

CITY OF CHICAGO

# 2024 BUDGET FORECAST



**CHICAGO**

MAYOR BRANDON JOHNSON

CITY OF CHICAGO

2024  
BUDGET  
FORECAST





2023 BUDGET FORECAST  
LETTER FROM THE MAYOR



Dear Fellow Chicagoans,

It is my honor to share the City of Chicago's 2024 Budget Forecast—a financial outlook of the City's revenues, expenditures, and overall fiscal stability. This forecast provides the foundation upon which we can begin building a budget that delivers a better, stronger, safer Chicago.

The 2024 Budget Forecast also presents a significant challenge for our city, one that demands our consideration and strategic action. We face a projected \$538 million budget gap for the 2024 fiscal year that must be addressed in order to invest in the betterment of Chicago and the lives of our residents. Additionally, the Federal Reserve's tightening of monetary policy to confront inflation produces headwinds for the local economy and government revenues. I am committed to finding solutions for these challenges that prioritize the needs of our people.

My administration's approach to addressing the budget gap will be grounded in collaboration. My time as Mayor thus far has been marked by a dedication to open dialogue and engaging various stakeholders to tackle our shared challenges. This collaborative spirit will continue guiding my administration as we put forth a budget that invests in people and meets our obligations, without breaking the backs of working families.

On my inauguration day, I told the city that I wanted to re-route the rivers of prosperity to the banks of disinvestment so that no one in the greatest city in the world goes thirsty. This effort will take time, and it will require our partnership. Let us not be discouraged by the obstacles ahead, but hopeful about the vitality and hope we can restore across Chicago by working together.

Sincerely,

A handwritten signature in black ink, appearing to read 'BJ', is written over a light blue horizontal line.

Mayor Brandon Johnson



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## 2024 BUDGET FORECAST DISCLAIMER AND ADVICE TO READERS

The City of Chicago (“City”) is pleased to present this Budget Forecast. The purpose of this document is to provide general information about the history and future of major components of the City’s overall finances and City budget. Information is presented as of August 2023.

Throughout this document, specific items of revenues and/or expenditures are grouped together with other items of revenue and/or expenditure for purposes of presentation. The manner in which such items are grouped and labeled is consistent with the groups and labels in the City’s annual appropriation ordinance and not in the City’s audited Annual Comprehensive Financial Report (“ACFR”). Therefore, the manner of grouping and labeling herein may not match the manner in which such revenues and/or expenditures are grouped and labeled in the ACFR.

This discussion includes forward-looking statements based on current beliefs and expectations about future events. Those events are uncertain and do not take into account events that may alter actual outcomes; their outcome may differ from current expectations which may in turn significantly affect expected results.

Where information is presented that has come from sources other than the City, the City presents that information only for convenience of the reader. Specifically, the projections set forth in the pension section rely on information produced by the Retirement Funds’ independent actuaries (unless specifically noted) and were not prepared with a view toward complying with the guidelines established by the American Institute of Certified Public Accountants with respect to prospective financial information. The City does not independently verify such information.

Where the tables present aggregate information, such combined information results solely from the application of arithmetic to the data presented from the source information and may not conform to the requirements for the presentation of such information by the Governmental Accounting Standards Board.

Readers are cautioned not to place undue reliance on the prospective financial information. Neither the City, the City’s independent auditors, nor any other independent accountants or actuaries have compiled, examined, or performed any procedures with respect to the prospective financial information contained herein, nor have they expressed any opinion or any other form of assurance on such information or its achievability, and such parties (other than the City) assume no responsibility for, and disclaim any association with, the prospective financial information.

The discussion of City revenues and debt does not include debt and associated revenues which are not reported in the City’s ACFR, nor in the City’s annual budget. These debt and associated revenues consist of (i) conduit debt (debt issued by the City to finance privately owned projects and repayable solely from loan repayments from the project owners) as well as revenues received from such project owners and used to repay the conduit debt; and (ii) special assessment bonds and the special assessments on specified properties in the City which are the sole source of repayment for such bonds.

This Budget Forecast has not been prepared to give information for making decisions on buying or selling securities and should not be relied upon by investors in making investment decisions. With respect to any bonds, notes, or other debt obligations of the City, please refer to information in the City’s ordinances and notifications of sale and the related disclosure documents, if any, or continuing disclosure filings, if any, for such bonds, notes, or other debt obligations.

The information is provided “as is” without warranty of any kind. Neither the City nor any of its agencies nor any of its officers or employees shall be held liable for any use of the information described and/or contained in this document.

# EXECUTIVE SUMMARY



## 2024 BUDGET FORECAST EXECUTIVE SUMMARY

The Budget Forecast is required by Executive Order 2023-19 to provide the City of Chicago's residents with an analysis that identifies the opportunities and challenges of the upcoming budget year. This is achieved through a data-driven review of the current and future financial health of the City's revenues and expenditures to provide the framework for the development of the City's Annual Budget.

The 2024 Budget Forecast discusses the City's 2023 year-end estimates, as well as projections for 2024 to 2026 of three revenue and expense scenarios with a base outlook, a negative outlook, and a positive outlook. These projections are based on historical revenue and expenditure data, current economic trends and conditions, and other known factors that are anticipated to have an impact on the City's finances.

National and global events continue to impact Chicago's economy as it continues its recovery from the COVID-19 pandemic and its resulting recession. These include the Federal Reserve's tightening of monetary policy, the anticipated end of COVID-19 economic relief programs, and the pandemic related changes in the economy that cities, including Chicago, will continue to experience moving forward.

The City currently projects the Corporate Fund to end 2023 with total resources exceeding expenses by \$61.7 million due to improved revenue projections and cost savings. Due to cyclical expansions in economic activity, in years with revenue collections in excess of budget, the City works to maintain fund balance reserves to mitigate future risks and preserve financial stability. Given the current year-end estimates for certain revenues, coupled with expected expenditure savings, the City is assigning excess resources to the Assigned Fund Balance Reserve. Assigned Fund Balance Reserve represents one-time resources reserved for expected one-time expenditures in future years. These include additional pension liabilities and contracts currently under negotiation.

Based on current resource and expenditure projections of existing operations, the City estimates a 2024 Corporate Fund gap of \$538 million. This gap is driven by several factors, including rising personnel, pension, and contractual costs, as well as the cost to care for new migrants arriving to the city. The 2024 projection for these expenses assumes salary and wages will grow based on required and estimated contractual wage and prevailing rate increases, as well as cost of living adjustments for City employees, and updated pension contributions based on the most up to date actuarial reports and calculations. Personnel expenditures are expected to grow by more than \$214.4 million in 2024, totaling \$3,405.2 million.

The 2024 budget will mark the fifth year for the City's Police and Fire Pensions, and the third year for the Municipal and Laborers Pension Funds that contributions will reflect an actuarially-calculated statutorily required contribution. 2024 will also mark the second year in which the City will pay additional payments towards each of the four pensions to reduce the long-term collective liability. Together, these payments will total \$835.1 million from the Corporate Fund. \$575.6 million of this total is the actuarially-calculated contribution amount while the City is planning to make an advance payment of \$259.5 million.

Contractual services are expected to increase by \$19.8 million from the 2023 budget. This is driven by expected inflationary impacts to contract costs, as well as planned contractual increases for new and expanded information technology services.

The City continues to consider the long-term outlook when ensuring each budget includes structural solutions to offset future revenue and expenditure changes.



# FINANCIAL FORECAST



# 2024 BUDGET FORECAST FINANCIAL FORECAST

## INTRODUCTION

This section addresses the City's 2023 year-end estimates, 2024 preliminary revenue and expense projections, and three revenue and expense scenarios for the years 2025 and 2026 – with a base outlook, a negative outlook, and a positive outlook. These projections are based on historical revenue and expenditure data, contemporary economic and expense trends and conditions, and other known factors that are anticipated to have an impact on the City's finances. The purpose of this analysis is to ensure that the 2024 budget is formulated within the context of the City's current financial state, and with an informed view of future conditions and the long-term fiscal consequences of today's decisions.

The forecast focuses primarily on the Corporate Fund, which not only accounts for many basic services provided by the City, but also has historically experienced the largest disparity between revenues and expenditures. Projections for the City's major Special Revenue and Enterprise Funds are included at the end of this section.

## METHODOLOGY

The preliminary revenue and expense projections for 2024 reflect the City's budget deficit, which is any anticipated budget imbalance between existing revenues and expenses for that budget year.

Prior to 2019, the budget deficit methodology did not define long-term liabilities for future years as structural budget imbalances. Beginning with the 2020 Budget Forecast, the methodology for projecting the budget deficit includes known long-term liabilities such as pensions and debt service. The Mayor's Budget Recommendations are presented each fall with revenues and expenditures balanced.

Future years' budget deficits included in this document are projections for the City's Corporate Fund based on various economic scenarios founded on anticipated revenues and expenditures. These figures assume that no substantive changes are made to City operations, or revenue sources.

## GENERAL ECONOMIC CONSIDERATIONS

National and global events continue to impact Chicago's economy as it continues its recovery from the COVID-19 pandemic and its resulting recession. These include the Federal Reserve's tightening of monetary policy, the anticipated end of COVID-19 economic relief programs, and the pandemic related changes in the economy that cities will continue to experience moving forward. This economic forecast is based on information available to the

City at the time of its release.

Chicago has one of the world's most robust and diverse economies with no single industry employing more than 13 percent of the city's workforce. This diversity typically provides financial stability for mature industries such as financial services, manufacturing, education, healthcare, and transportation and warehousing, which enables the City to provide support for growing and emerging businesses in sectors like technology, tourism, biotech, and life sciences.

The economic disruption created by the COVID-19 pandemic placed a significant strain on the City's local economy. The recovery from the pandemic has been industry dependent. This is apparent in the uneven economic growth seen through the first half of 2023. Industries related to tourism have continued on the path towards full recovery, while others, like the real estate market, lag due to unfavorable economic conditions and a post-pandemic shift in consumer and worker behavior.

This economic forecast, and as with any forecast, can never fully anticipate the impact of future events, and is based on information available to the City at the time of this release. Forecast scenarios range from assuming continued economic growth and consumer spending (positive scenario) to a mild economic slowdown (baseline scenario) to a recession with an economy that is weighed down by high interest rates and a decline in consumer spending (negative scenario). These assumptions are further discussed in the 2024 Corporate Fund projection and 2025 and 2026 Corporate Fund Outlook sections.

### *Economy*

Inflation, as measured by the Consumer Price Index for All Urban Consumers ("CPI-U"), rose to a four decade high of 9.1 percent in June 2022 and remained elevated through the end of the year. Inflation has slowed through the first half of 2023 but continues to pose a risk to economic growth as rising prices weaken purchasing power and reverses wage gains seen over the past few years. The Federal Reserve continues to target its goal of achieving maximum employment, and a two percent rate of inflation over the longer run by increasing interest rates twice in 2023 thus far, with another rate increase anticipated this fall.

This forecast's baseline scenario does not assume that Chicago will experience a recession through 2026, but does include a slowdown in economic activity towards the end of 2023 and into 2024, with a slower rate of growth resuming in 2025 and 2026.

## 2024 BUDGET FORECAST FINANCIAL FORECAST

### Business

Business growth in Chicago increased at a steady pace for nearly a decade before the pandemic. In 2020, new license issuance saw a steep 30.0 percent decline from the prior year as many industries that rely on in-person sales such as restaurants, faced operating restrictions and high uncertainty. 2021 and 2022 saw a rebound in business license issuances and renewals. Through the first half of 2023, new business license issuance rose 32.5 percent over the same period in 2022, while renewals rose 32.9 percent, indicating a continued rebound in business activity.

### Labor Force

Based on revisions by the Bureau of Labor Statistics (“BLS”), the unemployment rate at the height of the pandemic in 2020 for the Chicago metro region soared to 18.9 percent, with record numbers of new unemployment claims. As the effects of the pandemic waned and businesses reopened, the unemployment rate in the region fell to 4.2 percent in December 2022, with continued gradual declines seen through the first half of 2023. In June 2023 the region’s unemployment rate stood at 4.3 percent, positioning the year’s unemployment rate to end near the pre-pandemic low of 3.8 percent in 2019. Baseline estimates assume the unemployment rate will increase slightly each year from 2024 to 2026

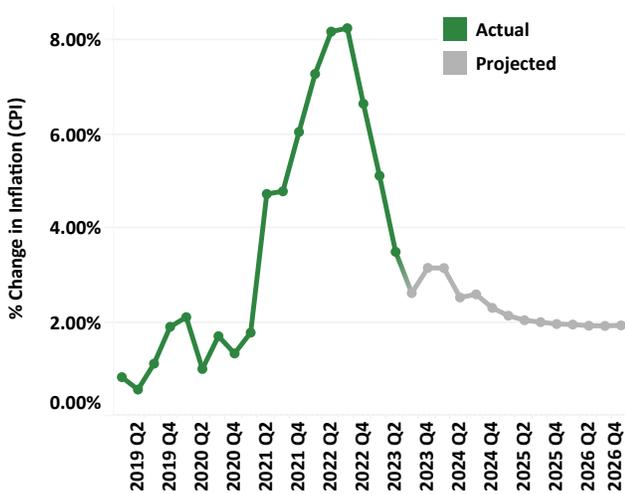
### Tourism

Tourism plays a critical role in Chicago’s economy. While travel- and tourism-related industries saw unprecedented losses with the cancellation of all major conferences and a near-complete halt to leisure and business travel at the onset of the COVID-19 pandemic, each year since 2020 has seen growth in the number of travelers to Chicago. According to Choose Chicago, 49 million visitors came to the city in 2022, representing an 80 percent recovery to pre-pandemic visitor levels.

2023 has been a landmark year for travel in Chicago. Local hotel revenues reached an all-time high in the first half of the year, with June seeing the single best weekend on record for both hotel occupancy and revenues. Chicago has seen record-breaking attendance at major conventions in the past year, including ProMat 2023 and the American Society of Clinical Oncologists Annual Meeting. In July, Chicago hosted its first NASCAR race, the Grant Park 220, which was the most watched NASCAR race in NBC’s history of broadcasting the sport.

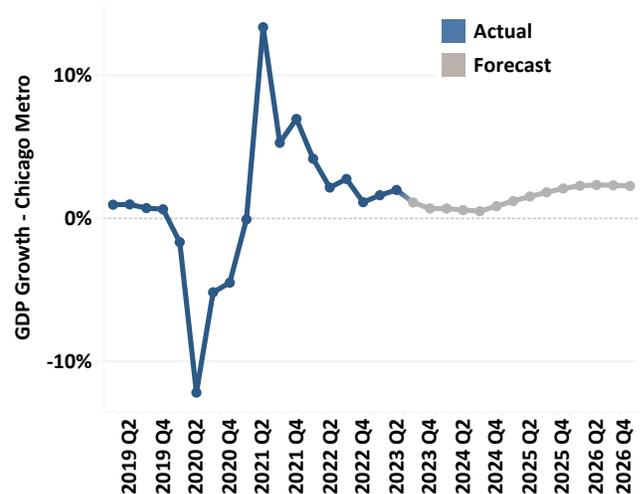
The City expects to continue to host signature events like the Chicago Air and Water Show, Taste of Chicago, the Chicago Jazz Festival, the Chicago Blues Festival, and others in 2024. Additionally, Chicago will serve as the host city for the 2024 Democratic National Convention, which will bring tens of thousands of delegates and other attendees to the City. McCormick Place is scheduled to

**Inflation Rate**



Sources: U.S. Bureau of Labor Statistics (BLS); Moody’s Analytics, Consumer Price Index (CPI) for Chicago Metro Area

**Gross Domestic Product (GDP)**



Sources: U.S. Bureau of Economic Analysis (BEA); Moody’s Analytics, GDP for Chicago Metro Area

## 2024 BUDGET FORECAST FINANCIAL FORECAST

host 32 major conventions in 2024, representing 988,000 visitors, an increase of 16 percent from 2023.

Both leisure and business travel are expected to grow toward pre-pandemic levels in 2024 as Choose Chicago, the City of Chicago, and other stakeholders continue to coordinate efforts to build on the momentum generated in 2023.

### GENERAL EXPENSE CONDITIONS

Personnel-related expenditures, including salaries and wages, pensions, healthcare, overtime pay, workers' compensation, and unemployment compensation, account for the majority of total Corporate Fund expenditures in recent years and is one of the largest drivers of expense growth.

Over the past 10 years, the City's workforce has increased from 33,554 budgeted Full Time Equivalents ("FTEs") in 2013 to 35,272 budgeted FTEs in 2022. While the number of FTEs has increased slightly, the City's overall personnel-related costs are significantly higher than they were ten years ago due to contractual and prevailing wage increases, rises in healthcare costs, and growing pension costs.

The increase in personnel expenses is primarily due to salary increases resulting from contractual obligations under collective bargaining agreements ("CBA"). Approximately 90 percent of total City employees are covered by a CBA.

Over the last ten years, the relative proportion of union positions has increased. The City has CBAs with more than 40 different unions. The CBAs with most of these unions generally include cost of living increases, as well as step increases based on years of service, resulting in higher personnel costs year-over-year.

While personnel-related expenses are anticipated to have the largest impact on future expenditures within the City's budget, non-personnel expenses, such as fuel and other commodities, equipment, information technology, and professional services, may be adversely impacted by the global economy and tariffs. As it relates to energy procurement, the City utilizes price hedging to take advantage of favorable market pricing without sacrificing budget certainty.

These broader expenditure factors are accounted for in the following projections. The year-end projections and

the base outlook present what are currently viewed as the most likely scenario. The positive and negative outlooks provide insight into how changes in employment, salary and wages, benefits, and other related factors could affect the City's finances over the next several years.

## 2024 BUDGET FORECAST FINANCIAL FORECAST

### CORPORATE FUND YEAR-END ESTIMATES

The City currently estimates the Corporate Fund to end 2023 with total resources exceeding expenses by \$61.7 million due to improved revenue projections and cost savings. Of these additional resources, all are planned for the Assigned Fund Balance Reserve, discussed further below.

The estimates provided herein reflect the year-end revenues and expenditures as of August 2023. Note that fluctuations in economic conditions could further impact the City's finances, whether positive or negative.

### YEAR-END REVENUES

Corporate Fund resources are estimated to end the year approximately \$19.5 million above budgeted levels, at \$5,506.8 million. This increase is attributable to an improving economy, as well as revenues from sources assumed to be one-time in nature.

Local tax revenues are estimated to be above budget by 0.3 percent, or \$5.9 million, at \$2,128.8 million.

Transaction taxes are expected to fall below budgeted amounts by 5.2 percent or \$42.2 million, driven primarily by the underperformance of the Real Property Transfer Tax. This tax is estimated to end the year at 37.1 percent, or \$82.1 million, under budget due to a slow down of activity in the real estate market.

Offsetting the Transaction tax's underperformance are collections from the Personal Property Lease Tax which are estimated to exceed budgeted amounts by 6.8 percent, or \$39.8 million, driven by increased enforcement activity and voluntary disclosures.

Utility taxes are estimated to end the year 0.2 percent, or \$0.8 million, below budget as a result of lower than budgeted revenue from the Cable Franchise Fee.

Transportation taxes are expected to end the year over budget by 2.9 percent, or \$10.7 million. This is largely due to Ground Transportation Tax performing better than anticipated. This source is estimated to end the year 11.2 percent, or \$18.6 million above budget. Offsetting this higher than budgeted amount is the Vehicle Fuel Tax, which is expected to end the year 11.9 percent, or \$7.9 million, below budget.

Business taxes are estimated to end the year 13.5 percent, or \$17.3 million, above budget. This increase is attributable

to the Hotel Tax and the Checkout Bag Tax. The former is estimated to exceed budget by 8.6 percent, or \$10.3 million, due to increased tourism activity; the latter is estimated to exceed budget by 86.1 percent, or \$7.0 million, due to increased audit and enforcement activity.

Recreation taxes are expected to end the year 5.1 percent, or \$16.2 million, above budgeted amounts. This increase is primarily driven by the Amusement Tax, which is expected to end the year 9.1 percent, or \$21.2 million above budget. Local non-tax revenue is anticipated to end 2023 below budget by 1.8 percent, or \$27.6 million. This is largely driven by a decrease in Internal Service Earnings revenue, as well as lower than budgeted revenue in other revenue categories.

Proceeds and transfers in are expected to fall below budget by 21.8 percent, or \$188.7 million, in part due to a restructuring of debt service that reduced the budgeted residual distributed to the City from the Sales Tax Securitization Corporation.

Intergovernmental revenue is expected to end the year 35.4 percent, or \$229.9 million over budget due to higher-than-expected growth in both the State Income Tax and the Personal Property Replacement Tax.

### YEAR-END EXPENDITURES

The Corporate Fund expenditures are currently estimated to end the year below budget by 0.8 percent, or \$42.2 million.

These estimates are based on available data as of publication and incorporate payroll trends, market pricing for commodities, and known or anticipated changes or events for the remainder of the year.

Personnel services are expected to end the year under budget by \$48.3 million.

These estimates are driven by savings due to attrition, which is partially offset by higher-than-expected expenditures in certain areas such as overtime.

Contractual services are expected to end the year \$61.1 million below budget for the year.

**2024 BUDGET FORECAST  
FINANCIAL FORECAST**

**CORPORATE FUND PROJECTION**

The difference between resources and expenditures anticipated by the City in the preliminary Corporate Fund budget estimate is the budget deficit, commonly referred to as the “gap.”

As in previous years, revenue and expense adjustments to close the gap are developed by the City, in consultation with elected officials and the general public, and will be presented in the Mayor’s Budget Recommendations submitted to the City Council.

Based on current revenue and expenditure projections of existing operations, the City estimates a Corporate Fund gap of \$538.0 million for 2024.

The following is an outline of the City’s operating revenue and expenditure projections. These expenditure and revenue projections assume no substantive changes to City operations. Cost saving initiatives are not incorporated into these estimates as the projections reflect the gap in the City’s operating budget related to existing expenses and revenues.

**Income Statement - Corporate Fund**

	<b>2023 BUDGET AS AMENDED</b>	<b>2023 YEAR-END ESTIMATES</b>	<b>2024 PROJECTED</b>
<b>Revenues</b>			
Local Tax Revenue	\$2,123.0M	\$2,128.8M	\$2,168.5M
Proceeds and Transfers In	\$865.8M	\$677.1M	\$571.7M
Intergovernmental Revenue	\$649.6M	\$879.6M	\$878.3M
Local Non-Tax Revenue	\$1,575.8M	\$1,548.2M	\$1,516.0M
Prior Year Assigned and Unassigned Available Resources	\$273.1M	\$273.1M	\$324.9M
<b>Total Resources</b>	<b>\$5,487.3M</b>	<b>\$5,506.8M</b>	<b>\$5,459.3M</b>
<b>Expenditures</b>			
Commodities and Materials	\$96.4M	\$89.0M	\$105.5M
Contingencies	\$0.2M	\$0.1M	\$0.2M
Contractual Services	\$569.8M	\$508.7M	\$589.6M
Equipment	\$2.2M	\$1.8M	\$2.2M
Financial Costs	\$623.7M	\$628.8M	\$519.7M
Pension Costs	\$644.9M	\$644.9M	\$835.2M
Permanent Improvements	\$0.0M	\$0.0M	\$0.0M
Personnel Services	\$3,190.7M	\$3,142.4M	\$3,405.2M
Special Event Projects	\$51.0M	\$51.0M	\$200.0M
Specific Items and Projects	\$300.4M	\$372.2M	\$331.5M
Transfers and Reimbursements	\$6.4M	\$5.4M	\$6.5M
Travel	\$1.5M	\$0.8M	\$1.9M
<b>Total Expenses</b>	<b>\$5,487.3M</b>	<b>\$5,445.1M</b>	<b>\$5,997.4M</b>
<b>GAP (RESOURCES LESS EXPENDITURES)</b>			
	<b>\$0.0M</b>	<b>\$61.7M</b>	<b>(\$538.0M)</b>

## 2024 BUDGET FORECAST FINANCIAL FORECAST

### REVENUE PROJECTION

Corporate Fund resources in 2024 are projected to decrease from 2023 budgeted amounts by 0.5 percent, or \$27.9 million, to \$5,459.3 million.

Local tax revenue is projected to increase by 2.1 percent or \$45.5 million from the 2023 budget. This increase is driven by recreation, business, and transportation taxes.

Recreation taxes, driven by the Amusement Tax, are projected to grow \$28.3 million, or 12.2 percent, over the 2023 budget. Business taxes, primarily comprised of Hotel Tax, are expected to grow \$13.9 million, or 11.6 percent, in 2024 from the 2023 budget.

Transportation taxes, which were the slowest to recover in 2021 and 2022, are expected to keep near 2023 levels with a projection of \$388.9 million in 2024.

Intergovernmental revenue is expected to increase by \$228.7 million, or 35.2 percent from the 2023 budget to \$878.3 million, as some of the growth in Income Tax and Personal Property Replacement Tax that occurred in 2022 is structural and as the City continues to right size its budget for these revenue sources.

Income Tax is projected to increase 14.0 percent from

the 2023 budget. Personal Property Replacement Tax is projected to increase 66.1 percent or \$175.8 million from the 2023 budget.

Non-tax revenues are expected to decrease by \$59.8 million from the 2023 budget, or 3.8 percent, totaling \$1,516.0 million.

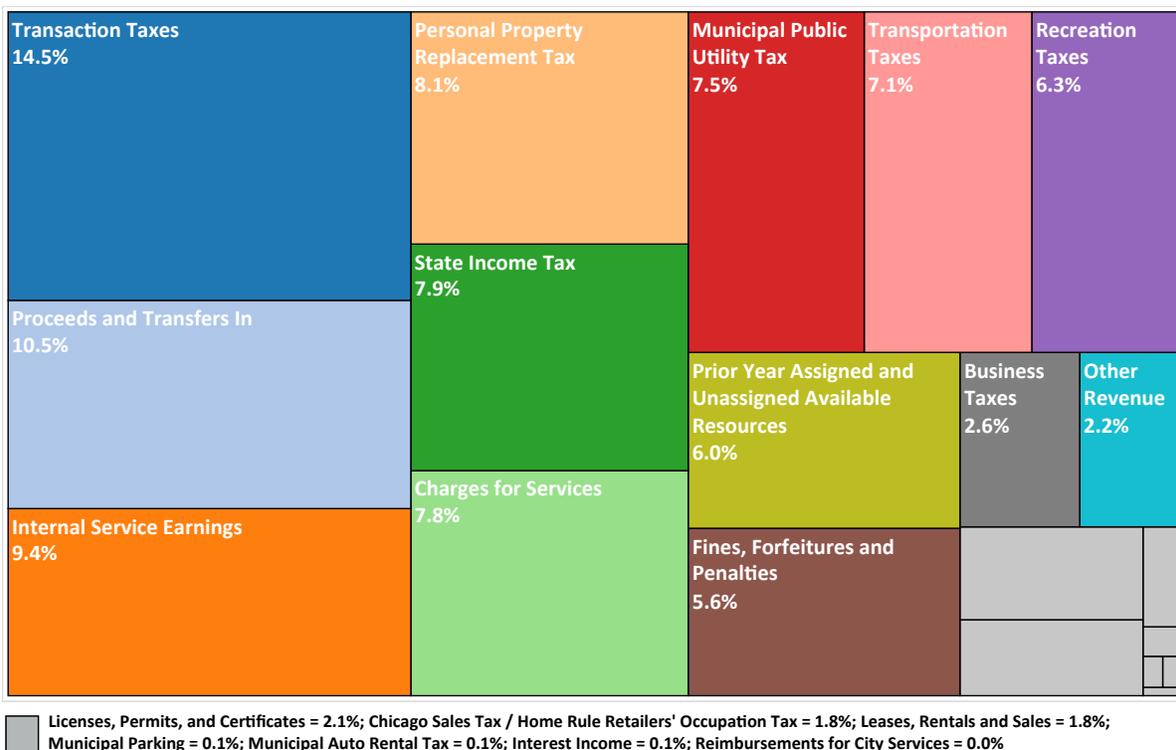
This change is mostly due to an anticipated decrease in the Other Revenue and Internal Service Earnings categories.

The decline in Other Revenue is partially due to one-time sweeps of aging revenue accounts, while expectations for reimbursements from intergovernmental agencies have been revised to note expected payments for the upcoming fiscal year.

Proceeds and Transfers are projected to fall from the 2023 budget by \$294.1 million, or 34.0 percent, to \$571.7 million. This decrease is due to a reduction in revenue expected from the City's Sales Tax residual, as well as no revenue replacement funds expected from the American Rescue Plan ("ARP") for 2024.

Prior year assigned and unassigned available resources are expected to increase \$51.7 million from the 2023 budget.

### Projected Resources - Corporate Fund: \$5,459.3 Million



## 2024 BUDGET FORECAST FINANCIAL FORECAST

### EXPENDITURE PROJECTION

In 2024, Corporate Fund expenditures are projected to be \$5,997.4 million. This is an overall increase of 9.3 percent, or \$510.1 million, from the 2023 budget.

These projections are based on the budget and actual expenditures, and adjusted for anticipated growth trends, and known changes to existing expenses such as normal increases in contractual services, commodities and materials costs, and contractual salary increases and cost of living adjustments.

The increase is driven by several factors, including personnel, pension and contractual services, as described in the sections below.

One contributor to the projected expenditure increases are personnel costs, primarily wages and other related expenses. The projection for these expenses assumes salary and wages will grow based on required contractual wage and prevailing rate increases.

Personnel services are expected to grow by approximately \$214.4 million, totaling \$3,405.2 million.

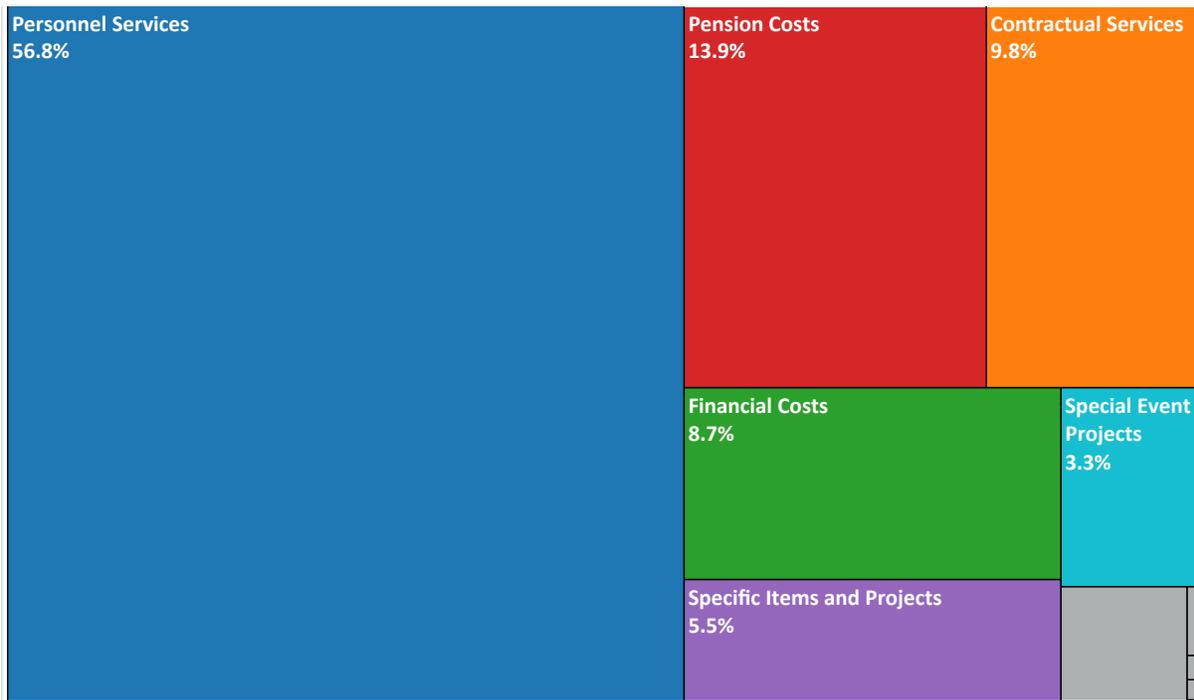
The increase in pension costs reflects the statutorily required actuarially calculated contribution, as well as an

advance pension payment, resulting in a \$190.3 million increase from the previous year. This is discussed further in the Pension section.

Contractual services are expected to increase by \$19.8 million, or 3.5 percent. This is driven by planned contractual increases for elections and new and expanded information technology services.

Special event projects are expected to increase by \$149.0 million, or 292.2%. This is driven by services associated with new arrivals to the City from the border.

**Projected Expenditures - Corporate Fund: \$5,997.4 Million**



Commodities and Materials = 1.8%; Transfers and Reimbursements = 0.1%; Equipment = 0.0%; Travel = 0.0%; Contingencies = 0.0%; Permanent Improvements = 0.0%

*(Chart may not sum due to rounding)*

## OUTLOOK FOR CORPORATE FUND

The following three scenarios project budget gaps for the years 2025 and 2026 for the City's Corporate Fund based on different revenue and expenditure outlooks. While the City shows an increase in the gap for 2025 and 2026, these numbers assume that no substantive changes will be made to City operations, revenue, or the cost of City services as part of the 2024 budget that would impact future budgets. Forecasts for the economic contraction vary and are influenced by assumptions about inflation and its impact on consumer confidence and spending. The City incorporated assumptions of a slight economic slowdown starting towards the end of 2023 and into 2024. 2025 and 2026 are expected to see slower growth.

The majority of the projected expenditure increases are related to personnel and pension costs. The personnel assumptions account for required contractual salary and prevailing rate increases for current collective bargaining agreements as well as certain assumed salary and wage growth for collective bargaining agreements under negotiation.

The projected revenue forecasts vary based on the assumptions outlined below. All three scenarios anticipate varying economic growth assumptions over the period of the forecast. The projected gap in each of the scenarios highlights expenditure growth relative to revenue growth.

### BASE OUTLOOK

The base outlook projects a decline in Corporate Fund revenue in 2024, but an expansion starting 2025, with total revenues increasing by 1.6 percent over the 2024 estimates to \$5,134.5 million. This scenario assumes growth will continue into 2026, with a 1.2 percent increase to \$5,281.2 million. The baseline scenario assumes each year will use \$66.2 and \$66.8 million respectively from prior year fund balance.

Corporate Fund expenditures are projected to outpace revenue growth during this period, due to growth in wages and other personnel-related costs, as well as increasing pension obligations.

In 2025, the projected expenditures reach \$6,269.4 million, and in 2026, expenditures are projected to increase to \$6,551.9 million.

Most non-personnel expenditures are assumed to grow at historical average rates. Salaries and wages, along with healthcare, make up the largest portion of the City's operating budget. The projections are based on the

assumption that the number of City employees will remain stable and that the costs associated with these positions will experience growth in line with long-term, historical trends.

In this base outlook, there would be budget shortfalls of \$986.0 million in 2025 and \$1,203.9 million in 2026.

### NEGATIVE OUTLOOK

The pessimistic outlook represents a scenario in which City finances are affected by unfavorable economic conditions. This scenario includes projections of negative growth in economically sensitive revenues, with the assumption that current economic uncertainties will lead to a sharp decline in current year corporate fund revenue collections, see muted growth in 2025 before noting another decline in collections in 2026.

Expenditures in this scenario grow at a significantly higher rate. Under this outlook, total Corporate Fund expenditures are projected to be \$6,496.2 million and \$6,785.4 million in 2025 and 2026, respectively. The negative outlook assumes an increase in spending over the next several years. In this scenario, City spending would continue to outpace revenues. Most expenditure categories are assumed to grow at historically higher rates, with personnel being the most significant driver.

In this negative outlook, there would be budget shortfalls of \$1,532.2 million in 2025 and \$1,904.2 million in 2026.

### POSITIVE OUTLOOK

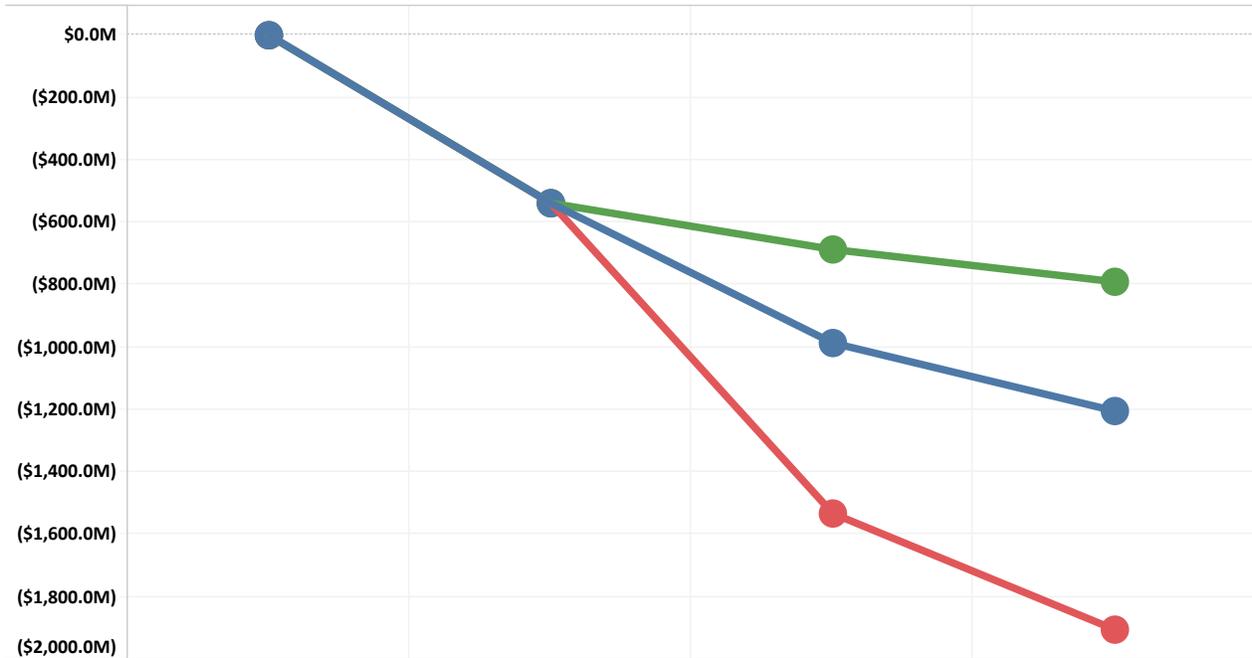
The positive outlook assumes a more optimistic outlook, with economic conditions improving as concerns over rising inflation fade and consumer spending drives revenue collections. The positive outlook projects slow, but continued growth over the three-year forecast period. Total Corporate Fund revenues are expected to be \$5,347.3 million in 2025, and \$5,371.3 million in 2026.

In this positive scenario, the City would have greater control over expenditures. In particular, the personnel-related costs would grow at a rate lower than the base outlook, resulting in total projected expenditures of \$6,099.8 million in 2025 and \$6,227.9 million in 2026.

In this positive outlook, there would be budget shortfalls of \$686.3 million in 2025 and \$789.8 million in 2026.

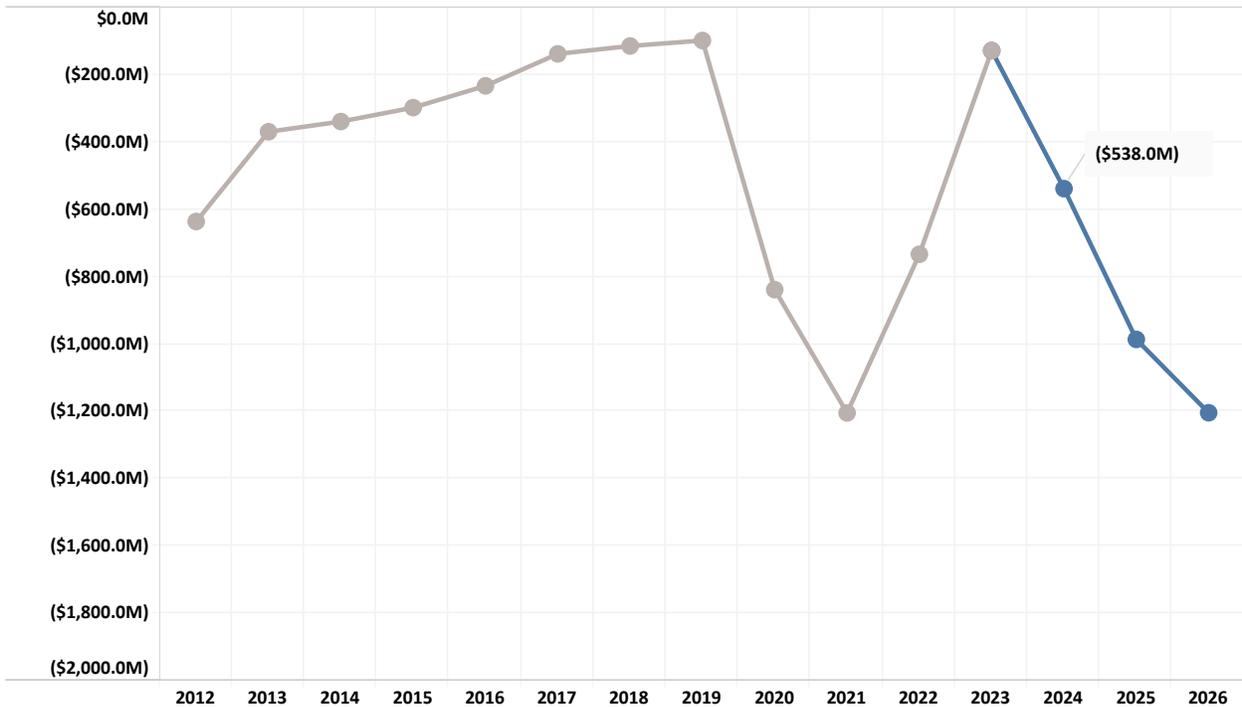
# 2024 BUDGET FORECAST FINANCIAL FORECAST

## Outlook for Corporate Fund



	2023 Budget	2024	2025	2026
Base	\$0.0M	(\$538.0M)	(\$986.0M)	(\$1,203.9M)
Positive	\$0.0M	(\$538.0M)	(\$686.3M)	(\$789.8M)
Negative	\$0.0M	(\$538.0M)	(\$1,532.2M)	(\$1,904.2M)

## Gap History – Corporate Fund



Gap calculations as of 2020 reflect the new methodology as described in this document.

■ Historical      ■ Projected

## 2024 BUDGET FORECAST FINANCIAL FORECAST

### OUTLOOK FOR SPECIAL REVENUE FUNDS

The City’s current 911 surcharge of \$5 per month for wireless and landline connections allows the City to fully fund the City’s 911 operations as well as invest in a new 911 system using surcharge funds.

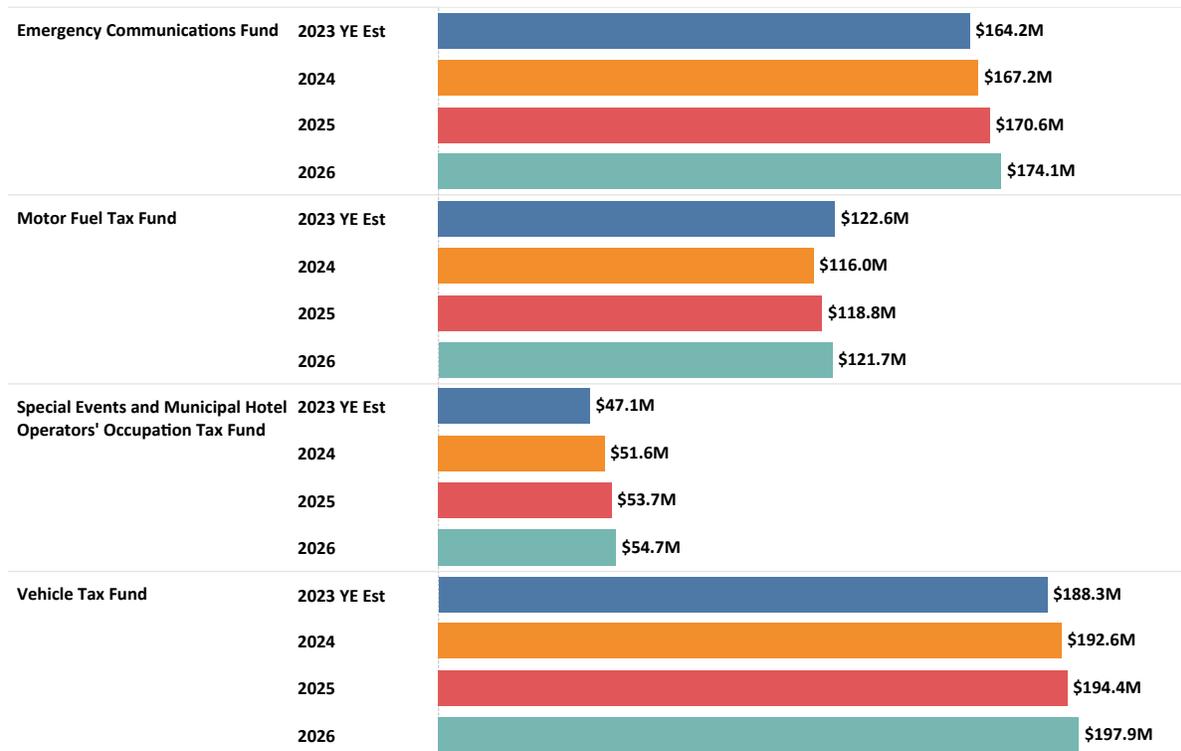
The 2023 year-end estimate for revenues from this surcharge is 8.2 percent, or \$14.7 million, below budgeted expectations. Revenues are expected to steadily grow from 2024 to 2026 due to increased enforcement activity.

Motor Fuel Tax Fund revenues are projected to end 2023 at budget at \$122.6 million. This fund is expected to see an increase in the State’s transfer from its motor fuel tax fund. We expect these transfers to match our growth expectations for the City’s vehicle fuel tax through 2026. The decline in total resources in 2024 is due to prior year fund balance assumed spent in 2023.

Chicago’s festivals and events continue to attract visitors to the City. The Special Events and Municipal Hotel Operators’ Occupation Tax Fund is expected to end the year at 6.6 percent, or \$2.9 million, above budget. The outlook for growth in tourism, convention, and business travel over the three-year forecast period reflects a return to pre-pandemic levels and growth.

The City anticipates revenue from the sale of vehicle stickers and other revenues in the Vehicle Tax Fund to end the year at 24.7 percent, or \$61.7 million, below budgeted expectations due to lower than budgeted vehicle sticker sales and transfers into the fund. This downward adjustment is expected to serve as a new baseline for future years.

#### Outlook for Special Revenue Funds



# 2024 BUDGET FORECAST FINANCIAL FORECAST

## OUTLOOK FOR ENTERPRISE FUNDS

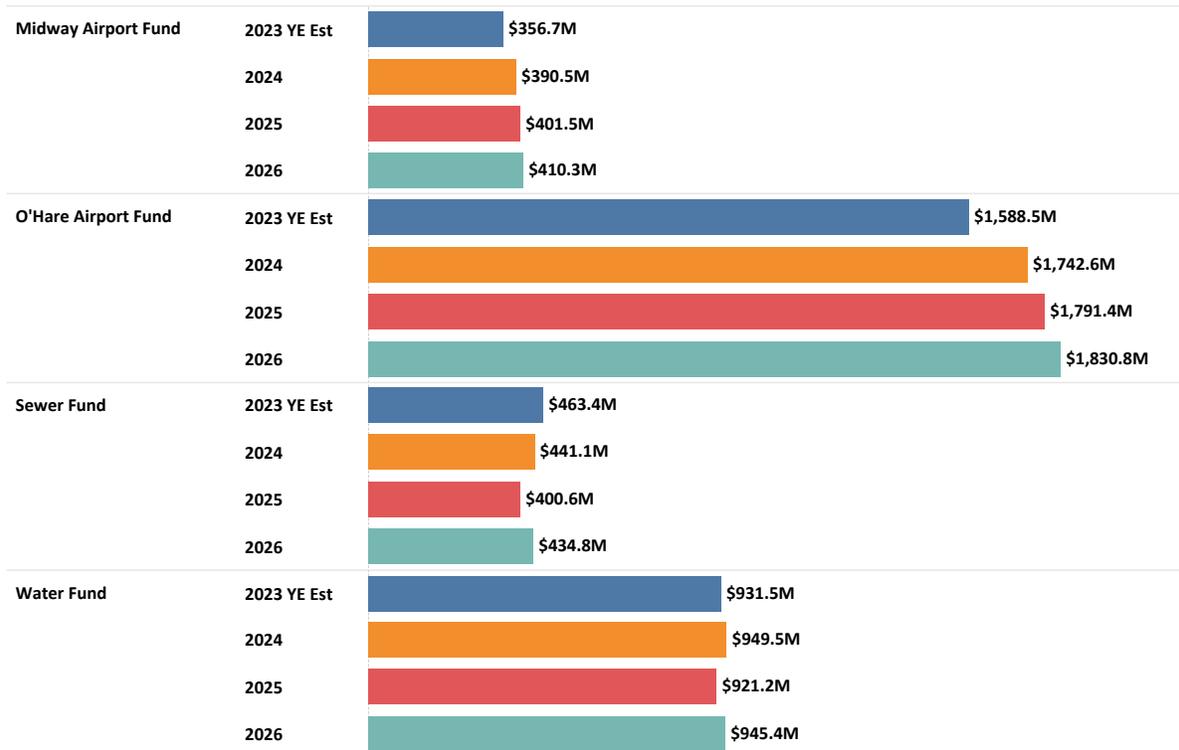
### WATER AND SEWER FUNDS

The year-end estimate for Water Fund revenue is \$931.5 million and \$463.4 million for Sewer Fund revenue. Revenues to the Water and Sewer Funds are expected to end the year under budget in 2023, then increase over the next three years. These three-year projections account for collection loss and current trends in water usage, as well as anticipated increases in water rates.

### AVIATION FUNDS

Estimates for the O’Hare and Midway International Airport Funds anticipate that revenue is set at a level necessary to pay debt service and support the operations of the airports. The year-end estimate for 2023 Midway Fund revenue is \$356.7 million and \$1,588.5 million for O’Hare Fund revenue. The City projects continued growth in its forecast as the airports move forward with large scale capital projects and other improvements necessary to accommodate increased tourism and business travel.

Outlook for Enterprise Funds



## 2024 BUDGET FORECAST FINANCIAL FORECAST

### PENSION

The City’s employees are covered under four defined benefit retirement plans established by State statute and administered by independent pension boards. These plans are the Municipal Employees’ Annuity and Benefit Fund (“MEABF”), the Laborers’ Annuity and Benefit Fund (“LABF”), the Policemen’s Annuity and Benefit Fund (“PABF”), and the Firemen’s Annuity and Benefit Fund (“FABF”).

State statute mandates the payments to the City’s four pension funds. Prior to pension reforms in 2015 and 2017, State law required the City to contribute a statutory multiple of the amount contributed to each pension fund by the employees who were members in that fund two years prior. This funding formula did not adjust for changes in benefits or changes in the funding level of each pension fund resulting in a City contribution that did not adequately support the pension funds. The City’s 2014 budget was the final year the City’s employer contribution for all four pension funds was based on this statutory multiplier calculation and totaled \$478.3 million to all four pension funds.

In 2015, the State passed a new funding formula for the City’s PABF and FABF, establishing five years of increasing fixed contributions set in statute between 2015 and 2020, after which the City’s annual payment is based on an actuarially calculated contribution designed to bring the two funds to a 90 percent funded ratio by 2055. Similarly,

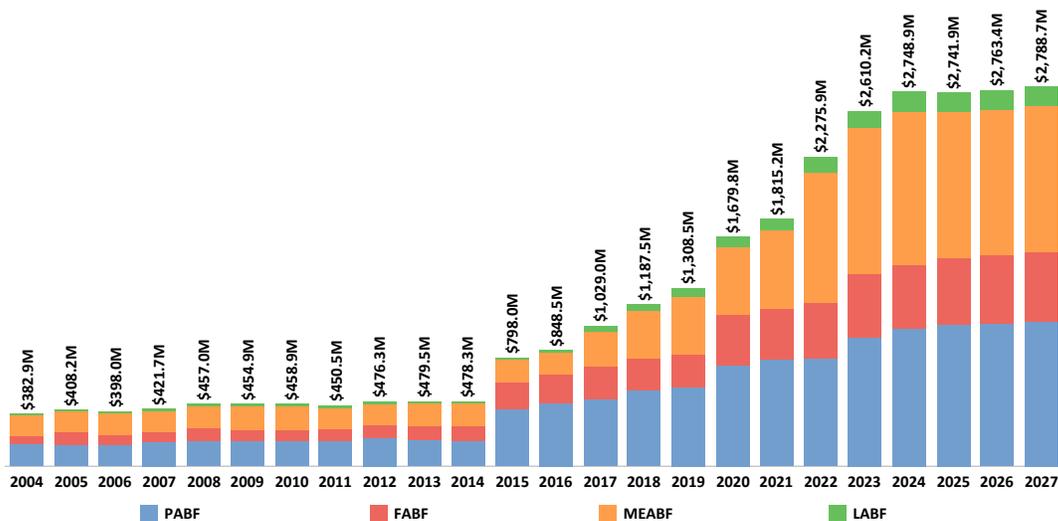
the funding formula for the City’s MEABF and LABF was revised in 2017 to establish a five-year period of increasing fixed contributions between 2017 and 2021, after which the City’s annual payment will be based on an actuarially calculated contribution to bring the two funds to a 90 percent funded ratio by 2058.

Historically, the City’s pension contributions have been made primarily from the proceeds of an annual property tax levy for each fund; however, State law also allows for proceeds from other legally available funds, in lieu of a property tax levy to make contributions to a pension fund.

The 2022 budget included the final year of increased statutory contributions for the MEABF and LABF. A dedicated tax on water-sewer usage was passed by the City Council in 2016 to pay for the increased contributions to the MEABF through 2021. In 2018, the City Council increased the 911 surcharge to generate sufficient revenue to pay for all eligible 911 operations and emergency preparedness costs. This allowed Corporate Fund resources previously appropriated for 911 operations to be dedicated to other Corporate Fund expenses, including pensions. In 2022, both MEABF and LABF moved to actuarially calculated contributions.

In 2022, the City also adopted the Pension Management Policy which would ensure advance pension payments be made in addition to the statutory contributions already budgeted for. This advance payment prevents further

**Historic and Projected Pension Contributions**



1) The historic contributions presented in this chart differ slightly from amounts presented in previously published documents as a result of differences in the accounting documentation of these contributors. The 2015 and 2016 MEABF and LABF amounts reflect a revised employer contribution amount made by the City after P.A. 98-641 was declared unconstitutional by the Illinois Supreme Court in 2016. All other years, including 2022, represent the amounts found in the annual appropriation ordinance.  
 2) The projected contributions from 2024 through 2027 for all pension funds are based on the December 31, 2022 Actuarial Valuation Reports. These projections may shift over time based on investment returns and other pension fund changes as the City gets closer to making actuarially determined contributions.  
 3) The City established the Advance Pension Funding Policy in 2023. The Total Contributions include advanced payments of \$242 million in 2023, \$307 million in 2024, \$245 million in 2025, \$212 million in 2026, and \$181 million in 2027. Future year advanced payment amounts will be revised based on the most recent data available at the time.

## 2024 BUDGET FORECAST FINANCIAL FORECAST

growth of the City's unfunded pension liabilities. In 2023, \$242 million of the City's total \$2.6 billion pension contributions were advance payments.

In 2024, \$2.7 billion in pension contributions are expected across all funds, \$306.6 million of which are advance payments. The 2024 budget marks the fifth year of actuarially calculated contributions from the City to the PABF and FABF. This will increase the City's total pension contribution for the two funds by approximately \$73.6 million from the \$1.4 billion budgeted in 2023.

## 2024 BUDGET FORECAST FINANCIAL FORECAST

### DEBT

#### *Long-Term Debt*

Long-term debt is used to finance infrastructure projects in City neighborhoods including street and alley construction and improvements, lighting, sidewalk replacement, curb and gutter repairs and replacement, and transportation improvements, including street resurfacing, bridge rehabilitation and traffic safety improvements.

General Obligation Debt is backed by the full faith and credit of the City. The City has three types of General Obligation Bonds (“G.O. Bonds”) outstanding: 1) Tax Levy Bonds for which an annual property tax levy has been established to make payments; 2) Alternate Revenue Bonds for which an annual property tax levy has been established but is annually abated if certain other revenues are available that year to make payments; and 3) Pledge Bonds for which an annual property tax levy has not been established and payments are appropriated from other sources of revenue other than property taxes.

Water and Wastewater bonds are secured by revenues of the Water and Sewer Systems, respectively, and are primarily issued to fund capital projects for such systems. Additionally, the City periodically applies for and receives funding from the Illinois Environmental Protection Agency State Revolving Loan Funds Program. The City has also applied for and intends to receive funding from the United States Environmental Protection Agency Water Infrastructure Finance and Innovation Act (“WIFIA”) loan program.

O’Hare and Midway bonds are issued to fund capital improvements and are backed by general revenues generated at the respective facility. Additionally, the City has issued bonds to fund capital improvements at O’Hare secured by Passenger Facility Charges and Customer Facility Charges (“CFC”) collected at O’Hare. CFC revenues are also pledged to the repayment of an outstanding TIFIA loan to complete the airport transit system extension at the new O’Hare multi-modal facility.

Sales Tax revenues were purchased by the Sales Tax Securitization Corporation (“STSC”) after it was organized by the City in 2017 for the limited purpose of purchasing certain Sales Tax revenues and issuing bonds, notes, or other obligations for the benefit of the City. Bonds issued by the STSC beginning in 2017 were applied by the City to refund outstanding City of Chicago Sales Tax revenue bonds as well as certain outstanding G.O. Bonds for debt service savings. In exchange, the STSC was given

the City’s right, title, and interest in Sales Tax revenues collected by the State.

#### *Short-Term Debt*

In addition to the long-term debt discussed above, the City issues certain types of short-term debt to address various operating, liquidity, and capital needs.

General Obligation Short-Term Borrowing Program has historically been used by the City for working capital in anticipation of receipt of other revenue to fund capital projects, debt refinancing or restructuring, and to pay noncapital expenditures, such as settlements and judgments or retroactive payment of employment salaries and wages. The City currently has two facilities in place under the General Obligation Short-Term Borrowing program for capital purpose. Both lines of credit have agreements in place up to \$225 million (\$450 million total). Neither line of credit currently has an outstanding balance.

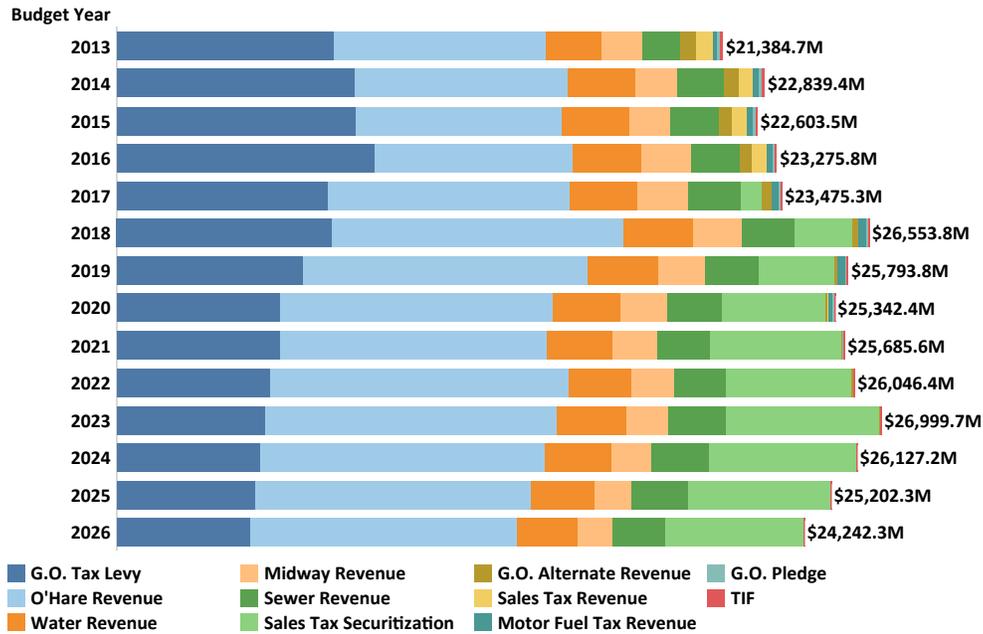
Water and Sewer Systems Commercial Paper Notes and Line of Credit Notes can be authorized for the purposes of financing or refinancing capital improvements to the Water and Sewer Systems or providing funds to meet the cash flow needs of the respective system; there are no programs currently in place and there are no notes currently outstanding.

Chicago O’Hare International Airport Commercial Paper Notes and Credit Agreement Notes can be used by the airport for working capital in anticipation of receipt of other revenue, to fund capital projects, and for debt refinancing or restructuring; There are currently two Credit Agreement Notes facilities in place at O’Hare for capital projects: (1) a line of credit facility for up to \$500 million; and (2) a line of credit facility for up to \$100 million. Neither line of credit facility has any amount currently outstanding.

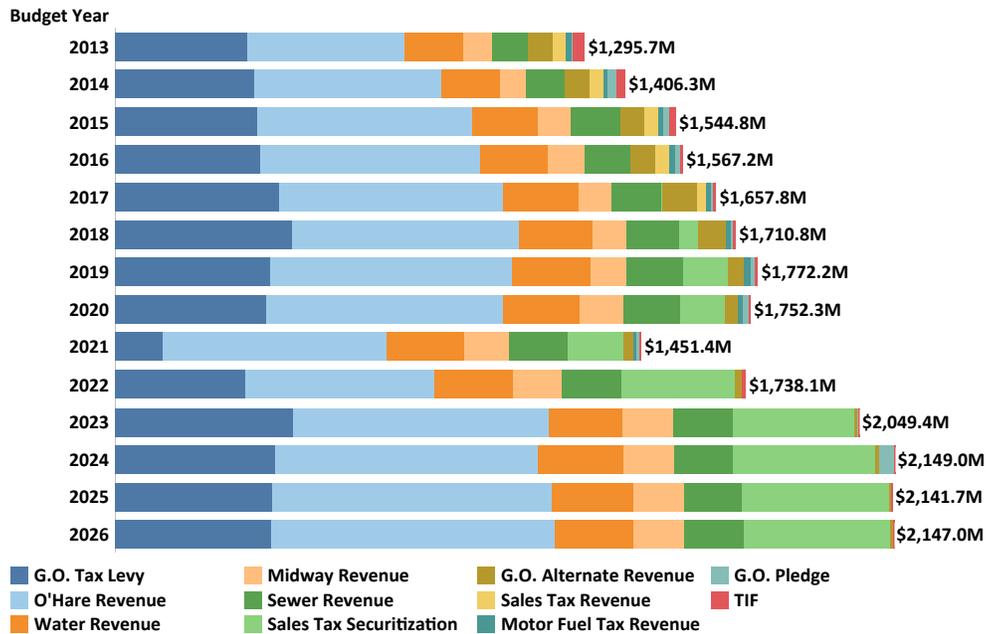
Chicago Midway Airport Commercial Paper Notes are available to support cashflow needs at Midway, to fund capital projects, and for debt refinancing or restructuring. Midway currently has a Commercial Paper Notes program in place for up to \$100 million. There is \$31 million in notes currently outstanding.

# 2024 BUDGET FORECAST FINANCIAL FORECAST

## Outstanding Long-Term Debt



## Long-Term Debt Service Payments



# APPENDICES



## HISTORICAL REVIEW

This section provides a 10-year review of the revenues and expenditures in the City's Local Funds, beginning with the Corporate Fund.

### CORPORATE FUND - HISTORICAL REVIEW

#### *Corporate Fund Revenue*

Corporate Fund revenues are divided into five broad categories including local tax revenue, intergovernmental tax revenue, local non-tax revenue, proceeds and transfers, and prior year available and unassigned available resources.

**Local tax** revenue consists of taxes collected by the City, including utility, transportation, transaction, recreation, and business taxes. In 2022, local tax revenue made up approximately 39.1 percent of total Corporate Fund revenues. Beginning with the 2020 budget, the City added collections from the City's 3.0 percent excise tax as well as a distributive share of State cannabis tax revenues.

**Intergovernmental tax** revenue totaled 18.0 percent of Corporate Fund revenues in 2022 and includes the City's share of State Income Tax, Personal Property Replacement Tax, and Municipal Auto Rental Tax. Prior to 2018 and the creation of the Sales Tax Securitization Corporation ("STSC"), the City's share of state-collected Sales Tax was included in this revenue category.

**Local non-tax** revenue consists of licenses, permits, services, fees and fines, proceeds from land and materials, sales and leases, and transfers to the Corporate Fund from the City's Special Revenue and Enterprise Funds for services provided. Local non-tax revenue totaled 25.1 percent of Corporate Fund revenues in 2022.

**Proceeds and transfers** consist of amounts transferred into the Corporate Fund from outside sources. In 2022, this revenue source totaled 17.9 percent of Corporate Fund revenues.

The City's revenue from most state and local sales taxes appears in the budget as a transfer, since the creation of the STSC, in 2017. This revenue securitization structure was developed because of legislation passed by the Illinois General Assembly, allowing all home rule municipalities to create a special purpose corporation organized for the sole purpose of issuing bonds paid for from revenues collected by the State. In December 2017, the City entered into a sale agreement ("Agreement") with the STSC. Under the Agreement, the City sold to the STSC the City's rights to receive Sales Tax revenues collected by the State. In

return, the City received the proceeds of bonds issued by the STSC as well as a residual certificate. Sales Tax revenues received by the STSC are paid first to cover the STSC's operating expenses and debt service on the STSC's bonds. All remaining Sales Tax revenues are then paid to the City as the holder of the residual certificate.

**Prior year available resources** are the result of savings and sustainable revenue growth, along with spending controls and other efficiencies, resulting in healthy growth of the Corporate Fund balance, referred to as prior year assigned and unassigned available resources. In 2022, the City budgeted \$65.2 million of prior year available resources.

#### *Corporate Fund Expenditures*

Corporate Fund expenditures are reported as a major governmental fund within the general fund in the City's basic financial statements. Overall, Corporate Fund expenditures totaled \$4.8 billion in 2022. This report breaks down these expenditures into the three broad categories of personnel, non-personnel, and other.

**Personnel expenditures** represent a significant majority of City expenses. These expenditures include employee pay, benefits, workers' compensation, and the City's Corporate Fund pension allocation. In 2022, personnel expenditures represented approximately 72.4 percent of the City's Corporate Fund expenditures.

**Non-personnel expenditures** accounted for 18.3 percent of Corporate Fund expenditures. This category includes contractual services, refunds, rebates, legal costs, utilities, commodities, delegate agencies, employee travel, and contingent expenses. This category also encompasses the City's payments for settlements and judgments. The City has historically used a combination of Corporate Fund and Enterprise Fund resources, as well as bond proceeds, to cover these costs.

**Other expenditures** totaled \$882.1 million in 2022, or approximately 9.2 percent of the total. These expenses include operating transfers to other funds, cash match for grants, financing costs, and indirect costs.

The City maintains a segregated fund to support the maintenance and operations of the Chicago Public Library ("CPL") system. Revenue to this fund is primarily generated from a dedicated property tax levy; however, the Corporate Fund has historically subsidized the difference between property tax revenues and library expenditures. In 2022, this subsidy totaled \$3.3 million.

2024 BUDGET FORECAST  
APPENDICES

Corporate Fund - Revenue



2024 BUDGET FORECAST  
APPENDICES

Corporate Fund - Resources

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
<b>Local Tax Revenue</b>										
Municipal Public Utility Taxes and Fees	\$189.2M	\$186.6M	\$182.8M	\$190.1M	\$183.7M	\$189.4M	\$184.7M	\$180.0M	\$183.4M	\$182.7M
Electricity Taxes	\$122.1M	\$153.3M	\$119.7M	\$111.1M	\$124.7M	\$128.6M	\$128.3M	\$114.4M	\$134.3M	\$165.4M
Natural Gas Use and Occupation Tax	\$119.4M	\$106.1M	\$105.5M	\$103.6M	\$101.9M	\$87.4M	\$77.6M	\$73.0M	\$66.8M	\$63.1M
Telecommunication Taxes	\$26.2M	\$27.5M	\$29.8M	\$29.6M	\$28.7M	\$26.7M	\$26.1M	\$24.0M	\$23.5M	\$21.6M
Cable Television Fees	\$456.9M	\$473.5M	\$437.8M	\$434.4M	\$439.0M	\$432.1M	\$416.7M	\$391.4M	\$408.0M	\$432.9M
Total	\$267.6M	\$285.8M	\$308.9M	\$308.1M	\$229.9M	\$57.0M	\$63.7M	\$58.7M	\$77.7M	\$93.9M
City Sales Tax / HROT	\$267.6M	\$285.8M	\$308.9M	\$308.1M	\$229.9M	\$57.0M	\$63.7M	\$58.7M	\$77.7M	\$93.9M
Total	\$267.6M	\$285.8M	\$308.9M	\$308.1M	\$229.9M	\$57.0M	\$63.7M	\$58.7M	\$77.7M	\$93.9M
<b>Transaction Taxes</b>										
Real Property Transfer Tax	\$141.9M	\$157.2M	\$191.1M	\$197.1M	\$161.7M	\$175.5M	\$152.4M	\$130.3M	\$184.1M	\$196.4M
Personal Property Lease Transaction Tax	\$140.2M	\$152.6M	\$192.5M	\$259.9M	\$265.7M	\$295.4M	\$328.7M	\$344.1M	\$491.1M	\$602.3M
Motor Vehicle Lessor Tax	\$6.2M	\$6.4M	\$6.7M	\$6.6M	\$6.8M	\$6.6M	\$6.7M	\$3.0M	\$4.1M	\$5.2M
Total	\$288.4M	\$316.2M	\$390.3M	\$463.6M	\$434.2M	\$477.5M	\$487.8M	\$477.5M	\$679.4M	\$803.9M
<b>Transportation Taxes</b>										
Parking Garage Tax	\$124.4M	\$126.5M	\$131.5M	\$134.5M	\$135.4M	\$134.0M	\$144.1M	\$65.4M	\$104.6M	\$133.2M
Vehicle Fuel Tax	\$49.1M	\$48.2M	\$49.3M	\$53.0M	\$54.2M	\$53.7M	\$54.1M	\$34.1M	\$54.9M	\$57.0M
Ground Transportation Tax	\$9.1M	\$10.4M	\$17.1M	\$59.6M	\$85.4M	\$119.4M	\$138.8M	\$94.4M	\$96.2M	\$142.9M
Total	\$182.5M	\$185.1M	\$197.9M	\$247.1M	\$275.0M	\$307.1M	\$337.0M	\$193.9M	\$255.7M	\$333.2M
<b>Recreation Taxes</b>										
Amusement Tax	\$96.7M	\$112.9M	\$145.7M	\$163.6M	\$172.6M	\$195.5M	\$196.5M	\$104.3M	\$159.1M	\$233.2M
Automatic Amusement Tax	\$0.6M	\$0.6M	\$0.5M	\$0.5M	\$0.4M	\$0.4M	\$0.4M	\$0.4M	\$0.3M	\$0.3M
Boat Mooring Tax	\$1.3M	\$1.3M	\$1.4M	\$1.3M	\$1.3M	\$1.8M	\$1.1M	\$1.0M	\$1.5M	\$1.5M
Liquor Tax	\$32.0M	\$32.1M	\$33.7M	\$33.1M	\$32.6M	\$33.0M	\$32.0M	\$27.5M	\$29.8M	\$29.7M
Cigarette Tax	\$16.3M	\$24.0M	\$22.8M	\$23.1M	\$21.3M	\$21.3M	\$19.8M	\$20.8M	\$17.4M	\$16.5M
Non-Alcoholic Beverage Tax	\$21.6M	\$22.2M	\$24.9M	\$24.4M	\$24.3M	\$27.0M	\$25.3M	\$22.2M	\$25.9M	\$27.9M
Off Track Betting Tax	\$0.6M	\$0.5M	\$0.5M	\$0.6M	\$0.6M	\$0.5M	\$0.4M	\$0.3M	\$0.3M	\$0.2M
Cannabis Excise Tax								\$1.7M	\$5.1M	\$5.6M
Total	\$169.1M	\$193.7M	\$227.5M	\$246.6M	\$253.1M	\$279.5M	\$275.5M	\$178.1M	\$239.4M	\$314.9M
<b>Business Taxes</b>										
Hotel Accommodations Tax	\$89.9M	\$100.4M	\$109.8M	\$113.5M	\$131.6M	\$130.4M	\$133.7M	\$25.7M	\$65.5M	\$119.6M
Employer Expense Tax	\$11.3M									
Foreign Fire Insurance Tax	\$4.6M	\$4.4M	\$6.0M	\$5.4M	\$5.6M	\$4.9M	\$0.0M	\$0.0M	\$0.0M	\$0.0M
Checkout Bag Tax					\$5.6M	\$6.4M	\$6.4M	\$6.3M	\$7.5M	\$19.0M
Total	\$105.7M	\$104.8M	\$115.8M	\$118.9M	\$142.9M	\$141.7M	\$140.1M	\$31.9M	\$72.9M	\$138.6M
<b>Total</b>	\$1,470.2M	\$1,559.1M	\$1,678.1M	\$1,818.7M	\$1,774.1M	\$1,694.8M	\$1,720.7M	\$1,331.5M	\$1,733.2M	\$2,117.3M
<b>Proceeds and Transfers</b>										
Proceeds of Debt								\$450.0M		
Transfers In										
Total	\$21.0M	\$39.7M	\$53.9M	\$8.0M	\$180.2M	\$627.5M	\$640.9M	\$500.5M	\$1,450.9M	\$969.4M
<b>Total</b>	\$21.0M	\$39.7M	\$53.9M	\$8.0M	\$180.2M	\$627.5M	\$640.9M	\$950.5M	\$1,450.9M	\$969.4M
<b>Intergovernmental</b>										
State Income Tax	\$276.0M	\$250.3M	\$286.5M	\$254.0M	\$239.9M	\$255.0M	\$284.2M	\$321.4M	\$376.7M	\$412.4M
Total	\$276.0M	\$250.3M	\$286.5M	\$254.0M	\$239.9M	\$255.0M	\$284.2M	\$321.4M	\$376.7M	\$412.4M
<b>State Sales Tax (MROT)</b>										
Municipal Retailers Occupation Tax	\$316.1M	\$334.5M	\$356.9M	\$366.4M	\$270.5M					
Total	\$316.1M	\$334.5M	\$356.9M	\$366.4M	\$270.5M					
<b>Personal Property Replacement Tax</b>										
Personal Property Replacement Tax	\$32.9M	\$27.8M	\$50.5M	\$159.7M	\$148.3M	\$137.4M	\$185.6M	\$165.8M	\$370.7M	\$559.8M
Total	\$32.9M	\$27.8M	\$50.5M	\$159.7M	\$148.3M	\$137.4M	\$185.6M	\$165.8M	\$370.7M	\$559.8M
<b>Municipal Auto Rental Tax</b>										
Municipal Auto Rental Tax	\$4.0M	\$4.2M	\$4.2M	\$4.1M	\$4.1M	\$4.1M	\$4.4M	\$2.1M	\$3.9M	\$5.0M
Total	\$4.0M	\$4.2M	\$4.2M	\$4.1M	\$4.1M	\$4.1M	\$4.4M	\$2.1M	\$3.9M	\$5.0M
<b>Other Reimbursements</b>										
Other Reimbursements	\$1.9M	\$2.3M	\$1.8M	\$1.9M	\$2.5M	\$3.4M	\$1.5M	\$1.4M	\$1.8M	\$2.1M
Total	\$1.9M	\$2.3M	\$1.8M	\$1.9M	\$2.5M	\$3.4M	\$1.5M	\$1.4M	\$1.8M	\$2.1M
<b>Total</b>	\$630.8M	\$619.1M	\$699.9M	\$786.2M	\$665.4M	\$400.0M	\$475.8M	\$490.8M	\$753.2M	\$979.2M
<b>Local Non-Tax Revenue</b>										
Licenses, Permits and Certificates	\$12.2M	\$11.6M	\$12.5M	\$12.2M	\$12.7M	\$12.5M	\$13.3M	\$10.1M	\$14.3M	\$11.8M
Business Licenses	\$19.0M	\$18.1M	\$19.4M	\$18.5M	\$22.3M	\$21.4M	\$25.4M	\$21.4M	\$24.3M	\$24.5M
Building Permits	\$37.8M	\$39.3M	\$43.7M	\$43.5M	\$43.2M	\$42.5M	\$40.1M	\$33.1M	\$33.0M	\$35.3M

"\$0.0M" indicates amounts less than \$100,000

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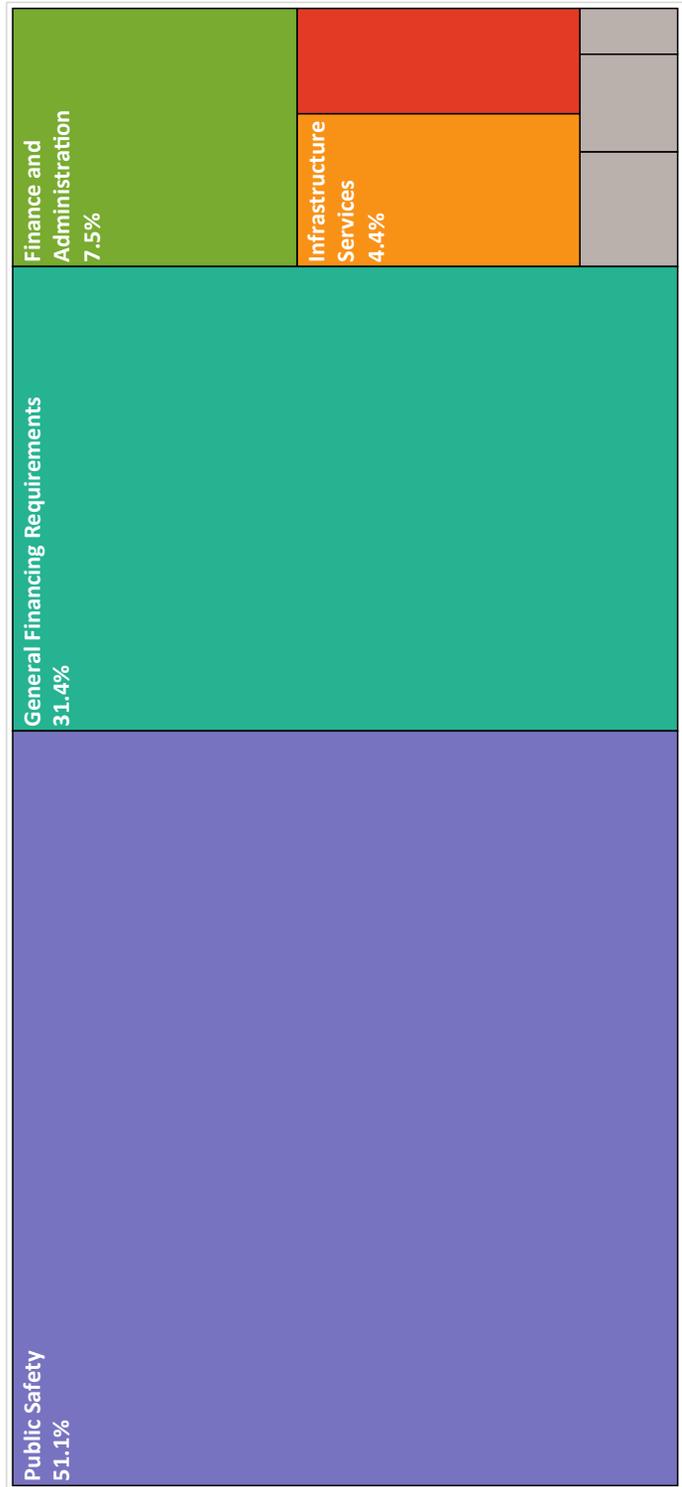
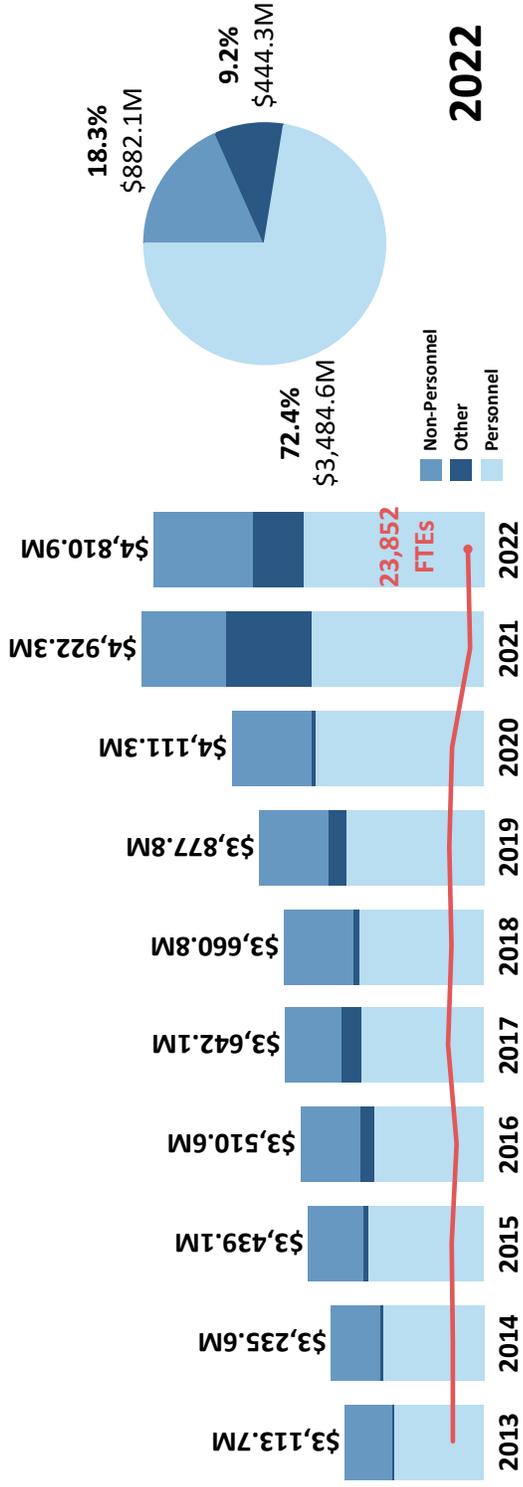
Corporate Fund - Resources (cont.)

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Local Non-Tax Revenue										
Licenses, Permits and Certificates										
Other Permits/Certificates	\$48.8M	\$44.9M	\$45.0M	\$48.3M	\$49.3M	\$48.1M	\$51.6M	\$39.9M	\$39.2M	\$37.7M
Prior Period Fines	\$5.9M	\$6.0M	\$6.2M	\$7.9M	\$6.1M	\$4.9M	\$5.5M	\$3.3M	\$4.8M	\$4.2M
Total	\$123.6M	\$119.9M	\$126.7M	\$130.4M	\$133.5M	\$129.3M	\$136.0M	\$107.8M	\$115.6M	\$113.5M
Fines, Forfeitures and Penalties										
Fines, Forfeitures and Penalties	\$313.5M	\$338.3M	\$366.3M	\$318.4M	\$344.9M	\$335.9M	\$319.2M	\$230.6M	\$316.0M	\$307.6M
Total	\$313.5M	\$338.3M	\$366.3M	\$318.4M	\$344.9M	\$335.9M	\$319.2M	\$230.6M	\$316.0M	\$307.6M
Charges for Services										
Inspection	\$10.1M	\$14.4M	\$15.0M	\$13.1M	\$12.7M	\$13.1M	\$14.6M	\$11.7M	\$12.1M	\$9.6M
Information	\$0.8M	\$0.7M	\$0.7M	\$1.5M	\$0.3M	\$1.1M	\$1.2M	\$0.9M	\$1.0M	\$1.0M
Safety	\$74.6M	\$90.0M	\$61.5M	\$77.3M	\$70.0M	\$73.7M	\$80.2M	\$266.5M	\$278.0M	\$344.3M
Current Expense	\$10.1M	\$5.8M	\$13.0M	\$6.3M	\$6.3M	\$4.6M	\$7.4M	\$7.9M	\$6.7M	\$7.5M
Other Current Charges	\$24.2M	\$23.7M	\$29.4M	\$32.5M	\$28.9M	\$30.2M	\$31.0M	\$30.9M	\$31.1M	\$34.6M
Total	\$119.9M	\$134.6M	\$119.6M	\$130.8M	\$118.2M	\$122.7M	\$134.4M	\$317.9M	\$328.9M	\$397.0M
Municipal Enterprises										
Municipal Parking	\$6.4M	\$7.3M	\$6.5M	\$7.5M	\$7.7M	\$7.8M	\$7.7M	\$7.1M	\$7.4M	\$7.0M
Total	\$6.4M	\$7.3M	\$6.5M	\$7.5M	\$7.7M	\$7.8M	\$7.7M	\$7.1M	\$7.4M	\$7.0M
Rentals and Leases	\$12.4M	\$13.5M	\$14.0M	\$13.0M	\$13.2M	\$26.5M	\$25.5M	\$6.0M	\$10.8M	\$17.4M
Sale of Land	\$3.5M	\$2.9M	\$3.5M	\$9.6M	\$10.8M	\$6.2M	\$0.2M	\$1.0M	\$1.1M	\$6.7M
Vacation of Streets	\$0.4M	\$5.6M	\$6.5M	\$2.2M	\$0.9M	\$2.2M	\$15.8M	\$4.1M	\$2.6M	\$1.5M
Sale of Impounded Autos	\$0.0M									
Sale of Materials	\$2.6M	\$2.0M	\$1.4M	\$1.3M	\$1.0M	\$0.7M	\$0.4M	\$0.2M	\$1.0M	\$0.6M
Total	\$19.0M	\$24.1M	\$25.5M	\$26.1M	\$25.9M	\$35.7M	\$42.0M	\$11.3M	\$15.5M	\$26.2M
Interest Income										
Interest Income	\$1.4M	\$1.6M	\$0.9M	\$8.3M	\$7.0M	\$1.9M	\$31.4M	\$24.1M	(\$5.0M)	(\$77.6M)
Total	\$1.4M	\$1.6M	\$0.9M	\$8.3M	\$7.0M	\$1.9M	\$31.4M	\$24.1M	(\$5.0M)	(\$77.6M)
Internal Service Earnings										
Enterprise Funds	\$145.0M	\$163.1M	\$137.1M	\$168.4M	\$162.6M	\$171.9M	\$173.6M	\$176.4M	\$175.2M	\$182.7M
Special Revenue Funds	\$109.6M	\$88.2M	\$138.0M	\$128.5M	\$133.5M	\$51.5M	\$62.6M	\$49.6M	\$52.2M	\$52.1M
Intergovernmental Funds	\$34.6M	\$34.7M	\$42.0M	\$32.9M	\$37.0M	\$35.3M	\$33.6M	\$146.7M	\$145.2M	\$244.1M
Other Reimbursements	\$17.3M	\$19.8M	\$28.4M	\$12.9M	\$14.7M	\$11.5M	\$1.5M	\$71.9M	\$12.9M	\$7.6M
Total	\$306.5M	\$305.7M	\$345.4M	\$342.6M	\$347.7M	\$270.2M	\$271.3M	\$444.6M	\$385.6M	\$486.6M
Other Revenue										
Other Revenue	\$39.0M	\$66.5M	\$97.6M	\$59.3M	\$71.2M	\$69.0M	\$74.9M	\$122.3M	\$125.5M	\$103.9M
Total	\$39.0M	\$66.5M	\$97.6M	\$59.3M	\$71.2M	\$69.0M	\$74.9M	\$122.3M	\$125.5M	\$103.9M
Total	\$929.4M	\$998.0M	\$1,088.6M	\$1,023.4M	\$1,056.1M	\$972.4M	\$1,016.8M	\$1,265.7M	\$1,289.4M	\$1,364.2M
Prior Year Assigned and Unassigned Available Resources										
Total	\$77.2M	\$45.5M	\$45.5M							
Grand Total	\$3,128.8M	\$3,261.3M	\$3,520.5M	\$3,636.2M	\$3,675.7M	\$3,694.8M	\$3,854.2M	\$4,038.5M	\$5,226.7M	\$5,430.2M

"\$0.0M" indicates amounts less than \$100,000

2024 BUDGET FORECAST  
APPENDICES

Corporate Fund - Expenditures



2024 BUDGET FORECAST  
APPENDICES

Corporate Fund - Expenditures by Department

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Finance and Administration										
Office of The Mayor	\$6.9M	\$6.1M	\$6.1M	\$6.6M	\$6.9M	\$7.1M	\$7.3M	\$9.8M	\$9.6M	\$10.4M
Office of Budget and Management	\$1.9M	\$2.4M	\$2.2M	\$4.8M	\$3.6M	\$2.9M	\$3.0M	\$2.9M	\$2.8M	\$2.2M
Department of Innovation and Technology	\$18.9M	\$23.6M	\$25.1M	\$20.1M	\$16.0M	\$19.6M	\$21.2M	\$0.6M	(\$0.1M)	(\$0.1M)
City Clerk	\$2.6M	\$2.9M	\$2.9M	\$2.9M	\$2.9M	\$3.8M	\$3.6M	\$3.3M	\$3.5M	\$3.4M
Department of Finance	\$56.0M	\$56.0M	\$59.2M	\$61.9M	\$60.3M	\$63.2M	\$61.8M	\$58.7M	\$57.2M	\$62.1M
City Treasurer	\$2.2M	\$2.1M	\$2.1M	\$1.3M	\$1.4M	\$1.4M	\$1.4M	\$1.6M	\$1.7M	\$1.9M
Department of Administrative Hearings	\$7.4M	\$7.4M	\$7.8M	\$7.8M	\$7.9M	\$7.8M	\$7.6M	\$6.4M	\$6.9M	\$6.8M
Department of Law	\$27.7M	\$28.1M	\$27.3M	\$26.7M	\$26.7M	\$27.7M	\$28.8M	\$28.2M	\$27.5M	\$27.1M
Department of Human Resources	\$5.2M	\$5.0M	\$5.3M	\$5.6M	\$5.7M	\$6.0M	\$6.3M	\$6.1M	\$5.9M	\$6.7M
Department of Procurement Services	\$5.0M	\$5.7M	\$6.1M	\$5.7M	\$6.3M	\$6.4M	\$6.1M	\$5.9M	\$5.6M	\$5.4M
Department of Fleet and Facility Management	\$161.9M	\$167.5M	\$157.1M	\$186.3M	\$179.5M	\$195.5M	\$207.0M	\$218.2M	\$218.5M	\$234.3M
(Department of Revenue)	\$0.2M					(\$0.1M)				
(Graphics and Reproduction Center)						\$0.0M				
(Department of Fleet Management)						\$0.0M	\$0.0M			
Total	\$296.1M	\$306.9M	\$301.3M	\$329.6M	\$317.2M	\$341.2M	\$354.0M	\$341.6M	\$339.1M	\$360.4M
Infrastructure Services										
Department of Streets and Sanitation	\$187.0M	\$195.4M	\$199.6M	\$137.6M	\$137.2M	\$147.4M	\$155.3M	\$153.8M	\$173.6M	\$177.1M
Chicago Department of Transportation	\$52.4M	\$47.3M	\$67.1M	\$35.4M	\$50.1M	\$54.4M	\$56.6M	\$51.9M	\$55.2M	\$33.9M
Department of Water Management				\$0.0M				\$0.0M		
Total	\$239.4M	\$242.7M	\$266.8M	\$173.0M	\$187.3M	\$201.8M	\$212.0M	\$205.6M	\$228.8M	\$211.0M
Public Safety										
Office of Public Safety Administration								\$12.3M	\$27.5M	\$41.8M
Police Board	\$0.4M	\$0.4M	\$0.4M	\$0.8M	\$0.4M	\$0.4M	\$0.4M	\$1.0M	\$0.4M	\$0.5M
Independent Police Review Authority	\$7.6M	\$7.8M	\$7.4M	\$7.7M	\$3.2M	\$0.1M		\$0.0M		
Chicago Police Department	\$1,300.6M	\$1,286.0M	\$1,369.7M	\$1,463.0M	\$1,498.2M	\$1,568.5M	\$1,620.2M	\$1,532.2M	\$1,622.9M	\$1,731.7M
Office of Emergency Communication	\$79.4M	\$82.0M	\$78.8M	\$95.2M	\$100.1M	\$26.0M	\$25.4M	\$18.4M	\$11.0M	\$9.7M
Chicago Fire Department	\$526.3M	\$602.3M	\$563.3M	\$583.0M	\$576.3M	\$578.1M	\$604.1M	\$606.5M	\$654.1M	\$660.9M
Civilian Office of Police Accountability				\$0.0M	\$6.6M	\$11.0M	\$11.7M	\$10.6M	\$11.9M	\$12.4M
Community Commission for Public Safety and Accountability										\$0.4M
Total	\$1,914.2M	\$1,978.5M	\$2,019.5M	\$2,149.8M	\$2,184.8M	\$2,184.0M	\$2,261.8M	\$2,181.0M	\$2,327.9M	\$2,457.2M
Community Services										
Chicago Department of Health	\$26.6M	\$25.9M	\$26.0M	\$29.4M	\$30.1M	\$30.8M	\$33.6M	\$34.7M	\$35.0M	\$48.0M
Commission on Human Relations	\$1.0M	\$1.0M	\$1.0M	\$1.0M	\$1.1M	\$1.0M	\$1.0M	\$0.9M	\$0.9M	\$1.0M
Office for People with Disabilities	\$1.1M	\$1.1M	\$1.0M	\$1.4M	\$1.4M	\$1.5M	\$1.4M	\$1.3M	\$1.3M	\$2.1M
Department of Family and Support Services	\$15.8M	\$45.7M	\$58.8M	\$62.2M	\$68.1M	\$79.3M	\$82.2M	\$83.2M	\$84.8M	\$93.8M
Chicago Public Library				\$0.1M						
(Department of Senior Services)						\$0.0M				
(Department of Children and Youth Services)						\$0.0M	\$0.0M			
(Department of Human Services)						\$0.0M	\$0.0M			
Total	\$44.5M	\$73.8M	\$86.9M	\$94.2M	\$100.7M	\$112.6M	\$118.2M	\$120.0M	\$122.1M	\$144.9M
City Development										
Department of Housing				\$0.4M				\$14.7M	\$9.6M	\$9.8M
Department of Cultural Affairs and Special Events										
Department of Planning and Development	\$20.3M	\$22.7M	\$28.0M	\$20.5M	\$13.3M	\$13.7M	\$10.1M	\$10.2M	\$10.9M	\$12.5M
(Department of Planning and Development)						\$0.0M				
(Department of Zoning and Land Use Planning)										
Total	\$0.0M	\$22.7M	\$28.0M	\$20.9M	\$13.3M	\$13.6M	\$14.0M	\$24.9M	\$20.4M	\$22.3M

Inactive departments shown in parenthesis.  
"\$0.0M" indicates amounts less than \$100,000

**Corporate Fund - Expenditures by Department (cont.)**

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Regulatory										
Office of Inspector General	\$2.4M	\$2.1M	\$2.4M	\$2.9M	\$4.9M	\$5.5M	\$6.0M	\$6.1M	\$7.4M	\$9.3M
Department of Buildings	\$18.8M	\$19.9M	\$21.6M	\$24.6M	\$22.1M	\$22.9M	\$22.8M	\$22.0M	\$21.3M	\$20.6M
Department of Business Affairs & Consumer Protection	\$16.0M	\$16.8M	\$15.6M	\$16.1M	\$16.1M	\$16.4M	\$16.6M	\$16.9M	\$17.2M	\$18.2M
Office of Climate and Environmental Equity						\$0.0M			\$0.0M	
Commission on Animal Care and Control	\$4.9M	\$5.3M	\$5.2M	\$5.5M	\$6.1M	\$6.5M	\$6.7M	\$6.2M	\$6.1M	\$6.3M
License Appeal Commission	\$0.2M	\$0.2M	\$0.1M	\$0.2M	\$0.2M	\$0.2M	\$0.2M	\$0.2M	\$0.1M	\$0.2M
Board of Ethics	\$0.8M									
(Department of Construction and Permits)						\$0.0M				
(Department of Business Affairs and Licensing)						\$0.0M				
Total	\$43.1M	\$45.1M	\$45.7M	\$50.1M	\$50.2M	\$52.3M	\$53.1M	\$52.2M	\$52.9M	\$55.5M
Legislative and Elections										
City Council	\$24.5M	\$24.6M	\$25.0M	\$25.2M	\$25.6M	\$26.0M	\$24.9M	\$25.6M	\$26.2M	\$28.7M
Board of Election Commissioner	\$9.0M	\$12.0M	\$28.5M	\$14.9M	\$12.3M	\$15.8M	\$31.1M	\$17.4M	\$11.4M	\$18.1M
Total	\$33.5M	\$36.5M	\$53.6M	\$40.0M	\$37.9M	\$41.7M	\$56.0M	\$43.0M	\$37.6M	\$46.8M
Finance General	\$522.7M	\$529.5M	\$637.4M	\$653.0M	\$750.7M	\$713.5M	\$808.7M	\$1,143.0M	\$1,793.5M	\$1,512.8M
Total	\$522.7M	\$529.5M	\$637.4M	\$653.0M	\$750.7M	\$713.5M	\$808.7M	\$1,143.0M	\$1,793.5M	\$1,512.8M
Grand Total	\$3,113.7M	\$3,235.6M	\$3,439.1M	\$3,510.6M	\$3,642.1M	\$3,660.8M	\$3,877.8M	\$4,111.3M	\$4,922.3M	\$4,810.9M

Inactive departments shown in parenthesis.  
"\$0.0M" indicates amounts less than \$100,000

Corporate Fund - Expenditures By Type

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
<b>Personnel</b>										
Employee Pay	\$2,220.6M	\$2,304.6M	\$2,361.1M	\$2,375.7M	\$2,458.9M	\$2,438.7M	\$2,569.1M	\$2,498.5M	\$2,859.1M	\$2,674.4M
Employee Benefits	\$393.3M	\$403.5M	\$416.3M	\$401.2M	\$341.7M	\$390.1M	\$403.5M	\$470.1M	\$395.5M	\$403.1M
Pension Allocation			\$71.8M	\$11.6M	\$106.3M	\$107.5M	\$79.7M	\$336.9M	\$85.5M	\$329.2M
Workers' Compensation	\$64.5M	\$61.7M	\$68.0M	\$64.3M	\$58.8M	\$58.6M	\$52.8M	\$66.7M	\$72.6M	\$77.9M
<b>Total</b>	<b>\$2,678.5M</b>	<b>\$2,769.8M</b>	<b>\$2,917.2M</b>	<b>\$2,852.7M</b>	<b>\$2,965.7M</b>	<b>\$2,995.0M</b>	<b>\$3,105.1M</b>	<b>\$3,372.2M</b>	<b>\$3,412.6M</b>	<b>\$3,484.6M</b>
<b>Non-Personnel</b>										
Contractual Services	\$261.0M	\$291.6M	\$322.6M	\$315.5M	\$315.0M	\$323.6M	\$391.8M	\$408.4M	\$484.4M	\$572.7M
Refunds, Rebates & Legal Costs	\$65.1M	\$41.3M	\$50.9M	\$115.0M	\$66.3M	\$142.1M	\$80.7M	\$141.8M	\$153.8M	\$158.8M
Utilities	\$52.3M	\$57.9M	\$45.1M	\$61.0M	\$45.6M	\$42.1M	\$45.5M	\$36.5M	\$32.8M	\$49.0M
Commodities	\$23.4M	\$28.6M	\$48.1M	\$15.8M	\$40.7M	\$46.0M	\$48.1M	\$52.0M	\$45.4M	\$53.9M
Delegate Agencies	\$13.4M	\$17.7M	\$18.9M	\$21.6M	\$26.3M	\$60.6M	\$45.3M	\$54.4M	\$37.5M	\$46.9M
Employee Travel Expenses	\$0.9M	\$1.3M	\$1.3M	\$1.3M	\$1.4M	\$1.6M	\$1.6M	\$0.6M	\$0.7M	\$0.7M
Contingencies	\$0.0M	\$0.1M	\$0.1M	\$0.1M	\$0.1M	\$0.0M	\$0.1M	\$0.0M	\$0.1M	\$0.1M
<b>Total</b>	<b>\$416.0M</b>	<b>\$438.5M</b>	<b>\$487.1M</b>	<b>\$530.3M</b>	<b>\$495.4M</b>	<b>\$616.0M</b>	<b>\$613.1M</b>	<b>\$693.8M</b>	<b>\$754.7M</b>	<b>\$882.1M</b>
<b>Other</b>										
Transfers Out	\$7.0M	\$5.0M	\$6.5M	\$85.6M	\$142.0M	\$15.2M	\$109.4M		\$215.2M	
Cash Matching - Grants	\$9.6M	\$9.5M	\$12.2M	\$14.8M	\$15.9M	\$19.2M	\$18.4M	\$26.2M	\$26.3M	\$25.0M
Financing Costs	\$2.2M	\$12.1M	\$15.0M	\$24.5M	\$20.6M	\$13.0M	\$29.0M	\$16.6M	\$511.0M	\$416.6M
Indirect Costs	\$0.4M	\$0.7M	\$1.1M	\$2.7M	\$2.5M	\$2.4M	\$2.7M	\$2.4M	\$2.5M	\$2.7M
<b>Total</b>	<b>\$19.2M</b>	<b>\$27.3M</b>	<b>\$34.8M</b>	<b>\$127.6M</b>	<b>\$181.0M</b>	<b>\$49.8M</b>	<b>\$159.6M</b>	<b>\$45.3M</b>	<b>\$755.0M</b>	<b>\$444.3M</b>
<b>Grand Total</b>	<b>\$3,113.7M</b>	<b>\$3,235.6M</b>	<b>\$3,439.1M</b>	<b>\$3,510.6M</b>	<b>\$3,642.1M</b>	<b>\$3,660.8M</b>	<b>\$3,877.8M</b>	<b>\$4,111.3M</b>	<b>\$4,922.3M</b>	<b>\$4,810.9M</b>

## **SPECIAL REVENUE FUNDS - HISTORICAL REVIEW**

The City's Special Revenue Funds are used to account for revenue from specific sources that must be used to finance specific operations, such as road repairs, libraries, 911 services, special events and tourism promotion. The following six budgeted Special Revenue funds were categorized as general fund or non-major governmental funds in the City's 2022 ACFR:

### ***Vehicle Tax Fund***

Includes revenue from vehicle sticker sales, impoundment fees, abandoned auto sale fees, and pavement cut fees. Vehicle Tax Fund revenues are reported as a non-major Special Revenue Fund in the City's basic financial statements.

### ***Motor Fuel Tax Fund***

Revenues derived from the Motor Fuel Tax ("MFT") are reported as a non-major Special Revenue Fund in the City's basic financial statements. The debt service portion of the MFT is reported in Bond, Note Redemption and Interest. MFT Fund expenses include costs associated with streetlight energy, salt purchases for snow removal, street pavement, bridge maintenance, and related personnel costs. A total of \$3 million of these funds are also transferred annually to the Chicago Transit Authority ("CTA") to support public transportation.

### ***Special Events and Municipal Hotel Operators' Occupation Tax Fund***

Includes revenues from the Municipal Hotel Operator's Occupation Tax and are used to support the promotion of tourism, cultural and recreational activities. Revenues to this fund are reported as a non-major Special Revenue fund in the City's basic financial statements.

### ***Library Fund***

Revenue to this fund comes primarily from an annual library operations property tax levy and historically, an annual subsidy from the City's Corporate Fund. The Library Fund supports the maintenance and operations of the Chicago Public Library System. Library Fund revenues are reported as a non-major Special Revenue Fund in the City's basic financial statements.

### ***Emergency Communication Fund***

Revenue comes through the collection of the emergency communication surcharge ("911 surcharge") on all billed subscribers of telecommunications services in Chicago. The City uses revenue from the 911 surcharge for

expenses specifically related to the 911 and emergency preparedness activities of the Office of Emergency Management and Communications ("OEMC"). Revenues to this fund are reported as a nonmajor governmental fund within the City's basic financial statements.

### ***Garbage Collection Fund***

Consists of the monthly Garbage Fee charged by the City on single family homes and multi-family buildings with four units or fewer. The fund covers a portion of the cost of providing garbage collection services to these households. Revenues to this fund are reported within the general fund in the City's basic financial statements.

In addition to the funds listed above, the City budget also identifies the following funds as Special Revenue Funds:

### ***CTA Real Property Transfer Tax Fund***

Revenue for this fund is derived from the proceeds from a supplemental tax on real estate transfers, which is then transferred to the CTA. Revenues to this fund are reported as a non-major Special Revenue fund within the miscellaneous fund in the City's basic financial statements.

### ***Affordable Housing Opportunity Fund ("AHOF")***

The revenue in this fund is collected through the City's density bonus program and the Affordable Requirements Ordinance. Half of the funds are used for the construction, rehabilitation or preservation of affordable housing, or other housing programs. The other half is distributed to the Chicago Low Income Housing Trust Fund, which meets the needs of low-income residents through annual rent subsidies. AHOF revenues are reported as Special Revenue funds in the City's basic financial statements.

### ***Neighborhood Opportunity Fund ("NOF")***

Revenue to this fund is generated from the collection of the Neighborhood Opportunity Bonus, which consists of payments received in exchange for density bonuses that allow developers to exceed zoning limits for a specific development site. Eighty percent of the revenue from the Bonus is dedicated towards the NOF for commercial development and job creation in neighborhoods where the need is the greatest; ten percent of funding goes toward the Landmarks Fund to improve and maintain landmarks throughout the City. An additional ten percent of funds goes toward the Local Improvement Fund for local infrastructure improvements within one mile of the contributing development. NOF revenues are reported as agency funds in the City's basic financial statements.

***TIF Administration Fund***

This fund accounts for all administrative expenses incurred by the City to operate and maintain its TIF program.

***Controlled Substances Fund***

The City appropriates funds to the Controlled Substances Fund pursuant to the Illinois Controlled Substances Act. Funds must be used in the enforcement of laws regulating controlled substances and cannabis.

***Chicago Police CTA Detail Fund***

An intergovernmental agreement between the Chicago Police Department and CTA allows sworn officers to be paid for providing security on CTA property during off-duty hours through the voluntary Special Employment Program. The CTA reimburses the City for these expenditures, which are accounted for in this fund.

***Chicago Parking Meters Fund***

As a result of a 2008 75- year concession agreement on the City's parking meters, the City is obligated to make reconciliation payments to Chicago Parking Meters LLC when parking meter rates are not adjusted for consumer price index increases and when parking spaces are removed from service. These payments are accounted for separately in this fund.

***Human Capital Innovation Fund***

Revenues to the Human Capital Innovation Fund are assigned from a \$10.4 million settlement with rideshare companies in 2018.

***Houseshare Surcharge - Homeless Services Fund***

Revenues to the Homeless Services Fund are dedicated to services for homeless families. A four percent hotel tax surcharge assessed on vacation rentals or shared housing units are accounted for in this fund.

***Houseshare Surcharge - Domestic Violence Fund***

Domestic Violence Fund revenue is generated through the two percent Hotel Tax surcharge assessed on vacation rentals or shared housing units. These resources fund services for victims of domestic violence.

***Foreign Fire Insurance Tax Fund***

Foreign Fire Insurance Tax revenues are collected by the City and distributed to the Foreign Fire Insurance Board per State statute.

***Foreign Fire Insurance Tax Fund***

Foreign Fire Insurance Tax revenues are collected by the City and distributed to the Foreign Fire Insurance Board per State statute.

***Cannabis Regulation Tax Fund***

Cannabis Regulation Tax Fund revenue is generated through State taxes, license fees, and other revenues derived from recreational cannabis shared with local governments based on population.

Special Revenue - Revenues

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Vehicle Tax Fund	\$165.1M	\$188.9M	\$182.7M	\$202.0M	\$216.2M	\$195.6M	\$202.7M	\$168.6M	\$195.7M	\$191.7M
Motor Fuel Tax Fund	\$65.1M	\$78.3M	\$55.5M	\$58.3M	\$55.7M	\$57.5M	\$78.5M	\$87.1M	\$98.4M	\$115.7M
Special Events and Municipal Hotel Operators' Occupation Tax Fund	\$39.6M	\$39.8M	\$40.8M	\$44.4M	\$44.2M	\$43.1M	\$51.8M	\$15.2M	\$21.7M	\$37.3M
Library Fund	\$83.6M	\$83.6M	\$84.8M	\$99.6M	\$98.2M	\$100.9M	\$110.1M	\$115.8M	\$114.8M	\$115.7M
Emergency Communication Fund	\$68.4M	\$74.8M	\$102.7M	\$101.3M	\$100.5M	\$131.2M	\$136.8M	\$141.5M	\$144.5M	\$145.0M
Garbage Collection Fund				\$54.4M	\$64.0M	\$63.0M	\$62.0M	\$57.6M	\$62.3M	\$62.1M
<b>Grand Total</b>	<b>\$421.8M</b>	<b>\$465.5M</b>	<b>\$466.5M</b>	<b>\$560.0M</b>	<b>\$578.7M</b>	<b>\$591.5M</b>	<b>\$641.9M</b>	<b>\$585.8M</b>	<b>\$637.4M</b>	<b>\$667.4M</b>

Special Revenue - Expenditures

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Vehicle Tax Fund	\$163.2M	\$182.9M	\$196.2M	\$186.9M	\$206.8M	\$203.7M	\$227.2M	\$179.6M	\$188.5M	\$214.1M
Motor Fuel Tax Fund	\$53.0M	\$82.9M	\$70.7M	\$45.5M	\$54.8M	\$62.1M	\$67.4M	\$97.8M	\$107.6M	\$106.1M
Special Events and Municipal Hotel Operators' Occupation Tax Fund	\$36.9M	\$41.9M	\$40.5M	\$47.2M	\$44.6M	\$46.5M	\$50.6M	\$25.4M	\$25.1M	\$38.2M
Library Fund	\$80.2M	\$84.4M	\$85.5M	\$97.8M	\$98.1M	\$102.6M	\$107.6M	\$108.4M	\$101.3M	\$110.0M
Emergency Communication Fund	\$68.7M	\$67.0M	\$109.6M	\$96.4M	\$94.0M	\$110.6M	\$145.4M	\$132.0M	\$138.7M	\$142.9M
Garbage Collection Fund				\$59.8M	\$61.0M	\$59.4M	\$59.1M	\$65.9M	\$58.8M	\$52.9M
<b>Grand Total</b>	<b>\$402.1M</b>	<b>\$459.1M</b>	<b>\$502.6M</b>	<b>\$533.6M</b>	<b>\$559.3M</b>	<b>\$584.9M</b>	<b>\$657.4M</b>	<b>\$609.1M</b>	<b>\$620.0M</b>	<b>\$664.2M</b>

Does not include amounts designated for debt service.

## ENTERPRISE FUNDS - HISTORICAL REVIEW

The City's Enterprise Funds support the operation, maintenance, and capital programs of the City's water and sewer systems, Chicago O'Hare International Airport ("O'Hare") and Chicago Midway International Airport ("Midway"). These funds are self-supporting, in that each fund derives its revenues from charges on a residual ratemaking methodology and associated user fees. The cost of capital improvements for the City's Enterprise Funds are included in the overall budgets of these self-supporting funds. Enterprise Fund revenues are reported as major proprietary funds in the City's basic financial statements.

### *Water Fund*

Revenues from the sale of the City's water provide for the operations and maintenance of the water system and debt service of the water bonds. The Water Fund receives no share of any State, local property, or income taxes. The City receives water system operating revenues only from the users of the water system. The operating revenues from users of the water system do not flow through the State, any State agency or any other political subdivision, but are paid directly to the City.

### *Sewer Fund*

Revenues from sewer service charges provide funds for the operation and maintenance of the Sewer System and debt service on sewer bonds and loans. The City obtains sewer system operating revenues only from the users of the sewer system. The Sewer Fund receives no share of any State or local property or income taxes. The operating revenues from users of the sewer system do not flow through the State, any State agency or any other political subdivision, but are paid directly to the City.

### *O'Hare Fund and Midway Fund*

O'Hare and Midway operating revenues are comprised of landing fees, terminal area rental/use charges, other rentals as well as non-airline sources, such as charges for parking and revenues from concessions. The City charges airlines based on a projection of revenues and recognizes revenues from the airlines only to the extent required to fund operating costs, including debt service.

**Enterprise Funds - Revenue**

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
<b>0200 - Water Fund</b>										
Water Service	\$620.5M	\$670.6M	\$750.2M	\$735.9M	\$729.6M	\$746.5M	\$717.5M	\$714.3M	\$748.6M	\$752.2M
Non-Operating Revenues	\$1.0M	\$3.3M	\$3.3M	\$1.2M	\$13.5M	\$7.1M	\$24.5M	\$21.7M	\$3.8M	(\$64.5M)
Other	\$16.6M	\$22.1M	\$19.2M	\$25.5M	\$29.4M	\$27.4M	\$26.9M	\$22.3M	\$27.1M	\$27.6M
<b>0314 - Sewer Fund</b>										
Non-Operating Revenues	\$2.2M	\$3.8M	\$3.9M	\$1.1M	\$4.4M	\$7.4M	\$11.7M	\$12.1M	\$2.2M	\$5.0M
Sewer Service	\$291.1M	\$321.1M	\$374.8M	\$367.8M	\$356.5M	\$368.2M	\$350.1M	\$333.5M	\$365.2M	\$366.9M
Capital Grants	\$2.5M			\$16.6M	\$6.4M	\$2.3M	\$0.0M	\$3.3M	\$0.0M	\$0.0M
Other	\$1.2M	\$1.1M	\$1.1M	\$1.1M	\$1.2M	\$1.5M	\$1.0M	\$0.5M	\$1.1M	\$0.8M
<b>0610 - Midway Fund</b>										
Landing Fees, Terminal Area Use Charges	\$90.0M	\$83.5M	\$84.6M	\$87.4M	\$95.4M	\$106.1M	\$125.4M	\$113.5M	\$138.1M	\$137.2M
Rents, Concessions, and Other	\$85.2M	\$86.8M	\$91.5M	\$94.8M	\$99.6M	\$100.4M	\$102.1M	\$74.3M	\$82.8M	\$95.2M
Non-Operating Revenues	\$47.1M	\$51.5M	\$53.2M	\$50.7M	\$55.2M	\$54.5M	\$55.3M	\$102.7M	\$69.7M	\$78.9M
Capital Grants	\$5.0M	\$4.8M	\$9.3M	\$27.9M	\$31.6M	\$6.8M	\$3.4M	\$15.2M	\$5.8M	\$6.9M
<b>0740 - O'Hare Fund</b>										
Landing Fees, Terminal Area Use Charges	\$442.9M	\$552.4M	\$546.1M	\$635.2M	\$651.0M	\$709.9M	\$811.3M	\$639.9M	\$816.0M	\$840.3M
Rents, Concessions, and Other	\$274.7M	\$292.1M	\$299.2M	\$312.6M	\$325.2M	\$352.0M	\$442.2M	\$265.8M	\$329.2M	\$419.1M
Non-Operating Revenues	\$189.2M	\$233.3M	\$224.5M	\$222.2M	\$256.9M	\$258.1M	\$294.2M	\$547.8M	\$334.2M	\$322.7M
Capital Grants	\$203.5M	\$89.0M	\$76.7M	\$70.7M	\$82.0M	\$131.0M	\$146.7M	\$151.3M	\$81.5M	\$50.8M
<b>Grand Total</b>	<b>\$2,272.8M</b>	<b>\$2,412.1M</b>	<b>\$2,537.6M</b>	<b>\$2,650.8M</b>	<b>\$2,737.8M</b>	<b>\$2,879.3M</b>	<b>\$3,112.4M</b>	<b>\$3,018.0M</b>	<b>\$3,005.1M</b>	<b>\$3,039.1M</b>

2024 BUDGET FORECAST  
APPENDICES

Enterprise Funds – Expenditures

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
<b>0200 - Water Fund</b>										
Administrative & General	\$21.2M	\$22.0M	\$22.1M	\$20.3M	\$13.6M	\$13.0M	\$13.0M	\$13.9M	\$14.9M	\$14.2M
Central Services & General Fund Reimbursements	\$108.7M	\$119.2M	\$129.1M	\$126.4M	\$121.7M	\$127.0M	\$124.0M	\$139.8M	\$133.1M	\$145.2M
Customer Accounting & Collection	\$11.6M	\$11.9M	\$14.7M	\$15.3M	\$18.2M	\$22.1M	\$27.2M	\$27.0M	\$26.5M	\$22.9M
Non-Operating Expenses	\$92.3M	\$99.7M	\$106.1M	\$209.6M	\$108.3M	\$91.3M	\$97.0M	\$95.9M	\$94.0M	\$91.0M
Pension Expense			\$12.7M	\$12.3M	\$24.4M	\$32.1M	\$39.8M	\$44.4M	\$50.3M	\$77.3M
Power & Pumping	\$43.2M	\$43.1M	\$41.3M	\$39.6M	\$41.4M	\$41.1M	\$42.7M	\$40.7M	\$45.2M	\$45.3M
Purification	\$60.8M	\$58.5M	\$57.1M	\$57.5M	\$60.5M	\$62.9M	\$67.8M	\$61.8M	\$62.3M	\$73.5M
Source of supply	\$0.1M	\$0.3M	\$0.2M	\$0.1M	\$0.1M	\$0.2M	\$0.4M	\$0.2M	\$0.1M	\$0.2M
Transmission & Distribution	\$29.5M	\$43.7M	\$37.3M	\$39.2M	\$39.6M	\$59.7M	\$71.8M	\$71.7M	\$74.8M	\$61.8M
<b>Total</b>	<b>\$367.4M</b>	<b>\$398.5M</b>	<b>\$420.6M</b>	<b>\$520.4M</b>	<b>\$427.9M</b>	<b>\$449.3M</b>	<b>\$483.8M</b>	<b>\$495.4M</b>	<b>\$501.3M</b>	<b>\$531.3M</b>
<b>0314- Sewer Fund</b>										
Administrative & General	\$24.5M	\$14.4M	\$12.3M	\$11.8M	\$12.6M	\$13.5M	\$12.4M	\$12.3M	\$13.9M	\$14.1M
Engineering	\$3.3M	\$3.3M	\$3.3M	\$2.2M	\$2.5M	\$3.7M	\$3.5M	\$4.8M	\$5.3M	\$6.2M
General Fund Reimbursements	\$32.1M	\$36.7M	\$40.0M	\$50.8M	\$47.5M	\$51.2M	\$53.7M	\$54.5M	\$55.9M	\$55.5M
Maintenance	\$23.0M	\$24.4M	\$25.3M	\$21.9M	\$24.7M	\$24.9M	\$23.0M	\$24.4M	\$25.9M	\$14.4M
Non-Operating Expenses	\$68.5M	\$69.6M	\$153.9M	\$81.7M	\$81.4M	\$77.6M	\$80.0M	\$80.3M	\$83.7M	\$83.9M
Pension Expense			\$4.4M	\$4.4M	\$9.5M	\$12.7M	\$15.7M	\$17.1M	\$19.9M	\$29.0M
Repairs	\$38.9M	\$40.4M	\$42.1M	\$36.4M	\$41.9M	\$43.7M	\$41.6M	\$47.4M	\$44.1M	\$27.5M
<b>Total</b>	<b>\$190.3M</b>	<b>\$188.9M</b>	<b>\$281.4M</b>	<b>\$209.2M</b>	<b>\$220.0M</b>	<b>\$227.2M</b>	<b>\$229.8M</b>	<b>\$240.8M</b>	<b>\$248.7M</b>	<b>\$230.6M</b>
<b>0610 - Midway Airport Fund</b>										
Non-Operating Expenses	\$79.4M	\$72.5M	\$84.1M	\$89.4M	\$62.6M	\$60.8M	\$69.5M	\$58.7M	\$71.6M	\$86.4M
Other Operating Expenses	\$18.4M	\$14.3M	\$14.7M	\$17.1M	\$13.7M	\$15.7M	\$15.9M	\$20.9M	\$33.4M	\$13.1M
Pension Expense			\$6.1M	\$6.7M	\$9.5M	\$11.5M	\$13.9M	\$17.5M	\$19.1M	\$24.2M
Professional & Engineering Services	\$19.1M	\$23.3M	\$21.0M	\$20.9M	\$24.3M	\$24.1M	\$22.1M	\$20.8M	\$22.0M	\$23.5M
Repairs and Maintenance	\$39.6M	\$44.2M	\$44.1M	\$48.3M	\$44.5M	\$47.3M	\$47.0M	\$43.7M	\$48.9M	\$53.1M
Salaries and Wages	\$44.0M	\$47.8M	\$43.3M	\$48.5M	\$48.2M	\$51.4M	\$55.6M	\$56.0M	\$57.5M	\$60.1M
<b>Total</b>	<b>\$200.5M</b>	<b>\$202.1M</b>	<b>\$213.4M</b>	<b>\$230.8M</b>	<b>\$202.8M</b>	<b>\$210.9M</b>	<b>\$224.0M</b>	<b>\$217.6M</b>	<b>\$252.5M</b>	<b>\$260.5M</b>
<b>0740 - O'Hare Airport Fund</b>										
Hilton Expenses							\$43.0M	\$20.2M	\$24.2M	\$35.6M
Non-Operating Expenses	\$315.0M	\$321.0M	\$342.2M	\$326.8M	\$348.2M	\$326.1M	\$324.4M	\$335.6M	\$427.3M	\$555.5M
Other Operating Expenses	\$97.3M	\$113.0M	\$92.1M	\$101.4M	\$103.4M	\$115.1M	\$149.1M	\$117.3M	\$146.7M	\$132.0M
Pension Expense			\$25.8M	\$27.5M	\$38.7M	\$46.7M	\$56.4M	\$71.0M	\$77.1M	\$107.4M
Professional & Engineering Services	\$81.1M	\$88.1M	\$83.3M	\$95.6M	\$101.8M	\$111.6M	\$134.0M	\$141.0M	\$149.4M	\$172.7M
Repairs and Maintenance	\$85.5M	\$110.9M	\$98.9M	\$104.5M	\$95.3M	\$115.0M	\$143.2M	\$145.0M	\$170.2M	\$153.5M
Salaries and Wages	\$162.2M	\$183.0M	\$191.8M	\$204.1M	\$206.0M	\$222.6M	\$214.1M	\$222.9M	\$219.9M	\$232.5M
<b>Total</b>	<b>\$741.1M</b>	<b>\$816.0M</b>	<b>\$834.1M</b>	<b>\$860.0M</b>	<b>\$893.4M</b>	<b>\$937.2M</b>	<b>\$1,064.2M</b>	<b>\$1,052.9M</b>	<b>\$1,214.9M</b>	<b>\$1,389.3M</b>
<b>Grand Total</b>	<b>\$1,499.3M</b>	<b>\$1,605.4M</b>	<b>\$1,749.5M</b>	<b>\$1,820.4M</b>	<b>\$1,744.1M</b>	<b>\$1,824.5M</b>	<b>\$2,001.8M</b>	<b>\$2,006.8M</b>	<b>\$2,217.4M</b>	<b>\$2,411.8M</b>

Non-cash expenses are excluded from this chart as there is no budgetary impact. Pension Expenses for 2014 and before were included in Salaries and Wages. See the Debt section for information regarding annual debt service payments.

Outstanding Long-Term Debt

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026
G.O. Tax Levy	\$7,658.1M	\$8,436.3M	\$8,440.4M	\$9,102.4M	\$7,473.9M	\$7,579.9M	\$6,573.4M	\$5,769.8M	\$5,748.0M	\$5,406.6M	\$5,229.4M	\$5,060.5M	\$4,901.3M	\$4,740.8M
O'Hare Revenue	\$7,476.3M	\$7,466.5M	\$7,245.3M	\$6,970.6M	\$8,531.5M	\$10,318.0M	\$10,047.6M	\$9,609.6M	\$9,414.9M	\$10,567.9M	\$10,302.5M	\$10,040.4M	\$9,773.1M	\$9,409.6M
Water Revenue	\$1,996.9M	\$2,381.8M	\$2,391.4M	\$2,468.4M	\$2,401.0M	\$2,457.3M	\$2,497.2M	\$2,408.8M	\$2,341.4M	\$2,194.0M	\$2,490.3M	\$2,387.3M	\$2,259.3M	\$2,134.7M
Midway Revenue	\$1,412.6M	\$1,506.3M	\$1,482.9M	\$1,755.8M	\$1,755.8M	\$1,713.5M	\$1,677.0M	\$1,628.8M	\$1,574.9M	\$1,514.8M	\$1,446.3M	\$1,375.1M	\$1,300.5M	\$1,223.5M
Sewer Revenue	\$1,369.5M	\$1,638.9M	\$1,686.2M	\$1,692.8M	\$1,861.4M	\$1,893.6M	\$1,895.5M	\$1,953.1M	\$1,885.1M	\$1,814.3M	\$2,041.0M	\$2,032.2M	\$1,961.1M	\$1,877.3M
Sales Tax Securitization					\$743.7M	\$2,036.4M	\$2,638.9M	\$3,652.6M	\$4,609.0M	\$4,459.8M	\$5,419.3M	\$5,206.9M	\$5,033.8M	\$4,847.9M
G.O. Alternate Revenue	\$554.9M	\$514.8M	\$472.6M	\$426.4M	\$355.0M	\$216.9M	\$148.3M	\$87.4M	\$64.9M	\$49.3M	\$31.1M	\$24.8M	\$14.3M	\$8.5M
Sales Tax Revenue	\$554.1M	\$541.6M	\$528.5M	\$514.7M	\$0.0M									
Motor Fuel Tax Revenue	\$181.0M	\$183.8M	\$207.4M	\$234.1M	\$249.9M	\$245.4M	\$240.3M	\$173.9M	\$0.0M	\$0.0M	\$0.0M	\$0.0M	\$0.0M	\$0.0M
G.O. Pledge	\$101.2M	\$95.4M	\$88.3M	\$77.2M	\$75.1M	\$72.8M	\$59.6M	\$46.3M	\$39.7M	\$39.7M	\$39.7M	\$0.0M	\$0.0M	\$0.0M
TIF	\$80.1M	\$70.0M	\$60.7M	\$33.5M	\$27.9M	\$19.9M	\$16.2M	\$12.1M	\$7.7M	\$0.0M	\$0.0M	\$0.0M	\$0.0M	\$0.0M
<b>Grand Total</b>	<b>\$21,384.7M</b>	<b>\$22,839.4M</b>	<b>\$22,603.5M</b>	<b>\$23,275.8M</b>	<b>\$23,475.3M</b>	<b>\$26,553.8M</b>	<b>\$25,793.8M</b>	<b>\$25,342.4M</b>	<b>\$25,685.6M</b>	<b>\$26,046.4M</b>	<b>\$26,999.7M</b>	<b>\$26,127.2M</b>	<b>\$25,202.3M</b>	<b>\$24,242.3M</b>

Long-Term Debt Service Payments

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026
G.O. Tax Levy	\$367.7M	\$382.0M	\$394.7M	\$399.1M	\$452.1M	\$488.8M	\$426.9M	\$415.9M	\$133.5M	\$358.5M	\$491.5M	\$441.6M	\$434.3M	\$431.7M
O'Hare Revenue	\$432.9M	\$521.0M	\$592.6M	\$607.8M	\$620.5M	\$625.7M	\$668.0M	\$654.4M	\$617.1M	\$524.3M	\$706.3M	\$725.6M	\$768.5M	\$782.0M
Water Revenue	\$158.2M	\$158.7M	\$179.2M	\$184.6M	\$206.4M	\$205.1M	\$217.3M	\$211.9M	\$213.3M	\$215.9M	\$203.8M	\$237.1M	\$228.4M	\$218.3M
Midway Revenue	\$80.4M	\$69.0M	\$91.9M	\$102.2M	\$90.4M	\$91.9M	\$99.1M	\$122.1M	\$124.7M	\$133.8M	\$138.9M	\$138.3M	\$138.1M	\$136.9M
Sewer Revenue	\$100.8M	\$109.4M	\$135.0M	\$126.8M	\$138.3M	\$145.5M	\$156.0M	\$154.8M	\$158.0M	\$164.1M	\$164.2M	\$161.2M	\$160.0M	\$166.8M
Sales Tax Securitization					\$0.0M	\$54.7M	\$123.3M	\$121.0M	\$156.2M	\$314.2M	\$335.4M	\$392.9M	\$405.8M	\$404.7M
G.O. Alternate Revenue	\$67.1M	\$67.2M	\$68.3M	\$70.3M	\$97.8M	\$71.9M	\$45.7M	\$39.8M	\$26.9M	\$18.0M	\$7.9M	\$11.8M	\$6.6M	\$6.7M
Sales Tax Revenue	\$38.6M	\$38.6M	\$36.9M	\$39.4M	\$24.9M	\$0.0M								
Motor Fuel Tax Revenue	\$15.6M	\$12.0M	\$14.4M	\$14.3M	\$15.1M	\$15.4M	\$15.6M	\$12.4M	\$8.6M	\$0.0M	\$0.0M	\$0.0M	\$0.0M	\$0.0M
G.O. Pledge	\$2.4M	\$25.0M	\$16.6M	\$16.1M	\$5.2M	\$5.0M	\$15.7M	\$15.2M	\$8.1M	\$1.4M	\$1.4M	\$40.4M	\$0.0M	\$0.0M
TIF	\$32.0M	\$23.5M	\$15.2M	\$6.5M	\$7.1M	\$6.9M	\$4.6M	\$4.8M	\$4.9M	\$7.9M	\$0.0M	\$0.0M	\$0.0M	\$0.0M
<b>Grand Total</b>	<b>\$1,295.7M</b>	<b>\$1,406.3M</b>	<b>\$1,544.8M</b>	<b>\$1,567.2M</b>	<b>\$1,657.8M</b>	<b>\$1,710.8M</b>	<b>\$1,772.2M</b>	<b>\$1,752.3M</b>	<b>\$1,451.4M</b>	<b>\$1,738.1M</b>	<b>\$2,049.4M</b>	<b>\$2,149.0M</b>	<b>\$2,141.7M</b>	<b>\$2,147.0M</b>

**2024 BUDGET FORECAST  
APPENDICES**

**ASSET LEASE AND CONCESSION RESERVES**

In 2005, the City entered into a 99-year lease of the Chicago Skyway, under which a private company was granted the right to operate and collect tolls from the Skyway. In return, the City received an upfront payment of \$1.83 billion. Approximately \$850 million of this amount was used to pay off existing debt, including \$446.3 million to refund the outstanding Skyway bonds at the time of the transaction.

In 2009, the City entered into a 75-year concession agreement for its metered parking system, under which a private company was granted the right to operate and collect revenue from the parking meter system and the City received an upfront payment of \$1.15 billion.

Both of these transactions resulted in the establishment of a long-term reserve fund, a mid-term reserve fund, and a human infrastructure fund.

The City established a \$500 million long-term reserve with a portion of the proceeds of the Chicago Skyway lease. The principal of this fund was intended to supplement Corporate Fund reserves, with interest earnings to be used for City operating expenses. These funds have been utilized as planned - the principal balance remains \$500 million and the earned interest has been transferred to the Corporate Fund each year, with the dollar amount of the transfer reflecting variations in interest rates.

The City established a \$400 million long-term reserve with a portion of the proceeds of the parking meter concession. This fund was created to replace revenues that would have been generated from parking meters by transferring interest earnings to the Corporate Fund, with the principal remaining intact at \$400 million. However, starting in 2009, the City began utilizing these long-term reserve funds to subsidize the City’s operating budget. Utilizing these funds reduced the principal balance substantially below the initial deposit and accordingly reduced the interest earnings generated by the fund. The original ordinance establishing the fund directed that an annual transfer of \$20 million be made from the fund into the Corporate Fund to replace lost meter revenue. However, in order to

maintain these important reserves, the City amended the ordinance in 2012 to state that only interest generated from the fund, and not principal, must be transferred for this purpose. In addition, the City began to rebuild these reserves in 2012, with \$40 million deposited into the reserves from 2012 to 2014 (\$20 million deposited in 2012, \$15 million deposited in 2013, and \$5 million deposited in 2014) and another \$30 million deposited into the operating liquidity fund from 2015 through 2019. In 2021, \$10 million was deposited into the operating liquidity fund, representing \$5 million deposits for 2020 and 2021.

**Asset Lease Fund Balances**

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
<b>Balance</b>	<b>\$590.2M</b>	<b>\$626.0M</b>	<b>\$624.5M</b>	<b>\$640.2M</b>	<b>\$668.3M</b>	<b>\$652.5M</b>	<b>\$714.7M</b>	<b>\$753.3M</b>	<b>\$729.7M</b>	<b>\$622.8M</b>

## CAPITAL INVESTMENTS

The City's Capital Improvement Program ("CIP") funds the physical improvement or replacement of City-owned infrastructure and facilities with long useful lives, such as roads, buildings, and green spaces.

The City creates a Five-Year CIP, producing a spending "blueprint" based upon the most current revenue projections and project priorities. Continued investments in infrastructure and facilities are critical to support and enhance neighborhoods, stimulate the economy, and improve services. The CIP is primarily funded through the following sources:

### *General Obligation Bonds*

These bonds are backed by property tax revenue and are used for a variety of City infrastructure and facility projects.

### *Water and Sewer Revenue Bonds*

These bonds are backed by water and sewer user fees, respectively, and are used for the construction and repair of water and sewer lines and related facilities.

### *O'Hare and Midway Revenue Bonds*

These bonds are backed by airport revenues and are used to fund airfield and terminal improvements and related facilities. The City also uses other airport operating revenues to fund capital improvements at both O'Hare and Midway Airport.

### *Tax Increment Financing ("TIF")*

TIF is used to fund neighborhood infrastructure such as roads, lighting, libraries, and bridges, and promote economic development in communities.

### *State and Federal Funds*

State and federal funds are predominately used by the Chicago Department of Transportation ("CDOT") for bridges and roadways, the Department of Water Management ("DWM") for water and sewer improvements, and the Chicago Department of Aviation ("CDA") for O'Hare and Midway Airport improvements.

In 2023, as part of the City's Five-Year Capital Plan, the City implemented the third year of the Chicago Works Program, which is an unprecedented \$3.27 billion general obligation bond funding commitment through 2024 that invests in the City's communities through infrastructure. Chicago Works dedicates funding to repair and replace roads, bridges, sidewalks, Americans with Disabilities Act ("ADA") accessible crosswalks, streetlights, traffic signals, and other traditional infrastructure projects. The Chicago Works Program priorities were developed on needs-based condition assessments and data-driven processes conducted by CDOT and the Department of Assets, Infrastructure and Services. The plan leverages long-term capital infrastructure improvements to build and maintain a sustainable, inclusive, and competitive Chicago that meets the current and future needs of each community.

## TAX INCREMENT FINANCING

Tax Increment Financing (“TIF”) is a funding tool used to improve neighborhood infrastructure and promote investment in communities across the City. The program is governed by State law, which allows municipalities to capture property tax revenues derived from the amount of incremental equalized assessed value (“EAV”) above the base EAV that existed when an area was designated as a TIF district.

There has been a total of 185 TIF designations in Chicago since the start of the TIF program in 1984. The number of active TIF districts peaked in 2011 at 163 but has since declined to 124 currently active in the city. Ten TIF districts are nominally scheduled to expire in 2023, but the Illinois General Assembly has authorized the extension of five of those districts. Five other districts were previously extended by City Council in 2022.

TIF revenues are used to fund community projects, public improvements, and provide incentives to attract private investment to the area. Funds are used to build and repair neighborhood streets, alleys, bridges, and lighting; modernize and improve schools; construct and upgrade

the transit system; build and improve parks; increase affordable housing; and promote neighborhood economic development.

On an annual basis, the City declares a portion of the funds in an active TIF as surplus, which is then distributed on a proportionate basis to each of the overlapping taxing districts. Surplus declaration occurs during the budget process and is pursuant to State law which requires that any incremental revenues not identified as designated for eligible costs be declared as surplus.

Expenditure data, categorized at a high level into financing, public improvement, site preparation, administration, development, and job training costs, can be found online in the audited annual financial reports for each TIF at [www.chicago.gov/TIF](http://www.chicago.gov/TIF).

**PROPERTY TAX**

The City is one of several taxing districts reflected on a typical Chicago property tax bill. There are hundreds of units of local governments located in whole or in part in Cook County with taxing power. The major local government units that have taxing power over property within Chicago include the City, the Chicago Park District, the Chicago Board of Education (“CPS”), Community Colleges of Chicago (“Community College District No. 508”), the Metropolitan Water Reclamation District of Greater Chicago, Cook County, and the Forest Preserve District of Cook County.

**City Property Tax Levy**

A taxing district’s levy is the fixed amount of property tax revenue that the taxing district requests for the year. While there are multiple taxing districts and levies reflected on a single tax bill (City levy, county levy, school district levy, park district levy, etc.), this section only discusses property tax expenditures directly associated with the City’s budget – the City and Library levy. Authorization of the City’s property tax levy occurs through bond ordinances and property tax levy ordinances in connection with the City’s annual appropriation ordinance.

Revenue from the City and Library property tax levies are used to pay debt service on general obligation debt, the City’s pension contributions, and for library operations. Property tax-derived revenue includes tax increment financing (“TIF”) revenue; however, TIF revenue must be utilized for specific types of expenses in designated areas

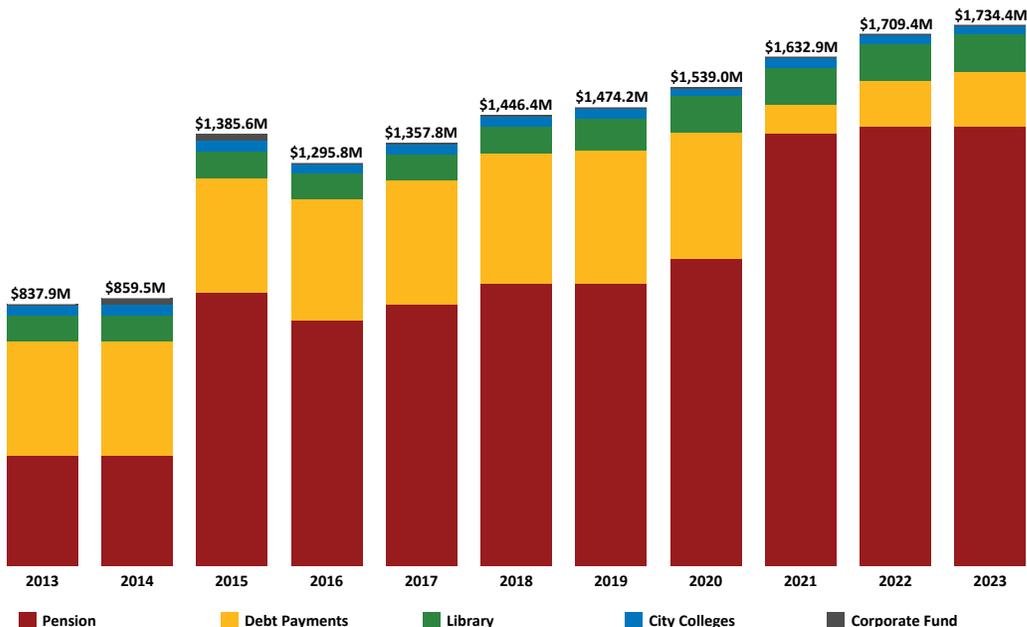
and is not general purpose revenue.

The City’s property tax levy is used to pay for debt service and pension contributions. In 2023, the City budgeted \$174.4 million in property tax revenue to fund debt service payments and \$1,411.9 million to fund the City’s contribution to pension funds. In addition, the City levy includes amounts dedicated to the payment of bonds for City Colleges of Chicago. In 2023, the City’s levy includes \$28.8 million dedicated to the payment of bonds issued in 1999 and 2007 by the City on behalf of the City Colleges of Chicago. Historically, in a limited number of years, a portion of the revenue from the City’s property tax levy was used for general operating purposes. The Library property tax levy supports operations, debt service, and pension contributions associated with Chicago Public Library (“CPL”).

**Calculating Property Tax Bills**

Cook County administers and collects property taxes on behalf of all taxing districts based on the amount of each taxing district’s levy. For many taxing districts, including CPS, the levy amount is limited by State legislation that places a cap on the amount that the taxing district can request and extend; this is called the Property Tax Extension Limitation Law (“PTELL”). The City, however, is not subject to this state-mandated cap on the amount that it levies. Currently, approximately 25 percent of a property taxpayer’s total bill is allocated to the City and CPL, and approximately 55 percent is allocated to CPS and the Chicago School Building and Improvement Fund.

Property Tax Levy



The County determines the amount billed to an individual taxpayer on behalf of a taxing district based on the taxing district's final extension, the value of all property in the taxing district, and the value of the taxpayer's property.

The County reassesses all property values every three years, based on three prior years of sales. The City of Chicago's last reassessment occurred in 2021, which was first reflected on the property tax bills paid in 2022. The assessed value of a property is adjusted using a state equalizer, which determines the final value of the property for purposes of taxation. This final value is referred to as the Equalized Assessed Value ("EAV").

The County divides the taxing district's levy by the taxing district's aggregate EAV (subtracting the value of any property tax exemptions and incremental EAV for property located in a TIF), in order to determine the district's tax rate.

Taxing District's Tax Rate = Taxing District's Requested Levy / Aggregate EAV of Taxing District.

The County determines a tax rate for each taxing district, and the sum of these tax rates for all taxing districts is the composite property tax rate, or the total rate that a taxpayer sees on their property tax bill.

This composite tax rate is applied to the EAV of each taxpayer's property, and the result is the dollar amount that the taxpayer must pay in a given year. Property tax bills are sent and paid one year in arrears, so the bills received by taxpayers in 2023 reflect 2022 tax extensions, tax rates, and valuations.

Amount of Property Taxes Owed = Composite Tax Rate \* EAV of Taxpayer's Property

The annual tax bill is divided into two installments. The first installment is due in March and is equal to 55 percent of the prior year's total tax bill. The second installment is usually issued after July, when the property values, exemptions, and tax rates for the tax year are finalized. The second installment is the total taxed amount less the amount already billed in the first installment. Each bill includes a list of the amount being collected on behalf of each taxing district.

In 2023, the second installment bills are expected to be available in November.

### ***Cook County Property Tax Exemptions***

The Homeowner Exemption provides tax relief by reducing the EAV of an eligible residence by \$10,000. First-time applicants must have been the occupants of the property as of January 1 of the tax year in question.

The Senior Citizen Exemption provides tax relief by reducing the EAV of an eligible residence for seniors who own and occupy their homes (in addition to savings from the homeowner exemption).

The Senior Freeze Exemption allows qualified senior citizens to apply for a freeze of the EAV of their properties for the year preceding the year in which they first apply. For example, if a senior applies in 2023 for the freeze, it would be retroactive to the 2022 tax year.

The Home Improvement Exemption allows homeowners to make up to \$75,000 worth of property improvements without an increase in property taxes for at least four years. The value varies depending on the reduction of the assessed value and the tax rates. Any exemption that is granted is reflected on the second installment tax bill.

Veterans Returning from Active Duty in armed conflict are eligible to receive a \$5,000 reduction in the EAV of their property for the taxable year in which they return.

The Disabled Veteran Homestead Exemption provides tax relief to veterans as certified by the U.S. Department of Veteran Affairs as disabled. The amount of EAV reduction is based on the level of disability. A disability of 70 percent or more may qualify for an EAV reduction of \$250,000 and very likely totally exempts the home from property taxes.

The Disabled Persons Exemption provides disabled persons with an annual \$2,000 reduction in the EAV of their property.

# GLOSSARY



***Actuarially Calculated Contribution:***

An amount determined sufficient to increase the funded ratio of the City of Chicago's pension funds, including the Municipal Employees' Annuity and Benefit Fund, the Laborers' Annuity and Benefit Fund, the Policemen's Annuity and Benefit Fund, and the Firemen's Annuity and Benefit Fund, to a statutorily required amount over a number of years.

***Amusement Tax:***

A tax imposed upon the patrons of amusement activities within the City of Chicago including sporting events, theater productions, and a variety of other entertainment activities. The tax does not apply to admission fees to witness in-person live theatrical, live musical, or other live cultural performances that take place in a venue whose maximum capacity is 1,500 persons or fewer. The tax rate is 9.0 percent of the fee paid to witness in-person live theatrical, live musical, or other live cultural performances that take place in a venue whose maximum capacity is more than 1,500 persons. Authorization: Municipal Code 4-156-020.

***Annual Comprehensive Financial Report ("ACFR"):***

Provides complete and accurate financial information from an independent third-party auditor which complies with the reporting requirements of the Municipal Code of Chicago.

***Appropriation:***

An amount of money in the budget, authorized by the City Council, for expenditures for specific purposes. Appropriations are made by account group within each department and fund.

***Asset Lease and Concession Reserves:***

Reserve funds are funds that the City of Chicago sets aside as an economic safety net to mitigate current and future risks such as contingencies, emergencies, or revenue shortfalls. Asset lease and concession reserves are reserve funds established in connection with the long-term lease or concession of City of Chicago assets, specifically the Skyway and parking meters.

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***Automatic Amusement Device Tax:***

A tax imposed on each automatic amusement device or machine used within the City of Chicago for gain or profit. The tax rate is \$150 per amusement device annually. Authorization: Municipal Code 4-156-160.

***Aviation Funds:***

Funds established to account for acquisition, operation, and maintenance of the City of Chicago's airports. Aviation funds are comprised of the O'Hare International Airport Fund and the Midway International Airport Fund.

***Benefits:***

Includes costs such as healthcare, workers' compensation, life insurance, social security contributions and Medicare contributions.

***Boat Mooring Tax:***

A tax imposed on the mooring or docking of any watercraft for a fee in or on a harbor, river, or other body of water within the corporate limits or jurisdiction of the City of Chicago. The tax rate is 7.0 percent of the mooring or docking fee. Authorization: Municipal Code 3-16-030.

***Bonds:***

Long-term debt primarily used to finance infrastructure projects including street and alley construction and improvements, lighting, sidewalk replacement, curb and gutter repairs and replacement, and transportation improvements, as well as Enterprise Fund related projects. The City of Chicago has several different types of bonds including general obligation bonds, Motor Fuel Tax revenue bonds, tax increment allocation bonds, water and wastewater bonds, and O'Hare and Midway Bonds.

***Business Taxes:***

Consists of revenue from the City of Chicago's tax on hotel accommodations, the Checkout Bag Tax, and prior to 2019, Foreign Fire Insurance.

**Capital Improvement Plan (“CIP”):**

A five-year plan that identifies capital projects, provides a planning schedule and identifies options for financing projects.

**Charges for Services:**

Charges levied for services provided by the City of Chicago that are not covered by general tax revenue. Such services include building inspections, information requests, emergency medical services, and safety services.

**Checkout Bag Tax:**

A tax of \$0.07 per bag on the retail sale or use of paper and plastic checkout bags in Chicago, of which retail merchants retain \$0.02 and the remaining \$0.05 is remitted to the City of Chicago. Authorization: Municipal Code 3-50-030.

**Cigarette Tax:**

A tax of \$0.059 per cigarette (\$1.18 per pack of twenty) is imposed upon all cigarettes possessed for sale within the City of Chicago. The tax is paid through the purchase of tax stamps from the City of Chicago’s Department of Finance. In the City of Chicago’s budget, this also includes the liquid nicotine product tax, which is imposed on the retail sale of liquid nicotine products in the City of Chicago at \$1.50 per product unit and \$1.20 per fluid milliliter of consumable nicotine solution. Authorization: Municipal Code 3-42-020 (cigarette) and 3-47-030 (liquid nicotine).

**Claims, Refunds, Judgments and Legal Fees:**

Includes expenses incurred with claims filed against the City of Chicago, legal settlements and judgments, and related legal fees including attorney costs.

**Collective Bargaining Agreement (“CBA”):**

A written legal contract between an employer and union representing employees.

**Commercial Paper:**

A short-term debt instrument issued by an organization, typically for the financing of short-term liabilities.

**Commodities and Equipment:**

Consists of costs for gas, electricity, and natural gas, as well as small equipment.

**Consumer Price Index (“CPI”):**

CPI is an instrument to measure inflation. CPI measures the average change over time in the prices paid for a set of consumer goods and services.

**Contractual Services:**

Comprised of costs incurred related to services provided to the City of Chicago by a vendor that are dictated by a contractual agreement, such as information technology or auditing services.

**Corporate Fund:**

The City of Chicago’s general operating fund, used to account for basic City operations and services such as public safety, business and consumer services, and tree trimming.

**COVID-19:**

An infectious disease caused by severe acute respiratory syndrome coronavirus 2, known as SARS-CoV-2.

**Debt Service Funds:**

Debt Service Funds are used to account for the accumulation of resources for, and the payment of, long-term debt service and related costs. Revenue bonds issued for the City of Chicago’s Enterprise Funds and debt issued for special taxing districts are not included in the City’s general Debt Service Funds.

**Delegate Agencies:**

Organizations that provide services on behalf of the City of Chicago through a grant contract.

**Emergency Communication Surcharge:**

A surcharge imposed on all billed subscribers of telecommunications services within the City of Chicago for the purpose of funding a portion of the maintenance and operation of the City’s emergency 911 system. The surcharge is \$5.00 per month for each network connection and wireless number, and a 9.0 percent tax on pre-paid wireless service. Authorization: Municipal Code 3-64-030 and 7-50-020.

**Emergency Communication Fund:**

A Special Revenue Fund that is comprised of funds from the collection of the emergency communication surcharge, and funds 911 and emergency preparedness activities of the Office of Emergency Management and Communication.

**Enterprise Funds:**

Funds established to account for acquisition, operation, and maintenance of government services such as water, sewer, and the airports. These funds are self-supporting in that they derive revenue from user charges.

***Equalized Assessed Value (“EAV”):***

The equalized assessed value of a property is the result of applying a State equalization factor to the assessed value of a parcel of property. The State equalization factor is used to bring all property in Illinois to a uniform level of assessment.

***Fines, Forfeitures, and Penalties:***

Fines and any associated penalties levied for violations of the Municipal Code. The primary source of this type of revenue is from parking tickets. Also included in this category are redlight and automated speed enforcement fines, moving violations, booting-related fees, sanitation code violations, and housing court fines.

***Fiscal Year (“FY”):***

The City of Chicago’s fiscal year aligns with the calendar year: January 1 to December 31.

***Full Time Equivalent (“FTE”):***

The ratio of the total number of paid hours during a period by the number of working hours in that period. One FTE is equivalent to one employee working full-time.

***Foreign Fire Insurance Tax:***

A tax imposed on any business not incorporated in the State of Illinois that is engaged in selling fire insurance in the City of Chicago. The tax is paid for the maintenance, use, and benefit of the Chicago Fire Department. The tax rate is 2.0 percent of the gross receipts received for premiums. Authorization: Municipal Code 4-308-020.

***Garbage Fee:***

Chicago residences receiving City-provided garbage collection services are charged a \$9.50 monthly fee per dwelling unit. City-provided garbage collection services are provided to single family homes and multifamily buildings with four units or fewer. Authorization: Municipal Code 7-28-235.

***General Obligation Debt:***

Comprised of three types of general obligation bonds including Tax Levy Bonds, Alternate Revenue Bonds and Pledge Bonds.

***General Financing Requirements:***

Comprised of the Finance General budgeting category that represents cross-departmental expenses such as information technology systems, employee benefits,

contributions to employee pension funds, and long-term debt service payments.

***Governmental Accounting Standards Board (“GASB”):***

An independent, private-sector organization that establishes accounting and financial reporting standards for U.S. state and local governments that follow Generally Accepted Accounting Principles.

***Ground Transportation Tax:***

A tax imposed on the provision of hired ground transportation to passengers in the City of Chicago. The tax rate is \$98 per month on medallion licensees. There is a \$3.50 per day charge for each non-taxicab vehicle with a seating capacity of 10 or fewer passengers, \$6 per day for each non-taxicab vehicle with a seating capacity of 11 to 24 passengers, \$9 per day for each non-taxicab vehicle with a capacity of more than 24 passengers. Transportation network provider vehicles are charged \$1.13 per trip for single ride trips that begin or end in Chicago, or \$0.53 for shared rides that begin or end in Chicago, and \$0.10 per trip Accessibly Fund payment for all trips that begin or end in Chicago. Additionally, a \$5.00 per trip surcharge on all transportation network provider vehicles for airport, Navy Pier, and McCormick Place pickup and drop-off. As of 2020, the City also implemented a downtown surcharge on weekdays from 6 am to 10 pm of \$1.75 per trip for single rides and \$0.60 per trip for shared rides. Lastly, the City of Chicago charges \$1.00 per day for pedicabs for each day in service. Authorization: Municipal Code 3-46-030.

***Hotel Accommodations Tax***

A 4.5 percent tax imposed on the rental or lease of hotel accommodations in the City of Chicago. For vacation rentals and shared housing units, a 6.0 percent surcharge is added to the 4.5 percent base rate for a total City tax rate of 10.5 percent of the gross rental or leasing charge. Authorization: Municipal Code 3-24-030.

***Income Tax:***

A tax imposed by the State of Illinois on the privilege of earning or receiving income in Illinois. The tax rate is 7.0 percent of net income for corporations and 4.95 percent of net income for individuals, trusts, and estates. Of the net income tax receipts after refund, 6.06 percent of personal income tax receipts and 6.85 percent of corporate income tax receipts is placed in the Local Government Distributive Fund, which is then distributed to municipalities based on population. Authorization: 35 ILCS 5/201, 5/901; 30 ILCS 115/1, 115/2.

***Intergovernmental Tax Revenue:***

Consists of the City of Chicago's share of State Income Tax, Personal Property Replacement Tax and Municipal Auto Rental Tax received through the State of Illinois.

***Internal Service Earnings:***

Reimbursements from other City of Chicago funds to the Corporate Fund for services that are provided to other City funds. Certain internal service earnings are allocated using cost accounting methods, while others are reimbursed using intergovernmental purchase orders.

***Lease of Personal Property Tax:***

A tax that applies to businesses or individuals that are either a lessor or lessee of personal property used in the City of Chicago.

***Licenses and Permits:***

Licenses and permits are required for the operation of certain construction and business activities in the City of Chicago. Fees for these licenses and permits vary with the type of activity authorized.

***Liquor Tax:***

A tax imposed on the retail sale of alcoholic beverages in the City of Chicago. Each wholesale dealer who sells to a retail dealer located in the City of Chicago collects the tax and any such retail alcoholic beverage dealer in turn collects the tax from the retail purchaser. The tax rate is \$0.29 per gallon of beer, \$0.36 per gallon for alcoholic liquor containing 14.0 percent or less alcohol by volume, \$0.89 per gallon for liquor containing more than 14.0 percent and less than 20.0 percent alcohol by volume, and \$2.68 per gallon for liquor containing 20.0 percent or more alcohol by volume. Authorization: Municipal Code 3-44-030.

***Local Funds:***

All funds used by the City of Chicago for noncapital operations other than Grant Funds. Includes the Corporate Fund, Enterprise Funds, and Special Revenue Funds.

***Local Non-Tax Revenue:***

Local non-tax revenue consists of fees charged for the issuance of licenses and permits; fines, forfeitures and penalties for traffic or other violations; various charges for services; municipal parking; leases, rentals, and sales of City-owned property; internal service earnings; and interest and other revenue.

***Local Tax Revenue:***

Consists of taxes collected by the City of Chicago, including utility, transportation, transaction, recreation, and business taxes.

***Long-Term Debt:***

Used to finance infrastructure projects in City of Chicago neighborhoods including street and alley construction and improvements, lighting, sidewalk replacement, curb and gutter repairs and replacement, and transportation improvements, including street resurfacing, bridge rehabilitation and traffic safety improvements, as well as Enterprise Fund related projects.

***Midway Airport Fund:***

A fund established to account for the acquisition, operation, and maintenance of Midway International Airport.

***Motor Fuel Tax:***

A tax imposed by the State of Illinois on the sale of motor fuel within the State. The tax rate is \$0.454 per gallon of gasoline and \$0.529 per gallon of diesel fuel. A portion of the revenue is distributed to municipalities and townships based on population via a Statewide allocation formula. Authorization: 35 ILCS 505/2, 505/8.

***Motor Fuel Tax Fund:***

A Special Revenue Fund comprised of revenue derived from the Motor Fuel Tax that funds expenses such as costs associated with streetlight energy, salt purchases for snow removal, street pavement, bridge maintenance, and related personnel costs.

***Motor Vehicle Lessor Tax:***

A tax imposed on the leasing of motor vehicles in the City of Chicago to a lessee on a daily or weekly basis. The lessor is allowed to pass this tax on to lessees as a separate charge on rental bills or invoices. The tax is \$2.75 per vehicle per rental period. Authorization: Municipal Code 3-48-030.

***Municipal Hotel Operators' Occupation Tax:***

A tax authorized by State legislation and imposed on the activity of renting hotel accommodations in the City of Chicago. The tax rate is 1.0 percent of gross receipts. The tax is administered and collected by the Illinois Department of Revenue and distributed monthly to the City of Chicago. Authorization: Municipal Code 3-40-470.

***MPEA Airport Departure Tax:***

The MPEA Airport Departure Tax applies to businesses engaged in providing ground transportation for hire to passengers departing from a commercial service airport in Chicago. The tax rate is \$4.00 for each taxi or livery departure. A bus or van with capacity of 1-12 passengers is \$18.00 per departure. A bus or van with capacity of 13-24 passengers is \$36.00 per departure. A bus or van with capacity over 24 passengers is \$54.00 per departure.

***Municipal Parking:***

A category of revenues that currently includes revenue generated by various parking permits. Historical collections in this category also include parking meter revenues generated prior to the long-term lease of the City of Chicago's parking meter system in 2009.

***O'Hare Airport Fund:***

A fund established to account for the acquisition, operation, and maintenance of O'Hare International Airport.

***Parking Garage Tax:***

A tax imposed on the privilege of parking a motor vehicle in any commercial parking lot or garage in the City of Chicago. The tax rate is currently 22.0 percent for daily parking during the week as well as all weekly and monthly parking and 20.0 percent for daily parking on the weekends. Authorization: Municipal Code 4-236-020.

***Personnel Services:***

Personnel-related costs, which include salaries and wages, pension contributions, healthcare, overtime pay, and unemployment compensation.

***Pension Funds:***

The City of Chicago's employees are covered under four defined-benefit retirement plans established by State statute and administered by independent pension boards. These plans are the Municipal Employees' Annuity and Benefit Fund, the Laborers' Annuity and Benefit Fund, the Policemen's Annuity and Benefit Fund, and the Firemen's Annuity and Benefit Fund. Each independent pension board has authority to invest the assets of its respective plan subject to the limitations set forth in 40 ILCS 5/1-113.

***Personal Property Lease Transaction Tax:***

A tax imposed on the lease, rental or use of rented, personal property or nonpossessory computer leases of software and infrastructure (referred to as cloud software and cloud infrastructure) in the City of Chicago is 9.0

percent. Authorization: Municipal Code 3-32-030.

***Personal Property Replacement Tax:***

Two categories of taxes levied by the State and distributed to local governments to replace personal property taxes no longer allowed under the Illinois Constitution: 1. An income-based tax on corporations, partnerships, and other business entities. The tax rate is 2.5 percent for corporations and 1.5 percent for partnerships, trusts, and subchapter S corporations. The tax allocation formula for local governments in Cook County is based on the 1976 distribution of the repealed personal property tax. Authorization: 35 ILCS 5/201(c), (d); 30 ILCS 115/12. 2. A tax on invested capital imposed by the State of Illinois on public utilities. The tax rate is 0.8 percent on invested capital. The tax allocation formula for local governments in Cook County is based on the 1976 distribution of the repealed personal property tax. Authorization: 35 ILCS 610/2a.1, 615/2a.1, 620/2a.1, 625/2a.1; 30 ILCS 115/12.

***Prior Year Available Resources:***

The result of savings and sustainable revenue growth, along with spending controls and other efficiencies, resulting in healthy growth of the Corporate Fund balance.

***Proceeds and Transfers In:***

Consists of amounts transferred into the Corporate Fund from outside sources.

***Proceeds of Debt:***

Funds generated from the sale of bonds or notes.

***Property Tax:***

A tax levied on the equalized assessed valuation of real property in the City of Chicago. Cook County collects the tax with assistance from the Illinois Department of Revenue. Authorization for the City's property tax levy occurs through bond ordinances and property tax levy ordinances in connection with the annual appropriation ordinances.

***Real Property Transfer Tax:***

A tax imposed on the transfer of title to, or beneficial interest in, real property located in the City of Chicago. The tax rate is \$3.75 per \$500 of transfer price, or fraction thereof, and is paid by the transferee. Authorization: Municipal Code 3-33-030.

***Real Property Transfer Tax—CTA Portion:***

A supplemental tax on the transfer of real property in the City of Chicago for the purpose of providing financial assistance to the Chicago Transit Authority. The tax rate is \$1.50 per \$500 of the transfer price or fraction thereof and is paid by the transferor. Authorization: Municipal Code 3-33-030.

***Recreation Taxes:***

Consist of taxes on amusement activities and devices, the mooring of boats, liquor, cigarettes, nonalcoholic beverages, and off-track betting.

***Reimbursements and Financial Expenses:***

Reimbursements consist of amounts transferred to the Corporate Fund from other City of Chicago funds for central services such as information technology, police and fire services, street and building maintenance, and administrative services.

***Reserves:***

Funds that the City of Chicago sets aside as an economic safety net to mitigate current and future risks such as contingencies, emergencies, or revenue shortfalls.

***Sales Tax Securitization Corporation Residual Revenues:***

In October 2017, the City Council passed an ordinance authorizing the creation of a Sales Tax Securitization Corporation (“STSC”). This revenue securitization structure was developed because of legislation passed by the Illinois General Assembly, allowing all home rule municipalities to create a special purpose corporation organized for the sole purpose of issuing bonds paid for from revenues collected by the State. In December 2017, the City of Chicago entered into a sale agreement (“Agreement”) with the STSC. Under the Agreement, the City sold to the STSC the City’s rights to receive Sales Tax revenues collected by the State. In return, the City received the proceeds of bonds issued by the STSC as well as a residual certificate. Sales Tax revenues received by the STSC are paid first to cover the STSC’s operating expenses and debt service on the STSC’s bonds. All remaining Sales Tax revenues are then paid to the City as the holder of the residual certificate.

***Sewer Fund:***

An Enterprise Fund that supports the operation, maintenance, and capital programs of the City of Chicago’s sewer systems.

***Short Term Debt:***

Comprised of debt issued to address various operating, liquidity, and capital needs, including general obligation short-term borrowing program, water and sewer systems commercial paper notes and line of credit notes, Chicago O’Hare International Airport commercial paper notes and credit agreement notes, and Chicago Midway Airport commercial paper notes.

***Special Events and Municipal Hotel Operators’ Occupation Tax Fund:***

Includes revenues from the Municipal Hotel Operator’s Occupation Tax and is used to support the promotion of tourism, cultural and recreational activities.

***Special Revenue Fund:***

A fund established to account for the operations of a specific activity and the revenue generated for carrying out that activity. Special Revenue Funds are used to account for the proceeds of specific revenue sources (other than special assessments, expendable trusts, or major capital projects) requiring separate accounting because of legal or regulatory provisions or administrative action.

***Structural Budget Deficit:***

Any structural budget imbalance between existing revenues and anticipated expenses for that budget year. Commonly referred to as the “gap”.

***Tax Increment Financing (“TIF”):***

TIF is a funding tool used to improve neighborhood infrastructure and promote investment in communities across the City of Chicago. The program is governed by a State law allowing municipalities to capture property tax revenues derived from the amount of incremental Equalized Assessed Value (“EAV”) above the base EAV that existed before an area was designated as a TIF district.

***Transaction Taxes:***

Consist of taxes on the transfer of real estate, the lease or rental of personal property, and the short-term lease of motor vehicles within the City of Chicago.

***Transportation Network Providers (“TNP”):***

Rideshare companies that provide prearranged transportation services for compensation through an Internet-enabled application or digital platform to connect passengers with drivers of vehicles for hire.

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***Transportation Taxes:***

Consist of taxes on vehicle fuel, garage parking, and hired ground transportation.

***Transfers Out:***

The movement of resources from local funds to reserves and other non-recurring revenue sources.

***Vehicle Fuel Tax:***

A tax imposed on the purchase of vehicle fuel purchased or dispensed within the City of Chicago. The tax rate is \$0.08 per gallon. Authorization: Municipal Code 3-52-020.

***Vehicle Tax Fund:***

Includes revenue from vehicle sticker sales, impoundment fees, abandoned auto sale fees, pavement cut fees, and a portion of the Garage Parking Tax for the maintenance of the public way.

***Water Fund:***

An Enterprise Fund that supports the operation, maintenance, and capital programs of the City of Chicago's water systems.

***Water and Sewer User Fees:***

A fee imposed on water and sewer usage within the City of Chicago. The revenue collected via water charges and the sewer surcharges on City of Chicago utility bills. The Water and Sewer Funds are segregated funds where water fund revenue is used to support the water system and sewer fund revenue is used to support the sewer system. Authorization: Municipal Code 11-12-260.

***Water and Sewer Tax:***

A utility tax assessed on water and sewer use within the City of Chicago. As of 2021, the current rate is \$2.51 per 1,000 gallons of water and sewer use. Authorization: Municipal Code 3-80-040.

***Wheel Tax (referred to as the Vehicle Sticker Fee):***

An annual fee imposed on the privilege of operating a motor vehicle within the City of Chicago that is owned by a resident of the City of Chicago. The annual fee is \$95.42 for smaller passenger automobiles (less than 4,500 pounds) and \$151.55 for larger passenger automobiles (4,500 pounds or more). The fee varies for other vehicle classifications. Authorization: Municipal Code 3-56-050.

