

**City of Culver City, California  
Agenda Item Report**

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| Meeting Date: <u>01/03/13</u>                                                                                                                                                          |  | Item Number: <u>A-1</u>                                                |                                       |
| <b>PRCS COMMISSION AGENDA ITEM: Review and Make Recommendations Regarding the PRCS Department Donation/Sponsorship Program, including the Development of the "Park Hero" Brochure.</b> |  |                                                                        |                                       |
| Contact Person/Dept.: Dan Hernandez,<br>PRCS Director                                                                                                                                  |  | Phone Number: (310) 253-6655                                           |                                       |
| Fiscal Impact: Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>                                                                                                     |  | General Fund: Yes <input type="checkbox"/> No <input type="checkbox"/> |                                       |
| Public Hearing: <input type="checkbox"/>                                                                                                                                               |  | Action Item: <input checked="" type="checkbox"/>                       | Attachments: <input type="checkbox"/> |
| Public Notification: (Email) Meetings and Agendas – Parks, Recreation and Community Services Commission (12/27/12).                                                                    |  |                                                                        |                                       |
| Department Approval: Dan Hernandez<br>(12/26/12)                                                                                                                                       |  | 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 (PRCS) Commission review and make recommendations regarding the PRCS Department Donation/Sponsorship Program, including the development of the "Park Hero" brochure.

**BACKGROUND:**

The PRCS Commission has, over the years, continued to explore ways of securing external resources to support the PRCS Department facilities and programs. Pursuant to Commission action taken at the January 4, 2011 meeting, following update was communicated to the City Council via email on January 12, 2011:

*The Parks, Recreation and Community Services Commission would like to keep the City Council apprised of the Commission's progress on the topic of a PRCS Department Sponsorship Program. The points in the outline below are not necessarily listed in order of priority:*

- 1. An online format is preferred over a brochure format for the presentation of the details of the sponsorship program*
- 2. A tri-fold brochure should be developed as a basic marketing tool to spur interest in the program and direct people to the website*
- 3. The sponsorship program should have its own website and/or web pages*
- 4. The Subcommittee hopes to find a volunteer to design the website/web pages*
- 5. Links to the program site should be included in local online newspapers and Neighborhood Association websites*

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6. *Colorful pictures and inviting copy are essential to making the online gift catalog noteworthy and appealing to potential donors*
7. *The amenity prices listed in the gift catalog should include the maintenance cost*
8. *Park amenity sponsorship opportunities should be organized and presented by park*
9. *An "Adopt-A-Park" theme highlighting one park at a time might be a good way to market the sponsorship program to those who live near and/or have a special interest in specific Culver City parks*
10. *Both amenity replacements and the addition of new amenities should be included in the program*
11. *Staff should prioritize the parks and amenities that are most in need of replacement*
12. *Staff should identify park locations where amenities could be added*
13. *Jeff Muir, Chief Financial Officer of the City of Culver City, has recommended the following language to apprise potential donors of the City's tax status:*  
***Tax Status of City: Contributions or donations to the City for a public purpose are tax-deductible under section 170(c)(1) of the Internal Revenue Code. Please check with your tax advisor.***  
*Since donations to the City for a public purpose are tax-deductible, it appears that it may be unnecessary to develop a 501(c)(3) foundation for the specific purpose of accepting park donations.*
14. *An internal City process must be developed to ensure that the donations are earmarked for the sponsorship program*
15. *Donations under a predetermined amount will be acknowledged with a certificate; donations at and over that amount will be acknowledged by a plaque on or near the donated amenity*
16. *Donation plaques should be a standard size and design; once the monetary donation threshold has been met, the donation amount should not be reflected by the plaque itself*
17. *The PRCS Department Sponsorship Program should be phased in as follows:*
  - a) **Park Amenities** – examples: park benches, picnic tables, barbeques, drinking fountains, concrete-cast trash receptacles
  - b) **Park and Recreation Facility Improvements**, including the Senior Center and the Veterans' Memorial Building – examples: tables and chairs, building fixtures, audio-visual equipment, rug and/or floor replacement
  - c) **Services and Programs** – examples: teaching a new or existing class, developing/funding a new program or class; offering additional services to program participants; underwriting a camp or afterschool program
  - d) **Corporate Sponsorship**, including Naming Rights – if approved by the City Council, a Naming Rights Policy will be developed for the PRCS Department
18. *The PRCS Commission requests the City Council's support in looking into floating a bond to pay for Park amenities*

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*19. Explore having a check-off box on Business License applications and renewal forms for Park donations*

*If the members of the City Council have any questions or concerns regarding this progress report, please let the Commissioners know. If the City Council does not have any questions or concerns regarding this update, then staff and the Commission will move forward with the development of the PRCS Department Sponsorship Program based on the four-phases outlined in # 17 above.*

**Brochure for the Park Amenity Element of the Program**

At the April 5, 2011 meeting, the Commission reviewed and agreed upon the concept of a draft brochure for the replacement amenity donation program and a draft webpage that was designed as a template for the development of single park-specific web pages for each Culver City park with unmet needs. Pursuant to Commission action at that meeting, the members of the Financial Resource Development Subcommittee, Chair Daly Redholtz and Commissioner Stuart addressed the City Council on behalf of the Commission and distributed the sample brochure and webpage to Council members during the "Public Comment – Items Not On the Agenda" portion of the April 11, 2011 City Council meeting. However, at September 6, 2011 PRCS Commission meeting, the following action was taken:

MOVED BY CHAIR KIM, SECONDED BY COMMISSIONER GREENE, AND UNANIMOUSLY CARRIED THAT THE PARKS, RECREATION AND COMMUNITY SERVICES COMMISSION SEND THE ITEM BACK TO THE NEWLY CREATED (CULVER CITY GIVING DONATION/SPONSORSHIP PROGRAM) AD HOC SUBCOMMITTEE TO WORK OUT THE DETAILS AND RETURN TO THE COMMISSION FOR A FURTHER LOOK.

At the time that the Ad Hoc Subcommittee was created, then Vice Chair Stuart and Commissioner Yanda were the members; they were re-appointed to the Culver City Giving Donation/Sponsorship Ad Hoc Subcommittee in Fiscal Year 2012/13. The brochure for the replacement amenity donation program has now been re-branded as the "Park Hero" brochure.

**Funding and Accounting Mechanisms of the Program**

With regard to the funding and accounting mechanisms of the Donation/Sponsorship Program, initially the intent of the Commission was to have donations made directly to the City, since donations to the City for a public purpose are tax-deductible (see point #13 above). Donating directly to the City works very well when money is given for a specific amenity as identified by the donor. For example, a Parks Division budget amendment was done recently for a \$5,000 donation that was specified for the purchase and installation of a new softball scoreboard at Veterans' Memorial Park. The budget amendment process in this case involved posting the donation in a revenue account and simultaneously allocating it to the appropriate expenditure account within the Park Division's budget.

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Unfortunately, as per the Chief Financial Officer, this mechanism will not accommodate the Commission's desire to enable donors to contribute smaller sums (for example, \$5.00 or \$10.00) for specified or unspecified purposes, allowing such donations to accumulate until there are sufficient funds to purchase a Park amenity. Therefore, staff is currently in the process of evaluating which local non-profit that would be willing to act as a Fiscal Receiver for the Program would be the best fit for the City, the Department and the Program.

Fiscal Receivership provides non-profit status and funding management for other organizations. Typical services of a Fiscal Receiver include:

- Provide tax deductions for donors.
- Deposit and maintain records of all funds received and disbursed.
- Disburse funds for charitable purposes as specified by the partner agency.
- Provide annual report of funds received and paid.

**September 4, 2012 PRCS Commission Meeting**

Over the past two years, both the Subcommittee overseeing this project and the PRCS Commission have periodically discussed the Culver City PRCS Department Donation/Sponsorship Program. The most recent Commission discussion on this topic took place at the September 4, 2012 meeting. The following issues were discussed at that time:

**Issues Relating to the Brochure**

- a) Not including the amenity prices in the brochure
- b) The importance of adding the City Seal to the brochure
- c) General support for the "Park Hero" branding of the brochure
- d) Ensuring that certain parks do not get overlooked by donors; for example, the following statement could be added to the brochure:

*We are dedicated to the equitable treatment of all our City parks*

- e) Noting on the brochure that the City has the ultimate say on how donations are used based on unmet needs
- f) Ensuring that the brochure illustrates the diversity of those who utilize our parks
- g) Language changes and other suggestions regarding the brochure from the Commissioners should be emailed to PRCS Director Hernandez

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- h) The Parks Manager should review the brochure to make sure that the appropriate amenities are listed

**Issues Relating to Accounting Mechanisms**

- i) Finding the appropriate mechanisms to accommodate larger donors such as businesses, corporations and estates as donors
- j) Creating a “holding account” for smaller donations
- k) Working with a non-profit organization in order to set-up a fiscal receivership for the Program

**Issues Relating to Program Promotion and Development**

- l) Adding language to the website to indicate why the City is asking the public for financial support of our parks
- m) There is still work to be done on outreach and the website, including a list of “Frequently Asked Questions”
- n) Details of recognition for donors still need to be worked out; for example, categories or levels of giving could be:
  - o Gold / Silver / Bronze
  - o Lantana / Sun / Producer / Bear (the imagery of the City seal)
- o) Certain elements of the Culver City Giving Program, such as Naming Rights and Legacy Giving, are issues that will be determined by the City Council
- p) Looking into having a check-off box for Park donations on Business License applications and renewal forms (i.e., point #19 of the PRCS Commission’s communication to the City Council)
- q) Although the images on the City Seal might serve as the inspiration/model for donor levels, due to cost constraints the City Seal will not be added to the donor plaques.

**DISCUSSION:**

Staff conducted appropriate follow-up with both the City Manager’s Office and the City Attorney’s Office in order to answer questions raised at the September 4, 2012 Commission meeting regarding the use of the City Seal, both on the “Park Hero”

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brochure and as an inspiration/model for donor categories, and on the issue of including a box for Park donations on new and renewal Business Tax Certificate applications. The responses are included here for the Commission's information:

**Section 1.03.006(A) of the CCMC** states: "The City Clerk shall be the custodian of the City Seal described in § 1.03.005. The City Clerk, City Manager and/or designee shall be authorized to use the City Seal on any resolution, proclamation, certificate or other instrument approved by the City Council or executed by the Mayor."

**Section 1.03.006(B) of the CCMC** states in pertinent part: "Except upon the approval of City Council, it shall be unlawful to use the City Seal, or any copy, facsimile, imitation or reproduction thereof, for any private or commercial purpose, including but not limited to:...(3) Using the City Seal, or any copy, facsimile, imitation or reproduction thereof, on any letterhead, document, badge, circular, envelope or other disseminated material, except for official City business."

Based on these Sections of the CCMC, the City Seal may only be used "for official City business." Therefore, until the Park Hero program is presented to the full Commission and ultimately to the City Council for approval and such City Council approval is obtained, the City Seal may not be placed on the document. In this draft stage, it is suggested to simply indicate "City Seal Proposed Here" or similar language in the draft documents.

The same applies with respect to the donor categories and the use of the Business Tax Certificate renewal forms, the Subcommittee/Commission may suggest such use to the City Council for their consideration. Ultimately, if the City Council provides its approval, the City Seal, seal elements, and business tax certificate renewal forms could potentially be used for the purposes stated. But such approval is necessary before such use can be implemented.

**FISCAL ANALYSIS:**

With the exception of the staff time spent on the project, there is no fiscal impact associated with the discussion of this Agenda Item. Staffing and budgetary restraints prevent PRCS Department staff from allocating significant resources towards this project.

**MOTION:**

That the Parks, Recreation and Community Services Commission:

Review and make recommendations regarding the PRCS Department Donation/Sponsorship Program, including the development of the "Park Hero" brochure.