



Legislation Text

File #: 180819., **Version:** 2

Cash Balance Policy (B)

On February 7th the City Commission approved the GRU Cash Balance Study prepared by GRU's financial advisor, PFM Advisors LLC. The study is an analysis of the revenue and expense risks for GRU and its individual systems and reflects various economic, environmental, and climate risks. The purpose of the study was to determine an appropriate level of cash to reserve against each of these identified risks to establish an overall target level of cash. The study identified this proposed cash target, and lower and upper bounds around the target figure to generate an acceptable range of cash levels.

Staff committed to bring a cash balance policy sheet back for City Commission review in March, and this draft policy sheet is attached as backup. The policy will establish processes for maintaining GRU cash balances consistent with the acceptable range of cash levels.

This item was presented to the UAB on 3/14/19.

The cash balance policy will establish protocols for addressing situations in which GRU's cash levels move outside the acceptable cash range.

The City Commission approve the proposed cash balance policy.

At their March 14, 2019 meeting, the UAB voted unanimously to advise the City Commission to accept the staff recommendation.