

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

Meeting Date: <u>09/04/12</u>		Item Number: <u>A-2</u>	
PRCS COMMISSION AGENDA ITEM: Review and Make Recommendations Regarding the PRCS Department Donation/Sponsorship Program's Goals, Funding and Accounting Mechanisms and the Development of Promotional Materials.			
Contact Person/Dept.: Dan Hernandez, PRCS Director		Phone Number: (310) 253-6655	
Fiscal Impact: Yes ☐ No ☒		General Fund: Yes ☐ No ☐	
Public Hearing: ☐		Action Item: ☒	Attachments: ☐
Public Notification: (Email) Meetings and Agendas – Parks, Recreation and Community Services Commission (08/30/12).			
Department Approval: Dan Hernandez (08/28/12)		City Attorney Approval: N/A	
Chief Financial Officer Approval: N/A		City Manager Approval: N/A	
 <u>RECOMMENDATION:</u> Staff recommends that the Parks, Recreation and Community Services (PRCS) Commission review and make recommendations regarding the PRCS Department Donation/Sponsorship Program's goals, funding and accounting mechanisms and the development of promotional materials. <u>BACKGROUND:</u> 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: <i>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:</i> 1. <i>An online format is preferred over a brochure format for the presentation of the details of the sponsorship program</i> 2. <i>A tri-fold brochure should be developed as a basic marketing tool to spur interest in the program and direct people to the website</i> 3. <i>The sponsorship program should have its own website and/or web pages</i> 4. <i>The Subcommittee hopes to find a volunteer to design the website/web pages</i>			

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5. *Links to the program site should be included in local online newspapers and Neighborhood Association websites*
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

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18. The PRCS Commission requests the City Council's support in looking into floating a bond to pay for Park amenities

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.

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 then 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.

At the July 3, 2011 meeting, the Commission took action to defer making recommendations regarding the draft "Park Hero" brochure until Commissioner Yanda was present at the meeting (moved by Commissioner Kim; seconded by Commissioner Hudson; passed 4 – 0, excused absence/Yanda).

At the August 7, 2012 meeting, the Commission took action to defer making recommendations regarding the draft brochure until the next meeting and to add a general discussion on the Program including how to fund the items, hold money and ideas for other marketing materials (moved by Chair Stuart; seconded by Commissioner Kim; passed 5 – 0).

DISCUSSION:

This Agenda Item has been prepared to give the PRCS Commission the opportunity to conduct a broader discussion regarding the PRCS Department's Donation/Sponsorship Program, including reviewing and making recommendations regarding the Program's goals, funding and accounting mechanisms and the development of promotional materials.

On August 20, 2012, the members of the Donation/Sponsorship Program Ad Hoc Subcommittee met with the PRCS Director to discuss the "Park Hero" brochure. The Subcommittee is in the process of making revisions to the brochure and will bring an updated draft brochure back to the Commission for discussion at a future date.

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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 in the Background section of this report). However, 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.

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's Donation/Sponsorship Program's goals, funding and accounting mechanisms and the development of promotional materials.