

**CITY COUNCIL  
COMMUNICATION:**

**ITEM \_\_\_\_\_**

**OFFICE OF THE CITY MANAGER  
CITY OF DES MOINES, IOWA**

**99-186**

**SYNOPSIS -**

**AGENDA:**

APRIL 26, 1999

**SUBJECT:**

BOTANICAL CENTER  
ENDOWMENT  
AGREEMENT

Approve the amended and restated version of the Endowment Agreement between the City and the Board of the Friends of the Des Moines Botanical Center Inc. covering the operation, oversight, and distribution of interest from the Endowment Fund that is administered by a Board of Trustees. The Trustees are comprised of three people designated by the Board of the Friends, the Park and Recreation Director, a Park and Recreation Board Member, and a financial officer of the City, designated by the City.

**TYPE:**

**RESOLUTION**  
ORDINANCE  
RECEIVE/FILE

**FISCAL IMPACT -**

The overall revenue is positive. The amended and restated version enables the employment of investment strategies that will allow the fund to grow at a much more rapid rate.

**SUBMITTED BY:**

DONALD M. TRIPP  
PARK &  
RECREATION  
DIRECTOR

**RECOMMENDATION -**

**Approve the amended and restated version of the Endowment Agreement.**

**BACKGROUND -**

The Board of the Friends and the City originally entered into an Endowment Agreement on June 4, 1979, for the purpose of establishing an endowment fund to provide financial assistance for the construction, operation, improvement, and maintenance of the Des Moines Botanical Center. The Endowment Agreement was last modified in October 1992 at which time the Board of the Friends were allowed to withdraw from the principal the sum of \$250,000.

The restated and amended version of the Endowment

Agreement defines more tightly how the principal will be repaid; authorizes the adoption of an investment strategy that should result in substantial growth of the fund; and for the first time, establishes a procedure wherein the monies generated by the fund can be used to finance the operation of the Botanical Center and its community outreach projects and programs. Although verbiage regarding the Board of the Friends increasing the Endowment Fund by an additional \$250,000 has been dropped, the investment strategy detailed in the agreement is designed to achieve a level of growth well beyond the aforementioned sum. The new agreement calls for either annual contributions to the fund by the Board once the principal has been repaid, or use of monies to support horticultural projects that are mutually recommended by the City and the The Board of the Friends.

The agreement provides that withdrawals from the principal of the fund may be made by the Board of the Friends only if the withdrawal, together with a repayment plan, is first approved by both two-thirds of the members of the Board of the Friends and the City Council.

The Board of the Friends continues to agree to fully fund the salaries of the Botanical Center Volunteer Supervisor and the Botanical Center Education Curator.

As in past agreements, the Board of the Friends retains any revenues derived from (a) the sale of memberships in the Corporation; (b) the retail operation of the Garden Gate Gift Shop; (c) periodic sales of plants and other items to the general public by the Board; (d) educational programming sponsored by the Board; (e) sales at the Garden Gate Café in accordance with other contracts; and (f) other Board sponsored activities.

The restated and amended version of the Endowment Agreement has been approved by both the Board of the Friends and Endowment Fund Trustees and the Park and Recreation Board.