



City of Denton

City Hall
215 E. McKinney Street
Denton, Texas
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AGENDA INFORMATION SHEET

DEPARTMENT: City Manager's Office

CM/ DCM/ ACM: Bryan Langley

DATE: May 1, 2018

SUBJECT

Receive a report, hold a discussion, give staff direction regarding policies, procedures, and contractual agreements with non-profit agencies.

BACKGROUND

In February 2018, an audit report of the City's relationship with The Parks Foundation identified a lack of formal agreements and policies between the City and the Parks Foundation. While the audit recommendations only dealt with the relationship between the City and the Parks Foundation, there were broad elements of the recommendations that could apply to other non-profit relationships the City maintains. Staff has proactively identified three non-profit agencies with which the City conducts business that could benefit from formal agreements, policies, and procedures.

Keep Denton Beautiful

Keep Denton Beautiful, Incorporated (KDB) has partners with Denton neighborhoods, businesses, community groups, and families to achieve a vision of a clean, beautiful, vibrant city. Using the Keep America Beautiful model of community engagement, KDB works directly with Denton residents to inspire positive change, and provide residents the resources they need to leave a lasting mark on the beauty, health, and quality of life in their city. KDB, Incorporated is a 501(c)(3) non-profit organization governed by an 11 member board.

On March 7, 2000 the City Council approved Ordinance 2000-087 which executed an agreement between the City and KDB to develop programs enhancing the appearance and environment of Denton. On August 18, 2015 Council approved Ordinance 2015-239 (Exhibit 2), amending the 2000 agreement. The City funds 3.5 positions that facilitate KDB programs and initiatives, including the Great American Clean Up and Redbud Festival. As part of the contract amendment, KDB receives \$10,000 annually from the Solid Waste Department that are applied towards KDB programs. Additionally, personnel and operating expenses are funded through the Solid Waste department budget. A financial summary has been provided (Exhibit 3). City staff are responsible for collecting donations, selling KDB merchandise, and soliciting corporate sponsorships. The 2015 agreement, however, lacks clear definition of City staff's roles and responsibilities.

Denton Animal Support Foundation

The Denton Animal Support Foundation (DASF) is primarily a fundraising organization whose mission is to save Denton area animals through initiatives that promote adoption and prevent abandonment. Such efforts include funding medical treatment for homeless pets and subsidizing adoption costs so more dogs

and cats can find their forever families. Support is provided to the Linda McNatt Animal Care and Adoption Center and other animal initiatives through: 1) fundraising for programs and facilities; 2) marketing and public awareness; and 3) educational programs promoting animal welfare.

There is currently no formal agreement between DASF and the City. Three previous agreements were approved by Council through ordinances, all of which are now expired.

- Ordinance 2006-187 approved a one-time \$1,000 expenditure for fundraising supplies to be paid by the City to DASF (expired July 30, 2007);
- Ordinance 2007-168 provided for a joint committee responsible for making animal shelter planning, design, and construction recommendations to Council as well as a capital campaign program for animal shelter construction expenses (expired with completion of Linda McNatt Animal Care and Adoption Center); and
- Ordinance 2010-144 provided a one-time \$1,050 expenditure to the DASF for advertising, printing, educational programs, and the Trap, Neuter, Release Program (expired September 30, 2010).

Currently, the DASF provides financial donations to the City for adoption subsidies, medical care, and veterinary equipment. Animal Shelter staff submit funding requests for veterinary equipment to DASF for consideration and approval. The adoption subsidy and medical care donations are budgeted annually and used as needed by the City. In FY 2017-2018, the City budgeted \$55,000 for donations, including donations received by DASF. From October 1, 2018 to March 31, 2018, the City has received donations in the amount of \$9,320 from DASF. The Animal Services Supervisor and immediate supervisor serve as ex officio members of the DASF Board. An updated agreement is recommended to reflect the current operations and procedures as well as clearly define responsibilities for Animal Services staff, the City, and DASF.

Friends of the Library

Friends of the Library is a non-profit organization whose purpose is to promote Denton Public Library programs as cultural and educational assets to the community and to emphasize the importance of public library service both now and in future development of Denton. The Friends have a 17 member board, with the Director of Libraries serving as a liaison between the City and the board. The Association has the power to receive gifts, endowments, and bequests to the Libraries, supporting and working cooperatively with the Libraries in developing library services and facilities.

Friends of the Library donates money and materials to the City annually. The City donates materials being weeded from the Libraries' collections to Friends of the Library to be sold in their North Branch Library store. The sales received at the Friends of the Library store are donated to the Library for the annual Summer Reading Challenge. Library staff submit additional funding requests for consideration to the Friends Board for equipment or furniture. No formal agreement exists between the City and Friends of the Library.

The major non-profit agencies that could benefit from formal agreements have been listed above, but there may be other partnerships that have yet to be identified. Staff will continue to evaluate relationships with non-profit agencies and may have additional considerations for Council at a future date.

Several issues have been identified including 1.) Lack of defined City staff roles and responsibilities to KDB, Inc.; 2.) Lack of formal agreements with DASF and Friends of the Library; and 3.) Lack of written policies and procedures for financial and operational interactions between City staff and non-profit agencies. In order to address the identified issues, staff recommends amending the current agreement with KDB, Inc. and establishing formal agreements with DASF and Friends of the Library.

RECOMMENDATION

Staff recommends Council consider the following amendments to the current agreement with KDB, Inc.:

- 1.) Clearly define roles and responsibilities of City staff;
- 2.) Financial reporting requirements including annual donations and sponsorships received;
- 3.) Reflect recent organizational changes; and
- 4.) Report value of services, volunteers, and programs based on Keep America Beautiful model.

Staff recommends Council consider the following items as part of an agreement with DASF:

- 1.) Clearly define roles and responsibilities of City staff;
- 2.) Procedures for requesting donations from DASF; and
- 3.) Financial reporting requirements by the City to DASF to ensure donations are expensed as requested.

Staff recommends Council consider the following items as part of an agreement with Friends of the Library:

- 1.) Donate Library material to Friends of the Library in accordance with “Disposition of Material” policy;
- 2.) Use of space in North Branch Library for Friends of the Library store; and
- 3.) Financial reporting requirements by the City to Friends of the Library for purchases made with donation funding.

PRIOR ACTION/REVIEW (Council, Boards, Commissions)

Council received a final report and audit recommendations at the Council meeting on February 20, 2018 from the Lynn, Ross, and Gannaway, LLP law firm and the BKD, LLP accounting firm regarding the Parks Foundation.

STRATEGIC PLAN RELATIONSHIP

The City of Denton’s Strategic Plan is an action-oriented road map that will help the City achieve its vision. The foundation for the plan is the five long-term Key Focus Areas (KFA): Organizational Excellence; Public Infrastructure; Economic Development; Safe, Livable, and Family-Friendly Community; and Sustainability and Environmental Stewardship. While individual items may support multiple KFAs, this specific City Council agenda item contributes most directly to the following KFA and goal:

Related Key Focus Area: Organizational Excellence

Related Goal: 1.1 Manage financial resources in a responsible manner

EXHIBITS

Exhibit 1 – Agenda Information Sheet

Exhibit 2 – Ordinance 2015-239

Exhibit 3 – KDB Financial Summary

Exhibit 4 - Presentation

Respectfully submitted:

Bryan Langley

Deputy City Manager