



FY 2019 Recommended Budget Budget Question

Board Question #: 27

BUDGET QUESTION: On page 61 of the summarized version of the budget document the interest on investments for FY 2017 was \$97,006, FY 2018 Amended was \$70,000, and FY 2019 Recommended is \$75,000. Why the decrease?

RESPONSE: Actual receipts of interest earnings vary from year to year depending upon the amount of cash invested and the performance of those investments. Budget staff expects the amount of Capital Projects Fund cash invested for FY 2019 to be less than in previous years as capital projects are completed and invoices are paid out for those projects.

Unlike the General Fund, other funds (besides Utilities) do not have policy level reserves, so with no reserves to act as a buffer, it is better to be conservative on revenues than to project too high and have a problem at year's end. Note that at \$75,000, the FY 2019 projection is \$5,000 higher than that FY 2018 projection of \$70,000.