



Other Restricted Fees

Included in this category are revenues associated with the Court Technology Enhancement fee and the Judicial Collection Enhancement Fund, Heritage Square, the Tennis Center at Washington Park, Vehicle Impound fees, Affordable Housing Program revenues, and monopole rentals from several city parks. Also included is revenue from restricted fees for recreation and other programs, and donations specified for various city programs.

The 2008-09 estimate of \$18,361,000 is \$535,000 above the 2007-08 estimate of \$17,826,000. The increase is primarily due to projected increases in Fire Technical Support revenues and health insurance reimbursements.

Public Housing Grants

The 2008-09 Public Housing grants revenue included in the annual operating budget is \$68,348,000, which is a 3.2 percent decrease from 2007-08. This category includes the HOME program that is aimed at increasing the availability of affordable rental housing and expanding home ownership opportunities for first-time homebuyers. Other items in this category include housing subsidies, interest income and housing assistance payments.

Human Services Grants

The 2008-09 revenue estimate of \$34,025,000 is \$320,000 less than the 2007-08 estimate of \$34,345,000. This category includes funds from the Department of Health and Human Services, Workforce Investment Act, Aging Program Grants and Head Start funds.

Community Development Block Grant

Each year since 1974, the city has received Community Development Block Grant funds from the U.S. Department of Housing and Urban Development. These funds are used to support a variety of projects and programs that must meet the following national objectives: benefit low- and moderate-income persons; aid in the prevention or elimination of slums and blight; or meet other urgent community development needs. The 2008-09 CDBG entitlement is \$34,200,000.

Criminal Justice Grants

The 2008-09 grant revenue for criminal justice programs is estimated to be \$8,493,000. This includes Police, Court and Law department grants. Grants include Universal Hiring grants totaling \$1.0 million, \$6.3 million in other Police Department grants, and renewals of ongoing state grants.

Public Transit Grants

The 2008-09 Federal Transit Administration Grant estimate is \$9,742,000 reflecting an increase of \$3,470,000 above the 2007-08 estimate of \$6,272,000.

Other Grants

The 2008-09 budget also includes \$31,073,000 for federal, state and other grants that provide funding for some parks and recreation and library activities as well as programs such as workforce development.

ENTERPRISE FUNDS

This category includes revenues from the city's six Enterprise funds including Aviation, Water, Wastewater, Solid Waste, Convention Center and Golf. These Enterprise funds fully recover their costs through user fees associated with the provision of their services. This category also includes the Convention Center that, in addition to the user fees associated with the operation of the Convention Center, is supported by earmarked sales taxes. Following are descriptions of each Enterprise Fund category and explanations of the revenue estimates.

Aviation

Aviation revenue estimates include landing fees, concession revenues and interest income at Sky Harbor International, Deer Valley and Goodyear airports. Total Aviation revenue for 2008-09 is anticipated to be \$343,078,000, which is \$10,565,000 or 3.2 percent greater than the 2007-08 estimate of \$332,513,000. The 2008-09 estimate anticipates conservative growth in airline fees, landing fees, concessions and parking revenues.

The table on the next page shows Aviation revenue by major category and annual percent change since 2004-05.





SUMMARY OF AVIATION REVENUES
(In Thousands of Dollars)

	2004-05	2005-06	2006-07	2007-08 (Est.)	2008-09 (Est.)
Airline Operation	\$ 84,039	\$ 89,005	\$ 92,056	\$ 93,032	\$ 94,832
Concessions and Rentals	126,490	153,814	176,579	190,806	198,995
Rental Car Facility		32,919	34,520	34,000	34,500
Interest	6,644	6,850	10,426	7,845	7,800
Other/Federal Grants	7,304	3,041	5,676	2,582	2,624
Goodyear	1,820	1,725	415	1,469	1,499
Deer Valley	2,650	2,773	3,198	2,779	2,828
Total Aviation Revenue	\$228,947	\$290,127	\$322,870	\$332,513	\$343,078
Change From Prior Year	4.3%	26.7%	11.3%	14.6%	3.2%

SUMMARY OF WATER SYSTEM REVENUES
(In Thousands of Dollars)

	2004-05	2005-06	2006-07	2007-08 (Est.)	2008-09 (Est.)
Water Sales	\$177,569	\$200,390	\$211,380	\$235,169	\$258,905
Environmental Consumption Charge	19,350	26,662	31,337	35,881	42,686
Raw Water Charge	15,150	16,563	16,080	16,195	16,438
Interest	6,074	16,602	15,963	13,547	6,847
Development Fees	10,655	9,901	8,712	5,000	5,500
Combined Service Fees	2,108	2,215	2,163	5,250	5,175
Val Vista	5,047	6,942	7,194	9,359	8,200
All Other	16,690	18,436	19,105	13,472	13,066
Total Water Revenue	\$252,643	\$297,711	\$311,934	\$333,873	\$356,817
Change From Prior Year	1.0%	17.8%	4.8%	12.1%	6.9%





Water System

Water system revenues include water sales, development fees, various water service fees, resource acquisition fees, fees paid by other jurisdictions for the operation of the Val Vista Water Treatment Plant and other miscellaneous fees. Total water system revenue for 2008-09 is projected to be \$356,817,000, which is \$22,944,000 or 6.9 percent more than the \$333,873,000 estimate for 2007-08. The 2008-09 estimate reflects a full year's impact from the March 2008 rate increase for water sales. It also reflects modest account growth coupled with a slightly lower overall consumption per account.

The table on the previous page shows water system revenues by major category since 2004-05.

Wastewater System

Wastewater system revenues include monthly sewer service charge revenues, which are based on water consumption rates, development fees, the sale of wastewater treatment services to other jurisdictions, the sale of effluent and other miscellaneous fees. The wastewater system is expected to generate revenue of \$218,409,000 in 2008-09, which is \$1,599,000 or 0.7 percent greater than the 2007-08 estimate of \$216,810,000. The 2008-09 estimate is based on moderate account growth of 1.5 percent and the full year's realization of the March 2008 rate increase on sewer services. The table below shows Wastewater revenue by major category and annual percent change since 2004-05.

Solid Waste

This category includes revenues from the monthly residential collection and landfill tipping fees. The 2008-09 estimate of \$136,900,000 is an increase of \$3,223,000 or 2.4 percent greater than the 2007-08 estimate of \$133,677,000. The increase assumes continuance of the January 2008 rate increase and a conservative growth in housing units of 1.8 percent.

SUMMARY OF WASTEWATER SYSTEM REVENUES (In Thousands of Dollars)

	2004-05	2005-06	2006-07	2007-08 (Est.)	2008-09 (Est.)
Sewer Service Charge	\$ 99,121	\$110,902	\$122,103	\$135,012	\$145,988
Environmental Charges	21,820	24,939	31,429	33,894	32,887
Development Fees	10,168	9,335	8,187	4,500	5,000
Interest	3,285	9,471	13,373	17,625	8,731
Multi-City	16,705	17,261	19,242	20,764	21,175
Other	7,971	5,261	8,734	5,015	4,628
Total Wastewater Revenue	\$159,070	\$177,169	\$203,068	\$216,810	\$218,409
Change From Prior Year	8.4%	11.4%	14.6%	22.4%	0.7%





Convention Center

The majority of Convention Center revenues are from earmarked sales taxes including a 0.5 percent tax on advertising, a 0.5 percent portion of the 2.0 percent tax on restaurant and bar sales, construction, publishing, printing, and transportation and towing, plus a 2 percent portion of the 5.0 percent hotel/motel tax on rooms rented for 30 days or less.

Earmarked sales taxes are expected to produce \$64,622,000 in 2008-09, an increase of 5.0 percent above 2007-08. Convention Center operating revenues are expected to be \$7,863,000, parking revenue is expected to be \$6,433,000, and interest revenue is expected to be \$1,500,000, for total revenue estimates of \$80,418,000. This is \$5,293,000 or 7.0 percent more than the 2007-08 total estimated revenue of \$75,125,000. The increase is due to the estimated growth in earmarked sales tax categories, as well as higher parking and operating revenues expected as a result of the facility expansion. Tax estimates are consistent with General Fund sales tax estimates for the categories included in Convention Center.

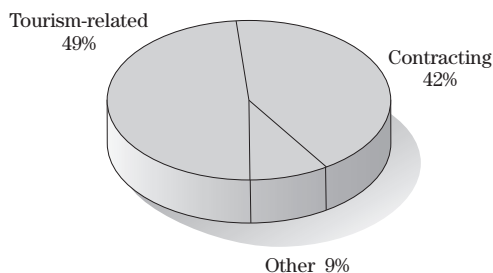
The following table shows the Convention Center excise tax collections since 2004-05.

Overall growth rates differ from General Fund sales taxes due to the smaller number of categories, differing proportions of the total and their more volatile nature. As shown in the following pie chart, contracting and tourism represent 91 percent of the sales tax revenue to this fund. Both industries are considered volatile; and both have experienced dramatic changes in the last several years. In the General Fund, however, contracting and tourism represent only 15 percent of the sales tax revenue. Because of this, any changes to these more volatile industries have a greater impact in this fund's sales tax revenue than in the General Fund's sales tax revenue.

CONVENTION CENTER SALES TAXES (In Thousands of Dollars)

Fiscal Year	Amount Collected	Increase/(Decrease)	
		Amount	Percent
2004-05	\$48,003	\$7,681	19.0%
2005-06	56,889	8,886	18.5
2006-07	61,647	4,758	8.4
2007-08 (Est.)	61,533	(114)	(0.2)
2008-09 (Est.)	64,622	3,089	5.0

2008-09 CONVENTION CENTER Earmarked Sales Taxes



The growth rate anticipated for 2007-08 reflects the current slowdown in the economy, while the growth rate for 2008-09 reflects some improvement.

Golf Courses

Revenue sources in the Golf Course category include greens fees, golf cart rentals and pro shop sales at city golf courses which include Aguila, Cave Creek, Encanto, Maryvale, Palo Verde and Papago courses. The 2008-09 estimate of \$7,047,000 is \$717,000 or 9.2 percent below the 2007-08 estimate. This is due to the closing of Papago Golf Course from April 2008 through November 2008 for renovation. Upon reopening, Papago will be operated by a concessionaire and the city will receive an annual lease payment.

