

# City of Brighton, Colorado

## Q2 2025 Financial Update (unaudited, as of August 2025)

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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 August 8, 2025 and are unaudited. Sales tax reports were prepared based on tax filings and reflects revenues due or received based on the due date of the tax return.

**Executive Summary — Governmental (non-utility) Funds****Revenue Results:**

- Governmental Fund revenues (excluding transfers in) totaled \$43.9M, an increase of \$4.2M, or 10.5% compared to the prior year.
- Tax revenues totaled \$29.0M, an increase of \$4.2M or 17.2%. This included a 14.3% increase to property tax revenues offset by a 4.5% decrease in use tax.
- Sales tax revenues collected make up 41.2% of total revenues and amount to \$18.1M, which is up \$3.6M from the same period in the prior year, though this is due in large part to the timing of receipts. Refer to Page 9 of this report for more information on sales tax results.
- Charges for services and license & permit revenues totaled \$5.9M, up \$557.2K, or 10.5%.
- Interest earnings are generated by invested cash reserves. Interest earnings totaled \$3.1M, up \$1.0M, or 47.0%, compared to the prior year.

**Spending Results:**

- Governmental Fund spending (excluding transfers out) totaled \$45.5M, an increase of \$4.4M, or 10.7%, compared to the prior year.
- Personnel costs totaled \$20.1M, an increase of \$1.9M, or 10.5%. 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 \$8.9M and increased by \$1.3M, or 17.1%. This was driven by new and/or one-time spending and the timing of purchases.
- Capital Outlay spending totaled \$14.4M, up 1.8% from the prior year. Refer to the [Capital Project Report Card](#) available online for more information on project status.
- Transfers netted to a \$2.2M which reflect transfers to Utility funds in support of those funds' operations, including forgiveness of an interfund loan to the Storm Drainage Fund.

**Financial Reserves:**

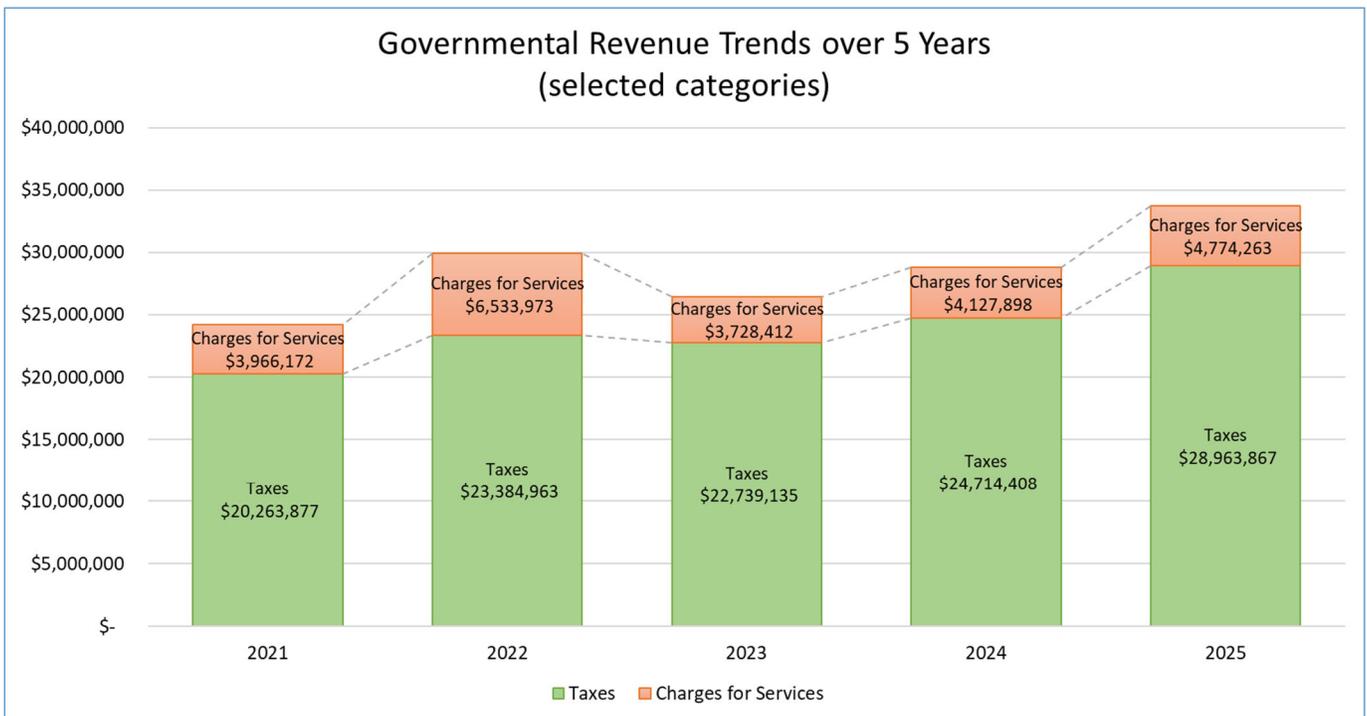
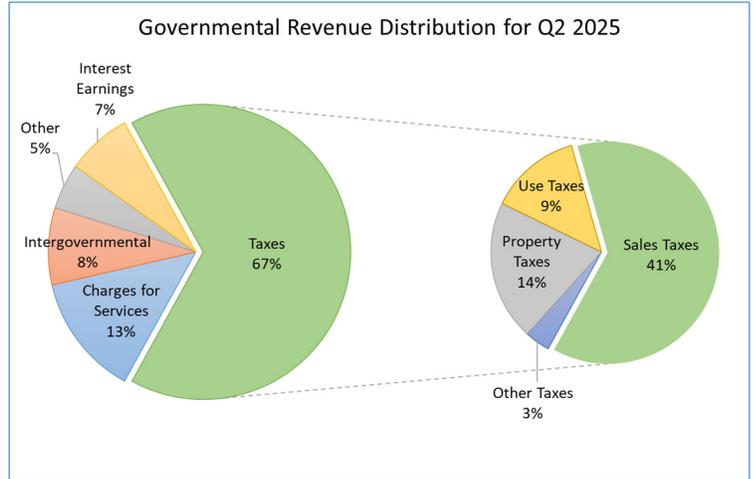
- Governmental Fund reserves decreased by \$3.9M through Q2 2025 as reserves are being intentionally spent down. Governmental Funds are budgeted to utilize \$28.6M of reserves in 2025. Reserves reside in various funds and may be restricted in how they may be used.

### Municipal Funding Overview and Trends (Governmental Funds)

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.

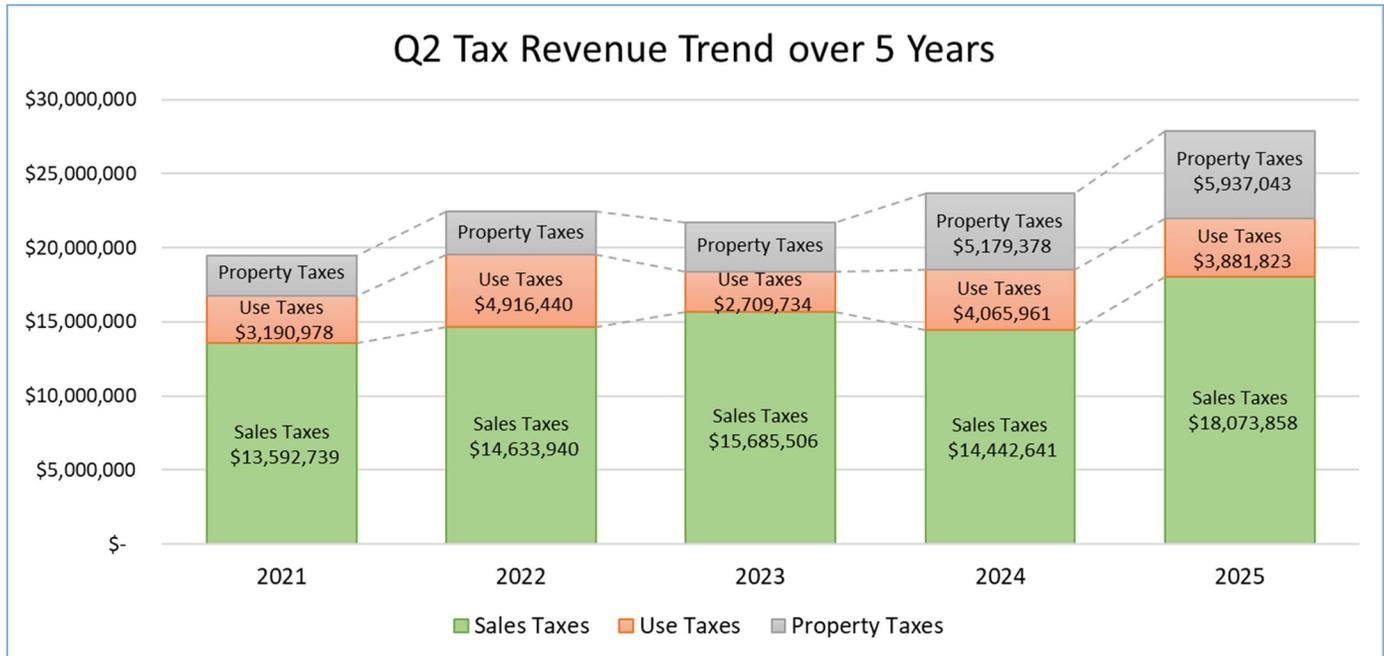
During the first quarter of 2025, the City generated \$43.9M in Governmental Fund Revenues, and of that amount, \$29.0M or 66.0% came from taxes collected. Tax revenues, which include sales, use and property taxes, are a primary source of funding for the City and typically provide the majority of Governmental Fund Revenues. Sales taxes provided \$18.1M in revenue and are the largest source of unrestricted funds for ongoing governmental activities.

Tax revenues overall increased 17.2%, providing an additional \$4.3M in revenue. Property tax revenues were higher this year by \$757.7K (14.6%). The increase at this point in time is due to the timing of payments. Total property tax revenues are set by mill levy certifications and when fully collected will reflect a reduction compared to the prior year. Sales tax revenues received are up \$3.6M compared to the prior year, however sales taxes due to the City based on tax filings are up only \$1.1M. The variance is due to the timing of payments compared to filings. Use tax revenues are down \$184.1K (4.5%), through permit issuances remain strong. Investment earnings, which are based on cash balances and interest rates, totaled \$3.1M, an increase of \$1.0M (47.0%) compared to the prior year as a result of high interest rates and large cash balances. As reserves continue to be spent down, this revenue will decrease.



**Municipal Funding Overview (Governmental Funds), continued:**
**Tax Revenue Trends**

Tax revenues made up 66.0% of the City's Governmental Fund Revenues through Q2 2025. This section of the report will focus on tax revenue trends in various categories. Tax revenues, including sales, use and property tax revenues, were up slightly compared to the same period in the prior year.



**Sales tax** revenues collected were up significantly compared to the same period in 2024. However, when reviewing total tax filings for the first quarter, revenues due are up only 5.1%, a difference due to the timing of payments compared to filings. Sales tax revenues are discussed in more detail later in this report.

**Use taxes** are charged on new construction. This means that use tax trends are tied closely to permitting and development activity. While the number of permit issuances are comparable to 2024, 2024 issuances included a very large multi-unit development that resulted in high levels of use tax in the first quarter. As permit issuances remain strong, 2025 revenues are trending closer to 2024 results.

**Property tax** revenues increased by \$757.7K (14.6%) compared to the prior year. This is likely due to the timing of tax payments and remittances from the Counties. Property tax revenues are set based on assess values and mill levies, so the amount of revenues due known, and property taxes will decline in 2025.

Property taxes are calculated by the County based on a combination of the property's type, actual value, assessment rate, and mill levy. Properties are valued every other year to determine the actual value to which assessment rates and mill levies are applied. The City sees changes to property tax revenues based on valuation changes every other year (even numbered years). Revenue changes also include growth (new properties developed) and property types that are valued annually (e.g. oil & gas).

For more information about your property taxes visit the County Assessor's website for your location.

**Financial Overview—General Fund**

**General Fund Description:**

The General Fund is the primary operating fund for the City and is funded largely by unrestricted sales, use and property taxes, 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. Utilities functions are reported in the utilities funds (Water, Wastewater, and Storm Drainage), discussed later in this report.

Because the revenue sources in the General Fund are primarily unrestricted, excess resources in the fund are often used to fund projects in other funds. These uses are shown as "Transfers Out". In order to reflect the financial strength of the fund, Change in Fund Balance is presented both with and without transfers out to other funds.

<b>General Fund Revenues and Expenditures</b>					
<b>Amounts Reported January through June of each year</b>					
<b>Description</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>	<b>2024</b>	<b>2025</b>
<b>Revenues</b>					
Taxes	\$ 15,724,055	\$ 18,459,257	\$ 17,394,606	\$ 19,791,114	\$ 22,707,057
Charges for Services	3,153,747	3,186,239	3,253,636	2,484,734	2,099,640
Licenses & Permits	722,836	1,192,071	478,778	1,186,223	1,097,028
Intergovernmental & Grants	1,162,475	1,432,313	1,445,024	2,314,477	2,666,943
Fines & Forfeitures	193,499	121,868	101,878	187,943	234,380
Investment Earnings (Loss)	(33,734)	(953,613)	1,003,073	571,924	1,030,433
Miscellaneous	318,215	290,708	294,126	359,675	148,420
Transfers In	256,000	-	-	256,000	661,000
<b>Total Revenues</b>	<b>21,497,092</b>	<b>23,728,844</b>	<b>23,971,121</b>	<b>27,152,090</b>	<b>30,644,902</b>
<b>Expenditures</b>					
Personnel	12,500,555	13,167,580	16,052,425	17,997,723	19,918,936
Purchased Services	450,010	367,422	615,288	1,198,588	975,162
Operating Expenses	4,771,605	5,215,969	6,143,580	5,911,935	7,680,229
Transfers Out	1,896,000	-	-	20,400,000	2,413,067
<b>Total Expenditures</b>	<b>19,618,170</b>	<b>18,750,971</b>	<b>22,811,293</b>	<b>45,508,247</b>	<b>30,987,394</b>
<b>Change in Fund Balance</b>	<b>\$ 1,878,921</b>	<b>\$ 4,977,873</b>	<b>\$ 1,159,828</b>	<b>\$ (18,356,157)</b>	<b>\$ (342,492)</b>
<b>Change in Fund Balance WITHOUT Transfers Out</b>	<b>\$ 3,774,921</b>	<b>\$ 4,977,873</b>	<b>\$ 1,159,828</b>	<b>\$ 2,043,843</b>	<b>\$ 2,070,575</b>

**General Fund Financial Results Discussion**

**Revenues:**

***Sales, Use and Property Taxes***

The General Fund is funded primarily by unrestricted sales, use, property, and other taxes which make up 74.1% of General Fund revenues for this period. These revenues totaled \$22.7M and increased overall by 14.7% with increases to property and sales taxes and decreases to use tax revenues.

***Charges for Services and Permits and Licensing***

The General Fund includes 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, the fee revenue in these combined categories declined \$474.3K, or 12.9%. This was due to decreases across several categories, including planning & zoning related fees and recreation center fees.

***Intergovernmental***

This revenue category increased \$352.5K (15.2%) driven by the City's agreement with the 27J school district to provide school resources officers for which the district reimburses the City.

**Expenditures:**

***Personnel Expenditures*** make up 69.7% of General Fund spending (excluding transfers out) and total \$19.9M which is 10.7% 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 insurance costs and retirement contributions, and several new positions added in the 2025 adopted budget.

***Operating and Purchase Services Expenditures*** make up 30.3% of General Fund expenditures (excluding transfers out). Spending on operations is up 21.7% compared to the prior year. This is related to increases in services like insurance coverage and emergency communications, paired with the timing of purchases.

***Transfers Out*** in 2024 were high as the City intentionally spent down reserves. In 2025, transfers decreased with the primary action being a transfer to the Water Fund to support projects in that fund.

**Fund Balance / Reserves:**

The General Fund spent or transferred out \$342.5K more than it received in revenues in the first half of the year, resulting in an unassigned (available) fund balance of \$22.9M. The fund is budgeted (planned) to break even in 2025 with no increase or decrease to reserves.

The General Fund fund balance is outlined to the right, including amounts that are reserved due to external legal restrictions or internal actions taken through ordinances or resolutions.

Fund Balance as of Q2 2025	\$ 40,476,024
Emergency Reserves	
Emergency Reserve	9,997,953
General Fund Stabilization Reserve	4,998,977
TABOR Reserve	1,749,562
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	\$ 22,874,796

Emergency reserves total \$16.7M and represent 41.4% of total fund balance. Unassigned fund balance totals \$22.9M and is sufficient to fund 39.2% of the 2025 adopted budget for the General Fund (excluding transfers), or nearly five months of budgeted spending.

**Financial Overview—Other Governmental Funds**

**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, intergovernmental funds, 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.

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 fee revenues received through new development permits and ensures those funds are utilized on eligible capital 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.

The Cemetery Fund and Cemetery Perpetual Fund track revenues and spending on management and maintenance of the City's cemeteries.

<b>Other Governmental Fund Revenues and Expenditures</b>					
<b>Amounts Reported January through June of each year</b>					
<b>Description</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>	<b>2024</b>	<b>2025</b>
<b>Revenues</b>					
Taxes	\$ 4,539,822	\$ 4,925,705	\$ 5,344,529	\$ 4,923,295	\$ 6,256,810
Charges for Services	812,424	3,347,733	474,776	1,643,163	2,674,623
Intergovernmental & Grants	6,908,082	6,193,220	7,104,067	1,304,285	1,034,246
Investment Earnings (Loss)	(45,342)	(1,336,772)	1,215,534	1,554,398	2,095,305
Oil & Gas Proceeds	5,063,791	1,870,991	545,919	3,123,183	1,532,635
Miscellaneous	2,816,586	85,829	405,057	223,929	275,684
Transfers In	1,247,138	-	-	24,601,000	289,304
<b>Total Revenues</b>	<b>21,342,502</b>	<b>15,086,707</b>	<b>15,089,882</b>	<b>37,373,254</b>	<b>14,158,606</b>
<b>Expenditures</b>					
Personnel	134,994	126,203	165,807	206,595	199,923
Purchased Services	6,720	265,109	25,433	217,770	119,025
Operating Expenses	127,029	162,617	142,290	260,669	162,494
Repairs & Maintenance	1,183,012	1,008,811	1,182,697	527,421	941,285
Capital Outlay	1,019,178	4,850,698	12,353,968	14,112,632	14,309,398
Debt Service	871,029	723,588	705,748	687,200	1,204,500
Transfers Out	1,303,138	-	-	4,457,000	750,304
<b>Total Expenditures</b>	<b>4,645,100</b>	<b>7,137,026</b>	<b>14,575,944</b>	<b>20,469,286</b>	<b>17,686,930</b>
<b>Change in Fund Balance</b>	<b>\$ 16,697,402</b>	<b>\$ 7,949,681</b>	<b>\$ 513,937</b>	<b>\$ 16,903,967</b>	<b>\$ (3,528,324)</b>

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## **Other Governmental Fund Financial Results Discussion**

### **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 \$6.3M and increase significantly compared to the prior year. This is due largely to the timing of receipts compared to rebates paid on development agreements.

#### ***Charges for Services***

This category primarily includes impact fees which are charged for new development. Impact fees increased at the beginning of the year and permit issuances remain strong. These factors combined to result in revenue totaling \$2.7M, an increase of 62.8% compared to the prior year.

#### ***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). In 2024, Impact Fees provided \$3.7M in funding for the Bridge Street Widening project in 2024. There are no significant transfers in planned for 2025.

### **Expenditures:**

Total spending for the quarter was \$17.7M, roughly 13.6% less than in the prior year. Capital spending accounts for 84.5% of the spending in this group of funds (excluding transfers out). Spending on capital projects was up slightly compared to the prior year, up 1.4% and in line with project expectations.

Transfers Out totaled \$750.3K and primarily included transfers to other funds within this group of funds, as noted within the Revenues section above.

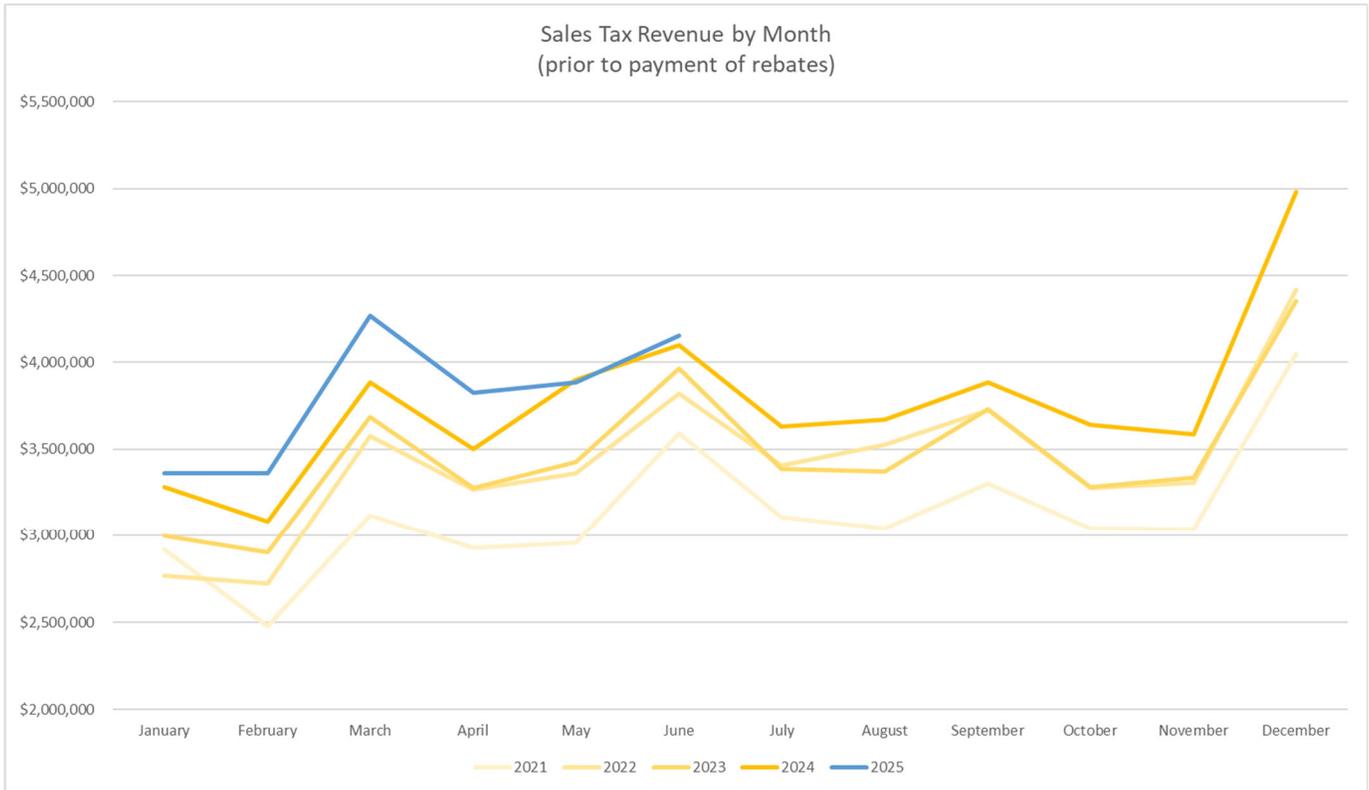
Spending in these funds is project based and will fluctuate based on the timelines of projects in process. Project information can be found in the City's [Capital Project Report Card](#) available online.

### **Reserves:**

Reserves decreased by \$3.5M during the quarter, bringing total reserves to \$80.8M. Reserves in these funds have accumulated in anticipation of projects. As those projects occur, the reserves will be spent down with a \$28.6M reduction budgeted in 2025. All reserves in these funds are either formally restricted or otherwise committed to planned projects.

**Sales Tax Revenues by Month**

2021 through Q2 2025, gross amount due before payment of rebates



<b>Q2 2025 performance by location</b>	
Within the City	+ 0.3%
Remote/Out of City	+ 18.0%
<b>Q2 2025 performance by industry</b>	
Retail Online	+ 27.9%
Construction	+ 21.6%
Food/Accommodations	+ 6.0%
Retail	+ 0.3%
Retail—Grocery	- 5.3%
Utilities	- 8.6%

Sales tax due to the City through Q2 2025 was \$22.9 million prior to the payment of rebates. This is a 5.1% increase compared to the prior year, and down from a 7.3% increase in Q1 2025.

Looking at broad trends, sales to businesses with a presence in the City are mostly flat, up only 0.3%. Sales to remote and online sellers, however, are up 18.0%. This, when considered with the addition of new businesses and a growing population, suggests that people are shifting their shopping habits from in person to online options.

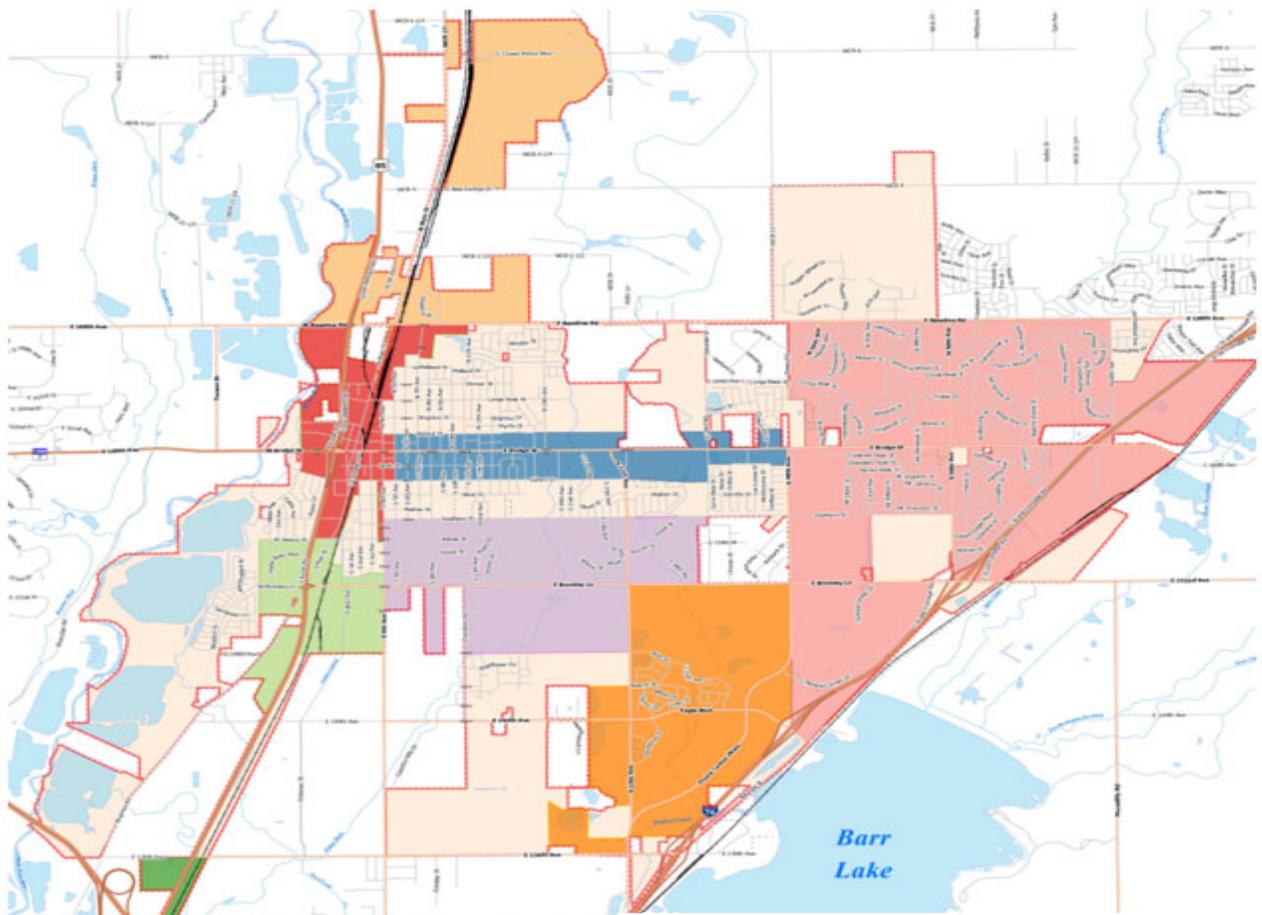
<b>Q2 2025 Top 20 taxpayers</b> <i>(in alphabetical order)</i>	
Amazon	Safeway
Brighton Ford	Target
Door Dash	TikTok
Flow-Zone LLC	Tractor Supply
Home Depot	Trans-west
Johnston Auto Sales	United Power
King Soopers	Verizon
Lowe's	Walmart
McDonald's	United Power
Ross Dress for Less	Xcel Energy

Results by industry show that in person grocery sales (including mixed sales locations) are down 5.3%, which could be offset by the increase in online sales. Sales related to utilities are down 8.6%. In a City with a growing population and customer base, this likely indicates that rates utility changed from one year to the next or had spiked in early 2024.

The tax audit team continues to make progress on audited, assessing roughly \$225K in revenue owed through Q2 2025.

### Sales Tax Percent Change by City Area

The following map shows the percent change in sales tax revenues (prior to the payment of rebates), for various areas of the City. Results are mixed for the first quarter of the year with several areas showing declines compared to prior years, and others showing improvement compared to Q1 2025. Those with reductions are areas that include a higher concentration of restaurants or grocery stores, which are categories that trended flat or downwards in the first half of the year.



Sales Boundaries:		% Change
	Bridge Street Corridor	+5.8%
	Bromley & Hwy 85	-4.9%
	Bromley Corridor	-6.5%
	Bromley Park	-3.4%
	Downtown	+3.1%
	North Brighton	+37.8%
	Prairie Center	+2.3%
	South Brighton	+8.4%

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## **Financial Overview—Utility Funds**

### **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.

### **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 collected on new development permits 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 became effective in January 2025. 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**

Water Fund Revenues and Expenditures Amounts Reported January through June of each year					
Description	2021	2022	2023	2024	2025
<b>Revenues</b>					
Charges for Services	\$ 3,656,825	\$ 4,885,704	\$ 5,224,145	\$ 5,502,420	\$ 7,035,558
Impact Fees	5,092,101	13,521,473	2,490,008	9,184,384	6,669,953
Investment Earnings (Loss)	(32,785)	(647,149)	761,497	2,917,430	3,402,518
Intergovernmental	2,858	45,960	10,444,588	-	959,752
Miscellaneous	107,940	113,480	47,661	62,570	305,794
Transfers In	-	-	-	-	2,100,000
Borrowing Proceeds	-	-	80,000,000	-	85,000,000
<b>Total Revenues</b>	<b>8,826,939</b>	<b>17,919,468</b>	<b>98,967,899</b>	<b>17,666,804</b>	<b>105,473,574</b>
<b>Expenses</b>					
Personnel	1,505,186	1,378,823	1,268,795	1,862,103	1,887,569
Purchased Services	1,959,596	2,140,713	2,169,009	2,203,001	2,458,095
Operating Expenses	986,677	928,344	1,096,995	1,108,004	1,225,976
Repairs & Maintenance	1,027,117	543,262	639,352	346,697	2,066,534
Administrative Allocation	1,430,445	1,397,393	1,043,210	-	-
Capital Outlay	5,001,470	5,093,640	6,867,534	21,903,250	37,937,266
Debt Service	1,334,444	1,342,223	3,541,386	3,630,157	4,746,713
<b>Total Expenses</b>	<b>13,244,935</b>	<b>12,824,397</b>	<b>16,626,280</b>	<b>31,053,211</b>	<b>50,322,152</b>
<b>Change in Net Position</b>	<b>\$ (4,417,995)</b>	<b>\$ 5,095,071</b>	<b>\$ 82,341,618</b>	<b>\$ (13,386,408)</b>	<b>\$ 55,151,422</b>

**Revenues**

**Charges for Services and Impact Fees**

This category is the primary, ongoing source of funds for the City's Water utility. Revenue increased as accounts were added and rate and fee increases took effect in January 2025.

Impact fees are driven by development, and while development remains strong, some very large permits in early 2024 caused those numbers to be unusually high early in the year.

**Intergovernmental**

The City received a grant from the EPA for the 4th Avenue water line replacement project. Funding was received ahead of potential federal funding cuts.

**Debt Issuance**

The City issued \$85M in bonds in February 2025 to finance the Water Treatment Plant project.

**Expenses**

**Personnel and Operational Expenses**

Personnel spending was similar to the prior year.

The administrative allocation in 2024 and 2025 has been waived in support of water fund projects.

**Capital Outlay**

The Water Fund spent \$37.9M on capital projects through Q2 2025, up 73.2%. Projects funded include the Water Treatment Plant construction and design and construction of the Lutz non-potable reservoir.

**Financial Overview—Wastewater Fund**

Wastewater Fund Revenues and Expenditures Amounts Reported January through June of each year					
Description	2021	2022	2023	2024	2025
<b>Revenues</b>					
Charges for Services	\$ 3,067,712	\$ 3,364,243	\$ 3,197,821	\$ 3,790,969	\$ 4,289,112
Impact/Connection Fees	215,916	359,661	73,377	232,968	200,772
Investment Earnings (Loss)	(17,960)	(429,541)	372,566	90,813	146,620
Miscellaneous	22,614	14,950	4,100	177,491	17,993
Borrowing Proceeds	-	-	31,599,000	-	-
<b>Total Revenues</b>	<b>3,288,281</b>	<b>3,309,313</b>	<b>35,246,864</b>	<b>4,292,241</b>	<b>4,654,497</b>
<b>Expenses</b>					
Personnel	852,351	820,140	760,071	526,284	658,452
Purchased Services	360,958	480,647	485,001	397,924	306,940
Operating Expenses	504,821	1,059,375	874,723	1,945,399	1,807,121
Administrative Allocation	623,963	342,139	569,555	469,019	330,106
Capital Outlay	66,531	53,051	18,206	936,050	463,962
Metro Water Recovery Buy in	-	-	46,597,325	-	-
Debt Service	344,637	350,037	393,937	2,593,992	2,641,808
<b>Total Expenses</b>	<b>2,753,262</b>	<b>3,105,389</b>	<b>49,698,816</b>	<b>6,868,668</b>	<b>6,208,389</b>
<b>Change in Net Position</b>	<b>\$ 535,020</b>	<b>\$ 203,924</b>	<b>\$ (14,451,952)</b>	<b>\$ (2,576,427)</b>	<b>\$ (1,553,891)</b>

**Revenues**
**Charges for Services**

This category is the primary, ongoing source of funds for the City's Wastewater utility. Revenue increased as accounts were added and rate and fee increases took effect in January 2025.

**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 expenses are up 25%, or \$132K. This is related to vacancies in 2024 as well as realignment of some positions, combined with cost of living and other adjustments.

Operating costs (excluding personnel) overall decreased by \$368K, or 13%. As we are early in the year, some fluctuation is due to timing of payments.

The administrative allocation is based on operating costs and oversight, and the fund outsourcing processing resulted in fewer staff and other oversight activities, lowering the administrative fee allocated to the fund.

**Capital Outlay**

Capital outlay spending decreased by \$472K, or 50.4%. These costs were much higher in 2024 due to the fund's contribution to the City's Municipal Service Center project. This project was completed in early 2025 and spending has lessened significantly. Capital investment in the wastewater operation will be limited in the future as all flows are processed by external processors.

**Financial Overview—Storm Drainage Fund**

Storm Drainage Fund Revenues and Expenditures Amounts Reported January through June of each year					
Description	2021	2022	2023	2024	2025
<b>Revenues</b>					
Charges for Services	\$ 409,197	\$ 507,605	\$ 628,747	\$ 810,027	\$ 887,075
Impact Fees	515,310	369,919	356,513	914,436	566,183
Investment Earnings (Loss)	(3,279)	(4,688)	37,933	47,791	18,146
<b>Total Revenues</b>	<b>2,617,228</b>	<b>872,836</b>	<b>1,023,193</b>	<b>1,772,254</b>	<b>1,584,471</b>
<b>Expenses</b>					
Personnel	109,361	119,239	146,703	188,710	306,247
Purchased Services	14,674	41,945	108,814	702	11,156
Operating Expenses	95,415	221,506	38,595	175,915	657,983
Administrative Allocation	67,914	58,734	86,783	109,560	112,133
Capital Outlay	2,005,195	4,502,259	141,663	888,741	2,208,410
<b>Total Expenses</b>	<b>2,292,560</b>	<b>4,943,684</b>	<b>522,558</b>	<b>1,363,629</b>	<b>3,295,929</b>
<b>Change in Net Position</b>	<b>\$ 324,669</b>	<b>\$ (4,070,848)</b>	<b>\$ 500,635</b>	<b>\$ 408,625</b>	<b>\$ (1,711,458)</b>

**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. That fee has not changed since 2022, so increases are due to the addition of new properties. 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. There were no changes to rates in 2025, but the addition of new accounts resulted in increased revenue.

Impact fees are driven by development, and while development remains strong, some very large permits in early 2024 caused those numbers to be unusually high early in the year. There have been no changes to impact fee rates for this fund a number of years.

**Expenses**
**Personnel and Operational Expenses**

Personnel Costs increased by \$118K, or 62% with the addition of a new Water Resources Analyst position. Operational costs, excluding personnel, are up \$495K, or 173%. This is due primarily to a large developer reimbursement that was driven by high levels of development in one neighborhood. That reimbursement is paid in full. The other categories of operational spending show minimal increases.

**Capital Outlay**

Capital spending has increased in \$1.3M, or 149% in 2025 due to several outfall and other projects underway to improve drainage which are budgeted at \$2.3M for the year,

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