



MEMORANDUM

---

**DATE:** April 24, 2023  
**TO:** Honorable Mayor and City Councilmembers  
 Dave Perrault, City Administrator  
**FROM:** Gayle Bauman, Finance Director  
**SUBJECT:** 2023 1<sup>st</sup> 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.

**Background**

Investments - per the Investment Policy, our Benchmark Rate is the 4M plus Rate. At March 31, 2023 – this rate was 4.686% and our portfolio is averaging 2.55%. 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.

The first quarter financial results are generally as expected and mostly positive across all City funds. City revenue streams are on target with prior year and budget, and departments are for the most part under the 25% expended thus far in the year.

General Fund – The main source of revenue for the City is property taxes and these come in twice a year. Expenditures are at 24.7% of budget through the end of the quarter, compared to 21.5% last year. Some of this difference is due to the timing of invoices.

Other governmental funds and enterprise funds – Utility revenue for first quarter will be booked in April 2023 and annual transfers between funds will be booked later in the year.

Market value adjustments for investments total \$171,100.49 through the end of the quarter. At the end of 2022, the City recognized a market value loss of \$781,674.14. 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