

POLICY TITLE: PUBLIC TRUST FUND

POLICY STATEMENT:

1. This policy is adopted with the understanding that the 3-year Capital Improvement Program currently being developed by the City includes high-priority, unfunded projects with a price tag far in excess of the amount to be maintained in the Public Trust Fund. In the unlikely event that the City in the future does not have such high-priority CIP projects exceeding the City's ability to fund them, this policy shall be reconsidered.
2. The principal of the Public Trust Fund shall be preserved and maintained as part of a program to meet the extensive capital improvement needs of the City.
3. Interest earnings from the Trust Fund may be used on an annual basis, may be accumulated from year to year to fund objectives that require such accumulations, may be utilized to retire indebtedness to accomplish larger objectives, or may be used in combinations of these alternatives.
4. Neither the principal nor the interest of the Public Trust Fund shall be used to meet operational needs with regularly recurring annual costs.
5. Future proceeds from the sale of, or income from the use of, the City's Skypark property shall be placed in the Public Trust Fund. The Council shall determine whether the proceeds from the sale of other property should go into the Public Trust Fund.
6. The only exception to the policy of preserving and maintaining the principal of the Trust Fund shall be in cases where use of the principal, or part of the principal, can serve to leverage a substantial contribution of funds from a non-General Fund source to complete an unfunded project of high priority in the City's Capital Improvement Program (CIP). In such cases, the principal of the Trust Fund may be utilized, after other alternatives are explored. The Council shall make every effort to replenish the principal of the Trust Fund.
7. Discussions for the Public Trust Fund shall be held annually on a calendar-year basis.

AUTHORIZATION: Council Policy Manual Update of November 17, 1998

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