



Council Report

Date: April 5, 2018
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 2018/2019 Utility Rate Recommendations

PURPOSE AND RECOMMENDATION

The purpose of this report is to provide staff recommendations for utility rate adjustments. The rate adjustments are recommended to be effective July 1, 2018 and are consistent with the revenue requirements of the Proposed Budget Plan for Fiscal Year 2018/19.

The forecasted expenses for each utility are compared to the forecasted revenues based on the current rates. The increases in FY 2018/19 revenues needed to accommodate the increased costs for each utility are:

<u>Utility</u>	<u>Revenue</u>
Solid Waste	\$1,555,000
Electric	\$252,000
Natural Gas	\$474,000
Water	\$3,965,000
Wastewater	\$2,680,000

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.

The comparison of the average costs incurred by homeowners in several cities throughout the Valley is presented in Attachment 1. 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 the City, bringing them all together allows for comparison to ensure that the City remains an affordable place to live, work, and play.

For FY 2018/19, the following rate adjustments are being recommended (see Attachment 2 for more detail):

Solid Waste:

- All residential rates, bulk item pick-up and appliance collection: 3.5% increase
- Front-load rates: Overall 2.0% increase
- Roll-Off Green Waste per ton rate: 6.9% increase
- Roll-Off Overweight Containers per ton rates: 4.5% increase

Electric:

- Residential customers: system service charge increase of \$1.75 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
- Interdepartmental: no adjustment
- Continue with planned residential water usage tier adjustment

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 Enterprise Fund Cash Flow Projections (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 1.6% per year during the forecast. With the inclusion of the Magma service area, the Natural Gas utility is expected to grow by 900 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 80 accounts next fiscal year. The Enterprise Fund Cash Flow Projections also include 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 continued 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.

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 estimated adjustment for FY 2018/19 is an increase of \$1.9 million, moving from \$106.5 million to \$108.4 million.

SOLID WASTE UTILITY

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

Residential Rates

Staff is recommending 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 \$1.01 per month, from \$28.76 to \$29.77

60-gallon Black Barrel: increase of \$0.90 per month, from \$25.68 to \$26.58

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 \$0.48 per month, from \$13.58 to \$14.06

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 \$0.24 per month, from \$6.79 to \$7.03

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 FY 2018/19 residential revenues is \$1,410,000.

Bulk Item and Appliance Collections

Staff is recommending increasing the bulk item and appliance pick-up rates by 3.5%.

Bulk Item Service: increase of \$0.79 per load, from \$22.59 to \$23.38.

Appliance Pick-Up: increase of \$0.68 per appliance, from \$18.63 to \$19.28.

“Not Out” Fee for both Bulk Item and Appliance: increase of \$0.40, from \$11.56 per occurrence to \$11.96 per occurrence.

The projected increase in FY 2018/19 revenues is \$5,000 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 is recommending increasing the multi-day factor, multi-bin factor and out-of-zone fees. The projected overall increase for Front-Load Trash is 2.0%.

Increase in-zone multi-day factor from a multiplier of 0.79 to 0.80

Increase out-of-zone fee by \$2.00 from \$12.00 to \$14.00

Increase 6-yard Multi-Bin Factor from a multiplier of 0.628 to 0.645

Increase 8-yard Multi-Bin Factor from a multiplier of 0.640 to 0.670

The projected increase in FY 2018/19 revenue is expected to be \$117,000 for Front-Load Trash.

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 from \$24.00 to \$28.00
Increase multi-day factor for cardboard from a multiplier of 0.79 to 0.80
Increase multi-bin factor cardboard from a multiplier of 0.628 to 0.645

The projected increase in FY 2018/19 revenue is expected to be \$14,000 for Front-Load Cardboard.

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

Increase base rate for commingled from \$28.00 to \$36.00
No change in the multi-day factor for commingled multiplier
Decrease multi-bin factor commingled from a multiplier of 1.00 to 0.85

The projected increase in FY 2018/19 revenue is expected to be about \$7,000 for Front-Load Commingled.

Commercial Roll-Off

The Roll-Off program serves residents and business customers in competition with private waste collection companies.

Staff is recommending no increase to the Roll-Off Trash rates.

Staff is recommending an increase to the per ton fee for Commercial Roll-Off Green Waste customers and Commercial Roll-Off overweight containers.

Increase the green waste per ton fee by 6.9% from \$23.80 to \$25.45
Increase trash per ton fee for overweight containers by 4.5% from \$32.50 to \$33.95 for the first 10 tons and from \$36.75 to \$38.40 over 10 tons

The projected roll-off increase in FY 2018/19 revenue is approximately \$2,000 for Roll-Off Green Waste and overweight containers.

Solid waste rates across Arizona range from \$10.00 to \$40.00 a month. Costs to provide this service varies depending on many factors such as, but not limited to, distance to the landfill from collection location and landfill costs. An informal survey of private hauler service for county island residents within the City of Mesa resulted in costs comparable to those proposed by staff for FY18/19, but the private haulers do not provide recycling service in all locations.

The total projected revenue increase for the Solid Waste utility in FY 2018/19 is approximately \$1,555,000.

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 \$1.75 to the system service charge and no increase to the energy usage charge for FY 2018/19. Staff is not recommending a rate increase for non-residential accounts.

Residential System Service Charge: increase of \$1.75, from \$10.75 to \$12.50

Average residential bill with customer charge, energy usage charge, and EECAF: from \$93.41 to \$95.16, 1.9%

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 \$7.50 more than Mesa's proposed)

Mesa's average residential customer:

Monthly bills during calendar year 2017 (at FY 2018/19 Mesa rates) were approximately \$12.80 less per month (\$153.60 less per year) than SRP.

The proposed increase results in an annual cost approximately 13.2% percent less than if served by SRP. Lower use customers' bills (i.e. first quartile with an average consumption of 327.03 kWh per month) would be almost 21.8% 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 \$0.04554 and \$0.05282 per kWh in the most recent twelve months and is \$0.04660 for February 2018.

The projected increase in FY 2018/19 revenue is approximately \$252,000.

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 2018/19.

System Service Charge –summer: increase \$0.75, from \$13.86 to \$14.61

System Service Charge –winter: increase \$0.75, from \$16.79 to \$17.54

Average monthly Mesa resident bill with customer charge, usage charge, and PNGCAF: from \$32.92 to \$33.67, 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 42% 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 \$0.18982 and \$0.40565 per therm in the most recent twelve months and is \$0.27770 for February 2018.

Southwest Gas (SWG) comparison:

Service Charge: \$10.70 per month (\$3.91 less than Mesa's proposed summer system service charge and \$6.84 less than Mesa's proposed winter system service charge)

Mesa's average residential customer:

Monthly bills during calendar year 2018 (at FY 2018/19 Mesa rates) were approximately \$1.88 more per month (\$22.56 more per year) than if served by SWG.

The projected increase in FY 2018/19 revenue is approximately \$474,000.

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 started 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 2016/17, when revenues from the service charge component came in at 36.30% of total costs. For FY 2017/18, revenues from the service charge component rate are forecast at 36.09% of total estimated costs. This trend is scheduled to continue into FY 2018/19, with revenues from the service charge component forecast to come in at 35.96% 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.

For FY 2018/19, staff recommends continuing with the planned residential water tier adjustment. 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: \$3.13 per 1,000 gallons, 4,000 – 10,000 gallons;
Tier 2: \$4.70 per 1,000 gallons, next 10,000 gallons;
Tier 3: \$5.57 per 1,000 gallons, next 4,000 gallons;
Tier 4: \$6.07 per 1,000 gallons, all additional 1,000 gallons;

Recommended FY 2018/19 Tier Structure

The first 3,000 gallons are included in the service charge
Tier 1: \$3.24 per 1,000 gallons, 4,000 – 9,000 gallons;
Tier 2: \$4.86 per 1,000 gallons, next 9,000 gallons;
Tier 3: \$5.80 per 1,000 gallons, next 6,000 gallons;
Tier 4: \$6.51 per 1,000 gallons, all additional 1,000 gallons;

Across most customer classes, the City's water customers would see a 3.5% increase to their water service and usage charges. The only exception being a zero percent increase (for both the service and usage charges) to the interdepartmental water rates.

Residential Water Consumer Impact:

Service Charge: \$0.96 increase per month, from \$27.55 to \$28.51

Usage Charges (average monthly consumption of 9,000 gallons): \$0.66 per month, from \$18.78 to \$19.44

Total average monthly bill impact: \$1.62 per month, from \$46.33 to \$47.95

Arizona Water Company comparison:

Service Charge: \$22.24 per month

Usage Charges (average monthly consumption of 9,000 gallons): \$28.03

Total average monthly bill: \$50.37

Excess Water Surcharge

For most non-residential customers (commercial, multi-unit dwelling, and public authorities), the excess water surcharge is currently operative nine months of the year (March through November). For these customers, staff is proposing to establish consistency with its winter water average which operates twelve months a year and would further promote conservation. The excess water surcharge will be added to December, January, and February over a three year period, beginning with February in FY 2018/19, January in FY 2019/20, and December in FY 2020/21. The financial impact of this action is projected to increase FY 2018/19 water revenues by an additional \$92,000.

Water Hydrant Meter Service Charge

Staff is proposing to eliminate the provision of 3,000 gallons of water as a part of the water hydrant meter rate service charge. The provision of 3,000 gallons of water for the City's customers as a part of their rate service charge is meant to sustain life or business. Hydrant meters are utilized for temporary water use such as construction projects, therefore the provision of 3,000 gallons should not apply to the hydrant meter rate. The financial impact of this action is projected to increase FY 2018/19 water revenues by an additional \$30,000.

The total projected increase in water revenue for FY 2018/19 is approximately \$3,965,000.

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 cost of ownership, operation, and maintenance of the 91st Avenue Wastewater Treatment Facility, a joint venture with the cities of Glendale, Phoenix, Scottsdale, and Tempe. 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: \$0.75 increase per month, from \$18.80 to \$19.55
Usage Charges (based on winter water average consumption): \$0.40 increase per month, from \$10.25 to \$10.65
Total average monthly bill impact: Approximately \$1.15 per month, from \$29.05 to \$30.20

Liberty Utilities comparison:

Service Charge: \$52.40 per month
Usage Charges: \$3.69
Total average monthly bill: \$56.09

Johnson Utilities comparison:

Service Charge: \$40.98 per month
Usage Charges: \$0.00
Total average monthly bill: \$40.98

Interdepartmental wastewater rates are recommended to be held constant for FY 2018/19.

The total projected increase in wastewater revenue for FY 2018/19 is approximately \$2,680,000.

ALTERNATIVES

Modify the FY 2018/19 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 2018/19 revenues in the Enterprise Fund from the recommended utility rate adjustments is \$8,926,000. The projected increase by individual utility is as follows:

<u>Utility</u>	<u>Amount</u>
Solid Waste	\$1,555,000
Electric	\$252,000
Natural Gas	\$474,000
Water	\$3,965,000
Wastewater	\$2,680,000

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:

<u>Fiscal Year</u>	<u>Ending Reserve Balance</u>
16/17	25.2%
17/18	25.6%
18/19	25.1%
19/20	24.4%
20/21	21.3%
21/22	17.4%

The projected increase on the typical residential customer for FY 2018/19 by individual utility is:

<u>Utility</u>	<u>Monthly</u>	<u>Annual</u>
Solid Waste	\$1.01	\$12.12
Electric	\$1.75	\$21.00
Natural Gas	\$0.75	\$9.00
Water	\$1.62	\$19.44
Wastewater	\$1.15	\$13.80

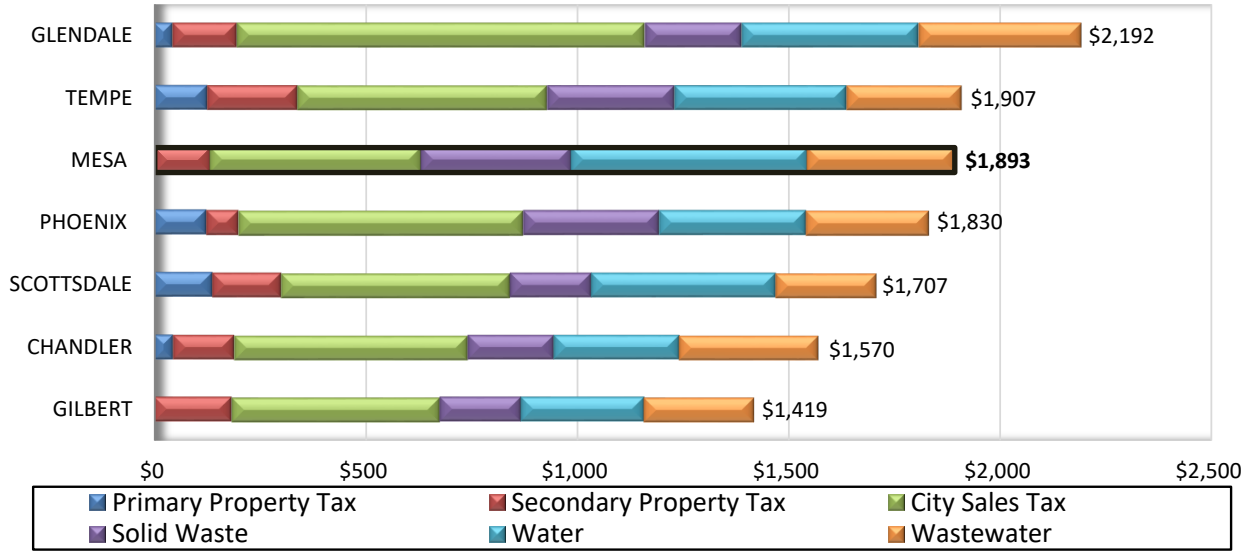
The average financial impact of the rate adjustments on residential customers is included in an overall comparison with other cities in the valley (Attachment 1). The impact of property taxes, city sales tax, and utility rates (excluding electric and natural gas) on the municipality's typical resident 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. Average Homeowner's Charges Comparison
2. FY 2018/19 Utility Rate Adjustment Recommendation Summary
3. City of Mesa Enterprise Fund Cash Flow Projections

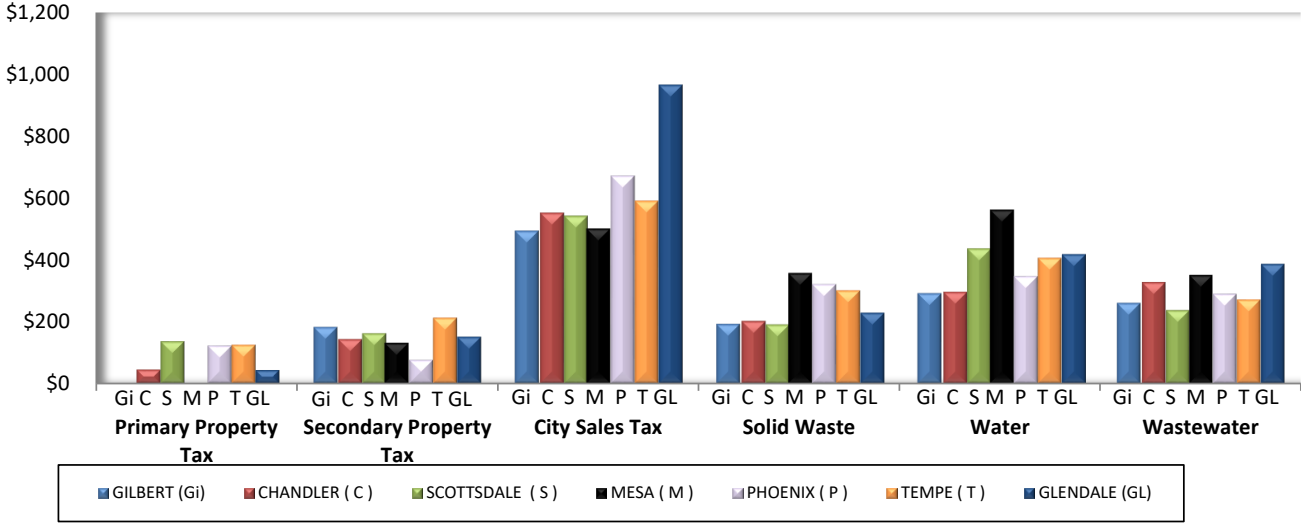
FY 2017/18 Average Homeowner's Annual Cost Comparison

Prepared 2/27/2018



FY 2017/18 Average Homeowner's Annual Cost Comparison

Prepared 2/27/2018



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 twice per week 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.
- Charges are based on FY 16/17 annual average usage of 8,900 water gallons per month, ranging from 6,000 in winter to 12,000 in summer.
- Wastewater charges are based on the average consumption of water during the winter months.

FY 2017/18 AVERAGE HOMEOWNER'S COST COMPARISON								Prepared 2/27/2018	
	CITY PROPERTY TAXES (1)		CITY SALES TAXES (4, 5)	SOLID WASTE CHARGES (6)	WATER CHARGES (7)	WASTEWATER CHARGES (8)	ANNUAL TOTAL	PCT OF MESA	
	PRIMARY (2, 3)	SECONDARY (2, 3)							
MESA									
Median Value	\$119,063	\$119,063							
Rate	\$0.0000	\$1.0968	1.75%	\$29.60	\$46.59	\$29.05			
Annual Cost	\$0	\$131	\$499	\$355	\$559	\$349	\$1,893	100%	
CHANDLER									
Median Value	\$165,541	\$165,541							
Rate	\$0.2700	\$0.8700	1.50%	\$16.93	\$24.78	\$27.38			
Annual Cost	\$45	\$144	\$552	\$203	\$297	\$329	\$1,570	83%	
GILBERT									
Median Value	\$177,765	\$177,765							
Rate	\$0.0000	\$1.0281	1.50%	\$16.00	\$24.28	\$21.69			
Annual Cost	\$0	\$183	\$492	\$192	\$291	\$260	\$1,419	75%	
GLENDALE									
Median Value	\$93,849	\$93,849							
Rate	\$0.4632	\$1.6140	2.90%	\$19.05	\$34.82	\$32.20			
Annual Cost	\$43	\$151	\$964	\$229	\$418	\$386	\$2,192	116%	
PHOENIX									
Median Value	\$92,066	\$92,066							
Rate	\$1.3359	\$0.8241	2.30%	\$26.80	\$28.91	\$24.18			
Annual Cost	\$123	\$76	\$672	\$322	\$347	\$290	\$1,830	97%	
SCOTTSDALE									
Median Value	\$275,943	\$275,943							
Rate	\$0.4956	\$0.5889	1.65%	\$15.96	\$36.36	\$19.82			
Annual Cost	\$137	\$163	\$542	\$192	\$436	\$238	\$1,707	90%	
TEMPE									
Median Value	\$135,443	\$135,443							
Rate	\$0.9246	\$1.5688	1.80%	\$25.09	\$33.82	\$22.63			
Annual Cost	\$125	\$212	\$591	\$301	\$406	\$272	\$1,907	101%	

Notes:

1. In FY 2017/18 both the Primary and Secondary Property Tax are based on Tax Year 2017 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, Tax Levy and Rates 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 twice per week 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 FY 16/17 annual average usage of 8,900 water gallons per month, ranging from 6,000 in winter to 12,000 in summer.
8. Winter Water Average formulas are applied in cities where known.

AVERAGE MESA HOMEOWNER'S COST COMPARISON OF FY 2018/19 WITH PROPOSED UTILITY RATE INCREASES							Prepared 2/27/2018
	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 (2018)	\$125,016	\$125,016					
Rate / Monthly	\$0.0000	\$1.0201	1.75%	\$29.60	\$46.59	\$29.08	
Annual Cost	\$0	\$128	\$499	\$355	\$559	\$349	\$1,890
MESA (w/ Rate Increases)							
Median Value (2018)	\$125,016	\$125,016					
Rate / Monthly	\$0.0000	\$1.0201	1.75%	\$30.61	\$48.76	\$30.21	
Annual Cost	\$0	\$128	\$499	\$367	\$585	\$363	\$1,942
CHANGE							
Median Value	\$0	\$0					
Rate / Monthly	\$0.0000	\$0.0000	0.0%	\$1.01	\$2.17	\$1.13	\$4.31
Annually	\$0	\$0.00	\$0	\$12	\$26	\$14	\$52
PCT CHANGE		0.0%	0.0%	3.4%	4.7%	3.9%	2.7%

Notes:

- Both the Primary and Secondary Property Tax are based on Tax Year 2018 Limited Property Value
- Single family residential property: Annual Cost = (Median Value) x 10% x (Tax Rate/100) (Source: Maricopa County Assessor's Office)
- Primary and Secondary Property Tax rates reflect the tax rates as listed on the Maricopa County, Tax Levy and Rates page.
- City Sales Tax annual cost is based on household expenditures from the Consumer Expenditure Survey from the Bureau of Labor Statistics
- 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 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.
- Charge for twice per week 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.
- Charges are based on FY 16/17 annual average usage of 8,900 water gallons per month, ranging from 6,000 in winter to 12,000 in summer.
- Winter Water Average formulas are applied in cities where known.

City of Mesa, Arizona Utility Rate Adjustments Recommendations for FY 18/19

as of 03/05/18

<p>Electric</p> <p>Residential connections only</p> <p>\$ 1.75 flat amount per month in the base rate</p> <p>examples:</p> <table border="1"> <thead> <tr> <th></th> <th>FY 17/18</th> <th>FY 18/19</th> <th>change</th> <th>pct change</th> </tr> </thead> <tbody> <tr> <td>low</td> <td>\$ 46.71</td> <td>\$ 48.46</td> <td>\$ 1.75</td> <td>3.7%</td> </tr> <tr> <td>average</td> <td>\$ 93.41</td> <td>\$ 95.16</td> <td>\$ 1.75</td> <td>1.9%</td> </tr> <tr> <td>high</td> <td>\$ 186.82</td> <td>\$ 188.57</td> <td>\$ 1.75</td> <td>0.9%</td> </tr> </tbody> </table> <p>(Including pass through of electric energy supply costs)</p>		FY 17/18	FY 18/19	change	pct change	low	\$ 46.71	\$ 48.46	\$ 1.75	3.7%	average	\$ 93.41	\$ 95.16	\$ 1.75	1.9%	high	\$ 186.82	\$ 188.57	\$ 1.75	0.9%	<p>Gas Residential and Non-Residential connections</p> <p>\$ 0.75 flat amount per month in the base rate</p> <p>examples:</p> <table border="1"> <thead> <tr> <th></th> <th>FY 17/18</th> <th>FY 18/19</th> <th>change</th> <th>pct change</th> </tr> </thead> <tbody> <tr> <td>low</td> <td>\$ 24.12</td> <td>\$ 24.87</td> <td>\$ 0.75</td> <td>3.1%</td> </tr> <tr> <td>average</td> <td>\$ 32.92</td> <td>\$ 33.67</td> <td>\$ 0.75</td> <td>2.3%</td> </tr> <tr> <td>high</td> <td>\$ 50.51</td> <td>\$ 51.26</td> <td>\$ 0.75</td> <td>1.5%</td> </tr> </tbody> </table> <p>(including pass through of natural gas energy supply costs; seasonality averaged)</p>		FY 17/18	FY 18/19	change	pct change	low	\$ 24.12	\$ 24.87	\$ 0.75	3.1%	average	\$ 32.92	\$ 33.67	\$ 0.75	2.3%	high	\$ 50.51	\$ 51.26	\$ 0.75	1.5%																									
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Attachment 3 - City of Mesa Enterprise Fund Cash Flow Projections

WITH AN ECONOMIC CORRECTION STARTING IN FY 2020/21

NET SOURCES AND USES	FY 16/17	FY 17/18	FY 18/19	FY 19/20	FY 20/21*	FY 21/22	FY 22/23	FY 23/24
	Actuals	Year End Estimate	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast
WATER	\$10,178,954	\$2,065,041	(\$2,011,835)	(\$2,737,680)	(\$6,402,366)	(\$12,810,548)	(\$12,453,437)	(\$8,169,347)
WASTEWATER	\$13,345,168	\$1,463,513	\$556,394	\$2,789,093	(\$1,098,692)	\$2,717,723	\$5,454,967	\$7,433,896
SOLID WASTE	(\$1,288,545)	\$896,782	\$156,063	\$1,719,717	\$924,483	\$1,260,251	\$2,381,564	\$3,498,038
ELECTRIC	\$3,937,308	\$2,597,297	\$928,791	\$1,071,122	\$248,571	(\$44,977)	(\$325,215)	(\$392,473)
NATURAL GAS	\$4,365,347	\$2,533,398	\$1,866,114	\$2,224,221	\$867,660	(\$1,409,781)	(\$1,575,100)	(\$1,665,141)
Subtotal: Utilities	\$30,538,232	\$9,556,031	\$1,495,527	\$5,066,473	(\$5,460,343)	(\$10,287,332)	(\$6,517,222)	\$704,974
DISTRICT COOLING	\$603,859	\$465,866	\$460,937	\$461,170	\$413,541	\$350,436	\$414,496	\$430,716
CONVENTION CENTER	(\$1,707,934)	(\$1,866,964)	(\$1,944,326)	(\$2,551,491)	(\$1,938,536)	(\$1,701,240)	(\$1,863,429)	(\$2,033,797)
GOLF	(\$465,133)	(\$727,059)	(\$988,667)	(\$1,084,899)	(\$807,180)	(\$930,132)	(\$784,519)	(\$983,266)
CUBS SPRING TRAINING -OPERATIONS	(\$792,839)	(\$1,040,896)	(\$1,448,948)	(\$1,464,738)	(\$1,744,037)	(\$1,537,031)	(\$1,571,187)	(\$1,812,854)
HOHOKAM-FITCH	(\$1,685,723)	(\$1,617,066)	(\$1,207,945)	(\$1,460,462)	(\$1,358,338)	(\$1,392,266)	(\$1,402,661)	(\$1,582,804)
Subtotal: Other Enterprises	(\$4,047,771)	(\$4,786,120)	(\$5,128,950)	(\$6,100,419)	(\$5,434,551)	(\$5,210,232)	(\$5,207,301)	(\$5,982,005)
TOTAL NET SOURCES AND USES	\$26,490,461	\$4,769,912	(\$3,633,423)	(\$1,033,946)	(\$10,894,894)	(\$15,497,565)	(\$11,724,522)	(\$5,277,031)
Beginning Reserve Balance	\$66,237,365	\$92,727,826	\$97,497,738	\$93,864,315	\$92,830,369	\$81,935,475	\$66,437,910	\$54,713,388
Ending Reserve Balance	\$92,727,826	\$97,497,738	\$93,864,315	\$92,830,369	\$81,935,475	\$66,437,910	\$54,713,388	\$49,436,357
Ending Reserve Balance Percent**	25.2%	25.2%	23.5%	22.3%	18.9%	14.8%	11.9%	10.4%
**As a % of Next Fiscal Year's Expenditures								
WTR All Rate Revenue	5.0%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%
WW All Rate Revenue	5.0%	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%
SW Residential	4.0%	3.5%	3.5%	3.5%	3.5%	3.0%	3.0%	3.0%
SW Commercial	0.0%	2.5%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%
SW Rolloff	4.9%	0.0%	0.0%	2.0%	2.0%	2.0%	2.0%	2.0%
ELC Residential -svc charge only	\$1.50	\$1.25	\$1.75	\$2.25	\$2.50	\$2.50	\$2.50	\$2.50
ELC Non-Residential	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
GAS Residential - svc charge only	\$1.00	\$0.75	\$0.75	\$0.75	\$0.75	\$1.00	\$1.00	\$1.00
GAS Non-Residential - svc charge only	\$1.00	\$0.75	\$0.75	\$0.75	\$0.75	\$1.00	\$1.00	\$1.00

*WITH AN ECONOMIC CORRECTION STARTING IN FY20/21

Attachment 3 - City of Mesa Enterprise Fund Cash Flow Projections

WITH AN ECONOMIC CORRECTION STARTING IN FY 2020/21

TOTAL ENTERPRISE FUND	FY 16/17	FY 17/18	FY 18/19	FY 19/20	FY 20/21*	FY 21/22	FY 22/23	FY 23/24
	Actuals	Year End Estimate	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast
Sources of Funding								
Revenues	\$329,747,183	\$342,914,652	\$358,340,307	\$373,807,226	\$380,289,036	\$392,056,760	\$409,826,769	\$426,651,368
EECAF/PNGCAF Revenues	\$24,713,615	\$25,519,864	\$25,047,734	\$25,152,949	\$25,108,549	\$25,296,087	\$26,415,111	\$27,122,081
Total Sources	\$354,460,798	\$368,434,516	\$383,388,041	\$398,960,176	\$405,397,585	\$417,352,847	\$436,241,880	\$453,773,450
Uses of Funding								
Operating Expenditures	\$127,137,737	\$137,340,522	\$147,158,233	\$154,461,916	\$158,614,494	\$163,178,744	\$168,459,405	\$172,547,148
EECAF/PNGCAF Expenditures	\$24,802,524	\$25,716,691	\$25,047,734	\$25,152,949	\$25,108,549	\$25,296,087	\$26,415,111	\$27,122,081
Expenditure Subtotal	\$151,940,261	\$163,057,213	\$172,205,967	\$179,614,865	\$183,723,043	\$188,474,831	\$194,874,516	\$199,669,229
Project Costs	\$747,340	\$825,960	\$1,641,711	\$246,196	\$0	\$0	\$0	\$0
General Fund Transfer	\$103,861,000	\$106,478,298	\$108,389,204	\$110,910,200	\$114,037,949	\$117,026,509	\$120,102,046	\$123,258,384
Debt Service Transfer	\$54,379,443	\$76,937,770	\$84,038,747	\$88,546,820	\$97,194,711	\$106,799,634	\$111,935,269	\$114,644,986
Lifecycle/ Infrastructure Transfers	\$6,843,293	\$7,228,047	\$7,529,042	\$7,837,283	\$7,966,231	\$8,203,052	\$8,576,375	\$8,922,964
Capital Transfer	\$4,665,000	\$3,972,986	\$4,276,335	\$3,701,370	\$4,063,446	\$3,381,645	\$3,204,101	\$3,496,276
Economic Investment Fund Transfer	\$5,534,000	\$5,164,331	\$8,940,457	\$9,137,388	\$9,307,099	\$8,964,741	\$9,274,095	\$9,058,642
Total Uses	\$327,970,337	\$363,664,604	\$387,021,463	\$399,994,122	\$416,292,479	\$432,850,411	\$447,966,402	\$459,050,481
Net Sources and Uses	\$26,490,461	\$4,769,912	(\$3,633,423)	(\$1,033,946)	(\$10,894,894)	(\$15,497,565)	(\$11,724,522)	(\$5,277,031)
Beginning Reserve Balance	\$66,237,365	\$92,727,826	\$97,497,738	\$93,864,315	\$92,830,369	\$81,935,475	\$66,437,910	\$54,713,388
Ending Reserve Balance	\$92,727,826	\$97,497,738	\$93,864,315	\$92,830,369	\$81,935,475	\$66,437,910	\$54,713,388	\$49,436,357
Ending Reserve Balance Percent**	25.2%	25.2%	23.5%	22.3%	18.9%	14.8%	11.9%	10.4%

**As a % of Next Fiscal Year's Expenditures

*WITH AN ECONOMIC CORRECTION STARTING IN FY20/21

Attachment 3 - City of Mesa Enterprise Fund Cash Flow Projections

WITH AN ECONOMIC CORRECTION STARTING IN FY 2020/21

WATER	FY 16/17 Actuals	FY 17/18 Year End Estimate	FY 18/19 Forecast	FY 19/20 Forecast	FY 20/21 Forecast	FY 21/22 Forecast	FY 22/23 Forecast	FY 23/24 Forecast
Sources of Funding								
Residential Rate Related Revenues	\$76,865,341	\$83,977,852	\$89,165,566	\$94,447,382	\$97,890,624	\$101,302,439	\$106,127,181	\$110,900,187
Non-Residential Rate Related Revenues	\$54,884,196	\$55,603,900	\$57,488,326	\$59,878,406	\$60,765,168	\$62,617,365	\$65,599,649	\$68,260,050
Other Revenues	\$5,102,565	\$6,089,657	\$6,512,150	\$6,588,448	\$6,476,573	\$6,497,229	\$6,604,876	\$6,689,723
Total Sources	\$136,852,102	\$145,671,409	\$153,166,042	\$160,914,236	\$165,132,365	\$170,417,033	\$178,331,706	\$185,849,960
Uses of Funding								
Operating Expenditures	\$40,838,005	\$48,267,805	\$51,862,715	\$55,288,385	\$57,760,694	\$59,936,602	\$62,024,969	\$63,418,610
Project Costs	\$86,745	\$77,544	\$495,127	\$76,335	\$0	\$0	\$0	\$0
General Fund Transfer	\$53,614,000	\$54,965,073	\$55,951,500	\$57,252,862	\$58,867,434	\$60,410,156	\$61,997,777	\$63,627,107
Debt Service Transfer	\$23,807,604	\$32,220,194	\$36,446,133	\$40,654,471	\$44,199,098	\$52,552,102	\$55,974,263	\$56,233,640
Lifecycle/ Infrastructure Transfers	\$2,615,794	\$2,913,428	\$3,063,321	\$3,218,285	\$3,302,647	\$3,408,341	\$3,566,634	\$3,716,999
Capital Transfer	\$177,000	\$1,070,512	\$563,661	\$169,227	\$242,793	\$100,675	\$92,441	\$109,344
Economic Investment Fund Transfer	\$5,534,000	\$4,091,813	\$6,795,421	\$6,992,352	\$7,162,063	\$6,819,705	\$7,129,059	\$6,913,606
Total Uses	\$126,673,148	\$143,606,368	\$155,177,877	\$163,651,916	\$171,534,730	\$183,227,581	\$190,785,143	\$194,019,307
Net Sources and Uses	\$10,178,954	\$2,065,041	(\$2,011,835)	(\$2,737,680)	(\$6,402,366)	(\$12,810,548)	(\$12,453,437)	(\$8,169,347)
WASTEWATER								
Sources of Funding								
Residential Rate Related Revenues	\$41,103,170	\$43,183,667	\$46,128,880	\$48,181,787	\$49,120,671	\$51,076,084	\$53,876,496	\$56,577,054
Non-Residential Rate Related Revenues	\$36,046,379	\$35,011,720	\$37,136,247	\$38,788,947	\$39,385,043	\$40,787,377	\$42,849,708	\$44,815,515
Other Revenues	\$796,424	\$2,784,050	\$2,799,241	\$2,800,596	\$2,718,099	\$2,694,388	\$2,709,652	\$2,714,615
Total Sources	\$77,945,973	\$80,979,437	\$86,064,368	\$89,771,330	\$91,223,813	\$94,557,849	\$99,435,856	\$104,107,184
Uses of Funding								
Operating Expenditures	\$23,066,678	\$23,952,602	\$26,311,366	\$28,251,047	\$29,104,841	\$29,891,556	\$30,905,670	\$31,647,924
Project Costs	\$64,793	\$214,319	\$321,513	\$45,228	\$0	\$0	\$0	\$0
General Fund Transfer	\$14,563,000	\$15,470,049	\$15,747,681	\$16,113,952	\$16,568,378	\$17,002,580	\$17,449,420	\$17,907,999
Debt Service Transfer	\$25,276,103	\$37,586,436	\$39,956,614	\$39,534,709	\$43,502,990	\$41,862,626	\$42,465,993	\$43,846,953
Lifecycle/ Infrastructure Transfers	\$1,584,232	\$1,619,589	\$1,721,287	\$1,795,427	\$1,824,476	\$1,891,157	\$1,988,717	\$2,082,144
Capital Transfer	\$46,000	\$112,822	\$329,297	\$121,659	\$201,604	\$71,991	\$50,875	\$68,053
Economic Investment Fund Transfer	\$0	\$560,108	\$1,120,215	\$1,120,215	\$1,120,215	\$1,120,215	\$1,120,215	\$1,120,215
Total Uses	\$64,600,805	\$79,515,924	\$85,507,974	\$86,982,237	\$92,322,504	\$91,840,125	\$93,980,890	\$96,673,288
Net Sources and Uses	\$13,345,168	\$1,463,513	\$556,394	\$2,789,093	(\$1,098,692)	\$2,717,723	\$5,454,967	\$7,433,896

Attachment 3 - City of Mesa Enterprise Fund Cash Flow Projections

WITH AN ECONOMIC CORRECTION STARTING IN FY 2020/21

ELECTRIC	FY 16/17	FY 17/18	FY 18/19	FY 19/20	FY 20/21	FY 21/22	FY 22/23	FY 23/24
	Actuals	Year End Estimate	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast
Sources of Funding								
Revenues	\$18,919,490	\$18,164,115	\$18,408,391	\$18,908,844	\$18,868,272	\$19,221,417	\$19,836,090	\$20,383,761
EECAF Revenues	\$14,156,554	\$13,317,702	\$12,631,573	\$12,480,256	\$12,391,337	\$12,660,595	\$13,266,148	\$13,531,904
Total Sources	\$33,076,044	\$31,481,817	\$31,039,964	\$31,389,100	\$31,259,609	\$31,882,012	\$33,102,238	\$33,915,664
Uses of Funding								
Operating Expenditures	\$6,652,711	\$6,658,466	\$7,673,711	\$7,678,797	\$7,835,178	\$8,072,594	\$8,353,638	\$8,409,158
EECAF Expenditures	\$13,699,267	\$13,259,384	\$12,631,573	\$12,480,256	\$12,391,337	\$12,660,595	\$13,266,148	\$13,531,904
Expenditure Subtotal	\$20,351,978	\$19,917,850	\$20,305,284	\$20,159,053	\$20,226,515	\$20,733,188	\$21,619,786	\$21,941,061
Project Costs	\$191,616	\$31,096	\$160,205	\$24,558	\$0	\$0	\$0	\$0
General Fund Transfer	\$6,493,000	\$6,656,624	\$6,776,087	\$6,933,690	\$7,129,225	\$7,316,059	\$7,508,330	\$7,705,652
Debt Service Transfer	\$1,228,376	\$1,316,937	\$1,506,110	\$1,886,831	\$2,257,686	\$2,588,131	\$3,009,215	\$3,334,306
Lifecycle/ Infrastructure Transfers	\$659,767	\$629,636	\$620,799	\$627,782	\$625,192	\$637,640	\$662,045	\$678,313
Capital Transfer	\$214,000	\$98,947	\$275,828	\$219,204	\$305,560	\$185,111	\$161,217	\$181,944
Economic Investment Fund Transfer	\$0	\$233,430	\$466,860	\$466,860	\$466,860	\$466,860	\$466,860	\$466,860
Total Uses	\$29,138,737	\$28,884,520	\$30,111,173	\$30,317,978	\$31,011,038	\$31,926,989	\$33,427,453	\$34,308,137
Net Sources and Uses	\$3,937,308	\$2,597,297	\$928,791	\$1,071,122	\$248,571	(\$44,977)	(\$325,215)	(\$392,473)
NATURAL GAS								
	FY 16/17	FY 17/18	FY 18/19	FY 19/20	FY 20/21	FY 21/22	FY 22/23	FY 23/24
	Actuals	Year End Estimate	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast
Sources of Funding								
Revenues	\$30,489,779	\$30,643,671	\$31,313,299	\$32,306,693	\$32,325,083	\$33,129,974	\$34,427,506	\$35,608,087
PNGCAF Revenues	\$10,557,060	\$12,202,162	\$12,416,161	\$12,672,693	\$12,717,212	\$12,635,492	\$13,148,963	\$13,590,177
Total Sources	\$41,046,839	\$42,845,833	\$43,729,459	\$44,979,386	\$45,042,295	\$45,765,466	\$47,576,469	\$49,198,264
Uses of Funding								
Operating Expenditures	\$13,006,571	\$13,109,992	\$14,018,805	\$14,277,298	\$14,595,302	\$15,001,433	\$15,499,721	\$15,699,239
PNGCAF Expenditures	\$11,103,258	\$12,457,307	\$12,416,161	\$12,672,693	\$12,717,212	\$12,635,492	\$13,148,963	\$13,590,177
Expenditure Subtotal	\$24,109,829	\$25,567,299	\$26,434,965	\$26,949,991	\$27,312,513	\$27,636,926	\$28,648,684	\$29,289,417
Project Costs	\$148,736	\$111,331	\$204,299	\$29,675	\$0	\$0	\$0	\$0
General Fund Transfer	\$7,760,000	\$7,955,552	\$8,098,326	\$8,286,683	\$8,520,373	\$8,743,664	\$8,973,454	\$9,209,280
Debt Service Transfer	\$3,711,510	\$5,460,353	\$5,676,800	\$5,776,781	\$6,546,508	\$9,114,102	\$9,827,477	\$10,609,728
Lifecycle/ Infrastructure Transfers	\$826,417	\$856,917	\$874,589	\$899,588	\$900,846	\$915,309	\$951,529	\$983,965
Capital Transfer	\$125,000	\$82,002	\$16,405	\$254,487	\$336,433	\$207,285	\$192,464	\$213,054
Economic Investment Fund Transfer	\$0	\$278,981	\$557,961	\$557,961	\$557,961	\$557,961	\$557,961	\$557,961
Total Uses	\$36,681,492	\$40,312,435	\$41,863,346	\$42,755,165	\$44,174,635	\$47,175,247	\$49,151,569	\$50,863,405
Net Sources and Uses	\$4,365,347	\$2,533,398	\$1,866,114	\$2,224,221	\$867,660	(\$1,409,781)	(\$1,575,100)	(\$1,665,141)

Attachment 3 - City of Mesa Enterprise Fund Cash Flow Projections

WITH AN ECONOMIC CORRECTION STARTING IN FY 2020/21

SOLID WASTE		FY 16/17	FY 17/18	FY 18/19	FY 19/20	FY 20/21	FY 21/22	FY 22/23	FY 23/24
		Actuals	Year End Estimate	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast
Sources of Funding									
Revenues		\$57,827,792	\$60,423,829	\$62,452,289	\$64,810,073	\$65,653,468	\$67,530,227	\$70,372,480	\$73,077,152
Uses of Funding									
Operating Expenditures		\$33,022,667	\$34,397,816	\$35,843,540	\$36,637,521	\$37,716,214	\$38,633,823	\$39,681,141	\$40,617,442
Project Costs		\$59,969	\$41,369	\$460,567	\$70,400	\$0	\$0	\$0	\$0
General Fund Transfer		\$21,431,000	\$21,431,000	\$21,815,610	\$22,323,014	\$22,952,539	\$23,554,050	\$24,173,066	\$24,808,346
Debt Service Transfer		\$291,618	\$329,199	\$428,438	\$675,033	\$669,866	\$675,550	\$651,318	\$614,312
Lifecycle/ Infrastructure Transfers		\$1,157,083	\$1,208,477	\$1,249,046	\$1,296,201	\$1,313,069	\$1,350,605	\$1,407,450	\$1,461,543
Capital Transfer		\$3,154,000	\$2,119,186	\$2,499,025	\$2,088,186	\$2,077,297	\$2,055,949	\$2,077,941	\$2,077,471
Total Uses		\$59,116,337	\$59,527,047	\$62,296,226	\$63,090,356	\$64,728,985	\$66,269,976	\$67,990,916	\$69,579,114
Net Sources and Uses		(\$1,288,545)	\$896,782	\$156,063	\$1,719,717	\$924,483	\$1,260,251	\$2,381,564	\$3,498,038
DISTRICT COOLING		FY 16/17	FY 17/18	FY 18/19	FY 19/20	FY 20/21	FY 21/22	FY 22/23	FY 23/24
		Actuals	Year End Estimate	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast
Sources of Funding									
Revenues		\$1,433,271	\$1,325,000	\$1,325,000	\$1,355,818	\$1,354,369	\$1,378,996	\$1,423,807	\$1,464,737
Uses of Funding									
Operating Expenditures		\$828,413	\$857,721	\$861,961	\$893,211	\$939,584	\$1,027,692	\$1,008,055	\$1,032,773
Project Costs		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Capital Transfer		\$1,000	\$1,413	\$2,102	\$1,437	\$1,245	\$867	\$1,256	\$1,248
Total Uses		\$829,413	\$859,134	\$864,063	\$894,648	\$940,828	\$1,028,559	\$1,009,311	\$1,034,021
Net Sources and Uses		\$603,859	\$465,866	\$460,937	\$461,170	\$413,541	\$350,436	\$414,496	\$430,716
CONVENTION CENTER		FY 16/17	FY 17/18	FY 18/19	FY 19/20	FY 20/21	FY 21/22	FY 22/23	FY 23/24
		Actuals	Year End Estimate	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast
Sources of Funding									
Revenues		\$3,298,876	\$2,776,137	\$2,994,067	\$3,048,006	\$3,042,381	\$3,082,717	\$3,161,966	\$3,233,870
Uses of Funding									
Operating Expenditures		\$4,500,329	\$4,243,057	\$4,901,346	\$5,366,447	\$4,748,521	\$4,553,500	\$4,791,648	\$5,033,313
Project Costs		\$195,481	\$349,000	\$0	\$0	\$0	\$0	\$0	\$0
Capital Transfer		\$311,000	\$51,044	\$37,047	\$233,049	\$232,396	\$230,457	\$233,747	\$234,353
Total Uses		\$5,006,810	\$4,643,101	\$4,938,393	\$5,599,496	\$4,980,918	\$4,783,957	\$5,025,395	\$5,267,666
Net Sources and Uses		(\$1,707,934)	(\$1,866,964)	(\$1,944,326)	(\$2,551,491)	(\$1,938,536)	(\$1,701,240)	(\$1,863,429)	(\$2,033,797)

Attachment 3 - City of Mesa Enterprise Fund Cash Flow Projections

WITH AN ECONOMIC CORRECTION STARTING IN FY 2020/21

GOLF COURSE

	FY 16/17 Actuals	FY 17/18 Year End Estimate	FY 18/19 Forecast	FY 19/20 Forecast	FY 20/21 Forecast	FY 21/22 Forecast	FY 22/23 Forecast	FY 23/24 Forecast
Sources of Funding								
Revenues	\$1,544,858	\$1,545,480	\$1,551,800	\$1,587,893	\$1,581,188	\$1,607,115	\$1,660,704	\$1,709,000
Uses of Funding								
Operating Expenditures	\$1,726,759	\$2,158,684	\$2,265,806	\$2,418,090	\$2,300,832	\$2,353,616	\$2,400,372	\$2,647,712
Project Costs	\$0	\$954	\$0	\$0	\$0	\$0	\$0	\$0
Debt Service Transfer	\$64,232	\$24,652	\$24,652	\$18,994	\$18,562	\$7,123	\$7,004	\$6,046
Capital Transfer	\$219,000	\$88,250	\$250,009	\$235,708	\$68,973	\$176,508	\$37,848	\$38,508
Total Uses	\$2,009,991	\$2,272,539	\$2,540,467	\$2,672,792	\$2,388,368	\$2,537,247	\$2,445,223	\$2,692,267
Net Sources and Uses	(\$465,133)	(\$727,059)	(\$988,667)	(\$1,084,899)	(\$807,180)	(\$930,132)	(\$784,519)	(\$983,266)

CUBS SPRING TRAINING FACILITIES

	FY 16/17 Actuals	FY 17/18 Year End Estimate	FY 18/19 Forecast	FY 19/20 Forecast	FY 20/21 Forecast	FY 21/22 Forecast	FY 22/23 Forecast	FY 23/24 Forecast
Sources of Funding								
Revenues	\$1,379,169	\$1,331,603	\$1,015,651	\$1,053,784	\$1,058,863	\$1,081,715	\$1,125,028	\$1,164,390
Uses of Funding								
Operating Expenditures	\$1,985,008	\$2,180,399	\$2,288,435	\$2,366,338	\$2,431,819	\$2,491,685	\$2,565,977	\$2,631,009
Project Costs	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Capital Transfer	\$187,000	\$192,100	\$176,164	\$152,185	\$371,080	\$127,060	\$130,238	\$346,235
Total Uses	\$2,172,008	\$2,372,499	\$2,464,599	\$2,518,523	\$2,802,900	\$2,618,746	\$2,696,215	\$2,977,244
Net Sources and Uses	(\$792,839)	(\$1,040,896)	(\$1,448,948)	(\$1,464,738)	(\$1,744,037)	(\$1,537,031)	(\$1,571,187)	(\$1,812,854)

HOHOKAM-FITCH FACILITIES (OAKLAND A'S)

	FY 16/17 Actuals	FY 17/18 Year End Estimate	FY 18/19 Forecast	FY 19/20 Forecast	FY 20/21 Forecast	FY 21/22 Forecast	FY 22/23 Forecast	FY 23/24 Forecast
Sources of Funding								
Revenues	\$55,874	\$53,971	\$49,400	\$50,549	\$49,234	\$49,718	\$51,625	\$53,228
Uses of Funding								
Operating Expenditures	\$1,510,597	\$1,513,980	\$1,130,548	\$1,284,783	\$1,181,509	\$1,216,242	\$1,228,213	\$1,409,966
Project Costs	\$0	\$347	\$0	\$0	\$0	\$0	\$0	\$0
Capital Transfer	\$231,000	\$156,710	\$126,797	\$226,228	\$226,064	\$225,742	\$226,074	\$226,066
Total Uses	\$1,741,597	\$1,671,037	\$1,257,345	\$1,511,011	\$1,407,572	\$1,441,984	\$1,454,287	\$1,636,033
Net Sources and Uses	(\$1,685,723)	(\$1,617,066)	(\$1,207,945)	(\$1,460,462)	(\$1,358,338)	(\$1,392,266)	(\$1,402,661)	(\$1,582,804)