



CITY OF CHICAGO

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QUARTERLY  
BUDGET REPORT

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2ND 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 second quarter of 2014, 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 [2014 Budget Overview](#) and the [2014 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 "Q2 2014 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 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 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 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 "Q2 2014 Budget" is set at 50 percent of the full-year budget. The "Q2 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, 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.

<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 City's overall local fund revenues continued to keep pace with expectations during the second quarter of 2014, with most economically sensitive revenues meeting or exceeding 2014 budget projections of moderate growth. The City's major local fund expenditures were in line with seasonal expectations, with the City's second quarter 2014 expenditures across all funds at 47 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 exceeded budgeted expectations slightly, with losses in certain non-tax revenues offset by strong utility and economically sensitive tax revenue performance.

Overall utility tax revenues through the second quarter were above budgeted expectations and 10 percent over revenues for the same period in 2013. This growth was due largely to gas tax revenues, which came in 33 percent above budget as the extreme cold and prolonged winter increased gas consumption at the same time as natural gas prices continued to rise from the all-time lows seen in 2012. Telecommunications tax revenue came in below budget through the second quarter. This reflects the choice by a higher than expected number of customers to have only wireless accounts and eliminate their landlines, as well as those switching to non-taxable prepaid calling plans.

Transportation taxes came in slightly below budget. Most of this loss was seen in garage tax revenues, which were 4 percent below budgeted expectations. The prolonged winter dampened traffic to downtown garages.

The City's economically sensitive revenues exceeded budgeted expectations, as the steady economic growth seen throughout 2013 resumed following a slight, weather-related contraction in the first quarter. Real

property transaction tax revenues finished the first half of the year 7 percent above budget. Strong median home prices continued positive growth, up 16 percent from second quarter 2013, while home sales were down 5 percent from the same period.

Personal property lease tax revenues also exceeded budgeted expectations, by 8 percent. This was partly because the tax was extended to certain software licenses and partly because the low interest rate environment promoted the leasing of automobiles, equipment, and other tangible goods. Retail sales picked up significantly in the second quarter, making up for a slight decline in the first quarter, and sales tax revenues met mid-year budgeted expectations.

Income tax and personal property replacement tax (PPRT) revenues finished the second quarter 3 percent below budgeted expectations, due in part to the after-effect of the one-time surge in payments in 2013 associated with the selling of assets and the receipt of early dividends in anticipation of higher federal tax rates. This moved certain collections into 2013 that would have otherwise been expected in 2014.

Business taxes came in 2 percent above budget through the second quarter, as hotel tax revenues recovered from the first quarter. Hotel tax receipts from room sales were strong, making up for a first quarter negatively impacted by the winter weather.

Overall recreation tax revenues were up 6 percent over budget for the quarter. Amusement tax revenues rebounded from a slow first quarter to finish the second quarter 9 percent above budget, due in part to a Blackhawks playoff run. Cigarette tax revenues continue to show less sensitivity than anticipated to the tax rate increase, in effect since January. Cigarette tax revenues were up 7 percent compared to budget. These increases were offset in part by slight declines in liquor and non-alcoholic beverage tax revenues.

License and permit-related revenues remained below budget for the second quarter, as building and repair projects continued to be impacted by the weather and fewer than anticipated business licenses were issued. Collections from fines, forfeitures, and penalties also ended the quarter below budget, due to the decision to phase-in automated speed enforcement at locations near

CORPORATE FUND - REVENUE \$ MILLIONS	2014 BUDGET	Q2 2014 BUDGET	Q2 2014 ESTIMATES
<b>Tax Revenue</b>			
Utility Taxes and Fees	\$450.27	\$242.35	\$267.14
Transaction Taxes	284.63	129.41	138.73
Transportation Taxes	183.73	90.75	88.05
Recreation Taxes	182.57	96.99	103.00
Business Taxes	102.47	43.50	44.18
Sales and Use Taxes	596.78	290.71	301.19
Income Tax, PPRT & Other Intergovernmental <sup>2</sup>	299.30	173.47	168.92
<b>Total Tax Revenue</b>	<b>2,099.75</b>	<b>1,067.18</b>	<b>1,111.21</b>
<b>Non-Tax Revenue</b>			
Licenses and Permits	131.67	72.15	65.87
Fines, Forfeitures and Penalties	414.68	186.19	171.95
Charges for Services	124.48	52.56	51.30
Municipal Parking	6.66	3.45	3.25
Leases, Rentals and Sales	22.12	5.23	2.89
Reimbursement, Interest & Other <sup>3</sup>	378.86	185.96	179.64
<b>Total Non-Tax Revenue</b>	<b>1,078.46</b>	<b>505.53</b>	<b>474.89</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>3,236.81</b>	<b>1,572.71</b>	<b>1,586.10</b>
Appropriated Prior Year Fund Balance <sup>5</sup>	53.42	26.71	26.71
<b>Total Resources</b>	<b>\$3,290.23</b>	<b>\$1,599.42</b>	<b>\$1,612.81</b>

CORPORATE FUND - EXPENDITURES \$ MILLIONS	2014 BUDGET	Q2 2014 BUDGET	Q2 2014 ESTIMATES
Salaries and Wages	\$2,301.05	\$1,141.23	\$1,123.49
Healthcare Benefits	386.81	193.41	188.90
Worker's Compensation	59.90	33.43	31.26
Contractual Services	382.36	209.12	204.46
Commodities and Materials	31.52	17.12	13.87
Utilities	16.14	5.59	7.70
Motor Fuel	28.90	13.36	12.61
Claims, Refunds, Judgments, and Legal Fees	32.10	32.10	32.10
Miscellaneous	41.44	18.54	19.41
Transfers Out <sup>6</sup>	10.01	5.01	5.01
<b>Total Expenditures</b>	<b>\$3,290.23</b>	<b>\$1,668.91</b>	<b>\$1,638.81</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 anticipated 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 Q2 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 Q2 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 Q2 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 in 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.

<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 Q2 2014 Estimate.

CORPORATE FUND CONTINUED

schools and parks. The program's greater-than anticipated effectiveness resulted in lower-than-expected violation rates. Overall non-tax revenues finished the second quarter 5 percent below budget.

CORPORATE FUND EXPENDITURES

Corporate fund expenditures for the second quarter of the year were at just under 50 percent of total 2014 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 \$204.5 million, or 53 percent of the full-year corporate fund budget for such costs.

Corporate fund utility expenses came in over budget for the second quarter. The unusually cold winter and spring increased natural gas needs and costs at City facilities. This was, however, offset in part 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 slightly below 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 in the corporate fund are paid with bond proceeds. Workers' compensation-related expenses finished the second quarter at 52 percent of the full-year budget, but 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.

Commodities and materials expenditures for the first half of the year were at 44 percent of the full-year budget for such expenses. The lower 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 financing costs, as well as the cost of smaller equipment and tools, matching funds for grants received by the City, and local transportation and travel costs, were above budgeted expectations through the second quarter due to the timing of financing costs, of which the total yearly budgeted amount was paid in the first quarter.

VEHICLE TAX FUND

Vehicle tax fund revenues were above second quarter expectations. In 2014, the City transitioned to year-round sticker sales, and vehicle owners were given the option of purchasing stickers valid for periods of one month up to 24 months with pricing on a pro rata basis. Because many owners chose to purchase stickers valid for 12 months or longer, year-to-date revenues were above budget by \$1 million by June. Revenues from impoundment, pavement cut and other fees came in above budget by 4 percent as a result of an increase in infrastructure work by Peoples Gas.

Vehicle tax fund expenditures through the end of the second quarter were at 51 percent of total 2014 budgeted expenditures for this fund. Like the corporate fund, expenditures from this fund are driven largely by personnel costs, which were generally in line with budgeted expectations.

Utility expenditures for this fund were above second quarter expectations, due to the cold winter and spring. Contractual and miscellaneous expenditures were also slightly high relative to the half-year budgeted amount. This reflects planned front-loaded equipment and other costs incurred by this fund.

MOTOR FUEL TAX FUND

While fuel tax revenues have generally declined in recent years due to more stringent fuel efficiency standards, second quarter revenue from motor fuel taxes exceeded budgeted expectations by 21 percent. This was due in large part to the timing of a \$12.58 million payment of funding in 'other revenue,' which came from the State's Illinois Jobs Now! Program. Another factor was the increase in diesel fuel purchases, in line with the recovering economy.

## SPECIAL REVENUE FUNDS

Expenditures for the motor fuel tax fund, which supports snow removal and street maintenance, were above average for the second quarter, reflecting the near-record amounts of snowfall and extreme cold. The severe weather during the first half of 2014 pushed the City's snow and ice removal expenditures above the full-year budget for these costs. Reserves carried over from low prior years were utilized to cover such increased expenses.

Financing costs for the motor fuel tax fund were in line with budgeted expectations at approximately 34 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 improvements.

### SPECIAL EVENTS & HOTEL TAX FUND

Hotel operator's occupation tax revenue finished the second quarter 4 percent below budgeted expectations. The severe winter weather negatively affected travel to Chicago, and while revenues picked up over the course of the second quarter, this fund has not yet fully recovered. Second quarter revenues from recreation fees, rentals, and other charges are below expectations by 5 percent, but are expected to increase once all revenues for events such as the Taste of Chicago are fully accounted for.

Expenditures from this fund for the second quarter are in line with budgeted expectations at 44 percent of full-year budgeted expenses. Lower than budgeted spending during the first half of the year is due in part to the seasonality of event-related expenses. Spending from this fund is anticipated to increase, as it has in prior years, for the late-summer and fall months in support of major City-run events and festivals.

### 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. Rental, fines, and other revenue were slightly under budget through the

second quarter of the year.

Second quarter expenditures from the library fund were at 52 percent of total 2014 budgeted expenditures for this fund. Spending on contractual services and commodities and materials was higher than in recent years due to the timing of certain contract payments. Trends in spending for the other categories of expenses, with the exception of salaries and wages, mirrored those for the corporate fund for the first half of the year.

SPECIAL REVENUE FUNDS CONTINUED

SPECIAL REVENUE FUNDS - REVENUE \$ MILLIONS	2014 BUDGET	Q2 2014 BUDGET	Q2 2014 ESTIMATES
<b>Vehicle Tax Fund</b>			
Vehicle Sticker Tax	\$121.80	\$47.40	\$48.41
Impoundment, Pavement Cut & Other Fees	23.73	11.60	13.32
Other Revenue & Reimbursements	27.10	0.00	0.00
<b>Total Revenue</b>	<b>172.63</b>	<b>59.00</b>	<b>61.73</b>
Appropriated Prior Year Fund Balance <sup>7</sup>	6.14	3.07	3.07
<b>Total Resources</b>	<b>\$178.77</b>	<b>\$62.07</b>	<b>\$64.80</b>
<b>Motor Fuel Tax Fund</b>			
Motor Fuel Tax	\$62.00	\$30.64	\$32.92
Interest & Other Revenue	6.00	6.00	12.58
<b>Total Revenue</b>	<b>68.00</b>	<b>36.64</b>	<b>45.49</b>
Appropriated Prior Year Fund Balance <sup>7</sup>	12.45	6.22	6.22
<b>Total Resources</b>	<b>\$80.45</b>	<b>\$42.87</b>	<b>\$51.72</b>
<b>Special Events &amp; Hotel Tax Fund</b>			
Hotel Operator's Occupation Tax	\$22.00	\$9.53	\$9.16
Recreation Fees, Rental & Other Charges	10.60	2.85	2.62
Other Revenue	6.50	0.00	0.00
<b>Total Revenue</b>	<b>39.10</b>	<b>12.38</b>	<b>11.78</b>
Appropriated Prior Year Fund Balance <sup>7</sup>	5.80	2.90	2.90
<b>Total Resources</b>	<b>\$44.90</b>	<b>\$15.28</b>	<b>\$14.68</b>
<b>Library Fund<sup>8</sup></b>			
Property Tax Levy	\$75.69	\$37.85	\$37.85
Corporate Fund Subsidy	5.37	2.69	2.69
Rental, Fines & Other Revenue	3.32	1.65	0.86
<b>Total Revenue</b>	<b>84.38</b>	<b>42.19</b>	<b>41.40</b>
Appropriated Prior Year Fund Balance <sup>7</sup>	3.08	1.54	1.54
<b>Total Resources</b>	<b>\$87.46</b>	<b>\$43.73</b>	<b>\$42.94</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 half of the appropriated fund balance is considered revenue for the first two quarters of the year 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 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	2014 BUDGET	Q2 2014 BUDGET	Q2 2014 ESTIMATES
<b>Vehicle Tax Fund</b>			
Salaries and Wages	\$91.09	\$46.35	\$46.68
Healthcare Benefits	18.05	9.03	8.82
Worker's Compensation	7.50	5.10	4.85
Contractual Services	27.52	12.83	13.17
Commodities and Materials	3.56	1.76	1.56
Utilities	4.30	1.49	2.05
Motor Fuel	3.26	1.51	1.42
Claims, Refunds, Judgments, and Legal Fees	1.94	0.91	0.88
Miscellaneous	0.98	0.46	0.61
Transfers Out <sup>9</sup>	20.57	10.28	10.28
<b>Total Expenditures</b>	<b>\$178.77</b>	<b>\$89.73</b>	<b>\$90.33</b>
<b>Motor Fuel Tax Fund<sup>10</sup></b>			
<b>Total Expenditures</b>	<b>\$80.45</b>	<b>\$32.82</b>	<b>\$35.05</b>
<b>Special Events &amp; Hotel Tax Fund</b>			
Special Events & Tourism Programming	\$20.83	\$7.33	\$7.63
Salaries and Wages	7.15	3.38	3.30
Healthcare Benefits	1.09	0.55	0.53
Worker's Compensation	0.01	0.00	0.00
Contractual Services	8.16	2.90	3.03
Commodities and Materials	0.10	0.02	0.02
Miscellaneous	4.34	4.23	3.58
Transfers Out <sup>9</sup>	3.22	1.61	1.61
<b>Total Expenditures</b>	<b>\$44.90</b>	<b>\$20.01</b>	<b>\$19.69</b>
<b>Library Fund</b>			
Salaries and Wages	\$51.49	\$23.83	\$24.38
Healthcare Benefits	9.89	4.95	4.83
Worker's Compensation	0.55	0.42	0.26
Contractual Services	19.62	13.18	13.75
Commodities and Materials	1.09	0.35	0.73
Utilities	3.21	1.11	1.53
Miscellaneous	1.43	0.04	0.04
Transfers Out <sup>9</sup>	0.17	0.09	0.09
<b>Total Expenditures</b>	<b>\$87.46</b>	<b>\$43.96</b>	<b>\$45.60</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 Q2 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 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 above budgeted expectations. The budget reflects seasonality in usage, with water consumption typically increasing in the second and third quarters.

Water and sewer fund expenditures reflect the timing of repair, maintenance, and improvements to the City's water and sewer systems, as well as the associated "paygo" expense payments. Due primarily to the timing of "paygo" payments, expenditures for the second quarter were below expectations in both funds. Salary and wage expenditures are high through the second quarter due to overtime related to the severe winter. 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 46 and 48 percent of budgeted expenditures for the year, respectively. The above average second quarter expenditures for these funds was largely the result of the extreme winter weather, which drove up commodities and materials expenditures at both airports, as well as contractual services at Midway and utilities at O'Hare.

ENTERPRISE FUNDS - REVENUE \$ MILLIONS	2014 BUDGET	Q2 2014 BUDGET	Q2 2014 ESTIMATES
<b>Water Fund</b>			
<b>Total Revenue</b>	<b>\$701.51</b>	<b>\$320.33</b>	<b>\$325.82</b>
<b>Sewer Fund</b>			
<b>Total Revenue</b>	<b>\$316.87</b>	<b>\$145.30</b>	<b>\$146.45</b>
<b>O'Hare Fund</b>			
<b>Total Revenue</b>	<b>\$1045.76</b>	<b>\$492.91</b>	<b>\$501.54</b>
<b>Midway Fund</b>			
<b>Total Revenue</b>	<b>\$249.57</b>	<b>\$104.27</b>	<b>\$114.21</b>

ENTERPRISE FUNDS - EXPENDITURES \$ MILLIONS	2014 BUDGET	Q2 2014 BUDGET	Q2 2014 ESTIMATES
<b>Water Fund</b>			
Salaries and Wages	\$143.65	\$67.58	\$74.18
Healthcare Benefits	22.80	11.40	11.13
Worker's Compensation	10.00	4.84	5.90
Contractual Services	51.84	25.91	21.20
Commodities and Materials	28.49	12.73	10.71
Utilities	39.38	11.37	11.01
Motor Fuel	2.77	1.28	1.21
Claims, Refunds, Judgments, and Legal Fees	1.07	0.65	0.67
Miscellaneous	6.51	1.68	1.77
Capital and Financing Costs <sup>11</sup>	314.62	98.29	73.25
Transfers Out <sup>12</sup>	80.39	40.19	40.19
<b>Total Expenditures</b>	<b>\$701.51</b>	<b>\$275.93</b>	<b>\$251.22</b>

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ENTERPRISE FUNDS CONTINUED

ENTERPRISE FUND - EXPENDITURES \$ MILLIONS	2014 BUDGET	Q2 2014 BUDGET	Q2 2014 ESTIMATES
<b>Sewer Fund</b>			
Salaries and Wages	\$53.33	\$22.19	\$22.75
Healthcare Benefits	7.40	3.70	3.61
Worker's Compensation	4.40	2.81	2.35
Contractual Services	10.62	4.50	3.29
Commodities and Materials	6.16	3.18	2.08
Utilities	0.11	0.07	0.06
Motor Fuel	1.45	0.67	0.63
Claims, Refunds, Judgments, and Legal Fees	1.09	0.35	0.44
Miscellaneous	0.61	0.02	0.02
Capital and Financing Costs <sup>11</sup>	176.38	41.11	33.61
Transfers Out <sup>12</sup>	55.32	27.66	27.66
<b>Total Expenditures</b>	<b>\$316.87</b>	<b>\$106.26</b>	<b>\$96.51</b>
<b>O'Hare Fund</b>			
Salaries and Wages	\$154.65	\$71.60	\$74.07
Healthcare Benefits	24.21	12.10	11.82
Worker's Compensation <sup>13</sup>	12.80	8.13	6.12
Contractual Services	240.35	114.34	114.07
Commodities and Materials	19.68	6.36	11.01
Utilities	26.27	8.26	11.87
Motor Fuel	2.83	1.14	1.56
Miscellaneous	13.78	0.42	0.48
Financing Costs <sup>11</sup>	506.22	248.07	248.07
Transfers Out <sup>12</sup>	44.96	22.48	22.48
<b>Total Expenditures</b>	<b>\$1,045.76</b>	<b>\$492.91</b>	<b>\$501.54</b>
<b>Midway Fund</b>			
Salaries and Wages	\$31.87	\$15.53	\$15.38
Healthcare Benefits	4.73	2.36	2.31
Worker's Compensation <sup>13</sup>	2.54	1.44	1.07
Contractual Services	76.58	31.34	40.42
Commodities and Materials	3.61	0.77	2.33
Utilities	5.73	2.14	1.95
Motor Fuel	0.77	0.32	0.49
Miscellaneous	2.15	0.22	0.12
Financing Costs <sup>11</sup>	108.58	43.65	43.65
Transfers Out <sup>12</sup>	13.02	6.51	6.51
<b>Total Expenditures</b>	<b>\$249.57</b>	<b>\$104.27</b>	<b>\$114.21</b>

<sup>11</sup> 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.

<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 Q2 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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