



CITY OF CHICAGO

QUARTERLY
BUDGET REPORT

2ND QUARTER 2013

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INTRODUCTION

CONTENT AND PURPOSE

This quarterly report presents an overview of the City's operating revenues and expenditures for the second quarter of 2013, as compared to budgeted amounts, and explains any notable aberrations or trends in these numbers. The revenue and expenditure information in this report is organized by City fund. For definitions of the City's budgeted funds and revenue sources, please refer to the [2013 Budget Overview](#) and the [2013 Annual Financial Analysis](#). This report focuses on local fund operating revenues and expenditures. This report does not include information on grant funds, pension payments, debt service funds, or capital expenditures.¹ Information on those areas can be found in the 2013 Budget Overview and the 2013 Annual Financial Analysis.

The purpose of this quarterly public reporting on the City's revenues and expenditures is twofold. First, it ensures that the City is consistently monitoring its revenues and expenditures so that it can proactively respond to unanticipated changes or emerging trends. Second, and equally important, these reports increase the transparency of City finances. The City is ultimately accountable to its residents to use the revenue it brings in efficiently and effectively to provide the highest quality services, and quarterly public reporting provides taxpayers with the information they need to hold the City to this standard.

TIMEFRAME AND LIMITATIONS

The information in this report is the most accurate and up-to-date information available at the time of publication. However, this report is not an audited financial statement and the numbers provided herein are preliminary and subject to change as the year progresses. No data on revenues and expenditures is final until the City has completed its annual audit and finalized its Comprehensive Annual Financial Report (CAFR), which is released in the summer of each year for the prior year. It should be noted that the City balances its budget on an annual basis, and that each fund's revenues and expenditures may not align on a quarterly basis. This is the result of the inherent seasonality of many of these revenue streams and expenses, as is further described in the following pages.

With respect to revenues: The City regularly monitors and adjusts its revenue projections based on to-date revenue performance and other developments that may affect City revenues in order to form a more accurate picture of the City's financial position. In connection with this process, the City develops revenue projections for each month. These monthly projections reflect historical patterns, seasonality, and other known factors that may affect certain revenue streams. These projections are used to develop the "Q2 2013 Budget" amounts shown in the tables in this report, which represent the amounts that the City expected to receive during the second quarter of the year. The "Q2 2013 Estimates" presented in the tables in this report are the City's current estimates, as of the date of this report, of its actual revenues for the second quarter. These numbers remain estimates pending adjustments that will be made as additional information and collections are received by the City. For example, certain revenues, as noted herein, are collected and distributed by the State, and there is a time lag in when information on the amount of actual collections is provided to the City, and in some cases, a delay in when the City receives actual distributions. In addition, a small portion of the fees and fines attributed to a given quarter typically come in later in the year due to delinquencies and disputed payments, and the actual amount of such revenues is not known until all payments are received.

With respect to expenditures: Expenditures include funds that are encumbered but may not yet have been spent, such as the full-year cost of property rentals and payments under certain technology maintenance and licensing contracts. The "Q2 2013 Budget" amounts presented in the expenditure tables in this report reflect historical spending patterns as applied to this year's budget, with the exception of transfers to other City funds and healthcare expenditures, which are not allocated by fund until year-end; for these expenses, the "Q2 2013 Budget" is set at 50 percent of the full-year budget. The "Q2 2013 Estimates" for expenditures are extracted directly from the City's financial management system, with the exception of transfers to other City funds and healthcare expenditures, as further discussed in the following sections. These figures represent a snapshot of City expenditures at a certain point in time and do not reflect final adjustments made to prepare the City's CAFR.

¹ Expenses funded through grants and general obligation bond proceeds are not covered in this report, as these are budgeted separately from the City's local funds. However, capital investment costs for the City's water, sewer, and aviation funds are outlined in the enterprise fund section of this report, as capital and financing costs for capital projects are included in the overall budgets of these self-supporting funds.

CORPORATE FUND

SUMMARY OF LOCAL FUNDS

The City's overall local fund revenues continued to keep pace with expectations during the second quarter of 2013, with most economically sensitive revenues meeting or exceeding 2013 budget projections of moderate growth. The City's major local fund expenditures were generally in line with seasonal expectations, with the City's second quarter 2013 expenditures across all funds at 43 percent of full-year budgeted expenses. While operating expenditures were generally at or near 50 percent of the full-year budget at the end of the second quarter, the timing of debt service payments from the City's enterprise funds, many of which are not made until later in the year, brings the overall rate of expenditures down. Revenues and expenditures for each fund are discussed in greater detail in the following pages.

CORPORATE FUND REVENUE

Total corporate fund revenues were slightly above budgeted expectations, with losses in certain non-tax revenues offset by strong economically sensitive tax revenue performance.

Overall utility tax revenues through the second quarter were slightly above budgeted expectations and 4 percent over revenues for the same period in 2012. This growth was due largely to increasing natural gas prices, which were up by 30 percent over 2012 levels during the first half of 2013. Telecommunications tax revenue came in below budget through the second quarter, reflecting the continuing reduction in the use of landlines as more customers choose to have only wireless accounts, as well as other industry trends.

As gasoline prices remained high during the second quarter of the year, overall transportation-related revenues came in slightly below budget, as people tend to drive less when fuel prices are high. Garage tax revenues held at budgeted levels, while vehicle fuel tax revenues were below budget for the first half of 2013.

The City's economically sensitive revenues continued to exceed budgeted expectations, as the moderate economic growth seen throughout 2012 continued into 2013. Real property transfer tax revenues finished the first half of the year 25 percent above budget and 17 percent over the first half of 2012. Home and commercial sales, which saw

strong growth throughout 2012, continued to grow into 2013, and home prices in the Chicago area were up from 2012 levels in every month of 2013, reaching 7 percent above 2012 prices in May.

Sales tax and personal property lease tax revenues also exceeded budgeted expectations, as the Consumer Sentiment Index rose 4 percent over 2012 levels for the first six months of 2013. Strong retail sales figures for the first half of the year took sales tax revenues 3 percent above budget, and lease tax revenues came in 13 percent above budgeted expectations, impacted by both increasing consumer confidence and effective City enforcement efforts.

Income tax and personal property replacement tax (PPRT) revenues finished the second quarter 8 percent above budgeted expectations, with increases in both individual and corporate income tax collections. These revenues were also impacted by a one-time surge in payments seen in April associated with businesses and individuals selling assets or receiving early dividends or bonuses in anticipation of higher federal tax rates.

Business taxes came in 10 percent above budget through the second quarter, as hotel tax revenues exceeded growth projections. Local hotel sales were strong, with revenue per available room increasing by 7 percent over the first half of 2012 and hotel occupancy rates in the city reaching more than 90 percent in June.

Due largely to the Blackhawks' Stanley Cup championship, amusement tax revenues rebounded from a slow first quarter caused by reductions in Cubs and White Sox season ticket prices and the NHL lockout to finish the second quarter 10 percent above budget. While amusement tax revenues improved, overall recreation tax revenues were affected by decreased cigarette sales due in part to State and County increases in their cigarette tax rates. Liquor and non-alcoholic beverage tax revenues finished the second quarter on budget.

Business license and building permit-related revenues continued to track slightly above budgeted expectations during the second quarter, with greater than anticipated revenue from taxi license, advertising permit, and street-related permit fees, as well as growth in the housing industry contributing to increased building permit revenue. Collections from fines, forfeitures, and penalties

CORPORATE FUND - REVENUE \$ MILLIONS	2013 BUDGET	Q2 2013 BUDGET	Q2 2013 ESTIMATES
Tax Revenue			
Utility Taxes and Fees	\$444.22	\$236.05	\$242.74
Transaction Taxes	225.00	105.92	124.95
Transportation Taxes	180.60	88.11	87.42
Recreation Taxes	162.74	85.96	90.68
Business Taxes	103.19	42.31	46.98
Sales and Use Taxes	563.06	279.46	288.23
Income Tax, PPRT & Other Intergovernmental ²	265.72	150.96	163.00
Total Tax Revenue	1,944.53	988.77	1,044.00
Non-Tax Revenue			
Licenses and Permits	110.16	58.80	65.17
Fines, Forfeitures and Penalties	330.62	154.12	154.96
Charges for Services	124.37	67.48	61.44
Municipal Parking	9.05	4.87	6.39
Leases, Rentals and Sales	23.03	3.86	3.18
Reimbursement, Interest & Other ³	385.12	168.99	158.71
Total Non-Tax Revenue	982.35	458.12	449.85
Proceeds and Transfers In⁴	58.00	20.00	7.42
Total Revenue	2,984.88	1,466.89	1,501.27
Appropriated Prior Year Fund Balance ⁵	177.00	88.50	88.50
Total Resources⁶	\$3,161.88	\$1,555.39	\$1,589.77

CORPORATE FUND - EXPENDITURES \$ MILLIONS	2013 BUDGET	Q2 2013 BUDGET	Q2 2013 ESTIMATES
Salaries and Wages	\$2,243.25	\$1,127.15	\$1,112.56
Healthcare Benefits ⁷	376.20	188.10	188.10
Worker's Compensation	59.90	28.72	33.43
Contractual Services	346.98	186.39	180.25
Commodities and Materials	23.36	10.55	12.68
Utilities	11.62	4.54	4.29
Motor Fuel	25.80	12.58	11.95
Claims, Refunds, Judgments, and Legal Fees	26.40	26.40	26.40
Miscellaneous	32.52	12.30	12.67
Transfers Out ⁸	15.85	7.93	7.93
Total Expenditures⁶	\$3,161.88	\$1,604.66	\$1,590.26

² The majority of the City's PPRT revenue is used to pay pension contributions into the City's four pension funds. The City budgeted \$126.6 million in PPRT revenue to put towards its \$479.5 million in 2013 pension payments, and a remaining \$4.6 million in PPRT revenue in the corporate fund. No PPRT dollars actually flow into the City's corporate fund until PPRT revenues beyond \$126.6 million are received.

³ This category of revenue includes the anticipated TIF surplus of \$6.7 million, which is not transferred to the corporate fund until later in the year and thus not included in the Q2 2013 Estimate, and reimbursements to the corporate fund from the City's enterprise and special revenue funds as well as other intergovernmental funds, which are allocated by quarter and included in the Q2 2013 Estimate.

⁴ This category of revenue includes proceeds from certain financing transactions and interest earned on the City's asset lease reserve funds, which are allocated by quarter and included in the Q2 2013 Estimate.

⁵ The appropriated prior year fund balance is the surplus or deficit from the prior budget year that is included the current year's budget. One half of the appropriated fund balance is considered revenue for the first two quarters of the year for the purposes of this report.

⁶ The total 2013 corporate fund budget under the originally enacted annual appropriation ordinance was \$3,158.56 million. The annual appropriation ordinance was amended in February to provide additional funding in the amount of \$1.25 million to Austin Polytechnical Academy for investment in advanced manufacturing education programs and further amended in June to provide funding in the amount of \$2.08 million to the Chicago Public Schools for summer employment programs, increasing the total corporate fund budget for the year to \$3,161.88 million.

⁷ The City's healthcare expenditures are paid on a Citywide basis and later adjusted for employee contributions and allocated among City funds. Due to the timing of healthcare payments, actual healthcare expenditures are not available at this point in the year. As a result, the Q2 2013 Budget and the Q2 2013 Estimate for healthcare expenditures are set at 50 percent of the full-year budget for these expenses.

⁸ Transfers out consist of reimbursements and transfers from the corporate fund to other City funds for operating expenses, which are allocated by quarter and included in the Q2 2013 Estimate.

CORPORATE FUND CONTINUED

were in line with budgeted expectations, while revenue from the sale, rental, and lease of City-owned property was below budget through the second quarter but is expected to pick up during the second half of the year based on current inventory.

Decreases in other non-tax revenues were seen during the first half of the year due in part to the decision not to pursue certain financing transactions as well as losses in federal grant reimbursements and bond subsidies related to the sequestration.

CORPORATE FUND EXPENDITURES

Corporate fund expenditures for the second quarter of the year were just over 50 percent of total 2013 budgeted expenditures for the fund. Salary and wage expenditures, which represent the large majority of total corporate fund expenditures, ended the quarter at just under 50 percent of budgeted salary and wage costs for the year.

The City's expenditures for contractual services are typically front-loaded, as certain contract costs, such as rent, insurance premiums, and software licensing fees, are fully encumbered at the start of the year. Contractual services expenditures through the second quarter were \$180.3 million, or 52 percent of the full-year corporate fund budget for such costs.

Corporate fund utility expenses came in at budget through June. The unusually cold March increased natural gas needs at the same time as natural gas prices were rebounding after hitting all-time lows in 2012, increasing the City's costs for heating. However, this was offset by lower than anticipated electricity costs for the first half of the year as the mild early summer reduced cooling needs and costs at City facilities. Motor fuel expenses through June were in line with budgeted expectations.

The corporate fund budget for claim and judgment-related expenditures was spent prior to the end of the second quarter. Each year, the City uses both corporate fund resources and bond proceeds to pay for expenses incurred in connection with claims and judgments against the City, and certain expenses in excess of the amount budgeted on the corporate fund are paid with bond proceeds. Workers' compensation-related expenses also exceeded the second quarter allocation for these costs. These costs are being addressed as part of a Citywide effort to improve case

management for employees injured on-duty, more closely monitor associated medical billings, and enhance overall workplace safety.

Commodities and materials expenditures for the first half of the year were at 54 percent of the full-year budget for such expenses. The higher proportion of these expenditures made in the first half of this year is due in part to the timing of certain vehicle and equipment part purchases. Miscellaneous expenses, which include the cost of smaller equipment and tools, matching funds for grants received by the City, and local transportation and travel costs, were in line with budgeted expectations through the second quarter.

VEHICLE TAX FUND

Vehicle sticker revenues were in line with second quarter expectations, which reflect normal patterns for sticker expiration and sales – on average, 90 percent of stickers are purchased during the second and third quarters of the year. Revenues from impoundments and towing-related fees and fines came in at budgeted levels, while pavement cut fee revenue fees were above budget, due to an increased number of construction projects, including infrastructure improvements by Peoples Gas.

Vehicle tax fund expenditures through the end of the second quarter were at 54 percent of total 2013 budgeted expenditures for this fund. Like the corporate fund, expenditures from this fund are driven largely by personnel costs. Salary and wage expenses on this fund appear high for the second quarter of the year; however, a portion of these expenses were for employees working on capital projects and will be reimbursed with capital funding prior to year-end. Worker's compensation costs for this fund were higher than expected during the second quarter and are being addressed through the ongoing Citywide initiative discussed above.

Relatively high half-year contractual services expenditures reflect the high proportion of front-loaded contract costs on this fund – both rental and telecom costs on the fund were fully encumbered at the start of the year. Second quarter commodities and materials, motor fuel, and other miscellaneous expenditures were in line with budgeted expectations.

SPECIAL REVENUE FUNDS

MOTOR FUEL TAX FUND

Revenue from motor fuel taxes was 2 percent below the same-period in 2012 and 1 percent below budgeted expectations for the first half of 2013. This pattern reflects high gasoline prices in the Chicago area, which tends to reduce driving, as well as the impact of changing consumer habits and conservation efforts. The 'other revenue' category consists of anticipated funding from the State's Illinois Jobs Now! Program, which will not be received until later in the year.

Second quarter expenditures for the motor fuel tax fund, which supports snow removal and street maintenance, were slightly below budget at 44 percent of full-year budgeted expenses. The relatively low second quarter expenditures are attributable in part to the timing of salt purchases. Because salt can be stored and used as needed, the timing of purchases does not necessarily align with weather patterns. For example, while snow removal expenses for the first half of 2013 were greater than for the same months in 2012, salt expenditures in 2013 were significantly lower than in 2012, as stored salt was utilized. Additional salt purchases will be made later in the year based on needs.

Street repair and maintenance expenses generally pick up as the year progresses, with summer weather allowing more construction and maintenance projects to move forward. In general, low to-date expenditures are not predictive of the full fiscal year for this fund; the volatility of Chicago weather makes this fund's expenditures inherently difficult to forecast - late-summer storms or December snow events may necessitate greater spending in future quarters.

Debt service on motor fuel tax revenue bonds, the proceeds of which fund the construction of road-related improvements, is paid out of this fund throughout the year in line with budgeted amounts.

SPECIAL EVENTS & HOTEL TAX FUND

Hotel operator's occupation tax revenue surpassed second quarter expectations as local hotel occupancy set a record for the first six months of the year and revenue per available room in Chicago increased by 7 percent over the same period in 2012 following a year-over-year increase of 10 percent from 2011 to 2012. Recreation fee revenues are in line with expectations and will increase once accounting for many of the larger City-run events, including the Taste of Chicago, is completed.

Expenditures for the first half of the year are also in line with expectations, due in part to the seasonality of event-related expenses. Spending from this fund is low as a percentage of the full-year budget, at 39 percent, but is expected to increase for the late-summer and fall months in support of major City-run events and festivals. Expenditures through the second quarter are, however, trending above historical levels for the same period, reflecting the continued implementation of the City's new cultural plan.

LIBRARY FUND

Revenue to the City's library fund does not generally fluctuate from budgeted levels, as the majority of this revenue comes from the City's property tax levy and a subsidy from the City's corporate fund.

Expenditures from the library fund were just under the second quarter budget at 48 percent of total 2013 budgeted expenditures for this fund. Salary and wage expenditures for this fund were relatively low through the second quarter but will be impacted by continued hiring of library staff during the remainder of the year. Trends in spending for most other categories of expenses mirrored those for the corporate fund for the first half of the year.

SPECIAL REVENUE FUNDS CONTINUED

SPECIAL REVENUE FUNDS - REVENUE \$ MILLIONS	2013 BUDGET	Q2 2013 BUDGET	Q2 2013 ESTIMATES
Vehicle Tax Fund			
Vehicle Sticker Tax	\$116.59	\$52.83	\$52.83
Impoundment, Pavement Cut & Other Fees	20.33	10.17	12.02
Other Revenue & Reimbursements	19.84	1.40	1.30
Total Revenue	156.76	64.40	66.15
Appropriated Prior Year Fund Balance ⁷	12.97	6.48	6.48
Total Resources	\$169.73	\$70.88	\$72.63
Motor Fuel Tax Fund			
Motor Fuel Tax	\$63.70	\$32.12	\$31.66
Interest & Other Revenue	6.00	0.00	0.00
Total Revenue	69.70	32.12	31.66
Appropriated Prior Year Fund Balance ⁷	2.02	1.01	1.01
Total Resources	\$71.72	\$33.13	\$32.67
Special Events & Hotel Tax Fund			
Hotel Operator's Occupation Tax	\$19.20	\$8.48	\$8.88
Recreation Fees, Rental & Other Charges	10.60	3.60	3.69
Other Revenue	6.50	0.00	0.00
Total Revenue	36.30	12.08	12.57
Appropriated Prior Year Fund Balance ⁷	2.91	1.45	1.45
Total Resources	\$39.21	\$13.53	\$14.02
Library Fund⁸			
Property Tax Levy	\$72.26	\$36.13	\$36.13
Corporate Fund Subsidy	10.82	0.00	0.00
Rental, Fines & Other Revenue	3.98	1.96	1.69
Total Revenue	87.06	38.09	37.82
Appropriated Prior Year Fund Balance ⁷	2.91	1.45	1.45
Total Resources	\$89.97	\$39.54	\$39.27

⁷The appropriated prior year fund balance is the surplus or deficit from the prior budget year that is included the current year's budget. One half of the appropriated fund balance is considered revenue for the first two quarters of the year for the purposes of this report.

⁸Revenues from the property tax levy and the corporate fund subsidy are not actually transferred into the library funds until later in the year; however, because these amounts will not fluctuate from budgeted levels, one half of the total is considered revenue for the first two quarters of the year for the purposes of this report.

SPECIAL REVENUE FUNDS CONTINUED

SPECIAL REVENUE FUNDS - EXPENDITURES \$ MILLIONS	2013 BUDGET	Q2 2013 BUDGET	Q2 2013 ESTIMATES
Vehicle Tax Fund			
Salaries and Wages	\$77.60	\$44.36	\$46.35
Healthcare Benefits ⁹	17.58	8.79	8.79
Worker's Compensation	7.50	5.17	5.10
Contractual Services	27.61	10.62	12.87
Commodities and Materials	3.56	1.63	1.77
Utilities	6.96	1.41	2.30
Motor Fuel	2.72	1.28	1.67
Claims, Refunds, Judgments, and Legal Fees	1.65	0.87	0.78
Miscellaneous	2.40	0.34	0.58
Transfers Out ¹⁰	22.14	11.07	11.07
Total Expenditures	\$169.72	\$85.54	\$91.28
Motor Fuel Tax Fund¹¹			
Total Expenditures	\$71.72	\$33.84	\$31.56
Special Events & Hotel Tax Fund			
Special Events & Tourism Programming	\$18.37	\$5.80	\$6.46
Salaries and Wages	6.91	3.00	3.27
Healthcare Benefits ⁹	1.03	0.52	0.52
Worker's Compensation	0.01	0.00	0.00
Contractual Services	9.58	3.33	3.14
Commodities and Materials	0.10	0.03	0.02
Miscellaneous	0.69	0.16	0.58
Transfers Out ¹⁰	2.52	1.26	1.26
Total Expenditures	\$39.21	\$14.10	\$15.25
Library Fund			
Salaries and Wages	\$51.10	\$25.55	\$23.83
Healthcare Benefits ⁹	11.67	5.84	5.84
Worker's Compensation	0.42	0.18	0.32
Contractual Services	19.16	11.39	11.32
Commodities and Materials	1.27	0.22	0.41
Utilities	3.53	0.95	1.07
Miscellaneous	2.66	0.34	0.07
Transfers Out ¹⁰	0.16	0.08	0.08
Total Expenditures	\$89.97	\$44.55	\$42.94

⁹ The City's healthcare expenditures are paid on a Citywide basis and later adjusted for employee contributions and allocated among City funds. Due to the timing of healthcare payments, actual healthcare expenditures are not available at this point in the year. As a result, the Q2 2013 Budget and the Q2 2013 Estimate for healthcare expenditures are set at 50 percent of the full-year budget for these expenses.

¹⁰ Transfers out consist of reimbursements to the corporate fund for central services such as streets and sanitation, fleet and facility maintenance, and payments to the City's pension funds for the pensions of employees on these funds, which are allocated by quarter and included in the Q2 2013 Estimate.

¹¹ Expenditures for this fund cannot be categorized like those for other funds. This fund supports street lighting electricity, street and traffic light maintenance, bridge and pavement maintenance, and snow removal. In addition, a portion of these funds is transferred to the CTA to support the City's transportation system. Debt service payments on motor fuel tax revenue bonds, the proceeds of which fund the construction of road-related improvements, are made from this fund throughout the year in line with budgeted amounts.

ENTERPRISE FUNDS

WATER AND SEWER FUNDS

Water and sewer fund revenue estimates, which are adjusted to reflect anticipated collection rates, finished the second quarter slightly below budgeted expectations. The budget reflects seasonality in usage, with water consumption typically increasing in the second and third quarters.

Water and sewer fund expenditures were generally in line with budgeted expectations through the second quarter, with spending reflecting the timing of repair, maintenance, and improvements to the City's water and sewer systems. Debt service on water and sewer revenue bonds is paid semi-annually, in the second and fourth quarters. Proceeds from water and sewer revenue bonds fund improvements to the City's water and sewer infrastructure, including the repair of water pipes and sewer lines and the modernization of Chicago's major filtration plants.

AVIATION FUNDS

The Midway and O'Hare Airport funds operate like commercial enterprises, in that each derives its revenue from charges and associated user fees, which are aligned with fund expenditures. Accordingly, revenue estimates through the second quarter were adjusted to mirror expenditures through the second quarter, accounting for debt service payments that will be made later in the year.

Expenditures for the Midway and O'Hare Airport funds were at 22 and 24 percent of budgeted expenditures for the year, respectively. Second quarter expenditures for both funds are low as a percentage of total budgeted expenditures due to the fact that debt service on airport revenue bonds is not paid until later in the year. In addition, contractual services expenses at Midway were low through the second quarter due largely to the timing of certain payments under parking, baggage conveyor, and HVAC systems contracts.

ENTERPRISE FUNDS - REVENUE \$ MILLIONS	2013 BUDGET	Q2 2013 BUDGET	Q2 2013 ESTIMATES
Water Fund			
Total Revenue	\$632.91	\$299.34	\$290.60
Sewer Fund			
Total Revenue	\$280.19	\$131.68	\$128.39
O'Hare Fund			
Total Revenue	\$964.81	\$235.86	\$230.18
Midway Fund			
Total Revenue	\$229.98	\$60.89	\$51.04

ENTERPRISE FUNDS - EXPENDITURES \$ MILLIONS	2013 BUDGET	Q2 2013 BUDGET	Q2 2013 ESTIMATES
Water Fund			
Salaries and Wages	\$139.05	\$66.31	\$65.42
Healthcare Benefits ¹²	23.88	11.93	11.93
Worker's Compensation	10.03	5.54	4.85
Contractual Services	47.81	24.52	23.90
Commodities and Materials	29.74	10.76	13.29
Utilities	38.92	14.79	11.24
Motor Fuel	2.75	1.26	0.66
Claims, Refunds, Judgments, and Legal Fees	1.51	0.74	0.92
Miscellaneous	6.16	2.00	1.59
Capital and Financing Costs ¹³	248.41	81.05	77.60
Transfers Out ¹⁴	84.65	42.33	42.33
Total Expenditures	\$632.91	\$261.23	\$253.73

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ENTERPRISE FUNDS CONTINUED

ENTERPRISE FUND - EXPENDITURES \$ MILLIONS	2013 BUDGET	Q2 2013 BUDGET	Q2 2013 ESTIMATES
Sewer Fund			
Salaries and Wages	\$52.20	\$24.53	\$21.72
Healthcare Benefits ¹²	7.79	3.90	3.90
Worker's Compensation	4.35	3.10	2.78
Contractual Services	8.99	4.22	3.81
Commodities and Materials	6.13	5.58	3.16
Utilities	0.14	0.05	0.09
Motor Fuel	1.43	0.33	0.83
Claims, Refunds, Judgments, and Legal Fees	1.09	0.21	0.35
Miscellaneous	0.64	0.03	0.02
Capital and Financing Costs ¹³	141.11	31.00	32.89
Transfers Out ¹⁴	56.32	28.16	28.16
Total Expenditures	\$280.19	\$101.11	\$97.71
O'Hare Fund			
Salaries and Wages	\$145.38	\$68.23	\$67.31
Healthcare Benefits ¹²	26.09	13.04	13.04
Worker's Compensation ¹⁵	12.80	7.06	8.13
Contractual Services	224.80	113.07	106.94
Commodities and Materials	19.27	5.19	6.23
Utilities	24.35	7.74	7.66
Motor Fuel	2.66	0.90	1.08
Miscellaneous	13.18	1.23	0.40
Financing Costs ¹³	457.51	0.00	0.00
Transfers Out ¹⁴	38.77	19.39	19.39
Total Expenditures	\$964.81	\$235.85	\$230.18
Midway Fund			
Salaries and Wages	\$29.97	\$13.75	\$14.60
Healthcare Benefits ¹²	5.04	2.52	2.52
Worker's Compensation ¹⁵	2.54	1.30	1.44
Contractual Services	72.78	34.23	22.69
Commodities and Materials	3.55	0.33	0.76
Utilities	6.37	2.20	2.38
Motor Fuel	0.72	0.36	0.30
Miscellaneous	2.11	0.05	0.22
Financing Costs ¹³	94.61	0.00	0.00
Transfers Out ¹⁴	12.29	6.15	6.15
Total Expenditures	\$229.98	\$60.89	\$51.06

¹² The City's healthcare expenditures are paid on a Citywide basis and later adjusted for employee contributions and allocated among City funds. Due to the timing of healthcare payments, actual healthcare expenditures are not available at this point in the year. As a result, the Q2 2013 Budget and the Q2 2013 Estimate for healthcare expenditures are set at 50 percent of the full-year budget for these expenses.

¹³ Capital and financing costs include debt service payments made in connection with capital improvement projects. For the water and sewer funds, these costs also include paygo funding for capital improvement projects, which is spent throughout the year as capital projects proceed.

¹⁴ Transfers out consist of reimbursements to the corporate fund for central services such as police, emergency management, streets and sanitation, and fleet and facility maintenance; payments to the City's pension funds for the pensions of employees on these funds; and transfers into the water and sewer rate stabilization funds, all of which are allocated by quarter and included in the Q2 2013 Estimate.

¹⁵ Worker's compensation expenditures for these funds reflect the airports' contracts for worker's compensation management, under which contract costs are incurred at the start of the year; these costs are not indicative of actual medical or other worker's compensation costs incurred.



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