

Revenue Overview

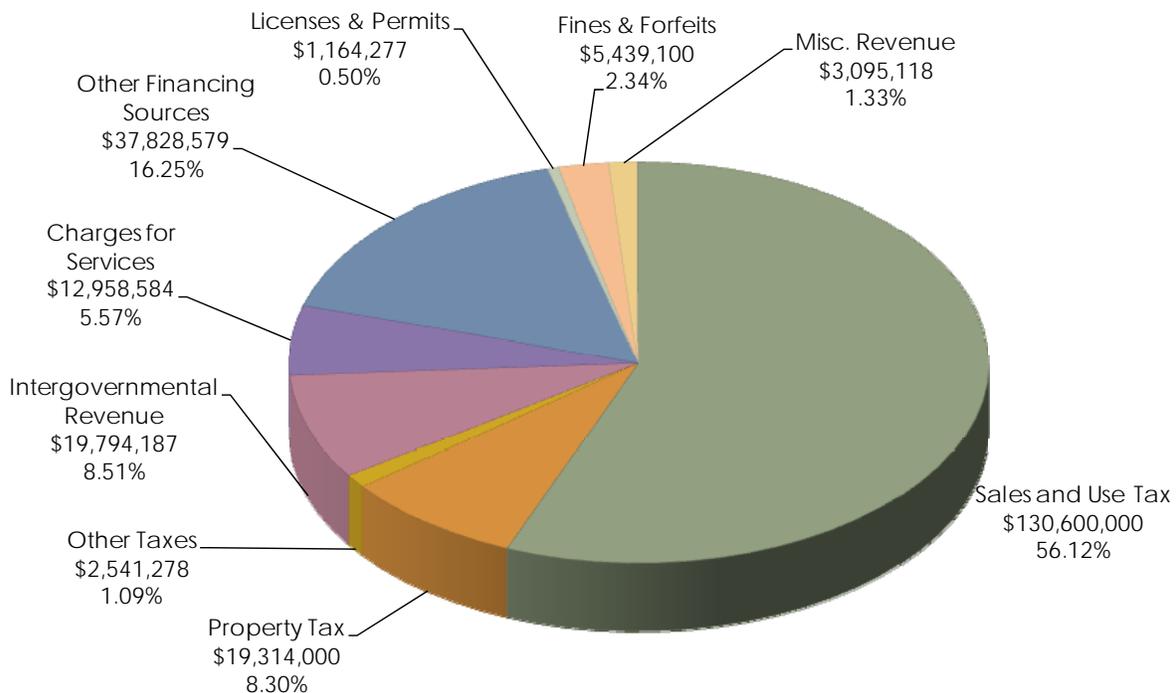
General Fund Appropriation

\$232,735,123

- Total revenue \$2.27 million or 0.99% over 2012 end-of-year estimate.
- Sales and Use tax revenue \$1.8 million or 1.4% over 2012 end-of-year estimate.
- All other revenue is \$473,578 or 0.47% over 2012 end-of-year estimate.

	* 2011 Actual	2012 Budget	2012 EOY Estimate	2013 Budget	2013 Budget - 2012 EOY Estimate
Sales and Use Tax	\$121,249,546	\$119,900,000	\$128,800,000	\$130,600,000	\$1,800,000
Property Tax	20,658,436	19,120,535	18,915,000	19,314,000	399,000
Other Taxes	2,558,479	2,511,678	2,546,678	2,541,278	(5,400)
Licenses and Permits	870,688	943,394	955,594	1,164,277	208,683
Intergovernmental	19,921,958	20,409,019	20,295,105	19,794,187	(500,918)
Charges for Services	13,575,421	14,271,052	13,709,846	12,958,584	(751,262)
Fines and Forfeits	5,772,966	5,413,590	4,824,590	5,439,100	614,510
Miscellaneous	4,570,463	2,060,575	2,060,575	3,095,118	1,034,543
Other Financing Sources	50,970,631	38,821,657	38,354,157	37,828,579	(525,578)
Total	\$240,148,587	\$223,451,500	\$230,461,545	\$232,735,123	\$2,273,578

* Includes \$14 million from a bond refunding.

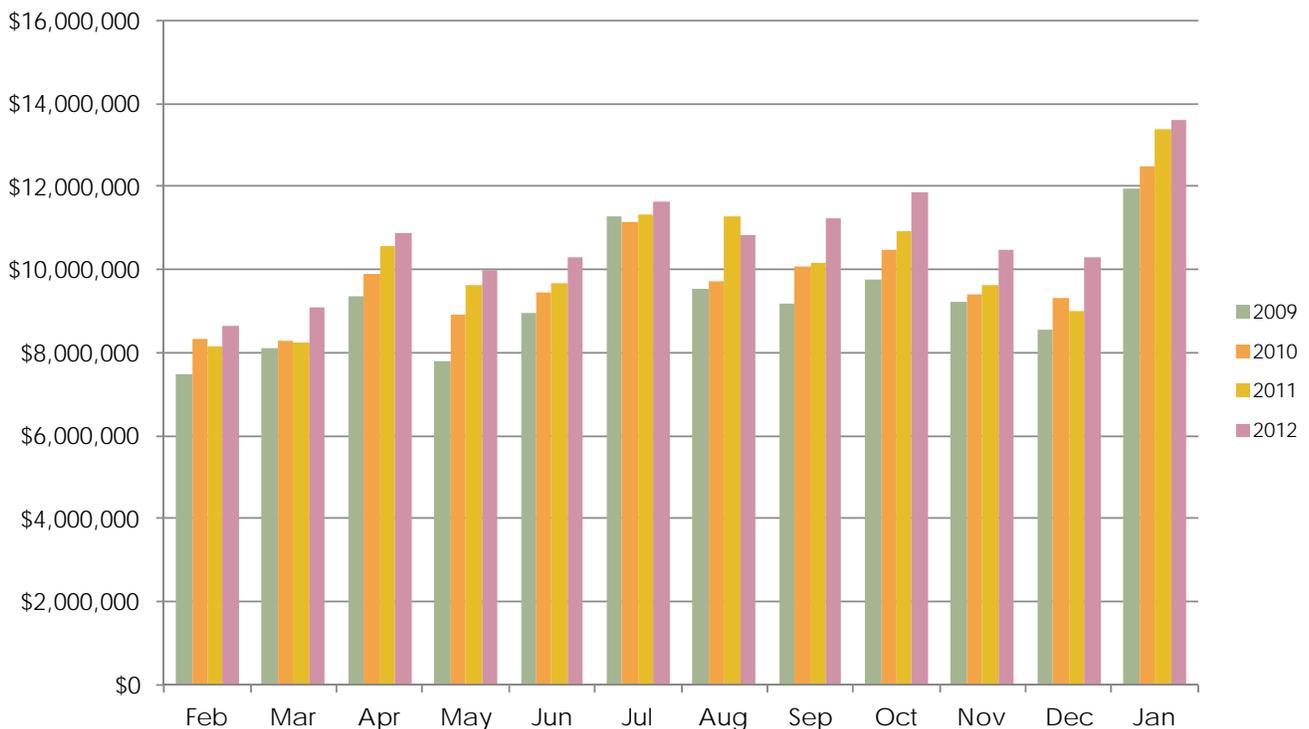


Sales Tax Revenue

\$130,600,000

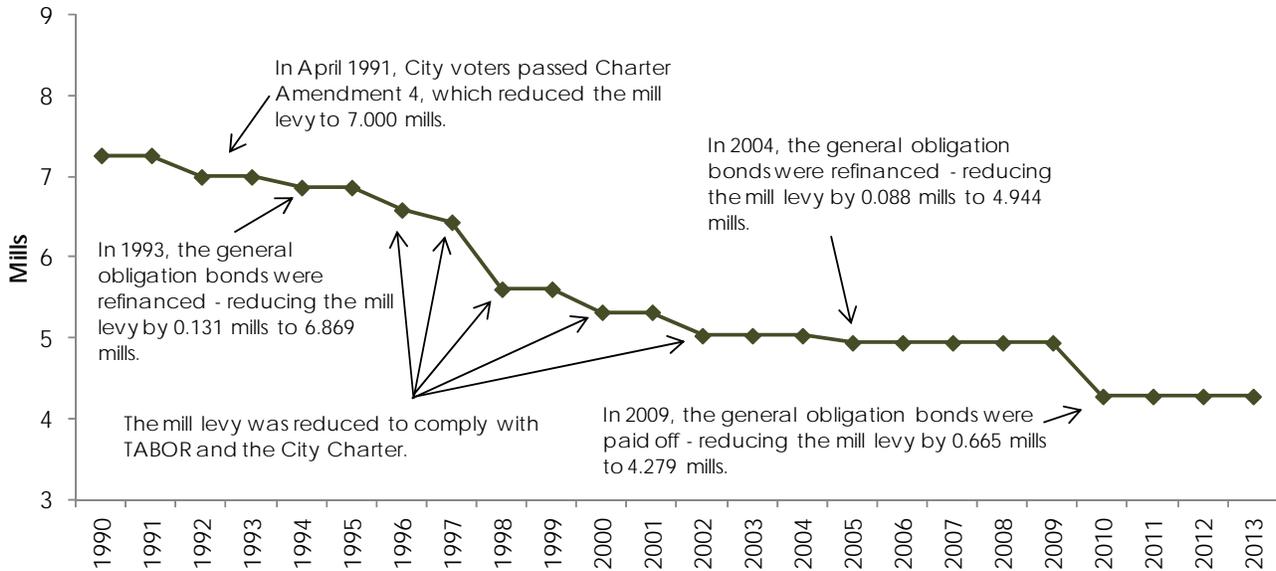
- 56.12% of total General Fund revenue.
- Up \$1.8 million or 1.4% from 2012 end-of-year estimates.
- Primarily dependent upon the level of local economic activity, consumer confidence, and tourist activity.
- Through December 2012 activity – year-to-date sales tax revenue increases from nearly all industries across the board. However, due to the Waldo Canyon Fire, sales tax revenue was down for the Hotel/Motel Industry.
- 2012 sales and use tax collections are tracking higher than expected for 2012.
- 1.5 to 1 - Odds of meeting or exceeding the sales and use tax projection used for the 2013 budget.
- Slightly more optimistic approach than that which was used for the 2012 budget where the odds of meeting or exceeding the sales and use tax projection was 2 to 1.
 - We believe this approach is appropriate given the long sustained increase in collections and a recent unexpected increase in consumer confidence.
 - Three statistical models are used in developing the sales tax projections, these are: a Box-Jenkins model, a Consumer Sentiment model, and a Bayesian model.

Sales Tax Collections History by Month



- 8.3% of the total General Fund revenue.
- Tax levy of 4.279 mills.
- Since 1990, the levy has been reduced nine times, with six of those reductions the result of the revenue limitation provisions of the Taxpayer’s Bill of Rights (TABOR).

City Property Tax Mill Levy History



In accordance with the provisions of TABOR and the City Charter, annual City property tax revenue growth is limited to the percentage change in the Denver/Boulder/Greeley Consumer Price Index (CPI) plus local growth for the previous calendar year. For the 2013 limit, the projected TABOR formula increase is 3.38%, which is comprised of a projected 2.41% increase in the Denver/Boulder/Greeley CPI and an anticipated 0.97% increase in local growth.

Both growth factors used in calculating the revenue limit are forecasted amounts with the actual data for each of the components not available until well after the start of the fiscal year in question. Thus, property tax revenue could exceed the TABOR limit and must either be refunded to local taxpayers or retained upon voter approval.

For budgeting purposes, estimated property tax revenue is reduced by a 1.0% El Paso County Treasurer’s collection fee, a 1.0% provision for uncollectable taxes and a provision for business personal property tax credits. Business personal property tax credits of City property tax revenue are estimated to be approximately \$100,000 in 2013, which is the same as 2012.

Other Taxes Revenue

\$2,541,278

- 1.09% of total General Fund revenue.
- Down \$5,400 or 0.2% from the 2012 end-of-year estimate.
- The Other Taxes category of revenue includes:
 - Occupational tax on establishments selling alcoholic beverages.
 - Sales tax on motion picture theater tickets.
 - Specific ownership taxes imposed by the State on licensed motor vehicles registered in the city.

Licenses and Permits Revenue

\$1,164,277

- 0.5% of total General Fund revenue.
- Up \$208,683 or 21.84% from the 2012 end-of-year estimate.
- Based upon department estimates for 2013.

Intergovernmental Revenue

\$19,794,187

- 8.51 % of total General Fund revenue.
- Down \$500,918 or 2.47% from the 2012 end-of-year estimate.
- \$17.9 million is Highway Users Tax Fund (HUTF).
 - State imposed excise taxes on gasoline and special fuels as well as various motor vehicle registration, title, and license fees and taxes.
 - Estimate provided yearly by the Colorado Municipal League.
- \$759,262 El Paso County Road and Bridge mill levy.
 - 9.5% increase from the 2012 budget.
 - Estimate is provided by El Paso County.

Charges for Services

\$12,958,584

- 5.57% of total General Fund revenue.
- Down \$751,262 or 5.48% from the 2012 end-of-year estimate.
- This is a 4.54% decrease from the 2011 Actual. This revenue category includes charges for services provided by the Police, Fire, City Clerk, Municipal Court, Planning, and Public Works.
- The main reductions in this category are a result of decreases in anticipated Pavement Degradation Fees and Streets revenue, which is due to the Pike's Peak Highway paving project being accelerated in 2011.

Fines and Forfeits Revenue

\$5,439,100

- 2.34% of total General Fund revenue.
- Up \$614,510 or 12.74% from the 2012 end-of-year estimate.
- Fines and forfeits are from:
 - General violations.
 - Parking meter violations.
 - Traffic violations (and the traffic violation surcharge to fund school safety).

Miscellaneous Revenue

\$3,095,118

- 1.33% of total General Fund revenue.
- Up \$1,034,543 or 50.21% from the 2012 end-of-year estimate.
 - Increase largely due to accounting changes for investment and banking fees.
- Includes:
 - Interest and investment earnings.
 - Rents and royalties.
 - Other miscellaneous revenue.

Other Financing Sources Revenue

\$37,828,579

- 16.25% of total General Fund revenue.
- Down \$525,578 from the 2012 end-of-year estimate.
- \$31.2 million Utilities Surplus Revenue.
- \$2.7 million reimbursement revenue from Utilities for staff in the City Attorney's Office and legal services provided by staff in the City Attorney's Office.
- \$934,931 reimbursement revenue from Utilities for audit services provided by the City Auditor's Office.
- \$866,000 transfer from the Lodgers and Automobile Rental Tax (LART) Fund for tourist-related and special event expenses.
- \$667,260 reimbursement revenue from grants and the Gift Trust Fund.

Revenue Summary Table

	2010 Actual	* 2011 Actual	2012 Budget	2012 EOY Est.	2013 Budget	2013 Budget -2012 EOY \$ change	2013 Budget to 2012 EOY % change
Taxes							
General Property Taxes	\$20,715,328	\$20,658,436	\$19,120,535	\$18,915,000	\$19,314,000	\$399,000	2.11%
Specific Ownership Taxes	1,960,699	1,851,385	1,821,339	1,821,339	1,821,339	0	0.00%
General Sales and Use Tax	115,684,401	121,249,546	119,900,000	128,800,000	130,600,000	1,800,000	1.40%
Admissions Taxes	490,236	449,533	427,739	462,739	462,739	0	0.00%
Business Taxes	256,153	257,561	262,600	262,600	257,200	(5,400)	-2.06%
Total Taxes	139,106,817	144,466,461	141,532,213	150,261,678	152,455,278	2,193,600	1.46%
Total Licenses and Permits	798,583	870,688	943,394	955,594	1,164,277	208,683	21.84%
Intergovernmental Revenue							
State Shared Revenue	18,966,069	18,931,942	19,615,843	19,435,843	18,934,925	(500,918)	-2.58%
Other Governmental Units	930,537	990,015	793,176	859,262	859,262	0	0.00%
Total Intergovernmental	19,896,605	19,921,958	20,409,019	20,295,105	19,794,187	(500,918)	-2.47%
Charges for Services							
General Government	4,751,126	3,712,244	4,079,263	4,092,263	3,577,988	(514,275)	-12.57%
Public Safety	4,850,536	4,545,952	4,151,600	4,197,244	4,292,750	95,506	2.28%
Highways and Streets	5,713,471	3,087,733	3,694,820	3,394,820	3,347,406	(47,414)	-1.40%
Culture - Recreation	2,287,002	2,229,492	2,345,369	2,025,519	1,740,440	(285,079)	-14.07%
Total Charges for Services	17,602,135	13,575,421	14,271,052	13,709,846	12,958,584	(751,262)	-5.48%
Total Fines and Forfeits	5,779,090	5,772,966	5,413,590	4,824,590	5,439,100	614,510	12.74%
Miscellaneous Revenue							
Earnings on Deposits and Invest.	402,234	790,378	390,000	390,000	390,000	0	0.00%
Rents and Royalties	658,733	602,674	831,975	831,975	646,525	(185,450)	-22.29%
Miscellaneous	1,144,156	3,177,411	838,600	838,600	2,058,593	1,219,993	145.48%
Total Miscellaneous Revenue	2,205,124	4,570,463	2,060,575	2,060,575	3,095,118	1,034,543	50.21%
Other Financing Sources							
Payments in Lieu of Tax	36,972	29,256	24,381	24,381	19,505	(4,876)	-20.00%
Shared Services (I)	3,740,608	3,118,182	5,973,722	3,207,766	1,175,490	(2,032,276)	-63.35%
Other Transfers	32,551,901	33,026,368	32,573,554	34,872,010	36,373,584	1,501,574	4.31%
Capital Leases	1,337,000	0	0	0	0	0	0.00%
Premium on Refunding Bonds	0	563,751	0	0	0	0	0.00%
Proceeds from bond Issuance	0	13,485,000	0	0	0	0	0.00%
Sale of Capital Assets	569,678	748,075	250,000	250,000	260,000	10,000	4.00%
Total Other Financing Sources	38,236,159	50,970,631	38,821,657	38,354,157	37,828,579	(525,578)	-1.37%
Total General Fund Revenue	\$223,624,514	\$240,148,587	\$223,451,500	\$230,461,545	\$232,735,123	\$2,273,578	0.99%

* Includes \$14 million from a bond refunding.

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