

# 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 of the organization as a whole, or cannot be identified with a specific function.

## Budget Summary

	<b>2014 Actual</b>	<b>2015 Actual</b>	<b>2016 Budget</b>	<b>2017 Budget</b>
Retired Employees Insurance	1,508,177	1,234,534	1,250,000	1,250,000
Unemployment Insurance	205,327	120,296	100,000	100,000
Other Salaries and Benefits	26,659	11,382	0	0
Special Events - Overtime	515,098	437,414	420,000	420,000
<b>Total Salaries and Benefits</b>	<b>2,255,261</b>	<b>1,803,626</b>	<b>1,770,000</b>	<b>1,770,000</b>
Internal Services Charges and Allocations				
Barricading	125,000	56,776	56,776	56,776
Environmental Protection Program	60,408	60,408	60,408	60,408
Health Insurance Fund - Add'l pmt.	0	0	255,195	0
Machine/Weld Shop	30,000	23,623	23,623	23,623
Office Services	589,630	679,180	679,180	609,455
Radio Communications	695,958	550,825	995,958	991,679
Animal Control Contract	1,080,000	1,125,424	1,423,495	1,423,495
Annual Financial Audit	139,810	119,445	170,000	170,000
City Admin Building (CAB) - Lease-Purchase Payment	626,759	626,759	626,760	626,760
City Building Security Contract Management	91,740	91,740	91,740	91,740
City Hall/Impound lot/Police Training Academy COP Payment	381,567	393,565	387,417	387,417
Claims Reserve Self-Insurance Fund	800,004	800,000	1,000,000	1,000,000
Economic Development				
Regional Business Alliance	0	0	75,000	75,000
Economic Development Agreements	4,718,002	5,167,656	5,500,000	5,500,000
Small Business Development Center (SBDC)	0	0	27,500	55,000
USOC COP Payment	1,704,944	1,739,858	1,782,225	1,822,625
Election Expenses	0	930,531	0	350,000
Employee Awards Program	64,174	64,065	76,000	76,000
Energy Efficiency Retrofit	165,871	99,260	99,259	99,259

## Budget Summary

	<b>2014 Actual</b>	<b>2015 Actual</b>	<b>2016 Budget</b>	<b>2017 Budget</b>
Facilities Maintenance Contract	949,026	998,850	1,000,000	1,060,000
Fleet Services and Fuel Contracts	0	0	0	7,863,243
Health Programs	304,136	326,846	0	0
Homeward Pikes Peak	60,000	0	0	0
Insurance premiums	670,621	914,573	1,008,664	1,008,664
Legal Defense Reserve	142,304	261,716	250,000	250,000
Legal Defense Reserve - City Council	0	14,895	50,000	50,000
Legal Settlement Costs	10,634	1,504	0	0
Membership Dues - Sister Cities and Alliance for Innovation	8,690	5,425	9,500	9,500
Pikes Peak Regional Development Center Rent and CAM	124,525	128,847	132,000	132,000
Retirement Awards	13,900	13,333	15,000	15,000
SCIP – Debt Service Payment	7,843,450	7,838,750	2,766,750	0
Services	855,886	15,448	552,710	724,626
Special Events - operating	8,884	13,611	0	0
Utilities - consolidated program				
Utilities Electric	0	0	0	1,696,934
Utilities Gas	0	0	0	551,360
Utilities Sewer	0	0	0	139,180
Utilities Streetlights	4,130,134	4,129,000	4,129,000	4,125,038
Utilities Traffic Signals	0	0	0	284,820
Utilities Water	0	0	0	3,352,966
<b>Total Operating Expenses</b>	<b>26,396,057</b>	<b>27,191,913</b>	<b>23,244,160</b>	<b>34,682,568</b>
General Fund contribution to CIP	10,204,472	13,092,565	18,024,169	7,993,087
General Fund - Projects	9,230,276	4,203,314	250,000	250,000
<b>Total CIP*</b>	<b>19,434,748</b>	<b>17,295,879</b>	<b>18,274,169</b>	<b>8,243,087</b>
<b>Organization Total</b>	<b>\$48,086,066</b>	<b>\$46,291,417</b>	<b>\$43,288,329</b>	<b>\$44,695,655</b>

\*For 2016, the total unrestricted Capital Improvements Program totals \$18,131,169, which includes \$107,000 in anticipated interest earnings and investment/bank fees. Stormwater CIP included in the Stormwater budget.

## Expenditure Detail

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### **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** – For 2017, funding of \$420,000 is included for 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.

**Animal Control Contract** – The City's cost for the Humane Society of the Pikes Peak Region (HSPRR) animal control services contract. For 2017, the 2016 contract amount of \$1,423,495 is included as a cost of service study is being conducted through a 3rd party consultant. The contract cost could be adjusted based on the results of that study.

**Annual Financial Audit** – Annually, the City contracts with a private firm to provide a comprehensive financial audit. For 2017, the contract is with BKD.

**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.

**City Building Security Contract Management** – This is payment the City makes to Colorado Springs Utilities to manage the citywide 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. For 2017, the payment amount is \$387,417. Additional funding for a portion of the COP payment for the Police Impound Lot and Training Academy is budgeted in the Police Department's budget.

**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 City, its officials, and employees. Expenditures made out of the claims reserve fund are made to pay claims and related expenses pursuant to the Colorado Governmental Immunity Act and claims against the City arising under Federal Law. For 2017, the transfer from the General Fund to fund expected 2017 expenditures is \$1,000,000.

**Economic Development** –For 2017, this category includes allocating \$75,000 in support to the Regional Business Alliance, \$5,500,000 in Economic Development Agreement payments including Urban Renewal Area Sales Tax TIF agreements (described more fully in the Economic Overview section), increased funding of \$27,500 in support to the Small Business Development Center (SBDC), and the COP payment related to the United States Olympic Committee (USOC) Economic Development agreement. Prior to 2016 some economic development related

payments were made directly from the Lodgers and Auto Rental Tax (LART) as the establishing ordinance allowed expenditures for economic development purposes.

**Election Expenses** – For 2017, funding \$350,000 funding is included for the April municipal election. This amount is based upon cost estimates provided by the City Clerk's office.

**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 2017, the lease-purchase payments total \$99,259 for building improvements to City facilities including City Administration Building (CAB) and Sertich Ice Arena.

**Facilities Maintenance Contract** – El Paso County provides facilities maintenance under an Intergovernmental Agreement (IGA) and Service Level Agreement (SLA).

**Fleet Services and Fuel Contracts** – For 2017, the cost of the outsourced fleet services contract and the fuel contract is moved to General Costs as it is a cost that benefits departments across the organization. For 2017, the City has a combined budget of \$7,863,243 for fleet services and fuel.

**Health Programs** – This budget was transferred to the Police Department as it related Investigations.

**Homeward Pikes Peak** – This funding was for coordination of the Colorado Springs homeless service programs and was discontinued for 2015. Since, the City's Community Services division works with the Continuum of Care for coordination of the Colorado Springs homeless service programs.

**Insurance Premiums** – The City's comprehensive risk management program includes various property and liability policies that provide either primary or excess coverage to protect City from large and uncertain losses.

**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** – Beginning in 2016, \$50,000 of Legal Defense Reserve funding is identified for City Council legal services.

**Legal Settlement Costs** – The City does not specifically budget for legal settlement costs, but does book expenses to this line for tracking purposes if the City has settlement expenses.

**Membership Dues** – Membership dues include membership costs to Sister Cities and Alliance for Innovation.

**Pikes Peak Regional Development Center (PPRDC Rent and CAM)** – This funding is for rental payments to the PPRDC for pro rata office space and Central Area Maintenance (CAM) charges used by City operations in the PPRDC. 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 mementos to employees, in good standing, retiring from the City.

**SCIP Debt Service Payment** – In October 2007, approximately \$10.4 million of the outstanding debt was refinanced to obtain a better interest rate and generate savings to the City of approximately \$4.0 million. In May 2009, the remaining \$34,460,000 outstanding debt was refinanced at a better interest rate and generated savings of approximately \$2.0 million. While the debt was originally scheduled to be retired in 2015, the refinancing extends a portion of the debt by one year, to 2016. The debt was retired in 2016.

**Services** – This funding is 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, West Nile Virus payments to El Paso County, and other miscellaneous services.

**Special Events** – Beginning with 2016, the budget of \$420,000 is reflected in the Salaries and Benefits category of General Costs as it is for personnel time providing services for special events.

**Utilities – Consolidated Program** – For 2017, the City has transferred budgets from all the departments and divisions to General Costs for all City utilities expenses in order to better manage utility usage and achieve sustainability goals. The charge from Colorado Springs Utilities for the operation of the Streetlight system has always been budgeted in General Costs and is incorporated in this consolidated program.

## **CAPITAL OUTLAY EXPENDITURES**

**General Fund Contribution to City CIP Fund** – For 2017, the General Fund contribution is \$7,993,087, which is augmented by \$222,000 in anticipated interest earnings and investment/bank fees. These projects are for roads and bridges projects, grant matches, technology, the Sand Creek substation lease/lease purchase payment and other payments, and City facility repairs. For 2017, stormwater projects are not budgeted in the CIP fund, but rather are reflected in the Public Works, Stormwater budget.

**General Fund – Projects** – For 2017, a second year of funding - \$250,000 is included for an update of the City's Comprehensive Plan.

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