

February 2017 Financial Update

(activity thru December 2016)

February 8, 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 December 2016)

- Sales Tax Revenue – trending \$4.4M above budget
- Property Tax – trending on budget
- Fines – trending \$1.2M 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 \$0.5M above budget

Summary – total GF revenue trending ~\$5.5-6M (2%) above budget

General Fund Expenditures



(activity thru December 2016)

- City Council – 10% under budget, mainly due to vacancies and savings on dues and memberships and travel out of town
- City Attorney/Municipal Court/City Clerk – 8% under budget, mainly due to vacancies
- Mayor/Communications/HR – 6% under budget, mainly due to vacancies
- City Auditor and Information Technology - 5% under budget, mainly due to vacancies
- Public Safety – Fire and Police are 2% under budget, mainly due to vacancies
- PRCS and Planning – on budget
- Finance – 1% over budget, due to budget/accounting basis differences regarding Capital Leases (exclusive of this, would be ~1% under budget)
- Public Works – 1% over budget, mainly due to Stormwater legal expenses

Summary – total GF expenditures ~1.5% (\$4.2M) under budget

General Fund Expenditures



(activity thru December 2016)

Department	Current Budget*	YTD Actuals	% of Budget YTD
City Council	\$ 930,413	\$ 841,724	90%
City Auditor	\$ 1,417,032	\$ 1,346,983	95%
Parks, Recreation & Cultural Services	\$ 16,116,638	\$ 16,184,347	100%
Police	\$ 88,972,910	\$ 86,779,128	98%
Fire & OEM	\$ 50,230,231	\$ 49,474,298	98%
Public Works	\$ 23,980,787	\$ 24,121,707	101%
City Attorney, Municipal Court, City Clerk	\$ 9,824,151	\$ 9,007,027	92%
Information Technology	\$ 13,342,783	\$ 12,672,868	95%
Planning, Economic Development, Community Development	\$ 5,043,940	\$ 5,028,235	100%
Finance, Contract Compliance & Sustainability, General Costs	\$ 56,976,691	\$ 57,370,954	101%
Mayor, Communications, HR	\$ 3,131,626	\$ 2,947,220	94%
Total	\$ 269,967,202	\$ 265,774,493	98%

*Includes all amendments and encumbrances incurred during 2016

Thru December:

Remainder of Payroll: 0.00%

Remainder of Year: 0.00%

(activity thru December 2016)

2.0% Sales and Use Tax:

- S&U combined – up 17.04% for the month and up 8.73% year-to-date
 - Sales tax – up 18.71% for the month and up 9.22% year-to-date
 - Use tax – down 8.58% for the month and up 0.61% year-to-date

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

- LART Combined – up 19.31% for the month and up 14.79% year-to-date
 - Lodger's Tax – up 17.48% for the month and up 15.32% year-to-date
 - Auto Rental Tax - up 33.81% for the month and up 9.51% year-to-date

0.62% Road Tax:

- \$4,188,163 – year-end estimate of ~\$49.5-50M
 - Collections thru December (11 months of collections) = \$44.6M

Sales Tax Trends



(activity thru December 2016)

Industries with Largest Month over Month % Increase

Commercial Machines	78.52%
Building Materials	43.60%
Medical Marijuana	22.83%

Industries with Largest Month over Month % Decrease

Business Services	(13.37%)
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Industries with Largest Month over Month \$ Increase

Building Materials	\$468,119
Miscellaneous Retail	\$250,861
Department and Discount	\$179,501

Industries with Largest Month over Month \$ Decrease

Business Services	(\$42,836)
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Sales Tax Trends



(activity thru December 2016)

Category	\$ Change 2016 YTD compared to 2015 YTD	% Change 2016 YTD compared to 2015 YTD
Auto Dealers	915,158	7.2%
Auto Repair, Leases	345,997	6.0%
Building Materials	2,293,198	17.7%
Business Services *	852,955	25.7%
Clothing	426,230	8.6%
Commercial Machines *	496,281	17.4%
Department/Discount	(368,252)	(2.9%)
Furniture/Appliances/Electronics	346,513	5.0%
Grocery	906,180	20.5%
Hotel/Motel	975,187	16.2%
Medical Marijuana	278,863	16.2%
Miscellaneous Retail	1,011,032	6.6%
Restaurants	709,654	4.2%
Utilities	(237,218)	(7.9%)

*The most volatile categories

2016 Grant Funds Update



(activity thru December 2016)

2016 Grants Appropriation	\$ 54,762,461	TABOR Impact
Grants Awarded:		
Federal	\$ 18,272,248	No
Federal Pass-Through	25,813,517	No
Other	1,992,708	No
State of Colorado	2,519,066	Yes
Private	417,525	No
<i>Total Grants Awarded</i>	\$ 49,015,064	
Remaining Appropriation as of Dec 31, 2016	\$ 5,747,397	

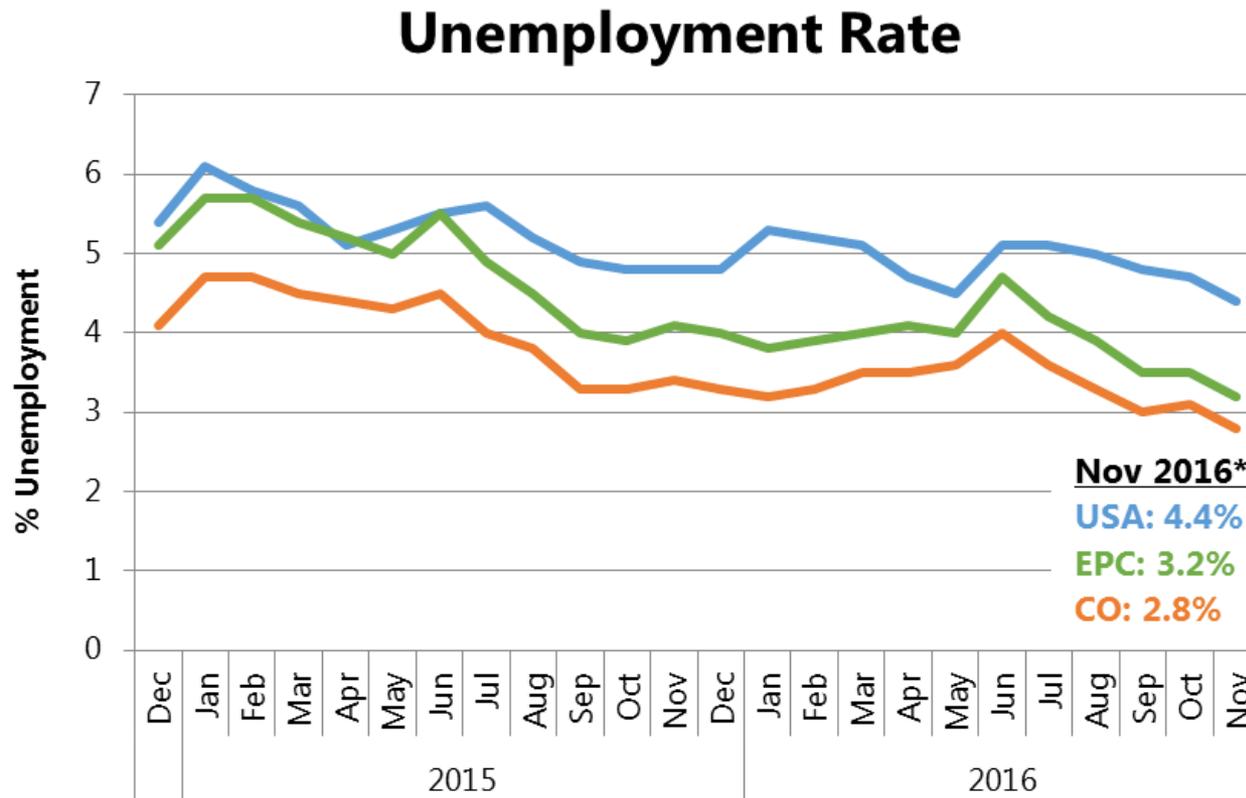
2016 Grant Funds Update



(activity thru December 2016)

Recipient Unit	2016 Appropriation	2016 Grant Awards through 12/31/16	Variance (Awards less Appropriation)
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	3,771,889	165,889
Stormwater	0	10,454,838	10,454,838
Traffic Engineering	1,155,045	0	(1,155,045)
Transit	10,391,694	432,351	(9,959,343)
Total by Recipient Unit	\$39,882,613	\$44,350,313	\$4,467,700
FEMA DR-4229 Public Assistance Grant	14,879,848	4,664,751	(10,215,097)
Grand Total	\$54,762,461	\$49,015,064	\$(5,747,397)

(activity thru November 2016*)

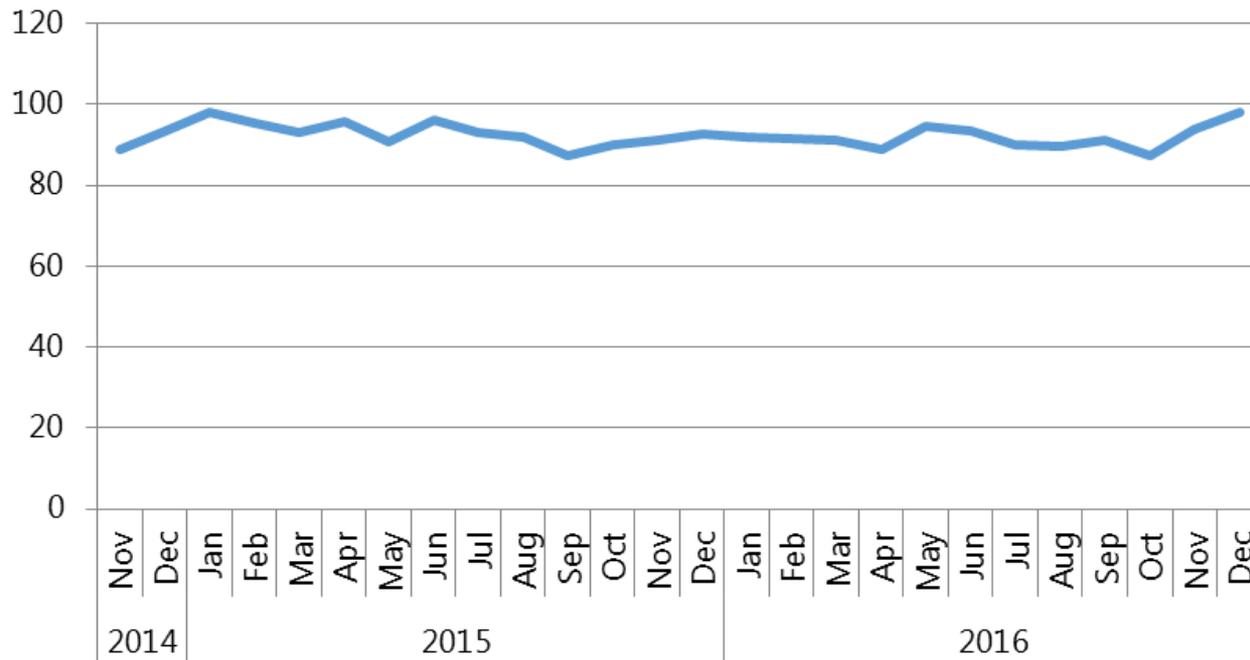


*Lag due to Bureau of Labor Statistics data collection and reporting.

(activity thru December 2016)



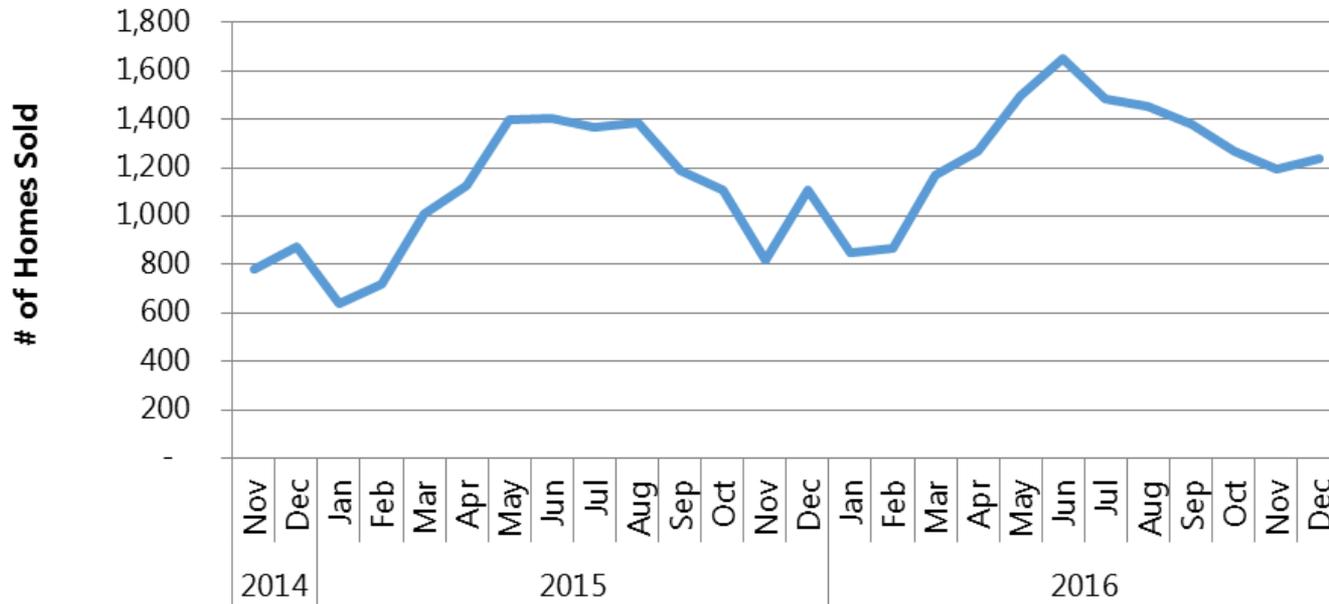
Index of Consumer Sentiment



(activity thru December 2016)



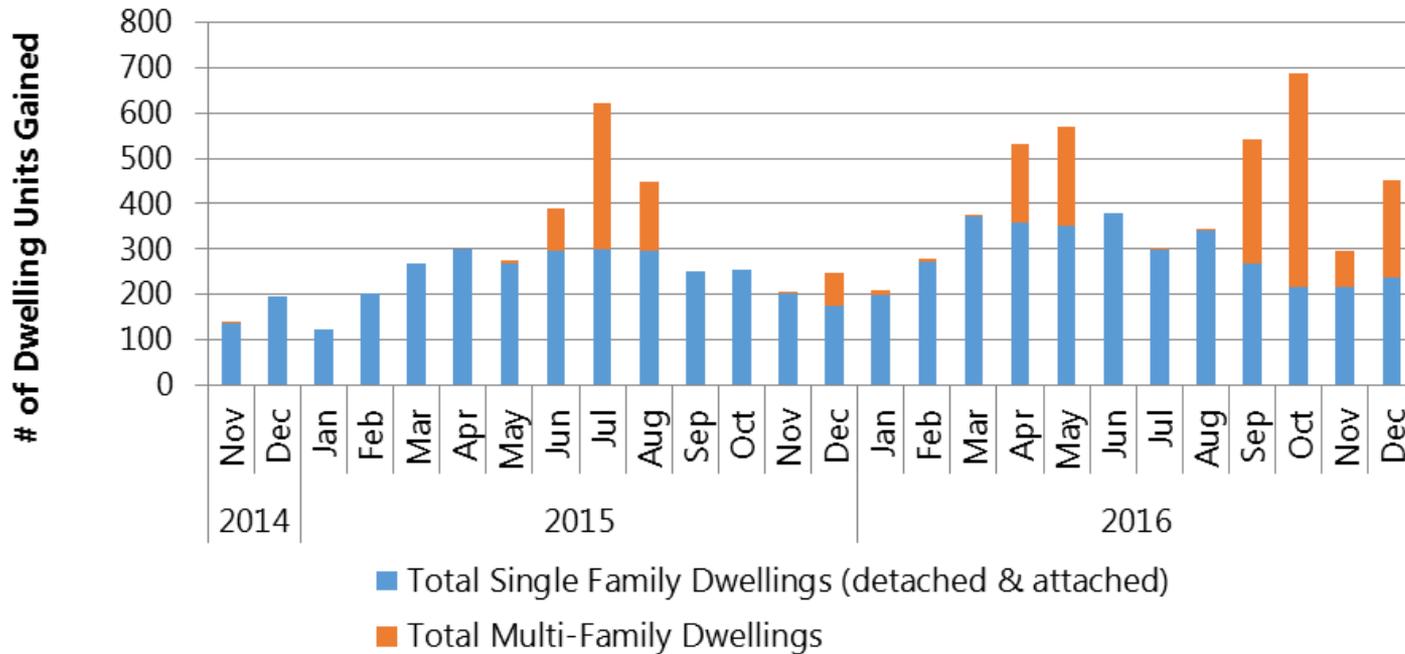
Pikes Peak Region Home Sales Single Family/Patio Homes



(activity thru December 2016)



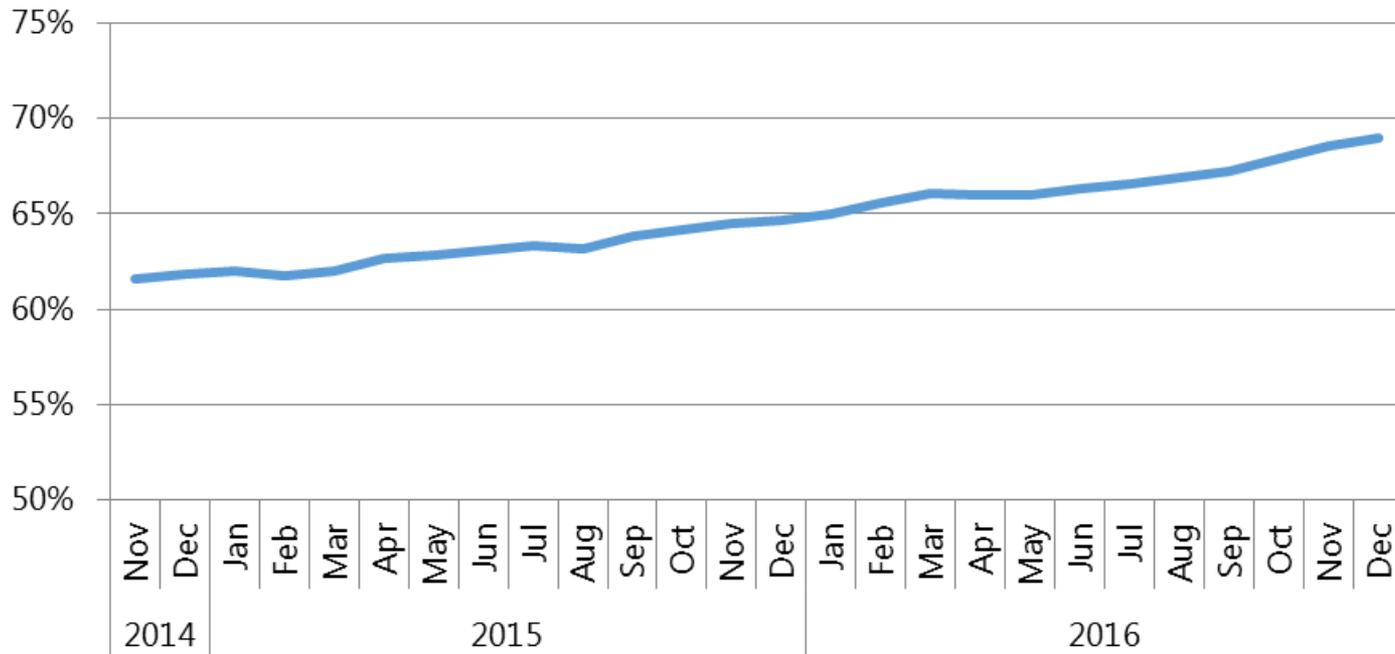
Pikes Peak Region Residential Building Permits



(activity thru December 2016)



Colorado Springs Hotel Occupancy Rate (12 Month Moving Average)



Questions?