

City of Evansville

Finance Dept.
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MEMORANDUM

To: Honorable Members of Common Council
City of Evansville

From: Russell Lloyd Jr. CPA, Controller *RJL*

Date: Sept. 9, 2015

Subject: Resolution Authorizing Temporary Transfer of Funds for Cash Flow Purposes

Dear Council Members:

The effect of Ordinance G-2015-14 since July 1, 2015 segregating the Rainy Day Fund, the Riverboat Gaming Fund and the Debt Obligations Funds into a separate checking account is negative to City operations.

The Civil City checking account with 40 operating funds' cash balances have been reduced due to the City's normal cyclical operating cycle and will not be restored until November and December when the second fall installment of property taxes are received.

The Controller's Office requests one of two actions be adopted by the City Council:

1. Amend Ordinance G-2015-14 and delete section 3.110.020 (B) to allow the Rainy Day and Riverboat Funds to be moved back to the Civil City checking account to allow for normal City cash management operations, OR....
2. Pass Resolution C-2015-13 to allow the temporary transfer of funds from the Rainy Day and Riverboat Fund checking account to the Civil City checking account to fund normal cyclical operating cash flow. The temporary transfer would be restored to these funds when property tax revenue is received in November and December 2015.

The Controller's cash flow projection for the remainder of 2015 anticipates a cyclical cash shortfall of approximately \$ 4 million in September and \$3.5 million in October. This will be restored in November and December.

Failure to enact either item 1 or 2 above will cause disruption of City expenditures to vendors and possibly payroll to employees later this month.