

# November 2016 Financial Update

(activity thru September 2016)

November 07, 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 ~\$1.2M above budget
- Property Tax – trending at budget
- Fines – trending ~\$900k below budget
- Intergovernmental – trending ~\$1.1M above budget
- Utilities Surplus – trending ~\$1M below budget
- Other Taxes, Charges for Services, Licenses – trending ~\$700k above budget

Summary – total GF revenue trending 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
- Balance of departments – trending on budget

Summary – total GF expenditures trending ~ 1% under budget

# Sales Tax Trends

## **2.0% Sales and Use Tax:**

- S&U combined – up 18.12% for the month and up 6.71% year-to-date
  - Sales tax – up 17.42% for the month and up 6.82% year-to-date
  - Use tax – up 30.90% for the month and up 4.80% year-to-date

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

- LART Combined – up 18.80% for the month and up 15.32% year-to-date
  - Lodger's Tax – up 18.30% for the month and up 16.48% year-to-date
  - Auto Rental Tax - up 24.82% for the month and up 3.76% year-to-date

## **0.62% Road Tax:**

- \$4,477,855 – year-end estimate of ~\$47M - \$48M
  - Collections thru July (6 months of collections) = \$22.68M

# Sales Tax Trends

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## Industries with Largest Month over Month % Increase

|                     |        |
|---------------------|--------|
| Auto Dealer         | 58.85% |
| Commercial Machines | 40.53% |
| Building Materials  | 23.17% |

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## Industries with Largest Month over Month \$ Increase

|                    |           |
|--------------------|-----------|
| Auto Dealer        | \$748,708 |
| Building Materials | \$286,678 |
| Hotel/Motel        | \$158,475 |

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## Industries with Largest Month over Month % Decrease

|  |         |
|--|---------|
| Furniture, Appliances, and Electronics | (2.86%) |
|--|---------|

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## Industries with Largest Month over Month \$ Decrease

|  |            |
|--|------------|
| Furniture, Appliances, and Electronics | (\$19,742) |
|--|------------|

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# Sales Tax Trends

| <b>Category</b>                  | <b>\$ Change 2016<br/>YTD compared<br/>to 2015 YTD</b> | <b>% Change 2016<br/>YTD compared<br/>to 2015 YTD</b> |
|----------------------------------|--|---|
| Auto Dealers                     | 373,448  | 4.0%  |
| Auto Repair, Leases              | 198,719  | 4.8%  |
| Building Materials               | 992,867  | 10.8%   |
| Business Services *              | 947,348  | 42.0%   |
| Clothing                         | 315,794  | 9.2%  |
| Commercial Machines *            | 20,848   | 1.0%  |
| Department/Discount              | (454,781)  | (5.0%)  |
| Furniture/Appliances/Electronics | 115,749  | 2.4%  |
| Grocery                          | 531,990  | 16.9%   |
| Hotel/Motel                      | 742,147  | 17.2%   |
| Medical Marijuana                | 210,460  | 21.4%   |
| Miscellaneous Retail             | 559,082  | 5.1%  |
| Restaurants                      | 354,220  | 2.8%  |
| Utilities                        | (214,881)  | (9.6%)  |

\*The most volatile categories

# 2016 Grant Funds Update

|                                  |               |              |
|----------------------------------|---------------|--------------|
| <b>2016 Grants Appropriation</b> | \$ 54,762,461 | TABOR Impact |
|----------------------------------|---------------|--------------|

***Grants Awarded:***

|  |                      |     |
|--|----------------------|-----|
| Federal  | \$ 12,835,051        | No  |
| Federal Pass-Through                               | 7,081,301            | No  |
| Other  | 1,712,308            | No  |
| State of Colorado                                  | 1,388,012            | Yes |
| Private  | 244,000              | No  |
| <i>Total Grants Awarded</i>                        | \$ 23,260,672        |     |
| <b>Remaining Appropriation as of July 31, 2016</b> | <b>\$ 31,501,789</b> |     |

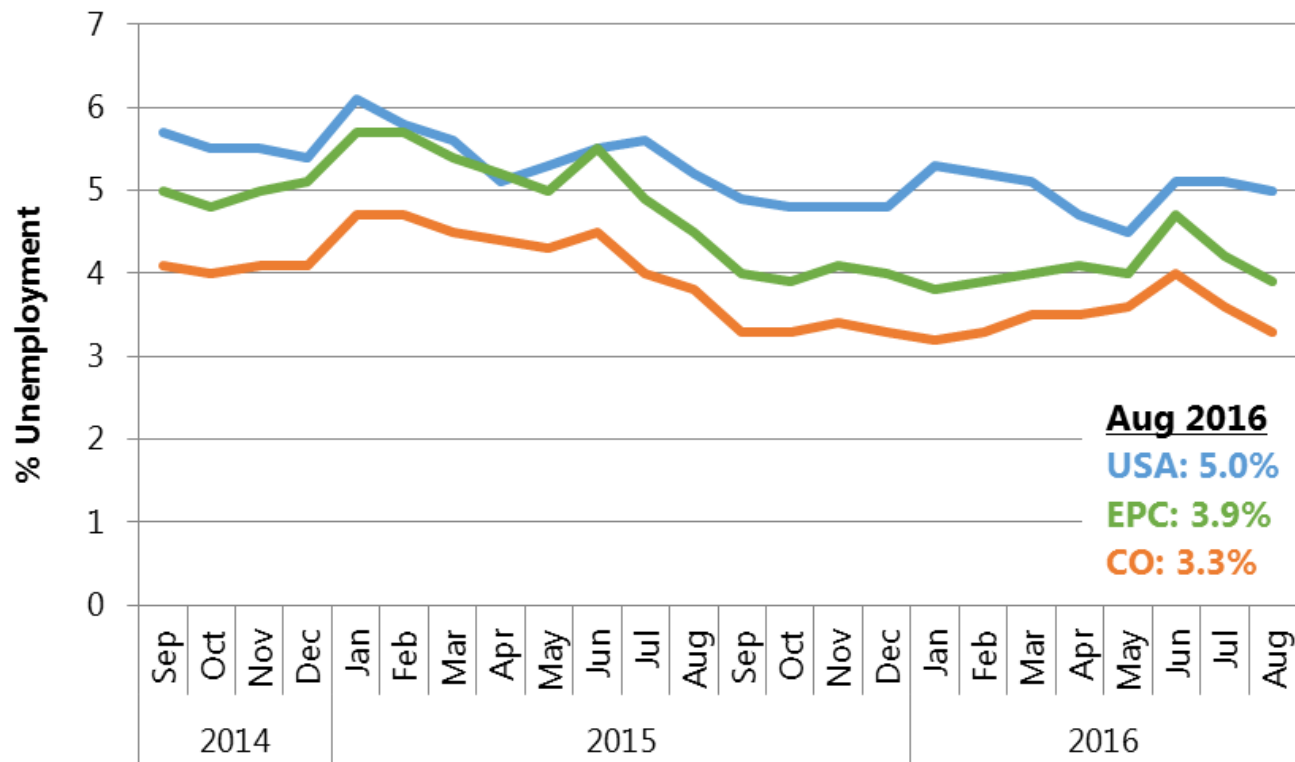


# 2016 Grant Funds Update

| Recipient Unit                           | 2016<br>Appropriation | 2016 Grant<br>Awards through<br>7/31/16 | Variance (Awards<br>less Appropriation) |
|--|-----------------------|---|---|
| Airport                                  | \$13,802,222          | \$10,240,000                            | \$(3,562,222)                           |
| City Engineering                         | 2,326,495             | 449,700                                 | (1,876,795)                             |
| Community Development                    | 4,375,350             | 0                                       | (4,375,350)                             |
| Finance                                  | 657,047               | 562,412                                 | (94,635)                                |
| Fire                                     | 1,899,000             | 201,000                                 | (1,698,000)                             |
| Office of Emergency Management           | 493,660               | 22,000                                  | (471,660)                               |
| Parks, Recreation, and Cultural Services | 1,176,100             | 1,573,281                               | 397,181                                 |
| Police                                   | 3,606,000             | 2,084,334                               | (1,521,666)                             |
| Stormwater                               | 0                     | 3,311,243                               | 3,311,243                               |
| Traffic Engineering                      | 1,155,045             | 0                                       | (1,155,045)                             |
| Transit                                  | 10,391,694            | 151,951                                 | (10,239,743)                            |
| <b>Total by Recipient Unit</b>           | <b>\$39,882,613</b>   | <b>\$18,595,921</b>                     | <b>\$(21,286,692)</b>                   |
| FEMA DR-4229 Public Assistance Grant*    | 14,879,848            | 4,664,751                               | (10,215,097)                            |
| <b>Grand Total</b>                       | <b>\$54,762,461</b>   | <b>\$23,260,672</b>                     | <b>\$(31,501,789)</b>                   |

# Economic Indicators

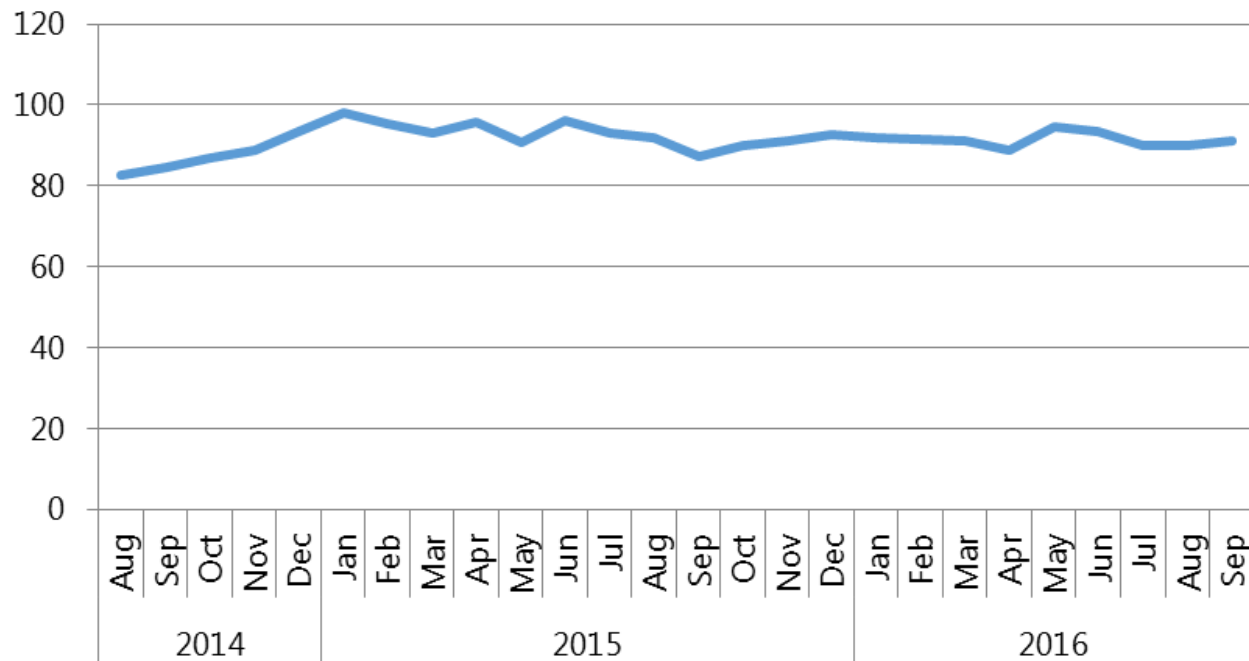
## Unemployment Rate



# Economic Indicators

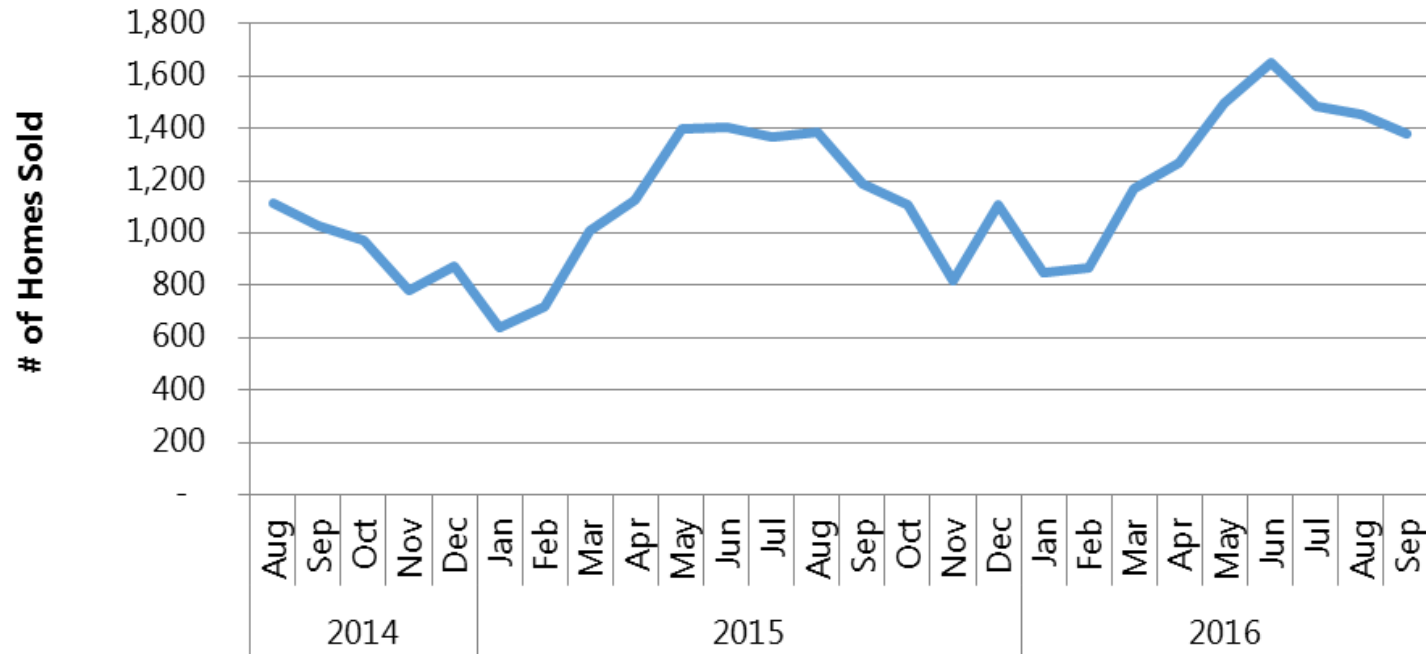


## Index of Consumer Sentiment



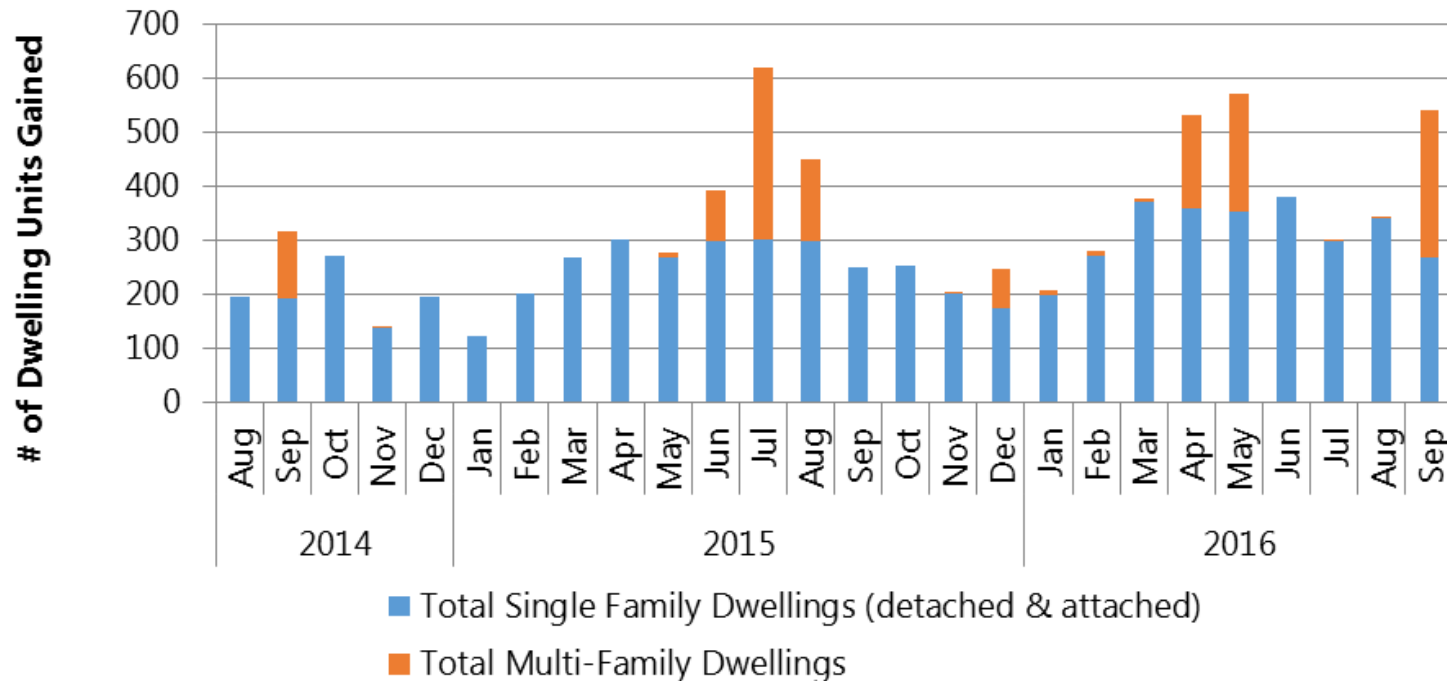
# Economic Indicators

## Pikes Peak Region Home Sales Single Family/Patio Homes



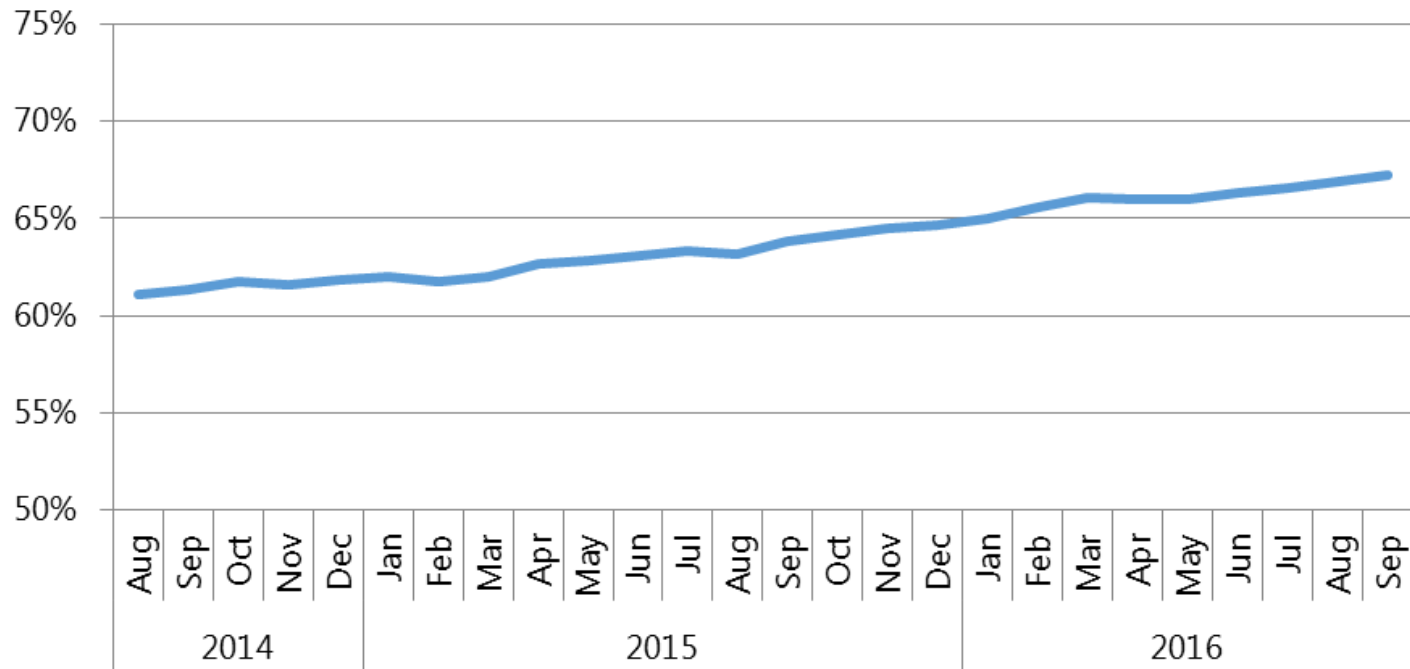
# Economic Indicators

## Pikes Peak Region Residential Building Permits



# Economic Indicators

## Colorado Springs Hotel Occupancy Rate (12 Month Moving Average)



# Questions?