.2M | $3,675.7M | $3,694.8M | $3,854.2M | $4,038.5M | $5,226.7M | $5,430.2M | $5,450.3M |

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

## Corporate Fund - Expenditures



## Corporate Fund - Expenditures by Department

| | | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 |
|---|---|---|---|---|---|---|---|---|---|---|---|
| Finance and Administration | Office of The Mayor | $6.1M | $6.1M | $6.6M | $6.9M | $7.1M | $7.3M | $9.8M | $9.6M | $10.4M | $10.0M |
| | Office of Budget and Management | $2.4M | $2.2M | $4.8M | $3.6M | $2.9M | $3.0M | $2.9M | $2.8M | $2.2M | $2.7M |
| | Department of Innovation and Technology | $23.6M | $25.1M | $20.1M | $16.0M | $19.6M | $21.2M | $0.6M | ($0.1M) | ($0.1M) | $0.0M |
| | City Clerk | $2.9M | $2.9M | $2.9M | $2.9M | $3.8M | $3.6M | $3.3M | $3.5M | $3.4M | $4.3M |
| | Department of Finance | $56.0M | $59.2M | $61.9M | $60.3M | $63.2M | $61.8M | $58.7M | $57.2M | $62.1M | $65.1M |
| | City Treasurer | $2.2M | $2.1M | $1.3M | $1.4M | $1.4M | $1.4M | $1.6M | $1.7M | $1.9M | $2.3M |
| | Department of Administrative Hearings | $7.4M | $7.8M | $7.8M | $7.9M | $7.8M | $7.6M | $6.4M | $6.9M | $6.8M | $7.0M |
| | Department of Law | $28.1M | $27.3M | $26.7M | $26.7M | $27.7M | $28.8M | $28.2M | $27.5M | $27.1M | $30.7M |
| | Department of Human Resources | $5.0M | $5.3M | $5.6M | $5.7M | $6.0M | $6.3M | $6.1M | $5.9M | $6.7M | $7.4M |
| | Department of Procurement Services | $5.7M | $6.1M | $5.7M | $6.3M | $6.4M | $6.1M | $5.9M | $5.6M | $5.4M | $7.5M |
| | Department of Fleet and Facility Management | $167.5M | $157.1M | $186.3M | $179.5M | $195.5M | $207.0M | $218.2M | $218.5M | $234.3M | $267.5M |
| | Total | $306.9M | $301.3M | $329.6M | $317.2M | $341.2M | $354.0M | $341.6M | $339.1M | $360.4M | $404.5M |
| Infrastructure Services | Department of Streets and Sanitation | $195.4M | $199.6M | $137.6M | $137.2M | $147.4M | $155.3M | $153.8M | $173.6M | $177.1M | $184.0M |
| | Chicago Department of Transportation | $47.3M | $67.1M | $35.4M | $50.1M | $54.4M | $56.6M | $51.9M | $55.2M | $33.9M | $33.8M |
| | Department of Water Management | | | $0.0M | | | | $0.0M | | | |
| | Total | $242.7M | $266.8M | $173.0M | $187.3M | $201.8M | $212.0M | $205.6M | $228.8M | $211.0M | $217.8M |
| Public Safety | Office of Public Safety Administration | | | | | | | $12.3M | $27.5M | $41.8M | $52.3M |
| | Police Board | $0.4M | $0.4M | $0.8M | $0.4M | $0.4M | $0.4M | $1.0M | $0.4M | $0.5M | $0.6M |
| | Independent Police Review Authority | $7.8M | $7.4M | $7.7M | $3.2M | $0.1M | | $0.0M | | | |
| | Chicago Police Department | $1,286.0M | $1,369.7M | $1,463.0M | $1,498.2M | $1,568.5M | $1,620.2M | $1,532.2M | $1,622.9M | $1,731.7M | $1,866.9M |
| | Office of Emergency Communication | $82.0M | $78.8M | $95.2M | $100.1M | $26.0M | $25.4M | $18.4M | $11.0M | $9.7M | $9.7M |
| | Chicago Fire Department | $602.3M | $563.3M | $583.0M | $576.3M | $578.1M | $604.1M | $606.5M | $654.1M | $660.9M | $623.6M |
| | Civilian Office of Police Accountability | | | $0.0M | $6.6M | $11.0M | $11.7M | $10.6M | $11.9M | $12.4M | $13.5M |
| | Community Commission for Public Safety and Accountability | | | | | | | | | $0.4M | $2.2M |
| | Total | $1,978.5M | $2,019.5M | $2,149.8M | $2,184.8M | $2,184.0M | $2,261.8M | $2,181.0M | $2,327.9M | $2,457.2M | $2,568.7M |
| Community Services | Chicago Department of Health | $25.9M | $26.0M | $29.4M | $30.1M | $30.8M | $33.6M | $34.7M | $35.0M | $48.0M | $56.3M |
| | Commission on Human Relations | $1.0M | $1.0M | $1.0M | $1.1M | $1.0M | $1.0M | $0.9M | $0.9M | $1.0M | $1.1M |
| | Office for People with Disabilities | $1.1M | $1.0M | $1.4M | $1.4M | $1.5M | $1.4M | $1.3M | $1.3M | $2.1M | $2.6M |
| | Department of Family and Support Services | $45.7M | $58.8M | $62.2M | $68.1M | $79.3M | $82.2M | $83.2M | $84.8M | $93.8M | $97.9M |
| | Chicago Public Library | | | $0.1M | | | | | | | |
| | Total | $73.8M | $86.9M | $94.2M | $100.7M | $112.6M | $118.2M | $120.0M | $122.1M | $144.9M | $158.0M |
| City Development | Department of Housing | | $0.0M | | | $0.0M | $4.0M | $14.7M | $9.6M | $9.8M | $10.5M |
| | Department of Cultural Affairs and Special Events | | | $0.4M | | | | | | | |
| | Department of Planning and Development | $22.7M | $28.0M | $20.5M | $13.3M | $13.7M | $10.1M | $10.2M | $10.9M | $12.5M | $15.6M |
| | Total | $22.7M | $28.0M | $20.9M | $13.3M | $13.6M | $14.0M | $24.9M | $20.4M | $22.3M | $26.1M |
| Regulatory | Office of Inspector General | $2.1M | $2.4M | $2.9M | $4.9M | $5.5M | $6.0M | $6.1M | $7.4M | $9.3M | $9.5M |
| | Department of Buildings | $19.9M | $21.6M | $24.6M | $22.1M | $22.9M | $22.8M | $22.0M | $21.3M | $20.6M | $22.4M |
| | Department of Business Affairs & Consumer Protection | $16.8M | $15.6M | $16.1M | $16.1M | $16.4M | $16.6M | $16.9M | $17.2M | $18.2M | $19.8M |
| | Office of Climate and Environmental Equity | | | | | $0.0M | | | $0.0M | | $0.3M |
| | Commission on Animal Care and Control | $5.3M | $5.2M | $5.5M | $6.1M | $6.5M | $6.7M | $6.2M | $6.1M | $6.3M | $6.5M |
| | License Appeal Commission | $0.2M | $0.1M | $0.2M | $0.2M | $0.2M | $0.2M | $0.2M | $0.1M | $0.2M | $0.1M |
| | Board of Ethics | $0.8M | $0.8M | $0.8M | $0.8M | $0.8M | $0.8M | $0.8M | $0.8M | $0.8M | $0.9M |
| | Total | $45.1M | $45.7M | $50.1M | $50.2M | $52.3M | $53.1M | $52.2M | $52.9M | $55.5M | $59.4M |

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

## Corporate Fund - Expenditures by Department (cont.)

| | | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 |
|---|---|---|---|---|---|---|---|---|---|---|---|
| Legislative and Elections | City Council | $24.6M | $25.0M | $25.2M | $25.6M | $26.0M | $24.9M | $25.6M | $26.2M | $28.7M | $29.5M |
| | Board of Election Commissioner | $12.0M | $28.5M | $14.9M | $12.3M | $15.8M | $31.1M | $17.4M | $11.4M | $18.1M | $41.1M |
| | Total | $36.5M | $53.6M | $40.0M | $37.9M | $41.7M | $56.0M | $43.0M | $37.6M | $46.8M | $70.6M |
| Finance General | Finance General | $529.5M | $637.4M | $653.0M | $750.7M | $713.5M | $808.7M | $1,143.0M | $1,793.5M | $1,512.8M | $2,010.9M |
| | Total | $529.5M | $637.4M | $653.0M | $750.7M | $713.5M | $808.7M | $1,143.0M | $1,793.5M | $1,512.8M | $2,010.9M |
| Grand Total | | $3,235.6M | $3,439.1M | $3,510.6M | $3,642.1M | $3,660.8M | $3,877.8M | $4,111.3M | $4,922.3M | $4,810.9M | $5,516.0M |

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

## Corporate Fund - Expenditures By Type

| | | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 |
|---|---|---|---|---|---|---|---|---|---|---|---|
| Personnel | Employee Pay | $2,304.6M | $2,361.1M | $2,375.7M | $2,458.9M | $2,438.7M | $2,569.1M | $2,498.5M | $2,859.1M | $2,674.4M | $2,841.4M |
| | Employee Benefits | $403.5M | $416.3M | $401.2M | $341.7M | $390.1M | $403.5M | $470.1M | $395.5M | $403.1M | $419.7M |
| | Pension Allocation | | $71.8M | $11.6M | $106.3M | $107.5M | $79.7M | $336.9M | $85.5M | $329.2M | $644.9M |
| | Workers' Compensation | $61.7M | $68.0M | $64.3M | $58.8M | $58.6M | $52.8M | $66.7M | $72.6M | $77.9M | $76.8M |
| | Total | $2,769.8M | $2,917.2M | $2,852.7M | $2,965.7M | $2,995.0M | $3,105.1M | $3,372.2M | $3,412.6M | $3,484.6M | $3,982.8M |
| Non-Personnel | Contractual Services | $291.6M | $322.6M | $315.5M | $315.0M | $323.6M | $391.8M | $408.4M | $484.4M | $572.7M | $674.8M |
| | Refunds, Rebates & Legal Costs | $41.3M | $50.9M | $115.0M | $66.3M | $142.1M | $80.7M | $141.8M | $153.8M | $158.8M | $192.3M |
| | Utilities | $57.9M | $45.1M | $61.0M | $45.6M | $42.1M | $45.5M | $36.5M | $32.8M | $49.0M | $52.8M |
| | Commodities | $28.6M | $48.1M | $15.8M | $40.7M | $46.0M | $48.1M | $52.0M | $45.4M | $53.9M | $68.5M |
| | Delegate Agencies | $17.7M | $18.9M | $21.6M | $26.3M | $60.6M | $45.3M | $54.4M | $37.5M | $46.9M | $47.2M |
| | Employee Travel Expenses | $1.3M | $1.3M | $1.3M | $1.4M | $1.6M | $1.6M | $0.6M | $0.7M | $0.7M | $1.6M |
| | Contingencies | $0.1M | $0.1M | $0.1M | $0.1M | $0.0M | $0.1M | $0.0M | $0.1M | $0.1M | $0.1M |
| | Total | $438.5M | $487.1M | $530.3M | $495.4M | $616.0M | $613.1M | $693.8M | $754.7M | $882.1M | $1,037.4M |
| Other | Transfers Out | $5.0M | $6.5M | $85.6M | $142.0M | $15.2M | $109.4M | | $215.2M | | |
| | Cash Matching - Grants | $9.5M | $12.2M | $14.8M | $15.9M | $19.2M | $18.4M | $26.2M | $26.3M | $25.0M | $60.1M |
| | Financing Costs | $12.1M | $15.0M | $24.5M | $20.6M | $13.0M | $29.0M | $16.6M | $511.0M | $416.6M | $431.2M |
| | Indirect Costs | $0.7M | $1.1M | $2.7M | $2.5M | $2.4M | $2.7M | $2.4M | $2.5M | $2.7M | $4.5M |
| | Total | $27.3M | $34.8M | $127.6M | $181.0M | $49.8M | $159.6M | $45.3M | $755.0M | $444.3M | $495.8M |
| Grand Total | | $3,235.6M | $3,439.1M | $3,510.6M | $3,642.1M | $3,660.8M | $3,877.8M | $4,111.3M | $4,922.3M | $4,810.9M | $5,516.0M |

## SPECIAL REVENUE FUNDS - HISTORICAL REVIEW

The City's 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.

### *Vehicle Tax Fund*

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

### *Motor Fuel Tax Fund*

Revenues 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 prior to 2024, an annual subsidy from the City's Corporate Fund. The Library Fund supports the maintenance and operations of the Chicago Public Library System. 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"). Revenues to this fund are reported as a nonmajor governmental fund within the City's basic financial statements.

### *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 within the general fund in the City's basic financial statements.

In addition to the funds listed above, the City budget also identifies the following 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")*

The revenue in this fund is collected through the City's density bonus program and the Affordable Requirements Ordinance. Funds are used for the construction, rehabilitation or preservation of affordable housing, or other housing programs, as well as a distribution to the Chicago Low Income Housing Trust Fund, which meets the needs of low-income residents through annual rent subsidies. AHOF revenues are reported as Special Revenue 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.

### *Controlled Substances Fund*

The City appropriates funds to the Controlled Substances Fund pursuant to the Illinois Controlled Substances Act. Funds must be used in the enforcement of laws regulating controlled substances and cannabis.

### *Chicago Police CTA Detail Fund*

An intergovernmental agreement between the Chicago Police Department and CTA allows sworn officers to be paid for providing security on CTA property during off-duty hours through the voluntary Special Employment Program. The CTA reimburses the City for these expenditures, which are accounted for in this fund.

### *Chicago Parking Meters Fund*

As a result of a 2008 75-year concession agreement on the City's parking meters, the City is obligated to make reconciliation payments to Chicago Parking Meters LLC when parking-meter rates are not adjusted for consumer price index increases and when parking spaces are removed from service. These payments are accounted for separately in this fund.

### *Human Capital Innovation Fund*

Revenues to the Human Capital Innovation Fund are assigned from a $10.4 million settlement with rideshare companies in 2018.

### *Houseshare Surcharge - Homeless Services Fund*

Revenues to the Homeless Services Fund are dedicated to services for homeless families. A four percent hotel tax surcharge assessed on vacation rentals or shared-housing units are accounted for in this fund.

### *Houseshare Surcharge - Domestic Violence Fund*

Domestic Violence Fund revenue is generated through the two percent Hotel Tax surcharge assessed on vacation rentals or shared housing units. These resources fund services for victims of domestic violence.

### *Foreign Fire Insurance Tax Fund*

Foreign Fire Insurance Tax revenues are collected by the City and distributed to the Foreign Fire Insurance Board per State statute.

### *Cannabis Regulation Tax Fund*

Cannabis Regulation Tax Fund revenue is generated through State taxes, license fees, and other revenues derived from recreational cannabis shared with local governments based on population.

## Special Revenue - Revenues

| | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 |
|---|---|---|---|---|---|---|---|---|---|---|
| Vehicle Tax Fund | $188.9M | $182.7M | $202.0M | $216.2M | $195.6M | $202.7M | $168.6M | $195.7M | $191.7M | $223.6M |
| Motor Fuel Tax Fund | $78.3M | $55.5M | $58.3M | $55.7M | $57.5M | $78.5M | $87.1M | $98.4M | $115.7M | $103.6M |
| Special Events and Municipal Hotel Operators' Occupation Tax Fund | $39.8M | $40.8M | $44.4M | $44.2M | $43.1M | $51.8M | $15.2M | $22.0M | $37.3M | $40.4M |
| Library Fund | $83.6M | $84.8M | $99.6M | $98.2M | $100.9M | $110.1M | $115.8M | $114.8M | $115.7M | $115.5M |
| Emergency Communication Fund | $74.8M | $102.7M | $101.3M | $100.5M | $131.2M | $136.8M | $141.5M | $144.8M | $145.0M | $166.2M |
| Garbage Collection Fund | | | $54.4M | $64.0M | $63.0M | $62.0M | $57.6M | $62.6M | $62.1M | $62.4M |
| Grand Total | $465.5M | $466.5M | $560.0M | $578.7M | $591.5M | $641.9M | $585.8M | $638.3M | $667.4M | $711.8M |

## Special Revenue - Expenditures

| | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 |
|---|---|---|---|---|---|---|---|---|---|---|
| Vehicle Tax Fund | $182.9M | $196.2M | $186.9M | $206.8M | $203.7M | $227.2M | $179.6M | $188.5M | $214.1M | $234.6M |
| Motor Fuel Tax Fund | $82.9M | $70.7M | $45.5M | $54.8M | $62.1M | $67.4M | $97.8M | $107.6M | $106.1M | $110.7M |
| Special Events and Municipal Hotel Operators' Occupation Tax Fund | $41.9M | $40.5M | $47.2M | $44.6M | $46.5M | $50.6M | $25.4M | $25.1M | $38.2M | $41.5M |
| Library Fund | $84.4M | $85.5M | $97.8M | $98.1M | $102.6M | $107.6M | $108.4M | $101.3M | $110.0M | $120.9M |
| Emergency Communication Fund | $67.0M | $109.6M | $96.4M | $94.0M | $110.6M | $145.4M | $132.0M | $138.7M | $142.9M | $139.7M |
| Garbage Collection Fund | | | $59.8M | $61.0M | $59.4M | $59.1M | $65.9M | $58.8M | $52.9M | $60.8M |
| Grand Total | $459.1M | $502.6M | $533.6M | $559.3M | $584.9M | $657.4M | $609.1M | $620.0M | $664.2M | $708.2M |

Does not include amounts designated for debt service.

## ENTERPRISE FUNDS - HISTORICAL REVIEW

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 on a residual ratemaking methodology 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.

### *Water Fund*

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.

### *Sewer Fund*

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 Fund and Midway Fund*

O'Hare and Midway operating revenues are comprised of landing fees, terminal area rental/use charges, other rentals 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.

## Enterprise Funds - Revenue

| | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 |
|---|---|---|---|---|---|---|---|---|---|---|
| 0200 - Water Fund | $692.6M | $772.7M | $762.6M | $772.5M | $781.1M | $768.9M | $758.3M | $779.5M | $715.3M | $851.5M |
| 0314 - Sewer Fund | $326.0M | $379.8M | $386.7M | $368.4M | $379.4M | $362.8M | $349.4M | $368.4M | $372.7M | $375.9M |
| 0610 - Midway Fund | $226.6M | $238.6M | $260.8M | $281.8M | $267.8M | $286.3M | $305.6M | $296.2M | $318.2M | $360.1M |
| 0740 - O'Hare Fund | $1,166.9M | $1,146.5M | $1,240.6M | $1,315.1M | $1,451.0M | $1,694.4M | $1,604.7M | $1,560.9M | $1,633.0M | $1,727.4M |
| Grand Total | $2,412.1M | $2,537.6M | $2,650.8M | $2,737.8M | $2,879.3M | $3,112.4M | $3,018.0M | $3,005.1M | $3,039.1M | $3,314.9M |

## Enterprise Funds – Expenditures

| | | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 |
|---|---|---|---|---|---|---|---|---|---|---|---|
| 0200 - Water Fund | Administrative & General | $22.0M | $22.1M | $20.3M | $13.6M | $13.0M | $13.0M | $13.9M | $14.9M | $14.2M | $14.2M |
| | Central Services & General Fund Reimbursements | $119.2M | $129.1M | $126.4M | $121.7M | $127.0M | $124.0M | $139.8M | $133.1M | $145.2M | $146.2M |
| | Customer Accounting & Collection | $11.9M | $14.7M | $15.3M | $18.2M | $22.1M | $27.2M | $27.0M | $26.5M | $22.9M | $26.5M |
| | Non-Operating Expenses | $99.7M | $106.1M | $209.6M | $108.3M | $91.3M | $97.0M | $95.9M | $94.0M | $91.0M | $104.9M |
| | Pension Expense | | $12.7M | $12.3M | $24.4M | $32.1M | $39.8M | $44.4M | $50.3M | $77.3M | $92.2M |
| | Power & Pumping | $43.1M | $41.3M | $39.6M | $41.4M | $41.1M | $42.7M | $40.7M | $45.2M | $45.3M | $53.0M |
| | Purification | $58.5M | $57.1M | $57.5M | $60.5M | $62.9M | $67.8M | $61.8M | $62.3M | $73.5M | $87.3M |
| | Source of supply | $0.3M | $0.2M | $0.1M | $0.1M | $0.2M | $0.4M | $0.2M | $0.1M | $0.2M | $0.2M |
| | Transmission & Distribution | $43.7M | $37.3M | $39.2M | $39.6M | $59.7M | $71.8M | $71.7M | $74.8M | $61.8M | $86.5M |
| | Total | $398.5M | $420.6M | $520.4M | $427.9M | $449.3M | $483.8M | $495.4M | $501.3M | $531.3M | $611.2M |
| 0314- Sewer Fund | Administrative & General | $14.4M | $12.3M | $11.8M | $12.6M | $13.5M | $12.4M | $12.3M | $13.9M | $14.1M | $13.3M |
| | Engineering | $3.3M | $3.3M | $2.2M | $2.5M | $3.7M | $3.5M | $4.8M | $5.3M | $6.2M | $6.9M |
| | General Fund Reimbursements | $36.7M | $40.0M | $50.8M | $47.5M | $51.2M | $53.7M | $54.5M | $55.9M | $55.5M | $54.6M |
| | Maintenance | $24.4M | $25.3M | $21.9M | $24.7M | $24.9M | $23.0M | $24.4M | $25.9M | $14.4M | $16.9M |
| | Non-Operating Expenses | $69.6M | $153.9M | $81.7M | $81.4M | $77.6M | $80.0M | $80.3M | $83.7M | $83.9M | $105.1M |
| | Pension Expense | | $4.4M | $4.4M | $9.5M | $12.7M | $15.7M | $17.1M | $19.9M | $29.0M | $32.4M |
| | Repairs | $40.4M | $42.1M | $36.4M | $41.9M | $43.7M | $41.6M | $47.4M | $44.1M | $27.5M | $36.0M |
| | Total | $188.9M | $281.4M | $209.2M | $220.0M | $227.2M | $229.8M | $240.8M | $248.7M | $230.6M | $265.3M |
| 0610 - Midway Airport Fund | Non-Operating Expenses | $72.5M | $84.1M | $89.4M | $62.6M | $60.8M | $69.5M | $58.7M | $71.6M | $86.4M | $71.4M |
| | Other Operating Expenses | $14.3M | $14.7M | $17.1M | $13.7M | $15.7M | $15.9M | $20.9M | $33.4M | $13.1M | $27.7M |
| | Pension Expense | | $6.1M | $6.7M | $9.5M | $11.5M | $13.9M | $17.5M | $19.1M | $24.2M | $25.6M |
| | Professional & Engineering Services | $23.3M | $21.0M | $20.9M | $24.3M | $24.1M | $22.1M | $20.8M | $22.0M | $23.5M | $28.1M |
| | Repairs and Maintenance | $44.2M | $44.1M | $48.3M | $44.5M | $47.3M | $47.0M | $43.7M | $48.9M | $53.1M | $61.5M |
| | Salaries and Wages | $47.8M | $43.3M | $48.5M | $48.2M | $51.4M | $55.6M | $56.0M | $57.5M | $60.1M | $63.8M |
| | Total | $202.1M | $213.4M | $230.8M | $202.8M | $210.9M | $224.0M | $217.6M | $252.5M | $260.5M | $278.0M |
| 0740 - O'Hare Airport Fund | Hilton Expenses | | | | | | $43.0M | $20.2M | $24.2M | $35.6M | $38.6M |
| | Non-Operating Expenses | $321.0M | $342.2M | $326.8M | $348.2M | $326.1M | $324.4M | $335.6M | $427.3M | $555.5M | $474.3M |
| | Other Operating Expenses | $113.0M | $92.1M | $101.4M | $103.4M | $115.1M | $149.1M | $117.3M | $146.7M | $132.0M | $152.0M |
| | Pension Expense | | $25.8M | $27.5M | $38.7M | $46.7M | $56.4M | $71.0M | $77.1M | $107.4M | $119.1M |
| | Professional & Engineering Services | $88.1M | $83.3M | $95.6M | $101.8M | $111.6M | $134.0M | $141.0M | $149.4M | $172.7M | $191.5M |
| | Repairs and Maintenance | $110.9M | $98.9M | $104.5M | $95.3M | $115.0M | $143.2M | $145.0M | $170.2M | $153.5M | $183.4M |
| | Salaries and Wages | $183.0M | $191.8M | $204.1M | $206.0M | $222.6M | $214.1M | $222.9M | $219.9M | $232.5M | $247.7M |
| | Total | $816.0M | $834.1M | $860.0M | $893.4M | $937.2M | $1,064.2M | $1,052.9M | $1,214.9M | $1,389.3M | $1,406.6M |
| Grand Total | | $1,605.4M | $1,749.5M | $1,820.4M | $1,744.1M | $1,824.5M | $2,001.8M | $2,006.8M | $2,217.4M | $2,411.8M | $2,561.1M |

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.

## Outstanding Long-Term Debt

| | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 | 2025 | 2026 | 2027 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| G.O. Tax Levy | $8,436.3M | $8,440.4M | $9,102.4M | $7,473.9M | $7,579.9M | $6,573.4M | $5,769.8M | $5,748.0M | $5,406.6M | $5,188.6M | $5,009.8M | $4,850.9M | $4,700.4M | $4,557.3M |
| O'Hare Revenue | $7,466.5M | $7,245.3M | $6,970.6M | $8,531.5M | $10,318.0M | $10,047.6M | $9,609.6M | $9,414.9M | $10,567.9M | $10,302.5M | $10,040.4M | $9,731.9M | $9,409.6M | $9,072.4M |
| Water Revenue | $2,381.8M | $2,391.4M | $2,468.4M | $2,401.0M | $2,457.3M | $2,497.2M | $2,408.8M | $2,341.4M | $2,194.0M | $2,490.3M | $2,387.3M | $2,265.1M | $2,140.3M | $2,020.3M |
| Midway Revenue | $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 | $1,446.3M | $1,516.8M | $1,400.1M | $1,335.4M | $1,335.4M |
| Sewer Revenue | $1,638.9M | $1,686.2M | $1,692.8M | $1,861.4M | $1,893.6M | $1,895.5M | $1,953.1M | $1,885.1M | $1,814.3M | $2,041.0M | $2,032.2M | $1,920.2M | $1,839.3M | $1,771.9M |
| Sales Tax Securitization | | | | $743.7M | $2,036.4M | $2,638.9M | $3,652.6M | $4,609.0M | $4,459.8M | $5,419.3M | $5,206.9M | $5,033.8M | $4,847.9M | $4,654.4M |
| G.O. Alternate Revenue | $514.8M | $472.6M | $426.4M | $355.0M | $216.9M | $148.3M | $87.4M | $64.9M | $49.3M | $31.1M | $24.8M | $14.3M | $8.5M | $2.2M |
| Sales Tax Revenue | $541.6M | $528.5M | $514.7M | $0.0M | $0.0M | $0.0M | $0.0M | $0.0M | $0.0M | $0.0M | | | | |
| Motor Fuel Tax Revenue | $183.8M | $207.4M | $234.1M | $249.9M | $245.4M | $240.3M | $173.9M | $0.0M | $0.0M | $0.0M | $0.0M | $0.0M | $0.0M | $0.0M |
| G.O. Pledge | $99.4M | $88.3M | $77.2M | $75.1M | $72.8M | $59.6M | $46.3M | $39.7M | $39.7M | $39.7M | $0.0M | $0.0M | $0.0M | $0.0M |
| TIF | $70.0M | $60.7M | $33.5M | $27.9M | $19.9M | $16.2M | $12.1M | $7.7M | $0.0M | $0.0M | $0.0M | $0.0M | $0.0M | $0.0M |
| Grand Total | $22,839.4M | $22,603.5M | $23,275.8M | $23,475.3M | $26,553.8M | $25,793.8M | $25,342.4M | $25,685.6M | $26,046.4M | $26,959.0M | $26,218.2M | $25,216.4M | $24,281.4M | $23,413.9M |

## Long-Term Debt Service Payments

| | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 | 2025 | 2026 | 2027 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| G.O. Tax Levy | $382.0M | $394.7M | $399.1M | $452.1M | $488.8M | $426.9M | $415.9M | $133.5M | $358.5M | $492.3M | $437.5M | $420.6M | $405.3M | $465.5M |
| O'Hare Revenue | $521.0M | $592.6M | $607.8M | $620.5M | $625.7M | $668.0M | $654.4M | $617.1M | $524.3M | $706.3M | $725.6M | $782.5M | $782.0M | $781.7M |
| Water Revenue | $158.7M | $179.2M | $184.6M | $206.4M | $205.1M | $217.3M | $211.9M | $213.3M | $215.9M | $203.8M | $237.1M | $228.7M | $218.6M | $218.7M |
| Midway Revenue | $69.0M | $91.9M | $102.2M | $90.4M | $91.9M | $99.1M | $122.1M | $124.7M | $133.8M | $138.9M | $138.3M | $130.1M | $125.3M | $130.1M |
| Sewer Revenue | $109.4M | $135.0M | $126.8M | $138.3M | $145.5M | $156.0M | $154.8M | $158.0M | $164.1M | $164.2M | $161.2M | $168.8M | $171.1M | $164.4M |
| Sales Tax Securitization | | | | $0.0M | $54.7M | $123.3M | $121.0M | $156.2M | $314.2M | $335.4M | $392.9M | $401.5M | $400.1M | $436.3M |
| G.O. Alternate Revenue | $67.2M | $68.3M | $70.3M | $97.8M | $71.9M | $45.7M | $39.8M | $26.9M | $18.0M | $7.9M | $11.8M | $6.6M | $6.7M | $0.8M |
| Sales Tax Revenue | $38.6M | $36.9M | $39.4M | $24.9M | $0.0M | $0.0M | $0.0M | $0.0M | $0.0M | $0.0M | | | | |
| Motor Fuel Tax Revenue | $12.0M | $14.4M | $14.3M | $15.1M | $15.4M | $15.6M | $12.4M | $8.6M | $0.0M | $0.0M | $0.0M | $0.0M | $0.0M | $0.0M |
| G.O. Pledge | $25.0M | $16.6M | $16.1M | $5.2M | $5.0M | $15.7M | $15.2M | $8.1M | $1.4M | $1.4M | $0.7M | $0.0M | $0.0M | $0.0M |
| TIF | $23.5M | $15.2M | $6.5M | $7.1M | $6.9M | $4.6M | $4.8M | $4.9M | $7.9M | $0.0M | $0.0M | $0.0M | $0.0M | $0.0M |
| Grand Total | $1,406.3M | $1,544.8M | $1,567.2M | $1,657.8M | $1,710.8M | $1,772.2M | $1,752.3M | $1,451.4M | $1,738.1M | $2,050.3M | $2,105.3M | $2,138.7M | $2,109.2M | $2,197.4M |

## 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 $1.8 billion. Approximately $850.0 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 $1.12 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 $500.0 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 and earned interest has been transferred to the Corporate Fund, with the dollar amount of the transfer reflecting variations in interest rates.

The City established a $400.0 million perpetual 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 $400.0 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. Since then, the City began to rebuild these reserves.

**Asset Lease & Concession Reserve Funds – Total Assets**

| | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 |
|---|---|---|---|---|---|---|---|---|---|---|
| Balance | $626.0M | $624.5M | $640.2M | $668.3M | $652.5M | $714.7M | $753.3M | $729.7M | $622.8M | $623.3M |

## 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.

The City creates a Five-Year 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*

These bonds are backed by property tax revenue and are used for a variety of City infrastructure and facility projects.

### *Water and Sewer Revenue Bonds*

These bonds 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*

These bonds are backed by airport revenues and 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")*

TIF is used to fund neighborhood infrastructure such as roads, lighting, libraries, and bridges. TIFs are also used to promote general economic development in communities.

### *State and Federal Funds*

State and federal funds are predominately used by the Chicago Department of Transportation ("CDOT") for bridges and roadways, the Department of Water Management ("DWM") for water and sewer improvements, and the Chicago Department of Aviation ("CDA") for O'Hare and Midway Airport improvements.

In 2024, as part of the City's Five-Year Capital Plan, the City implemented the final year of the Chicago Works Program, which is an unprecedented $3.3 billion general obligation bond funding commitment that invests in the City's communities through infrastructure. Chicago Works dedicates funding to repair and replace roads, bridges, sidewalks, Americans with Disabilities Act ("ADA") accessible crosswalks, streetlights, traffic signals, and other traditional infrastructure projects. The Chicago Works Program priorities were developed on needs-based condition assessments and data-driven processes conducted by CDOT and the Department of Fleet and Facility Management. The plan leverages long-term capital infrastructure improvements to build and maintain a sustainable, inclusive, and competitive Chicago that meets the current and future needs of each community.

## 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 has been a total of 185 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 124 currently active in the City. Eighteen TIF districts are nominally scheduled to expire in 2024, but the Illinois General Assembly has authorized the extension of five of those districts.

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 www.chicago.gov/TIF.

## PROPERTY TAX

The City is one of several taxing districts reflected on a typical Chicago property tax bill. There are hundreds of units of local governments located in whole or in part in Cook County with taxing power. The major local government units that have taxing power over property within Chicago include the City, the Chicago Park District, the Chicago Board of Education ("CPS"), Community Colleges of Chicago ("Community College District No. 508"), the Metropolitan Water Reclamation District of Greater Chicago, Cook County, and the Forest Preserve District of Cook County.

A taxing district's levy is the fixed amount of property tax revenue that the taxing district requests for the year. While there are multiple taxing districts and levies reflected on a single tax bill (City levy, County levy, School District levy, Park District levy, etc.), this section only discusses property tax expenditures directly associated with the City's budget – the City and Library levy. Authorization of the City's property tax levy occurs through bond ordinances and property tax levy ordinances in connection with the City's annual appropriation ordinance.

Revenue from the City and Library property tax levies are used to pay debt service on general obligation debt, the City's pension contributions, and for library operations. Property tax-derived revenue includes tax increment financing ("TIF") revenue; however, TIF revenue must be utilized for specific types of expenses in designated areas and is not general purpose revenue.

### *Calculating Property Tax Bills*

Cook County administers and collects property taxes on behalf of all taxing districts based on the amount of each taxing district's levy. For many taxing districts, including CPS, the levy amount is limited by State legislation that places a cap on the amount that the taxing district can request and extend; this is called the Property Tax Extension Limitation Law ("PTELL"). Currently, approximately 25 percent of a property taxpayer's total bill is allocated to the City and CPL, and approximately 55 percent is allocated to CPS and the Chicago School Building and Improvement Fund.

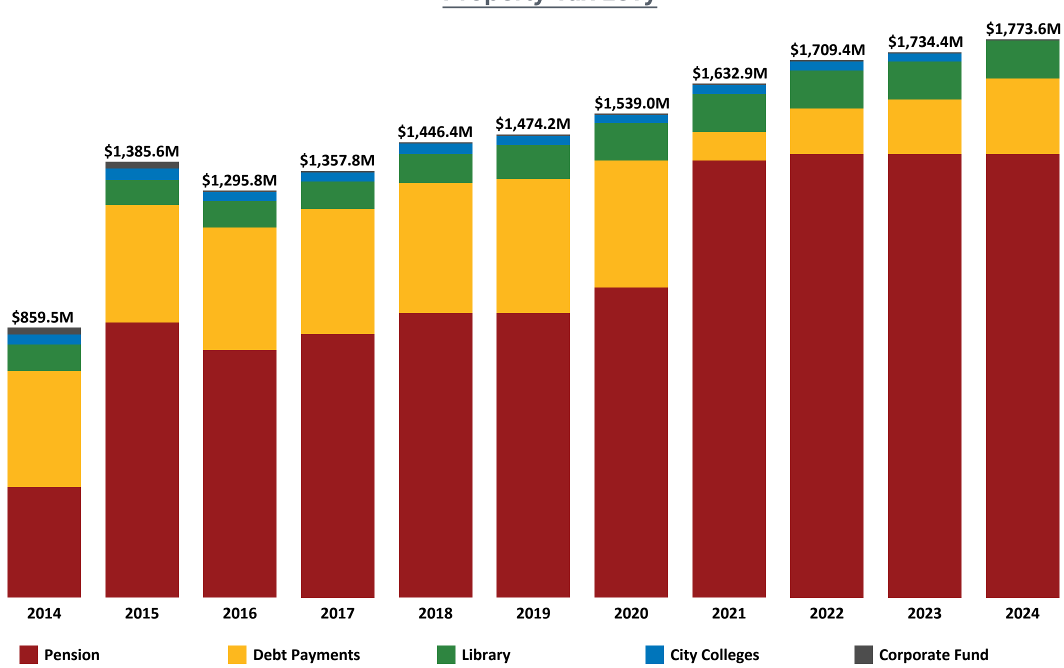
### *City Property Tax Levy*

The City's property tax levy is used to pay for debt service and pension contributions. In 2024, the City budgeted $361.7 million in property tax revenue to fund debt service payments and $1,411.9 million to fund the City's contribution to pension funds.

Historically, the City levy has included amounts dedicated to the payment of bonds for City Colleges of Chicago and, in a limited number of years, a portion of the revenue from the City's property tax levy was used for general operating purposes.

The County determines the amount billed to an individual taxpayer on behalf of a taxing district based on the taxing district's final extension, the value of all property in the taxing district, and the value of the taxpayer's property.

Property Tax Levy



The County reassesses all property values every three years, based on three prior years of sales. The City of Chicago underwent a reassessment this year in 2024. The assessed value of a property is adjusted using a state equalizer, which determines the final value of the property for purposes of taxation. This final value is referred to as the Equalized Assessed Value ("EAV").

The County divides the taxing district's levy by the taxing district's aggregate EAV (subtracting the value of any property tax exemptions and incremental EAV for property located in a TIF), in order to determine the district's tax rate.

Taxing District's Tax Rate = Taxing District's Requested Levy / Aggregate EAV of Taxing District.

The County determines a tax rate for each taxing district, and the sum of these tax rates for all taxing districts is the composite property tax rate, or the total rate that a taxpayer sees on their property tax bill.

This composite tax rate is applied to the EAV of each taxpayer's property, and the result is the dollar amount that the taxpayer must pay in a given year. Property tax bills are sent and paid one year in arrears, so the bills received by taxpayers in the current year reflect last year's tax extensions, tax rates, and valuations.

Amount of Property Taxes Owed = Composite Tax Rate* EAV of Taxpayer's Property

The annual tax bill is divided into two installments. The first installment is due in March and is equal to 55 percent of the prior year's total tax bill. The second installment is usually issued after July, when the property values, exemptions, and tax rates for the tax year are finalized. The second installment is the total taxed amount less the amount already billed in the first installment. Each bill includes a list of the amount being collected on behalf of each taxing district.

### *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).

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 2024 for the freeze, it would be retroactive to the 2023 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. The amount of EAV reduction is based on the level of disability. A disability of 70 percent or more may qualify for an EAV reduction of $250,000 and very likely totally exempts the home from property taxes.

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

# GLOSSARY

BACK TO TOC

***Actuarially-Calculated Contribution:***

An amount determined sufficient to increase the funded ratio of the City of Chicago's pension funds, including 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, 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.

***Annual Comprehensive Financial Report ("ACFR"):***

Provides complete and accurate financial information from an independent third-party auditor which complies with the reporting requirements of the Municipal Code of Chicago.

***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, water and wastewater bonds, and 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 ("CIP"):***

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

***Charges for Services:***

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 $0.07 per bag on the retail sale or use of paper and plastic checkout bags in Chicago, of which retail merchants retain $0.02 and the remaining $0.05 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).

***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.

***Collective Bargaining Agreement ("CBA"):***

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.

***Consumer Price Index ("CPI"):***

CPI is an instrument 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.

***COVID-19:***

An infectious disease caused by severe acute respiratory syndrome coronavirus 2, known as SARS-CoV-2.

***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. 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 redlight 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 ("FTE"):***

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.

***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 multifamily buildings with four units or fewer. Authorization: Municipal Code 7-28-235.

***General Obligation Debt:***

Comprises two types of general obligation bonds including Tax Levy Bonds and Alternate Revenue 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.

***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, $6.00 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 $1.13 per trip for single ride trips that begin or end in Chicago, or $0.53 for shared rides that begin or end in Chicago, and $0.10 per trip Accessibly Fund payment for all 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 pickup and drop-off. As of 2020, the City also implemented a downtown surcharge on weekdays from 6 am to 10 pm of $1.75 per trip for single rides and $0.60 per trip for shared rides. 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 are either 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 noncapital operations other than Grant Funds. Includes the 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 $0.470 per gallon of gasoline and $0.545 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 which includes the City's distributive share of the State's Motor Fuel Tax revenue 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 or nonpossessory computer leases of software and infrastructure (referred to as cloud software and cloud infrastructure) in the City of Chicago is 9.0 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 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, nonalcoholic beverages, and off-track betting.

***Reimbursements and Financial Expenses:***

Reimbursements consist of amounts transferred to one City of Chicago fund to another 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:***

Comprises 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 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.

***Vehicle Fuel Tax:***

A tax imposed on the purchase of vehicle fuel purchased or dispensed within the City of Chicago. The tax rate is $0.08 per gallon and $0.05 per gallon for aviation fuel. 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. The current rate is $2.51 per 1,000 gallons of water and sewer use. 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 $100.17 for smaller passenger automobiles (less than 4,500 pounds) and $159.12 for larger passenger automobiles (4,500 pounds or more). The fee varies for other vehicle classifications. Authorization: Municipal Code 3-56-050.

Brandon Johnson, Mayor of Chicago

Annette Guzman, Budget Director

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Chasse Rehwinkel, Comptroller

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