

ORDINANCE NO. 441

**AN ORDINANCE AMENDING WILSONVILLE CODE, CHAPTER 2,
AND ESTABLISHING A LIBRARY ENDOWMENT FUND.**

WHEREAS, it is the responsibility of the Library Board to recommend policies for the governance of the Library and submit them to the City Council, including recommendations concerning funding; and

WHEREAS, the Library Board finds that the purposes of the Library could be advanced if a Library Endowment Fund were established, and if the Board's functions were formally expanded to include fundraising activities in conjunction with advancing library purposes, including, but not limited to, a Library Endowment Fund; and

WHEREAS, the Library Board recommends to the City Manager and to the City Council that it establish a Library Endowment Fund and that the Library Board's responsibilities include the authorization to perform fundraising activities to advance library purposes, including, but not limited to, the Library Endowment Fund; and

WHEREAS, the Library Board has reviewed the amendments as set forth in the ordaining portion of this ordinance and recommends to the City Council their adoption to advance the purposes of the Wilsonville Public Library.

NOW, THEREFORE, THE CITY OF WILSONVILLE ORDAINS AS FOLLOWS:

1. Wilsonville Code Section 2.350 is amended to read as follows:

"2.350 Library, Library Board and Library Endowment Fund Established

"(1) The Wilsonville Public Library, a municipal public library in and for the City of Wilsonville, Clackamas County, State of Oregon, is hereby established under the applicable provisions of ORS Chapter 357.

"(2) The Wilsonville Public Library as established by paragraph 1 shall be governed by a Library Board consisting of five (5) persons who are at least 18 years of age, and who are not officials or employees of the City. In addition, one member of the

City government, the Mayor or his designee, may sit with the Library Board as an ex officio member to provide liaison with the Council.

(3) There is hereby established as a separate fund for the City of Wilsonville for the benefit of the Wilsonville Public Library, a fund designated as the 'Wilsonville Public Library Endowment Fund'."

2. Wilsonville Code Section 2.354(6)(c) be amended as follows:

"(c) Recommend to the City Manager for City Council action the acceptance, use or expenditure of any gift, devise or bequest to the Wilsonville Public Library or to the Wilsonville Public Library Endowment Fund, which either includes terms, conditions or restrictions of its use which have not been generally and typically acceptable without policy review by the City Council, or are in amount over \$2500. The Library Director shall annually include in the budgets for the Wilsonville Public Library and the Wilsonville Public Library Endowment Fund an estimated revenue amount and corresponding expenditure authority for expectable gifting and shall manage such gifts, devises or bequests in accordance therewith, reporting from time to time to the Library Board the status of annual gifting. The investment management of any such funds, however, shall be the responsibility of the City's Finance Director.

3. Wilsonville Code Section 2.354(6) is amended by adding subsection (d) as follows:

"(d) Propose fundraising programs and activities to the City Council for Library purposes, including, but not limited to, the Library Endowment Fund. Upon approval by the City Council, supervise such programs and activities in accordance with advancing the Library's purpose and with such direction as the City Council may give from time to time. Administrative expenditures may be made from City funds in connection with such fundraising activities, provided such expenditures are within the authorization of the City's budget."

4. Amend Chapter 2, Wilsonville Code by adding section 3.256 to read:

"3.256 Wilsonville Public Library Endowment Fund

"(1) Donations to Fund. The City may accept for the benefit of the Fund any type of gift, devise or bequest of money or property and may place in the fund such City resources as it deems advisable. However, if any donation to the Fund contains conditions or restrictions on its use, other than a designation that it

be placed in the Fund, the conditions or restrictions must be reviewed by the City Council prior to acceptance. The Council, after considering a recommendation, if any, from the Library Board, may refuse to accept any gift, devise or bequest.

"(2) Fund Accounting; Use of Fund Principal and Income.

"(a) A separate accounting shall be maintained of the Fund principal and of Fund income. The value of the Fund principal is the cumulative value, or investment value, of all gifts and City resources other than Fund income placed in the Fund. All income from the assets of the Fund is Fund income.

"(b) Fund principal may only be used for capital expenditures of direct benefit to the Wilsonville Public Library. Principal funds may be used only after the City Council has received a recommendation by the Library Board.

"(c) Fund income is to be used to enhance the services, materials, equipment or facilities of the Wilsonville Public Library. In the annual City budget process, Fund income shall not be considered as a substitute or alternative revenue source for funding the level of library services which would otherwise be deemed appropriate to be funded by the City using other available revenue sources.

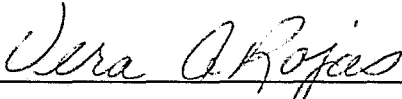
"(3) Segregation of Fund Assets. Assets of the Fund may be segregated into separate accounts, and such separate accounts may, for convenience or in order to comply with the conditions or requests of the donors, be designated by separate names. The assets of the various accounts may nevertheless be commingled as may be deemed expedient by the City Finance Director for investment or accounting purposes.

"(4) Investment of Fund. Assets of the Fund, including all separate accounts thereof, if any, may from time to time be invested and reinvested by the City Finance Director in such depositories or securities as may be lawful for investment of City funds. The form of fund assets may be changed from time to time.

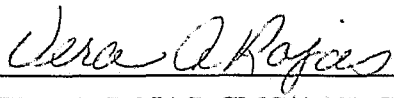
"(5) Termination of Fund. In the event the Wilsonville Public Library, or similar successor institution, ceases to operate, the City Council may terminate the Fund and dispose of Fund assets in any lawful manner for the support of library services."

SUBMITTED to the Wilsonville City Council and read for the first time at a

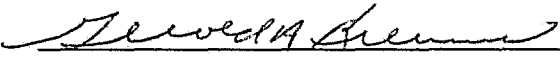
regular meeting thereof on the 6th day of February, 1995, and scheduled for the second reading at a regular meeting of the Council on the 6th day of March, 1995, commencing at the hour of 7:00 o'clock p.m. at the Community Development Hearings Room.


VERA A. ROJAS, CMC/AAE, City Recorder

ENACTED by the City Council on the 6th day of March, 1995, by the following votes: YEAS: 5 NAYS: 0


VERA A. ROJAS, CMC/AAE, City Recorder

DATED and signed by the Mayor this 9TH day of March, 1995.


GERALD A. KRUMMEL, Mayor

SUMMARY OF VOTES:

Mayor Krummel	<u>AYE</u>
Councilor Leahy	<u>AYE</u>
Councilor Lehan	<u>AYE</u>
Councilor Leo	<u>AYE</u>
Councilor Hawkins	<u>AYE</u>



City of
WILSONVILLE
in OREGON

30000 SW Town Center Loop E
Wilsonville, Oregon 97070
FAX (503) 682-1015
(503) 682-1011

MEMORANDUM

TO: Honorable Mayor and City Councilors
FROM: Michael E. Kohlhoff, City Attorney
DATE: March 2, 1995
RE: CB-O-221-95 - Library Endowment Fund

The Library Board, as set forth in Library Director Turner's memo, is satisfied with the changes in CB-0-221-95, particularly to W.C. 2.354(6)(c), which was the area of the Council concerns.

If this change is satisfactory, I am of the opinion that the last two sentences in proposed amendment adding section 3.256(2)(c), which appears on page 3 of 4 of the ordinance, could be deleted. Finance Director Wallis concurs, as does Director Turner. This issue came up after the Library Board reviewed the changes to CB-O-221-95, but such a deletion would be in keeping with the changes to W.C. 2.354(6)(c) which would still bring special condition gifts and gifts over \$2500 during the year to the Council. However, Steve Turner will be contacting Chairman O'Hogan and advising the Council in this regard.

I have bracketed the proposed language for your review.

mek:dp
enclosure

after considering a recommendation, if any, from the Library Board, may refuse to accept any gift, devise or bequest.

"(2) Fund Accounting; Use of Fund Principal and Income.

"(a) A separate accounting shall be maintained of the Fund principal and of Fund income. The value of the Fund principal is the cumulative value, or investment value, of all gifts and City resources other than Fund income placed in the Fund. All income from the assets of the Fund is Fund income.

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"(c) Fund income is to be used to enhance the services, materials, equipment or facilities of the Wilsonville Public Library. In the annual City budget process, Fund income shall not be considered as a substitute or alternative revenue source for funding the level of library services which would otherwise be deemed appropriate to be funded by the City using other available revenue sources. Subject to any other requirements of law, all expenditures of Library Endowment Fund income shall be as approved by the City Council upon the recommendation of the Library Board. Prior to expenditure of income from the Library Endowment Fund a proposal shall be submitted by the Library Board to the City Council.

Suggested deletion.

"(3) Segregation of Fund Assets. Assets of the Fund may be segregated into separate accounts, and such separate accounts may, for convenience or in order to comply with the conditions or requests of the donors, be designated by separate names. The assets of the various accounts may nevertheless be commingled as may be deemed expedient by the City Finance Director for investment or accounting purposes.

"(4) Investment of Fund. Assets of the Fund, including all separate accounts thereof, if any, may from time to time be invested and reinvested by the City Finance Director in such depositories or securities as may be lawful for investment of City funds. The form of fund assets may be changed from time to time.

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Wilsonville Public Library

8200 S.W. Wilsonville Road
Wilsonville, Oregon 97070
Phone: 682-2744

TO: Arlene Loble, City Manager
FROM: *SWT* Stephen W. Turner, Library Director
SUBJECT: Library Endowment Fund Ordinance proposed changes
DATE: February 27, 1995

Summary:

At its February 22 meeting, the Library Board reviewed changes to the Library Endowment Fund Ordinance proposed by City Attorney Mike Kohlhoff in response to Council questions received on the first reading of the ordinance. The Board is comfortable with the changes proposed which clarify the ordinance and make a helpful distinction between routine and non-routine gift situations.

Staff Recommendation:

Along with the Board, I wholeheartedly endorse the proposed ordinance, including the changes proposed. I appreciate Council's interest and their care in making this Endowment Fund Ordinance one that should serve the City well for the future.