



City Council Meeting – Nov. 3, 2025

Council Questions & City Staff Responses

Before each City Council meeting, questions that have been posed by the City Council relating to the agenda for that evening will be posted to the City's website. Below are the responses to this week's questions.

Agenda Item 7. Reports

b. August and September 2025 Revenue Reports

Q: On the revenue tax summary report: Sales tax seems to be up significantly for the past three months (received), which is great to see. What is the explanation for that significant increase? Are there more businesses open, or are people spending more? Curious because I am hearing spending is generally down nationwide.

A: It is correct that sales tax receipts have been trending upward over the past few months. Sales tax is currently trending approximately \$360,000 over the prior year.

However, it is important to couple the growth of sales tax with the decrease in local use tax, down \$239,000 from the prior year. Use tax is a form of sales tax that a purchaser owes on goods purchased out of state for use or consumption in Illinois. Retailers can now report sales under the sales tax rather than use tax as part of the Retailers' Occupation Tax Act.

Additional sales tax growth is attributable to the increase in consumer spending, offset by a downturn in investments, according to the Bureau of Economic Analysis (BEA).*

*BEA, *Gross Domestic Product, 2nd Quarter 2025 (Third Estimate), GDP by Industry, Corporate Profits (Revised), and Annual Update*, issued September 25, 2025.

Q: Page 70 of the packet shows that sales tax revenue in Geneva is up over 20% so far this year. Nowhere in the packet is this good news story discussed or explained. Why is this happening? Our neighboring communities are not seeing increases this great in their results.

A: Referencing the answer above: It is correct that sales tax receipts have been trending upward over the past few months. Sales tax is currently trending approximately \$360,000 over the prior year.

However, it is important to couple the growth of sales tax with the decrease in local use tax, down \$239,000 from the prior year. Use tax is a form of sales tax that a purchaser owes on goods purchased out of state for use or consumption in Illinois. Retailers can now report sales under the sales tax rather than use tax as part of the Retailers' Occupation Tax Act.

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Q: The Aurora Area Convention & Visitors Bureau membership was entered into mainly to increase occupancy of our hotels. As the hotel tax is estimated to decrease this year, and the Aurora Area CVB has been active for a full year, are we concerned this membership has not resulted in the promised results thus far?

A: No, there is not a concern regarding the benefits of Geneva being a contributing member of the Aurora Area CVB. The hotels were an important factor in the City's decision to join, but not the sole reason. There are several contributing factors to the lower hotel/motel taxes for this time period, including, but not limited to, changes to people's travel habits on a local and national level as well as changes to local long-term stay contracts. The AACVB is very engaged on this issue and is working with our City staff as well as the hotels as to how to broaden their marketing presence, including plans specific to their needs.

The AACVB serves the entire Geneva business community at no additional costs to the businesses – no individual membership is required. For example, this year three Geneva-based organizations (business, non-profit and recreation) participated in a tourism-driven tradeshow, at no cost to their specific entity.

Q: Who in the City is actively pushing the Aurora Area Convention & Visitors Bureau to do a better job for Geneva hotels? Who is questioning the Aurora Area CVB why hotel tax funds are dropping, and what are they doing to increase our occupancy?

A: City staff sits on the AACVB Board as well as the Finance Committee. The owner of the Comfort Suites is also an AACVB Board Member. The AACVB sales and marketing staff works directly with hotel representatives on a regular basis.

Agenda Item 7. Reports

c. Financial Reports May through August 2025

Q. The statement analysis memos prepared by the Finance Director should be eliminated as they appear to represent a simple cut-and-paste regurgitation of meaningless numbers. No analysis of the financial statements is offered. A meaningful analysis would provide insight as to "why" certain variances have occurred, as well as what impact these variances might have on the full year. Maybe more analysis could be provided quarterly.

A: Thank you for the valuable feedback. Over the past several months, Finance staff has discussed modifying the monthly report to better align with the Management Discussion and Analysis section of the Annual Comprehensive Financial Report, or to present the information in a format similar to the Popular Annual Financial Report. The goal is to provide more meaningful insights into the driving factors behind financial trends.

Given ongoing discussions and planned revisions to the monthly financial report template, City staff felt it was prudent to continue releasing the financial statements in their current format while these improvements are developed offline. We anticipate that future reports will include deeper analysis, clearer explanations of variances and their potential impacts on the full year.

Q: The graphs provided for electric and water rates and usage do not convey a message. Shouldn't we be concerned with what current rates are now, compared to the prior year? The revenue vs. expense results year-to-date are significant. Should we have concerns, or is there some explanation as to why this will correct itself further into the fiscal year?

A: Thank you for the feedback regarding the rate and usage graphs for the Electric and Water Funds. The intent of these visuals was to provide a snapshot of consumption trends by customer class rather than rate comparisons. However, City staff agrees that future iterations could be enhanced by including prior-year rate comparisons to better illustrate the relationship between usage, rate adjustments, and revenue performance.

Electric Fund

As of July 31, electric sales are on target at approximately 25% of the budget. There is an anticipated spend down of fund balance (reappropriation) totaling \$17.8 million in Fiscal year 2026, primarily related to capital improvements along the North Geneva Business Parkway and South Kirk Road corridors. These expenditures are funded through the General Obligation Bonds, Series 2024, and account for the planned fund balance reduction.

Most Electric Division categories are performing within their budget targets, with the exception of electric generation, which was at 42% of budget at the end of July. This variance is due to seasonal natural gas expenses associated with operations at the Geneva Generation Facility (GGF). These costs typically normalize later in the fiscal year, and City staff anticipates the Electric Division will close near its annual budget target.

A comparative table of current and prior fiscal year usage and revenues for July is provided below for reference.

Service Class	FY 2025 kWh	FY 2025 Dollars	FY2026 kWh	FY 2026 Dollars
City	777,349	\$82,134	811,667	\$80,482
Commercial	9,625,337	893,147	10,040,221	1,001,630
Government	1,479,502	161,206	1,373,489	165,068
Industrial	13,500,307	1,115,726	14,480,222	1,273,186
Residential	9,235,037	1,046,723	10,139,318	1,220,977
Total:	34,617,553	\$3,298,937	36,844,929	\$3,741,343

Water Fund

Water sales are performing above budget, at 28% of target, totaling approximately \$2.05 million as of July 31. Total revenues are slightly below budget primarily due to the timing of "Other Financing Sources," which includes the anticipated issuance of an Illinois Environmental Protection Agency loan for the Sanitary River Crossing and Water Treatment Plant Screening Project.

The Water Fund also anticipates a \$4.8 million fund balance spend down in fiscal year 2026, identified under the Reappropriation line item, to support these major capital projects. Current expenses represent 8% of budget, as City staff continues to seek necessary City Council approvals before initiating project expenditures. These figures are expected to normalize as project activity increases later in the fiscal year.

Service Class	FY 2025 Cubic Feet	FY 2025 Dollars	FY 2026 Cubic Feet	FY 2026 Dollars
City	11,339	\$458	10,860	\$463
Commercial	2,016,101	106,443	2,090,775	116,026
Government	179,044	8,837	157,178	7,965
Industrial	1,238,425	67,009	1,532,329	87,287
Residential	6,020,941	314,210	6,405,123	353,723
Total:	9,465,850	\$496,957	10,196,265	\$565,465