

January 1, 2015

Dear Honorable President, Members of City Council and Citizens of Colorado Springs,

This is to present to you a **balanced 2015 budget** for the City of Colorado Springs – a strategically-driven financial plan that devotes the use of our financial resources to core services and infrastructure investments. Central to our success is remaining focused on **Jobs, Transforming City Government** and **Building Community**.

You and I can be proud to represent such a **resilient City** organization and community. Together, we **responded** to, and **rebuilt** – after **three natural disasters** in two years – the Waldo Canyon Fire, the Black Forest Fire and last September’s historic rains.

Since the 2012 Waldo Canyon Fire, a remarkable 80% of the homes destroyed in Mountain Shadows have been rebuilt or are under construction. The City provided mutual aid to the County for the Black Forest Fire by quickly deploying 125 police officers, assisting in evacuations and traffic control, as well as 34 firefighters in 8 companies fighting the fire. We mobilized rapidly, helping save lives and property.

Finally, the impact of historic rains last September was lessened due to our continuing accelerated investment in **stormwater mitigation - \$46 million in two years**. Through all three events, we developed stronger working relationships with Colorado Springs Utilities, Regional Building, our military partners, the County and State, outlying municipalities and other key agencies and nonprofits organizations.

The 2015 budget builds upon the great progress we have made these past three years:

- Turning back on **3,500 streetlights**
- Bringing back and maintaining **275 acres of neighborhood parks**
- **Increasing the General Fund Transit budget every year**
- Reestablishing evening, weekend and holiday bus service, extending service to Powers Boulevard, the VA Clinic, and the El Paso County Citizen’s Service Center
- **Opening** and staffing a **new fire station** – Station 21 in Stetson Hills
- **Adding 42 firefighters, 66 police officers** and **28 community service officers**
- A smooth transition to **outsourced City fleet** services– no public safety concerns about quality or responsiveness - which is **expected to save** up to **\$4 million** over 5 years and reduce legacy costs
- In 2012 reaching an **all-time high** in **emergences reserves** which enabled us to fund a number of urgent Waldo Canyon fire **flood mitigation projects** as well as **critical road repairs** needed after an exceptionally tough 2013/2014 winter. The City team accomplished all this within existing resources and without asking voters for any new taxes.

In line with the City's Strategic Plan, breakthrough strategies with real measurable outcomes provide the roadmap for success in 2015. The **2015 General Fund Budget** is **\$259 million**, 3% higher than the 2014 General Fund Budget. While the total General Fund Budget has increased, the **percentage** of the budget **dedicated** to **Salaries**, has **decreased** from 55% in 2010 before I took office to 50% for 2015, and the **percentage** of the budget **dedicated** to **Benefits** has **decreased** from 19% in 2010 to 17% for 2015 despite significant, mandated healthcare cost increases due to the Patient Protection and Affordable Care Act (PPACA). Through the budget process, we again challenged our departments to find operational savings and maximize the use of other funding sources to allow us to allocate more resources for the highest-priority needs of the community.

This City's dedicated Professional Staff enabled us to find **\$3.96 million** in **efficiencies** in the 2015 General Fund Budget to fund another **20 police officers**, improvements to the City's **information technology** network and data center – critical to all City service delivery, increased frequency of **bus service**, the **Acacia Park Ice Rink** and Hub, and pay for performance for City employees - to ensure that we fairly reward our high-performing employees. Across all funds of the City, including \$64 million in anticipated grant funds, we are excited to move forward on the design for a **new Pikes Peak Summit House**, the development of **Venezia Park**.

The 2015 Budget provides the foundation for continuing work on improving the **business climate** and, therefore, supporting primary jobs creation – better City responsiveness, fewer regulations and lower fees, and positive city appearance. However, we remain challenged to make significant progress with a **\$1.3 billion backlog of capital improvement needs** across the community. If we are to be a successful City, we must look and function like one. We must stop kicking the can down the road by deferring **holistic** capital improvement needs. For example, we should be resurfacing 10% of our streets each year; instead we are only able to complete 2%. We must replace more playing fields with artificial turf to avoid increasingly unaffordable water bills. And, we must replace functionally obsolete public safety facilities.

Our **best option** to fund capital needs is to substantially **grow the** economy, generating more sales tax on which we depend so heavily. Unfortunately, forecasts do not indicate that will happen soon enough. In the coming weeks, I will propose to you a **path forward** to fund our highest priority needs. Together, the **City**, with its **talented** and **dedicated workforce**, and the **community**, with **passionate** and **forward-thinking citizens**, has made tremendous progress these past three years. With implementation of the 2015 Budget - a balanced, sound, priorities-based financial plan - we can build upon such success and **positively shape** the **City's future**.

Sincerely,



Steve Bach
Mayor