

# January 2017 Financial Update

(activity thru November 2016)

January 9, 2017

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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



(activity thru November 2016)

- Sales Tax Revenue – trending \$4.2M above budget
- Property Tax – trending on budget
- Fines – trending \$1M below budget
- Intergovernmental – trending \$1.2M above budget
- Insurance and Recovery – trending \$1.5M above budget
- Capital Lease Proceeds – \$1.8M above budget
- Fuel Reimbursement – trending \$1M below budget
- Utilities Surplus – trending \$1.6M below budget
- Other Taxes, Charges for Services, Licenses – trending on budget

Summary – total GF revenue trending \$5-6M (~2%) above budget

# General Fund Expenditures



(activity thru November 2016)

- City Attorney/Municipal Court/City Clerk - trending between 8% to 11% under budget, mainly due to vacancies
- City Council, City Auditor, Information Technology, and Mayor/Communications/HR - trending between 4% to 6% under budget
- Public Works – trending between 1% to 2% under budget
- Planning and Finance – trending on budget
- Public Safety – Fire trending on budget, Police trending under budget by 1%
- PRCS – trending over budget currently but work continues to bring department in on budget, expect this to change

Summary – total GF expenditures approximately 1% (\$3M) under budget

# General Fund Expenditures



(activity thru November 2016)

Department	Current Budget*	YTD Actuals	% of Budget YTD
City Council	\$ 930,413	\$ 781,928	84%
City Auditor	\$ 1,417,032	\$ 1,175,219	83%
Parks, Recreation & Cultural Services	\$ 16,116,638	\$ 15,165,332	94%
Police	\$ 88,972,910	\$ 79,480,877	89%
Fire & OEM	\$ 50,230,231	\$ 43,916,056	87%
Public Works	\$ 23,980,787	\$ 21,424,906	89%
City Attorney, Municipal Court, City Clerk	\$ 9,824,151	\$ 7,802,347	79%
Information Technology	\$ 13,342,783	\$ 10,440,475	78%
Planning, Economic Development, Community Development	\$ 5,043,940	\$ 4,445,216	88%
Finance, Contract Compliance & Sustainability, General Costs	\$ 56,976,691	\$ 55,512,611	97%
Mayor, Communications, HR	\$ 3,131,626	\$ 2,582,640	82%
<b>Total</b>	<b>\$ 269,967,202</b>	<b>\$ 242,727,608</b>	<b>90%</b>

\*Includes all amendments and encumbrances incurred during 2016

Thru November:

Remainder of Payroll: 11.49%

Remainder of Year: 8.33%

(activity thru November 2016)

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

- S&U combined – up 12.54% for the month and up 7.94% year-to-date
  - Sales tax – up 15.13% for the month and up 8.32% year-to-date
  - Use tax – down 22.69% for the month and up 1.55% year-to-date

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

- LART Combined – up 12.76% for the month and up 14.51% year-to-date
  - Lodger's Tax – up 12.44% for the month and up 15.18% year-to-date
  - Auto Rental Tax - up 16.06% for the month and up 7.55% year-to-date

## **0.62% Road Tax:**

- \$4,370,897 – year-end estimate of ~\$49M
  - Collections thru November (10 months of collections) = \$40.6M

# Sales Tax Trends



(activity thru November 2016)

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## Industries with Largest Month over Month % Increase

Commercial Machines	134.48%
Building Materials	33.59%
Furniture, Appliances, and Electronics	29.70%

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## Industries with Largest Month over Month % Decrease

Department and Discount	(7.39%)
Utilities	(4.96%)

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## Industries with Largest Month over Month \$ Increase

Building Materials	\$439,422
Commercial Machines	\$253,385
Furniture, Appliances, and Electronics	\$176,536

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## Industries with Largest Month over Month \$ Decrease

Department and Discount	(\$80,981)
Utilities	(\$12,387)

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# Sales Tax Trends



(activity thru November 2016)

<b>Category</b>	<b>\$ Change 2016 YTD compared to 2015 YTD</b>	<b>% Change 2016 YTD compared to 2015 YTD</b>
Auto Dealers	775,592	6.7%
Auto Repair, Leases	305,911	5.8%
Building Materials	1,825,079	15.4%
Business Services *	895,791	29.9%
Clothing	381,507	8.6%
Commercial Machines *	352,334	13.2%
Department/Discount	(547,753)	(4.8%)
Furniture/Appliances/Electronics	317,299	5.1%
Grocery	822,309	20.5%
Hotel/Motel	905,676	16.0%
Medical Marijuana	251,339	16.0%
Miscellaneous Retail	760,171	5.5%
Restaurants	564,849	3.6%
Utilities	(245,536)	(8.9%)

\*The most volatile categories



# TABOR Revenue Update



## 2016 2% Sales and Use Tax Revenue – including audit revenue

Month	2015	2016	Month over Month % change
February	9,725,431	10,496,898	7.93%
March	10,397,354	10,748,464	3.38%
April	12,398,038	12,710,215	2.52%
May	11,632,614	12,158,656	4.52%
June	12,114,832	12,641,626	4.35%
July	14,129,725	15,609,875	10.48%
August	13,216,758	13,345,773	0.98%
September	12,536,312	14,959,726	19.33%
October	13,883,429	15,653,524	12.75%
November	12,573,918	14,401,605	14.54%

Month over month \$ change = \$4M

Prior 2016 TABOR calculation

Month over month \$ change = \$6M

If December and January collections increase at same rate, month over month \$ change would be additional \$4M

# TABOR Revenue Update



<b>2017 prelim Budget – 2016 TABOR Revenue in excess of Limit</b>	<b>\$2,306,000</b>
General Fund Sale and Use Tax	3,600,000
Other revenue and exemption adjustments	1,094,000
<b>12/13/16 - TABOR Revenue estimate in excess of Limit</b>	<b>\$7,000,000</b>

## City Growth for 2016 Spending Limit

Inflation Factor	1.18%
"City Growth" Factor	1.25%
<b>Total Growth Factor</b>	<b>2.43%</b>

# 2016 Grant Funds Update



(activity thru November 2016)

<b>2016 Grants Appropriation</b>	\$ 54,762,461	TABOR Impact
<b>Grants Awarded:</b>		
Federal	\$ 18,279,584	No
Federal Pass-Through	25,241,191	No
Other	1,992,708	No
State of Colorado	1,667,124	Yes
Private	417,525	No
<i>Total Grants Awarded</i>	\$ 47,598,132	
<b>Remaining Appropriation as of Nov 30, 2016</b>	<b>\$ 7,164,329</b>	

# 2016 Grant Funds Update



(activity thru November 2016)

<b>Recipient Unit</b>	<b>2016 Appropriation</b>	<b>2016 Grant Awards through 11/30/16</b>	<b>Variance (Awards less Appropriation)</b>
Airport	\$13,802,222	\$10,240,000	\$(3,562,222)
City Engineering	2,326,495	11,686,677	9,360,182
Community Development	4,375,350	4,400,502	25,152
Finance	657,047	562,412	(94,635)
Fire	1,899,000	311,000	(1,588,000)
Office of Emergency Management	493,660	602,038	108,378
Parks, Recreation, and Cultural Services	1,176,100	1,888,606	712,506
Police	3,606,000	2,973,091	(632,909)
Stormwater	0	9,836,704	9,836,704
Traffic Engineering	1,155,045	0	(1,155,045)
Transit	10,391,694	432,351	(9,959,343)
<b>Total by Recipient Unit</b>	<b>\$39,882,613</b>	<b>\$42,933,381</b>	<b>\$3,050,768</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>\$47,598,132</b>	<b>\$(7,164,329)</b>

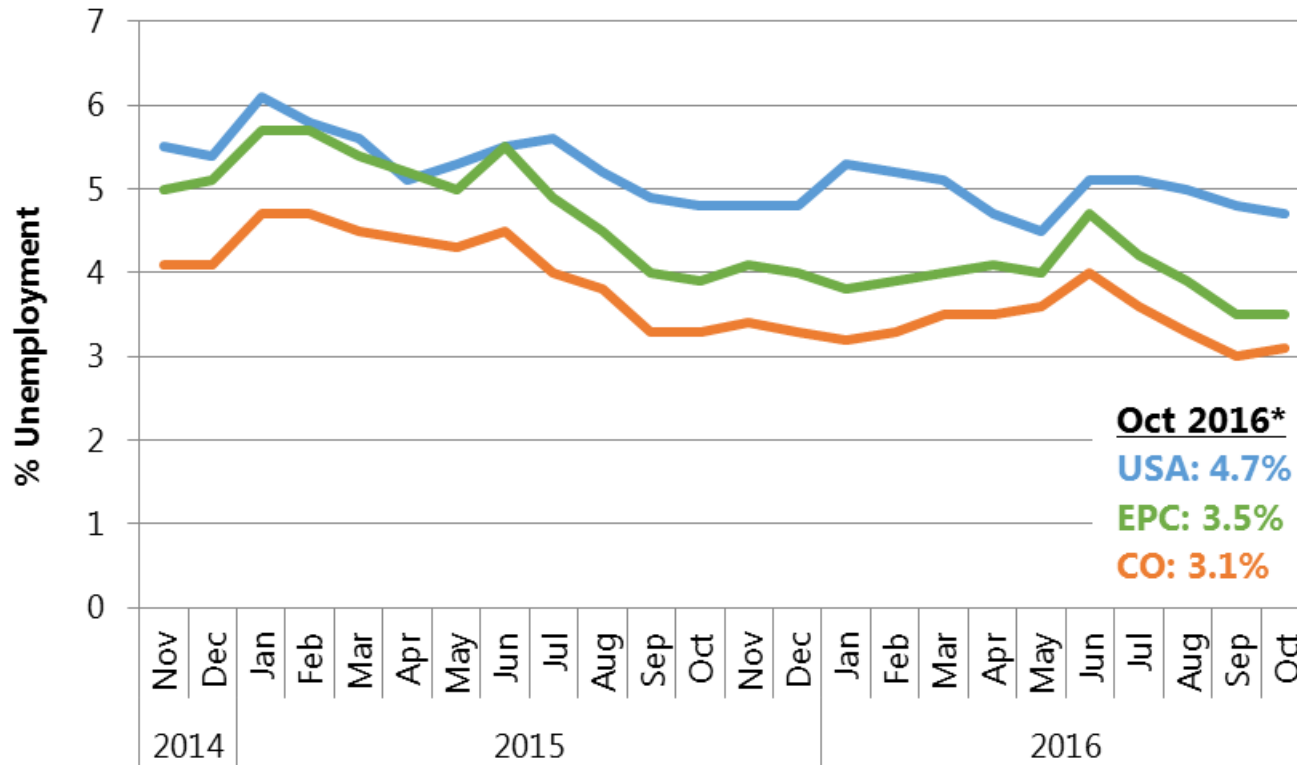
# Economic Indicators



(activity thru October 2016\*)



## Unemployment Rate

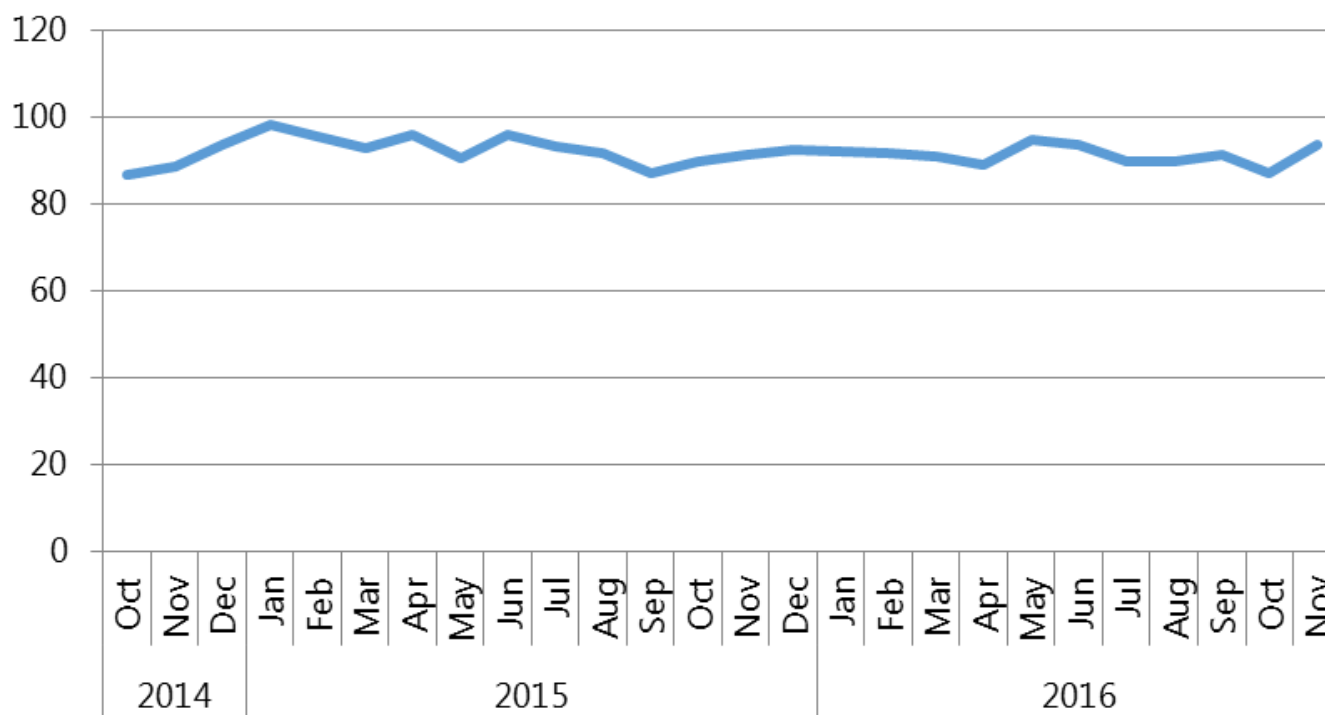


\*Lag due to Bureau of Labor Statistics data collection and reporting.

(activity thru November 2016)



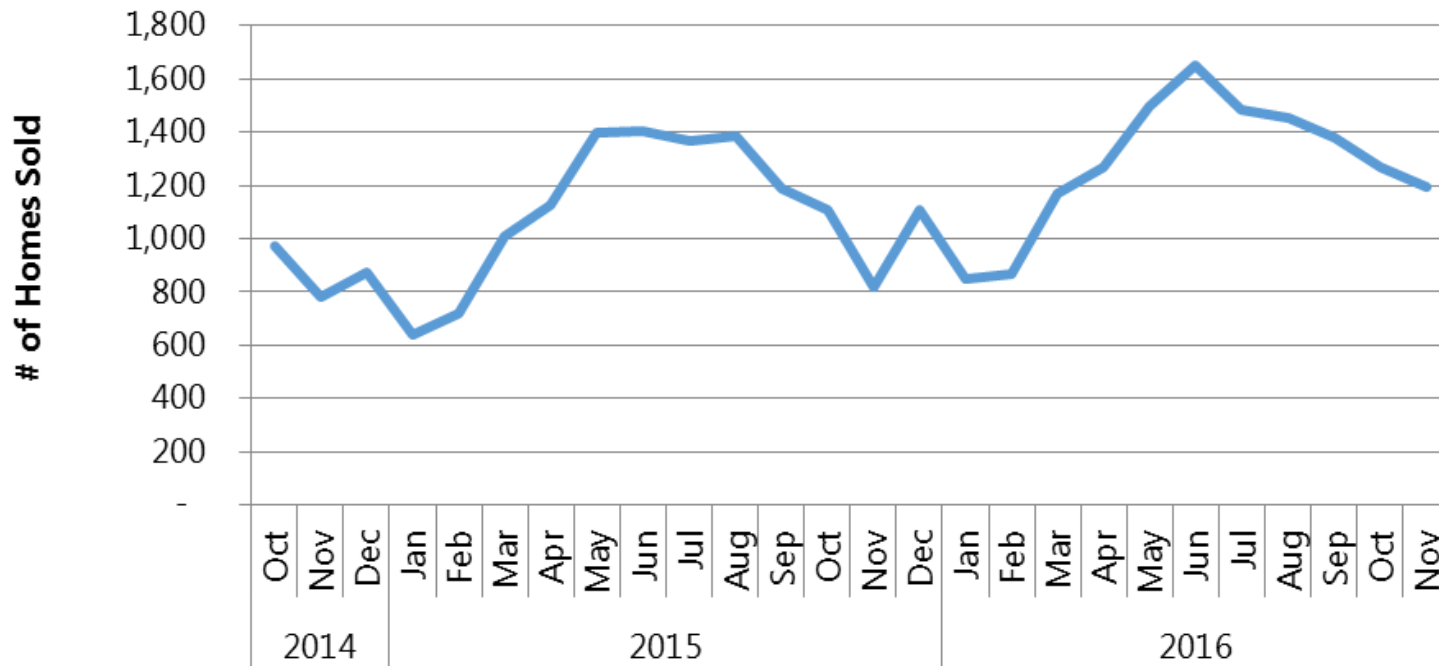
## Index of Consumer Sentiment



(activity thru November 2016)



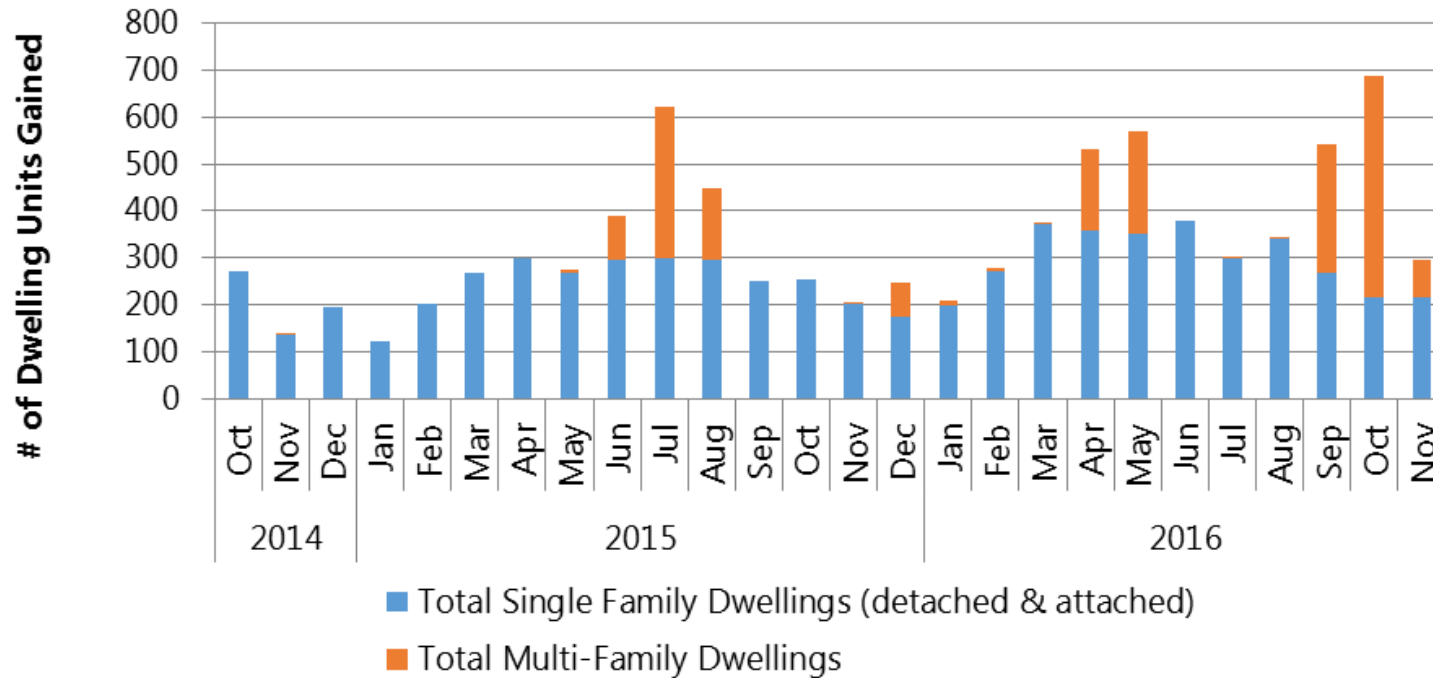
## Pikes Peak Region Home Sales Single Family/Patio Homes



(activity thru November 2016)



## Pikes Peak Region Residential Building Permits

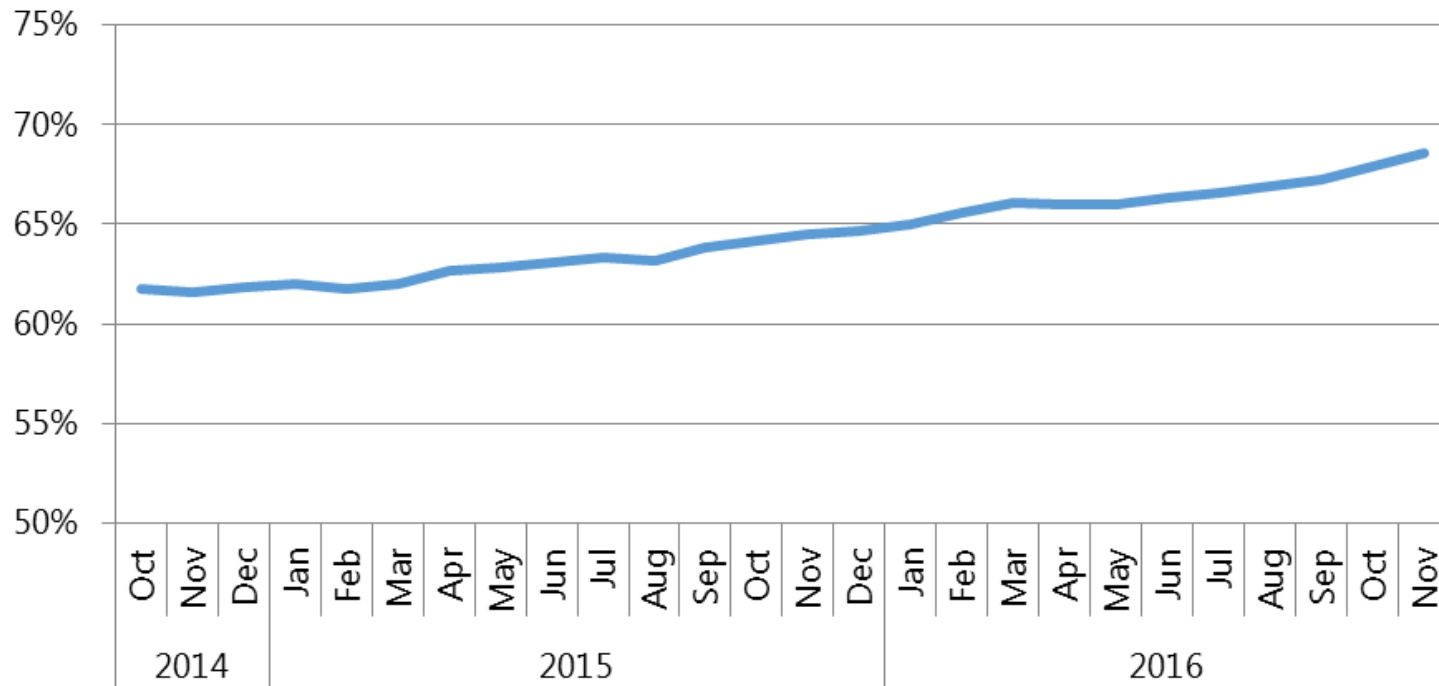




(activity thru November 2016)



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



# Questions?