

City of Eastport General Fund Policy

ADOPTED by City Council June 11, 2025

Objective: To ensure that the City maintains an unassigned fund balance large enough to pay expenses at the start of the fiscal year and to weather unexpected expenses throughout the year without building an excessively large cash reserve.

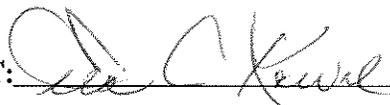
Policy:

The City of Eastport shall maintain an unassigned fund balance containing an amount equivalent to 11 to 14 weeks of the current fiscal year's budgeted taxation. At the start of the fiscal year, if the unassigned fund balance is greater than 14 weeks of the fiscal year's budgeted taxation, the amount in excess of 14 weeks of taxation will be transferred to the City's capital reserve fund.

Under normal circumstances the funding of the unassigned fund balance shall come from excess revenues over expenditures.

Should, through emergency or unforeseen events, the unassigned fund balance drop below its minimum, the City will attempt to restore the balance to its minimum in the following year, and certainly within three years.

Expenditure or transfer of funds from the unassigned fund balance requires the approval of the City Council.

ATTEST:  Ella C. Kowal/City Clerk DATED: 1-5-2026

Reference to Agenda "VII(h) New Business" - Council Meeting of June 11th, 2025

(1) To approve the New General Fund Policy

MOTION Dana-Cummings SECOND Stevens (Passed 5-0)