

CITY OF EL PASO, TEXAS
AGENDA ITEM DEPARTMENT HEAD'S SUMMARY FORM

DEPARTMENT: Museums and Cultural Affairs - Art Museum
AGENDA DATE: April 10, 2007
CONTACT PERSON/PHONE: Yolanda Alameda, Director, 541-4896
DISTRICT(S) AFFECTED: All

CITY CLERK DEPT
07 APR -3 AM 10 07

SUBJECT:

A resolution to establish a separate restricted fund within the City's Special Revenue Fund to be known as the "Katharine White Harvey Fund" which shall be funded with the proceeds from sale of property in the amount of \$355,850, donated to the City of El Paso by Katharine White Harvey for the express and sole use or benefit of the El Paso Museum of Art.

BACKGROUND / DISCUSSION:

Discussion of the what, why, where, when, and how to enable Council to have reasonably complete description of the contemplated action. This should include attachment of bid tabulation, or ordinance or resolution if appropriate. What are the benefits to the City of this action? What are the citizen concerns?

On December 30, 1981, the City Council of the City of El Paso was given and accepted land fronting Doniphan Drive in El Paso, Texas from Ms. Katharine White Harvey to be used for the express and sole use or benefit of the El Paso Museum of Art. On September 5, 2006, the City sold the Property and netted an amount equal to Three Hundred Fifty Five Thousand Eight Hundred Fifty Dollars (\$355,850.00). The property is deemed a capital asset and all proceeds from the sale of the property are reserved for the purchase of capital assets as defined by the City of El Paso. It is the recommendation of the Museums and Cultural Affairs Department/El Paso Museum of Art that the primary focus of these funds be for the purchase of artworks. The funds will be placed in an interest bearing account and will be expended as outlined in the resolution.

PRIOR COUNCIL ACTION

Has the Council previously considered this item or a closely related one?

Yes, December 30, 1981, the City Council of the City of El Paso (the "City") was given and accepted land fronting Doniphan Drive in El Paso, Texas from Ms. Katharine White Harvey to be used for the express and sole use or benefit of the El Paso Museum of Art.

AMOUNT AND SOURCE OF FUNDING:

How will this item be funded? Has the item been budgeted? If so, identify funding source by account numbers and description of account. Does it require a budget transfer?

On September 5, 2006, the City sold the Property and netted an amount equal to Three Hundred Fifty Five Thousand Eight Hundred Fifty Dollars (\$355,850.00). This amount will be used to purchase capital assets, with a primary focus on art.

BOARD / COMMISSION ACTION:

Enter appropriate comments or N/A

None

*****REQUIRED AUTHORIZATION*****

LEGAL: (if required) _____ **FINANCE:** (if required) _____

DEPARTMENT HEAD: _____
(Example: if RCA is initiated by Purchasing, client department should sign also)
Information copy to appropriate Deputy City Manager

APPROVED FOR AGENDA:

CITY MANAGER: Jayce L. Wilson

DATE: 4/3/07

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RESOLUTION

WHEREAS, on December 30, 1981, the City Council of the City of El Paso (the "**City**") was given and accepted land fronting Doniphan Drive in El Paso, Texas (the "**Property**") from Ms. Katharine White Harvey to be used for the express and sole use or benefit of the El Paso Museum of Art (the "**Museum**");

WHEREAS, the Property was deemed a capital asset and as such it is considered tangible property, which cannot easily be converted into cash and has an initial life extending beyond a period of one year;

WHEREAS, on September 5, 2006, the City sold the Property and netted an amount equal to Three Hundred Fifty Five Thousand Eight Hundred Fifty Dollars (\$355,850.00) (the "**Proceeds**");

WHEREAS, within the City's Special Revenue Fund, the City desires to establish a separate restricted fund to be known as the "Katharine White Harvey Fund" (the "**KWH Fund**") which shall be funded with the Proceeds;

WHEREAS, the City desires to use the Proceeds in the KWH Fund for the purpose of purchasing capital assets, with a primary focus on purchasing works of art, for the Museum;

WHEREAS, the City desires to prohibit the expending of: (i) One Hundred Eighty Thousand Dollars (\$180,000.00) of the Proceeds (the "**Restricted Funds**"); and (ii) twenty percent (20%) of any interest allocated to the Proceeds, which shall be added to the Restricted Funds amount. The remaining eighty percent (80%) of the interest allocated to the Proceeds shall be used to purchase capital assets, with a primary focus on purchasing works of art, for the Museum;

WHEREAS, the City desires that no more than twenty percent (20%) of the Proceeds, that are not Restricted Funds, be spent in any given fiscal year for the purchase of capital assets for the Museum. Any portion of said twenty percent (20%), which is not spent on a given fiscal year, may be spent in the following fiscal year;

WHEREAS, Section 7.6 of the City Charter states that the proceeds from the sale of capital assets may not be used for recurring operational expenses;

WHEREAS, the City has determined that the Property was a capital asset for purposes of Section 7.6 of the City Charter and, as such, the proceeds from its sale may not be used for recurring operational expenses;

WHEREAS, the City has determined that so as long as the Proceeds are used by the Museum for the purchase of other capital assets (e.g., works of art) and not expended for operating expenses, the City complies with the restriction placed on the Property at the time it was gifted to the City and Section 7.6 of the City Charter; and

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WHEREAS, the City desires to acknowledge Ms. Katharine White Harvey by requiring all purchases from any portion of the Proceeds or interest earned there from, be associated with her name in all label materials, press, and publications and that all labels and acknowledgements read, "El Paso Museum of Art Purchase, Katharine White Harvey Fund."

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF EL PASO:

THAT, the City establish a separate restricted fund within the City's Special Revenue Fund to be known as the "Katharine White Harvey Fund" which shall be funded with the Proceeds;

THAT, the City Manager be authorized to execute any and all documents pertaining to the establishment and management of the KWH Fund;

THAT, the Proceeds in the KWH Fund shall be invested in accordance with the City's investment policy with the preservation and safety of principal as the foremost objectives of any investments related to the KWH Fund. Interest revenue will be allocated in accordance with the City's investment policy and accounted for in the KWH Fund and shall be used in the manner described in this resolution;

THAT, the City use the Proceeds in the KWH Fund for the purpose of purchasing capital assets, with a primary focus on purchasing works of art, for the Museum;

THAT, the City shall not expend: (i) the Restricted Funds; and (ii) twenty percent (20%) of any interest allocated to the Proceeds, which shall be added to the Restricted Funds amount. The remaining eighty percent (80%) of the interest allocated to the Proceeds shall be used to purchase capital assets, with a primary emphasis on purchasing works of art, for the Museum;

THAT, the City shall not expend more than twenty percent (20%) of the Proceeds in the KWH Fund, that are not Restricted Funds, in any given fiscal year. Any portion of the twenty percent (20%), which is not spent on a given fiscal year, may be spent in the following fiscal year;

THAT, the Director of the Museum shall make capital asset purchase recommendations, in accordance with established Museum policies and procedures to either the City Manager or City Council as required by State law and City ordinances and resolutions; and

THAT, the City shall acknowledge Ms. Katharine White Harvey by requiring all purchases from any portion of the Proceeds or interest earned there from, be associated with her name in all label materials, press, and publications and that all labels and acknowledgements read, "El Paso Museum of Art Purchase, Katharine White Harvey Fund."

(Signature page to follow)

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Signature Page

ADOPTED ON THIS _____ DAY OF _____ 2007.

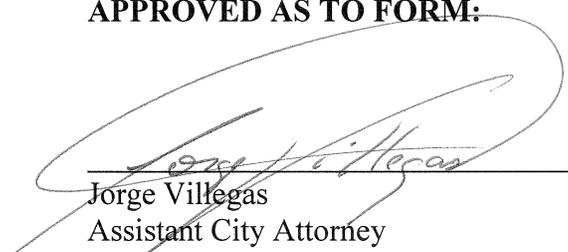
CITY OF EL PASO

John F. Cook
Mayor

ATTEST:

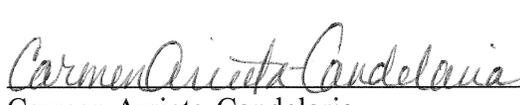
Richarda D. Momsen
City Clerk

APPROVED AS TO FORM:

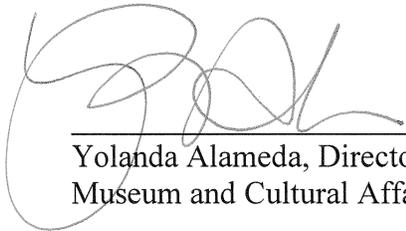


Jorge Villegas
Assistant City Attorney

APPROVED AS TO CONTENT:



Carmen Arrieta-Candelaria
Chief Financial Officer



Yolanda Alameda, Director
Museum and Cultural Affairs

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