



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

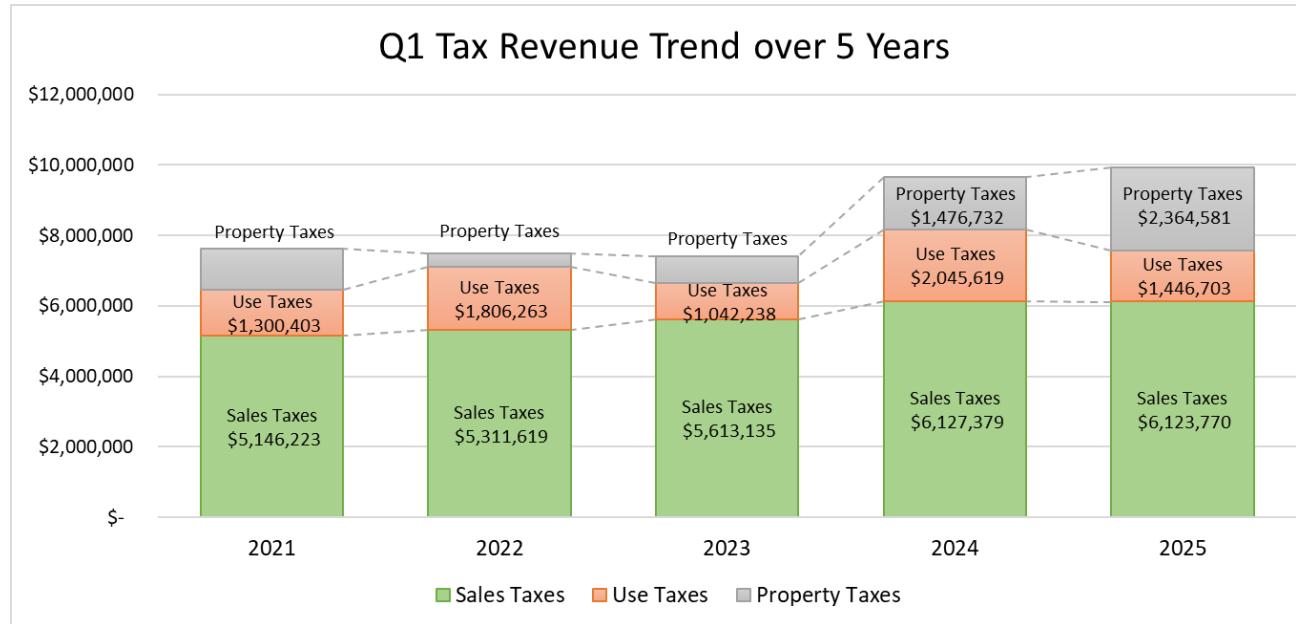
Q1 2025 (presented in 000's)

	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>\$ (4,457)</u>	<u>\$ (28,654)</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

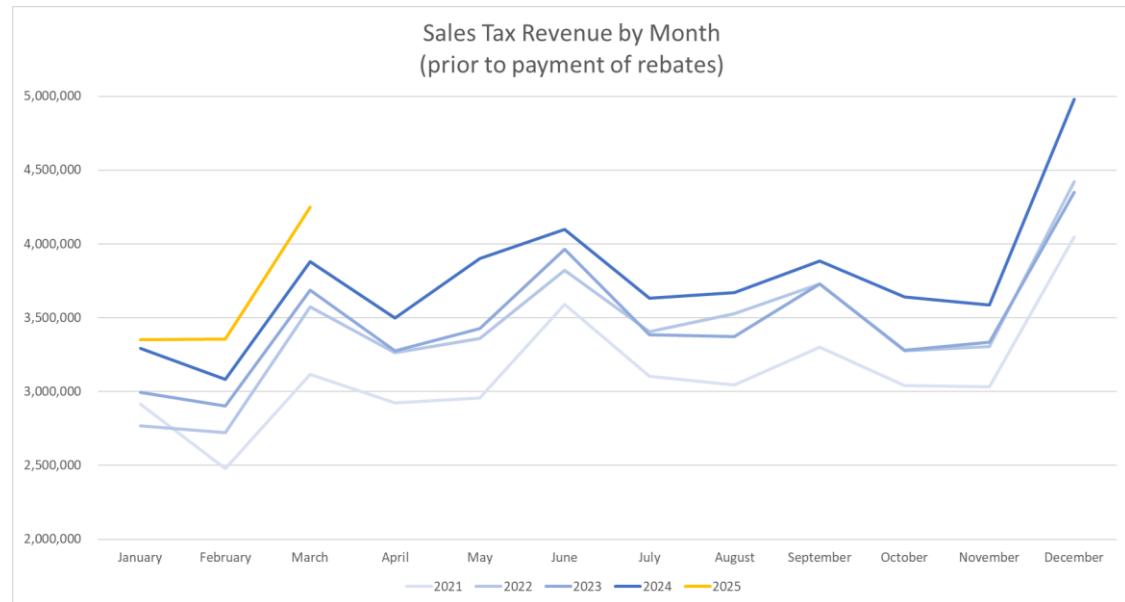
Sales Tax Reported is up 6.8%

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

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

New activity for Q1 2025

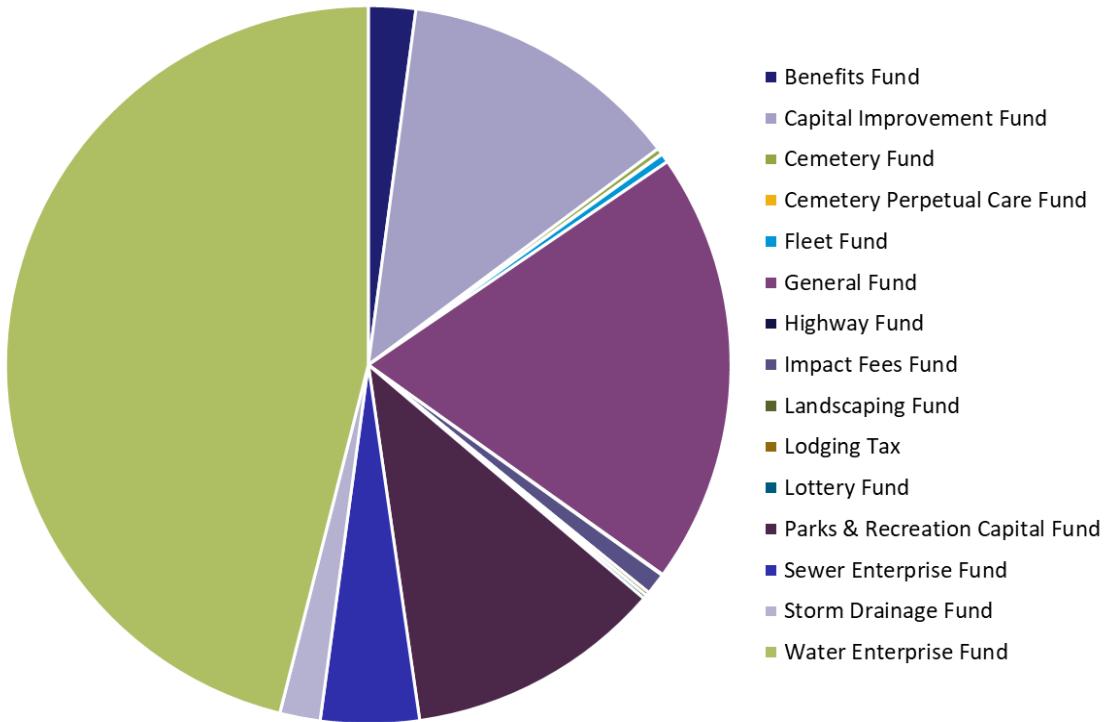
- 464 additional business licenses/accounts
- 2 Dispensaries
- Several food service additions



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?

