



Council Report

Date: April 13, 2017
To: City Council
Through: Michael Kennington, Chief Financial Officer
Kari Kent, Assistant City Manager
John Pombier, Assistant City Manager
From: Candace Cannistraro, Management and Budget Director
Scott Bouchie, Environmental Management and Sustainability Director
Frank McRae, Energy Resources Director
Jake West, Water Resources Director
Subject: Fiscal Year 2017/2018 Utility Rate Recommendations

PURPOSE AND RECOMMENDATION

The purpose of this report is to provide recommendations for utility rate adjustments. The rate adjustments are recommended to be effective July 1, 2017 and are consistent with the revenue requirements of the Proposed Budget Plan for Fiscal Year 2017/18.

The forecasted expenses for each utility are compared to the forecasted revenues based on the current rates. The increase in revenues needed to accommodate the increased costs for each utility and the Enterprise Fund as a whole are:

<u>Utility</u>	<u>Revenue</u>
Electric	\$180,000
Natural Gas	\$467,000
Water	\$4,491,000
Wastewater	\$2,846,000
<u>Solid Waste</u>	<u>\$1,490,000</u>
Total	\$9,474,000

The method of implementation of rate adjustments can vary from year to year based on the needs and goals of the individual utilities. The impact on individual customers can vary based on the method of implementation and the customer consumption.

For FY 2017/18, the following rate adjustments are being recommended:

Solid Waste:

All residential rates, bulk item pick-up and appliance collection: 3.5% increase

Front-load rates: Overall 2.5% increase

Roll-Off Green Waste Rate: 4.9% increase

Electric:

Residential customers: system service charge increase of \$1.25 per month

Residential customers: no adjustment to the energy usage charge

Non-residential customers: no adjustment to any components

Gas:

All customers: system service charge increase of \$0.75 per month

All customers: no adjustment to the usage charge

Water:

3.5% increase across most customer classes and rate components

Residential usage charge – tier 3: 6.5% increase & tier 4: 9.5% increase

Interdepartmental (Large Turf): no adjustment

Restructure of residential services demand tiers – implement year three of five-year plan

Wastewater:

4% increase across most customer classes and rate components

Interdepartmental: no adjustment

BACKGROUND AND DISCUSSION

Each utility is operated as a separate business center. As such, rate schedules are adjusted annually in a manner consistent with costs of capital, as well as the fixed and variable costs of operation and maintenance within each utility. Reserve balances are combined in the Enterprise Fund and are managed to maintain a targeted ending reserve balance of at least 8-10% of the following year's estimated expenditures throughout the forecast period. The reserve balance allows for the smoothing of rate adjustments. This smoothing avoids large rate increases and minimizes the impact to customers in any single year.

The Forecast Analysis Model (Attachment 3) includes projections of growth. The Water, Wastewater, and Solid Waste utilities have a citywide service area and are expected to grow by an average of about 1.5% per year during the forecast. With the inclusion of the Magma service area, the Natural Gas utility is expected to grow by 1,067 accounts next fiscal year. The Electric utility, with a smaller and largely built out service area when compared to the other utilities, is expected to grow by 140 accounts next fiscal year.

The Forecast Analysis Model also includes expenditures that are increased by inflationary factors in future years. Some inflationary factors are unique to the individual utilities, such as those used for chemicals or purchased water. Other citywide expenditure pressures that are included in the forecast are listed below.

Capital Investment

The City continues to place a high priority on infrastructure investment to attract and service future development. The proposed capital improvement program (CIP) includes the planning for an expansion of a water reclamation plant and the design and construction of a new water treatment plant and associated distribution infrastructure. The bond funding authorization for these projects was approved by Mesa voters in November 2014. The debt service on utility revenue bonds is funded through the utility rates paid by customers. The City issues bonds on an as-needed basis in order to minimize the interest cost. Anticipated future debt service has been included in the forecast and rate recommendations.

The City refunded and defeased existing Enterprise Fund debt in FY 2016/17. The refunding and defeasance created a one-time savings of approximately \$11.6M.

Review of the transfer to the General Fund

Based on direction from the City Council, the transfer to the General Fund is reviewed annually. The amount of the transfer throughout the forecast period is adjusted based on a consumer price index (CPI) inflation. The adjustment for FY 2017/18 is an increase of \$2.6 million, moving from \$103.9 million to \$106.5 million.

SOLID WASTE UTILITY

Solid waste services are charged flat monthly rates for the various services provided.

Residential Rates

Staff recommends a 3.5% increase on all residential rates. The standard black barrel refuse service includes a blue barrel recycling service.

90-gallon Black Barrel: increase of \$0.97 per month, from \$27.79 to \$28.76

60-gallon Black Barrel: increase of \$0.87 per month, from \$24.81 to \$25.68

Currently there are over 7,000 customers who receive two or more black barrels. The proposed increase is to help fund landfill disposal fee increases.

Additional Black Barrel: increase of \$0.46 per month, from \$13.12 to \$13.58

As an incentive for customers to recycle, a green waste barrel may be obtained for half the cost of an additional black barrel and additional blue barrels are provided at no additional cost.

Green Barrel Service: increase of \$0.23 per month, from \$6.56 to \$6.79

There are currently over 41,000 customers participating in the green waste recycling program. The recommended increase will fund new barrel purchases, expansion and increases to processing costs.

The projected residential increase in annual revenue is approximately \$1,308,000.

Bulk Item and Appliance Collections

Increasing bulk item and appliance pick-up rates by 3.5%.

Bulk Item Service: increase of \$0.76 per load, from \$21.83 to \$22.59.

Appliance Pick-Up: increase of \$0.63 per appliance, from \$18.00 to \$18.63.

“Not Out” Fee for both Bulk Item and Appliance: increase of \$0.39, from \$11.17 per occurrence to \$11.56 per occurrence.

The projected increase in annual revenues is \$6,000 for both bulk item and appliance pick-up services for City of Mesa customers.

Commercial Front-Load

There are various rate factors related to Front-Load service. The Front-Load program serves customers in competition with private waste collection companies. Staff recommends increasing the multi-day factor, multi-bin factor and out-of-zone fees.

Increase in-zone multi-day factor from a multiplier of 0.78 to 0.79

Increase out-of-zone fee by \$1.00 from \$11.00 to \$12.00

Increase 6-yard Multi-Bin Factor from a multiplier of 0.600 to 0.628

Increase 8-yard Multi-Bin Factor from a multiplier of 0.610 to 0.640

The projected increase in annual revenue is expected to be \$154,000.

Commercial Front-Load Recycling

In order to provide commercial customers with recycling options, both commingled and cardboard recycling programs are offered.

Staff is recommending an increase to the base rate, multi-day factor and multi-bin factor for commercial cardboard customers.

Increase base rate for cardboard by 20% from \$20.00 to \$24.00

Increase multi-day factor for cardboard from a multiplier of 0.78 to 0.79

Increase multi-bin factor cardboard from a multiplier of 0.618 to 0.628

In April 2015, Solid Waste started a commingled recycling pilot program to commercial customers. During the pilot program phase the charge has been \$20.00 per bin per month. Since this time, interest in the program continues to grow. Due to the popularity in the pilot program we are recommending establishing a rate for the program.

Increase base rate for commingled by 40% from \$20.00 to \$28.00

Increase multi-day factor for commingled from a multiplier of 0.78 to 1.00

Increase multi-bin factor commingled from a multiplier of 0.618 to 1.00

The projected increase in annual revenue is expected to be \$22,000.

Commercial Roll-Off

A recommendation for an increase to Commercial Roll-Off Green Waste per ton fee by 4.9% for FY 2017/18 is also being made. The Roll-Off program serves residents and business customers in competition with private waste collection companies. This increase is being requested due to an increase in tipping fees for green waste.

Increase per ton fee of uncontaminated green waste from \$22.69 to \$23.80

The projected roll-off increase in annual revenue is approximately \$2,000. Historically, roll-off trash containers have been assessed an overweight charge for containers that have excessive weight. The excessive weight charge will now be expended to the green waste customers.

ELECTRIC UTILITY

Rates for electric service are comprised of three major components: System Service Charge with a flat monthly rate, Energy Usage Charge based on units of consumption, and the Electric Energy Cost Adjustment Factor (EECAF) which passes the cost of the purchase of the electric commodity to the customer.

The electric program is experiencing normal inflationary pressures. For residential customers, staff is recommending a nominal rate increase of \$1.25 to the system service charge and no increase to the energy usage charge for FY 2017/18. Staff is not recommending a rate increase for non-residential accounts.

Residential System Service Charge: increase of \$1.25, from \$9.50 to \$10.75,
13.1%

Average residential bill with customer charge, energy usage charge, and EECAF:
from \$92.16 to \$93.41, 1.4%

As the recommended increase is a flat amount, the dollar impact would be equal on each bill but the percentage impact would vary based on consumption. The higher the consumption, the lower the percentage impact would be.

Adjustments to the system service charge component of the electric rate allows for a more stable revenue source for the program and insulates customers from higher energy costs during peak demand periods such as the summer. Currently only 20% of the revenues (excluding EECAF) from residential electric customers are fixed revenues. The program is heavily reliant on consumption to cover fixed expenses. Rate adjustments applied to the system service charge allows for a movement toward a more balanced rate structure.

Salt River Project (SRP) comparison:

Service Charge: \$20.00 per month (\$9.25 more than Mesa's proposed)

Mesa's average residential customer:

Monthly bills during calendar year 2016 (at FY 2017/18 Mesa rates) were approximately \$10.67 less per month (\$128.04 less per year) than SRP.

The proposed increase results in an annual cost approximately 10.3% percent less than if served by SRP. Lower use customers' bills (i.e. first quartile with an average consumption of 464.2 kWh per month) would be almost 15% less than if they were served by SRP.

The EECAF is adjusted monthly to "pass-through" the cost of electric energy supplies acquired to meet customers' needs. This rate component has varied between \$0.04300 and \$0.05940 per kWh in the most recent twelve months and is \$0.04801 for February 2017.

The projected increase in annual revenue is approximately \$180,000.

NATURAL GAS UTILITY

Rates for natural gas service are comprised of three components: System Service Charge with a flat monthly rate, Usage Charge based on units of consumption, and the Purchased Natural Gas Cost Adjustment Factor (PNGCAF) which passes the cost of the purchase of the natural gas commodity to the customer. Those customers that reside in the Magma service area also have a Magma adjustment factor rate component. The adjustment factor benchmarks the City's rates to the rates of Southwest Gas to ensure market equity.

The natural gas program is experiencing normal inflationary pressures. For all customers, staff recommends a rate increase of \$0.75 to the system service charge and no increase to the natural gas usage charge for FY 2017/18.

System Service Charge – summer: increase \$0.75, from \$13.11 to \$13.86, 5.7%

System Service Charge – winter: increase \$0.75, from \$16.04 to \$16.79, 4.7%
Average monthly Mesa resident bill with customer charge, usage charge, and PNGCAF: from \$32.17 to \$32.92, 2.3%

As the recommended increase is a flat amount, the dollar impact would be equal on each bill but the percentage impact would vary based on consumption. The higher the consumption, the lower the percentage impact would be.

Adjustments to the system service charge component of the natural gas rate allows for a more stable revenue source for the program and insulates customers from higher natural gas costs during peak demand periods such as the winter. Currently only 41% of the revenues (excluding PNGCAF) from natural gas customers are fixed revenues. The program is heavily reliant on consumption to cover fixed expenses. Applying the rate adjustments to the system service charge allows for a movement toward a more balanced rate structure.

The Purchased Natural Gas Supply Adjustment component has been adjusted monthly to “pass-through” increases and decreases in the costs of natural gas supplies acquired to meet our customers’ needs. This rate component has varied between \$0.08000 and \$0.38695 per therm in the most recent twelve months and is \$0.38695 for February 2017.

Southwest Gas (SWG) comparison:

Service Charge: \$10.70 per month (\$3.16 less than Mesa’s proposed summer system service charge and \$6.09 less than Mesa’s proposed winter system service charge)

Mesa’s average residential customer:

Monthly bills during calendar year 2016 (at FY 2017/18 Mesa rates) were approximately \$0.56 less per month (\$6.72 less per year) than if served by SWG.

The projected increase in annual revenue is approximately \$467,000

WATER UTILITY

Rates for water service are comprised of two components: Service Charge, with a flat monthly rate based on the water meter size and Usage Charge, based on units of water consumption.

The water utility forecast includes debt service associated with the new Signal Butte Water Treatment Facility, start-up costs, and annual operations starting in FY 2017/18. Significant costs within the utility are the cost of purchasing water, chemicals, and electricity, and the agreement with the City of Phoenix for the operation of the Val Vista

Water Treatment Facility. Staff reviews and forecasts all costs each year to ensure rates are sufficient to keep up with expenses.

Over the last few years the City has concentrated on aligning its fixed revenues with fixed costs. The goal is to achieve revenues from the service (fixed) charge at 35% to 40% of overall revenues. This was achieved in FY 2015/16, when revenues from the service charge component came in at 39.09% of total costs. For FY 2016/17, revenues from the service charge component rate are forecast at 38.05% of total estimated costs. This trend is scheduled to continue into FY 2017/18, with revenues from the service charge component forecast to come in at 36.62% of total estimated costs.

The variable rate component is based on water consumption rounded to 1,000 gallon increments. There are currently four tiers (or levels of usage). Each tier has a different rate. The tier structure allows for a demand based rate as customers with higher usage patterns create a greater demand for infrastructure and service capacity.

In FY 2015/16, the City implemented a fourth tier and phased transition to the new tier structure over a period of five years for its residential customers. These changes were the result of data analysis pertaining to the consumption patterns of typical customers and how they have changed over time. The five-year phased approach was implemented to give customers time to assess their water usage and apply water conservation techniques if possible, allowing customers to ease into the financial impact of the new tier structure.

For FY17/18, staff recommends implementation of year three of the five-year phased approach. Below are the current and recommended changes to the residential rate structure:

Current Tier Structure

The first 3,000 gallons are included in the service charge
Tier 1: 4,000 – 10,000 gallons; \$3.02 per 1,000 gallons
Tier 2: 11,000 – 20,000 gallons; \$4.54 per 1,000 gallons
Tier 3: 21,000 – 24,000 gallons; \$5.23 per 1,000 gallons
Tier 4: 25,000 gallons and greater; \$5.54 per 1,000 gallons

Recommended FY 2017/18 Tier Structure

The first 3,000 gallons are included in the service charge
Tier 1: 4,000 – 9,000 gallons; \$3.13 per 1,000 gallons
Tier 2: 10,000 – 18,000 gallons; \$4.70 per 1,000 gallons
Tier 3: 19,000 – 24,000 gallons; \$5.57 per 1,000 gallons
Tier 4: 25,000 gallons and greater; \$6.07 per 1,000 gallons

Attachment 1 illustrates the impact of staff's FY 2017/18 recommendations and the impact at the conclusion of the City's proposed five-year phased approach. It is important to note that all customers pay the same amount for the same volume. In other words, a higher demand consumer only pays the higher tier rate(s) on the incremental volume.

Across most customer classes, the City's water customers would see a 3.5% increase to their water service and usage charges. The only exceptions being 6.5% and 9.5% increases to tiers three and four, respectively, of the residential water usage charge, and a zero percent increase (for both the service and usage charges) to the Interdepartmental (Large Turf) water rates.

Residential Water Consumer Impact:

Service Charge: \$0.93 increase per month, from \$26.62 to \$27.55

Usage Charges (average monthly consumption of 9,000 gallons): \$0.64 per month, from \$18.12 to \$18.76

Total average monthly bill impact: \$1.57 per month, from \$44.74 to \$46.31

The total projected increase in annual water revenue for FY17/18 is approximately \$4,491,000.

WASTEWATER UTILITY

Rates for residential wastewater service are comprised of two components: Service Charge with a flat monthly rate, and Usage Charge based on wastewater demand volume. Wastewater volume is calculated for each customer based on 90% of the average monthly water use for the three lowest water usage months from December through March (also known as the "winter water monthly average"). This approximates indoor household usage and the resulting demand on the wastewater system. A City-wide winter water monthly average is used for new customers until an individual customer average can be determined.

The wastewater utility forecast includes debt service associated with the expansion of the Greenfield Water Reclamation Facility, with start-up costs and annual operations starting in FY 2019/20. Significant costs within the utility are the cost of chemicals, electricity, and the agreement with the City of Phoenix for operation of the 91st Avenue Wastewater Treatment Facility. Staff reviews and forecasts costs each year to insure rates are sufficient to keep up with expenses.

Across most customer classes, staff recommends a 4% increase to the service charge and the usage charge for residential and non-residential customers.

Residential Wastewater Consumer Impact:

Service Charge: \$0.72 increase per month, from \$18.08 to \$18.80
Usage Charges (based on average monthly water consumption): \$0.40 increase per month, from \$9.85 to \$10.25
Total average monthly bill impact: Approximately \$1.12 per month, from \$27.93 to \$29.05

Interdepartmental wastewater rates are recommended to be held constant for FY 2017/18.

The total projected increase in annual wastewater revenue for FY17/18 is approximately \$2,846,000.

UTILITY SERVICE FEES

Staff recommends the consolidation of basic charges associated with account establishment and termination. Staff also is proposing moving towards cost recovery in a number of fees regarding damaged equipment.

DOWNTOWN SMALL BUSINESS UTILITY RATES

The Downtown Small Business Utility Rates are designed to attract new small businesses to downtown Mesa, which also generates increased economic activity. The addition of new businesses and the conversion of existing business to a higher intensity of use boosts demand for City owned utilities. New business attraction and stability are also important for stimulating economic activity in Downtown Mesa. The new rates offer qualifying participants a 25% reduction in their electric and water rates for three consecutive years. Eligible businesses must hire and maintain no less than two full-time equivalent positions and locate within both the Central Business District and Town Center Redevelopment Area. Among other requirements, participating businesses must sign a three-year agreement committing to continue operations within the City of Mesa, to maintain or increase their current level of utility consumption, and to make reasonable efforts to create jobs. The City may terminate, suspend, limit or otherwise modify the rate at any time to serve the interests of the City.

ALTERNATIVES

Modify the FY 2017/18 utility rate adjustment proposal. Examples include but are not limited to: increase, reduce or eliminate a recommended percentage.

The budgetary impact would need to be calculated by staff based on the modification requested.

FISCAL IMPACT

The projected increase in FY 2017/18 revenues in the Enterprise Fund from the recommended utility rate adjustments is \$9,474,000. The projected increase by individual utility is as follows:

Utility	Amount	
Electric	\$180,000	
Natural Gas	\$467,000	
Water	\$4,491,000	
Wastewater	\$2,846,000	
Solid Waste*	\$1,490,000	
Total	\$9,474,000	*Household Hazardous Waste Revenue not included

The City's financial policies call for an ending reserve balance target of at least 8-10%. The projected ending reserve balance for the Enterprise Fund with similar adjustment to rates each year is:

Fiscal Year	Ending Reserve Balance
15/16	20.3%
16/17	22.1%
17/18	19.4%
18/19	17.3%

The projected increase on the typical residential customer for FY 2017/18 by individual utility is:

Utility	Monthly	Annual
Solid Waste	\$0.97	\$11.64
Water	\$1.57	\$18.84
Wastewater	\$1.12	\$13.44
Total	\$3.66	\$43.92
Electric	\$1.25	\$15.00
Natural Gas	\$0.75	\$9.00

The average financial impact of the rate adjustments on residential customers is included in an overall comparison with other cities in the valley (Attachment 2). The impact of property taxes, city sales tax, and utility rates (excluding electric and natural gas) on the municipality's typical resident was calculated. Comparison results revealed Mesa's overall cost for the average resident is currently the fifth lowest city. Mesa would move to sixth lowest if the rate recommendations are approved as presented and the other municipalities do not make any adjustments to their rates.

Attachments:

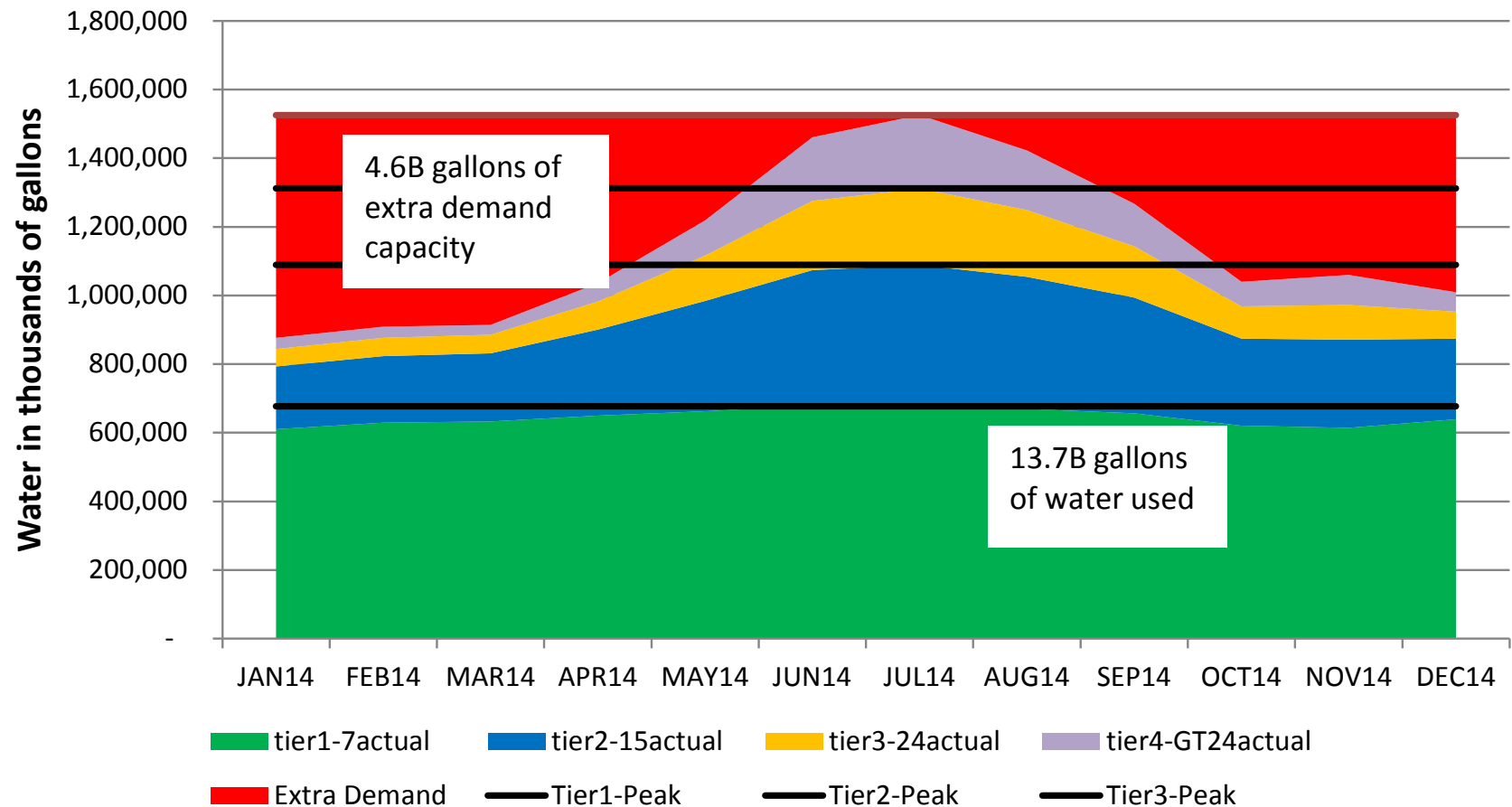
1. Residential water consumer: Demand Rate Implementation
2. Average Homeowner's Charges Comparison
3. Forecast Analysis Model

Original 5 Year Implementation Plan for Residential Water Tier Restructure

	MONTHLY BILL AMOUNTS							VAR\$ - MONTHLY BILL						VAR% - MONTHLY BILL					
	YR0	YR1	YR2	YR3	YR4	YR5	YR6	YR1	YR2	YR3	YR4	YR5	YR6	YR1	YR2	YR3	YR4	YR5	YR6
30 kgal	\$125.72	\$136.01	\$147.31	\$159.74	\$173.35	\$187.24	\$196.62	\$10.29	\$11.31	\$12.42	\$13.62	\$13.89	\$9.38	8.2%	8.3%	8.4%	8.5%	8.0%	5.0%
29 kgal	\$121.12	\$130.96	\$141.77	\$153.67	\$166.71	\$179.98	\$189.00	\$9.84	\$10.82	\$11.89	\$13.05	\$13.27	\$9.02	8.1%	8.3%	8.4%	8.5%	8.0%	5.0%
28 kgal	\$116.52	\$125.91	\$136.23	\$147.60	\$160.07	\$172.72	\$181.38	\$9.39	\$10.33	\$11.36	\$12.48	\$12.65	\$8.66	8.1%	8.2%	8.3%	8.5%	7.9%	5.0%
27 kgal	\$111.92	\$120.86	\$130.69	\$141.53	\$153.43	\$165.46	\$173.76	\$8.94	\$9.84	\$10.83	\$11.91	\$12.03	\$8.30	8.0%	8.1%	8.3%	8.4%	7.8%	5.0%
26 kgal	\$107.32	\$115.81	\$125.15	\$135.46	\$146.79	\$158.20	\$166.14	\$8.49	\$9.35	\$10.30	\$11.34	\$11.41	\$7.94	7.9%	8.1%	8.2%	8.4%	7.8%	5.0%
25 kgal	\$102.72	\$110.76	\$119.61	\$129.39	\$140.15	\$150.94	\$158.52	\$8.04	\$8.86	\$9.77	\$10.77	\$10.79	\$7.58	7.8%	8.0%	8.2%	8.3%	7.7%	5.0%
24 kgal	\$98.12	\$105.71	\$114.07	\$123.32	\$133.51	\$143.68	\$150.90	\$7.59	\$8.37	\$9.24	\$10.20	\$10.17	\$7.22	7.7%	7.9%	8.1%	8.3%	7.6%	5.0%
23 kgal	\$94.01	\$100.81	\$108.84	\$117.75	\$127.58	\$137.37	\$144.27	\$6.80	\$8.04	\$8.90	\$9.84	\$9.79	\$6.90	7.2%	8.0%	8.2%	8.4%	7.7%	5.0%
22 kgal	\$89.90	\$95.91	\$103.61	\$112.18	\$121.65	\$131.06	\$137.64	\$6.01	\$7.71	\$8.56	\$9.48	\$9.41	\$6.58	6.7%	8.0%	8.3%	8.4%	7.7%	5.0%
21 kgal	\$85.79	\$91.59	\$98.38	\$106.61	\$115.72	\$124.75	\$131.01	\$5.80	\$6.80	\$8.22	\$9.12	\$9.03	\$6.26	6.8%	7.4%	8.4%	8.6%	7.8%	5.0%
20 kgal	\$81.68	\$87.27	\$93.15	\$101.04	\$109.79	\$118.44	\$124.38	\$5.59	\$5.89	\$7.88	\$8.76	\$8.65	\$5.94	6.8%	6.7%	8.5%	8.7%	7.9%	5.0%
19 kgal	\$77.57	\$82.95	\$88.61	\$95.47	\$103.86	\$112.13	\$117.75	\$5.38	\$5.67	\$6.85	\$8.40	\$8.27	\$5.62	6.9%	6.8%	7.7%	8.8%	8.0%	5.0%
18 kgal	\$73.46	\$78.63	\$84.07	\$89.90	\$97.93	\$105.82	\$111.12	\$5.17	\$5.45	\$5.82	\$8.04	\$7.89	\$5.30	7.0%	6.9%	6.9%	8.9%	8.1%	5.0%
17 kgal	\$69.35	\$74.31	\$79.53	\$85.13	\$92.00	\$99.51	\$104.49	\$4.96	\$5.23	\$5.59	\$6.88	\$7.51	\$4.98	7.1%	7.0%	7.0%	8.1%	8.2%	5.0%
16 kgal	\$65.24	\$69.99	\$74.99	\$80.36	\$86.07	\$93.20	\$97.86	\$4.75	\$5.01	\$5.36	\$5.72	\$7.13	\$4.66	7.3%	7.2%	7.1%	7.1%	8.3%	5.0%
15 kgal	\$61.13	\$65.67	\$70.45	\$75.59	\$81.06	\$86.89	\$91.23	\$4.54	\$4.79	\$5.13	\$5.48	\$5.83	\$4.34	7.4%	7.3%	7.3%	7.2%	7.2%	5.0%
14 kgal	\$57.02	\$61.35	\$65.91	\$70.82	\$76.05	\$81.63	\$85.71	\$4.33	\$4.57	\$4.90	\$5.24	\$5.58	\$4.08	7.6%	7.4%	7.4%	7.4%	7.3%	5.0%
13 kgal	\$52.91	\$57.03	\$61.37	\$66.05	\$71.04	\$76.37	\$80.19	\$4.12	\$4.35	\$4.67	\$5.00	\$5.33	\$3.82	7.8%	7.6%	7.6%	7.6%	7.5%	5.0%
12 kgal	\$48.80	\$52.71	\$56.83	\$61.28	\$66.03	\$71.11	\$74.67	\$3.91	\$4.13	\$4.44	\$4.76	\$5.08	\$3.56	8.0%	7.8%	7.8%	7.8%	7.7%	5.0%
11 kgal	\$46.06	\$48.39	\$52.29	\$56.51	\$61.02	\$65.85	\$69.15	\$2.33	\$3.91	\$4.21	\$4.52	\$4.83	\$3.30	5.1%	8.1%	8.1%	8.0%	7.9%	5.0%
10 kgal	\$43.32	\$45.51	\$47.75	\$51.74	\$56.01	\$60.59	\$63.63	\$2.19	\$2.25	\$3.98	\$4.28	\$4.58	\$3.04	5.0%	4.9%	8.3%	8.3%	8.2%	5.0%
9 kgal	\$40.58	\$42.63	\$44.73	\$46.97	\$51.00	\$55.33	\$58.11	\$2.05	\$2.11	\$2.23	\$4.04	\$4.33	\$2.78	5.0%	4.9%	5.0%	8.6%	8.5%	5.0%
8 kgal	\$37.84	\$39.75	\$41.71	\$43.80	\$45.99	\$50.07	\$52.59	\$1.91	\$1.97	\$2.08	\$2.20	\$4.08	\$2.52	5.0%	4.9%	5.0%	5.0%	8.9%	5.0%
7 kgal	\$35.10	\$36.87	\$38.69	\$40.63	\$42.66	\$44.81	\$47.07	\$1.77	\$1.83	\$1.93	\$2.04	\$2.15	\$2.26	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%
6 kgal	\$32.36	\$33.99	\$35.67	\$37.46	\$39.33	\$41.31	\$43.39	\$1.63	\$1.69	\$1.78	\$1.88	\$1.98	\$2.08	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%
5 kgal	\$29.62	\$31.11	\$32.65	\$34.29	\$36.00	\$37.81	\$39.71	\$1.49	\$1.55	\$1.63	\$1.72	\$1.81	\$1.90	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%
4 kgal	\$26.88	\$28.23	\$29.63	\$31.12	\$32.67	\$34.31	\$36.03	\$1.35	\$1.41	\$1.48	\$1.56	\$1.64	\$1.72	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%
3 kgal	\$24.14	\$25.35	\$26.61	\$27.95	\$29.34	\$30.81	\$32.35	\$1.21	\$1.27	\$1.33	\$1.40	\$1.47	\$1.54	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%
2 kgal	\$24.14	\$25.35	\$26.61	\$27.95	\$29.34	\$30.81	\$32.35	\$1.21	\$1.27	\$1.33	\$1.40	\$1.47	\$1.54	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%
1 kgal	\$24.14	\$25.35	\$26.61	\$27.95	\$29.34	\$30.81	\$32.35	\$1.21	\$1.27	\$1.33	\$1.40	\$1.47	\$1.54	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%
0 kgal	\$24.14	\$25.35	\$26.61	\$27.95	\$29.34	\$30.81	\$32.35	\$1.21	\$1.27	\$1.33	\$1.40	\$1.47	\$1.54	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%

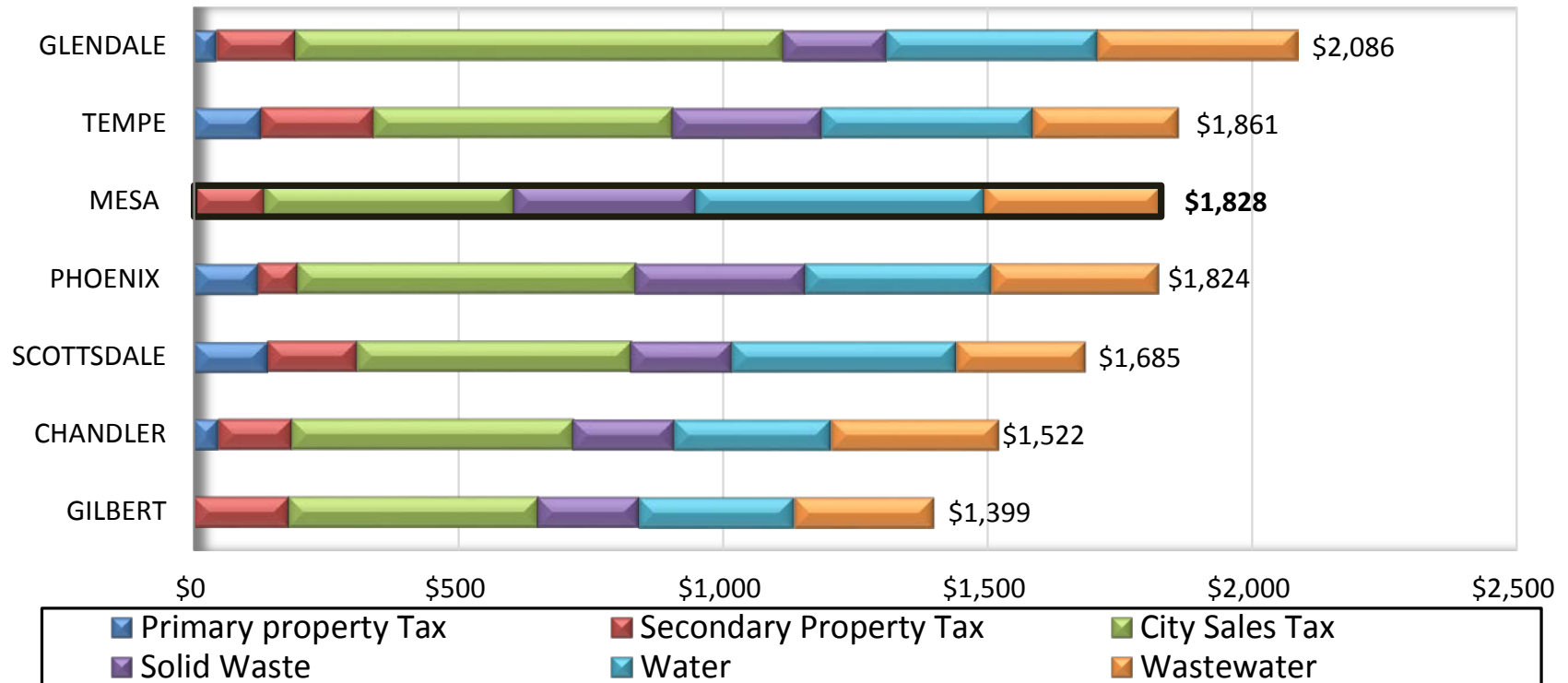
Residential Demand vs. Actual Usage

City of Mesa CY2014 Residential Water Full Demand Capacity vs. Actual Usage



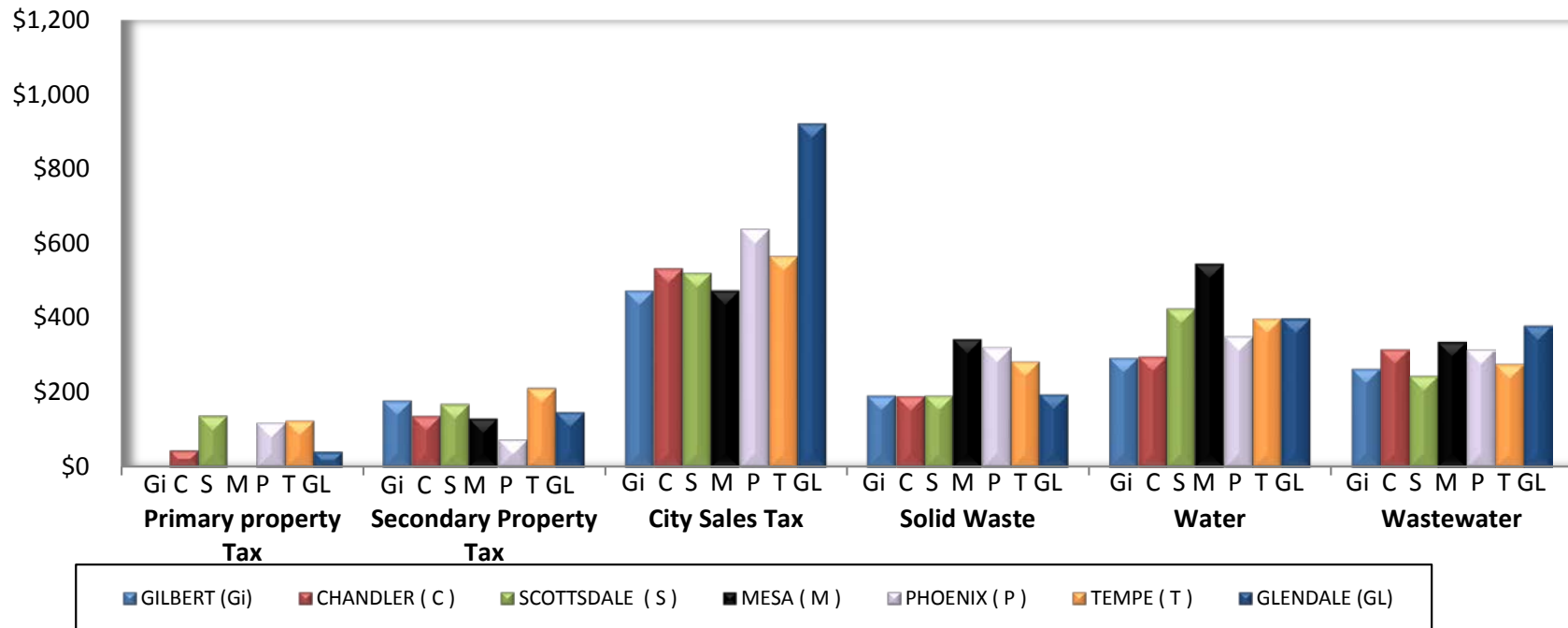
FY 2016/17 Average Homeowner's Annual Cost Comparison

Prepared 2/7/2017



FY 2016/17 Average Homeowner's Annual Cost Comparison

Prepared 2/7/2017



Average Homeowner's Cost Comparison

One key analytical tool used by the City Council and City staff is a comparison of the average costs incurred by homeowners in several cities throughout the Valley. The average charges for the current fiscal year for various cities are compared with the average costs for the current fiscal year in the City of Mesa. While some neighboring municipalities have a different resource mix than Mesa, bringing them all together allows for comparison to ensure that Mesa remains an affordable place to live, work and play.

The Average Homeowner's Annual Cost Comparison Notes:

- The City of Mesa and the Town of Gilbert are the only municipalities that do not have a primary property tax. All other revenue sources exist in all municipalities.
- Estimated city sales taxes paid is based on average household expenditures from the Bureau of Labor and Statistics Consumer Expenditure Survey applied to each city's sales tax rate. Some cities have different rates for different taxable items. Mesa does not collect sales tax on the sale of food for consumption at home.
- Comparisons are determined using a standard service level for all cities.
- Standard solid waste charges are for biweekly garbage (and recyclables where applicable) collection using 90 gallon barrels. Solid Waste residential charges include a Green and Clean fee for Mesa.
- Other city's environmental fees are included as applicable.
- Water charges are based on an average consumption per month.
- Wastewater charges are based on the average consumption of water during the winter months.

Attachment 2

FY 2016/17 AVERAGE HOMEOWNER'S COST COMPARISON							Prepared 2/28/2017	
	CITY PROPERTY TAXES (1)		CITY SALES TAXES (4, 5, 9)	SOLID WASTE CHARGES (6)	WATER CHARGES (7)	WASTEWATER CHARGES (8)	ANNUAL TOTAL	PCT OF MESA
	PRIMARY (2, 3)	SECONDARY (2, 3)						
MESA								
Median Value	\$114,363	\$114,363						
Rate	\$0.0000	\$1.1578	1.75%	\$28.63	\$45.37	\$27.92		
Annual Cost	\$0	\$132	\$473	\$344	\$544	\$335	\$1,828	100%
CHANDLER								
Median Value	\$158,981	\$158,981						
Rate	\$0.2900	\$0.8700	1.50%	\$15.97	\$24.71	\$26.41		
Annual Cost	\$46	\$138	\$532	\$192	\$297	\$317	\$1,522	83%
GILBERT								
Median Value	\$168,998	\$168,998						
Rate	\$0.0000	\$1.0609	1.50%	\$16.00	\$24.38	\$21.98		
Annual Cost	\$0	\$179	\$471	\$192	\$293	\$264	\$1,399	77%
GLENDALE								
Median Value	\$88,895	\$88,895						
Rate	\$0.4792	\$1.6698	2.90%	\$16.30	\$33.19	\$31.63		
Annual Cost	\$43	\$148	\$921	\$196	\$398	\$380	\$2,086	114%
PHOENIX (9)								
Median Value	\$89,986	\$89,986						
Rate	\$1.3359	\$0.8341	2.30%	\$26.80	\$29.29	\$26.39		
Annual Cost	\$120	\$75	\$639	\$322	\$352	\$317	\$1,824	100%
SCOTTSDALE								
Median Value	\$272,020	\$272,020						
Rate	\$0.5071	\$0.6219	1.65%	\$15.96	\$35.31	\$20.36		
Annual Cost	\$138	\$169	\$518	\$192	\$424	\$244	\$1,685	92%
TEMPE (10)								
Median Value	\$133,524	\$133,524						
Rate	\$0.9399	\$1.5921	1.80%	\$23.60	\$33.22	\$23.02		
Annual Cost	\$125	\$213	\$565	\$283	\$399	\$276	\$1,861	102%

Notes:

1. In FY 2016/17 both the Primary and Secondary Property Tax are based on Limited Property Value
2. Single family residential property: Annual Cost = (Median Value) x 10% x (Tax Rate/100) (Source: Maricopa County Assessor's Office)
3. Primary and Secondary Property Tax rates reflect the tax rates as listed on the Maricopa County, Department of Finance page
4. City Sales Tax annual cost is based on average household expenditures from the Consumer Expenditure Survey from the Bureau of Labor Statistics
5. The city sales tax listed is for retail sales. If two cities show the same retail sales tax rate, the estimated sales tax dollar amount may be different because some cities have different tax rates for non-retail items. Mesa does not collect sales tax on the sale of food for consumption at home.
6. Charge for biweekly garbage (and recyclables where applicable) collection using 90 gallon barrels. The Solid Waste residential charge includes a Green and Clean Fee for Mesa. Other city's environmental fees are also included as applicable.
7. Charges are based on the average usage of water gallons per month.
8. Winter Water Average formulas are applied in cities where known.
9. Phoenix water and wastewater rates are based on rates enacted on March 1, 2017.
10. Tempe water, wastewater and solid waste rates are based on rates effective January 1, 2017.

Attachment 2

AVERAGE MESA HOMEOWNER'S COST COMPARISON OF FY 2017/18 WITH PROPOSED UTILITY RATE INCREASES							Prepared 2/28/2017
	CITY PROPERTY TAXES (1, 2)		CITY SALES TAXES (5, 6)	SOLID WASTE CHARGES (7)	WATER CHARGES (8)	WASTEWATER CHARGES (9)	ANNUAL TOTAL
	PRIMARY (3, 4)	SECONDARY (3, 4)					
MESA (w/o Rate Increases)							
Median Value (2016)	\$120,081	\$120,081					
Rate / Monthly	\$0.0000	\$1.1578	1.75%	\$28.63	\$45.37	\$27.92	
Annual Cost	\$0	\$139	\$473	\$344	\$544	\$335	\$1,835
MESA (w/ Rate Increases)							
Median Value (2016)	\$120,081	\$120,081					
Rate / Monthly	\$0.0000	\$1.1578	1.75%	\$29.60	\$46.96	\$29.05	
Annual Cost	\$0	\$139	\$473	\$355	\$564	\$349	\$1,879
CHANGE							
Median Value	\$0	\$0					
Rate / Monthly	\$0.0000	\$0.0000	0.0%	\$0.97	\$1.59	\$1.13	\$3.69
Annually	\$0	\$0.00	\$0	\$12	\$19	\$14	\$44
PCT CHANGE		0.0%	0.0%	3.4%	3.5%	4.0%	2.4%

Notes:

1. In FY 2016/17, both the Primary and Secondary Property Tax are based on Limited Property Value
2. In FY 2017/18, both the Primary and Secondary Property Tax are based on Limited Property Value with an assumption of a 5.0% increase
3. Single family residential property: Annual Cost = (Median Value) x 10% x (Tax Rate/100) (Source: Maricopa County Assessor's Office)
4. Primary and Secondary Property Tax rates reflect the tax rates as listed on the County Treasurer website.
5. City Sales Tax annual cost is based on average household expenditures from the Consumer Expenditure Survey from the Bureau of Labor Statistics
6. The city sales tax listed is for retail sales. If two cities show the same retail sales tax rate, the estimated sales tax dollar amount may be different because some cities have different tax rates for non-retail items. Mesa does not collect sales tax on the sale of food for consumption at home.
7. Charge for biweekly garbage (and recyclables where applicable) collection using 90 gallon barrels. The Solid Waste residential charge includes a Green and Clean Fee for Mesa. Other city's environmental fees are also included as applicable.
8. Charges are based on the average usage of water gallons per month.
9. Winter Water Average formulas are applied in cities where known.

City of Mesa
March 6, 2017

TOTAL ENTERPRISE FUND

Sources of Funding	FY 15/16 Actuals	FY 16/17 Year End Estimate	FY 17/18 Forecast	FY 18/19 Forecast	FY 19/20 Forecast	FY 20/21 Forecast	FY 21/22 Forecast	FY 22/23 Forecast
Revenues	\$334,804,919	\$351,849,191	\$364,281,279	\$377,901,278	\$393,279,866	\$408,325,526	\$423,192,637	\$437,699,850
Total Sources	\$334,804,919	\$351,849,191	\$364,281,279	\$377,901,278	\$393,279,866	\$408,325,526	\$423,192,637	\$437,699,850
Uses of Funding								
Operating Expenditures	\$145,421,938	\$162,218,429	\$169,453,153	\$173,987,427	\$180,773,549	\$188,343,776	\$195,229,091	\$200,630,087
Capital Transfer	\$3,265,000	\$5,545,000	\$6,260,630	\$4,363,599	\$3,567,002	\$3,939,307	\$3,100,763	\$3,150,843
Debt Service Transfer	\$54,862,132	\$54,981,057	\$77,851,209	\$84,835,900	\$87,112,066	\$92,008,636	\$97,485,657	\$96,401,617
Expenditure Subtotal	\$203,549,070	\$222,744,486	\$253,564,992	\$263,186,926	\$271,452,618	\$284,291,719	\$295,815,511	\$300,182,547
General Fund Transfer	\$99,671,000	\$103,861,000	\$106,478,298	\$109,033,777	\$111,726,911	\$114,598,293	\$117,692,447	\$120,681,836
Lifecycle/ Infrastructure Transfers	\$6,513,000	\$6,775,291	\$7,208,919	\$7,494,908	\$7,852,528	\$8,184,174	\$8,532,729	\$8,884,161
Economic Investment Fund Transfer	\$1,636,000	\$4,979,315	\$4,460,423	\$4,521,996	\$4,578,357	\$4,655,466	\$4,706,896	\$4,781,794
BABS Transfer	\$1,733,345	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Uses	\$313,102,415	\$338,360,092	\$371,712,632	\$384,237,607	\$395,610,414	\$411,729,652	\$426,747,583	\$434,530,339
Net Sources and Uses	\$21,702,504	\$13,489,099	(\$7,431,353)	(\$6,336,329)	(\$2,330,548)	(\$3,404,126)	(\$3,554,946)	\$3,169,511
Beginning Fund Balance	\$46,956,833	\$68,659,337	\$82,148,436	\$74,717,084	\$68,380,755	\$66,050,207	\$62,646,081	\$59,091,135
Ending Fund Balance	\$68,659,337	\$82,148,436	\$74,717,084	\$68,380,755	\$66,050,207	\$62,646,081	\$59,091,135	\$62,260,646
Ending Fund Balance Percent*	20.3%	22.1%	19.4%	17.3%	16.0%	14.7%	13.6%	13.9%

*As a % of Next Fiscal Year's Expenditures

Note: This forecast does not include an economic correction.

Enterprise Fund Net Sources and Uses

	FY 15/16 Actuals	FY 16/17 Year End Estimate	FY 17/18 Forecast	FY 18/19 Forecast	FY 19/20 Forecast	FY 20/21 Forecast	FY 21/22 Forecast	FY 22/23 Forecast
ELECTRIC	\$2,340,452	\$820,011	\$1,468,101	\$1,246,867	\$1,158,748	\$975,575	\$883,265	\$441,908
GAS	\$4,133,179	\$3,413,693	\$2,313,194	\$2,509,500	\$3,077,994	\$2,951,658	\$1,163,508	\$728,422
WATER	\$7,866,095	\$8,308,864	(\$4,934,681)	(\$3,108,480)	(\$3,634,220)	(\$4,422,396)	(\$9,199,742)	(\$8,678,402)
WASTEWATER	\$12,659,059	\$10,054,418	(\$5,192)	(\$1,796,980)	\$917,498	\$727,882	\$6,310,865	\$12,594,901
SOLID WASTE	(\$1,307,575)	(\$3,824,179)	(\$958,442)	\$217,793	\$1,568,002	\$1,814,452	\$3,158,451	\$3,431,721
Subtotal: Utilities	\$25,691,210	\$18,772,806	(\$2,117,020)	(\$931,301)	\$3,088,021	\$2,047,171	\$2,316,347	\$8,518,550
DISTRICT COOLING	\$504,105	\$482,387	\$458,896	\$436,970	\$318,777	\$389,122	\$334,329	\$341,847
CONVENTION CENTER	(\$1,654,740)	(\$2,188,219)	(\$1,966,893)	(\$1,985,016)	(\$1,812,532)	(\$1,836,823)	(\$2,311,681)	(\$1,895,643)
GOLF	(\$852,291)	(\$740,489)	(\$553,894)	(\$848,059)	(\$894,490)	(\$583,441)	(\$744,706)	(\$572,086)
CUBS SPRING TRAINING FACILITIES	(\$558,669)	(\$1,465,022)	(\$1,519,096)	(\$1,562,576)	(\$1,566,123)	(\$1,854,670)	(\$1,603,205)	(\$1,657,196)
HOHOKAM-FITCH FACILITIES (OAKLAND A'S)	(\$1,427,111)	(\$1,372,364)	(\$1,733,346)	(\$1,446,347)	(\$1,464,201)	(\$1,565,484)	(\$1,546,030)	(\$1,565,960)
Subtotal: Other Enterprises	(\$3,988,707)	(\$5,283,707)	(\$5,314,332)	(\$5,405,028)	(\$5,418,569)	(\$5,451,297)	(\$5,871,293)	(\$5,349,039)
TOTAL NET SOURCES AND USES	\$21,702,504	\$13,489,099	(\$7,431,353)	(\$6,336,329)	(\$2,330,548)	(\$3,404,126)	(\$3,554,946)	\$3,169,511
Beginning Reserve Balance	\$46,956,833	\$68,659,337	\$82,148,436	\$74,717,084	\$68,380,755	\$66,050,207	\$62,646,081	\$59,091,135
Ending Reserve Balance	\$68,659,337	\$82,148,436	\$74,717,084	\$68,380,755	\$66,050,207	\$62,646,081	\$59,091,135	\$62,260,646
Ending Reserve Balance Percent*	20.3%	22.1%	19.4%	17.3%	16.0%	14.7%	13.6%	13.9%
*As a % of Next Fiscal Year's Expenditures								
ELC Residential (Customer Charge/Fixed Rate only)			\$1.25	\$1.75	\$2.25	\$2.50	\$2.50	\$2.50
ELC Non-Residential			\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
GAS Residential (Customer Charge/Fixed Rate only)			\$0.75	\$0.75	\$0.75	\$0.75	\$1.00	\$1.00
GAS Non-Residential (Customer Charge/Fixed Rate only)			\$0.75	\$0.75	\$0.75	\$0.75	\$1.00	\$1.00
WTR All Rate Revenue			3.5%	3.5%	3.5%	3.5%	3.0%	3.0%
WW All Rate Revenue			4.0%	4.0%	4.0%	4.0%	3.5%	3.5%
SW Residential			3.5%	3.5%	3.5%	3.5%	3.0%	3.0%
SW Commercial			2.5%	2.0%	2.0%	2.0%	2.0%	2.0%
SW Rolloff			0.0%	2.0%	2.0%	2.0%	2.0%	2.0%

ELECTRIC

	FY 15/16	FY 16/17	FY 17/18	FY 18/19	FY 19/20	FY 20/21	FY 21/22	FY 22/23
Sources of Funding	Actuals	Year End Estimate	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast
Revenues	\$18,802,810	\$17,201,537	\$18,212,383	\$18,657,324	\$19,174,162	\$19,729,008	\$20,286,893	\$20,815,243
EECAF Revenues	\$13,556,596	\$14,436,216	\$13,642,955	\$13,343,926	\$13,632,092	\$14,232,502	\$15,574,950	\$16,051,250
Total Sources	\$32,359,406	\$31,637,753	\$31,855,338	\$32,001,251	\$32,806,254	\$33,961,509	\$35,861,843	\$36,866,493
Uses of Funding								
Operating Expenditures	\$6,779,528	\$7,866,152	\$7,767,234	\$7,994,773	\$8,118,388	\$8,393,495	\$8,545,109	\$8,962,514
EECAF Expenditures	\$15,047,487	\$14,436,216	\$13,642,955	\$13,343,926	\$13,632,092	\$14,232,502	\$15,574,950	\$16,051,250
Capital Transfer	\$17,000	\$166,000	\$193,663	\$260,567	\$233,438	\$225,416	\$187,232	\$139,548
Debt Service Transfer	\$1,101,500	\$1,228,377	\$1,333,115	\$1,543,065	\$1,867,005	\$2,135,231	\$2,440,414	\$2,833,282
Expenditure Subtotal	\$22,945,516	\$23,696,745	\$22,936,967	\$23,142,330	\$23,850,923	\$24,986,644	\$26,747,705	\$27,986,593
General Fund Transfer	\$6,303,600	\$6,493,000	\$6,656,624	\$6,816,383	\$6,984,748	\$7,164,256	\$7,357,691	\$7,544,576
Lifecycle/ Infrastructure Transfers	\$646,000	\$627,997	\$637,107	\$640,050	\$656,215	\$679,414	\$717,561	\$737,796
Economic Investment Fund Transfer	\$0	\$0	\$156,539	\$155,620	\$155,620	\$155,620	\$155,620	\$155,620
BABS Transfer	\$123,838	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Uses	\$30,018,954	\$30,817,742	\$30,387,237	\$30,754,384	\$31,647,506	\$32,985,934	\$34,978,577	\$36,424,585
Net Sources and Uses	\$2,340,452	\$820,011	\$1,468,101	\$1,246,867	\$1,158,748	\$975,575	\$883,265	\$441,908

NATURAL GAS

	FY 15/16	FY 16/17	FY 17/18	FY 18/19	FY 19/20	FY 20/21	FY 21/22	FY 22/23
Sources of Funding	Actuals	Year End Estimate	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast
Revenues	\$29,472,424	\$29,444,152	\$31,211,799	\$32,260,816	\$33,304,840	\$34,348,007	\$35,512,532	\$36,649,606
PNGCAF Revenues	\$9,915,480	\$11,957,076	\$13,057,614	\$12,483,588	\$12,479,351	\$12,794,887	\$13,205,917	\$13,700,440
Total Sources	\$39,387,904	\$41,401,228	\$44,269,413	\$44,744,404	\$45,784,190	\$47,142,894	\$48,718,449	\$50,350,046
Uses of Funding								
Operating Expenditures	\$11,895,635	\$13,486,954	\$14,130,148	\$14,402,150	\$14,747,954	\$15,244,658	\$15,585,859	\$16,149,979
PNGCAF Expenditures	\$10,362,284	\$11,957,076	\$13,057,614	\$12,483,588	\$12,479,351	\$12,794,887	\$13,205,917	\$13,700,440
Capital Transfer	\$120,000	\$187,000	\$192,011	\$259,316	\$231,093	\$222,811	\$184,141	\$136,300
Debt Service Transfer	\$4,341,447	\$3,775,574	\$5,548,419	\$5,862,337	\$5,797,951	\$6,236,853	\$8,623,736	\$9,422,923
Expenditure Subtotal	\$26,719,367	\$29,406,604	\$32,928,192	\$33,007,391	\$33,256,349	\$34,499,208	\$37,599,653	\$39,409,641
General Fund Transfer	\$7,533,168	\$7,760,000	\$7,955,552	\$8,146,485	\$8,347,703	\$8,562,239	\$8,793,420	\$9,016,773
Lifecycle/ Infrastructure Transfers	\$786,000	\$820,931	\$885,390	\$895,042	\$916,158	\$943,802	\$975,880	\$1,009,223
Economic Investment Fund Transfer	\$0	\$0	\$187,085	\$185,987	\$185,987	\$185,987	\$185,987	\$185,987
BABS Transfer	\$216,190	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Uses	\$35,254,725	\$37,987,535	\$41,956,220	\$42,234,905	\$42,706,197	\$44,191,236	\$47,554,941	\$49,621,624
Net Sources and Uses	\$4,133,179	\$3,413,693	\$2,313,194	\$2,509,500	\$3,077,994	\$2,951,658	\$1,163,508	\$728,422

WATER

Sources of Funding	FY 15/16 Actuals	FY 16/17 Year End Estimate	FY 17/18 Forecast	FY 18/19 Forecast	FY 19/20 Forecast	FY 20/21 Forecast	FY 21/22 Forecast	FY 22/23 Forecast
Revenues	\$126,684,606	\$136,952,251	\$140,435,148	\$147,219,921	\$154,450,710	\$160,396,807	\$165,718,881	\$171,416,504
Total Sources	\$126,684,606	\$136,952,251	\$140,435,148	\$147,219,921	\$154,450,710	\$160,396,807	\$165,718,881	\$171,416,504
Uses of Funding								
Operating Expenditures	\$37,889,987	\$43,061,433	\$48,049,392	\$50,891,278	\$53,796,188	\$56,809,672	\$58,681,609	\$60,861,515
Capital Transfer	\$94,000	\$257,000	\$2,950,297	\$240,230	\$157,548	\$137,246	\$75,182	\$20,591
Debt Service Transfer	\$23,796,688	\$24,082,447	\$32,799,741	\$36,111,685	\$39,424,574	\$41,463,943	\$47,963,291	\$49,241,993
Expenditure Subtotal	\$61,780,675	\$67,400,880	\$83,799,430	\$87,243,194	\$93,378,309	\$98,410,861	\$106,720,082	\$110,124,098
General Fund Transfer	\$51,843,518	\$53,614,000	\$54,965,073	\$56,284,235	\$57,674,455	\$59,156,689	\$60,753,919	\$62,297,069
Lifecycle/ Infrastructure Transfers	\$2,517,000	\$2,649,192	\$2,852,327	\$2,993,989	\$3,168,822	\$3,311,199	\$3,452,739	\$3,606,956
Economic Investment Fund Transfer	\$1,636,000	\$4,979,315	\$3,753,000	\$3,806,983	\$3,863,344	\$3,940,453	\$3,991,883	\$4,066,781
BABS Transfer	\$1,041,317	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Uses	\$118,818,510	\$128,643,387	\$145,369,829	\$150,328,401	\$158,084,931	\$164,819,203	\$174,918,623	\$180,094,905
Net Sources and Uses	\$7,866,095	\$8,308,864	(\$4,934,681)	(\$3,108,480)	(\$3,634,220)	(\$4,422,396)	(\$9,199,742)	(\$8,678,402)

WASTEWATER

Sources of Funding	FY 15/16 Actuals	FY 16/17 Year End Estimate	FY 17/18 Forecast	FY 18/19 Forecast	FY 19/20 Forecast	FY 20/21 Forecast	FY 21/22 Forecast	FY 22/23 Forecast
Revenues	\$74,187,145	\$78,381,998	\$81,577,097	\$85,055,661	\$88,646,768	\$92,512,797	\$96,115,712	\$99,860,614
Total Sources	\$74,187,145	\$78,381,998	\$81,577,097	\$85,055,661	\$88,646,768	\$92,512,797	\$96,115,712	\$99,860,614
Uses of Funding								
Operating Expenditures	\$21,261,564	\$26,607,995	\$26,202,333	\$27,312,818	\$29,212,387	\$30,619,498	\$31,878,151	\$32,377,839
Capital Transfer	\$62,000	\$79,000	\$112,825	\$187,335	\$132,849	\$117,448	\$66,371	\$13,732
Debt Service Transfer	\$25,201,873	\$25,534,888	\$37,791,154	\$40,895,957	\$39,432,883	\$41,585,168	\$37,852,176	\$34,331,010
Expenditure Subtotal	\$46,525,438	\$52,221,883	\$64,106,313	\$68,396,111	\$68,778,118	\$72,322,114	\$69,796,698	\$66,722,582
General Fund Transfer	\$13,183,648	\$14,563,000	\$15,470,049	\$16,355,674	\$16,759,659	\$17,190,382	\$17,654,523	\$18,102,948
Lifecycle/ Infrastructure Transfers	\$1,467,000	\$1,542,697	\$1,642,129	\$1,727,451	\$1,818,087	\$1,899,013	\$1,980,221	\$2,066,778
Economic Investment Fund Transfer	\$0	\$0	\$363,799	\$373,405	\$373,405	\$373,405	\$373,405	\$373,405
BABS Transfer	\$352,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Uses	\$61,528,086	\$68,327,580	\$81,582,289	\$86,852,641	\$87,729,269	\$91,784,914	\$89,804,847	\$87,265,713
Net Sources and Uses	\$12,659,059	\$10,054,418	(\$5,192)	(\$1,796,980)	\$917,498	\$727,882	\$6,310,865	\$12,594,901
Combined Water & Wastewater	\$20,525,155	\$18,363,281	(\$4,939,873)	(\$4,905,461)	(\$2,716,722)	(\$3,694,514)	(\$2,888,877)	\$3,916,499

SOLID WASTE

Sources of Funding	FY 15/16 Actuals	FY 16/17 Year End Estimate	FY 17/18 Forecast	FY 18/19 Forecast	FY 19/20 Forecast	FY 20/21 Forecast	FY 21/22 Forecast	FY 22/23 Forecast
Revenues	\$55,059,727	\$57,181,025	\$59,752,776	\$62,383,380	\$64,983,608	\$67,591,846	\$69,938,680	\$72,334,351
Total Sources	\$55,059,727	\$57,181,025	\$59,752,776	\$62,383,380	\$64,983,608	\$67,591,846	\$69,938,680	\$72,334,351
Uses of Funding								
Operating Expenditures	\$32,472,590	\$34,789,191	\$35,774,402	\$36,689,245	\$37,704,307	\$39,073,478	\$39,889,605	\$40,986,705
Capital Transfer	\$1,627,000	\$3,355,000	\$1,992,023	\$2,408,761	\$1,886,979	\$2,259,996	\$1,763,925	\$2,166,760
Debt Service Transfer	\$363,645	\$295,539	\$321,826	\$398,204	\$570,728	\$568,447	\$587,478	\$565,286
Expenditure Subtotal	\$34,463,235	\$38,439,730	\$38,088,250	\$39,496,210	\$40,162,014	\$41,901,921	\$42,241,008	\$43,718,751
General Fund Transfer	\$20,807,066	\$21,431,000	\$21,431,000	\$21,431,000	\$21,960,346	\$22,524,727	\$23,132,894	\$23,720,470
Lifecycle/ Infrastructure Transfers	\$1,097,000	\$1,134,474	\$1,191,967	\$1,238,376	\$1,293,246	\$1,350,745	\$1,406,328	\$1,463,408
Total Uses	\$56,367,301	\$61,005,204	\$60,711,218	\$62,165,586	\$63,415,606	\$65,777,394	\$66,780,229	\$68,902,630
Net Sources and Uses	(\$1,307,575)	(\$3,824,179)	(\$958,442)	\$217,793	\$1,568,002	\$1,814,452	\$3,158,451	\$3,431,721

DISTRICT COOLING

Sources of Funding	FY 15/16 Actuals	FY 16/17 Year End Estimate	FY 17/18 Forecast	FY 18/19 Forecast	FY 19/20 Forecast	FY 20/21 Forecast	FY 21/22 Forecast	FY 22/23 Forecast
Revenues	\$1,244,823	\$1,325,000	\$1,325,000	\$1,325,000	\$1,325,000	\$1,325,000	\$1,325,000	\$1,325,000
Total Sources	\$1,244,823	\$1,325,000	\$1,325,000	\$1,325,000	\$1,325,000	\$1,325,000	\$1,325,000	\$1,325,000
Uses of Funding								
Operating Expenditures	\$739,718	\$840,613	\$864,692	\$886,046	\$1,005,296	\$935,134	\$990,339	\$982,894
Capital Transfer	\$1,000	\$2,000	\$1,411	\$1,985	\$928	\$744	\$332	\$259
Debt Service Transfer	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Expenditure Subtotal	\$740,718	\$842,613	\$866,104	\$888,030	\$1,006,223	\$935,878	\$990,671	\$983,153
General Fund Transfer	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Lifecycle/ Infrastructure Transfers	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Uses	\$740,718	\$842,613	\$866,104	\$888,030	\$1,006,223	\$935,878	\$990,671	\$983,153
Net Sources and Uses	\$504,105	\$482,387	\$458,896	\$436,970	\$318,777	\$389,122	\$334,329	\$341,847

CONVENTION CENTER

Sources of Funding	FY 15/16 Actuals	FY 16/17 Year End Estimate	FY 17/18 Forecast	FY 18/19 Forecast	FY 19/20 Forecast	FY 20/21 Forecast	FY 21/22 Forecast	FY 22/23 Forecast
Revenues	\$2,798,512	\$2,320,822	\$2,327,832	\$2,369,174	\$2,412,624	\$2,454,713	\$2,502,587	\$2,502,587
Total Sources	\$2,798,512	\$2,320,822	\$2,327,832	\$2,369,174	\$2,412,624	\$2,454,713	\$2,502,587	\$2,502,587
Uses of Funding								
Operating Expenditures	\$3,930,252	\$3,836,041	\$4,043,885	\$4,091,289	\$3,982,921	\$4,052,385	\$4,582,737	\$4,167,538
Capital Transfer	\$523,000	\$673,000	\$250,840	\$262,901	\$242,235	\$239,151	\$231,531	\$230,693
Debt Service Transfer	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Expenditure Subtotal	\$4,453,252	\$4,509,041	\$4,294,724	\$4,354,190	\$4,225,156	\$4,291,536	\$4,814,268	\$4,398,230
General Fund Transfer	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Lifecycle/ Infrastructure Transfers	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Uses	\$4,453,252	\$4,509,041	\$4,294,724	\$4,354,190	\$4,225,156	\$4,291,536	\$4,814,268	\$4,398,230
Net Sources and Uses	(\$1,654,740)	(\$2,188,219)	(\$1,966,893)	(\$1,985,016)	(\$1,812,532)	(\$1,836,823)	(\$2,311,681)	(\$1,895,643)

GOLF COURSE

Sources of Funding	FY 15/16 Actuals	FY 16/17 Year End Estimate	FY 17/18 Forecast	FY 18/19 Forecast	FY 19/20 Forecast	FY 20/21 Forecast	FY 21/22 Forecast	FY 22/23 Forecast
Revenues	\$1,645,231	\$1,608,250	\$1,646,544	\$1,678,322	\$1,711,721	\$1,744,072	\$1,780,872	\$1,780,872
Total Sources	\$1,645,231	\$1,608,250	\$1,646,544	\$1,678,322	\$1,711,721	\$1,744,072	\$1,780,872	\$1,780,872
Uses of Funding								
Operating Expenditures	\$1,876,544	\$1,912,507	\$2,055,235	\$2,238,479	\$2,343,002	\$2,239,761	\$2,326,015	\$2,314,383
Capital Transfer	\$564,000	\$372,000	\$88,249	\$263,250	\$244,284	\$68,758	\$181,000	\$31,452
Debt Service Transfer	\$56,978	\$64,232	\$56,954	\$24,652	\$18,925	\$18,994	\$18,562	\$7,123
Expenditure Subtotal	\$2,497,522	\$2,348,739	\$2,200,438	\$2,526,381	\$2,606,211	\$2,327,513	\$2,525,577	\$2,352,958
General Fund Transfer	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Lifecycle/ Infrastructure Transfers	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Uses	\$2,497,522	\$2,348,739	\$2,200,438	\$2,526,381	\$2,606,211	\$2,327,513	\$2,525,577	\$2,352,958
Net Sources and Uses	(\$852,291)	(\$740,489)	(\$553,894)	(\$848,059)	(\$894,490)	(\$583,441)	(\$744,706)	(\$572,086)

CUBS SPRING TRAINING FACILITIES

Sources of Funding	FY 15/16 Actuals	FY 16/17 Year End Estimate	FY 17/18 Forecast	FY 18/19 Forecast	FY 19/20 Forecast	FY 20/21 Forecast	FY 21/22 Forecast	FY 22/23 Forecast
Revenues	\$1,374,092	\$959,446	\$1,003,780	\$1,034,561	\$1,068,069	\$1,103,692	\$1,136,965	\$1,169,736
Total Sources	\$1,374,092	\$959,446	\$1,003,780	\$1,034,561	\$1,068,069	\$1,103,692	\$1,136,965	\$1,169,736
Uses of Funding								
Operating Expenditures	\$1,809,761	\$2,229,468	\$2,325,775	\$2,387,921	\$2,452,841	\$2,546,738	\$2,584,017	\$2,670,689
Capital Transfer/ Training Contracts	\$123,000	\$195,000	\$197,100	\$209,216	\$181,352	\$411,623	\$156,153	\$156,243
Debt Service Transfer	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Expenditure Subtotal	\$1,932,761	\$2,424,468	\$2,522,875	\$2,597,137	\$2,634,192	\$2,958,361	\$2,740,170	\$2,826,932
General Fund Transfer	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Lifecycle/ Infrastructure Transfers	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Uses	\$1,932,761	\$2,424,468	\$2,522,875	\$2,597,137	\$2,634,192	\$2,958,361	\$2,740,170	\$2,826,932
Net Sources and Uses	(\$558,669)	(\$1,465,022)	(\$1,519,096)	(\$1,562,576)	(\$1,566,123)	(\$1,854,670)	(\$1,603,205)	(\$1,657,196)

HOHOKAM-FITCH FACILITIES (OAKLAND A'S)

Sources of Funding	FY 15/16 Actuals	FY 16/17 Year End Estimate	FY 17/18 Forecast	FY 18/19 Forecast	FY 19/20 Forecast	FY 20/21 Forecast	FY 21/22 Forecast	FY 22/23 Forecast
Revenues	\$63,475	\$81,418	\$88,352	\$89,605	\$90,922	\$92,197	\$93,648	\$93,648
Total Sources	\$63,475	\$81,418	\$88,352	\$89,605	\$90,922	\$92,197	\$93,648	\$93,648
Uses of Funding								
Operating Expenditures	\$1,356,585	\$1,194,782	\$1,539,488	\$1,265,914	\$1,298,824	\$1,401,568	\$1,384,783	\$1,404,342
Capital Transfer/ Training Contracts	\$134,000	\$259,000	\$282,210	\$270,038	\$256,298	\$256,114	\$254,895	\$255,266
Debt Service Transfer	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Expenditure Subtotal	\$1,490,585	\$1,453,782	\$1,821,698	\$1,535,952	\$1,555,122	\$1,657,682	\$1,639,678	\$1,659,608
General Fund Transfer	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Lifecycle/ Infrastructure Transfers	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Uses	\$1,490,585	\$1,453,782	\$1,821,698	\$1,535,952	\$1,555,122	\$1,657,682	\$1,639,678	\$1,659,608
Net Sources and Uses	(\$1,427,111)	(\$1,372,364)	(\$1,733,346)	(\$1,446,347)	(\$1,464,201)	(\$1,565,484)	(\$1,546,030)	(\$1,565,960)