



CITY OF MARSHALL
Ways & Means Committee
A g e n d a
Tuesday, January 28, 2025 at 9:00 AM
City Hall, 344 West Main Street

APPROVAL OF AGENDA

- [1.](#) Nomination of Chair

APPROVAL OF MINUTES

- [2.](#) Consider Approval of the Minutes

NEW BUSINESS

- [3.](#) Fire Department Scholarship
- [4.](#) Marshall Capstone Endowment Fund Annual Review

OTHER BUSINESS ITEMS

ADJOURN

Disclaimer: These agendas have been prepared to provide information regarding an upcoming meeting of the Common Council of the City of Marshall. This document does not claim to be complete and is subject to change.

Presenter:	Steven Anderson
Meeting Date:	Tuesday, January 28, 2025
Category:	NEW BUSINESS
Type:	ACTION
Subject:	Nomination of Chair
Background Information:	During the first meeting of the year committee members must nominate a Chair to preside. The previous Chair was former Councilmember Meister.
Fiscal Impact:	
Alternative/ Variations:	
Recommendations:	To nominate and confirm the appointment of a new committee Chair.



CITY OF MARSHALL AGENDA ITEM REPORT

Presenter:	Chair
Meeting Date:	Tuesday, January 28, 2025
Category:	APPROVAL OF MINUTES
Type:	ACTION
Subject:	Consider Approval of the Minutes
Background Information:	Enclosed are the minutes from the previous meeting.
Fiscal Impact:	
Alternative/ Variations:	Staff encourages Members to provide any suggested corrections to the minutes in writing to City Clerk, Steven Anderson, prior to the meeting.
Recommendations:	That the minutes from the previous meeting be approved as filed with each member and that the reading of the same be waived.

-UNAPPROVED-

MINUTES
WAYS AND MEANS COMMITTEE MEETING
December 10, 2024 @ 3:00 PM
344 West Main Street
Camden Room

MEMBERS PRESENT: Amanda Schroeder, Steve Meister, See Moua-Leske

STAFF PRESENT: Steven Anderson, City Clerk; Karla Drown, Finance Director; E.J. Moberg, Director of Administrative Services; Jason Anderson, Director of Public Works; Sharon Hanson, City Administrator

OTHERS PRESENT: None

The meeting was called to order by Chairman Meister at 3:02 pm.

Meister asked for approval of the October 22, 2024, minutes of the Ways and Means committee Meeting.

MOTION BY Schroeder SECONDED BY Moua-Leske to approve the October 22, 2024, minutes of the Ways and Means committee Meeting. All voted in favor.

Chairman Meister asked for discussion on Alley reconstruction methodology and cost split. Director of Public Works, Anderson provided background information. The current policy is that 100% of the cost to alley work is assessed to the property owners. 65% of owners must sign a petition to have work done on an alley. The alleys are not part of the City's CIP where there is not major infrastructure running through it. The L & O committee discussed, and owner/city cost share as follows: 50/50 for alleys with commercial and 75/25 residential. There are benefits to the city to have the alley paved versus left as gravel. This would be that the gravel isn't running into the drainage system of the city and requiring cleanout. There is a time savings. City Administrator, Hanson stated to re-visit policy changes, to look at the impacts they have. After a policy change has been in place for two years, they should then be re-evaluated. All alley projects should be part of the queue and get worked into the city CIP, with consideration of levy impact. Director of Administrative Services, Moberg added that with city participation, a petition would not trigger instant action, but the project would be put into city planning.

MOTION to amend the Special Assessment Policy and Annual Fee Schedule to allow for a 50/50 owner/city cost participation in commercial districts and 75/25 owner/city cost participation in residential districts of alley projects. Any petitions brought to the City for alley projects will require owners of not less than 75 percent in frontage of the real property abutting the alley(s) named in the petition and projects would happen if/when funds become available in the City CIP.

MOTION BY Schroeder, SECONDED BY Moua-Leske to approve. All voted in favor.

MOTION BY Schroeder SECONDED BY Moua-Leske to adjourn the meeting. Meeting adjourned at 3:45 pm. All voted in favor.

Respectfully Submitted,

Karla Drown
Finance Director

**CITY OF MARSHALL
AGENDA ITEM REPORT**

Presenter:	Steven Anderson
Meeting Date:	Tuesday, January 28, 2025
Category:	NEW BUSINESS
Type:	ACTION
Subject:	Fire Department Scholarship
Background Information:	<p>The Marshall Fire Department Scholarship Trust Fund originated on December 31, 1997, with an anonymous donation of \$3,000. As of 12/31/2024, the Fire Department Trust Fund had a balance of \$18,957.48. In accordance with the administrative policy adopted by the City Council, the City Administrator or their designee has complete authority in awarding the scholarship. In 2009, the Ways and Means Committee was appointed by the City Administrator as the designee.</p> <p>Per Administrative Policy, Chapter 3, Sec. 1, scholarship awards must meet a minimum of \$100 per student. As of 12/31/2024 the total expendable funds are \$1,297.48.</p> <p>Additional expendable funds may be received between now and the scholarship award date.</p> <p>Applications must be received or postmarked no later than April 1, 2025, to be considered per the policy. Once applications are received and reviewed for completeness another Ways & Means meeting will be called to award if desired by the committee.</p>
Fiscal Impact:	
Alternative/ Variations:	
Recommendations:	To direct staff to begin the process of seeking scholarship applications through the Marshall Fire Department.

CITY OF MARSHALL, MINNESOTA
FIRE DEPT. TRUST FUND
SCHOLARSHIP ACCOUNT

FUND 802				EXPENDABLE							
DATE	RECEIPT NUMBER		NON-EXPENDABLE DONATIONS RECEIVED	SCHOLARSHIP DONATIONS RECEIVED	SCHOLARSHIPS PAID OUT	INTEREST EARNED	TOTAL EXPENDABLE	BALANCE			
1/1 - 12/31/21		2021 Interest				256.05	296.28	\$ 16,106.28			
2/3/2022	2006175	Bret Beernaert		500.00			796.28	\$ 16,606.28			
2/3/2022	2006175	Jim Felton		117.63			913.91	\$ 16,723.91			
2/18/2022	2006303	Anonymous	1,000.00				913.91	\$ 17,723.91			
2/28/2022	2006379	Anonymous		100.00			1,013.91	\$ 17,823.91			
4/6/2022	2006756	Timothy DeSaer	100.00				1,013.91	\$ 17,923.91			
6/3/2022	CK #121269	St. Mary's Univ. - J. Antony			300.00		713.91	\$ 17,623.91			
6/10/2022	CK #121294	Northwestern College-J. Mernaugh			300.00		413.91	\$ 17,323.91			
10/19/2022	2008570	Karol Jacobson			300.00		713.91	\$ 17,623.91			
1/1 - 12/31/22		2022 Interest				74.06	787.97	\$ 17,697.97			
4/28/2023	2010420	Anonymous		750.00			1,537.97	\$ 18,447.97			
5/3/2023	2010486	Anonymous		178.63			1,716.60	\$ 18,626.60			
7/14/2023	CK #123084	Northwestern College-J. Mernaugh			300.00		1,416.60	\$ 18,326.60			
7/14/2023	CK #123086	SDSU-E. Mernaugh			300.00		1,116.60	\$ 18,026.60			
7/14/2023	CK #123086	SDSU-K Stensrud			300.00		816.60	\$ 17,726.60			
1/1 - 12/31/23		2023 Interest				353.17	1,169.77	\$ 18,079.77			
2/21/2024	2013619	MVRA		188.88			1,358.65	\$ 18,268.65			
4/4/2024	2013984	Tim DeSaer		100.00			1,458.65	\$ 18,368.65			
5/28/2024	2014527	Anonymous	750.00				1,458.65	\$ 19,118.65			
7/26/2024		SDSU-E. Mernaugh			300.00		1,158.65	\$ 18,818.65			
7/26/2024		SMSU=K. Devliger			400.00		758.65	\$ 18,418.65			
1/1 12/31/24		2024 Interest				538.83	1,297.48	\$ 18,957.48			
			<u>\$ 17,660.00</u>	<u>\$ 7,055.14</u>	<u>\$ 10,250.00</u>	<u>\$ 4,492.34</u>	<u>\$ 1,297.48</u>	<u>\$ 18,957.48</u>			

City of Marshall

Policy Number: Chapter 3 – Section 1 (3-100)

Marshall, Minnesota

Adopted: 05/27/2014

ADMINISTRATIVE POLICY

Revised: 05/26/2016

FIRE DEPARTMENT SCHOLARSHIP TRUST FUND POLICY

Background

The Marshall Fire Department Scholarship Trust Fund originated with an anonymous donation of \$3,000.00 made on December 31, 1997. On January 20, 1998, the City Council accepted the anonymous donation and cited criterion for awarding scholarship funds.

Authority

The City Administrator or his/her designee has complete authority in awarding the scholarship. The City Administrator has officially selected the Ways and Means Committee as the designee for purposes of awarding the scholarships.

Fund Designations

1. Fire Department Scholarship Nonexpendable Designation
This is a nonexpendable (endowment) designation. Only the income, not the principal, of the trust may be expended for scholarships. At the end of each fiscal year, all interest and dividend income will be transferred from the nonexpendable designation to the scholarship expendable designation.
2. Fire Department Scholarship Expendable Designation
This is an expendable designation. Both the principal and the income of the trust may be expended for scholarships.

Future Gifts

All future gifts/donations shall be deposited in the scholarship expendable designation unless the donor specifically states that he/she wants the gift/donation in the scholarship nonexpendable designation.

Scholarship Awards

1. Minimum scholarship amount
\$100/student
2. Maximum scholarship amount
The maximum scholarship amount a student receives shall not exceed 15% of the total tuition and fees currently in effect at the college or university at which the recipient is enrolled.

Applicant Criterion for Awarding Funds

1. Financial need shall not be a consideration in the awarding of this scholarship.
2. Applicant must provide written authorization to his/her respective college/university to release his/her transcript to designated City staff.
3. Preference will be given to full-time students enrolled at Southwest Minnesota State University.
4. One of the applicant's parents must be an active, retired, or deceased member of the Marshall Fire Department.

5. Each applicant must complete the required application form. In addition, each applicant shall compose and submit a written essay on the topic: "How has having a parent on the Marshall Fire Department affected and or influenced my life."
6. Scholarship awards will only be given to students that have successfully completed one (1) full year of post-secondary education. Coursework taken through a post-secondary enrollment option (PSEO) are not eligible to meet the one-year post-secondary education requirement.
7. The maximum number of annual scholarships that any one student may receive is three (3).
8. Applicants pursuing advanced degrees (i.e., master's, doctorate, etc.) are not eligible for this scholarship.

Announcement and Award of Scholarships

The Marshall Fire Department shall have primary responsibility for providing their membership with information concerning the availability of this scholarship.

All applications for the scholarship shall be submitted directly to the City Administrator's Office of the City of Marshall no later than April 1 for consideration of a scholarship for the academic school year beginning in August or September of that same year.

Payments shall be made in a lump sum payment directly to the college/university and applied as credit to the student's tuition and fees. The scholarship must be reapplied for successive years.

Disposition of Funds in the Event the Account is Terminated

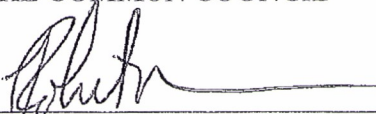
If the Marshall Fire Department should no longer be a part of the City of Marshall government, the funds shall be transferred to the City of Marshall General Fund.

Administrative Procedure

Reference Administrative Procedure: City of Marshall Fire Department Scholarship Fund—
Administrative Procedure for Distribution of Funds

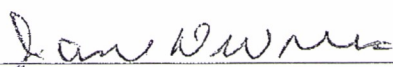
Passed and adopted by the Common Council this 26th day of April, 2016.

THE COMMON COUNCIL



Mayor of the City of Marshall, MN

ATTEST:



City Clerk

City of Marshall Fire Department Scholarship

The City of Marshall Fire Department Scholarship was established to provide a scholarship to a student whose parent is or has served on the Marshall Fire Department to attend any degree-conferring post-secondary educational institution.

ELIGIBILITY

In order to qualify as an applicant, you must meet the following criteria:

- Be the son or daughter of a deceased, retired, or active member of the Marshall Fire Department.
- Completion of one full academic year of post-secondary education. (Coursework taken through a post-secondary enrollment option (PSEO) is not eligible to meet the one-year post-secondary education requirement.)
- Applicants enrolled in an advanced degree program (i.e., master's and doctoral degrees) are not eligible for this scholarship.
- The application must include an official or unofficial transcript from the most recently attended post-secondary institution.
- Submit a written essay on the subject: How has having a parent on the Marshall Fire Department affected and/or influenced my life.
- Preference is given to full-time students enrolled at Southwest Minnesota State University.
- Financial need does not affect the offering of this scholarship.

A COMPLETE APPLICATION INCLUDES:

- A completed application form
- A copy of your an official or unofficial transcript from the post-secondary institution most recently attended
- One essay

DEADLINE

Your application must be received or postmarked by **May 1st** for consideration of a scholarship for the academic school year beginning in August or September of the same year. A student may be awarded this scholarship up to three (3) times. Students must reapply for successive years. All applicants are evaluated using the same essential information. Please answer all requested items. Incomplete applications cannot be considered—if information is missing, we will not be able to make accurate judgments. Awards will be made on a non-discriminating basis. Application information is confidential, for review only by select City Staff and the Ways and Means Committee. The Ways and Means Committee will select the scholarship award recipient. The City will announce the scholarship recipient(s) and post the winning essay(s) in May/June.

Please mail your application and all required materials in ONE envelope to:

Marshall Fire Department Scholarship
City of Marshall, City Clerk
344 West Main Street
Marshall, MN 56258

Applications may be obtained at the Administration Office, 344 West Main Street, Marshall, MN 56258. Applications may also be downloaded from the City's website at www.ci.marshall.mn.us.

Questions? (507) 537-6760 or Steven.Anderson@ci.marshall.mn.us. **Faxed copies will not be accepted.**

Scholarship Application



A. STUDENT INFORMATION

Name: _____
Name (First, M.I., Last)

Permanent Address: _____

Phone Number: _____ Email Address: _____

Provide the name of the active, retired, or deceased member of the Marshall Fire Department under which you qualify:

Have you previously been awarded this scholarship? Yes No

B. ACADEMIC INFORMATION

Please attach a copy of your most recent transcript(s) from the post-secondary school attended. Applications without an official or unofficial transcript will not be considered.

*Applicants must have completed one full year of post-secondary school to be eligible for this scholarship.

Name and address of the post-secondary school you plan to attend: **Use official school name. Please do not use abbreviations.**

School _____ City _____ State _____

4 yr. College or University

2 yr. Community or Junior College

Vocational / Technical School

Other

In August/September, I will be a: Freshman Sophomore Junior Senior

Expected graduation date: (month/year) _____

Are you: Accepted Enrolled Awaiting a decision Enrollment status: Full-time Part-time

Intended field of study: _____

Degree sought: Bachelor Associate Certificate Other _____

C. ESSAY

Essay must be 1.5 to 2 pages, typed, double spaced in Times New Roman, 12 pt. font. All essays should include a cover page with the writer's name and address. Please submit an essay on the following subject:

“How has having a parent on the Marshall Fire Department affected and/or influenced my life.”

D. CERTIFICATION AND SIGNATURES

I, (we) certify that the information on this form is true and complete to the best of my (our) knowledge. If asked by any authorized official of the City of Marshall, I (we) agree to give documentation for information given on this form. I (we) realize that failure to comply with a request for additional information may prevent the applicant from receiving a scholarship award. I (we) also grant permission to the City of Marshall and the Marshall Fire Department to use my photograph and/or selected quotes on their website(s) and in future publications.

Applicant's signature *date*

Parent signature (if applicant is a dependent) *date*



CITY OF MARSHALL AGENDA ITEM REPORT

Meeting Date:	Tuesday, January 28, 2025
Category:	INFORMATION ONLY
Type:	INFO
Subject:	Marshall Capstone Endowment Fund Annual Review
Information:	<p>The Marshall Capstone Endowment Fund was created to preserve the principal contributions of the fund in perpetuity with interest earnings to support city projects determined to enhance the city. The fund can be used for projects that contribute to the betterment of the city and to provide funding for special projects that may not otherwise be determined necessary or available for funding from other revenue sources.</p> <p>The adopted spending policy dedicated funds toward the bond payment for the library, which is scheduled through 2026. The Council has identified other projects throughout the years as appropriate spending of the available funds.</p> <p>Due to contributions toward payment on the library bonds and the market value change, the overall fund is currently at \$1,985,594. The largest impact was in 2022 when the estimated market value decreased by \$157,416 due to increased interest rates (investments held at lower interest rates impact market value). The fund recovering to the dedicated level will heavily rely on the markets in the upcoming months.</p>
Fiscal Impact:	
Alternative/ Variations:	
Recommendations:	

CITY OF MARSHALL, MINNESOTA
 ENDOWMENT FUND
 12/31/2024

YEAR	INCOME EARNED	MARKET CHANGE	EXPENSES /FEES	TOTAL RETURN	CONTRIBUTIONS	WITHDRAWALS	2,000,000.00 BEGINNING/ENDING MARKET VALUE
Initial Deposit (9/1/10)					2,007,841.29		2,007,841.29
2010	1,267.37	(73,995.27)	(1,322.51)	(74,050.41)			1,933,790.88
2011	13,007.53	160,801.80	(5,853.54)	167,955.79			2,101,746.67
2012	51,938.75	18,216.62	(5,604.68)	64,550.69		(31,952.00)	2,134,345.36
2013	55,985.21	(93,209.72)	(5,380.94)	(42,605.45)		(44,841.28)	2,046,898.63
2014	53,210.55	38,664.59	(5,328.99)	86,546.15		(37,953.20)	2,095,491.58
2015	53,940.33	(19,537.74)	(4,827.57)	29,575.02		(63,343.17)	2,061,723.43
2016	52,969.03	(6,564.10)	(4,638.76)	41,766.17		(36,834.57)	2,066,655.03
2017	46,978.10	(26,789.14)	(4,570.45)	15,618.51		(36,247.70)	2,046,025.84
2018	56,173.60	(20,657.65)	(4,487.82)	31,028.13		(44,737.81)	2,032,316.16
2019	59,769.91	27,809.03	(4,641.32)	82,937.62		(63,764.34)	2,051,489.44
2020	57,169.97	18,414.11	(4,685.99)	70,898.09		(41,346.44)	2,081,041.09
2021	48,286.04	(57,018.09)	(4,674.05)	(13,406.10)		(39,362.99)	2,028,272.00
2022	43,807.31	(157,416.19)	(4,625.77)	(118,234.65)		(32,708.99)	1,877,328.36
2023	53,145.03	48,547.88	(4,761.79)	96,931.12		(29,386.16)	1,944,873.32
2024	64,271.58	17,590.12	(4,854.01)	77,007.69		(36,287.43)	1,985,593.58
2025				-			1,985,593.58
	711,920.31	(125,143.75)	(70,258.19)	516,518.37	2,007,841.29	(538,766.08)	1,985,593.58

*In those years that the Market Value is below the \$2,000,000 mark is due to the unrealized loss. This is a loss that won't be recognized as the city holds all investments to maturity. In 2023, the markets recovered but, not enough after the bond payment per spending policy was paid out. The same is for 2024, however, staff expect with current interest rates that the fund will be fully restored to the \$2,000,000.00 per Charter.

CITY OF MARSHALL, MINNESOTA
 ENDOWMENT FUND PROJECT AWARDS
 12/31/2024

YEAR AWARDED	AMOUNT AWARDED	COMPLETE (Y/N)	TITLE	DESCRIPTION
2013	5,500.00	Y	Liberty Park Irrigation	Lawn and Landscaping Irrigation for Mrs. Whitney Statue and Bandshell Area.
2013	1,705.73	Y	Adult Community Center Ipads	Ipads (3) for the adult community center for intergenerational socialization programming and social media for seniors connecting with friends and family.
2013	2,885.00	Y	Sounds of Summer Banners	Banners for Downtown and Liberty Park on display after 4th of July banners for Sounds of Summer
2014	3,001.00	Y	Traveling Vietnam Memorial	Traveling wall on display at Independence Park July 2014
2015	24,431.00	Y	Mobile Stage	Mobile stage to be used throughout the city and also available for rent
2017	12,932.07	Y	Playground Equipment	Liberty Park playground equipment replacement - Firetruck
2018	25,000.00	Y	Lyon County Historical Society	Legacy Grant Matching Funds - City Contribution
2018	30,000.00	N	Veteran Memorial	City Memorial Park, Veteran Memorial (NOT NEEDED DUE TO DONATIONS AMOUNTS)

Subtotal
 \$ 105,454.80

Charter Section_7.11.

Section 7.11. - Funds to be kept.

Subd. 1. There shall be maintained in the office of the Finance Director a general fund for the payment of such expenses as the Council may deem proper. Into this fund shall be paid all monies levied for this fund and all monies not required to be placed in some other fund.

Subd. 2. There shall be maintained in the office of the Finance Director a special revenue fund established in the City of Marshall to permanently dedicate the \$2,000,000 unrestricted funds from the 2009 sale of the hospital. The purpose of the fund shall be to support special programs or capital projects for the betterment of the City of Marshall. The initial principal \$2,000,000, as well as future private or public contributions to the fund, may not be withdrawn. The Mayor and City Council shall be responsible for all investments, withdrawals, and spending of the unrestricted funds. The Mayor and Council may create policies and procedures related to the appropriate oversight and management of such fund.

Subd. 3. There shall also be maintained in the office of the Finance Director such other funds, or division of funds, as the budget shall require or the City Administrator and Council shall direct. There shall also be maintained in the office of the Finance Director such other funds or division of funds as are required by law, ordinance or resolution.

(Ord. No. 356 2nd series, § 1, 3-16-1996; Ord. No. 653 2nd series, § 1, 4-10-2012; Ord. No. 707 2nd series, § 1, 5-9-2016)

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)

City of Marshall

Policy Number: 1-305

Minnesota

Adopted: June 26, 2012

ADMINISTRATIVE POLICY

Revised:

MARSHALL CAPSTONE ENDOWMENT FUND SPENDING POLICY

4-4a. Background

The City of Marshall has created the Marshall Capstone Endowment Fund, hereafter referred to as the "Fund," per City Charter Section 7.11 Subd. 2 and the City Code Section 2-121.

4-4b. Purpose.

The City of Marshall has chosen to implement a spending policy based on annual interest earned less administrative expenses. The purpose of this spending policy is to establish the procedures for the annual granting allocation. The City Council is entrusted with the investments and management of the Fund as they determine to be in the best interest of the City of Marshall. The spending policy is designed to:

1. Preserve purchasing power resulting in perpetuity in spending; and
2. Allow for reinvestment of excess earnings; and
3. Provide a means for future board members to follow a consistent path for spending and budgeting.

4-4c. Financial Review.

The Finance Director/City Clerk will complete a 6-month (January through July) and a 12-month annual report (January through December) for presentation to the Ways and Means for review and thereafter to the full City Council.

4-4d. Spending Allocation.

The endowed principal balance will be calculated as of December 31 of each fiscal year. The amount of funds dedicated toward the library contribution restricted through 2026 shall be made by the Finance Director/City Clerk and transferred prior to payment. The amount determined eligible for spending for discretionary projects shall be determined following the 12-month annual report as described in Section 4-4c. The amount determined at year end shall be a fixed number that will accumulate if unspent to future years. However, any interest earned from unspent discretionary funds shall be included in the overall interest earning calculation for the Fund.

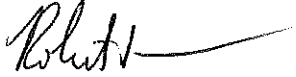
4-4e. Project Selection.

The Council shall identify projects for potential funding through the annual city budget process or as identified as appropriate by the Mayor and City Council. Selection of projects shall be approved by a majority vote of the Council.

Projects that have other private or city funds may receive additional consideration for funding. Additionally, projects are expected to be consistent with the goals and objectives of the City Comprehensive Plan. Lastly, extra consideration will be made to those projects that demonstrate community support through leveraged private funds or other demonstrated means.

Passed and adopted by the Common Council this 26th day of June, 2012.

THE COMMON COUNCIL



Mayor of the City of Marshall, MN

ATTEST:



Finance Director/City Clerk