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Quarterly Budget Report



2023 Q1

City of Chicago
2023 Q1

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Content and Purpose

This quarterly report contains an overview of the City's operating revenues and expenditures through the first quarter of 2023, as compared to budgeted amounts, and explains any notable trends or aberrations in these numbers.

The purpose of this quarterly public report on the City's revenues and expenditures is twofold. First, it ensures that the City is consistently monitoring its revenues and expenditures so that it can proactively respond to unanticipated changes or emerging trends, and second, these reports increase the transparency of City finances. The City is ultimately accountable to its taxpayers to use the revenue it brings in efficiently and effectively to deliver the highest quality services, and quarterly public reporting provides taxpayers with the information they need to hold the City to this standard.

The revenue and expenditure information in this report is organized by City fund. For definitions of the City's budgeted funds and revenue sources, please refer to the current year Budget Overview book and the Budget Forecast report available on the City of Chicago's Budget website (www.chicago.gov/budget).

This report focuses on local fund operating revenues and expenditures. The quarterly budget report does not include information on grant funds, property tax levy, debt service funds, pension funds, or capital expenditures. Information on those areas can be found in the Budget Overview book.

Timeframe and Limitations

The information in this report is the most accurate and up-to-date information available at the time of publication. However, this report is not an audited financial statement and the numbers provided herein are preliminary and subject to change as the year progresses. No data on revenues and expenditures is final until the City has completed its annual audit and finalized its Annual Comprehensive Financial Report (ACFR), which is released in the summer of each year for the prior year. It should be noted that the City balances its budget on an annual basis and that each fund's revenues and expenditures may not align on a quarterly basis. This is the result of the inherent seasonality of many of the City's revenue streams and expenses, as is further described in the following pages.

With respect to revenues: The City regularly monitors and adjusts its revenue projections based on to-date revenue performance and other developments that may affect City revenues in order to form a more accurate picture of the City's financial position. As a result of this process, the City develops revenue projections for each month. These projections reflect historical patterns, seasonality, and other known factors that may affect certain revenue streams. These projections are used to develop the "2023 Q1 Budget" amounts shown in the tables in this report. The "2023 Q1 Estimate" presented in the tables in this report are the City's current estimates, as of the date of this report, of its collected revenues through the first quarter. As previously mentioned, no data on revenues and expenditures is final until the City has completed its annual audit and released its ACFR. The numbers contained in this report remain estimates pending adjustments that will be made as additional information and collections are received by the City. For example, certain revenues, as noted herein, are collected and distributed by the State, and there is a time delay in when information on the amount of actual collections is provided to the City, and in some cases, a delay in when the City receives actual distributions. In addition, a small portion of the fees and fines attributable to a given quarter typically arrive later in the year due to delinquencies and disputed payments, and the actual amount of such revenues is not known until all payments are received.

With respect to expenditures: The "2023 YR Budget" amounts presented in the expenditure tables in this report reflect the total department budget by the fund from the 2023 Annual Appropriation Ordinance. The City does not provide quarterly expenditure budget estimates as many expenditures are cyclical, seasonal, or otherwise fluctuate and are managed on an ongoing basis to not exceed the total annual appropriations per department. The "2023 Q1 Estimate" for expenditures is extracted directly from the City's financial management system. Expenditures include funds that are encumbered but may not yet have been spent, such as the full-year cost of property rentals and payments under certain technology maintenance and licensing contracts. These figures represent a snapshot of City expenditures at a certain point in time and do not reflect final adjustments made to prepare the City's ACFR.

Certain Finance General expenditures, such as debt payments, healthcare costs, and transfers to other funds, are not entered into the City's financial management system until the end of the year and may not be captured in this report. Also, across all departments and all funds, the payroll expenses for the final pay period of the quarter will not have been entered into the system until the following month, and therefore, are not captured in this report.

City of Chicago
2023 Q1

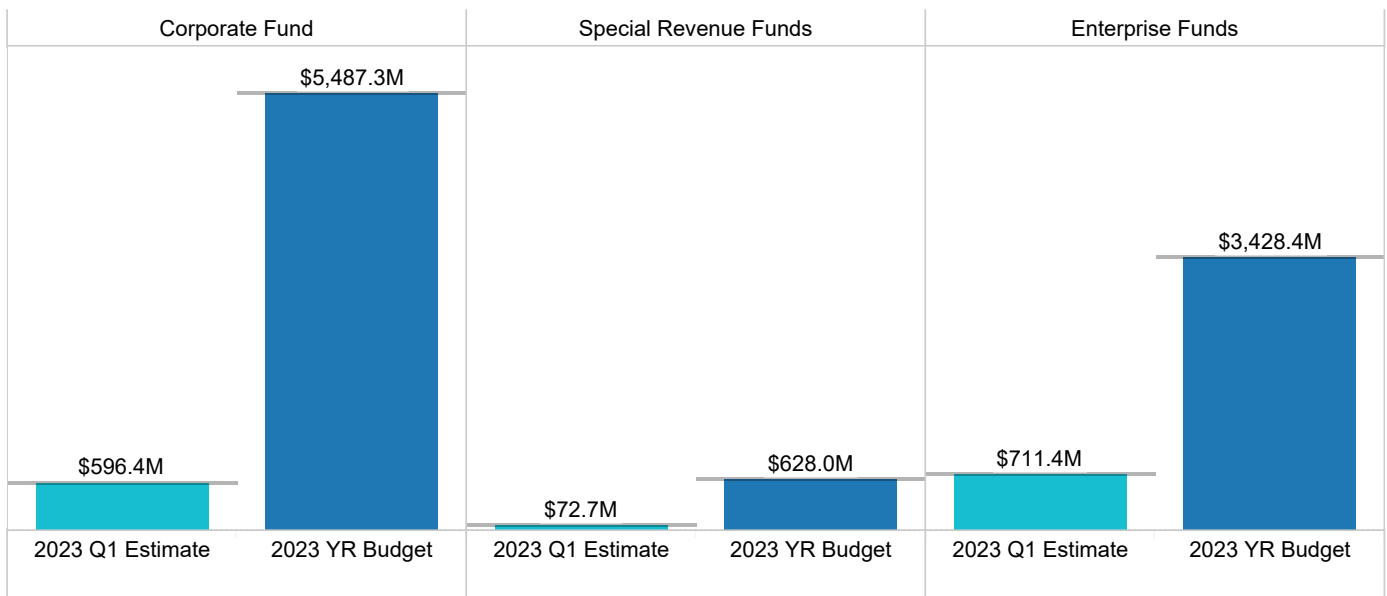


Summary of Local Funds

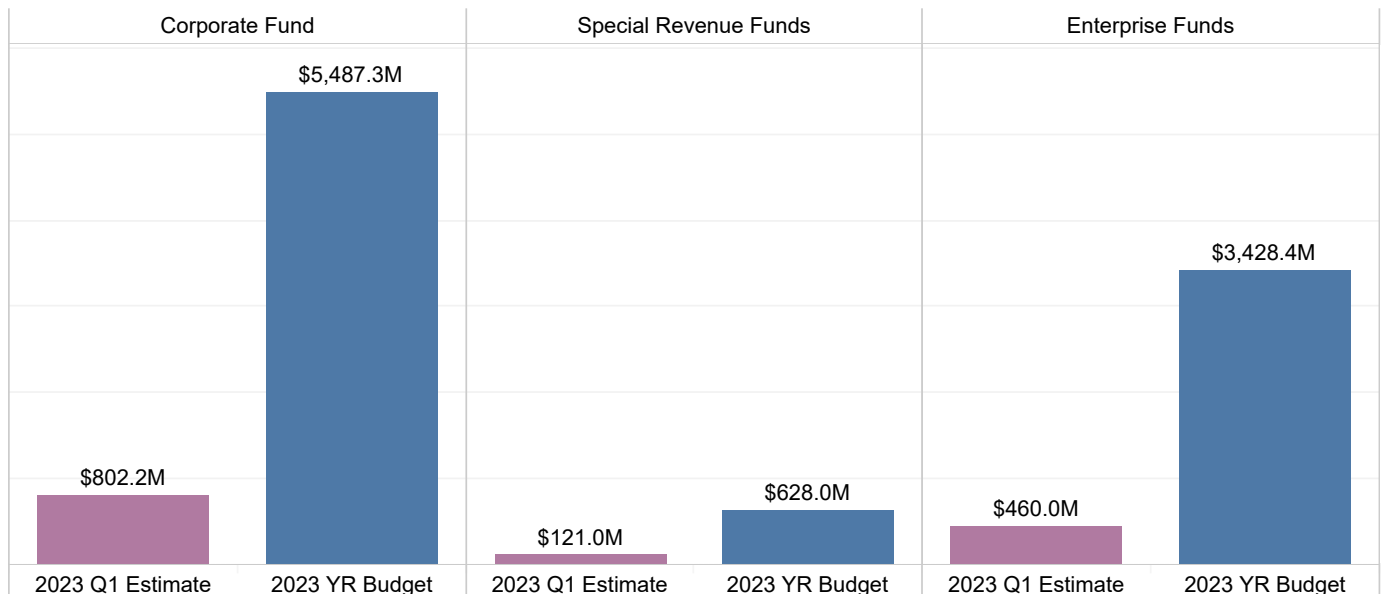
The City's local funds are comprised of the Corporate Fund, Special Revenue Funds, and Enterprise Funds. These are the primary funds the City utilizes to support citywide operations including public safety, garbage collection, water and sewer services, and operations at the airports.

Altogether, local fund revenues are estimated to be less than 1 percent below quarterly expectations. Meanwhile, local fund expenditures have amounted to 14.5 percent of the full-year budgeted expectations.

Revenue



Expenditures



City of Chicago
2023 Q1

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Revenue - Corporate Fund

Total Corporate Fund revenues finished the first quarter of 2023 0.7 percent below budgeted expectations.

Transaction taxes ended the quarter under budget by 6.7 percent, or \$8.8 million. This is primarily due to a slowdown in real estate activity resulting in a negative variance of \$18.7 million in the City's Real Property Transfer Tax.

Collections from Utility Taxes and Fees are tracking slightly above budget by 0.6% or \$0.3 million.

Income tax, Personal Property Replacement Tax (PPRT) and Other Intergovernmental revenues ended the quarter under budget by \$8.9million, or 27.0 percent, driven by income tax collections.

Business tax revenue ended the quarter \$1.9 million, or 20.5 percent above budget, driven by increased collections from both the Hotel Tax and Shopping Bag Tax.

Recreation Tax revenue is below budgeted projections through the quarter by \$0.9 million, or 1.6 percent, driven by the Cigarette tax at \$1.3 million, or 33.5 percent, under budget. This underperformance is offset by strong Amusement Tax collections of \$1.4 million, or 3.1 percent against budget.

Transportation tax revenue is above budgeted expectations through the quarter by \$5.2 million, or 10.5 percent. This increase is largely due to higher collections of the Parking Tax, as well as the Ground Transportation Tax.

In total, the City's Sales and Use Tax revenue collections through the quarter are \$0.8 million, or 9.1 percent below budget.

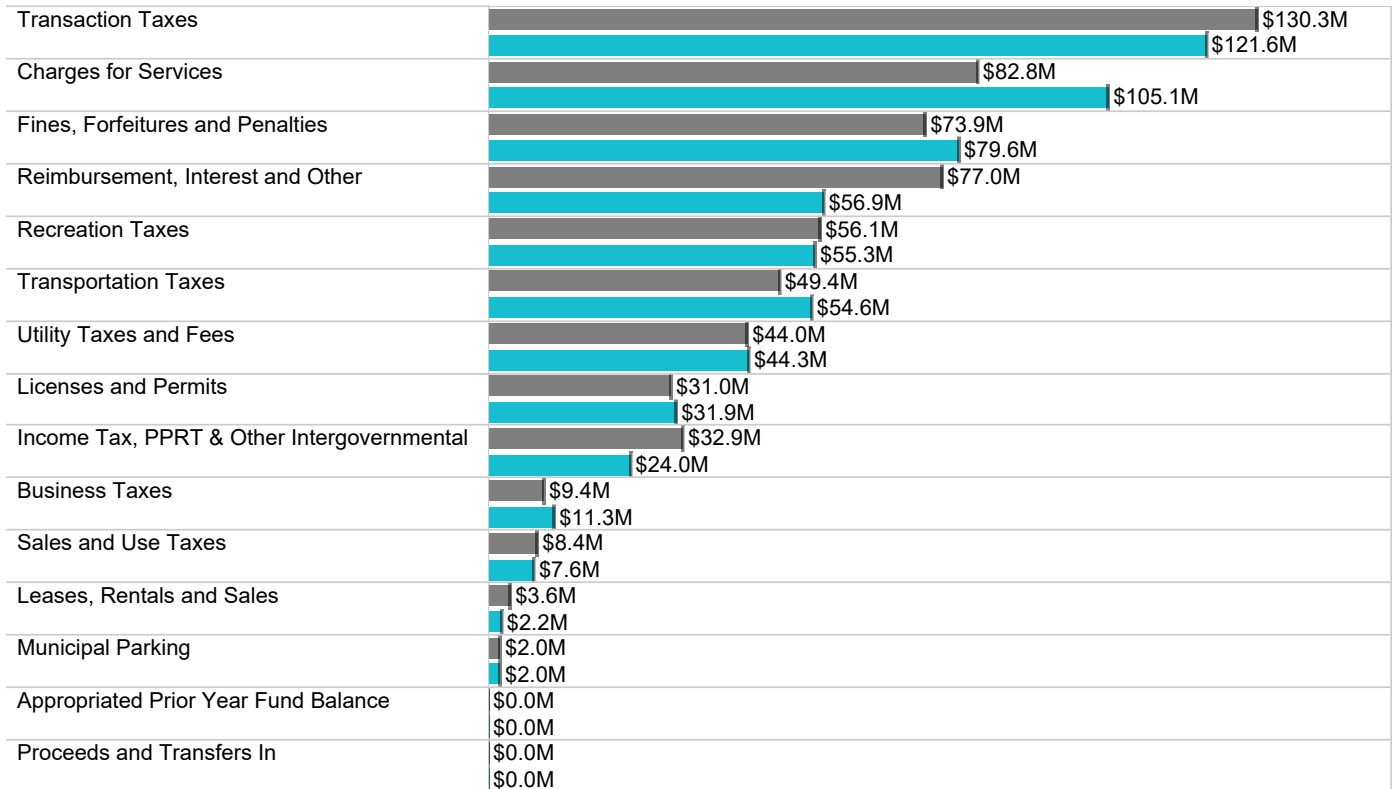
Non-tax revenue is above budget projections through the quarter by \$7.5 million, or 2.8 percent. This is due primarily to Charges for Services being \$22.3 million or 26.9% above budget, which offsets the underperformance of reimbursements at \$20.1 million, or 26.1%, under budget. The underperformance of this latter group is primarily due to the timing of the reimbursements.

City of Chicago
2023 Q1

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Revenue - Corporate Fund

		2023 Q1 Budget	2023 Q1 Estimate	% Variance
Tax Revenue	Business Taxes	\$9.4M	\$11.3M	20.5%
	Income Tax, PPRT & Other Intergovernmental	\$32.9M	\$24.0M	-27.0%
	Recreation Taxes	\$56.1M	\$55.3M	-1.6%
	Sales and Use Taxes	\$8.4M	\$7.6M	-9.1%
	Transaction Taxes	\$130.3M	\$121.6M	-6.7%
	Transportation Taxes	\$49.4M	\$54.6M	10.5%
	Utility Taxes and Fees	\$44.0M	\$44.3M	0.6%
Proceeds and Transfers In	Proceeds and Transfers In	\$0.0M	\$0.0M	
Non-Tax Revenue	Charges for Services	\$82.8M	\$105.1M	26.9%
	Fines, Forfeitures and Penalties	\$73.9M	\$79.6M	7.7%
	Leases, Rentals and Sales	\$3.6M	\$2.2M	-37.4%
	Licenses and Permits	\$31.0M	\$31.9M	2.9%
	Municipal Parking	\$2.0M	\$2.0M	0.7%
	Reimbursement, Interest and Other	\$77.0M	\$56.9M	-26.1%
Appropriated Prior Year Fund Balance	Appropriated Prior Year Fund Balance	\$0.0M	\$0.0M	
Grand Total		\$600.9M	\$596.4M	-0.7%



■ 2023 Q1 Budget ■ 2023 Q1 Estimate

City of Chicago
2023 Q1



Revenue - Special Revenue Funds

Vehicle Tax Fund

The Vehicle Tax Fund was \$9.2 million, or 22.1 percent above budget through the quarter. This was driven primarily by both revenues from the Vehicle Sticker Tax as well as other fees such as impoundment and pavement cuts.

Motor Fuel Tax Fund (including Debt Service)

Revenues in the Motor Fuel Tax (MFT) Fund come from two primary sources – the State's Motor Fuel Tax and fees paid by tour boat operators and concessionaires along the Riverwalk. Revenue to the MFT Fund was above budgeted expectations by \$2.8 million, or 35.7 percent.

Revenue from Chicago Riverwalk concessions and tour boat operations as well as MFT revenues have been pledged to pay debt service on both outstanding MFT bonds and a loan issued by the U.S. Department of Transportation under the Transportation Infrastructure Finance Innovation Act (TIFIA). The City used proceeds from the TIFIA loan to fund expansion of the Chicago Riverwalk.

Garbage Fee Fund

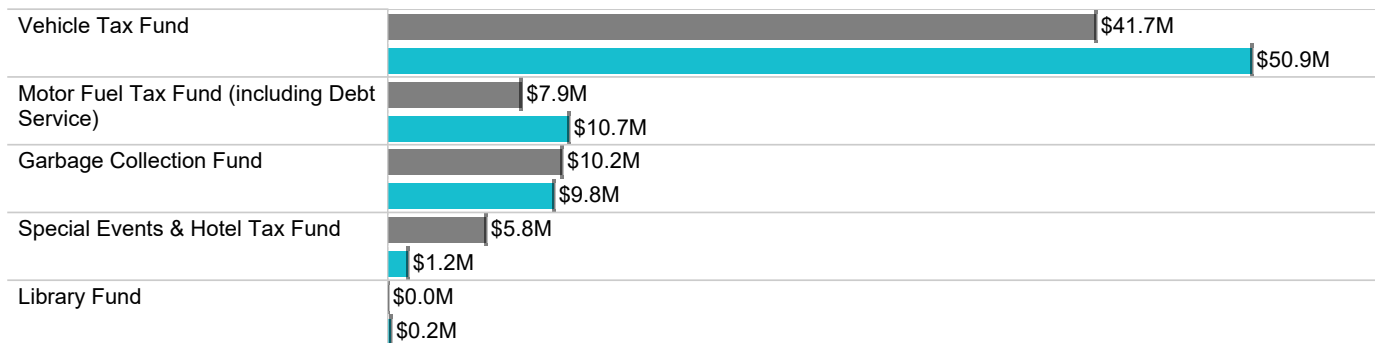
The City collected approximately \$9.8 million in garbage fee revenue through the quarter, which is below the budget by \$0.5 million, or 4.7 percent.

Special Events & Hotel Tax Fund

The Special Events and Hotel Tax Fund revenue through the first quarter was below budgeted expectations, a decrease of 79.6 percent, or \$4.6 million.

Library Fund

Revenue from the City's Library Fund does not generally fluctuate from budgeted levels, as the majority of this revenue comes from the City's Property Tax levy. While collections through the quarter remain low, this is largely due to the timing of collections.



■ 2023 Q1 Budget

■ 2023 Q1 Estimate

City of Chicago
2023 Q1



Revenue - Enterprise Funds

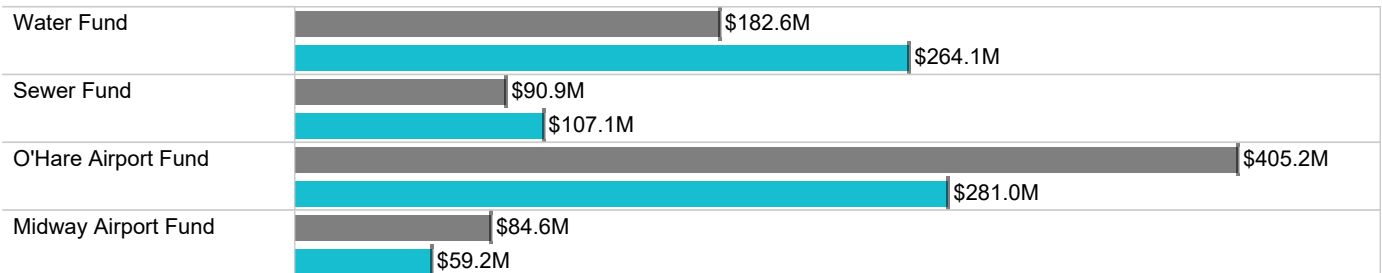
Water and Sewer Funds

The Water and Sewer Funds operate as commercial enterprises with each fund deriving its revenue from charges for service and associated user fees. The Water Fund ended the quarter above budgeted expectations by 44.6 percent, while the Sewer Fund also ended the quarter above budgeted expectations by 17.8 percent. The Water and Sewer Funds overall budgets reflect the seasonality in usage along with an overall reduction in water use attributable to citywide water conservation efforts.

Aviation Funds

The Midway and O'Hare Airport Funds operate as commercial enterprises. Each airport derives its revenue from charges and associated user fees, and revenue is aligned with fund expenditures. Revenues are derived from landing fees and terminal rent payments from the airlines, as well as car rentals, parking, food and beverage sales, and retail concessionaires at the airport locations. Combined, these revenues cover the full cost of airport operations, debt service and the costs incurred by other City departments providing support to the airports.

	2023 Q1 Budget	2023 Q1 Estimate	% Variance
Water Fund	\$182.6M	\$264.1M	44.6%
Sewer Fund	\$90.9M	\$107.1M	17.8%
O'Hare Airport Fund	\$405.2M	\$281.0M	-30.7%
Midway Airport Fund	\$84.6M	\$59.2M	-30.0%
Grand Total	\$763.3M	\$711.4M	-6.8%



■ 2023 Q1 Budget ■ 2023 Q1 Estimate

City of Chicago
2023 Q1

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Expenditures

As previously noted, the "2023 YR Budget" amounts presented in the expenditure tables in this report reflect the total department budget from the 2023 Annual Appropriation Ordinance. The City does not provide quarterly expenditure budget estimates as many expenditures are cyclical, seasonal or otherwise fluctuate and are managed on an ongoing basis to not exceed the total annual appropriations per department and fund.

Finance and Administration

Finance and administration functions include essential City services, such as accounting, contract management, legal and administrative services, and technology and systems expertise. The departments that perform these functions include the City Clerk, the City Treasurer, Department of Finance, Department of Human Resources, Department of Law, Department of Assets, Information, and Services, Department of Procurement Services, Office of Budget and Management, and the Office of the Mayor.

Infrastructure Services

Infrastructure services are provided by the Department of Streets and Sanitation (DSS) and the Chicago Department of Transportation (CDOT). Corporate Funds are used to provide City services – recycling and garbage collection; tree trimming and graffiti removal; maintenance of Chicago's streets, sidewalks, and bridges; and the planning and engineering behind this infrastructure. DSS is primarily funded through the Corporate Fund with additional expenditures, including garbage collection, towing and vehicle impoundment, and snow removal funded with Special Revenue Funds. Much of the City's major infrastructure construction performed by CDOT is funded through Special Revenue Funds, State and federal grants, TIF, and bond financings, and thus is not represented as a Corporate Fund expenditure.

Public Safety

The largest portion of Corporate Fund spending is dedicated to public safety functions, including services provided through the Chicago Police Department, Chicago Fire Department, Office of Emergency Management and Communications, Police Board, Civilian Office of Police Accountability, Office of Public Safety Administration, and the Community Commission for Public Safety and Accountability.

City Development

City development activities provided through the Department of Planning and Development (DPD) include planning, zoning, and the promotion of retail, industrial, and commercial projects. While these activities are mostly funded through State and federal grants, the corporate budget in 2023 included \$16.7 million in funding for DPD. In 2019, the City added the Department of Housing, which created a department focused exclusively on supporting access to housing and implementing the City's affordable housing strategies. The Department of Cultural Affairs and Special Events, which manages the promotion of tourism, cultural planning, and the coordination of special events, is supported almost solely by the City's Special Events and Municipal Hotel Operators' Occupation Tax Fund.

Community Services

Community services are provided through the Department of Family and Support Services, the Chicago Department of Public Health, the Chicago Public Library (CPL), and the Mayor's Office for People with Disabilities.

Regulatory

Regulatory services include the activities of six departments. The Department of Buildings enforces design, construction, and maintenance standards and promotes conservation and rehabilitation through permitting and inspection. The Department of Business Affairs and Consumer Protection is responsible for business licensing and consumer protection activities, including the regulation of minimum wage compliance, ground transportation, and food trucks. Additional regulatory departments include the Board of Ethics, Animal Care and Control, Office of the Inspector General, and License Appeal Commission.

Legislative and Elections

The legislative and elections departments manage the City's legislative and election functions, while also maintaining and promoting the efficient and accurate administration of all local, State, and federal elections. This includes City Council and its staff, committees and legislative offices, and the Board of Election Commissioners. The City Council is the legislative body of the City of Chicago, consisting of the aldermen elected from each of the 50 wards to serve four-year terms. The Board of Election Commissioners registers voters and administers local, State, and federal elections within Chicago.

Finance General

Citywide expenses include contract and information technology costs, payments for legal costs and settlements and judgments, pension payments, employee benefits and other costs that are budgeted separately from the City's operating departments.

City of Chicago
2023 Q1

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Expenditures - Local Funds

		2023 Q1 Estimate	2023 YR Budget	% Spent
Corporate Fund	Corporate Fund	\$802.2M	\$5,487.3M	14.6%
Special Revenue Funds	Garbage Collection Fund	\$12.7M	\$61.7M	20.7%
	Library Fund	\$31.4M	\$139.3M	22.5%
	Motor Fuel Tax Fund	\$19.6M	\$126.5M	15.5%
	Special Events and Municipal Hotel Operators' Occupation Tax Fund	\$4.8M	\$46.1M	10.4%
	Vehicle Tax Fund	\$52.5M	\$254.4M	20.7%
Enterprise Funds	Chicago Midway Airport Fund	\$60.0M	\$370.5M	16.2%
	Chicago O'Hare Airport Fund	\$227.0M	\$1,666.3M	13.6%
	Sewer Fund	\$51.2M	\$457.7M	11.2%
	Water Fund	\$121.7M	\$933.9M	13.0%
Grand Total		\$1,383.2M	\$9,543.6M	14.5%

City of Chicago
2023 Q1



Expenditures - Corporate Fund

The Corporate Fund is the City's general operating fund, supporting basic City operations and services, such as public safety, public health, refuse collection, and tree trimming. In the first quarter, Corporate Fund expenditures amounted to 14.6 percent of the total annual appropriation.

Finance General includes citywide expenditures that are not reconciled in the City's financial management system until the end of the fiscal year.

Finance and Administration		\$107.3M	\$443.4M																
Infrastructure Services		\$40.2M	\$237.3M																
Public Safety		\$548.4M	\$2,463.6M																
City Development		\$4.2M	\$27.7M																
Community Services		\$69.1M	\$185.8M																
Regulatory		\$14.2M	\$64.6M																
Legislative and Elections		\$20.9M	\$91.3M																
Finance General	(\$2.0M)		\$1,973.6M																

■ 2023 Q1 Estimate ■ 2023 YR Budget

City of Chicago
2023 Q1

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Expenditures - Corporate Fund

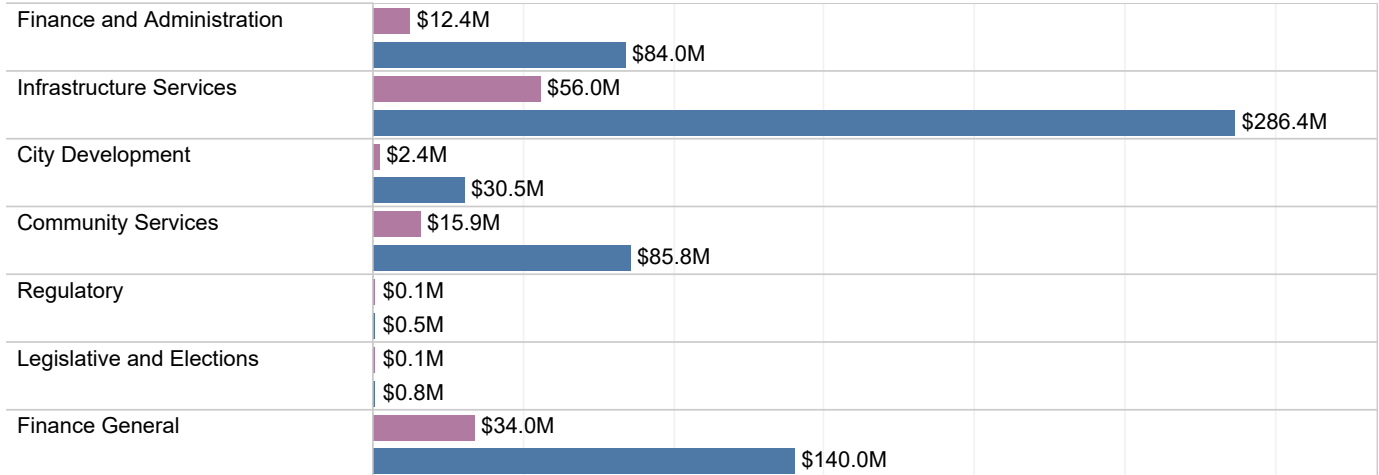
		2023 Q1 Estimate	2023 YR Budget	% Spent
Finance and Administration	City Clerk	\$0.6M	\$4.5M	13.0%
	City Treasurer	\$0.5M	\$2.7M	19.9%
	Department of Finance	\$11.3M	\$70.9M	15.9%
	Department of Administrative Hearings	\$1.3M	\$8.4M	14.9%
	Department of Assets, Information, and Services	\$81.8M	\$289.5M	28.3%
	Department of Human Resources	\$1.6M	\$9.4M	16.5%
	Department of Law	\$6.1M	\$32.9M	18.6%
	Department of Procurement Services	\$1.5M	\$10.2M	14.7%
	Office of Budget and Management	\$0.5M	\$3.3M	15.8%
	Office of the Mayor	\$2.1M	\$11.4M	18.1%
Infrastructure Services	Chicago Department of Transportation	\$6.1M	\$48.3M	12.7%
	Department of Streets and Sanitation	\$34.1M	\$189.0M	18.0%
Public Safety	Chicago Fire Department	\$145.5M	\$663.7M	21.9%
	Chicago Police Department	\$388.3M	\$1,710.9M	22.7%
	Civilian Office of Police Accountability	\$2.5M	\$15.0M	16.3%
	Community Commission for Public Safety and Accountab..	\$0.3M	\$3.2M	8.5%
	Office of Emergency Management and Communications	\$2.0M	\$11.0M	18.4%
	Office of Public Safety Administration	\$9.7M	\$59.2M	16.3%
	Police Board	\$0.1M	\$0.6M	19.9%
Community Services	Commission on Human Relations	\$0.2M	\$1.2M	17.2%
	Department of Family and Support Services	\$35.8M	\$111.4M	32.1%
	Department of Public Health	\$32.2M	\$70.3M	45.9%
	Mayor's Office for People with Disabilities	\$0.9M	\$2.9M	29.1%
City Development	Department of Housing	\$0.9M	\$11.0M	7.9%
	Department of Planning and Development	\$3.3M	\$16.7M	19.7%
Regulatory	Board of Ethics	\$0.2M	\$0.9M	18.3%
	Chicago Animal Care and Control	\$1.6M	\$7.0M	22.4%
	Department of Buildings	\$4.0M	\$24.3M	16.5%
	Department of Business Affairs and Consumer Protection	\$6.2M	\$21.9M	28.2%
	License Appeal Commission	\$0.0M	\$0.2M	16.8%
	Office of Climate and Environmental Equity	\$0.0M	\$0.7M	3.9%
Legislative and Elections	Office of the Inspector General	\$2.2M	\$9.6M	22.6%
	Board of Election Commisioners	\$15.0M	\$56.6M	26.5%
	City Council	\$5.9M	\$34.7M	16.9%
Finance General	Finance General	(\$2.0M)	\$1,973.6M	-0.1%
Grand Total		\$802.2M	\$5,487.3M	14.6%

City of Chicago
2023 Q1



Expenditures - Special Revenue Funds

Special Revenue Funds are established to account for the operations of specific activities and the revenues generated for carrying out those activities. The City's Special Revenue Funds account for revenue from specific sources that by law must be used to finance specific functions, such as road repair, libraries, 911 services, special events, and tourism promotion. In the first quarter, total Special Revenue Fund expenditures totaled 19.3 percent of the total annual appropriation.



■ 2023 Q1 Estimate ■ 2023 YR Budget

City of Chicago
2023 Q1

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Expenditures - Special Revenue Funds

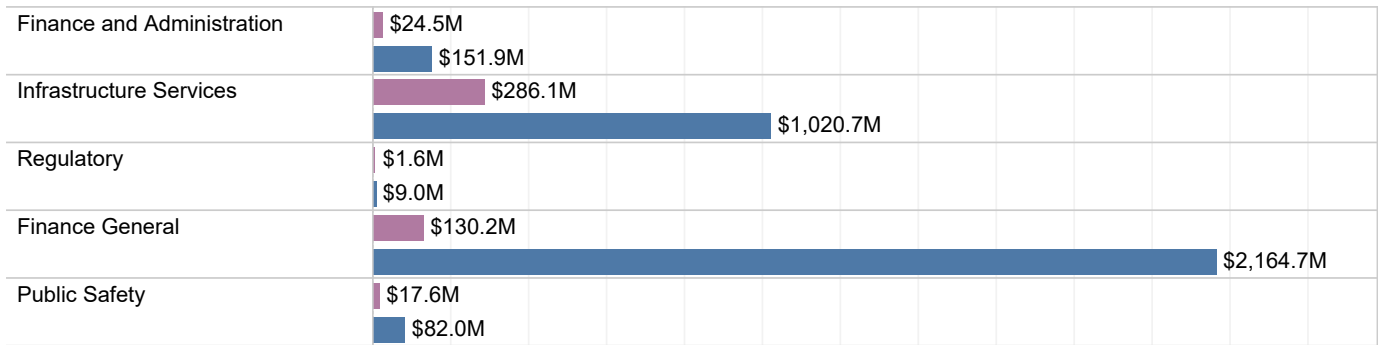
		2023 Q1 Estimate	2023 YR Budget	% Spent
Finance and Administration	City Clerk	\$1.1M	\$7.8M	14.7%
	Department of Assets, Information, and Services	\$10.7M	\$71.4M	15.0%
	Department of Finance	\$0.2M	\$2.1M	10.5%
	Department of Law	\$0.3M	\$2.1M	12.6%
	Office of the Mayor	\$0.1M	\$0.4M	19.6%
	Department of Human Resources	\$0.0M	\$0.1M	0.0%
	Department of Procurement Services	\$0.0M	\$0.1M	0.0%
	Total	\$12.4M	\$84.0M	14.8%
Infrastructure Services	Chicago Department of Transportation	\$31.0M	\$163.9M	18.9%
	Department of Streets and Sanitation	\$25.1M	\$122.4M	20.5%
	Total	\$56.0M	\$286.4M	19.6%
Community Services	Chicago Public Library	\$15.9M	\$85.8M	18.6%
	Total	\$15.9M	\$85.8M	18.6%
City Development	Department of Cultural Affairs and Special Events	\$2.4M	\$30.5M	7.9%
	Total	\$2.4M	\$30.5M	7.9%
Regulatory	Department of Buildings	\$0.1M	\$0.5M	23.0%
	Total	\$0.1M	\$0.5M	23.0%
Legislative and Elections	City Council	\$0.1M	\$0.8M	17.6%
	Total	\$0.1M	\$0.8M	17.6%
Finance General	Finance General	\$34.0M	\$140.0M	24.3%
	Total	\$34.0M	\$140.0M	24.3%
Grand Total		\$121.0M	\$628.0M	19.3%

City of Chicago
2023 Q1



Expenditures - Enterprise Funds

Enterprise Funds are established to account for the acquisition, operation, and maintenance of government services, such as operating the water and sewer systems and the airports. These self-supporting funds operate like commercial enterprises, in that each pays expenses with revenue derived from charges and user fees for the services it supports. The City's four Enterprise Funds are the Water Fund, Sewer Fund, O'Hare International Airport Fund, and Midway International Airport Fund. In the first quarter, total Enterprise Fund expenditures totaled 13.4 percent of the total annual appropriation.



■ 2023 Q1 Estimate

■ 2023 YR Budget

City of Chicago
2023 Q1

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Expenditures - Enterprise Funds

		2023 Q1 Estimate	2023 YR Budget	% Spent
Finance and Administration	City Treasurer	\$0.4M	\$2.6M	15.8%
	Department of Finance	\$1.5M	\$15.8M	9.7%
	Department of Assets, Information, and Services	\$21.0M	\$124.5M	16.9%
	Department of Human Resources	\$0.1M	\$0.8M	16.0%
	Department of Law	\$1.0M	\$5.7M	17.4%
	Department of Procurement Services	\$0.4M	\$2.2M	15.7%
	Office of Budget and Management	\$0.0M	\$0.2M	11.4%
Infrastructure Services	Chicago Department of Aviation	\$216.4M	\$663.4M	32.6%
	Chicago Department of Water Management	\$69.8M	\$357.4M	19.5%
Public Safety	Chicago Fire Department	\$8.8M	\$41.1M	21.5%
	Chicago Police Department	\$8.0M	\$34.5M	23.3%
	Office of Emergency Management and Communications	\$0.7M	\$6.4M	11.2%
	Office of Public Safety Administration	\$0.0M	\$0.1M	23.2%
Regulatory	Department of Buildings	\$0.9M	\$5.6M	16.0%
	Office of the Inspector General	\$0.7M	\$3.5M	20.8%
Finance General	Finance General	\$130.2M	\$2,164.7M	6.0%
Grand Total		\$460.0M	\$3,428.4M	13.4%

City of Chicago
2023 Q1

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City of Chicago
Mayor Brandon Johnson

www.chicago.gov/budget