



## City of Annapolis

### Finance Office

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June 12, 2017

### MEMORANDUM

TO: Ian Pfeiffer, Chair  
City Council Finance Committee

FROM: Melissa S. Leaman  
Assistant Finance Director

RE: Resolution 9-15 City Debt and Financial Administration Policies

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Resolution 9-15, effective July 1, 2015, revised the City's Debt Issuance Policies, Debt Ratio Policies, and Financial Administration Policies in an effort to reflect evolving City priorities, developments in industry best practices, or changes to rating agency criteria. Included in the Financial Administration Policies on page 4 is the breakdown of General Fund Fund Balance, which is illustrated on page 21 of the FY 2016 Comprehensive Annual Financial Report. The following General Fund Fund Balance categories are in effect as of June 30, 2016:

1. Unassigned General Fund Balance - \$15,816,683 (*20.38% of Government-wide Expenditures*)
  - a. Must maintain a minimum threshold of 10% with a target of 15% of Government-wide expenditures.
2. Budget Stabilization Fund - \$1,539,736 (*1.98% of Government-wide Expenditures*)
  - a. May accumulate until it reaches a max of 3% of Government-wide expenditures.
  - b. Future funding to come from 50% of end of year operating surplus until max of 3% is reached.
3. Capital Reserve Fund - \$5,000,000 (*6.44% of Government-wide Expenditures*)
  - a. No threshold assigned.
  - b. Future funding to come from 50% of end of year operating surplus.

*\*Government-wide expenditures as of June 30, 2016 was \$77,618,963*