

Resources

5

Fiscal Year Comparative Summaries of Chandler's Revenue Sources
Major Revenue Sources with Analysis and Historical Trends



Chandler continues to emerge from the Great Recession, developing a sustainable employment base and dynamic business environment. Mixed with some of the lowest costs for municipal services in the Valley, we continue to move in a very positive direction.



CHANDLER CITY HALL

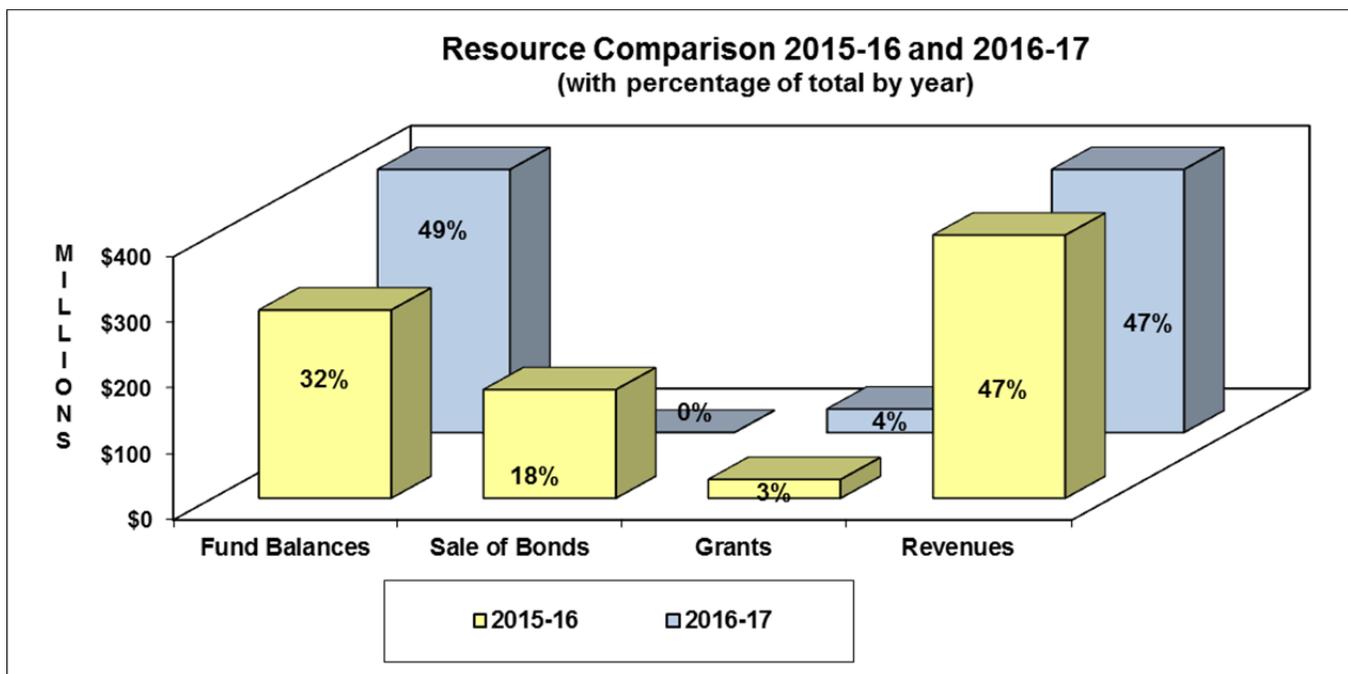
Resources Summary

The Resources section of this document has been prepared to present all sources of revenue in summary form and to offer a more detailed description of major revenue sources. The resources section offers historical reference points and highlights of revenue fluctuations, and serves as the basis for current year estimates.

The next four pages of this section provide summarized data of the comparison of the Fiscal Year (FY) 2015-16 Adopted Budget to the FY 2016-17 Adopted Budget. Subsequent pages in this section give a more detailed description of operating revenues and system development fees, offering summaries of the revenue types, analyses of past revenue collections, and assumptions used in developing the Adopted FY 2016-17 budgeted revenues.

**RESOURCES
CATEGORICAL COMPARISONS**

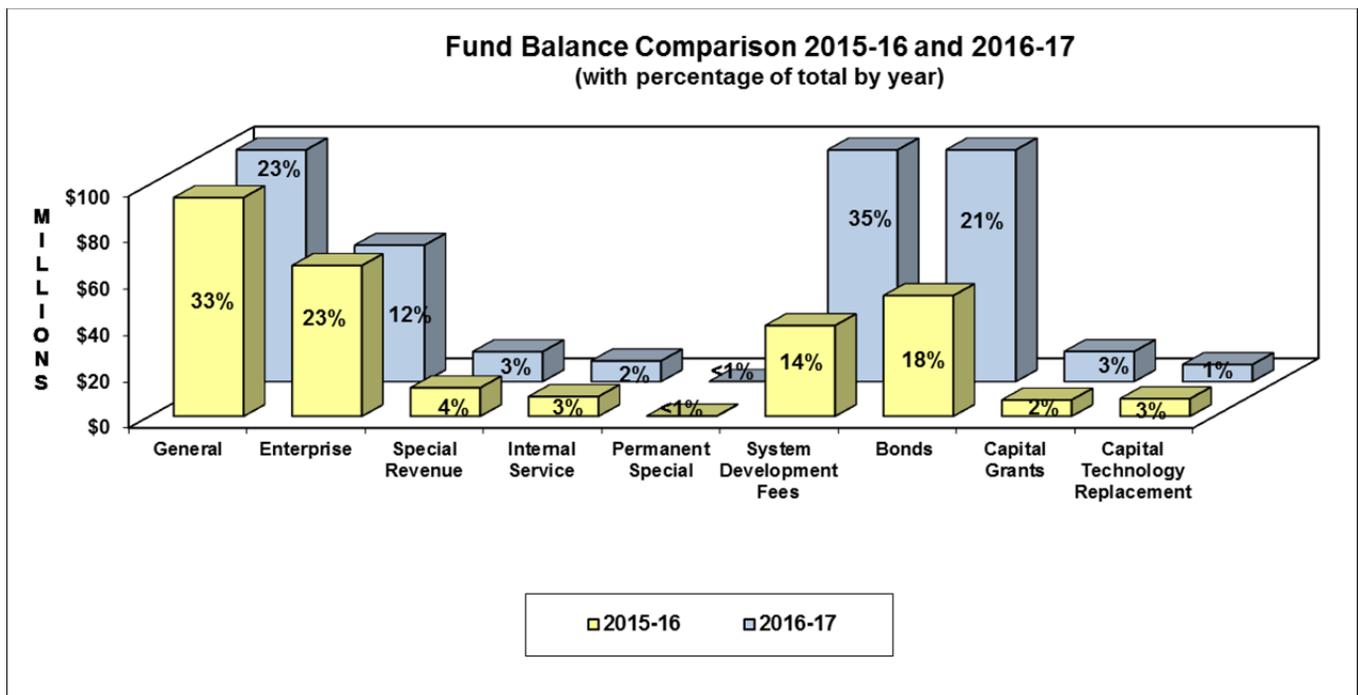
| | 2014-15 Actual Revenues | 2015-16 Adopted Budget | 2016-17 Adopted Budget | % Change Adopted to Adopted |
|--|-------------------------------|------------------------------|------------------------------|-----------------------------------|
| Fund Balances | \$ - | \$ 286,071,768 | \$ 483,501,895 | 69.0% |
| Sale of Bonds | 1,576,650 | 165,035,000 | - | (100.0%) |
| Grants | 17,324,304 | 28,343,722 | 35,683,322 | 25.9% |
| Revenues | 434,187,121 | 431,163,527 | 452,065,390 | 4.8% |
| Total Resources | \$ 453,088,075 | \$ 910,614,017 | \$ 971,250,607 | 6.7% |
| Encumbrance and Carryforward from Prior Years | - | (198,893,714) | (324,944,085) | |
| Net Adjusted Budget | \$ 453,088,075 | \$ 711,720,303 | \$ 646,306,522 | (9.2%) |



Appropriated Fund Balances

Fund Balances represent the difference between revenues and expenditures for each fund. Fund Balances are resources that are carried forward from the prior fiscal year and can be used for expenditures within that fund. The significant variation in the use of Bonds Fund Balance is due to the practice of issuing bonds every other year. Fund balance appropriated (available to spend) for the fiscal year is as follows:

| | 2015-16 Adopted Budget | 2016-17 Adopted Budget | % Change Adopted to Adopted |
|--------------------------------|------------------------------|------------------------------|-----------------------------------|
| Capital | | | |
| System Development Fees | \$ 39,138,832 | \$ 167,697,097 | 328.5% |
| Bonds | 52,088,517 | 103,274,701 | 98.3% |
| Capital Grants | 7,015,236 | 12,935,411 | 84.4% |
| Capital/Technology Replacement | 7,550,599 | 7,312,213 | (3.2%) |
| Total Capital | \$ 105,793,184 | \$ 291,219,422 | 175.3% |
| General | \$ 94,367,738 | \$ 111,655,410 | 18.3% |
| Enterprise | 65,047,166 | 58,814,233 | (9.6%) |
| Special Revenue | 12,269,760 | 12,887,998 | 5.0% |
| Internal Service | 8,506,364 | 8,882,612 | 4.4% |
| Permanent/Special | 87,556 | 42,220 | (51.8%) |
| Total Non-Capital | \$ 180,278,584 | \$ 192,282,473 | 6.7% |
| Total | \$ 286,071,768 | \$ 483,501,895 | 69.0% |





Sale of Bonds

Bonds are a mechanism used to finance various public infrastructure projects. General Obligation, Highway User Revenue, and Utility Revenue Bonds all require voter approval. The revenue source used for the interest payments and repayment of the bond principal is determined by the type of bond sold. Please refer to the Bonded Debt section of this document for further information regarding outstanding debt. The City's current plan is to only sell bonds to fund capital projects every other year. In addition to new debt issuances, the City evaluates refunding opportunities on a continuous basis. Refunding issues do not require voter approval but are approved by the City Council.

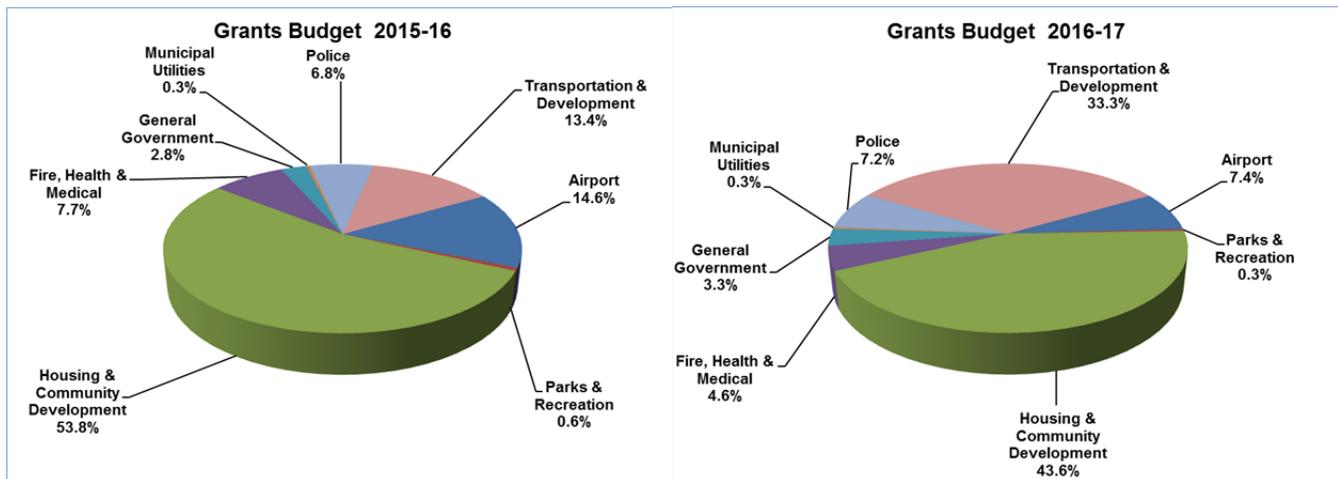
| | 2015-16 Adopted Budget | 2016-17 Adopted Budget | % Change Adopted to Adopted |
|------------------------|---------------------------------------|---------------------------------------|--|
| Streets | \$ 8,275,000 | \$ - | (100.0%) |
| Parks | 2,920,000 | - | (100.0%) |
| Museum | 235,000 | - | (100.0%) |
| Fire, Health & Medical | 4,355,000 | - | (100.0%) |
| Water | 40,000,000 | - | (100.0%) |
| Wastewater | 109,250,000 | - | (100.0%) |
| Total | \$ 165,035,000 | \$ - | (100.0%) |

Grants

This funding source includes federal, state, and local grants for both operating and capital purposes. Grant appropriation will not be expended unless prior authorization of grant award is received from the grant agency.

| | 2015-16 Adopted Budget | 2016-17 Adopted Budget | % Change Adopted to Adopted |
|-----------------------------------|------------------------------|------------------------------|-----------------------------------|
| General Government | | | |
| Airport | \$ 4,142,197 | \$ 2,652,481 | (36.0%) |
| Miscellaneous ⁽¹⁾ | 780,009 | 1,175,451 | 50.7% |
| Community & Neighborhood Services | | | |
| Parks & Recreation | 164,601 | 120,092 | (27.0%) |
| Housing & Community Development | 15,256,554 | 15,564,643 | 2.0% |
| Municipal Utilities | 100,000 | 100,000 | 0.0% |
| Public Safety | | | |
| Fire, Health & Medical | 2,181,000 | 1,646,000 | (24.5%) |
| Police | 1,929,000 | 2,553,148 | 32.4% |
| Transportation & Development | | | |
| Streets | 3,790,361 | 11,871,507 | 213.2% |
| Total | \$ 28,343,722 | \$ 35,683,322 | 25.9% |

⁽¹⁾ General Government Miscellaneous includes CAPA, City Magistrate, City Manager, Cultural Affairs, Economic Development, and Law, when applicable.





Summary of Revenues

Revenues were projected for the Fiscal Year (FY) 2016-17 budget by taking multiple factors into consideration including direct source information, economic conditions, past trends, anticipated future trends, and FY 2015-16 estimated revenues.

| | 2013-14 Actual Revenue | 2014-15 Actual Revenue | 2015-16 Adopted Revenue | 2015-16 Estimated Revenue | 2016-17 Adopted Revenue | % Change Adopted to Adopted | % of Total |
|--|------------------------------|------------------------------|-------------------------------|---------------------------------|-------------------------------|-----------------------------------|---------------|
| Local Taxes and License | \$ 106,122,881 | \$ 110,731,998 | \$ 106,733,550 | \$ 110,620,800 | \$ 110,025,800 | 3.1% | 24.3% |
| Franchise Fees | 3,134,488 | 3,289,168 | 3,175,000 | 3,284,600 | 3,275,000 | 3.1% | 0.7% |
| Transaction Privilege License Tax | 101,339,395 | 105,890,913 | 102,146,800 | 105,936,800 | 105,346,800 | 3.1% | 23.3% |
| Other Licenses | 1,648,998 | 1,551,918 | 1,411,750 | 1,399,400 | 1,404,000 | (0.5%) | 0.3% |
| State/County Shared Revenue | 72,717,012 | 84,684,888 | 77,236,793 | 78,519,016 | 77,977,071 | 1.0% | 17.2% |
| State Shared Sales Tax | 20,604,292 | 21,597,535 | 22,506,700 | 22,506,700 | 23,407,000 | 4.0% | 5.2% |
| Vehicle License Tax | 8,440,066 | 9,030,329 | 9,300,000 | 9,300,000 | 9,500,000 | 2.2% | 2.1% |
| Highway Users Tax | 13,352,622 | 14,633,470 | 14,000,000 | 14,000,000 | 14,000,000 | 0.0% | 3.1% |
| Regional Transportation Sales Tax ⁽¹⁾ | 3,243,937 | 10,106,891 | 2,279,800 | 3,565,895 | 377,250 | (83.5%) | 0.1% |
| Urban Revenue Sharing | 26,379,401 | 28,608,724 | 28,453,600 | 28,453,600 | 30,000,000 | 5.4% | 6.6% |
| Lottery Entitlement | 696,693 | 707,939 | 696,693 | 692,821 | 692,821 | (0.6%) | 0.2% |
| Charges for Services | 17,687,365 | 17,423,493 | 21,655,130 | 16,584,338 | 17,720,357 | (18.2%) | 3.9% |
| Engineering Fees | 1,861,969 | 1,886,770 | 1,560,000 | 1,560,000 | 1,510,000 | (3.2%) | 0.3% |
| Building Division Fees | 5,881,832 | 5,441,749 | 4,950,250 | 5,877,000 | 5,130,000 | 3.6% | 1.1% |
| Planning Fees | 449,711 | 409,615 | 342,000 | 426,300 | 417,200 | 22.0% | 0.1% |
| Public Safety Miscellaneous | 5,680,675 | 6,273,457 | 11,378,300 | 5,148,841 | 7,031,300 | (38.2%) | 1.6% |
| Library Revenues | 481,209 | 432,529 | 420,480 | 412,500 | 406,000 | (3.4%) | 0.1% |
| Parks and Recreation Fees | 3,331,968 | 2,979,373 | 3,004,100 | 3,159,697 | 3,225,857 | 7.4% | 0.7% |
| Miscellaneous Receipts | 70,052,997 | 22,115,078 | 26,255,495 | 26,843,892 | 20,701,483 | (21.2%) | 4.6% |
| Sale of Fixed Assets ⁽²⁾ | 207,357 | 280,171 | 230,000 | 8,984,449 | 680,000 | 195.7% | 0.2% |
| Other Receipts ⁽³⁾ | 62,987,183 | 13,828,525 | 17,043,622 | 9,750,143 | 10,547,938 | (38.1%) | 2.3% |
| Interest on Investments | 2,144,102 | 3,321,096 | 4,203,200 | 3,496,100 | 4,947,900 | 17.7% | 1.1% |
| Leases | 1,306,888 | 1,342,697 | 1,378,973 | 1,541,500 | 1,284,745 | (6.8%) | 0.3% |
| Court Fines | 3,407,467 | 3,342,588 | 3,399,700 | 3,071,700 | 3,240,900 | (4.7%) | 0.7% |
| Enterprise Revenue | 104,422,414 | 116,147,252 | 121,302,249 | 117,487,009 | 120,442,360 | (0.7%) | 26.6% |
| Water Sales | 48,490,198 | 47,193,618 | 50,250,000 | 48,000,000 | 48,500,000 | (3.5%) | 10.7% |
| Wastewater Service | 39,844,923 | 45,355,456 | 54,389,389 | 52,444,016 | 52,988,672 | (2.6%) | 11.7% |
| Reclaimed Water Fees ⁽⁴⁾ | - | - | - | - | 1,700,000 | N/A | 0.4% |
| Solid Waste Service | 13,916,489 | 13,879,263 | 14,569,190 | 14,453,645 | 14,648,990 | 0.5% | 3.2% |
| Solid Waste Container Fees ⁽⁵⁾ | 47,838 | 71,706 | - | - | - | N/A | 0.0% |
| Other Utility Charges ⁽⁶⁾ | 1,802,618 | 9,297,466 | 1,732,120 | 2,255,748 | 2,243,148 | 29.5% | 0.5% |
| Airport Fuel Sales | 320,347 | 349,743 | 361,550 | 333,600 | 361,550 | 0.0% | 0.1% |
| System Development Fees | 24,130,903 | 27,494,860 | 25,638,500 | 40,859,100 | 47,010,700 | 83.4% | 10.4% |
| Water | 5,566,915 | 7,861,625 | 8,475,200 | 10,525,600 | 11,936,100 | 40.8% | 2.6% |
| Wastewater | 6,717,713 | 9,047,613 | 8,845,500 | 12,267,900 | 14,028,900 | 58.6% | 3.1% |
| General Government Impact Fees | 11,846,275 | 10,585,622 | 8,317,800 | 18,065,600 | 21,045,700 | 153.0% | 4.7% |
| Interfund Charges | 26,194,407 | 26,844,868 | 23,921,810 | 26,301,535 | 28,211,599 | 17.9% | 6.2% |
| Property Tax | 28,731,032 | 28,744,684 | 28,420,000 | 28,420,000 | 29,976,020 | 5.5% | 6.6% |
| Total Revenue | \$ 450,059,011 | \$ 434,187,121 | \$ 431,163,527 | \$ 445,635,690 | \$ 452,065,390 | 4.8% | 100.0% |

⁽¹⁾ The Regional Transportation Sales Tax reported under the State/County Shared Revenue category varies from year to year based upon the Maricopa Association of Governments Arterial Life Cycle Program.

⁽²⁾ FY 2015-16 Estimated Revenue includes over \$8 million for the sale of a parcel of land owned by the City's water and wastewater utilities.

⁽³⁾ This category includes reimbursement revenue for a utility plant expansion in which Intel Corporation will reimburse the City for a portion of these costs. Amounts reported include reimbursements of \$57,234,102 in FY 2013-14 Actual Revenue, \$7,211,405 in FY 2014-15 Actual Revenue, \$9,071,921 in FY 2015-16 Adopted Revenue (including carryforward appropriation), \$ 2,748,266 in FY 2015-16 Estimated Revenue, and \$2,535,358 in FY 2016-17 Adopted Revenue (including carryforward appropriation).

⁽⁴⁾ A new Reclaimed Water Fund is created in FY 2016-17, with Reclaimed Water Fees reported effective with FY 2016-17 Adopted Revenue.

⁽⁵⁾ Starting with FY 2015-16 Adopted Revenue, this revenue is reported as part of Other Utility Charges.

Significant Revenues

Local Taxes and Licenses

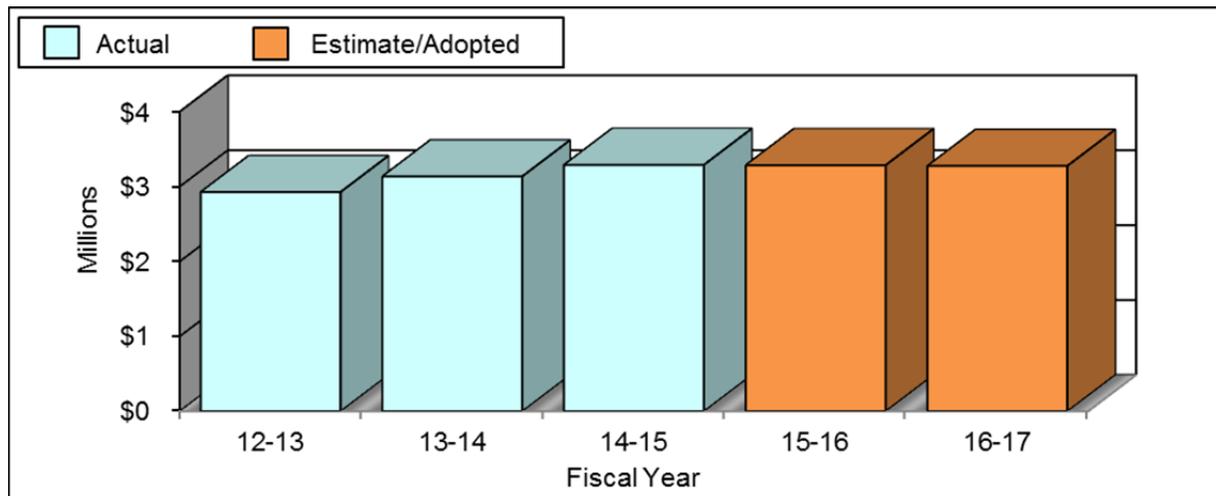
SOURCE: Franchise Fees

Summary: Franchise fees paid by Arizona Public Service, Air Products, Southwest Gas Corporation, Cox Communications, CenturyLink, and Western Broadband are based upon agreements entered into between City Council and the individual corporations. Arizona Public Service pays two percent of gross receipts from the sale of electric energy at retail for residential and commercial purposes. Air Products pays two percent of gross annual sales of nitrogen gas. Southwest Gas Corporation pays two percent of gross receipts from the sale of gas at retail for residential, industrial, and commercial purposes. Cox Communications, CenturyLink, and Western Broadband pay five percent of gross revenue. This revenue may be expended for any municipal public purpose.

Analysis: The data below reflects recent years of actual revenue with the percent of increase or decrease. The Fiscal Year (FY) 2013-14 increase reflects the reentry of CenturyLink and the addition of Western Broadband into the cable television market. The FY 2015-16 year-end estimate is an eight month actual and four month projection, which reflects anticipated collections under the agreements.

Projection: The FY 2016-17 adopted budget is based upon specific industry projections and normal receipt of franchise payments.

| Fiscal Year | Amount | % Inc/(Dec) |
|-----------------------------|--------------|-------------|
| 2012-13 | \$ 2,925,559 | (1.7) |
| 2013-14 | 3,134,488 | 7.1 |
| 2014-15 | 3,289,168 | 4.9 |
| 2015-16 (Year-End Estimate) | 3,284,600 | (0.1) |
| 2016-17 (Adopted) | 3,275,000 | (0.3) |



Source: Transaction Privilege (Sales) and Use Tax

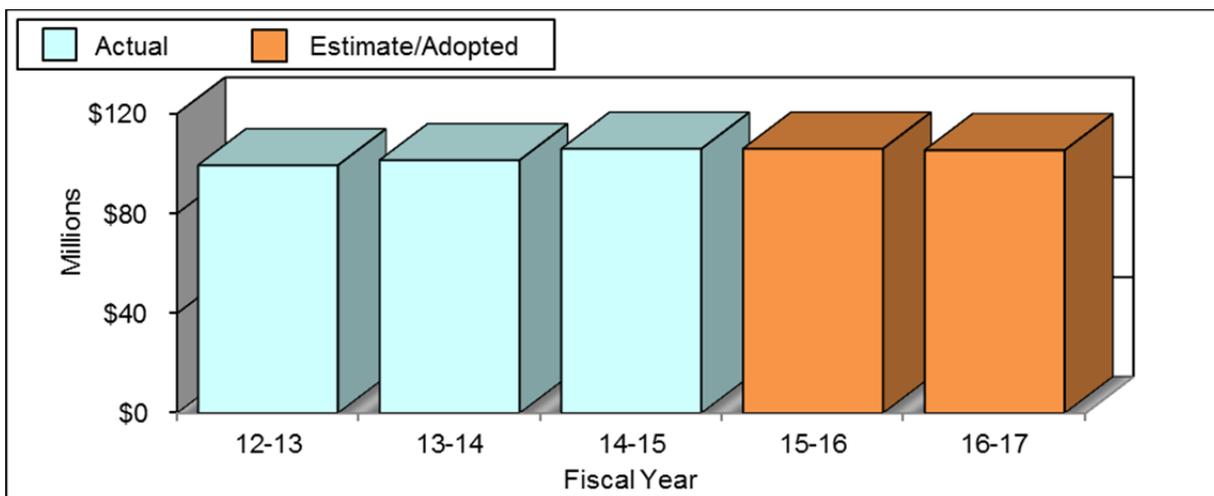
Summary: The Transaction Privilege (Sales) and Use Tax is obtained from a City-administered tax on the sale of goods and various business activities on the purchase price of any tangible personal property subject to use tax. It is calculated based on varying percentages of gross receipts from engaging in any of the defined privilege tax classifications, less allowed deductions, exemptions, and exclusions. This is the largest ongoing revenue source for the City of Chandler’s General Fund. Economic activity, especially in the area of construction and retail sales, has a direct effect on collections. As a result, those areas are closely monitored for any major fluctuations. The majority of this revenue is received in the General Fund and may be expended for any municipal public purpose. Revenues received in the Airport Operating Fund may be expended only for the operation of the airport enterprise.

Analysis: The data below reflects recent years of actual revenue with the percent of increase or decrease. The years shown reflect continued improvement since the economic downturn ending in Fiscal Year (FY) 2009-10. The FY 2012-13 increase reflects the final year of the impact of an Intel Corporation expansion. The FY 2015-16 year-end estimate is an eight month actual and four month projection reflecting a strong economy.

Projection: The FY 2016-17 adopted budget reflects a slight decline from the FY 2015-16 year-end estimate but a 3.1% increase over the FY 2015-16 adopted budget. Collections remain on a track of steady growth with no exceptionally large developments anticipated in the new year. Consumers are anticipated to maintain a stable spending trend consistent with the rest of the economy.

It should be noted that state legislation regarding the shift of sales tax administration from the City to the Arizona Department of Revenue has been delayed but could happen during FY 2016-17. Although there could be an impact to total collections from the new process and a possible lag in the receipt of revenues during the transition, FY 2016-17 does not reflect any financial impact. Instead, the Budget Stabilization Reserve has been continued for FY 2016-17 as explained in the Executive Summary section of this document.

| Fiscal Year | Amount | % Inc/(Dec) |
|-----------------------------|---------------|-------------|
| 2012-13 | \$ 99,298,205 | 4.3 |
| 2013-14 | 101,339,395 | 2.1 |
| 2014-15 | 105,890,913 | 4.5 |
| 2015-16 (Year-End Estimate) | 105,936,800 | 0.0 |
| 2016-17 (Adopted) | 105,346,800 | (0.6) |





Transaction Privilege (Sales) and Use Tax

The following detail is presented to show by category the amount of Transaction Privilege (Sales) and Use Tax that has been collected in recent fiscal years, the adopted budget and revised estimate for the current year, and the adopted budget for the upcoming fiscal year. The Fiscal Year 2015-16 estimate is an eight month actual and four month projection. The subtotal on the following table agrees to the amounts reported on the prior page. All amounts shown are General Fund revenues, with the exception of the General Retail amounts generated by Aviation fuel sales and recorded as revenue to the Airport Operating Fund. The Grand Total incorporates other General Fund revenues associated with Transaction Privilege (Sales) and Use Taxes that are reported within other revenue categories (Other Licenses and Other Receipts).

| Category | 2012-13 Actual | 2013-14 Actual | 2014-15 Actual | 2015-16 Adopted | 2015-16 Estimate | 2016-17 Adopted | % change Est 2015-16 to 2016-17 |
|--|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|---------------------------------------|
| Contracting ⁽¹⁾ | \$ 10,408,519 | \$ 9,780,645 | \$ 8,870,092 | \$ 8,900,000 | \$ 8,300,000 | \$ 8,500,000 | 2.4% |
| General Retail ⁽²⁾ | 45,331,307 | 47,384,617 | 49,729,135 | 48,200,000 | 50,000,000 | 49,200,000 | (1.6%) |
| General Retail - To Airport ⁽³⁾ | - | 70,065 | 10,865 | 10,800 | 10,800 | 10,800 | 0.0% |
| Restaurant/Bar | 9,069,109 | 9,542,714 | 10,188,718 | 9,800,000 | 9,900,000 | 9,900,000 | 0.0% |
| Utilities | 12,363,565 | 12,421,526 | 13,194,526 | 13,000,000 | 15,000,000 | 15,000,000 | 0.0% |
| Telecommunications | 3,731,350 | 3,533,636 | 3,435,949 | 3,500,000 | 3,300,000 | 3,500,000 | 6.1% |
| Rentals - Real | 10,817,611 | 11,058,203 | 11,967,509 | 11,200,000 | 11,970,000 | 11,800,000 | (1.4%) |
| Rentals - Personal | 2,884,618 | 2,949,421 | 3,261,716 | 3,200,000 | 3,100,000 | 3,000,000 | (3.2%) |
| Hotel/Motel | 2,288,989 | 2,472,754 | 2,892,470 | 2,500,000 | 2,400,000 | 2,500,000 | 4.2% |
| Publishing/Other | 334,981 | 258,547 | 260,712 | 250,000 | 270,000 | 250,000 | (7.4%) |
| Amusements | 717,442 | 728,110 | 895,730 | 730,000 | 750,000 | 750,000 | 0.0% |
| Use Tax | 1,315,599 | 1,090,428 | 1,145,534 | 820,000 | 900,000 | 900,000 | 0.0% |
| Privilege Tax Interest | 24,141 | 37,768 | 26,996 | 25,000 | 25,000 | 25,000 | 0.0% |
| Excise Tax Refunds | 10,974 | 10,961 | 10,961 | 11,000 | 11,000 | 11,000 | 0.0% |
| Subtotal | \$ 99,298,205 | \$ 101,339,395 | \$ 105,890,913 | \$ 102,146,800 | \$ 105,936,800 | \$ 105,346,800 | (0.6%) |
| Privilege License Fees ⁽⁴⁾ | \$ 1,032,818 | \$ 1,024,394 | \$ 962,637 | \$ 828,750 | \$ 830,000 | \$ 830,000 | 0.0% |
| Audit Assessments ⁽⁴⁾ | 1,611,902 | 1,306,392 | 1,503,731 | 1,000,000 | 1,500,000 | 1,000,000 | (33.3%) |
| Privilege License Penalties ⁽⁴⁾ | 268,566 | 291,647 | 321,675 | 225,000 | 225,000 | 225,000 | 0.0% |
| Grand Total | \$ 102,211,491 | \$ 103,961,828 | \$ 108,678,956 | \$ 104,200,550 | \$ 108,491,800 | \$ 107,401,800 | (1.0%) |

⁽¹⁾ Contracting includes sales tax collections on all construction activity.

⁽²⁾ General Retail includes Car and Truck, Grocery Stores, Drug, and Liquor Stores.

⁽³⁾ Revenue generated from taxes on Airport Fuel sales. The 2013-14 Actual amount includes revenues from six prior years to adjust for taxes to be posted directly to the Airport Operating Fund. The 2014-15 Actual, 2015-16 Adopted, 2015-16 Estimate, and 2016-17 Adopted reflects anticipated revenues for a single year.

⁽⁴⁾ Also associated with Transaction Privilege (Sales) and Use Tax, but Privilege License Fees are reported in the Other Licenses portion of the Resources section, and Audit Assessments and Privilege License Penalties are reported in the Other Receipts portion of the Resources section.

Source: Other Licenses

Summary: Revenue from Other Licenses is comprised of the nine categories of licenses detailed below, accompanied by the Fiscal Year (FY) 2016-17 adopted budget for each category:

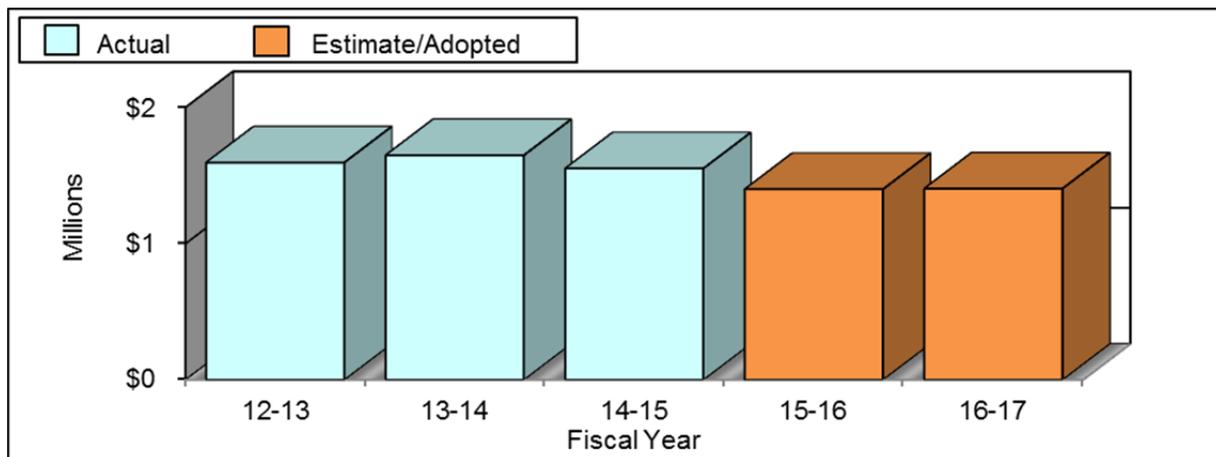
| | | | |
|---------------------------------|-----------|--------------------------------------|---------|
| • Privilege License Fees | \$830,000 | • Peddlers and Vendors Licenses | \$8,000 |
| • Alcoholic Beverage Licenses | 300,000 | • Second Hand and Junk Licenses | 8,000 |
| • Wireless Communication Leases | 128,000 | • Professional & Occupation Licenses | 5,000 |
| • Alarm Permits | 107,000 | • Cable License Applications | 3,000 |
| • Amusement Licenses | 15,000 | | |

This revenue may be expended for any municipal public purpose.

Analysis: The data below reflects recent years of actual revenue with the percent of increase or decrease, and has been relatively stable since FY 2012-13. The FY 2015-16 year-end estimate is an eight month actual and four month projection based on historical trends.

Projection: The FY 2016-17 adopted budget anticipates an increase in Wireless Communication Leases.

| Fiscal Year | Amount | % Inc/(Dec) |
|-----------------------------|--------------|-------------|
| 2012-13 | \$ 1,595,622 | (1.3) |
| 2013-14 | 1,648,998 | 3.3 |
| 2014-15 | 1,551,918 | (5.9) |
| 2015-16 (Year-End Estimate) | 1,399,400 | (9.8) |
| 2016-17 (Adopted) | 1,404,000 | 0.3 |



State/County Shared Revenues

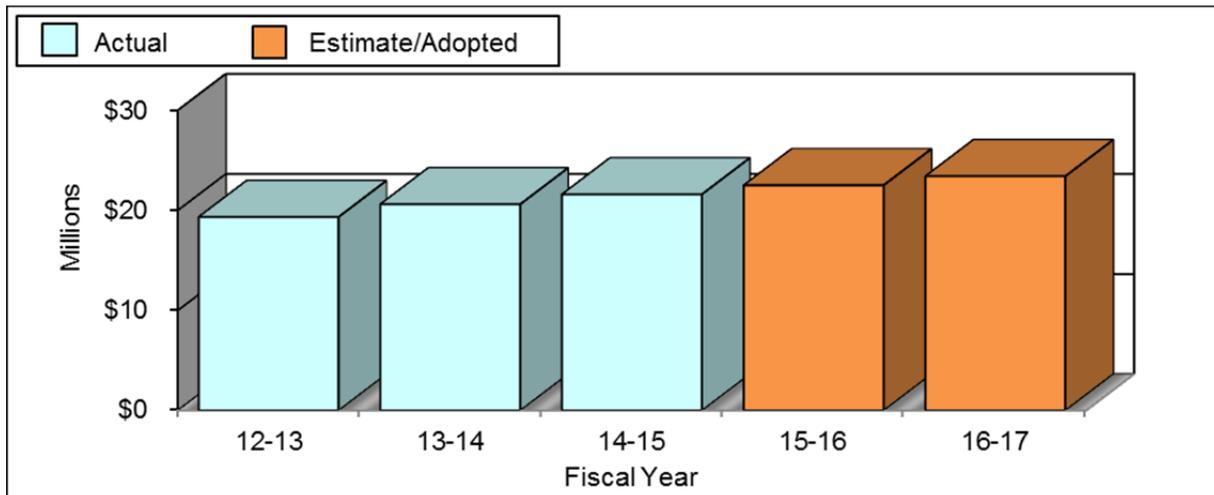
Source: State Shared Sales Tax

Summary: The state sales tax rate is currently 5.6%, of which a portion of the various categories of sales tax are distributed to cities and towns based on population on a monthly basis. This revenue may be expended for any municipal public purpose.

Analysis: The data below reflects recent years of actual revenue with the percent of increase or decrease. The years shown reflect the slow but steady recovery from the economic downturn. The Fiscal Year (FY) 2015-16 year-end estimate is an eight month actual and four month projection based on historical trends.

Projection: The FY 2016-17 adopted budget is based on historical analysis and information from the League of Arizona Cities and Towns and the Arizona Department of Revenue. This estimate addresses, to the extent possible, the impact of the Mid-Decade Census figures and new legislation regarding population used for distribution of state shared revenues. The State of Arizona has shown positive growth in the last three years which is reflected in the steady growth in revenues for State Shared Sales Tax and the anticipated 4% increase for FY 2016-17. Subsequent to a time when the City could revise their budget, the League of Arizona Cities and Towns issued revised estimates based on 2015 Census Bureau population estimates as well as 2015 Special Census population estimates for a new FY 2016-17 estimate of \$24,566,326.

| Fiscal Year | Amount | % Inc/(Dec) |
|-----------------------------|---------------|--------------------|
| 2012-13 | \$ 19,327,102 | 4.7 |
| 2013-14 | 20,604,292 | 6.6 |
| 2014-15 | 21,597,535 | 4.8 |
| 2015-16 (Year-End Estimate) | 22,506,700 | 4.2 |
| 2016-17 (Adopted) | 23,407,000 | 4.0 |



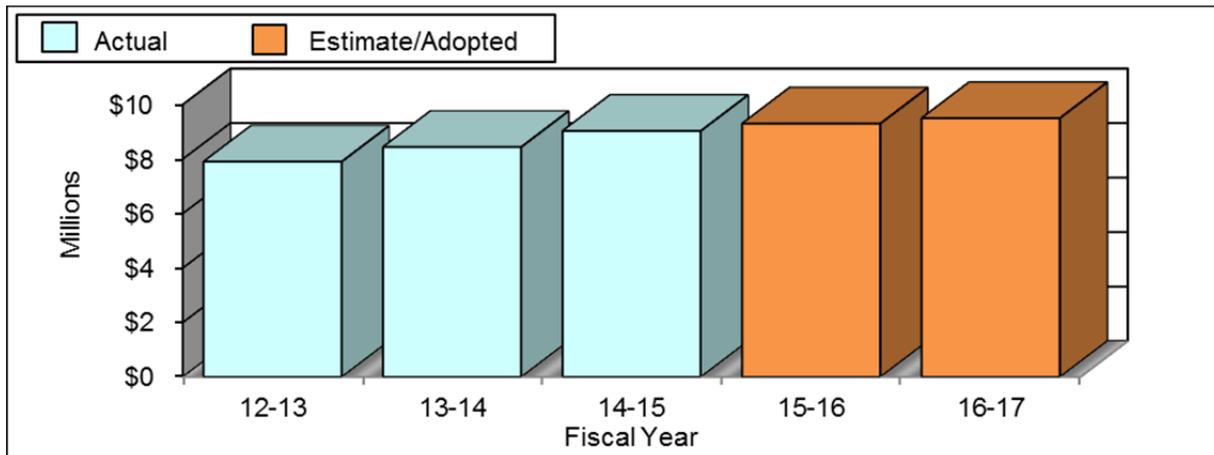
Source: Vehicle License Tax

Summary: This state shared tax is distributed through each County Treasurer's Office on a bi-monthly basis. Cities and towns receive 24.6% of the net revenues collected for vehicle licensing on most vehicles registered within their county and a portion of rental vehicle surcharges. The respective shares are determined by the proportion of their population to total incorporated population of the county. This revenue may be expended for any municipal public purpose.

Analysis: The data below reflects recent years of actual revenue with the percent of increase or decrease. Results since Fiscal Year (FY) 2012-13 reflect the recovery from the economic downturn. The FY 2015-16 year-end estimate is an eight month actual and four month projection based on historical trends.

Projection: The FY 2016-17 adopted budget is based on information from the League of Arizona Cities and Towns and the Arizona Department of Revenue. This estimate addresses, to the extent possible, the impact of the Mid-Decade Census figures and new legislation regarding population used for distribution of state shared revenues. The State of Arizona has shown positive growth in the last three years which is reflected in the steady growth in revenues for Vehicle License Tax and the anticipated 2.2% increase for FY 2016-17. Subsequent to a time when the City could revise their budget, the League of Arizona Cities and Towns issued revised estimates based on 2015 Census Bureau Population Estimates as well as 2015 Special Census Population Estimates for a new FY 2016-17 estimate of \$10,140,127.

| Fiscal Year | Amount | % Inc/(Dec) |
|-----------------------------|--------------|-------------|
| 2012-13 | \$ 7,900,647 | 4.2 |
| 2013-14 | 8,440,066 | 6.8 |
| 2014-15 | 9,030,329 | 7.0 |
| 2015-16 (Year-End Estimate) | 9,300,000 | 3.0 |
| 2016-17 (Adopted) | 9,500,000 | 2.2 |



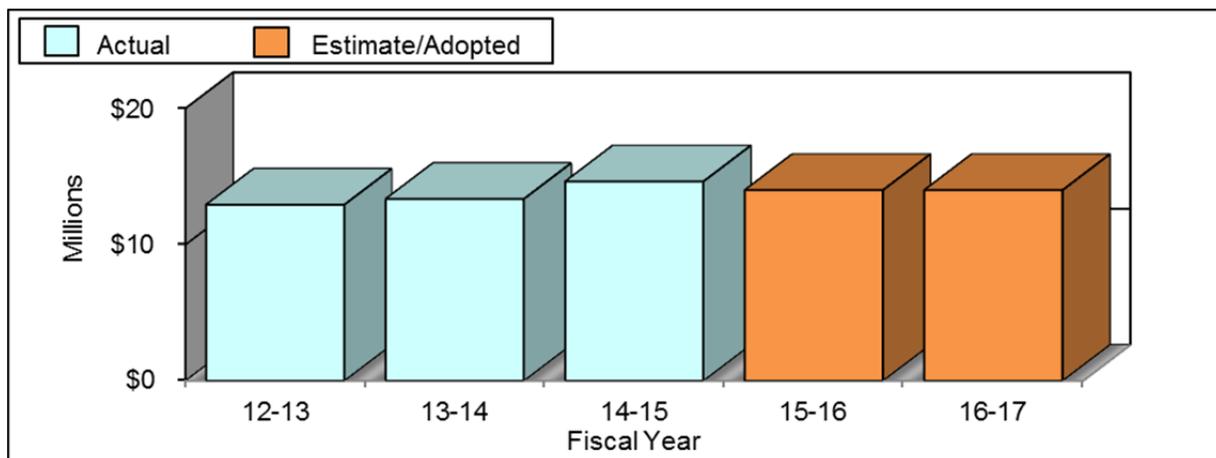
Source: Highway Users Tax

Summary: The state gas tax is currently levied at a rate of \$0.18 per gallon and is distributed to cities and towns using two formulas. Of the \$0.18 per gallon, \$0.13 is placed in the Highway User Revenue Fund (HURF). Cities and towns receive 27.5% of these revenues. One-half of this allocation is distributed on the basis of the municipality's population in relation to the population of all incorporated cities and towns in the State. The remaining half is allocated on the basis of "county of origin" of gasoline sales and the proportion of the municipality's population to the population of all incorporated cities and towns in the county. In addition to this revenue, cities and towns receive a share of a \$0.03 per gallon tax that is distributed as part of the monthly highway user revenue monies. This revenue must be expended solely on street and highway maintenance and construction projects within the City.

Analysis: The data below reflects recent years of actual revenue with the percent of increase or decrease. Although not shown, Fiscal Year (FY) 2011-12 was reduced \$1.6 million from the City's regular distribution due to legislative action changing the distribution formula to provide additional funding for state agencies. Distributions returned to the previous formula in FY 2012-13. The FY 2015-16 year-end estimate is an eight month actual and four month projection based on historical trends.

Projection: The FY 2016-17 adopted budget is based on projections provided by the League of Arizona Cities and Towns and Arizona Department of Revenue and represents revised calculations based upon Mid-Decade Census figures. The legislature did not attempt to further divert additional HURF monies to other state agencies in this legislative session and left distribution formulas the same as the previous year. Subsequent to a time when the City could revise their budget, the League of Arizona Cities and Towns issued revised estimates based on 2015 Census Bureau Population Estimates as well as 2015 Special Census Population Estimates for a new FY 2016-17 estimate of \$15,770,459 as well as a one-time distribution of \$635,094.

| Fiscal Year | Amount | % Inc/(Dec) |
|-----------------------------|---------------|-------------|
| 2012-13 | \$ 12,929,504 | 9.4 |
| 2013-14 | 13,352,622 | 3.3 |
| 2014-15 | 14,633,470 | 9.6 |
| 2015-16 (Year-End Estimate) | 14,000,000 | (4.3) |
| 2016-17 (Adopted) | 14,000,000 | - |



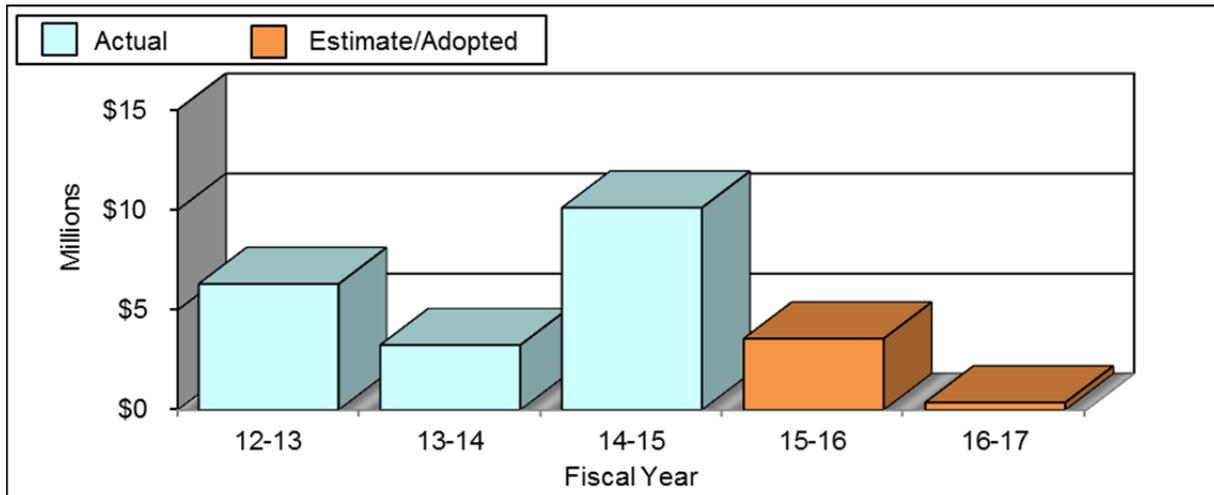
Source: Regional Transportation (Sales) Tax

Summary: On November 2, 2004, Maricopa County voters approved Proposition 400, which extends the one-half cent sales tax for another 20 years through December 31, 2025. Funds from the sales tax extension will be used for construction of new freeways, widening of existing freeways and highways, improvements to the arterial street system, regional bus service and other special transportation services, and high capacity transit services such as light rail, bus rapid transit, and express buses. The Arizona Department of Transportation (ADOT) administers freeway revenue, the Maricopa Association of Governments administers arterial streets revenue, and Valley Metro and Valley Metro Rail administer public transportation revenue. This arterial street revenue is dedicated for reimbursement of construction or street and highway projects within the City.

Analysis: The amounts received in any given year reflect the contributions as programmed by the Maricopa Association of Governments Arterial Life Cycle Program (ALCP) and are not fixed amounts per year. The Fiscal Year (FY) 2015-16 year-end estimate is an eight month actual and four month projection based on the published ALCP schedule.

Projection: The FY 2016-17 adopted budget is based on planned construction of arterial street and intersection projects scheduled for reimbursement in the ALCP this year. Because of past success in acceleration of planned reimbursements, there is a relatively small amount projected for FY 2016-17. Advanced reimbursements are again possible, which could add to the projected amount shown here.

| Fiscal Year | Amount | % Inc/(Dec) |
|-----------------------------|--------------|-------------|
| 2012-13 | \$ 6,295,212 | 5.3 |
| 2013-14 | 3,243,937 | (48.5) |
| 2014-15 | 10,106,891 | 211.6 |
| 2015-16 (Year-End Estimate) | 3,565,895 | (64.7) |
| 2016-17 (Adopted) | 377,250 | (89.4) |



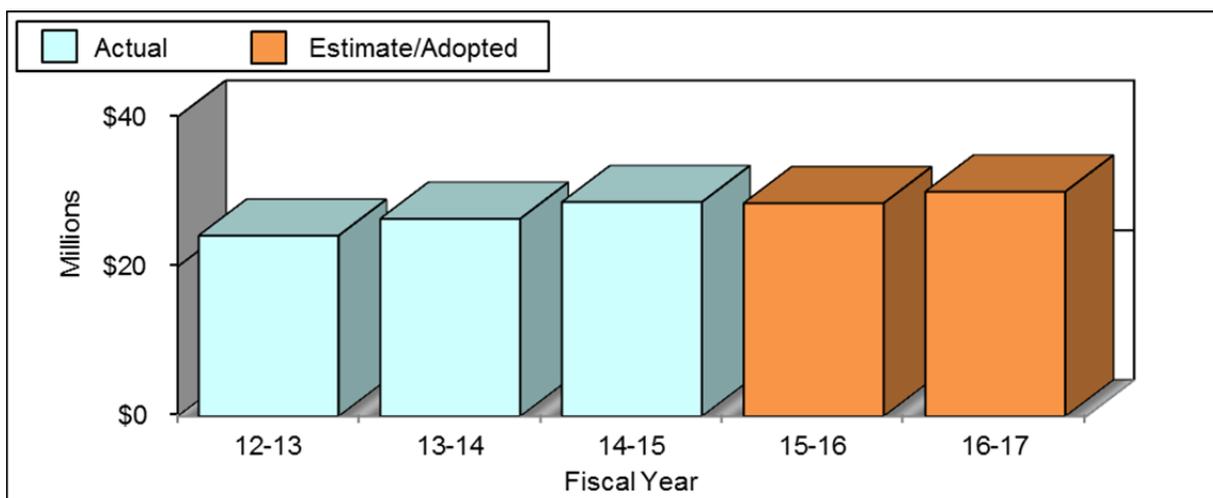
Source: Urban Revenue Sharing

Summary: This state shared revenue is the City's share of state income tax receipts. An amount equivalent to 15% of the net proceeds of state income taxes for the fiscal year two years prior to the current fiscal year is paid to the various incorporated municipalities in proportion to their population. This revenue may be expended for any municipal public purpose.

Analysis: The data below reflects recent years of actual revenue with the percent of increase or decrease. Because of the timing of income earned by corporations and individuals, payment of taxes on that income in the following years, and time needed for the State to complete the distribution of the Urban Revenue Sharing, it takes about two years for changes in the economy to be reflected in City revenues. The Fiscal Year (FY) 2012-13 increase reflects the improved economy and related tax collections at the state level for tax year 2010. The FY 2013-14 increase reflects improved collections from tax year 2011. The FY 2015-16 year-end estimate is an eight month actual and four month projection reflecting the annual distribution amount determined by the State, and is based on income tax the State has already collected for tax year 2012, with the increase primarily attributed to economic growth.

Projection: The FY 2016-17 adopted budget is based on information from the League of Arizona Cities and Towns and the Arizona Department of Revenue. This estimate addresses, to the extent possible, the impact of the Mid-Decade Census figures and potential new legislation regarding population used for distribution of state shared revenues. The State of Arizona has shown positive growth in the last three years which is reflected in the steady growth in revenues for Urban Revenue Sharing and the anticipated 5.4% increase for FY 2016-17. Subsequent to a time when the City could revise their budget, the League of Arizona Cities and Towns issued revised estimates based on 2015 Census Bureau Population Estimates as well as 2015 Special Census Population Estimates for a new FY 2016-17 estimate of \$31,930,824.

| Fiscal Year | Amount | % Inc/(Dec) |
|-----------------------------|---------------|-------------|
| 2012-13 | \$ 24,119,457 | 21.0 |
| 2013-14 | 26,379,401 | 9.4 |
| 2014-15 | 28,608,724 | 8.5 |
| 2015-16 (Year-End Estimate) | 28,453,600 | (0.5) |
| 2016-17 (Adopted) | 30,000,000 | 5.4 |



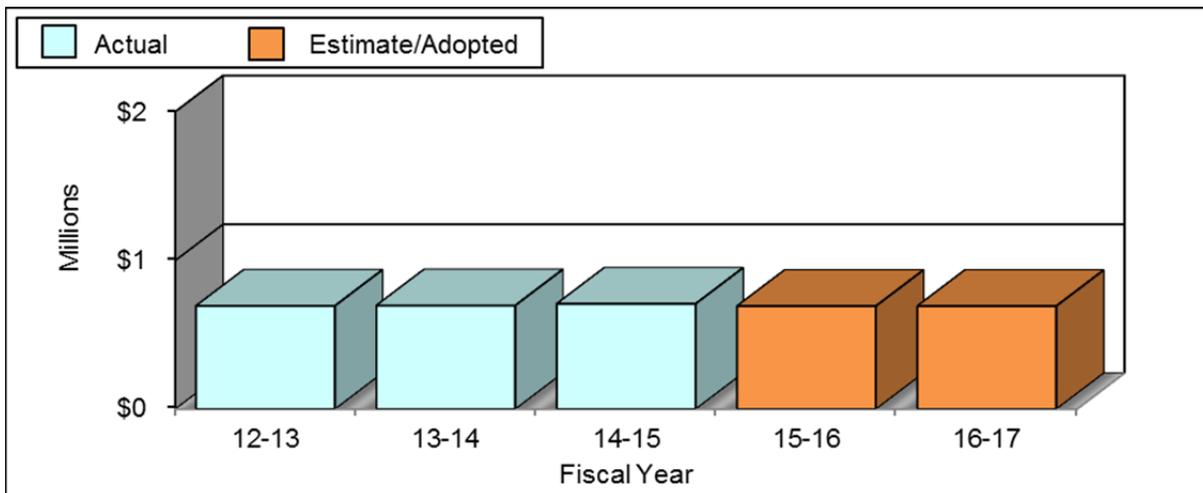
Source: Lottery Entitlement

Summary: Distribution of state lottery monies to the City began in January 1982 through the Local Transportation Assistance Fund (LTAF), but monthly distributions were discontinued by the State during Fiscal Year (FY) 2009-10. Amounts remaining in fund balance may be expended for construction or reconstruction of streets and highway projects in the public right-of-way. Since FY 2010-11, the State has distributed annual one-time Arizona Lottery Fund (ALF) distributions to cities and towns based upon an annual application from the City. This revenue may be expended for any municipal transit purpose, including fixed route operations.

Analysis: The data below reflects recent years of actual revenue with the percent of increase or decrease.

Projection: The FY 2016-17 adopted budget is based on projections provided by the Regional Public Transportation Authority.

| Fiscal Year | Amount | % Inc/(Dec) |
|-----------------------------|------------|-------------|
| 2012-13 | \$ 694,355 | 0.2 |
| 2013-14 | 696,693 | 0.3 |
| 2014-15 | 707,939 | 1.6 |
| 2015-16 (Year-End Estimate) | 692,821 | (2.1) |
| 2016-17 (Adopted) | 692,821 | - |



Charges for Services

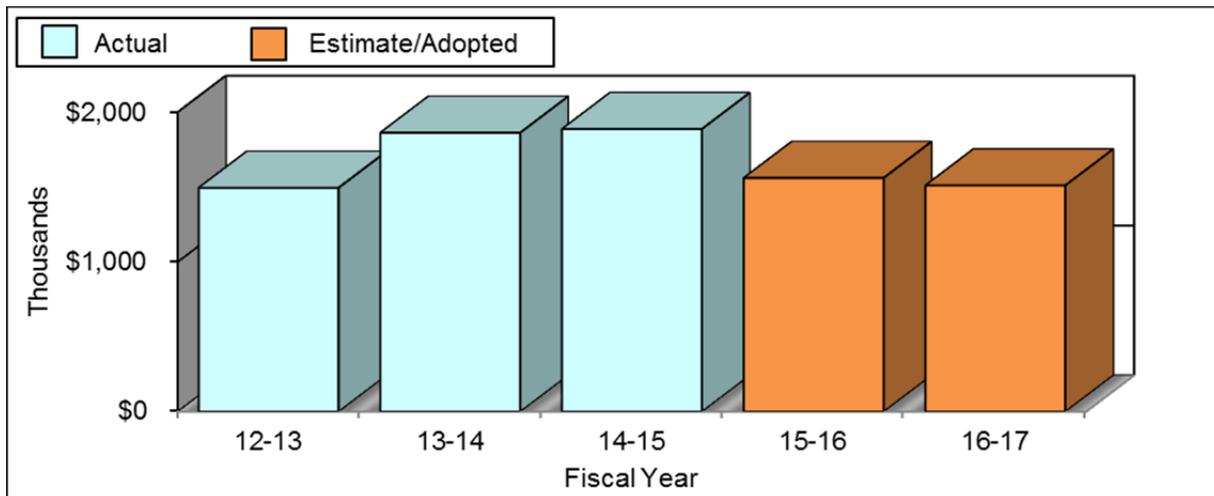
Source: Engineering Fees

Summary: Engineering Fees are derived from plan review fees, off-site inspection fees, encroachment permits, and fiber optic permits. Most of these revenues are a function of development, and offset the cost of inspection and staff for oversight of private development offsite construction. Fees are also imposed to offset the City's cost for plan reviews. This revenue may be expended for any municipal public purpose.

Analysis: The data below reflects recent years of actual revenue with the percent of increase or decrease. Fiscal Year (FY) 2013-14 increases were in all types of fees except weekend off-site inspection fees. The FY 2015-16 year-end estimate is an eight month actual and four month projection reflecting decreases in encroachment permits and civil engineering plan review.

Projection: The FY 2016-17 adopted budget reflects a slight decrease due to an expected reduction in encroachment permits.

| <u>Fiscal Year</u> | <u>Amount</u> | <u>% Inc/(Dec)</u> |
|-----------------------------|---------------|--------------------|
| 2012-13 | \$ 1,493,797 | 3.8 |
| 2013-14 | 1,861,969 | 24.6 |
| 2014-15 | 1,886,770 | 1.3 |
| 2015-16 (Year-End Estimate) | 1,560,000 | (17.3) |
| 2016-17 (Adopted) | 1,510,000 | (3.2) |



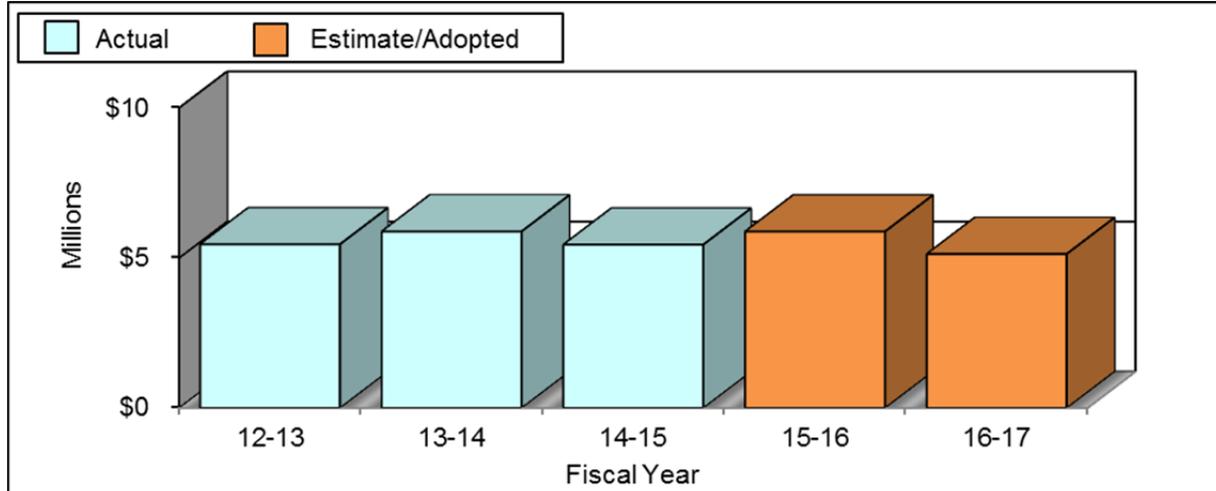
Source: Building Division Fees

Summary: Building Division Fees are calculated based on a formula using construction costs and square footage, and include building permits, building inspection fees, and plan check fees. Fees imposed are used to offset the City's cost for review and inspections. This revenue may be expended for any municipal public purpose.

Analysis: The data below reflects recent years of actual revenue with the percent of increase or decrease. The fluctuations result from both economic activity and the type of construction. Fiscal Year (FY) 2012-13 reflects a return to a normal level of building permit fees after several years of high amounts due to Intel Corporation construction. FY 2013-14 reflects slight increases in sign fees, building permits, and building plan review fees. The FY 2015-16 year-end estimate is an eight month actual and four month projection based on anticipated building permit revenue tied to development activity.

Projection: The FY 2016-17 adopted budget reflects anticipated decreases in building permits and building plan review fees, but does not take into account the effect of minor fee increases as noted on the last pages of the Resources section.

| Fiscal Year | Amount | % Inc/(Dec) |
|-----------------------------|--------------|-------------|
| 2012-13 | \$ 5,452,512 | (33.8) |
| 2013-14 | 5,881,832 | 7.9 |
| 2014-15 | 5,441,749 | (7.5) |
| 2015-16 (Year-End Estimate) | 5,877,000 | 8.0 |
| 2016-17 (Adopted) | 5,130,000 | (12.7) |



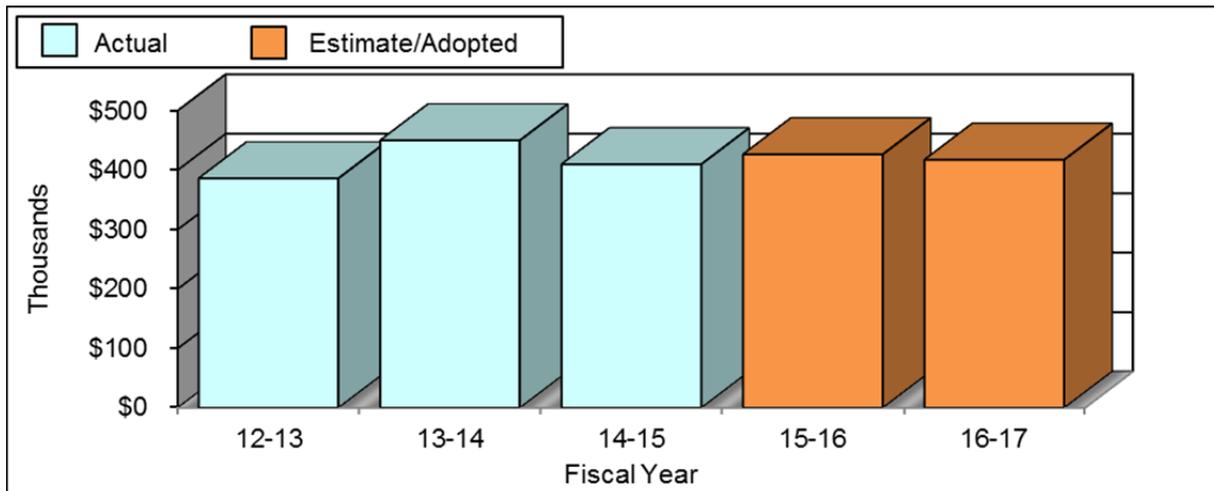
Source: Planning Fees

Summary: Planning Fees are derived from zoning and subdivision application fees, along with the sale of maps and codes. Fees imposed are used to offset the costs of legal notices, property-owner notification, printing, and other related City costs. This revenue may be expended for any municipal public purpose.

Analysis: The data below reflects recent years of actual revenue with the percent of increase or decrease. Revenues generated from this source fluctuate based on rezoning applications submitted. The Fiscal Year (FY) 2012-13 increases reflect higher zoning and subdivision fees. FY 2013-14 reflects increased subdivision and site development plan review fees. The FY 2015-16 year-end estimate is an eight month actual and four month projection based on anticipated development projects and a slight reduction in zoning fee revenues.

Projection: The FY 2016-17 adopted budget reflects decreased revenue from zoning and subdivision fees, but does not take into account the effect of minor fee increases as noted on the last pages of the Resources section.

| Fiscal Year | Amount | % Inc/(Dec) |
|-----------------------------|------------|-------------|
| 2012-13 | \$ 385,889 | 4.6 |
| 2013-14 | 449,711 | 16.5 |
| 2014-15 | 409,615 | (8.9) |
| 2015-16 (Year-End Estimate) | 426,300 | 4.1 |
| 2016-17 (Adopted) | 417,200 | (2.1) |



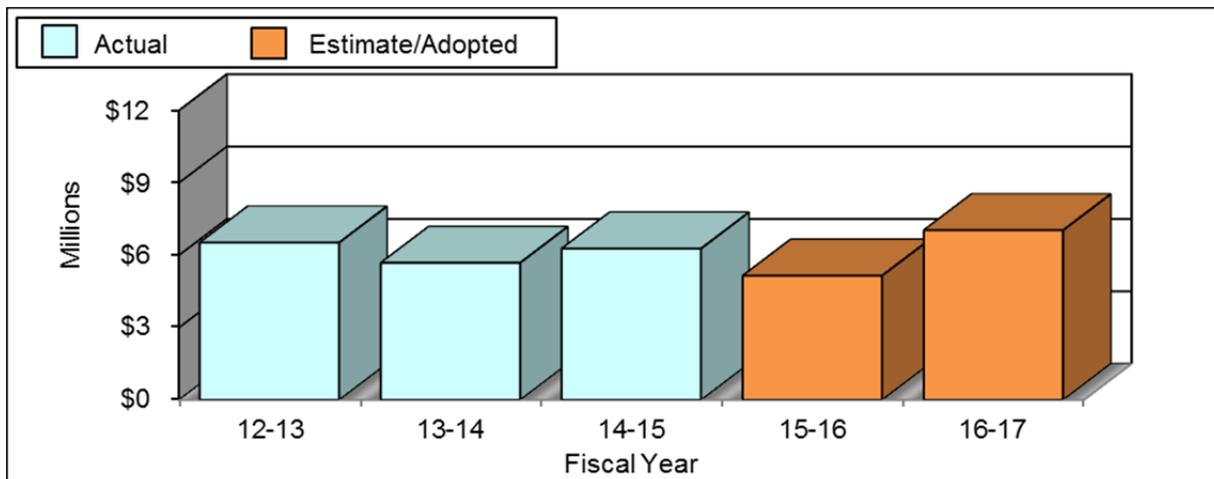
Source: Public Safety Miscellaneous

Summary: This source of revenue is derived from fees charged for copies of accident and police reports, fingerprinting fees, reimbursement from other agencies for outside services, extra-duty services rendered, hazardous materials permit fees, alarm penalties for exceeding the number of false alarm response calls allowed, weapons proceeds (restricted for public safety community outreach), and for the school resource officers for Chandler, Kyrene, and Mesa (starting in Fiscal Year (FY) 2014-15) public schools located within City limits. Also included in this category are fire contractual services, reimbursement of costs for wildland firefighter participation, and fees for advanced life support and ambulance services. Police forfeiture funds are included in this category but are passed through the State or County Attorney General's Office on a reimbursement basis. Due to the nature of the forfeiture revenue, the amount received can fluctuate dramatically depending on illegal activities occurring in and around the community. Forfeiture fund usage is restricted for law enforcement purposes subject to legal requirements established at state and federal levels. Unless otherwise restricted, these revenues may be expended for any municipal purpose.

Analysis: The data below reflects recent years of actual revenue with the percent of increase or decrease. The FY 2012-13 increase resulted from a large amount of asset forfeiture revenue reimbursement which did not recur in FY 2013-14. FY 2014-15 reflects the return of Mesa school resource officer revenue, as well as increased extra-duty services. The FY 2015-16 year-end estimate is an eight month actual and four month projection and reflects planned spending of adjudicated asset forfeiture revenues.

Projection: The FY 2016-17 adopted budget anticipates an increase in reimbursement revenues of adjudicated asset forfeiture funds, including a \$1 million contribution to the Public Safety Training Center capital project.

| Fiscal Year | Amount | % Inc/(Dec) |
|-----------------------------|--------------|-------------|
| 2012-13 | \$ 6,518,974 | 14.8 |
| 2013-14 | 5,680,675 | (12.9) |
| 2014-15 | 6,273,457 | 10.4 |
| 2015-16 (Year-End Estimate) | 5,148,841 | (17.9) |
| 2016-17 (Adopted) | 7,031,300 | 36.6 |



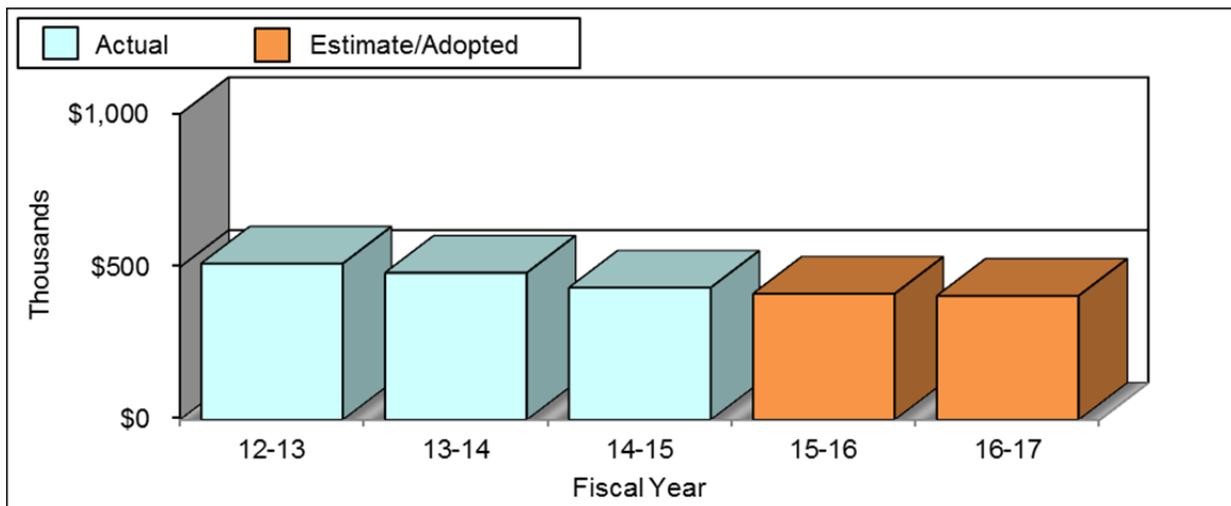
Source: Library Revenues

Summary: Library Revenues are derived from overdue fines of 20¢ per day per book, non-fiction video, and compact disc; overdue fines of \$1.00 per day per feature film and popular picks (discontinued during Fiscal Year (FY) 2014-15); replacement charges for lost materials; membership fees from the Maricopa County Library District (discontinued at end of FY 2012-13); and annual charges to cardholders who live outside Maricopa County and do not work or attend school in Chandler. Also included in this category are revenues received under an Intergovernmental Agreement (IGA) with Chandler Unified School District for their share of operating costs for the Basha and Hamilton Branch Libraries. This revenue may be expended for any municipal public purpose.

Analysis: The data below reflects recent years of actual revenue with the percent of increase or decrease. The FY 2012-13 decrease reflects reduced county membership fees. FY 2013-14 reflects reduced collections for fines as cardholders increase their use of e-books (which do not incur fines since they expire at the due date) and the discontinuation of county membership fees. FY 2014-15 reflects the first full year with no Maricopa County Library District membership fees, since the final receipt was received in FY 2013-14. The FY 2015-16 year-end estimate is an eight month actual and four month projection based on a reduced level of annual charges from cardholders who live outside Maricopa County.

Projection: The FY 2016-17 adopted budget reflects an anticipated slight reduction in overdue fines and lost book fees, as more readers move to electronic books that do not incur fines.

| Fiscal Year | Amount | % Inc/(Dec) |
|-----------------------------|------------|-------------|
| 2012-13 | \$ 511,377 | (10.2) |
| 2013-14 | 481,209 | (5.9) |
| 2014-15 | 432,529 | (10.1) |
| 2015-16 (Year-End Estimate) | 412,500 | (4.6) |
| 2016-17 (Adopted) | 406,000 | (1.6) |



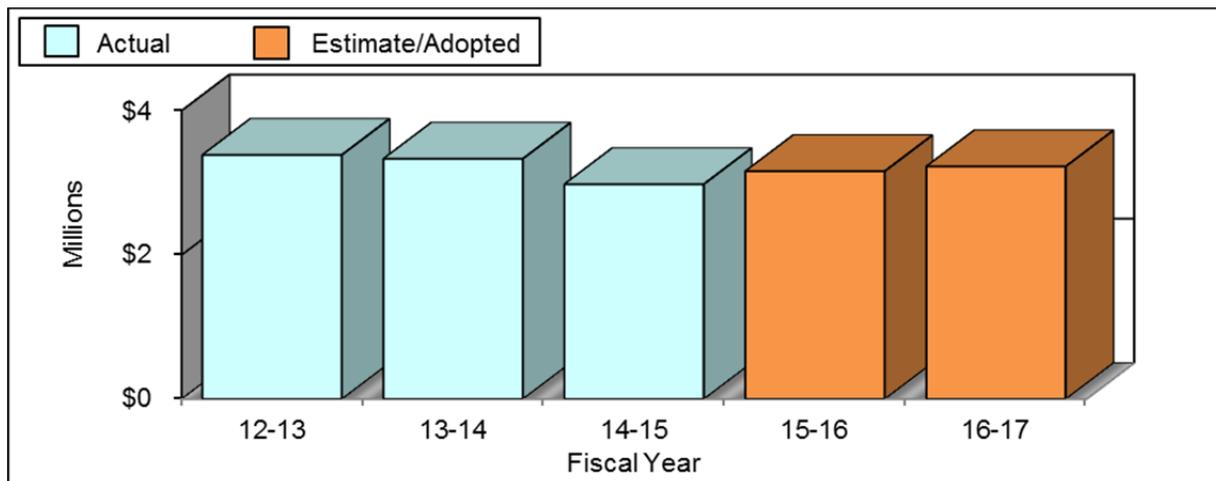
Source: Parks and Recreation Fees

Summary: Parks and Recreation Fees are comprised of swimming pool fees, concession sales, fitness passes, facility rentals, recreational program classes, adult sports leagues, pavilion rentals, ball field lights, and operation of the Bear Creek Golf Course, the Tumbleweed Recreation Center, and the Tumbleweed Tennis Center. This revenue may be expended for any municipal public purpose.

Analysis: The data below reflects recent years of actual revenue with the percent of increase or decrease. The FY 2014-15 decrease reflects reduced recreation revenues, as well as a timing difference in Bear Creek Golf Course receipts. The FY 2015-16 year-end estimate is an eight month actual and four month projection based on historical trends.

Projection: The FY 2016-17 adopted budget is primarily based on increased aquatic revenues but does not reflect fee increases from citywide special event rentals and small increases in most recreation center, community center, and environmental education center revenues as detailed in the last pages of the Resources section.

| Fiscal Year | Amount | % Inc/(Dec) |
|-----------------------------|--------------|-------------|
| 2012-13 | \$ 3,386,060 | (3.5) |
| 2013-14 | 3,331,968 | (1.6) |
| 2014-15 | 2,979,373 | (10.6) |
| 2015-16 (Year-End Estimate) | 3,159,697 | 6.1 |
| 2016-17 (Adopted) | 3,225,857 | 2.1 |



Miscellaneous Receipts

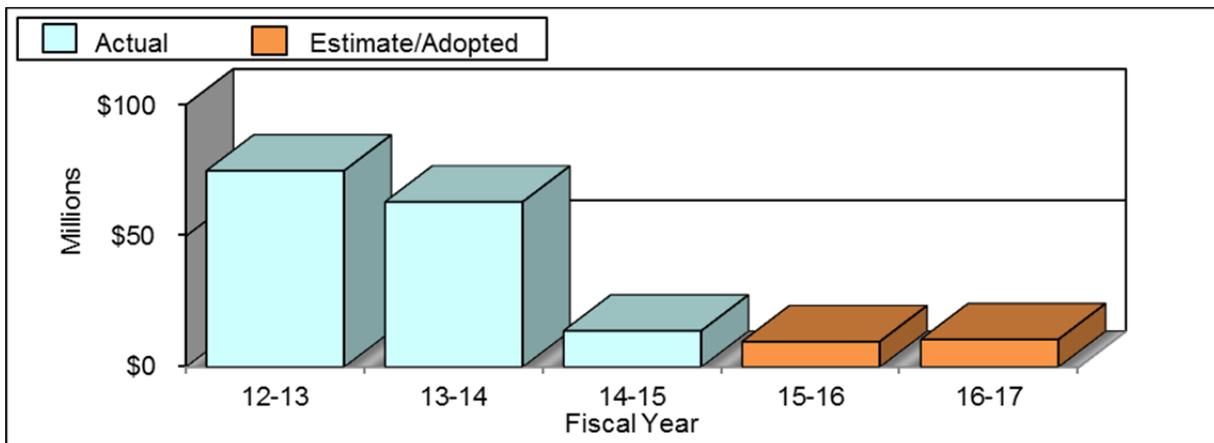
Source: Other Receipts

Summary: This revenue consists of audit assessments, workers compensation premiums, Cox Communication Cable contributions, bus service and shelter revenue, trust and agency funds, and miscellaneous revenue, including passport application processing fees, reimbursements for prior year expenses, and lump sum agreements for capital projects. Also included in this category is ticket sale revenue received from events held at the Center for the Arts, labor charges for these events, and revenue received under an Intergovernmental Agreement (IGA) with the Chandler Unified School District for their share of operating costs for the Center for the Arts. General Fund revenues comprise the majority of funds received, and may be expended for any municipal public purpose. Revenues received in funds other than the General Fund (such as workers compensation premiums received in the Workers Compensation Self-Insurance Fund) are restricted in use.

Analysis: The data below reflects recent years of actual revenue with the percent of increase or decrease. Fiscal Years (FY) 2012-13 through FY 2015-16 reflect continued reimbursements received from Intel Corporation for utility infrastructure expansions. The FY 2015-16 year-end estimate is an eight month actual and four month projection based on historical trends and includes remaining reimbursements from Intel Corporation for the utility infrastructure expansions.

Projection: The FY 2016-17 adopted budget includes a return to a normal level of activity for Other Receipts, with larger amounts consisting of an anticipated airport loan, audit assessments, workers compensation premiums, and the final reimbursement from Intel Corporation for the utility infrastructure expansions.

| Fiscal Year | Amount | % Inc/(Dec) |
|-----------------------------|---------------|-------------|
| 2012-13 | \$ 74,845,798 | 599.3 |
| 2013-14 | 62,987,183 | (15.8) |
| 2014-15 | 13,828,525 | (78.0) |
| 2015-16 (Year-End Estimate) | 9,750,143 | (29.5) |
| 2016-17 (Adopted) | 10,547,938 | 8.2 |



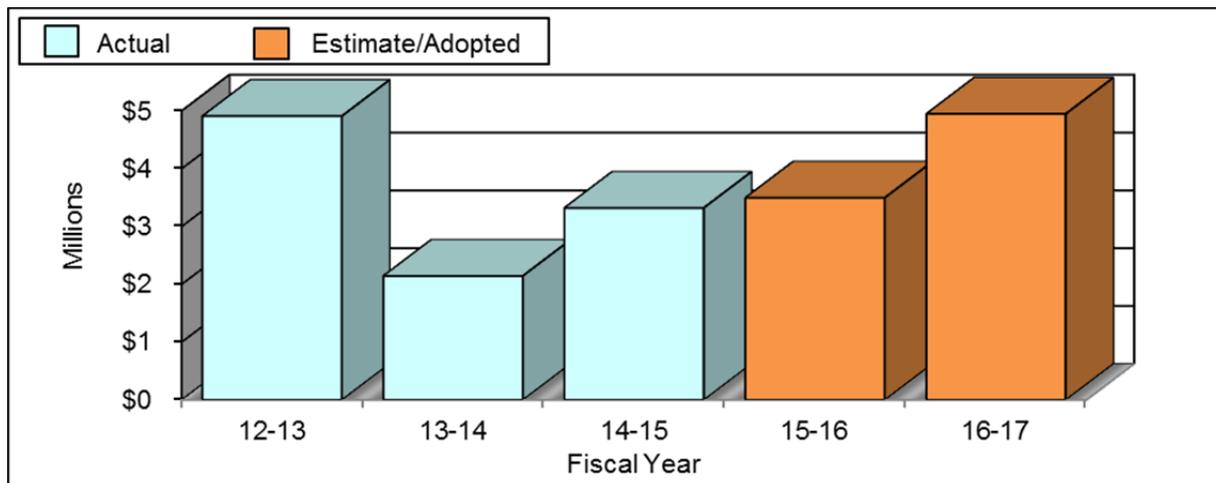
Source: Interest on Investments

Summary: Interest on investments is earned based on continuous investments of idle funds. Investments are restricted to federal treasury or agency securities, repurchase agreements, certain public offerings, and fully collateralized time certificates of deposit which the City may invest in with local banks. The City is under contract with two investment managers, Wells Capital and PFM Asset Management, who in turn invest City funds in accordance with state statute and the City’s Investment Policy. The majority of this revenue is received in the General Fund and may be expended for any municipal public purpose. Revenues received in funds other than the General Fund from interest earned on investing their idle funds are restricted in use as required by that fund.

Analysis: The data below reflects recent years of actual revenue with the percent of increase or decrease. Significant increases or decreases are often attributable to the sale of bonds or completion of capital projects, which affect the balance of funds on which interest accrues. In recent years, interest rates have been significantly lower than historical averages, resulting in lower rates of return. Fiscal Year (FY) 2012-13 includes a recovery of FY 2002-03 investment losses of \$3.4 million from when the City was a participant in the State’s Local Government Investment Pool (LGIP). FY 2014-15 reflects the City’s entry into additional short-term investments in the Certificate of Deposit Account Registry Service (CDARS), as well as a change in accounting method. The FY 2015-16 year-end estimate is an eight month actual and four month projection based on current rates of return.

Projection: The FY 2016-17 adopted budget is based on market projections from our investment advisors used in conjunction with the estimated amount of idle funds.

| Fiscal Year | Amount | % Inc/(Dec) |
|-----------------------------|--------------|-------------|
| 2012-13 | \$ 4,909,109 | 152.5 |
| 2013-14 | 2,144,102 | (56.3) |
| 2014-15 | 3,321,096 | 54.9 |
| 2015-16 (Year-End Estimate) | 3,496,100 | 5.3 |
| 2016-17 (Adopted) | 4,947,900 | 41.5 |



Source: Leases

Summary: This revenue is comprised of leases at the Chandler Municipal Airport and other miscellaneous properties. The following listing of the various leases is accompanied by the Fiscal Year (FY) 2016-17 adopted budget for each category:

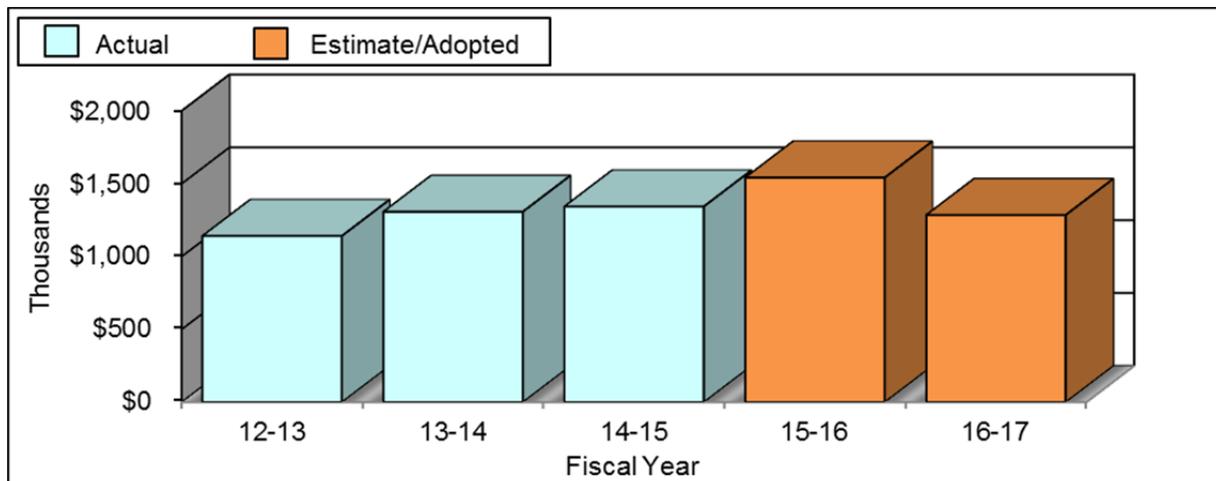
- Innovations (Incubator leases) \$560,000
- Airport T-Hangars, Tie-Downs, T-Shades and Other Charges 512,002
- Airport Leases 189,643
- City Hall Property Rental 23,100

The revenue related to airport lease activity may only be expended on operations of the Airport Enterprise. Lease revenues collected in the General Fund may be expended for any municipal public purpose.

Analysis: The data below reflects recent years of actual revenue with the percent of increase or decrease. The Fiscal Year (FY) 2012-13 through FY 2013-14 increases are mainly the result of lease revenue from the Innovations facility. The FY 2015-16 year-end estimate is an eight month actual and four month projection based upon historical trends.

Projection: The FY 2016-17 adopted budget does not include the effect of increased airport tie-down fees as noted on the last pages of the Resources section, and assumes only a partial year of lease revenue from the Innovations facility.

| Fiscal Year | Amount | % Inc/(Dec) |
|-----------------------------|--------------|-------------|
| 2012-13 | \$ 1,140,527 | 3.7 |
| 2013-14 | 1,306,888 | 14.6 |
| 2014-15 | 1,342,697 | 2.7 |
| 2015-16 (Year-End Estimate) | 1,541,500 | 14.8 |
| 2016-17 (Adopted) | 1,284,745 | (16.7) |



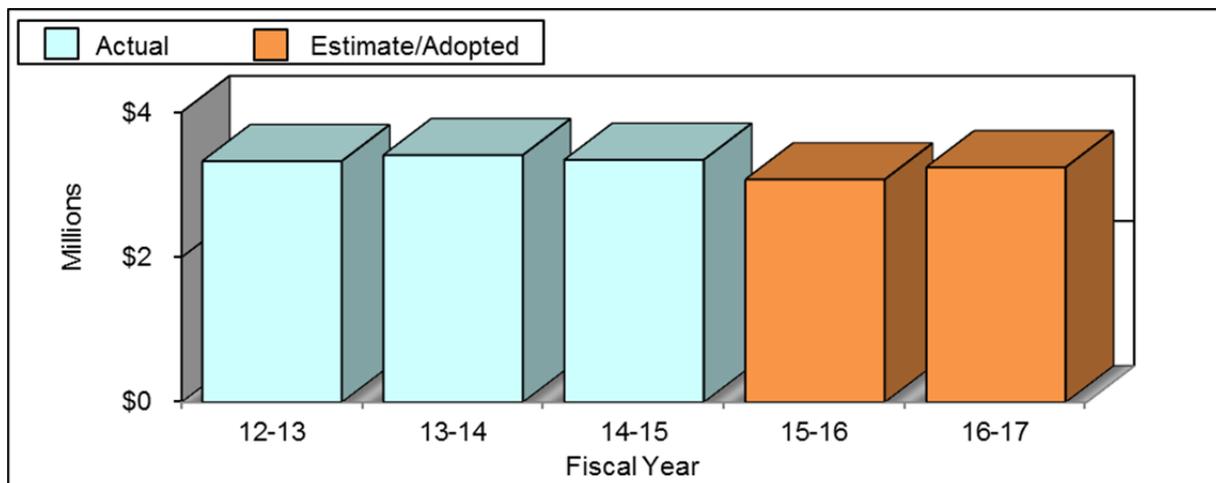
Source: Court Fines

Summary: This revenue is derived from fines and fees levied by the City Magistrate from traffic violations (including photo enforcement), traffic school administrative charges, warrants and jail recovery, juvenile-related offenses, probation monitoring fees, home detention fees, and public defender fees. State statute requires the assessment of an 83% surcharge, a \$20 probation surcharge, and a \$15 assessment on all court fines (increased from \$13 during Fiscal Year (FY) 2014-15), which is transferred to the State Treasurer, the County Treasurer, and the City or County Treasurer, respectively. A City court enhancement fee of \$25 is added to all fines, sanctions, penalties, and assessments imposed by the court; which is used to enhance City court security and automation. The fee for traffic school includes \$25 for the City court enhancement fee and \$100 for the City's General Fund (increased from \$90 during FY 2014-15). Unless otherwise restricted, these revenues may be expended for any municipal purpose.

Analysis: The data below reflects recent years of actual revenue with the percent of increase or decrease. The FY 2015-16 year-end estimate is an eight month actual and four month projection based on historical trend.

Projection: The FY 2016-17 adopted budget assumes a small increase in court fines.

| Fiscal Year | Amount | % Inc/(Dec) |
|-----------------------------|--------------|-------------|
| 2012-13 | \$ 3,324,938 | 4.9 |
| 2013-14 | 3,407,467 | 2.5 |
| 2014-15 | 3,342,588 | (1.9) |
| 2015-16 (Year-End Estimate) | 3,071,700 | (8.1) |
| 2016-17 (Adopted) | 3,240,900 | 5.5 |



Enterprise Revenues

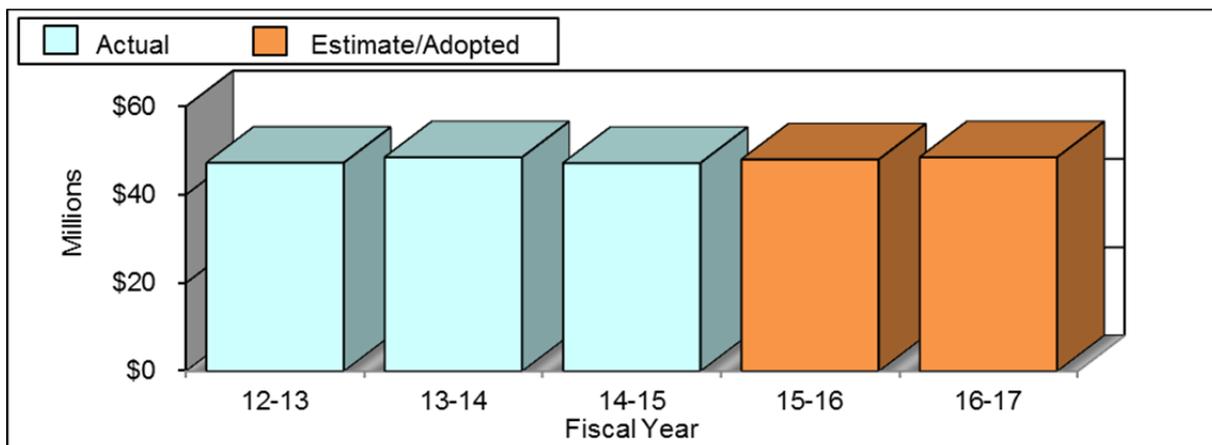
Source: Water Sales

Summary: This revenue source is derived from the sale of water to City residents, as well as Maricopa County residents located within City limits (who pay higher Outside City rates). Monthly water billings consist of a base charge according to meter size and a consumption charge, which varies by customer class. Effective October 1, 2015, consumption charges were converted from a seasonal rate (five months of summer rates and seven months of winter rates) to year round rate. This revenue may be expended only for the operation of the Water Enterprise.

Analysis: The data below reflects recent years of actual revenue with the percent of increase or decrease. Rates are reviewed annually to ensure that adequate user fees are charged to cover operating and capital costs. A water conservation program is in place to encourage citizens to use less water. By using less water, customers can partially offset rate increases in their water bill. The Fiscal Year (FY) 2015-16 year-end estimate is an eight month actual and four month projection.

Projection: The FY 2016-17 adopted budget reflects an anticipated minor increase in both residential and industrial consumption resulting in increased revenue with no proposed rate increase.

| Fiscal Year | Amount | % Inc/(Dec) |
|-----------------------------|---------------|--------------------|
| 2012-13 | \$ 47,235,982 | (2.6) |
| 2013-14 | 48,490,198 | 2.7 |
| 2014-15 | 47,193,618 | (2.7) |
| 2015-16 (Year-End Estimate) | 48,000,000 | 1.7 |
| 2016-17 (Adopted) | 48,500,000 | 1.0 |



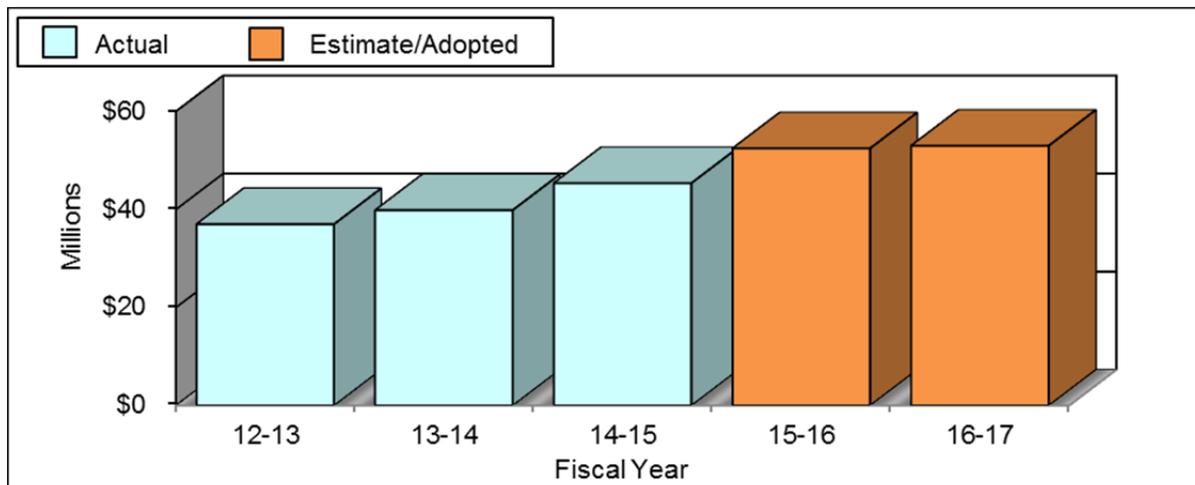
Source: Wastewater Service

Summary: This revenue source is obtained from the fees charged for wastewater service to City residents, as well as Maricopa County residents located within City limits (who pay higher Outside City rates). Residential customers are charged a flat rate per month, while non-residential customers are charged a monthly base charge and a volume charge based on water consumption. This revenue may be expended only for the operation of the Wastewater Enterprise. This category also includes Intel Corporation’s reimbursement to the City for operation of the Ocotillo Brine Reduction Facility, which is restricted for use by the Ocotillo Brine Reduction Facility.

Analysis: The data below reflects recent years of actual revenue with the percent of increase or decrease. Rates are reviewed annually to ensure that adequate user fees are charged to cover operating and capital costs. Fiscal Year (FY) 2013-14 reflects an October 2013 rate increase of 9% for wastewater and 18% for reclaimed water, as well as an increase in the Ocotillo Brine Reduction Facility surcharge fee due to expansion and higher facility operating costs. FY 2014-15 reflects increased Ocotillo Brine Reduction Facility surcharges. The FY 2015-16 estimate is an eight month actual and four month projection and reflects increased Ocotillo Brine Reduction Facility surcharges due from Intel Corporation and incorporates an October 2015 rate increase for wastewater (9%) and reclaimed water (18%).

Projection: The FY 2016-17 adopted budget reflects higher revenues due to an increase in the reimbursement due from Intel Corporation to operate the Ocotillo Brine Reduction Facility. Starting in FY 2016-17, reclaimed water revenues have been moved to a separate enterprise fund and will be reported as a separate revenue source of the new Reclaimed Water Fund. There is no wastewater rate increase proposed in the FY 2016-17 adopted budget.

| Fiscal Year | Amount | % Inc/(Dec) |
|-----------------------------|---------------|-------------|
| 2012-13 | \$ 36,981,114 | 4.9 |
| 2013-14 | 39,844,923 | 7.7 |
| 2014-15 | 45,355,456 | 13.8 |
| 2015-16 (Year-End Estimate) | 52,444,016 | 15.6 |
| 2016-17 (Adopted) | 52,988,672 | 1.0 |



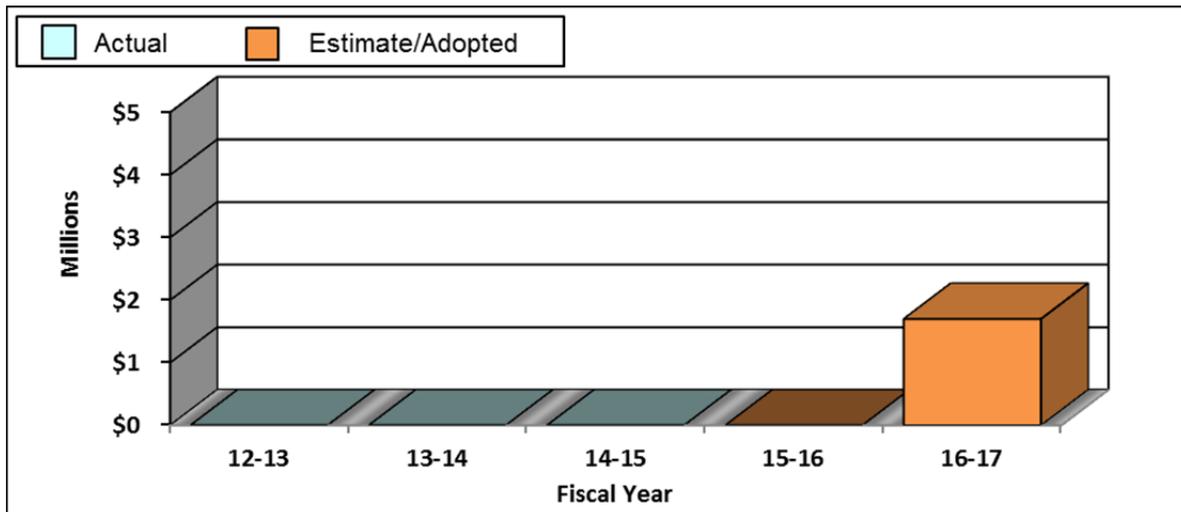
Source: Reclaimed Water Fees

Summary: This revenue source is obtained from the fees charged for reclaimed water sales to City residents, as well as Maricopa County residents located within City limits (who pay higher Outside City rates). Customers are charged a monthly volume rate based on reclaimed water consumption used for irrigation purposes. This revenue may be expended only for the operation of the Reclaimed Water Enterprise.

Analysis: Effective Fiscal Year (FY) 2016-17, reclaimed water revenue has been moved to a separate enterprise fund and will be reported as a new revenue source of Reclaimed Water Fees. Prior to FY 2016-17, this revenue was consolidated with Water and Wastewater Service revenue.

Projection: The FY 2016-17 adopted budget includes slightly higher revenues from what had been reported as part of Wastewater Service due to the full year impact of an October 2015 rate increase, and no proposed rate increase.

| Fiscal Year | Amount | % Inc/(Dec) |
|-----------------------------|-----------|-------------|
| 2012-13 | \$ - | 0.0 |
| 2013-14 | - | 0.0 |
| 2014-15 | - | 0.0 |
| 2015-16 (Year-End Estimate) | - | 0.0 |
| 2016-17 (Adopted) | 1,700,000 | 100.0 |



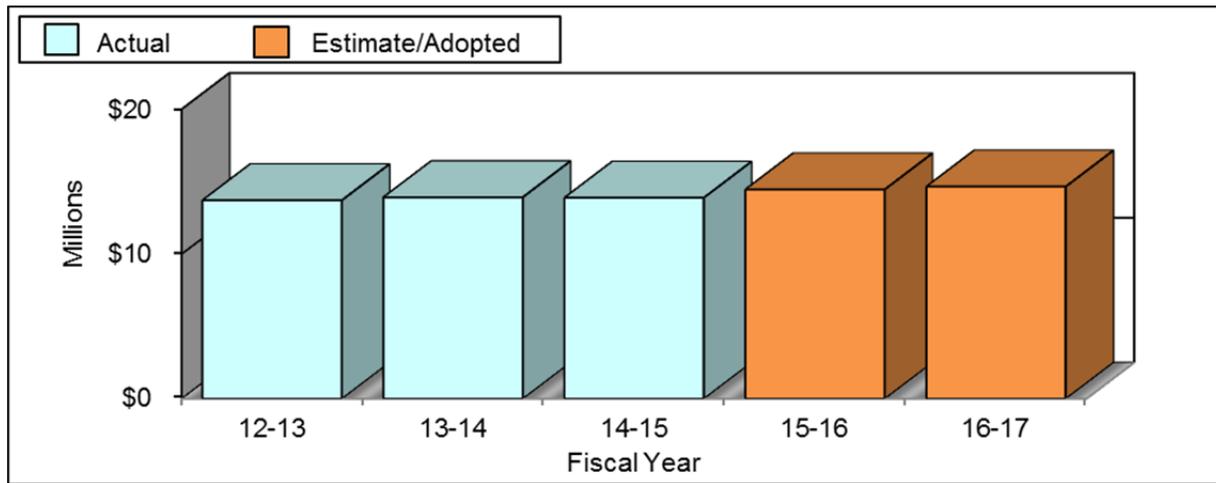
Source: Solid Waste Service

Summary: Solid Waste Service revenue is comprised of commercial refuse hauling permit fees, recycling revenue, solid waste service charges, and residential refuse collection charges. This revenue may be expended only for the operation of the Solid Waste Enterprise.

Analysis: The data below reflects recent years of actual revenue with the percent of increase or decrease. Rates are reviewed annually to ensure that adequate user fees are charged to cover operating and capital costs. Rates have remained unchanged over the period below, except for minor miscellaneous fee adjustments. The Fiscal Year (FY) 2015-16 year-end estimate is an eight month actual and four month projection and includes the partial-year impact of a 6% rate increase that became effective in October 2015.

Projection: The FY 2016-17 adopted budget reflects a steady level of solid waste revenues and no proposed rate increase.

| Fiscal Year | Amount | % Inc/(Dec) |
|-----------------------------|---------------|-------------|
| 2012-13 | \$ 13,706,077 | (0.3) |
| 2013-14 | 13,916,489 | 1.5 |
| 2014-15 | 13,879,263 | (0.3) |
| 2015-16 (Year-End Estimate) | 14,453,645 | 4.1 |
| 2016-17 (Adopted) | 14,648,990 | 1.4 |



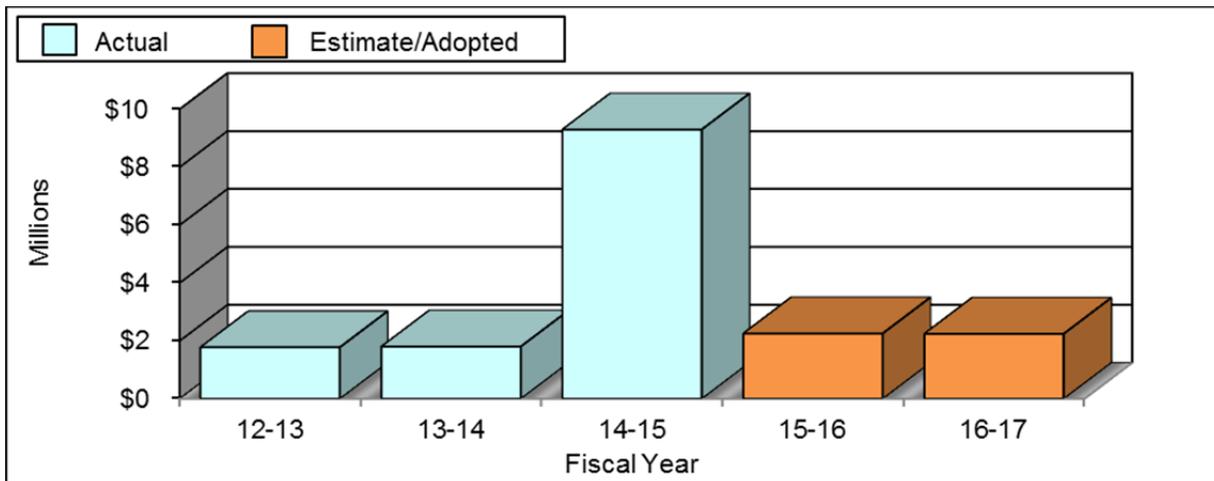
Source: Other Utility Charges

Summary: This revenue category consists of utility fund charges for water meters and meter installations, service connect fees, late fees, miscellaneous service charges, and solid waste container fees (reported in this revenue category starting in Fiscal Year (FY) 2015-16 rather than in a stand-alone revenue category as in prior years due to the combination of various solid waste accounting operations). This revenue may be expended only for the operation of the Water, Wastewater, and Solid Waste Enterprises based on the fund in which the revenue is received.

Analysis: The data below reflects recent years of actual revenue with the percent of increase or decrease. The largest revenue source in this category is water meter installations, which fluctuate based on construction growth. The FY 2014-15 amount reflects an \$8 million reimbursement from Intel Corporation for water rights purchases as well as the suspension of utility late fees. The FY 2015-16 year-end estimate is an eight month actual and four month projection and includes the reinstatement of utility late fees.

Projection: The FY 2016-17 adopted budget reflects a return to a normal level of Other Utility Charges.

| Fiscal Year | Amount | % Inc/(Dec) |
|-----------------------------|--------------|-------------|
| 2012-13 | \$ 1,776,031 | 3.1 |
| 2013-14 | 1,802,618 | 1.5 |
| 2014-15 | 9,297,466 | 415.8 |
| 2015-16 (Year-End Estimate) | 2,255,748 | (75.7) |
| 2016-17 (Adopted) | 2,243,148 | (0.6) |



System Development Fees

Source: Water System Development Fees

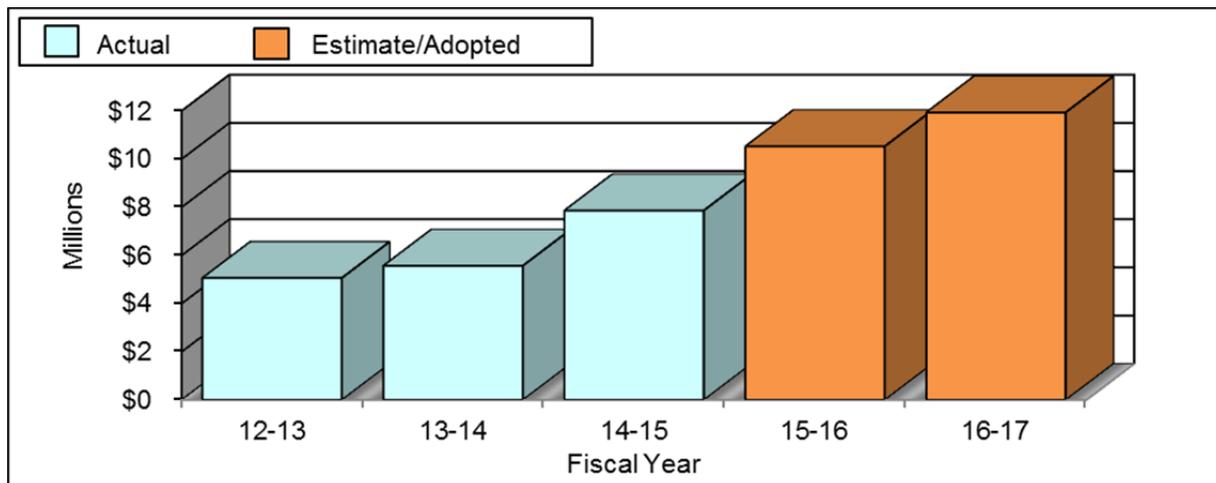
Summary: The City established fees funding a Water Development Reserve Fund in 1980. In 1997, these fees were restructured into system development fees paid by developers to fund growth-related water capital infrastructure. During Fiscal Year (FY) 2013-14, City Council adopted Ordinance No. 4528 that was effective July 2014 to bring the City’s system development fee program in compliance with Senate Bill 1525 (passed in FY 2010-11 by 50th Legislature, First Regular Session) resulting in an increase of 13% to the water system development fee. These fees are reviewed and revised periodically based on current and future water capital expenditures and growth projections. Per unit fees are based on meter size. Fees for water distribution system connection are also included in this category.

This revenue may only be expended for growth-related water capital projects.

Analysis: The data below reflects recent years of actual revenue with the percent of increase or decrease. The FY 2012-13 decrease marks a return to a normal level of collections. FY 2013-14 reflects increased development activity, including a large corporate expansion project. FY 2014-15 reflects a rate increase along with fee payments from several large multi-family developments. The FY 2015-16 year-end estimate is an eight month actual and four month projection reflecting current development activity.

Projection: The FY 2016-17 adopted budget reflects current market conditions under the existing fee structure.

| Fiscal Year | Amount | % Inc/(Dec) |
|-----------------------------|--------------|-------------|
| 2012-13 | \$ 5,060,415 | (9.1) |
| 2013-14 | 5,566,915 | 10.0 |
| 2014-15 | 7,861,625 | 41.2 |
| 2015-16 (Year-End Estimate) | 10,525,600 | 33.9 |
| 2016-17 (Adopted) | 11,936,100 | 13.4 |



Source: Wastewater System Development Fees

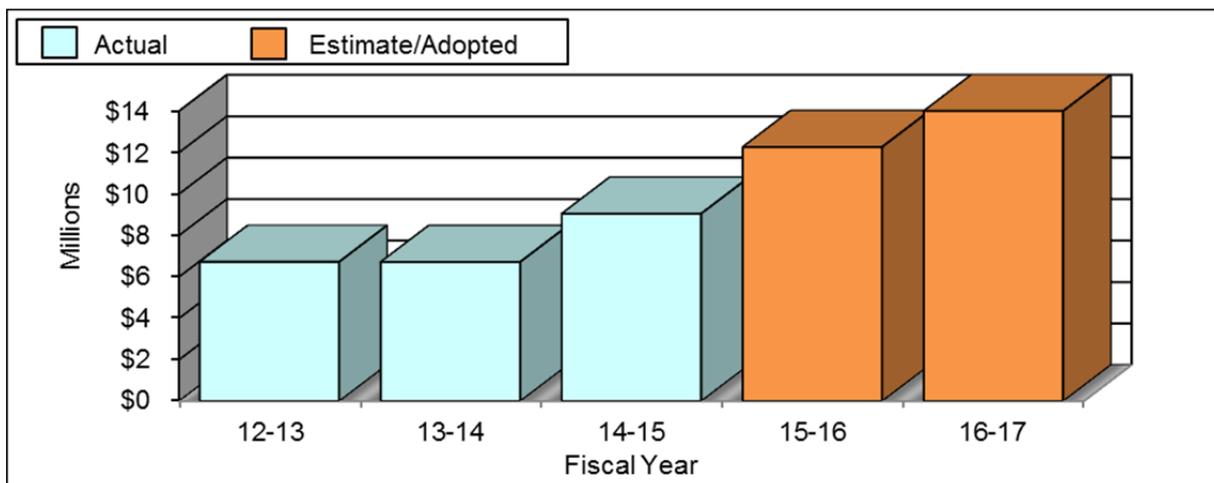
Summary: The City established fees funding a Wastewater Development Reserve Fund in 1980. In 1997, these fees were restructured into system development fees paid by developers to fund growth-related wastewater capital infrastructure. During Fiscal Year (FY) 2013-14, City Council adopted Ordinance No. 4528 that was effective July 2014 to bring the City’s system development fee program in compliance with Senate Bill 1525 (passed in FY 2010-11 by 50th Legislature, First Regular Session) resulting in an increase of 7% to the wastewater system development fee and a decrease of 25% to the reclaimed water system development fee. These fees are reviewed and revised periodically based on current and future wastewater capital expenditures and growth projections. Per unit fees are based on meter size.

This revenue may only be expended for growth-related wastewater and reclaimed water capital projects.

Analysis: The data below reflects recent years of actual revenue with the percent of increase or decrease. The FY 2012-13 decrease reflects a slight drop in the level of collections. FY 2014-15 reflects the rate changes noted above along with fee payments from several large multi-family developments. The FY 2015-16 year-end estimate is an eight month actual and four month projection reflecting current development activity.

Projection: The FY 2016-17 adopted budget reflects current market conditions under the existing fee structure.

| Fiscal Year | Amount | % Inc/(Dec) |
|-----------------------------|---------------|--------------------|
| 2012-13 | \$ 6,723,149 | (7.1) |
| 2013-14 | 6,717,713 | (0.1) |
| 2014-15 | 9,047,613 | 34.7 |
| 2015-16 (Year-End Estimate) | 12,267,900 | 35.6 |
| 2016-17 (Adopted) | 14,028,900 | 14.4 |



Source: General Government Impact Fees

Summary: Starting in 1996, the City passed ordinances to charge impact fees to developers to fund growth-related capital infrastructure in all categories noted below. During Fiscal Year (FY) 2013-14, City Council adopted Ordinance No. 4528 that was effective July 2014 to bring the City’s system development fee program in compliance with Senate Bill (SB) 1525 resulting in modifications to all fee categories. A listing of the various impact fees is accompanied by the FY 2016-17 estimate for each category:

| | | | |
|--------------------|--------------|--------------------|-------------|
| • Arterial Streets | \$11,706,200 | • Police | \$1,008,800 |
| • Parks | 6,313,200 | • Public Buildings | 383,400 |
| • Fire | 1,506,700 | • Library | 127,400 |

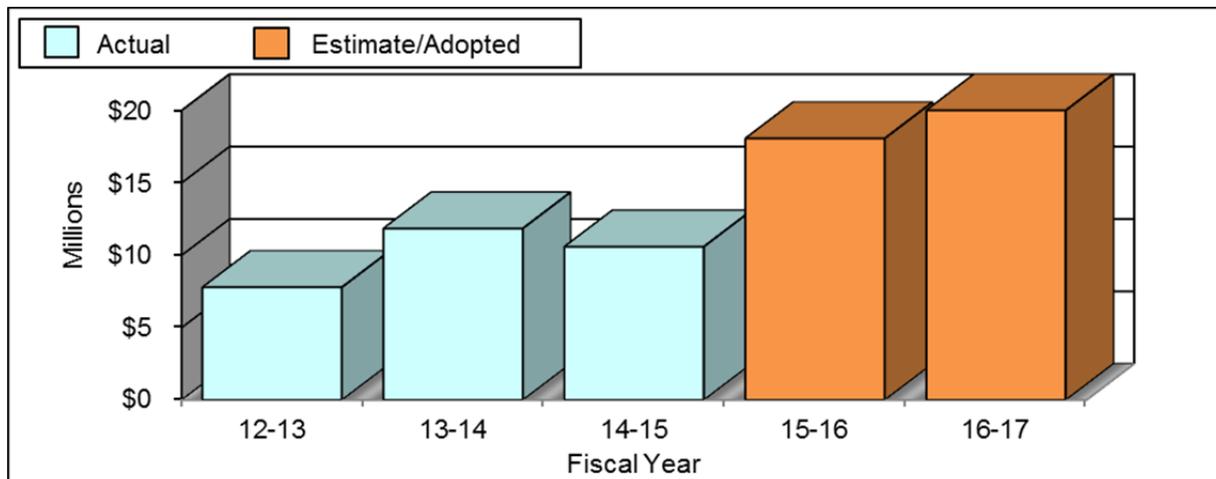
These fees are reviewed and revised periodically based on current and future capacity-expanding capital expenditures, growth projections, and state statutes. Residential fees are charged per dwelling unit, while non-residential fees are charged per building square footage. Library and Park Impact Fees are only charged to residential development, and Park Impact Fees are broken into three different service areas. The Arterial Street Impact Fee is only assessed for properties within the arterial street fee service area. Developers may receive credits for street improvements or right-of-way dedication in the arterial street service area.

This revenue may only be expended for growth-related capital projects within the specific fee category in which they were collected.

Analysis: The data below reflects recent years of actual revenue with the percent of increase or decrease. The FY 2012-13 decrease reflects the first full year of SB 1525 reductions in all general government impact fee categories except Arterial Streets. FY 2013-14 reflects increased Arterial Streets fee collections. FY 2014-15 reflects the most recent rate changes, which were fee reductions in many categories. The FY 2015-16 year-end estimate is an eight month actual and four month projection reflecting current development activity.

Projection: The FY 2016-17 adopted budget reflects current market conditions under the existing fee structure.

| Fiscal Year | Amount | % Inc/(Dec) |
|-----------------------------|--------------|-------------|
| 2012-13 | \$ 7,781,082 | (33.6) |
| 2013-14 | 11,846,275 | 52.2 |
| 2014-15 | 10,585,622 | (10.6) |
| 2015-16 (Year-End Estimate) | 18,065,600 | 70.7 |
| 2016-17 (Adopted) | 21,045,700 | 16.5 |



Interfund Charges

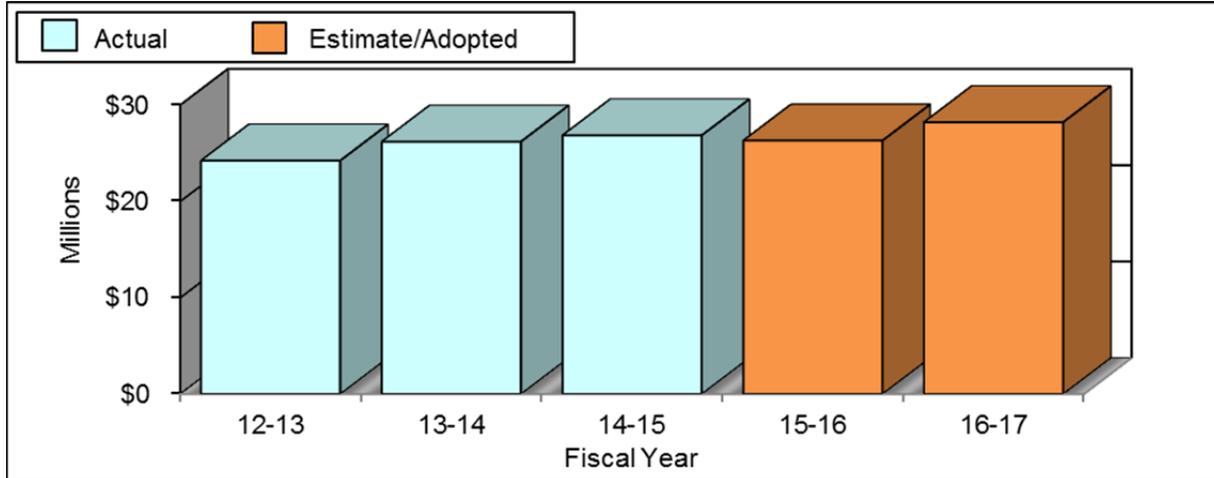
Source: Interfund Charges

Summary: Interfund Charges are payments from various funds and cost centers to a specific fund incurring the cost. For example, equipment or vehicles are purchased in the Equipment and Vehicle Replacement Funds, but funded through annual contributions from each cost center for their replacement. The payments are expenditures in each of the cost centers and recorded as revenue to the replacement funds. Other interfund charges include payments to the medical, dental, and short-term disability self-insurance funds from department cost centers to fund the cost of these benefits.

Analysis: The data below reflects recent years of actual revenue with the percent of increase or decrease. The FY 2012-13 and FY 2013-14 increases reflect increased premiums paid to the Health Care Benefit Trust. The FY 2015-16 year-end estimate is an eight month actual and four month projection reflecting the larger than expected percentage of employees opting into the City’s high deductible medical plan for calendar year 2016.

Projection: The FY 2016-17 adopted budget reflects increased medical premiums based on market conditions.

| Fiscal Year | Amount | % Inc/(Dec) |
|-----------------------------|---------------|--------------------|
| 2012-13 | \$ 24,222,988 | 13.7 |
| 2013-14 | 26,194,407 | 8.1 |
| 2014-15 | 26,844,868 | 2.5 |
| 2015-16 (Year-End Estimate) | 26,301,535 | (2.0) |
| 2016-17 (Adopted) | 28,211,599 | 7.3 |



Interfund Transfers

Summary: Interfund transfers move funds from one fund to another. Examples include transfers to the General Fund for charges that are incurred in the General Fund for administrative support to the Enterprise Funds (Airport, Water, Wastewater, Reverse Osmosis, and Solid Waste), charges to each fund for contributions to the Technology Replacement Fund to ensure future replacement of technology equipment, and transfers made from one fund to another as a loan. Interfund transfers are not added to the overall budget because the original revenues are already budgeted within each of the funds.

Interfund transfers are decreasing substantially in Fiscal Year (FY) 2016-17 as there are no new loans planned to finance capital projects. Listed below are all interfund transfers anticipated in FY 2016-17:

Indirect Cost Allocation:

| | |
|--|--------------|
| Water Fund to General Fund | \$ 3,216,800 |
| Wastewater Fund to General Fund | 2,374,900 |
| Reverse Osmosis Fund to General Fund | 436,300 |
| Solid Waste Fund to General Fund | 940,600 |
| Airport Fund to General Fund | 100,000 |
| Water Fund to Workers Compensation Self Insurance Fund | 22,390 |
| Wastewater Fund to Workers Compensation Self Insurance Fund | 15,575 |
| Solid Waste Fund to Workers Compensation Self Insurance Fund | 10,708 |

Contributions to Other Funds:

| | |
|---|------------|
| General Fund to the Public Housing Authority (PHA) Management Fund | 135,000 |
| General Fund to the PHA Section 8 Fund | 150,000 |
| General Fund to General Government Capital Projects Fund | 71,262,574 |
| General Fund to Insured Liability Self Insurance Fund | 500,000 |
| General Fund to Uninsured Liability Self Insurance Fund | 450,000 |
| General Fund to Airport Operating Fund (subsidy) | 1,100,977 |
| Highway User Revenue Fund to Highway User Debt Service Fund | 2,671,438 |
| Uninsured Liability Self Insurance Fund to Workers Compensation Self Insurance Fund | 1,000,000 |
| Volunteer Firemen Pension Fund to General Fund (fund closure) | 18,957 |
| Transfers from various funds to Technology Replacement Fund | 2,786,485 |

Reimbursements:

| | |
|---|---------|
| Regional Transportation Sales Tax Fund to Arterial Street Impact Fund | 261,645 |
| Regional Transportation Sales Tax Fund to Street General Obligation Bond Fund | 131,605 |

Loans and Loan Repayments:

| | |
|--|----------------------------|
| Public Building Impact Fund to General Fund (loan repayment) | 300,000 |
| Police Impact Fund to General Fund (loan repayment) | 500,000 |
| Total Interfund Transfers | <u>\$88,385,954</u> |

Property Tax Summary

Summary: State law prescribes that Arizona municipalities may levy taxes on property for the following purposes with certain limitations and restrictions.

Primary Taxes are those used for general government operations. The total levy for primary taxes is restricted to a 2% annual increase, plus allowances for annexations, new construction, and population increases. The adopted Fiscal Year (FY) 2016-17 primary property tax rate is reduced from the FY 2015-16 rate of \$0.2992 per \$100 of assessed valuation to \$0.29 per \$100 of assessed valuation.

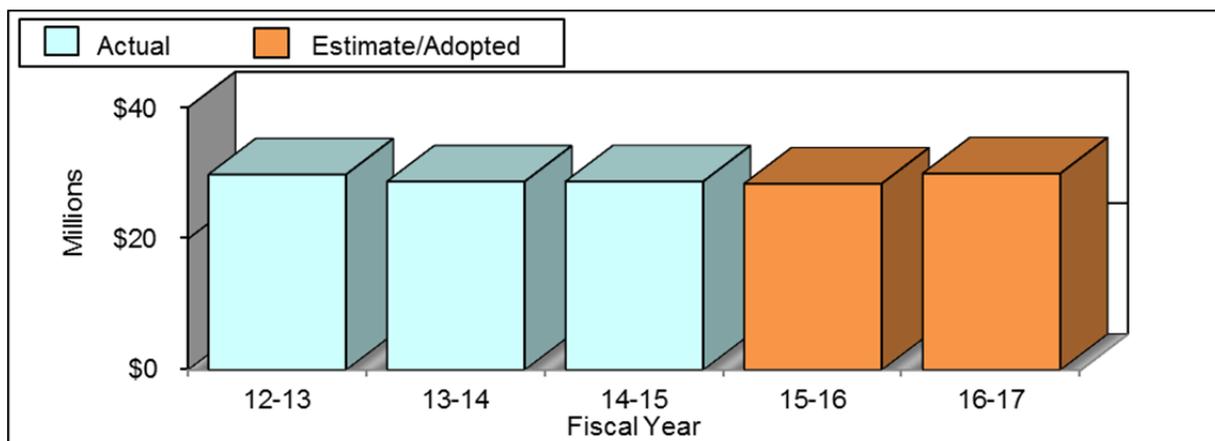
Secondary Taxes are restricted for general bonded debt obligations and voter approved budget overrides. The adopted FY 2016-17 secondary property tax rate is reduced from the FY 2015-16 rate of \$0.88 per \$100 of assessed valuation to \$0.87 per \$100 of assessed valuation.

Senate Concurrent Resolution 1025 (50th Legislature, Second Regular Session) was approved by Arizona voters as Proposition 117 on the November 2012 ballot, and resulted in constitutional limits to the annual growth of limited property values beginning in FY 2015-16. Additionally, the primary and secondary tax levies are now both based on limited property value instead of the prior methodology of primary tax levy based on limited property value and secondary tax levy based on full cash value.

Analysis: The data below reflects recent years of actual revenue, including prior year tax adjustments for both primary and secondary taxes, with the percent of increase or decrease. There is a two-year lag between the market value and the property taxes that are distributed to cities and towns. The FY 2012-13 through FY 2014-15 decreases reflect declining assessed values. The FY 2015-16 year-end estimate is an eight month actual and four month projection reflecting higher assessed values.

Projection: The projected tax collections for FY 2016-17 reflect property market values from calendar year 2014, which are then adjusted using the limited property value formula. Higher property values, coupled with lower tax rates, result in a minimal increase in revenue. The estimates below include the total primary and secondary levy anticipated as well as an estimate for prior year collections. The property tax rate reduction minimizes the impact of City property taxes paid by residents and other property owners.

| Fiscal Year | Amount | % Inc/(Dec) |
|-----------------------------|---------------|-------------|
| 2012-13 | \$ 29,806,821 | (7.7) |
| 2013-14 | 28,731,032 | (3.6) |
| 2014-15 | 28,744,684 | 0.0 |
| 2015-16 (Year-End Estimate) | 28,420,000 | (1.1) |
| 2016-17 (Adopted) | 29,976,020 | 5.5 |





SOURCE: Property Tax (continued)

Following is a ten-year history of the City of Chandler's assessed valuation and property tax rates per \$100 of assessed valuation, and the adopted Fiscal Year 2016-17:

| Year | | City Valuation | Overall Rate - Including City, County, School District, and Special Assessment Districts | City Rate | Percent of Total Rate |
|---------|---|------------------|--|---------------|-----------------------|
| 2006-07 | P | \$ 2,001,266,813 | \$ 6.62 | \$ 0.38 | 5.7% |
| | S | 2,114,887,174 | <u>3.76</u> | <u>0.87</u> | <u>23.2</u> |
| | | | \$ 10.38 | \$ 1.25 | 12.0% |
| 2007-08 | P | \$ 2,362,911,738 | \$ 5.93 | \$ 0.36 | 6.1% |
| | S | 2,989,189,876 | <u>2.95</u> | <u>0.84</u> | <u>28.5</u> |
| | | | \$ 8.88 | \$ 1.20 | 13.5% |
| 2008-09 | P | \$ 2,704,382,646 | \$ 5.41 | \$ 0.3414 | 6.3% |
| | S | 3,455,175,278 | <u>2.74</u> | <u>0.8400</u> | <u>30.7</u> |
| | | | \$ 8.15 | \$ 1.1814 | 14.5% |
| 2009-10 | P | \$ 3,057,167,831 | \$ 5.55 | \$ 0.3292 | 5.9% |
| | S | 3,508,423,522 | <u>2.74</u> | <u>0.8522</u> | <u>31.1</u> |
| | | | \$ 8.29 | \$ 1.1814 | 14.3% |
| 2010-11 | P | \$ 2,944,254,336 | \$ 5.70 | \$ 0.3292 | 5.8% |
| | S | 3,111,346,300 | <u>3.15</u> | <u>0.8522</u> | <u>27.0</u> |
| | | | \$ 8.85 | \$ 1.1814 | 13.3% |
| 2011-12 | P | \$ 2,459,494,796 | \$ 6.74 | \$ 0.3292 | 4.9% |
| | S | 2,468,626,617 | <u>3.65</u> | <u>0.9422</u> | <u>25.8</u> |
| | | | \$ 10.39 | \$ 1.2714 | 12.2% |
| 2012-13 | P | \$ 2,246,527,350 | \$ 7.32 | \$ 0.3292 | 4.5% |
| | S | 2,255,179,301 | <u>3.80</u> | <u>0.9422</u> | <u>24.8</u> |
| | | | \$ 11.12 | \$ 1.2714 | 11.4% |
| 2013-14 | P | \$ 2,157,002,870 | \$ 7.81 | \$ 0.3292 | 4.2% |
| | S | 2,175,376,677 | <u>3.83</u> | <u>0.9422</u> | <u>24.6</u> |
| | | | \$ 11.64 | \$ 1.2714 | 10.9% |
| 2014-15 | P | \$ 2,277,718,171 | \$ 8.31 | \$ 0.2992 | 3.6% |
| | S | 2,381,590,083 | <u>4.09</u> | <u>0.8800</u> | <u>21.5</u> |
| | | | \$ 12.40 | \$ 1.1792 | 9.5% |
| 2015-16 | P | \$ 2,380,457,981 | \$ 8.30 | \$ 0.2992 | 3.6% |
| | S | 2,380,457,981 | <u>4.08</u> | <u>0.8800</u> | <u>21.6</u> |
| | | | \$ 12.38 | \$ 1.1792 | 9.5% |

| Type | 2016-17 City Valuation | % Inc/(Dec) | 2016-17 Adopted Rates | 2015-16 Levy | 2016-17 Levy* | % Inc/(Dec) |
|-----------|------------------------|-------------|-----------------------|-------------------|-------------------|--------------|
| Primary | \$2,553,971,787 | 7.29% | \$0.2900 | \$ 7,122,330 | \$ 7,406,518 | 3.99% |
| Secondary | 2,553,971,787 | 7.29% | <u>0.8700</u> | <u>20,948,030</u> | <u>22,219,555</u> | <u>6.07%</u> |
| | | | \$1.1600 | \$28,070,361 | \$29,626,073 | 5.54% |

* Reflects maximum levy, but rounded for revenue estimates to \$7,406,520 primary and \$22,219,500 secondary, for a total of \$29,626,020.

New or Modified Fees in Citywide Fee Schedule

Each year, departments review their fees to determine if any updates are necessary that require modifying, eliminating, or adding a new fee. A Summary of Proposed New and Modified Fees was posted on the City's web site on March 11, 2016 for 60 days, a Notice of Intention to Amend the Citywide Fee Schedule was published in the Arizona Republic, as well as through social media, to alert the public of the proposed changes. On May 12, 2016, an agenda action item allowed for Council discussion and public comment prior to Council approving the following changes.

| <u>Name of Department/Fee</u> | <u>Current Fee</u> | <u>Approved Fee Effective 7/1/16</u> |
|--|--------------------|---|
| <u>City Manager - Airport</u> | | |
| Ground Leases - Aviation Uses, (Non-Prime) | \$0.245/Sq Ft/Yr | Negotiable based on minimum \$0.25/Sq Ft/Yr, plus consideration of appraisal and comps. |
| Ground Leases - Aviation Uses, (Prime) | \$0.295/Sq Ft/Yr | Negotiable based on minimum \$0.30/Sq Ft/Yr, plus consideration of appraisal and comps. |

Community & Neighborhood Services

| | | |
|--|--|---|
| Rentals – Community Center Multipurpose Room - 2 sections | \$79/hr - Resident \$107/hr - Non-Resident \$119/hr - Commercial Chandler Non-Profit Groups: Resident Rate - 50% | \$85/hr - Resident \$115/hr - Non-Resident \$128/hr - Commercial Chandler Non-Profit Groups: Resident Rate - 50% |
| Environmental Education Exploration | \$60/hr - Resident \$80/hr - Non-Resident \$180/event - Commercial | Class Size: 1-30 Students \$65/hr - Resident \$88/hr - Non-Resident Class Size: 31-60 Students \$169/1.5hrs - Resident \$229/1.5hrs - Non-Resident Class Size: 61-90 Students \$283/1.5hrs - Resident \$383/1.5hrs - Non-Resident |
| Pavilion Rental Large Size (Arrowhead & Folley Pavilions) | New | \$23/hr - Resident \$32/hr - Non-Resident |
| Pavilion Rental Medium Size - One Pavilion | \$14/hr - Resident \$19/hr - Non-Resident | \$16/hr - Resident \$22/hr - Non-Resident |
| Pavilion Rental Medium Size - Entire Cluster Complex (Desert Breeze - 3 pavilions) | \$42/hr - Resident \$57/hr - Non-Resident | \$48/hr - Resident \$65/hr - Non-Resident |



New or Modified Fees in Citywide Fee Schedule (continued)

| Name of Department/Fee | Current Fee | Approved Fee Effective 7/1/16 |
|---|---|--|
| Community & Neighborhood Services | | |
| Pavilion Rental Small Size - One Pavilion | \$5/hr - Resident \$7/hr - Non-Resident | \$8/hr - Resident \$11/hr - Non-Resident |
| Miscellaneous Special Event Fees - Special Recreation Sites (i.e., Dr. A.J. Chandler Park West/East, Downtown Library Plaza, Bike and Skate Park, etc.) | \$180/hr - Resident \$243/hr - Non-Resident Chandler Non-Profit Groups: Resident Rate - 50% | Event Hours: \$180/hr - Resident \$243/hr - Non-Resident \$270/hr - Commercial Chandler Non-Profit Groups: Resident Rate - 50% 20% off event hours rate for business in good standing and pay into the EMSD Set-Up/Tear Down Hours: \$30/hr - Resident \$41/hr - Non-Resident \$45/hr - Commercial |
| Miscellaneous Special Event Fees - Bike and Skate Park (Exclusive Use Rental) | \$180/hr - Resident \$243/hr - Non-Resident Chandler Non-Profit Groups: Resident Rate - 50% | \$70/hr - Resident \$95/hr - Non-Resident \$105/hr - Commercial Chandler Non-Profit Groups: Resident Rate - 50% |
| Miscellaneous Special Event Fees - Downtown East Event Area (i.e., Downtown Library Plaza, Commonwealth Avenue, Arizona Place, and Dr. A.J. Chandler Park East) | \$460/hr - Resident \$621/hr - Non-Resident \$690/hr - Commercial Chandler Non-Profit Groups: Resident Rate - 50% | Event Hours: \$460/hr - Resident \$621/hr - Non-Resident \$690/hr - Commercial Chandler Non-Profit Groups: Resident Rate - 50% 20% off event hours rate for business in good standing and pay into the EMSD Set-Up/Tear Down Hours: \$50/hr - Resident \$68/hr - Non-Resident \$75/hr - Commercial |
| Miscellaneous Special Event Fees - Downtown Library Plaza (i.e., Commonwealth Avenue and Permanent Stage) | \$280/hr - Resident \$378/hr - Non-Resident \$420/hr - Commercial Chandler Non-Profit Groups: Resident Rate - 50% | Event Hours: \$280/hr - Resident \$378/hr - Non-Resident \$420/hr - Commercial Chandler Non-Profit Groups: Resident Rate - 50% 20% off event hours rate for business in good standing within the EMSD Set-Up/Tear Down Hours: \$30/hr - Resident \$41/hr - Non-Resident \$45/hr - Commercial |



New or Modified Fees in Citywide Fee Schedule (continued)

| <u>Name of Department/Fee</u> | <u>Current Fee</u> | <u>Approved Fee Effective 7/1/16</u> |
|--|--|---|
| Miscellaneous Special Event Fees - Open Grass Space Rental - Community and Regional Parks | New | \$30/hr – Commercial |
| Miscellaneous Special Event Fees - Run/Walk (i.e., 5K/10K) Park Race Route Fee | New | \$100/route - Non-Commercial \$150/route – Commercial |
| Miscellaneous Special Event Fees - Parade of Lights Entry Fee | New | \$25/entry |
| Miscellaneous Special Event Fees - Event Vendor Booth Fee | New | \$50/event - Information \$75/event - Merchandise Sales \$150/event - Food & Beverage \$50/100 sq. ft - Additional Space \$30/event – Power |
| Miscellaneous Special Event Fees - Showmobile/Portable Stage Fee | \$325/event day - Resident \$439/event day - Non-Resident Chandler Non-Profit Groups: Resident Rate - 50% | \$325/event day - Resident \$439/event day - Non-Resident \$488/event day - Commercial Chandler Non-Profit Groups: Resident Rate - 50% |
| Miscellaneous Special Event Fees - Downtown Events Electrician Fee - Pre-Schedule Event Day - Onsite | New | \$51/hr - Resident \$69/hr - Non-Resident \$77/hr – Commercial |
| Miscellaneous Special Event Fees - Facilities Maintenance Fee - On-call Standby | New | \$45/hr - Resident \$61/hr - Non-Resident \$68/hr – Commercial |
| Miscellaneous Special Event Fees - Loss of Public Use | \$1/person - Resident \$2/person - Non-Resident | \$1/space- Resident \$2/space - Non-Resident \$3/space – Commercial |
| Special Event Deposits - Cleaning Deposit: 500 participants or less | \$250/ea - Resident \$388/ea - Non-Resident | \$250/ea - Resident \$338/ea - Non-Resident \$375/ea – Commercial |



New or Modified Fees in Citywide Fee Schedule (continued)

| <u>Name of Department/Fee</u> | <u>Current Fee</u> | <u>Approved Fee Effective 7/1/16</u> |
|--|--|---|
| Special Event Deposits - Cleaning Deposit: 501 participants or more | \$500/ea - Resident \$675/ea - Non-Resident | \$500/ea - Resident \$675/ea - Non-Resident \$750/ea - Commercial |
| Special Event Deposits - Showmobile/Portable Stage Deposit | \$150/ea - Resident \$203/ea - Non-Resident | \$150/ea - Resident \$203/ea - Non-Resident \$225/ea - Commercial |
| Special Event Deposits - Canopy/Tent Deposit | \$250/ea - Resident \$338/ea - Non-Resident | \$250/ea - Resident \$338/ea - Non-Resident \$375/ea - Commercial |
| Field Fees - Ball Field Reservation - No Lights | \$7/hr - Resident \$10/hr - Non-Resident | \$11/hr - Resident \$15/hr - Non-Resident |
| Field Fees - ½ Ball Field Reservation - No Lights | \$3.50/hr - Resident \$5/hr - Non-Resident | \$5.50/hr - Resident \$8/hr - Non-Resident |
| Other Rentals - Light Fee with Ball Machine Rental | \$2.55/hr - Resident N/A - Non-Resident | Eliminated |
| Other Rentals - Tennis Ball Machine - P.M., 30 minutes (includes court and lights) | New | \$9/rental - Resident \$12/rental - Non-Resident |
| Other Rentals - Pro Court Rental, 60 minutes | \$6/ea - Resident N/A - Non-Resident | \$7/ea - Resident N/A - Non-Resident |
| Other Rentals - Pro Court Rental - P.M., 60 minutes (includes lights) | New | \$10/rental - Resident N/A - Non-Resident |
| Other Rentals - Pro Court Rental, 30 minutes | \$3/ea - Resident N/A - Non-Resident | \$4/ea - Resident N/A - Non-Resident |
| Other Rentals - Pro Court Rental - P.M., 30 minutes (includes lights) | New | \$6/rental - Resident N/A - Non-Resident |
| Other Rentals - Bronze Pro Quarterly Rental Pass | \$220/ea - Resident N/A - Non-Resident | Eliminated |



New or Modified Fees in Citywide Fee Schedule (continued)

| <u>Name of Department/Fee</u> | <u>Current Fee</u> | <u>Approved Fee Effective 7/1/16</u> |
|---|--|--|
| Other Rentals - Silver Pro Quarterly Rental Pass | \$295/ea - Resident N/A - Non-Resident | Eliminated |
| Other Rentals - Gold Pro Quarterly Rental Pass | \$390/ea - Resident N/A - Non-Resident | Eliminated |
| Special Event Fees - Main Park Rental | \$1,500/day - Resident \$2,025/day - Non-Resident | \$1,500/day - Resident \$2,025/day - Non-Resident \$2,250/day - Commercial Chandler Non-Profit Groups: Resident Rate - 50% |
| Special Event Fees - Festival Area | \$700/day - Resident \$945/day - Non-Resident | \$700/day - Resident \$945/day - Non-Resident \$1,050/day - Commercial Chandler Non-Profit Groups: Resident Rate - 50% |
| Special Event Fees - Red Shed Theater | \$300/day - Resident \$405/day - Non-Resident | \$300/day - Resident \$405/day - Non-Resident \$450/day - Commercial Chandler Non-Profit Groups: Resident Rate - 50% |
| Special Event Fees - Road Closure | \$500/day - Resident \$675/day - Non-Resident | \$500/day - Resident \$675/day - Non-Resident \$750/day - Commercial Chandler Non-Profit Groups: Resident Rate - 50% |
| Special Event Fees - Parking Field A, B or C (see map) | \$2,500/ea - Resident \$3,375/ea - Non-Resident | \$2,500/ea - Resident \$3,375/ea - Non-Resident \$3,750/ea - Commercial Chandler Non-Profit Groups: Resident Rate - 50% |
| Special Event Fees - Restroom Staff | \$27/hr - Resident \$37/hr - Non-Resident | \$27/hr - Resident \$37/hr - Non-Resident \$41/hr - Commercial |
| Special Event Fees - Park Maintenance Staff (After Hours Fee) | \$35/hr - Resident \$48/hr - Non-Resident | \$35/hr - Resident \$48/hr - Non-Resident \$53/hr - Commercial |



New or Modified Fees in Citywide Fee Schedule (continued)

| <u>Name of Department/Fee</u> | <u>Current Fee</u> | <u>Approved Fee Effective 7/1/16</u> |
|---|--|--|
| <u>Community & Neighborhood Services</u> | | |
| Rentals - Multipurpose Room - Half Room | \$79/hr - Resident \$107/hr - Non-Resident \$119/hr - Commercial Chandler Non-Profit Groups: Resident Rate - 50% | \$85/hr - Resident \$115/hr - Non-Resident \$128/hr - Commercial Chandler Non-Profit Groups: Resident Rate - 50% |

Transportation & Development

| | | |
|---|--|--|
| Civil Engineering Subdivision Review Fees [\$48-7] Final Plat Plus, per lot | \$785.00 per plat \$7.85 per lot | \$850.00 per plat \$8.50 per lot |
| Civil Engineering Subdivision Review Fees [\$48-7] - Minor Land Division Review and Recording | None currently for Civil Review | \$340.00 per minor land division |
| Civil Engineering Subdivision Review Fees [\$48-7] Plat Recording Fee CC&R Recording Fee | None currently, City Clerk has been absorbing the cost to record the documents | Pursuant to Maricopa County Recorder Fee Schedule. Current Fees as of July 3, 2015: Plats \$14 first sheet, \$10 each additional sheet. CC&R's: \$7 and \$0.50 for each additional page over 5. |
| Building Plan Review Fees - Additional plan review - revisions to approved plans | \$50/hr 1 hour minimum | \$60/hr 1 hour minimum |
| Building Plan Review Fees - Administrative fee for residential permits from standard plans | \$50/application | \$75/application |
| Building Plan Review Fees - Review of deferred submittal items | \$50/hr | \$60/hr 1 hour minimum |
| Building Plan Review Fees - Sign permit building plan review | \$50/hr 1 hour minimum | \$60/hr 1 hour minimum |



New or Modified Fees in Citywide Fee Schedule (continued)

| <u>Name of Department/Fee</u> | <u>Current Fee</u> | <u>Approved Fee Effective 7/1/16</u> |
|--|--|--------------------------------------|
| <u>Transportation & Development</u> | | |
| Building Plan Review Fees - Plan review services without a specific fee | \$50/hr 1 hour minimum | \$60/hr 1 hour minimum |
| Building Plan Review Fees - Deferred or separate fire sprinkler (more than 20 heads, alarm or hood suppression systems) (Res. 4703) | 65% of permit fee, \$100.00 minimum | Eliminated |
| Building Plan Review Fees - Deferred or separate fire sprinkler system (20 or fewer heads) (Res. 4703) | \$50/per application | Eliminated |
| Inspection Fees - Inspection outside normal business hours | \$50/hr 2 hour minimum | \$75/hr 2 hour minimum |
| Inspection Fees - Reinspection Fee | \$50/hr | \$60/hr 1 hour minimum |
| Inspection Fees - Inspections without a specific fee | \$50/hr 1 hour minimum | \$60/hr 1 hour minimum |
| Inspection Fees - Sign permit inspection | \$50/hr 1 hour minimum | \$60/hr 1 hour minimum |
| Inspection Fees - Inspection of Breathing Air Replenishment System permit | \$250/application | Eliminated |
| Miscellaneous Fees [\$29-2 adopts the International Building Code (IBC) allowing the fees listed below] - Demolition permit, commercial/residential | \$50/application | \$100/application |
| Miscellaneous Fees [\$29-2 adopts the International Building Code (IBC) allowing the fees listed below] - Electrical pedestal permit, commercial/residential | \$50/application | \$100/application |
| Miscellaneous Fees [\$29-2 adopts the International Building Code (IBC) allowing the fees listed below] - Irrigation permit, residential | \$22/application | Eliminated |
| Miscellaneous Fees [\$29-2 adopts the International Building Code (IBC) allowing the fees listed below] - Microfilm fee | Actual cost per page | \$1/page |



New or Modified Fees in Citywide Fee Schedule (continued)

| <u>Name of Department/Fee</u> | <u>Current Fee</u> | <u>Approved Fee Effective 7/1/16</u> |
|---|---|--|
| Miscellaneous Fees [\$29-2 adopts the International Building Code (IBC) allowing the fees listed below] - Plan review fee for custom pool and/or spa | 65% of permit fee based on valuation | Eliminated |
| Miscellaneous Fees [\$29-2 adopts the International Building Code (IBC) allowing the fees listed below] - Pool and spa combo permit fee (custom and standard) | \$165/application | Eliminated |
| Miscellaneous Fees [\$29-2 adopts the International Building Code (IBC) allowing the fees listed below] - Annual Facility Permit | \$3,000 registration, plus \$90/hr 3 hour minimum | \$1,000 registration plus \$60/hr on-site review/inspection (trust account required) |
| Miscellaneous Fees [\$29-2 adopts the International Building Code (IBC) allowing the fees listed below] - Certificate of Completion [110.5 of IBC] | \$100/application | Eliminated |
| Miscellaneous Fees - Residential ramada/accessory storage building permit fee | None, but currently charged under building permit based on value. | \$150/application |
| Miscellaneous Fees - Misc. minor residential work (1-6 gas outlets, 1-2 branch elec. circuits, 1-6 plbg. openings, etc.) | None, but currently charged under building permit based on value. | \$100/application |
| Miscellaneous Fees - Appeal to the Building Official | \$150/application | \$180/application |
| Miscellaneous Fees - Temporary Certificate of Occupancy | New | \$100/first 30 days \$500/for each 30 day renewal for a maximum of 180 days |
| Miscellaneous Fees - Permit issuance fee when no other fees apply | New | \$60/hr |

