



# Memo

To: Mayor and City Council  
From: Sandi Hines, Finance Director  
Date: April 22, 2025  
Re: 1<sup>st</sup> Quarter 2025 Financial Dashboard Report

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## Background

The Financial Dashboard Report is a high-level summary of some of the City's key revenue and expenditure markers. It provides a budget to actual comparison for year-to-date revenues and expenditures for the General Fund as well as other key revenues and expenditures from other funds. The report also compares this year's actual revenue and expenditure performance to the prior year. The report provides a quick glance status utilizing a color scheme of green (positive performance above expectations), yellow (performance at expectations), and red (performance below expectations and/or areas to watch). Staff will provide the dashboard report to the Council quarterly. Starting with the second quarter 2025 report, the dashboard will include the previous quarter's color indicators to indicate whether the revenues and expenditure categories have improved or declined since the previous quarter.

## Analysis

**General Fund Revenues** are at 19% of the budget, below the quarterly mark of 25%. This is partly due to the nature of property tax collections where the City receives the majority of property tax revenue two times during the year – April/May and October/November. Excluding the property tax from the budget and actuals, first quarter General Fund revenues would be at 23% collected. Additionally, first quarter 2025 revenues are 13% ahead of the same period in 2024.

The General Fund Revenue status indicator is shown as red on the dashboard (see following page) due to the low collections of development related revenues – Building Permits and Planning revenues, at 10% and 22% collected respectively, as of March 31, 2025. Some positive news as we enter the second quarter is that several Building Permits have been pulled in April, which should improve the overall collection percentage compared to the budget on the second quarter Dashboard Report.

**Sales Tax** and **Utility Tax** revenues are on target as we finished the first quarter with 26% and 24% collected respectively compared to budget. Sales Tax revenues can be volatile based on economic conditions, time of the year, and development activity. Staff will continue to monitor Sales Tax revenues throughout the year.

One area seeing a large increase compared to last year at this time and to the budget is **Passport** revenues. Though not a major source of revenue, the Passport services program has seen a steady increase since last year and is already at 42% of budget and 125% ahead of first quarter 2024. Appointments are scheduling out 4 weeks currently. Staff are attributing a portion of the increase to the May deadline requirement for domestic air travelers to have a REAL ID, of which a passport is one option.

**General Fund Expenditures** are 32% of the budget, over the quarterly mark of 25%. One item significantly impacting this percentage is the Citywide insurance invoice (\$495,790) that is paid in-full at the beginning of the year. Excluding the insurance amount from the budget and actuals, first quarter expenditures would be 27% of budget, just about in line with quarterly expenditure expectations. Another item edging the YTD total above the 25% mark is software subscriptions. Most of the City's software subscriptions have an annual maintenance and support component that is paid one time at the beginning of the year. Outside of the annual one-time items, expenditures tend to trend to an even split throughout the year as about 75% of the City's General Fund budget is for personnel costs that are paid consistently month to month.

Information for revenues in other funds includes **Real Estate Excise Tax (REET)**. REET is not received in the General Fund as it is solely dedicated to capital expenditures and is accounted for in the capital project funds. REET is included in the Dashboard Report as it is an important funding source for capital projects such as the City Hall Remodel, Miller Park, and general government facility improvements. As of March 31, 2025, REET revenue was significantly below the 25% quarter mark at 7% and below the same time period last year by 57%. First quarter revenue is typically lower than the following quarters due to low house sales during the winter (REET is received on a 2-month lag from the actual sales.). Staff have received news that there have been at least two large commercial sales in March/April, so revenue is expected to increase significantly during the 2nd quarter.

The dashboard below summarizes the financial data as of March 31, 2025: