

**CITY COUNCIL  
COMMUNICATION:**

**02-621**

**AGENDA:**

DECEMBER 2,  
2002

**SUBJECT:**

FIRST  
AMENDMENT TO  
THE 28E  
AGREEMENT WITH  
THE FRIENDS OF  
THE DES MOINES  
BOTANICAL  
CENTER

**TYPE:**

**RESOLUTION**  
ORDINANCE  
RECEIVE/FILE

**SUBMITTED BY:**

DONALD M. TRIPP  
PARK AND  
RECREATION  
DIRECTOR

MERRILL STANLEY  
FINANCE  
DIRECTOR

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

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

**SYNOPSIS —**

Approval of the First Amendment to the 28E Agreement by and between the City of Des Moines and the Friends of the Des Moines Botanical Center. This amendment will allow the Friends to control and own the Endowment Fund subject to the Friends agreement to transfer the Fund to the Greater Des Moines Community Foundation (GDMCF) and to continue to support the programs, services, and operations of the Botanical Center.

**FISCAL IMPACT —**

The current balance of the Fund is \$428,102 with an additional \$151,834 owed by the Friends for the 1992 withdrawal to complete the educational wing expansion. This agreement continues the Friends obligation to pay this sum back to the endowment. The endowment fund will have a greater capacity for growth if divested from control by the City and managed by the GDMCF.

**RECOMMENDATION —**

**Approval.**

**BACKGROUND —**

On June 17, 2002, by Roll Call No. 02-1548, the City entered into a 28E Agreement with the Friends of the Des Moines Botanical Center resulting in the following changes:

- The City is to assume management, operations, and revenues from all guest services operations previously performed by the Friends. This included the Garden Gate Café, educational classes, catering services, liquor, and gift shop sales. In addition, the City assumed the salaries of the Educational Curator and Volunteer Supervisor. Previously, the Friends paid the direct salary costs of these two employees and the City paid the benefit costs. This change was expected to improve City revenue from the Botanical Center.
- The Friends were given consideration for existing equipment and inventory of the Garden Gate Gift Shop toward the salary expenses owed to the City from the Restated 1999 Endowment Agreement. Additionally, the Friends will retire the salary debt to the City during

**CITY COUNCIL  
COMMUNICATION:**

02-621

DECEMBER 2,  
2002

PAGE TWO

the term of the 2002 Agreement. This amount is \$93,033.

- The Board of Trustees for the Endowment Fund would increase from three to four representatives from each agency. The charge of the Board of Trustees is to recommend investment policies and disbursements from the Endowment Fund.

Under the terms and conditions of this First Amendment, the following changes are being recommended:

- The City shall transfer control and ownership of the Endowment Fund from the Board of Trustees, an administrative entity created under the 28E Agreement, to the Friends of the Des Moines Botanical Center, subject to the Friends agreement to transfer the Fund to the GDMCF.
- The Friends shall enter into an agreement with the GDMCF to administer and provide assistance in additional fundraising efforts for all assets of the Endowment Fund for the benefit of the Des Moines Botanical Center including but not limited to improvements, programs, operations and maintenance of the Botanical Center and its community outreach projects and programs.
- The Board of Trustees for the Endowment Fund would be dissolved upon the effective date of this agreement. The initial endowment was established at \$500,000. In 1992, the Friends borrowed \$250,000 to complete construction of the building addition. Upon execution of this agreement, the Friends will establish annual repayment toward the remaining \$151,834 owed to the Endowment from the earned interest of a new estate gift received by the Friends in 2001.
- The Friends shall continue annual fundraising efforts to support the building and grounds capital improvements, educational and outreach programs and services to the Greater Des Moines community supported by the Botanical Center operations.

These proposed changes will allow the Friends, through the GDMCF, the ability to invest the funds less conservatively than the City's investment policy and the ability of the fund to receive GDMCF Board support. Staff recommends approval as it is the best means to grow the endowment principal.

