

Financial Advisory Board

2024 Annual Report

2024 Accomplishments

- **Investment Portfolio Monitoring:** The Board participated in monitoring the investment portfolio through quarterly reports prepared by the City's Investment Advisor, Marquette Associates, and an annual review with each investment management firm in April.
- **Investment Benchmark Review & Investment Policy Update:** The Board reviewed the performance benchmarks by which the investment managers are measured. As part of this review, the Board recommended minor changes. The Board's recommendations were reflected in a revision to the *Investment and Cash Management Policy*, which was approved by the City Council in May.
- **Utility Rate Review:** In 2024, the City conducted rate studies for the Electric and Water Utilities to set rates for 2025 through 2027. In August, the consultant recommendations were presented to the Financial Advisory Board. The Board reviewed the rate recommendations, including proposed debt issuances for capital improvements. The Board challenged staff to consider lower water rates through the issuance of more debt for long-term capital improvements. Staff modeled additional scenarios based on that direction and reduced the initial 23% rate increase to 12%. In October, the Board recommended the revised rates, which were ultimately approved by the City Council in November.
- **Quarterly Budget Review:** The Board received quarterly budget reports at each of its regular meetings. In October, the Board received a summary of the proposed 2025 Annual Budget.

2024 Challenges

- **Board Vacancies:** One seat remained vacant throughout the second half of 2024; however, the Board had generally good attendance throughout the year and was able to meet a quorum for all scheduled meetings.

2025 Upcoming Work

- Review the General Fund Emergency Reserve (Fund Balance) Policy and recommend updates as needed.
- Review revenue replacement options to address statewide Grocery Tax elimination in 2026.