

## **Financial checkup reveals positive trends, need for caution**

**By Anthony Welch**

A checkup of the City of Manitou Springs' finances showed things aren't as bad as they seem, but could always be better.

Gunderson and Clifton CPAs Carrie Bartow and Jon Heckendorf presented the checkup to Manitou City Council at its work session Tuesday night.

"Are we heading for a massive coronary?" Mayor Marc Snyder asked.

The City needs to monitor its "health," Bartow said. She recommended that the City should go through some long-term projections and have a forward-looking stance for the next five to 10 years. It should also set a goal what it wants its reserve fund balance to be and begin taking steps toward that.

"You could easily slide down the hill if it's not monitored and kept track of," Bartow said. "If we continue to see a flat or declining economy, it's something that needs to be monitored regularly."

Bartow and Heckendorf's report included 18 indicators tracking trends regarding the City's revenues and expenditures. Not to be confused with an audit, Bartow and Heckendorf analyzed information from audit reports from the years 2005 to 2009. The checkup focused just on the City's general fund.

Revenues and expenditures trended upward from 2005 to 2008 and started dropping off in 2009.

"It's funny. We were having such a good 2007," Snyder said. "We fell off the cliff like everyone else. It's remarkable we saw a five percent increase in revenues."

Economic recovery didn't happen very quickly, according to Bartow. While revenues did decrease, the City did achieve much more savings on the expenditure side by almost five percent.

Another key area of the checkup was sales tax revenue analysis. There's no question that the City's biggest revenue source is sales taxes, Bartow said. Approximately 43 percent of sales tax collected comes from the City's top 10 vendors.

"It's critical for this city that those vendors are happy," Bartow said.

"I've never found that part of the community to be shy about their needs," Snyder added.

Another city revenue generator, property tax collection, isn't looking as good, Bartow said. A decline in property values will result in fewer revenues collected. El Paso County has seen a 16 percent drop in property values. Manitou's decrease is more like seven percent, according to Bartow.

"There are certain pockets in the county, such as Manitou, that tend to hold their values," Bartow said.

City Administrator Jack Benson said with the report the next step is developing fiscal policies. The financial checkup is something he wants to continue to do with the finance director each year.

"I saw this report as a real nice middle ground," Benson said. "It wasn't a real good picture. It wasn't a really bad picture. There are other communities really in the red."

## **In other matters...**

- Snyder and Councilwoman Coreen Toll announced they would be running for their respective seats in the November election.

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