

# Finance Update

## At August 31, 2017

**Cash Position/Investments:** The total Cash Position was \$3,309,398, down \$373,373 from July. The final payment (\$253k) to Nextera for the Water Meter Project was paid during the month of August. Additional meters were purchased to cover an inaccurate original count that resulted from long-standing vacant accounts. The final payment of \$31,859 will be made on September 1<sup>st</sup>. These payments put the Water Fund in a negative cash position. As the benefits from the Meter Project begin to accumulate, the Water Fund cash position will continue to improve.

**Investments:** Our investments at LOGIC ended the month with a \$3,278,149 balance and earned \$3,792 in interest for the month. The LOGIC interest rate ended the month at 1.2803%, a 1.67 basis point increase.

**Overall Budget Performance:** Through the first eleven months of the fiscal year, Revenues collected are at 90.47% of the budgeted numbers after eliminating the Budgeted use of prior year reserves.

Year-to-date General Fund Expenditures are at 86.83% of budget 91.7% of the way through the year. The Water Fund has spent 82.24% of its budget and is expected to come in well under budget for the year. The 2013 Bond Fund is expected to spend \$200,000 of its \$525,000 budget before fiscal year end as the Street Project resumes.

**Budget:** Having adopted our Property Tax Rate at the previous meeting, we are conducting a Public Hearing tonight to finalize the proposed budget. A notice of the hearing was published in the newspaper and notices were posted at City Hall and the Library. In addition, the proposed budget has been posted on the City website for the past 3 weeks. In those notices we encouraged citizens to participate in this public hearing. At the conclusion of the Public Hearing, the Council will take a Record Vote to adopt the proposed budget.

**Future Plans:** We have invested in some projects that should improve our cash flow over the next several years; however, the cash flow from these projects will grow slowly over time. It is imperative that we preserve our cash position in the short run. To this end, we will be making recommendations to Council that will significantly improve cash flow and at the same time eliminate some unnecessary complexities in the administration of the City.

Michael Gunderson

Finance Director