

2017 Budget Presentation

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Colorado Springs City Council

October 25, 2016

Key 2017 Budget Dates

Finance Committee Meetings

- May 23rd 1st Budget Review - High level overview
- June 27th 2nd Budget Review - Focused on Energy & Water Services
- July 27th 3rd Budget Review - Focused on Customer & Corporate Services

Utilities Board Meetings

- August 25th 1st Review of the Budget – Focused on key projects and alternatives
- September 21st Annual Operating and Financial Plan Review

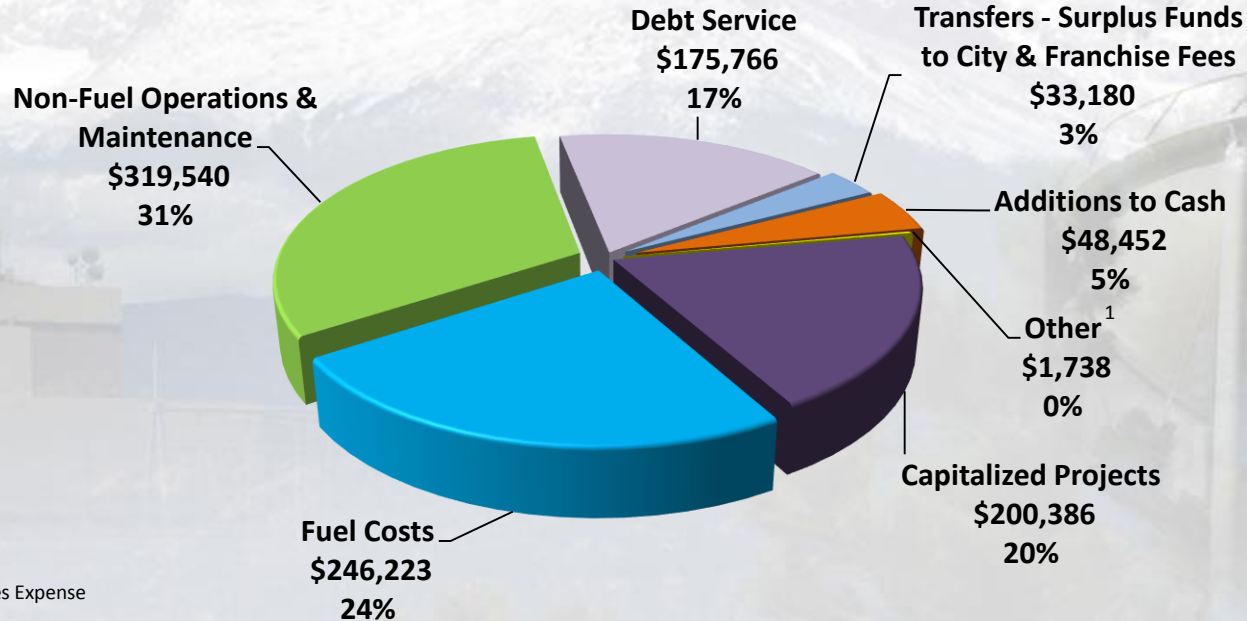
Upcoming Meetings

- November 8th 2nd Budget Reading City Council

2017 Utilities' Proposed Appropriation

\$1,025,283

(in thousands)



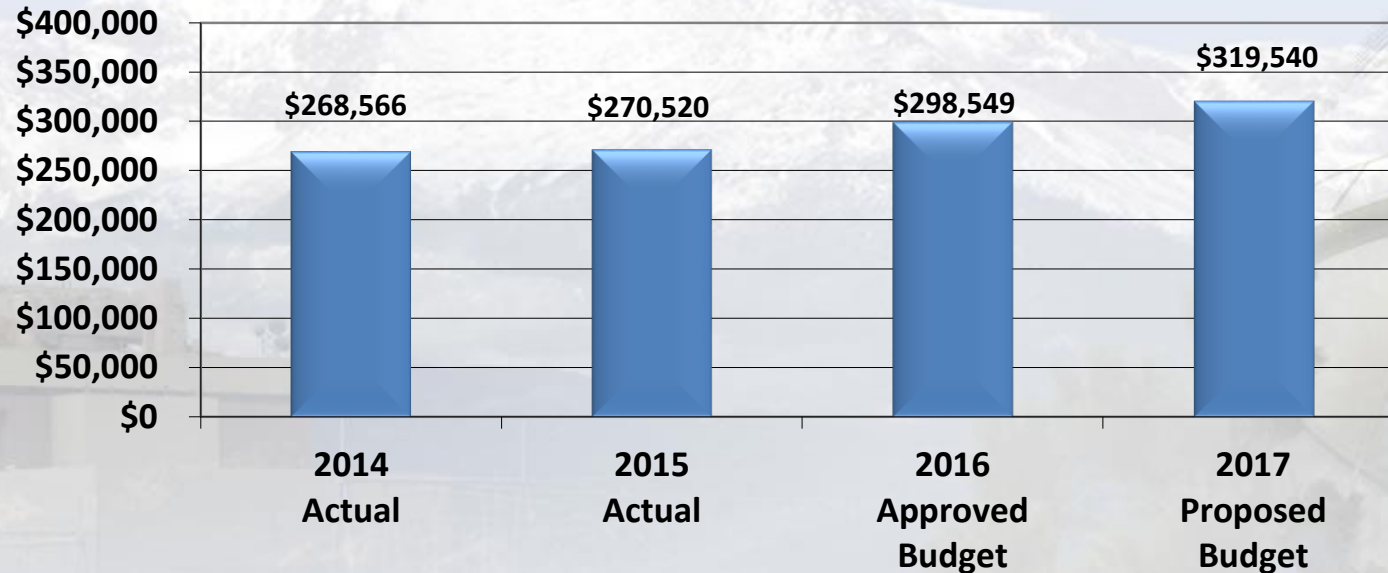
1: Includes Undistributed Stores Expense

1-Sigma Deferments (Revenue Stability)

• Electric / Water System Improvements (Replace/Repair)	\$6.0 M
• Electric / Water / Common Vehicle Replacements	4.5
• Parks Watering	2.0
• Water – Mesa Portfolio	1.5
• Electric Equipment Replacements	0.6
• Electric Meters	0.5
	<hr/>
Total 1-Sigma Deferments	\$15.1M

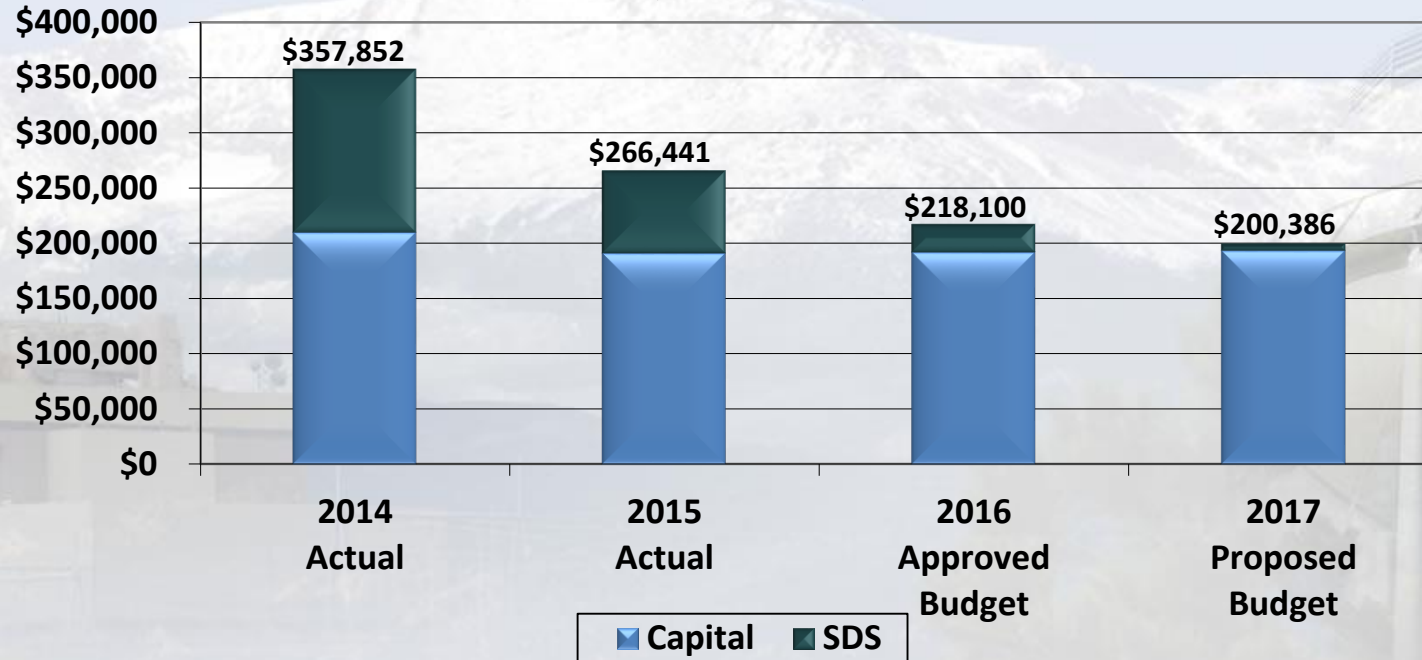
Non-Fuel Operations & Maintenance Expense

(in thousands)



Total Capital Expenditures

(in thousands)



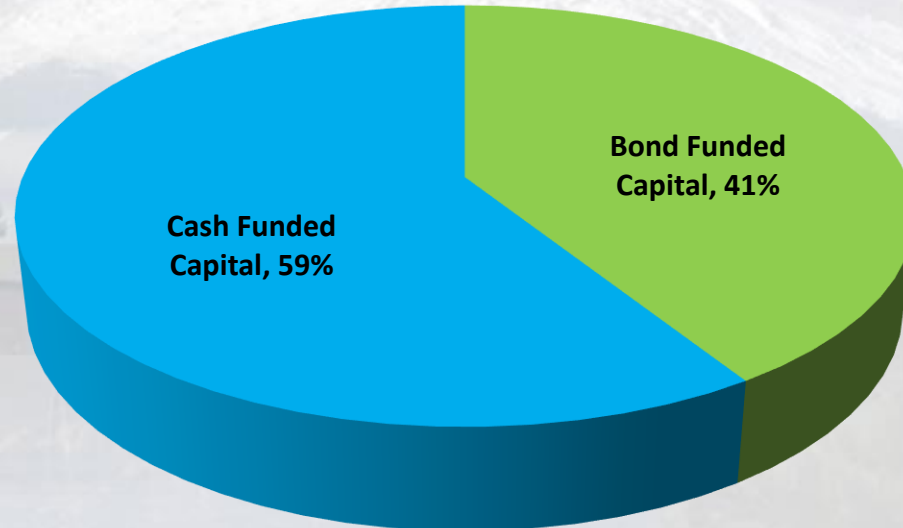
Capital before AFUDC & capitalized interest; Includes Common Capital Allocation

Electricity | Natural Gas | Water | Wastewater

Capital Funding

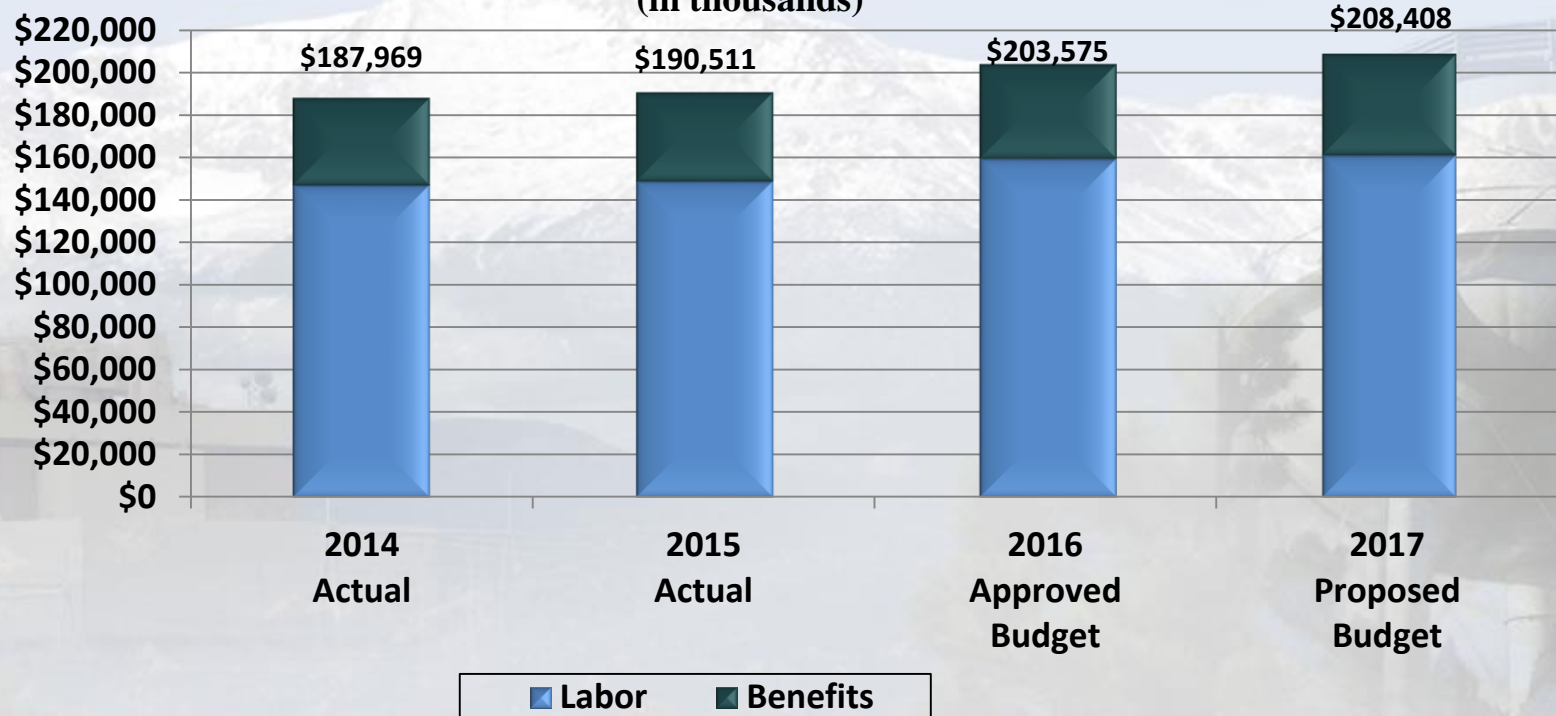
\$200,386

(in thousands)



Total Labor & Benefits

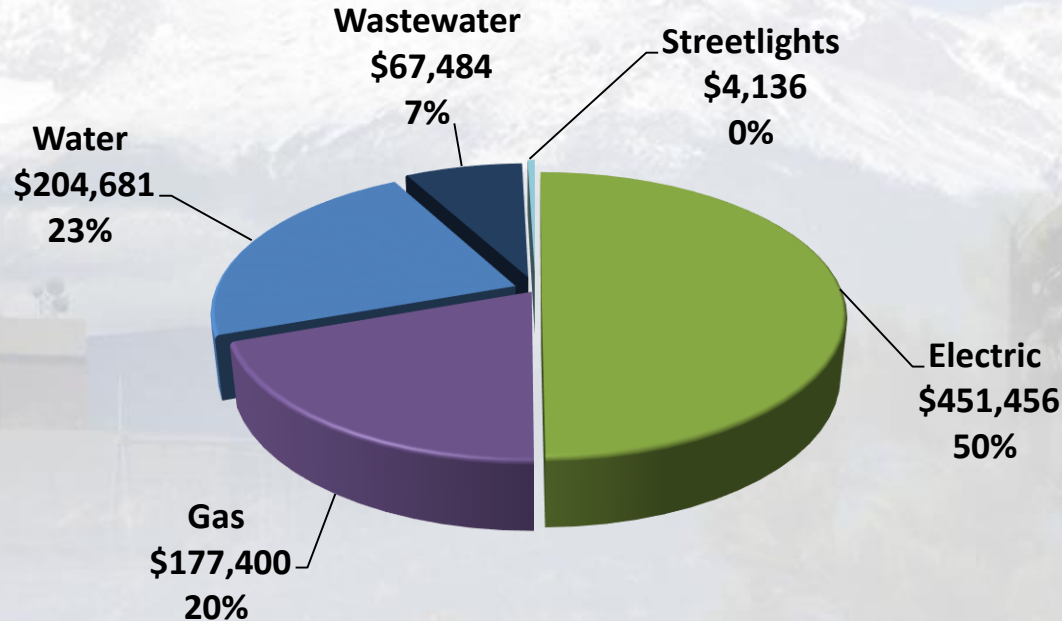
(in thousands)



Revenue by Service

\$905,157*

(in thousands)

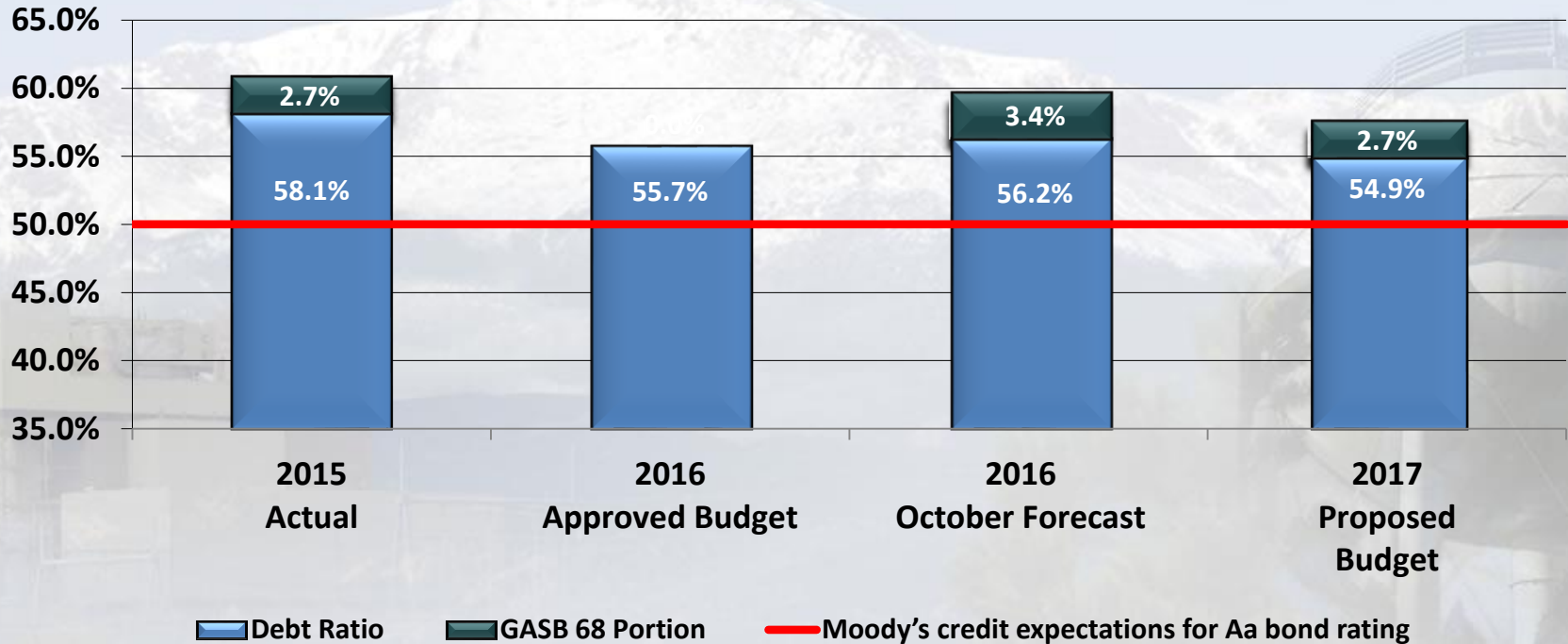


Electricity | Natural Gas | Water | Wastewater

*Includes proposed rate adjustment's

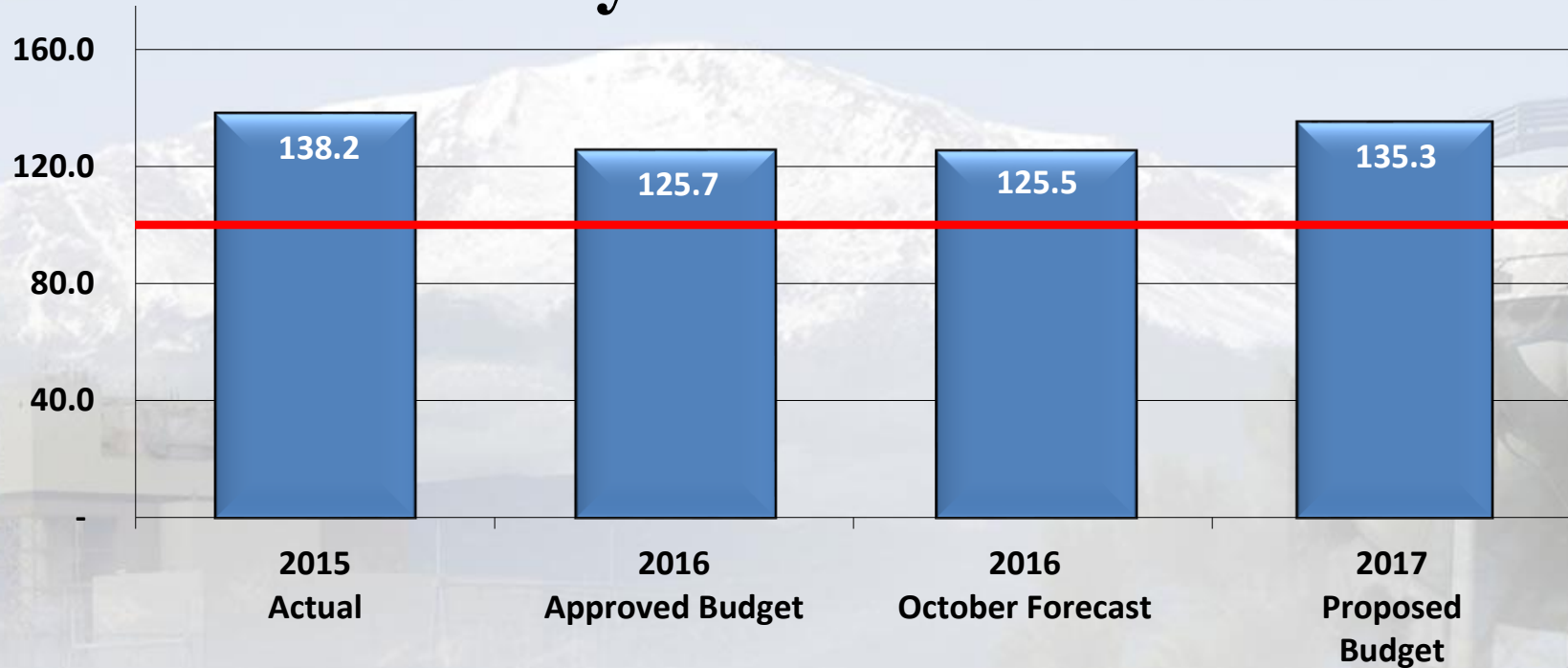
Financial Summary

Debt Ratio*



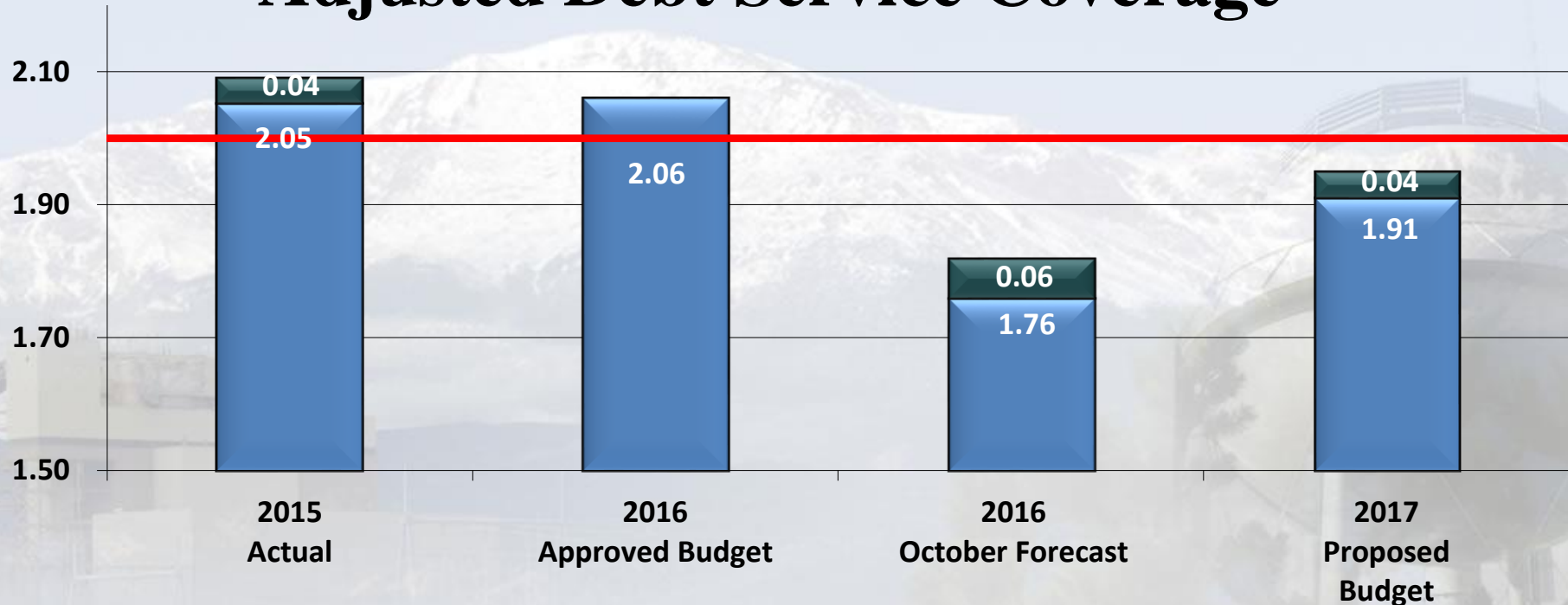
*GASB 68 Assumptions were not available for the 2016 Approved Budget

Days Cash on Hand



— Executive Limitation = 90 Days

Adjusted Debt Service Coverage



■ Debt Service Coverage Ratio

■ GASB 68 Portion

— Moody's credit expectations for Aa bond rating

211 Funding – Fee for Service

What is 211?	United Way Request	Benefits of Supporting
<ul style="list-style-type: none">➤ United Way service to refer citizens to assisting agencies➤ Comprehensive service for citizens (rent, medical, child/elder care, utilities, etc.)➤ 28% of calls are for utilities assistance with referrals to COPE agencies	<ul style="list-style-type: none">➤ United Way 211 program funding needs \$180,000 per year.➤ Funding of \$60,000 each requested from:<ul style="list-style-type: none">• City of Colorado Springs• El Paso County• Colorado Springs Utilities	<ul style="list-style-type: none">➤ Colorado Springs Utilities business case estimate:<ul style="list-style-type: none">• If 211 is not funded, costs for Utilities increase by approximately \$63,500➤ No additional budget requested. Funded by Customer Service maintaining a higher vacancy rate in 2017 than forecasted



Questions??