

September 2018 Financial Update

(activity thru July 2018)

September 10, 2018

Charae McDaniel

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.

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.

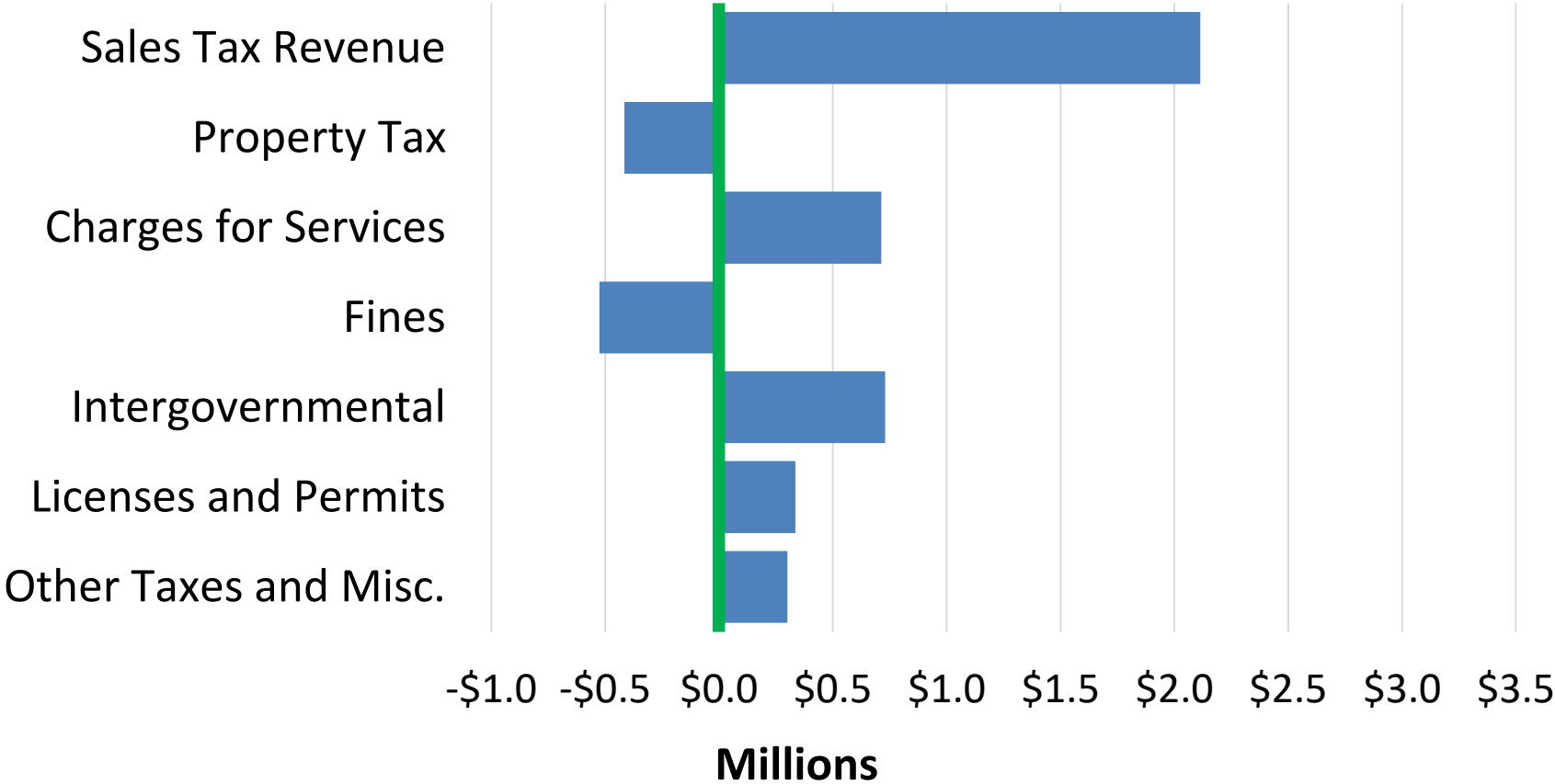
General Fund Revenue



EOY Revenue Trend

(activity thru July 2018)

(Under) Budget Above



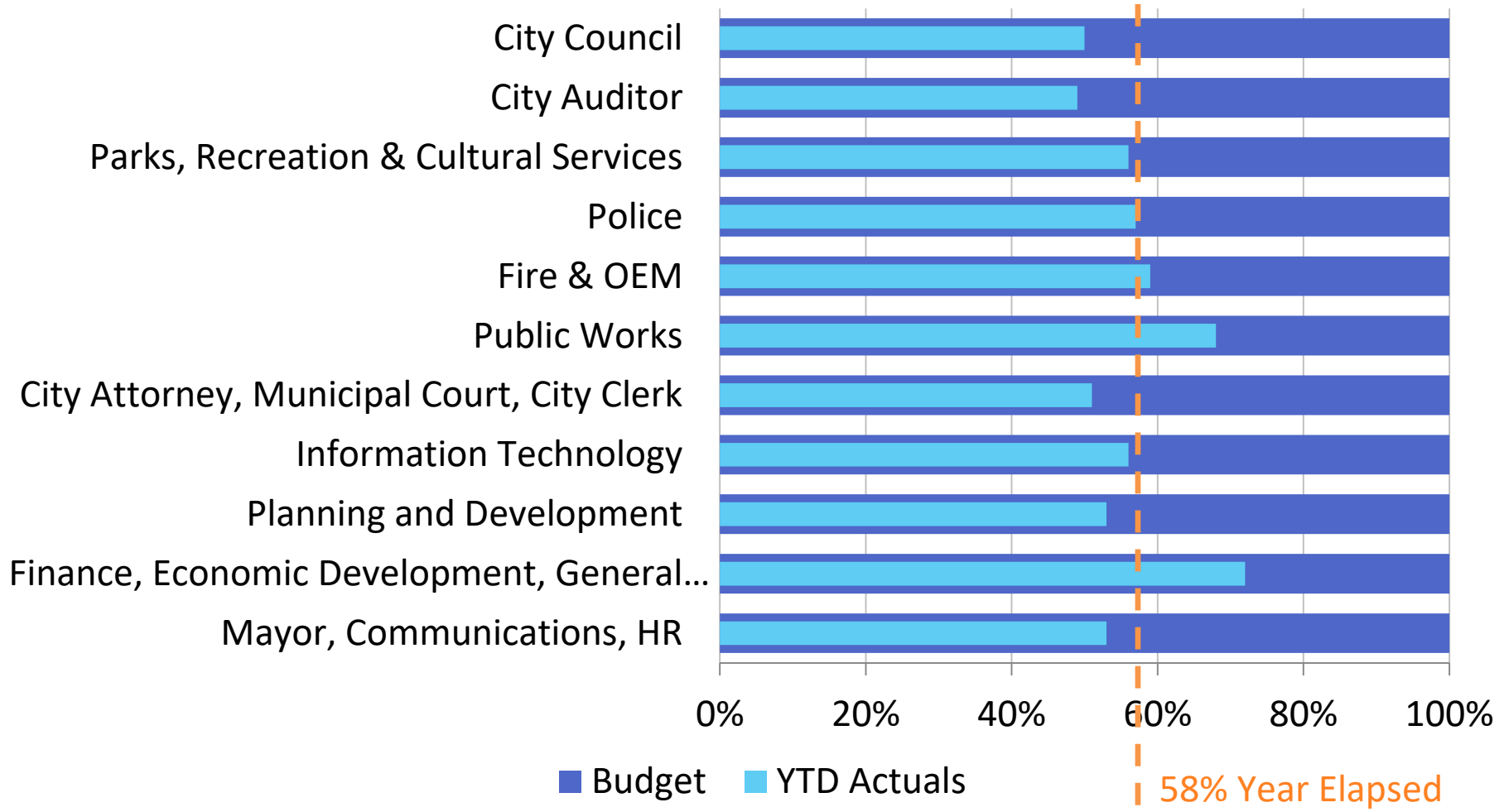
Summary – total GF revenue trending \$3.0 - 3.5M, or 1.1 - 1.3%, above budget

General Fund Expenditures



YTD Actual as % of Budget

(activity thru July 2018)

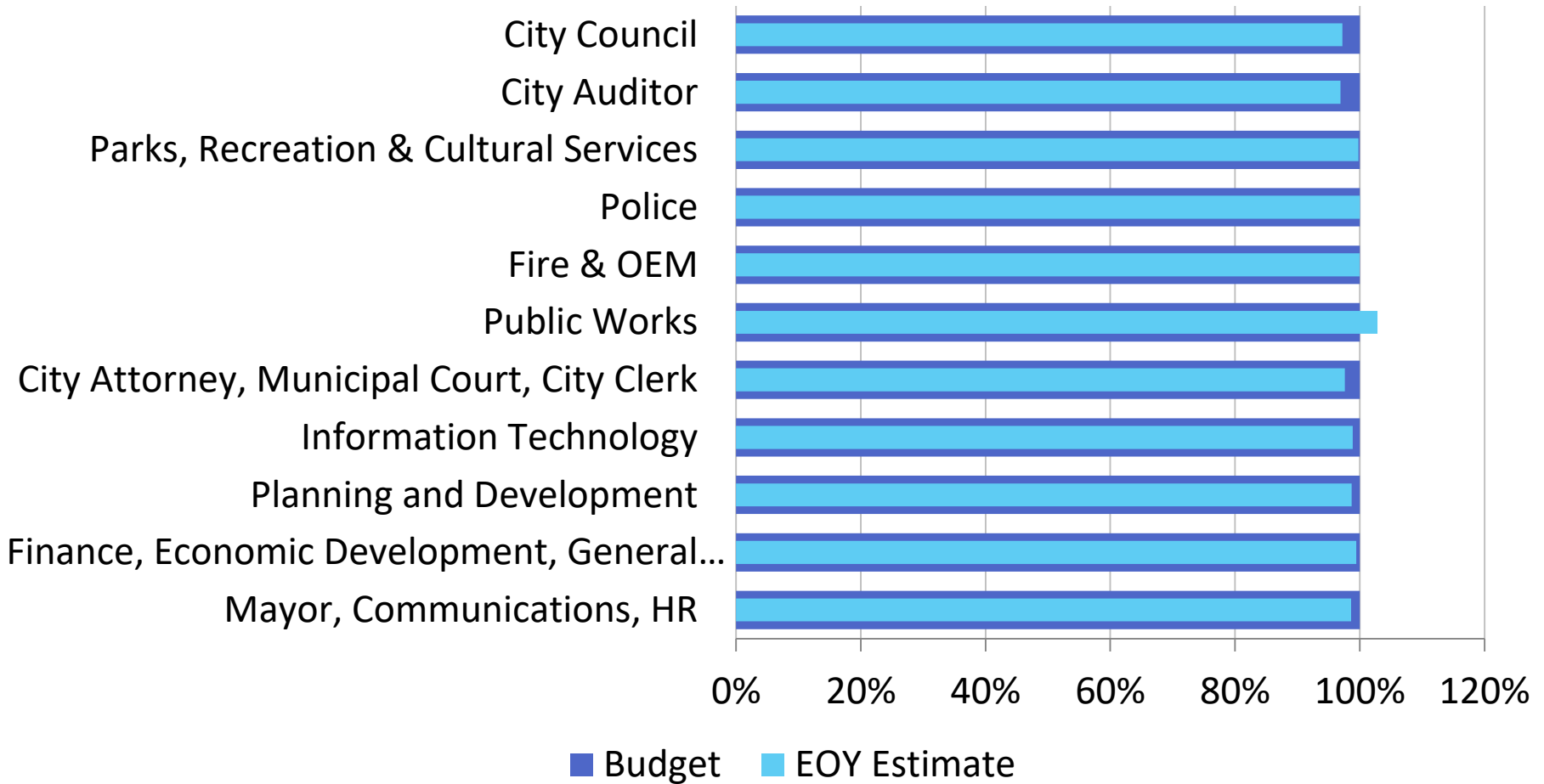


General Fund Expenditures



EOY Estimate as % of Budget

(activity thru July 2018)



Summary – total GF expenditures trending ~\$280k, or 0.1%, under budget

Sales Tax Trends



(collections thru July 2018)

2.0% Sales and Use Tax:

- S&U combined – up 4.44% for the month and up 5.28% year-to-date
 - Sales tax – up 6.34% for the month and up 5.48% year-to-date
 - Use tax – down 22.60% for the month and up 1.89% year-to-date

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

- LART Combined – up 8.15% for the month and up 5.81% year-to-date
 - Lodger's Tax – up 8.31% for the month and up 6.66% year-to-date
 - Auto Rental Tax – up 5.64% for the month and down 3.77% year-to-date

0.62% Road Tax:

- 2C Road Tax – up 4.12% for the month and up 5.28% year-to-date

Sales Tax Trends



(collections thru July 2018)

Industries with Largest Month over Month % Increase

Commercial Machines	39.56%
Business Services	34.27%
Auto Dealer	13.49%

Industries with Largest Month over Month \$ Increase

Auto Dealer	\$171,800
Business Services	\$131,660
Restaurants	\$118,361

Industries with Largest Month over Month % Decrease

Medical Marijuana	(10.04%)
Building Materials	(4.22%)

Industries with Largest Month over Month \$ Decrease

Building Materials	(\$82,545)
Medical Marijuana	(\$16,649)

Sales Tax Trends



(collections thru July 2018)

Category	\$ Change 2018 YTD compared to 2017 YTD	% Change 2018 YTD compared to 2017 YTD
Auto Dealers	191,542	2.8%
Auto Repair, Leases	71,838	2.0%
Building Materials	(73,492)	(0.8%)
Business Services *	372,925	21.0%
Clothing	141,522	4.9%
Commercial Machines *	383,313	24.3%
Department/Discount	20,472	0.3%
Furniture/Appliances/Electronics	398,935	10.2%
Grocery	254,000	7.8%
Hotel/Motel	269,125	7.1%
Medical Marijuana	(69,481)	(7.2%)
Miscellaneous Retail	526,001	5.6%
Restaurants	499,903	4.9%
Utilities	26,296	1.5%

*The most volatile categories

2018 Grant Funds Update



(activity thru July 2018)

\$60,000,000
\$50,000,000
\$40,000,000
\$30,000,000
\$20,000,000
\$10,000,000
\$-



2018 Grants Appropriation:
\$72,397,449

2018 Grants Awarded:
\$33,864,357

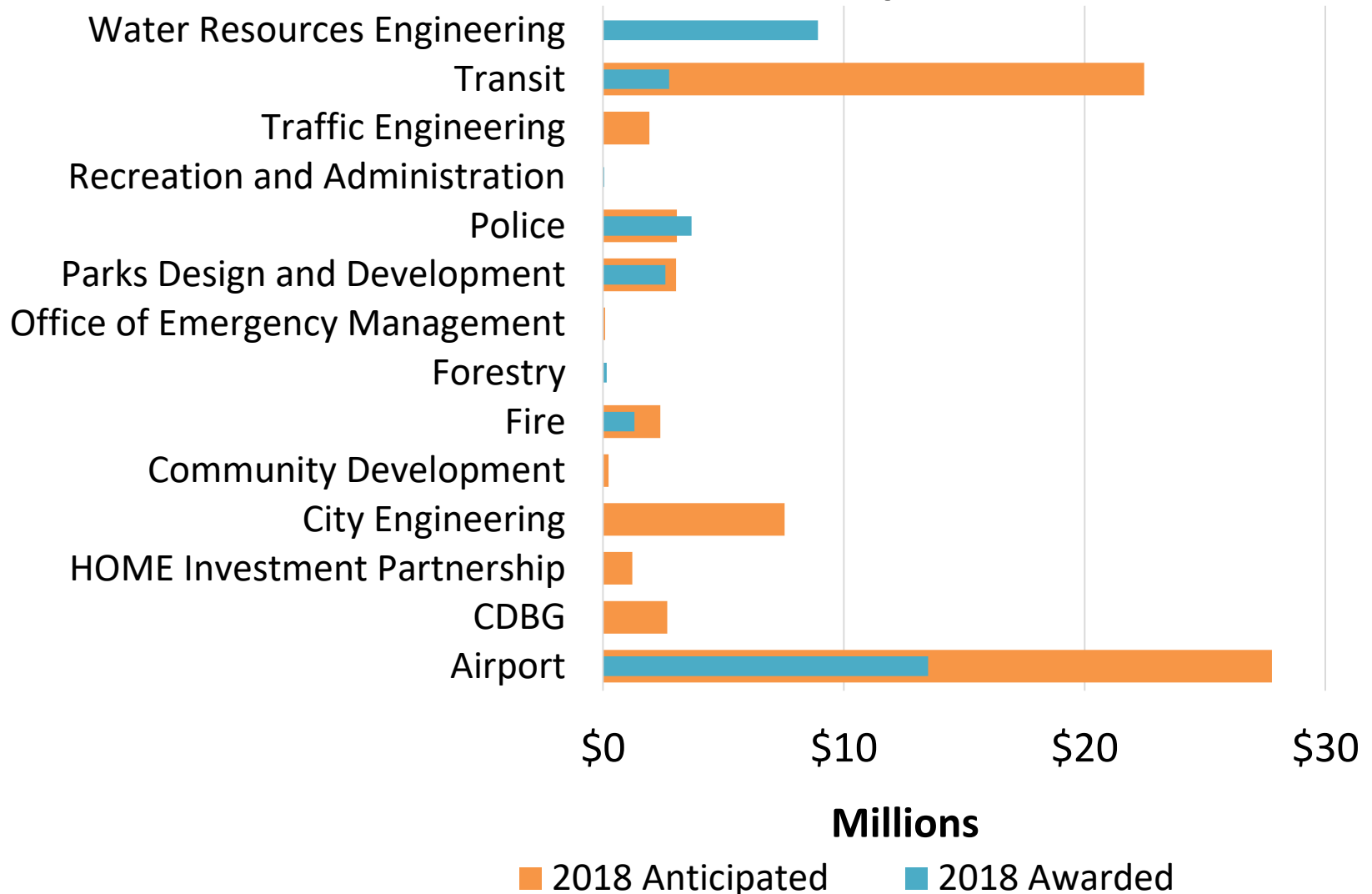
- Remaining
- Private
- State of Colorado
- Other
- Federal Pass-Through
- Federal

2018 Grant Funds Update



(activity thru July 2018)

2018 Awarded vs. Anticipated



Memorial Health System Update



(activity thru July 2018)

Beginning Jul 1, 2018 balance, unaudited		\$ 2,953,033
Revenue:		
Jul and Aug 2018 lease payments	935,352	
Interest allocation 2nd quarter, net of fees	8,291	
Miscellaneous	2,703	
	Total Revenue	\$ 946,346
Expenses:		
Run-out workers' comp, liability claims & insurance costs	(1,856)	
Legal fees	(7,944)	
Excess balance transfer to CSHF - Jun 30, 2018 - transferred in Jul	(453,033)	
	Total Expenses	(462,833)
Ending Jul 31, 2018 balance, unaudited		\$ 3,436,546

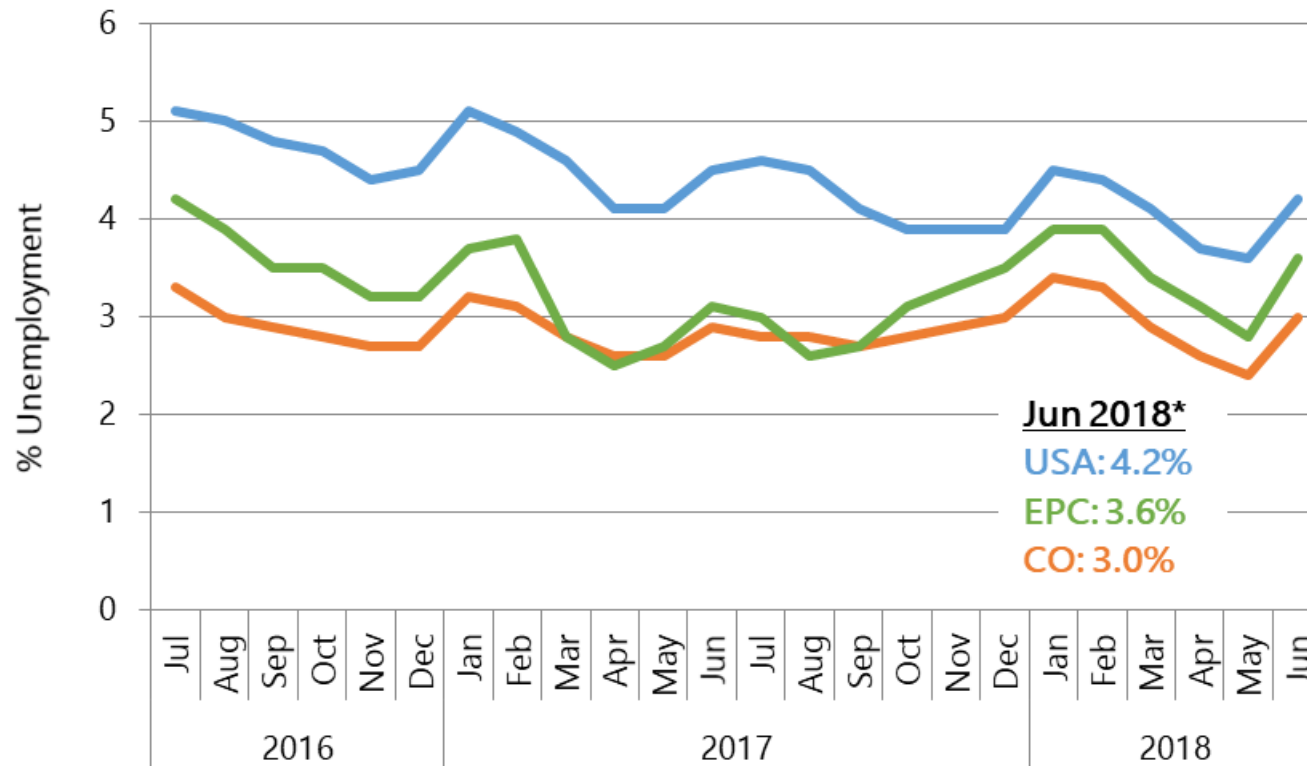
Economic Indicators



(activity thru June 2018)



Unemployment Rate

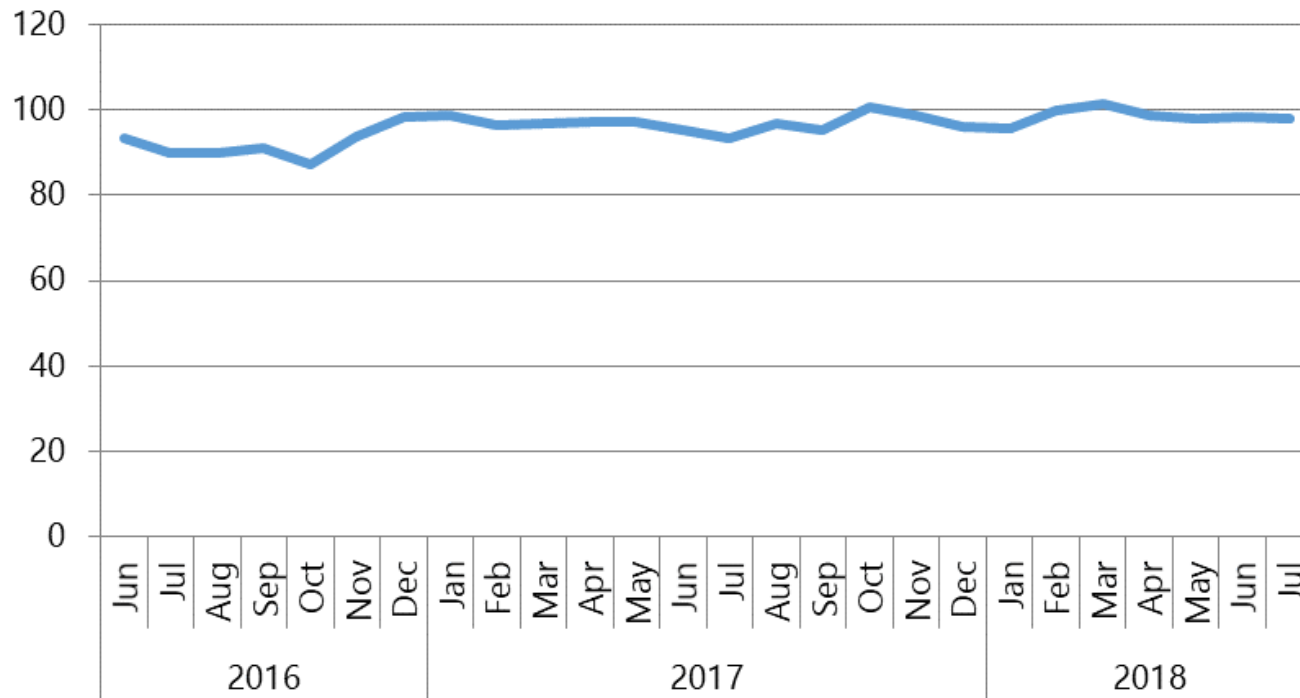


*Lag due to Bureau of Labor Statistics data collection and reporting.

(activity thru July 2018)



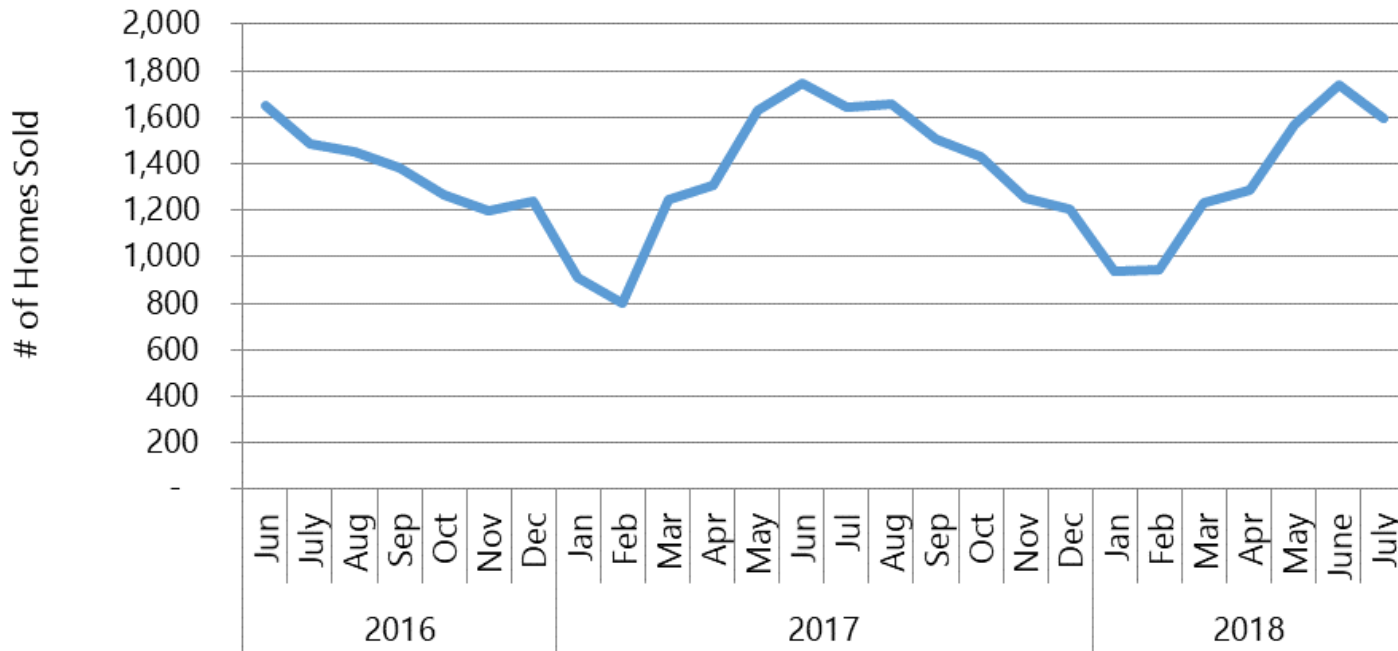
Index of Consumer Sentiment



(activity thru July 2018)



Pikes Peak Region Home Sales Single Family/Patio Homes



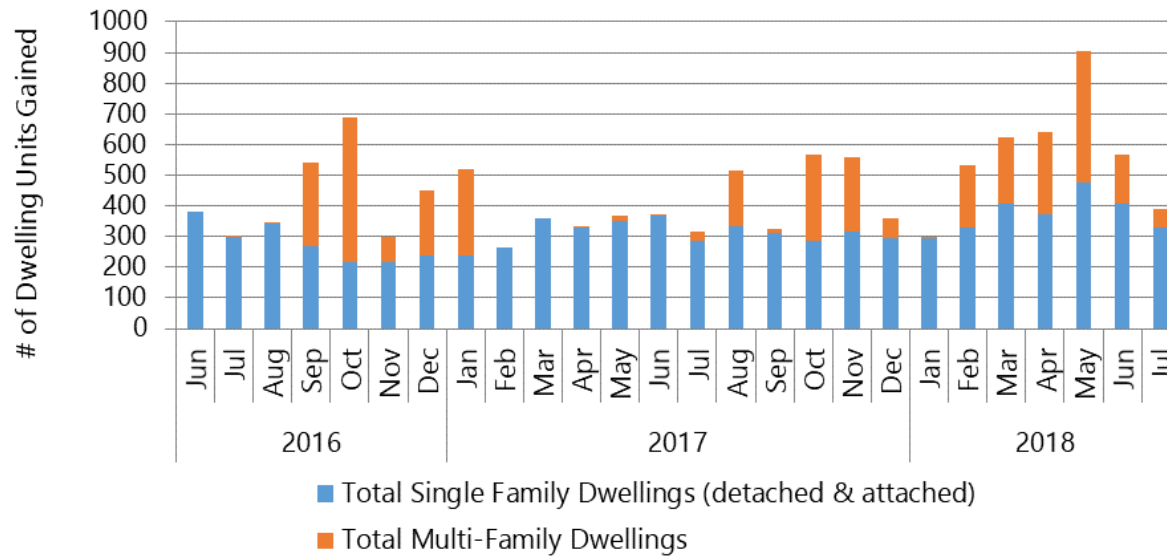
Economic Indicators



(activity thru July 2018)



Pikes Peak Region Residential Building Permits

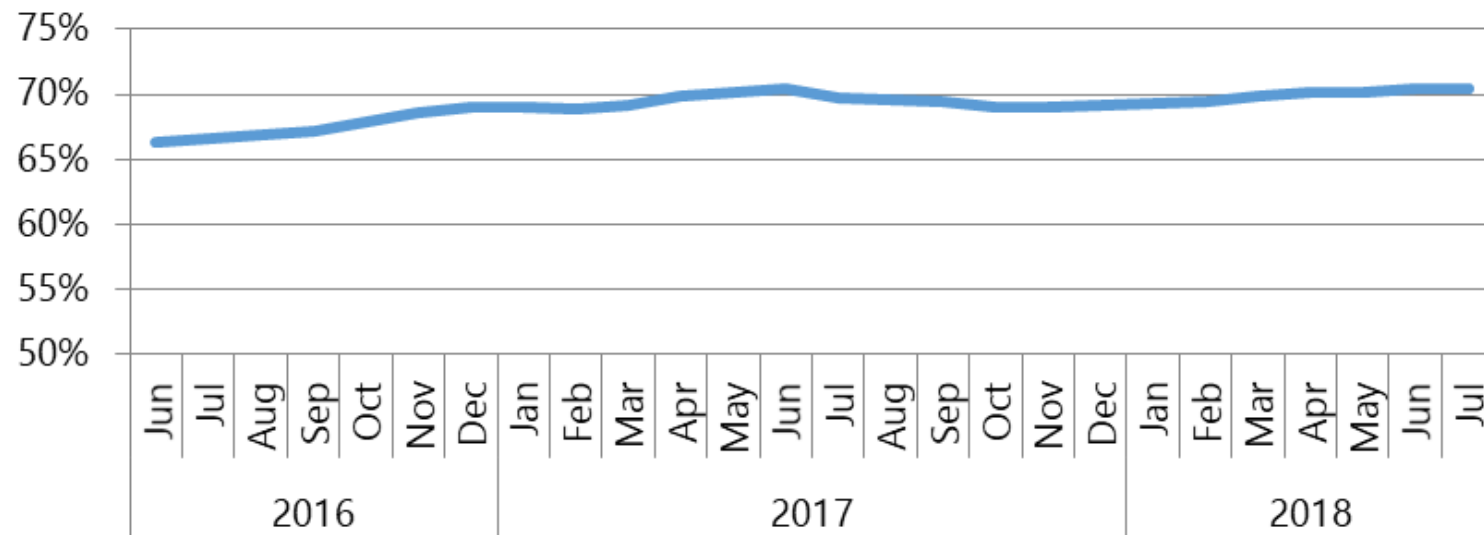


Category	Avg. Sales Price Jul 2018	Avg. Sales Price Jul 2017	% Change
Single Family/Patio Homes	\$347,517	\$323,247	7.5
Condo/Townhomes	\$234,064	\$201,662	16.1

(activity thru July 2018)



Colorado Springs Hotel Occupancy Rate (12 Month Moving Average)



Questions?