

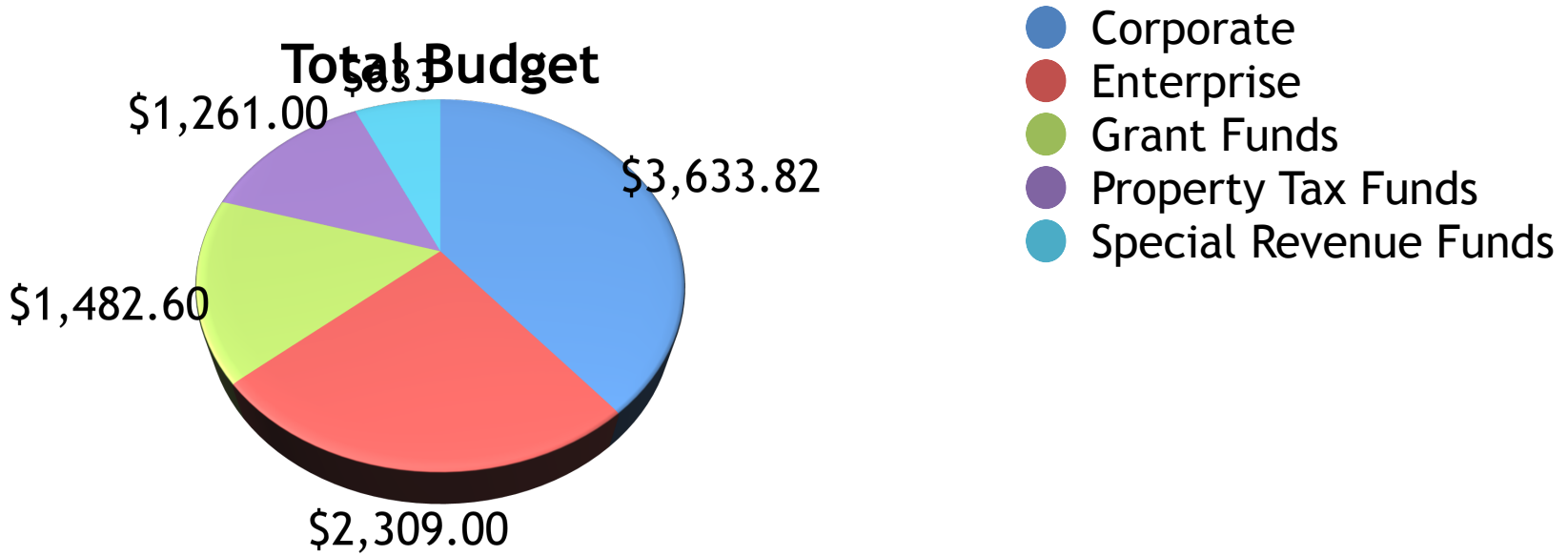


# City of Chicago Budget Overview FY 2016 Proposed Budget

Council Office of Financial Analysis

# Big Picture

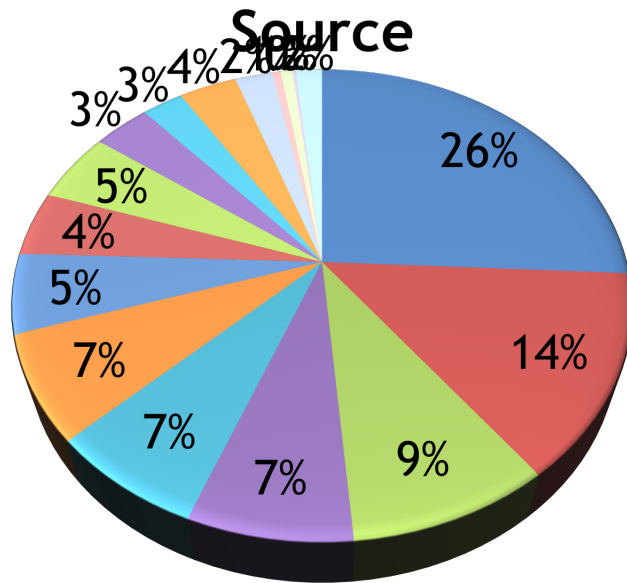
Total budget \$9.3 billion



# What are we talking about?

- Typically talk around the budget is talk about the City's Corporate Fund
- In addition, spending from Property Tax Funds becoming increasingly important
- These two areas make up 52% of Chicago's total budget

# Where does Chicago's money come from?



- Property Tax
- Sales Tax
- Utility Tax
- Internal Service Earnings
- Transaction Tax
- Fines
- Income Tax
- Recreation
- Transportation
- Personal Property Replacement Tax
- License and Permits
- Charges
- Business Tax
- Transfers In
- Leases
- Parking
- Other

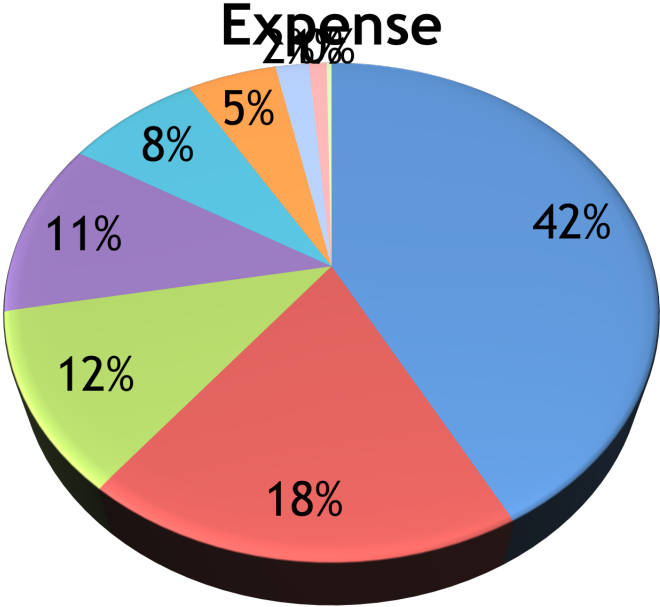
# Changes in this budget

- \$60 million from new garbage fee of \$9.50/month
- \$40 million from new ridesharing
- \$11 million from ticket amnesty program
- \$430 million in property tax increase

# What does this property tax increase mean

- In general, 10% increase in property tax bill
- Mayor proposing doubling of homeowners exemption
- If your home is \$250,000, no increase
- If your home is less than \$250,000, you may even see a tax cut
- On homes over \$250,000, taxes will go up, but you will still benefit from the increased exemption

# Corporate and Property Tax Fund Expenditures



- Public Safety
- Pensions
- Debt Service
- Citywide
- Fleet, Facilities, and Admin
- Infrastructure
- Community Services
- Regulation
- City Development

# Public Safety

- Police department
  - 96% of Police Department budget related to salary
  - 14,418 employees
- Fire Department
  - 96% of Fire Department budget related to salary



employees





# Citywide Expenses

- Employee health insurance- Total cost over \$400 million.
  - Most liability associated with collective bargaining agreements
  - Phase out of retiree premiums underway
- Workers comp, IT maintenance and payroll taxes other significant expenses

# Administrative Functions

- Fleet and Facilities
  - Maintain city vehicles
  - Provide maintenance and security of city property
  - Rent for non-City owned space
- Finance
  - Auditors
  - Revenue collectors
  - Parking enforcement



# Infrastructure

- Streets and Sanitation
  - Solid waste collection, 1,377 employees
  - Street operations, including snow removal
  - Forestry Division
- Transportation
  - CDOT budget covered mostly by other funds
  - Corporate fund covers in-house construction and electrical work



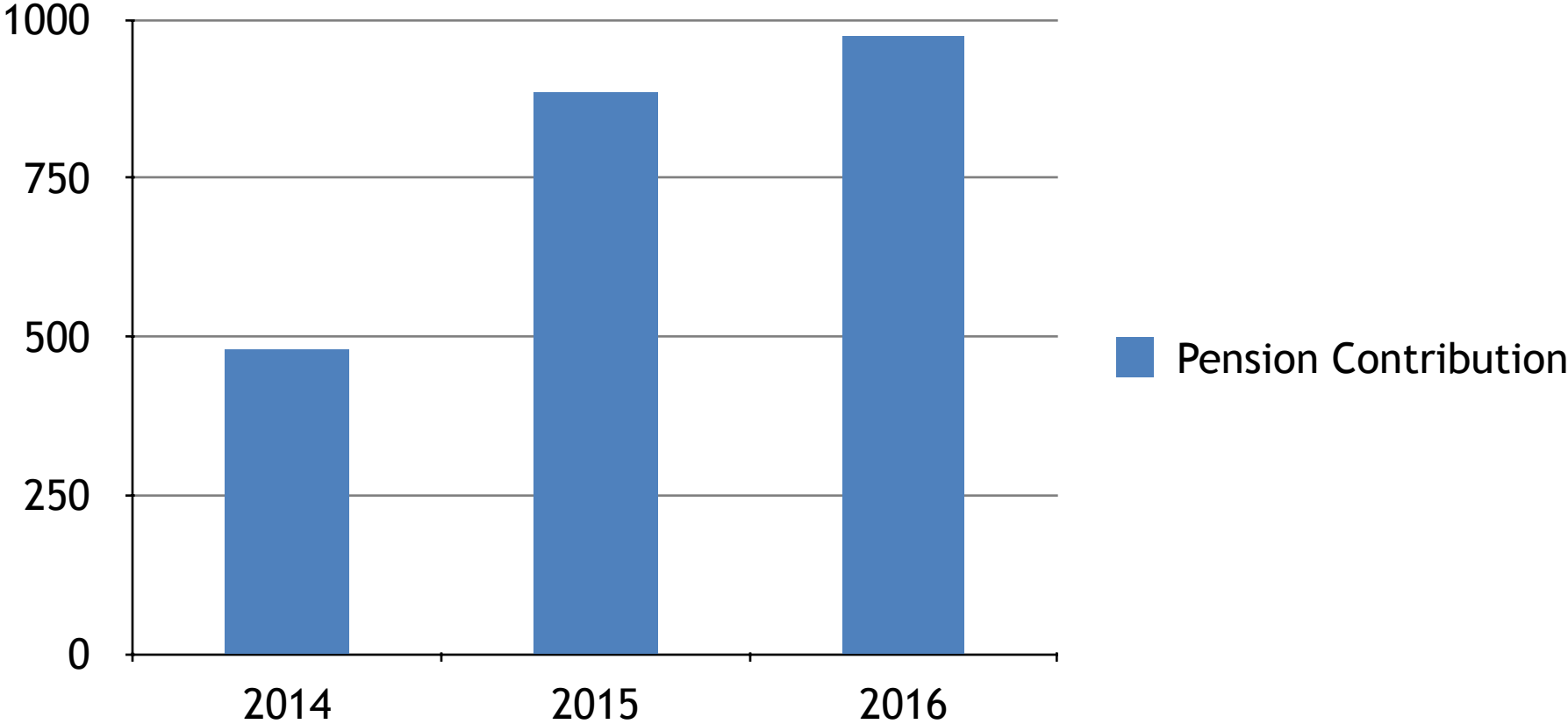
# The rest

- Community Services, Regulation and City Development make up rest of the budget
  - Development of affordable housing
  - Food Inspections
  - HIV Prevention
  - Early Childhood Education
  - After School and Summer programs for youths
  - Building Inspections, Animal Control, Enforcement



# Pensions

## Pension Contribution



# Pensions

- City contributions and employee contributions have not made up for market losses from the Great Recession
- Systems are currently 35% funded
- 90% of unfunded liability associated with employees that are already retired

# Debt Service

- 2016 debt service \$1.8 billion
- 55% of debt service are for the Enterprise Funds, much of that for O'Hare
- City has longstanding practice of keeping Property Tax backed debt service payments level
- Practice of “scoop and toss” means taxpayers payment stable today, but higher costs over the long term