

Ordinance Ch.2 Article V Sec. 2_121. ___Marshall_Capstone_Endowment_Fund

Sec. 2-121. - Marshall Capstone Endowment Fund.

- (a) *Establishment.* There is hereby titled the "Marshall Capstone Endowment Fund," hereafter in this section referred to as the "fund," as the special revenue fund established in section 7.11, subd. 2 of the City Charter.
- (b) *Purpose.* The purpose of the fund is to preserve the principal contributions of the fund in perpetuity with interest earnings to support city projects determined to enhance the city. The expenditures shall be for city either pilot programs or capital projects. Projects should contribute to the betterment of the city and provide funding for special projects that may not otherwise be determined necessary or available for funding from other revenue sources. The funds are not intended to provide ongoing operating funding for any department, project or program.
- (c) *Additional city contributions toward principal.* The only public sources of revenue that may contribute to the fund are those specifically authorized in this section. Once transferred, these funds shall be considered permanent to grow the principal as required in section 7.11, subd. 2 of the City Charter.
 - (1) The city council may authorize the transfer of funds from the municipal liquor store enterprise funds to the Marshall Capstone Endowment Fund as determined appropriate.
 - (2) The council may allocate a portion of interest earnings toward principal payments to grow the value of the fund.
 - (3) Beginning in 2026, the city shall designate a minimum of ten percent of annual interest earnings less expenses toward the principal contribution of the fund.
- (d) *Withdrawals.* The city has chosen to implement a spending policy based on annual interest earned less administrative expenses. The calculation of interest and expenses shall be calculated for the end of the calendar year December 31. The finance director shall be responsible for tracking these funds and reporting to the council as outlined in the spending policy and determine the need to withdraw allocated funds when the expenditure needs to be made.
- (e) *Investment policy.* The investment policy of the fund shall be consistent with the overall investment policy for the city and may include an agreement for the management of the fund.
- (f) *Spending policy.* The city shall adopt a spending policy for the fund that describes additional policies and procedures for spending of eligible funds.

(Ord. No. 657 2nd series, 5-22-2012; Ord. No. 723 2nd Series, § 1, 8-8-2017)