

**CITY OF GUSTAVUS  
ORDINANCE FY25-27**

**AN ORDINANCE FOR THE CITY OF GUSTAVUS PROVIDING FOR THE AMENDMENT OF  
TITLE 4 CHAPTER 13 SECTION 110 GRANT AWARDS.**

**BE IT ENACTED BY THE GUSTAVUS CITY COUNCIL AS FOLLOWS:**

- Section 1. Classification. This ordinance is of general and permanent nature and shall become a part of the City of Gustavus Municipal Code.
- Section 2. Severability. If any provisions of this ordinance or any application thereof to any person or circumstance is held invalid, the remainder of this ordinance and its application to other persons, or circumstances shall not be affected thereby.
- Section 3. Enactment. Now therefore, it is enacted by the Gustavus City Council that Title 4 Chapter 13 Section 110 to be amended as follows :

**Bold and Underlined** items are additions. Strikeout items are deletions.

TITLE 4 – Revenue and Finance

Chapter 4.13 – Gustavus Endowment Fund

Section 4.13.110 – Grant awards

- (a) The city council will develop and maintain an Endowment Fund Grant Policy and Procedure which will include a means of determining the amount available for dispersal, grant application process and form, application schedule, evaluation criteria, payment process and other pertinent information to further address the following:
- (b) By July 31 of each year, the city council shall determine the average annual market value (AAMV) of the fund. Up to three (3) percent of the AAMV of the fund may be added to the portion of the fund designated "available for grants," provided that the inflation adjusted principal of the fund is maintained.
- (c) Eligible recipients: Grants may be awarded to city departments, non-governmental organizations within the City of Gustavus, or other local entities whose proposals the city council deems worthy based on criteria outlined in in the Endowment Fund Grant Policy and Procedure. At least one applicant for each project must be at least ~~sixteen~~ **(16) eighteen (18)** years of age and a Gustavus resident. All applicants must be current on city taxes (if applicable).
- (d) Eligible purposes: Capital outlays, grant matching funds, and projects of broad community value may be funded in accordance with the Endowment Fund Grant Policy and Procedure.
- (e) Solicitation of proposals: The city council shall establish a procedure and timeline for soliciting proposals for community needs desiring funding. Proposals should, at minimum, include a written justification of need, explanation of benefits, and itemized

budget showing how the funds will be spent in accordance with the Endowment Fund Grant Policy and Procedure.

- (f) Awards of grants: The city council, after due public input, shall decide by roll call vote which, if any, of the submitted proposals receive funding and in what amount, up to the total "available for grants." Any amount "available for grants" but not appropriated shall be carried forward as "available for grants" the following year. The council shall notify the investment advisor, if any, of the timeline for withdrawals from the fund.
- (g) Payments: The treasurer may make withdrawals from the fund as needed to pay for appropriated grants. Payment may be reimbursable or direct-to-third party basis as needed to assure the grant is used for the intended purpose. Payments may be made in advance in special circumstances.
- (h) Follow-up report: The grantee shall submit to the council, no later than one (1) year after the date of the award, a report describing the progress of award expenditure and evaluation of results. This report shall include, if necessary, a request for grant extension beyond one (1) year.
- (i) Retracting awards: Awards not paid out of the fund after one (1) year may be retracted by the city council for failure to 1) proceed in a timely fashion, 2) submit an acceptable and timely follow-up report, or 3) failure to obtain a grant extension. Retracted awards are returned to the amount "available for grants."
- (j) Inappropriate expenditure: If expenditures for the project are determined to be inappropriate or excessive, the grant award may be retracted and recipients required to repay expenses immediately.

Section 4. Effective Date. This ordinance becomes effective upon its adoption by the Gustavus City Council.

**Date Introduced:** June 9, 2025

**Date of Public Hearing:** July 14, 2025

**PASSED** and **APPROVED** by the Gustavus City Council this XX<sup>th</sup> day of XXXX, 20XX

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Sally A. McLaughlin, Mayor

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Attest: Liesl M. Barker, City Clerk