

September 2017 Financial Update

(activity thru July 2017)

September 11, 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.

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 July 2017)

Trending above/(below) budget

<u>Revenue Type</u>	<u>Potential Variance</u>	
Sales Tax Revenue	\$7,900,000 to	\$8,300,000
Property Tax	— to	—
Charges for Services	800,000 to	900,000
Fines	(1,700,000) to	(1,800,000)
Intergovernmental	— to	—
Licenses and Permits	800,000 to	900,000
Other Taxes and Misc.	(1,800,000) to	(1,900,000)
Total	\$6,000,000 to	\$6,400,000

Summary – total GF revenue trending ~\$6M to ~\$6.4M, or 2.2% to 2.4%, above budget

General Fund Expenditures



(activity thru July 2017)

Department	Current Budget*	YTD Actuals	% of Budget YTD
City Council	\$995,888	\$648,774	65%
City Auditor	1,482,990	808,623	55%
Parks, Recreation & Cultural Services	12,437,752	7,401,170	60%
Police	91,346,852	50,110,748	55%
Fire & OEM	51,096,017	28,870,513	57%
Public Works	31,394,533	17,828,213	57%
City Attorney, Municipal Court, City Clerk	9,711,688	5,078,667	52%
Information Technology	14,392,634	8,449,673	59%
Planning and Development	3,895,350	1,923,758	49%
Finance, Economic Development, General Costs	54,779,397	36,679,396	67%
Mayor, Communications, HR	3,920,249	2,044,555	52%
Total	\$275,453,350	\$159,844,090	58%

*Includes all amendments and encumbrances incurred during 2017

Thru July:

% of Payroll expended: 53.64%

% of year elapsed: 58.33%

General Fund Expenditures



(activity thru July 2017)

Department	<u>Trending above/(below) budget</u>	
	<u>Potential Variance</u>	
City Council	\$ (47,000) to \$	—
City Auditor	(4,000) to	5,000
Parks, Recreation & Cultural Services	(24,000) to	15,000
Police	— to	—
Fire & OEM	— to	8,000
Public Works	(150,000) to	100,000
City Attorney, Municipal Court, City Clerk	(109,000) to	(41,000)
Information Technology	— to	—
Planning and Development	(179,000) to	(120,000)
Finance, Economic Development, General Costs	(27,000) to	—
Mayor, Communications, HR	(63,000) to	(62,000)
Total	\$ (603,000) to \$	(95,000)

Summary – total GF expenditures between ~\$603K (0.22%) and ~95K (0.03%) under budget

Sales Tax Trends



(collections thru July 2017)

2.0% Sales and Use Tax:

- S&U combined – up 4.18% for the month and up 9.62% year-to-date
 - Sales tax – up 2.58% for the month and up 9.50% year-to-date
 - Use tax – up 34.01% for the month and up 11.76% year-to-date

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

- LART Combined – up 15.98% for the month and up 19.01% year-to-date
 - Lodger's Tax – up 15.90% for the month and up 20.09% year-to-date
 - Auto Rental Tax - up 17.14% for the month and up 8.07% year-to-date

0.62% Road Tax:

- \$5,051,037
 - Forecast collections for 2017 = \$54.7M

Sales Tax Trends



(collections thru July 2017)

Industries with Largest Month over Month % Increase

Building Materials	19.86%
Hotel/Motel	17.51%
Auto Repair and Leases	14.69%

Industries with Largest Month over Month % Decrease

Business Services	(70.03)%
Commercial Machines	(33.48)%
Department and Discount	(3.62)%

Industries with Largest Month over Month \$ Increase

Building Materials	323,747
Hotel/Motel	154,086
Restaurants	134,223

Industries with Largest Month over Month \$ Decrease

Business Services	(897,859)
Commercial Machines	(144,828)
Department and Discount	(43,087)

Sales Tax Trends



(collections thru July 2017)

Category	\$ Change 2017 YTD compared to 2016 YTD	% Change 2017 YTD compared to 2016 YTD
Auto Dealers	496,863	7.8%
Auto Repair, Leases	345,983	10.9%
Building Materials	2,154,426	30.2%
Business Services *	(845,971)	(32.3)%
Clothing	148,462	5.4%
Commercial Machines *	(110,360)	(6.5)%
Department/Discount	(140,655)	(2.2)%
Furniture/Appliances/Electronics	221,128	6.0%
Grocery	528,845	19.3%
Hotel/Motel	693,795	22.3%
Medical Marijuana	109,923	22.3%
Miscellaneous Retail	832,736	9.8%
Restaurants	867,300	9.3%
Utilities	214,724	14.1%

*The most volatile categories

2017 Grant Funds Update



(activity thru July 2017)

2017 Grants Appropriation	\$	42,039,733	TABOR Impact
<i>Grants Awarded:</i>			
Federal	\$	10,245,430	No
Federal Pass-Through		9,499,044	No
Other		1,064,000	No
State of Colorado		5,435,393	Yes
Private		143,392	No
<i>Total Grants Awarded</i>	\$	26,387,259	
Remaining Appropriation as of July 31, 2017	\$	15,652,474	

2017 Grant Funds Update



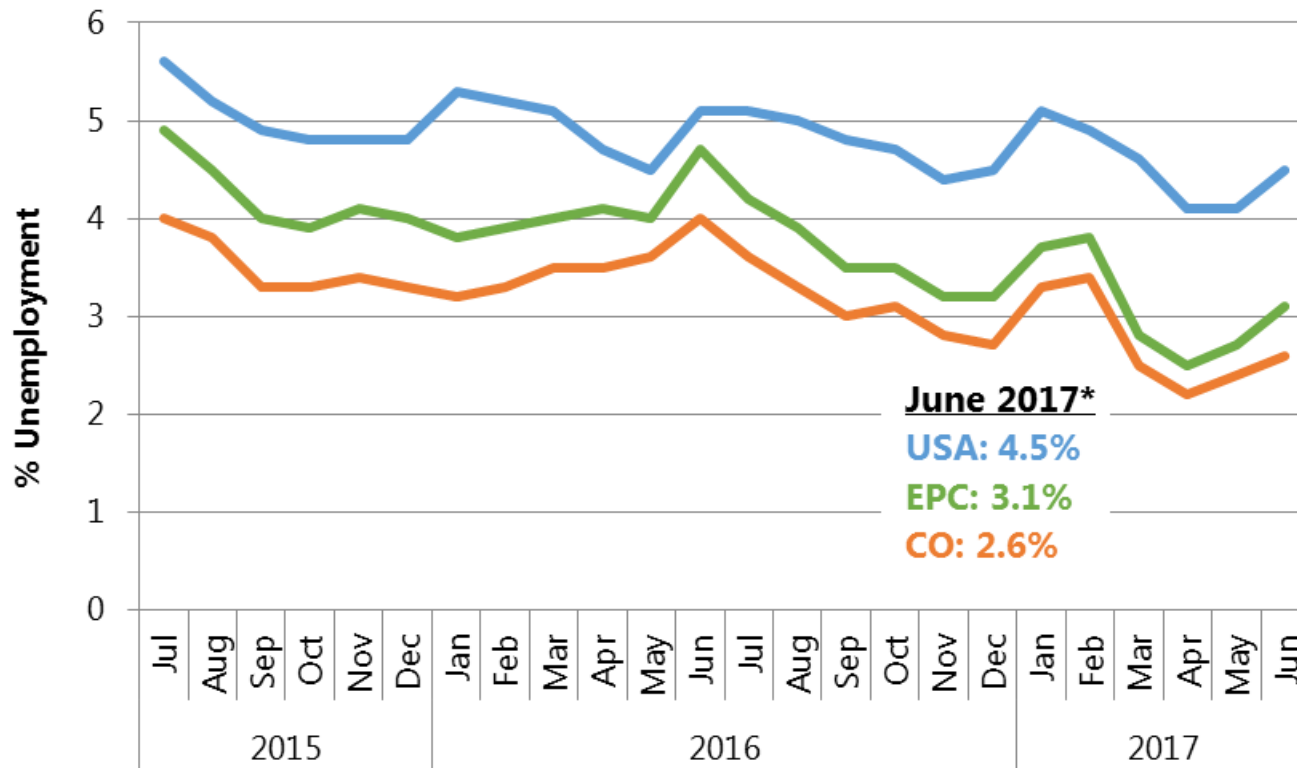
(activity thru July 2017)

Recipient Unit	2017 Appropriation	2017 Grant Awards through 7/31/17	Variance (Awards less Appropriation)
Airport	\$ 13,222,222	\$ 8,330,883	\$ (4,891,339)
City Engineering	5,781,167	2,861,253	(2,919,914)
Community Development	4,127,113	—	(4,127,113)
Finance	—	302,341	302,341
Fire	1,625,000	709,892	(915,108)
Office of Emergency Management	610,450	—	(610,450)
Parks, Recreation, and Cultural Services	865,000	508,576	(356,424)
Planning and Development	—	5,000	5,000
Police	1,936,520	260,708	(1,675,812)
Traffic Engineering	1,333,715	5,195,432	3,861,717
Transit	10,838,546	3,914,995	(6,923,551)
Water Resources Engineering	1,700,000	4,298,179	2,598,179
Grand Total	\$ 42,039,733	\$ 26,387,259	\$ (15,652,474)

(activity thru June 2017)



Unemployment Rate

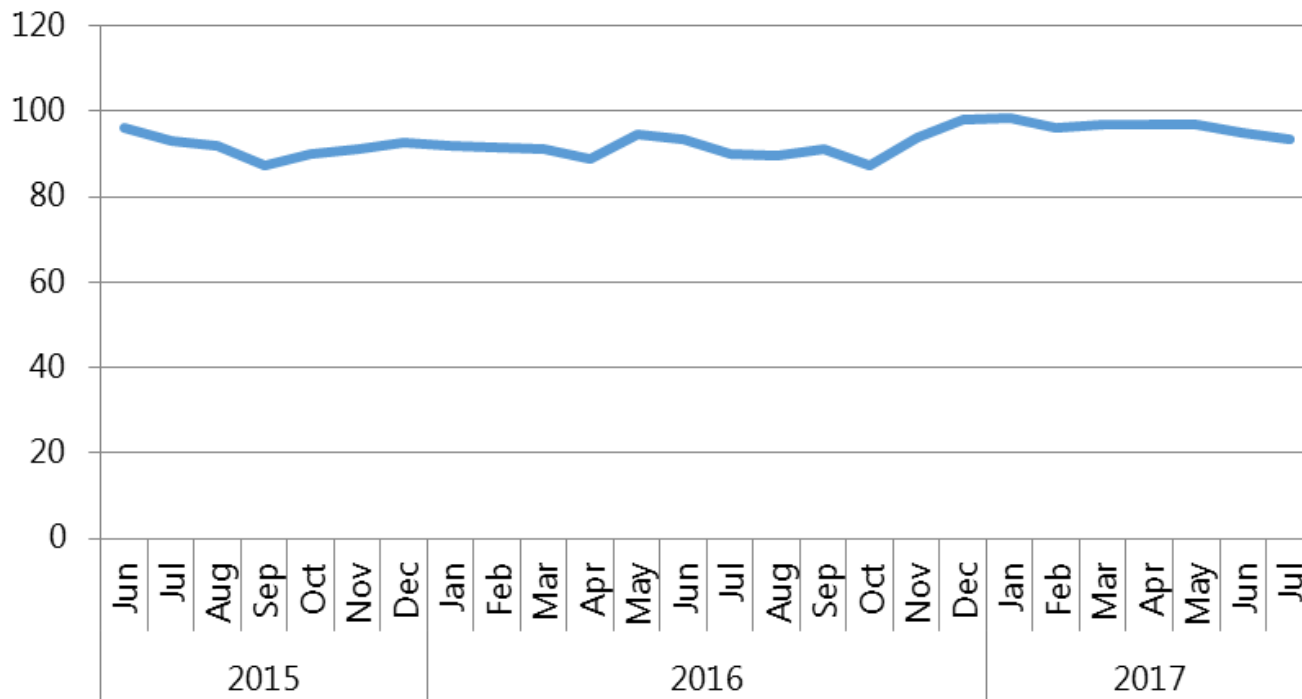


*Lag due to Bureau of Labor Statistics data collection and reporting.

(activity thru July 2017)



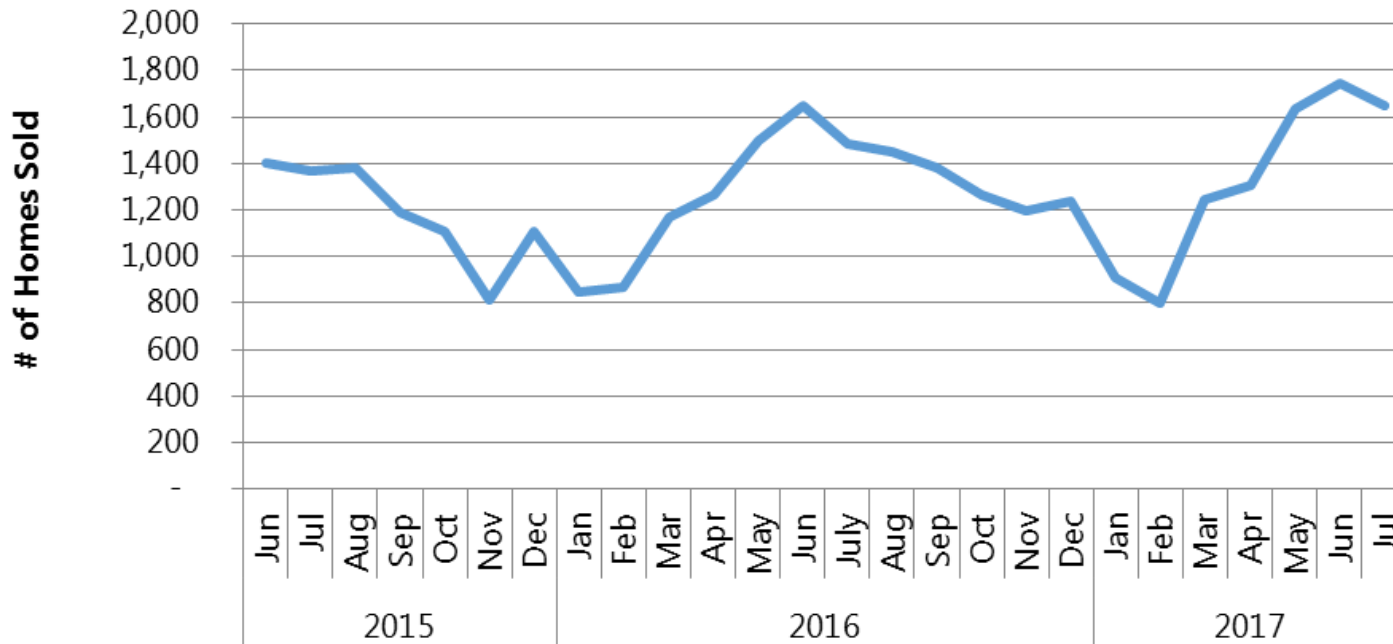
Index of Consumer Sentiment



(activity thru July 2017)



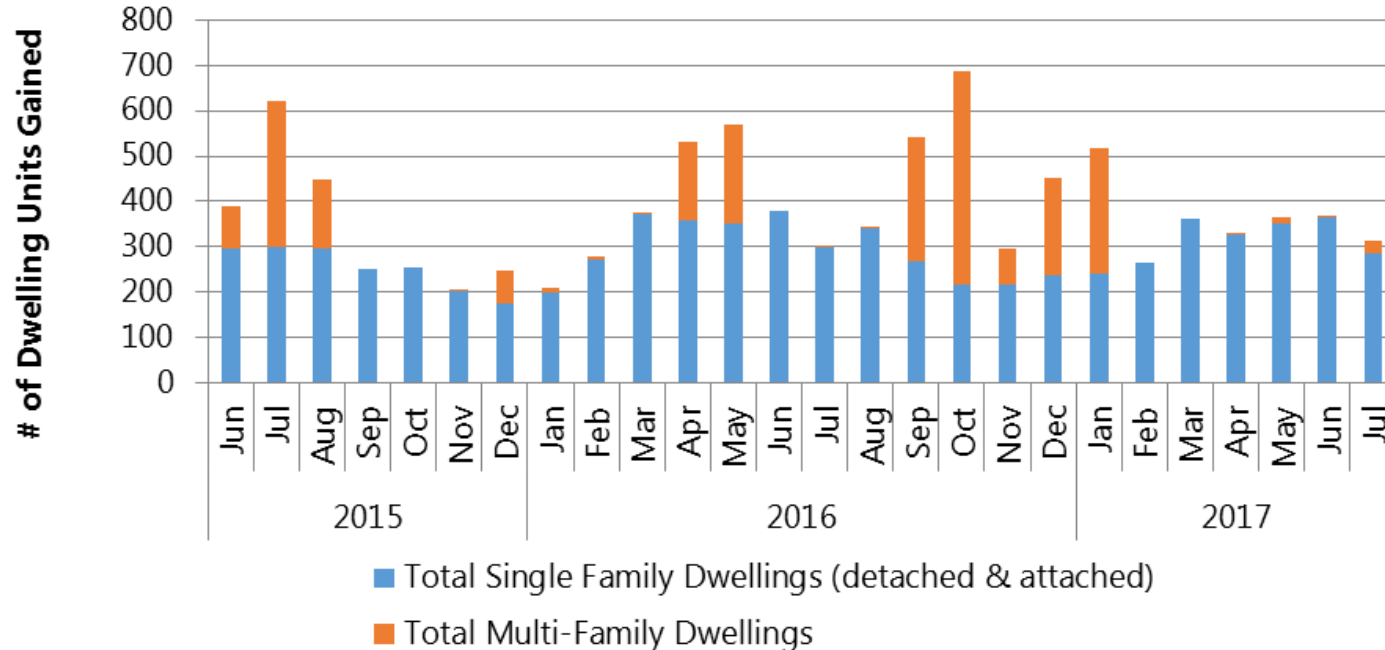
Pikes Peak Region Home Sales Single Family/Patio Homes



(activity thru July 2017)



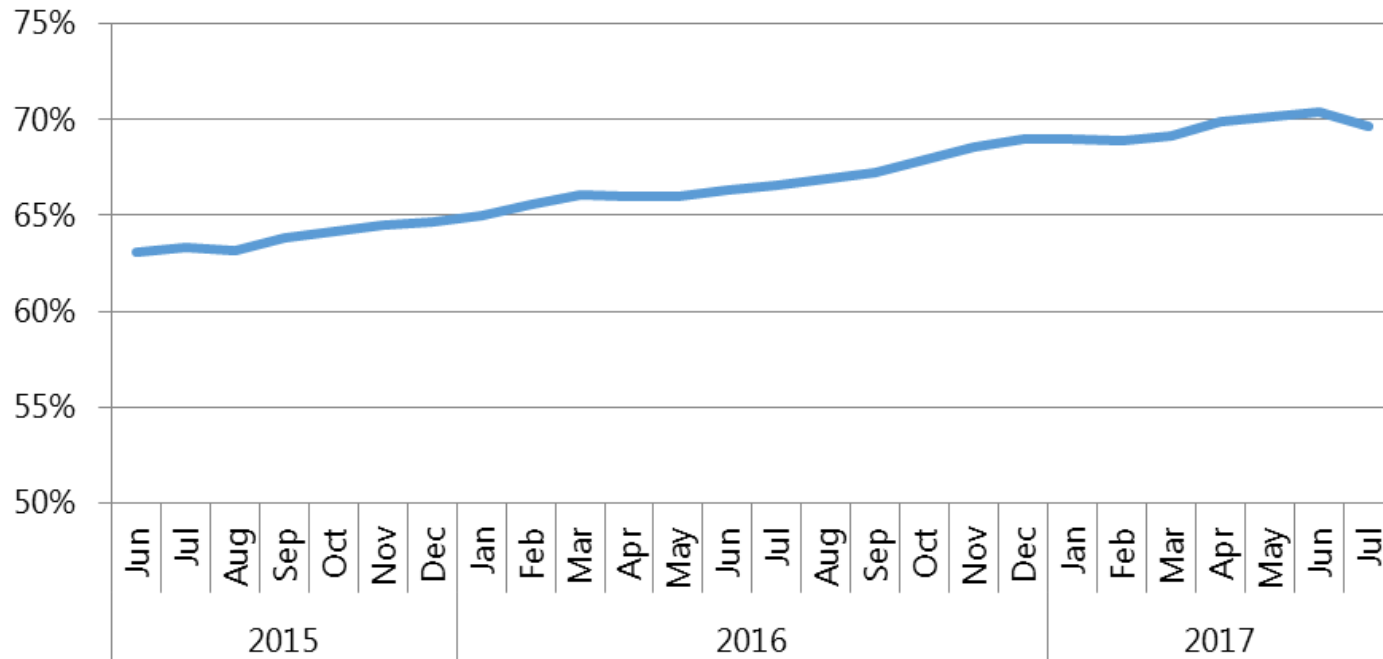
Pikes Peak Region Residential Building Permits



(activity thru July 2017)



Colorado Springs Hotel Occupancy Rate (12 Month Moving Average)



Questions?