

March 2018 Financial Update

(activity thru December 2017)

March 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	\$4,200,000 to	\$4,500,000
Property Tax	(1,300,000) to	(1,300,000)
Charges for Services	200,000 to	200,000
Fines	(1,700,000) to	(1,800,000)
Intergovernmental	200,000 to	200,000
Licenses and Permits	900,000 to	1,000,000
Other Taxes and Misc.	(1,700,000) to	(1,700,000)
Total	\$800,000 to	\$1,100,000

Summary – total GF revenue trending ~\$800K to ~\$1.1M, or 0.3% to 0.4%, above budget

General Fund Expenditures



(activity thru December 2017)

Department	Current Budget*	YTD Actuals	% of Budget YTD
City Council	\$995,888	\$910,298	91%
City Auditor	1,482,990	1,499,261	101%
Parks, Recreation & Cultural Services	12,437,752	12,282,335	99%
Police	91,346,852	89,379,911	98%
Fire & OEM	50,051,541	49,552,073	99%
Public Works	29,292,480	27,714,751	95%
City Attorney, Municipal Court, City Clerk	9,711,688	9,306,381	96%
Information Technology	14,392,634	14,047,991	98%
Planning and Development	3,895,350	3,679,226	94%
Finance, Economic Development, General Costs**	57,417,662	55,884,417	97%
Mayor, Communications, HR	3,920,249	3,671,843	94%
Total	\$274,945,086	\$267,928,487	97%

*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	\$ (61,000) to \$	(60,000)
City Auditor	16,000 to	16,000
Parks, Recreation & Cultural Services	(155,000) to	(155,000)
Police	(997,000) to	(992,000)
Fire & OEM	(366,000) to	(364,000)
Public Works	390,000 to	388,000
City Attorney, Municipal Court, City Clerk	(369,000) to	(367,000)
Information Technology	(201,000) to	(200,000)
Planning and Development	(158,000) to	(157,000)
Finance, Economic Development, General Costs	(1,544,000) to	(1,536,000)
Mayor, Communications, HR	(183,000) to	(182,000)
Total	\$ (3,628,000) to \$	(3,609,000)

Summary – total GF expenditures between ~\$3.6M (1.32%) and ~3.6M (1.31%) under budget

Sales Tax Trends



(collections thru January 2018)

2.0% Sales and Use Tax:

- S&U combined – up 7.44% for the month and up 5.01% year-to-date
 - Sales tax – up 5.15% for the month and up 4.42% year-to-date
 - Use tax – up 42.93% for the month and up 15.37% year-to-date

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

- LART Combined – up 7.87% for the month and up 13.66% year-to-date
 - Lodger's Tax – up 12.11% for the month and up 15.17% year-to-date
 - Auto Rental Tax - down 19.97% for the month and down 1.92% year-to-date

0.62% Road Tax:

- \$5,511,030
 - Forecast collections for 2017 = \$52.7M

Sales Tax Trends



(collections thru January 2018)

Industries with Largest Month over Month % Increase

Commercial Machines	80.84%
Grocery Stores	65.50%
Hotel/Motel	17.32%

Industries with Largest Month over Month % Decrease

Utilities	(8.29)%
Auto Repair and Leases	(6.33)%
Auto Dealer	(5.32)%

Industries with Largest Month over Month \$ Increase

Grocery Stores	312,529
Commercial Machines	237,103
Restaurants	139,024

Industries with Largest Month over Month \$ Decrease

Auto Dealer	(71,452)
Department and Discount	(63,153)
Miscellaneous Retail	(53,453)

Sales Tax Trends



(collections thru January 2018)

Category	\$ Change 2017 YTD compared to 2016 YTD	% Change 2017 YTD compared to 2016 YTD
Auto Dealers	(766,119)	(5.1)%
Auto Repair, Leases	301,934	4.4%
Building Materials	1,703,380	10.3%
Business Services *	(820,646)	(17.8)%
Clothing	229,815	3.7%
Commercial Machines *	87,679	2.4%
Department/Discount	(623,098)	(4.4)%
Furniture/Appliances/Electronics	176,796	2.2%
Grocery	894,567	15.4%
Hotel/Motel	1,255,635	16.9%
Medical Marijuana	93,198	5.1%
Miscellaneous Retail	1,189,627	6.3%
Restaurants	1,272,558	6.5%
Utilities	322,110	10.5%

*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



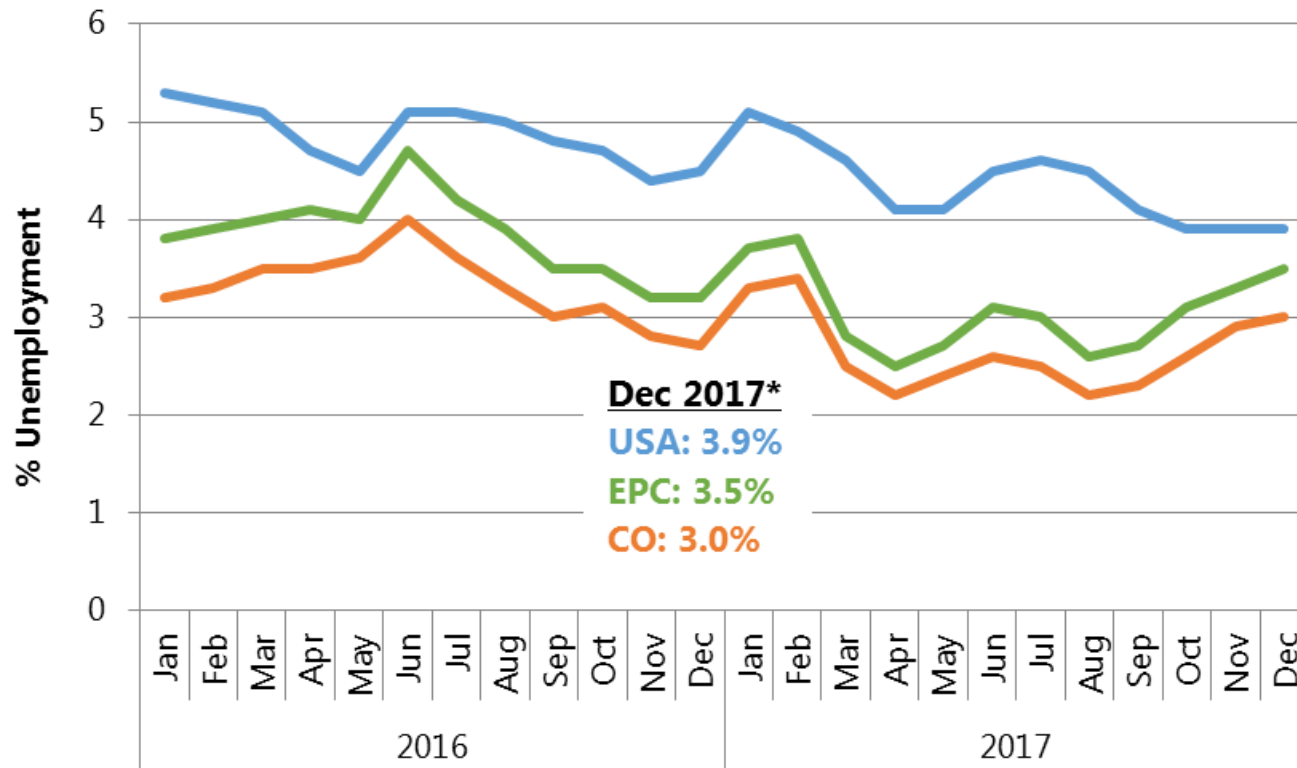
(activity thru January 2018)

Beginning January 1, 2018 balance, unaudited	\$	7,078,481
Revenue:		
December 2017 lease payment	467,676	
Interest allocation 4 th quarter, net of fees	12,463	
Miscellaneous	442	
		<hr/>
Total Revenue		480,581
Expenses:		
Run-out workers' comp, liability claims & insurance costs	(908)	
Legal fees	(7,303)	
Excess balance transfer to CSHF - December 31, 2017 - transferred in January 2018	(370,725)	
Miscellaneous	(4,250)	
		<hr/>
Total Expenses		(383,186)
Ending January 31, 2018 balance, unaudited	\$	7,175,876

(activity thru December 2017)



Unemployment Rate

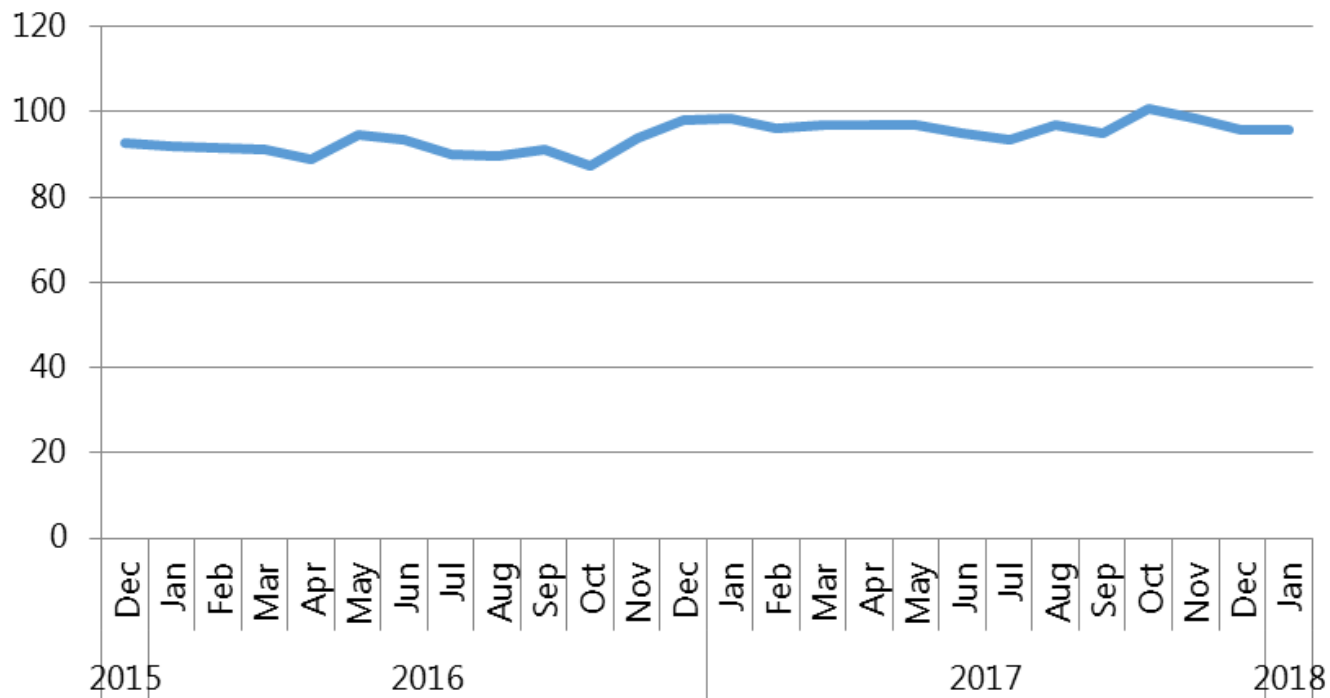


*Lag due to Bureau of Labor Statistics data collection and reporting.

(activity thru January 2018)

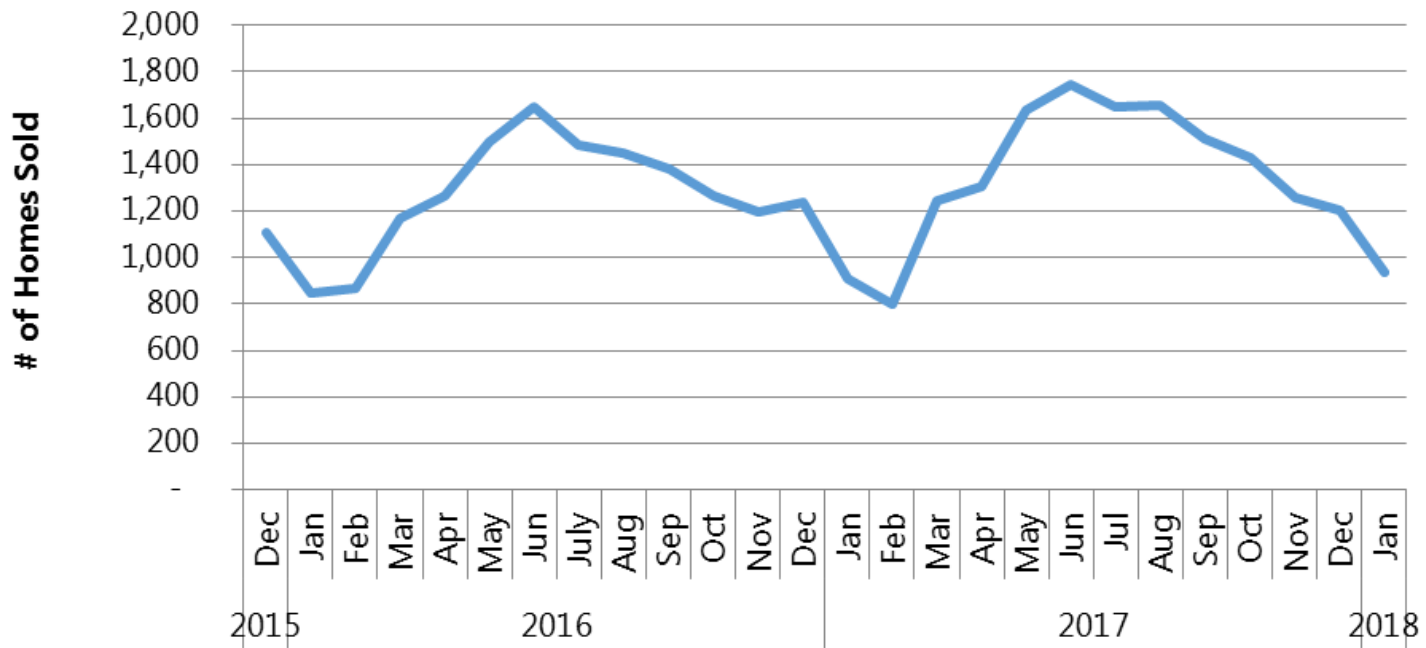


Index of Consumer Sentiment



(activity thru January 2018)

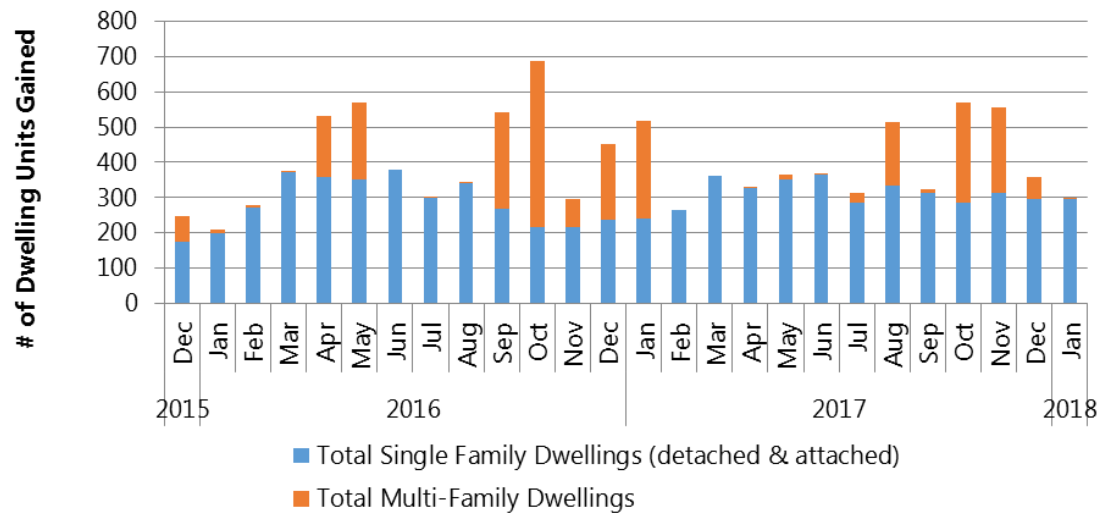
Pikes Peak Region Home Sales Single Family/Patio Homes



(activity thru January 2018)



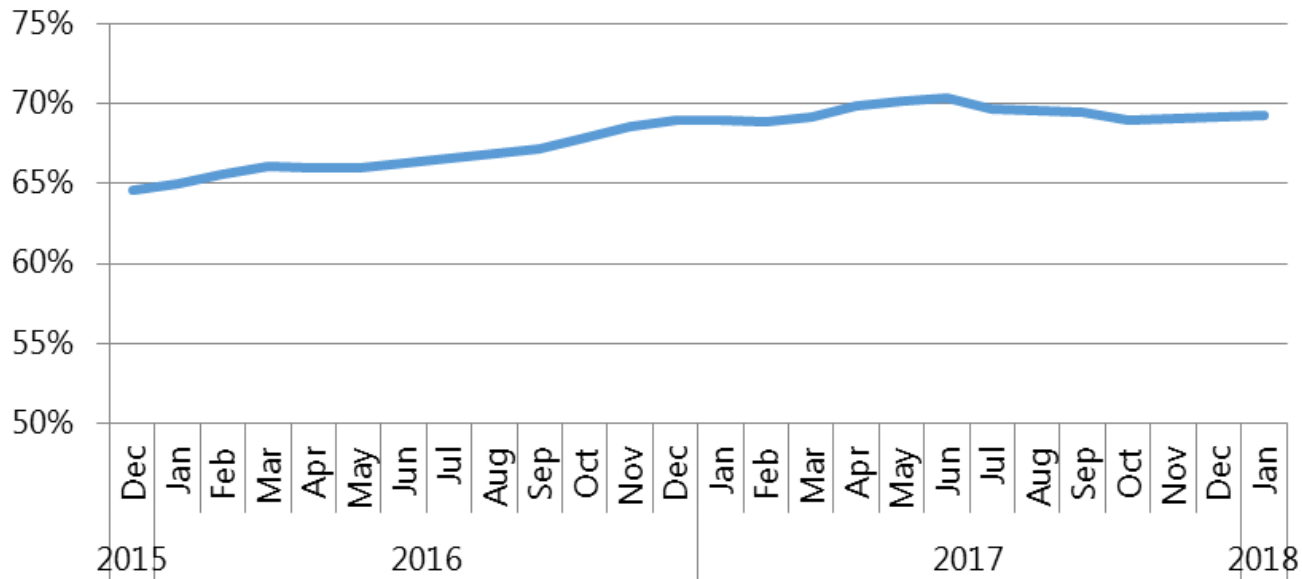
Pikes Peak Region Residential Building Permits



Category	Avg. Sales Price Jan 2018	Avg. Sales Price Jan 2017	% Change
Single Family/Patio Homes	\$332,834	\$298,774	11.4
Condo/Townhomes	\$218,832	\$198,784	10.1

(activity thru January 2018)

Colorado Springs Hotel Occupancy Rate (12 Month Moving Average)



Questions?