

City of Culver City, California
City Council Agenda Item Report

Meeting Date: 12/10/07		Item Number: <u>A-1</u>	
AGENDA ITEM: Acceptance of a Bequest to the City of Culver City Senior Center by Mrs. Gladys L. Paetzold and Discussion and Direction Regarding the Appropriate Manner in which to Use these Funds.			
Contact Person/Dept.: Bill La Pointe, PRCS Director ; Crystal Alexander, City Treasurer		Phone Number: (310) 253-6655; (310) 253-5850	
Fiscal Impact: Yes ☐ No ☒		General Fund: Yes ☐ No ☒	
Public Hearing: ☐		Action Item: ☒ Attachments: ☒	
Public Notification: Master Notification List (12/05/2007)			
Department Approval: Bill La Pointe, Director of Parks, Recreation and Community Services (12/04/07).		City Attorney Approval: Carol Schwab (by H. Iker) (12/05/07)	
Fiscal Impact Review: Marlee Chang (12/05/07)		City Manager Approval: Jerry B. Fulwood (12/05/07)	
<u>RECOMMENDATION:</u> Staff recommends the City Council accept a bequest to the City of Culver City Senior Center by Mrs. Gladys L. Paetzold and discuss and provide direction to staff regarding the appropriate manner in which to use these funds. <u>BACKGROUND:</u> Recently, Mrs. L. Gladys Paetzold, a long-time, active member of the Culver City Senior Center and the Retired and Senior Volunteer Program (RSVP) passed away, leaving a bequest to the Culver City Senior Center in the amount of \$166,423.35 ("the Paetzold bequest"). Staff observed the joy Mrs. Paetzold experienced when working with the volunteers in the RSVP Wednesday Work Project (Mailing Group) where she was responsible for preparing coffee and serving donuts to the approximately 100 members of the group each week. Mrs. Paetzold contributed almost 3,000 lifetime hours to RSVP, the majority of which were invested by assisting at the Wednesday Work Project. <u>DISCUSSION:</u> The only stipulation of the Paetzold Estate is that the funding be used for any project that benefits the Culver City Senior Center, as long as the funds are not used for			

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maintenance and/or operational costs. Staff and the Paetzold family have conferred regarding the most appropriate uses of the Paetzold bequest and are submitting the following suggestions for Council consideration. That the funds be used as a(n)

1. **ENDOWMENT:** The entire sum could be set aside as an endowment, with annual interest from the endowment to be used in the following ways (examples follow):

- a. A new coffee cart for the Senior Center, but especially for the Wednesday Work Program (WWP) for RSVP (\$1,000).
- b. Purchase and installation of new interior plants with containers of a variety of sizes and types (\$10,000).
- c. Purchase weekly coffee supplies and donuts for WWP (\$5,000).

2. **PARTIAL ENDOWMENT:** Some of the Paetzold bequest could be invested on Senior Center Capital Improvement Projects, and any remaining funds could be placed into an endowment, the interest from which would be used as noted in number 1 above. Examples of possible Senior Center Capital Improvement Projects might include:

- a. Revamping the courtyard and rename it the "Gladys L. Paetzold Courtyard" (in order to be consistent with the City's Naming Policy, the naming of the courtyard could not take place until at least one year has passed); adding new landscaping, creating a small garden, expanding the current shade awning, replacing the outdoor furniture.
- b. Installing a Public Address System in the building that could be used for emergency messages and announcements
- c. Purchasing and installing the Safari System (computer registration) to register members for program and outings; this would also allow us to issue each person a picture ID.

3. **FULL EXPENDITURE OF FUNDS (NO ENDOWMENT):** Council may determine that staff should research and identify a Senior Center capital improvement project that utilizes the entire bequest of \$166,423.35.

Staff requests that the City Council accept the Paetzold bequest, consider the appropriate use of the funds and direct staff to come back to Council with a report expanding on Council's preferred manner of using these funds.

It should be noted that City staff will be returning to Council at a future date with a proposed City Council Policy relating to the City's acceptance of donations.

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FISCAL ANALYSIS:

If the Paetzold bequest is approved and accepted, and when the appropriate use of the funds is determined by the City Council, a budget amendment will then be processed to post the funds to a Senior Center revenue account and also appropriate the expenditure account. (A budget amendment requires a 4/5th vote of the City Council.)

However, until such time as the City Council determines the actual use of the bequest, the funds will be deposited into the City Treasury with strict accounting of the accrued interest earnings.

It should also be noted that should the City Council determine to use the bequest as an endowment (either completely or partially) then it will take time for interest earnings to accrue and be available for expenditure.

ATTACHMENTS:

None.

MOTION:

That the City Council:

1. Accept a bequest to the City of Culver City Senior Center by Mrs. Gladys L. Paetzold and consider the appropriate manner in which to use the Paetzold Bequest, including the possibility of:
 - a) an endowment;
 - b) a partial endowment;
 - c) full expenditure of funds (no endowment);

and direct staff to come back with a report expanding on Council's preferred manner of using these funds;

or

2. Discuss the item and provide further direction to staff.