

City of Brighton, Colorado

Q3 2024 Financial Update (unaudited, as of November 2024)

Contents

Section	Page
About this Report	2
Executive Summary	2
Municipal Funding Overview and Trends	3
Financial Overview—General Fund	5
Financial Overview—Other Governmental Funds	7
Sales Tax Trends and Results	9
Financial Overview—Utility Funds	11
Financial Overview—Water Fund	12
Financial Overview—Wastewater Fund	13
Financial Overview—Storm Drainage Fund	14

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About this report:

This report is intended to provide a summary of the City's financial activities for a specific time period and as of a specific date. The financial reports were prepared as of November 4, 2024 and are unaudited. Sales tax reports were prepared as of November 18, 2024 and report revenues due or received based on the due date of the tax return.

Executive Summary — Governmental (non-utility) Funds

All figures represent financial results through the third calendar quarter of the year presented.

Revenue Results:

- Governmental Fund revenues (excluding transfers in) totaled \$69.3M, an increase of \$3.4M, or 5% compared to the same period in the prior year.
- Tax revenues totaled \$43.2M, an increase of \$6.6M or 18%. This was driven by more than 58% increases in use and property taxes and a 41% increase in construction use taxes.
- Sales tax revenues make up 40% of revenues and totaled \$27.9M an increase of \$2.0M or 8%.
- Charges for services and license and permit revenues totaled \$8.2M and increased by \$1.4M, or 20%, which is a reflection of increased permit activity in 2024 compared to the prior year.
- Interest earnings are recorded at fair market value and generated by cash reserves. Interest earnings through Q3 totaled \$5.1M, an increase of \$1.7M, or 51%, compared to the prior year.

Spending Results:

- Governmental Fund spending (excluding transfers out) totaled \$68.0M, an increase of \$11.8M, or 21% compared to the prior year.
- Personnel costs totaled \$27.4M, an increase of \$2.7M, or 11%. This is due to a combination of cost of living adjustments, annual increases, market adjustments, additional retirement contributions, and the addition of new positions.
- Operational spending (excluding personnel) totaled \$11.7M and increased by \$1.3M, or 12.3%. This was driven by one-time spending, including an intergovernmental payment for roadway improvements and grant funded spending on assessments.
- Capital Outlay spending totaled \$27.9M, an increase of \$7.7M, or 38% compared to the prior year as progress was made on significant projects, including Bridge Street Widening and construction of the Municipal Service Center. Refer to the [Capital Project Report Card](#) available online for more information.

Financial Reserves:

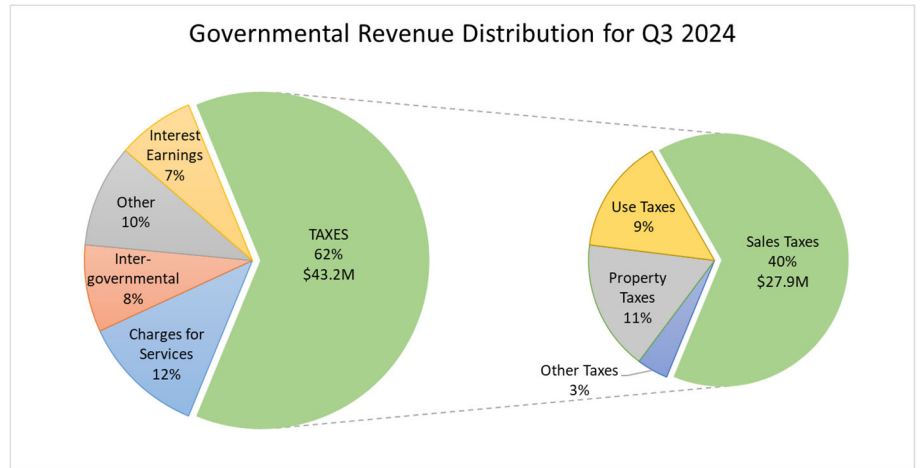
- Governmental Fund reserves (including restricted reserves) have increased by \$1.3M so far during 2024. Reserves reside in various funds and may be restricted in their use based on how they were generated.

Municipal Funding Overview and Trends (Governmental Funds)

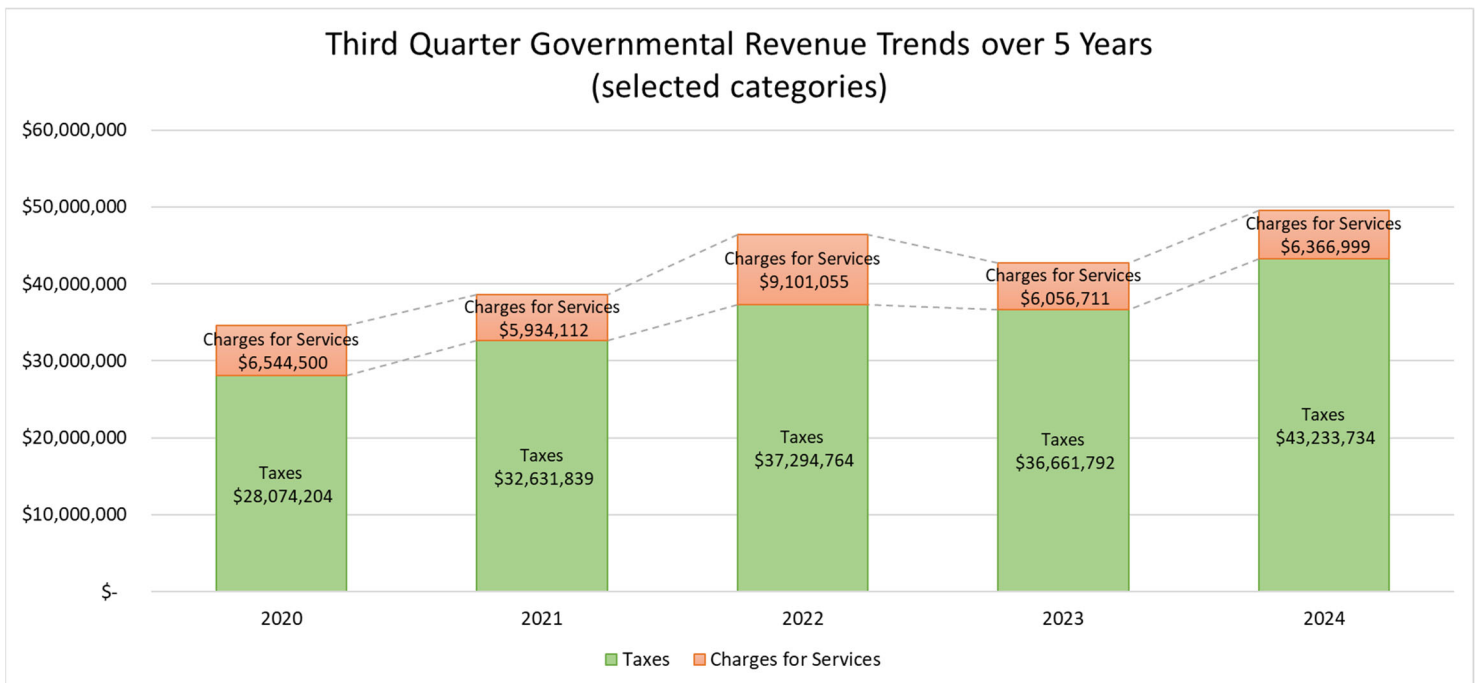
All figures represent financial results through the third calendar quarter of the year presented.

The City's governmental (non-utility) activities are funded primarily by unrestricted revenue sources, like taxes and charges for services. It is important to ensure the City's ongoing revenue sources are diverse and stable, and that they grow as the City grows and services are provided to a larger population.

Through Q3 2024, the City generated \$69.3M in Governmental Fund Revenues, and of that amount, \$43.2M or 62% came from taxes collected. Tax revenues, which include sales, use and property taxes, are a primary source of funding for the City and typically provide the majority of Governmental Fund Revenues. Sales taxes provided \$27.9M in revenue and are the largest source of unrestricted funds for ongoing governmental activities.



Tax revenues have increased notably during 2024 compared to the same period in the prior year, providing an additional \$6.6M in revenue, an increase of 18%. This increase was driven by all major tax sources, as discussed on the following page. Additionally, charges for services, which are driven largely by construction activity, increased by \$1.4M, or 20%, as permit issuances rebounded in 2024. Investment earnings have also performed strongly in 2024 as interest rates on liquid accounts remained high.

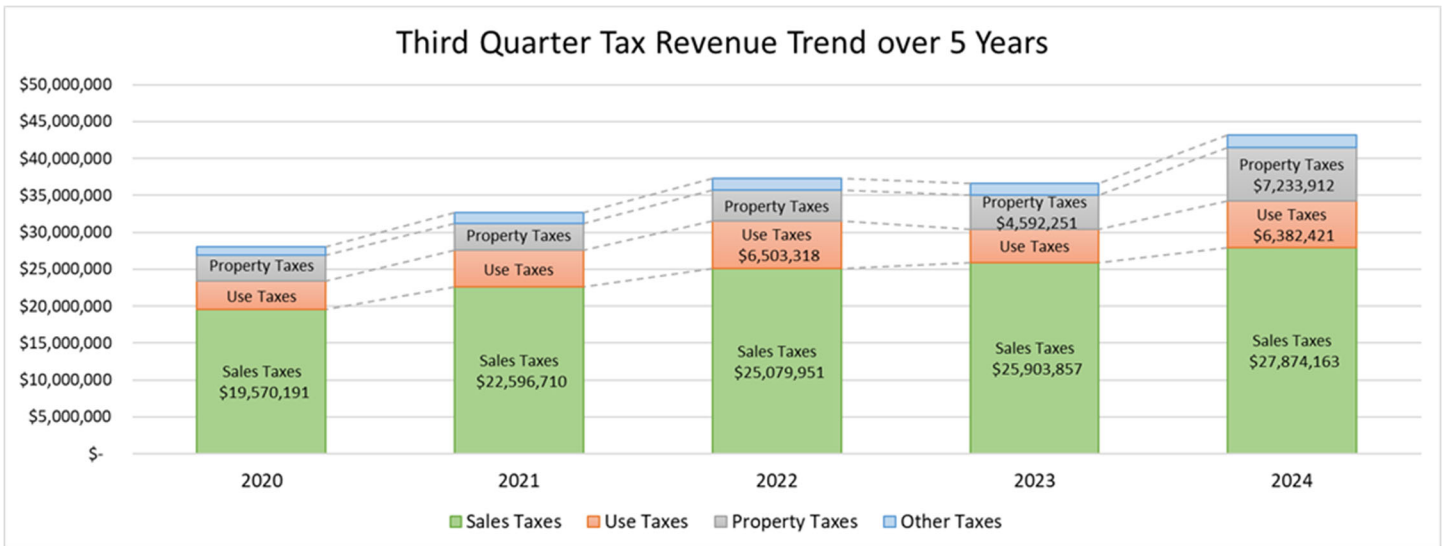


Municipal Funding Overview (Governmental Funds), continued:

All figures represent financial results through the third calendar quarter of the year presented.

Tax Revenue Trends

Tax revenues made up 62% of the City's Governmental Fund Revenues for the first half of 2024, so this report will focus on tax revenue trends in various categories. Tax revenues, including sales, use and property tax revenues, increased considerably in the second quarter compared to stable results in prior years.



Sales tax revenues increased \$2.0M, or, 8% compared to the same period in the prior year. Sales tax activity is discussed later in this report.

Use taxes are charged on new construction permits. This means that use tax trends are tied closely to permitting and development activity. Permit issuances, and therefore construction use tax revenue, declined in 2023 and recovered at a strong level in 2024, resulting in a revenue increase of \$1.9M, or 41%.

Property tax revenues increased by \$2.6M or 58% compared to the prior year as new properties were developed and values of existing properties increased in the 2023 assessment process.

Property taxes are determined based on a combination of the property's type, actual value, assessment rate, and mill levy. Properties are valued by County Assessor's Office every odd year to determine the actual value on June 30th of the prior year. The assessment rate applied to the property is set by the State of Colorado and varies by property type. Using the value and the assessment rate for that property, the property owner will be assessed property tax in the following year. This means that the value as of June 30, 2022 is determined in 2023 and is the basis for taxes due in 2024 and 2025). The City sees changes to property tax revenues based on valuation every other year (even numbered years). Changes in odd numbered years are based on growth (new properties developed) or property types that are valued annually (e.g. oil & gas).

For more information about your property taxes, how they are calculated, and where they go, visit the County Assessor's website for your property.

Financial Overview—General Fund

All figures represent financial results through the third calendar quarter of the year presented.

General Fund Description:

The General Fund is the primary operating fund for the City. It is funded largely by unrestricted sales, use and property taxes as well as charges for services, all of which are used to fund general operations, including staffing.

All of the City's revenues and expenses are recorded in the General Fund unless there is an administrative or regulatory need to report those transactions separately and the transactions qualify for separate reporting. Therefore, any revenues or spending that do not meet the criteria to be recorded elsewhere are recorded in the General Fund.

Activity reported in this fund includes the general operations of most departments, including public safety and courts, parks and recreation, community planning and development, and public works planning and management. This fund also reports costs associated with internal administration and support functions for staff and City Council, including communications and meeting support, facility maintenance, technology support, financial functions and planning, human resources support, and the functions of the City Manager's Office and City Attorney's Office. Note that utilities functions are reported in the utilities funds (Water, Wastewater, and Storm Drainage), discussed later in this report.

This following table reports financial activity for January through September of each year represented.

General Fund Revenues and Expenditures					
Amounts Reported for January through September of each year					
Description	2020	2021	2022	2023	2024
Revenues					
Taxes	\$ 21,496,334	\$ 25,003,321	\$ 28,767,204	\$ 27,837,490	\$ 33,607,294
Charges for Services	4,345,438	4,844,241	4,697,426	4,890,345	3,726,792
Licenses & Permits	1,093,579	1,184,310	1,535,615	814,750	1,880,937
Intergovernmental & Grants	4,349,603	2,183,531	2,802,020	2,814,565	3,771,300
Fines & Forfeitures	320,513	260,049	160,835	176,755	293,353
Investment Earnings (Loss)	904,400	(28,120)	(1,377,045)	1,544,974	1,447,912
Miscellaneous	1,550,692	724,207	519,403	416,497	442,534
Transfers In	376,000	256,000	-	256,000	256,000
Total Revenues	34,436,560	34,427,538	37,105,459	38,751,377	45,426,121
Expenditures					
Personnel	20,114,824	20,150,512	21,725,669	24,411,525	27,080,004
Purchased Services	634,040	691,479	681,263	1,018,755	1,682,428
Operating Expenses	9,143,319	7,492,161	8,197,290	8,992,440	9,467,647
Transfers Out	250,000	1,896,000	-	14,080,000	20,400,000
Total Expenditures	30,142,183	30,230,152	30,604,222	48,502,720	58,630,079
Change in Fund Balance	\$ 4,294,377	\$ 4,197,386	\$ 6,501,237	\$ (9,751,343)	\$ (13,203,958)

General Fund Financial Results Discussion

All figures represent financial results through the third calendar quarter of the year presented.

Revenues:

Sales, Use and Property Taxes

The General Fund is funded primarily by unrestricted sales, use property, and other tax dollars which make up 74% of General Fund revenues. The increase in tax revenue thus far in 2024 includes increases across all major tax categories and has provided an additional \$5.8M in revenue for the General Fund.

Charges for Services and Permits and Licensing

The General Fund records revenues from charges related to the specific use of City services. This includes fees related to permitting and development as well as fees paid for recreation and other services. Overall, this fee revenue in these categories combined remained flat. While revenues for permitting and licensing increased, the administrative fee charged to the Water Fund was waived in support of capital projects taking place in that fund.

Expenditures:

Personnel Expenditures make up 71% of General Fund spending (excluding transfers out) and are 11% higher than they the same period last year. This increase is due to a combination of annual salary adjustments (cost of living, anniversary, and market adjustments), increases to retirement contributions, and several new positions added throughout 2023 that were filled in 2024.

Operating and Purchase Services Expenditures make up 29% of General Fund expenditures (excluding transfers out). Spending on operations is up 11% compared to the prior year. This is related in part to a one-time contribution to a neighboring City related to an IGA for roadway improvements. Additional increases occurred across many categories and are reflective of budgeted spending plans.

Transfers Out increased as the City intentionally utilized General Fund reserves by funding Parks & Recreation capital projects in other funds, including the expansion of the Recreation Center.

Fund Balance / Reserves:

During the first half of 2024, the General Fund spent or transferred out \$13.2M more than it received in revenues. This reflects an intentional use of reserves to fund planned projects.

The General Fund fund balance is outlined below, including amounts that are reserved due to external restrictions (e.g. TABOR Reserve, Bag Fee Revenues) or internal actions taken through ordinances or resolutions (e.g. Emergency Reserve and General Fund Stabilization Reserve).

Emergency reserves represent 41% of total fund balance, and unassigned fund balance is sufficient to fund 43% of the adopted budget for the General Fund, or 5 (five) months of budgeted spending.

Fund Balance as of Q3 2024	\$ 39,610,799
Emergency Reserves	
Emergency Reserve	9,702,324
General Fund Stabilization Reserve	4,851,162
TABOR Reserve	1,574,329
Other Reserves	
Plastic Bag Fee Unspent Proceeds	224,736
DIA Noise Mitigation Funds	496,000
Food Sales Tax Rebate Reserve	134,000
Unassigned Fund Balance	\$ 22,628,249

Financial Overview—Other Governmental Funds

All figures represent financial results through the third calendar quarter of the year presented.

Other Governmental Funds Description:

This category of funds includes the Capital Improvement, Parks & Recreation Capital Improvement, Landscaping, Impact Fees, Highway, Lottery, Lodging Tax, & Cemetery Funds.

These funds are used to account for revenues that are formally restricted or otherwise designated for specific purposes. Those revenues may be restricted by intergovernmental agreements (grants), by ballot measures that generate the revenues (sales taxes) or by other agreements.

The City utilizes the Capital Improvement Fund to track the revenue generated from a sales tax dedicated to capital improvement projects. The projects in this fund are also financed through oil & gas revenues, grants, and transfers from the General Fund and Impact Fees Fund.

The Parks & Recreation Capital Improvement Fund tracks revenue generated from a sales tax dedicated to parks & recreation improvements and maintenance, which is the primary revenue source for this fund. This fund also receives transfers from the General Fund.

The Lottery Fund reports contributions from the State of Colorado's Conservation Trust Fund, which is generated through the State Lottery and allocated to communities for parks and recreation services.

The Impact Fee Fund records impact fees received through development and ensures those funds are utilized on eligible projects that support community growth.

The Lodging Tax Fund accounts for revenue from a 3% tax on short term rentals that is restricted to be used towards economic development and community arts and culture initiatives.

Other Governmental Fund Revenues and Expenditures					
Amounts Reported for January through September of each year					
Description	2020	2021	2022	2023	2024
Revenues					
Taxes	\$ 6,577,870	\$ 7,628,518	\$ 8,527,561	\$ 8,824,302	\$ 9,626,440
Charges for Services	2,199,062	1,089,871	4,403,629	1,166,366	2,640,207
Intergovernmental & Grants	1,441,080	7,696,081	12,371,057	8,516,603	2,032,645
Investment Earnings (Loss)	1,101,933	(35,568)	(1,922,058)	1,866,346	3,706,083
Oil & Gas Proceeds	-	5,831,733	3,527,901	6,215,021	4,972,685
Miscellaneous	118,948	2,832,921	549,019	577,509	1,115,894
Transfers In	2,845,663	1,247,138	-	15,081,000	24,601,000
Total Revenues	14,284,556	26,290,695	27,457,109	42,247,146	48,694,954
Expenditures					
Personnel	188,389	214,876	207,859	263,990	314,243
Purchased Services	212,619	12,121	288,081	136,568	266,173
Operating Expenses	547,912	250,397	380,913	247,670	388,457
Administrative Allocation	37,919	36,938	34,751	-	22,053
Capital Outlay	6,642,301	4,032,403	12,122,437	20,153,734	27,808,323
Debt Service	2,995,752	1,127,499	980,058	962,219	946,420
Transfers Out	2,750,663	1,303,138	-	1,257,000	4,457,000
Total Expenditures	13,375,556	6,977,372	14,014,100	23,021,181	34,202,669
Change in Fund Balance	\$ 909,000	\$ 19,313,322	\$ 13,443,009	\$ 19,225,965	\$ 14,492,285

Other Governmental Fund Financial Results Discussion

All figures represent financial results through the third calendar quarter of the year presented.

Revenues:***Sales and Lodging Taxes***

The City's capital and other governmental funds are funded largely by taxes that are restricted in their use based on voter approved ballot measures. This includes sales taxes for capital and parks projects and lodging taxes charged on short term rentals and used for economic development and community art and culture initiatives. These combined revenues totaled \$9.6M, an increase of 9% compared to the prior year, and make up 40% of revenues in this fund category (excluding transfers in).

Charges for Services

This category primarily includes Impact Fees which are charged on new development. New development activity slowed in 2023 but has seen significant activity again in 2024. The result is that revenue in this category has increased by 126% compared to the same period in the prior year and totals \$2.6M.

Oil and Gas Royalties

The City receives royalty revenue from oil well operators. While only a handful of well sites lie within City limits, many wells are actively drilling below the ground in the City. Revenues from oil and gas operations (royalties) are based on volume produced as well as the sale price of oil. These revenues tend to fluctuate based on payment timing and the release of escrowed royalties.

Other Revenues

Intergovernmental revenues are driven by grants received and project timing which vary from year to year. Investment earnings are strong due to high interest rates and large cash balances in this category of funds. Transfers In reflects significant transfers from the General Fund as well as transfers among funds within this category (e.g. from Impact Fees to Capital Improvement). All budgeted transfers have been recorded.

Expenditures:

Total spending through the first half of the year is \$34.2M, up \$11.2M, or 49%, compared to the prior year. Capital spending accounts for 94% of the spending in this group of funds (excluding transfers out). Spending on capital projects increased \$7.6M, or 38%, compared to the same period in 2023 as the City made significant progress on various projects, including Bridge Street Widening and construction of the Municipal Service Center, both of which started in 2023.

Transfers Out totaled \$4.5M and primarily included transfers to other funds within this group of funds.

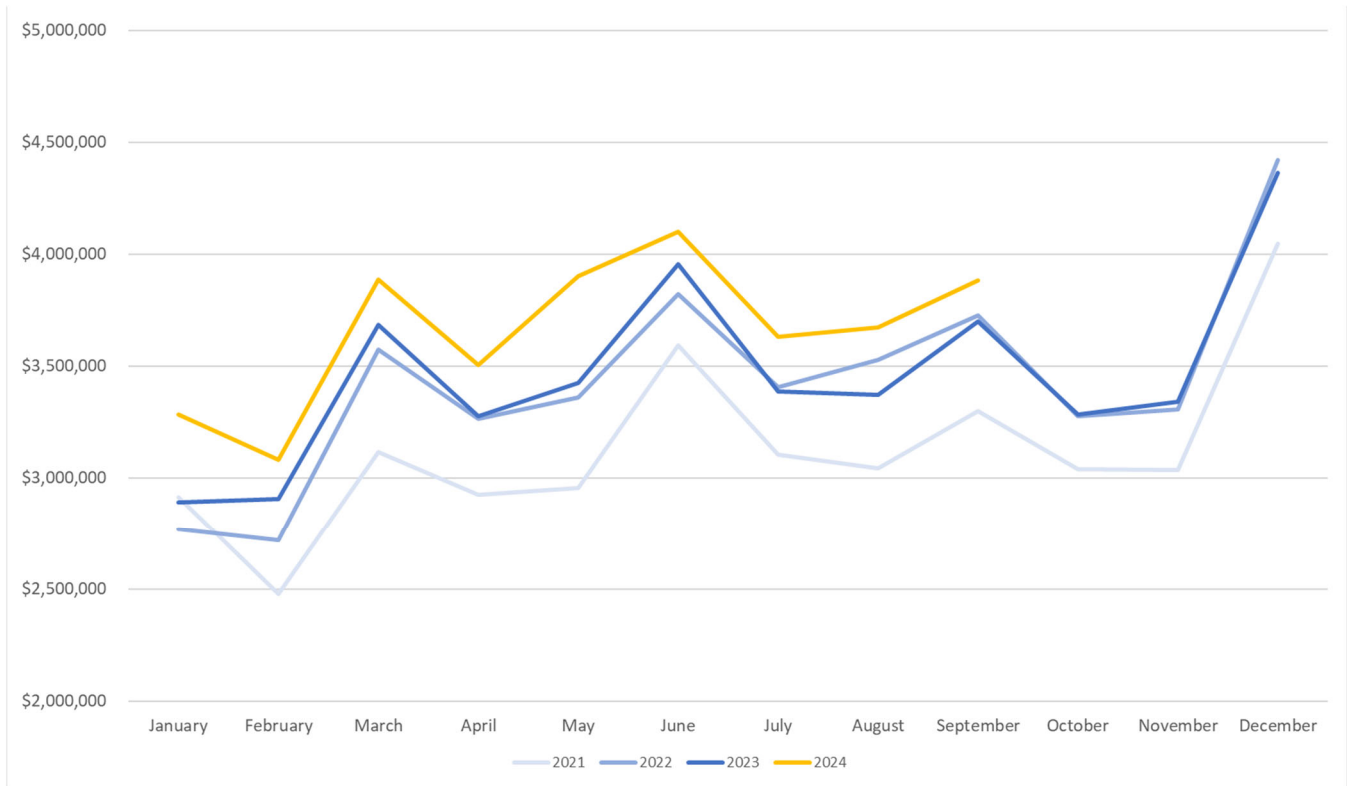
Spending in these funds is project based and will fluctuate based on the timelines of projects in process. Project information can be found in the City's [Capital Project Report Card](#) available online.

Reserves:

Reserves increased by \$14.5M, bringing total reserves to \$95.9M. This increase occurred as reserves were transferred in from the General Fund to finance projects budgeted to occur in the next several years. All reserves in these funds are either formally restricted or otherwise committed to planned projects.

Sales Tax Revenues by Month

2021 through 2024, gross amount due before payment of rebates


Q3 2024 performance by industry

Construction	+ 61.9%
Retail Online	+ 28.4%
Utilities	+ 14.4%
Accommodations & Food	+ 1.3%
Retail	- 0.4%

Sales tax due to the City through Q3 2024 was \$33.0 million prior to the payment of rebates, up 7.7% from compared to Q3 2023. Two rebates ended in 2023: Texas Roadhouse ended in January 2023 and Alberta Kuner ended in December 2023. Sales Tax after the payment of rebates was up 8.2%

Sales tax from physical retailers, food and accommodations remained relatively flat while sales tax remitted by online retailers increased by

28.4% as consumers continue to shift towards online shopping and City staffs continues efforts to encourage online retailers to comply with sales tax and licensing requirements. More than 375 accounts were added in Q3 2024, the majority of which were remote sellers. More than \$880k in audit revenue has been assessed through November 2024. The City also saw an increase in sales tax from construction as development continues to be strong.

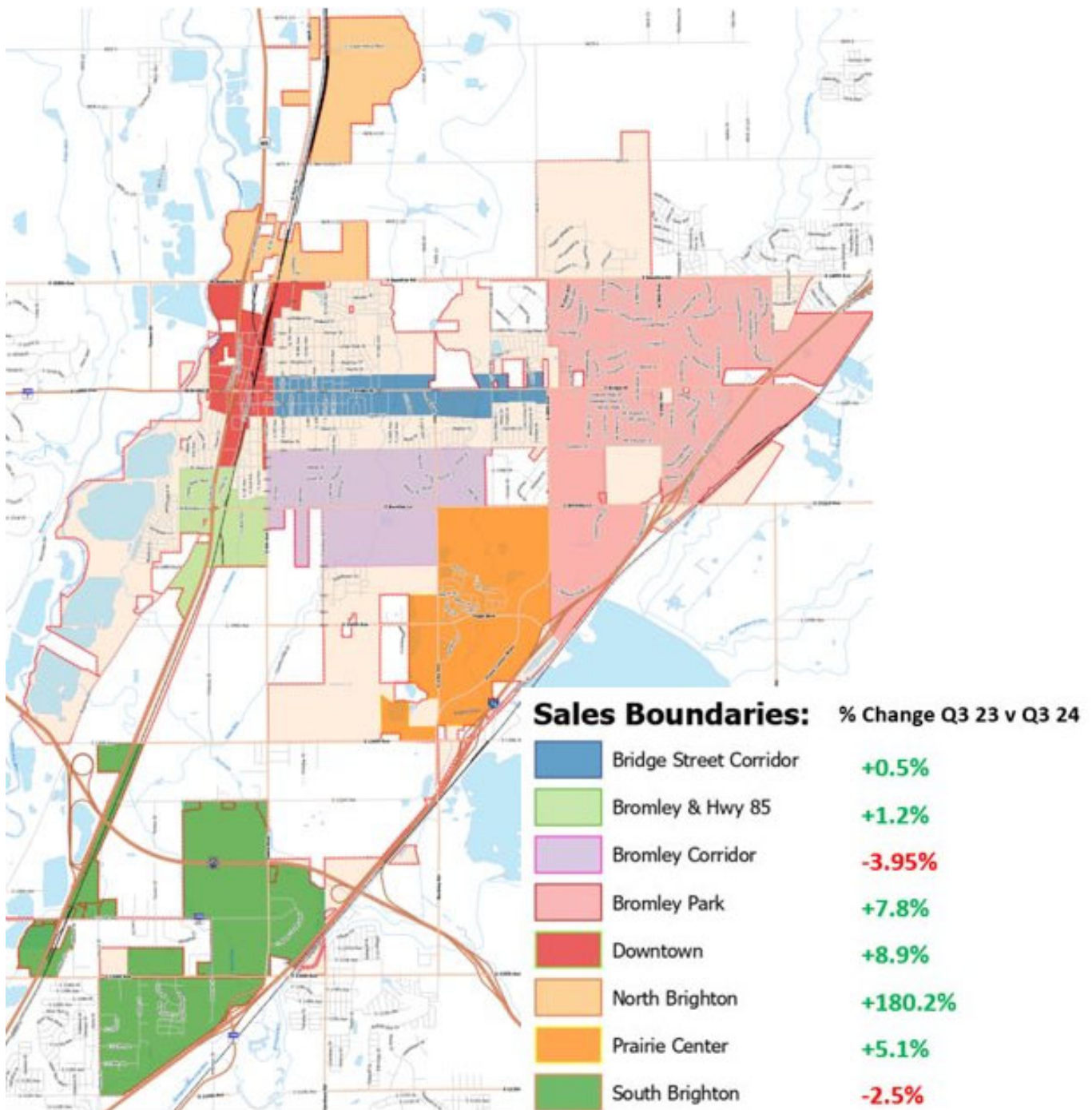
Bag fee revenue due to the City for Q3 2024 was just over \$95k a 9.1% decrease compared to Q3 2023. This decrease was expected as consumers have become more accustomed to bringing their own bags when shopping and plastic bags are eliminated at many stores due to state legislation.

Q3 2024 Top 10 taxpayers
(in alphabetical order)

Amazon
 Flow-Zone LLC
 Home Depot
 Johnson Auto Plaza
 King Soopers
 Lowe's
 Target
 United Power
 Walmart
 Western United Electric

Sales Tax Percent Change by City Area Q3 2023 v Q3 2024

The following map shows the percent change in sales tax revenues, net of rebates due, for various areas of the City. Almost all areas saw small to moderate changes of less than 10% with the exception of the North Brighton area. This region saw the biggest increase in sales tax revenues at over 180%. This area continues to recover after the downsizing of a prominent business several years ago followed by the growth of a business in this area that is now a top 10 taxpayer for Q3 2024.



Financial Overview—Utility Funds

All figures represent financial results through the third calendar quarter of the year presented.

Utility Funds Descriptions:

The City manages three utility funds that provide water, wastewater, and storm drainage services to residents and businesses. These are considered “proprietary funds” which means that they are funded by rates and fees rather than taxes.

The Water Fund and Wastewater Fund combine to form the City's Water Activity Enterprise, which is an enterprise as defined under Colorado TABOR regulations. This means that these funds cannot receive more than 10% of their revenues from other City sources (taxes) or from state and local grants. Federal grants are not impacted by this regulation.

Utility Fund Financial Management:

City Staff maintain forward looking financial models for utility funds that factor in expected growth in revenues and expenses as well as planned capital project needs. Rates and fees are reviewed annually and recommendations for changes are proposed to City Council. All rates and fees must be approved by City Council through an Ordinance or Resolution. Financial results are reviewed continuously throughout the year.

The Water Fund revenue analysis includes an annual rate study conducted in coordination with a third party consultant that is skilled in the area of rate setting for utilities. Staff works closely with the consultant, providing financial results for previous years and forecasts for future years.

Revenue Sources

The City's Utility Funds are funded by a combination of fixed and usage based charges and impact fees.

Fixed and usage based charges are charged based on the account type (e.g. residential vs. commercial) and the amount of water or wastewater being used by the customer. These charges are the primary ongoing source of revenue for the funds and are used to pay for ongoing operations, including treatment of water, repairs of water and sewer lines and billing processes.

Impact fees are paid on new development and are required to be used on expansion of the system, including storage and treatment capacity or water acquisition. These revenues can not be used for ongoing operations or maintenance costs.

Electronic Statements and Bill Payment

Customers can choose to receive their utility bills electronically (through email) and can review options for paying their utility bill on the City's website linked below. Bills can be paid online or through the automated phone system. Customers can also pay their utility bill in person at City Hall (500 S. 4th Avenue, Brighton, CO 80601).

[Online Payments | Brighton Colorado](#)

Utility Rates and Assistance

Updates to the rates for the Water and Wastewater Funds were approved by City Council in October 2024 will be effective in January 2024. More information on utility rates can be found on the City's [Utility Services and Rates](#) website.

Customers having challenges paying their utility bill can apply for financial assistance up to \$500 per year. The application is available on the City's [Assistance and Rebates](#) website.

Financial Overview—Water Fund

All figures represent financial results through the third calendar quarter of the year presented.

Water Fund Revenues and Expenses					
Amounts Reported for January through September of each year					
Description	2020	2021	2022	2023	2024
Revenues					
Charges for Services	\$ 9,096,477	\$ 9,873,664	\$ 11,550,149	\$ 9,796,292	\$ 12,294,371
Impact Fees	12,226,171	6,806,572	15,771,811	5,445,863	16,170,370
Investment Earnings (Loss)	1,080,959	(24,655)	(879,297)	3,856,137	4,461,389
Intergovernmental	8,259	5,716	45,960	10,444,588	12,315
Miscellaneous	58,663	137,514	153,041	64,609	248,064
Total Revenues	22,470,529	16,798,811	26,641,663	29,607,489	33,186,508
Expenses					
Personnel	2,141,298	2,365,509	2,129,773	1,998,458	2,658,544
Purchased Services	3,292,318	3,485,228	3,293,508	3,499,719	3,747,837
Operating Expenses	1,533,369	1,523,399	4,350,259	1,862,248	1,803,254
Administrative Allocation	2,226,630	2,145,667	2,096,089	1,564,814	-
Capital Outlay	12,975,404	11,075,189	9,387,066	13,569,419	34,682,792
Debt Service	1,344,297	1,360,488	1,368,267	3,567,430	3,656,201
Total Expenses	23,513,316	21,955,479	22,624,962	26,062,088	46,548,627
Change in Net Position	\$ (1,042,787)	\$ (5,156,668)	\$ 4,016,701	\$ 3,545,401	\$ (13,362,119)

Revenues
Charges for Services and Impact Fees

This is the primary, ongoing source of funds for the City's Water utility. Usage-based revenues have increased due to both the addition of new accounts and increases to the rates being charged. Impact fees are driven by development, which has been strong in 2024. Increase to both rate and impact fees went into effect in April 2024. Rates for 2025 were approved by City Council in October and will be effective in January.

Investment Earnings (Loss)

This revenue includes earnings on unspent borrowing proceeds from the 2022 bond issuance which earns interest which must be used on the Water Treatment Plant Project.

Intergovernmental Revenues

The City utilized it's \$10.4M allocation from the American Rescue Plan Act in 2023 on the Water Treatment Plant construction project.

Expenses
Personnel and Operational Expenses

Personnel costs increased significantly compared to 2023 costs which was lower than usual due to vacancies. The 2024 costs reflect fewer vacancies paired with cost of living and other adjustments.

The administrative allocation in 2024 was waived in support of Water Fund projects.

Capital Outlay

The Water Fund has spent \$34.7M on capital projects in this year, up 156% compared to the same period in 2023. Of that amount, \$28.0M was spent on the Water Treatment Plant.

Project information can be found in the City's [Capital Project Report Card](#) available online.

Debt Service

Payments were made in accordance with debt service agreement schedules.

Financial Overview—Wastewater Fund

All figures represent financial results through the third calendar quarter of the year presented.

Wastewater Fund Revenues and Expenses					
Amounts Reported for January through September of each year					
Description	2020	2021	2022	2023	2024
Revenues					
Charges for Services	\$ 4,563,558	\$ 5,628,533	\$ 5,923,275	\$ 5,464,593	\$ 6,605,542
Impact Fees	303,545	282,597	452,862	157,954	377,280
Investment Earnings (Loss)	558,690	(15,096)	(586,239)	437,405	220,982
Miscellaneous	65,759	34,184	22,668	7,650	216,721
Borrowing Proceeds	-	-	-	31,599,000	-
Total Revenues	5,491,553	5,930,218	5,812,566	37,666,602	7,420,525
Expenses					
Personnel	1,166,309	1,304,781	1,266,791	1,181,891	784,050
Purchased Services	579,626	682,752	814,289	729,620	401,029
Operating Expenses	868,107	741,558	1,613,503	1,366,170	2,895,671
Administrative Allocation	971,260	935,944	513,209	854,332	703,528
Capital Outlay	636,085	254,488	966,622	264,214	1,567,861
Metro Water Recovery Buy in	-	-	-	46,597,325	-
Debt Service	348,049	349,974	355,374	456,274	2,599,329
Total Expenses	4,569,436	4,269,497	5,529,788	51,449,826	8,951,468
Change in Net Position	\$ 922,117	\$ 1,660,721	\$ 282,778	\$ (13,783,224)	\$ (1,530,944)

Revenues
Charges for Services and Impact Fees

This category is the primary, ongoing source of funds for the City's Wastewater utility. Charges for Services increased 21% as accounts were added and rate increases approved in February 2024 took effect. Additionally, the Wastewater Treatment Plant Fee took effect in January 2024.

Impact fees are driven by development which slowed in 2023 but has recovered strongly in 2024.

Miscellaneous

This category of revenue is significantly higher this year due to an insurance recovery check.

Borrowing Proceeds

In 2023, the City obtained a loan for \$31.6M that was used for the City's buy-in agreement with Metro Water Recovery. This loan will be repaid over 15 years.

Expenses
Personnel and Operational Expenses

Personnel costs decreased by 34% with the closure of the City's wastewater treatment plant in 2023 when flows were transferred to Metro Water Recovery. This resulted in a 112% increase to operating costs to pay for processing by Metro. Overall, operating costs are up 16%, or \$650K.

Capital Outlay

Capital outlay spending increased significantly due to the fund's contribution to the City's Municipal Service Center project, scheduled for completion at the end of 2024. Capital investment in the wastewater operation will be limited in the future as all flows are processed by external processors.

Debt Service

Payments were made in accordance with debt service agreement schedules.

Financial Overview—Storm Drainage Fund

All figures represent financial results through the third calendar quarter of the year presented.

Storm Drainage Fund Revenues and Expenses Amounts Reported for January through September of each year					
Description	2020	2021	2022	2023	2024
Revenues					
Charges for Services	\$ 526,595	\$ 690,276	\$ 802,392	\$ 995,300	\$ 1,281,511
Impact Fees	759,567	679,564	397,399	521,873	1,330,083
Investment Earnings (Loss)	165,293	(1,865)	(11,042)	59,584	103,952
Transfers In	-	1,696,000	-	-	-
Miscellaneous	617	-	-	-	-
Total Revenues	1,452,072	3,063,975	1,188,748	1,576,757	2,715,546
Expenses					
Personnel	168,339	174,626	187,824	222,303	306,704
Purchased Services	145,259	118,097	71,584	191,266	2,355
Operating Expenses	489,902	257,964	333,360	201,661	183,079
Administrative Allocation	105,716	101,872	88,102	130,174	164,339
Capital Outlay	2,512,058	2,518,307	4,504,718	262,359	1,090,264
Total Expenses	3,421,273	3,170,865	5,185,587	1,007,764	1,746,741
Change in Net Position	\$ (1,969,202)	\$ (106,890)	\$ (3,996,839)	\$ 568,993	\$ 968,804

Revenues
Charges for Services and Impact Fees

This category is the primary, ongoing source of funds for the City's Storm Drainage Fund. Residential properties are charged a flat monthly fee and commercial properties are charged a fee based on the impervious area of the property. The impervious area approach was approved in 2021 and implemented in 2022. That implementation included rate increases for commercial properties in 2023 and 2024, resulting in increased revenues in those years.

Impact fees are driven by development, which slowed in 2023 but has recovered strongly in 2024.

Expenses
Personnel and Operational Expenses

Operational costs are up in some categories (personnel) and down in others (purchased services). Overall, operational costs, excluding the administrative allocation paid to the General Fund, are down 20%, or \$123K compared to the prior year. However, impact fee rebates due to developers will be paid in Q4 2024 which will increase spending in this category.

Capital Outlay

Capital spending has increased in 2024 due to several outfall and other projects underway to improve drainage.

Project information can be found in the City's [Capital Project Report Card](#) available online.