

Q1 2025 Budget and Financial Update

CITY COUNCIL MEETING – May 20, 2025

City Staff Representative:

Kathryn Mortensen Manager, Budget and Performance Manager
Catrina Asher, Finance Director

Department:

City Manager's Office
Finance Department

Financial Results and Trends



Report Contents and Caveats

- Q1 2025 financial data was prepared as of April 2025 and is unaudited.
- Governmental Funds = Primarily Funded by Taxes and Fees
 - General Fund
 - Capital Improvement Funds
 - Restricted Revenue Funds (e.g. Lottery, Lodging Tax, Impact Fees, Etc.)
- Enterprise Funds = Funded by User Fees that must sustain operations
 - Water Fund
 - Wastewater Fund
 - Storm Drainage Fund
- Information is provided in detail and with more explanation in the Q1 2025 Financial Report.

Governmental Fund Highlights

Q1 2025 Revenues (excluding transfers) totaled \$17.5M

- Overall increase of \$2.3M, or 15.2%
 - Property taxes +\$888K (+60.1%)
 - Investment Earnings +\$911K (+115.0%)
 - Intergovernmental +\$893K (+66.3%)
 - Use taxes - \$599K (-29.3%)
 - Sales taxes no change (0.0%)

Q1 2025 Spending (excluding transfers) totaled \$19.9M

- Overall increase of \$3.1M, or 18.5%
 - Personnel +\$682K (+8.5%)
 - Operating Costs +\$621K (+17.2%)
 - Debt Service +\$661K (+257%)
 - Capital Projects +\$1.1M (+24.2%)

Q1 2025 Themes

Development is still strong.

Consumer spending is flat.

Projects are progressing.

Bridge Street Widening



Recreation Center Expansion



Governmental Fund Summary

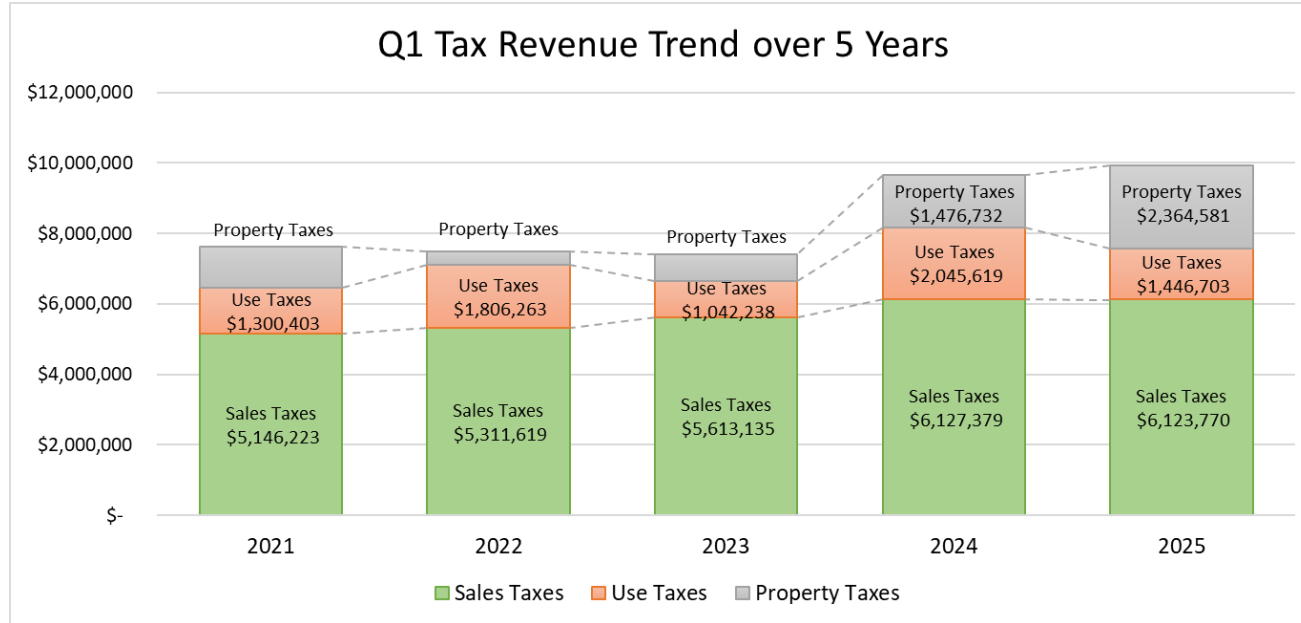
Q1 2025 (presented in 000's)

	Q1 2025	2025 Budget
Revenues		
Taxes	\$ 10,384	\$ 62,022
Charges for Services	2,559	9,918
Intergovernmental	2,239	10,810
Oil and Gas Royalties	431	3,000
Investment Earnings	1,704	533
Other	<u>1,067</u>	<u>2,371</u>
Total Revenues	\$ 18,384	\$ 88,654
Expenditures		
Personnel	\$ 8,681	\$ 41,844
Operating & Purchased Services	4,242	18,908
Repairs & Maintenance	214	5,636
Capital Outlay	5,826	42,503
Debt Service	918	2,111
Other	<u>2,961</u>	<u>6,216</u>
Total Expenditures	\$ 22,842	\$ 117,218
Use of Reserves	<u><u>\$ (4,457)</u></u>	<u><u>\$ (28,654)</u></u>



Tax Revenue Trends

Tax Revenues for each year presented



Highlights

General Fund Taxes include:
2% General Sales Tax
3.75% Construction Use Tax
Property and Franchise Taxes

Other Governmental Fund Taxes include:
1.00% Capital Projects
0.75% Parks Projects

Sales Tax Results

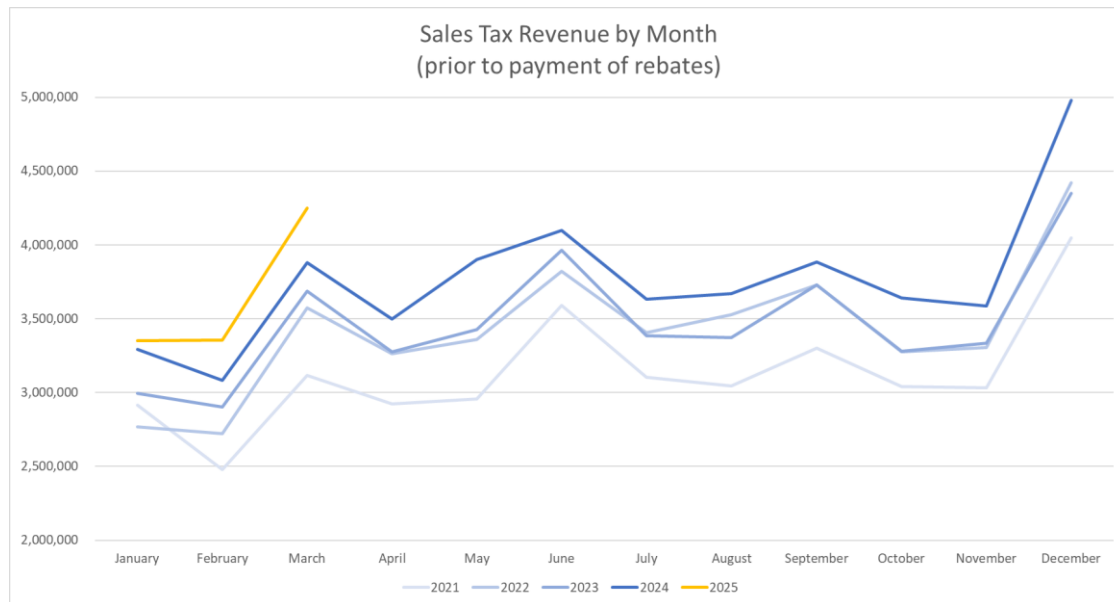
Sales Tax Reported is up 6.8%

- Audit Revenue assessed \$135K
- Construction increased 66.8%
- Retail online increased 28.2%
- Retail Grocery decreased 8.3%

New activity for Q1 2025

- 464 additional business licenses/accounts
- 2 Dispensaries
- Several food service additions

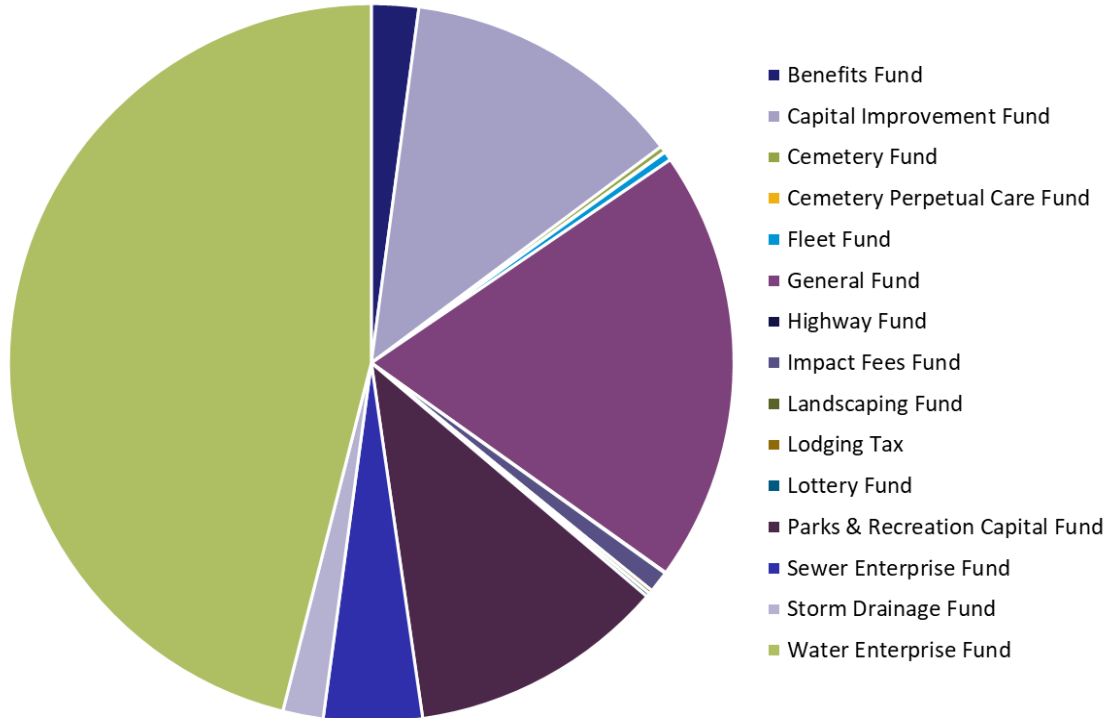
**Sales Tax Revenues
by Month
2021 through 2025
before payment of rebates**



Budget Utilization and Spending Trends



Budget by Fund



- Largest 2025 budgets by fund:
 - Water Enterprise Fund (46%)
 - General Fund (25%)
 - Capital Improvement Fund (12%)
 - Parks Capital Improvement Fund (6%)

- Overall, 14% budget utilization
- Normal for utilization to vary by fund
 - Capital funds will see utilization increase in quarters two and three
 - Special revenue funds will see a slow down in utilization
 - Benefits, Fleet, and General Fund stay relatively consistent throughout the year

Spending by Fund

Fund	2025 Budget	Year to Date Spending	Percent Spent
Benefits Fund	\$6,530,915	\$1,456,924	22%
Capital Improvement Fund	\$39,227,711	\$4,878,532	12%
Cemetery Fund	\$857,358	\$132,446	15%
Cemetery Perpetual Care Fund	\$89,304	\$0	0%
Fleet Fund	\$1,248,987	\$223,007	18%
General Fund	\$60,618,719	\$15,073,773	25%
Highway Fund	\$125,000	\$16,549	13%
Impact Fees Fund	\$3,000,000	\$0	0%
Landscaping Fund	\$6,000	\$6,000	100%
Lodging Tax	\$529,000	\$405,000	77%
Lottery Fund	\$520,000	\$250,000	48%
Parks & Recreation Capital Fund	\$35,641,234	\$2,079,440	6%
Sewer Enterprise Fund	\$13,652,309	\$1,791,303	13%
Storm Drainage Fund	\$5,593,914	\$824,742	15%
Water Enterprise Fund	\$143,225,744	\$16,831,016	12%
TOTAL	\$310,866,195	\$43,968,732	14%

Spending by Account Class

- Budget Contingency will never see spending
- The 2025 budget is 64% capital outlay
- Operating Supplies, Personnel, and Purchased Services are likely to remain relatively steady throughout the year

Account Class	2025 Budget	Year to Date Spending	Percent Spent
Budget Contingency	\$1,260,000	\$0	0%
Capital Outlay	\$200,508,425	\$20,349,836	10%
Debt Service	\$13,457,706	\$2,047,089	15%
Interfund Transfers out	\$7,504,781	\$3,182,119	42%
Operating Expenses	\$24,222,868	\$6,079,264	25%
Personnel Services	\$48,434,121	\$10,012,256	21%
Purchased Services	\$15,478,294	\$2,298,168	15%
TOTAL	\$310,866,195	\$43,968,732	14%

Spending Highlights

City Website AI
Chatbot Grant

Municipal
Service Center

ERP
Implementation
Project

Brighton
Recreation
Center
Expansion

Cherry Meadows
Park

Bridge Street
Widening

E-470 and Sable
Blvd. Payment

Questions?

