



Date: September 15, 2006

TO: Board Members – Parks and Recreation
FROM: General Manager – Parks and Recreation
SUBJECT: Fundraising and Development Year-to-date Status Report

RECOMMENDATION

- A. THAT the Board receive the Fundraising & Development year-to-date Status Report for information;*
- B. THAT the Board approve the ongoing annual allocation of \$30,000 from the Park Amenity Reserve to establish a regular part-time administrative position to support the Fundraising and Development program; and*
- C. THAT the Board approve a transfer of surplus funds to an interest bearing account in order to generate income for park and recreation purposes as outlined in the report below.*

POLICY

- A. All small gifts accepted by the Park Board will be maintained for ten years in their original location or in an area near their original location, after which the disposition of the gifts is at the sole discretion of the Board.
- B. The Global Budget arrangement with the City allows the Board to establish staff positions at its discretion if funds are in place.

BACKGROUND

At the Board meeting of January 17, 2006, the Board received an Action Plan for Fundraising and Development and established a regular full-time position for a Manager of Fundraising and Development. In addition, the Board approved funding allocation to establish and build on the Park Board's opportunities for future fundraising and development.

DISCUSSION

The 2006 year-to-date accomplishments due to the fundraising efforts of the Park Board are summarized below.

1. **Established Programs** - \$387,500 in donations raised year-to-date through the following programs:
 - (1) **Park Amenity Program** – 285 past supporters were sent a direct mail letter asking for their renewed support. 69 previous donors have renewed and 42 new donors were added to the Park Board's base of support (new gifts include 34 bench and picnic table gifts; four commemorative tree gifts and seven miscellaneous gifts). \$227,500 has been raised to date.
 - (2) **Special Project Funding** – five major gifts have been secured for special projects that include the refurbishment of a drinking fountain in Stanley Park and naming of a Tai Chi Arbour for the redeveloped plaza at Queen Elizabeth Park. \$160,000 has been raised to date.
2. **New Fundraising Initiatives:** The following new fundraising programs have been developed, resulting in \$150,000 in donations to-date:
 - (1) **Amenities In Perpetuity** – Donors who wish to fund amenities are given the option to fund an amenity such as a park bench or picnic tables in perpetuity for \$20,000. \$100,000 has been raised to date.
 - (2) **Named Endowments** – A Named Endowment Program has been expanded to provide the Park Board with ongoing and sustainable funding. A donor must commit a minimum gift of \$25,000 to establish a named endowment. The gift is held in perpetuity to ensure sustainable funding for the Park Board, while interest supports the activities for which the gift was intended. To date, two named endowments designated to support park conservation have been secured, with a total of \$50,000 raised.
3. **Other Initiatives in Support of Fundraising:**
 - 1) **Donor Recognition Program:** A donor recognition program has been developed to honour individuals for their support. We are working with donors to ensure that they are publicly thanked and acknowledged in the year that the gift was received and that the project for which funds was gifted is completed in a timely manner. Donor recognition programs assist in acquiring new donors and retaining existing donors. Specific activities year – to-date include:
 - **Annual Report Donor Recognition** – The Park Board's annual report now highlights and promotes significant donations received by residents

within the community; all donors who make gifts of \$1,000 or more in each calendar year will be recognized in the Annual Report.

- **Integration of Recognition Initiatives into the Supported Project** – Where appropriate, recognition initiatives will be integrated into the projects itself. For example, for the Tai Chi fundraising campaign for the Queen Elizabeth Park Plaza, all individual donors and Tai Chi Groups who donated \$1,000 or more will be acknowledged on a new donor wall that will honour and recognize this community support.
- **Donor Recognition Events** – Support from individuals or corporations are being recognized by the Park Board through a variety of donor recognition events. In March, a plaque unveiling ceremony was held to thank Coast Hotels and Resorts for the support of the lighting of the Inukshuk in English Bay and a cheque presentation was made to publicly acknowledge this corporate support. In September, a plaque unveiling ceremony will be held to thank the family of Mr. C.F. Moore. This estate gift provided for the redevelopment of the Lost Lagoon Tennis Courts and the creation of an endowment that will be used to support recreation programs. Later this fall, the Park Board will hold a recognition event with grand opening of the Queen Elizabeth Park Plaza, during which the Donor Wall on that plaza will be unveiled.

- 2) **Donor Stewardship:** An annual stewardship program has been developed as a means to thank our donors and report back to them on the use of their gifts. To date, 1,600 donors (past and existing) were contacted and provided with the Annual Report, which also recognizes and highlights donations received by the Board.

4. **Ongoing Work:**

Based on the experience of the last seven months, additional fundraising opportunities exist for the Board, including continuation of the Park Amenity Program, submitting grant applications and developing and implementing fundraising campaigns for special projects.

In order to continue moving forward with fundraising, the following activities require additional resources and support:

- (1) **Donor Research:** The existing database needs to be replaced with a fundraising database in order to source and secure additional donations from our current base of support. The new database will be used for direct mail campaigns, annual stewardship and submitting grant applications. It will also be used to conduct ongoing research, segment donors for specific campaigns and direct mail, track donor interest and giving capacity, and will be used to track Park Board communication and follow-up with our donors.

- (2) **Development of Sustainable Funding:** In order to secure additional support from the community, the Park Board must educate, engage and build awareness about what we do and promote additional ways for donors to contribute to parks and recreation through sustainable funding options such as Named Endowment and Legacy and Estate Gifts.
- **Named Endowment Program:** As mentioned previously, an Endowment Program has been established, providing donors with an opportunity to make a lasting gift, either through a Will or through an outright or immediate gift. A donor must commit a minimum gift of \$25,000 to establish a named endowment and can choose to support one of two designations: *Park Endowment* (for donors who wish to support the Park Board's mandate of park creation, conservation and preservation) or *Recreation Endowment* (for donors who wish to support the Park Board's mandate of developing new recreation programs offered through our varied facilities). As part of our donor recognition program, the Board will report back to donors on how their gift has made a difference within the community.
 - **Legacy and Estate Gifts** – To increase these gifts, the Park Board must begin to work closely with allied professions such as lawyers and tax planners to increase awareness of the Park Board as an excellent option for consideration when making these special gifts.
- (3) **Policy Development for Distribution of Funds Raised** – A policy regarding the disbursement of funds raised through the Fundraising and Development Program needs to be developed. As a first step, a Terms of Reference for accessing income from endowment funds and donation raised in support of parks and recreation has been developed. (See attached Appendix I).

While the results over the past seven months are impressive, in order to properly support the Board's successful donation program, while continuing to develop further fundraising initiatives, the Manager of Fundraising and Development requires support staff to assist with administrative and coordination activities. The Board is requested to provide \$30,000 in annual funding from the Park Amenity Reserve for the establishment of a regular part-time position (subject to classification by the General Manager of Human Resources). See Appendix II for a job profile outlining the key duties and responsibilities.

At the present time the Board has approximately \$1,300,000 in its Park Amenity Reserve. As the Fundraising and Donation program continues to grow, so will these funds. Currently funds in this account, like all those at the City, do not accrue interest for the Park Board. Prudent fiscal management dictates that these funds, which were raised for parks and recreation, should be managed in a safe manner that preserves the maximum funding for parks and recreation purposes and minimizes the erosion of these funds due to inflation.

As an alternative to holding funds in a City account which accrues no interest to the Park Board, it is recommended that the Board maintain an annual "working allowance" of

\$200,000 in the Park Amenity Reserve to provide for those gifts that are designated and to install and maintain park amenities. All funds above this threshold are recommended to be transferred to an interest bearing account. This account was originally established when a legacy gift was made to the Board in the form of stock certificates and continues to be used to separate Endowment Program gifts from those to the Board's Park Amenity Program.

It is also recommended that an initial transfer of \$1,000,000 take place immediately and that thereafter all donations to the Park Board above those required to maintain the \$200,000 working allowance be transferred to the interest bearing account and reported to the Board on an annual basis. The recommended approach will increase the value of interest income, preserve the maximum funds donated for parks and recreation use, and provide adequate working funds for the ongoing Park Amenity Program.

CONCLUSION

Significant initiatives have been undertaken by the Park Board to develop and further enhance the Park Amenity Program. Based on the last seven months experience, it is clear that support from the community continues to grow. In order for the Park Board to further its fundraising efforts, additional staff support is requested. In addition, we are requesting the Board support the transfer of surplus funds to an interest bearing account in order to maximize the revenue source provided through the donation programs.

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