Council Agenda Item: 26-0755R

MEETING DATE: August 24, 2026

SUBJECT/TITLE: A RESOLUTION AUTHORIZING COMMUNITY INVESTMENT TRUST FUND INTEREST EARNINGS IN EXCESS OF THE 2026 BUDGETED GENERAL FUND TRANSFER OF $1,000,000 TO REMAIN IN THE COMMUNITY INVESTMENT TRUST FUND

SUBMITTED BY: Joshua Bailey, City Auditor

RECOMMENDATION: Approve.

BOARD/COMMISSION/COMMITTEE RECOMMENDATION: Not applicable.

PREVIOUS COUNCIL ACTION: None

BACKGROUND: Section 54. (E) of the city charter directs investment earnings from the Community Investment Trust (CIT) fund to be transferred to the general fund. This section of the charter also grants the council authority to appropriate and transfer funds to the CIT fund.

The approved 2026 general fund budget has a budgeted transfer of $1,000,000 from the CIT fund investment earnings. In 2026, the city expects to earn approximately $1,900,000 in the CIT fund. The city has authority to invest CIT funds with the Minnesota State Board of Investment to take advantage of equity markets that are otherwise unavailable to the city.

By keeping some investment earning in the CIT fund, the city is striking a balance between using the fund for general fund operations and continuing to grow the reserves of the CIT fund.

BUDGET/FISCAL IMPACT: This resolution formalizes the exact transfer from the CIT fund that is built into the approved 2026 general fund budget.

OPTIONS: Approve and fund the general fund at the budgeted amount. Not approve and the general fund receives additional funds, but the city loses out on the ability to invest the funds within the CIT fund investment framework.

NECESSARY ACTION: Approve

ATTACHMENTS: None