



MEMORANDUM

DATE: October 24, 2022

TO: Honorable Mayor and City Councilmembers
Dave Perrault, City Administrator

FROM: Gayle Bauman, Finance Director

SUBJECT: 2022 3rd Quarter Financials

Budgeted Amount:	Actual Amount:	Funding Source:
N/A	N/A	N/A

Council Should Consider

Motion to approve, table or deny the following:

- Quarterly budget to actual fund statements and investment portfolio detail for the City.

All items need a simple majority for action unless otherwise noted.

Background

Investments - per the Investment Policy, our Benchmark Rate is the 4M plus Rate. At September 30, 2022 – this rate was 2.248% and our portfolio is averaging 1.95%. Our average rate will begin to increase as lower interest investments mature and we continue to invest in higher interest investments. All of our investments are in government secured or government backed deposits. Utility billing cycles and CIP projects are taken into account when determining how much to invest and for how long.

Basis of accounting – during the year, City books are kept on a cash basis which means that only items that are received are booked as revenue and items paid are booked as expenses. Adjustments for accruals, deferrals and other accounting requirements are made at year end.

General Fund – The main source of revenue for the City is property taxes and these come in twice a year. Expenditures are at 75.6% of budget through the end of the quarter, compared to 67.4% last year. Some of this difference is due to the timing of invoices.

Other governmental funds, enterprise funds and internal service funds – Utility revenue for third quarter will be booked in October 2022 and annual transfers between funds will be booked later in the year. The allocation for insurance (Risk Management Fund) was completed in June.

Market value adjustments for investments total -\$866,071.89 through the end of the quarter. It is important to note that the City holds its investments to maturity and no principal is ever lost on an investment.

Discussion

City Staff respectfully request the City Council review the quarterly updates for further discussion.

Budget Impact

None.

Attachments

Attachment A: Investment Portfolio Analysis

Attachment B: General Fund Revenues and Expenditures Summary

Attachment C: Other City Funds Revenues and Expenditures Summary

Attachment D: Permit Data