

February 2018 Financial Update

(activity thru December 2017)

February 12, 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 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.

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 December 2017)

Trending above/(below) budget

<u>Revenue Type</u>	<u>Potential Variance</u>	
Sales Tax Revenue	\$4,000,000 to	\$4,600,000
Property Tax	(1,200,000) to	(1,200,000)
Charges for Services	200,000 to	200,000
Fines	(1,700,000) to	(1,800,000)
Intergovernmental	(100,000) to	(100,000)
Licenses and Permits	900,000 to	1,000,000
Other Taxes and Misc.	(2,100,000) to	(2,200,000)
Total	\$0 to	\$500,000

Summary – total GF revenue trending \$0 to ~\$500K, or up to 0.1%, above budget

General Fund Expenditures



(activity thru December 2017)

Department	Current Budget*	YTD Actuals	% of Budget YTD
City Council	\$995,888	\$911,038	91%
City Auditor	1,482,990	1,500,261	101%
Parks, Recreation & Cultural Services	12,437,752	12,176,428	98%
Police	91,346,852	89,303,353	98%
Fire & OEM	50,051,541	49,552,920	99%
Public Works	29,292,480	29,701,278	101%
City Attorney, Municipal Court, City Clerk	9,711,688	9,293,841	96%
Information Technology	14,392,634	14,014,540	97%
Planning and Development	3,895,350	3,705,311	95%
Finance, Economic Development, General Costs**	57,417,662	55,002,855	96%
Mayor, Communications, HR	3,920,249	3,692,477	94%
Total	\$274,945,086	\$268,854,302	98%

*Includes amendments and encumbrances incurred during 2017

** \$31,918,239 in appropriation for debt refinancing removed since the matching revenues creates a neutral impact

Thru December:

% of Payroll expended: 100.00%

% of year elapsed: 100.00%

General Fund Expenditures



(activity thru December 2017)

Department	<u>Trending above/(below) budget</u>	
	<u>Potential Variance</u>	
City Council	\$ (60,000)	to \$ (60,000)
City Auditor	17,000	to 17,000
Parks, Recreation & Cultural Services	(261,000)	to (260,000)
Police	(1,073,000)	to (1,068,000)
Fire & OEM	(365,000)	to (363,000)
Public Works	374,000	to 372,000
City Attorney, Municipal Court, City Clerk	(382,000)	to (380,000)
Information Technology	—	to —
Planning and Development	(132,000)	to (131,000)
Finance, Economic Development, General Costs	(2,429,000)	to (2,416,000)
Mayor, Communications, HR	(159,000)	to (158,000)
Total	\$ (4,470,000)	to \$ (4,447,000)

Summary – total GF expenditures between ~\$4.5M (1.63%) and ~4.4M (1.62%) under budget

Sales Tax Trends



(collections thru December 2017)

2.0% Sales and Use Tax:

- S&U combined – down 0.34% for the month and up 4.73% year-to-date
 - Sales tax – down 1.06% for the month and up 4.34% year-to-date
 - Use tax – up 14% for the month and up 11.77% year-to-date

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

- LART Combined – up 12.34% for the month and up 13.99% year-to-date
 - Lodger's Tax – up 16.56% for the month and up 15.34% year-to-date
 - Auto Rental Tax - down 16.98% for the month and down 0.33% year-to-date

0.62% Road Tax:

- \$4,193,119
 - Forecast collections for 2017 = \$52.8M

Sales Tax Trends



(collections thru December 2017)

Industries with Largest Month over Month % Increase

Commercial Machines	56.43%
Hotel/Motel	20.50%
Utilities	17.22%

Industries with Largest Month over Month \$ Increase

Commercial Machines	184,696
Hotel/Motel	86,558
Miscellaneous Retail	65,243

Industries with Largest Month over Month % Decrease

Department and Discount	(14.93)%
Auto Dealer	(8.58)%
Building Materials	(7.27)%

Industries with Largest Month over Month \$ Decrease

Department and Discount	(223,149)
Building Materials	(112,081)
Auto Dealer	(104,022)

Sales Tax Trends



(collections thru December 2017)

Category	\$ Change 2017 YTD compared to 2016 YTD	% Change 2017 YTD compared to 2016 YTD
Auto Dealers	(694,667)	(5.1)%
Auto Repair, Leases	346,126	5.6%
Building Materials	1,742,507	11.4%
Business Services *	(840,936)	(20.2)%
Clothing	194,510	3.6%
Commercial Machines *	(149,424)	(4.5)%
Department/Discount	(559,945)	(4.6)%
Furniture/Appliances/Electronics	143,576	2.0%
Grocery	582,038	10.9%
Hotel/Motel	1,178,986	16.8%
Medical Marijuana	90,729	5.4%
Miscellaneous Retail	1,243,081	7.7%
Restaurants	1,133,534	6.4%
Utilities	348,686	12.7%

*The most volatile categories

2017 Grant Funds Update



(activity thru December 2017)

2017 Grants Appropriation	\$	42,224,417	TABOR Impact
<i>Grants Awarded:</i>			
Federal	\$	18,500,955	No
Federal Pass-Through		9,633,044	No
Other		1,678,000	No
State of Colorado		6,966,085	Yes
Private		418,392	No
<i>Total Grants Awarded</i>	\$	37,196,476	
Remaining Appropriation as of December 31, 2017	\$	5,027,941	

2017 Grant Funds Update



(activity thru December 2017)

Recipient Unit	2017 Appropriation	2017 Grant Awards through 12/31/17	Variance (Appropriation less Awards)
Airport	\$ 13,222,222	\$ 8,330,883	\$ 4,891,339
CDBG	\$ 2,807,608	\$ 2,807,608	\$ —
HOME Investment Partnership	\$ 1,265,882	\$ 1,143,893	\$ 121,989
Grants			
<i>City Engineering</i>	\$ 5,781,167	\$ 2,861,253	\$ 2,919,914
<i>Community Development</i>	238,307	238,307	—
<i>Finance</i>	—	302,341	(302,341)
<i>Fire</i>	1,625,000	1,745,170	(120,170)
<i>Office of Emergency Management</i>	610,450	479,514	130,936
<i>Parks, Recreation, and Cultural Services</i>	865,000	513,576	351,424
<i>Planning and Development</i>	—	65,650	(65,650)
<i>Police</i>	1,936,520	1,298,565	637,955
<i>Traffic Engineering</i>	1,333,715	5,195,432	(3,861,717)
<i>Transit</i>	10,838,546	6,528,400	4,310,146
<i>Water Resources Engineering</i>	1,700,000	5,685,884	(3,985,884)
Grants Total	\$ 42,224,417	\$ 37,196,476	\$ 5,027,941

Memorial Health System Update



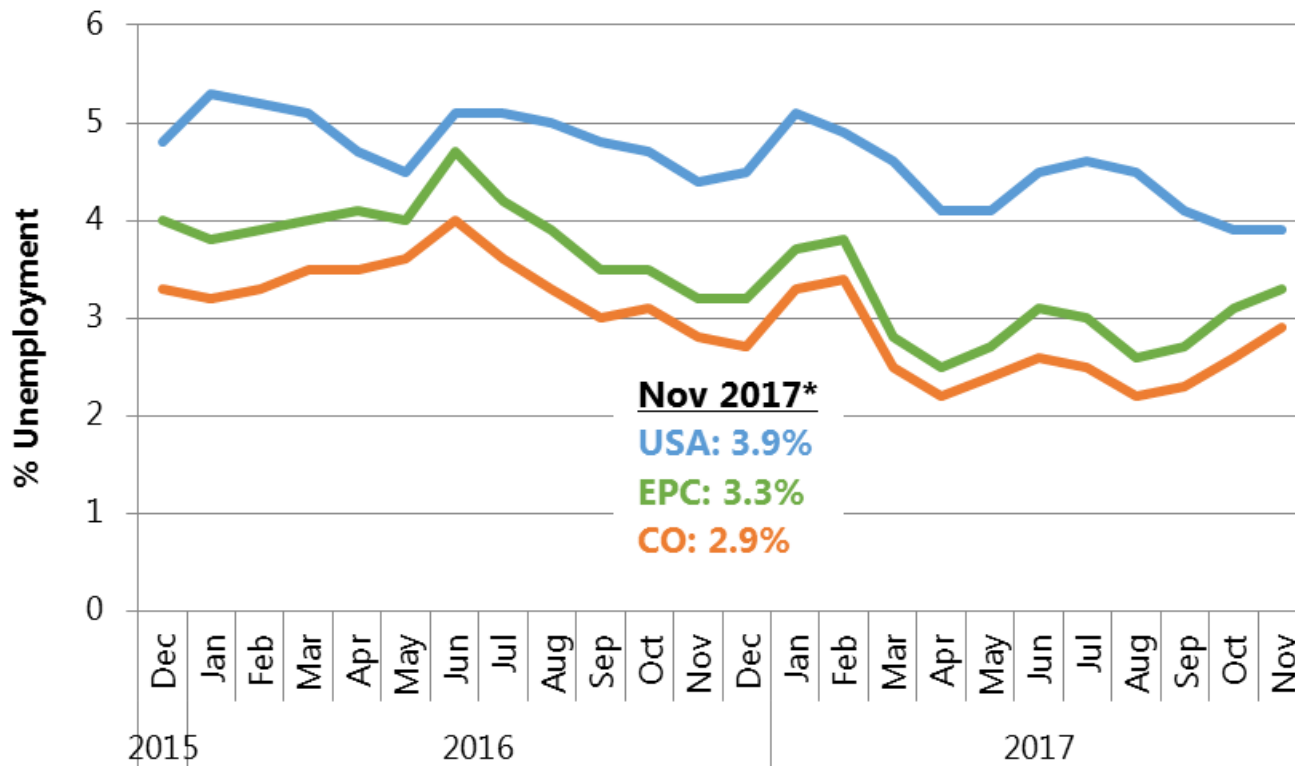
(activity thru December 2017)

Beginning December 1, 2017 balance, unaudited	\$	4,173,432
Revenue:		
December 2017 lease payment	467,676	
SSA investment final distribution	4,207,756	
Miscellaneous	1,317	
		<hr/>
Total Revenue		4,676,749
Expenses:		
Run-out workers' comp, liability claims & insurance costs	(711)	
Legal fees	(7,303)	
Third party payor audit consultant fees	(90,251)	
Excess balance transfer to CSHF - November 30, 2017 - transferred in December 2017	(459,225)	
Revenue sharing payments from UC-Health transfer to CSHF in December 2017	(1,214,210)	
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Total Expenses		(1,771,700)
Ending December 31, 2017 balance, unaudited	\$	7,078,481

(activity thru November 2017*)



Unemployment Rate

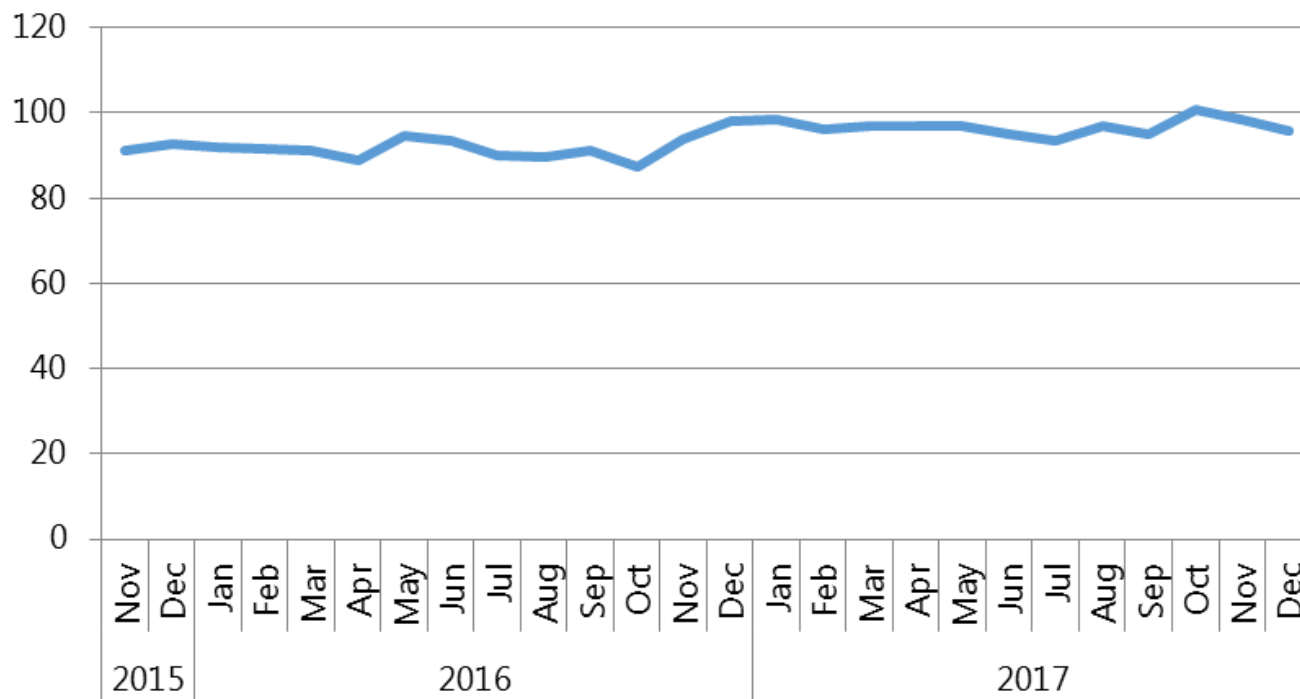


*Lag due to Bureau of Labor Statistics data collection and reporting.

(activity thru December 2017)

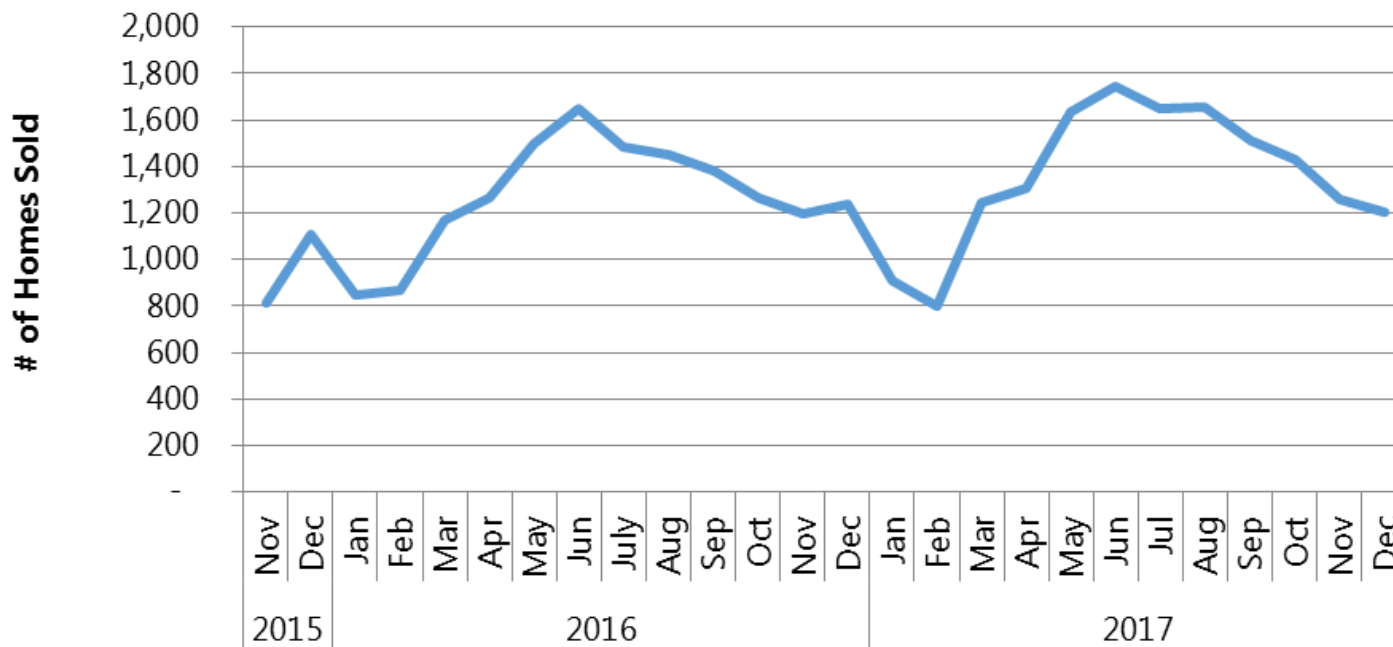


Index of Consumer Sentiment



(activity thru December 2017)

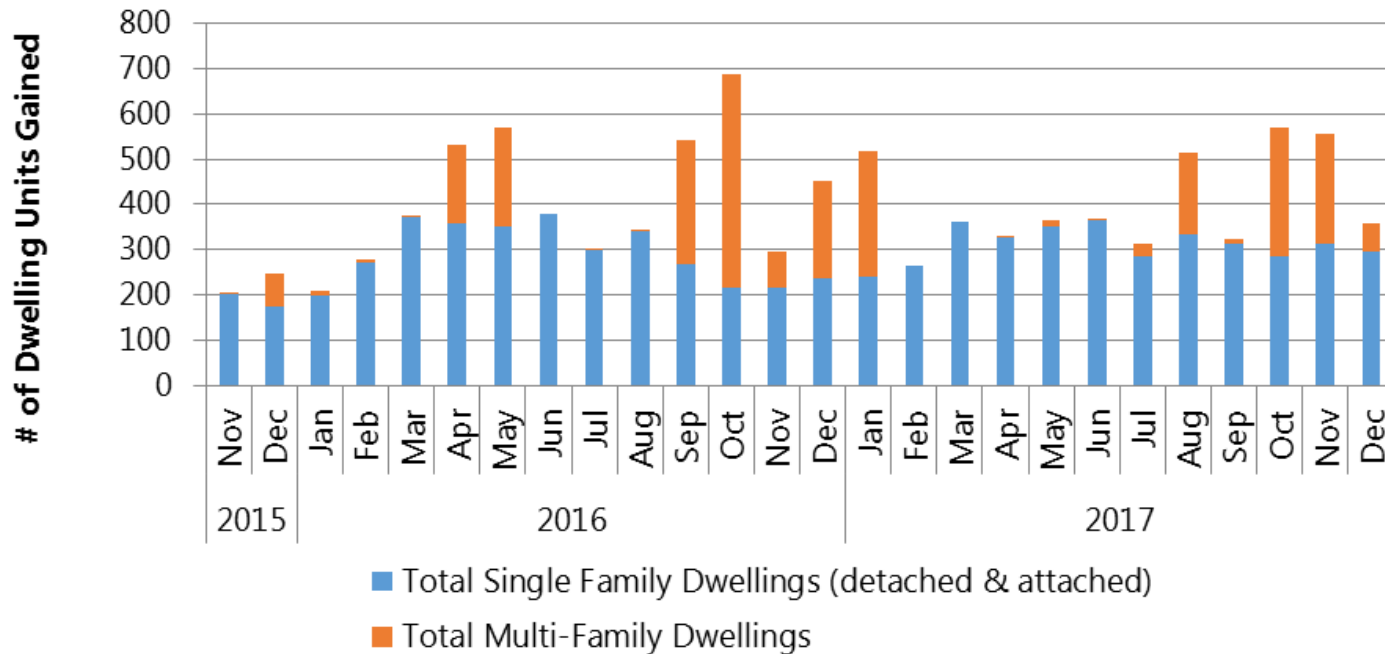
Pikes Peak Region Home Sales Single Family/Patio Homes



(activity thru December 2017)



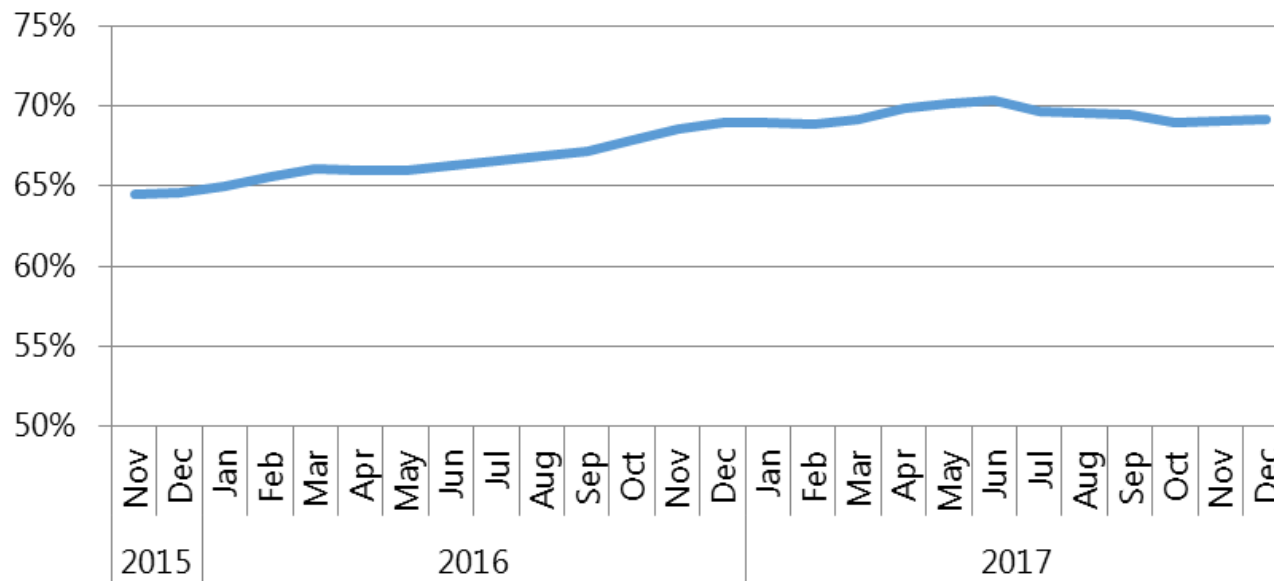
Pikes Peak Region Residential Building Permits



(activity thru December 2017)



Colorado Springs Hotel Occupancy Rate (12 Month Moving Average)



Questions?