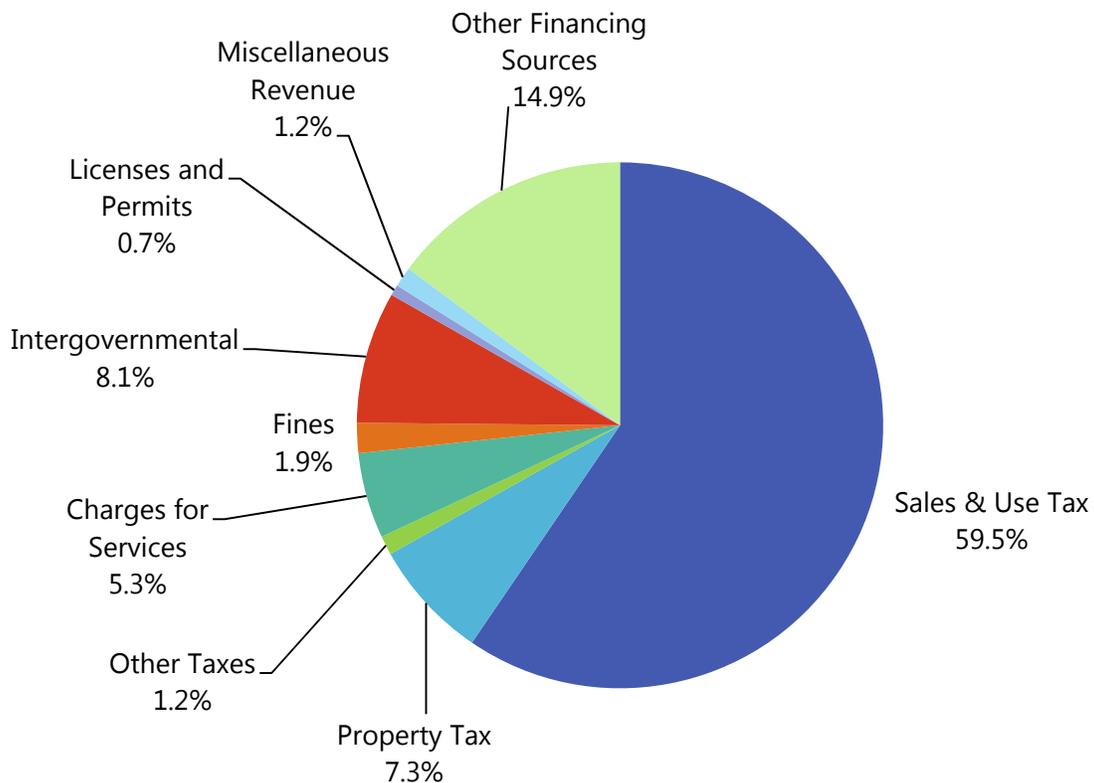


2017 GENERAL FUND REVENUE

\$272,443,409

Revenue Type	2015 Actual	2016 Budget	Current 2016 End of-Year Forecast*	2017 Budget	2017 Budget-2016 Budget
Sales & Use Tax	\$148,056,105	\$157,319,940	\$156,385,940	\$162,146,245	\$4,826,305
Property Tax	19,491,558	19,894,550	20,035,000	20,020,059	125,509
Other Taxes	3,004,326	2,999,582	3,204,082	3,197,050	197,468
Charges for Services	15,476,073	14,379,655	14,574,155	14,336,766	(42,889)
Fines	5,104,132	5,554,892	4,873,111	5,051,801	(503,091)
Intergovernmental	21,341,195	20,178,116	21,255,116	22,072,272	1,894,156
Licenses and Permits	2,112,769	1,905,320	2,281,720	1,825,876	(79,444)
Miscellaneous Revenue	2,912,656	2,496,960	2,595,261	3,316,324	819,364
Other Financing Sources	40,301,158	42,031,489	41,356,789	40,477,016	(1,554,473)
General Fund Revenue	\$257,799,971	\$266,760,504	\$266,561,174	\$272,443,409	\$5,682,905

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

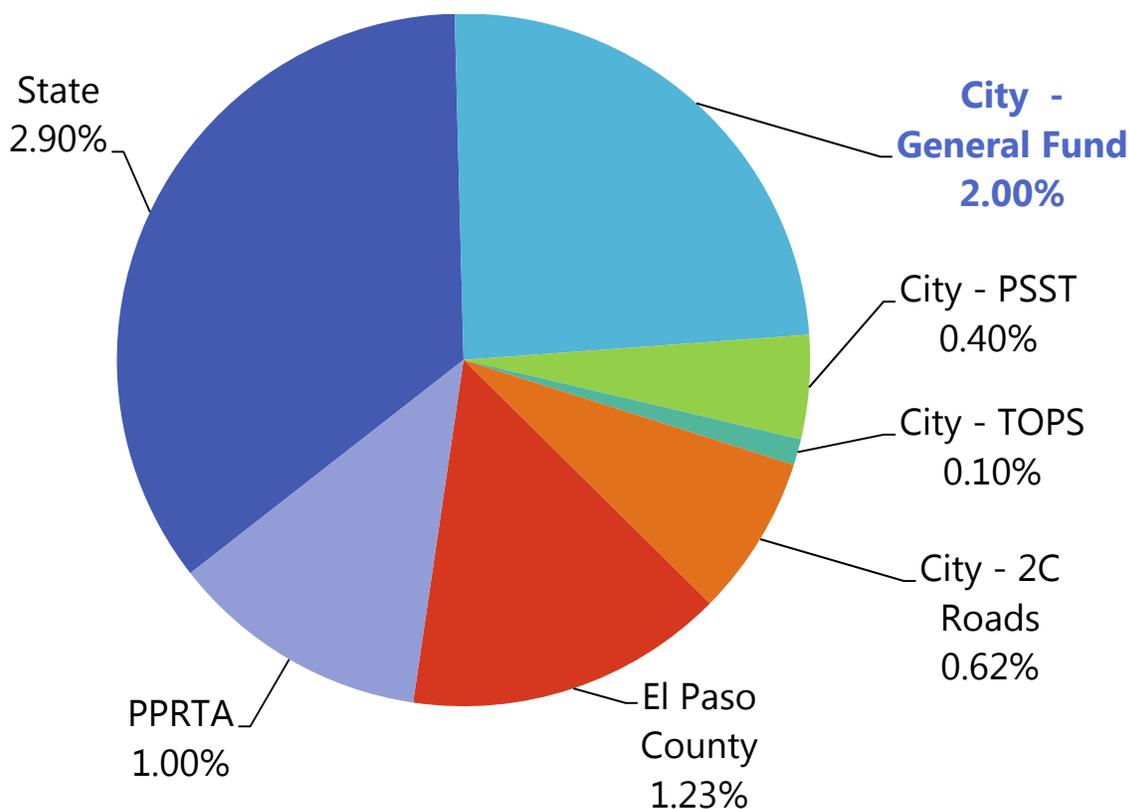


2017 GENERAL FUND SALES & USE TAX REVENUE

\$162,146,245

- Largest source of revenue for the City's General Fund
- Budgeted to grow 3.1% over 2016

The Total Local Sales Tax Rate is:
8.25%

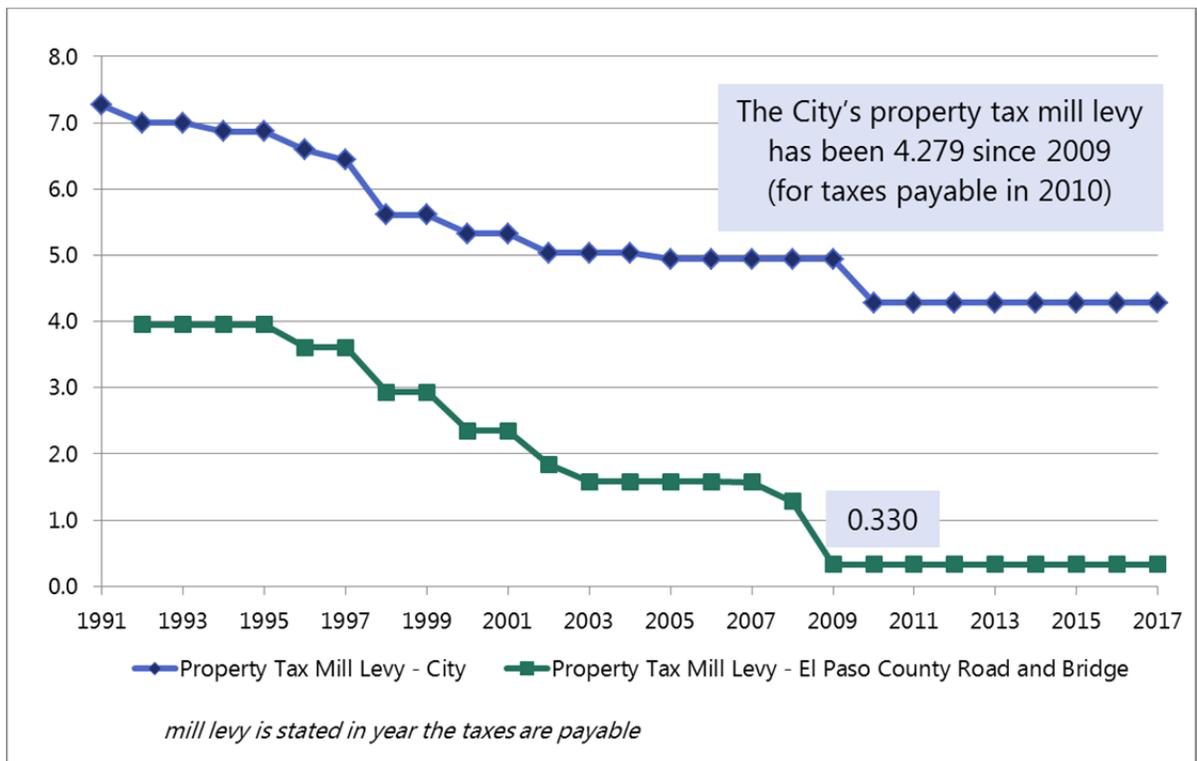


The total City portion of the Sales Tax Rate is **3.12%**

2017 GENERAL FUND PROPERTY TAX REVENUE

\$20,020,059

- 7.3% of total General Fund revenues



Property Tax

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

El Paso County Road & Bridge Levy

The El Paso County Road and Bridge mill levy (for which the City receives half of the revenue) was reduced from 1991 through 2008. In 2008, the mill levy was reduced to 0.330 and has remained at that level since. The City's share of the revenue from the El Paso County Road and Bridge mill levy was impacted greatly by this mill levy reduction – from 2008 to 2009, the Road and Bridge mill levy revenue decreased by \$2,205,888. For the 2017 budget, the Road and Bridge mill levy revenue is projected to be \$824,000.

2017 GENERAL FUND OTHER REVENUE

Other Taxes Revenue **\$3,197,050**

Includes occupational tax on establishments selling alcoholic beverages and specific ownership taxes imposed by the State.

MAJOR NON-TAX REVENUE SOURCES

Charges for Services **\$14,336,766**

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

Fines **\$5,051,801**

Includes fines from general violations, parking meter violations, and traffic violations, which are projected to increase 3.7% over 2016 year-end projections.

Intergovernmental Revenue **\$22,072,272**

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

Licenses and Permits **\$1,825,876**

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

Other Financing Sources **\$40,477,016**

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

Taxpayer’s Bill of Rights (TABOR) Calculation

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

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

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

For the 2017 growth formula, the percentage change in the CPI is projected to be 2.71% and local growth is expected to be 1.27%. Thus, the combined formula increase is projected to total 3.98%.

Five-Year TABOR Limit

City of Colorado Springs 2013 – 2017 Projected TABOR & City Charter Revenue Limits					
Revenue					
Fiscal Year	Total Eligible Revenue	TABOR Limit		Over (Under) Limit	
2013	\$226,427,567	\$228,130,957		(\$1,703,390)	
2014	\$239,423,575	\$239,435,801		(\$12,226)	
2015	\$239,849,761	\$244,930,323		(\$5,080,562)	
2016 est.	\$253,399,529	\$251,093,169		\$2,306,360	
2017 proj.	\$261,308,121	\$263,962,003		(\$2,653,882)	
Revenue Limitation Estimates					
Fiscal Year	Inflation	Local Growth		Limit	
2013	1.94%	+	1.28%	=	3.22%
2014	2.77%	+	2.05%	=	4.82%
2015	2.78%	+	1.44%	=	4.22%
2016 est.	1.18%	+	1.27%	=	2.44%
2017 proj.	2.71%	+	1.27%	=	3.98%

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