

# April 2018 Financial Update

(activity thru February 2018)

April 9, 2018

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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.

**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 February 2018)

## Trending above/(below) budget

<u>Revenue Type</u>	<u>Potential Variance</u>	
Sales Tax Revenue	\$0 to	\$0
Property Tax	0 to	0
Charges for Services	400,000 to	400,000
Fines	(500,000) to	(500,000)
Intergovernmental	0 to	0
Licenses and Permits	400,000 to	500,000
Other Taxes and Misc.	100,000 to	100,000
<b>Total</b>	<b>\$400,000 to</b>	<b>\$500,000</b>

Summary – total GF revenue trending ~\$400K to ~\$500K, or 0.1% to 0.2%, above budget

# General Fund Expenditures



(activity thru February 2018)

Department	Current Budget*	YTD Actuals	% of Budget YTD
City Council	\$720,898	\$88,719	12%
City Auditor	1,617,257	181,093	11%
Parks, Recreation & Cultural Services	13,662,415	1,663,517	12%
Police	97,015,144	13,736,505	14%
Fire & OEM	52,155,266	9,006,030	17%
Public Works	26,858,123	4,491,639	17%
City Attorney, Municipal Court, City Clerk	10,235,891	1,333,588	13%
Information Technology	15,762,204	3,030,228	19%
Planning and Development	4,139,083	488,717	12%
Finance, Economic Development, General Costs	53,311,975	14,670,029	28%
Mayor, Communications, HR	5,068,624	585,084	12%
<b>Total</b>	<b>\$280,546,880</b>	<b>\$49,275,149</b>	<b>18%</b>

\*Includes amendments and encumbrances incurred during 2018

Thru February:

% of Payroll expended: 11.49%

% of year elapsed: 16.67%

# General Fund Expenditures



(activity thru February 2018)

<b>Department</b>	<b><u>Trending above/(below) budget</u></b>	
	<b><u>Potential Variance</u></b>	
City Council	\$ (1,000) to \$	(1,000)
City Auditor	(11,000) to	(11,000)
Parks, Recreation & Cultural Services	(172,000) to	(171,000)
Police	— to	—
Fire & OEM	11,000 to	11,000
Public Works	76,000 to	76,000
City Attorney, Municipal Court, City Clerk	91,000 to	91,000
Information Technology	— to	—
Planning and Development	(2,000) to	(2,000)
Finance, Economic Development, General Costs	(494,000) to	(491,000)
Mayor, Communications, HR	(27,000) to	(27,000)
<b>Total</b>	<b>\$ (529,000) to \$</b>	<b>(525,000)</b>

Summary – total GF expenditures between ~\$529K (0.19%) and ~525K (0.19%) under budget

# Sales Tax Trends



(collections thru February 2018\*)

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

- S&U combined – up 8.46% for the month and year-to-date
  - Sales tax – up 6.21% for the month and year-to-date
  - Use tax – up 52.32% for the month and year-to-date

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

- LART Combined – up 7.41% for the month and year-to-date
  - Lodger's Tax – up 12% for the month and year-to-date
  - Auto Rental Tax - down 20.2% for the month and year-to-date

## **0.62% Road Tax:**

- \$3,930,688
  - Forecast collections for 2018 = 55.0M

# Sales Tax Trends



(collections thru February 2018)

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## Industries with Largest Month over Month % Increase

Grocery Stores	16.32%
Clothing Stores	16.12%
Commercial Machines	9.23%

## Industries with Largest Month over Month % Decrease

Auto Dealer	(2.29)%
Furniture, Appliances, and Electronics	(1.57)%
Business Services	(1.12)%

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## Industries with Largest Month over Month \$ Increase

Grocery Stores	78,729
Commercial Machines	58,153
Restaurants	18,413

## Industries with Largest Month over Month \$ Decrease

Auto Dealer	(24,883)
Furniture, Appliances, and Electronics	(9,656)
Business Services	(3,289)

# Sales Tax Trends



(collections thru February 2018)

Category	\$ Change 2018 YTD compared to 2017 YTD	% Change 2018 YTD compared to 2017 YTD
Auto Dealers	(24,883)	(2.3)%
Auto Repair, Leases	7,805	1.5%
Building Materials	24,202	2.0%
Business Services *	(3,289)	(1.1)%
Clothing	58,153	16.1%
Commercial Machines *	18,413	9.2%
Department/Discount	80,614	9.1%
Furniture/Appliances/Electronics	(9,656)	(1.6)%
Grocery	78,729	16.3%
Hotel/Motel	17,975	4.9%
Medical Marijuana	1,057	0.7%
Miscellaneous Retail	76,063	5.7%
Restaurants	52,831	3.5%
Utilities	18,465	5.7%

\*The most volatile categories



# 2018 Grant Funds Update



(activity thru February 2018)

<b>2018 Grants Appropriation</b>	\$	58,897,449	TABOR Impact
<i>Grants Awarded:</i>			
Federal	\$	4,492,838	No
Federal Pass-Through		2,791,943	No
Other		3,500	No
State of Colorado		-	Yes
Private		1,286,944	No
<i>Total Grants Awarded</i>	\$	8,575,225	
<b>Remaining Appropriation as of February 28, 2018</b>	\$	<b>50,322,224</b>	

# 2018 Grant Funds Update



(activity thru February 2018)

<b>Recipient Unit</b>	<b>2018 Appropriation</b>	<b>2018 Grant Awards through 02/28/18</b>	<b>Variance (Appropriation less Awards)</b>
<b>Airport</b>	\$ 14,283,328	\$ —	\$ 14,283,328
<b>CDBG</b>	\$ 2,672,227	\$ —	\$ 2,672,227
<b>HOME Investment Partnership</b>	\$ 1,212,588	\$ —	\$ 1,212,588
<b>Grants</b>			
<i>City Engineering</i>	\$ 7,536,916	\$ —	\$ 7,536,916
<i>Community Development</i>	226,391	—	226,391
<i>Fire</i>	2,380,000	1,300,000	1,080,000
<i>Office of Emergency Management</i>	90,000	—	90,000
<i>Parks Design and Development</i>	3,032,035	936,944	2,095,091
<i>Police</i>	3,070,128	1,141,762	1,928,366
<i>Recreation and Administration</i>	—	53,500	(53,500)
<i>Traffic Engineering</i>	1,924,955	—	1,924,955
<i>Transit</i>	22,468,881	2,744,184	19,724,697
<i>Water Resources Engineering</i>	—	2,398,835	(2,398,835)
<b>Grants Total</b>	\$ 40,729,306	\$ 8,575,225	\$ 32,154,081

# Memorial Health System Update



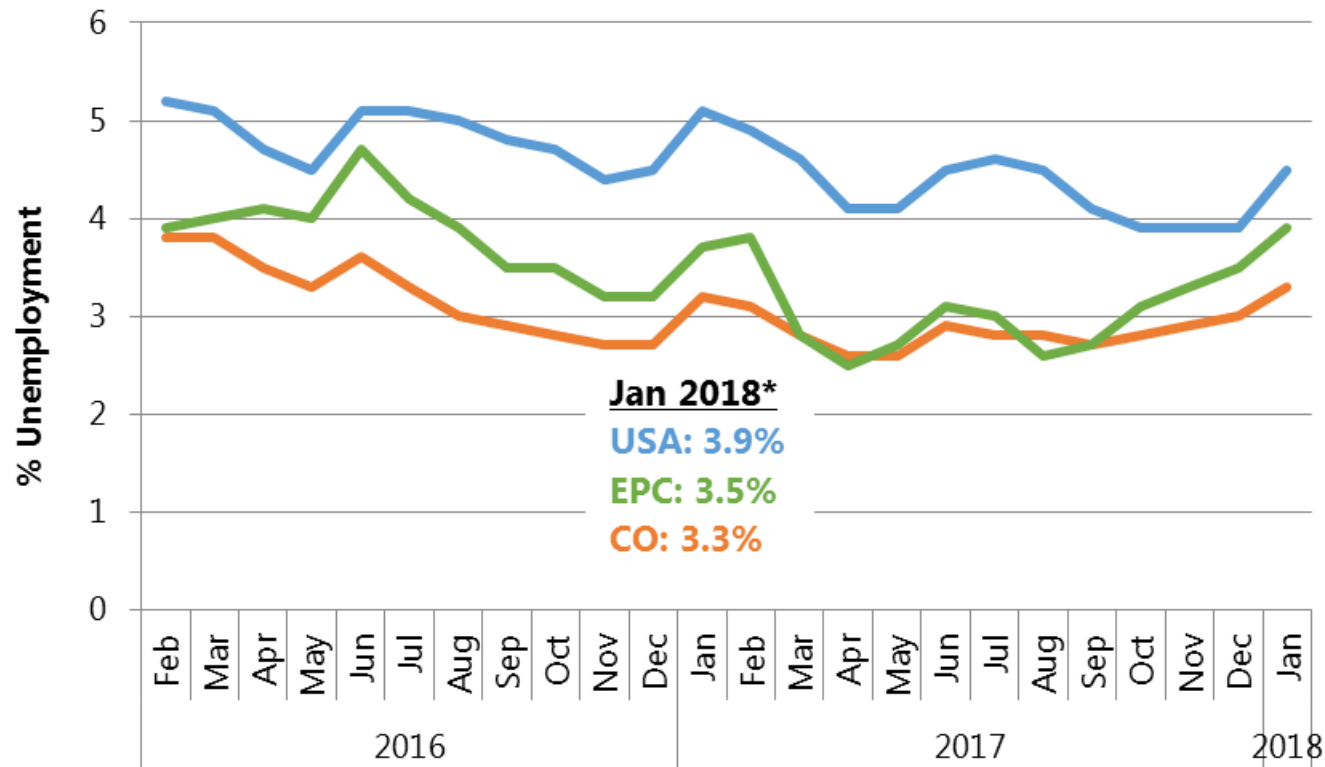
(activity thru February 2018)

<b>Beginning February 1, 2018 balance, unaudited</b>	<b>\$</b>	<b>7,175,876</b>
<b>Revenue:</b>		
February 2018 lease payment	467,676	
Investment class action settlements	812	
Miscellaneous	402	
<b>Total Revenue</b>	<b>\$</b>	<b>468,890</b>
<b>Expenses:</b>		
Run-out workers' comp, liability claims & insurance costs	(332)	
Legal fees	(7,303)	
Excess balance transfer to CSHF - January 31, 2018 - transferred in February	(468,120)	
RBA payments to be reimbursed in March	(1,417)	
<b>Total Expenses</b>	<b>\$</b>	<b>(477,172)</b>
<b>Ending February 28, 2018 balance, unaudited</b>	<b>\$</b>	<b>7,167,594</b>

(activity thru January 2018)



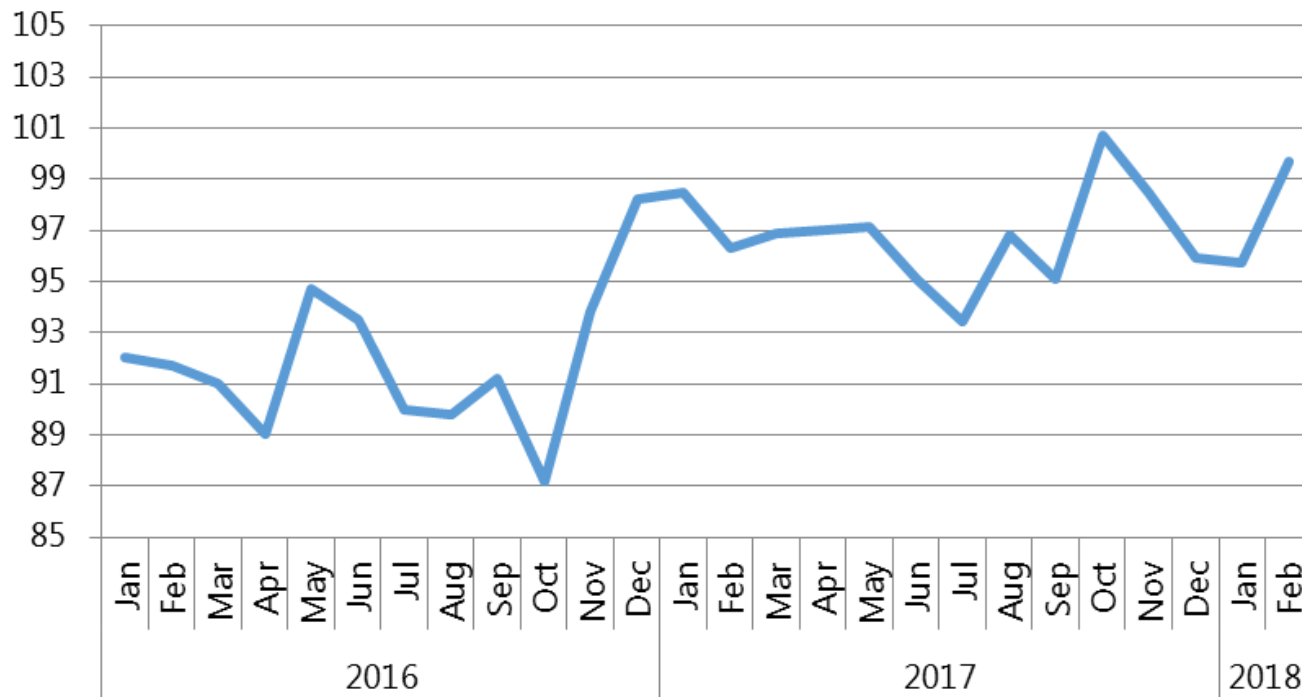
## Unemployment Rate



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

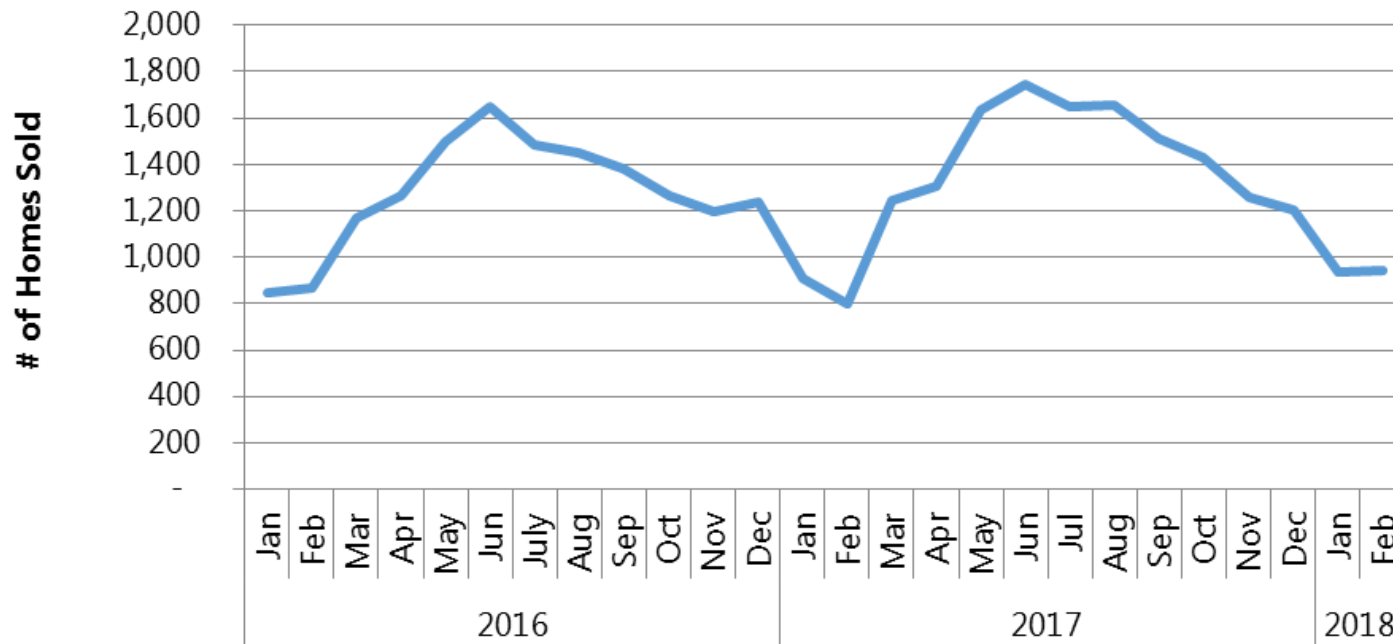
(activity thru February 2018)

## Index of Consumer Sentiment



(activity thru February 2018)

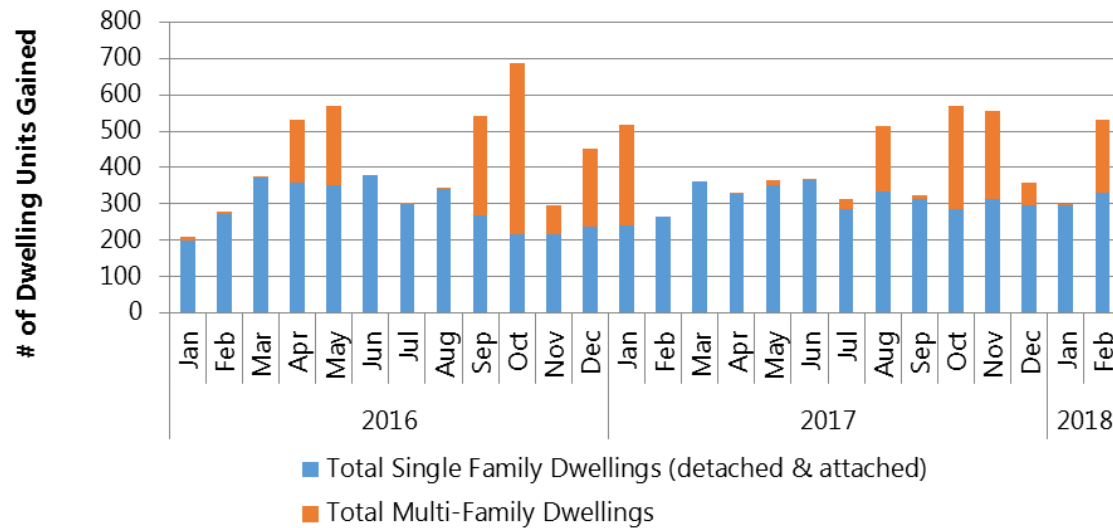
## Pikes Peak Region Home Sales Single Family/Patio Homes



(activity thru February 2018)



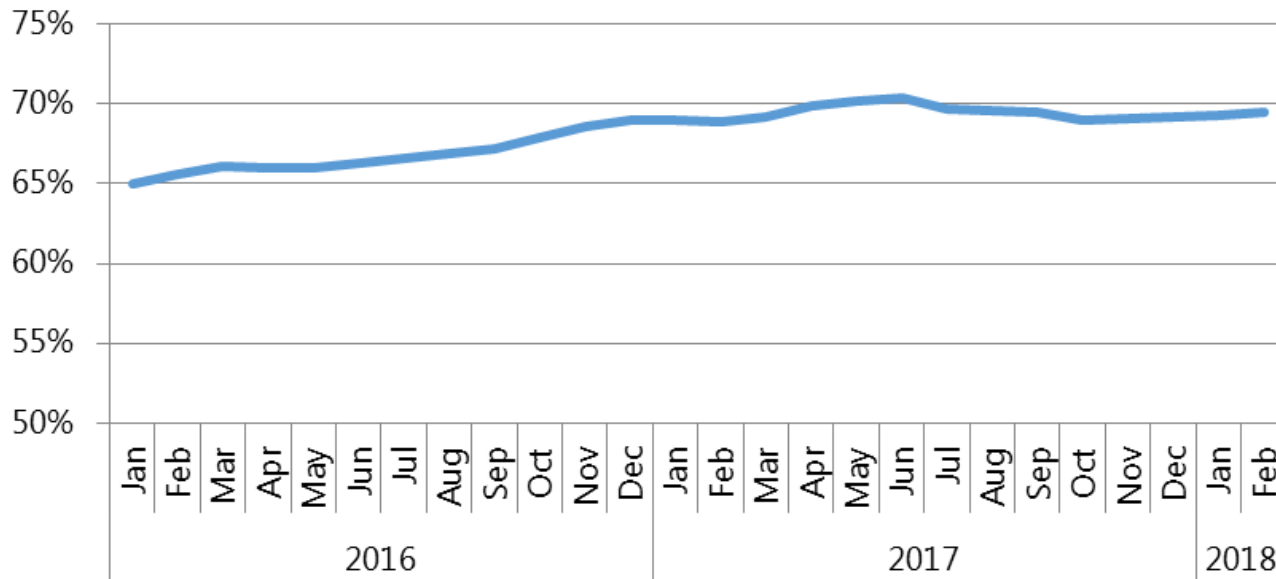
## Pikes Peak Region Residential Building Permits



Category	Avg. Sales Price Feb 2018	Avg. Sales Price Feb 2017	% Change
Single Family/Patio Homes	\$331,104	\$301,385	9.9
Condo/Townhomes	\$211,001	\$204,750	13.8

(activity thru February 2018)

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





# Questions?