



MEMO

TO: President Gardiner and the Members of the Town Council
FROM: Town Manager and Clerk-Treasurer
SUBJECT: Resolution 2104: Disposition of Funds
DATE: February 6, 2023

The Town of Munster settled its lawsuit regarding the Centennial Park Clubhouse in September 2022 for a total of \$5,545,000. It is generally assumed that the settlement will be used for future improvements at the Clubhouse site. There were legal, engineering, and similar fees spent to secure this settlement. Those fees totaled \$2,196,462.37. The settlement dollars are currently held in an escrow account and are accruing interest. The Clerk-Treasurer's Office has recommended reimbursing the funds which made the expenditures needed to secure the settlement. Doing so will help both the reserves of those funds and reduce the transfers that must be made to the Liability Insurance Fund. This fund continues to cover the ongoing costs related to the Clubhouse (i.e. shoring, monitoring of movement, insurance etc.).

Of the total amount spent, \$671,264.65 was from the Munster Municipal Corporation (MMC) from bond proceeds that were generated for the original construction of Centennial Park. Providing a similar reimbursement to the Munster Municipal Corporation (MMC) has been considered. If such a reimbursement would be made, the MMC would most likely use the money to help fund either the proposed golf course buildings or the yet-to-be-determined disposition of the Clubhouse site. Since the funds would ultimately be used for Centennial Park, there is little to no utility in reimbursing the MMC. As a result, Staff recommends not making a reimbursement to the MMC.

Resolution 2144 has been drafted for this purpose.

Recommendation:

By motion and voice-vote, approve Resolution 2104: A RESOLUTION ON THE DISPOSITION OF SETTLEMENT FUNDS.