

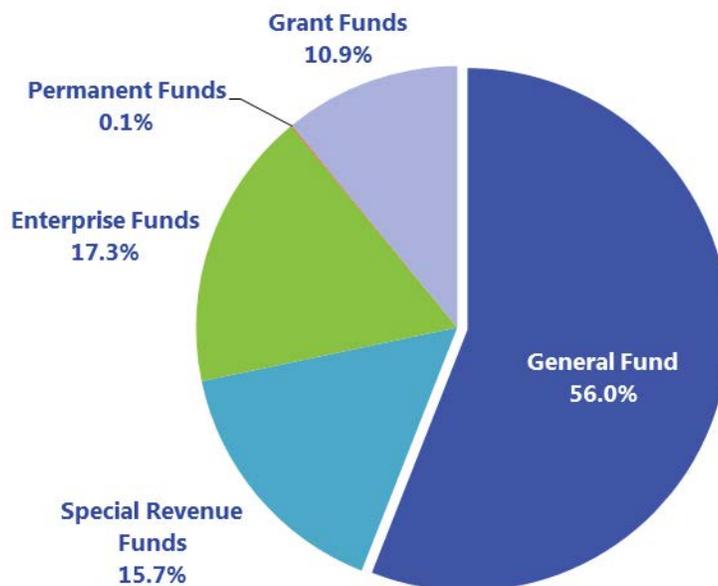
All Funds Summary

2016 All Funds Expenditures

Fund	Amount
General Fund	\$268,110,504
Special Revenue Funds	75,333,630
Enterprise Funds	82,929,629
Airport *	62,839,521
Cemeteries	1,404,605
Development Review	1,924,661
Memorial Health System	5,712,112
Parking System	3,576,361
Patty Jewett Golf Course	2,104,539
Pikes Peak - America's Mountain	4,253,066
Valley Hi Golf Course	1,114,764
Permanent Funds	326,150
Grant Funds	52,315,347
All Funds Total	\$479,015,260

Note: The total of the Internal Services Funds is \$40,863,420. A portion of this is allocated in the General Fund and Enterprise Funds.

* Due to a change in budgeting methodology to properly account for transfers between Airport Specific Enterprise funds, the 2016 budget appropriation is significantly larger than in prior years



Fund Balance Summary

Fund	Estimated Funds Available for Appropriation 1/1/15	Revenue 2015 Forecast	Expenditures 2015 Forecast	Estimated Funds Available for Appropriation 1/1/16	Revenue 2016 Budget	Expenditures 2016 Budget	Estimated Funds Available for Appropriation 1/1/17
GENERAL FUND	43,257,368	263,740,328	261,423,376	45,574,320	266,760,504	268,110,504	44,224,320
Funds Available for Appropriation 1/1/14 excludes TABOR emergency reserve of \$7,545,241							
SPECIAL REVENUE FUNDS							
<i>Parks</i>							
Ballfield CIP	89,004	100,000	100,000	89,004	53,000	53,000	89,004
Briargate SIMD	110,481	840,592	896,721	54,352	896,724	951,076	0
Colorado Avenue Gateway SIMD	5,776	3,064	8,130	710	3,415	4,080	45
Conservation Trust (CTF)	1,028,970	4,420,000	4,768,088	680,882	4,070,800	4,248,480	503,202
Nor'wood SIMD	375,634	679,775	870,975	184,434	826,061	791,359	219,136
Old Colorado City Maint./Sec. SIMD	60,693	100,588	135,431	25,850	98,662	118,662	5,850
Platte Avenue SIMD	83,982	9,172	45,100	48,054	9,572	52,620	5,006
Public Space/Development (PLDO)	5,216,709	1,200,000	6,800,000	(383,291)	1,210,000	800,000	26,709
Stetson Hills SIMD	218,779	285,364	327,805	176,338	307,829	384,431	99,736
Street Tree	96,680	2,000	12,000	86,680	2,000	12,000	76,680
Therapeutic Recreation	4,222	300	100	4,422	300	100	4,622
Trails, Open Space and Parks (TOPS)	7,157,564	7,765,000	8,605,864	6,316,700	8,008,000	6,269,153	8,055,547
Woodstone SIMD	80,358	18,834	51,400	47,792	20,208	40,800	27,200
<i>Planning</i>							
Banning Lewis Ranch (BLR)	1,241,595	343,000	10,625	1,573,970	271,500	8,838	1,836,632
<i>Public Works</i>							
Arterial Roadway	1,346,564	250,000	250,000	1,346,564	250,000	250,000	1,346,564
Bicycle Tax	34,435	95,000	97,850	31,585	85,000	85,000	31,585
Subdivision Drainage	2,079,989	4,000,000	4,000,000	2,079,989	4,000,000	4,000,000	2,079,989
<i>Public Safety</i>							
Public Safety Sales Tax (PSST)	4,521,842	30,655,000	28,537,029	6,639,813	31,577,184	31,086,460	7,130,537
<i>Administration</i>							
Cable Franchise	370,845	941,000	941,000	370,845	1,030,000	1,030,000	370,845
City-funded CIP	0	11,189,257	11,189,257	0	18,131,169	18,131,169	0
Gift Trust	3,612,134	1,900,000	1,900,000	3,612,134	1,900,000	1,900,000	3,612,134
Lodgers & Auto Rental Tax (LART)	241,468	4,161,000	4,148,842	253,626	4,875,600	4,768,402	360,824
Senior Programs	0	777,152	115,667	661,485	290,000	348,000	603,485
ENTERPRISE FUNDS							
Airport - Gross Rev Fund	12,494,319	17,650,662	16,972,651	13,172,330	20,463,836	17,998,419	15,637,747
Airport- CIP Fund	8,014,050	17,463,924	14,107,424	11,370,550	19,774,444	31,144,994	0
Airport - Bond Fund	0	0	0	0	10,040,450	10,040,450	0
Airport - PFC Fund	0	363,212	363,212	0	2,655,658	2,655,658	0
Airport - CFC Fund	0	0	0	0	1,060,862	1,000,000	60,862
Cemeteries	314,541	1,390,792	1,382,142	323,191	1,390,792	1,404,605	309,378
Development Review	1,430,386	1,759,438	1,938,239	1,251,585	2,309,295	1,924,661	1,636,219
Memorial Health System (MHS)	0	5,712,112	5,712,112	0	5,712,112	5,712,112	0
Parking System	5,840,783	4,674,977	4,642,084	5,873,676	4,410,516	3,576,361	6,707,831
Patty Jewett Golf Course	666,015	2,173,770	2,157,589	682,196	2,148,529	2,104,539	726,186
Pikes Peak - America's Mtn	8,957,844	4,750,616	5,250,616	8,457,844	3,953,066	4,253,066	8,157,844
Valley Hi Golf Course	316,947	1,150,842	1,153,231	314,558	1,135,911	1,114,764	335,705
INTERNAL SERVICE FUNDS							
Claims Reserve Self-Insurance	188,500	811,500	1,000,000	0	1,211,500	1,211,500	0
Employee Benefits Self-Insurance	1,390,244	33,980,995	33,980,995	1,390,244	27,032,111	28,422,355	0
Office Services	0	1,758,358	1,758,358	0	1,736,442	1,736,442	0
Radio	568,373	1,058,726	1,498,726	128,373	1,364,750	1,493,123	0
Support Services - Fleet	1,391,413	0	1,391,413	0	0	0	0
Workers' Compensation	3,900,508	5,058,851	8,000,000	959,359	7,040,641	8,000,000	0

In most cases, the 2015 Revenue and Expenditures are equal to the 2015 Budget amount; however, in certain cases, an end-of-year forecast is used to account for revenue adjustments or supplemental appropriations.

Fund Balance Summary

Fund	Estimated Funds Available for Appropriation 1/1/15	Revenue 2015 Forecast	Expenditures 2015 Forecast	Estimated Funds Available for Appropriation 1/1/16	Revenue 2016 Budget	Expenditures 2016 Budget	Estimated Funds Available for Appropriation 1/1/17
PERMANENT FUNDS *							
C. D. Smith Trust	0	75,000	75,000	0	75,000	75,000	0
Cemetery Endowment Trust	0	250,000	250,000	0	250,000	250,000	0
Trails, Open Space and Parks Maint.	0	11,500	11,500	0	1,150	1,150	0
GRANT FUNDS *							
Airport Grants	0	14,000,000	14,000,000	0	13,190,108	13,190,108	0
Grants	0	50,000,000	50,000,000	0	34,749,889	34,749,889	0
CDBG	0	2,500,000	2,500,000	0	2,641,000	2,641,000	0
Emergency Shelter Act Grant (ESG)	0	170,000	170,000	0	341,350	341,350	0
Home Investment Partnership	0	1,250,000	1,250,000	0	1,393,000	1,393,000	0

In most cases, the 2015 Revenue and Expenditures are equal to the 2015 Budget amount; however, in certain cases, an end-of-year forecast is used to account for revenue adjustments or supplemental appropriations.

* For some Internal Service Funds and for Permanent and Grant Funds, any amount of fund balance is restricted and therefore not available for appropriation - as such the amount is shown as zero.

Overview of 2016 Budgets for All Funds

The overview includes a fund balance summary and description of the City's funds, how funds interact, basis of accounting, and changes to the adopted budget. The fund balance summary indicates the beginning and ending fund balances available for appropriation as well as 2016 budgets by specific fund.

The budget document focuses primarily on the General Fund because it is the largest fund. The 2016 General Fund Budget is \$268,110,504, which is 56.0% of the total funds.

Another significant type of fund is the Special Revenue Funds. The 2016 Special Revenue Funds budgets total \$75,333,630, which is 15.7% of the total funds.

The Grant Funds budget totals \$52,315,347, which is 10.9% of the total funds for 2016.

For 2016, Enterprise Funds budgets total \$83,079,629, which is 17.3% of the total funds. The balance of the total funds is comprised of the 2016 Permanent Funds budgets, which total \$326,150.

The total of all these funds is \$479,165,260.

City Services Overview

The City of Colorado Springs is a home-rule city, organized under provisions of the Colorado constitution. The City provides a full range of municipal government services to an estimated 2016 population of 457,715 residents. The services include:

- City Attorney, City Clerk, Municipal Court
- City Auditor
- City Council
- Finance, Contract Compliance, General Costs
- Fire protection
- Information Technology
- Mayor, Communications, Human Resources
- Parks, Recreation and Cultural Services
- Planning, Economic Development, Housing
- Police protection
- Public Works

Also, the City owns and operates enterprise activities including:

- Airport
- Cemeteries
- Development Review
- Memorial Health System
- Patty Jewett Golf Course
- Parking System
- Pikes Peak – America's Mountain
- Valley Hi Golf Course

Fund Structure

City revenue is designated and set aside in funds. The funds of the City of Colorado Springs are organized according to Generally Accepted Accounting Principles (GAAP). For revenue and expenditure budgets for each fund, refer to the All Funds Summary table.

Basis of Accounting and Accounting Structure

Basis of Accounting

The General Fund, Special Revenue Funds, Capital Improvements Program Funds, and certain Trust Funds are maintained on a modified accrual basis, which records revenue when measurable and available. Expenditures are generally recorded when the liability is incurred. Enterprise Funds, Internal Services Funds, and certain Permanent Funds are maintained on an accrual basis, which records revenue at the time earned and expenses when incurred.

Basis of Budgeting

The budget is prepared in a manner consistent with the Colorado Revised Statutes. All funds are included within the budget along with the programs supported. The City's budget is prepared completely on a modified accrual basis, which is the same as the Basis of Accounting for all funds except Enterprise Funds, Internal Services Funds, and certain Permanent Funds.

Annual Budget Process and Budget Controls

In accordance with City Charter, Section 4-40(i), the Mayor presents a balanced budget to City Council on or before the first Monday in October in each year.

In accordance with City Charter, Section 7-30(a), the City Council shall, upon receipt of the budget, adopt the budget with or without amendment. In amending the budget, the Council may add or increase programs or amounts and may delete or decrease any programs or amounts, except amounts required by law or for debt service obligations or for estimated cash deficit.

As part of the annual budget cycle, budgets are adopted for all funds of the City. Budgetary controls are maintained for all funds of the City in conformance with the City Charter and Code to assure fiscally sound management.

After the annual appropriations ordinance is approved, with approval from the Chief Financial Officer, budget can be transferred within an appropriating department; however, transfers between appropriating departments or funds require City Council approval. Also, after the annual appropriations ordinance is approved, the Mayor may propose amendments to the annual appropriations ordinance. Such supplemental appropriation requests are transmitted to City Council for approval.

An encumbrance accounting system is used to assist in accomplishing budgetary control.

General Fund

The General Fund includes all activities of the City supported by City taxes and other non-dedicated revenue. These other revenue sources include license and permit fees, user charges, intergovernmental revenue, fines, miscellaneous revenue, and transfers from other funds. The General Fund also includes all traditional municipal expenditures such as those for public safety, parks, and transportation. See the General Fund Summary tab.

Special Revenue Funds - overseen by the Parks Department

BALLFIELD CAPITAL IMPROVEMENTS

2015 Budget: \$100,000

2016 Budget: \$53,000

Purpose

Provide for maintenance and improvements to baseball and softball fields throughout the city.

Revenue source

Fees paid by softball and baseball teams upon league registration.

Designated expenditure

Debt service payment on the Certificates of Participation (COPs) Series 1999 for the softball and recreation facility project.

BRIARGATE SPECIAL IMPROVEMENT MAINTENANCE DISTRICT (SIMD)

2015 Budget: \$932,455

2016 Budget: \$951,076

Purpose

Provide for the maintenance of certain public improvements of general benefit to the residents of the district.

Revenue source

Assessments against the real property in the district.

Designated expenditure

Maintenance expenses of specific improvements as identified by the advisory committee in consultation with the Parks, Recreation and Cultural Services staff. Council approves the budget for the district.

COLORADO AVENUE GATEWAY SPECIAL IMPROVEMENT MAINTENANCE DISTRICT (SIMD)

2015 Budget: \$8,130

2016 Budget: \$4,080

Purpose

Provide for the maintenance of numerous public improvements unique to the Gateway area.

Revenue source

Assessments against all real properties in the district collected by the County and remitted to the fund.

Designated expenditure

An advisory committee to advise City Council of the level, extent, and effectiveness of the maintenance needed in the district. Council approves the budget for the district.

CONSERVATION TRUST (CTF)

Mission

To provide a means of acquiring, developing, and maintaining new conservation sites and for capital improvements or maintenance for recreational purposes on any public sites.

Overview

Local governments receive 40% of the total revenue generated by the State Lottery, and the City share is distributed based on population. These funds are received and expended from the Conservation Trust Fund (CTF). A total of \$4,070,800 is the amount of Lottery funds expected in 2016. Starting in 2013, the structure of the CTF changed from Project budgeting to a combination of Operating and Projects. Because positions are paid from this fund, the accounting change was necessary to reflect actual expenditures more accurately. More detailed information can be found in the Parks Operations and Development narrative.

TRAILS, OPEN SPACE AND PARKS (TOPS)

Mission

To provide a means of acquiring and preserving new open space and providing parks and trails for recreational purposes on any public sites within the city and areas within the immediate vicinity.

Overview

The Trails, Open Space, and Parks (TOPS) revenue is generated from a 0.1% sales and use tax adopted by voters in April 1997, extended by voters in 2003, and set to expire in 2025. The majority of funds are designated for open space purchases and associated maintenance, development and maintenance of trails, and development of new parks.

For 2016, TOPS revenue is projected to be \$8,008,000, of which \$142,000 is estimated interest. As allowed in the TOPS ordinance, 3% of TOPS revenue is allocated for program administrative expenses and 6% is allocated for Maintenance Expenses. The remaining funds are allocated 20% for Park Acquisition and Development, 20% for Trails Acquisition, Development and Maintenance, and 60% for Open Space Acquisition. However, based on voter approval at the April 2013 election, the Parks category can now be used for Park Maintenance as well. Starting in 2013, the structure of TOPS changed from Project budgeting to a combination of Operating and Projects. Because positions are paid from this fund, the accounting change was necessary to reflect actual expenditures more accurately. Please see below for more detail on the TOPS budget.

TOPS Budget By Category/Project	2016 Budget
Administration (3%)	\$224,309
Maintenance (6%)	\$435,006
Trails (20% max)	\$1,670,000
Project – Cottonwood Trail	350,000
Project – Rock Island Trail at Powers Underpass	300,000
Project – Rock Island Trail Corridor Acquisition	425,000
Project – University Park Trail	300,000
Project – Foothills Trail at Garden of the Gods	295,000
Parks (20% max)	\$1,850,700
Operating - Park Maintenance	790,700
Project – Playground Renovation/Replacement	200,000
Project – Water Footprint Reduction	150,000
Project – Monument Valley Pickleball Courts	100,000
Project – Venezia Community Park	450,000
Project – Ute Valley Park MP Implementation	160,000
Open Space (60% min)	\$2,089,137
Acquisition – Red Rock Canyon Annual Payment	1,010,137
Acquisition – Open Space Acquisition Account	40,000
Stewardship – Ute Valley Master Plan Implementation	275,000
Stewardship – Bluestem OS Management Plan Implementation	70,000
Stewardship – University Park OS Management Plan Implementation	30,000
Stewardship – Stratton OS Management Plan Implementation	45,000
Stewardship – Education	100,000
Stewardship – Rangers	175,000
Stewardship – Land Management	95,000
Stewardship – Resource Management	279,000
TOTAL TOPS Budget By Category/Project	\$6,269,152

Administrative and Maintenance Costs

Provisions of the ordinance allocate 3% for administrative costs and 6% for maintenance of trails, open space and parks.

Open Space Acquisition & Stewardship

Funding for open space acquisition and preservation will receive a minimum of 60% of revenue collected over the lifetime of the tax. The revenue may be used to acquire real property in El Paso and neighboring counties and associated leases, development rights, water and water storage rights, mineral and fuel resource rights, and right-of-way and easements and to protect ecosystems, natural resources and landmarks, and visual geological and biological surface features, etc. Once acquired, properties may not be sold. Funding may also be used to manage, patrol, improve, and maintain acquired areas.

Trails Land Acquisition, Development and Maintenance

Funding for trails land acquisition, development, and maintenance will receive a maximum of 20% of revenue collected over the lifetime of the tax.

Parkland Acquisition, Development, and Maintenance

Funding for new parkland acquisition and development will receive a maximum of 20% of revenue collected over the lifetime of the tax. Based on voter approval at the April 2013 election, this category can now be used for maintenance as well as acquisition and development.

Budget Summary	2013 Actual	2014 Actual	2015 Budget	2016 Budget
Operating	\$2,245,405	\$2,104,681	\$1,401,400	\$2,069,015
Projects	6,574,641	\$4,621,371	7,204,464	4,200,137
Total	\$8,820,046	\$6,726,352	\$8,605,864	\$6,269,152

WOODSTONE SPECIAL IMPROVEMENT MAINTENANCE DISTRICT (SIMD)

2015 Budget: \$51,400

2016 Budget: \$40,800

Purpose

Provide for the maintenance of certain public improvements of general benefit to the residents of the district.

Revenue source

Assessments against the real property in the district.

Designated expenditure

Maintenance expenses of specific improvements as identified by the advisory committee in consultation with the Parks, Recreation and Cultural Services staff. Council approves the budget for the district.

Special Revenue Funds - overseen by Public Safety

PUBLIC SAFETY SALES TAX (PSST)

Mission

Provide a dedicated source of revenue to fund public safety operating and capital improvement needs.

Overview

In November 2001, City voters approved ballot question B4 which authorized a City Sales and Use Tax rate increase of 0.4% to fund public safety operating and capital improvement needs. As approved by voters, all revenue from the 0.4% tax is placed in a dedicated fund (Public Safety Sales Tax Fund) and is not used to replace any local funds already budgeted for public safety operations. In conjunction with the approval of the 2002 Public Safety Sales Tax Fund (PSST) budget, Council also adopted a ten-year plan for the fund that presented multi-year projections to achieve the purpose and intent of ballot question B4.

Budget Summary	2013 Actual	2014 Actual	2015 Budget	2016 Budget
Uses of Funds				
Salaries/Benefits	\$22,913,620	\$24,218,012	\$25,271,061	\$27,154,880
Operating	2,659,367	2,591,012	2,746,515	2,248,472
Capital Outlay	745,709	1,268,518	519,453	734,021
CIP	2,989,035	(41,470)	0	249,087
Total	\$29,307,731	\$28,537,029	\$28,537,029	\$31,086,460
Personnel				
Uniformed FTE	148.00	158.00	170.00	171.00
Civilian FTE	54.50	58.50	58.50	58.50
Total Positions	202.50	216.50	228.50	229.50

Expenditure Overview

For 2016, \$31.6 million in PSST revenue is projected. Given the volatility of sales and use tax revenue, and to help protect against any revenue shortfalls and unforeseen fiscal events, a fund balance target of at least 16.67% is maintained. For 2016, a contribution to the fund balance of \$490,725 is included, building the available fund balance to 22.6% of revenue. Overall, there is \$31.1 million available for appropriation in 2016.

For 2016, PSST funding for the Fire Department totals \$14.8 million. The funding is used for uniformed and civilian staffing, operating, and equipment expenses. This includes projects and equipment, and other ongoing expenditures and one-time capital outlay.

For 2016, PSST funding for the Police Department totals \$16.3 million. The funding is used for uniformed and civilian staffing, operating, and equipment expenses. This includes projects and equipment, and other ongoing expenditures and one-time capital outlay.

**City of Colorado Springs
Public Safety Sales Tax Fund
Ten-Year Plan 2016 - 2025**

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
	Projected									
FTE Employees										
Sworn	171.00	171.00	171.00	171.00	171.00	171.00	171.00	171.00	170.00	168.00
Civilian	58.50	58.50	58.50	58.50	58.50	58.50	58.50	58.50	58.50	58.50
Total FTE Employees	229.50	228.50	226.50							
Beginning Fund Balance	\$6,639,813	\$7,130,538	\$8,318,795	\$9,533,110	\$10,771,718	\$12,035,101	\$13,323,749	\$14,638,172	\$15,978,883	\$17,346,408
Revenue										
Sales & Use Tax	\$31,463,988	\$32,093,268	\$32,735,133	\$33,389,836	\$34,057,632	\$34,738,785	\$35,433,561	\$36,142,232	\$36,865,077	\$37,602,378
Interest	113,196	105,278	107,350	109,497	111,687	113,921	116,199	118,523	120,893	123,311
Total Fund Revenue	\$31,577,184	\$32,198,546	\$32,842,483	\$33,499,333	\$34,169,319	\$34,852,706	\$35,549,760	\$36,260,755	\$36,985,970	\$37,725,689
Expenditures										
Fire										
Salaries and Benefits	\$12,625,632	\$12,578,145	\$12,829,708	\$13,086,302	\$13,348,028	\$13,614,988	\$13,887,288	\$14,165,034	\$14,448,334	\$14,737,301
Operating Expenses	1,404,328	1,432,415	1,461,063	1,490,284	1,520,090	1,550,492	1,581,501	1,613,131	1,645,394	1,678,302
Capital Outlay	487,021	719,327	732,610	747,259	762,202	777,448	792,996	808,856	825,033	841,534
Public Safety CIP	249,087	0	0	0	0	0	0	0	0	0
Fire total	\$14,766,068	\$14,729,887	\$15,023,380	\$15,323,844	\$15,630,320	\$15,942,927	\$16,261,785	\$16,587,021	\$16,918,761	\$17,257,137
Sworn FTE	85.00	85.00	85.00	85.00	85.00	85.00	85.00	85.00	85.00	85.00
Civilian FTE	16.50	16.50	16.50	16.50	16.50	16.50	16.50	16.50	16.50	16.50
Police										
Salaries and Benefits	\$14,529,247	\$14,689,258	\$15,013,644	\$15,145,736	\$15,484,473	\$15,949,007	\$16,382,408	\$16,741,879	\$17,108,540	\$17,482,533
Operating Expenses	1,544,144	1,544,144	1,544,144	1,544,144	1,544,144	1,544,144	1,544,144	1,544,144	1,544,144	1,544,144
Capital Outlay	247,000	47,000	47,000	247,000	247,000	127,979	47,000	47,000	47,000	47,000
Support Services CIP	0	0	0	0	0	0	0	0	0	0
Police total	\$16,320,391	\$16,280,402	\$16,604,788	\$16,936,880	\$17,275,617	\$17,621,130	\$17,973,552	\$18,333,023	\$18,699,684	\$19,073,677
Sworn FTE	86.00	86.00	86.00	86.00	86.00	86.00	86.00	86.00	85.00	83.00
Civilian FTE	42.00	42.00	42.00	42.00	42.00	42.00	42.00	42.00	42.00	42.00
Total Fund Expenditures	\$31,086,459	\$31,010,289	\$31,628,168	\$32,260,725	\$32,905,936	\$33,564,057	\$34,235,337	\$34,920,044	\$35,618,445	\$36,330,814
Fund Balance Contribution (Draw)	\$490,725	\$1,188,257	\$1,214,315	\$1,238,608	\$1,263,383	\$1,288,648	\$1,314,423	\$1,340,710	\$1,367,525	\$1,394,875
Ending Fund Balance	\$7,130,538	\$8,318,795	\$9,533,110	\$10,771,718	\$12,035,101	\$13,323,749	\$14,638,172	\$15,978,883	\$17,346,408	\$18,741,283
Fund Balance % of Revenue	22.58%	25.84%	29.03%	32.16%	35.22%	38.23%	41.18%	44.07%	46.90%	49.68%

Special Revenue Funds - overseen by the Finance Department

CABLE FRANCHISE

Mission

To provide support for the City and the Southern Colorado Educational Television Consortium (SCETC) with educational and governmental programming services, operations, facilities and equipment, and expenditures for telecommunications and information technology, operations, facilities, and equipment.

Overview

In July 2000, City Council approved Ordinances No. 00-118 and 00-119 establishing the terms, fees, compensation, conditions, and other matters of franchise between the City and Adelpia Communications and WideOpen West. On November 7, 2000, Colorado Springs voters approved Measures 2A and 2B to grant nonexclusive franchise agreements to Adelpia Communications and WideOpen West (WideOpen West's financial circumstances precluded the company from initiating the infrastructure required to offer cable service in Colorado Springs). As of August 1, 2006, control of the Adelpia cable system serving Colorado Springs was finalized when Adelpia was transitioned to Comcast. According to the terms of the franchise agreement, Comcast assumed the obligations of the franchise and the franchise remains unmodified and in full force and effect. In November 2006, Colorado Springs voters approved Measure 2A to grant a nonexclusive franchise agreement to Falcon Broadband; and in April 2007, voters approved Measure E to grant a nonexclusive franchise agreement to Porchlight Communications. However, effective July 15, 2009, Porchlight is no longer a cable provider. In accordance with the Comcast franchise agreement, the SCETC will receive 20% of the funds; and the City will apply its share towards information technology and communication needs. The SCETC will receive 10% of the funds from Falcon.

2016 Cable Franchise Grant		
Revenue		
Subscriber revenue		\$ 1,030,000
	Total Revenue	\$1,030,000
Expenditures		
City information technology strategic needs		\$ 349,200
Southern Colorado Educational Television Consortium(SCETC)		203,700
SpringsTV implementation equipment and staffing		374,440
Citizen engagement staffing		102,660
	Total Expenditures	\$1,030,000

Revenue Overview

Subscriber rate is \$1.20 per month for Comcast and \$1.53 for Falcon.

Expenditure Overview

City Information Technology Strategic Needs

\$349,200

Support of the City's information technology strategic needs. These funds service existing lease payments related to the acquisition and implementation of systems, contribute to server upgrades, annual software maintenance fees, enhanced functionality, and other strategic projects.

Southern Colorado Educational Television Consortium Share

\$203,700

Provided for the SCETC to continue operating the network and production truck to cable cast from remote sites for increased learning/educational opportunities.

SpringsTV**\$347,440**

Five positions are funded along with operational costs to allow SpringsTV to meet programming and equipment requirements in addition to the resources required for live broadcasting and department program requests.

Citizen Engagement**\$102,660**

A position is added in 2016 to lead, coordinate, and participate in citizen engagement functions for City programs and operations. Initially, the focus will be on implementing a Citizen Empowerment Suite, to include a modern 311 system made up of a wiki/knowledge base, data portal, dashboards, website content management, social media, Speak Up!, business hub, legislative management, public budget outreach, and Sandbox.

CITY-FUNDED CAPITAL IMPROVEMENTS PROGRAM (CIP)**Mission**

To provide a dedicated source of revenue to fund ongoing capital repair or replacement of existing infrastructure.

Overview

The City's General Use Capital Improvements Program (CIP) budget is \$18,131,169 in 2016. The sources of this funding include \$18,024,169 from the General Fund and \$107,000 in anticipated interest earnings and investment/bank fees. This will fund \$10,450,000 for Stormwater, Roads & Bridges projects, \$1,874,336 for Stormwater, Roads & Bridges grant matches, \$2,069,030 Technology Improvements, \$1,625,200 for facility improvements, \$288,370 for other grant matches, and \$1,824,233 for various payments and other projects. A detailed list of projects is in Section 31, Capital Improvements Program (CIP).

Budget Summary	2013 Actual	2014 Actual	2015 Budget	2016 Budget
CIP Construction	\$9,444,633	\$10,204,472	\$11,189,257	\$18,131,169
Total	\$9,444,633	\$10,204,472	\$11,189,257	\$18,131,169

* In any given year, the actual funds spent may equal more than the amount appropriated because project funds are rolled over from year to year.

GIFT TRUST**2015 Budget:** \$1,900,000**2016 Budget:** \$1,900,000**Purpose**

Provide a fund for gifts received by the City during the year for specific purposes.

Revenue source

Donations from private individuals or businesses.

Designated expenditure

As designated by donor.

LODGERS AND AUTOMOBILE RENTAL TAX (LART)**Mission**

To attract visitors and enhance the economy of the City and the Pikes Peak Region. Revenue not otherwise obligated may be used for the acquisition, construction, maintenance, and operation of public infrastructure or public improvements; which constitute, in part, visitor or tourist attractions. Revenue may also be appropriated for economic development activities as determined by City Council.

Revenue Overview

Revenue resulting from the City's 2% lodging and 1% automobile rental tax are deposited into the Lodgers and Automobile Rental Tax (LART) Fund. Uses of LART revenue is limited to tourist promotion and visitor attraction as well as for economic development activities.

LART resources available for appropriation in 2016 are projected at \$4,875,600. This amount is based on a collaborative projection by the Colorado Springs Convention & Visitors Bureau (CVB) and City Finance staff.

Expenditure Overview

The LART Fund is overseen by City Council and a City Council appointed committee called the LART Advisory Committee. The LART Advisory Committee review applications for funding each year for visitor attraction and economic development related events and programs. Pursuant to City Code 2.9.110, the LART Advisory Committee makes recommendations to the City concerning expenditures of the LART Fund.

On January 1, 2015, the City entered into a three-year contract with the CVB, which expires on December 31, 2017. This is the first multi-year contract that has been executed between City and CVB. Paragraph 3-Funding Agreement, provides that two-thirds of LART revenue collected in excess of the LART revenue budget will also be paid to the CVB.

For 2016, the largest award is to the Colorado Springs Convention & Visitors Bureau (CVB), which is equivalent to 2/3 of the LART revenue. According to the contract with the CVB, in the event total annual revenue to the LART Fund during the year, including any amounts carried forward from prior years, are less than the appropriated amount, the CVB will pay the City back a percentage, equal to the percentage originally appropriated, of the difference between the budgeted amount and the actual collections. In the event total revenue to the LART Fund are more than the appropriated amount, the City will pay the CVB, in addition to the allocated amount, a percentage, equal to the percentage originally appropriated, of the difference between the budgeted amount and the actual collection.

LODGERS AND AUTOMOBILE RENTAL TAX (LART)

Total Anticipated Revenues from LART: \$4,875,600

Organization	Event/Project Name	LART Expenditures
Resolution Events		
Colorado Springs Diversity Forum	Everybody Welcome: Celebrating Diversity	\$3,750
Colorado Springs Philharmonic Orchestra	Summer Symphony 2016	\$123,000
Colorado Springs Rodeo Association	Pikes Peak or Bust Rodeo	\$21,000
Colorado Springs Sports Corporation	Rocky Mountain State Games	\$29,000
Colorado Springs Veterans Day Parade, Inc.	2016 Veterans Day Parade	\$11,000
Festival of Lights, Inc.	Festival of Lights Parade	\$13,400
Holly Berry House, Inc.	Holly Berry House Folk Art Festival	\$2,600
Hot Apple Productions, LLC	Labor Day Lift Off	\$122,000
International Association of Fire Fighters Local 5	Fallen Firefighter Memorial	\$16,360
Pikes Peak International Hill Climb	Pikes Peak Hill Climb Fan Fest	\$12,000
Pikes Peak Range Rider Foundation	Western Street Breakfast	\$3,900
Trails and Open Space Coalition	Starlight Spectacular	\$3,905
Subtotal for City Sponsored by Resolution		\$361,915
Tourism		
Colorado Springs Convention & Visitors Bureau	(2/3 of total LART revenue)	\$3,249,067
Colorado Springs Convention & Visitors Bureau	Airport Advertising (Regional Air Service Task Force)	\$150,000
American Diabetes Association	Tour de Cure	\$560
Bruno Event Team	2018 U.S. Senior Open	\$150,000
Colorado Military Taptoo	Colorado Military Taptoo	\$25,000
Colorado Springs Sports Corporation	Nitro Circus Live	\$25,000
	Roller Sports Event	
	Rocky Mountain Athletic Conference Wrestling Championship	
	The Broadmoor Pikes Peak Cycling Hill Climb	
Colorado Springs Youth Sports, Inc.	Adrenaline Showcase	\$35,000
Community Ventures	Summer tourism magazine	\$15,000
Cultural Office of the Pikes Peak Region (COPPeR)	PeakRadar.com	\$50,000
Great White North Communications Ltd.	Colorado Springs International Dragon Boat Festival	\$10,000
Pikes Peak Auto Hill Climb Educational Museum Inc.	Pikes Peak International Hill Climb	\$122,000
Pikes Peak Celtic Festival	Pikes Peak Celtic Festival	\$8,000
Pikes Peak Cycling Society	USA Pro Challenge	\$225,000
Pikes Peak Marathon, Inc.	Pikes Peak Ascent & Marathon	\$10,000
Pikes Peak Pickleball Association	2nd Annual Great Plains Regional Pickleball Tournament	\$5,000
Riviera Skateboards	Pikes Peak World Cup	\$15,000
Sk8-Strong	Rocky Mountain Rampage	\$20,000
Subtotal for Tourism		\$4,114,627
Community Events		
Angels of America's Fallen	Chick-fil-A Patriots' Festival	\$440
Cheyenne Mountain Zoo	Run to the Shrine	\$1,200
Colorado College	Llamapalooza	\$1,840
	Commencement	\$300
Colorado Springs Fine Arts Center	Colorado Springs Fine Arts Center	\$10,000
Colorado Springs Pridefest, Inc	Colorado Springs Pridefest	\$8,500
Colorado Springs Sports Corporation	Rio Olympic Downtown Celebration	\$20,000
Defenders of Freedom: Veterans Recognition Ride	Annual Veterans Recognition Ride	\$2,400
Friendly Sons & Daughters of St. Patrick	St. Pat's Parade, 5K Run, 50K Bike Ride	\$7,200
Gleneagle Sertoma Club	Pikes Peak Soap Box Derby	\$960
Good Times Car Show	Good Times Car Show	\$2,560
Grand Prix of Running	Take 5 in the Garden of the Gods	\$720
	Classic 10K Run	\$240
Imagination Celebration	What If...Festival of Innovation and Imagination	\$2,240
KRCC-FM Colorado College	Blues Under the Bridge	\$5,000
National MS Society, Colorado-Wyoming Chapter	Walk MS Colorado Springs	\$1,200

Organization	Event/Project Name	LART Expenditures
Old Colorado City Associates, Ltd	41st Annual Territory Days	\$18,400
Old Colorado City Foundation	Taste of OCC	\$220
Pikes Peak Art Council	Pikes Peak Art & Music Festival	\$2,500
Pikes Peak Road Runners, Inc.	Super Half Marathon & 5K	\$1,120
	American Discovery Trail Marathon	\$640
Revolution-Shift-S3ctor, LLC	Pikes Peak Airstrip Attack	\$10,000
Rocky Mountain Motorcycle Museum & Hall of Fame, Inc.	16th Annual Tejon Street Bike Fest	\$6,400
Spree Racing LLC	The Colorado Springs Half Marathon & 5K	\$10,000
Springs Spree: A City in Celebration, Inc.	Springs Spree	\$8,800
Susan G. Komen Colorado South	Race for the Cure	\$2,000
YMCA of the Pikes Peak Region	Sailin Shoes Race For Fun	\$1,920
	Turkey Trot 5K	\$2,560
Subtotal for Community		\$129,360
Capital Improvement		
City of Colorado Springs, Pikes Peak- America's Mountain	Pikes Peak Summit Complex	\$100,000
Pikes Peak Pickleball Association	Monument Valley Park Pickleball Courts	\$25,000
Rocky Mountain Field Institute	Garden of the Gods Community Restoration Program	\$10,000
Subtotal for Capital Improvement		\$135,000
Economic Development		
Small Business Development Center	Small Business Development Center	\$27,500
Subtotal for Economic Development		\$27,500
Total LART Expenditures		\$4,768,402
2016 Amount Available to be Appropriated		\$105,198

SENIOR PROGRAMS

Mission

To provide support for the YMCA Senior Center contract and the operations of the Golf Acres Complex.

Overview

Due to significant budget reductions in 2010, the Parks, Recreation and Cultural Services Department explored alternative means to provide services to the community. In some instances, partnerships were formed. In other instances, operations were turned over to a non-profit or for-profit entity. In 2010, it was determined that the best long-term solution was to transfer ownership of the Golf Acres Complex to the Housing Authority with the understanding that senior services would continue and potentially be enhanced or expanded over time. The agreement with the Housing Authority provided that the Housing Authority would continue to operate the Golf Acres Complex conveyed for senior services consistent with the usage at the time of the agreement. In addition, the agreement provided that if the Housing Authority proposed to cease senior services operations on the Golf Acres Complex, the City had the first right to reacquire the Golf Acres Complex under the same general terms and conditions. In November 2010, City Council approved Resolution No. 208-10 authorizing the transfer of the Human Services Complex (HSC) to the Housing Authority. In January 2011, City Council approved a supplemental appropriation ordinance (Ordinance No. 11-1) for the Human Services Complex Fund in the amount of \$1,200,000 and the Senior Center Fund in the amount of \$800,000 to allow payment of funds associated with the transfer of the Golf Acres Complex (a.k.a. the Human Services Complex or "HSC") and the Colorado Springs Senior Center to the Colorado Springs Housing Authority ("Housing Authority"). Actual cash transfers together were approximately \$1.6 million.

In 2014, the Housing Authority notified the City that it could no longer operate the Golf Acres Complex including the Senior Center under the existing model. In October 2014, the City issued a Request for Qualifications ("RFQ") to identify qualified firms capable of operating the Senior Center. The YMCA of the Pikes Peak Region ("YMCA") was the only respondent to the RFQ and was determined to be highly qualified by the RFQ review team. After determining that the City could take over operations, with the assistance of the YMCA, the City agreed to exercise its first right to reacquire the property. City staff, in coordination with the Senior Center staff, Housing Authority and YMCA, held multiple meetings with stakeholders to gather public input about the Senior Center transition. In addition, City staff accepted comments on comment cards

provided at the Senior Center, by email, and through many phone calls. In response to the input received, the City, Housing Authority and YMCA agreed to transfer the ownership and management of the complex on or about August 31, 2015, with a transition period between June 1 and August 31 to better ensure a seamless transition from Housing Authority ownership and management to City ownership and YMCA management. In order to accomplish that goal, the parties entered into three agreements.

1. **Conveyance agreement** – conveying from the Housing Authority to the City all real property at the Golf Acres Complex, all personal property related to the Senior Center and the remaining balances of the funds that were transferred to the Housing Authority in 2011.
2. **Professional services agreement** – between the City and the YMCA under which the YMCA served as the City’s agent during the transition period. The YMCA was responsible for evaluating the Senior Center operations, working with the City to create a transition plan, and implementing the transition plan.
3. **Management agreement** – under which the YMCA will operate and manage the Senior Center starting August 31, 2015.

In August 2015, City Council approved a supplemental appropriation ordinance (Ordinance No. 15-51) to adopt the 2015 budget and appropriate monies for the Senior Programs Fund to support all expenses incurred from September 1 through December 31, 2015 for the YMCA contract and operations of the Golf Acres Complex. The 2016 budget for the Senior Programs Fund is provided in the table below.

2016 Senior Programs	
Revenue	
CD Smith Trust	\$ 25,000
Koch Trust	\$ 5,000
Elliot Trust	\$ 7,000
Leases	\$ 248,000
Interest	\$ 1,800
Other	<u>\$ 3,200</u>
Total Revenue	\$ 290,000
Expenditures	
Maintenance and utilities – Golf Acres	\$ 146,000
CD Smith Trust eligible expenses	\$ 25,000
Commercial management fee	\$ 37,000
YMCA contract	<u>\$ 140,000</u>
Total Expenditures	\$ 348,000

Revenue Overview

For 2016, the revenue generated by Senior Center operations (program fees, room rental fees, etc.) is not expected to be sufficient to meet the estimated operating expenses—therefore, a \$140,000 payment to the YMCA is included below; rental revenue from tenants of the Golf Acres Complex is estimated to be \$248,000; dedicated revenue from the three trusts is estimated to be \$37,000; and interest and other revenue is estimated at \$5,000.

Expenditure Overview

For 2016, an estimated payment of \$140,000 will be made per the YMCA contract to offset its operating costs, \$183,000 will be used by the City for operations of the Golf Acres Complex; and \$25,000 is estimated for certain expenditures allowed by the CD Smith Trust. A draw from fund balance of \$58,000 will be needed to meet the total expenditures of \$348,000.

TRAILS, OPEN SPACE AND PARKS MAINTENANCE

2015 Budget: \$11,500

2016 Budget: \$1,150

Purpose:

Maintain parks, trails, medians, athletic fields, open space areas, and recreational facilities for the citizens of and visitors to Colorado Springs.

Revenue source:

Income from endowments and interest earnings.

Designated expenditure:

Parks, Recreation and Cultural Services for maintenance.

Grants Funds

AIRPORT GRANTS FUND

2015 Budget: \$14,000,000

2016 Budget: \$13,190,108

Purpose:

All anticipated grant revenue and interest earnings are budgeted, which streamlines the process for accepting grants. A resolution from City Council is still required to accept all grants, but a separate appropriation is not necessary.

Revenue source:

Airport Improvement Program (AIP) and Colorado Discretionary Aviation Grant funds, as well as any anticipated interest earnings.

Designated expenditure:

Grant activities as approved by City Council or Mayor, as required per the granting agency, plus interest earnings for those grants eligible to earn and spend interest income.

GRANTS FUNDS

2015 Budget: \$50,000,000

2016 Budget: \$39,125,239

Purpose:

All anticipated grant revenue and interest earnings are budgeted, which streamlines the process for accepting grants. A resolution from City Council is still required to accept all grants, but a separate appropriation is not necessary.

Revenue source:

Various grants as well as any anticipated interest earnings. Includes FEMA, CDBG, SAFETEA-LU, and FTA grant funds, among others.

Designated expenditure:

Grant activities as approved by City Council or Mayor, as required per the granting agency, plus interest earnings for those grants eligible to earn and spend interest income.

COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG)

Mission – To ensure decent affordable housing, to provide services to the most vulnerable in our communities, and to create jobs through the expansion and retention of businesses.

Each activity must meet one of the following national objectives for the program: benefit low- and moderate-income persons, prevention or elimination of slums or blight, or address community development needs having a particular urgency because existing conditions pose a serious and immediate threat to the health or welfare of the community for which other funding is not available.

(See the Housing narrative for details of this fund.)

EMERGENCY SHELTER ACT GRANT

ESG funds can be used for five program components: street outreach, emergency shelter, homelessness prevention, rapid re-housing assistance, and data collection through the Homeless Management Information System or HMIS.

(See the Housing narrative for details of this fund.)

HOME INVESTMENT PARTNERSHIP (HOME)

Awarded annually as formula grants to participating jurisdictions, the program allows States and local governments to use funds for grants, direct loans, loan guarantees or other forms of credit enhancements, or rental assistance or security deposits.

(See the Housing narrative for details of this fund.)

HOPE III

Provides HOPE planning grants and implementation grants to provide homeownership opportunities through the transfer of ownership, and rehabilitation, if necessary, of publicly-held properties in Federal, State, and local inventories to low-income, first-time homebuyers.

(See the Housing narrative for details of this fund.)

Debt Overview

The City has long term financial obligations in the form of several instruments such as Bonds, Certificates of Participation (COP) and Leases. While Bonds are considered a multi-year obligation, the other instruments are subject to annual appropriations and, therefore, not considered debt per the Tax Payer's Bill of Rights (TABOR).

Bond Ratings

To attain the lowest possible interest rates, the City obtains a credit rating from the major rating services. A strong rating provides for a lower interest rate which results in a lower cost to city taxpayers. The three major rating services are Moody's, Standard & Poor's, and Fitch. The following table presents a comparison of their respective ratings and their meaning:

Description	Moody's Rating	Standard & Poor's Rating	Fitch Rating
Best quality, extremely strong capacity to pay principal and interest	Aaa	AAA	AAA
High quality, very strong capacity to pay principal and interest	Aa	AA	AA
Upper medium quality, strong capacity to pay principal and interest	A	A	A
Medium grade quality, adequate capacity to pay principal and interest	Bbb	BBB to A-	BBB to A-
Speculative quality, low capacity to pay principal and interest	Ba and lower	BB and lower	BB and lower

Note: Within groups, Moody's designates those bonds with strongest attributes with a 1, for instance A1 or Aa1 would be of slightly higher quality than A2 or Aa2. Standard & Poor's and Fitch attach a "+" or a "-" to indicate slight variation within the rating groups. Examples would be AA- or A+ to indicate a credit better than an "A" but less than "AA."

The City's latest bond and certificate ratings are as follows:

Description	Moody's Rating	Standard & Poor's Rating	Fitch Rating
Bond / COP Issue Type			
Sales & Use Tax Revenue Bonds			
Series 2007 – SCIP	Aa3	AA+	N/A
Series 2009 – SCIP	Aa3	AA+	N/A
Certificates of Participation			
Series 2009 – USOC	Aa3	AA-	N/A
Series 2011 – Old City Hall, Red Rock Canyon, Skyview	Aa3	AA-	N/A
Parking Revenue Bonds	not rated	not rated	not rated
Airport Revenue Bonds	Baa1	BBB+	BBB+

General Obligation Debt

General Obligation bonds are direct obligations that pledge the full faith and credit of the City for the repayment of principal and interest. The City's total general obligation debt limit per the City Charter is 10% of the assessed valuation; therefore for 2016 the preliminary limit is \$498.1 million. The total general obligation bonded indebtedness in 2016 is \$0. This leaves an available debt margin of \$498.1 million or 100% of the City's debt limit remains available.

Sales Tax Revenue Bonds

Sales Tax Revenue bonds are issued to finance the construction of various capital improvements. Sales Tax Revenues are used to repay the principal and interest of the bonds.

In May 1999, the City issued \$87,975,000 in Sales Tax Revenue Bonds. The bonds were issued for various capital improvement projects recommended by the Springs Community Improvements Program (SCIP) citizen committees. While these bonds do not count against the City's debt limit, they commit sales tax revenue to pay them. During 2007, the City refinanced approximately \$10.4 million of these bonds; in 2009, the City refinanced the remaining \$34.5 million. The 2016 payment totals \$2,766,750, which is paid from a General Fund – General Cost account.

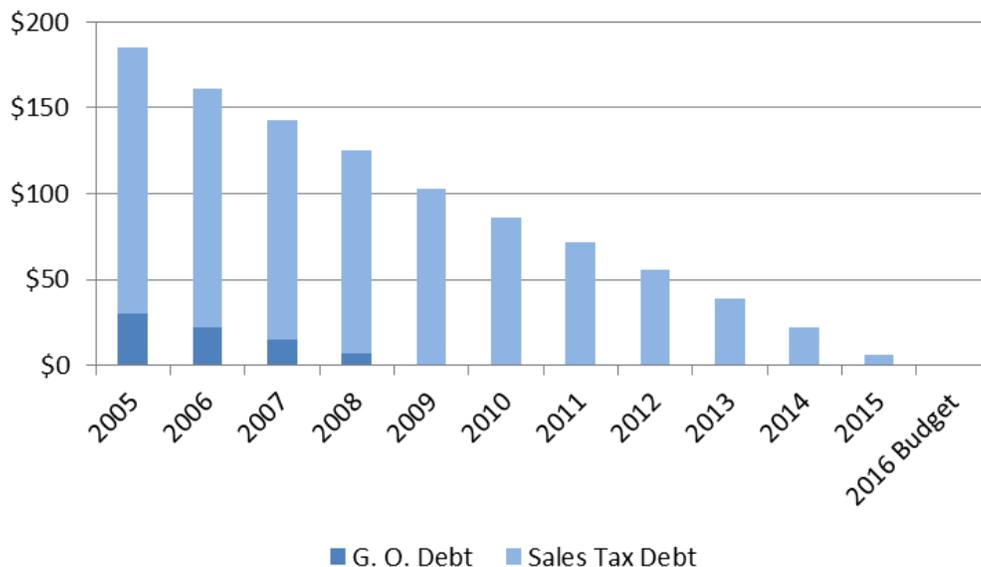
The following table reflects the future debt service requirements for all sales tax revenue bonds to maturity.

Springs Community Improvements Program (SCIP) – Combined Series 2007, Series 2009

Interest Rate on Outstanding Debt: 5.00%

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2016	\$2,635,000	\$131,750	\$2,766,750
Total	\$2,635,000	\$131,750	\$2,766,750

Outstanding Debt per Capita



In 2009, the General Obligation (G.O.) debt was paid off and, therefore, the G.O. debt per capita is \$0. After the 2016 debt payment, Sales Tax debt per capita will be zero.

Airport Revenue Bonds

2014 Airport System Revenue (previously 2002 Terminal Project)

In 2014 the Series 2002 Terminal Project (previously 1992A) was refinanced with a principal value of \$11,185,000 at an interest rate of 5.00%.

Interest Rate on Outstanding Debt: 5.00% (True Interest Cost 3.29%)

These bonds are not callable prior to maturity.

The 2016 payment totals \$1,462,500 and is paid through the Airport Enterprise Fund.

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2016	\$990,000	\$472,500	\$1,462,500
2017	1,040,000	423,000	1,463,000
2018	1,090,000	371,000	1,461,000
2019	1,145,000	316,500	1,461,500
2020	1,205,000	259,250	1,464,250
2021	1,265,000	199,000	1,464,000
2022	1,325,000	135,750	1,460,750
2023	<u>1,390,000</u>	<u>69,500</u>	<u>1,459,500</u>
Total	\$9,450,000	\$2,246,500	\$11,696,500

2007A Airport System Revenue

Interest Rates on Outstanding Debt: 4.00% – 4.25% (True Interest Cost 4.14%)

These bonds are callable in whole or in part at any time beginning December 15, 2016 with no call premium.

The 2016 payment totals \$347,587 and is paid through the Airport Enterprise Fund.

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2016	\$280,000	\$67,587	\$347,587
2017	295,000	56,388	351,388
2018	305,000	44,588	349,588
2019	315,000	32,388	347,388
2020	330,000	19,788	349,788
2021	<u>155,000</u>	<u>6,588</u>	<u>161,588</u>
Total	\$1,680,000	\$227,327	\$1,907,327

2007B Airport System Revenue

Interest Rates on Outstanding Debt: 4.00% – 4.375% (True Interest Cost 4.49%)

These bonds are callable in whole or in part at any time beginning December 15, 2016 with no call premium. The 2016 payment totals \$730,363 and is paid through the Airport Enterprise Fund.

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2016	\$480,000	\$250,363	\$730,363
2017	585,000	231,163	816,163
2018	610,000	207,762	817,762
2019	635,000	182,600	817,600
2020	660,000	155,613	815,613
2021	850,000	127,562	977,562
2022	1,050,000	91,438	1,141,438
2023	<u>1,040,000</u>	<u>45,500</u>	<u>1,085,500</u>
Total	\$5,910,000	\$1,292,001	\$7,202,001

Parking System Revenue Bonds

2015 Parking System Revenue Bonds

In 2015 the Series 1999 and Series 2006 Parking System Revenue Bonds were combined and refinanced with a principal value of \$9,520,000 at an interest rate of 2.43%.

These bonds are callable in whole on the first of any month beginning December 1, 2020 with no call premium. The 2016 payment totals \$910,420 and is paid through the Parking System Enterprise Fund.

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2016	\$695,000	\$215,420	\$910,420
2017	710,000	198,530	908,530
2018	720,000	181,278	901,278
2019	700,000	163,782	863,782
2020	715,000	146,772	861,772
2021	735,000	129,398	864,398
2022	750,000	111,537	861,537
2023	770,000	93,312	863,312
2024	790,000	74,601	864,601
2025	810,000	55,404	865,404
2026	830,000	35,721	865,721
2027	<u>640,000</u>	<u>15,552</u>	<u>655,552</u>
Total	\$8,865,000	\$1,421,307	\$10,286,307

Certificates of Participation (COP)

Certificates of Participation are issued for particular projects and are repaid from lease payments made by the City for use of the acquired property.

In October 2009, the City entered into a lease-purchase agreement with the City of Colorado Springs Public Facilities Authority to issue COP's for the United States Olympic Committee (USOC) facilities project in the amount of \$31,470,000. The project includes office space for the USOC Headquarters in downtown Colorado Springs and certain improvements at the USOC Olympic Training Center. The 2016 payment totals \$1,782,225 which is paid from a General Fund – General Cost account.

USOC Project Series 2009

Interest Rates on Outstanding Debt: 3.00%– 5.00%

These bonds are callable in whole at any time beginning November 1, 2019 with no call premium.

Year	Principal	Interest	Total
2016	\$320,000	\$1,462,225	\$1,782,225
2017	370,000	1,452,625	1,822,625
2018	425,000	1,440,600	1,865,600
2019	480,000	1,425,725	1,905,725
2020	540,000	1,408,925	1,948,925
2021	615,000	1,381,925	1,996,925
2022	690,000	1,351,175	2,041,175
2023	770,000	1,316,675	2,086,675
2024	850,000	1,278,175	2,128,175
2025	935,000	1,244,175	2,179,175
2026	1,025,000	1,206,775	2,231,775
2027	1,115,000	1,164,494	2,279,494
2028	1,210,000	1,118,500	2,328,500
2029	1,325,000	1,058,000	2,383,000
2030	1,445,000	991,750	2,436,750
2031	1,570,000	919,500	2,489,500
2032	1,710,000	841,000	2,551,000
2033	1,855,000	755,500	2,610,500
2034	1,950,000	662,750	2,612,750
2035	2,045,000	565,250	2,610,250
2036	2,150,000	463,000	2,613,000
2037	2,255,000	355,500	2,610,500
2038	2,370,000	242,750	2,612,750
2039	<u>2,485,000</u>	<u>124,250</u>	<u>2,609,250</u>
Total	\$30,505,000	\$24,231,244	\$54,736,244

Certificates of Participation (COP)

In May 2011, the City and the City of Colorado Springs Public Facilities Authority refinanced the 1999 Series Skyview Softball Complex, Series 2000 Old City Hall Project and the Series 2003 Red Rock Canyon Project COPs. Although this is part of a combined refinancing, the payments are separated as a result of multiple funding sources.

Skyview Softball Complex Series 2011 (1999 portion of combined 2011 series)

Interest Rates on Outstanding Debt: 3.0% – 5.0%

These bonds are not callable prior to maturity.

In September 1999, the City entered into a lease-purchase agreement with the City of Colorado Springs Public Facilities Authority to issue Certificates of Participation (COP's) for the Skyview Softball Complex in the amount of \$4,205,000. The project includes an adult sports complex consisting of six lighted softball fields and two lighted concrete fields designed for wheelchair sports.

The 2016 payment totals \$274,300 and is made from the Conservation Trust Fund and the Ballfield Capital Improvements Fund.

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2016	\$235,000	\$39,300	\$274,300
2017	240,000	29,900	269,900
2018	250,000	20,300	270,300
2019	<u>240,000</u>	<u>7,800</u>	<u>247,800</u>
Total	\$965,000	\$97,300	\$1,062,300

Old City Hall Project Series 2011 (2000 portion of combined 2011 series)

Interest Rates on Outstanding Debt: 3.0% – 5.0%

These bonds are not callable prior to maturity.

In July 2000, the City entered into a lease-purchase agreement with the City of Colorado Springs Public Facilities Authority to issue COP's for the Old City Hall project in the amount of \$7,265,000. The project included a major renovation of Old City Hall and acquisition of the Police Training Academy and Impound Lot.

The 2016 payment totals \$521,925 and is made from the General Fund – General Costs and Police Department accounts.

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2016	\$440,000	\$81,925	\$521,925
2017	460,000	64,325	524,325
2018	475,000	45,925	520,925
2019	300,000	22,175	322,175
2020	<u>205,000</u>	<u>7,175</u>	<u>212,175</u>
Total	\$1,880,000	\$221,525	\$2,101,525

Red Rock Canyon Project Series 2011 (2003 portion of combined 2011 series)

Interest Rates on Outstanding Debt: 3.0% – 5.0%

These bonds are not callable prior to maturity.

In November 2003, the City entered into a lease-purchase agreement with the City of Colorado Springs Public Facilities Authority to issue COP's for the Red Rock Canyon project in the amount of \$15,070,000. The project included the acquisition of approximately 732 acres on the City's west side.

The 2016 payment totals \$1,122,375 and is made from the Conservation Trust Fund and the Trails, Open Space and Parks Fund.

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2016	\$995,000	\$127,375	\$1,122,375
2017	1,030,000	93,825	1,123,825
2018	<u>1,075,000</u>	<u>53,750</u>	<u>1,128,750</u>
Total	\$3,100,000	\$274,950	\$3,374,950

Lease Financing

In August 2013, City Council approved a bank lease-purchase agreement in the amount of \$7.4 million to refinance the 2007 bank lease-purchase agreement for the purchase of the City Administration Building (CAB). At the end of the term, the City will have the option to purchase the building for \$4,066,212. The total payment for 2016 is \$626,759 and is made from the General Fund – General Costs account.

City Administration Building – 2013

Interest Rate on Outstanding Debt: 2.49%

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2016	\$473,294	\$153,465	\$626,759
2017	485,214	141,545	626,759
2018	497,435	129,324	626,759
2019	509,963	116,796	626,759
2020	<u>390,884</u>	<u>79,185</u>	<u>470,069</u>
Total	\$2,356,790	\$620,315	\$2,977,105

State Statute 29-1-103 (3) requires that all local governments set forth in the budget document all amounts for lease-purchase agreement obligations which involve funding commitments beyond the forthcoming fiscal year.

Description	1-1-16 Balance**	2016 Payment	12-31-16 Remaining
General Fund Lease-Purchase Obligations*	\$793,073	\$305,595	\$487,478

Description	1-1-16 Balance**	2016 Payment	12-31-16 Remaining
Other Fund Lease-Purchase Obligations	\$21,942	\$21,942	\$0

* The General Fund Lease Purchase Obligations other than the CAB.

** The balance is defined as all remaining financial obligations for principal from January 1, 2016, through the retirement of all lease-purchase agreement obligations represented in the figures shown above.

Grants Overview

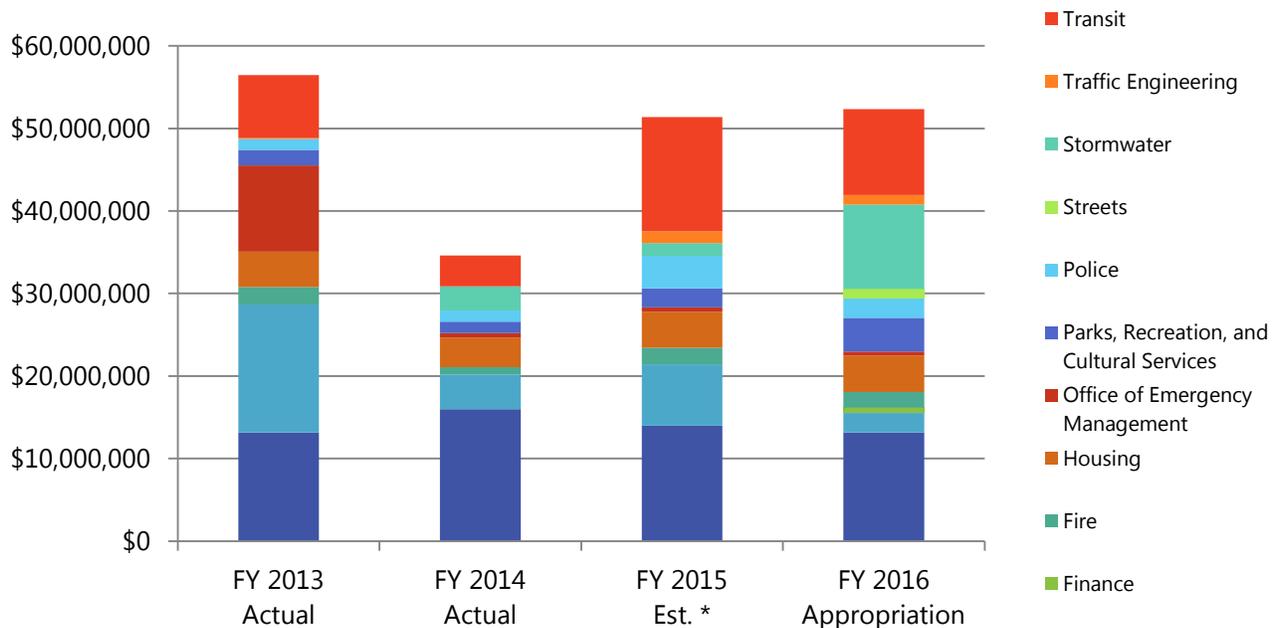
Grants Appropriation

\$52,315,347

Each year, the City of Colorado Springs appropriates an amount in the Budget to streamline the grant acceptance process. Under this model, anticipated grants need only be accepted by City Council resolution, if required by the granting agency. Grants received outside the Grants Appropriation require supplemental appropriations throughout the year.

The City of Colorado Springs anticipates an estimated decrease of \$11.5 million in the amount of grants to be appropriated in Fiscal Year 2016. The prior year amounts shown below include the total amount of the grants appropriation pool that was used during that respective fiscal year. The grants appropriation amount includes grant dollars as well as match dollars and other dollars (i.e., donations/private fund raising). Therefore, the grant appropriation amount each year is greater than the actual grant funds received by the City. The total for fiscal year 2016 includes potential grants for which departments intend to apply, including highly competitive grants that are not guaranteed.

Grant Funding and Appropriation Fiscal Years 2013-2016



* The FY 2015 Grants Appropriation is \$63.8M (not including \$4.1M of 2014 carry forward); however, the estimated activity includes grants of nearly \$51.4M awarded through July 31, 2015 as well as grants projected to be awarded from August 1, 2015 through fiscal year end.

Grants Appropriation **	2015	2016	Variance
Capital Improvement Grants †	\$44,107,086	\$19,952,355	(\$24,154,731)
Disaster Grants (FEMA DR-4229)	0	14,879,848	14,879,848
Operating Grants	19,741,029	17,483,144	(2,257,885)
Total Grants Appropriation	\$63,848,115	\$52,315,347	(\$11,532,768)

** The Grants Appropriation includes the anticipated federal/state grant funding, local grant match, and other funding sources (such as private donations).

† For 2014-2015, an exceptionally high amount of federal and state disaster grant funds for NRCS/EWP, HMGP and CDBG-DR programs was available for eligible projects related to the 2013 flooding. For 2016, these disaster grant programs are not available—returning the grant funding opportunities to a more historical level.

Grant Administration

Funds from federal, state and private sources are important resources that need to be included in the City's financial plan. The City is committed to a citywide coordination of grant activities among agencies and to determine the immediate and longer-term financial consequences of accepting funding. The City evaluates grant applications and awards to determine whether proposals are consistent with city priorities, ensures that proposals are coordinated with the City's existing programs, ensures that administrative, reporting and evaluation requirements are adequately addressed, assesses the need for a cash match, and evaluates the immediate and long-term financial consequences of the application. Agencies receiving the spending authority are responsible for complying with grant restrictions, applicability, and reporting. All grant funds will be expended for the purposes for which they were granted and in the time period for which they were granted.

Types of Grants

Grants facilitate operational capacity and capital investment that would otherwise be impossible for the City to accomplish due to financial restrictions. Grant funding supports local government operations, local capital improvement projects, and disaster recovery efforts—these funds are designated specifically to projects and improvements in line with the intent of the grantor. Grant funding, therefore, is temporary assistance to accomplish policy or infrastructure goals on behalf of the grantor.

Capital Improvement grants fund projects involving infrastructure improvement projects, purchases of equipment or property, and renovation of City facilities creating a fixed asset and having a long life. Capital Improvement Grants are discussed in the Capital Improvement Section, starting on page 31-1.

Disaster grants received from the Federal Emergency Management Agency's (FEMA) Public Assistance (PA) Grant Program is awarded to provide assistance to State, Tribal and local governments, and certain types of Private Nonprofit organizations so that communities can quickly respond to and recover from major disasters or emergencies declared by the President. To be eligible for funding, disaster recovery work performed on an eligible facility must be required as the result of a major disaster event, be located within a designated disaster area, and be the legal responsibility of an eligible applicant.

Operating grants fund programs undertaken by the City to provide services such as DUI enforcement checkpoints, Office of Emergency Management efforts, and therapeutic recreation projects. Grant funding awarded for operations is listed in each relevant department narrative of the Budget.

Matching Funds

Certain grants require matching funds as the recipient's demonstration of financial commitment to the grant-funded project. Matching funds can be contributed by the General Fund through the Budget process, cash or in-kind third party contributions.

Matching funds leverage City dollars to accomplish projects that otherwise could not be undertaken due to lack of financial resources. The return on the City's investment varies depending on the structure of the grant. Grantors may require differing levels of matching funds, some of which are required by federal, state, or other grantor statute. When possible, matching funds are sought from other entities.

Formula vs. Discretionary Grants

Formula grants are awarded according to the grantor's determination of equitable distribution of grant funds to the City of Colorado Springs. These include the Community Development Block Grant, and Transit Section 5307, among others.

Discretionary grants are generally competitive grants for which the City of Colorado Springs develops an application and the grantor determines the recipient. Discretionary grants award funds based on the viability of the proposed project, evidence of support from stakeholders, and quality of the application materials.

Grant Appropriation Detail

Type of Funding/Recipient	Anticipated Grant Funding	Budgeted Grant Match	2016 Grants Appropriation
Capital Improvement Grants			
Airport	\$11,666,000	\$614,000	\$12,280,000
City Engineering	1,708,250	618,245	2,326,495
Housing	900,000	0	900,000
Parks, Recreation, and Cultural Services	649,747	100,353	750,100
Traffic Engineering	924,036	231,009	1,155,045
Transit	2,319,922	220,793	2,540,715
Total Capital Improvement Grants	\$18,167,955	\$1,784,400	\$19,952,355
Disaster Grants (FEMA DR-4229)			
Airport	\$438,750	\$146,250	\$585,000
Fire	6,867	2,289	9,156
Parks, Recreation, and Cultural Services	2,185,329	728,443	2,913,772
Police	9,922	3,307	13,229
Streets	865,823	288,608	1,154,431
Stormwater	7,653,195	2,551,065	10,204,260
Total Disaster Grants (DR-4229)	\$11,159,886	\$3,719,962	\$14,879,848
Operating Grants			
Airport	\$325,108	\$0	\$325,108
Finance	657,047	0	657,047
Fire	1,899,000	0	1,899,000
Housing	3,475,350	0	3,475,350
Office of Emergency Management	493,660	0	493,660
Parks, Recreation, and Cultural Services	426,000	0	426,000
Police	2,356,000	0	2,356,000
Transit	7,850,979	0	7,850,979
Total Operating Grants	\$17,483,144	\$0	\$17,483,144
Total Grants Appropriation	\$46,810,985	\$5,504,362	\$52,315,347

* Note: Budgeted grant match funding the local share of FEMA DR-4229 grant projects will be comprised of multiple sources including FY 2016 local match requested through the Capital Improvement Program, funding appropriated in prior years as grant match, as well as funding approved through supplemental appropriation in FY 2015.

Capital Improvement Grants:

Capital Improvement grant funding and contributed match is included within the Capital Improvement Program All Funds Detail, starting on page 31-6. Match identified above is a component of the non-grant CIP funding sources, but may not make up the non-grant funded sources in their entirety.

Disaster Grants (FEMA DR-4229):

Grant funding anticipated from the FEMA PA grant program (mentioned above) for the declared disaster DR-4229 Colorado Severe Storms, Tornadoes, Flooding, Landslides, and Mudslides, from May 4, 2015 to July 16, 2015 is included within the Capital Improvement Program All Funds Detail, starting on page 31-6. The anticipated grant and required match are also included in the Office of Emergency Management section of the budget.

Operating Grants:

Grant funding awarded for operations is listed in each Department's budget narrative. The City's match contribution related to operating grants comes from a variety of sources, most commonly in-kind or third party contributions. Because in-kind contributions relate to expenses the City incurs regardless of receiving grant funding, contributed match is contained within each section of the budget and not identified separately. These contributions are reviewed prior to the submission of a grant application.

FEMA Public Assistance Grant – DR-4229

Within the FEMA PA grant program, eligible work is grouped into categories based on the type of work being completed. FEMA defined categories of work are:

Emergency Work

- *Category A: Debris Removal:* Clearance of trees and woody debris; certain building wreckage; damaged/ destroyed building contents; sand, mud, silt, and gravel; vehicles; and other disaster-related material deposited on public and, in very limited cases, private property.
- *Category B: Emergency Protective Measures:* Measures taken before, during, and after a disaster to eliminate/reduce an immediate threat to life, public health, or safety, or to eliminate/reduce an immediate threat of significant damage to improved public and private property through cost-effective measures.

Permanent Work

- *Category C: Roads and Bridges:* Repair of roads, bridges, and associated features, such as shoulders, ditches, culverts, lighting, and signs.
- *Category D: Water Control Facilities:* Repair of drainage channels, pumping facilities, and some irrigation facilities. Repair of levees, dams, and flood control channels fall under Category D, but the eligibility of these facilities is restricted.
- *Category E: Buildings and Equipment:* Repair or replacement of buildings, including their contents and systems; heavy equipment; and vehicles.
- *Category F: Public Utilities:* Repair of water treatment and delivery systems; power generation facilities and distribution facilities; sewage collection and treatment facilities; and communications.
- *Category G: Parks, Recreational, and Other Facilities:* Repair and restoration of parks, playgrounds, pools, cemeteries, mass transit facilities, and beaches. This category also is used for any work or facility that cannot be characterized adequately by Categories A-F.

Preliminary Damage Assessment:

The Preliminary Damage Assessment (PDA) is a joint assessment used to determine the magnitude and impact of an event's damage. A FEMA/State team will usually visit local applicants and view their damage first-hand to assess the scope of damage and estimate repair costs. The State uses the results of the PDA to determine if the

situation is beyond the combined capabilities of the State and local resources and to verify the need for supplemental Federal assistance. The PDA also identifies any unmet needs that may require immediate attention. Based on preliminary damage assessments performed by City representatives with assistance from the FEMA/State team, the breakdown of damage estimate by category, occurring within the disaster declaration period mentioned above, was as follows:

Category/Recipient	Preliminary Damage Assessment
Category A-Debris Removal	
Parks, Recreation, and Cultural Services	88,000
Stormwater	144,170
Streets	137,226
Total Category A-Debris Removal	\$369,396
Category B-Emergency Protective Measures	
Fire	9,156
Parks, Recreation, and Cultural Services	72,000
Police	13,229
Stormwater	5,902,053
Streets	20,985
Total Category B-Emergency Protective Measures	\$6,017,423
Category C-Roads and Bridges	
Parks, Recreation, and Cultural Services	530,154
Stormwater	327,331
Streets	68,194
Total Category C-Roads and Bridges	\$925,679
Category D-Water Control Facilities	
Airport	585,000
Parks, Recreation, and Cultural Services	25,000
Stormwater	3,830,707
Streets	668,026
Total Category D-Water Control Facilities	\$5,108,733
Category F-Public Utilities	
Streets	260,000
Total Category F-Public Utilities	\$260,000
Category G-Parks, Recreational, and Other Facilities	
Parks, Recreation, and Cultural Services	2,198,618
Total Category G-Parks, Recreational, and Other Facilities	\$2,198,618
Total DR-4229 Initial Damage Assessment	\$14,879,848

Project Formulation and Cost Estimate:

Project formulation is the process of documenting the damage to the facility, identifying the eligible scope of work, and estimating the costs associated with that scope of work for each of the applicant's projects. Project formulation allows applicants to administratively consolidate multiple work items into single projects in order to expedite approval and funding, and to facilitate project management. The City is currently going through project formulation to estimate actual cost at this time. Estimated actual cost is expected to vary from the preliminary damage assessment estimate provided above.

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