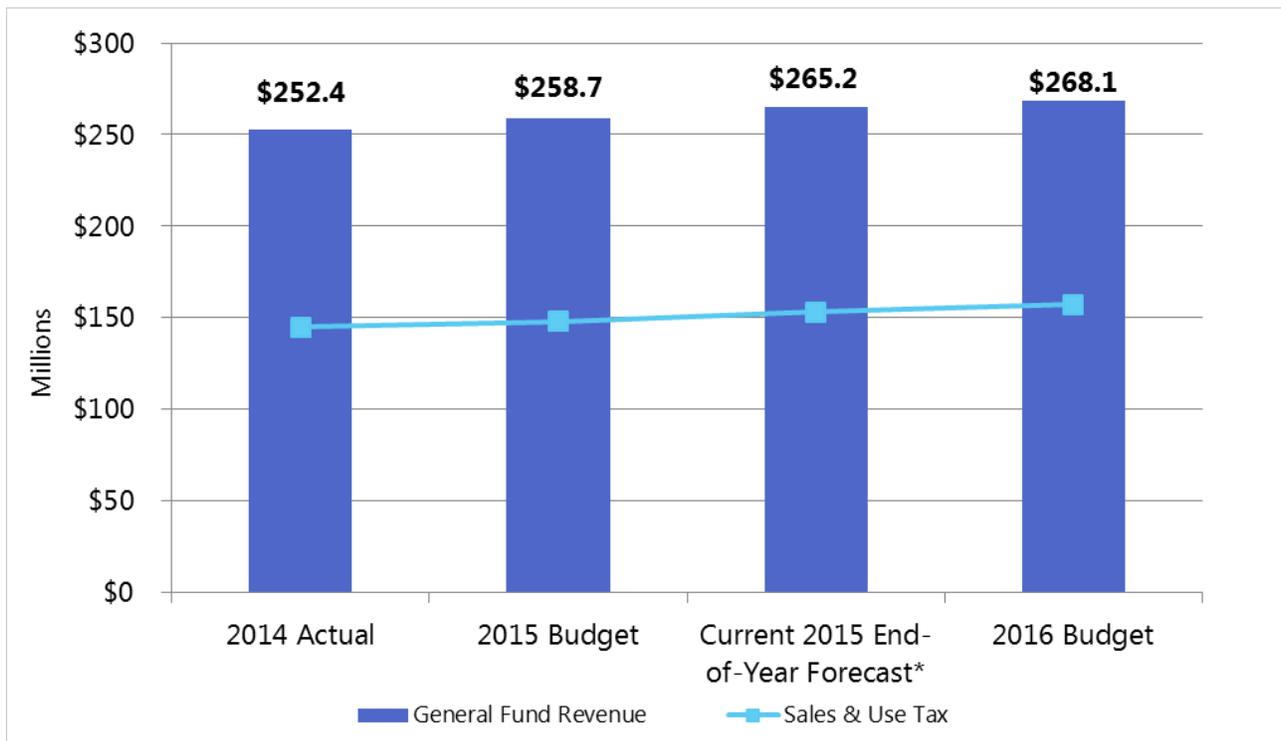


# 2016 GENERAL FUND REVENUES \$268,110,504

Revenue Type	2014 Actual	2015 Budget	Current 2015 End-of-Year Forecast*	2016 Budget	2016 Budget-2015 Budget
Sales & Use Tax	\$144,886,506	\$147,855,000	\$152,900,000	\$157,319,940	\$9,464,940
Property Tax	19,164,390	19,811,225	19,633,225	19,894,550	83,325
Other Taxes	2,858,559	3,047,406	2,978,150	2,999,582	(47,824)
Charges for Services	13,484,918	12,395,649	13,488,233	12,909,000	513,351
Fines	5,057,822	4,956,073	5,290,000	5,554,892	598,819
Intergovernmental	20,994,955	20,887,930	20,954,848	20,178,116	(709,814)
Licenses and Permits	1,860,374	1,892,389	2,161,750	1,905,320	12,931
Miscellaneous Revenue	3,309,028	2,620,978	2,930,978	2,790,612	169,634
Other Financing Sources	40,791,881	43,729,193	43,403,144	43,208,492	(520,701)
Draw from Fund Balance	0	1,500,000	1,500,000	1,350,000	(150,000)
<b>General Fund Revenue</b>	<b>\$252,408,432</b>	<b>\$258,695,842</b>	<b>\$265,240,328</b>	<b>\$268,110,504</b>	<b>\$9,414,662</b>

\*This forecast will change and City Council will be updated on the change with the Monthly Financial Report presented at the second Work Session each month.

### General Fund Revenues History



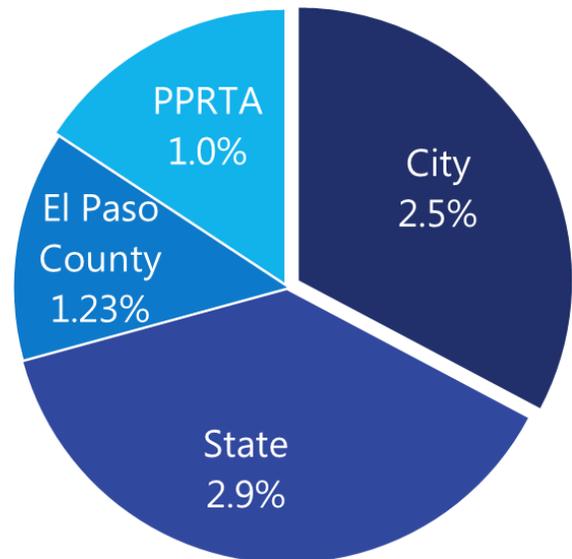
# 2015 SALES & USE TAX REVENUES

# \$157,319,940

**\$157,319,940: Sales and Use Tax Revenue** is the largest source of revenue for the City

- 2.9%** projected 2016 growth in sales and use tax revenue over the current 2015 year-end projection
- 3** number of statistical models used, along with past trends to forecast sales and use tax revenues

The Total Local Sales Tax Rate is:  
**7.63%**



The City's portion is:  
**2.5%** of the Sales Tax Rate:

- 2.0%** General Fund (General City operations)
- 0.1%** TOPS (Trails, Open Space, Parks)
- 0.4%** PSST (Public Safety)

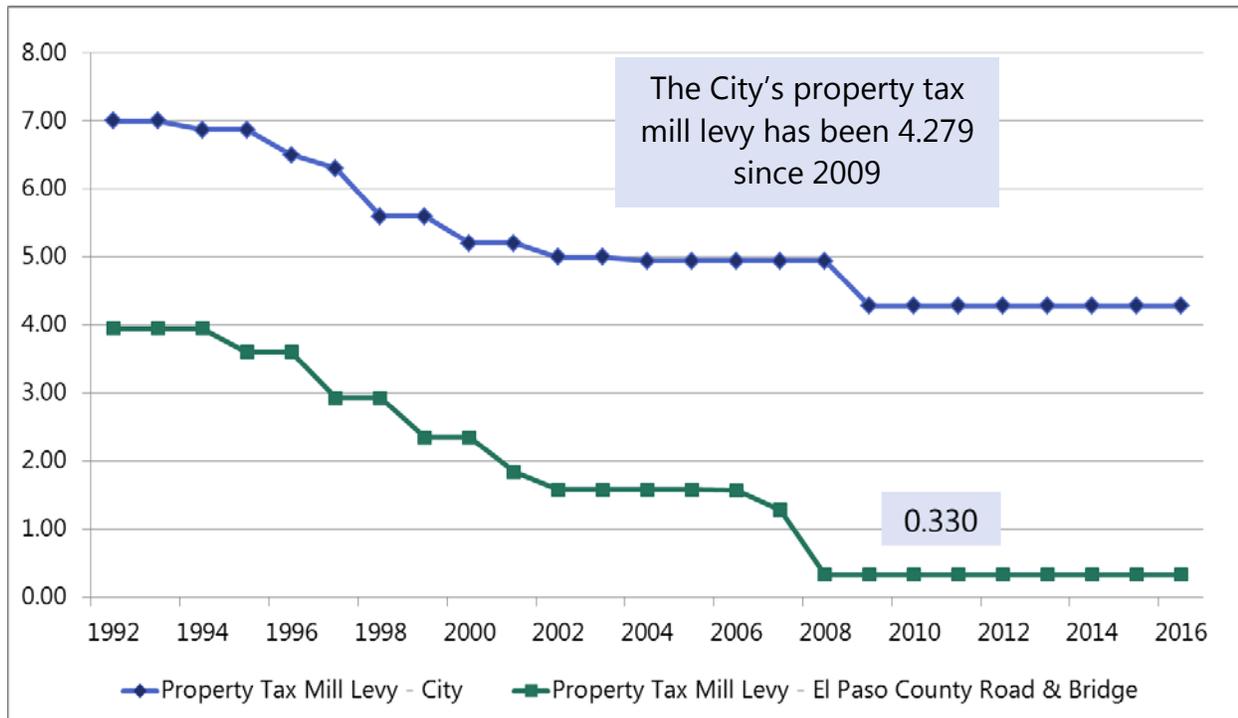
# 2016 PROPERTY TAX REVENUES

# \$19,894,550

## Property Tax

Represents

8% of total General Fund revenues



## Property Tax

The City levies an ad valorem tax on real property and business personal property within the City limits. To reward and encourage business expansion and relocation, this budget includes implementation of a Business Personal Property Tax (BPPT) Tax Credit program, making the City's business tax environment more competitive and equitable across industries. The 2016 budget incorporates the first phase of a two-year phase-in of a BPPT Tax Credit – equal to one-half the amount due for 2016. Beginning with the 2017 budget, there will be a 100% credit against the BBPT.

## El Paso County Road & Bridge Levy

The El Paso County Road and Bridge mill levy (for which the City receives half of the revenue) was reduced from 1991 through 2008. In 2008, the mill levy was reduced to 0.330 and has remained at that level since. The City's share of the revenue from the El Paso County Road and Bridge mill levy was impacted greatly by this mill levy reduction – from 2008 to 2009, the Road and Bridge mill levy revenue decreased by \$2,205,888. For the 2016 budget, the Road and Bridge mill levy revenue is projected to be \$800,000.

# 2016 GENERAL FUND OTHER REVENUES

## Other Taxes Revenue \$2,999,582

includes occupational tax on establishments selling alcoholic beverages and specific ownership taxes imposed by the State. In 2016, the City is projecting a small decrease in other taxes from 2015 year-end projections.

## MAJOR NON-TAX REVENUE SOURCES

### Charges for Services \$12,909,000

include charges and fees for specific City services (i.e. plan review fees, park field rentals) and reimbursement from other organizations for provision of services.

### Fines \$5,554,892

includes fines from general violations, parking meter violations, and traffic violations, which are projected to increase 4% over 2015 year-end projections.

### Intergovernmental Revenue \$20,178,116

includes state imposed excise taxes on gasoline and special fuels and vehicle registration fees – Highway Users Tax Fund, and the El Paso County Road and Bridge mill levy.

### Licenses and Permits \$1,905,320

includes revenue from City-issued licenses and permits (such as medical marijuana licenses, liquor licenses, and sales tax licenses).

### Other Financing Sources \$43,208,492

includes Utilities Surplus Revenue, as well as reimbursements from Grants, Gift Trust Funds, and sale of assets.

## Taxpayer's Bill of Rights (TABOR) Calculation

The revenue limitation provisions of the State TABOR and the City Charter continue to impact the City's fiscal condition. TABOR essentially establishes an annual City revenue cap. Any City revenue subject to the cap received above the annual revenue cap must be refunded to local taxpayers or can be retained upon voter approval.

Under TABOR, the annual growth formula is applied to either previous year's actual revenue or to the previous year's TABOR revenue limit, whichever is less. During periods of economic downturn and lagging City revenue collections, City revenue can fall below the TABOR revenue limit for that year. In that event, the TABOR growth formula for the next fiscal year is applied to the actual revenue amount, not the higher TABOR limit. Thus, the TABOR limit is ratcheted down. In subsequent years, when the economy and City revenue rebound, the TABOR formula increase is applied to the lower previous year's actual revenue. The City's 2016 projected revenue is \$3.0 million less than the projected TABOR limit for 2016.

While the calculation of the annual TABOR revenue cap appears to be relatively straightforward, it is difficult as data for both of the growth components is not available until well after the start of the fiscal year in question. Specifically, the Denver/Boulder/Greeley Consumer Price Index (CPI) figure is not available until early spring of the fiscal year to which it is to be applied. Similarly, the data for the local growth component is not available from the County Assessor until August of the year to which it is to be applied. Thus, in preparing the budget for the next year, it is necessary to forecast the CPI and local growth. Generally, the annual TABOR revenue cap is calculated through the application of the percentage change in the CPI and local growth for the previous calendar year to actual City revenue for the previous year. Local growth is the net change in the market value of construction expressed as a percent of all taxable and nontaxable property on the assessment rolls plus the value of new annexations.

For the 2016 growth formula, the percentage change in the CPI is projected to be 2.19% and local growth is expected to be 2.0%. Thus, the combined formula increase for 2015 is projected to total 4.19%.

## Five-Year TABOR Limit

City of Colorado Springs 2011 – 2015 Projected TABOR & City Charter Revenue Limits					
Revenue					
Fiscal Year	Total Eligible Revenue	TABOR Limit		Over (Under) Limit	
2012	\$224,984,209	\$229,208,999		(\$4,224,790)	
2013	\$226,427,567	\$228,130,957		(\$1,703,390)	
2014	\$239,423,575	\$237,335,801		\$2,087,774	
2015 est.	\$245,259,203	\$247,642,771		(\$2,383,568)	
2016 proj.	\$252,563,136	\$255,541,064		(\$2,977,928)	
Revenue Limitation Estimates					
Fiscal Year	Inflation	Local Growth		Limit	
2012	3.69%	+	0.97%	=	4.66%
2013	1.94%	+	1.28%	=	3.22%
2014	2.77%	+	2.05%	=	4.82%
2015 est.	2.78%	+	1.47%	=	4.25%
2016 proj.	2.19%	+	2.00%	=	4.19%

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