

# General Costs

## Overview

The General Cost section of the budget provides a funding source for the general expenses of City government, which are common to multiple programs or cannot be identified with a specific program.

## Budget Summary

	2010 Actual	2011 Actual	2012 Budget	2013 Budget
FLSA Payments	\$2,021,642	\$2,020,884	\$0	\$0
Retired Employees Insurance	1,751,606	1,738,455	1,624,000	1,800,000
Unemployment Insurance	419,200	259,530	50,000	150,000
VAR Program	918,601	0	0	0
<b>Total Salaries and Benefits</b>	<b>\$5,111,049</b>	<b>\$4,018,869</b>	<b>\$1,674,000</b>	<b>\$1,950,000</b>
Allocations and Internal Services Charges				
Barricading	\$172,656	\$172,656	\$172,652	\$172,656
Employee Benefit Self Insurance Fund	0	0	0	292,998
Environmental Protection Program	101,976	60,405	60,405	60,405
Fleet Management	6,503,852	6,941,992	7,105,723	6,437,516
Fleet Vehicle Lease-Purchase	1,087,733	1,071,050	1,130,561	1,302,860
Machine/Weld Shop	16,680	16,680	16,680	16,680
Office Services	617,976	517,800	582,499	582,381
Property Disposal - City share	44,244	44,244	44,244	0
Radio Communications	1,118,844	1,010,196	1,004,204	1,082,947
Real Estate Services	125,868	111,204	0	0
Risk Management	387,156	472,032	0	0
Workers Compensation Fund	0	350,000	0	0
Animal Control Contract	1,214,390	1,209,861	1,280,879	1,040,000
Annual Financial Audit	190,260	169,400	159,500	170,000
Capital Lease Purchase	1,337,000	0	0	0
City Admin Building (CAB) - Security/Utilities/Janitorial	529,845	489,072	630,351	633,880
City Building Security Contract	0	91,980	0	91,740
City Hall - Security/Utilities/Janitorial	252,011	225,708	311,207	311,370
City Hall and Police Training Academy COP Payment	478,250	372,423	387,468	384,567
Compensation Study results implementation/ Emergency CIP	0	0	0	2,200,000
Debt Refinancing/Refunding	0	16,450,865	0	0
Dues and Memberships	334,948	324,815	42,916	42,916

## Budget Summary

	2010 Actual	2011 Actual	2012 Budget	2013 Budget
Economic Development				
Colorado Springs Technology Incubator (CSTI)	50,000	50,000	50,000	0
Economic Development Corporation (EDC)	70,000	70,000	70,000	0
Tax Increment Financing / Shared Revenue Agreements	1,823,579	4,218,695	4,520,000	3,700,000
Small Business Development Center (SBDC)	62,500	50,000	50,000	0
USOC COP Payment	1,538,409	1,614,640	1,621,675	1,658,875
Election Expenses	230,229	707,683	0	450,000
Employee Awards Program	111,010	70,628	76,000	76,000
Facilities Maintenance Contract with El Paso County	927,980	870,969	897,000	897,000
Firefighter Memorial Event	0	0	5,000	0
General Insurance - contribution to Self-Insurance Fund	500,004	500,000	500,000	500,000
General Insurance - insurance premiums	485,025	396,361	350,000	400,000
Health Programs	105,750	100,573	45,000	45,000
Homeward Pikes Peak	50,000	80,000	80,000	60,000
Lease-Purchase Costs – City Admin Building (CAB)	625,171	625,171	628,171	628,171
Legal Defense Reserve	115,692	194,733	680,000	680,000
Rental and CAM Costs – Pikes Peak Regional Development Center	101,591	120,777	130,000	130,000
Retirement Awards	16,591	10,777	10,000	10,000
Sales Tax Vendor Fee Reimbursement	197,192	0	0	0
SCIP – Debt Service Payment	0	0	0	7,847,000
Services	(50,008)	896,149	607,545	674,281
Special Events In Kind Services	0	0	0	535,000
Streetlight Program	3,561,588	4,437,663	4,496,687	4,002,579
Transfer to Other Funds - Pikes Peak-America's Mountain - Erosion Control	0	1,000,000	0	0
<b>Total Operating Expenses</b>	<b>\$25,035,992</b>	<b>\$46,117,202</b>	<b>\$27,746,367</b>	<b>\$37,116,822</b>
General Fund contribution to CIP	\$4,988,042	\$5,457,924	\$5,468,930	\$5,325,133
General Fund contribution to CIP - Streets	0	0	0	2,000,000
General Fund contribution to CIP - Stormwater	0	0	0	2,000,000
SCIP – Debt Service Payment	7,846,650	7,851,000	7,844,350	0
<b>Total CIP</b>	<b>\$12,834,692</b>	<b>\$13,308,924</b>	<b>\$13,313,280</b>	<b>\$9,325,133</b>
<b>Organization Total</b>	<b>\$42,981,733</b>	<b>\$63,444,995</b>	<b>\$42,733,647</b>	<b>\$48,391,955</b>

\* For 2013, the total unrestricted Capital Improvements Program totals \$9,444,633 which includes \$54,000 in anticipated interest earnings and \$110,500 in anticipated insurance damage settlements.

## *Expenditure Detail*

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### **SALARY AND BENEFITS EXPENDITURES**

**Fair Labor Standards Act (FLSA) Payment** – The last of the three payments related to the October, 2008 United States District Court settlement was made in 2011.

**Retired Employees Insurance** – The City's contribution to health and life insurance plans for retired employees.

**Unemployment Insurance** – Set aside for paying unemployment benefits to separated employees awarded payments by an administrative or judicial process related to the condition of the employee's termination.

**VAR Program** – The City used a Voluntary Attrition Retirement Program (VAR) as a method to reduce the overall budget in 2010.

### **OPERATING EXPENDITURES**

**Allocation and Internal Support Charges** – These funds allow for detailed accounting of charges and allocations, which fund various Internal Services supporting General Fund programs. The Internal Services programs include Fleet Management, Office Services and Radio Services. Additionally, Colorado Springs Utilities is paid for the environmental protection program and barricading functions.

- **Employee Benefit Self Insurance Fund** – General Fund share of increased medical plan costs for 2013
- **Fleet – Vehicle Lease-Purchase** – This payment is for the lease-purchase of vehicles and equipment.
- **Fleet – Vehicle Replacement** – These funds are used for cash purchases of vehicles and equipment, which are not part of the City's lease purchase contract.
- **Workers' Compensation Insurance** – Supplemental payment to the City's Workers' Compensation fund to maintain adequate funding for payment of claims.

**Animal Control Contract** – The City's cost for the annual contract for animal control services within the Colorado Springs city limits. The 2013 contract amount is \$1.04 million, which includes a decrease of \$240,879 primarily due to the General Fund no longer receiving revenue associated with dog licensing.

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

**Capital Lease Purchase** – Purchase of capital equipment through a lease-purchase.

**City Administration Building (CAB) – Security/Utilities/Janitorial** – This is funding for the CAB's security, utilities and janitorial services.

**City Hall – Security/Utilities/Janitorial** – This is funding for City Hall's security, utilities and janitorial services.

**City Hall and the Police Training Academy COP Payments** – The lease-purchase payment on certificates of participation (COPs) used to finance the renovation of City Hall and the acquisition of the Police Training Academy and Police Impound Lot. This is part of a combined refinancing of series 1999, 2000, 2003 that occurred in 2011, reducing the payment significantly. For 2013, the payment amount is \$387,468. Funding of \$134,507 for a portion of the COP payment for the Police Impound Lot and Training Academy is budgeted in the Police Department's budget.

**Compensation Study results implementation/Emergency CIP** – Funding in the amount of \$2.2 million dollars is reserved to implement the results of the Compensation Study. If, after implementing the changes derived from the Compensation Study, there are funds remaining, they will be used to fund emergency Capital Improvement needs.

**Debt Refinancing/Refunding** – Cost of issuing or refinancing a portion of outstanding debt to create net present value savings for the City.

**Dues and Memberships** – This is the City's share of membership costs for Council-approved organizations deemed beneficial to the interests of the City. These costs are shared with Colorado Springs Utilities. Examples include the Pikes Peak Area Council of Governments (PPACG), Colorado Municipal League (CML), International City/County Management Association (ICMA), National League of Cities (NLC), Sister Cities International, and U.S. Conference of Mayors. In 2010, the National League of Cities (NLC) and the Sister Cities International membership and dues costs were transferred to the City Council budget. In 2012, Colorado Municipal League (CML) and Pikes Peak Area Council of Governments (PPACG) were transferred to the City Council Budget.

**Economic Development** – Prior to 2013, funding for economic development efforts including the Colorado Springs Technology Incubator (CSTI), Economic Development Corporation (EDC), Business Retention and Expansion Visitation (BREV) Program, and the Small Business Development Center (SBDC) was paid from the General Fund. For 2013, the payments will be made directly from the Lodgers and Auto Rental Tax (LART). The City also has agreements relating to shared revenue and economic stimulus arrangements including the revitalization of North Nevada.

**Election Expenses** – Funding for municipal elections. For 2013, funding for municipal elections in the amount of \$450,000 is included.

**Employee Awards** – As part of the employee salary system, funds are provided for individuals who perform in an exemplary manner over and above the normal performance pay criteria. Two award components receive funding: Service Awards for \$36,000 and Employee Recognition Awards for \$40,000.

**Facilities Maintenance Contract – El Paso County** – El Paso County is paid for facilities management.

**Firefighter Memorial Event** – The annual event to honor fallen firefighters.

**General Insurance – contribution to Self-Insurance Fund** – For liability insurance costs for the General Fund for the contribution to the Self-Insurance Fund.

**General Insurance – insurance premiums** – For liability premium costs for the General Fund.

**Health Programs** – This is the City's share of the Employee Assistance Program (EAP), Health Plan Communication/Printing, and medical claims administration audits as necessary. The Drug Testing and Counseling Programs are provided by the City's Occupational Health Clinic.

**Homeward Pikes Peak** – Funding for continued coordination of the Colorado Springs homeless service programs. This includes counting the homeless in the community and establishing a Homeless Management Information System.

**Lease-Purchase Costs for City Administration Building (CAB)** – During 2003, the City entered into a lease-purchase agreement with Colorado Springs Utilities to acquire the CAB, and in 2007, the City refinanced the remaining portion of the agreement with a bank lease-purchase to achieve financial savings.

**Legal Defense Reserve** – This is the appropriation established by City Council annually or as required to pay for costs not covered by self-insurance for specialized legal services and expenses associated with legal actions against the City.

**Rental Costs – Pikes Peak Regional Development Center (PPRDC)** – 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. These annual payments are subject to change based on the details of the PPRDC COPs.

**Retirement Awards** – Funding is to provide small mementos to employees, in good standing, retiring from the City.

**Sales Tax Vendor Fee Reimbursement** – Due to an accounting change, this reimbursement for sales tax collections was budgeted for the first time in 2006. This expenditure increased or decreased as the sales and use tax revenue changed. The vendor fee compensated businesses for collecting the sales tax for the City. For 2010, as part of the budget balancing measures, the Sales Tax Vendor Fee Reimbursement was eliminated. The Sales Tax Vendor Fee Reimbursement elimination was due to sunset in March 2012, however, in early 2012, City Council approved the permanent elimination of the Sales Tax Vendor Fee reimbursement.

**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 majority of the debt will be retired in 2015. For 2013, payment of \$7,847,000, is paid from the General Cost section and is no longer included in the transfer to CIP.

**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 updating, financial consulting, lobbying, West Nile Virus payments to El Paso County, and other miscellaneous services.

**Special Events** – This funding is for in-kind services provided by City departments during special events. For 2013, funding in the amount of \$535,000 was transferred to General Costs including \$30,000 from fire, \$280,000 from Police and \$225,000 from Lodgers and Auto Rental Tax (LART).

**Streetlight Program** – In 2006, the Streetlight Program was transferred from Colorado Springs Utilities to the General Fund. In 2010, one-third of the streetlights (approximately 8,000) were turned off to save energy and replacement costs. This effort saved the City \$1,245,000 in the General Fund budget. For 2011, residential streetlights were restored. For 2013, the remaining 3,500 streetlights will be restored. However, one-time funding for 2012 is removed. This will result in an overall decrease of \$270,000.

**Transfer to Other Funds – Pikes Peak-America's Mountain – Erosion Control** – For 2011, funding of \$1,000,000 was included to assist the Pikes Peak Highway in completing the sediment and erosion control project by 2012, which is required by consent decree. Also, in 2010, funding of \$1,000,000 was provided from the General Fund, but was budgeted in the CIP appropriation. This project was completed in 2012.

## **CAPITAL OUTLAY EXPENDITURES**

**City CIP Construction Fund** – For 2012, the total unrestricted Capital Improvements Program totals \$9,444,633, which includes \$54,000 in anticipated interest earnings and \$110,500 in anticipated insurance damage settlements. These projects are for the payment on the Citywide Data Center, City matching funds for the Safe, Accountable, Flexible, Efficient Transportation Equity Act-Legacy for Users (SAFETEA-LU) federal transportation grants, ongoing City facility repairs, the payment for repairs made to the City Administration Building, Sertich Ice Center, and Municipal Court building.

**General Fund Contribution to CIP – Streets** – Includes funding to repair, maintain, rebuild or install roads, bridges and other major infrastructure throughout the City.

**General Fund Contribution to CIP – Stormwater** – Includes funding to repair, maintain, rebuild or install stormwater and drainage infrastructure throughout the City. Two planned projects include the Mirage Channel Replacement and Cottonwood Creek Drop Structure Repair – Academy, East to La Madrina.