

**FINANCE ADMINISTRATION  
MEMORANDUM**

\*\*\*\*\*

**TO:** Jeffrey D. Kobrock, City Manager, and City Department Heads  
**FROM:** Pat Coty, Finance Administrator  
**DATE:** December 1, 2005  
**SUBJECT:** November 2005 Finance Reports

Attached are the City's financials for November 2005 in the new reporting format.

Automobile excise tax collected in the month of November reflect a decrease of \$4,759.44 from collections through November 2004. Year to date excise tax collections are \$13,098.89 below collections through the same period in the last fiscal year. Year to date real estate tax receipts are 5.80% above the same period in 2004. Overall the City's revenues collected in July through November are 7.09% above the benchmark of 41.65%, and remain on par with previous years.

November expenditures remain constant with prior years. Most departments are running close to or below the norm with few exceptions. Department Head reports have any accounts marked that need to be monitored more closely.

**\*\*REMINDER\*\*** The November 2005 folder with the Excel reports is updated and available in the "FINANCE" folder on the shared drive. Please let me know if you have questions or concerns in regard to the new reporting format.

**City of Gardiner  
Undesignated Fund Balance Policy**

I. Purpose

The purpose of the undesignated fund balance policy shall be to create a guideline for the level of fund balance in the General Fund that the City should maintain for contingencies and other working capital requirements.

II. Objective

A. The undesignated fund balance (UFB) consists of those available expendable financial resources in a governmental fund that are not the object of a tentative management plan (i.e., designated for other purposes). Sufficient levels of UFB can ensure the continued orderly operation of government and provision of services to residents and the continued stability of the tax structure. Local governments that have a sufficient level of UFB can avoid or reduce budget cutbacks and tax increases if budget shortfalls develop during the fiscal year.

B. The City of Gardiner shall strive to maintain the level of UFB at an amount between 8.33% and 16.67% of the approved appropriation for the municipal budget, the City's portion of MSAD #11 local assessment, county and overlay, or between one- and two-months expenditures.

C. After each fiscal year's audit, those funds, both additional revenues and expenditures not spent during the year less any receivables that are not designated for any other authorized purposes, are to be added to the unrestricted fund balance from the previous year.

D. For any surplus in the UFB identified in the City's audited financial statements that exceeds the target level in B. above, the City Manager should detail the amount and submit a recommendation to the City Council in regards to the disposition of the surplus UFB, with consideration to be given first to the capital improvement plan schedules and/or distribution to various capital reserve accounts.

