

City of Culver City, California
Parks, Recreation and Community Services Commission Agenda Item Report

Meeting Date: <u>02/02/10</u>		Item Number: <u>A- 1</u>	
AGENDA ITEM: Reconsideration of a Recommendation to the City Council Regarding the Development of a 501(c)(3) Foundation as a Resource for Funding City Parks and Open Space Enhancements.			
Contact Person/Dept.: Bill La Pointe, PRCS Director		Phone Number: (310) 253-6655	
Fiscal Impact: Yes ☐ No ☒		General Fund: Yes ☐ No ☐	
Public Hearing: ☐		Action Item: ☒	Attachments: ☒
Public Notification: PRCS Master Notification List (01/28/10).			
Department Approval: Bill La Pointe, PRCS Director (01/26/10)		City Attorney Approval: N/A	
Chief Financial Officer Approval: N/A		City Manager Approval: N/A	

RECOMMENDATION:

Staff recommends that the Parks, Recreation and Community Services Commission reconsider its recommendation to the City Council regarding the development of a 501(c)(3) entity (Foundation) as a resource for funding City parks and open space enhancements.

BACKGROUND:

On December 1, 2008, Mayor Scott Malsin received consensus from the City Council to agendize a discussion on whether or not the City should establish a 501(c)(3) foundation associated with the Parks, Recreation and Community Services Department similar to the one associated with the Cultural Affairs Department and the Cultural Affairs Commission. The City Council directed staff to present the establishment of a foundation to the PRCS Commission for consideration. Mayor Malsin suggested the foundation be dedicated to the purpose of encouraging community groups and corporations to donate funds in order to enhance Culver City parks and open spaces.

The PRCS Commission has, over the years, continued to explore ways of securing external resources to support the PRCS Department facilities and programs. In May 2006, the PRCS Commission discussed the possibility of establishing a 501(c)(3) foundation to support park improvement projects and recreational programs. The Commission took action not to establish a foundation but rather a Commission subcommittee (now the Financial Resource Development Subcommittee) to explore funding opportunities. An excerpt of the minutes of the May 2, 2006 meeting is included as Attachment A.

At it's meeting of June 2, 2009, the PRCS Commission took action to recommend to the City Council that the Council support the development of a 501(c)(3) foundation

Parks, Recreation and Community Services Commission Agenda Item Report

as an additional resource for funding City parks and open space enhancements; and refer the issue back to staff and the Commission for further recommendation. An excerpt of the minutes of the June 2, 2009 meeting is included as Attachment B.

Donations to the City for public purposes are tax-deductible as outlined in IRS Publication 526 (2008) which is provided as Attachment C. However, on occasion, entities or individuals will choose to donate only to a 501(c)(3) organization. Currently in such instances, the PRCS Department partners with the Culver City Parks and Service Foundation (CCPSF), an independent 501(c)(3) organization, which serves in the capacity of fiscal receiver. In essence this partnership allows the CCPSF, upon approval by their board of directors, to receive donated funds designated for the purpose of enhancing City parks and open space. The CCPSF then donates the funds to the City for such use as identified by the donor or the PRCS Department.

The CCPSF has been used as the City's fiscal receiver on various occasions, most recently to receive funds from an individual whose donation supported the installation of a new piece of playground equipment at Culver West Alexander Park. Funds donated by the Fox Hills Neighborhood Association to support the purchase of new barbeque grills and benches for Fox Hills Park, were also received by the CCPSF.

The PRCS Department has also partnered with other independent 501(c)(3) organizations for the receipt of charitable contributions such as the Friends of the Culver City Dog Park, the Culver City Senior Citizens Association and the Culver City Great Parks Association.

In contrast to such partnerships, the Culver City Cultural Affairs Commission established a 501(c)(3) foundation to serve as the tax-exempt entity for the receipt of charitable contributions for "promoting and supporting the historic preservation, public art and cultural programming services in Culver City". These purposes, outlined in the Cultural Affairs Commission bylaws, are fulfilled through the work of the Cultural Affairs Commission. The Cultural Affairs Foundation Bylaws and Articles of Incorporation are included as Attachments D and E.

DISCUSSION:

On September 29, 2009, the PRCS Commission Financial Resources Subcommittee (Chair Daly Redholtz and Commissioner Stuart), met with City Manager, Mark Scott and PRCS Department Director, Bill La Pointe to further discuss the recommendation from the PRCS Commission. Mark Scott shared information about alternatives to establishing a 501(c)(3) foundation that could accomplish the same goals. In part as a result of this information, at the December 1, 2009 meeting, Chair Daly Redholtz requested and received consensus from the Commission to agendize a discussion on whether or not the Commission would wish to reconsider its June 2,

Parks, Recreation and Community Services Commission Agenda Item Report

2009 recommendation to the City Council. The Subcommittee may wish to further comment on the details of their conversation with Mark Scott.

FISCAL ANALYSIS:

There is no cost associated with the discussion and recommendation of this item to City Council. However there will be costs associated with the development and establishment of a foundation.

ATTACHMENTS:

- A. Excerpt of the May 2, 2006 PRCS Commission Meeting Minutes
- B. Excerpt of the June 2, 2009 PRCS Commission Meeting Minutes
- C. Excerpt from IRS Publication 526 (2008)
- D. Cultural Affairs Foundation Bylaws
- E. Cultural Affairs Foundation Articles of Incorporation

MOTION:

That the Parks, Recreation and Community Services Commission:

1. (As recommended on June 2, 2009,) Recommend that the City Council support the development of a 501(c)(3) foundation as an additional resource for funding City parks and open space enhancements; and refer the issue back to staff and the PRCS Commission for further recommendation.

OR

2. Recommend that the City Council not support the development of a 501(c)(3) foundation but continue to partner with independent entities to receive charitable donations on behalf of the City.

OR

3. Provide staff with alternate recommendation(s).