

# General Costs

## Overview

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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

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	2011 Actual	2012 Actual	2013 Budget	2014 Budget
FLSA Payments	\$2,020,884	\$0	\$0	\$0
Retired Employees Insurance	1,738,455	1,379,694	1,800,000	1,800,000
Unemployment Insurance	259,530	141,854	150,000	150,000
<b>Total Salaries and Benefits</b>	<b>\$4,018,869</b>	<b>\$1,521,548</b>	<b>\$1,950,000</b>	<b>\$1,950,000</b>
Internal Services Charges and Allocations				
Barricading	\$172,656	\$152,656	\$172,656	\$172,656
Employee Benefit Self Insurance Fund	0	0	292,998	0
Environmental Protection Program	60,405	60,408	60,405	60,405
Fleet Management	6,941,992	7,424,885	6,437,516	0
Lease-Purchase Costs – Vehicle Replacement	1,071,050	1,617,522	1,302,860	0
Machine/Weld Shop	16,680	16,680	16,680	16,680
Office Services	517,800	582,504	582,381	589,630
Property Disposal - City share	44,244	0	0	0
Radio Communications	1,010,196	1,004,208	1,082,947	995,958
Real Estate Services	111,204	0	0	0
Risk Management	472,032	0	0	0
Workers' Compensation Fund	350,000	0	0	0
Animal Control Contract	1,209,861	1,270,179	1,040,000	1,080,000
Annual Financial Audit	169,400	165,190	170,000	170,000
Capital Lease Purchase	0	2,320,445	0	0
City Admin Building (CAB) – Security/Utilities Janitorial	489,072	437,107	633,880	633,880
City Building Security Contract	91,980	91,860	91,740	91,740
City Hall - Security/Utilities/Janitorial	225,708	233,121	311,370	311,370
City Hall and Police Training Academy COP Payment	372,423	392,118	384,567	381,567
Compensation Study results implementation/ Emergency CIP	0	0	2,200,000	0
Debt Refinancing/Refunding	16,450,865	0	0	0
Dues and Memberships	324,815	1,190	42,916	1,190

## Budget Summary

	2011 Actual	2012 Actual	2013 Budget	2014 Budget
Economic Development				
Colorado Springs Technology Incubator (CSTI)	50,000	50,000	0	0
Economic Development Corporation (which includes \$45,000 funding for the Business Retention and Expansion Visitation (BREV) Program	70,000	70,000	0	0
Tax Increment Financing / Shared Revenue Agreements	4,218,695	3,172,429	3,700,000	4,000,000
Small Business Development Center (SBDC)	50,000	50,000	0	0
USOC COP Payment	1,614,640	1,621,675	1,658,875	1,700,275
Election Expenses	707,683	587	450,000	250,000
Employee Awards Program	70,628	68,753	76,000	76,000
Facilities Maintenance Contract with El Paso County	870,969	897,098	897,000	950,000
General Insurance - contribution to Self-Insurance Fund	500,000	500,000	500,000	800,000
General Insurance - insurance premiums	396,361	393,951	400,000	400,000
Health Programs	100,573	101,786	45,000	45,000
Homeward Pikes Peak	80,000	80,000	60,000	0
Lease-Purchase Costs – City Administration Building (CAB)	625,171	628,171	628,171	626,760
Lease-Purchase Costs – Other	0	0	0	302,211
Legal Defense Reserve	194,733	536,995	680,000	73,000
Legal Settlement Costs	0	3,601,361	0	0
Rental and CAM Costs – Pikes Peak Regional Development Center	120,777	132,029	130,000	132,000
Retirement Awards	10,777	10,732	10,000	10,000
SCIP – Debt Service Payment	0	7,844,350	7,847,000	7,843,450
Services	896,149	951,802	674,281	736,843
Special Events In Kind Services	0	0	535,000	679,871
Streetlight Program	4,437,663	3,899,122	4,002,579	4,130,134
Transfer to Other Funds - Pikes Peak-America's Mountain - Erosion Control	1,000,000	0	0	0
<b>Total Operating Expenses</b>	<b>\$46,117,202</b>	<b>\$40,380,914</b>	<b>\$37,116,822</b>	<b>\$27,260,620</b>
General Fund contribution to CIP	\$6,396,757	\$5,468,930	\$9,325,133	\$10,860,472
General Fund - Projects	0	0	0	980,000
SCIP – Debt Service Payment	7,851,000	0	0	0
<b>Total CIP</b>	<b>\$14,247,757</b>	<b>\$5,468,930</b>	<b>\$9,325,133</b>	<b>\$11,840,472</b>
<b>Organization Total</b>	<b>\$64,383,828</b>	<b>\$47,371,392</b>	<b>\$48,391,955</b>	<b>\$41,051,092</b>

\* For 2014, the total unrestricted Capital Improvements Program totals \$11,007,472, which includes \$54,000 in anticipated interest earnings and \$93,000 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.

### **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 2013 increased medical plan costs.
- **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.

\* For 2014, funding for Vehicle Lease-Purchase was transferred to the Fleet Management budget in Public Works.

**Animal Control Contract** – The City's cost for the annual contract for animal control services within the Colorado Springs city limits. The 2014 contract amount is \$1.08 million, which is year two of a 3-year contract that was approved by City Council Resolution in November 2012.

**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 2014, the payment amount is \$381,567. Additional funding of \$134,508 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** – In 2013, funding in the amount of \$2.2 million dollars was reserved to implement the first phase of the Compensation Study.

**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** – For 2012, Colorado Municipal League (CML) and Pikes Peak Area Council of Governments (PPACG) were transferred to the City Council Budget. In 2014, funding is provided for membership dues to Sister Cities International.

**Economic Development** – Prior to 2013, funding for economic development efforts including the Colorado Springs Technology Incubator (CSTI), Colorado National Defense Support Coalition, Colorado Springs Regional Business Alliance (pka: Economic Development Corporation and Greater Colorado Springs Chamber of Commerce), Business Retention and Expansion Visitation (BREV) Program, and the Small Business Development Center (SBDC). Beginning in 2013, these payments are 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** – For 2014, funding for municipal elections in the amount of \$250,000 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.

**General Insurance – contribution to Self-Insurance Fund** – For liability insurance costs for the General Fund for the contribution to the Self-Insurance Fund. For 2014, the transfer is increased by \$300,000 to ensure an adequate level of funding for claims.

**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. During 2013, the lease-purchase was refinanced to take advantage of lower interest rates.

**Lease-Purchase Costs – Other** – For 2014, the lease-purchase payments total \$302,211 for the purchase of capital equipment such as data storage equipment, police tasers/holsters/batteries, and building improvements.

**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.

**Legal Settlement Costs** – In 2012, the total cost of litigation settlements was \$3,601,361.

**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.

**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.

**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** – For 2014, funding of \$679,871 is projected for in-kind services provided by City departments during special events.

**Streetlight Program** – The charge from Colorado Springs Utilities for the operation of the Streetlight system.

**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 was required by consent decree.

## **CAPITAL OUTLAY EXPENDITURES**

**City CIP Construction Fund** – For 2014, the total unrestricted Capital Improvements Program totals \$11,007,472, which includes \$54,000 in anticipated interest earnings and \$93,000 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, and ongoing City facility repairs.

**General Fund – Projects** – The General Fund Projects include an analysis of facilities and prioritization of repair needs, a Public Works optimization for CIP process design and public input, and an update of the City’s Comprehensive Plan.

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