

FISCAL YEARS 2018 TO 2022
UTILITY FUND
MULTI-YEAR FINANCIAL FORECAST
KEY FINDINGS AND ASSUMPTIONS

Sources of Funds

- Water and Sewer base revenues are anticipated to increase by 1% annually due to growth in the customer base.
- Investment income is projected to increase 5% per year.
- All other Utility Fund revenues are expected to remain constant for future years.
- Projections show needed rate increases of 4.73% in FY 2017, 8.17% in FY 2018, 1.36% in FY 2019, 3.14% in FY 2020, 2.39% in FY 2021 and 3.95% in FY 2022.
- These projections are highly dependent of weather patterns which are difficult to predict.

Uses of Funds

- Compensation increase pool has been projected at 2% in FY's 2018 and 2019 and at 3% per year in FY's 2020 to 2022.
- Health Insurance rates are projected to increase at a rate of 10% annually.
- Expenditures related to the contract with Dallas Water Utilities (DWU) for the purchase of treated water are forecasted to grow 3% annually.
- The expenditures for service of the Trinity River Authority (TRA) to treat Carrollton's wastewater flows are anticipated to change based on the projected rate changes plus a factor of 1% for growth. Projected increases in TRA rates in future years are 14.2% in FY 2018, 10.1% in FY 2019, 6.3% in FY 2020, 5.8% in FY 2021 and 9.1% in FY 2022.
- Fuel costs are projected to increase by 2% per year and other supplies and services are projected to increase by 1% per year.
- Fleet Replacement allocations for FY's 2018 and 2019 are estimated based on forecasts prepared as part of the FY 2017 budget. FY's 2020 to 2022 are projected to have 2% growth annually.
- Utility costs are projected as follows:
 - Natural Gas expenditures are projected to increase 2% annually.
 - Solid Waste expenditures are expected to increase by 3% annually.
 - Electricity rates are expected to remain flat.
- Risk Allocation Charges are expected to increase by 5% in FY 2018 and again in FY 2020 and FY 2022.
- Overhead Allocation Charges are projected for FY's 2018 to 2019 based on forecasts prepared as part of the FY 2017 budget and to have 3% growth annually thereafter.
- Debt service transfers are based on required funding for existing debt issues.
- Non-recurring funding for water and sewer line rehabilitation is projected to remain flat at \$2.9 million.
- The Utility Fund Payment in Lieu of Taxes (PILOT) made to the General Fund is expected to increase 1% annually.