

## GAINESVILLE REGIONAL UTILITIES

### CASH BALANCE POLICY

#### EFFECTIVE FOR 2020 BUDGET (UPON ADOPTION IN MARCH 2019)

The initial acceptable cash balance range was established through a Cash Balance Study conducted by GRU's independent financial advisor. The range will move each year based on an inflationary factor (3% for budget year 2020) and will be adjusted as necessary by Finance staff:

Cash Balance (\$ millions)				
	FY 2019	FY2020	FY2021	FY2022
<b>Proposed Cash Targets:</b>	<b>72.7</b>	<b>74.9</b>	<b>77.2</b>	<b>79.5</b>
<b>Lower Bound</b>	63.1	65.0	67.0	69.0
<b>Upper Bound</b>	82.3	84.8	87.4	90.0

Policy protocols:

- The proposed cash target and ranges, as well as the inflationary factor applied, will be reviewed annually by internal staff beginning with the 2020 budget process. The cash targets and ranges will also be reviewed on a quarterly basis to actual cash balances by internal staff.
- The study will be updated no less frequently than every three years by GRU's financial advisor and more often if risks identified in the study change significantly.
- If at any time actual cash balances fall outside the acceptable range, staff will as soon as practicable bring forth proposals for City Commission consideration designed to move cash balance levels to within the upper and lower bounds of the acceptable range.

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 General Manager of the Utility  
 Edward Bielarski

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 Date

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Chief Financial Officer  
Claudia Rasnick

Date