



Colorado Springs Utilities  
*It's how we're all connected*

# 2021 Preliminary Budget

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Chief Planning and Finance Officer

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# Colorado Springs Utilities Strategy Map

Effective July 1, 2020

## UTILITIES BOARD STRATEGIC FOCUS: RATES, RELIABILITY, RELATIONSHIPS

### Strategic Perspectives

### Strategic Objectives

#### CUSTOMER/ STAKEHOLDER

OUTCOMES

Providing value to our customers and community

Focus on the Customer

Provide Safe, Resilient and  
Quality Utility Services

Support the Community

#### FINANCIAL STEWARDSHIP

Ensuring responsible financial and asset management

Keep Bills Competitive

Build Financial Strength

#### INTERNAL PROCESS

DRIVERS

Managing and enhancing internal process excellence and organizational effectiveness

Optimize Operations and Infrastructure

Plan, Build and Maintain Assets and Infrastructure

#### FOUNDATIONAL

Making people, safety and the environment the building blocks of our organization

Attract, Develop and Retain a  
Skilled and Diverse Workforce

Ensure Employee, Contractor  
and Public Safety

Demonstrate  
Environmental Stewardship

# Proposed 2021 Budget Overview



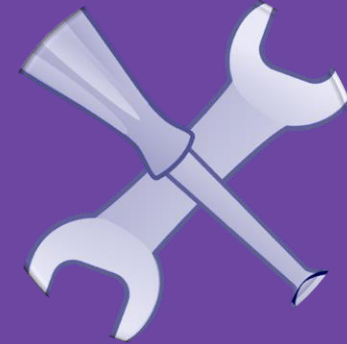
## Financial Metrics

- Adj. Debt Service Coverage – 1.84
- Days Cash on Hand – 172
- Debt Ratio – 48.8%



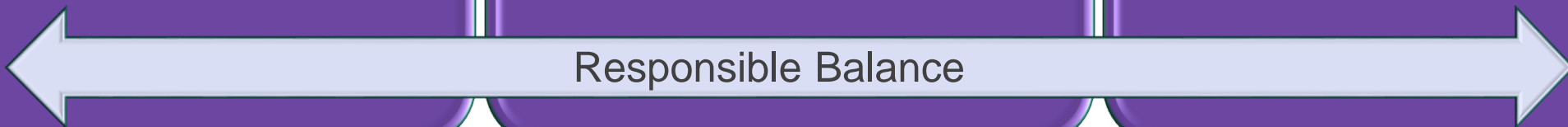
## Rate Adjustments

- Gas Overall System – 3%
- Residential Total Four Service Monthly Sample Bill – 0.1%



## Expenditures

- O&M increased 2.4% to 2020
- Capital Spending set at \$328M
  - (includes IRP costs)



# Proposed 2021 Budget

## Budget Summary (in thousands)

	2021 Proposed Budget	2020 Approved Budget	Increase / (Decrease)	% Change
Capital Projects (excludes IRP)	\$ 234,007	\$ 179,604	\$ 54,402	30.3%
IRP Capital	94,427		94,427	
Fuel Operations & Maintenance	210,411	208,413	1,997	1.0%
Non-Fuel Operations & Maintenance	350,930	342,596	8,334	2.4%
Debt Service	188,422	187,389	1,033	0.6%
Transfers - Surplus Funds to City	36,217	36,116	101	0.3%
Other	318	335	(17)	-5.0%
<b>TOTAL</b>	<b>\$ 1,114,730</b>	<b>\$ 954,452</b>	<b>\$ 160,278</b>	<b>16.8%</b>

Note: immaterial differences may occur due to rounding



# Proposed 2021 Ordinances

## AN ORDINANCE IDENTIFYING AND ACCEPTING THE ANNUAL SOURCES OF FUNDS FOR COLORADO SPRINGS UTILITIES FOR THE YEAR ENDING DECEMBER 31, 2021

BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF COLORADO SPRINGS:

**Section 1.** Based upon the annual budget for Colorado Springs Utilities for the year ending December 31, 2021, heretofore presented by the Chief Executive Officer of Colorado Springs Utilities, this City Council hereby accepts the aggregate sources of funds identified by the Chief Executive Officer of Colorado Springs Utilities for the year 2021 as shown:

Colorado Springs Utilities: **\$1,122,148,563**

**Section 2.** That the City Council hereby finds, determines and declares that the amount of money necessary to fund Colorado Springs Utilities' operation, taking into account the amounts available from other sources to meet the expenses of Colorado Springs Utilities for the ensuing year, is the sum of \$ 1,122,148,563.

**Section 3.** All ordinances or parts of ordinances in conflict herewith are hereby repealed and all statutes of the State of Colorado or parts thereof in conflict herewith are hereby superseded.

**Section 4.** This ordinance accepting the identified sources of funds shall be in full force and effect on January 1, 2021.

Introduced, read, and passed on first reading and ordered published this 27nd day of October, 2020.

## AN ORDINANCE APPROVING THE ANNUAL BUDGET FOR COLORADO SPRINGS UTILITIES AND APPROPRIATING MONIES FOR THE SEVERAL PURPOSES NAMED IN THE ANNUAL BUDGET FOR COLORADO SPRINGS UTILITIES FOR THE YEAR ENDING DECEMBER 31, 2021

BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF COLORADO SPRINGS:

**Section 1.** The Chief Executive Officer of Colorado Springs Utilities having prepared and presented to this City Council an annual budget for Colorado Springs Utilities for the year ending December 31, 2021 in the amount of \$1,114,730,278 which proposed annual budget is in such detail as to the aggregate sum and the items thereof allowed to each department as the Colorado Springs Utilities Board of Directors has deemed advisable.

**Section 2.** Pursuant to Charter, the Council hereby adopts the Budget and upon the basis of the Budget, the sum of money hereinafter specified is hereby appropriated out of the revenues and fund balance of the Colorado Springs Utilities for the year 2021 to meet the expenses of the Colorado Springs Utilities for the year 2021.

Colorado Springs Utilities: **\$1,114,730,278**

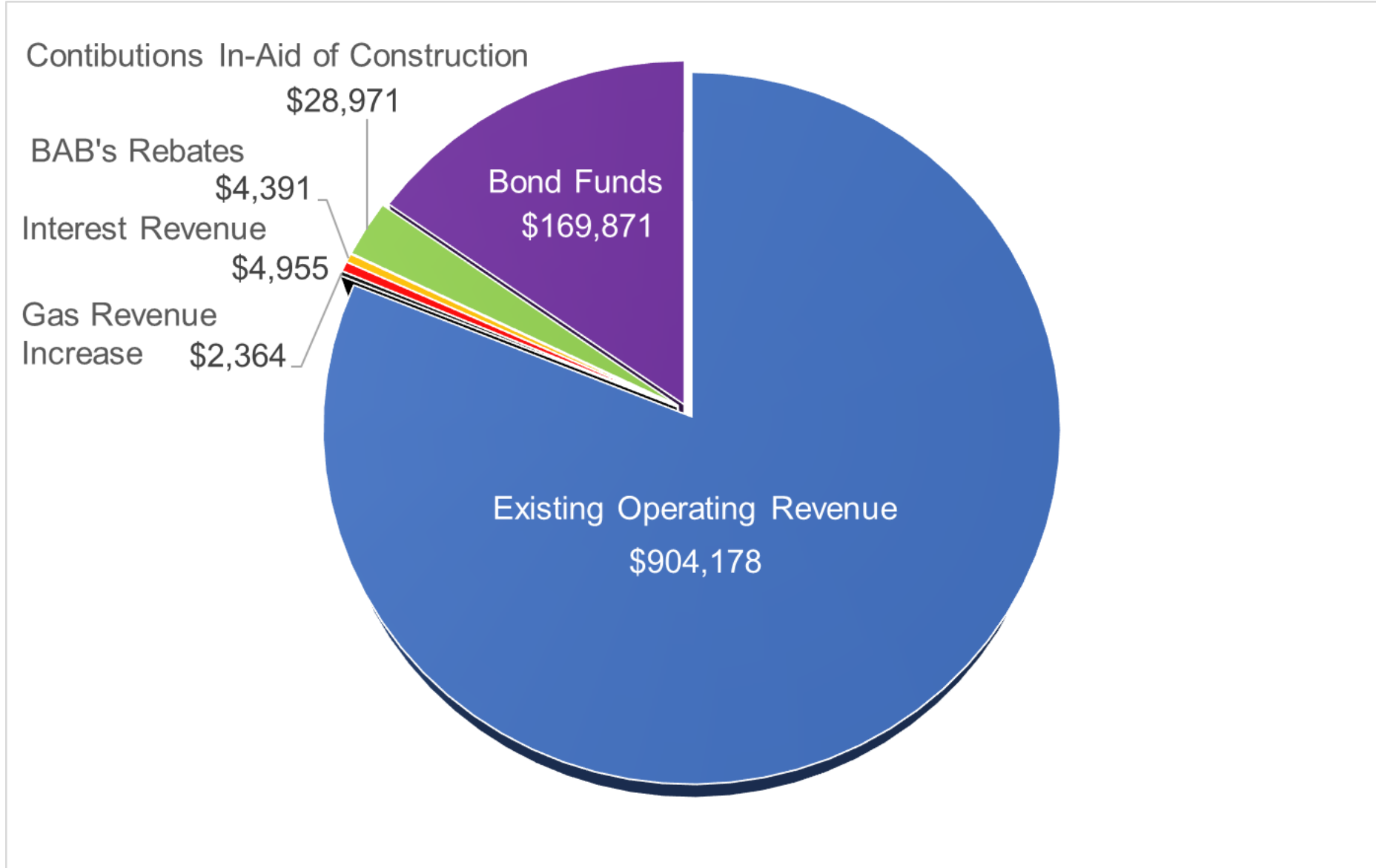
**Section 3.** The Council President and the City Clerk are directed to sign the Budget as herein adopted, and to file the same with the City Controller and the Chief Planning and Finance Officer of Colorado Springs Utilities.

**Section 4.** All ordinances or parts of ordinances in conflict herewith are hereby repealed and all statutes of the State of Colorado or parts thereof in conflict herewith are hereby superseded.

**Section 5.** This ordinance approving the Budget and appropriating monies shall be in full force and effect on January 1, 2021.

Introduced, read, and passed on first reading and ordered published this 27nd day of October, 2020.

# How the Appropriation is Funded (in thousands)



# Capital Projects (29% of Appropriation)

(in thousands)

	2021 Proposed Budget	2020 Approved Budget	Increase / (Decrease)	% Change
Capital Projects (excludes IRP)	\$ 234,007	\$ 179,604	\$ 54,402	30.3%
IRP Capital	\$ 94,427	0	94,427	
<b>TOTAL</b>	<b>\$ 328,434</b>	<b>\$ 179,604</b>	<b>\$ 148,830</b>	<b>82.9%</b>

## Key Drivers:

- New generation \$94.4M
- Advanced Metering Infrastructure (AMI) \$25.5M
- Energy Distributed Generation Electric & Gas (EDGE) \$19.5M
- Utilities Reliability Program (URP) \$10M
- Gas Distribution Integrity Management Program (DIMP) \$5.7M

Debt funding: 53%

# Non-Fuel Operations & Maintenance

(31% of Appropriation)

(in thousands)

	2021 Proposed Budget	2020 Approved Budget	Increase / (Decrease)	% Change
Non-Fuel Operations & Maintenance	\$ 350,930	\$ 342,596	\$ 8,334	2.4%

## Key Drivers:

- Benefits - \$2.3M
- Gas Improvements Program - \$2.5M
- DSM & Renewable Energy Solutions - \$1.9M
- Cross Bore Program - \$0.8M



# Labor Budget Summary and Recommendations

	2020 Approved Budget (Dollars in Thousands)	2021 Proposed Budget (Dollars in Thousands)
Regular Base Pay*	\$165,615	\$166,405
Employee Benefits	\$53,693	\$56,690

\*Includes only Regular Labor

Total proposed Labor and Benefits budget increase is 1.7%



Colorado Springs Utilities<sup>®</sup>

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