

City of Chicago

# Quarterly Budget Report



1st & 2nd Quarters 2016

Mayor Rahm Emanuel

## Content and Purpose

This report presents an overview of the City's operating revenues and expenditures for the first and second quarters of 2016, 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 2016 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. Information on those areas can be found in the 2016 Budget Overview and the 2016 Annual Financial Analysis. The purpose of this public report 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 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 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 fiscal 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, reflecting the inherent seasonality of many of these revenues and expenses.

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 quarterly amounts shown in the tables in this report, which represent the amounts that the City expected to receive during the first and second quarters of the year. The quarterly 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 that 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 are collected and distributed by the State, and there is a time lag 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 quarterly budget amounts presented in this report reflect historical spending patterns as applied to this year's budget, with the exception of transfers to other City funds and health care expenditures, which are not allocated by fund until year-end; for these expenses, the budget amount is set at a percent of the full-year budget. The quarterly estimates for expenditures are extracted directly from the City's financial management system, with the exception of transfers to other City funds, pension contributions, and health care 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.

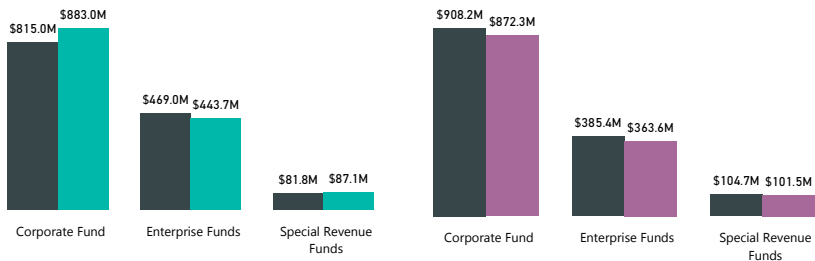
With respect to 2016 year-end projections and revenue and expenditure forecasts for future years, the City's 2016 Annual Financial Analysis or "AFA" includes additional information and is available online.

# Summary of Local Funds

The City's local funds are comprised of the corporate fund, enterprise funds, and special revenue funds. These funds are the primary funds the City utilizes to support citywide operations from police to garbage collection and water and sewer system services. Overall, local fund revenues ended mid-year with positive growth and were two percent above budgeted expectations. Transaction taxes and other economically-sensitive revenues showed stronger than anticipated performance, but these gains were offset by lower than expected revenues in utility taxes and a decrease in personal property replacement tax (PPRT) revenue. The City's mid-year local fund expenditures were approximately four percent below mid-year budgeted expectations. This is a result of decreased personnel services spending across most funds along with reductions in other personnel-related costs, including healthcare.

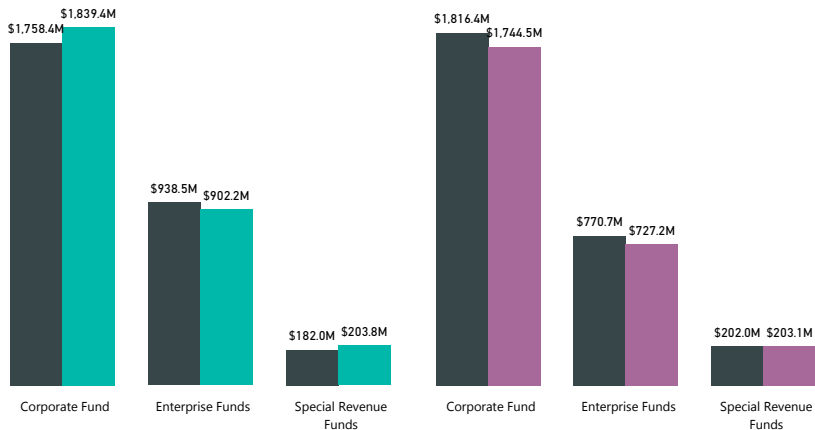
Revenue - Q1 ● Budget ● Estimate

Expenditures - Q1 ● Budget ● Estimate



Revenue - Q2 ● Budget ● Estimate

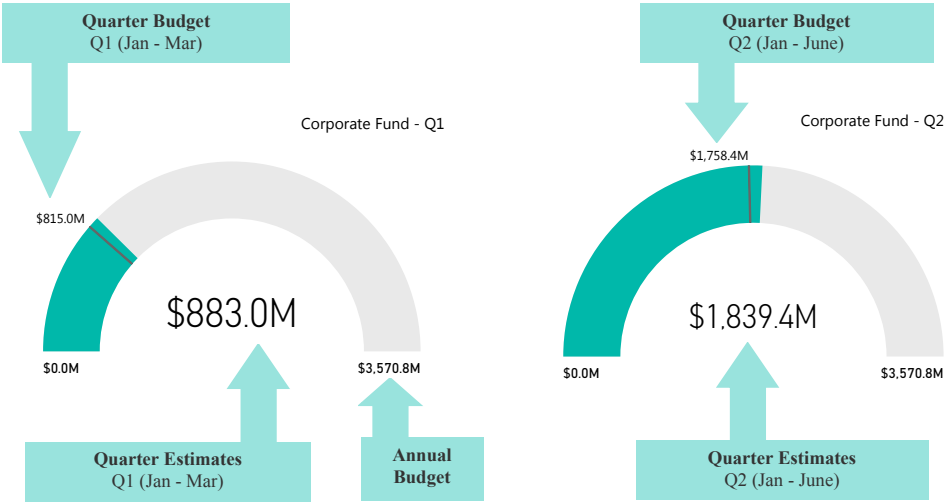
Expenditures - Q2 ● Budget ● Estimate



Total corporate fund revenues finished mid-year five percent above budgeted expectations, due to strong growth in most economically-sensitive revenues. This growth was offset by decreases in certain revenues unrelated to Chicago's economy, including utility taxes and reductions in PPRT revenue.

Preliminary mid-year figures suggest ongoing reductions in the City's unemployment rate with the number of employed reaching a post-recession high of 1.3 million, which the City anticipates will continue to drive positive revenue growth through the remainder of 2016. Many of the City's economically-sensitive revenues performed stronger than budgeted expectations in the first and second quarters as consumer confidence continues to grow. Retail sales showed moderate growth as expected during these months, resulting in sales and use tax revenues coming in slightly above budget. Transaction taxes, including real property transfer tax and personal property lease tax, also out-performed mid-year budget expectations. The local housing market and the commercial real estate market continue to rebound, and this growth coupled with recent large property transfers, including the Skyway and Millennium Park Garages, pushed real property transfer tax revenues up by 59 percent over mid-year budget expectations. Personal property lease tax revenues also saw significant growth through June, up 46 percent, primarily due to recent amendments to the lease tax as it relates to certain cloud products. The City incentivized compliance with the lease tax this year by offering amnesty for companies that owe prior years' taxes on cloud software and infrastructure services. The large mid-year growth reflects these amnesty payments; the amnesty period ended in the second quarter of 2016. These economically-sensitive tax revenues are forecasted to show growth throughout 2016, and the City expects these revenues will end 2016 at, or above budget.

Transportation taxes came in at budgeted projections. The City's 2016 budget also included a number of revisions to ground transportation taxes (GTT) and other fees, resulting in additional revenue primarily coming from the rideshare industry. The City anticipates continued growth in the rideshare industry, but in light of this being the first year of the new fees and tax changes along with other more recent policy changes that impact the rideshare industry, the City expects transportation tax revenue to end the year on budget or slightly below budget projections. Additionally, with improved collection strategies, revenue from fines, forfeitures and penalties were 12 percent above budgeted projections. While non-tax revenues show mid-year growth above budgeted expectations, the City anticipates these revenues will end the year at or below budget projections for the full year.



\*Note: The economic considerations discussed in this section were developed from sources including including the Board of Governors of the Federal Reserve ([www.federalreserve.gov](http://www.federalreserve.gov)), the Federal Reserve Bank of Chicago ([www.chicagofed.org](http://www.chicagofed.org)), the Bureau of Economic Analysis ([www.bea.gov](http://www.bea.gov)), the Bureau of Labor Statistics ([www.bls.gov](http://www.bls.gov)), Illinois Office of Budget and Management (<http://www.illinois.gov/gov/budget>), U.S. Energy Information Administration ([www.eia.gov](http://www.eia.gov)), and World Business Chicago ([www.worldbusinesschicago.com](http://www.worldbusinesschicago.com)).

# Revenue - Corporate Fund

Quarterly Budget Report - 1st & 2nd Quarters 2016

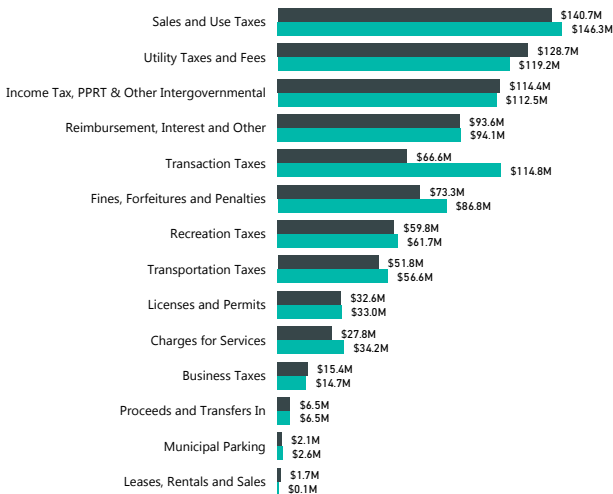
Overall utility tax revenues for the first and second quarters were five percent below budgeted expectations. Most of this loss was in natural gas tax revenues, as natural gas prices continued to fall, and in electricity tax, due to a milder winter and spring. Telecommunications tax revenue fell below budgeted expectations as consumer preference shifts to use more internet-based services, which are not taxed. This trend in decreased utility tax revenue is expected to continue through the end of year.

Income tax and PPRT revenues finished the first and second quarters three percent below budgeted expectations with PPRT revenue nearly \$7 million below budgeted expectations. In April 2016, the Illinois Department of Revenue (IDOR) notified local taxing districts receiving PPRT that IDOR misclassified \$168 million in income tax as PPRT since April 2014. As a result of this error, the State is reducing future distributions to Chicago and local taxing districts for the remainder of 2016. Additionally, IDOR will begin to recoup the \$19.4 million it says was overpaid to Chicago by further reducing PPRT revenue over a two year period.

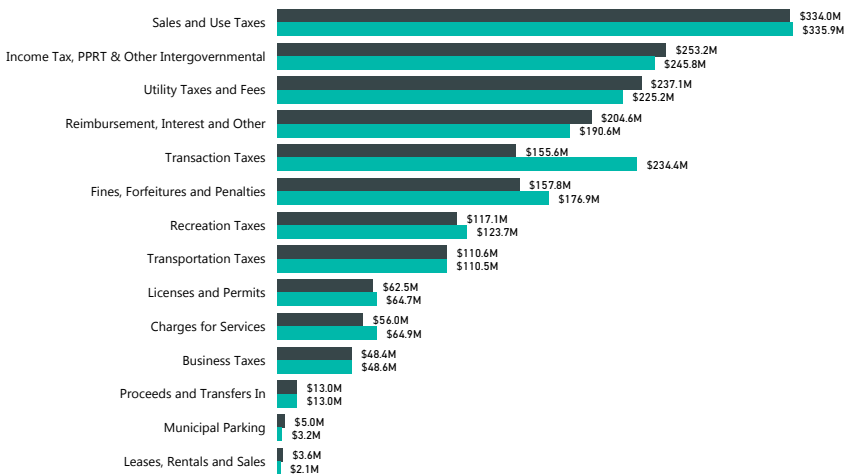
Corporate Fund - \$ Millions

Category	Year Period Sub-Category	2016		Q2		YR	
		Budget	Estimate	Budget	Estimate	Budget	Estimate
Tax Revenue	Business Taxes	\$15.4	\$14.7	\$48.4	\$48.6	\$113.9	\$113.9
	Income Tax, PPRT & Other Intergovernmental	\$114.4	\$112.5	\$253.2	\$245.8	\$441.9	\$441.9
	Recreation Taxes	\$59.8	\$61.7	\$117.1	\$123.7	\$218.0	\$218.0
	Sales and Use Taxes	\$140.7	\$146.3	\$334.0	\$335.9	\$677.8	\$677.8
	Transaction Taxes	\$66.6	\$114.8	\$155.6	\$234.4	\$344.7	\$344.7
	Transportation Taxes	\$51.8	\$56.6	\$110.6	\$110.5	\$240.4	\$240.4
	Utility Taxes and Fees	\$128.7	\$119.2	\$237.1	\$225.2	\$441.0	\$441.0
	<b>Total</b>	<b>\$577.4</b>	<b>\$625.8</b>	<b>\$1,256.0</b>	<b>\$1,324.1</b>	<b>\$2,477.8</b>	<b>\$2,477.8</b>
Proceeds and Transfers In	Proceeds and Transfers In	\$6.5	\$6.5	\$13.0	\$13.0	\$26.0	\$26.0
	<b>Total</b>	<b>\$6.5</b>	<b>\$6.5</b>	<b>\$13.0</b>	<b>\$13.0</b>	<b>\$26.0</b>	<b>\$26.0</b>
Non-Tax Revenue	Charges for Services	\$27.8	\$34.2	\$56.0	\$64.9	\$112.6	\$112.6
	Fines, Forfeitures and Penalties	\$73.3	\$86.8	\$157.8	\$176.9	\$350.5	\$350.5
	Leases, Rentals and Sales	\$1.7	\$0.1	\$3.6	\$2.1	\$36.0	\$36.0
	Licenses and Permits	\$32.6	\$33.0	\$62.5	\$64.7	\$124.8	\$124.8
	Municipal Parking	\$2.1	\$2.6	\$5.0	\$3.2	\$10.1	\$10.1
	Reimbursement, Interest and Other	\$93.6	\$94.1	\$204.6	\$190.6	\$432.9	\$432.9
	<b>Total</b>	<b>\$231.1</b>	<b>\$250.7</b>	<b>\$489.4</b>	<b>\$502.3</b>	<b>\$1,067.0</b>	<b>\$1,067.0</b>
<b>Total</b>		<b>\$815.0</b>	<b>\$883.0</b>	<b>\$1,758.4</b>	<b>\$1,839.4</b>	<b>\$3,570.8</b>	<b>\$3,570.8</b>

## Q1 ● Budget ● Estimate



## Q2 ● Budget ● Estimate



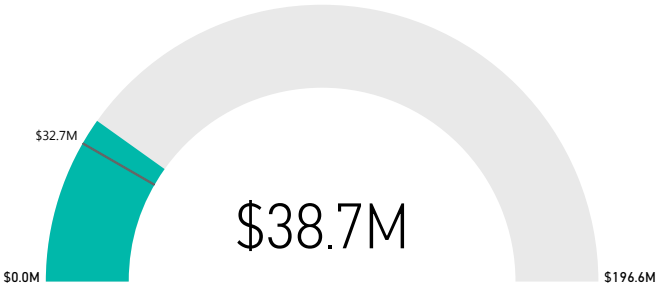
**Vehicle Tax Fund**

Vehicle tax fund revenues were above first and second quarter expectations as vehicle sticker sales were higher than expected. Proceeds from the sale of vehicle stickers have consistently made up the largest portion of the vehicle tax fund revenues. City ordinance requires the price of vehicle stickers be adjusted every other year based on the current Consumer Price Index (CPI). As a result, .84 percent adjustment for CPI occurred in 2016. The growth in vehicle sticker revenue was offset by a decline in revenue from vehicle impoundments and towing-related fees and fines, which were under budgeted levels, as was revenue from permits for use of the public way. Revenue from the sale of impounded vehicles continued to decline, because of falling scrap metal prices and fewer vehicles abandoned on city streets. The City expects revenue growth in vehicle stickers will continue to be offset by declines in other revenue within the fund for the remainder of 2016.

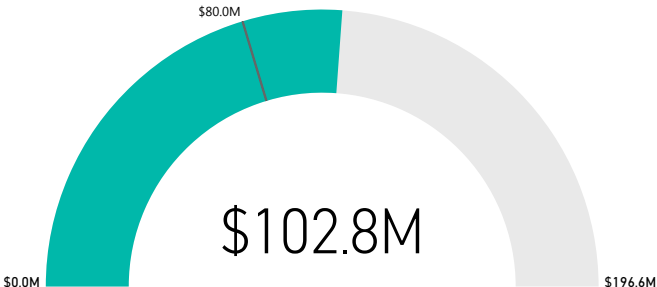
Vehicle Tax Fund - \$ Millions

Category	Year Period Sub-Category	2016 Q1		Q2		YR Budget
		Budget	Estimate	Budget	Estimate	
Revenue Items	Impoundment, Pavement Cut & Other Fees	\$6.4	\$4.2	\$12.8	\$11.4	\$25.5
	Other Revenue & Reimbursements	\$2.5	\$0.0	\$5.0	\$15.1	\$45.4
	Vehicle Sticker Tax	\$22.7	\$33.4	\$60.0	\$74.1	\$121.2
	<b>Total</b>	<b>\$31.6</b>	<b>\$37.6</b>	<b>\$77.8</b>	<b>\$100.6</b>	<b>\$192.1</b>
Appropriated Prior Year Fund Balance	Appropriated Prior Year Fund Balance	\$1.1	\$1.1	\$2.2	\$2.2	\$4.5
	<b>Total</b>	<b>\$1.1</b>	<b>\$1.1</b>	<b>\$2.2</b>	<b>\$2.2</b>	<b>\$4.5</b>
<b>Total</b>		<b>\$32.7</b>	<b>\$38.7</b>	<b>\$80.0</b>	<b>\$102.8</b>	<b>\$196.6</b>

Vehicle Tax Fund - Q1



Vehicle Tax Fund - Q2



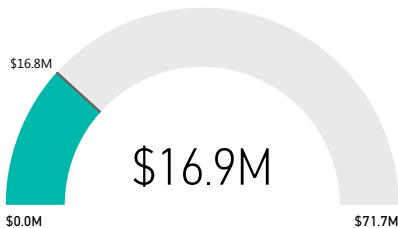
**Motor Fuel Tax Fund**

Motor fuel tax (MFT) revenues were on target with mid-year budgeted expectations. MFT revenue continues to benefit from increased driving and fuel consumption even as fuel prices remain relatively low. Beginning in 2014, revenue from fees charged to tour boat operations, and beginning in 2015, revenue related to vendors along the new Riverwalk were dedicated to make loan repayments for the U.S. Department of Transportation's Transportation Infrastructure Finance Innovation Act (TIFIA) program, which is used to fund the expansion of Chicago's Riverwalk. In 2016, the City anticipates receiving a majority of the anticipated tour boat and Riverwalk vendor related revenue during the third quarter. Based on current forecasts, the City expects the MFT fund to end the year on budget.

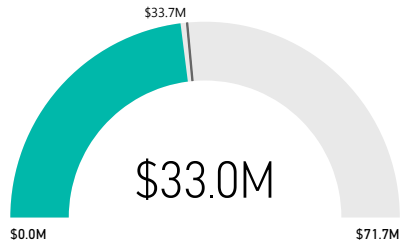
Motor Fuel Tax Fund - \$ Millions

Category	Year Period Sub-Category	2016 Q1		Q2		YR Budget
		Budget	Estimate	Budget	Estimate	
Revenue Items	Interest and Other Revenue	\$0.0	\$0.0	\$0.0	\$0.0	\$3.4
	Motor Fuel Tax	\$16.8	\$16.9	\$33.7	\$33.0	\$68.3
	<b>Total</b>	<b>\$16.8</b>	<b>\$16.9</b>	<b>\$33.7</b>	<b>\$33.0</b>	<b>\$71.7</b>
Appropriated Prior Year Fund Balance	Appropriated Prior Year Fund Balance	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
	<b>Total</b>	<b>\$0.0</b>	<b>\$0.0</b>	<b>\$0.0</b>	<b>\$0.0</b>	<b>\$0.0</b>
<b>Total</b>		<b>\$16.8</b>	<b>\$16.9</b>	<b>\$33.7</b>	<b>\$33.0</b>	<b>\$71.7</b>

Motor Fuel Tax Fund - Q1



Motor Fuel Tax Fund - Q2



**Garbage Fee Fund**

Starting in 2016, Chicago residences receiving City-provided garbage collection services are being charged a \$9.50 monthly fee per dwelling unit. The City anticipates collecting approximately \$62 million in revenue in 2016 to fund, in part, City-provided garbage collection services. Full information on collection rates are not yet available on the garbage fee as billing began in April 2016; therefore, the City has not included any revenue estimates for 2016 in this report. The City does anticipate collection rates to be consistent with the average water and sewer charges annual collection rate of 95 percent or higher.



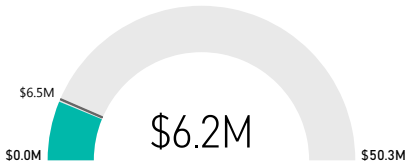
**Special Events & Hotel Tax Fund**

Hotel operator's occupation tax revenue was slightly below first and second quarter expectations, due to lower than expected revenue from hotel taxes along with recreation fees, rentals, and other charges. Recreation fees and rental charges are a seasonally dependent revenue source. Historically, the City receives some revenue for winter-related recreation and rentals during the first and second quarters, but the majority of these revenues are received during the third and fourth quarters. The City anticipates 2016 will follow the same seasonal trend for this revenue.

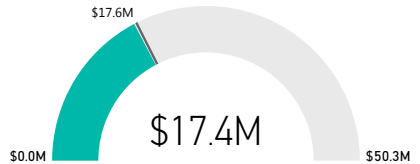
Special Events & Hotel Tax Fund - \$ Millions

Category	Year Period Sub-Category	2016 Q1		Q2		YR Budget
		Budget	Estimate	Budget	Estimate	
Revenue Items	Hotel Operator's Occupation Tax	\$3.3	\$3.2	\$10.4	\$10.3	\$23.3
	Other Revenue	\$0.0	\$0.0	\$0.0	\$0.0	\$6.5
	Recreation Fees, Rentals & Other Charges	\$1.2	\$1.0	\$3.1	\$2.9	\$12.3
	<b>Total</b>	<b>\$4.5</b>	<b>\$4.2</b>	<b>\$13.5</b>	<b>\$13.2</b>	<b>\$42.1</b>
Appropriated Prior Year Fund Balance	Appropriated Prior Year Fund Balance	\$2.1	\$2.1	\$4.1	\$4.1	\$8.3
	<b>Total</b>	<b>\$2.1</b>	<b>\$2.1</b>	<b>\$4.1</b>	<b>\$4.1</b>	<b>\$8.3</b>
<b>Total</b>		<b>\$6.5</b>	<b>\$6.2</b>	<b>\$17.6</b>	<b>\$17.4</b>	<b>\$50.3</b>

Special Events & Hotel Tax Fund - Q1



Special Events & Hotel Tax Fund - Q2



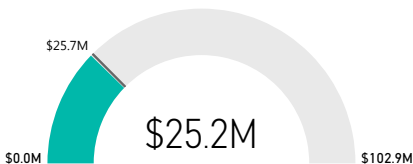
**Library Fund**

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 of facilities performed slightly below budget during the first and second quarters, but due to seasonality of booking spaces for special events, the City anticipates recovering this revenue in the third quarter.

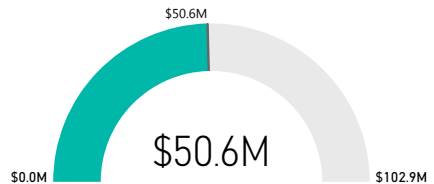
Library Fund - \$ Millions

Category	Year Period Sub-Category	2016 Q1		Q2		YR Budget
		Budget	Estimate	Budget	Estimate	
Revenue Items	Corporate Fund Subsidy	\$4.6	\$4.6	\$9.1	\$9.1	\$18.3
	Property Tax Levy	\$19.3	\$19.3	\$38.6	\$38.6	\$77.2
	Rental, Fines & Other Revenue	\$0.8	\$0.3	\$0.8	\$0.8	\$3.3
	<b>Total</b>	<b>\$24.7</b>	<b>\$24.2</b>	<b>\$48.5</b>	<b>\$48.5</b>	<b>\$98.7</b>
Appropriated Prior Year Fund Balance	Appropriated Prior Year Fund Balance	\$1.1	\$1.1	\$2.1	\$2.1	\$4.2
	<b>Total</b>	<b>\$1.1</b>	<b>\$1.1</b>	<b>\$2.1</b>	<b>\$2.1</b>	<b>\$4.2</b>
<b>Total</b>		<b>\$25.7</b>	<b>\$25.2</b>	<b>\$50.6</b>	<b>\$50.6</b>	<b>\$102.9</b>

Library Fund - Q1



Library Fund - Q2



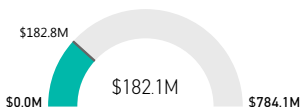
## Water and Sewer Funds

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

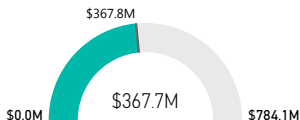
Water and Sewer Funds - \$ Millions

Year Period Fund	2016 Q1		Q2		YR	
	Budget	Estimate	Budget	Estimate	Budget	Estimate
Water Fund	\$182.8	\$182.0	\$367.8	\$367.7	\$784.1	\$784.1
Sewer Fund	\$85.8	\$91.1	\$170.0	\$176.0	\$364.9	\$364.9

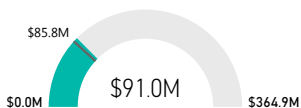
Water Fund - Q1



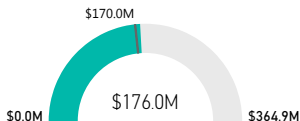
Water Fund - Q2



Sewer Fund - Q1



Sewer Fund - Q2



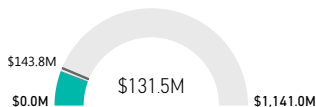
## Aviation Funds

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. The amount that the airlines pay each year is established at each airport on a residual basis -- the airlines are charged the amount that is needed to pay for operating expenses and debt service after taking into account non-airline revenues.

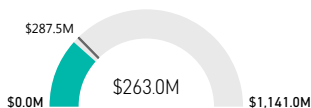
Aviation Funds - \$ Millions

Year Period Fund	2016 Q1		Q2		YR	
	Budget	Estimate	Budget	Estimate	Budget	Estimate
O'Hare Fund	\$143.8	\$131.5	\$287.5	\$263.0	\$1,141.0	\$1,141.0
Midway Fund	\$41.0	\$39.1	\$81.9	\$78.2	\$258.8	\$258.8

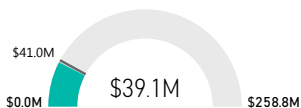
O'Hare Fund - Q1



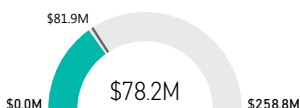
O'Hare Fund - Q2



Midway Fund - Q1



Midway Fund - Q2



Corporate fund expenditures for the first two quarters of 2016 were 49 percent of the fund's total budgeted expenditures.

Across all departments and City services, personnel services expenditures make up the largest portion of the corporate fund budget. Personnel services, which currently represent two-thirds of the total corporate fund budget, ended mid-year at 48 percent of budgeted costs for the full year. Personnel services includes expenditures for salaries and wages, overtime, additional compensation based on the collect bargaining agreements -- for example, duty availability within the public safety departments -- and other compensation. While overtime costs were higher than budgeted projections through mid-year, the costs increase was offset by lower salary and wage expenses due to the timing of contractual wage increases, which took effect July 2016, along with the cyclical nature of retirements occurring primarily in January and June.

The City's pension contributions from the corporate fund are represented separately from personnel services, and only reflect a portion of overall employer contributions to the City's four pension funds. The City's annual contribution to each of the four pensions is primarily funded through property tax revenue along with operating revenues, including the enterprise funds' proportional share of each year's pension contributions. Benefit costs are the second largest portion of corporate fund expenditures, and were below budgeted expectations at 43 percent of full year budgeted costs. Benefits costs include payments for the City's healthcare plan, worker's compensation, the City's Medicare contributions, and other healthcare and benefit related costs. Mid-year expenditures are below budgeted projections due, in part, to the City's continued work to slow annual healthcare cost growth through savings and reforms within the City-administered healthcare program.

## Corporate Fund - \$ Millions

Year Period Category	2016		Q2		YR
	Budget	Estimate	Budget	Estimate	Budget
Benefits	\$117.0	\$101.0	\$234.0	\$202.0	\$467.9
Claims, Refunds, Judgments, and Legal Fees	\$22.7	\$22.7	\$45.4	\$45.4	\$45.4
Commodities and Equipment	\$15.5	\$15.6	\$31.0	\$31.1	\$78.9
Contractual Services	\$76.2	\$75.4	\$152.4	\$150.7	\$304.9
Delegate Agencies and Other Program Costs	\$28.1	\$30.0	\$56.3	\$60.0	\$81.8
Miscellaneous	\$1.6	\$1.3	\$3.2	\$2.6	\$6.5
Pension	\$28.5	\$28.5	\$57.0	\$57.0	\$114.0
Personnel Services	\$589.8	\$567.2	\$1,179.5	\$1,134.4	\$2,358.7
Reimbursements and Financial Expenses	\$6.3	\$8.1	\$12.6	\$16.3	\$22.8
Transfers Out	\$22.5	\$22.5	\$45.0	\$45.0	\$90.0
<b>Total</b>	<b>\$908.2</b>	<b>\$872.3</b>	<b>\$1,816.4</b>	<b>\$1,744.5</b>	<b>\$3,570.8</b>

Commodities and equipment expenditures, which include costs of electricity, fuel, natural gas, and other utility expenses along with smaller equipment and tools, were on budget. Small parts and equipment for vehicle and facility repair and maintenance were 52 percent of the annual budget, while energy and fuel costs achieved significant savings -- 32 percent of the annual budget -- through mid-year. This cost reduction is a result of the City taking advantage of favorable market pricing coupled with energy price hedging. Mid-year contractual services expenditures were \$150.7 million, 49 percent of the annual budget for such costs. The City's expenditures for contractual services include costs such as rent, waste disposal costs, and software licensing fees.

The corporate fund budget for claims, settlements and judgments, refunds, and associated legal fees was fully spent by mid-year. 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.

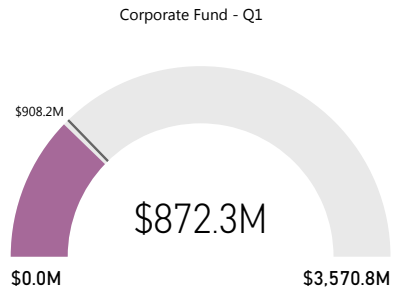
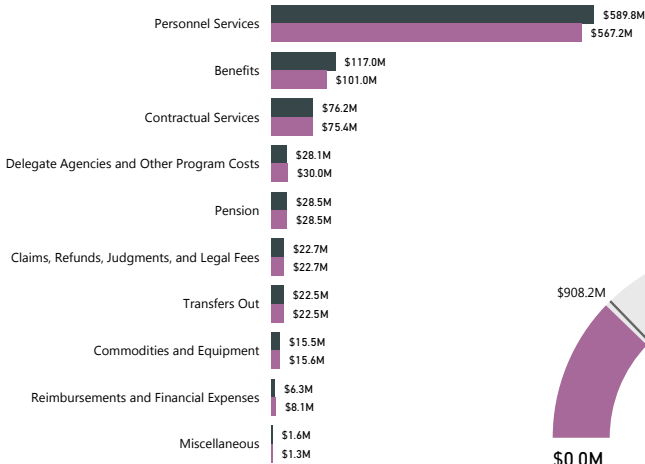
First and second quarter delegate agency and other program costs were above budgeted expectations. This is due to the timing of payments of matching funds for state and federal grants.

Reimbursements and financial expenses, include some debt service payments, and were 71 percent of the full-year budget. Timing of payments along with some financing costs being fully encumbered at the start of the year caused these expenses to be above mid-year budgeted expectations.

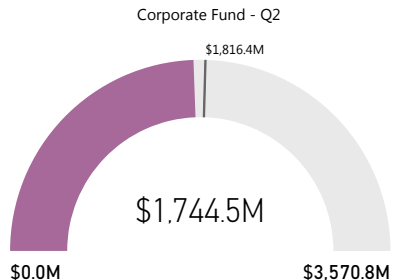
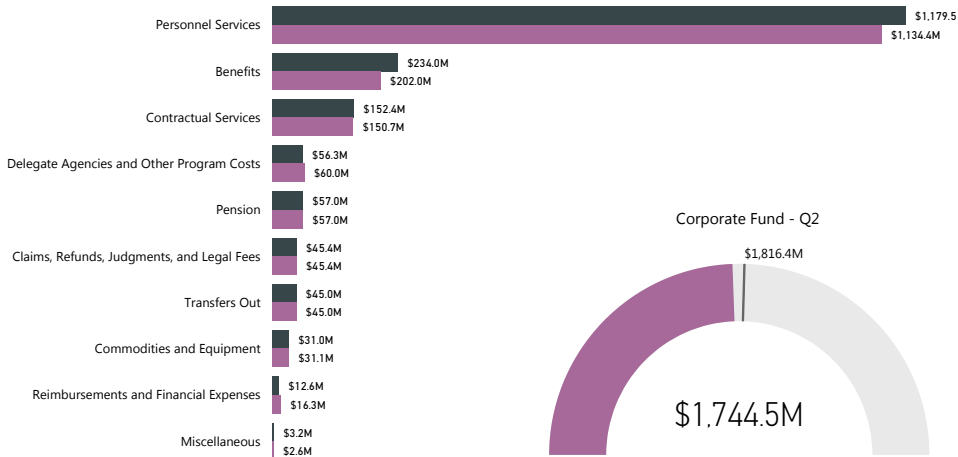
Miscellaneous expenses primarily include local transportation and travel costs, and are 40 percent of year year budgeted expenses.

# Expenditures - Corporate Fund

Q1 ● Budget ● Estimate



Q2 ● Budget ● Estimate



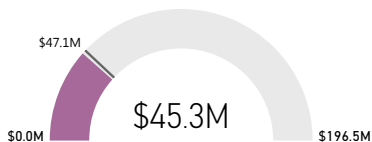
**Vehicle Tax Fund**

Vehicle tax fund expenditures are dependent on the amount, type, and costs of performing street repair and maintenance activities in a given year. First and second quarter vehicle tax fund expenditures were 46 percent of total 2016 budgeted expenditures for this fund. Personnel expenditures were lower than budgeted for mid-year, and are anticipated to come in at budgeted levels by year end. Contractual services and commodities and equipment were slightly higher than budgeted expectations, but are also expected to come in on budget.

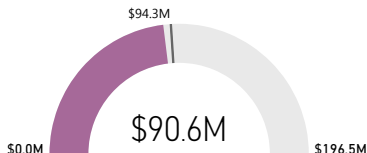
Vehicle Tax Fund - \$ Millions

Year Period Category ▲	2016 Q1		Q2		YR
	Budget	Estimate	Budget	Estimate	Budget
Benefits	\$6.7	\$6.5	\$13.4	\$13.1	\$26.8
Claims, Refunds, Judgments, and Legal Fees	\$0.2	\$0.1	\$0.3	\$0.1	\$1.4
Commodities and Equipment	\$2.4	\$2.4	\$4.7	\$4.8	\$13.5
Contractual Services	\$7.5	\$8.2	\$14.9	\$16.4	\$33.3
Delegate Agencies and Other Program Costs	\$0.3	\$0.3	\$0.6	\$0.5	\$0.7
Miscellaneous	\$0.3	\$0.3	\$0.5	\$0.5	\$1.1
Personnel Services	\$25.5	\$23.3	\$51.0	\$46.7	\$102.0
Reimbursements and Financial Expenses	\$0.2	\$0.1	\$0.3	\$0.1	\$0.8
Transfers Out	\$4.2	\$4.2	\$8.5	\$8.5	\$16.9
<b>Total</b>	<b>\$47.1</b>	<b>\$45.3</b>	<b>\$94.3</b>	<b>\$90.6</b>	<b>\$196.5</b>

Vehicle Tax Fund - Q1



Vehicle Tax Fund - Q2

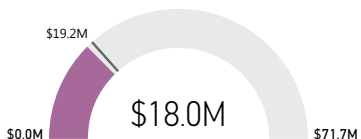
**Motor Fuel Tax Fund**

Motor fuel tax fund expenditures reflect the annual needs and the resources available to complete projects. Projects supported by this fund include street and traffic light maintenance, bridge maintenance, and snow and ice removal. The fund was slightly above budget at mid-year, reflecting the timing of certain rental equipment payments that occurred in the first two quarters of the year. The Motor Fuel Tax fund is projected to end the year with revenue and expenditures aligned.

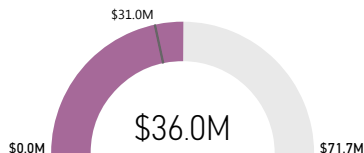
Motor Fuel Tax Fund - \$ Millions

Year Period Category ▲	2016 Q1		Q2		YR
	Budget	Estimate	Budget	Estimate	Budget
Motor Fuel Tax Fund Expenditures	\$19.2	\$18.0	\$31.0	\$36.0	\$71.7
<b>Total</b>	<b>\$19.2</b>	<b>\$18.0</b>	<b>\$31.0</b>	<b>\$36.0</b>	<b>\$71.7</b>

Motor Fuel Tax Fund - Q1



Motor Fuel Tax Fund - Q2



## Expenditures - Special Revenue Funds

Quarterly Budget Report - 1st & 2nd Quarters 2016

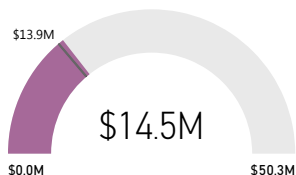
### Special Events & Hotel Tax Fund

Mid-year expenditures are 57 percent above budgeted expectations. Spending on special and events and tourism related costs can vary yearly due to the timing of certain payments in connection with cultural events and festivals and operations and programming at Millennium Park, which have occurred during different quarters in prior years. Unlike the corporate fund and certain other funds, costs within the special events and hotel operators' occupation tax fund are not primarily driven by direct City employee personnel costs like salary and wages and benefits. Special events and tourism is the largest expense within the fund and includes non-personnel costs for programming and marketing cultural events and activities throughout the City along with festival production costs.

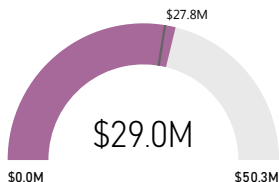
Special Events & Hotel Tax Fund - \$ Millions

Year Period Category	2016 Q1		Q2		YR
	Budget	Estimate	Budget	Estimate	Budget
Benefits	\$0.3	\$0.2	\$0.6	\$0.5	\$1.2
Commodities and Equipment	\$0.0	\$0.0	\$0.0	\$0.0	\$0.1
Contractual Services	\$2.1	\$1.9	\$4.1	\$3.8	\$8.2
Delegate Agencies and Other Program Costs	\$0.3	\$0.0	\$0.5	\$0.0	\$1.5
Miscellaneous	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
Personnel Services	\$1.8	\$1.7	\$3.6	\$3.3	\$7.1
Reimbursements and Financial Expenses	\$2.5	\$2.5	\$5.0	\$5.0	\$5.0
Special Events and Tourism	\$5.3	\$6.5	\$10.5	\$13.0	\$20.4
Transfers Out	\$1.7	\$1.7	\$3.4	\$3.4	\$6.9
<b>Total</b>	<b>\$13.9</b>	<b>\$14.5</b>	<b>\$27.8</b>	<b>\$29.0</b>	<b>\$50.3</b>

Special Events & Hotel Tax Fund - Q1



Special Events & Hotel Tax Fund - Q2



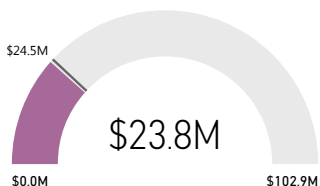
### Library Fund

Expenditures from the library fund ended the first and second quarters at 46 percent of total 2016 budgeted expenditures for this fund. Personnel services, like most other funds, is the largest single expense within the fund. Mid-year trends in spending for benefits were similar to corporate fund expenditures at six percent below budgeted projections for the first two quarters of the year. Contractual services expenditures consist largely of property costs for library facilities that are not city-owned and property maintenance and building services for the Harold Washington Library Center and branch libraries.

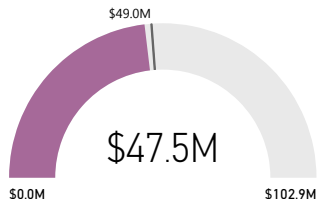
Library Fund - \$ Millions

Year Period Category	2016 Q1		Q2		YR
	Budget	Estimate	Budget	Estimate	Budget
Benefits	\$2.6	\$2.3	\$5.3	\$4.6	\$10.6
Commodities and Equipment	\$4.7	\$4.4	\$9.5	\$8.9	\$19.0
Contractual Services	\$3.3	\$3.2	\$6.7	\$6.4	\$13.3
Pension	\$0.9	\$0.9	\$1.8	\$1.8	\$3.6
Personnel Services	\$12.8	\$13.0	\$25.6	\$25.9	\$54.9
Reimbursements and Finan...	\$0.1	\$0.0	\$0.2	\$0.0	\$1.5
Transfers Out	\$0.0	\$0.0	\$0.1	\$0.1	\$0.1
<b>Total</b>	<b>\$24.5</b>	<b>\$23.8</b>	<b>\$49.0</b>	<b>\$47.5</b>	<b>\$102.9</b>

Library Fund - Q1



Library Fund - Q2



## Expenditures - Enterprise Funds

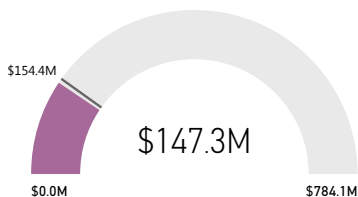
Quarterly Budget Report - 1st & 2nd Quarters 2016

### Water and Sewer Funds

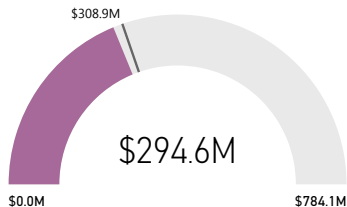
Water fund expenditures were nearly five percent below budgeted expectations, while sewer fund expenditures were nearly in line with budgeted mid-year costs. Similar to the corporate fund, both the water fund and sewer fund benefited from healthcare and utility cost savings. Reimbursements and financial expenses includes debt service requirements related to water and sewer bonds and low interest IEPA loans. Additionally, it includes "pay as you go" capital funding. Financing costs in both funds were slightly lower than mid-year expectations, but are expected to end the year on budget as timing of debt service payments vary across credits in the water and sewer funds.

Fund Name ▼	Year Period Category	2016					
		Q1		Q2		YR	
		Budget	Estimate	Budget	Estimate	Budget	
Water Fund	Benefits	\$8.9	\$8.1	\$17.8	\$16.1	\$35.7	
	Claims, Refunds, Judgments, and Legal Fees	\$1.8	\$0.7	\$3.7	\$1.3	\$8.7	
	Commodities and Equipment	\$10.0	\$8.6	\$20.1	\$17.2	\$58.1	
	Contractual Services	\$10.6	\$10.1	\$21.2	\$20.1	\$46.7	
	Miscellaneous	\$3.0	\$3.9	\$6.1	\$7.9	\$16.4	
	Pension	\$5.7	\$5.7	\$11.3	\$11.3	\$22.7	
	Personnel Services	\$36.9	\$37.4	\$73.9	\$74.8	\$147.7	
	Reimbursements and Financial Expenses	\$54.5	\$50.6	\$109.1	\$101.1	\$356.7	
	Transfers Out	\$22.9	\$22.4	\$45.7	\$44.7	\$91.5	
	<b>Total</b>		<b>\$154.4</b>	<b>\$147.3</b>	<b>\$308.9</b>	<b>\$294.6</b>	<b>\$784.1</b>
	Sewer Fund	Benefits	\$3.3	\$3.1	\$6.6	\$6.1	\$13.2
Claims, Refunds, Judgments, and Legal Fees		\$0.3	\$0.4	\$0.6	\$0.9	\$1.2	
Commodities and Equipment		\$1.7	\$1.7	\$3.5	\$3.4	\$6.6	
Contractual Services		\$2.0	\$1.9	\$4.0	\$3.9	\$9.1	
Miscellaneous		\$0.0	\$0.0	\$0.0	\$0.0	\$0.2	
Pension		\$2.2	\$2.2	\$4.4	\$4.4	\$8.8	
Personnel Services		\$11.3	\$11.1	\$22.7	\$22.2	\$56.7	
Reimbursements and Financial Expenses		\$8.1	\$8.0	\$16.1	\$16.0	\$200.1	
Transfers Out		\$17.2	\$17.2	\$34.5	\$34.5	\$68.9	
<b>Total</b>			<b>\$46.2</b>	<b>\$45.7</b>	<b>\$92.4</b>	<b>\$91.4</b>	<b>\$364.9</b>

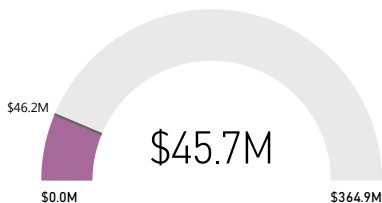
Water Fund - Q1



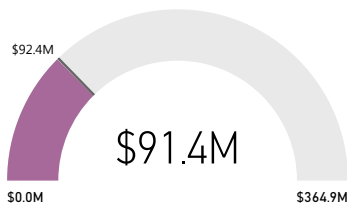
Water Fund - Q2



Sewer Fund - Q1



Sewer Fund - Q2

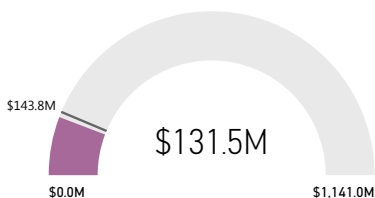


**Aviation Funds**

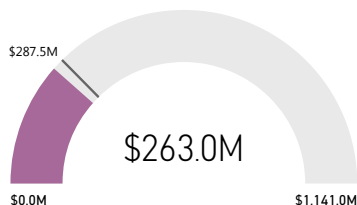
First and second quarter expenditures for the O'Hare Airport and Midway Airport funds were nine percent and five percent respectively below mid-year budgeted expectations. Similar to the corporate fund, the mid-year expenditure trends for both funds are below budget in benefits and personnel services. O'Hare Airport expenditures for contractual services is \$17 million below budgeted projections largely due to the timing of payments related to operational reserve accounts.

Fund Name	Year Period Category	2016					
		Q1 Budget	Q1 Estimate	Q2 Budget	Q2 Estimate	YR Budget	
Chicago O'Hare Airport Fund	Benefits	\$10.5	\$8.9	\$20.9	\$17.9	\$41.8	
	Claims, Refunds, Judgments, and Legal Fees	\$0.6	\$0.5	\$1.1	\$1.0	\$2.3	
	Commodities and Equipment	\$10.3	\$10.3	\$20.6	\$20.7	\$62.0	
	Contractual Services	\$64.2	\$55.6	\$128.4	\$111.2	\$256.7	
	Delegate Agencies and Other Program Costs	\$0.4	\$0.4	\$0.8	\$0.8	\$1.4	
	Miscellaneous	\$0.5	\$0.0	\$1.1	\$0.0	\$2.1	
	Pension	\$8.8	\$8.8	\$17.7	\$17.7	\$35.3	
	Personnel Services	\$42.1	\$40.2	\$84.2	\$80.5	\$168.4	
	Reimbursements and Financial Expenses	\$0.0	\$0.1	\$0.0	\$0.2	\$545.3	
	Transfers Out	\$6.4	\$6.5	\$12.9	\$13.0	\$25.7	
	<b>Total</b>		<b>\$143.8</b>	<b>\$131.5</b>	<b>\$287.5</b>	<b>\$263.0</b>	<b>\$1,141.0</b>
	Chicago Midway Airport Fund	Benefits	\$1.9	\$1.6	\$3.8	\$3.2	\$7.7
		Claims, Refunds, Judgments, and Legal Fees	\$0.1	\$0.0	\$0.1	\$0.0	\$0.9
Commodities and Equipment		\$2.1	\$2.0	\$4.2	\$4.0	\$11.5	
Contractual Services		\$21.0	\$21.0	\$41.9	\$41.9	\$81.1	
Miscellaneous		\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	
Pension		\$2.0	\$2.0	\$4.0	\$4.0	\$8.0	
Personnel Services		\$8.6	\$8.4	\$17.2	\$16.7	\$34.3	
Reimbursements and Financial Expenses		\$2.6	\$1.4	\$5.2	\$2.8	\$104.5	
Transfers Out		\$2.7	\$2.7	\$5.4	\$5.5	\$10.8	
<b>Total</b>			<b>\$41.0</b>	<b>\$39.1</b>	<b>\$81.9</b>	<b>\$78.2</b>	<b>\$258.8</b>

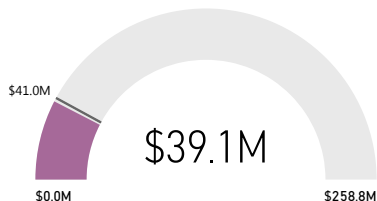
O'Hare Fund - Q1



O'Hare Fund - Q2



Midway Fund - Q1



Midway Fund - Q2

