

# Finance Update

## At June 30, 2017

**Cash Position/Investments:** The total Cash Position was \$3,795,660, down \$514,482 from April. The fifth drawdown of funds on the Water Meter Project was \$294,698. This was paid to Nextera based on percentage of progress on the project. The remaining balance owed to Nextera is \$253,923 due in July. The first annual Note payment (\$80,583) was paid on June 15<sup>th</sup>. In addition, there were three payrolls paid in June. This happens once every six months because we run a bi-weekly payroll.

**Investments:** Our investments at LOGIC ended the month with a \$3,745,433 balance and earned \$3,810 in interest for the month. The LOGIC interest rate ended the month at 1.2074%, a 12 basis point increase. The markets seem to have assumed that the Fed is going to proceed with its previously announced schedule of rate increases. If the Fed continues with its increases our yield at LOGIC should approach 1.5% by yearend.

**Projects:** The Water Meter project is nearly complete, with less than ten meters left to install at locations which had some complications.

I have begun meetings with a website consultant in preparation for a re-write of our website. The new website will incorporate the EDC website and eliminate the \$3,000 annual fee for that service. Our new annual cost will be under \$200 for the software to maintain the site. However, the proposed cost for the re-write is close to \$12,000.

The lease for the Police Department Konica-Minolta copier expires on August 5<sup>th</sup>. I have engaged Novacopy to replace the copier with a new Canon that is functionally equivalent to the existing copier. The agreement will be a 60-month lease at \$141 per month and \$.0059 per copy.

**Overall Budget Performance:** Through the first nine months of the fiscal year, Revenues collected are at 78.19% of the budgeted numbers after eliminating the Budgeted Decrease in Equity. After discussing the apparent over collection of property tax with TAD, it was discovered that the final appraised property value delivered to us at the end of September 2016 was significantly higher than the July estimated appraisal value from which our budget was calculated. We originally planned 2016 property taxes at \$1,587,014; after recalculating at the September appraisal numbers, the number was \$1,717,380, a \$130,366 increase to revenue and not subject to refund. As a result, I expect revenues to easily exceed the budget.

Year-to-date Expenditures are within budget with a few departmental exceptions. All exceptions are due to the timing of significant payments as footnoted on the Expenditure Report. Council-approved payments are pending on a few exceptional items like the Housing

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Rehab project additional units, and the water system Engineering Review. We expect some of the planned street projects to get underway in late July or early August. We expect to spend about \$200,000 of the \$525,000 budget on streets before this fiscal yearend; the rest will be rolled into fiscal 2018.

**Budget Dates:** We set budget dates at our last meeting. After further review, it appears that it may be possible to bring the proposed tax rate below the Effective Tax Rate with very little impact on our budget revenue. If the Council approves my recommendations on the 2018 Tax Rate, we will not need to hold public hearings, and we can eliminate some of the previously designated dates.

Michael Gunderson

Finance Director