

December 2016 Financial Update

(activity thru October 2016)

December 12, 2016

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Chief Financial Officer



General Revenue Information

Property Taxes are collected mainly in March-July. 98% of the total revenue is typically collected by the end of July.

Other Taxes includes specific ownership tax, admissions tax, and occupational liquor taxes. Specific ownership tax is the state automobile tax and is collected throughout the year; however, there are no collections booked for January and two months of collections are booked in December.

Charges for services include court costs, development review fees, excess police alarm fees, hazardous material fees, youth and adult recreation programs, and community center classes. This category includes revenue which are not smooth throughout the year or received in the same months year to year. Also, program managers monitor program revenues and monitor and adjust expenditures accordingly.

Fines are collected for violations including parking and traffic violations.

Intergovernmental includes HUTF, state cigarette tax, and road and bridge revenue. HUTF is collected by the state and distributed locally throughout the year, although collections are typically slightly higher in the last half of the year – sources include motor fuel taxes and vehicle registration fees. Cigarette tax is lagged such that no revenue is collected January or February, but December has three months of collections booked.

Other Financing Sources includes shared services, utilities surplus revenue, and sale of capital assets. Shared services revenue is collected from enterprises for services provided by General Fund employees such as the City Attorney, City Auditor, and the City Clerk. Some of the charges are determined through a cost allocation model and the revenue received is smooth throughout the year, other charges are billed as services are provided and can vary greatly by month each year. Beginning in 2014, fuel for the City and Colorado Springs Utilities was purchased by the General Fund. Colorado Springs Utilities reimburses the General Fund for its fuel usage, which results in a much higher shared services amount. Utilities surplus revenue is collected throughout the year; however, no revenue is booked in January and two months of revenue are booked in December.

General Fund Revenue

- Sales Tax Revenue – trending ~\$1.7M above budget
- Property Tax – trending at budget
- Fines – trending ~\$960k below budget
- Intergovernmental – trending ~\$1.2M above budget
- Utilities Surplus – trending \$1.35M below budget
- Other Taxes, Charges for Services, Licenses – trending ~\$1M above budget

Summary – total GF revenue trending \$1.5-\$2.0M above budget

General Fund Expenditures

- Municipal Court, Information Technology – trending under budget due to vacancies
- Public Safety – Fire trending on budget, Police trending under budget by \$1,000,000
- PRCS – trending above budget
- Balance of departments – trending on budget

Summary – total GF expenditures trending ~ 1% under budget

General Fund Expenditures

Line #	Department	Current Budget*	YTD Actuals	% of Budget YTD
1	City Council	\$ 930,413	\$ 742,178	80%
2	City Auditor	\$ 1,417,032	\$ 1,072,499	76%
3	Parks, Recreation & Cultural Services	\$ 16,116,638	\$ 14,063,282	87%
4	Police	\$ 88,972,910	\$ 72,433,889	81%
5	Fire & OEM	\$ 50,230,231	\$ 40,234,235	80%
6	Public Works	\$ 23,980,787	\$ 19,887,066	83%
7	City Attorney, Municipal Court, City Clerk	\$ 9,824,151	\$ 7,119,163	72%
8	Information Technology	\$ 13,342,783	\$ 9,580,270	72%
9	Planning, Economic Development, Community Development	\$ 5,043,940	\$ 3,995,234	79%
10	Finance, Contract Compliance & Sustainability, General Costs	\$ 56,976,691	\$ 47,572,811	83%
11	Mayor, Communications, HR	\$ 3,131,626	\$ 2,430,794	78%
	Total	\$ 269,967,202	\$ 219,131,423	81%

*Includes all amendments and encumbrances incurred during 2016

Sales Tax Trends

2.0% Sales and Use Tax:

- S&U combined – up 12.22% for the month and up 7.41% year-to-date
 - Sales tax – up 12.63% for the month and up 7.55% year-to-date
 - Use tax – up 6.09% for the month and up 4.98% year-to-date

2.0% Lodger's Tax & 1.0% Auto Rental Tax:

- LART Combined – up 10.88% for the month and up 14.70% year-to-date
 - Lodger's Tax – up 9.47% for the month and up 15.49% year-to-date
 - Auto Rental Tax - up 29.53% for the month and up 6.60% year-to-date

0.62% Road Tax:

- \$4,789,152 – year-end estimate of ~\$49M
 - Collections thru October (9 months of collections) = \$36.1M

Sales Tax Trends

Industries with Largest Month over Month % Increase

Grocery Stores	39.81%
Building Materials	27.88%
Commercial Machines	22.62%

Industries with Largest Month over Month \$ Increase

Building Materials	\$392,789
Auto Dealer	\$260,976
Grocery Stores	\$171,388

Industries with Largest Month over Month % Decrease

Business Services	(15.29%)
Utilities	(6.90%)
Department and Discount	(1.09%)

Industries with Largest Month over Month \$ Decrease

Business Services	(\$56,113)
Utilities	(\$18,268)
Department and Discount	(\$11,991)

Sales Tax Trends

Category	\$ Change 2016 YTD compared to 2015 YTD	% Change 2016 YTD compared to 2015 YTD
Auto Dealers	634,424	6.1%
Auto Repair, Leases	271,979	5.7%
Building Materials	1,385,656	13.1%
Business Services *	891,235	34.0%
Clothing	341,036	8.6%
Commercial Machines *	98,949	4.0%
Department/Discount	(466,772)	(4.5%)
Furniture/Appliances/Electronics	140,762	2.5%
Grocery	703,378	19.6%
Hotel/Motel	827,307	16.4%
Medical Marijuana	237,065	20.9%
Miscellaneous Retail	685,126	5.5%
Restaurants	508,156	3.6%
Utilities	(233,148)	(9.3%)

*The most volatile categories

2016 Grant Funds Update

2016 Grants Appropriation	\$ 54,762,461	TABOR Impact
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Grants Awarded:

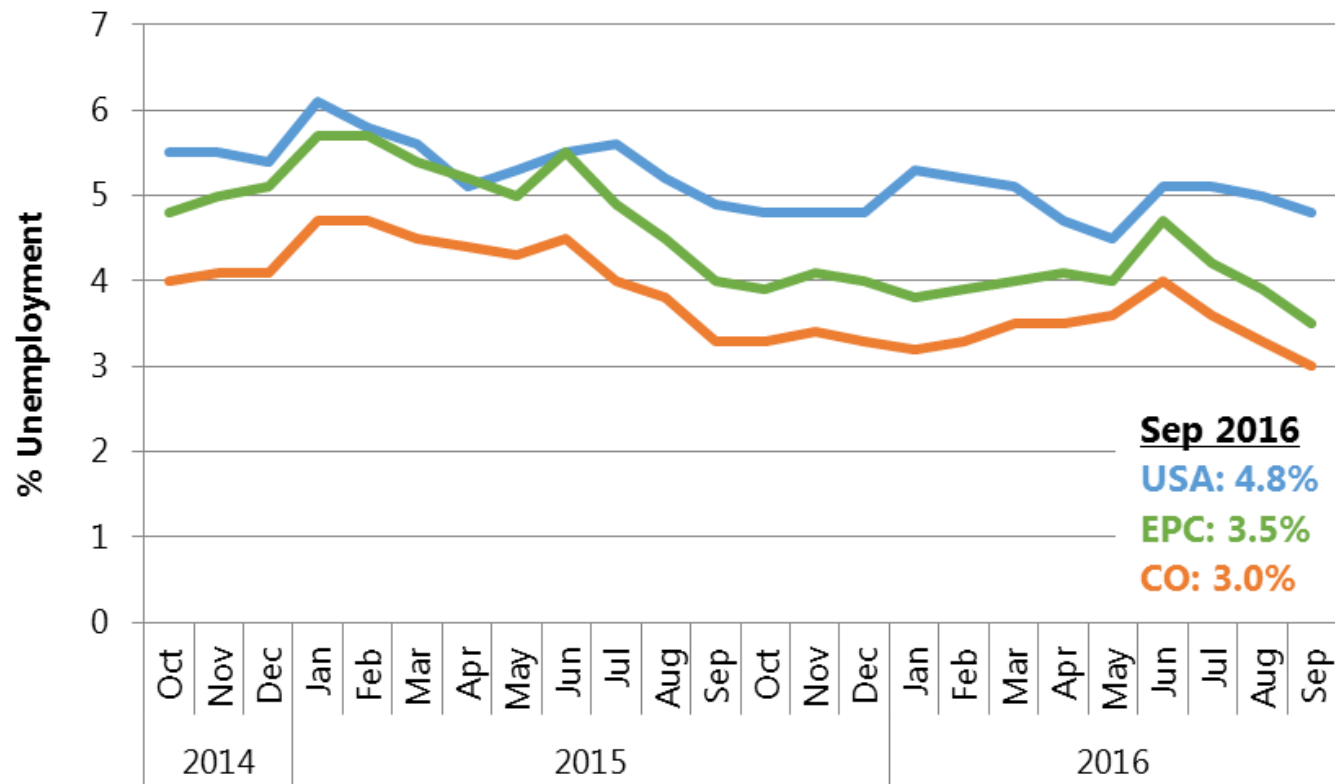
Federal	\$ 18,129,585	No
Federal Pass-Through	25,241,191	No
Other	1,992,708	No
State of Colorado	1,645,124	Yes
Private	417,525	No
<i>Total Grants Awarded</i>	\$ 47,426,133	
Remaining Appropriation as of October 31, 2016	\$ 7,336,328	

2016 Grant Funds Update

Recipient Unit	2016 Appropriation	2016 Grant Awards through 10/31/16	Variance (Awards less Appropriation)
Airport	\$13,802,222	\$10,240,000	\$(3,562,222)
City Engineering	2,326,495	11,686,677	9,360,182
Community Development	4,375,350	4,400,502	25,152
Finance	657,047	562,412	(94,635)
Fire	1,899,000	311,000	(1,588,000)
Office of Emergency Management	493,660	602,038	108,378
Parks, Recreation, and Cultural Services	1,176,100	1,866,606	690,378
Police	3,606,000	2,823,092	(782,908)
Stormwater	0	9,836,704	9,836,704
Traffic Engineering	1,155,045	0	(1,155,045)
Transit	10,391,694	432,351	(9,959,343)
Total by Recipient Unit	\$39,882,613	\$42,761,382	\$(2,878,769)
FEMA DR-4229 Public Assistance Grant	14,879,848	4,664,751	(10,215,097)
Grand Total	\$54,762,461	\$47,426,133	\$(7,336,328)

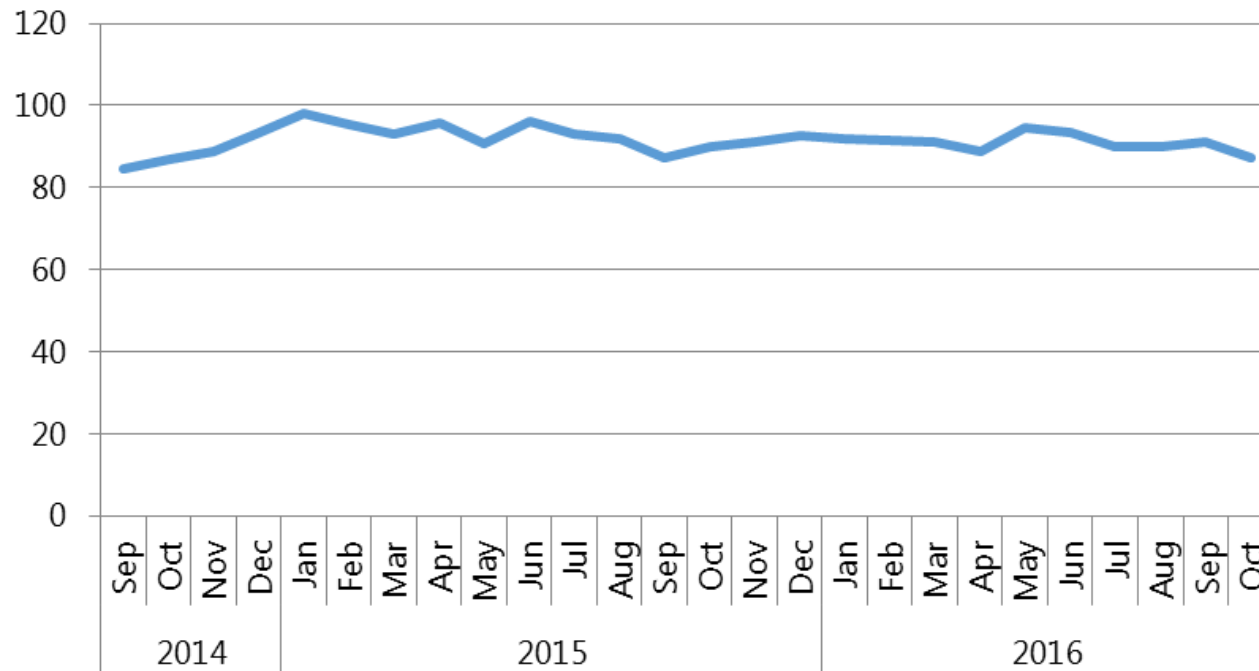
Economic Indicators

Unemployment Rate



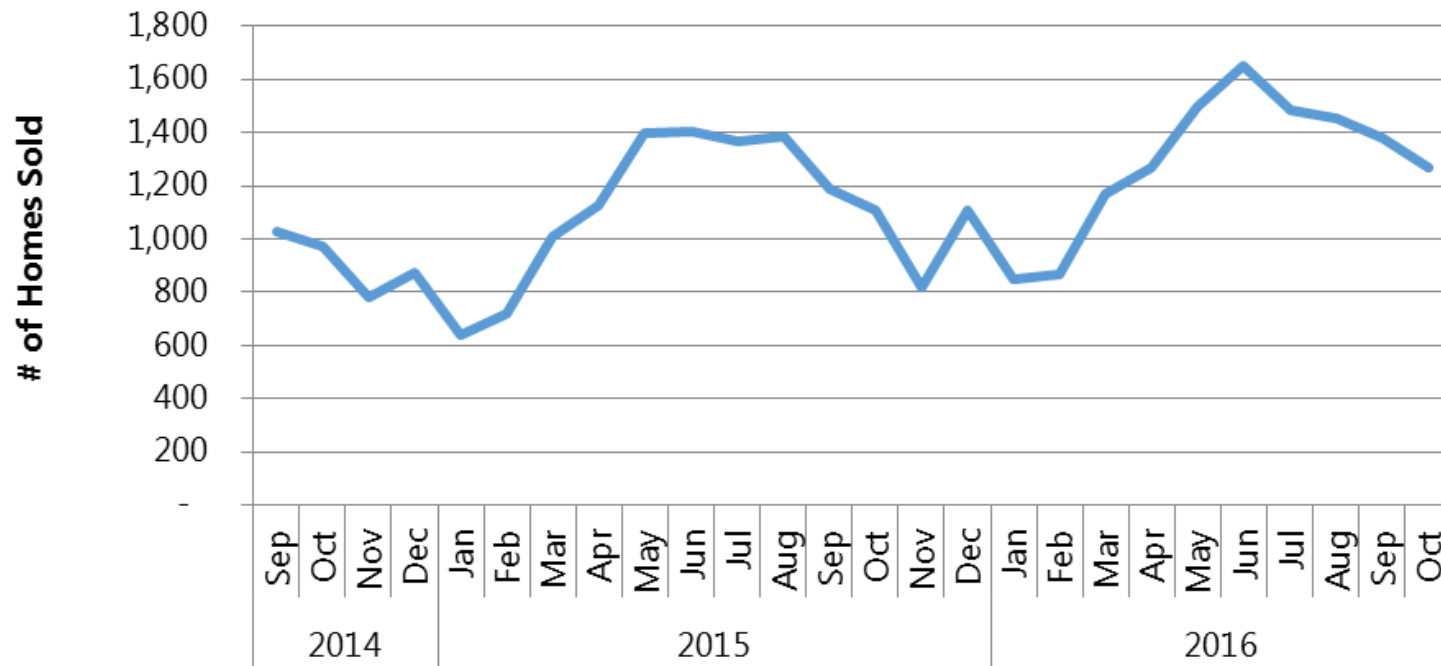
Economic Indicators

Index of Consumer Sentiment



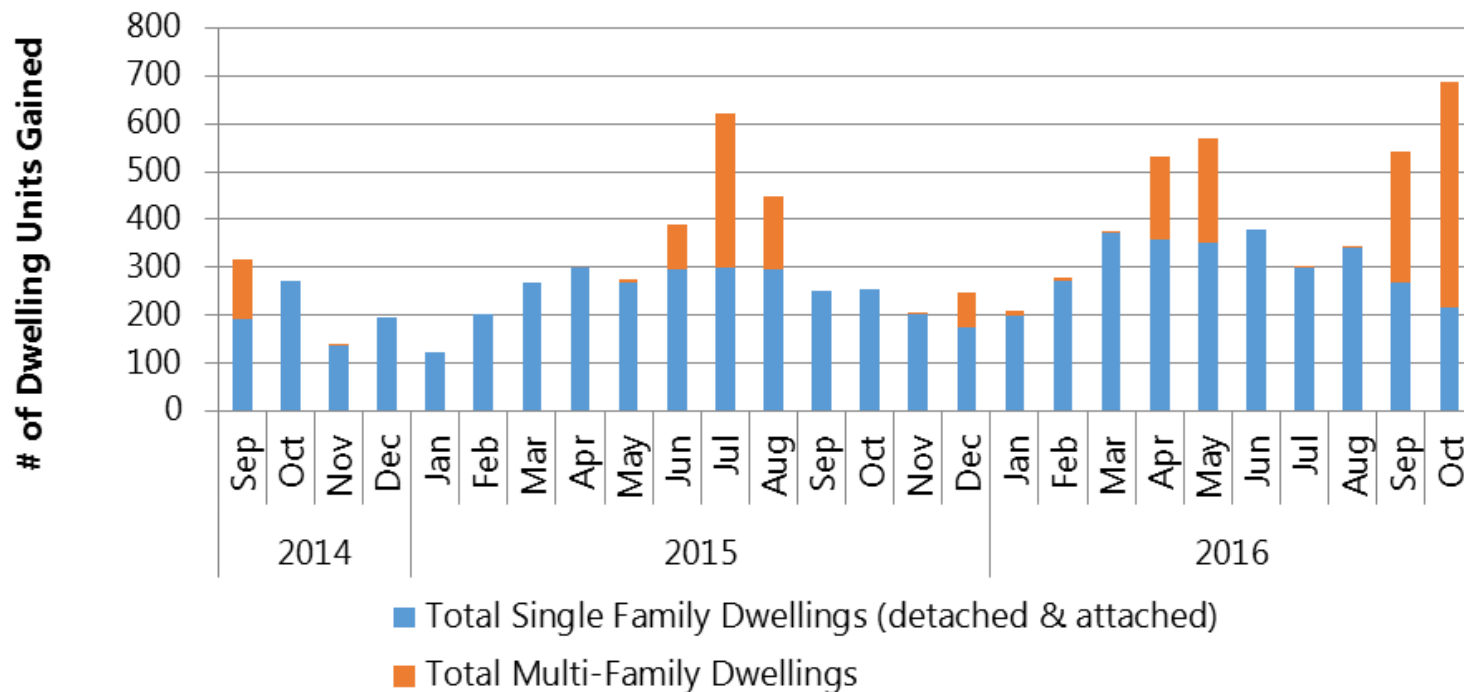
Economic Indicators

Pikes Peak Region Home Sales Single Family/Patio Homes



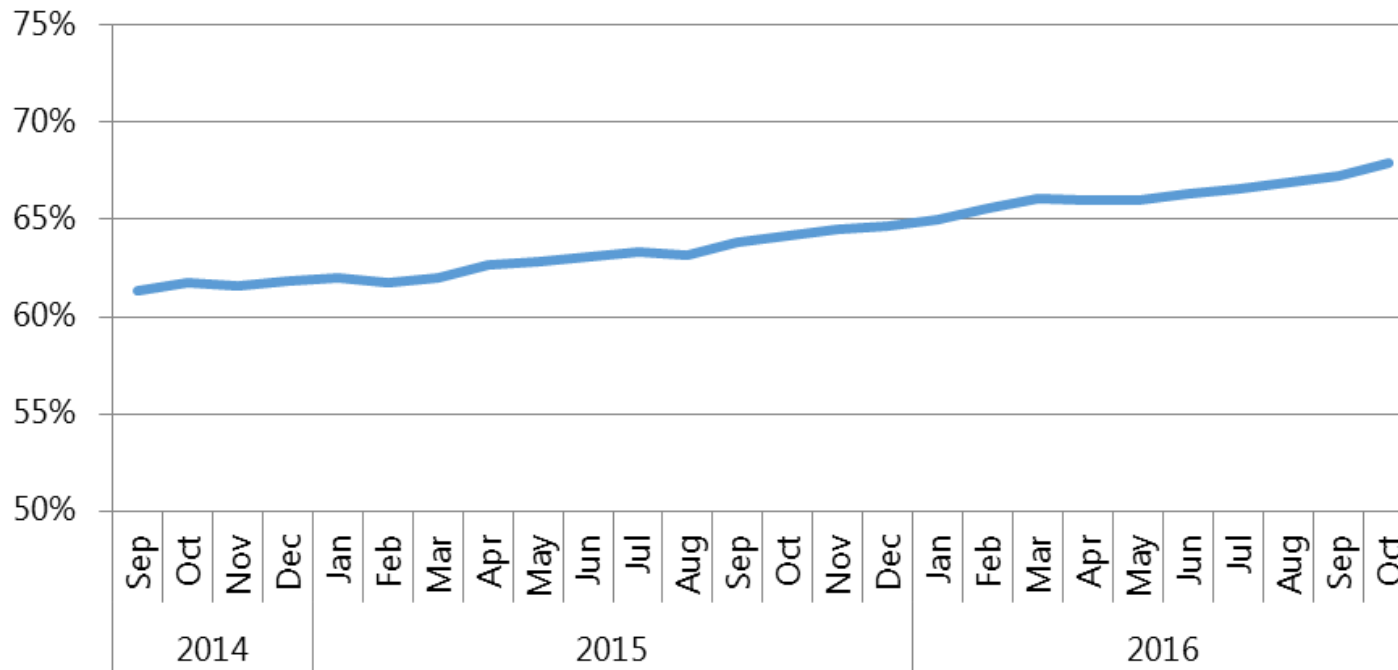
Economic Indicators

Pikes Peak Region Residential Building Permits



Economic Indicators

Colorado Springs Hotel Occupancy Rate (12 Month Moving Average)



Questions?