



## AGENDA MEMORANDUM

Future Item for the City Council Meeting of August 14, 2012  
Action Item for the City Council Meeting of August 21, 2012

**DATE:** July 25, 2012  
**TO:** Ronald L. Olson, City Manager  
**FROM:** Rick Stryker, Museum Director  
ricks@cctexas.com  
361-826-4660

Accept Sessions bequest and transfer receipts to the Friends of the Museum.

### **CAPTION:**

Ordinance authorizing the City Manager to execute all documents necessary to accept disbursements from mineral interests from the Estate of L. Lloyd Sessions; appropriating distribution in the No. 1069 Museum Grants Fund and authorizing the transfer to the Friends of the Museum of Science and History for the benefit of the Museum

### **PURPOSE:**

Enabling the receipt and transfer of mineral interest income from the Sessions Bequest and transferring those funds to the Friends of the Museum for benefit of the Museum.

### **BACKGROUND AND FINDINGS:**

Funds are sometimes donated through estates to the City to benefit the Museum. The City typically transfers such bequests to the Friends of the Museum. The Friends use their resources to fund exhibits, education programs, and special projects at the Museum. The Museum was among the beneficiaries of the Estate of Lloyd Sessions. The Sessions Estate was finalized in 1999, but the City was not informed until 2012 that mineral interests had been bequeathed to the Museum. The 2012 Appraised value is \$8,370. This action will enable the City Manager to sign a Division Order with Endeavor Energy Resources, LP which will distribute funds accumulated since 2004, estimated to be \$20,000. These funds will transfer to the Friends and will be used for benefit of the Museum. Subsequent and ongoing distributions in much smaller amounts will be forthcoming and deposited with the Friends. The Friends will pay property taxes on these distributions.

### **ALTERNATIVES:**

It is conceivable that the mineral interests could be sold, but that alternative is not recommended.

### **OTHER CONSIDERATIONS:**

Not applicable

**CONFORMITY TO CITY POLICY:**

The Friends of the Museum of Science and History was formed nearly 40 years ago to encourage private philanthropy benefitting the Museum. It is in the City's interest to encourage the donation of funds to underwrite the cost of exhibits, education programs, and special projects because this lowers the operating cost of the Museum for the City. Individuals are much less likely to donate funds for the Museum directly to the City. The Friends routinely spend hundreds of thousands of dollars on Museum projects annually.

**EMERGENCY / NON-EMERGENCY:**

Non- emergency - this is a routine, non-controversial item.

**DEPARTMENTAL CLEARANCES:**

There were no departments and/or boards impacted by this action.

**FINANCIAL IMPACT:**

Operating       Revenue       Capital      X Not applicable

<b>Fiscal Year: 2012-2013</b>	<b>Project to Date Expenditures (CIP only)</b>	<b>Current Year</b>	<b>Future Years</b>	<b>TOTALS</b>
Line Item Budget				
Encumbered / Expended Amount				
This item		20,000		20,000
BALANCE	0	20,000		20,000

Fund(s): 1069 Museum Grants Fund

**Comments:** The \$20,000 is an estimated amount.

**RECOMMENDATION:**

City staff recommend the passage of the ordinance that facilitate the receipt and transfer of the funds from the Sessions Bequest to the Friends of the Museum

**LIST OF SUPPORTING DOCUMENTS:**

Ordinance