



CITY OF CHICAGO

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QUARTERLY  
BUDGET REPORT

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1ST QUARTER 2014

MAYOR RAHM EMANUEL



## INTRODUCTION

### CONTENT AND PURPOSE

This quarterly report presents an overview of the City's operating revenues and expenditures for the first quarter of 2014, as compared to budgeted amounts, and explains any notable trends or aberrations in these numbers. This report also provides information and updates on major initiatives that are a part of the City's budget.

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 [2014 Budget Overview](#) and the [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.<sup>1</sup> Information on those areas can be found in the 2014 Budget Overview and the 2014 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 "Q1 2014 Budget" amounts shown in the tables in this report, which represent the amounts that the City expected to receive during the first quarter of the year. The "Q1 2014 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 first 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 attributable 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 "Q1 2014 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 "Q1 2014 Budget" is set at 25 percent of the full-year budget. The "Q1 2014 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, which are estimated based on current expectations of year-end expenses and allocated across funds. 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.

<sup>1</sup> 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 severe winter weather during the first quarter impacted many of the City's local fund revenue sources, resulting in greater than expected utility tax revenues, but lower than expected revenues from many transaction and tourism-based sources of revenue. These two effects largely offset each other, with overall revenues ending the first quarter approximately in line with budgeted expectations.

The City's first quarter local fund expenditures were also in line with seasonal expectations at 21 percent of full-year budgeted expenses, though winter weather-related expenses did exceed, despite winter weather-related costs exceeding historic averages. First quarter expenditures are traditionally low as a percentage of the full-year budget because debt service payments from the City's enterprise funds are not made until later in the year. Revenues and expenditures for each fund are discussed in greater detail in the following pages.

### CORPORATE FUND REVENUE

Total corporate fund revenues finished the first quarter just below budgeted expectations, reflecting increased utility tax revenues offset by decreased consumer activity, both due to the severe winter weather, and decreases in certain non-tax revenues.

Overall **utility tax** revenues for the first quarter were \$148.1 million, 12 percent above budgeted expectations. Most of this growth was in natural gas tax revenues, which came in 45 percent above first quarter 2013 as the extreme cold and prolonged winter increased usage for heating homes and offices at the same time as natural gas prices continued to rise from the all-time lows seen in 2012. Telecommunications tax revenue fell below budget due in part to consumers moving towards non-taxed methods of communication, such as internet-based services, as well as credits paid to certain providers for taxes charged on services that were later determined to be non-taxable.

**Transportation taxes** came in below budget. Most of this loss was seen in garage parking tax revenues, which were 5 percent below budgeted expectations as the severe weather dampened traffic to downtown garages.

The City's economically sensitive revenues lagged slightly from budgeted expectations, as the steady growth seen

throughout 2013 contracted slightly during the first quarter due to the extreme winter weather. Retail sales slowed during these months, resulting in **sales and use tax** revenues 1 percent below budget.

The local housing market was also affected by the weather, and real property **transaction tax** revenues were down 8 percent from projections of growth. While median home prices continued to rise, up 22 percent from first quarter 2013, home sales were down 5 percent from 2013 during the first quarter. These losses were offset in part by greater than expected personal property lease tax revenues, which were bolstered by the Illinois Department of Revenue's ruling that additional lease types are subject to the tax.

**Income tax and personal property replacement tax (PPRT)** revenues finished the first quarter at budget and 10 percent above first quarter 2013, with increases in both individual and corporate income tax collections as the unemployment rate in Chicago dropped 1.2 percentage points from first quarter 2013 levels.

**Business taxes**, which include hotel tax revenues, came in below budget for the first quarter as travel to Chicago was negatively impacted by the winter weather. Following strong growth throughout 2012 and 2013, revenue per available room in the city was 9 percent below first quarter 2013 during the first quarter of 2014 and hotel tax revenue decreased accordingly, finishing the quarter 10 percent below budgeted projections.

Overall **recreation tax** revenues were in line with budget for the quarter. Cigarette tax revenues showed slightly less sensitivity to recent tax rate increases than was anticipated, ending the first quarter above budgeted expectations. This increase was offset in part by decreases in liquor and non-alcoholic beverage tax revenues, which finished the first quarter slightly below budget, likely impacted by the winter weather.

**License and permit-related** revenue came in below budget, as building and repair projects slowed with the weather and fewer than anticipated business licenses were issued. Collections from **finances, forfeitures, and penalties** also ended the quarter below budget, largely due to the decision to phase-in automated speed enforcement near schools and parks in order to increase compliance with speed limits in designated 'safety zones'.

CORPORATE FUND - REVENUE \$ MILLIONS	2014 BUDGET	Q1 2014 BUDGET	Q1 2014 ESTIMATES
<b>Tax Revenue</b>			
Utility Taxes and Fees	\$450.27	\$132.24	\$148.10
Transaction Taxes	284.63	56.63	56.01
Transportation Taxes	183.73	44.00	41.77
Recreation Taxes	182.57	50.10	50.75
Business Taxes	102.47	14.24	12.73
Sales and Use Taxes	596.78	128.70	126.73
Income Tax, PPRT & Other Intergovernmental <sup>2</sup>	299.30	76.73	76.40
<b>Total Tax Revenue</b>	<b>2,099.75</b>	<b>502.64</b>	<b>512.49</b>
<b>Non-Tax Revenue</b>			
Licenses and Permits	131.67	41.73	38.42
Fines, Forfeitures and Penalties	414.68	88.22	77.79
Charges for Services	124.48	27.44	27.37
Municipal Parking	6.65	1.06	0.59
Leases, Rentals and Sales	22.12	2.62	1.77
Reimbursement, Interest & Other <sup>3</sup>	378.85	90.98	92.11
<b>Total Non-Tax Revenue</b>	<b>1078.45</b>	<b>252.05</b>	<b>238.05</b>
<b>Proceeds and Transfers In<sup>4</sup></b>	<b>58.61</b>	<b>0.00</b>	<b>0.00</b>
<b>Total Revenue</b>	<b>3236.81</b>	<b>754.69</b>	<b>750.54</b>
Appropriated Prior Year Fund Balance <sup>5</sup>	53.42	13.35	13.35
<b>Total Resources</b>	<b>\$3,290.23</b>	<b>\$768.04</b>	<b>\$763.89</b>

CORPORATE FUND - EXPENDITURES \$ MILLIONS	2014 BUDGET	Q1 2014 BUDGET	Q1 2014 ESTIMATES
Salaries and Wages	\$2,301.05	\$551.53	\$561.82
Healthcare Benefits	386.81	96.70	94.45
Worker's Compensation	59.90	16.80	14.61
Contractual Services	382.36	126.64	117.81
Commodities and Materials	31.52	8.26	5.07
Utilities	16.14	2.50	2.84
Motor Fuel	28.90	6.42	5.76
Claims, Refunds, Judgments, and Legal Fees	32.10	32.10	28.28
Miscellaneous	41.44	14.64	16.05
Transfers Out <sup>6</sup>	10.01	2.50	2.50
<b>Total Expenditures</b>	<b>\$3,290.23</b>	<b>\$858.09</b>	<b>\$849.19</b>

<sup>2</sup> The majority of the City's PPRT revenue is used to pay pension contributions into the City's four pension funds. The City budgeted \$126.1 million in PPRT revenue to put towards its \$478.3 million in 2014 pension payments, and a remaining \$31.0 million in PPRT revenue in the corporate fund. No PPRT dollars actually flow into the City's corporate fund until PPRT revenues beyond \$126.1 million are received.

<sup>3</sup> This category of revenue includes the budgeted TIF surplus of \$8.7 million, which is not transferred to the corporate fund until later in the year and thus not included in the Q1 2014 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 Q1 2014 Estimate.

<sup>4</sup> This category of revenue includes interest earned on the City's asset lease reserve funds and proceeds from certain financing transactions, which are not accounted for until later in the year and thus not included in the Q1 2014 Budget or Estimate.

<sup>5</sup> 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 fourth of the appropriated fund balance is considered first quarter revenue for the purposes of this report.

<sup>6</sup> 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 Q1 2014 Estimate.

CORPORATE FUND CONTINUED

CORPORATE FUND EXPENDITURES

Corporate fund expenditures for the first quarter 2014 were slightly below expectations, at 26 percent of the fund's total 2014 budgeted expenditures.

**Salary and wage** expenditures, which represent two-thirds of total corporate fund expenditures, ended the quarter at 24 percent of budgeted salary and wage costs for the year. Personnel costs are typically slightly lower in the first quarter than in subsequent quarters, as most hiring occurs in the spring and summer.

First quarter **contractual services** expenditures were \$117.8 million, or 31 percent of the full-year budget for such costs. 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. Both the budget and first quarter spending on contractual services was greater than in 2013, due largely to the increase in corporate funding for community services, such as after-school and summer programs for youth and services for the homeless.

First quarter **utility** expenses came in above budget, with the unusually cold winter and spring increasing natural gas needs at City facilities, while **motor fuel** expenses ended the quarter slightly below budget, as gas prices were down from first quarter 2013 levels. **Commodities and materials** expenditures, which include the cost of smaller equipment and tools, were low for the first quarter due to the timing of certain purchases during the course of the year.

The corporate fund budget for **claim and judgment-related** expenditures was almost fully spent in the first 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. **Worker's compensation-related** expenses finished the first quarter at 24 percent of the full-year budget and below recent historic averages. 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.

**Miscellaneous** expenses include matching funds for grants received by the City, local transportation and travel costs, and in 2014, financing costs for City Hall renovations and the payment of debt incurred between 2005 and 2011 for the operation of Millennium Park. These financing costs were fully encumbered at the start of the year, causing first quarter miscellaneous expenses to be greater than in recent years.

VEHICLE TAX FUND

Vehicle sticker **revenues** were in line with first quarter expectations and reflected normal patterns for sticker expiration and sales – historically, 90 percent of stickers are purchased during the second and third quarters of the year. The June 2014 transition to year-round sticker sales will impact overall 2014 vehicle sticker revenue and sales patterns going forward. Revenue from impoundments and towing-related fees and fines to this fund came in at budgeted levels, while revenue from pavement cuts was slightly above budget due to infrastructure work by Peoples Gas.

First quarter vehicle tax fund **expenditures** were just over 25 percent of total 2014 budgeted expenditures for this fund. Personnel expenditures appear high as a percentage of the full-year budget for the first quarter of the year; however, a portion of these expenses will be reimbursed with other funding prior to year-end. Contractual services and commodities and materials expenditures for the first quarter were approximately in line with budgeted expectations, and utilities and motor fuel expenses from this fund reflect the same patterns as seen in the corporate fund.

MOTOR FUEL TAX FUND

While fuel tax **revenues** have generally declined in recent years due to changing consumer habits and more stringent fuel efficiency standards, first quarter revenue from motor fuel taxes exceeded budgeted expectations and was almost 2 percent above the same-period in 2013. This uptick was seen largely in diesel fuel purchases, in line with the recovering economy. The 'other revenue' category consists of anticipated funding from the State's Illinois Jobs Now! Program, which was not received during the first quarter.

Motor fuel tax fund **expenditures**, which support snow removal and street maintenance, were above average for

## SPECIAL REVENUE FUNDS

the first quarter, reflecting the near-record amounts of snowfall and extreme cold. The severe winter weather during the start of 2014 pushed the City's snow and ice removal expenditures above the full-year budget for these costs. Reserves carried over from low snow years or savings accrued as the year progresses are utilized to cover such increased expenses.

Financing costs for the motor fuel tax fund were in line with budgeted expectations at approximately 14 percent of the full-year budget. This reflects the payment schedule for debt service on motor fuel tax revenue bonds, the proceeds of which fund the construction of road-related capital improvements.

### SPECIAL EVENTS & HOTEL TAX FUND

Hotel operator's occupation tax **revenue** was below first quarter expectations, as the severe winter weather negatively impacted travel to Chicago and revenue per available room was down 9 percent from the first quarter of 2013. First quarter recreation fee revenues were in line with projections but low as a percentage of the full-year budget, as many of the larger City-run events, including the Taste of Chicago, occur during the summer months.

Low first quarter **expenditures**, at approximately 21 percent of full-year budgeted expenses, are also in line with expectations, due in part to the seasonality of event-related expenses. Spending from this fund increases during the mid- and late-summer months in support of major City-run events and festivals. Spending on special and events and tourism-related costs also appear low due to the timing of certain payments in connection with the Sister Cities Program and operations at Millennium Park, which occurred during the first quarter in prior years but will occur later in 2014.

### 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 ended the first quarter at 31 percent of total 2014 budgeted expenditures for this fund. The relatively high first quarter expenditures reflect the large proportion of front-loaded contract costs on this fund – both rent and property maintenance costs for the libraries are fully encumbered at the start of the year. First quarter trends in spending for most other categories of expenses mirrored those for the corporate fund, with salaries and wages and healthcare at 24 percent of the full-year budget and utilities expenses slightly above normal.

SPECIAL REVENUE FUNDS CONTINUED

SPECIAL REVENUE FUNDS - REVENUE \$ MILLIONS	2014 BUDGET	Q1 2014 BUDGET	Q1 2014 ESTIMATES
<b>Vehicle Tax Fund</b>			
Vehicle Sticker Tax	\$121.80	\$4.01	\$4.08
Impoundment, Pavement Cut & Other Fees	23.73	5.99	6.59
Other Revenue & Reimbursements	27.10	0.00	0.00
<b>Total Revenue</b>	<b>172.63</b>	<b>10.00</b>	<b>10.67</b>
Appropriated Prior Year Fund Balance <sup>7</sup>	6.14	1.54	1.54
<b>Total Resources</b>	<b>\$178.77</b>	<b>\$11.54</b>	<b>\$12.21</b>
<b>Motor Fuel Tax Fund</b>			
Motor Fuel Tax	\$62.00	\$15.44	\$15.72
Interest & Other Revenue	6.00	0.00	0.00
<b>Total Revenue</b>	<b>68.00</b>	<b>15.44</b>	<b>15.72</b>
Appropriated Prior Year Fund Balance <sup>7</sup>	12.45	3.11	3.11
<b>Total Resources</b>	<b>\$80.45</b>	<b>\$18.55</b>	<b>\$18.83</b>
<b>Special Events &amp; Hotel Tax Fund</b>			
Hotel Operator's Occupation Tax	\$22.00	\$3.18	\$2.84
Recreation Fees, Rental & Other Charges	10.60	1.07	1.04
Other Revenue	6.50	0.00	0.00
<b>Total Revenue</b>	<b>39.10</b>	<b>4.25</b>	<b>3.88</b>
Appropriated Prior Year Fund Balance <sup>7</sup>	5.80	1.45	1.45
<b>Total Resources</b>	<b>\$44.90</b>	<b>\$5.70</b>	<b>\$5.33</b>
<b>Library Fund<sup>8</sup></b>			
Property Tax Levy	\$75.69	\$18.92	\$18.92
Corporate Fund Subsidy	5.37	1.34	1.34
Rental, Fines & Other Revenue	3.32	0.64	0.30
<b>Total Revenue</b>	<b>84.38</b>	<b>20.90</b>	<b>20.56</b>
Appropriated Prior Year Fund Balance <sup>7</sup>	3.08	0.77	0.77
<b>Total Resources</b>	<b>\$87.46</b>	<b>\$21.67</b>	<b>\$21.33</b>

<sup>7</sup>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 fourth of the appropriated fund balance is considered first quarter revenue for the purposes of this report.

<sup>8</sup>Revenues 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 fourth of the total is considered first quarter revenue for the purposes of this report.



SPECIAL REVENUE FUNDS CONTINUED

SPECIAL REVENUE FUNDS - EXPENDITURES \$ MILLIONS	2014 BUDGET	Q1 2014 BUDGET	Q1 2014 ESTIMATES
<b>Vehicle Tax Fund</b>			
Salaries and Wages	\$91.09	\$25.40	\$23.44
Healthcare Benefits	18.05	4.51	4.41
Worker's Compensation	7.50	2.78	2.57
Contractual Services	27.52	7.45	6.67
Commodities and Materials	3.56	0.87	0.95
Utilities	4.30	0.67	0.76
Motor Fuel	3.26	0.73	0.65
Claims, Refunds, Judgments, and Legal Fees	1.94	0.34	0.38
Miscellaneous	0.98	0.02	0.49
Transfers Out <sup>9</sup>	20.57	5.14	5.14
<b>Total Expenditures</b>	<b>\$178.77</b>	<b>\$47.91</b>	<b>\$45.46</b>
<b>Motor Fuel Tax Fund<sup>10</sup></b>			
<b>Total Expenditures</b>	<b>\$80.45</b>	<b>\$11.67</b>	<b>\$18.10</b>
<b>Special Events &amp; Hotel Tax Fund</b>			
Special Events & Tourism Programming	\$20.83	\$2.31	\$1.24
Salaries and Wages	7.15	1.65	1.64
Healthcare Benefits	1.09	0.27	0.27
Worker's Compensation	0.01	0.00	0.00
Contractual Services	8.16	1.27	1.82
Commodities and Materials	0.10	0.01	0.01
Miscellaneous	4.34	4.24	3.58
Transfers Out <sup>9</sup>	3.22	0.81	0.81
<b>Total Expenditures</b>	<b>44.90</b>	<b>10.56</b>	<b>9.37</b>
<b>Library Fund</b>			
Salaries and Wages	\$51.50	\$11.94	\$12.17
Healthcare Benefits	9.89	2.47	2.42
Worker's Compensation	0.55	0.22	0.09
Contractual Services	19.62	10.96	11.74
Commodities and Materials	1.09	0.16	0.37
Utilities	3.21	0.50	0.57
Miscellaneous	1.43	0.03	0.03
Transfers Out <sup>9</sup>	0.17	0.04	0.04
<b>Total Expenditures</b>	<b>\$87.46</b>	<b>\$26.32</b>	<b>\$27.43</b>

<sup>9</sup> 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 Q1 2014 Estimate.

<sup>10</sup> 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 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 first quarter in line with 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 also generally in line with budgeted expectations, though both funds saw increased overtime spending during the first quarter due to increased repair and maintenance needs resulting from the extreme cold. First quarter expenditures from these funds are low as a percentage of total budgeted expenditures due to the fact that 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 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, first quarter **revenue** estimates were adjusted to mirror first quarter expenditures.

First quarter **expenditures** for the O’Hare and Midway Airport funds were at 14 and 15 percent of budgeted expenditures for the year, respectively. Above average first quarter spending on personnel and commodities and materials was related to the extreme winter weather’s impact on airport operations, with snow removal and de-icing expenses significantly higher in 2014 than in recent years. As with the water and sewer funds, first quarter expenditures 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.

ENTERPRISE FUNDS - REVENUE \$ MILLIONS	2014 BUDGET	Q1 2014 BUDGET	Q1 2014 ESTIMATES
<b>Water Fund</b>			
Total Revenue	\$701.51	\$163.51	\$163.26
<b>Sewer Fund</b>			
Total Revenue	\$316.87	\$76.46	\$74.93
<b>O’Hare Fund</b>			
Total Revenue	\$1045.76	\$141.46	\$143.03
<b>Midway Fund</b>			
Total Revenue	\$249.57	\$32.35	\$36.65

ENTERPRISE FUNDS - EXPENDITURES \$ MILLIONS	2014 BUDGET	Q1 2014 BUDGET	Q1 2014 ESTIMATES
<b>Water Fund</b>			
Salaries and Wages	\$143.64	\$32.82	\$38.00
Healthcare Benefits	22.80	5.70	5.57
Worker’s Compensation	10.00	2.40	2.62
Contractual Services	51.84	13.83	12.26
Commodities and Materials	28.49	5.29	5.70
Utilities	39.38	5.55	3.36
Motor Fuel	2.77	0.62	0.55
Claims, Refunds, Judgments, and Legal Fees	1.07	0.23	0.00
Miscellaneous	6.51	0.90	0.51
Capital and Financing Costs <sup>11</sup>	314.62	1.18	1.16
Transfers Out <sup>12</sup>	80.39	20.10	20.10
<b>Total Expenditures</b>	<b>\$701.51</b>	<b>\$88.62</b>	<b>\$89.83</b>

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ENTERPRISE FUNDS CONTINUED

ENTERPRISE FUND - EXPENDITURES \$ MILLIONS	2014 BUDGET	Q1 2014 BUDGET	Q1 2014 ESTIMATES
<b>Sewer Fund</b>			
Salaries and Wages	\$53.33	\$11.00	\$11.95
Healthcare Benefits	7.40	1.85	1.81
Worker's Compensation	4.40	1.42	1.03
Contractual Services	10.62	2.51	1.73
Commodities and Materials	6.16	1.44	0.19
Utilities	0.11	0.01	0.00
Motor Fuel	1.45	0.32	0.29
Claims, Refunds, Judgments, and Legal Fees	1.09	0.19	0.11
Miscellaneous	0.61	0.01	0.01
Capital and Financing Costs <sup>11</sup>	176.38	3.81	3.72
Transfers Out <sup>12</sup>	55.32	13.83	13.83
<b>Total Expenditures</b>	<b>\$316.87</b>	<b>\$36.39</b>	<b>\$34.67</b>
<b>O'Hare Fund</b>			
Salaries and Wages	\$154.65	\$37.00	\$41.22
Healthcare Benefits	24.21	6.05	5.91
Worker's Compensation <sup>13</sup>	12.80	8.04	7.63
Contractual Services	240.35	72.54	66.94
Commodities and Materials	19.68	3.08	7.81
Utilities	26.27	2.40	1.22
Motor Fuel	2.83	0.86	0.97
Miscellaneous	13.79	0.25	0.09
Financing Costs <sup>11</sup>	506.22	0.00	0.00
Transfers Out <sup>12</sup>	44.96	11.24	11.24
<b>Total Expenditures</b>	<b>\$1,045.76</b>	<b>\$141.46</b>	<b>\$143.03</b>
<b>Midway Fund</b>			
Salaries and Wages	\$31.87	\$8.19	\$8.47
Healthcare Benefits	4.73	1.18	1.15
Worker's Compensation <sup>13</sup>	2.54	1.42	1.33
Contractual Services	76.58	16.65	19.89
Commodities and Materials	3.61	0.45	2.04
Utilities	5.73	0.96	0.15
Motor Fuel	0.77	0.25	0.37
Miscellaneous	2.15	0.00	0.00
Financing Costs <sup>11</sup>	108.58	0.00	0.00
Transfers Out <sup>12</sup>	13.01	3.25	3.25
<b>Total Expenditures</b>	<b>\$249.57</b>	<b>\$32.35</b>	<b>\$36.65</b>

<sup>11</sup> Capital and financing costs include debt service payments made in connection with capital improvement projects, and no such payments were scheduled for the first quarter. 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.

<sup>12</sup> 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 Q1 2014 Estimate.

<sup>13</sup> Worker's compensation expenditures for these funds reflect the airports' new contracts for worker's compensation management, under which contract costs are encumbered at the start of the year; these costs are not indicative of actual medical or other worker's compensation costs incurred.



CITY OF CHICAGO  
MAYOR RAHM EMANUEL

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