

2018 Year End Review

July 08, 2019

Charae McDaniel

Chief Financial Officer

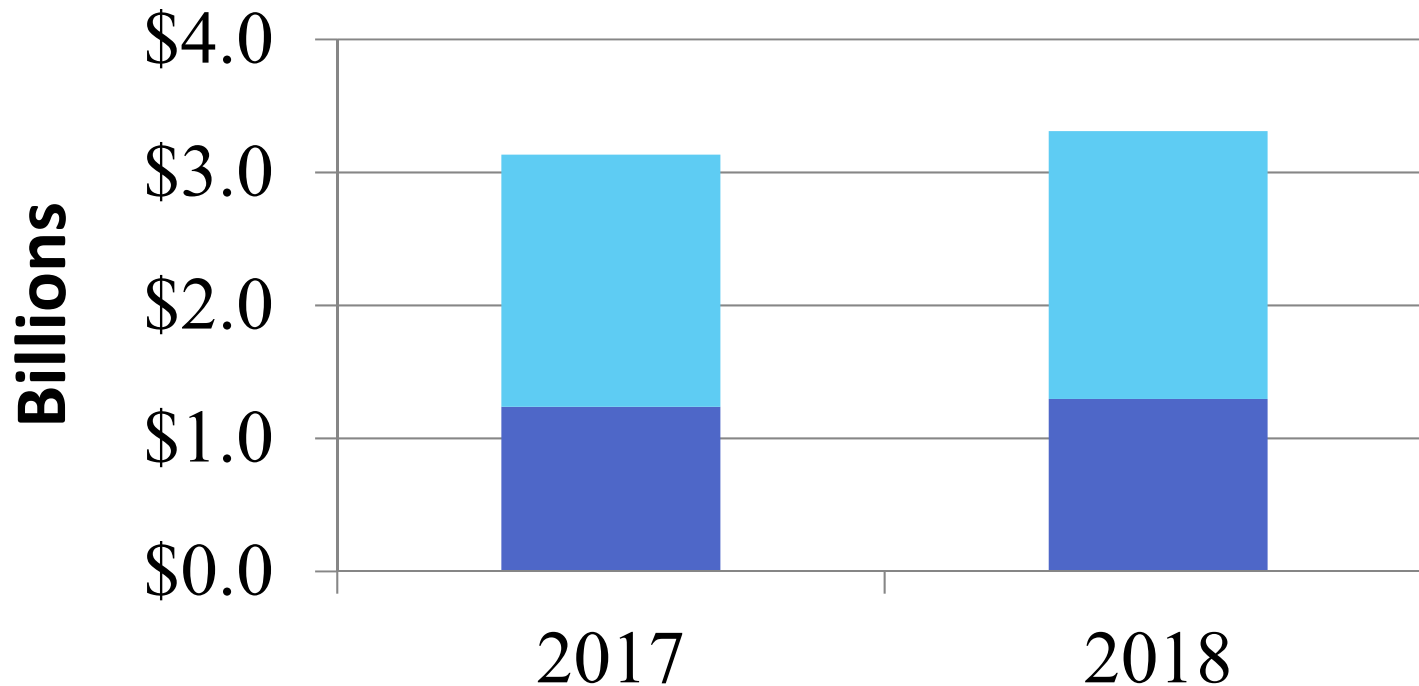


2018 Highlights



Government-wide Net Position

↑ 5.7%



Business Type Activity ↑ 6.2%

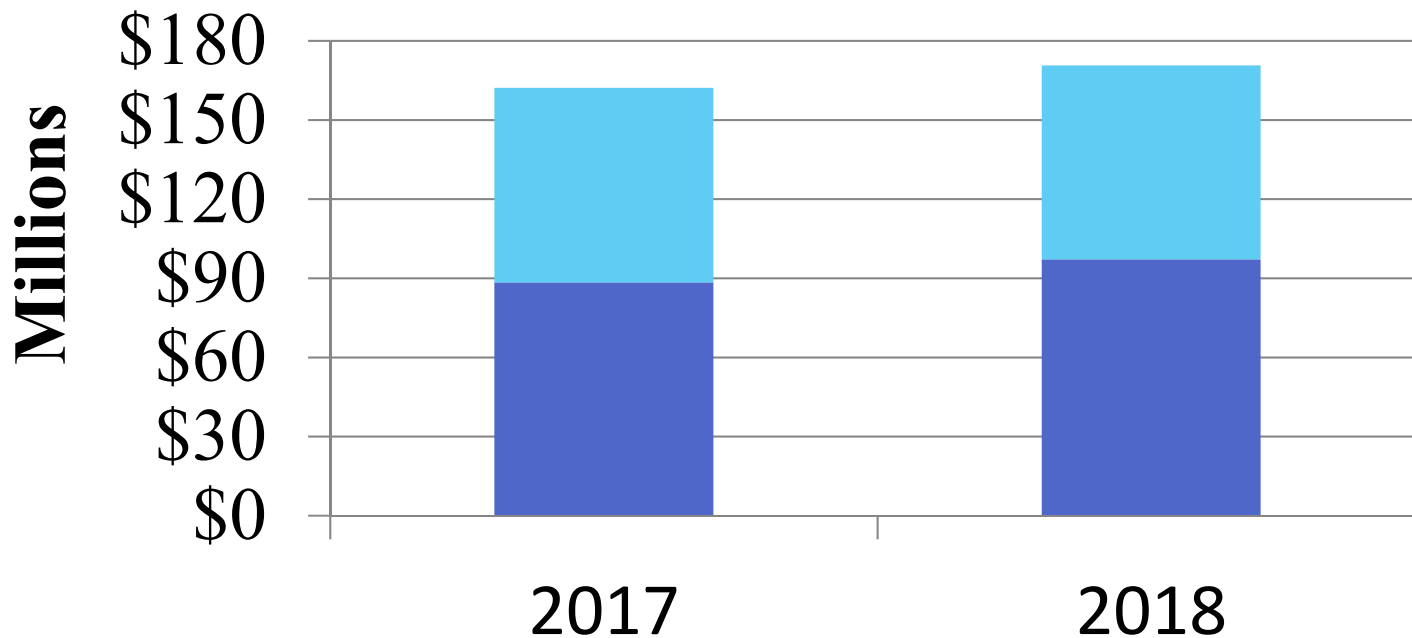
Governmental Activity ↑ 4.8%

2018 Highlights



Governmental Funds Fund Balances

↑ 5.2%



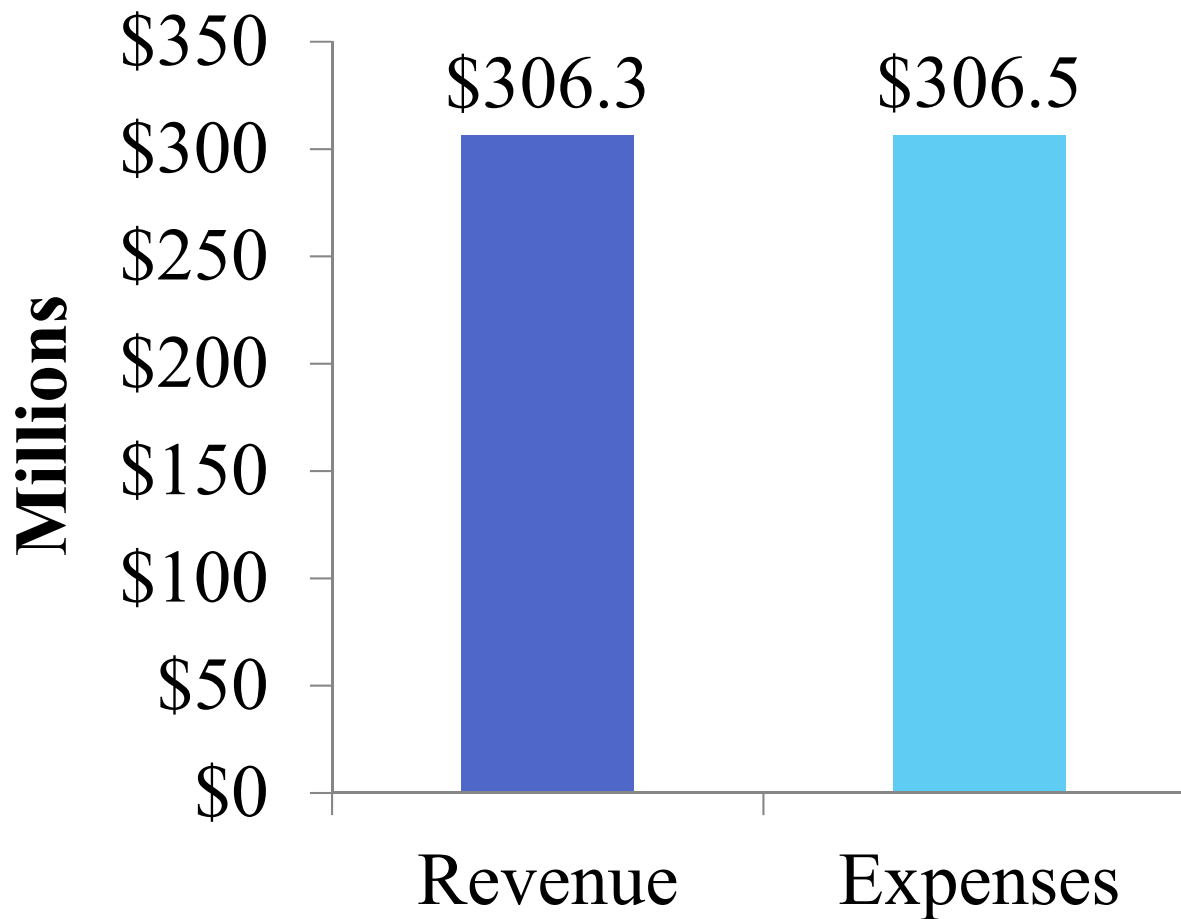
■ General Fund

↓ 0.3%

■ Non-Major Funds

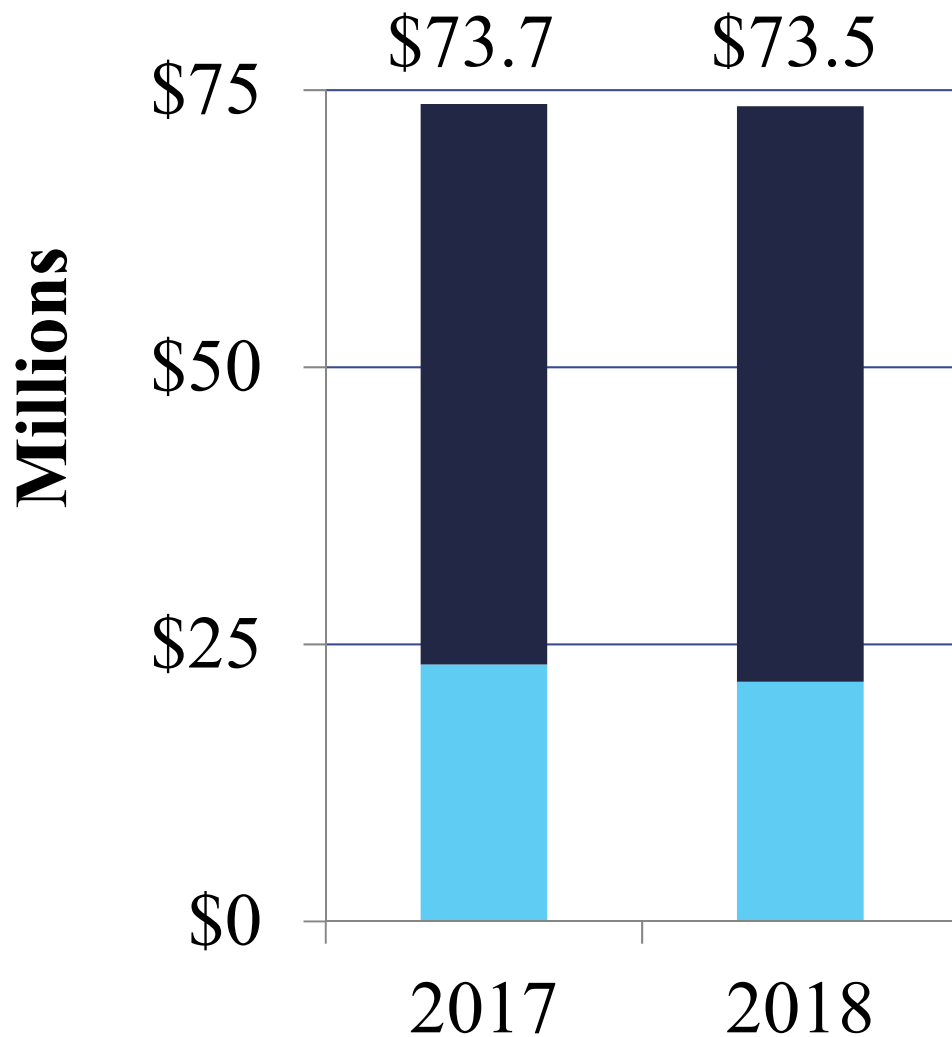
↑ 9.8%

2018 GF Summary



Impact to
Fund Balance
(\$212 K)

2018 GF Fund Balance



2018 Unrestricted FB:
\$51,922,563

As a % of next year expenditures

	2017	2018
	17.6%	16.9%

■ Unrestricted
■ Restricted

2018 GF Fund Balance



	2017	2018	Increase/ (Decrease)
Restricted Subtotal	\$23,173,407	\$21,614,659	(\$1,558,748)
Unrestricted Subtotal	\$50,576,012	\$51,922,563	\$1,346,551
Fund Balance Total	\$73,749,419	\$73,537,222	(\$212,197)
Unrestricted Fund Balance as % of next year expenditures	17.6%	16.9%	

2018 Original Budget	2019 Original Budget
\$286,717,134	\$308,082,899

2019 Financial Update

(activity thru May 2019)

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General Revenue Information



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

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 is 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.

Licenses and Permits includes revenue collected throughout the City for the issuance and renewal of business licenses, as well as permits pertaining to activity conducted within the City's limits.

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.

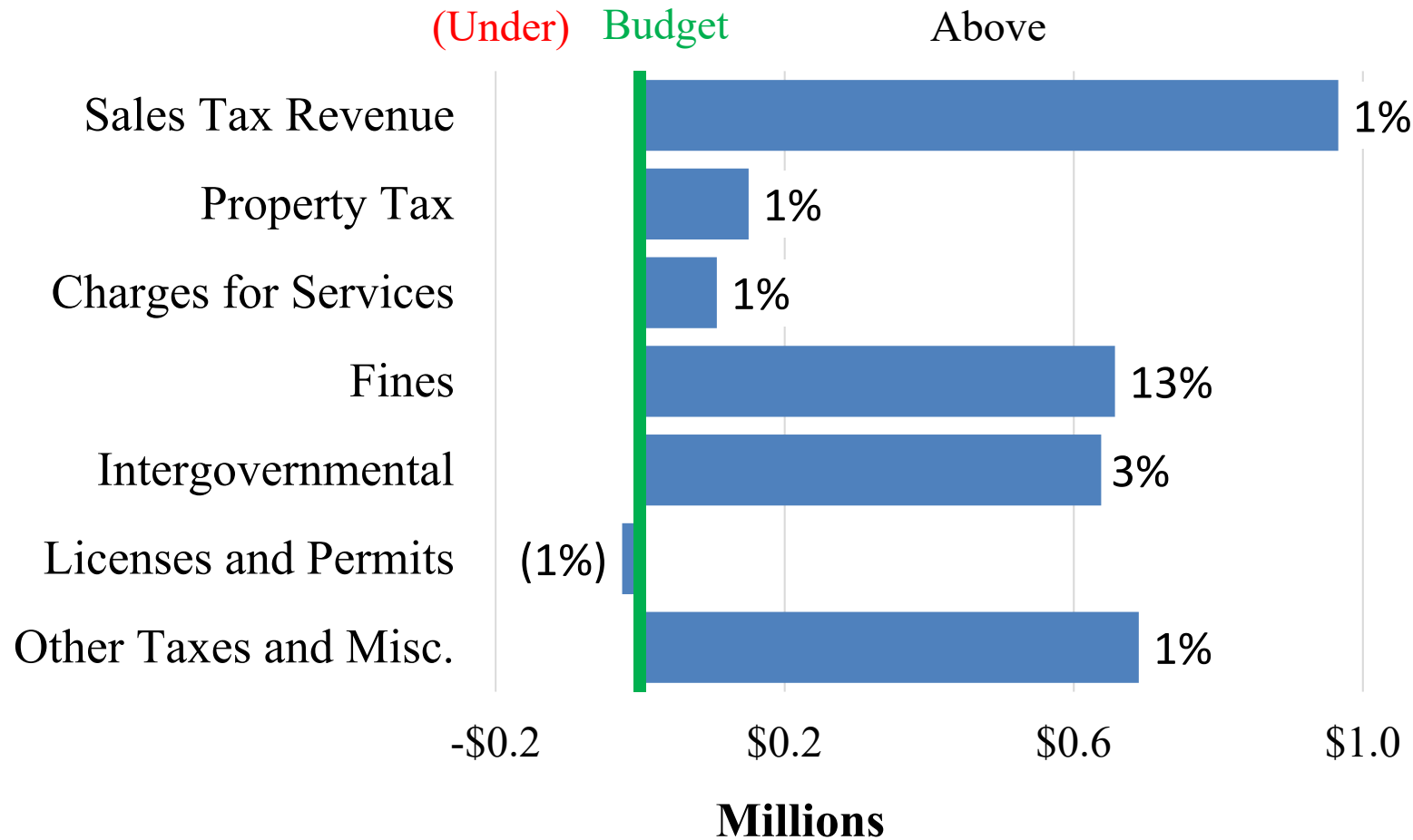
Miscellaneous Revenue includes shared services, utilities surplus revenue, and sale of capital assets. Shared services revenue is collected from enterprises for services provided by General Fund employees such as the City Attorney, City Auditor, and the City Clerk. Some of the charges are determined 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.

2019 General Fund Revenue



EOY Revenue

(activity thru May 2019)



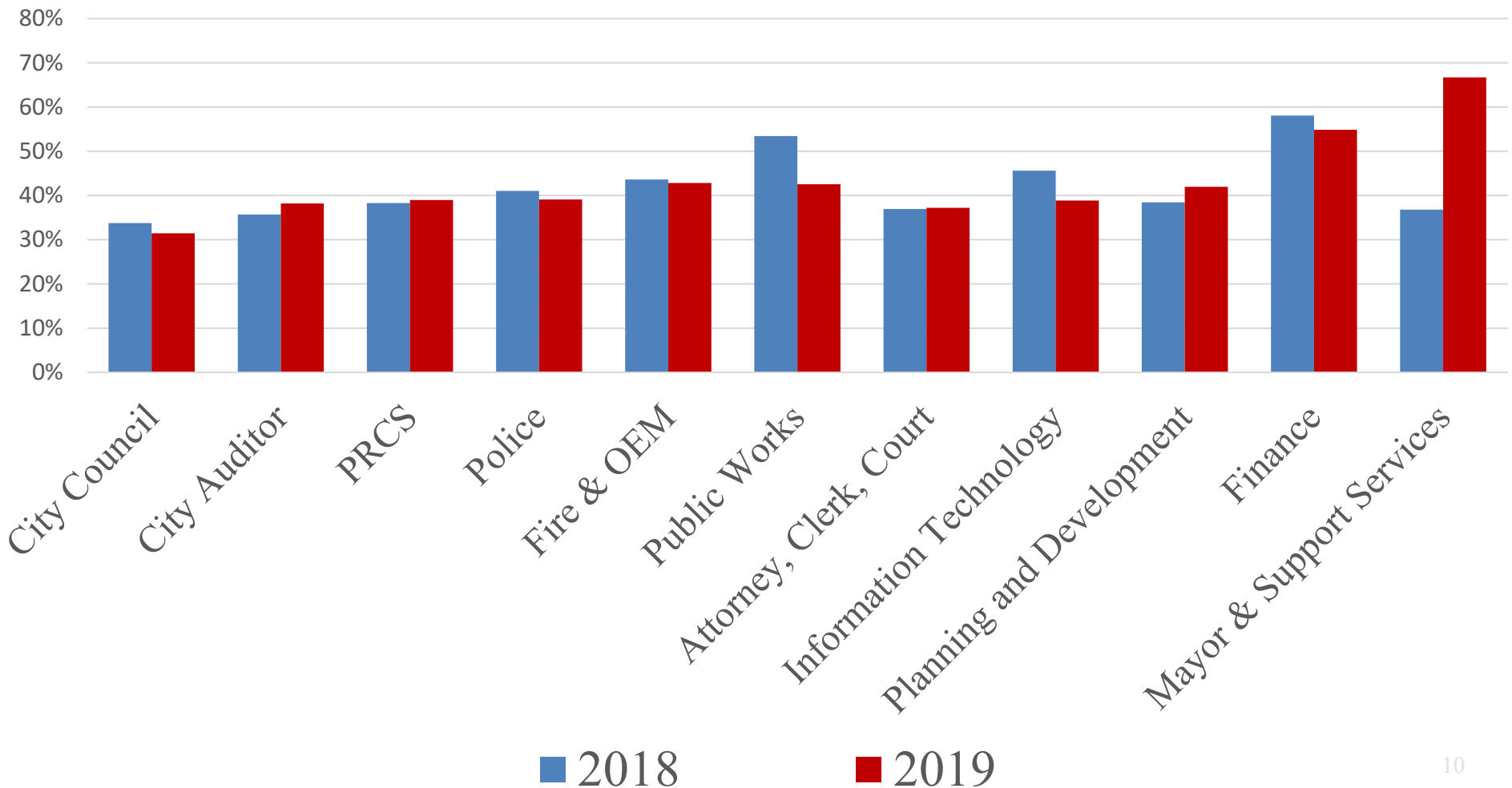
Summary – total GF revenue \$3.2M, or 1%, above budget

2019 General Fund Expenditures



YTD Comparison of Actuals as % of Budget

(activity thru May 2019)



Sales Tax Trends



(collections thru May 2019)

2.0% Sales and Use Tax:

- S&U combined – up 8.27% for the month and up 5.59% year-to-date
 - Sales tax – up 8.91% for the month and up 6.16% year-to-date
 - Use tax – down 4.64% for the month and down 3.60% year-to-date

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

- LART Combined – up 2.19% for the month and up 12.53% year-to-date
 - Lodger's Tax – up 0.65% for the month and up 11.13% year-to-date
 - Auto Rental Tax – up 22.80% for the month and up 27.21% year-to-date

0.62% Road Tax:

- 2C Road Tax – up 8.24% for the month and up 5.60% year-to-date

Sales Tax Trends



(collections thru May 2019)

Industries with Largest Month over Month % Increase

Business Services	87.52%
Auto Dealer	21.98%
Auto Repair and Leases	20.39%

Industries with Largest Month over Month \$ Increase

Business Services	\$261,281
Building Materials	\$257,632
Auto Dealer	\$228,700

Industries with Largest Month over Month % Decrease

Commercial Machines	(28.52%)
Furniture, Appliances, and Electronics	(3.48%)
Miscellaneous Retail	(0.57%)

Industries with Largest Month over Month \$ Decrease

Commercial Machines	(\$76,591)
Furniture, Appliances, and Electronics	(\$27,743)
Miscellaneous Retail	(\$8,235)

Sales Tax Trends



(collections thru May 2019)

Category	\$ Change 2019 YTD compared to 2018 YTD	% Change 2019 YTD compared to 2018 YTD
Auto Dealers	286,370	6.4%
Auto Repair, Leases	295,437	13.2%
Building Materials	530,055	9.6%
Business Services *	394,324	31.2%
Clothing	67,654	3.6%
Commercial Machines *	(48,062)	(3.9%)
Department/Discount	552	0.0%
Furniture/Appliances/Electronics	71,390	2.5%
Grocery	259,988	11.6%
Hotel/Motel	164,134	7.9%
Medical Marijuana	(36,599)	(6.1%)
Miscellaneous Retail	(177,684)	(2.9%)
Restaurants	358,977	5.2%
Utilities	105,178	8.6%

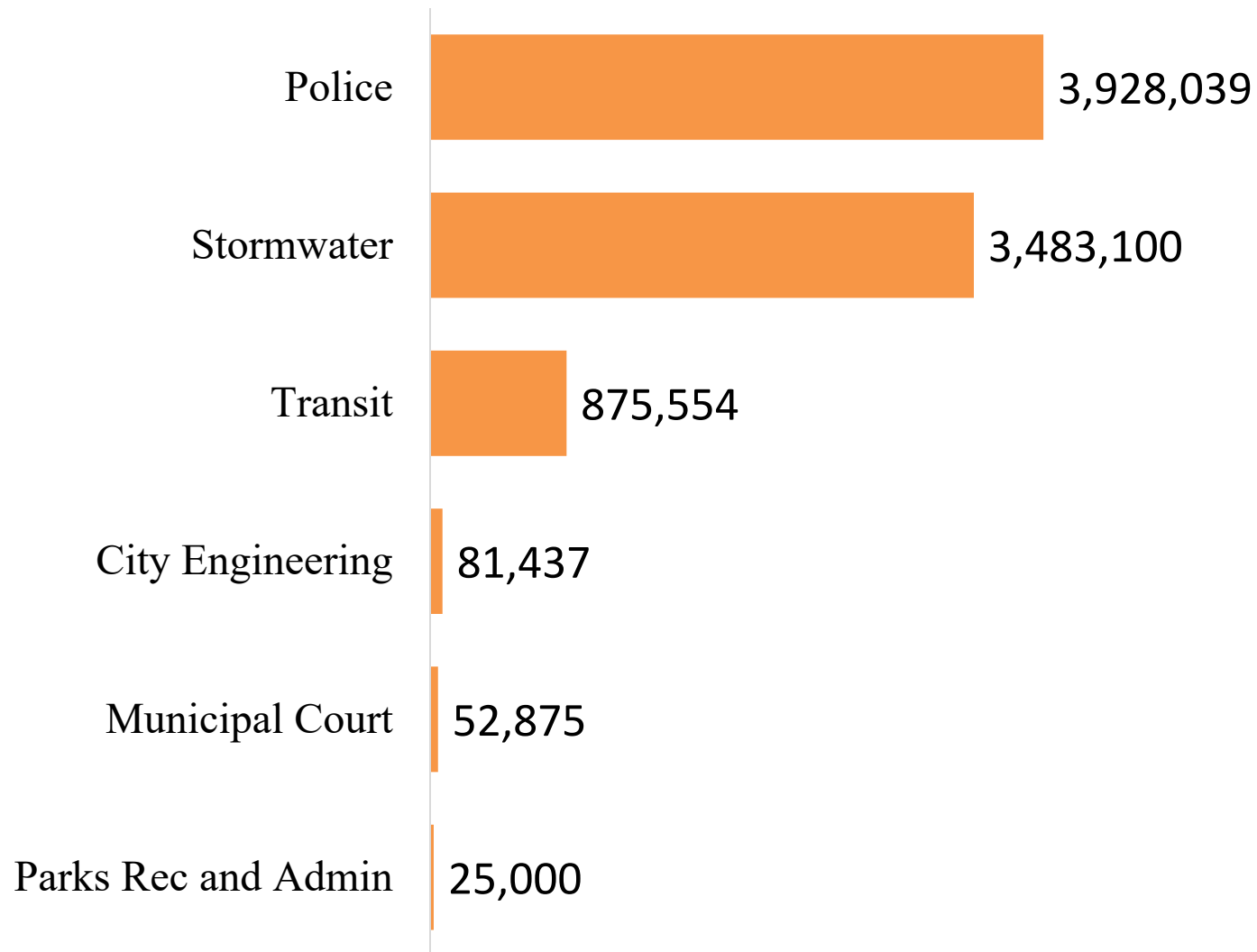
*The most volatile categories

2019 Grant Funds Update



2019 Awarded Grants

(activity thru May 2019)

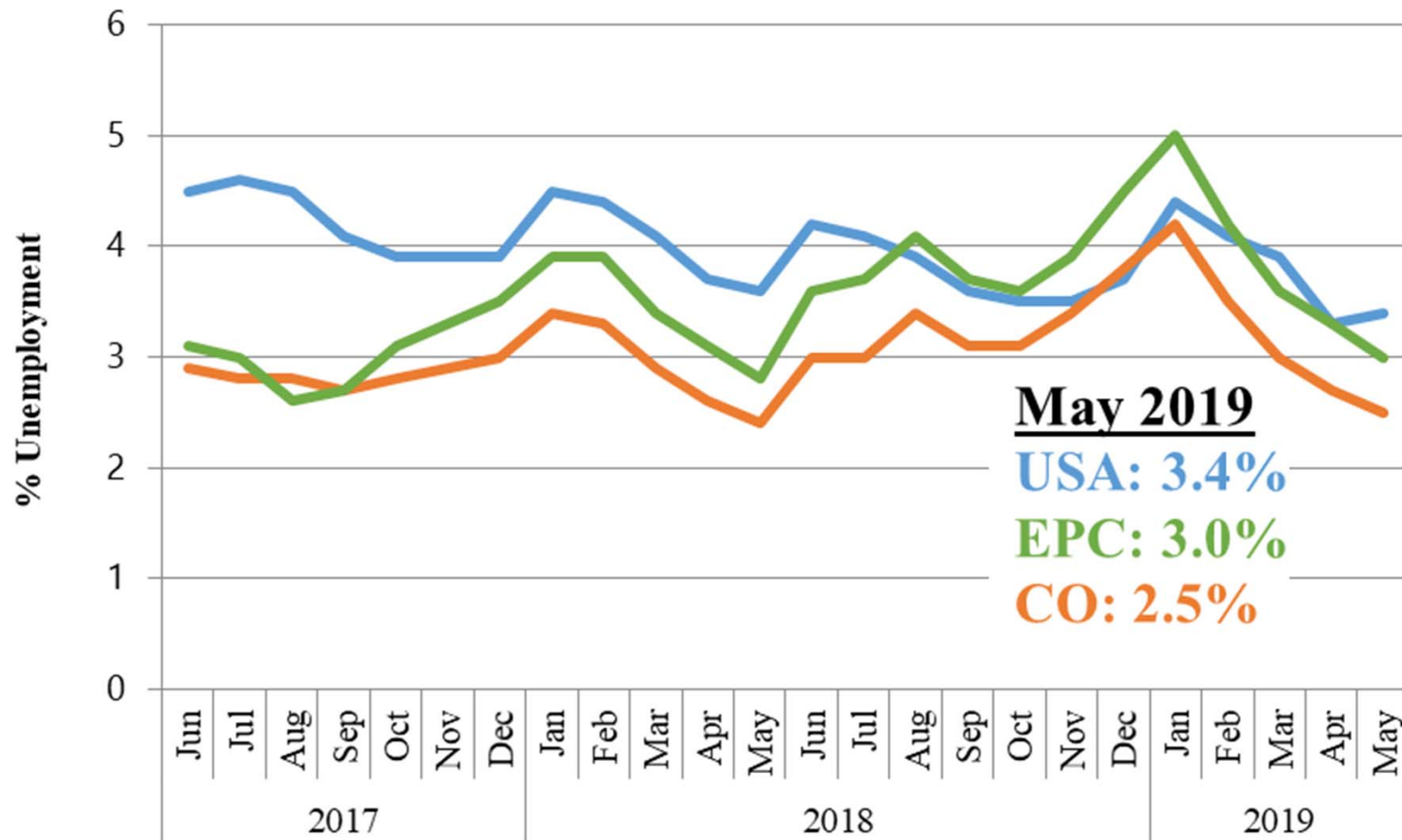


Economic Indicators



(activity thru May 2019)

Unemployment Rate



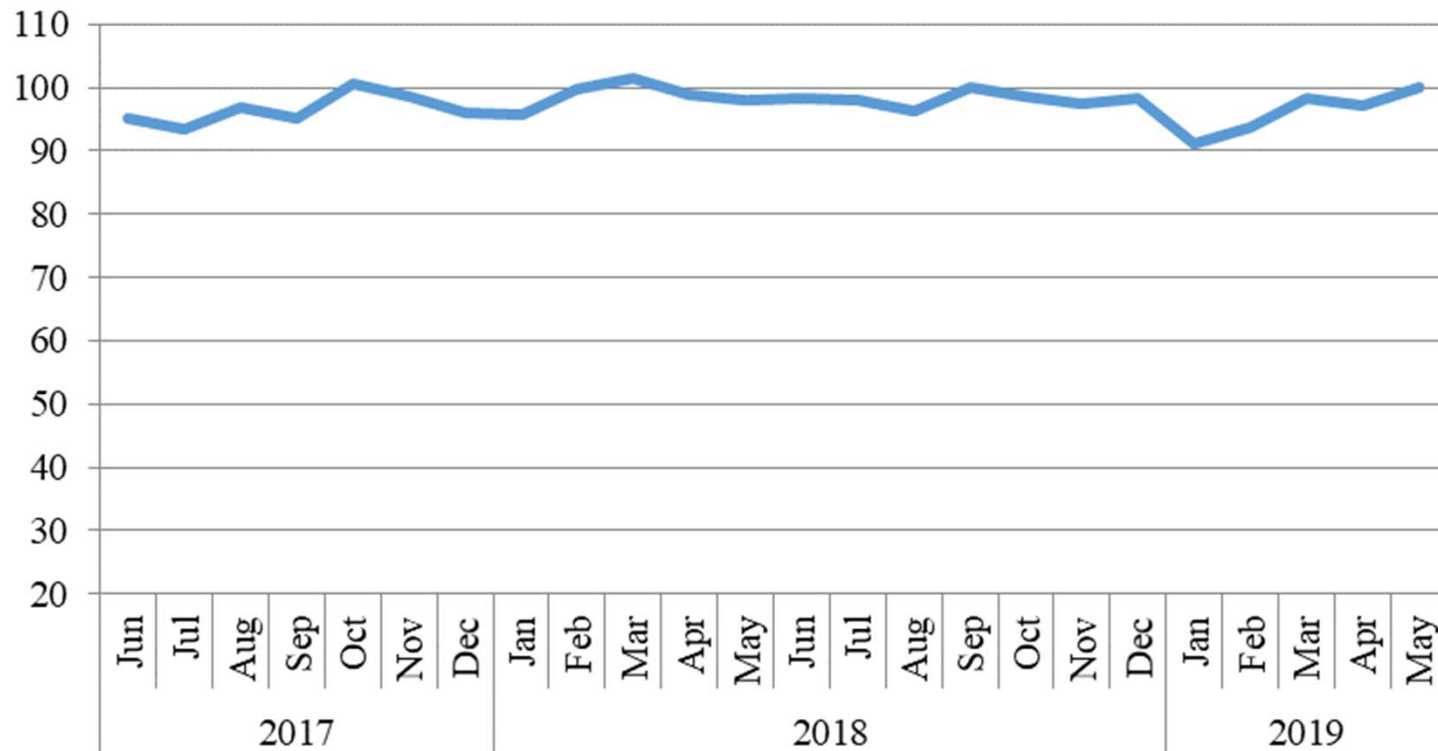
Economic Indicators



(activity thru May 2019)



Index of Consumer Sentiment

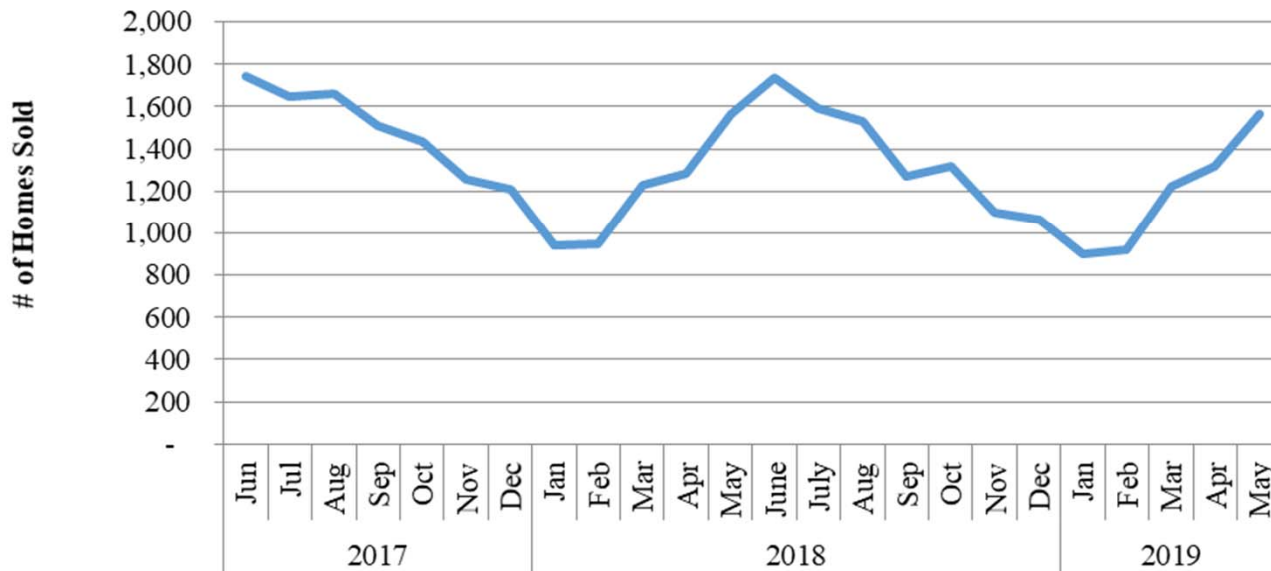


Economic Indicators



(activity thru May 2019)

Pikes Peak Region Home Sales Single Family/Patio Homes



YTD Sales 2019	YTD Sales 2018	% Change
5,932	5,967	(0.6)

Category	Avg. Sales Price May 2019	Avg. Sales Price May 2018	% Change
Single Family/Patio Homes	\$372,416	\$355,927	4.6
Condo/Townhomes	\$246,435	\$225,266	9.4

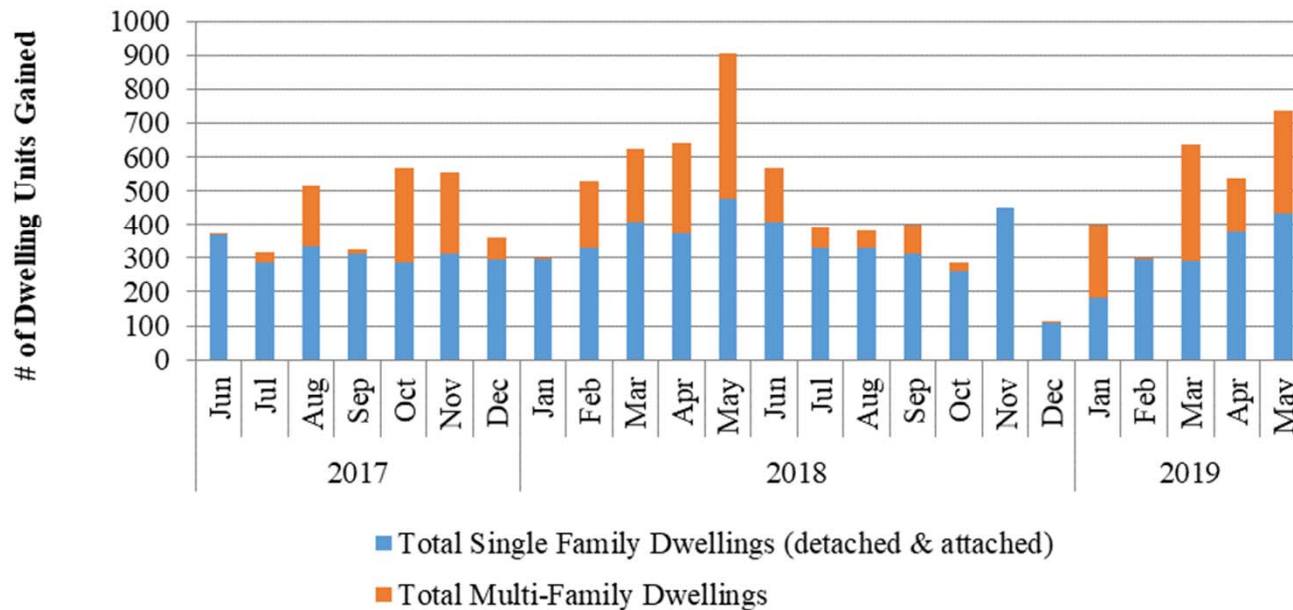
Economic Indicators



(activity thru May 2019)



Pikes Peak Region Residential Building Permits



YTD Permit Activity	2019	2018	% Change
Single Family Dwelling Units	1,578	1,882	(16.2)
Multi-Family Dwelling Units	1,031	1,115	(7.5)

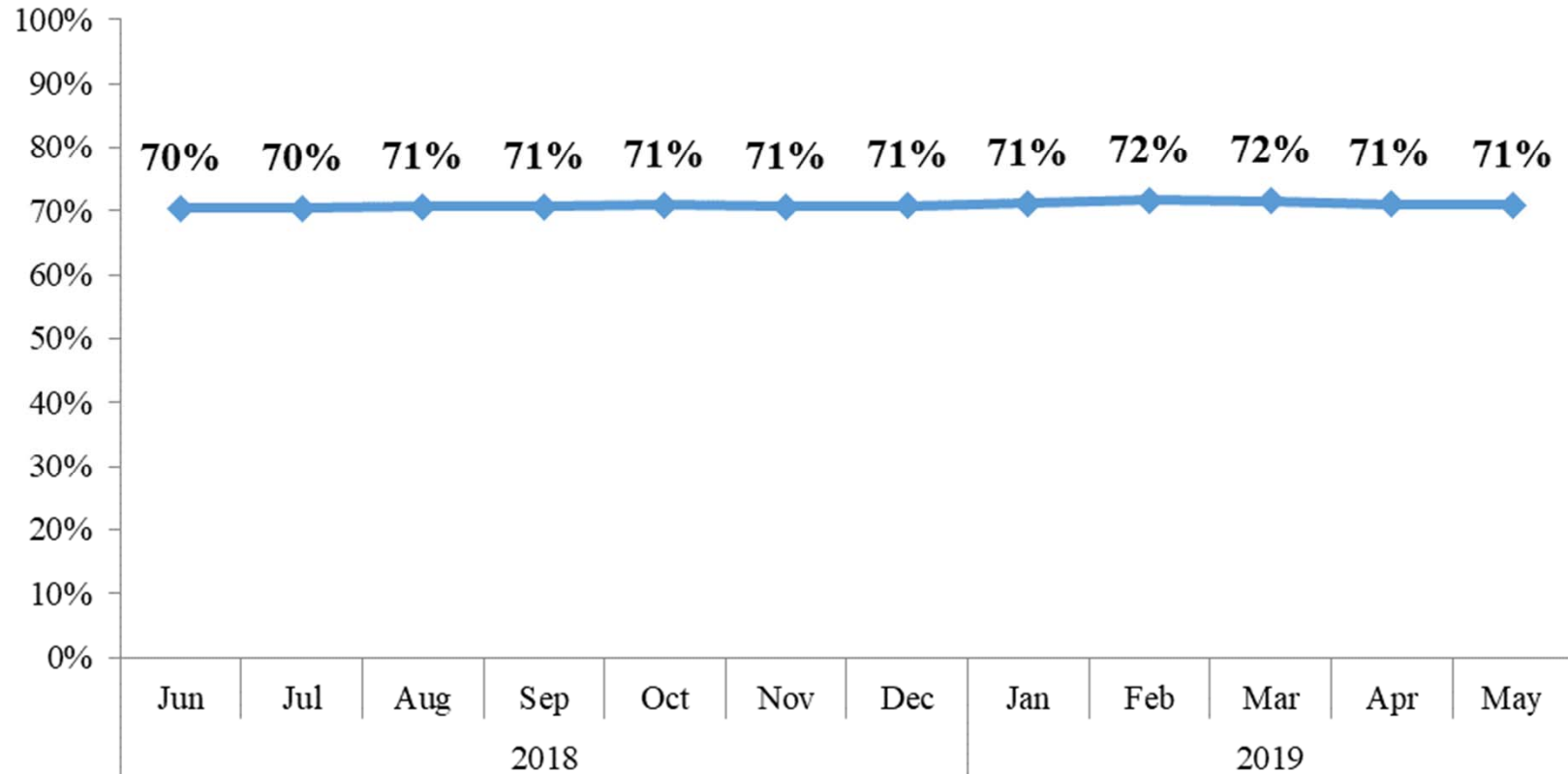
Economic Indicators



(activity thru May 2019)



Colorado Springs Hotel Occupancy Rate (12 Month Moving Average)



2020 Budget Outlook

July 08, 2019

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Chief Financial Officer



2020 Estimate of Revenue



- Sales and Use Tax – General Fund
 - Increase of \$5.5 million or 3.0% from 2019 Original Budget
 - Increase of \$4.5 million or 2.5% from current 2019 EOY estimate

	2019 Budget	2019 EOY Estimate	2020 Budget Outlook	2019 Budget to 2020 Budget Outlook
	\$182,334,000	\$183,300,000	\$187,800,000	
\$ change		\$966,000	\$4,500,000	\$5,466,000
% change		0.5%	2.5%	3.0%

2020 Estimate of Revenue



	Increases/(Decreases) from 2019 Budget
Sales Tax	5,466,000
All other revenue categories	3,100,000
Total GF revenue change	\$8,566,000

2020 Budget Priorities



Expenditure Priorities – General Fund

- Compensation Strategy
- Police and Fire Staffing
- EPA Litigation/Settlement
- Fleet Replacement Strategy
- Homelessness
- Changes to Current Actual Positions
- Medical/Dental/Rx
- ADA Projects
- CIP and Facilities Projects
- Fleet/Fuel/Other Contract Increases

2020 Budget Approval



Date	Item
October 7	2020 Budget released
October 18	City Council 2020 Budget Work Session
October 21	Public Hearing on 2020 Budget
October 29	City Council Markup Session on 2020 Budget
November 12	2020 Budget first reading by City Council
November 26	2020 Budget second reading and approval by City Council

Questions?