

# Finance

Charae McDaniel, Chief Financial Officer | (719) 385-5919 | Finance@coloradosprings.gov

## 2021 Strategic Plan Initiatives

ID	Goal	Initiative
3.7	Building Community & Collaborative Relationships	Promote a culture of service to ensure that Finance is viewed as a partner and resource
4.7	Excelling in City Services	Leverage additional technology to enhance workflow, efficiency and financial controls

Note: The ID number above corresponds to the Initiatives described in the City Strategic Plan, pg. 17.

## All Funds Summary

All Funds	Use of Funds	2019 Actual	2020 Original Budget	* 2020 Amended Budget	2021 Budget	2021 Budget - * 2020 Amended Budget
	General Fund	\$3,477,393	\$4,260,620	\$4,183,883	\$4,339,737	\$155,854
General Fund - CIP	963,945	55,880	55,880	47,190	(8,690)	
<b>Total</b>	<b>\$4,441,338</b>	<b>\$4,316,500</b>	<b>\$4,239,763</b>	<b>\$4,386,927</b>	<b>\$147,164</b>	
Positions						
General Fund	36.75	41.75	41.75	41.75	0.00	
<b>Total</b>	<b>36.75</b>	<b>41.75</b>	<b>41.75</b>	<b>41.75</b>	<b>0.00</b>	

\* 2020 Amended Budget as of 8/31/2020, which may include budget reductions due to the economic shutdown and revenue loss as a result of the COVID-19 pandemic

## Significant Changes vs. 2020

- The 2021 budget includes the continuation of the General Fund 2020 Net Operating Reductions due to the economic shutdown and revenue loss as a result of the COVID-19 pandemic
- Increase of approximately \$156,000 in the General Fund mainly to fund existing positions, pay progression, parking increases, and medical and dental cost adjustments, net of a reduction due to hiring delays in 2021

## Finance - Overview

---

The Finance Department is responsible for maintaining a fiscally sound organization that conforms to legal requirements and to generally accepted accounting practices and financial management principles. Services provided include accounting and financial reporting; accounts receivable, accounts payable, and payroll services; sales tax licensing, revenue collection and compliance; financial planning including annual budget preparation, long-term fiscal planning and capital improvement program planning; analytical support to the Mayor, City Council, Chief of staff and departments; and capital financing. Beginning in 2016, the Finance Department began implementing a new finance business model based upon best practices, particularly regarding finance transactions and building a central finance transaction center.

### Accounting and Accounts Receivable

- Provides accounting and financial reporting services for City departments, enterprises, component units, and federal and state grants.
- Maintains accounting information for 70 funds and approximately \$660 million in expenditures.
- Oversees the City's cash, investment, and debt activities.
- Oversees the tracking and receipt of payments to the City.

### Budget

- Maintains the City's fiscal integrity through efficient allocation of resources and presents information with fiscal transparency to the Mayor, City Council, and the citizens of this community.
- Manages the annual budget process and prepares the annual budget document.
- Provides analytical support to the Mayor, Chief of Staff, City Council, and City departments.
- Conducts fiscal review of special districts in the City.
- Develops and manages the City's capital improvement program.
- Develops the Citywide Strategic Plan; tracks and reports on measures and initiatives.
- Leads CelebrateCOS meetings, as related to Strategic Plan performance.

### Grants Administration

- Manages citywide grant coordination, administration and compliance to ensure proper reporting and compliance, and to maximize grant funding opportunities.

### Payroll, Pensions, and Accounts Payable

- Provides all time, payroll, and pension support to all City departments and enterprises.
- Administers payroll, new hire and job action processes.
- Processes terminations, workers' compensation calculations, benefits processing and remittance to vendors, time administration, and many other payroll related activities.
- Processes invoices for payment and manages encumbrances including all contract, purchase order and change orders.
- Disburses payments for the Pikes Peak Regional Communications Network and invoice tracking/oversight for the Pikes Peak Rural Transportation Authority (PPRTA) – processing over 45,000 invoices amounting to over \$166 million annually for payment, and over 2,300 invoices are reviewed and audited for the PPRTA.

### Sales Tax

- Administers sales and use taxes.
- Registers applicants for new sales and use tax licenses.
- Collects sales and use tax from taxpayers.
- Interprets and ensures compliance with the City Code.
- Delivers a high level of customer service to taxpayers.
- Conducts taxpayer education classes.

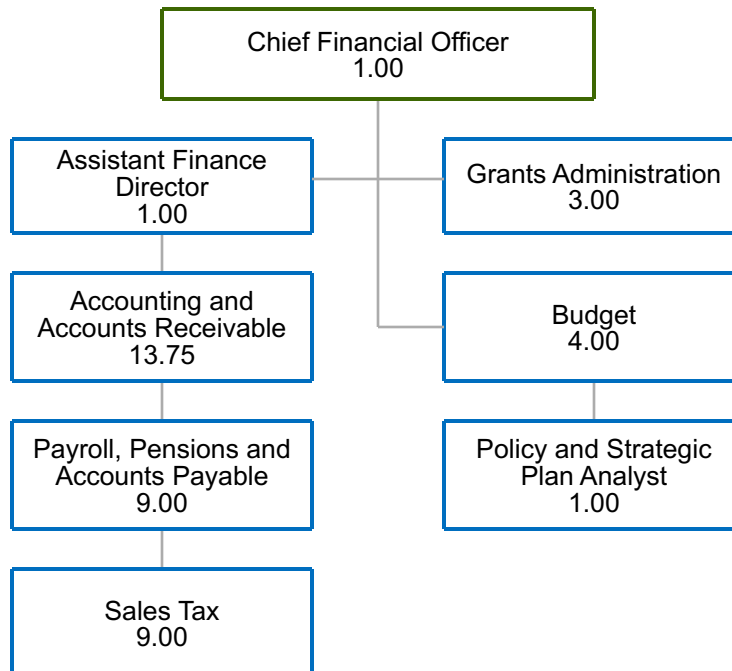
## Finance - Functions

The Finance Department's functions supported by the General Fund are the following (these amounts do not include CIP):

Finance Functions	2018 Actual	2019 Actual	2020 Original Budget	* 2020 Amended Budget	2021 Budget
Accounting & Accounts Receivable	\$1,352,545	\$1,601,155	\$2,124,683	\$1,930,256	\$2,015,017
Accounts Payable	285,312	297,863	374,575	370,275	389,958
Budget Office	467,026	458,884	592,352	577,902	607,069
Payroll and Pensions	282,866	319,456	324,506	322,656	336,279
Sales Tax	694,215	800,035	844,504	982,794	991,414
<b>Total Finance Functions</b>	<b>\$3,081,964</b>	<b>\$3,477,393</b>	<b>\$4,260,620</b>	<b>\$4,183,883</b>	<b>\$4,339,737</b>

\* 2020 Amended Budget as of 8/31/2020, which may include budget reductions due to the economic shutdown and revenue loss as a result of the COVID-19 pandemic

## Finance - Organizational Chart



The following sections provide a summary of the Budget, authorized positions, changes that occurred after the budget was implemented for 2020, and changes occurring as part of the 2021 Budget for each fund including General Fund and CIP.

## Finance - General Fund: Summary

General Fund	Use of Funds	2018 Actual	2019 Actual	2020 Original Budget	* 2020 Amended Budget	2021 Budget	2021 Budget - * 2020 Amended Budget
	Salary/Benefits/Pensions	\$2,726,697	\$3,073,041	\$3,864,341	\$3,844,741	\$4,000,595	\$155,854
Operating	352,845	396,789	392,542	335,405	339,142	3,737	
Capital Outlay	2,422	7,563	3,737	3,737	0	(3,737)	
<b>Total</b>	<b>\$3,081,964</b>	<b>\$3,477,393</b>	<b>\$4,260,620</b>	<b>\$4,183,883</b>	<b>\$4,339,737</b>	<b>\$155,854</b>	
CIP	\$1,451,208	\$963,945	\$55,880	\$55,880	\$47,190	(\$8,690)	
<b>Grand Total</b>	<b>\$4,533,172</b>	<b>\$4,441,338</b>	<b>\$4,316,500</b>	<b>\$4,239,763</b>	<b>\$4,386,927</b>	<b>\$147,164</b>	

\* 2020 Amended Budget as of 8/31/2020, which may include budget reductions due to the economic shutdown and revenue loss as a result of the COVID-19 pandemic

## Finance - General Fund: Positions

	Position Title	2019	2020	* 2020	2021	2021 Budget -
		Actual	Original Budget	Amended Budget	Budget	* 2020 Amended Budget
Positions	A/P & A/R Supervisor	1.00	1.00	1.00	1.00	0.00
	Accountant I	2.00	3.00	3.00	3.00	0.00
	Accounting Supervisor	1.00	1.00	1.00	1.00	0.00
	Accounting Technician II	0.00	2.00	1.00	1.00	0.00
	Administrative Technician	2.00	2.00	0.00	0.00	0.00
	Analyst I	0.00	0.00	1.00	1.00	0.00
	Analyst II	1.00	1.00	1.00	1.00	0.00
	Assistant Finance Director	1.00	1.00	1.00	1.00	0.00
	Central Finance lead	1.00	1.00	1.00	1.00	0.00
	Central Finance Technician I	7.00	7.00	7.00	7.00	0.00
	Central Finance Technician II	1.00	1.00	2.00	2.00	0.00
	Chief Financial Officer	1.00	1.00	1.00	1.00	0.00
	City Accounting Manager	1.00	1.00	1.00	1.00	0.00
	City Budget Manager	1.00	1.00	1.00	1.00	0.00
	City Grants Manager	1.00	1.00	1.00	1.00	0.00
	Grant Writer	1.00	1.00	1.00	1.00	0.00
	Grants Analyst	0.00	0.00	1.00	1.00	0.00
	Payroll & Pension Administrator	1.00	1.00	1.00	1.00	0.00
	Sales Tax Auditor I	1.00	1.00	0.00	0.00	0.00
	Sales Tax Auditor II	0.00	0.00	1.00	1.00	0.00
	Sales Tax Investigator	1.00	1.00	1.00	1.00	0.00
	Sales Tax Investigator II	1.00	1.00	1.00	1.00	0.00
	Sales Tax Investigator Supervisor	1.00	1.00	1.00	1.00	0.00
	Sales Tax Manager	1.00	1.00	1.00	1.00	0.00
	Senior Accountant	1.75	3.75	3.75	3.75	0.00
	Senior Analyst	2.00	2.00	2.00	2.00	0.00
	Senior Central Finance Technician	2.00	2.00	2.00	2.00	0.00
	Senior Sales Tax Auditor	2.00	2.00	1.00	1.00	0.00
	Staff Assistant	0.00	0.00	1.00	1.00	0.00
	Strategic Plan Administrator	1.00	1.00	1.00	1.00	0.00
	<b>Total Positions</b>	<b>36.75</b>	<b>41.75</b>	<b>41.75</b>	<b>41.75</b>	<b>0.00</b>

\* 2020 Amended Budget as of 8/31/2020, which may include budget reductions due to the economic shutdown and revenue loss as a result of the COVID-19 pandemic

## Finance - General Fund: Summary, Funding, and Position Changes

<b>Funding Changes</b>	<b>During 2020</b>	<b>* 2020 Amended - 2020 Original Budget</b>
	2020 Net Operating Reductions due to the economic shutdown and revenue loss as a result of the COVID-19 pandemic	(\$76,737)
	<b>Total During 2020</b>	<b>(\$76,737)</b>
	<b>For 2021</b>	<b>2021 Budget - * 2020 Amended Budget</b>
	<b>Salaries/Benefits/Pensions</b>	
	Net change to fund existing positions	\$104,002
	Increase to fund pay progression	46,202
	Increase to fund medical and dental cost adjustments	40,280
	Increase to fund employee parking	3,600
	Decrease due to hiring delay in 2021	(38,230)
	<b>Total Salaries/Benefits/Pensions</b>	<b>\$155,854</b>
	<b>Operating</b>	
	Redistribution of 2020 Operating Reductions from Operating to Capital Outlay	\$3,737
	<b>Total Operating</b>	<b>\$3,737</b>
	<b>Capital Outlay</b>	
	Redistribution of 2020 Operating Reductions to Capital Outlay from Operating	(\$3,737)
	<b>Total Capital Outlay</b>	<b>(\$3,737)</b>
<b>CIP</b>		
Decrease in 2021 CIP fund investment fees	(\$8,690)	
<b>Total CIP</b>	<b>(\$8,690)</b>	
<b>Total For 2021</b>	<b>\$147,164</b>	

<b>Position Changes</b>	<b>During 2020</b>	<b>* 2020 Amended - 2020 Original Budget</b>
	None	0.00
	<b>Total During 2020</b>	<b>0.00</b>
	<b>For 2021</b>	<b>2021 Budget - * 2020 Amended Budget</b>
	None	0.00
	<b>Total For 2021</b>	<b>0.00</b>

\* 2020 Amended Budget as of 8/31/2020, which may include budget reductions due to the economic shutdown and revenue loss as a result of the COVID-19 pandemic

## Finance - CIP Program

CIP Program*	Project	General Fund	Total Allocation
	Investment Fees for the CIP Fund**	47,190	47,190
	<b>Total 2021 CIP</b>	<b>\$47,190</b>	<b>\$47,190</b>

\* The funding of the CIP projects is for the current budget year and may not reflect the total project cost. For a citywide comprehensive list of CIP projects, refer to the CIP section of the Budget.

\*\* The Investment Fees listed represent fees for the entire CIP Fund, and are not displayed in the CIP chapter as a project.

# City of Colorado Springs Budget Detail Report

001 - GENERAL FUND  
Finance

Acct # - Description	2018 Actual	2019 Actual	2020 Original Budget	* 2020 Amended Budget	2021 Budget	2021 Budget - * 2020 Amended Budget
<b>Salaries/Benefits/Pensions</b>						
51205 - CIVILIAN SALARIES	2,117,743	2,355,296	2,884,596	2,884,596	2,973,500	88,904
51210 - OVERTIME	2,431	3,479	6,750	6,750	6,750	0
51220 - SEASONAL TEMPORARY	0	7,689	19,600	19,600	0	(19,600)
51230 - SHIFT DIFFERENTIAL	0	56	0	0	0	0
51245 - RETIREMENT TERM VACATION	18,151	405	0	0	0	0
51260 - VACATION BUY PAY OUT	13,209	9,792	0	0	0	0
51290 - BUDGET TRANSFER	0	0	0	(19,600)	0	19,600
51299 - SALARIES REIMBURSEMENTS	(17,291)	(19,550)	0	0	0	0
51610 - PERA	281,374	305,524	410,238	410,238	431,052	20,814
51615 - WORKERS COMPENSATION	5,086	5,540	6,890	6,890	7,184	294
51620 - EQUITABLE LIFE INSURANCE	5,947	6,584	10,632	10,632	11,266	634
51640 - DENTAL INSURANCE	12,796	14,768	18,456	18,456	19,183	727
51670 - PARKING FOR EMPLOYEES	7,739	8,490	14,280	14,280	17,880	3,600
51690 - MEDICARE	29,943	32,875	42,662	42,662	43,955	1,293
51695 - CITY EPO MEDICAL PLAN	41,921	42,266	58,335	58,335	44,895	(13,440)
51696 - ADVANTAGE HD MED PLAN	193,193	282,689	370,152	370,152	421,930	51,778
51697 - HRA BENEFIT TO ADV MED PLAN	14,455	17,044	21,750	21,750	23,000	1,250
51699 - BENEFITS REIMBURSEMENT	0	94	0	0	0	0
<b>Salaries/Benefits/Pensions Total</b>	<b>2,726,697</b>	<b>3,073,041</b>	<b>3,864,341</b>	<b>3,844,741</b>	<b>4,000,595</b>	<b>155,854</b>
<b>Operating</b>						
52003 - REDUCTION IN OPERATING	0	0	0	(57,137)	0	57,137
52105 - MISCELLANEOUS OPERATING	2,387	2,299	0	0	0	0
52110 - OFFICE SUPPLIES	4,308	5,848	6,350	6,350	5,525	(825)
52111 - PAPER SUPPLIES	259	0	650	650	150	(500)
52120 - COMPUTER SOFTWARE	908	1,655	1,550	1,550	1,450	(100)
52125 - GENERAL SUPPLIES	693	1,739	50	50	50	0
52135 - POSTAGE	43,862	51,202	50,050	50,050	27,650	(22,400)
52165 - LICENSES AND TAGS	0	16	0	0	0	0
52220 - MAINT OFFICE MACHINES	0	0	600	600	600	0
52305 - MAINT SOFTWARE	0	285	0	0	0	0
52405 - ADVERTISING SERVICES	0	0	200	200	0	(200)
52418 - COMPUTER SERVICES	0	0	800	800	800	0
52560 - PARKING SERVICES	106	66	247	247	147	(100)
52568 - BANK AND INVESTMENT FEES	39,054	51,421	37,998	37,998	37,998	0
52569 - LIEN FILING FEE	13	0	0	0	0	0
52573 - CREDIT CARD FEES	1,395	794	175	175	575	400
52575 - SERVICES	35,230	34,407	38,172	38,172	36,572	(1,600)
52576 - AUDIT SERVICES	149,159	147,803	175,000	175,000	175,000	0
52588 - HEARING OFFICER SERVICES	0	4,167	0	0	0	0
52590 - TEMPORARY EMPLOYMENT	29,678	27,893	17,000	17,000	17,000	0
52605 - CAR MILEAGE	0	80	0	0	0	0
52607 - CELL PHONE ALLOWANCE	750	1,050	900	900	900	0
52615 - DUES AND MEMBERSHIP	4,538	2,983	4,900	4,900	4,750	(150)
52625 - MEETING EXPENSES IN TOWN	1,106	3,945	2,400	2,400	400	(2,000)
52630 - TRAINING	3,759	27,542	12,000	12,000	2,000	(10,000)

# City of Colorado Springs Budget Detail Report

001 - GENERAL FUND  
Finance

Acct # - Description	2018 Actual	2019 Actual	2020 Original Budget	* 2020 Amended Budget	2021 Budget	2021 Budget - * 2020 Amended Budget
52645 - SUBSCRIPTIONS	265	278	600	600	300	(300)
52655 - TRAVEL OUT OF TOWN	3,548	529	7,500	7,500	1,000	(6,500)
52706 - WIRELESS COMMUNICATION	0	0	500	500	500	0
52736 - CELL PHONE AIRTIME	0	505	0	0	0	0
52738 - CELL PHONE BASE CHARGES	2,884	1,992	4,000	4,000	3,000	(1,000)
52775 - MINOR EQUIPMENT	1,038	599	500	500	0	(500)
52776 - PRINTER CONSOLIDATION COST	10,490	9,382	13,200	13,200	10,375	(2,825)
52874 - OFFICE SERVICES PRINTING	20,482	18,344	17,200	17,200	12,400	(4,800)
65014 - COLLECTIONS AGENCY FEE	(3,301)	(185)	0	0	0	0
65140 - CONTINGENT FUNDS	11	0	0	0	0	0
65160 - RECRUITMENT	223	150	0	0	0	0
<b>Operating Total</b>	<b>352,845</b>	<b>396,789</b>	<b>392,542</b>	<b>335,405</b>	<b>339,142</b>	<b>3,737</b>
<b>Capital Outlay</b>						
53020 - COMPUTERS NETWORKS	2,422	7,234	0	0	0	0
53030 - FURNITURE AND FIXTURES	0	329	3,737	3,737	0	(3,737)
<b>Capital Outlay Total</b>	<b>2,422</b>	<b>7,563</b>	<b>3,737</b>	<b>3,737</b>	<b>0</b>	<b>(3,737)</b>
<b>Total Expense</b>	<b>3,081,964</b>	<b>3,477,393</b>	<b>4,260,620</b>	<b>4,183,883</b>	<b>4,339,737</b>	<b>155,854</b>
<b>CIP Total</b>	<b>1,451,208</b>	<b>963,945</b>	<b>55,880</b>	<b>55,880</b>	<b>47,190</b>	<b>(8,690)</b>
<b>Grand Total</b>	<b>4,533,172</b>	<b>4,441,338</b>	<b>4,316,500</b>	<b>4,239,763</b>	<b>4,386,927</b>	<b>147,164</b>

\* 2020 Amended Budget as of 8/31/2020, which may include budget reductions due to the economic shutdown and revenue loss as a result of the COVID-19 pandemic



# General Costs

## Overview

The General Cost section of the budget provides a funding source for the general expenses of City government, which are for the responsibility of or benefit to the organization as a whole, or cannot be identified with a specific function.

### General Costs - General Fund: Summary

	2018 Actual	2019 Actual	2020 Budget	2021 Budget
Retired Employees Insurance	1,336,681	1,337,169	1,250,000	1,250,000
Unemployment Insurance	22,915	34,160	100,000	100,000
Other Salaries and Benefits	18,005	(26,194)	0	0
Special Events - Overtime	561,586	323,108	420,000	420,000
<b>Total Salaries and Benefits</b>	<b>1,939,187</b>	<b>1,668,243</b>	<b>1,770,000</b>	<b>1,770,000</b>
Allocations/Internal Service Charges				
Barricading	38,080	32,534	56,776	56,776
Environmental Protection Program	60,408	60,408	60,408	60,408
Machine/Weld Shop	46,375	29,521	23,623	23,623
Office Services	656,594	657,804	257,808	768,282
Radio Communications	1,095,273	633,564	892,543	1,142,543
Animal Control Contract	1,476,164	1,513,068	1,558,105	1,798,105
Annual Financial Audit	115,455	100,350	170,000	170,000
Capital Lease Purchase-Equipment	0	6,164,468	8,800,000	0
City Admin Building (CAB) - Lease-Purchase Payment	626,760	626,759	626,980	601,343
City Building Security Contract Management	16,680	16,680	680,244	720,244
City Hall/Impound lot/Police Training Academy COP Payment	390,917	187,667	77,667	0
Claims Reserve Self-Insurance Fund	1,550,000	1,550,000	1,550,000	1,550,000
Economic Development				
Chamber & EDC	75,000	75,000	75,000	75,000
Economic Development Agreements	826,323	115,195	750,000	750,000
Small Business Development Center (SBDC)	85,000	85,000	85,000	115,000
USOC COP Payment	1,622,355	1,666,810	1,708,550	1,756,050
Election Expenses	0	665,742	350,000	350,000
Employee Awards Program	71,895	78,442	76,000	76,000
Energy Efficiency Retrofit	99,259	99,260	99,259	99,259
Facilities Maintenance Contract	1,110,192	1,124,577	0	0
Fire Station/Radio Shop, Police Firing Range, Sertich Chiller COP Payment	0	0	170,000	169,475
Fleet Capital Lease Purchase	5,712,792	6,823,283	1,500,000	4,950,000
Fleet Lease Purchase Payments*	0	0	3,959,376	4,459,376

## General Costs - General Fund: Summary

	2018 Actual	2019 Actual	2020 Budget	2021 Budget
Fleet Services and Fuel Contracts	8,171,787	9,128,721	10,386,036	10,394,900
Fleet-Vehicle Additions*	0	0	1,260,000	565,000
Fleet-Vehicle Replacement*	0	0	1,100,128	2,600,128
Health Programs	114,647	118,938	0	0
Insurance premiums	1,253,525	1,673,731	2,142,804	2,142,804
Legal Defense Reserve	35,283	72,791	250,000	250,000
Legal Defense Reserve - City Council	10,000	0	50,000	50,000
Legal Settlement Costs	9,130	33,130	0	0
Membership Dues	380,294	358,621	395,843	395,843
Mobile Fueling*	0	0	132,300	132,300
Pikes Peak Regional Development Center Rent and CAM	129,722	117,819	129,722	129,722
Retirement Awards	12,489	13,311	15,000	15,000
Sand Creek Substation - Lease-Purchase Payment	1,496,609	1,495,630	1,499,327	1,497,619
Services	1,240,711	993,344	1,475,436	2,228,972
Special Events - operating	9,384	14,558	0	0
Stormwater Fee	179,478	375,493	350,000	350,000
TABOR Refund/Retention	0	0	2,037,450	0
Utilities - consolidated program				
Utilities Electric	1,821,078	1,788,465	1,775,874	1,775,874
Utilities Gas	358,337	471,498	326,112	351,112
Utilities Sewer	137,714	174,954	134,402	134,402
Utilities Streetlight Program	4,090,939	4,075,380	4,075,000	4,075,000
Utilities Traffic Signals	284,724	289,389	284,820	284,820
Utilities Water	246,313	197,632	317,052	317,052
Utilities Water - Parks, Rec and Cultural Services	4,128,184	4,237,471	5,999,000	5,999,000
<b>Total Operating Expenses</b>	<b>39,785,870</b>	<b>47,937,008</b>	<b>57,663,645</b>	<b>53,381,032</b>
General Fund contribution to CIP Fund	11,569,245	9,816,443	4,422,444	8,380,008
General Fund - Projects and CIP	21,976,128	11,028,129	2,023,857	1,223,857
<b>Total CIP</b>	<b>33,545,373</b>	<b>20,844,572</b>	<b>6,446,301</b>	<b>9,603,865</b>
<b>Organization Total</b>	<b>\$75,270,430</b>	<b>\$70,449,823</b>	<b>\$65,879,946</b>	<b>\$64,754,897</b>

\* Beginning with the 2020 Budget, Fleet Lease Purchase payments, Mobile Fueling, Vehicle Additions and Vehicle Replacement have been moved from Support Services to General Costs.

# Expenditure Detail

---

## SALARY AND BENEFITS EXPENDITURES

**Retired Employees Insurance** - The City's contribution to health and life insurance plans for retired employees.

**Unemployment Insurance** - Unemployment benefits to separated employees awarded payments by an administrative or judicial process related to the condition of the employee's termination.

**Special Events - Overtime** - Services provided by City department personnel for special events.

## OPERATING EXPENDITURES

**Allocations/Internal Service Charges** -The City has a number of Internal Services that are accounted for in separate funds or programs. These programs/funds include Barricading, Environmental Protection, Machine/Weld Shop, Office Services, and Radio Communications. The 2020 budgeted allocation to Office Services was reduced to allow for a draw from fund balance in the Office Services Fund. The 2019 budgeted allocation to the Radio Fund was reduced to allow for a draw from fund balance in the Radio Fund. The 2020 budgeted allocation to the Radio Fund was partially reinstated from the 2019 reduction, but still resulted in a draw from the Radio Fund balance in 2020. The 2021 budgets for Office Services and the Radio Fund do not have a draw from fund balance.

**Animal Control Contract** - The City's cost for the Humane Society of the Pikes Peak Region (HSPPR) animal control services contract. For 2021, the contract amount is \$1,798,105.

**Annual Financial Audit** - Annually, the City contracts with a private firm to provide a comprehensive financial audit.

**Capital Lease Purchase-Equipment** - The financial transaction for a bank lease-purchase involves receiving the total value of the lease purchase proceeds from the financing source, which are recognized as revenue to the City; incurring an expenditure equal to the total value of the lease purchase; and, making yearly installment payments to the bank. This expenditure is completely offset by revenue in General Costs. For 2021, there is no budget for Capital Lease Purchase-Equipment.

**City Administration Building (CAB) - Lease-Purchase Payment** - During 2003, the City entered into a lease-purchase agreement with Colorado Springs Utilities to acquire the CAB. In 2007, the City refinanced the remaining portion of the agreement with a bank lease-purchase and in 2013, the lease-purchase was refinanced to take advantage of lower interest rates. In 2019, City Council approved a bank lease-purchase agreement in the amount of \$4.5 million to refinance the 2013 bank lease-purchase. The total payment for 2021 is \$601,343 and is made from the General Fund - General Cost account.

**City Building Security Contract Management** - Beginning in 2020, the City has centralized General Fund budgets from all the departments and divisions into General Costs for oversight of the city-wide security contract.

**City Hall/Impound Lot/Police Training Academy COP Payment** - The lease-purchase payment on certificates of participation (COPs) used to finance the renovation of City Hall and the acquisition of the Police Impound Lot and Police Training Academy. In 2011, the City did a combined refinancing of series 1999, 2000, 2003 COPs, significantly reducing total payments. The final payment was made in December of 2020.

**Claims Reserve Self-Insurance Fund** - The Liability Claims Reserve Self-Insurance Fund was established in 1986 to provide a mechanism for claims adjustment, investigation, settlement, and defense of general and auto liability claims filed against the City, its officials, and employees. Expenditures in the claims reserve fund are payments of claims and related expenses pursuant to the Colorado Governmental Immunity Act and claims against the City arising under Federal Law. For 2021, the transfer from the General Fund to the Claims Reserve Self-Insurance Fund for expected 2021 claims is \$1,550,000.

## Expenditure Detail (con't)

---

**Economic Development** - For 2021, this category includes \$75,000 in support of the Colorado Springs Chamber & EDC, \$750,000 in Economic Development Agreement payments (described more fully in the Economic Overview section), \$115,000 to support the Small Business Development Center (SBDC), and \$1,756,050 for the COP payment related to the United States Olympic Committee (USOC) Economic Development agreement.

**Election Expenses** - For 2021, funding of \$350,000 is included for the 2021 elections.

**Employee Awards Program** - As part of employee total compensation, the City has two primary employee awards programs, Service Awards (\$36,000) and Employee Recognition Awards (\$40,000).

**Energy Efficiency Retrofit (Lease-Purchase Costs - Other)** - For 2021, the lease-purchase payments total \$99,259 for building improvements to City facilities including the City Administration Building (CAB) and Sertich Ice Arena.

**Facilities Maintenance Contract** - Prior to 2020, El Paso County provided facilities maintenance services under an Intergovernmental Agreement (IGA) and Service Level Agreement (SLA). As of January 1, 2020, the City transitioned to an internal Facilities Maintenance division under Support Services to provide facilities maintenance to the City. The budget was transferred to Support Services.

**Fire Station/Radio Shop, Police Firing Range, and Sertich Ice Chiller COP Payment** - In September 2019, the City Council approved the City to enter into a lease-purchase agreement to issue COPs in the amount of \$9.075 million for the construction of various capital improvements including the construction and equipping of a new fire station and radio shop at the Lester L. Williams Fire Department Complex, various equipment at Sertich Ice Center, and the construction and equipping of a new police firing range. The 2021 General Fund portion of the COP payment is \$169,475. Funding for the remainder of the COP payment will be in the Public Safety Sales Tax (PSST) budgets of the Fire and Police Departments for the fire station and police firing range facility, and in the Conservation Trust Fund (CTF) budget of the Parks, Recreation and Cultural Services Department for the Sertich Ice Center chiller replacement.

**Fleet Capital Lease Purchase** - As part of the Fleet Replacement Strategy that was implemented in 2018, the budget includes the lease purchase of vehicles and equipment. The financial transaction for the lease involves receiving the total value of the lease purchase proceeds from the bank, which are recognized as revenue to the City; incurring an expenditure equal to the total value of the lease purchase; and, making yearly installment payments to the bank. This expenditure is completely offset by revenue in General Costs. The annual payments will be made using the Fleet Lease Purchase Payments budget in General Costs.

**Fleet Lease Purchase Payments** - In 2020, the fleet lease purchase payments were moved from Support Services to General Costs. For 2021, the lease purchase payments total \$4,459,376.

**Fleet Services and Fuel Contracts** - For 2021, the City has a combined budget of \$10,394,900 for fleet services and fuel.

**Fleet - Vehicle Additions** - Police Department vehicles for new officers. Prior to 2020, vehicle additions were budgeted in Support Services.

**Fleet - Vehicle Replacement** - Includes \$1,600,128 budgeted for the Police Department fleet replacement strategy implemented in 2018. In 2021 there is \$1,000,000 budgeted as a one-time expense to replace four (4) snow plows in Public Works. Prior to 2020, vehicle replacements were budgeted in Support Services.

**Health Programs** - Costs associated with drug-free workplace training and drug testing.

**Insurance Premiums** - The City's comprehensive risk management program includes various property and liability policies that provide either primary or excess coverage to protect the City from large and uncertain losses. In 2019, Colorado was declared a catastrophic hail state, resulting in large premium increases for 2020.

## Expenditure Detail (con't)

---

**Legal Defense Reserve** - This is an amount for costs not covered by self-insurance for specialized legal services and expenses associated with legal actions against the City.

**Legal Defense Reserve-City Council** - Legal Defense Reserve funding identified for City Council legal services.

**Legal Settlement Costs** - The City does not specifically budget for legal settlement costs, but does charge actual expenses to this line for tracking purposes as they occur.

**Membership Dues** - This includes membership dues for Sister Cities and Alliance for Innovation, Pikes Peak Area Council of Governments (PPACG), Colorado Municipal League (CML), National League of Cities (NLC), Fountain Creek Watershed Flood Control and Greenway District, "Leading Edge" teen leadership program, and Leadership Pikes Peak.

**Mobile Fueling** - In 2020, the mobile fueling costs were moved from Support Services to General Costs. Mobile Fueling relates to refueling city equipment and apparatus in the field.

**Pikes Peak Regional Development Center (PPRDC) Rent and CAM** - This funding is for rental payments to the PPRDC for pro rata office space used by City operations in the PPRDC, and Common Area Maintenance (CAM) charges. Other entities, including Development Review Enterprise and Colorado Springs Utilities also pay PPRDC for their assigned square footage.

**Retirement Awards** - Funding is to provide small gifts to employees, in good standing, retiring from the City.

**Sand Creek Substation - Lease-Purchase Payment** - In September 2016, City Council approved a lease/lease-purchase for the construction and improvement of the new Sand Creek Police Substation. The total payment for 2021 is \$1,497,619.

**Services** - For services required by the City that do not relate to or directly benefit a particular organizational division such as bonding/processing services, banking services, full cost allocation plan, financial consulting, lobbying, and other miscellaneous services.

**Special Events - Operating** - For operating costs associated with the planning and operation of special events.

**Stormwater Fee** - The cost for the stormwater infrastructure and maintenance fee for City owned properties. The collection of this fee began July 1, 2018 and ends July 1, 2038. For 2021, the total budget is \$350,000 for anticipated fees.

**TABOR Refund/Retention** - The TABOR revenue limitation applies to total fiscal year spending, but also specifically to Property Tax revenue. At the November 2020 coordinated election, the City requested, and the voters approved, the retention and spending of all revenues received in 2019 and 2020, and the resetting of the revenue and spending limitations for 2021 based thereon. The TABOR revenue limitation will then be adjusted in each fiscal year thereafter for inflation and city growth as provided by charter. Therefore, there is no TABOR Refund/Retention for 2020 or 2021.

**Utilities - Consolidated Program** - The City has centralized all City utilities expenses in order to better manage utility usage and achieve sustainability goals. Beginning in 2019, the budget for Water includes an increase for Parks watering as related to the implementation of a Water Surplus transfer from Colorado Springs Utilities (CSU). The surplus transfer from CSU is intended to cover 25% of park watering in 2019, and 50% of park watering in 2020 and each year thereafter.

## Expenditure Detail (con't)

---

### CAPITAL EXPENDITURES AND PROJECTS

**General Fund Contribution to City CIP Fund** - For 2021, the General Fund Capital Improvements Program (CIP) totals \$9,157,901, which includes a transfer from General Costs of \$8,380,008. This amount includes \$567,995 from deferred revenue/escrow accounts for several capital projects. There will be a \$269,893 draw from fund balance related to project balances that will drop at the end of 2020, and approximately \$508,000 of interest earnings. All of the CIP projects are for road and bridge projects, grant match, technology, infrastructure, and City facility repairs and maintenance. Stormwater projects are now budgeted in the Stormwater Enterprise.

**General Fund - Projects and CIP** - For 2021, the budget for projects is \$1,223,857, of which \$1,023,857 is for ongoing apparatus replacement in the Fire Department, and \$200,000 is for affordable housing projects funded by Private Activity Bond (PAB) fees collected by the Community Development division under the Planning and Community Development department.

In April of 2017, voters approved the retention and spending of \$6 million that exceeded the TABOR revenue limitation, received by the City during fiscal years 2016 and 2017 (appropriated in 2017 and 2018 respectively). The ballot item required that funds only be used for stormwater projects located within and benefiting the City of Colorado Springs. The totals shown for 2018 and 2019 Actuals include spending of the \$6.0 million for the TABOR Revenue Retention on stormwater projects, along with amounts that were previously budgeted in projects at the time when the stormwater function was in the General Fund.