

# August 2017 Financial Update

(activity thru June 2017)

August 07, 2017

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Acting Budget Director



# 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 June 2017)

## Trending above/(below) budget

<b>Revenue Type</b>	<b>Potential Variance</b>		
Sales Tax Revenue	\$9,300,000	to	\$9,700,000
Property Tax	\$0	to	\$0
Charges for Services	\$800,000	to	\$900,000
Fines	(\$1,700,000)	to	(\$1,800,000)
Intergovernmental	(\$70,000)	to	(\$73,000)
Licenses and Permits	\$800,000	to	\$900,000
Other Taxes and Misc.	(\$1,800,000)	to	(\$1,900,000)
<b>Total</b>	<b>\$7,400,000</b>	<b>to</b>	<b>\$7,800,000</b>

Summary – total GF revenue trending ~\$7.4M to ~\$7.8M, or 2.8% to 2.9%, above budget

# General Fund Expenditures



(activity thru June 2017)

Department	Current Budget*	YTD Actuals	% of Budget YTD
City Council	\$ 995,888	\$ 599,329	60%
City Auditor	\$ 1,482,990	\$ 693,292	47%
Parks, Recreation & Cultural Services	\$ 12,362,752	\$ 6,181,734	50%
Police	\$ 91,304,852	\$ 42,896,209	47%
Fire & OEM	\$ 51,096,017	\$ 25,017,039	49%
Public Works	\$ 31,696,333	\$ 15,492,976	49%
City Attorney, Municipal Court, City Clerk	\$ 9,688,688	\$ 4,399,705	45%
Information Technology	\$ 14,392,634	\$ 7,413,260	52%
Planning and Development	\$ 3,895,350	\$ 1,620,534	42%
Finance, Economic Development, General Costs	\$ 55,250,976	\$ 34,183,037	62%
Mayor, Communications, HR	\$ 3,413,670	\$ 1,523,703	45%
<b>Total</b>	<b>\$ 275,580,150</b>	<b>\$ 140,020,817</b>	<b>51%</b>

\*Includes all amendments and encumbrances incurred during 2017

Thru March:

% of Payroll expended: 45.98%

% of year elapsed: 50.00%

# General Fund Expenditures



(activity thru June 2017)

Department	<u>Trending above/(below) budget</u>			
	<b>Potential Variance</b>			
City Council	\$	(57,000)	to	\$ -
City Auditor	\$	-	to	\$ 5,000
Parks, Recreation & Cultural Services	\$	(44,000)	to	\$ -
Police	\$	-	to	\$ -
Fire & OEM	\$	-	to	\$ 8,000
Public Works	\$	(250,000)	to	\$ -
City Attorney, Municipal Court, City Clerk	\$	(109,000)	to	\$ (41,000)
Information Technology	\$	-	to	\$ -
Planning and Development	\$	(187,000)	to	\$ (120,000)
Finance, Economic Development, General Costs	\$	(27,000)	to	\$ -
Mayor, Communications, HR	\$	(95,000)	to	\$ (62,000)
<b>Total</b>	<b>\$</b>	<b>(769,000)</b>	<b>to</b>	<b>\$ (210,000)</b>

Summary – total GF expenditures between ~\$770K (0.28%) and ~210k (0.08%) under budget

# Sales Tax Trends



(collections thru June 2017)

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

- S&U combined – up 10.38% for the month and up 11.07% year-to-date
  - Sales tax – up 10.57% for the month and up 11.35% year-to-date
  - Use tax – up 6.29% for the month and up 6.37% year-to-date

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

- LART Combined – up 19.63% for the month and up 20.22% year-to-date
  - Lodger's Tax – up 20.20% for the month and up 21.83% year-to-date
  - Auto Rental Tax - up 12.42% for the month and up 5.94% year-to-date

## **0.62% Road Tax:**

- \$4,323,838
  - Forecast collections for 2017 = \$55M

# Sales Tax Trends



(collections thru June 2017)

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## Industries with Largest Month over Month % Increase

Grocery Stores	33.95%
Building Materials	23.93%
Utilities	23.84%

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## Industries with Largest Month over Month \$ Increase

Building Materials	\$331,829
Auto Dealer	\$190,265
Grocery Stores	\$156,794

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## Industries with Largest Month over Month % Decrease

Commercial Machines	(17.30%)
Business Services	(3.01%)

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## Industries with Largest Month over Month \$ Decrease

Commercial Machines	(\$60,140)
Business Services	(\$8,380)

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# Sales Tax Trends



(collections thru June 2017)

<b>Category</b>	<b>\$ Change 2017 YTD compared to 2016 YTD</b>	<b>% Change 2017 YTD compared to 2016 YTD</b>
Auto Dealers	486,523	9.3%
Auto Repair, Leases	249,785	9.9%
Building Materials	1,830,679	33.2%
Business Services *	51,888	3.9%
Clothing	151,009	7.0%
Commercial Machines *	34,468	2.7%
Department/Discount	(97,567)	(1.9%)
Furniture/Appliances/Electronics	137,688	4.6%
Grocery	454,752	20.4%
Hotel/Motel	539,709	24.1%
Medical Marijuana	96,017	24.1%
Miscellaneous Retail	777,861	11.7%
Restaurants	733,077	9.7%
Utilities	187,348	14.6%

\*The most volatile categories



# 2017 Grant Funds Update



(activity thru June 2017)

<b>2017 Grants Appropriation</b>	<b>\$42,039,733</b>	<b>TABOR Impact</b>
<b>Grants Awarded:</b>		
Federal	\$16,076	No
Federal Pass-Through	9,499,044	No
Other	1,064,000	No
State of Colorado	5,270,118	Yes
Private	108,392	No
<i>Total Grants Awarded</i>	<b>\$15,957,630</b>	
<b>Remaining Appropriation as of June 30, 2017</b>	<b>\$26,082,103</b>	

# 2017 Grant Funds Update



(activity thru June 2017)

<b>Recipient Unit</b>	<b>2017 Appropriation</b>	<b>2017 Grant Awards through 06/30/17</b>	<b>Variance (Awards less Appropriation)</b>
Airport	\$13,222,222	\$0	\$(13,222,222)
City Engineering	5,781,167	2,861,253	(2,919,914)
Community Development	4,127,113	0	(4,127,113)
Finance	0	302,341	302,341
Fire	1,625,000	709,892	(915,108)
Office of Emergency Management	610,450	0	(610,450)
Parks, Recreation, and Cultural Services	865,000	473,576	(391,424)
Planning and Development	0	5,000	5,000
Police	1,936,520	95,433	(1,841,087)
Traffic Engineering	1,333,715	5,195,432	3,861,717
Transit	10,838,546	2,016,524	(8,822,022)
Water Resources Engineering	1,700,000	4,298,179	2,598,179
<b>Grand Total</b>	<b>\$42,039,733</b>	<b>\$15,957,630</b>	<b>\$(26,082,103)</b>

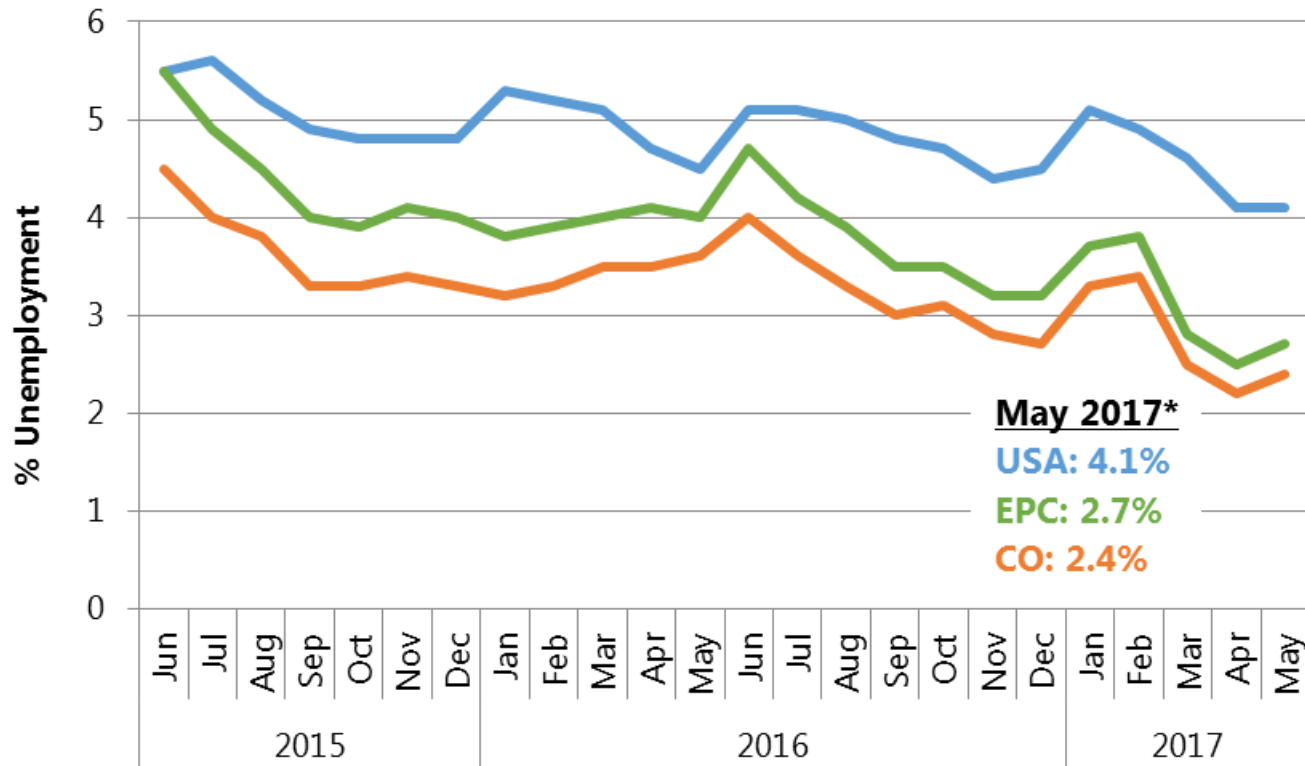
# Economic Indicators



(activity thru May 2017\*)



## Unemployment Rate

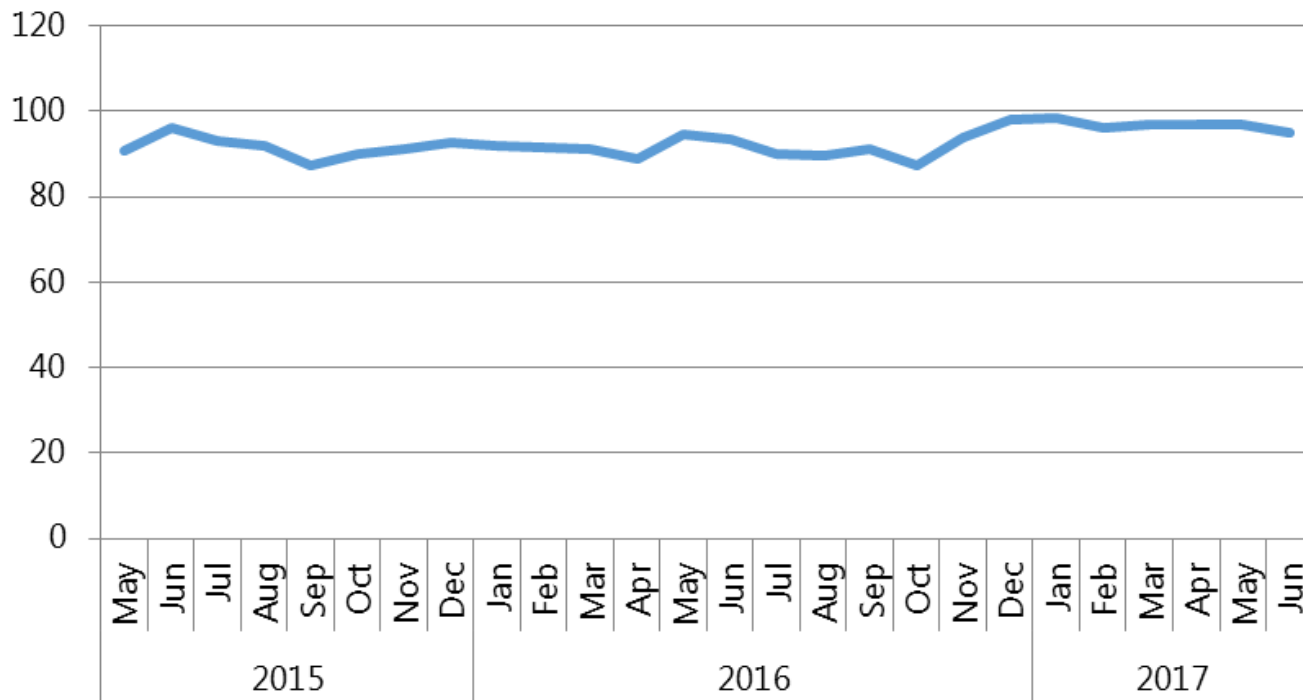


\*Lag due to Bureau of Labor Statistics data collection and reporting.

(activity thru June 2017)



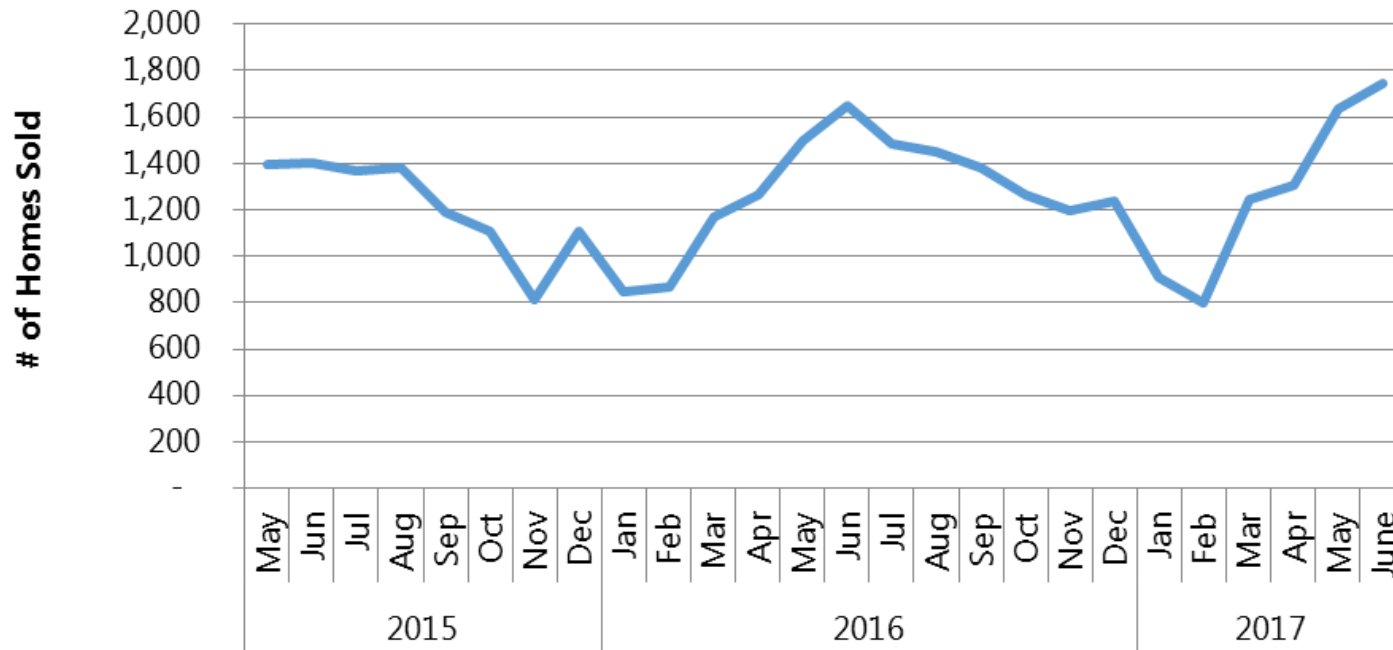
## Index of Consumer Sentiment



(activity thru June 2017)



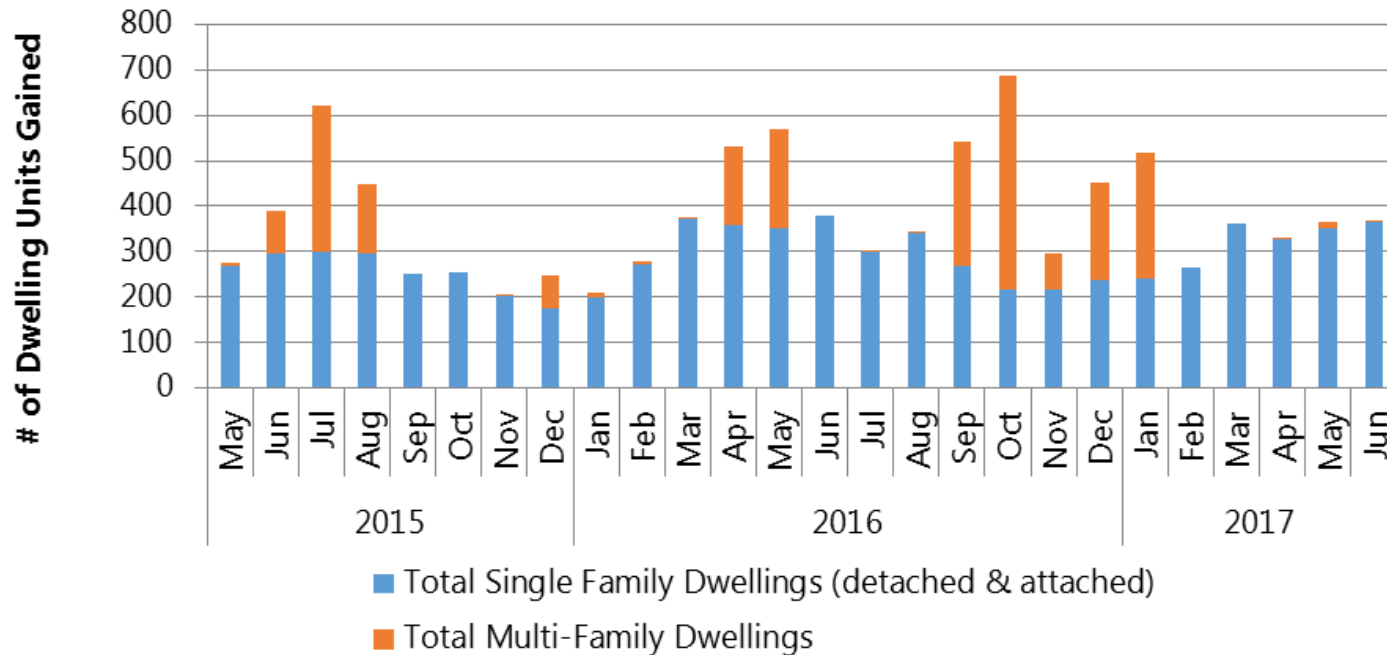
## Pikes Peak Region Home Sales Single Family/Patio Homes



(activity thru June 2017)



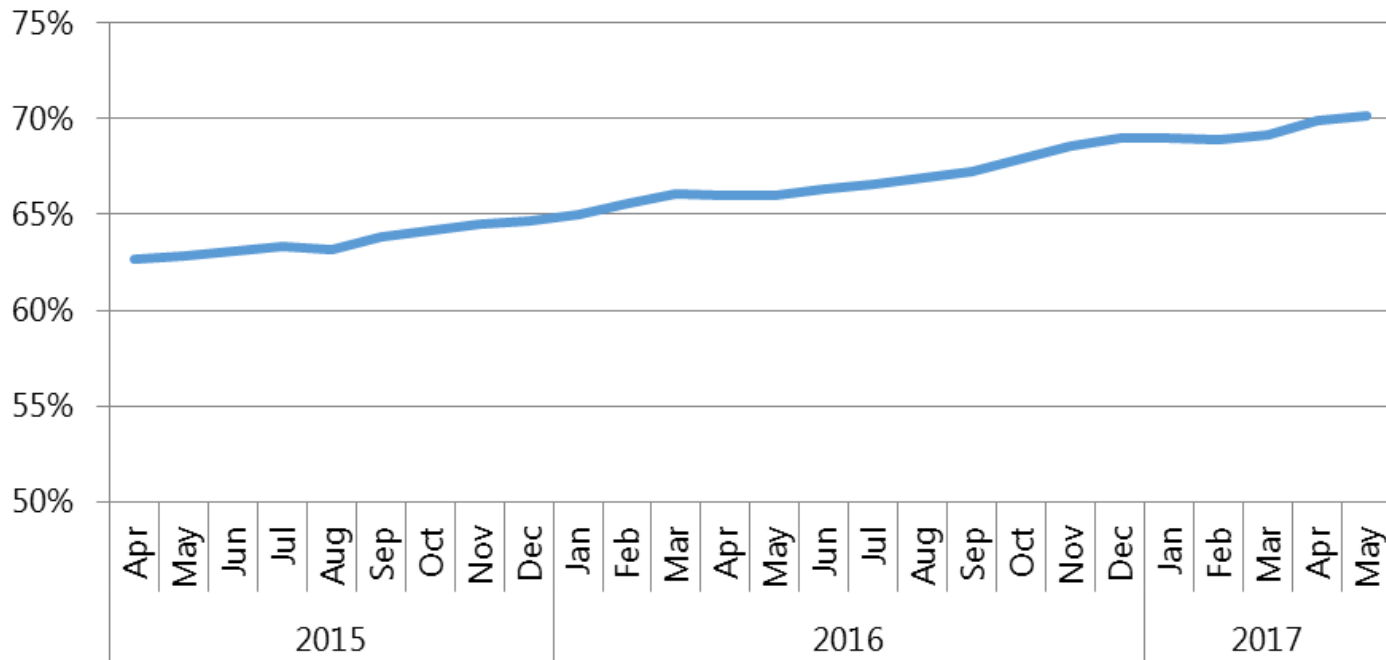
## Pikes Peak Region Residential Building Permits



(activity thru May 2017)\*



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



\*SCEF changed their reporting timeline

# Questions?