



FINANCE & RECORDS

MEMO

To: Mayor Hopkins and Members of City Council

From: Gregg Mandsager, City Administrator,
Richard Klimes, Director of Parks and Recreation
Nancy A. Lueck, Finance Director

Date: July 15, 2013

Re: Request to Modify Provisions for Use of the Parks and Recreation Trust and Authorize Use of these Trust funds for the Weed Park Playground Surface Repair Project

Introduction and Background:

In November of 1994 the City's Parks and Recreation Department received a bequest of \$150,883 from the estate of Frank C. Bishop. Interest has been earned on the trust funds and funds have been used for various park improvement projects. In 2001/2002 \$150,000 of funding from this trust was used for the Playground Development Project. The Playground Project involved the construction of ten new playgrounds in nine City parks at a total cost of \$956,500. Funding for the project was from contributions from area trusts and foundations (\$490,000), \$150,000 from the Parks and Recreation Trust, and \$316,500 from bond proceeds.

In June of 1999 the City Council adopted a resolution which imposed restrictions on the future use of this trust. These restrictions included (1) limiting expenditures from this trust to only interest earned on the remaining principal in the trust, (2) requiring the Recreation Advisory Commission to recommend projects to be funded from this trust, and (3) holding not less than three Council meetings to consider use of the trust funds.

Recommendations:

It is proposed that the City Council consider taking action to rescind Resolution 87315-0699 which restricted the use of funds from this trust. At their July 10, 2013 meeting, the Recreation Advisory Commission approved the proposal to rescind the previous resolution and use the remaining funds in this Trust for the Weed Park Playground Surface Repair project.

This request was proposed for a number of reasons including:

1. When this Trust was created it was anticipated that additional donations would likely be received to add to this trust. No additional donations have been received to date. It should be noted that this was prior to formation of the Community Foundation which now has received donations for several specific Parks and Recreation projects (e.g. Zoo Garden).

2. With the current very low interest rates little interest is being earned on these funds and as such if only interest can be expended, no significant projects can be undertaken. (In FY 12 \$90 of interest was earned on funds in this trust and the estimate for FY 13 is \$70.)
3. There were no restrictions in the original bequest from Mr. Bishop; the restrictions were added in 1999 by the City Council that was in office at that time.
4. The 2012/2013 City budget was based on using funds from this trust for surface repairs on the Playground at Weed Park. This is consistent with the prior uses of the Trust which assisted in construction of the playgrounds throughout the City's park system. Bids on this project were received on July 9, 2013 and the low bid was \$57,750 from Boland Recreation.

The current balance in this Trust is \$53,290 and a minimal amount of additional interest (less than \$100) is expected to be credited to the trust.

Please include the attached Resolution on the agenda for the July 18, 2013 meeting. This resolution provides for rescinding Resolution #87315-0699, authorizes the remaining funds in the Parks and Recreation Trust be used toward funding the Weed Park Playground Surface Repair project, and this Trust be closed out on completion of this project.

Please contact any of us if you have any questions.

RESOLUTION NO. _____

**RESOLUTION TO APPROVE USE OF THE PARKS AND RECREATION
TRUST FUND FOR THE WEED PARK PLAYGROUND SURFACE REPAIR
PROJECT AND TO RESCIND CITY COUNCIL RESOLUTION 87315-0699**

WHEREAS, a bequest was received from the estate of Frank C. Bishop in November of 1994 and funds from this bequest have been used for various park improvement projects including the Playground construction project in fiscal year 2001/2002; and

WHEREAS, City Council Resolution 87315-0699 adopted June 17, 1999, established the Parks and Recreation Trust fund with the remaining funds from the Bishop bequest; provided for the Recreation Advisory Commission to act as Trustee for the Trust; and set requirements and restrictions for the future use of the Trust funds; and

WHEREAS, surface repairs are needed at the Weed Park Playground and the low bid for these repairs is \$57,750; and

WHEREAS, the 2012/2013 City budget included the proposal to use funds from the Parks and Recreation Trust for the Weed Park Playground Surface Repair project and the Recreation Advisory Commission at their July 10, 2013 voted to approve using funds from the Trust for this project;

WHEREAS, provisions of Resolution 87315-0699 need to be rescinded to allow for the use of these funds for the Playground project;

NOW, THEREFORE BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF MUSCATINE, IOWA, that Resolution 87315-0699 be rescinded, the remaining funds in the Parks and Recreation Trust be authorized to be used towards funding the Weed Park Playground Surface Repair project, and this Trust be closed out at the time this project is completed.

PASSED, APPROVED, AND ADOPTED this 18th day of July, 2013.

DeWayne Hopkins, Mayor

ATTEST:

Gregg Mandsager, City Clerk