2024 STATE OF THE CITY – FINANCE NOTES

Financial Highlights

The General Fund continued its growth trajectory in 2024 with Income Tax receipts once again exceeding both budget and the prior year. **The City's annual income tax revenues set a new all-time high finishing at over $13.3 million dollars.** A comparison of 2024 to 2023 shows that the City's total Income Tax receipts were up $367,218 contributing to the **General Fund Balance increasing $603,212 over the previous year balance.**

As in prior years, **General Fund expenses for 2024 remained well managed and finished favorably compared to budget.** Total annual expenditures were at $9.1 million, well below the budgeted amount of $10.6 million. This $**1.5 million favorable variance is** attributable to a variety of factors of continued efficiency in management, ensuring that annual budgets reflect conservative and responsible planning. We continue to maintain the self-insured **health care claim costs below the projection for the year.** The City's annual cost of healthcare has finished favorable again in 2024. As noted in the past, the City is self-insured and annual budgets for healthcare costs are based on an actuarially calculated maximum liability exposure.

In 2024, **all departments operated within their allocated budgets, maintaining disciplined spending practices of which many non-payroll operating expenses were held at prior year levels, with increases being for specific needs only**. It has been the goal of the City Administration along with the Budget Commission to maintain non-payroll budgeted expenditures at prior year levels until it is determined that additional departmental operating funds are required for a specific operational purpose. The City Administration and Budget Commission continue to prioritize fiscal responsibility in budgeting and maintaining sound practice for non-payroll expenditures that are considered necessary.

As a result of these efforts, **2024 finished with a $8.16 General Fund cash balance, after encumbrances,** in comparison to 2023-year end close of $7.56 million. This represents a year-to-year **surplus of 603,212.**

Looking ahead to 2025 Goals and Initiatives:

Building on the financial stability achieved in recent years, the City will continue to focus on strategies to enhance services while maintaining fiscal responsibility. Key goals for 2025 include: allocate funds for road maintenance and critical public works projects to support long term community development, ensure the safety services have the necessary resources to maintain safety effectively, implement digital solutions to improve city operations, support economic development with local business and attract new investment to sustain revenue growth and continue to monitor healthcare costs, capital expenditures and operational efficiency and stability.