



Legislation Text

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**File #:** 16-463, **Version:** 1

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**City Council Meeting Date:** October 18, 2016

**To:** Mayor and City Council

**From:** Ben Martig, City Administrator  
Consider Southwest Minnesota Initiative Foundation (SMIF) Funding Request for 2017.

**Action Requested:**

Staff recommends the Northfield City Council **consider** a motion approving funding for Southern Minnesota Initiative Foundation (SMIF) for 2017 in the amount of \$5,800 and determining that the contribution promotes the health, safety, and welfare of the city, and the gift does not have as its primary objective the benefit of a private interest.

**Summary Report:**

The City Council discussed SMIF funding at their October 11, 2016 Work Session. Attached is the information related to the Southern Minnesota Initiative Foundation. There is currently \$5,000 in the preliminary budget. They had requested \$5,800 for 2017. There is no service contract with SMIF and they exist to assist communities. Page 5 of the attachment shows the breakdown of funding sources, which includes a significant portion from cities and counties.

Section 9.1. of the Northfield City Charter states the following regarding contribution of City funds:

*Section. 9.1. - Council to Control Finances.*

*The council shall have full authority over the financial affairs of the city, and shall provide for the collection of all revenues and other assets, the auditing and settlement of accounts, and the safekeeping and disbursement of public moneys, and in the exercise of sound discretion shall make appropriations for the payment of all liabilities and expenses. The council may contribute city funds to any entity to promote the health, safety, and welfare of the city, if the gift does not have as its primary objective the benefit of a private interest.*

In order to consider the gift, the Council should make a finding “determining that the contribution promotes the health, safety, and welfare of the city, and the gift does not have as its primary objective the benefit of a private interest” in consideration of the City Charter provision.

City Administrator Martig attended the Annual Luncheon & Open House on October 12, 2016. The 2016 Annual Report (July 1, 2015 - June 30, 2016) is available on their website.

[https://issuu.com/smifoundation.org/docs/smif\\_annual\\_report\\_2016](https://issuu.com/smifoundation.org/docs/smif_annual_report_2016). SMIF’s mission is to promote regional economic development opportunities and collaborations with a focus on entrepreneurs and early childhood development. The event was well attended and is certainly recognized for providing quality programs. They are really in existence to help make communities healthy. One question to consider is whether the City funding is appropriate to a foundation and also if it is a priority in consideration of City budget operating priorities.

**Alternative Options:**

The primary action requested is to consider the request of SMIF for the \$5,800 funding. To clarify, staff is not recommending but rather presenting the request. The request is an additional \$800 from 2016 to 2017 and would be added to the budget if the Council approved this request. This will be taken into consideration of the final budget amendments since the funding currently illustrates \$5,000.

The following are two alternative options to consider:

- a. Staff is suggesting consideration of eliminating the contribution for 2017. Staff would suggest a motion clarifying this intent not to fund their request in 2017. If approved, this amendment will be factored into the budget balancing efforts of the 2017 budget development.
- b. Consider funding \$5,000 which is the 2016 amount funded. Additionally, this is the amount currently in the 2017 draft budget.

There does need to be action taken in order to include SMIF in the budget and authorize payment. Therefore, if there is no action staff will amend the draft 2017 budget removing funding of SMIF.

**Financial Impacts:**

- Alternative option “a” would eliminate the SMIF contribution and would allow for \$5,000 in savings from the current deficit in the preliminary budget development for 2017.
- Alternative option “b” would add \$800 to the current deficit in the preliminary budget development for 2017.

**Tentative Timelines:**

This is the final action recommended related to consideration of SWIF funding for 2017.