



CITY OF CHICAGO

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QUARTERLY  
BUDGET REPORT

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4TH QUARTER 2015

MAYOR RAHM EMANUEL



## INTRODUCTION

### CONTENT AND PURPOSE

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This report provides an overview of the City's operating revenues and expenditures for the fourth quarter of 2015, as compared to budgeted amounts, and explains any notable trends or aberrations in these numbers. This report also includes 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 2015 Budget Overview and the Annual Financial Analysis (AFA). 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 2015 Budget Overview and the 2015 AFA.

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. Public reporting provides taxpayers with the information they need to hold the City accountable for collecting revenue efficiently and providing the highest quality services.

### TIMEFRAME AND LIMITATIONS

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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. 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 "2015 YE 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 year. 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 order to form a more accurate picture of the City's financial position, the City regularly monitors and adjusts its revenue projections based on revenue performance to-date and other developments that may affect City revenues. In connection with this process, the City develops revenue projections for each month. These monthly projections reflect historical patterns, seasonality, and other known factors. These projections can be found in the City's quarterly budget reports for the first three quarters of the year, as well as in the 2015 AFA, and provide background information and additional detail regarding the trends and changes that impacted revenues during 2015.

*With Respect To Expenditures:* The "2015 YE 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 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.

The City monitors its expenditures in comparison to historical spending patterns on a quarterly basis. Additional information on the seasonality of and factors affecting the City's expenses during 2015 can be found in the City's quarterly budget reports for the first three quarters of the year, as well as in the 2015 AFA.

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<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

Local fund revenues ended the year one percent below budgeted expectations for 2015. The City's corporate fund and special revenue funds ended the year one percent and three percent above anticipated amounts, respectively. Revenues from taxes are five percent above budgeted expectations. Transaction taxes, recreation taxes, and income tax showed stronger than anticipated performance. These gains were offset by lower than expected revenues in utility taxes and under performance in non-tax revenues, such as license and permit fees and fines and penalties.

The City's local fund expenditures were 95 percent of budgeted expenses for the year. Across all local funds, similar trends were seen with lower than anticipated expenditures in salary and wage costs, healthcare benefit costs, financing costs, and motor fuel costs, and higher than anticipated expenditures in workers' compensation costs.

Revenues and expenditures for each fund are discussed in greater detail in the following pages.

### CORPORATE FUND REVENUE

Total corporate fund revenues finished the year slightly above budgeted expectations. Trends seen throughout the first, second, and third quarters of the year continued into the fourth quarter. Intergovernmental tax revenue, such as income tax, experienced gains, while non-tax revenues were lower than anticipated. Transaction tax revenue saw higher than expected revenues due to large commercial real estate transactions throughout the year. These year-long trends led to total corporate fund revenues above budgeted expectations, even as non-tax revenue ended below budgeted expectations.

Overall **utility tax** revenues for the year were three percent below budgeted expectations, at \$436.7 million. This was due to the on-going decline in natural gas prices pushing down natural gas tax revenues, as well as a decrease in electricity tax revenue due to a mild summer that impacted the use of air conditioning. As seen in the first three quarters of the year, telecommunications tax revenue came in below budget for the year due in part

to the ongoing shift in consumer preference away from land lines as well as the growing use of internet-based telecommunications services which are not taxed.

**Transportation taxes** came in just above budget for the year. Losses in garage parking tax revenues and vehicle fuel taxes were offset by gains in ground transportation tax. This tax exceeded expectations as growth in the ride share industry impacted revenues.

Building on gains in the first three quarters of the year, the City's economically sensitive revenues finished the year strong, outperforming budgeted expectations through the fourth quarter. **Transaction tax** revenues ended the year 15 percent higher than projections as the local housing and commercial real estate markets continued to gain strength. Real property transfer tax revenue exceeded expectations for the year by 19 percent. Home sales as well as commercial building sales, particularly several large transactions downtown, contributed to this growth. Median home sale prices are up by 6.4 percent year-over-year, from \$228,000 in December 2014 to \$242,500 in December 2015. The number of homes sold during the same period also increased, though slightly. Personal property lease tax revenues ended the year 12 percent over expectations, due in part to the tax now applied to hourly car sharing, beginning in 2015.

**Income tax and personal property replacement tax (PPRT)**<sup>2</sup> revenues finished the year at a combined eight percent above budgeted expectations. Income tax collections, both individual and corporate, ended the year ten percent above budgeted expectations. Retail sales grew slightly at year end, resulting in **sales and use tax** revenues coming in two percent above budget for the year.

**Business taxes**, which include hotel tax revenues, came in two percent above budget for the year. This growth was due to increases in the first half of 2015 of both the average daily room rate and hotel occupancy rate. These metrics slowed in the second half of 2015, but not enough to offset the gains.

**Recreation tax** revenues ended the year above budget, exceeding expectations by nine percent. Gains in amusement taxes from rising ticket prices for sports teams, higher attendance at games, and post season play for both the Cubs and the Blackhawks, along with increased

<sup>2</sup> In April 2016, the State of Illinois informed the City that it and other local governments may have been overpaid PPRT revenues. This will not impact 2015 but will impact revenues going forward.

CORPORATE FUND - REVENUE \$ MILLIONS	2015 BUDGET	YE 2015 ESTIMATES
<b>Tax Revenue</b>		
Utility Taxes and Fees	\$451.84	\$436.71
Transaction Taxes	326.43	375.77
Transportation Taxes	188.02	190.04
Recreation Taxes	205.03	223.85
Business Taxes	110.95	112.74
Sales and Use Taxes	647.92	661.55
Income Tax, PPRT & Other Intergovernmental	425.72	460.25
<b>Total Tax Revenue</b>	<b>2,355.91</b>	<b>2,460.92</b>
<b>Non-Tax Revenue</b>		
Licenses and Permits	136.92	125.49
Fines, Forfeitures and Penalties	369.50	350.41
Charges for Services	132.30	127.42
Municipal Parking	6.42	6.51
Leases, Rentals and Sales	30.17	25.30
Reimbursement, Interest & Other <sup>3</sup>	449.39	427.82
<b>Total Non-Tax Revenue</b>	<b>1,124.70</b>	<b>1,062.95</b>
<b>Proceeds and Transfers In<sup>4</sup></b>	<b>54.07</b>	<b>53.85</b>
<b>Total Resources</b>	<b>\$3,534.68</b>	<b>\$3,577.72</b>

CORPORATE FUND - EXPENDITURES \$ MILLIONS	2015 BUDGET	YE 2015 ESTIMATES
Salaries and Wages <sup>5</sup>	\$2,406.76	\$2,383.23
Healthcare Benefits	373.10	334.55
Worker's Compensation	60.11	69.19
Contractual Services	387.06	390.08
Commodities and Materials	29.06	27.24
Utilities	13.66	13.66
Motor Fuel	23.07	14.08
Claims, Refunds, Judgments, and Legal Fees	32.10	49.80
Miscellaneous	57.70	53.81
Transfers Out <sup>6</sup>	11.84	11.84
Pension Contribution <sup>7</sup>	140.22	140.22
<b>Total Expenditures</b>	<b>\$3,534.68</b>	<b>\$3,487.71</b>

<sup>3</sup> This category of revenue includes the budgeted TIF surplus of \$13.02 million, and reimbursements to the corporate fund from the City's enterprise and special revenue funds as well as other intergovernmental funds. \$21 million in revenue from fund sweeps budgeted here has been moved to Transfers In to more accurately convey the revenue source, in line with the CAFR.

<sup>4</sup> This category of revenue includes interest earned on the City's asset lease reserve funds and proceeds from certain financing transactions. \$21 million in revenue from fund sweeps budgeted in Reimbursement, Interest & Other has been moved to this fund to more accurately convey the revenue source, in line with the CAFR.

<sup>5</sup> This amount does not include retroactive salary payments. Since the Fraternal Order of Police collective bargaining agreement wasn't ratified until the fall of 2014 and funds were reserved from 2014 to make the payment, this amount was not budgeted for and the cost is not included above.

<sup>6</sup> Transfers out consist of reimbursements and transfers from the corporate fund to other City funds for operating expenses.

<sup>7</sup> Due to certain historical factors, the City's non-property tax pension contributions are budgeted in one year and paid in the next with the following year's revenue. The amount reflected here is the 2014 corporate fund non-property pension fund payment, payable in 2015 using 2015 revenues.

CORPORATE FUND CONTINUED

revenue from cable companies contributed to the gains in recreation taxes.

Non-tax revenue ended the year below budgeted expectations by six percent. **License and permit-related** revenue came in eight percent below budget, continuing the trend seen throughout the year. **Fines, forfeitures, and penalties** ended the year five percent below budget due to changes in the automated enforcement program. Collections from **land sales** also ended the year below budget, as closings on several sales were delayed until 2016.

CORPORATE FUND EXPENDITURES

Corporate fund expenditures for the year were one percent below the fund's total 2015 budgeted amount. 2015 expenditures reflect a change in the way the City budgets its pension funds to more clearly reflect the allocation of these expenses across the various funds. Historically, the corporate fund's share of pension contributions were not shown on the corporate fund. Instead, PPRT revenues were diverted to cover the non-property tax share of these costs. Starting in 2015 the pension costs associated with each fund, including the corporate fund, are directly budgeted on the relevant fund.<sup>8</sup>

**Salary and wage** expenditures, which represent two-thirds of total corporate fund expenditures, ended the year just below budgeted amounts at 99 percent of the budgeted costs for the year. Wages, compensatory time, and unemployment claims were under budgeted expectations, offsetting increases in overtime costs citywide. **Healthcare benefit** costs also ended the year under budget, due to ongoing savings from the City's effort to reform healthcare delivery and spending.

2015 **contractual services** expenditures were \$390.08 million, or one percent over budget. The City's expenditures for contractual services include rent, insurance premiums, and software licensing fees, which are fully encumbered at the start of the year, as well as professional and technical services, which are paid as the services are completed.

**Utility** expenses came in at budget for the year, at \$13.66 million. **Motor fuel** expenses ended the year at 61 percent

of the annual budget, due to gas prices remaining low when compared to 2014. **Commodities and materials** expenditures were below expectations, at 94 percent of the annual budget, as spending on supplies, including stationary and office supplies, was less than anticipated.

**Claim and judgment-related** appropriations for the corporate fund budget were fully spent prior to the end of the 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, and expenses in excess of the amount paid from the corporate fund are paid with bond proceeds.

**Worker's compensation-related** expenses also exceeded the budgeted allocation in 2015, at 15 percent over the full-year budget.

**Miscellaneous** expenses were under budgeted expectations for the year at 93 percent of the full year budget. These expenses include paying down short term borrowing for City Hall renovations, as well as matching funds for grants received by the City, local transportation and travel costs, and the payment of debt.

VEHICLE TAX FUND

Vehicle tax fund **revenues** were at budget for the year. Vehicle sticker sales were 12 percent higher than expected, due to stronger than anticipated sales for the year and customers opting to purchase a sticker for a two-year term. This increase was offset by lower than expected annual revenues from pavement cuts and auto impoundments. Due to a continuing trend of lower scrap metal prices, revenue from the sale of impounded vehicles were lower than budgeted expectations for the year.

Vehicle tax fund **expenditures** were 95 percent of the 2015 budget for this fund. Salaries and wages and motor fuel expenses were under budget, as were healthcare benefits and contractual services. Workers compensation costs were above budget for the year, but not enough to offset savings in other areas of this fund.

<sup>8</sup> Additional information regarding this change can be found on page 21 of the City of Chicago 2015 Budget Overview.

## SPECIAL REVENUE FUNDS

### MOTOR FUEL TAX FUND

Fuel tax **revenues** ended the year two percent under budgeted expectations. Motor fuel tax revenues, which were delayed due to the State of Illinois budget impasse, were restored with the passage of Senate Bill 2039. The City received its portion of the revenues, which are estimated at three percent above budget. Also, other revenues, such as tour boat revenues and riverwalk concessions, increased throughout the summer and into the mild fall.

Motor fuel tax fund **expenditures**, which support snow removal and street maintenance, were below budget for the year. Most expenditures from this fund are highly seasonal and can vary significantly from year to year due to the volatility of Chicago weather. Snow removal expenses primarily occur in the first and fourth quarter of the year, while street repair and maintenance expenses on this fund primarily occur in the second and third quarters, in line with increased activity. Debt service on motor fuel tax revenue bonds, the proceeds of which fund the construction of road-related improvements, is paid out of this fund throughout the year.

### SPECIAL EVENTS & HOTEL TAX FUND

Hotel operators' occupation tax **revenue** was above budgeted expectations for the year, due mainly to an increase in hotel bookings from conventions and tourism. Recreation fee revenues also ended the year above budgeted expectations, due to a busy festival season.

**Expenditures** from this fund finished the year at 96 percent of budgeted expenses. Spending from this fund mostly occurs during the mid- and late-summer months in support of major City-run events and festivals. Spending on special events and tourism-related costs can vary yearly due to the timing of certain payments in connection with the Sister Cities Program and operations and programming at Millennium Park. This year, the spending on special events and tourism was slightly over budget; however, mirroring spending trends in the corporate fund, salaries and wages and healthcare benefits were less than anticipated.

### 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. Revenue from fines was higher than anticipated, by 14 percent. The rental of facilities ended the year at budget after a slow start to the year.

**Expenditures** from the library fund ended the year at 96 percent of 2015 budgeted expenditures. Contractual service costs and commodities and materials costs came in below budget for the year, which offset the increase in workers compensation. Trends in spending for healthcare benefits mirrored those for the corporate fund, at 90 percent of the full year budget.

SPECIAL REVENUE FUNDS CONTINUED

SPECIAL REVENUE FUNDS - REVENUE \$ MILLIONS	2015 BUDGET	YE 2015 ESTIMATES
<b>Vehicle Tax Fund</b>		
Vehicle Sticker Tax	\$109.00	\$121.63
Impoundment, Pavement Cut & Other Fees	23.06	16.23
Other Revenue & Reimbursements	42.89	45.90
<b>Total Revenue</b>	<b>174.95</b>	<b>183.75</b>
Appropriated Prior Year Fund Balance <sup>9</sup>	30.17	22.15
<b>Total Resources</b>	<b>\$205.12</b>	<b>\$205.90</b>
<b>Motor Fuel Tax Fund</b>		
Motor Fuel Tax	\$64.24	\$65.90
Interest & Other Revenue	2.80	1.52
<b>Total Revenue</b>	<b>67.04</b>	<b>67.42</b>
Appropriated Prior Year Fund Balance <sup>9</sup>	32.07	30.18
<b>Total Resources</b>	<b>\$99.11</b>	<b>\$97.59</b>
<b>Special Events &amp; Hotel Tax Fund</b>		
Hotel Operator's Occupation Tax	\$21.12	\$23.45
Recreation Fees, Rental & Other Charges	12.45	13.08
Other Revenue	6.50	6.50
<b>Total Revenue</b>	<b>40.07</b>	<b>43.02</b>
Appropriated Prior Year Fund Balance <sup>9</sup>	1.95	9.12
<b>Total Resources</b>	<b>\$42.02</b>	<b>\$52.15</b>
<b>Library Fund</b>		
Property Tax Levy	\$75.99	\$75.99
Corporate Fund Subsidy	7.61	6.50
Rental, Fines & Other Revenue	2.09	2.27
<b>Total Revenue</b>	<b>85.69</b>	<b>84.76</b>
Appropriated Prior Year Fund Balance <sup>9</sup>	5.96	9.19
<b>Total Resources</b>	<b>\$91.65</b>	<b>\$93.95</b>

<sup>9</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.

SPECIAL REVENUE FUNDS CONTINUED

SPECIAL REVENUE FUNDS - EXPENDITURES \$ MILLIONS	2015 BUDGET	YE 2015 ESTIMATES
<b>Vehicle Tax Fund</b>		
Salaries and Wages	\$99.76	\$95.63
Healthcare Benefits	16.38	14.40
Worker's Compensation	7.65	11.47
Contractual Services	31.01	29.33
Commodities and Materials	2.73	2.34
Utilities	2.13	1.88
Motor Fuel	11.84	8.45
Claims, Refunds, Judgments, and Legal Fees	2.94	2.31
Miscellaneous	2.18	1.02
Transfers Out <sup>10</sup>	28.50	28.50
<b>Total Expenditures</b>	<b>\$205.12</b>	<b>\$195.34</b>
<b>Motor Fuel Tax Fund<sup>11</sup></b>		
<b>Total Expenditures</b>	<b>\$99.11</b>	<b>\$89.86</b>
<b>Special Events &amp; Hotel Tax Fund</b>		
Special Events & Tourism Programming	\$20.56	\$20.71
Salaries and Wages	7.41	6.83
Healthcare Benefits	1.11	0.95
Worker's Compensation	0.01	0.00
Contractual Services	7.86	7.18
Commodities and Materials	0.10	0.09
Miscellaneous	1.50	1.31
Transfers Out <sup>10</sup>	3.48	3.40
<b>Total Expenditures</b>	<b>\$42.02</b>	<b>\$40.47</b>
<b>Library Fund</b>		
Salaries and Wages	\$55.24	\$54.62
Healthcare Benefits	9.48	8.44
Worker's Compensation	0.55	0.58
Contractual Services	19.08	18.13
Commodities and Materials	1.05	0.98
Utilities	2.76	2.76
Miscellaneous	0.90	0.10
Transfers Out <sup>10</sup>	0.07	0.07
Pension Contribution	2.52	2.52
<b>Total Expenditures</b>	<b>\$91.65</b>	<b>\$88.18</b>

<sup>10</sup> Transfers out consist of reimbursements to the corporate fund for central services such as streets and sanitation, and fleet and facility maintenance.

<sup>11</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 are adjusted to reflect anticipated collection rates. Both the water and sewer funds are estimated to finish the year at or just below budgeted expectations. Revenues from these funds are used to repair, maintain and improve the City's water and sewer systems.

Both the water fund and sewer fund **expenditures** for the year were below budgeted expectations, at 86 percent. This is due to contractual services costs and financing and capital costs in both funds coming in lower than budgeted amounts. The variation in financing and capital costs is due to the timing of debt service payments on revenue bonds. The proceeds of these bonds fund the citywide capital project to modernize the City's water and sewer infrastructure. Healthcare benefit costs, in line with all funds, were also lower than budgeted expectations.

### 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 for 2015 were adjusted to mirror expenditure estimates.

**Expenditures** for the O'Hare and Midway Airport funds were at 93 and 90 percent, respectively, of annual budgeted expenditures. Similar to trends in the corporate fund, motor fuel and healthcare benefit costs were lower than anticipated, as were financing and capital costs and salaries and wages. Due to the 2015 supplemental budget appropriation passed in October of 2015, both funds' total annual budgets have increased to account for increased police and fire pension contributions, as required by State law.

ENTERPRISE FUNDS - REVENUE		
\$ MILLIONS	2015 BUDGET	YE 2015 ESTIMATES
<b>Water Fund</b>		
Total Revenue	\$783.03	\$782.05
<b>Sewer Fund</b>		
Total Revenue	\$367.35	\$362.95
<b>O'Hare Fund</b>		
Total Revenue	\$1,061.31	\$987.32
<b>Midway Fund</b>		
Total Revenue	\$248.13	\$223.65

ENTERPRISE FUNDS - EXPENDITURES		
\$ MILLIONS	2015 BUDGET	YE 2015 ESTIMATES
<b>Water Fund</b>		
Salaries and Wages	\$148.13	\$152.12
Healthcare Benefits	22.16	20.42
Worker's Compensation	10.00	11.58
Contractual Services	52.12	42.65
Commodities and Materials	26.75	24.59
Utilities	41.74	34.73
Motor Fuel	2.77	2.77
Claims, Refunds, Judgments, and Legal Fees	4.12	3.33
Miscellaneous	7.87	6.45
Capital and Financing Costs <sup>12</sup>	374.30	283.20
Transfers Out <sup>13</sup>	72.88	72.88
Pension Contribution	20.19	20.19
<b>Total Expenditures</b>	<b>\$783.03</b>	<b>\$674.89</b>

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ENTERPRISE FUNDS CONTINUED

ENTERPRISE FUND - EXPENDITURES \$ MILLIONS	2015 BUDGET	YE 2015 ESTIMATES
<b>Sewer Fund</b>		
Salaries and Wages	\$55.21	\$45.09
Healthcare Benefits	7.33	6.45
Worker's Compensation	4.40	5.60
Contractual Services	10.40	8.27
Commodities and Materials	5.82	5.46
Utilities	0.11	0.00
Motor Fuel	1.49	1.49
Claims, Refunds, Judgments, and Legal Fees	1.75	1.74
Miscellaneous	1.46	1.07
Capital and Financing Costs <sup>12</sup>	214.29	177.45
Transfers Out <sup>13</sup>	57.43	57.43
Pension Contribution	7.66	7.66
<b>Total Expenditures</b>	<b>\$367.35</b>	<b>\$317.70</b>
<b>O'Hare Fund</b>		
Salaries and Wages	\$161.08	\$153.84
Healthcare Benefits	24.25	23.09
Worker's Compensation	12.89	7.98
Contractual Services	246.60	209.11
Commodities and Materials	20.64	19.21
Utilities	26.57	25.73
Motor Fuel	2.59	2.20
Miscellaneous	14.56	2.74
Financing Costs <sup>12</sup>	494.83	486.12
Transfers Out <sup>13</sup>	26.35	26.35
Pension Contribution	30.95	30.95
<b>Total Expenditures</b>	<b>\$1,061.31</b>	<b>\$987.32</b>
<b>Midway Fund</b>		
Salaries and Wages	\$33.48	\$28.26
Healthcare Benefits	4.87	4.28
Worker's Compensation	2.45	1.47
Contractual Services	78.64	69.39
Commodities and Materials	3.80	3.29
Utilities	5.90	5.76
Motor Fuel	0.79	0.51
Miscellaneous	2.72	0.98
Financing Costs <sup>12</sup>	97.64	91.88
Transfers Out <sup>13</sup>	10.84	10.84
Pension Contribution	6.99	6.99
<b>Total Expenditures</b>	<b>\$248.13</b>	<b>\$223.65</b>

<sup>12</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>13</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; and transfers into the water and sewer rate stabilization funds.



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