

CITY OF CHICAGO

2023
BUDGET
FORECAST



MAYOR LORI E. LIGHTFOOT



2023 BUDGET FORECAST
LETTER FROM THE MAYOR



Dear Fellow Chicagoans,

It is my honor to present the City of Chicago's 2023 Budget Forecast — a financial outlook of the City's revenues, expenditures, and overall fiscal stability. The news is good; our economy is stable as a result of practical financial strategies we implemented over the past few years. Those actions have enabled us to reach major milestones in both our COVID-19 journey and path toward structural balance. In this Forecast, we will share how those successes resulted in a stable outlook and why we feel confident to tackle any new financial challenges with optimism.

Last year, in our historic 2022 Budget, we closed a \$733 million shortfall without any new taxes, no reduction in City services, and no layoffs. Further, amidst a global pandemic, we cleared decades of deferred liabilities and now pay an actuarially calculated pension for all four of our pension funds for the first time in the City's history. Chicago is on the true path to financial recovery and financial stability.

However, we do face challenges. Continued high inflation nationwide poses risks to our City's economic growth. Through cost savings and improved revenue, we can ensure our financial stability by maintaining fiscal reserves to hedge against any future risks. While revenue is expected to continue to grow in 2023, several factors—including the costs of increasing personnel, pension liabilities, and contracts—will leave us with a 2023 Corporate Fund gap of \$127.9 million. This is, without a doubt, a notable recovery given the large budget gaps of the last three years.

As many of us know, the future of Chicago's economy relies on healthy government finances. Chicago has just experienced its greatest economic growth in 30 years, and we have successfully built on this momentum. Thanks to hard work over the years, we are on solid financial footing and our economic outlook continues to grow brighter and brighter each day. Together, I look forward to continuing our journey toward realizing an even better future for our city.

Sincerely,

A handwritten signature in black ink that reads "Lori E. Lightfoot". The signature is written in a cursive, flowing style.

Mayor Lori E. Lightfoot





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2023 BUDGET FORECAST DISCLAIMER AND ADVICE TO READERS

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

Throughout this document, specific items of 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 verify any of that information.

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

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 Annual Comprehensive Financial Reports 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.

2023 BUDGET FORECAST EXECUTIVE SUMMARY

The Budget Forecast is required by Executive Order 2019-3 to provide the City of Chicago's residents with an analysis that identifies the opportunities and challenges of the 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 2023 Budget Forecast discusses the City's 2022 year-end estimates, 2023 preliminary revenue and expense projections, and three revenue and expense scenarios with a base outlook, a negative outlook, and a positive outlook for 2024 and 2025. 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.

National and global events continue to impact Chicago's economy as it recovers from the COVID-19 pandemic. These include Russia's invasion of Ukraine, the Federal Reserve's tightening of monetary policy, the anticipated end of COVID-19 economic relief programs, as well as public health measures introduced to curb the spread of any emerging coronavirus variants and threat of new disease.

Economic growth through the first half of 2022 has been uneven. Some industries, particularly those related to tourism, show accelerating signs of recovery starting with the second quarter of the year, while others see slower than anticipated growth. Continued high inflation poses a significant risk to economic growth as rising prices weaken consumer purchasing power, reversing wage gains.

The City currently projects the Corporate Fund to end 2022 with budgeted revenue exceeding expenses by \$134.0 million due to improving revenue projections and cost savings. Of these additional resources, \$130.0 million will be allocated to the Assigned Fund Balance Reserve, resulting in a net year-end estimate of revenue exceeding expenses by \$4.0 million. Due to cyclical expansions in economic activity, in years with revenue collections exceeding the budget the City maintains fund balance reserves to mitigate future risks and preserve financial stability. Given the current year-end estimates for certain revenues, coupled with expected expenditure savings, the City is assigning excess resources to the Assigned Fund Balance Reserve. The Assigned Fund Balance Reserve represents one-time resources reserved for expected one-time expenditures in future years. These include additional pension liabilities and expenses associated with labor contracts currently under negotiation.

Based on current revenue and expenditure projections of existing operations, the City estimates a 2023 Corporate Fund gap of \$127.9 million. This gap is driven by several factors, including increasing personnel, pension and contractual costs. The 2023 projection for these expenses assumes salary and wages will grow based on required and estimated contractual wage and prevailing rate increases. Personnel expenditures are expected to grow by more than \$100.8 million in 2023, totaling \$3,183.9 million.

The 2023 budget marks the fourth year for the City's Police and Fire Pensions, and the second year for the Municipal and Laborers Pension Funds that contributions will reflect a statutorily required actuarially-calculated contribution. Increases based on these required contributions, as well as a decline in contributions from other sources, will result in a \$149.3 million increase to the Corporate Fund, totaling \$478.5 million in Corporate Fund subsidy.

Historically, the City's pension contributions have been made primarily from the proceeds of an annual property tax levy for each fund. With the 2021 budget, the City passed an annual property tax CPI increase to account for growing pension obligations. For 2023, the City is anticipating a 2.5 percent CPI increase. This is based on the five-year CPI average, which is lower than the actual 7.0 percent CPI as well as the 5.0 percent cap set forth in the City's Municipal Code. This will result in an additional \$42.7 million in property taxes that will support pension obligations. Additionally, \$40 million was received from casino proceeds for pension obligations for 2023. Together, these revenues will result in reducing the Corporate Fund subsidy by \$82.7 million, totaling \$395.8 million. This is an increase of \$66.6 million from 2022.

Contractual services costs are expected to increase by \$53.9 million from the 2022 budget. This is driven by inflationary impacts to contract costs, as well as planned contractual increases for new and expanded information technology services.

While revenue is expected to continue growth in 2023, the projection for 2024 includes a contraction, with total revenues declining by 2.4 percent over 2023 estimates, recovering slightly in 2025 by 1.5 percent. 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



INTRODUCTION

This section discusses the City's 2022 year-end estimates, 2023 preliminary revenue and expense projections, and three revenue and expense scenarios for the years 2024 and 2025 – with a base outlook, a negative outlook, and a positive outlook. These projections are based on historical revenue and expenditure data, current economic and expense trends and conditions, and other known factors that are anticipated to have an impact on the City's finances. The purpose of this analysis is to ensure that the 2023 budget is formulated within the context of the City's current financial state, and with an informed view of future conditions and the long-term fiscal impact of today's decisions.

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

METHODOLOGY

The preliminary revenue and expense projections for 2023 reflect the City's budget deficit, which is any anticipated budget imbalance between existing revenues and expenses for that budget year.

Prior to 2019, the budget deficit 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 deficit 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 deficits 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

National and global events continue to impact Chicago's economy as it recovers from the COVID-19 pandemic. These include Russia's invasion of Ukraine, the Federal Reserve's tightening of monetary policy, supply chain delays, and the anticipated end of COVID-19 economic relief programs, as well as public health measures introduced to curb the spread of any emerging coronavirus variants and threat of new disease. This economic forecast is based on

information available to the City at the time of its release.

Since the start of the COVID-19 pandemic in March of 2020, the City has been committed to providing residents and businesses with the necessary health and financial resources needed to address the public health crisis and its resulting impact on the economy. The City expended substantial resources to ensure a robust response and recovery from the pandemic -- redirecting existing resources to address the impact of the pandemic, and utilizing federal funding made available to the City.

Chicago has one of the most robust and diverse economies. This diversity typically provides financial stability for mature industries such as financial services, manufacturing, education, healthcare, and 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 COVID-19 pandemic impacted a wide range of sectors, with the economic disruption created by the pandemic placing a significant strain on the City's local economy. This resulted in a reduction in overall consumer activity and a contraction in the labor market.

Economic growth through the first half of 2022 has been uneven. Some industries, particularly those related to tourism, show accelerating signs of recovery starting with the second quarter of the year, while other revenues, such as Parking Garage Tax, see slower than anticipated growth.

The economic forecast, and as with any forecast, can never fully anticipate the impact of future events, and is based on information available to the City at the time of this release. The most significant of these uncertainties is the escalation of the Russo-Ukrainian War, the emergence of variants of the coronavirus, as well as other threats to public health, including the current spread of the Monkeypox virus.

Forecast scenarios range from assuming a continued positive recovery to pre-pandemic levels with no significant restrictions in travel and other activities, to assuming the continuing spread of COVID-19 variants resulting in climbing case rates into late 2022. These assumptions are further discussed in the 2023 Corporate Fund projection as well as the 2024 and 2025 Corporate Fund Outlook sections.

Economy

Inflation, as measured by the Consumer Price Index

2023 BUDGET FORECAST FINANCIAL FORECAST

("CPI"), hit a four decade high through the first half of 2022. Gasoline and energy prices have driven much of the increase, with shelter and food prices also contributing to the increase in inflation. Continued high inflation poses a significant risk to economic growth as rising prices weaken consumer purchasing power, reversing wage gains. The Federal Reserve continues to target its goal of achieving maximum employment, and two percent rate of inflation over the longer run by increasing interest rates for the fourth time this year.

The strength of the real estate market partially indicates the purchasing power for buyers and can help determine the strength of the overall economy. Following the initial months of the pandemic, the growth of sales for single-family homes, as a proxy for the real estate market in Chicago, declined into early 2021. In the second quarter of 2021, the growth of sales saw a sharp increase before slowing down beginning mid-year 2022. Baseline estimates are predicted to fluctuate for the remainder of 2022 through 2025.

An advanced estimate of the second quarter's real gross domestic product ("GDP") by the Bureau of Economic Analysis showed a 0.9 percent decline. While two consecutive quarters of negative economic growth are alarming, economic indicators like a falling unemployment rate, improving supply chains and declines in energy prices point to a continued recovery.

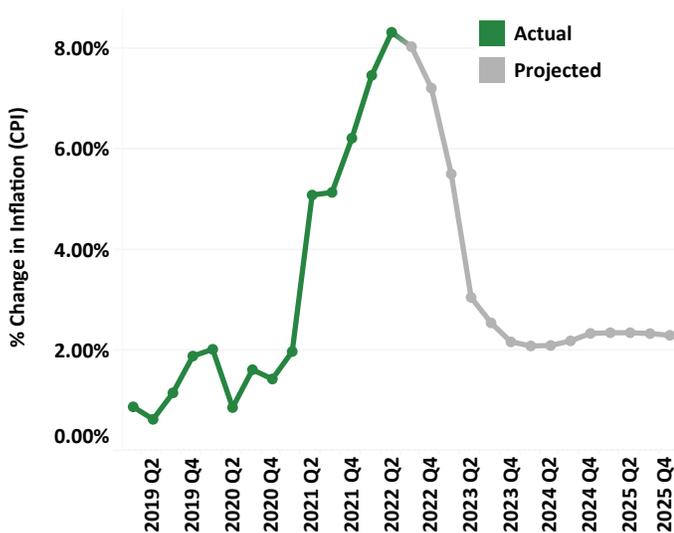
Business

Business growth in Chicago increased at a steady pace for nearly a decade before the pandemic. In 2020, new license issuance saw a steep 30.0 percent decline from the prior year as many industries that rely on in-person sales such as restaurants, faced operating restrictions and high uncertainty. However, 2021 saw a rebound in new business license issuances and renewals for the City. Through the first half of 2022, new business license issuance rose 64.6 percent over the same period in 2021, while renewals rose 20.0 percent, indicating a strong rebound in business activity.

Labor Force

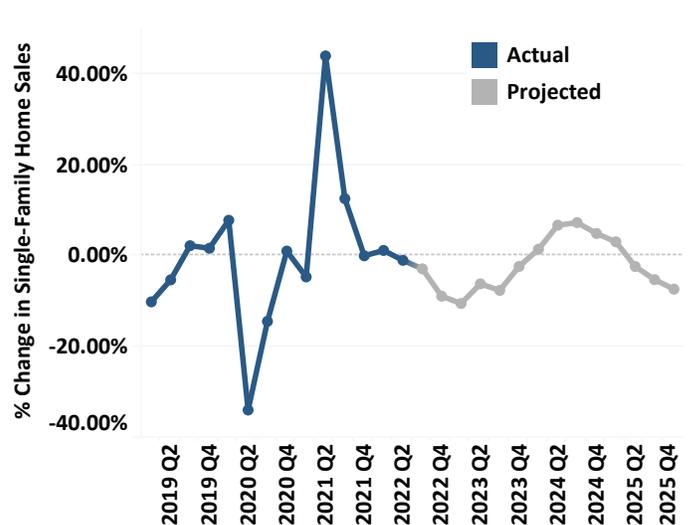
Based on a March 2022 revision by the Bureau of Labor Statistics, the unemployment rate at the height of the pandemic in 2020 for the Chicago metro region soared to 18.3 percent, with record numbers of new unemployment claims. As the effects of the pandemic waned and businesses reopened, unemployment fell to 7.8 percent by December 2020, with continued gradual declines through the first half of 2022. Through June 2022, unemployment remains at 4.6 percent, higher than the pre-pandemic low of 3.8 percent in 2019. Baseline estimates assume the unemployment rate will continue to decline to 2019 levels through 2024 in line with national trends, but increase slightly in 2025.

INFLATION RATE



Sources: U.S. Bureau of Labor Statistics (BLS); Moody's Analytics, Consumer Price Index (CPI) for Chicago Metro Area

SINGLE-FAMILY HOME SALES



Sources: National Association of Realtors (NAR); Real Estate Outlook; CoreLogic, Inc.: Home Sales; Moody's Analytics, Single-Family Home Sales for Chicago Metro Area

Tourism

With more than 55 million visitors annually, tourism has historically played a large role in Chicago's economy. Travel and tourism related industries saw unprecedented losses with the cancellation of all major conferences, and a near halt to leisure and business travel throughout 2020.

Chicago reopened without capacity limits and social distancing requirements in mid-June 2021, although the city's theaters did not reopen until October 2021. An international travel ban remained in place until mid-November, and the country endured surges of the Delta and Omicron variants. Domestic leisure travelers drove tourism recovery in 2021. Tourism and travel to Chicago as a destination is expected to continue to experience growth in 2022, with international travel expected to increase as pre-flight COVID-19 testing requirements were lifted in June 2022.

According to Choose Chicago, McCormick Place is expected to host 183 events in 2022, attracting 1.5 million visitors, including recent conventions such as the National Restaurant Association and American Society of Clinical Oncologists. Lollapalooza returned to Grant Park for a second year, and the festival organizer, C3, committed to hosting the festival in the city for another decade.

The return of both leisure and business travel is expected to contribute to a strengthening recovery for the hotel and tourism-related industries.

GENERAL EXPENSE CONDITIONS

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

Over the past 10 years, the City's workforce has decreased from 36,617 budgeted Full Time Equivalents ("FTEs") in 2011 to 34,767 budgeted FTEs in 2021. While the number of FTEs has decreased, the City's overall personnel-related costs are significantly higher than they were ten years ago due to contractual and prevailing wage increases, increases to 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. As the overall number of City positions has decreased 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 2022 year-end projections and the base outlook for 2023-2025 present what is currently viewed as the most likely scenario. The positive and negative outlooks for 2024 and 2025 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.

**2023 BUDGET FORECAST
FINANCIAL FORECAST**

2022 CORPORATE FUND YEAR-END ESTIMATES

	2022 BUDGET AS AMENDED	2022 YEAR-END ESTIMATES
Revenues	\$4,899.9M	\$4,984.4M
Expenditures	\$4,899.9M	\$4,850.4M
Subtotal	\$0.0M	\$134.0M
Additional Reserves		
Assigned Fund Balance Reserve		\$130.0M
Total		\$4.0M

The City currently projects the Corporate Fund to end 2022 with budgeted revenue exceeding expenses by \$134.0 million due to improving revenue projections and expected cost savings. Of these additional resources, \$130.0 million is planned for the Assigned Fund Balance Reserve, discussed further below, resulting in a net year-end estimate of revenue exceeding expenses by \$4.0 million.

The estimates provided here reflect the current projections for the 2022 year-end revenues and expenditures as of time of publishing. Note that fluctuations in the pandemic response or other economic conditions could further impact the City’s finances, whether positive or negative.

2022 YEAR-END REVENUES

At the time the 2022 budget was formulated, economic conditions and emergence of new coronavirus variants pointed to a slower return to pre-pandemic activity. 2022 year-end estimates expect revenue to end the year ahead of budget by \$84.5 million. This increase is driven by both better-than-expected performance of amusement taxes as in-person events and festivals returned to the city this year, as well as strong collections for the Personal Property Replacement Tax, discussed below.

Local tax revenues are projected above budget by 3.0 percent, or \$52.4 million, to \$1,819.9 million.

Transaction taxes are expected to exceed 2022 budgeted amounts by 9.8 percent, or \$56.8 million, driven primarily by larger than expected growth in Lease of Personal Property Tax and Real Property Transfer Tax. As part of the 2021 budget, the City increased the Personal Property Lease Tax applied to non-possessory computer leases of cloud software and cloud infrastructure by 1.75 percent. In 2022, the City anticipated this rate increase would lead to a \$71.9 million rise in collection over the prior year. Revenue is still exceeding those expectations, with year-end estimates \$26.2 million over budget.

Real Property Transfer Tax is also performing better than expected, with the year-end estimate \$30.6 million over budget. This increase is due to certain recent large sales as well as an overall increase in real estate activity, however, increases are not expected to continue beyond 2023.

Recreation taxes are expected to end the year \$21.3 million above budgeted amounts due to the resurgence in events. This increase is primarily driven by Amusement Tax, which is expected to end the year \$18.9 million over budget at \$214.2 million.

Utility taxes are projected to end 2022 \$3.9 million, or 1.0 percent, above budget as a result of higher than budgeted revenue from Natural Gas Occupation Tax due to high gas prices.

Business taxes are estimated to end 2022 at budget. While Hotel Tax performed poorly through the first quarter of this year, rebounding tourism and travel activity is expected to help this revenue source meet budgeted expectations by year end.

Transportation taxes are expected to end the year under budget by \$31.0 million at \$305.1 million. This decrease is driven by the continued impact of the pandemic on rideshare and taxi services, a slow return of workers to offices, as well as higher fuel prices encouraging changes in consumer behavior. Ground Transportation Tax is anticipated to end the year \$16.0 million below budget at \$128.2 million. Parking Garage Tax is set to end the year \$8.0 million below budget at \$119.0 million, and Vehicle Fuel Tax is expected to end the year at \$58.0 million, \$7.0 million below budget.

Local non-tax revenue is anticipated to end 2022 below budget by 5.4 percent, or \$81.2 million. This is largely driven by a decrease in fines, forfeitures and penalties revenue due to higher compliance by motorists, as well as lower than budgeted revenue in the Other Revenue category.

Proceeds and transfers in are projected to increase by \$28.5 million, or 2.7 percent, due to an increase in sales tax revenue that flows through the Sales Tax Securitization Corporation. Intergovernmental revenue is expected to end 2022 \$84.7 million over budget due to higher-than-expected growth in both the State Income Tax and the Personal Property Replacement Tax. These increases are expected to continue into 2023 before falling in the out years.

2023 BUDGET FORECAST
FINANCIAL FORECAST

2022 YEAR-END EXPENDITURES

The 2022 Corporate Fund expenditures are currently projected to end the year below budget by \$49.5 million at \$4,850.4 million. These estimates are based on year-to-date spending as of publication, incorporating payroll trends, market pricing for commodities, and known changes or events that have or are anticipated to occur during the remainder of 2022.

The 2022 year-end projection for personnel services are expected to end 2022 under budget by \$49.6 million, driven by attrition. These savings are partially offset by higher than expected expenses in certain areas such as overtime.

Anticipated settlements and judgments, which are included in the financial costs category, are expected to end the year at budget. The City has historically utilized a mix of Corporate Fund and Enterprise Fund resources as well as bond proceeds to pay for expenses incurred in connection with settlements and judgments against the City. Over the past several years, the City has been increasing the Corporate Fund budget for expenses incurred in connection with settlements and judgments. Contractual services are also expected to come in at budget for 2022.

ASSIGNED FUND BALANCE RESERVE

Due to cyclical expansions in economic activity, in years with revenue collections in excess of budget, the City works to maintain fund balance reserves to mitigate future risks and preserve financial stability. Given the current year-end estimates for certain revenues, coupled with expected expenditure savings, the City is assigning excess resources totaling \$130 million to the Assigned Fund Balance Reserve. Assigned Fund Balance Reserve represents one-time resources reserved for expected one-time expenditures in future years. These include additional pension liabilities as well as for one-time costs associated with labor contracts currently under negotiation.

**2023 BUDGET FORECAST
FINANCIAL FORECAST**

2023 CORPORATE FUND PROJECTIONS

reflect the gap in the City’s operating budget related to existing expenses and revenues. As in previous years, revenue and expense adjustments to close the gap are developed by the City, in consultation with elected officials and the general public, and will be presented in the Mayor’s 2023 Budget Recommendations submitted to the City Council.

	2023 Projected
Revenues	\$5,000.2M
Expenditures	\$5,128.1M
Surplus / (Deficit)	(\$127.9M)

The difference between revenues 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 2022 Corporate Fund gap of \$127.9 million.

The following is an outline of the City’s operating revenue and expenditure projections for 2023. These expenditure and revenue projections assume no substantive changes to City operations in 2023. Cost saving initiatives are not incorporated into these estimates as the 2023 projections

INCOME STATEMENT - CORPORATE FUND

	2022 BUDGET AS AMENDED	2022 YEAR-END ESTIMATES	2023 PROJECTED	2024 PROJECTED	2025 PROJECTED
Revenues					
Local Tax Revenue	\$1,767.5M	\$1,819.9M	\$1,920.3M	\$1,976.9M	\$2,044.5M
Proceeds and Transfers In	\$1,048.9M	\$1,077.4M	\$865.8M	\$732.8M	\$751.7M
Intergovernmental Revenue	\$536.2M	\$621.0M	\$649.4M	\$635.0M	\$625.0M
Local Non-Tax Revenue	\$1,495.9M	\$1,414.7M	\$1,364.8M	\$1,487.9M	\$1,484.0M
Prior Year Assigned and Unassigned Available Resources	\$51.4M	\$51.4M	\$200.0M	\$47.6M	\$48.6M
Total Revenue	\$4,899.9M	\$4,984.4M	\$5,000.2M	\$4,880.2M	\$4,953.6M
Expenditures					
Commodities and Materials	\$82.9M	\$82.9M	\$96.2M	\$98.7M	\$102.0M
Contingencies	\$0.2M	\$0.2M	\$0.2M	\$0.2M	\$0.2M
Contractual Services	\$486.9M	\$486.9M	\$540.8M	\$553.5M	\$578.8M
Equipment	\$1.6M	\$1.6M	\$2.5M	\$2.6M	\$2.7M
Financial Costs	\$613.5M	\$613.5M	\$614.5M	\$615.9M	\$618.4M
Pension Costs	\$329.2M	\$329.2M	\$395.8M	\$538.2M	\$581.1M
Permanent Improvements	\$0.0M	\$0.0M	\$0.0M	\$0.0M	\$0.0M
Personnel Services	\$3,083.1M	\$3,033.6M	\$3,183.9M	\$3,244.2M	\$3,316.6M
Specific Items and Projects	\$258.2M	\$258.2M	\$261.9M	\$268.6M	\$275.5M
Transfers and Reimbursements	\$43.2M	\$43.2M	\$30.8M	\$30.7M	\$30.7M
Travel	\$1.2M	\$1.1M	\$1.4M	\$1.4M	\$1.5M
Total Expenses	\$4,899.9M	\$4,850.4M	\$5,128.1M	\$5,354.0M	\$5,507.3M
SUBTOTAL	\$0.0M	\$134.0M	(\$127.9M)	(\$473.8M)	(\$553.7M)
<i>(Table may not sum due to rounding)</i>					
Additional Reserves					
Assigned Fund Balance Reserve		\$130.0M			
GAP (REVENUES LESS EXPENDITURES)	\$0.0M	\$4.0	(\$127.9M)	(\$473.8M)	(\$553.7M)

2023 BUDGET FORECAST FINANCIAL FORECAST

2023 PROJECTED CORPORATE FUND REVENUES

Corporate Fund revenues in 2023 are projected to increase from 2022 budgeted amounts by 2.0 percent, or \$100.3 million, to \$5,000.2 million.

The increase in local tax revenue is driven primarily by the anticipated continued recovery from the COVID-19 impact on the City’s economy. Local tax revenue is projected to increase by 8.6 percent or \$152.8 million from the 2022 budget. Areas that were slower to recover in 2022 are expected to accelerate recovery in 2023.

Recreation taxes, driven by the expected return of Amusement Tax, are projected to grow \$36.3 million, or 13.2 percent, over the 2022 budget. Business taxes, primarily comprised of Hotel Tax, are expected to grow \$18.2 million, or 16.2 percent, in 2023 from the 2022 budget. Transportation taxes, which were the slowest to recover in 2021 and 2022, are expected to remain near 2022 budget levels with an estimated \$333.2 million in 2023.

Intergovernmental revenue is expected to increase by \$113.2 million, or 21.1 percent from the 2022 budget to \$649.4 million, as some of the growth in Income Tax and Personal Property Replacement Tax that occurred in 2022 is structural. Income Tax is projected to increase

2.9 percent from the 2022 budget. Personal Property Replacement Tax is projected to increase 62.5 percent or \$102.3 million from the 2022 budget.

Non-tax revenues are expected to decrease by \$131.1 million from the 2022 budget, or 8.8 percent, totaling \$1,364.8 million. This change is mostly due to an anticipated decrease to Other Revenue and Fines, Forfeitures and Penalties. The decline in Other Revenue is partially due to one-time sweeps of aging revenue accounts. Fines, Forfeitures and Penalties revenue decrease is due to changes to fine issuance as compliance with safety related initiatives improves.

Proceeds and Transfers are projected to fall from the 2022 budget by \$183.1 million, or 17.5 percent, to \$865.8 million. This decrease is due to a reduction in revenue replacement funds applied from the American Rescue Plan (“ARP”). For 2023, \$152.4 million in revenue replacement for essential government services from ARP Local Fiscal Recovery Fund resources are planned, compared to \$385 million utilized in 2022.

Prior year assigned and unassigned available resources are expected to increase \$148.6 million from the 2022 budget due to additional resources from 2021 carried over.

2023 PROJECTED REVENUE - CORPORATE FUND: \$5,000.2M



Leases, Rentals and Sales = 0.7%; Municipal Enterprises = 0.2%;
Interest Income = 0.1%; Municipal Auto Rental Tax = 0.1%; Reimbursements for City Services = 0.0%

(Chart may not sum due to round..)

2023 BUDGET FORECAST FINANCIAL FORECAST

2023 PROJECTED CORPORATE FUND EXPENDITURES

The 2023 expenditures are forecast to grow by approximately \$228.2 million over 2022 budget levels to \$5,128.1 million. These projections are based on the 2022 budget and 2021 actuals, 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.

This increase in 2023 is driven by several factors, including personnel, pension and contractual services, as described in the sections below.

Personnel

One contributor to the projected expense increases for 2023 are personnel costs, primarily wages and other related expenses. The 2023 projection for these expenses assumes salary and wages will grow based on required contractual wage and prevailing rate increases. Personnel expenditures are expected to grow by more than \$100.8 million in 2023 from the 2022 budget, totaling \$3,183.9 million.

Pension

As is discussed further in the Pension section, the 2023 budget marks the second year that all four pension fund contributions will reflect a statutorily required actuarially-

calculated contribution. Increases based on these required contributions, as well as a decline in contributions from other sources, will result in a \$149.3 million increase to the Corporate Fund, totaling \$478.5 million in Corporate Fund subsidy.

Historically, the City’s pension contributions have been made primarily from the proceeds of an annual property tax levy for each fund. With the 2021 budget, the City passed an annual property tax CPI increase to account for growing pension obligations. For 2023, the City is anticipating a 2.5 percent CPI increase. This is based on the five-year CPI average, which is lower than the actual 7.0 percent CPI as well as the 5.0 percent cap set forth in the City’s Municipal Code. This will result in an additional \$42.7 million in property taxes that will support pension obligations. Additionally, \$40 million was received from casino proceeds for pension obligations for 2023. Together, these revenues will result in reducing the Corporate Fund subsidy by \$82.7 million, totaling \$395.8 million. This is an increase of \$66.6 million from 2022.

Contractual Services

Contractual services are expected to increase by \$53.9 million from the 2022 budget. This is driven by expected inflationary impacts to contract costs, as well as planned contractual increases for elections and new and expanded information technology services.

2023 PROJECTED EXPENDITURES - CORPORATE FUND: \$5,128.1M



Commodities and Materials = 1.9%; Transfers and Reimbursements = 0.6%; Equipment = 0.0%; Travel = 0.0%; Contingencies = 0.0%; Permanent Improvements = 0.0%

(Chart may not sum due to rounding)

2024 - 2025 CORPORATE FUND OUTLOOK

The following three scenarios project budget gaps for the years 2024 and 2025 for the City's Corporate Fund based on different revenue and expenditure outlooks. While the City shows an increase in the gap for 2024 and 2025, these numbers assume that no substantive changes will be made to City operations, revenue or the cost of City services as part of the 2023 budget that would impact future budgets. Forecasts of the recovery from the economic contraction vary and are influenced by assumptions about inflation and its impact on consumer confidence. The City incorporated assumptions about rapidly rising inflation and its effects on the economy in the scenarios about the future economic conditions.

The majority of the projected expenditure increases in 2024 and 2025 are related to personnel and pension. The personnel assumptions account for required contractual salary and prevailing rate increases for current collective bargaining agreements as well as certain estimated salary and wage growth for collective bargaining agreements currently 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

The base outlook projects Corporate Fund revenue to continue to recover through 2023 but experiencing a contraction in 2024, with total revenues declining by 2.4 percent over the 2023 estimates to \$4,880.2 million. This scenario assumes growth will resume in 2025, with 1.5 percent increase in revenue at \$4,953.6 million.

Corporate Fund expenditures are projected to outpace revenue growth during this period, due to growth in wages and other personnel-related costs, as well as increasing pension obligations. In 2024, the projected expenditures reach \$5,354.0 million, and in 2025, expenditures are projected to increase to \$5,507.3 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.

Under this outlook, there would be budget shortfalls of \$473.8 million in 2024 and \$553.7 million in 2025.

Negative Outlook

The negative outlook represents a scenario in which City finances are affected by unfavorable economic conditions. This scenario includes projections of negative growth in economically sensitive revenues, with the assumption that current economic uncertainties will lead way to a sharp decline in revenue in 2024, but assumes muted growth in 2025. Expenditures in this scenario grow at a significantly higher rate. Under this outlook, total Corporate Fund revenues are projected to be \$4,523.9 million and \$4,595.8 million in 2024 and 2025, respectively.

The negative outlook assumes a rapid increase in spending over the next three years. With an overall growth rate of 5.9 percent in 2024, and 4.8 percent in 2025, City spending would continue to outpace revenues. Most expenditure categories are assumed to grow at historically high rates, with personnel being the most significant driver. Under this outlook, there would be budget shortfalls of \$951.3 million in 2024 and \$1,141.4 million in 2025.

Positive Outlook

The positive outlook assumes a more optimistic outlook, with economic conditions improving significantly as concerns over the pandemic and rising inflation fade, and consumer spending drives revenue collections.

The positive outlook projects a contraction in 2024 and growth in 2025. Total Corporate Fund revenues in 2024 are expected to be \$4,985.3 million in 2024 and \$5,089.9 million in 2025.

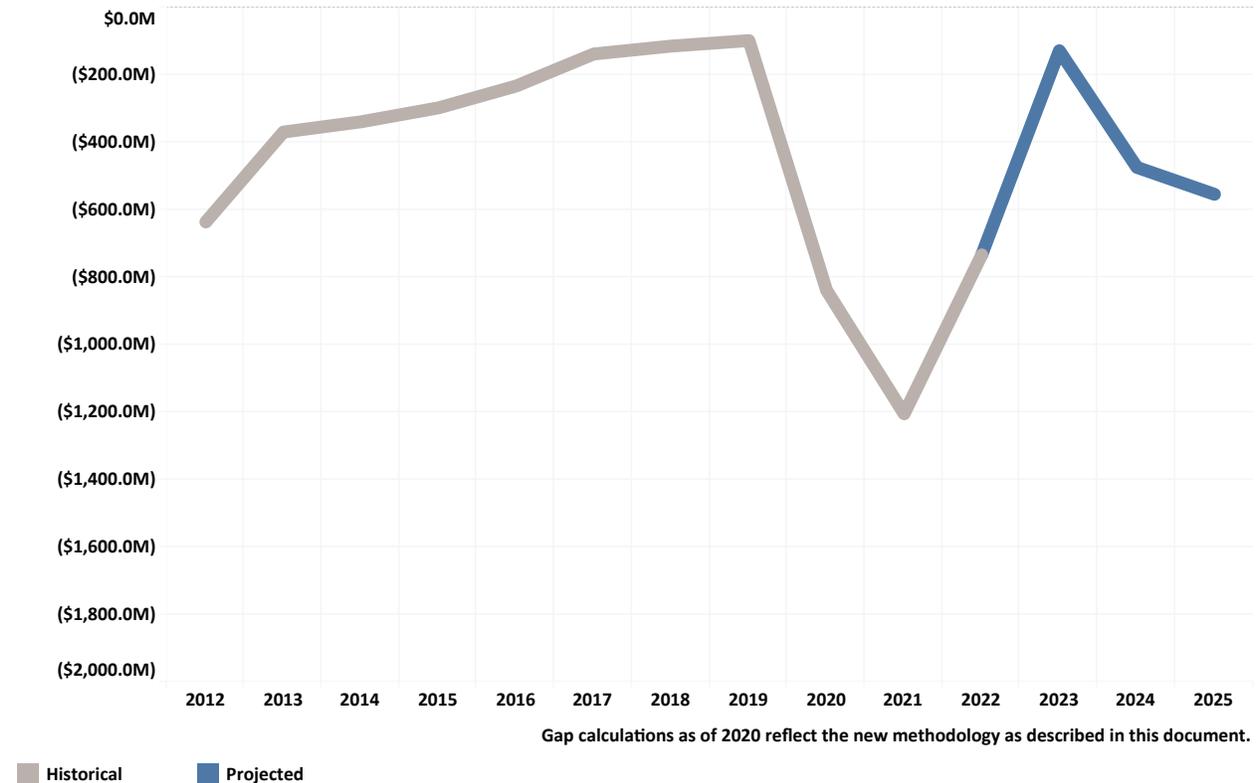
In this positive scenario, the City would have greater control over expenditures. In particular, the personnel-related costs would grow at a rate lower than the base outlook, resulting in an overall total of \$5,291.3 million in 2024 and \$5,355.6 million in 2025. The projected budget deficit would be \$306.1 million in 2024 and \$265.7 million in 2025.

2023 BUDGET FORECAST FINANCIAL FORECAST

OUTLOOK FOR CORPORATE FUND: 2023 - 2025



GAP HISTORY – CORPORATE FUND



2023 BUDGET FORECAST FINANCIAL FORECAST

OUTLOOK FOR SPECIAL REVENUE FUNDS

The City’s current 911 surcharge of \$5 per month for wireless and landline connections allows the City to fully fund the City’s 911 operations as well as invest in a new 911 system using surcharge funds. The 2022 year-end estimate for revenues from this surcharge is \$143.0 million, 10.0 percent below budgeted expectations. Revenues are expected to remain stable in 2022 and 2023, with a significant decrease expected in 2024 and 2025 due to the current sunset of the State authorization of the \$5 per month rate for the 911 surcharge.

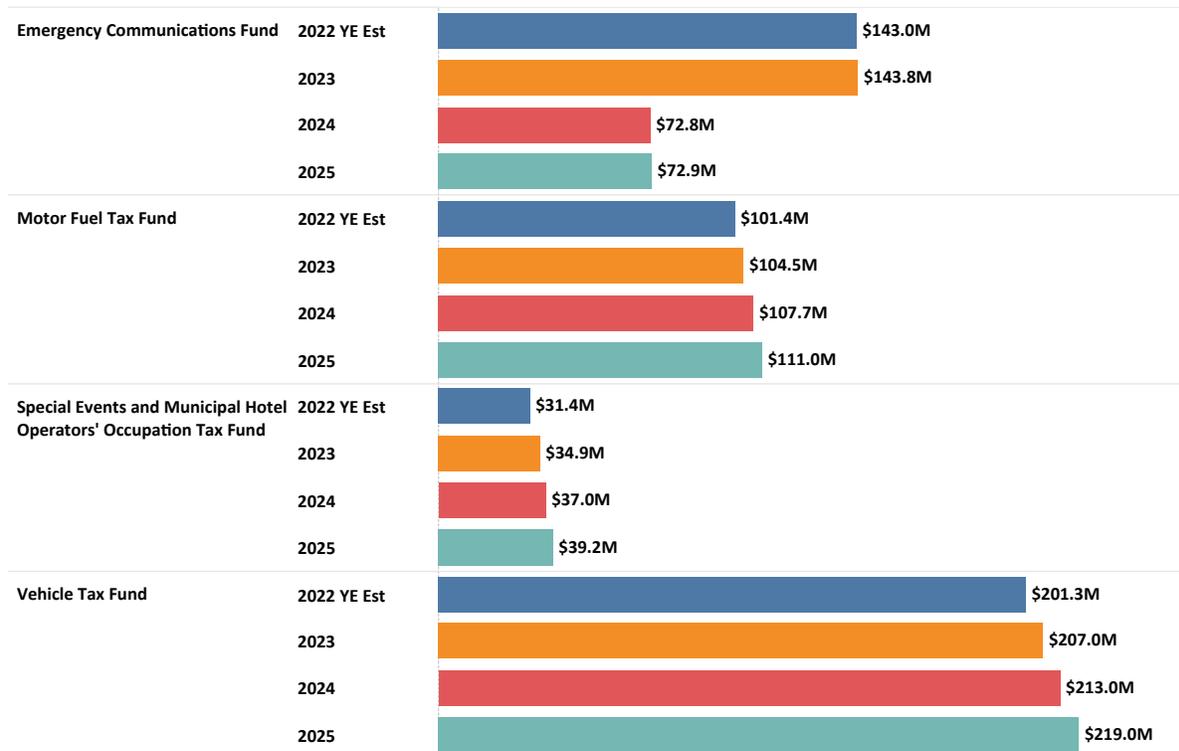
Motor Fuel Tax Fund revenues are projected to end 2022 at \$101.4 million, 10.5 percent below budget. Revenue from Chicago Riverwalk concessions and tour boat operations as well as Motor Fuel Tax have been pledged to pay debt service on both outstanding Motor Fuel Tax bonds and a loan issued by the U.S. Department of Transportation under the Transportation Infrastructure Finance Innovation Act (“TIFIA”). The City used proceeds from the TIFIA loan to fund expansion of the Chicago Riverwalk.

The slow-down in travel and tourism that impacted Hotel Tax and tourism-related revenues starting in March 2020 continued through the first quarter of 2022. Chicago’s festivals and events returned to an in-person format for the second summer in a row and continued to attract visitors to

the City. The Special Events and Municipal Hotel Operators’ Occupation Tax Fund is expected to end the year at \$31.4 million, under budget by \$13.2 million. The City anticipates slow activity in the first quarter will provide a slight drag to the year-end total revenue. The outlook for growth in tourism, convention, and business travel over the three-year forecast period reflects a return to pre-pandemic levels by 2024 and growth through 2025.

The City anticipates revenue from the sale of vehicle stickers and other revenues in the Vehicle Tax Fund to end the year 2022 at \$201.3 million, 12.8 percent below budgeted expectations due to lower than budgeted vehicle sticker sales and transfers into the fund.

OUTLOOK FOR SPECIAL REVENUE FUNDS: 2022 - 2025



2023 BUDGET FORECAST FINANCIAL FORECAST

OUTLOOK FOR ENTERPRISE FUNDS

Water and Sewer Funds

Revenues to the Water and Sewer Funds are expected to come in over budget in 2022, then slightly increase over the next three years. These three-year projections account for collection loss and current trends in water usage, as well as anticipated CPI increases in water rates.

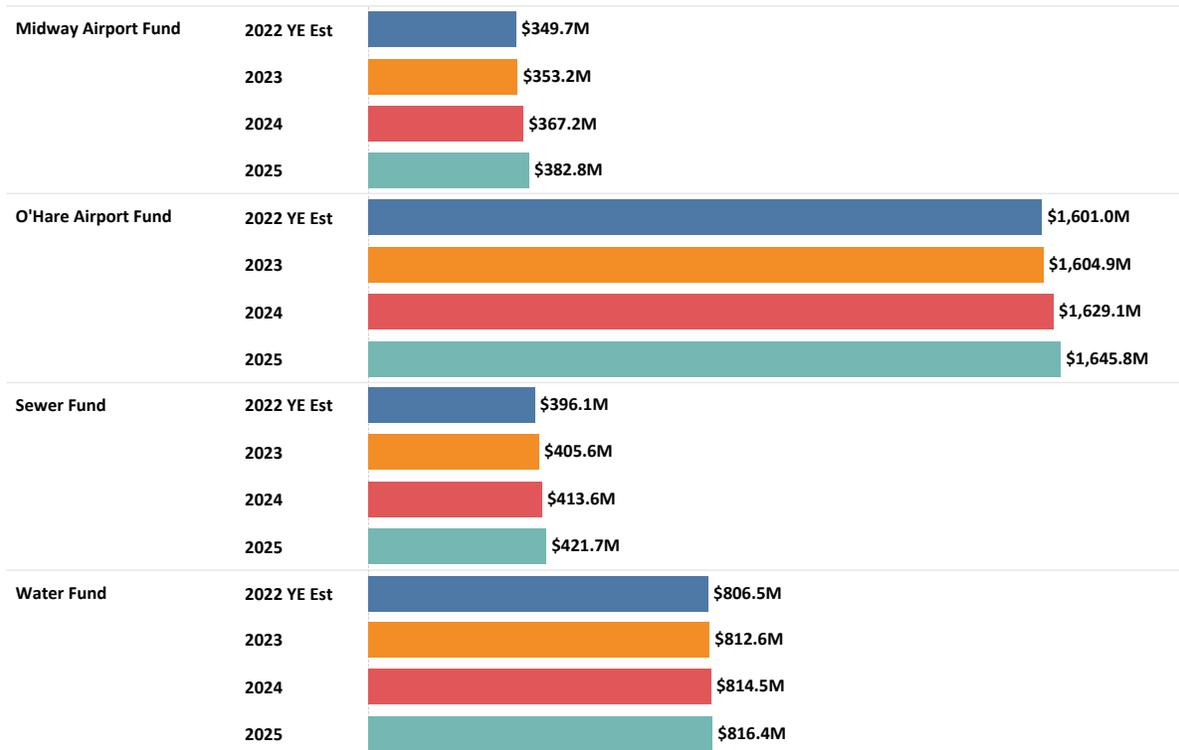
The year-end estimate for 2022 Water Fund revenue is \$806.5 million and \$396.1 million for Sewer Fund revenue. Water and Sewer Fund revenues are expected to increase in 2023 before leveling off due to reduced usage and conservation efforts.

Aviation Funds

Estimates for the O’Hare and Midway International Airport Funds anticipate that revenue is set at a level necessary to pay debt service and support the operations of the airports. The year-end estimate for 2022 Midway Fund revenue is \$349.7 million and \$1,601.0 million for O’Hare Fund revenue.

In 2023, revenue will slightly increase from 2022 budgeted levels by approximately 1.0 percent for both O’Hare Airport and Midway Airport. The City projects continued incremental growth in 2024 and 2025 as the airports move forward with large scale capital projects and other improvements necessary to accommodate increasing tourism and business travel.

OUTLOOK FOR ENTERPRISE FUNDS: 2022 – 2025



2023 BUDGET FORECAST FINANCIAL FORECAST

PENSION

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

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

In 2015, the State passed a new funding formula for the City’s PABF and FABF, establishing five years of increasing fixed contributions set in statute between 2015 and 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

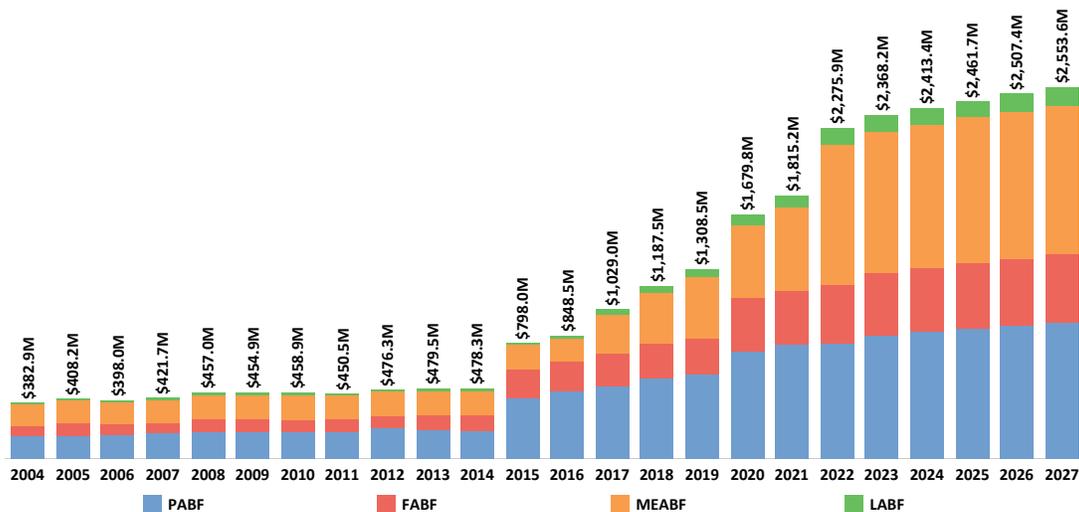
annual payment will be based on an actuarially calculated contribution to bring the two funds to a 90 percent funded ratio by 2058.

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 to make contributions to a pension fund.

The 2021 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. In 2022, both MEABF and LABF moved to actuarially calculated contributions. In 2023, \$1.1 billion in pension contributions are expected across both funds.

The 2023 budget marks the fourth 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 approximately \$80.9 million from the \$1.2 billion budgeted in 2022.

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 2022, represent the amounts found in the annual appropriation ordinance.

2) The projected contributions from 2023 through 2027 for all pension funds are based on the December 31, 2021 Actuarial Valuation Reports. These projections may shift over time based on investment returns and other pension fund changes as the City gets closer to making actuarially determined contributions.

DEBT

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

Long-Term Debt

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

- **General Obligation Debt** is backed by the full faith and credit of the City. The City has three types of General Obligation Bonds ("G.O. Bonds") outstanding: 1) Tax Levy Bonds for which an annual property tax levy has been established to make payments; 2) Alternate Revenue Bonds for which an annual property tax levy has been established but is annually abated if certain other revenues are available that year to make payments; and 3) Pledge Bonds for which an annual property tax levy has not been established and payments are appropriated from other sources of revenue other than property taxes. General obligation debt service payments declined in 2021 as a result of the issuance of the GO 2021AB Bonds and the STSC 2021AB Bonds. The refunding transactions generated \$232 million of savings for the 2021 budget without increasing debt service in any future year.
- **Motor Fuel Tax** revenue bonds were issued to pay for eligible transportation projects. Additionally, Motor Fuel Tax revenues were pledged to pay an outstanding Transportation Infrastructure Finance Innovation Act ("TIFIA") loan from the U.S. Department of Transportation to complete the Chicago Riverwalk along the main branch of the Chicago River. Additional City revenues generated by the operations of the Chicago Riverwalk are also pledged to the repayment of the TIFIA loan and Motor Fuel Tax revenue bonds. The TIFIA loan and Motor Fuel Tax revenue bonds are no longer outstanding.
- **Tax Increment Allocation** bonds are limited obligations of the City payable solely from available incremental tax revenues collected from the related project redevelopment area and are issued to fund or reimburse redevelopment and infrastructure projects in Tax Increment Financing ("TIF") districts.
- **Water and Wastewater** bonds are secured by revenues of the Water and Sewer Systems, respectively, and are primarily issued to fund capital projects for such systems. Additionally, the City periodically applies for and receives funding from the Illinois Environmental Protection Agency State Revolving Loan Funds Program.
- **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 TIFIA loan to complete the airport transit system extension at the new O'Hare multi-modal facility.

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

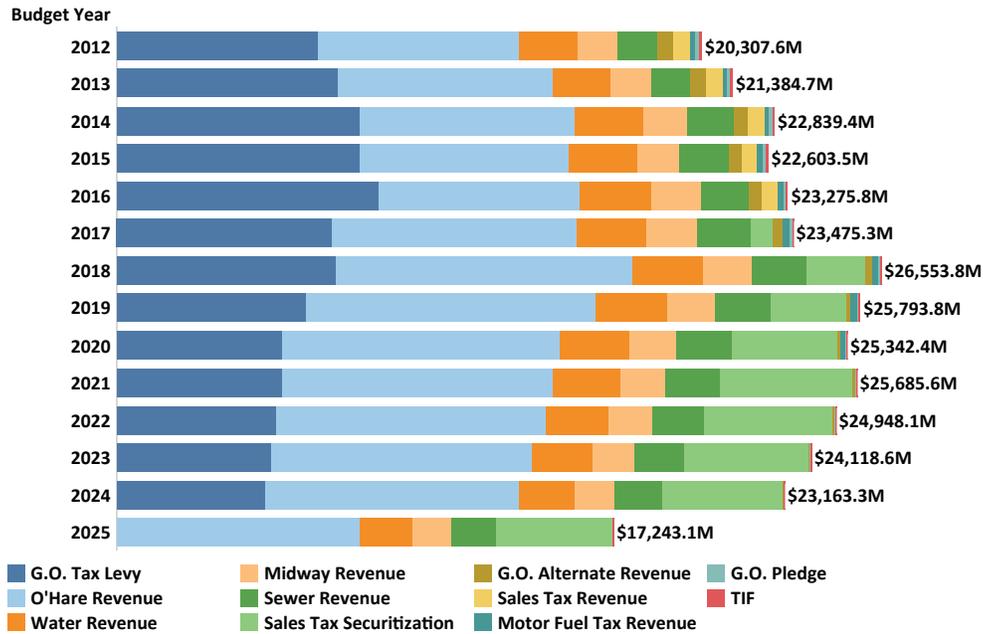
Short-Term Debt

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

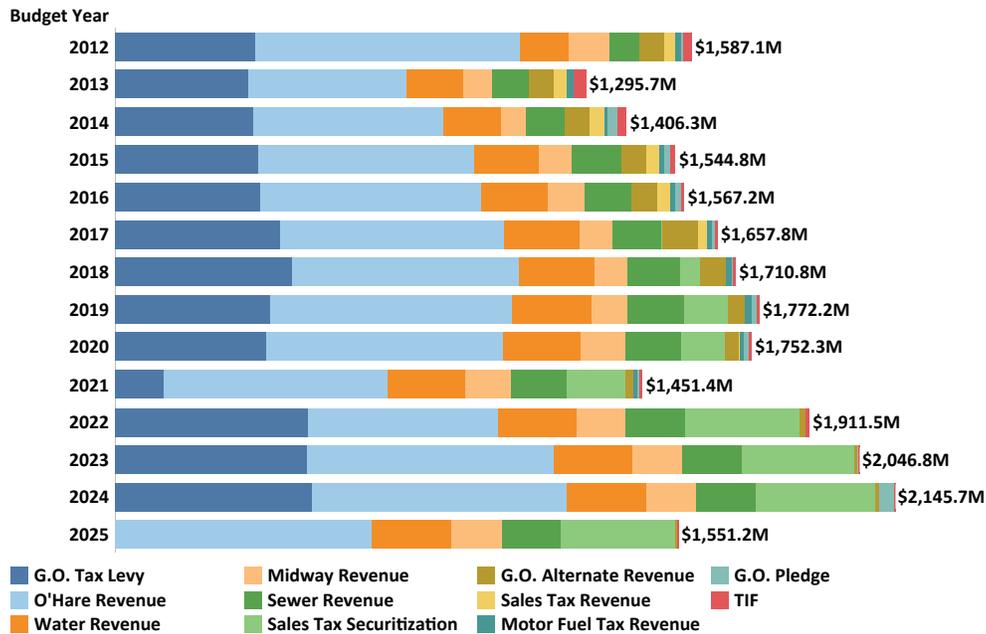
- **General Obligation Short-Term Borrowing Program** has historically been used by the City for working capital in anticipation of receipt of other revenue to fund capital projects, debt refinancing or restructuring, and to pay noncapital expenditures, such as settlements and judgments or retroactive 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). Each line of credit has an outstanding balance of \$107.5 million (\$215 million total).
- **Water and Sewer Systems Commercial Paper Notes and Line of Credit Notes** can be authorized for the purposes of financing or refinancing capital improvements to the Water and Sewer Systems or providing funds to meet the cash flow needs of the respective system; there are no 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 (\$495 million outstanding); and (2) a line of credit facility for up to \$100 million (\$73 million outstanding).
- **Chicago Midway Airport Commercial Paper Notes** are available to support cashflow needs at Midway to fund capital projects, and for debt refinancing or restructuring. Midway currently has a Commercial Paper Notes program in place for up to \$100 million. There are \$20 million in notes currently outstanding.

2023 BUDGET FORECAST FINANCIAL FORECAST

OUTSTANDING LONG-TERM DEBT



LONG-TERM DEBT SERVICE PAYMENTS



APPENDICES



HISTORIC REVENUE AND EXPENSE REVIEW

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

Corporate Fund Revenue

The information here is based primarily on the City's Annual Comprehensive Financial Report ("ACFR"), but will vary from what is printed in the ACFR under General Funds since that includes many funds and this Forecast concerns itself with the Corporate Fund.

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

Local tax revenue consists of taxes collected by the City, including utility, transportation, transaction, recreation, and business taxes. In 2021, local tax revenue made up approximately 33.2 percent of total Corporate Fund revenues. Beginning with the 2020 budget, the City added collections from the City's 3.0 percent excise tax as well as a distributive share of State cannabis tax revenues.

Intergovernmental tax revenue totaled 14.4 percent of Corporate Fund revenues in 2021 and includes the City's share of State Income Tax, Personal Property Replacement Tax, and Municipal Auto Rental Tax. Prior to 2018 and the creation of the Sales Tax Securitization Corporation ("STSC"), the City's share of state-collected Sales Tax was included in this revenue category.

Local non-tax revenue consists of licenses, permits, services, fees and fines, proceeds from land and materials, sales and leases, and transfers to the Corporate Fund from the City's Special Revenue and Enterprise Funds for services provided. Local non-tax revenue totaled 24.7 percent of Corporate Fund revenues in 2021.

Proceeds and transfers consist of amounts transferred into the Corporate Fund from outside sources. In 2021, this revenue source totaled 27.8 percent of Corporate Fund revenues.

The City's revenue from most state and local sales taxes appear in the budget as a transfer as a result of the creation of the STSC. This revenue securitization structure was developed because of legislation passed by the Illinois General Assembly, allowing all home rule municipalities to create a special purpose corporation organized for

the sole purpose of issuing bonds paid for from revenues collected by the State. In December 2017, the City entered into a sale agreement ("Agreement") with the STSC. Under the Agreement, the City sold to the STSC the City's rights to receive Sales Tax revenues collected by the State. In return, the City received the proceeds of bonds issued by the STSC as well as a residual certificate. Sales Tax revenues received by the STSC are paid first to cover the STSC's operating expenses and debt service on the STSC's bonds. All remaining Sales Tax revenues are then paid to the City as the holder of the residual certificate.

Prior year available resources is the result of savings and sustainable revenue growth, along with spending controls and other efficiencies, resulting in healthy growth of the Corporate Fund balance, referred to as prior year assigned and unassigned available resources. In 2021, the City budgeted \$111.0 million of prior year available resources; however, this resource was not required.

Corporate Fund Expenditures

Corporate Fund expenditures are reported as a major governmental fund within the general fund in the City's basic financial statements. Corporate Fund expenditures totaled \$4.9 billion in 2021. This report breaks down these expenditures into the three broad categories of personnel, non-personnel, and other.

Personnel expenditures represent the majority of City expenses and include employee pay, benefits, workers' compensation, and the City's Corporate Fund pension allocation. In 2021, these expenses represented approximately 69.3 percent of the City's Corporate Fund expenditures.

Non-personnel expenditures represented 15.3 percent of the City's Corporate Fund in 2021. This includes contractual services, refunds, rebates, legal costs, utilities, commodities, delegate agencies, employee travel, and contingent expenses.

Non-personnel expenditures also include the City's payments of settlements and judgments. The City historically has used a mix of Corporate Fund and Enterprise Fund resources, as well as bond proceeds, to pay for expenses incurred in connection with settlements and judgments against the City. In 2021, the City's Corporate Fund expenditures for settlements and judgments which is included in the Refunds, Rebates, and Legal Costs category, totaled \$153.8 million - an increase compared to 2020.

2023 BUDGET FORECAST
APPENDICES

Other expenditures totaled \$755.0 million in 2021, or approximately 15.3 percent of the total Corporate Fund budget. These expenses include operating transfers to other funds, cash match for grants, financing costs, and indirect costs.

The City maintains a segregated fund to support the maintenance and operations of the Chicago Public Library (“CPL”) system. Revenue to this fund is primarily generated from a dedicated property tax levy; however, the Corporate Fund has historically subsidized the difference between property tax revenues and library expenditures. In 2021, no subsidy was needed.

CORPORATE FUND - REVENUE



Year	Total Revenue (\$M)
2012	\$3,079.6M
2013	\$3,128.8M
2014	\$3,261.3M
2015	\$3,520.5M
2016	\$3,636.2M
2017	\$3,675.7M
2018	\$3,694.8M
2019	\$3,854.2M
2020	\$4,038.5M
2021	\$5,226.7M

Category	Percentage (%)
Transaction Taxes	13.0%
- Utility Taxes and Fees	7.8%
- City Sales Tax	1.5%
- Business Taxes	1.4%
- Recreation Taxes	4.6%
- Transportation Taxes	4.9%
Internal Service Earnings	7.4%
Charges for Services	6.3%
- Fines, Forfeitures and Penalties	6.0%
- Licenses, Permits and Certificates	2.2%
Other Revenue	2.4%
Proceeds and Transfers	27.8%
State Income Tax	7.2%
Personal Property Replacement Tax	7.1%

Leases, Rentals & Sales = 0.3%; Municipal Enterprises = 0.1%; Municipal Auto Rental Tax = 0.1%; Reimbursements for City Services = 0.0%

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APPENDICES

CORPORATE FUND - REVENUES

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Local Tax Revenue										
Municipal Public Utility Taxes and Fees	\$188.8M	\$189.2M	\$186.6M	\$182.8M	\$190.1M	\$183.7M	\$189.4M	\$184.7M	\$180.0M	\$183.4M
Electricity Taxes	\$98.8M	\$122.1M	\$153.3M	\$119.7M	\$111.1M	\$124.7M	\$128.6M	\$128.3M	\$114.4M	\$134.3M
Natural Gas Use and Occupation Tax	\$149.3M	\$119.4M	\$106.1M	\$105.5M	\$103.6M	\$101.9M	\$87.4M	\$77.6M	\$73.0M	\$66.8M
Telecommunication Taxes	\$25.5M	\$26.2M	\$27.5M	\$29.8M	\$29.6M	\$28.7M	\$26.1M	\$26.1M	\$24.0M	\$23.5M
Cable Television Fees	\$462.5M	\$456.9M	\$473.5M	\$437.8M	\$434.4M	\$439.0M	\$432.1M	\$416.7M	\$391.4M	\$408.0M
Total	\$272.3M	\$267.6M	\$285.8M	\$308.9M	\$308.1M	\$229.9M	\$57.0M	\$63.7M	\$58.7M	\$77.7M
City Sales Tax / HROT	\$272.3M	\$267.6M	\$285.8M	\$308.9M	\$308.1M	\$229.9M	\$57.0M	\$63.7M	\$58.7M	\$77.7M
Total	\$272.3M	\$267.6M	\$285.8M	\$308.9M	\$308.1M	\$229.9M	\$57.0M	\$63.7M	\$58.7M	\$77.7M
Transaction Taxes	\$102.6M	\$141.9M	\$157.2M	\$191.1M	\$197.1M	\$161.7M	\$175.5M	\$152.4M	\$130.3M	\$184.1M
Real Property Transfer Tax	\$132.5M	\$140.2M	\$152.6M	\$192.5M	\$259.9M	\$265.7M	\$295.4M	\$328.7M	\$344.1M	\$491.1M
Personal Property Lease Transaction Tax	\$6.0M	\$6.2M	\$6.4M	\$6.7M	\$6.6M	\$6.8M	\$6.6M	\$6.7M	\$3.0M	\$4.1M
Motor Vehicle Lessor Tax	\$241.1M	\$288.4M	\$316.2M	\$390.3M	\$463.6M	\$434.2M	\$477.5M	\$487.8M	\$477.5M	\$679.4M
Total	\$119.2M	\$124.4M	\$126.5M	\$131.5M	\$134.5M	\$134.4M	\$134.0M	\$144.1M	\$65.4M	\$104.6M
Transportation Taxes	\$49.8M	\$49.1M	\$48.2M	\$49.3M	\$53.0M	\$54.2M	\$53.7M	\$54.1M	\$34.1M	\$54.9M
Parking Garage Tax	\$8.9M	\$9.1M	\$10.4M	\$17.1M	\$59.6M	\$85.4M	\$119.4M	\$138.8M	\$94.4M	\$96.2M
Vehicle Fuel Tax	\$177.9M	\$182.5M	\$185.1M	\$197.9M	\$247.1M	\$275.0M	\$307.1M	\$337.0M	\$193.9M	\$255.7M
Ground Transportation Tax	\$87.8M	\$96.7M	\$112.9M	\$145.7M	\$163.6M	\$172.6M	\$195.5M	\$196.5M	\$104.3M	\$159.1M
Total	\$0.9M	\$0.6M	\$0.6M	\$0.5M	\$0.5M	\$0.4M	\$0.4M	\$0.4M	\$0.4M	\$0.3M
Recreation Taxes	\$1.4M	\$1.3M	\$1.3M	\$1.4M	\$1.3M	\$1.3M	\$1.8M	\$1.1M	\$1.0M	\$1.5M
Automatic Amusement Tax	\$32.6M	\$32.0M	\$32.1M	\$33.7M	\$33.1M	\$32.6M	\$33.0M	\$32.0M	\$27.5M	\$29.8M
Boat Mooring Tax	\$18.0M	\$16.3M	\$24.0M	\$22.8M	\$23.1M	\$21.3M	\$21.3M	\$19.8M	\$20.8M	\$17.4M
Liquor Tax	\$21.8M	\$21.6M	\$22.2M	\$22.9M	\$24.4M	\$24.3M	\$27.0M	\$25.3M	\$22.2M	\$25.9M
Cigarette Tax	\$0.7M	\$0.6M	\$0.5M	\$0.5M	\$0.6M	\$0.6M	\$0.5M	\$0.4M	\$0.3M	\$0.3M
Non-Alcoholic Beverage Tax	\$163.2M	\$169.1M	\$193.7M	\$227.5M	\$246.6M	\$253.1M	\$279.5M	\$275.5M	\$178.1M	\$239.4M
Off Track Betting Tax	\$85.6M	\$89.9M	\$100.4M	\$109.8M	\$113.5M	\$131.6M	\$130.4M	\$133.7M	\$25.7M	\$65.5M
Cannabis Excise Tax	\$17.9M	\$11.3M								
Total	\$4.8M	\$4.6M	\$4.4M	\$6.0M	\$5.4M	\$5.6M	\$4.9M	\$0.0M	\$0.0M	\$0.0M
Business Taxes	\$108.3M	\$105.7M	\$104.8M	\$115.8M	\$118.9M	\$142.9M	\$141.7M	\$140.1M	\$31.9M	\$72.9M
Hotel Accommodations Tax	\$1,425.3M	\$1,470.2M	\$1,559.1M	\$1,678.1M	\$1,818.7M	\$1,774.1M	\$1,694.8M	\$1,720.7M	\$1,331.5M	\$1,733.2M
Employer Expense Tax	\$55.0M								\$450.0M	
Foreign Fire Insurance Tax	\$31.6M	\$21.0M	\$39.7M	\$53.9M	\$8.0M	\$180.2M	\$627.5M	\$640.9M	\$500.5M	\$1,450.9M
Checkout Bag Tax	\$86.6M	\$21.0M	\$39.7M	\$53.9M	\$8.0M	\$180.2M	\$627.5M	\$640.9M	\$950.5M	\$1,450.9M
Total	\$86.6M	\$21.0M	\$39.7M	\$53.9M	\$8.0M	\$180.2M	\$627.5M	\$640.9M	\$950.5M	\$1,450.9M
Intergovernmental	\$245.2M	\$276.0M	\$250.3M	\$286.5M	\$254.0M	\$239.9M	\$255.0M	\$284.2M	\$321.4M	\$376.7M
State Income Tax	\$245.2M	\$276.0M	\$250.3M	\$286.5M	\$254.0M	\$239.9M	\$255.0M	\$284.2M	\$321.4M	\$376.7M
Total	\$245.2M	\$276.0M	\$250.3M	\$286.5M	\$254.0M	\$239.9M	\$255.0M	\$284.2M	\$321.4M	\$376.7M
Municipal Retailers Occupation Tax	\$299.9M	\$316.1M	\$334.5M	\$356.9M	\$366.4M	\$270.5M				
Total	\$299.9M	\$316.1M	\$334.5M	\$356.9M	\$366.4M	\$270.5M				
Personal Property Replacement Tax	\$37.6M	\$32.9M	\$27.8M	\$50.5M	\$159.7M	\$148.3M	\$137.4M	\$185.6M	\$165.8M	\$370.7M
Total	\$37.6M	\$32.9M	\$27.8M	\$50.5M	\$159.7M	\$148.3M	\$137.4M	\$185.6M	\$165.8M	\$370.7M
Municipal Auto Rental Tax	\$3.9M	\$4.0M	\$4.2M	\$4.2M	\$4.2M	\$4.1M	\$4.1M	\$4.4M	\$2.1M	\$3.9M
Total	\$3.9M	\$4.0M	\$4.2M	\$4.2M	\$4.2M	\$4.1M	\$4.1M	\$4.4M	\$2.1M	\$3.9M
Other Reimbursements	\$1.1M	\$1.9M	\$2.3M	\$1.8M	\$1.9M	\$2.5M	\$3.4M	\$1.5M	\$1.4M	\$1.8M
Total	\$1.1M	\$1.9M	\$2.3M	\$1.8M	\$1.9M	\$2.5M	\$3.4M	\$1.5M	\$1.4M	\$1.8M
Reimbursements for City Services	\$587.6M	\$630.8M	\$619.1M	\$699.9M	\$786.2M	\$665.4M	\$400.0M	\$475.8M	\$490.8M	\$753.2M
Total	\$587.6M	\$630.8M	\$619.1M	\$699.9M	\$786.2M	\$665.4M	\$400.0M	\$475.8M	\$490.8M	\$753.2M
Local Non-Tax Revenue	\$11.3M	\$12.2M	\$11.6M	\$12.5M	\$12.2M	\$12.7M	\$12.5M	\$13.3M	\$10.1M	\$14.3M
Licenses, Permits and Certificates	\$19.2M	\$19.0M	\$18.1M	\$19.4M	\$18.5M	\$22.3M	\$21.4M	\$25.4M	\$21.4M	\$24.3M
Business Licenses	\$36.6M	\$37.8M	\$39.3M	\$43.7M	\$43.5M	\$43.2M	\$42.5M	\$40.1M	\$33.1M	\$33.0M
Building Permits										

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

2023 BUDGET FORECAST
APPENDICES

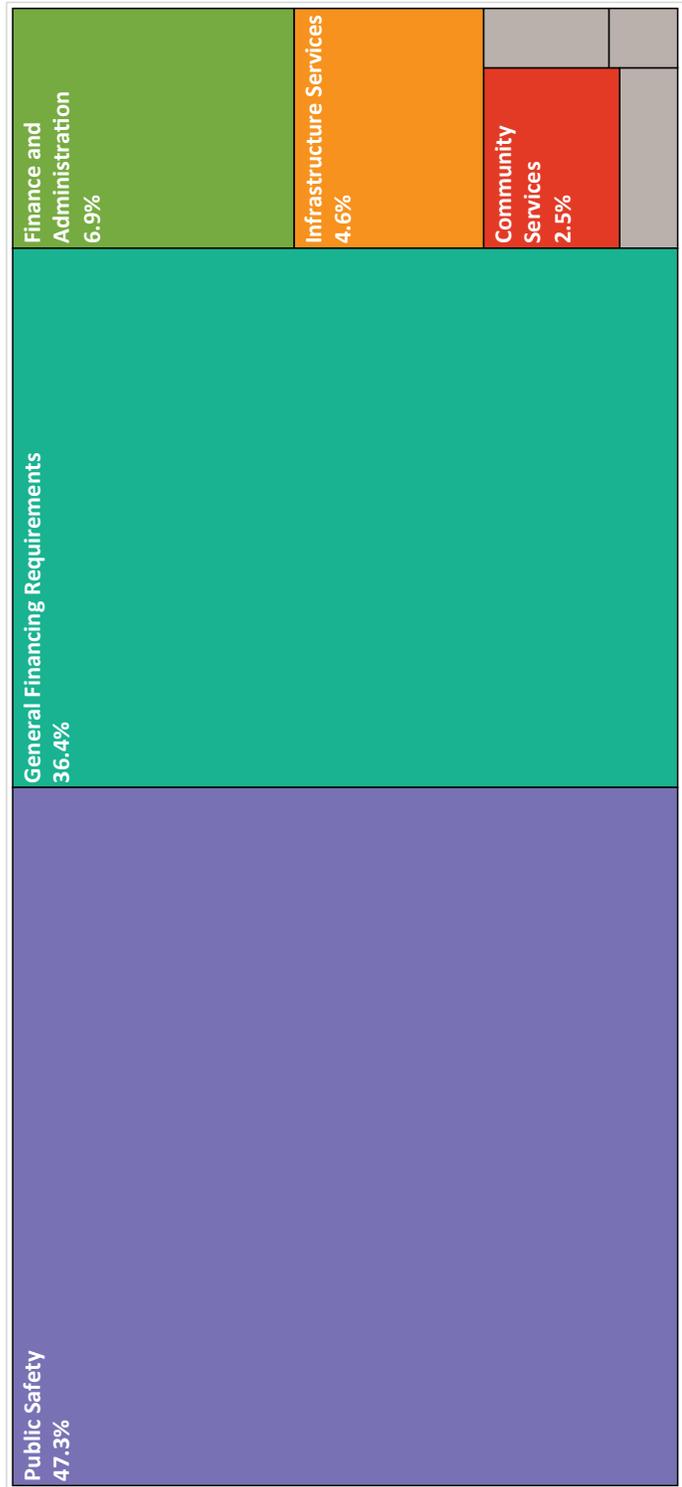
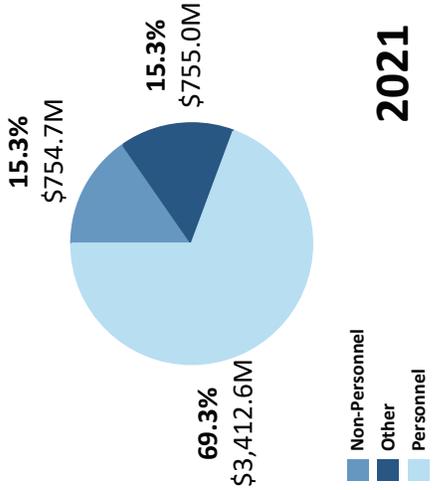
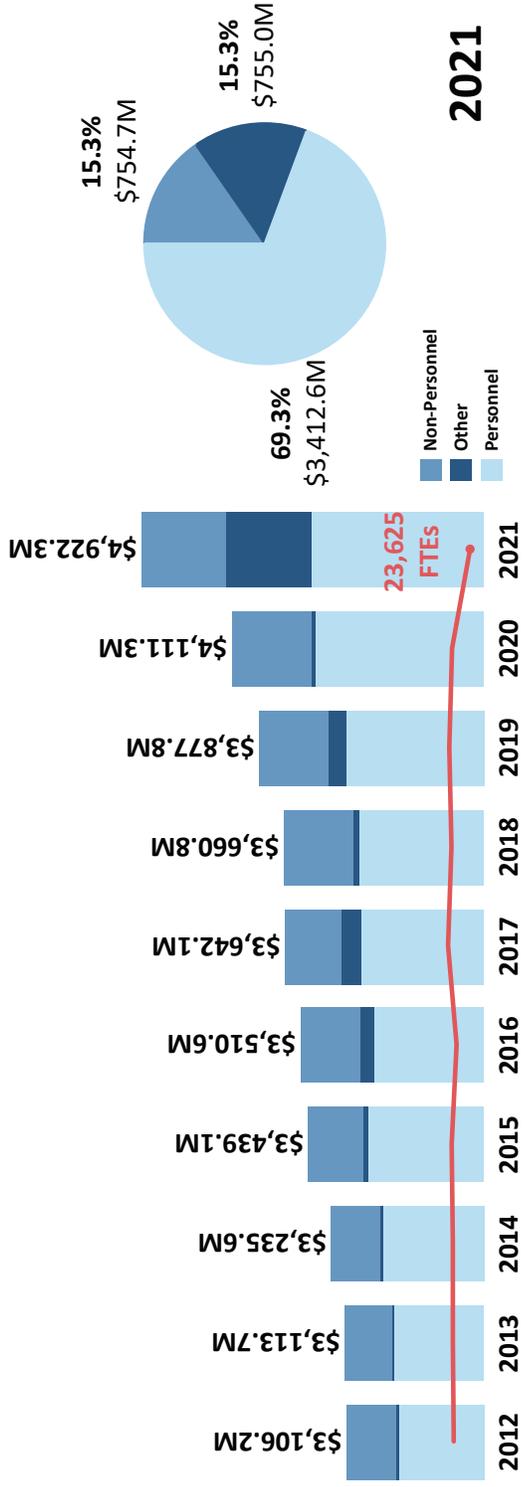
CORPORATE FUND - REVENUES (CONT.)

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Local Non-Tax Revenue										
Licenses, Permits and Certificates										
Other Permits/Certificates	\$44.3M	\$48.8M	\$44.9M	\$45.0M	\$48.3M	\$49.3M	\$48.1M	\$51.6M	\$39.9M	\$39.2M
Prior Period Fines	\$6.2M	\$5.9M	\$6.0M	\$6.2M	\$7.9M	\$6.1M	\$4.9M	\$5.5M	\$3.3M	\$4.8M
Total	\$117.6M	\$123.6M	\$119.9M	\$126.7M	\$130.4M	\$133.5M	\$129.3M	\$136.0M	\$107.8M	\$115.6M
Fines, Forfeitures and Penalties										
Total	\$290.8M	\$313.5M	\$338.3M	\$366.3M	\$318.4M	\$344.9M	\$335.9M	\$319.2M	\$230.6M	\$316.0M
Charges for Services										
Inspection	\$10.7M	\$10.1M	\$14.4M	\$15.0M	\$13.1M	\$12.7M	\$13.1M	\$14.6M	\$11.7M	\$12.1M
Information	\$0.9M	\$0.8M	\$0.7M	\$0.7M	\$1.5M	\$0.3M	\$1.1M	\$1.2M	\$0.9M	\$1.0M
Safety	\$78.7M	\$74.6M	\$90.0M	\$61.5M	\$77.3M	\$70.0M	\$73.7M	\$80.2M	\$266.5M	\$278.0M
Current Expense	\$13.1M	\$10.1M	\$5.8M	\$13.0M	\$6.3M	\$6.3M	\$4.6M	\$7.4M	\$7.9M	\$6.7M
Other Current Charges	\$21.2M	\$24.2M	\$23.7M	\$29.4M	\$32.5M	\$28.9M	\$30.2M	\$31.0M	\$30.9M	\$31.1M
Total	\$124.6M	\$119.9M	\$134.6M	\$119.6M	\$130.8M	\$118.2M	\$122.7M	\$134.4M	\$117.9M	\$128.9M
Municipal Enterprises										
Municipal Parking	\$8.4M	\$6.4M	\$7.3M	\$6.5M	\$7.5M	\$7.7M	\$7.8M	\$7.7M	\$7.1M	\$7.4M
Total	\$8.4M	\$6.4M	\$7.3M	\$6.5M	\$7.5M	\$7.7M	\$7.8M	\$7.7M	\$7.1M	\$7.4M
Rentals and Leases										
Total	\$6.2M	\$12.4M	\$13.5M	\$14.0M	\$13.0M	\$13.2M	\$26.5M	\$25.5M	\$6.0M	\$10.8M
Leases, Rentals and Sales										
Sale of Land	\$3.7M	\$3.5M	\$2.9M	\$3.5M	\$9.6M	\$10.8M	\$6.2M	\$0.2M	\$1.0M	\$1.1M
Vacation of Streets	\$1.3M	\$0.4M	\$5.6M	\$6.5M	\$2.2M	\$0.9M	\$2.2M	\$15.8M	\$4.1M	\$2.6M
Sale of Impounded Autos	\$0.0M									
Sale of Materials	\$3.5M	\$2.6M	\$2.0M	\$1.4M	\$1.3M	\$1.0M	\$0.7M	\$0.4M	\$0.2M	\$1.0M
Total	\$14.7M	\$19.0M	\$24.1M	\$25.5M	\$26.1M	\$25.9M	\$35.7M	\$42.0M	\$11.3M	\$15.5M
Interest Income										
Total	\$5.4M	\$1.4M	\$1.6M	\$0.9M	\$8.3M	\$7.0M	\$1.9M	\$31.4M	\$24.1M	(\$5.0M)
Internal Service Earnings										
Enterprise Funds	\$143.4M	\$145.0M	\$163.1M	\$137.1M	\$168.4M	\$162.6M	\$171.9M	\$173.6M	\$176.4M	\$175.2M
Special Revenue Funds	\$85.4M	\$109.6M	\$88.2M	\$138.0M	\$128.5M	\$133.5M	\$51.5M	\$62.6M	\$49.6M	\$52.2M
Intergovernmental Funds	\$38.7M	\$34.6M	\$34.7M	\$42.0M	\$32.9M	\$37.0M	\$35.3M	\$33.6M	\$146.7M	\$145.2M
Other Reimbursements	\$35.4M	\$17.3M	\$19.8M	\$28.4M	\$12.9M	\$14.7M	\$11.5M	\$1.5M	\$71.9M	\$12.9M
Total	\$302.9M	\$306.5M	\$305.7M	\$345.4M	\$342.6M	\$347.7M	\$270.2M	\$271.3M	\$444.6M	\$385.6M
Other Revenue										
Total	\$43.3M	\$39.0M	\$66.5M	\$97.6M	\$59.3M	\$71.2M	\$69.0M	\$74.9M	\$122.3M	\$125.5M
Total	\$43.3M	\$39.0M	\$66.5M	\$97.6M	\$59.3M	\$71.2M	\$69.0M	\$74.9M	\$122.3M	\$125.5M
Total	\$907.8M	\$929.4M	\$998.0M	\$1,088.6M	\$1,023.4M	\$1,056.1M	\$972.4M	\$1,016.8M	\$1,265.7M	\$1,289.4M
Total	\$72.3M	\$77.2M	\$45.5M							
Prior Year Assigned and Unassigned Available Resources										
Total	\$72.3M	\$77.2M	\$45.5M							
Grand Total	\$3,079.6M	\$3,128.8M	\$3,261.3M	\$3,520.5M	\$3,636.2M	\$3,675.7M	\$3,694.8M	\$3,854.2M	\$4,038.5M	\$5,226.7M

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

2023 BUDGET FORECAST
APPENDICES

CORPORATE FUND - EXPENDITURES



2023 BUDGET FORECAST
APPENDICES

CORPORATE FUND - EXPENDITURES BY DEPARTMENT

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Finance and Administration										
Office of The Mayor	\$5.8M	\$6.9M	\$6.1M	\$6.1M	\$6.6M	\$6.9M	\$7.1M	\$7.3M	\$9.8M	\$9.6M
Office of Budget and Management	\$1.8M	\$1.9M	\$2.4M	\$2.2M	\$4.8M	\$3.6M	\$2.9M	\$3.0M	\$2.9M	\$2.8M
Department of Innovation and Technology	\$18.9M	\$18.9M	\$23.6M	\$25.1M	\$20.1M	\$16.0M	\$19.6M	\$21.2M	\$0.6M	(\$0.1M)
City Clerk	\$2.7M	\$2.6M	\$2.9M	\$2.9M	\$2.9M	\$2.9M	\$3.8M	\$3.6M	\$3.3M	\$3.5M
Department of Finance	\$53.1M	\$56.0M	\$56.0M	\$59.2M	\$61.9M	\$60.3M	\$63.2M	\$61.8M	\$58.7M	\$57.2M
City Treasurer	\$2.2M	\$2.2M	\$2.2M	\$2.1M	\$1.3M	\$1.4M	\$1.4M	\$1.4M	\$1.6M	\$1.7M
Department of Administrative Hearings	\$6.9M	\$7.4M	\$7.4M	\$7.8M	\$7.8M	\$7.9M	\$7.8M	\$7.6M	\$6.4M	\$6.9M
Department of Law	\$28.1M	\$27.7M	\$28.1M	\$27.3M	\$26.7M	\$26.7M	\$27.7M	\$28.8M	\$28.2M	\$27.5M
Department of Human Resources	\$5.0M	\$5.2M	\$5.0M	\$5.3M	\$5.6M	\$5.7M	\$6.0M	\$6.3M	\$6.1M	\$5.9M
Department of Procurement Services	\$4.4M	\$5.0M	\$5.7M	\$6.1M	\$5.7M	\$6.3M	\$6.4M	\$6.1M	\$5.9M	\$5.6M
Department of Assets, Information, and Services	\$157.0M	\$161.9M	\$167.5M	\$157.1M	\$186.3M	\$179.5M	\$195.5M	\$207.0M	\$218.2M	\$218.5M
(Department of Revenue)	\$1.6M	\$0.2M					(\$0.1M)			
(Office of Compliance)	\$0.0M									
(Graphics and Reproduction Center)	\$0.0M									
(Department of Fleet Management)	\$0.1M	\$0.0M						\$0.0M		
Total	\$287.6M	\$296.1M	\$306.9M	\$301.3M	\$329.6M	\$317.2M	\$341.2M	\$354.0M	\$341.6M	\$339.1M
Infrastructure Services										
Department of Streets and Sanitation	\$178.1M	\$187.0M	\$195.4M	\$199.6M	\$137.6M	\$137.2M	\$147.4M	\$155.3M	\$153.8M	\$173.6M
Chicago Department of Transportation	\$53.8M	\$52.4M	\$47.3M	\$67.1M	\$35.4M	\$50.1M	\$54.4M	\$56.6M	\$51.9M	\$55.2M
Department of Water Management					\$0.0M				\$0.0M	
Total	\$231.9M	\$239.4M	\$242.7M	\$266.8M	\$173.0M	\$187.3M	\$201.8M	\$212.0M	\$205.6M	\$228.8M
Public Safety										
Office of Public Safety Administration										
Police Board	\$0.4M	\$0.4M	\$0.4M	\$0.4M	\$0.8M	\$0.4M	\$0.4M	\$0.4M	\$1.0M	\$0.4M
Independent Police Review Authority	\$7.6M	\$7.6M	\$7.8M	\$7.4M	\$7.7M	\$3.2M	\$0.1M		\$0.0M	
Chicago Police Department	\$1,293.1M	\$1,300.6M	\$1,286.0M	\$1,369.7M	\$1,463.0M	\$1,498.2M	\$1,568.5M	\$1,620.2M	\$1,532.2M	\$1,622.9M
Office of Emergency Communication	\$84.8M	\$79.4M	\$82.0M	\$78.8M	\$95.2M	\$100.1M	\$26.0M	\$25.4M	\$18.4M	\$11.0M
Chicago Fire Department	\$533.4M	\$526.3M	\$602.3M	\$563.3M	\$583.0M	\$576.3M	\$578.1M	\$604.1M	\$606.5M	\$654.1M
Civilian Office of Police Accountability					\$0.0M	\$6.6M	\$11.0M	\$11.7M	\$10.6M	\$11.9M
Total	\$1,919.3M	\$1,914.2M	\$1,978.5M	\$2,019.5M	\$2,149.8M	\$2,184.8M	\$2,184.0M	\$2,261.8M	\$2,181.0M	\$2,327.9M
Community Services										
Chicago Department of Health	\$24.3M	\$26.6M	\$25.9M	\$26.0M	\$29.4M	\$30.1M	\$30.8M	\$33.6M	\$34.7M	\$35.0M
Commission on Human Relations	\$1.2M	\$1.0M	\$1.0M	\$1.0M	\$1.0M	\$1.1M	\$1.0M	\$1.0M	\$0.9M	\$0.9M
Office for People with Disabilities	\$1.1M	\$1.1M	\$1.1M	\$1.0M	\$1.4M	\$1.4M	\$1.5M	\$1.4M	\$1.3M	\$1.3M
Department of Family and Support Services	\$16.7M	\$15.8M	\$45.7M	\$58.8M	\$62.2M	\$68.1M	\$79.3M	\$82.2M	\$83.2M	\$84.8M
Chicago Public Library					\$0.1M					
(Department of Senior Services)	\$0.1M									
(Department of Children and Youth Services)	\$0.0M									
(Department of Human Services)	\$0.0M									
Total	\$43.4M	\$44.5M	\$73.8M	\$86.9M	\$94.2M	\$100.7M	\$112.6M	\$118.2M	\$120.0M	\$122.1M
City Development										
Department of Housing	\$0.3M			\$0.0M				\$4.0M	\$14.7M	\$9.6M
Department of Cultural Affairs and Special Events	\$0.0M				\$0.4M					
Department of Planning and Development	\$25.5M	\$20.3M	\$22.7M	\$28.0M	\$20.5M	\$13.3M	\$13.7M	\$10.1M	\$10.2M	\$10.9M
(Department of Planning and Development)	\$0.0M									

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

2023 BUDGET FORECAST
APPENDICES

CORPORATE FUND - EXPENDITURES BY DEPARTMENT (CONT.)

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
City Development										
(Department of Zoning and Land Use Planning)	\$0.0M	\$0.0M								
Total	\$25.8M	\$20.3M	\$22.7M	\$28.0M	\$20.9M	\$13.3M	\$13.6M	\$14.0M	\$24.9M	\$20.4M
Regulatory										
Office of Inspector General	\$2.4M	\$2.4M	\$2.1M	\$2.4M	\$2.9M	\$4.9M	\$5.5M	\$6.0M	\$6.1M	\$7.4M
Department of Buildings	\$18.9M	\$18.8M	\$19.9M	\$21.6M	\$24.6M	\$22.1M	\$22.9M	\$22.8M	\$22.0M	\$21.3M
Department of Business Affairs & Consumer Protection	\$13.7M	\$16.0M	\$16.8M	\$15.6M	\$16.1M	\$16.1M	\$16.4M	\$16.6M	\$16.9M	\$17.2M
Commission on Animal Care and Control	\$4.6M	\$4.9M	\$5.3M	\$5.2M	\$5.5M	\$6.1M	\$6.5M	\$6.7M	\$6.2M	\$6.1M
License Appeal Commission	\$0.2M	\$0.2M	\$0.2M	\$0.1M	\$0.2M	\$0.2M	\$0.2M	\$0.2M	\$0.2M	\$0.1M
Board of Ethics	\$0.7M	\$0.8M								
(Department of Construction and Permits)							\$0.0M			
(Department of Environment)	\$0.1M						\$0.0M			\$0.0M
(Department of Business Affairs and Licensing)							\$0.0M	\$0.0M		
Total	\$0.0M	\$52.2M	\$52.9M							
Legislative and Elections										
City Council	\$40.6M	\$43.1M	\$45.1M	\$45.7M	\$50.1M	\$50.2M	\$52.3M	\$53.1M	\$52.2M	\$52.9M
Board of Election Commissioner	\$24.3M	\$24.5M	\$24.6M	\$25.0M	\$25.2M	\$25.6M	\$26.0M	\$24.9M	\$25.6M	\$26.2M
Total	\$12.4M	\$9.0M	\$12.0M	\$28.5M	\$14.9M	\$12.3M	\$15.8M	\$31.1M	\$17.4M	\$11.4M
Finance General	\$36.7M	\$33.5M	\$36.5M	\$53.6M	\$40.0M	\$37.9M	\$41.7M	\$56.0M	\$43.0M	\$37.6M
Finance General	\$520.8M	\$522.7M	\$529.5M	\$637.4M	\$653.0M	\$750.7M	\$713.5M	\$808.7M	\$1,143.0M	\$1,793.5M
Total	\$520.8M	\$522.7M	\$529.5M	\$637.4M	\$653.0M	\$750.7M	\$713.5M	\$808.7M	\$1,143.0M	\$1,793.5M
Grand Total	\$3,106.2M	\$3,113.7M	\$3,235.6M	\$3,439.1M	\$3,510.6M	\$3,642.1M	\$3,660.8M	\$3,877.8M	\$4,111.3M	\$4,922.3M

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

2023 BUDGET FORECAST
APPENDICES

CORPORATE FUND - EXPENDITURES BY TYPE

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Personnel											
Employee Pay	\$2,192.3M	\$2,190.1M	\$2,220.6M	\$2,304.6M	\$2,361.1M	\$2,375.7M	\$2,458.9M	\$2,438.7M	\$2,569.1M	\$2,498.5M	\$2,859.1M
Employee Benefits	\$369.3M	\$389.2M	\$393.3M	\$403.5M	\$416.3M	\$401.2M	\$341.7M	\$390.1M	\$403.5M	\$470.1M	\$395.5M
Pension Allocation					\$71.8M	\$11.6M	\$106.3M	\$107.5M	\$79.7M	\$336.9M	\$85.5M
Workers' Compensation	\$71.2M	\$58.2M	\$64.5M	\$61.7M	\$68.0M	\$64.3M	\$58.8M	\$58.6M	\$52.8M	\$66.7M	\$72.6M
Total	\$2,632.8M	\$2,637.6M	\$2,678.5M	\$2,769.8M	\$2,917.2M	\$2,852.7M	\$2,965.7M	\$2,995.0M	\$3,105.1M	\$3,372.2M	\$3,412.6M
Non-Personnel											
Contractual Services	\$266.3M	\$268.0M	\$261.0M	\$291.6M	\$322.6M	\$315.5M	\$315.0M	\$323.6M	\$391.8M	\$408.4M	\$484.4M
Refunds, Rebates & Legal Costs	\$33.2M	\$82.6M	\$65.1M	\$41.3M	\$50.9M	\$115.0M	\$66.3M	\$142.1M	\$80.7M	\$141.8M	\$153.8M
Utilities	\$59.4M	\$48.2M	\$52.3M	\$57.9M	\$45.1M	\$61.0M	\$45.6M	\$42.1M	\$45.5M	\$36.5M	\$32.8M
Commodities	\$27.7M	\$26.2M	\$23.4M	\$28.6M	\$48.1M	\$15.8M	\$40.7M	\$46.0M	\$48.1M	\$52.0M	\$45.4M
Delegate Agencies	\$11.1M	\$7.5M	\$13.4M	\$17.7M	\$18.9M	\$21.6M	\$26.3M	\$60.6M	\$45.3M	\$54.4M	\$37.5M
Employee Travel Expenses	\$1.0M	\$0.8M	\$0.9M	\$1.3M	\$1.3M	\$1.3M	\$1.4M	\$1.6M	\$1.6M	\$0.6M	\$0.7M
Contingencies	\$0.1M	\$0.1M	\$0.0M	\$0.1M	\$0.1M	\$0.1M	\$0.1M	\$0.0M	\$0.1M	\$0.0M	\$0.1M
Total	\$398.8M	\$433.2M	\$416.0M	\$438.5M	\$487.1M	\$530.3M	\$495.4M	\$616.0M	\$613.1M	\$693.8M	\$754.7M
Other											
Transfers Out	\$14.4M	\$27.0M	\$7.0M	\$5.0M	\$6.5M	\$85.6M	\$142.0M	\$15.2M	\$109.4M		\$215.2M
Cash Matching - Grants	\$5.3M	\$5.6M	\$9.6M	\$9.5M	\$12.2M	\$14.8M	\$15.9M	\$19.2M	\$18.4M	\$26.2M	\$26.3M
Financing Costs	\$0.3M	\$2.5M	\$2.2M	\$12.1M	\$15.0M	\$24.5M	\$20.6M	\$13.0M	\$29.0M	\$16.6M	\$511.0M
Indirect Costs	\$0.3M	\$0.3M	\$0.4M	\$0.7M	\$1.1M	\$2.7M	\$2.5M	\$2.4M	\$2.7M	\$2.4M	\$2.5M
Total	\$20.3M	\$35.4M	\$19.2M	\$27.3M	\$34.8M	\$127.6M	\$181.0M	\$49.8M	\$159.6M	\$45.3M	\$755.0M
Grand Total	\$3,051.9M	\$3,106.2M	\$3,113.7M	\$3,235.6M	\$3,439.1M	\$3,510.6M	\$3,642.1M	\$3,660.8M	\$3,877.8M	\$4,111.3M	\$4,922.3M

SPECIAL REVENUE FUNDS

The City's budgeted Special Revenue Funds are used to account for revenue from specific sources that must be used to finance specific operations, such as road repairs, libraries, 911 services, special events and tourism promotion. The following six budgeted Special Revenue funds were categorized as general fund or non-major governmental funds in the City's 2021 ACFR:

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 historically, 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"). The City maintains two segregated funds to support the 911 and emergency related functions of OEMC - one fund for operational expenses and one to pay debt service on bonds issued for the construction of the City's 911 call center. The last debt service payment is scheduled

in 2022 and the fund will be closed after. Revenues to this fund are reported as a non-major governmental fund within the City's basic financial statements while the debt service portion is reported in Bond, Note Redemption and Interest.

Garbage Collection Fund – Consists of the monthly Garbage Fee charged by the City on single family homes and multi-family buildings with four units or fewer. The fund covers a portion of the cost of providing garbage collection services to these households. Revenues to this fund are reported 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") – Introduced in the 2016 budget, the revenue in this fund is collected through the City's density bonus program and the Affordable Requirements Ordinance. Half of the funds are used for the construction, rehabilitation or preservation of affordable housing, or other housing programs. The other half is distributed 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

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Vehicle Tax Fund	\$157.5M	\$165.1M	\$188.9M	\$182.7M	\$202.0M	\$216.2M	\$195.6M	\$202.7M	\$168.6M	\$195.7M
Motor Fuel Tax Fund	\$65.1M	\$65.1M	\$78.3M	\$55.5M	\$58.3M	\$55.7M	\$57.5M	\$78.5M	\$87.1M	\$98.4M
Special Events and Municipal Hotel Operators' Occupation Tax Fund	\$37.2M	\$39.6M	\$39.8M	\$40.8M	\$44.4M	\$44.2M	\$43.1M	\$51.8M	\$15.2M	\$21.7M
Library Fund	\$81.3M	\$83.6M	\$83.6M	\$84.8M	\$99.6M	\$98.2M	\$100.9M	\$110.1M	\$115.8M	\$114.8M
Emergency Communication Fund	\$64.2M	\$68.4M	\$74.8M	\$102.7M	\$101.3M	\$100.5M	\$131.2M	\$136.8M	\$141.5M	\$144.5M
Garbage Collection Fund					\$54.4M	\$64.0M	\$63.0M	\$62.0M	\$57.6M	\$62.3M
Grand Total	\$405.3M	\$421.8M	\$465.5M	\$466.5M	\$560.0M	\$578.7M	\$591.5M	\$641.9M	\$585.8M	\$637.4M

SPECIAL REVENUE - EXPENDITURES

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Vehicle Tax Fund	\$151.6M	\$163.2M	\$182.9M	\$196.2M	\$186.9M	\$206.8M	\$203.7M	\$227.2M	\$179.6M	\$188.5M
Motor Fuel Tax Fund	\$48.5M	\$53.0M	\$82.9M	\$70.7M	\$45.5M	\$54.8M	\$62.1M	\$67.4M	\$97.8M	\$107.6M
Special Events and Municipal Hotel Operators' Occupation Tax Fund	\$34.1M	\$36.9M	\$41.9M	\$40.5M	\$47.2M	\$44.6M	\$46.5M	\$50.6M	\$25.4M	\$25.1M
Library Fund	\$81.5M	\$80.2M	\$84.4M	\$85.5M	\$97.8M	\$98.1M	\$102.6M	\$107.6M	\$108.4M	\$101.3M
Emergency Communication Fund	\$65.4M	\$68.7M	\$67.0M	\$109.6M	\$96.4M	\$94.0M	\$110.6M	\$145.4M	\$132.0M	\$138.7M
Garbage Collection Fund					\$59.8M	\$61.0M	\$59.4M	\$59.1M	\$65.9M	\$58.8M
Grand Total	\$381.1M	\$402.1M	\$459.1M	\$502.6M	\$533.6M	\$559.3M	\$584.9M	\$657.4M	\$609.1M	\$620.0M

Does not include amounts designated for debt service.

ENTERPRISE FUNDS

The City's Enterprise Funds support the operation, maintenance, and capital programs of the City's water and sewer systems, Chicago O'Hare International Airport ("O'Hare") and Chicago Midway International Airport ("Midway"). These funds are self-supporting, in that each fund derives its revenues from charges 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.

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

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

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

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
0200 - Water Fund										
Water Service	\$562.6M	\$620.5M	\$670.6M	\$750.2M	\$735.9M	\$729.6M	\$746.5M	\$717.5M	\$714.3M	\$748.6M
Non-Operating Revenues	\$1.4M	\$1.0M		\$3.3M	\$1.2M	\$13.5M	\$7.1M	\$24.5M	\$21.7M	\$3.8M
Other	\$13.7M	\$16.6M	\$22.1M	\$19.2M	\$25.5M	\$29.4M	\$27.4M	\$26.9M	\$22.3M	\$27.1M
0314 - Sewer Fund										
Sewer Service	\$252.9M	\$291.1M	\$321.1M	\$374.8M	\$367.8M	\$356.5M	\$368.2M	\$350.1M	\$333.5M	\$365.2M
Non-Operating Revenues	\$1.1M	\$2.2M	\$3.8M	\$3.9M	\$1.1M	\$4.4M	\$7.4M	\$11.7M	\$12.1M	\$2.2M
Capital Grants	\$2.5M	\$2.5M			\$16.6M	\$6.4M	\$2.3M	\$0.0M	\$3.3M	\$0.0M
Other	\$1.0M	\$1.2M	\$1.1M	\$1.1M	\$1.1M	\$1.2M	\$1.5M	\$1.0M	\$0.5M	\$1.1M
0610 - Midway Fund										
Landing Fees, Terminal Area Use Charges	\$70.9M	\$90.0M	\$83.5M	\$84.6M	\$87.4M	\$95.4M	\$106.1M	\$125.4M	\$113.5M	\$138.1M
Rents, Concessions, and Other	\$86.9M	\$85.2M	\$86.8M	\$91.5M	\$94.8M	\$99.6M	\$100.4M	\$102.1M	\$74.3M	\$82.8M
Non-Operating Revenues	\$48.3M	\$47.1M	\$51.5M	\$53.2M	\$50.7M	\$55.2M	\$54.5M	\$55.3M	\$102.7M	\$69.7M
Capital Grants	\$4.7M	\$5.0M	\$4.8M	\$9.3M	\$27.9M	\$31.6M	\$6.8M	\$3.4M	\$15.2M	\$5.8M
0740 - O'Hare Fund										
Landing Fees, Terminal Area Use Charges	\$436.9M	\$442.9M	\$552.4M	\$546.1M	\$635.2M	\$651.0M	\$709.9M	\$811.3M	\$639.9M	\$816.0M
Rents, Concessions, and Other	\$265.7M	\$274.7M	\$292.1M	\$299.2M	\$312.6M	\$325.2M	\$352.0M	\$442.2M	\$265.8M	\$329.2M
Non-Operating Revenues	\$201.9M	\$189.2M	\$233.3M	\$224.5M	\$222.2M	\$256.9M	\$258.1M	\$294.2M	\$212.2M	\$334.2M
Capital Grants	\$73.5M	\$203.5M	\$89.0M	\$76.7M	\$70.7M	\$82.0M	\$131.0M	\$146.7M	\$151.3M	\$81.5M
Grand Total	\$2,024.0M	\$2,272.8M	\$2,412.1M	\$2,537.6M	\$2,650.8M	\$2,737.8M	\$2,879.3M	\$3,112.4M	\$2,682.4M	\$3,005.1M

2023 BUDGET FORECAST
APPENDICES

ENTERPRISE FUNDS – EXPENDITURES

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
0200 - Water Fund										
Administrative & General	\$21.9M	\$21.2M	\$22.0M	\$22.1M	\$20.3M	\$13.6M	\$13.0M	\$13.0M	\$13.9M	\$14.9M
Central Services & General Fund Reimbursements	\$107.4M	\$108.7M	\$119.2M	\$129.1M	\$126.4M	\$121.7M	\$127.0M	\$124.0M	\$139.8M	\$133.1M
Customer Accounting & Collection	\$10.0M	\$11.6M	\$11.9M	\$14.7M	\$15.3M	\$18.2M	\$22.1M	\$27.2M	\$27.0M	\$26.5M
Non-Operating Expenses	\$79.1M	\$92.3M	\$99.7M	\$106.1M	\$209.6M	\$108.3M	\$91.3M	\$97.0M	\$95.9M	\$94.0M
Pension Expense				\$12.7M	\$12.3M	\$24.4M	\$32.1M	\$39.8M	\$44.4M	\$50.3M
Power & Pumping	\$41.7M	\$43.2M	\$43.1M	\$41.3M	\$39.6M	\$41.4M	\$41.1M	\$42.7M	\$40.7M	\$45.2M
Purification	\$56.1M	\$60.8M	\$58.5M	\$57.1M	\$57.5M	\$60.5M	\$62.9M	\$67.8M	\$61.8M	\$62.3M
Source of supply	\$0.2M	\$0.1M	\$0.3M	\$0.2M	\$0.1M	\$0.1M	\$0.2M	\$0.4M	\$0.2M	\$0.1M
Transmission & Distribution	\$36.5M	\$29.5M	\$43.7M	\$37.3M	\$39.2M	\$39.6M	\$59.7M	\$71.8M	\$71.7M	\$74.8M
Total	\$352.9M	\$367.4M	\$398.5M	\$420.6M	\$520.4M	\$427.9M	\$449.3M	\$483.8M	\$495.4M	\$501.3M
0314- Sewer Fund										
Administrative & General	\$21.3M	\$24.5M	\$14.4M	\$12.3M	\$11.8M	\$12.6M	\$13.5M	\$12.4M	\$12.3M	\$13.9M
Engineering	\$3.1M	\$3.3M	\$3.3M	\$3.3M	\$2.2M	\$2.5M	\$3.7M	\$3.5M	\$4.8M	\$5.3M
General Fund Reimbursements	\$31.7M	\$32.1M	\$36.7M	\$40.0M	\$50.8M	\$47.5M	\$51.2M	\$53.7M	\$54.5M	\$55.9M
Maintenance	\$21.8M	\$23.0M	\$24.4M	\$25.3M	\$21.9M	\$24.7M	\$24.9M	\$23.0M	\$24.4M	\$25.9M
Non-Operating Expenses	\$54.8M	\$68.5M	\$69.6M	\$153.9M	\$81.7M	\$81.4M	\$77.6M	\$80.0M	\$80.3M	\$83.7M
Pension Expense				\$4.4M	\$4.4M	\$9.5M	\$12.7M	\$15.7M	\$17.1M	\$19.9M
Repairs	\$35.7M	\$38.9M	\$40.4M	\$42.1M	\$36.4M	\$41.9M	\$43.7M	\$41.6M	\$47.4M	\$44.1M
Total	\$168.4M	\$190.3M	\$188.9M	\$281.4M	\$209.2M	\$220.0M	\$227.2M	\$229.8M	\$240.8M	\$248.7M
0610 - Midway Airport Fund										
Non-Operating Expenses	\$56.5M	\$75.4M	\$72.5M	\$84.1M	\$89.4M	\$62.6M	\$60.8M	\$69.5M	\$58.7M	\$71.6M
Other Operating Expenses	\$16.8M	\$18.4M	\$14.3M	\$14.7M	\$17.1M	\$13.7M	\$15.7M	\$15.9M	\$20.9M	\$33.4M
Pension Expense				\$6.1M	\$6.7M	\$9.5M	\$11.5M	\$13.9M	\$17.5M	\$19.1M
Professional & Engineering Services	\$15.0M	\$19.1M	\$23.3M	\$21.0M	\$20.9M	\$24.3M	\$24.1M	\$22.1M	\$20.8M	\$22.0M
Repairs and Maintenance	\$38.0M	\$39.6M	\$44.2M	\$44.1M	\$48.3M	\$44.5M	\$47.3M	\$47.0M	\$43.7M	\$48.9M
Salaries and Wages	\$44.5M	\$44.0M	\$47.8M	\$43.3M	\$48.5M	\$48.2M	\$51.4M	\$55.6M	\$56.0M	\$57.5M
Total	\$170.7M	\$200.5M	\$202.1M	\$213.4M	\$230.8M	\$202.8M	\$210.9M	\$224.0M	\$217.6M	\$252.5M
0740 - O'Hare Airport Fund										
Hilton Expenses	\$272.9M	\$315.0M	\$321.0M	\$342.2M	\$326.8M	\$348.2M	\$326.1M	\$324.4M	\$335.6M	\$427.3M
Other Operating Expenses	\$123.5M	\$97.3M	\$113.0M	\$92.1M	\$101.4M	\$103.4M	\$115.1M	\$149.1M	\$117.3M	\$146.7M
Pension Expense				\$25.8M	\$27.5M	\$38.7M	\$46.7M	\$56.4M	\$71.0M	\$77.1M
Professional & Engineering Services	\$74.3M	\$81.1M	\$88.1M	\$83.3M	\$95.6M	\$101.8M	\$111.6M	\$134.0M	\$141.0M	\$149.4M
Repairs and Maintenance	\$88.8M	\$85.5M	\$110.9M	\$98.9M	\$104.5M	\$95.3M	\$115.0M	\$143.2M	\$145.0M	\$170.2M
Salaries and Wages	\$163.5M	\$162.2M	\$183.0M	\$191.8M	\$204.1M	\$206.0M	\$222.6M	\$214.1M	\$222.9M	\$219.9M
Total	\$723.1M	\$741.1M	\$816.0M	\$834.1M	\$860.0M	\$893.4M	\$937.2M	\$1,064.2M	\$1,052.9M	\$1,214.9M
Grand Total	\$1,415.1M	\$1,499.3M	\$1,605.4M	\$1,749.5M	\$1,820.4M	\$1,744.1M	\$1,824.5M	\$2,001.8M	\$2,006.8M	\$2,217.4M

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

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
G.O. Tax Levy	\$7,004.8M	\$7,658.1M	\$8,436.3M	\$8,440.4M	\$9,102.4M	\$7,473.9M	\$7,579.9M	\$6,573.4M	\$5,769.8M	\$5,748.0M	\$5,561.1M	\$5,379.2M	\$5,178.0M	\$4,948.0M
O'Hare Revenue	\$6,970.9M	\$7,476.3M	\$7,466.5M	\$7,245.3M	\$6,970.6M	\$8,531.5M	\$10,318.0M	\$10,047.6M	\$9,609.6M	\$9,414.9M	\$9,315.1M	\$9,061.2M	\$8,767.5M	\$8,460.6M
Water Revenue	\$2,030.2M	\$1,996.9M	\$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	\$2,079.7M	\$1,960.3M	\$1,831.5M
Midway Revenue	\$1,383.2M	\$1,412.6M	\$1,506.3M	\$1,482.9M	\$1,755.8M	\$1,755.8M	\$1,713.5M	\$1,677.0M	\$1,628.8M	\$1,574.9M	\$1,514.8M	\$1,446.3M	\$1,375.1M	\$1,300.5M
Sewer Revenue	\$1,363.8M	\$1,369.5M	\$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	\$1,740.9M	\$1,664.9M	\$1,575.8M
Sales Tax Securitization						\$743.7M	\$2,036.4M	\$2,638.9M	\$3,652.6M	\$4,609.0M	\$4,459.8M	\$4,328.6M	\$4,185.0M	\$4,048.0M
G.O. Alternate Revenue	\$593.0M	\$554.9M	\$514.8M	\$472.6M	\$426.4M	\$355.0M	\$216.9M	\$148.3M	\$87.4M	\$64.9M	\$49.3M	\$43.0M	\$32.5M	\$26.7M
Sales Tax Revenue	\$566.0M	\$554.1M	\$541.6M	\$528.5M	\$514.7M	\$0.0M								
Motor Fuel Tax Revenue	\$187.2M	\$181.0M	\$183.8M	\$207.4M	\$234.1M	\$249.9M	\$245.4M	\$240.3M	\$173.9M	\$0.0M	\$0.0M	\$0.0M	\$0.0M	\$0.0M
G.O. Pledge	\$102.9M	\$101.2M	\$99.4M	\$88.3M	\$77.2M	\$75.1M	\$72.8M	\$59.6M	\$46.3M	\$39.7M	\$39.7M	\$39.7M	\$0.0M	\$0.0M
TIF	\$105.7M	\$80.1M	\$70.0M	\$60.7M	\$33.5M	\$27.9M	\$19.9M	\$16.2M	\$12.1M	\$7.7M	\$0.0M	\$0.0M	\$0.0M	\$0.0M
Grand Total	\$20,307.6M	\$21,384.7M	\$22,839.4M	\$22,603.5M	\$23,275.8M	\$23,475.3M	\$26,553.8M	\$25,793.8M	\$25,342.4M	\$25,685.6M	\$24,948.1M	\$24,118.6M	\$23,163.3M	\$17,243.1M

LONG-TERM DEBT SERVICE PAYMENTS

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
G.O. Tax Levy	\$367.8M	\$386.7M	\$367.7M	\$382.0M	\$394.7M	\$399.1M	\$452.1M	\$488.8M	\$426.9M	\$415.9M	\$133.5M	\$532.0M	\$529.1M	\$540.1M	\$540.1M
O'Hare Revenue	\$401.2M	\$731.9M	\$432.9M	\$521.0M	\$592.6M	\$607.8M	\$620.5M	\$625.7M	\$668.0M	\$654.4M	\$617.1M	\$524.3M	\$679.2M	\$706.9M	\$706.6M
Water Revenue	\$127.8M	\$129.4M	\$158.2M	\$158.7M	\$179.2M	\$184.6M	\$206.4M	\$205.1M	\$217.3M	\$211.9M	\$213.3M	\$215.9M	\$215.2M	\$215.4M	\$219.8M
Midway Revenue	\$90.6M	\$113.7M	\$80.4M	\$69.0M	\$91.9M	\$102.2M	\$90.4M	\$91.9M	\$99.1M	\$122.1M	\$124.7M	\$133.8M	\$138.9M	\$138.3M	\$138.1M
Sewer Revenue	\$82.4M	\$83.4M	\$100.8M	\$109.4M	\$135.0M	\$126.8M	\$138.3M	\$145.5M	\$156.0M	\$154.8M	\$158.0M	\$164.1M	\$164.2M	\$164.2M	\$164.3M
Sales Tax Securitization							\$0.0M	\$54.7M	\$123.3M	\$121.0M	\$156.2M	\$314.2M	\$310.9M	\$328.5M	\$315.9M
G.O. Alternate Revenue	\$54.8M	\$67.1M	\$67.1M	\$67.2M	\$68.3M	\$70.3M	\$97.8M	\$71.9M	\$45.7M	\$39.8M	\$26.9M	\$18.0M	\$7.9M	\$11.8M	\$6.6M
Sales Tax Revenue	\$15.5M	\$32.6M	\$38.6M	\$38.6M	\$36.9M	\$39.4M	\$24.9M	\$0.0M							
Motor Fuel Tax Revenue	\$15.5M	\$15.7M	\$15.6M	\$12.0M	\$14.4M	\$14.3M	\$15.1M	\$15.4M	\$15.6M	\$12.4M	\$8.6M	\$0.0M	\$0.0M	\$0.0M	\$0.0M
G.O. Pledge	\$2.3M	\$2.4M	\$2.4M	\$25.0M	\$16.6M	\$16.1M	\$5.2M	\$5.0M	\$15.7M	\$15.2M	\$8.1M	\$1.4M	\$1.4M	\$40.4M	\$0.0M
TIF	\$38.4M	\$24.3M	\$32.0M	\$23.5M	\$15.2M	\$6.5M	\$7.1M	\$6.9M	\$4.6M	\$4.8M	\$4.9M	\$7.9M	\$0.0M	\$0.0M	\$0.0M
Grand Total	\$1,196.3M	\$1,587.1M	\$1,295.7M	\$1,406.3M	\$1,544.8M	\$1,567.2M	\$1,657.8M	\$1,710.8M	\$1,772.2M	\$1,752.3M	\$1,451.4M	\$1,911.5M	\$2,046.8M	\$2,145.7M	\$1,551.2M

ASSET LEASE AND CONCESSION RESERVES

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

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

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

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

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

with \$40 million deposited into the reserves from 2012 to 2014 (\$20 million deposited in 2012, \$15 million deposited in 2013, and \$5 million deposited in 2014) and another \$30 million deposited into the operating liquidity fund from 2015 through 2019. In 2021, \$10 million was deposited into the operating liquidity fund, representing \$5 million deposits for 2020 and 2021.

ASSET LEASE FUND BALANCES

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Balance	\$624.8M	\$590.2M	\$626.0M	\$624.5M	\$640.2M	\$668.3M	\$652.5M	\$714.7M	\$753.3M	\$729.7M

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. Annually, the City updates the 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, which are backed by property tax revenue and are used for a variety of City infrastructure and facility projects.
- Water and sewer revenue bonds, which are backed by water and sewer user fees, respectively, and are used for the construction and repair of water and sewer lines and related facilities.
- O'Hare and Midway revenue bonds, which are backed by airport revenues, are used to fund airfield and terminal improvements and related facilities. The City also uses other airport operating revenues to fund capital improvements at both O'Hare and Midway Airport.
- Tax Increment Financing ("TIF"), which is used to fund neighborhood infrastructure such as roads, lighting, libraries, and bridges, and promote economic development in communities.

- State and federal funds which 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.

As part of the five-year Capital Plan, the City implemented the second year of the Chicago Works Program in 2022, an unprecedented \$1.4 billion general obligation bond funding commitment across the next two years 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 crosswalk ramps, 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 Assets, Information and Services. The plan promotes equity, public safety and year-to-year project continuity by funding repairs in every neighborhood. The aim is to reduce operational costs and address years of complaints about aging infrastructure, fleet, and information technology systems.

Details regarding the allocation, funding source, timing, and scope of each planned capital improvement project is available on the City's Office of Budget and Management website at <https://www.chicago.gov/obm>.

TAX INCREMENT FINANCING

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

There have been a total of 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 130 currently active in the City. Since the start of the TIF program, 29 districts have been terminated, 21 districts have expired, and 5 have been repealed. The City did not designate any new TIFs in 2021, and three TIF districts expired. In 2022, one new TIF has been designated and a second is expected to be designated late in the year. Additionally, three TIFs are scheduled to expire and five additional TIFs are expected to be terminated.

TIF revenues are generated from incremental property taxes within a designated district over a period of 23 or 24 years, or up to 36 years if extended by State legislation, with the

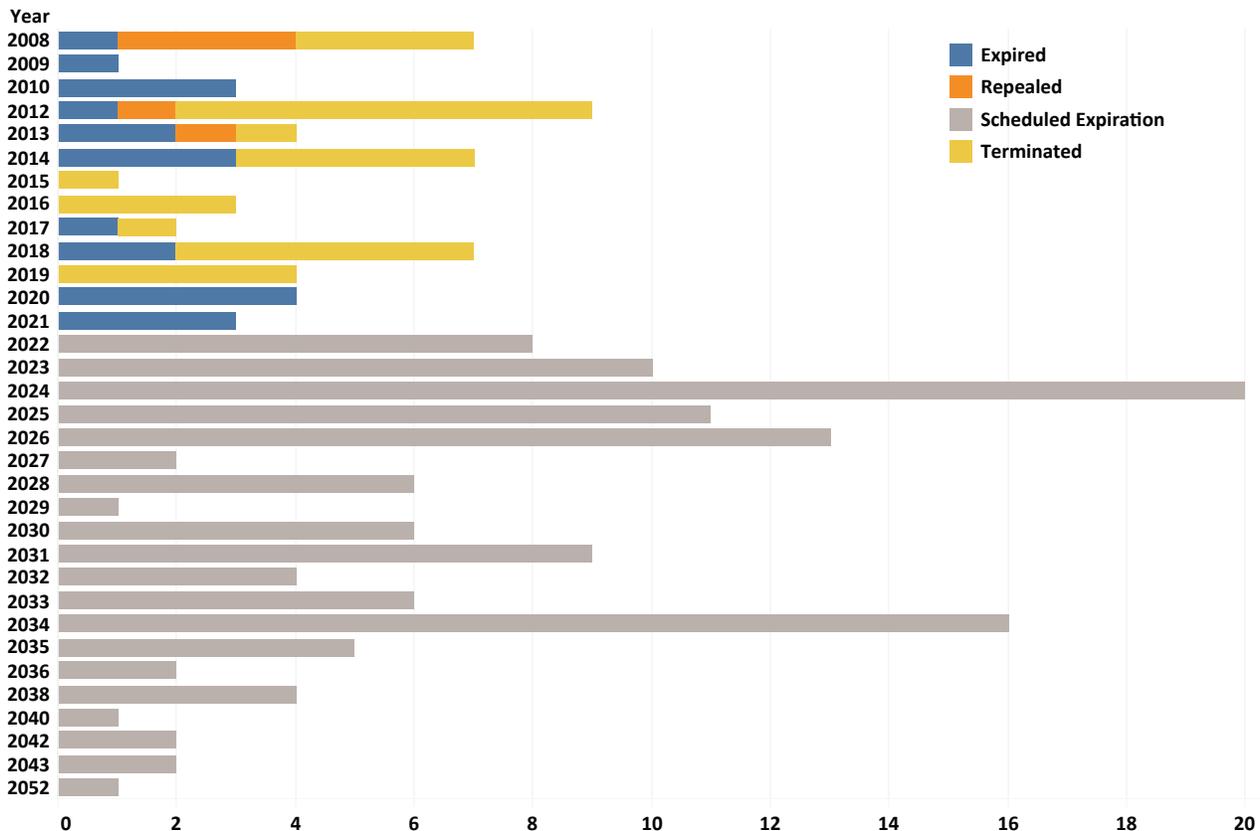
exception of transit TIFs which have a maximum 36-year life.

TIF revenues are used to fund community projects, public improvements, and provide incentives to attract private investment to the area. Funds are used to build and repair neighborhood streets, alleys, bridges, and lighting; modernize and improve schools; construct and upgrade the transit system; build and improve parks; increase affordable housing; and promote neighborhood economic development.

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

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

TIF COUNT BY END YEAR



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.

CITY PROPERTY TAX LEVY

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

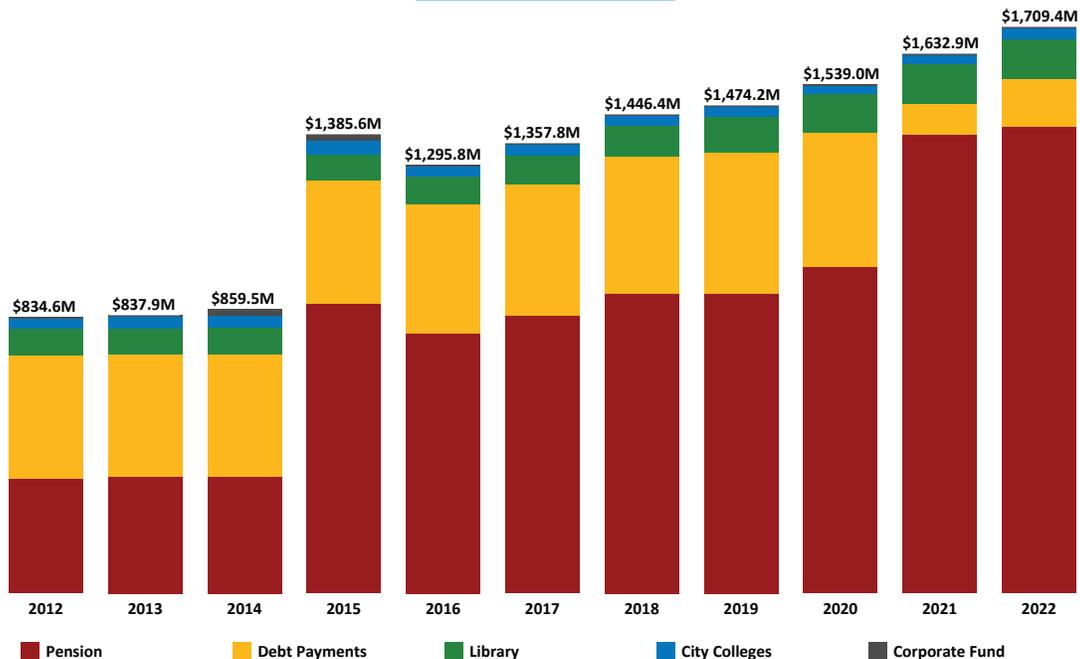
and is not general purpose revenue.

The City’s property tax levy is used to pay for debt service and pension contributions. In 2022, the City budgeted \$144.1 million in property tax revenue to fund debt service payments and \$1,403.1 million to fund the City’s contribution to pension funds. In addition, the City levy includes amounts dedicated to the payment of bonds for City Colleges of Chicago. In 2022, the City’s levy includes \$34.0 million dedicated to the payment of bonds issued in 1999 and 2007 by the City on behalf of the City Colleges of Chicago. Historically, 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 Library property tax levy supports operations, debt service, and pension contributions associated with Chicago Public Library (“CPL”).

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 the 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”). The City, however, is not subject to this state-mandated cap on the amount that it levies. 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.

PROPERTY TAX LEVY



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.

The County reassesses all property values every three years, based on three prior years of sales. The City of Chicago reassessment occurred in 2021, which will first be reflected on the property tax bills paid in 2022. 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 2022 reflect 2021 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 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 2022 for the freeze, it would be retroactive to the 2021 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.

2023 BUDGET FORECAST
GLOSSARY

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, Motor Fuel Tax revenue bonds, tax increment allocation 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: 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).

2023 BUDGET FORECAST GLOSSARY

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

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

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

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

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

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, and a 9.0 percent tax on pre-paid wireless service. Authorization: Municipal Code 3-64-030 and 7-50-020.

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

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

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

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

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

Full Time Equivalent (“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 multi-family buildings with four units or fewer. Authorization: Municipal Code 7-28-235.

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

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

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

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

Ground Transportation Tax: A tax imposed on the provision of hired ground transportation to passengers in the City of Chicago. The tax rate is \$98 per month on medallion licensees. There is a \$3.50 per day charge for each non-taxicab vehicle with a seating capacity of 10 or fewer passengers, \$6 per day for each non-taxicab vehicle with a seating capacity of 11 to 24 passengers, \$9 per day for each non-taxicab vehicle with a capacity of more than 24 passengers. Transportation network provider vehicles are charged \$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 Accessibility 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 pick-up 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 non-capital 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.

2023 BUDGET FORECAST GLOSSARY

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 \$0.387 per gallon of gasoline and \$0.462 per gallon of diesel fuel. A portion of the revenue is distributed to municipalities and townships based on population via a Statewide allocation formula. Authorization: 35 ILCS 505/2, 505/8.

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

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

Municipal Hotel Operators' Occupation Tax: A tax authorized by State legislation and imposed on the activity of renting hotel accommodations in the City of Chicago. The tax rate is 1.0 percent of gross receipts. The tax is administered and collected by the Illinois Department of Revenue and distributed monthly to the City of Chicago. Authorization: Municipal Code 3-40-470.

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

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

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

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

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

Personal Property Lease Transaction Tax: A tax imposed on the lease, rental or use of rented, personal property 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, non-alcoholic beverages, and off-track betting.

Reimbursements and Financial Expenses:

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

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

Sales Tax Securitization Corporation Residual Revenues: In October 2017, the City Council passed an ordinance authorizing the creation of a Sales Tax Securitization Corporation ("STSC"). This revenue securitization structure was developed because of legislation passed by the Illinois General Assembly, allowing all home rule municipalities to create a special purpose corporation organized for the sole purpose of issuing bonds paid for from revenues collected by the State. In December 2017, the City of Chicago entered into a sale agreement ("Agreement") with the STSC. Under the Agreement, the City sold to the STSC

the City's rights to receive Sales Tax revenues collected by the State. In return, the City received the proceeds of bonds issued by the STSC as well as a residual certificate. Sales Tax revenues received by the STSC are paid first to cover the STSC's operating expenses and debt service on the STSC's bonds. All remaining Sales Tax revenues are then paid to the City as the holder of the residual certificate.

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

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

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

Special Revenue Fund: A fund established to account for the operations of a specific activity and the revenue generated for carrying out that activity. Special Revenue Funds are used to account for the proceeds of specific revenue sources (other than special assessments, expendable trusts, or major capital projects) requiring separate accounting because of legal or regulatory provisions or administrative action.

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

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

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

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

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

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

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

Vehicle Fuel Tax: A tax imposed on the purchase of vehicle fuel purchased or dispensed within the City of Chicago. The tax rate is \$0.08 per gallon. Authorization: Municipal Code 3-52-020.

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

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

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

Water and Sewer Tax: A utility tax assessed on water and sewer use within the City of Chicago. As of 2021, 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 \$95.42 for smaller passenger automobiles (less than 4,500 pounds) and \$151.55 for larger passenger automobiles (4,500 pounds or more). The fee varies for other vehicle classifications. Authorization: Municipal Code 3-56-050.

