

PARKS FOUNDATION REVIEW UPDATE

PRESENTED TO THE CITY COUNCIL ON MAY 8, 2018

PRESENTATION OVERVIEW

- Discuss key aspects of Foundation and City partnership review findings.
- Outline action to date and future steps.
- Discuss Foundation request and receive direction on how to proceed.

OVERALL REVIEW CONCLUSIONS AND RECOMMENDATIONS

- City did not have a policy on how it was to conduct business with the Parks Foundation.
- Concern regarding “blurred lines” between Foundation and City operations.
- City staff supported Foundation operations in several capacities, but the exact details of this work was not measured or explicitly authorized in an operating agreement.
- Recommendations were made in four categories:
 - Accounting for Youth Sports Association Fees
 - City Operations
 - Foundation Operations
 - Agreement with the Foundation/Clarification of Boundaries (assuming Foundation and City move forward together)

ACCOUNTING FOR YOUTH SPORTS ASSOCIATIONS

Recommendations:

- YSA payments should be remitted for field enhancements per the agreement, or develop new agreement with the associations.

Status - Complete:

- In February 2018, the City Council approved ordinance 18-246:
 - 1) Established rules for signage on ballfields operated by the City.
 - 2) Ratified field utilization agreements with YSAs from 2018 and authorized new agreements for the future.
 - 3) Removed \$5 per participant fee reference from our contract with YSAs.
- In April 2018, the Foundation voted to transfer all YSA funds held to the City.

CITY OPERATIONS

Recommendations:

- Implement a code of conduct policy.
- Complete annual conflict of interest disclosures for Council and department heads that focuses on transparency regarding with whom the City does business.
- Establish procedures for receipt and expenditure of donations.

Status - Complete:

- City employee ethics policy adopted by Council on April 17, 2018, and City Council adopted ethics ordinance on May 1, 2018.
- Conflicts of interest required to be disclosed before the evaluation of formal solicitations.
- Donations and related expenses are entered into Parks recordkeeping software and a sponsorship policy has been drafted.

FOUNDATION OPERATIONS

Recommendations:

- Implement controls for cash handling and procurement.
- Develop conflict of interest and code of conduct policies.
- Implement more timely entry of financial transactions (within one to two weeks).
- Set up procedures to ensure recording and tracking of pledges.
- Enter addresses of its vendors in accounting software to identify potential COI.

Status - Complete:

- Foundation Board approved new Donor, Accounting, Conflict of Interest, and Code of Conduct policies on April 26, 2018.
- Foundation policy approved to enter financial transactions within 3 business days of receipt.

AGREEMENT WITH FOUNDATION AND CLARIFICATION OF BOUNDARIES

Recommendations:

- Evaluate relationship periodically.
- Develop agreement which sets out the understanding of the relationship with the Foundation and City, clearly defining roles and expectations for each party.
- Develop policies and procedures around the interactions between the City and Foundation.
- Define how ROI or other metrics of performance should be calculated.
- Define a reporting mechanism (for communication and coordination purposes) for the Executive Director of the Foundation to the City.

Status – In Process:

- Implementation of these recommendations is dependent upon any future agreement between the City and Foundation.

PARKS FOUNDATION DISCUSSION

- City resumed discussions with the Parks Foundation in March 2018.
- As a result of these discussions, there are several items that need to be addressed in the short-term.
- In particular, the Foundation has requested an agreement to:
 - Allow foundation to act as a pass through agency for Youth Sports Association Enhancement Fees. (Note: funds received between Jan – Mar 2018 will be transferred to the City.)
 - Accept and donate funds for Youth Summer Scholarships.
 - Allow foundation to continue acting as a pass through agency for seasonal events (e.g. Cinco de Mayo, Juneteenth, etc.)
 - Allow for 3 way donation agreements to be made for specific improvements to parks or recreation facilities between donor, Foundation, and City.
- Additionally, the City and Foundation need to agree about whether office space for the Executive Director will be provided.

PARKS FOUNDATION DISCUSSION (CONT'D)

- Foundation also plans to discuss future donations to the City related to Eureka 2 project.
 - Current funds on hand have to spent on new equipment or the expansion of the Park.
 - Needs to confer with City on identifying needs and crafting an agreement on how the funds will be used.
- In the future, the Foundation wishes to explore the following subjects with the City as part of an agreement.
 - Administrative support and office space for Executive Director.
 - Developing guidelines for gifting monies for specific park improvements and projects.
 - Establishing system for measuring Park Foundation impact and developing benchmarks.
 - Defining lines of communication, roles, and responsibilities for each organization.
 - Future and retroactive pay for Executive Director position.

ADDITIONAL CONSIDERATIONS

- City purchasing policies will be required regardless of source of funds.
- Staff will need to fully explore various pass through arrangements to make sure we fully understand roles and responsibilities.
 - Details will need to be clearly documented in any proposed agreement.
- Administrative support will need to be clearly defined so expectations of both parties are met.
- If other services beyond administration are sought (e.g. staff support from parks maintenance), this will need to be specifically approved by City Council, or outlined in an agreement.

DIRECTION

- Seeking direction from City Council on whether there is an interest in proceeding with developing an agreement with the Foundation to address short-term issues identified.
 - Youth Summer Scholarships.
 - Office space for Executive Director.
 - Pass-through organization for Youth Sports Enhancement Fees.
 - Pass-through and financial oversight organization for civic organizations and seasonal events (e.g. Cinco de Mayo, Juneteenth, Senior Center Advisory Committee, etc.)
 - 3 Way agreements for donations.
- Long-term – seeking direction from City Council on whether there is an interest in developing an agreement to address administrative support, pay for Executive Director, donation guidelines, measuring impact, and other items identified in review.

