

June 2018 Financial Update

(activity thru April 2018)

June 11, 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



(activity thru April 2018)

Trending above/(below) budget

<u>Revenue Type</u>	<u>Potential Variance</u>	
Sales Tax Revenue	\$1,200,000 to	\$1,300,000
Property Tax	0 to	0
Charges for Services	200,000 to	200,000
Fines	(250,000) to	(250,000)
Intergovernmental	0 to	0
Licenses and Permits	100,000 to	100,000
Other Taxes and Misc.	100,000 to	200,000
Total	\$1,350,000 to	\$1,550,000

Summary – total GF revenue trending ~\$1.35M to ~\$1.55M, or 0.5% to 0.6%, above budget

General Fund Expenditures



(activity thru April 2018)

Department	Current Budget*	YTD Actuals	% of Budget YTD
City Council	\$720,898	\$195,335	27%
City Auditor	1,617,257	462,288	29%
Parks, Recreation & Cultural Services	13,662,415	4,015,698	29%
Police	97,985,144	32,249,154	33%
Fire & OEM	52,289,216	18,781,458	36%
Public Works	28,181,319	10,574,107	38%
City Attorney, Municipal Court, City Clerk	10,271,891	3,087,486	30%
Information Technology	15,906,204	5,899,445	37%
Planning and Development	4,196,119	1,292,096	31%
Finance, Economic Development, General Costs	54,885,755	27,731,120	51%
Mayor, Communications, HR	5,088,624	1,499,328	29%
Total	\$284,804,842	\$105,787,515	37%

*Includes amendments and encumbrances incurred during 2018

Thru April:

% of Payroll expended: 30.65%

% of year elapsed: 33.33%

General Fund Expenditures



(activity thru April 2018)

Department	<u>Trending above/(below) budget</u>	
	<u>Potential Variance</u>	
City Council	\$ (30,000) to	\$ (28,000)
City Auditor	(38,000) to	(36,000)
Parks, Recreation & Cultural Services	(219,000) to	(210,000)
Police	— to	—
Fire & OEM	(9,000) to	(9,000)
Public Works	(190,000) to	(182,000)
City Attorney, Municipal Court, City Clerk	(98,000) to	(94,000)
Information Technology	— to	—
Planning and Development	(4,000) to	(3,000)
Finance, Economic Development, General Costs	(25,000) to	(24,000)
Mayor, Communications, HR	(62,000) to	(60,000)
Total	\$ (675,000) to	\$ (646,000)

Summary – total GF expenditures between ~\$657K (0.23%) and ~628K (0.22%) under budget

Sales Tax Trends



(collections thru April 2018)

2.0% Sales and Use Tax:

- S&U combined – up 4.15% for the month and up 5.97% year-to-date
 - Sales tax – up 5.04% for the month and up 5.26% year-to-date
 - Use tax – down 8.88% for the month and up 17.89% year-to-date

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

- LART Combined – down 4.31% for the month and up 2.01% year-to-date
 - Lodger's Tax – down 5.01% for the month and up 3.37% year-to-date
 - Auto Rental Tax - up 3.64% for the month and down 9.32% year-to-date

0.62% Road Tax:

- 2C Road Tax – up 4.25% for the month and up 6.07% year-to-date

Sales Tax Trends



(collections thru April 2018)

Industries with Largest Month over Month % Increase

Business Services	26.64%
Grocery Stores	9.38%
Commercial Machines	8.15%

Industries with Largest Month over Month % Decrease

Building Materials	(5.59)%
Hotel/Motel	(3.95)%
Medical Marijuana	(3.75)%

Industries with Largest Month over Month \$ Increase

Restaurants	142,678
Miscellaneous Retail	94,850
Business Services	87,668

Industries with Largest Month over Month \$ Decrease

Building Materials	(88,163)
Hotel/Motel	(23,896)
Auto Repair and Leases	(17,643)

Sales Tax Trends



(collections thru April 2018)

Category	\$ Change 2018 YTD compared to 2017 YTD	% Change 2018 YTD compared to 2017 YTD
Auto Dealers	87,320	7.0%
Auto Repair, Leases	(17,643)	(2.4)%
Building Materials	(88,163)	(5.6)%
Business Services *	87,668	26.6%
Clothing	24,160	4.1%
Commercial Machines *	26,638	8.2%
Department/Discount	35,447	3.2%
Furniture/Appliances/Electronics	56,203	7.5%
Grocery	53,219	9.4%
Hotel/Motel	(23,896)	(4.0)%
Medical Marijuana	(6,404)	(3.8)%
Miscellaneous Retail	94,850	5.3%
Restaurants	142,678	7.7%
Utilities	(4,310)	(1.4)%

*The most volatile categories

2018 Grant Funds Update



(activity thru April 2018)

2018 Grants Appropriation	\$	58,897,449	TABOR Impact
<i>Grants Awarded:</i>			
Federal	\$	5,840,138	No
Federal Pass-Through		6,138,404	No
Other		1,535,056	No
State of Colorado		—	Yes
Private		1,436,944	No
<i>Total Grants Awarded</i>	\$	14,950,542	
Remaining Appropriation as of April 30, 2018	\$	43,946,907	

2018 Grant Funds Update



(activity thru April 2018)

Recipient Unit	2018 Appropriation	2018 Grant Awards through 4/30/18	Variance (Appropriation less Awards)
Airport	\$ 14,283,328	\$ —	\$ 14,283,328
CDBG	\$ 2,672,227	\$ —	\$ 2,672,227
HOME Investment Partnership	\$ 1,212,588	\$ —	\$ 1,212,588
Grants			
City Engineering	\$ 7,536,916	\$ —	\$ 7,536,916
Community Development	226,391	—	226,391
Fire	2,380,000	1,300,000	1,080,000
Forestry	—	150,000	(150,000)
Office of Emergency Management	90,000	—	90,000
Parks Design and Development	3,032,035	2,468,500	563,535
Police	3,070,128	1,166,566	1,903,562
Parks Recreation and Administration	—	53,500	(53,500)
Traffic Engineering	1,924,955	—	1,924,955
Transit	22,468,881	2,744,184	19,724,697
Water Resources Engineering	—	7,067,792	(7,067,792)
Grants Total	\$ 58,897,449	\$ 14,950,542	\$ 43,946,907

Memorial Health System Update



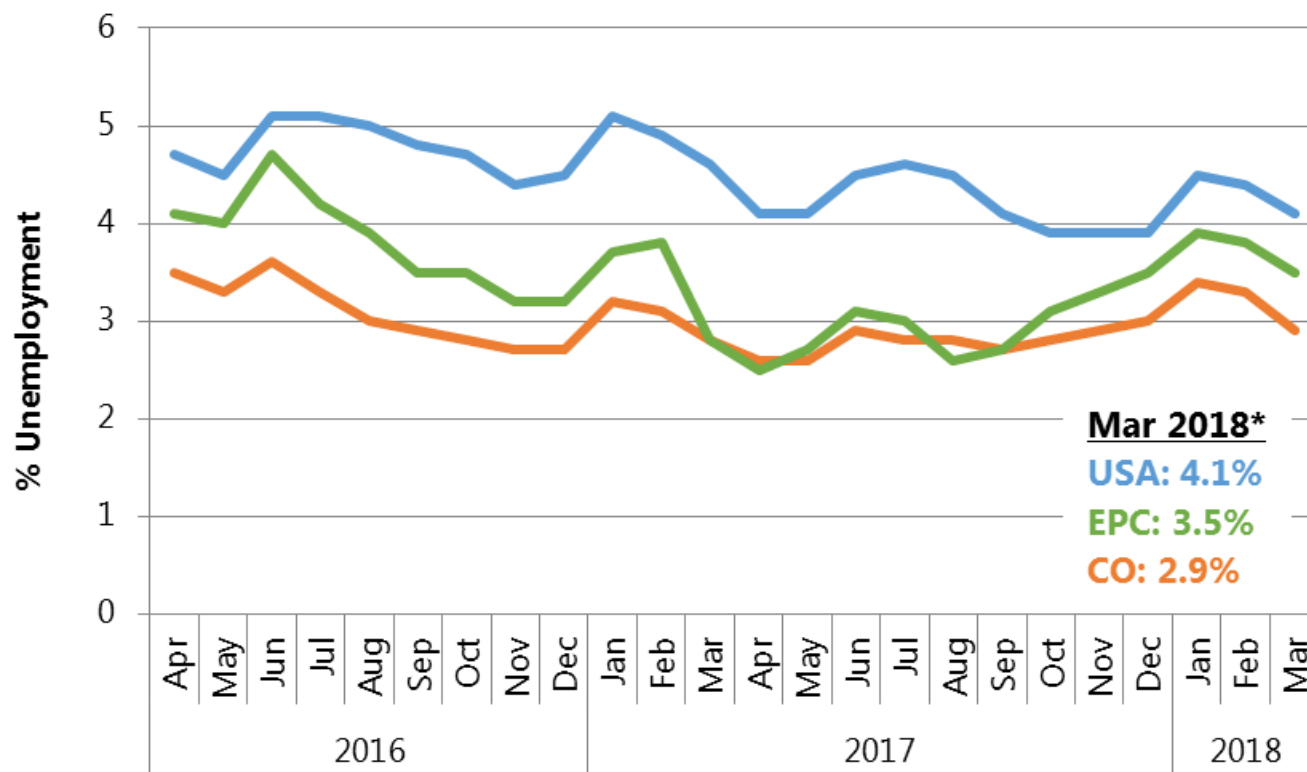
(activity thru April 2018)

Beginning April 1, 2018 balance, unaudited		\$	2,959,657
Revenue:			
April 2018 lease payment	467,676		
Miscellaneous	629		
	Total Revenue	\$	468,305
Expenses:			
Run-out workers' comp, liability claims & insurance costs	(1,404)		
Excess balance transfer to CSHF - March 31, 2018 - transferred in April	(459,657)		
	Total Expenses	\$	(461,061)
Ending April 30, 2018 balance, unaudited		\$	2,966,901

(activity thru March 2018)



Unemployment Rate

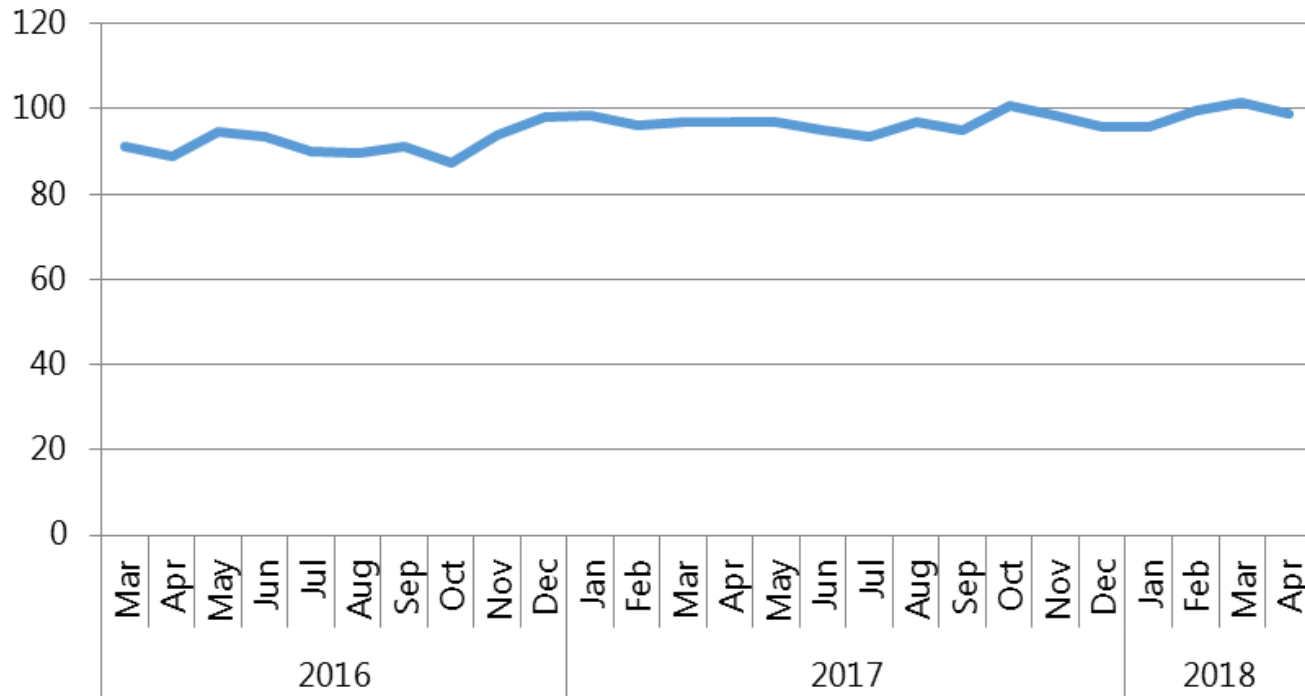


*Lag due to Bureau of Labor Statistics data collection and reporting.

(activity thru April 2018)



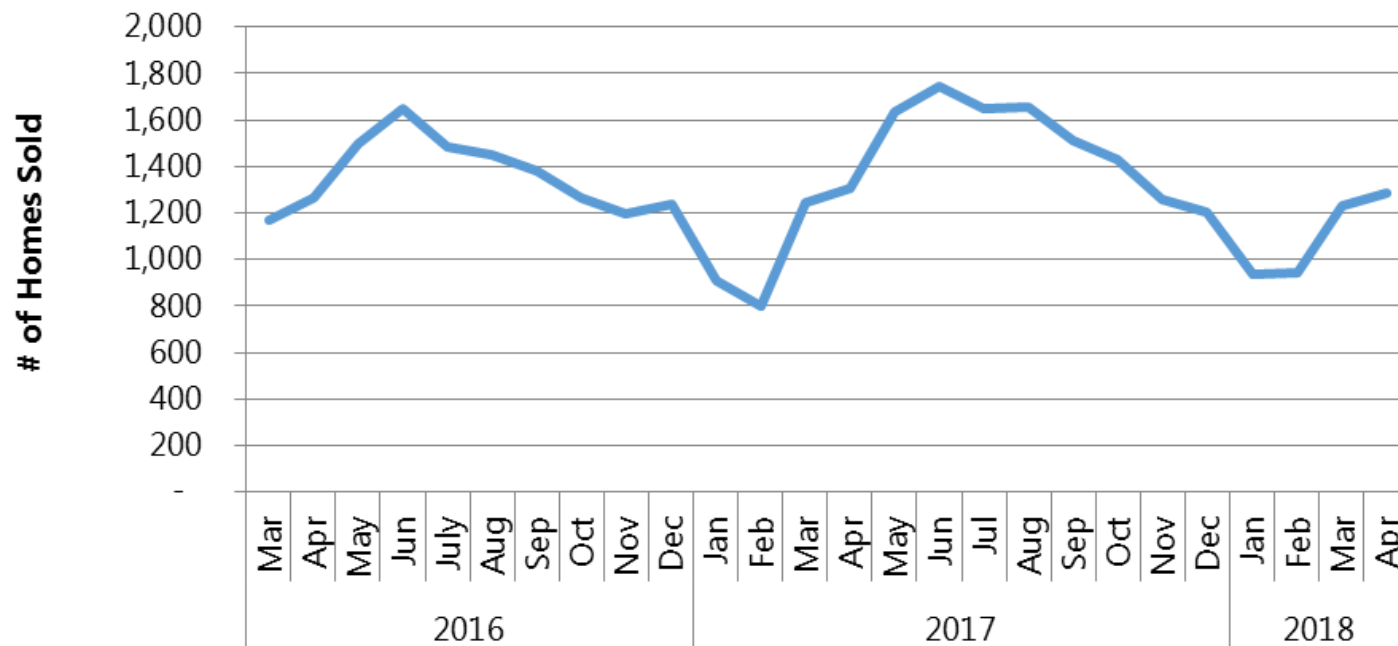
Index of Consumer Sentiment



(activity thru April 2018)



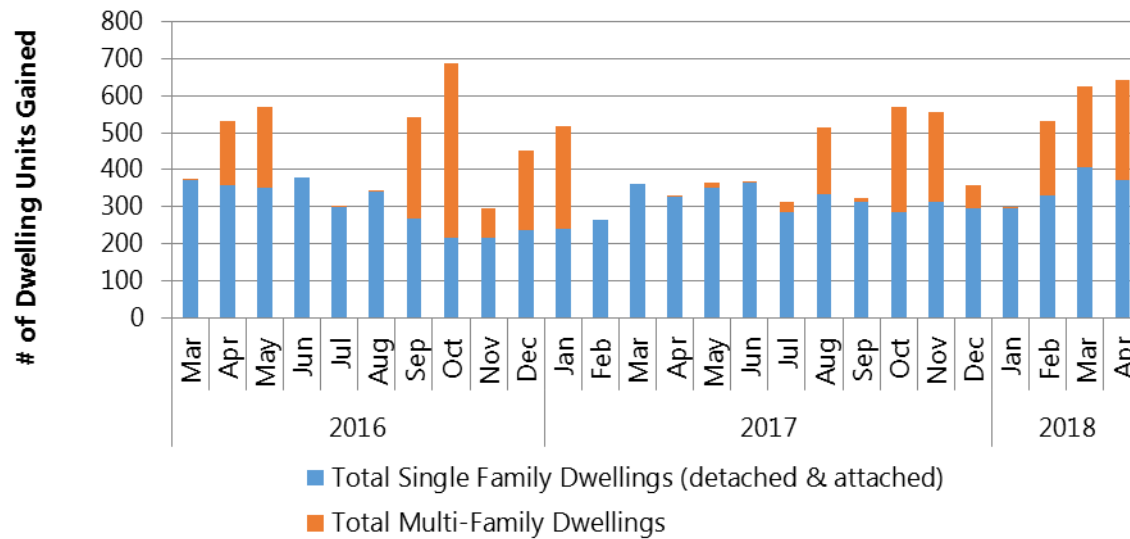
Pikes Peak Region Home Sales Single Family/Patio Homes



(activity thru April 2018)



Pikes Peak Region Residential Building Permits

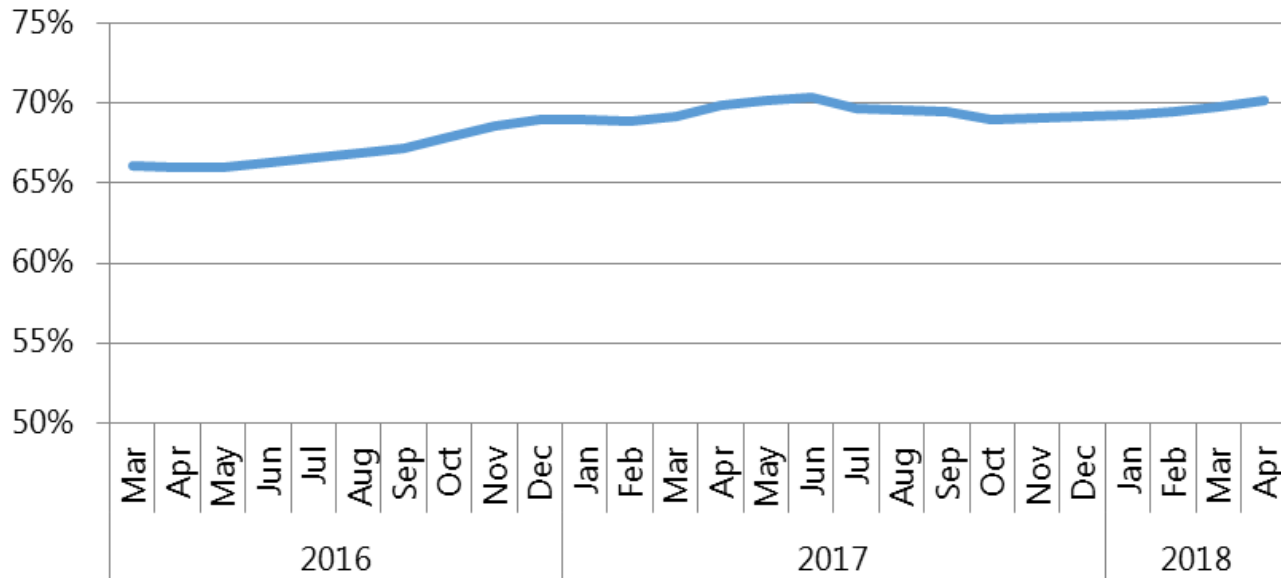


Category	Avg. Sales Price Apr 2018	Avg. Sales Price Apr 2017	% Change
Single Family/Patio Homes	\$348,527	\$311,829	11.8
Condo/Townhomes	\$236,915	\$199,667	18.7

(activity thru April 2018)



Colorado Springs Hotel Occupancy Rate (12 Month Moving Average)



Questions?