

**MEMORANDUM:**

TO: Montgomery County Planning Board

VIA: Charles R. Loehr, Director
Donald K. Cochran, Deputy Director

FROM: Terry H. Brooks, ~~Special~~ Program Coordinator

SUBJECT: Montgomery Parks Foundation – Special Report

Introduction:

This memorandum has been prepared in response to a request made by the Planning Board for a report on the background, history, and evolution of the Montgomery Parks Foundation, Inc. (Foundation) and the relationship between the Foundation, the Montgomery County Planning Board (Board), and the Department in fulfilling the Board's objectives in support of the Mission of the Commission.

At the end of this memorandum are recommendations structured to strengthen and enhance the relationship between the Foundation, Board, and the Department in carrying out the mission of the Commission.

Please note, in order to evaluate the Foundation's history, a large number of documents had to be reviewed (**Attachment #1**). Because of the number of documents involved, only the most pertinent are attached. The most significant facts contained in these documents and/or staff observations have been highlighted in **bold** in the memo in order to focus the reader on the key findings leading to the staff recommendations at the end of this report.

Background:

The Origin of the Foundation

The Montgomery Parks Foundation, Inc. (Foundation) was created by the Montgomery County Planning Board (the Board) in 1992 as a not-for-profit 501(C)(3) organization in an effort to establish an organization with the primary mission of supporting and enhancing the park system.

The Planning Board's five (5) members at the time constituted the original Board of Trustee membership of the Montgomery Parks Foundation (i.e., Gus Bauman, Richmond (Max) Keeney, Nancy M. Floreen, Patricia S. Baptiste, and Davis M. Richardson). The Park Foundations' resident agent was the Department's Director of Parks, Donald K. Cochran.

The Planning Board retained control over the Foundation by requiring the names of all Foundation trustees and trustee successors be submitted to the Board for approval or denial prior to the election of such successors to the Board of Trustees.

The names of the current Foundation Board of Trustees are: Edward Hanson, Jr. President; Derick Berlage; Alma Arrington Brown; John Carman; Brad Colton; Nancy Dacek; Keith Haller; Charles (Ben) Hawley, John P. Hewitt; Richmond M. Keeney; Harry W. Lerch; Robert Metz, Dick Pettit; Herman Greenberg, Arthur Holmes, Jr. and Charlie Loehr. The interim Director is Laura Rich.

The original articles of incorporation may be found in **(Attachment #2)**. To quote in part from the initial articles of incorporation, the purposes for which the Foundation was established are:

THIRD: (a)

"To preserve, promote, and advance the acquisition, protection, use and development of parkland...pursuant to applicable Park Master Plans and/or other Park Planning documents adapted by the Commission, in order to more adequately serve and provide facilities for the citizens and residents of Montgomery County, Maryland, and to thereby lessen the burdens of government."

SIXTH: (i)

"To solicit gifts, donations, bequests, legacies, and conveyances of real and personal property; to apply for, receive and administer grants from private or public sources; and to borrow funds from public or private sources all in furtherance of the purposes set forth in Article 1, herein."

SIXTH: (ii)

"To provide funds, assistance or property to finance, aid, supplement or augment any development, function, activity or program approved by the Montgomery County Planning Board ("MCPB")."

SIXTH: (iii)

“To authorize and dictate appropriate methods for the establishment of Friends Groups under the Corporation and to provide technical assistance and administrative support for Friends Groups within the Corporation which organize for the benefit of a particular park program or property.”

TENTH:

“The Board of Trustees of the Corporation shall not be authorized to alter or amend these Articles without the prior written consent of the Montgomery County Planning Board. “

From 1992 – 1996, the Foundation’s Board made a variety of refinements to their corporate organizational structure by limiting their personal liability, identifying the roles of their officers, identifying standing committees, creating staff positions in order to carry out their mission, and identifying the conditions under which they would work on projects approved by the Board. Highlights of several of these significant corporate amendments are listed below in their 1996 amendments:

September 3, 1996 Park Foundation By-Law Amendments:

1. The managing Board shall consist of not less than five (5) members nor more than fifteen (15) Trustees who shall constitute the membership of the Board;
2. The creation of officers of the Foundation: President, Vice President, Secretary-Treasurer elected by the Board members;
3. The creation of an Executive Committee and standing committees:
 1. Finance Committee;
 2. Nominating Committee;
 3. Development Committee.
- 6.6) The Development Committee shall establish policy regarding fundraising activities and shall be responsible for soliciting gifts, raising money and otherwise promoting the establishment and maintenance of an endowment fund.
4. Article Seven – Staff
 - 7.1) The Board of Trustees may employ an Executive Director to attend to the day to day functions of the Foundation. The Executive Director may engage appropriate professional and clerical staff as necessary and as authorized by the Board of Trustees.
5. Article Eight – Use of Funds
 - 8.1) The Foundation may only accept and authorize the use of funds for purposes authorized by the Montgomery County Planning Board, either through the approval of a planning document or through explicit approval of a particular project.

Staff observations of the relationship between the Foundation and the Board revealed the fact that the Board was concerned that funds collected by the Foundation at the time were not always used for facilities or amenities that the

Board believed were inappropriate. In response to this concern the Board required the Foundation to adopt Article 8.1 above as an amendment to their By-Laws.

6. Article Nine – Fiscal Year

- 9.1) The Foundation shall operate in a fiscal year ending on December 31 each year.
- 9.2) At the end of each fiscal year the Foundations books shall be audited.

7. Article Ten – Annual Report

- 10.1) The Foundation shall prepare an Annual Report. The Foundation shall submit the Annual Report to the Montgomery County Planning Board and shall make copies of the Annual Report available for inspection by members of the public.

The current Amended By-Laws of the Montgomery Parks Foundation, Inc. may be found in **Attachment # 2-A**. These By-Laws were approved on April 1, 2004. No significant changes have been made since 1996.

The Foundation Refines & Updates their Role in 1995

Over the course of the early years of the Foundation, the Foundation's Board of Trustees continued to define and refine their role as it relates to their core mission in supporting the park system as reflected in its "**Operational Guidelines**" which were revised in 1995 (**Attachment #3**).

The Foundation's Operational Guidelines defined its mission, stated its role in developing, managing, coordinating with, and supporting Friends Groups, and also defined its relationship with the Commission and the Department of Park and Planning. The guidelines read in part:

I. Mission of the Foundation:

- A. Acquisition of increased financial support for the Montgomery park system**
- B. Acquisition of increased volunteer support and in-kind gifts for the Montgomery County parks system**
- C. Acquisition of additional land and easements for open spaces and scenic enhancement for the Montgomery County parks system**
- D. Promotion of public use and enjoyment of the Montgomery County parks system**
- E. Promotion of public awareness and education about issues important to Montgomery County parks system**
- F. Advocacy on behalf of the Montgomery County parks system in public and quasi-public forums in a manner consistent with Section 501 (C)(3)**

II. Partnership Relationship

- A. Relationship of the Foundation to Friends Societies- Multiple Friends Societies are contemplated to be established with the approval of, and under the ultimate authority and control of, the Foundation.
- B. Relationship of the Foundation and the Department of Park and Planning - Although the Foundation is administratively and financially independent of the Department of Park and Planning, the mission of the Foundation and the mission of the Department of Park and Planning are so intertwined that a high level of cooperation and coordinated planning between the two organizations is contemplated.

Planning Board Direction

In May 1996, the Board adopted a policy and administrative guidelines for Public/Private Partnerships. The policy and guidelines were adopted to respond to the Board's need to have a process in place to receive and evaluate unsolicited development projects proposed for park property. These guidelines soon became too cumbersome and did not identify a role for the Foundation.

In 2003, the Board requested the Department to draft a new Public/Private Development policy and program in order to address the need for a more time sensitive, donor friendly, and efficient partnership development process.

Another critical feature in the new process requested by the Board was the identification and utilization of the Foundation as a key component in the donation and public/private park development partnership process.

On December 1, 2003, the Board adopted a new Policy and Guidelines on Donations and Public/Private Partnerships. **(Attachment #4)**

Key statements contained in the adopted Public/Private Partnership report on pages 11-13 states:

"The Commission envisions and invites a strong and proactive role of the Montgomery Parks Foundation with respect to donations and public/private partnerships. Providing assistance in these areas is part of the core mission of the Parks Foundation.

The specific projects to be targeted and services to be rendered will be established on an annual basis through dialogue between the Parks Foundation and the Planning Board. The Planning Board has agreed to provide an annual service fee to the Parks Foundation for this work, the level of which will be established through this dialogue and the annual operating budget.

The projects will relate to the list of "*priorities for donations and partnerships*" established every other year by the Planning Board. Recommendations regarding the projects and the specific services to be provided by the Foundation will be made by the *public/private partnership team*. The Executive Director of the Parks Foundation will serve as a member of that team and assist in formulating these recommendations. Although the specific work

program related to targeted public/private partnerships and donations will be established annually, the tasks will typically fall within one or more of the following categories:

- Identification and Outreach to Funding Sources (note: this section clearly identifies fundraising as a high priority core function of the Foundation)
- Managing Some Projects
- Receiving and Dispensing Funds
- Appreciation/Recognition
- Achieving Equity

During 2004, the Foundation and the Board had conversations concerning the role of the Foundation and the Department in matters of fund raising and friends groups raising. The discussion culminated in the agreements summarized in the January 6, 2005 memo (Attachment # 5). The results of these discussions were that the Foundation would primarily focus on friends raising and special events and the Department would assume primary responsibility for fund raising. It was intended that these discussions be included in a MOU between the Board and the Foundation.

Staff's General Assessment of the Role and Purpose of the Foundation

Based upon staff's review of the following key documents, the staff has made the following assessments:

- (a) the initial and amended corporate By-Laws of the Foundation;
- (b) the Operating Guidelines of the Foundation;
- (c) the Board adopted Public/Private Partnership Guidelines; and
- (d) the proposed structure for the Board / Foundation MOU

Staff believes that a clouded relationship exists between the Board, the Department, and the Foundation with respect to the level of independent responsibilities and staff obligations relative to the mission of the Foundation and the level of cooperation and / or support to be provided by the Department.

Staff's review of the above documents reveals that the role and purpose of the Parks Foundation is to:

First and foremost, augment and support the mission of the Board by:

1. raising funds (both private and corporate) by:
 - a. obtaining corporate donor commitments;
 - b. obtaining private donor commitments;
 - c. obtaining personal bequests of funds and/or land;
2. soliciting and managing the financial services and/or park project development support of local "Friends Groups";

3. programmatically coordinating, supporting and/or managing Board approved park development projects;
4. garnering public support for the Board's mission by engaging, thanking, and publicizing the wide array of public donors that further enhance the park system on behalf of the public; and
5. preparing an annual audited financial report and Foundation program operations report each fiscal year.

Foundation Annual Activity Reports

The Foundation's current By-Laws require the Foundation to complete an annual report summarizing its activities for the year. The Foundation is also required to complete an audited financial report as well.

To date, the Foundation has completed an annual audited financial report and completed their annual program reports for 2002, 2003, and 2004. The Foundations' next annual program report and audited financial report are due to be issued in December 2005.

Foundation Friends Groups

Following the establishment of the Foundation, the Foundation aggressively pursued the development of Friends Groups and began the role of an "umbrella" organization in supporting the work of those groups.

Over the past several years, the Foundation has continued to support existing groups as well as develop new organizations (**Attachment #6 – list of Friends Groups**). The Foundation has also been actively involved in assisting the Commission in land acquisition efforts, working with groups interested in partnering with the Commission on various park related programs or projects, and sponsoring fundraising activities such as the annual golf tournament at Little Bennett Regional Park and the annual "Marathon in the Parks."

In general, the Foundation's activities have been primarily relegated to only a portion of the Foundation purposes established by the Board in 1992. The two principal areas have been: (a) working on fundraising development projects with various friends groups and (b) hosting a variety of fundraising events.

While each of these activities are individually and collectively important to the Commission and serve to support the mission of the Board, the Foundation has, experienced difficulty in raising funds, gaining broader corporate or institutional grant donation support, and sustaining its financial stability and independence.

Foundation Funding

The Board's initial efforts to assist the Foundation to get started were made by approving seed-money grants in the amount of \$50,000 in 1998, \$150,000 in 1999, and \$100,000 in 2000.

On December 13, 2000, Mr. Kenneth H. Roberts, Mr. Thomas C. Munz, and Mr. Donald G. Forey conveyed as a "gift" to the Foundation, 8.0460 acres of unimproved land. The deed was recorded at Liber 18637, Folio 612 on December 19, 2000. This property is located at the intersection of I-270 and Middleton Road in Germantown, Maryland. The property was appraised and valued at \$1,051,500. The donors used the appraised value of the land as a non-cash charitable contribution for tax purposes. The State Highway Administration (SHA) acquired this property from the Foundation for future use as right-of-way for a master planned intersection improvements at the I-270 Interchange with Middlebrook Road.

Bill Gries believes SHA paid the Foundation \$1,050,500 for the property. This property was private and never became part of the Commission's ownership. The interest on the proceeds from the sale of this property is currently being used as an endowment by the Foundation.

Staff believes an estimated \$200,000 of the endowment has been used by the Foundation to cover their operating expenses.

No funds were provided by the Board for the Foundation from 2001 – 2004, however, the Board approved an operational stipend of \$30,000 for FY05 and FY06. Those grants were made in response to the Foundation's inability to cover its own operating expenses through its various fundraising activities.

The Legacy Fund Study

During the summer of 2000, the Commission entered into a MOU with the Foundation to conduct a feasibility study for linking the Foundation's development program to the Legacy Open Space program (LOS).

(Attachment #7)

This new open space land preservation program was fueled by a \$33 million county council appropriation for a 6-year period with the expectation that \$9 million more would be raised through the private sector and state and federal grants.

With such a large sum of money involved, the LOS program was viewed as the best leverage the Foundation had for garnering significant support for its role in the community.

The Foundation hired Coviello & Associates, a funding campaign consultant, in September 2000 to test a \$10 million capital campaign titled "Legacy Fund." The Commission paid the Foundation a total of \$100,000 for that work. The Park Foundation submitted a funding proposal with product deliverables required for the use of funds in support of this initiative.

Study results indicated that the parks system is highly valued by the community, but only a few of the 40 people interviewed by the consultant were convinced that the private sector should make LOS a major interest of their philanthropy. The consultant's findings revealed the Foundation's potential for raising private sector funds, either for a specific aspect of the LOS program or for a particular park improvement project, was found to be only \$2 million over three years.

The consultant findings also urged the Foundation to embark on further strategic review of its goals and capabilities.

Other Funding Sources

In an effort to create new funding opportunities, the Foundation has also sought to cover certain of its expenses from Groups that were using the Foundation to assist in their fundraising activities for particular projects or for providing certain services such as procuring play equipment for a community playground.

In certain instances, the Foundation has taken a more active role, acting in part like a general contractor. That development role, however, has been primarily funded and staffed by Commission resources in the form of technical services, such as survey, design, and engineering work. This in turn has created unplanned burdens on Department work programs and staff resources.

Two years ago, the Foundation expressed interest in a January 12, 2003 letter to Michele Rosenfeld in "assuming a more significant role in reviewing and facilitating public/private partnerships on behalf of the M-NCPPC's Montgomery County Park System." That letter (**Attachment #8**) set forth the various responsibilities the Foundation could assume, beginning with its perceived role as the "gateway" for prospective partners interested in providing private funding for the development of facilities on park property.

As noted in its letter, however, the Foundation also proposed to become involved in project implementation, in which it would serve as the project coordinator, either contracting for professional services or utilizing Commission staff to provide technical services. The Foundation proposed to cover its costs through charges to the partner for its various administrative services.

The Foundation believed at the time that this approach not only would assist in expediting the development of projects by avoiding the "red tape" of the

Commission's procedures and processes, but would also create development options that the Commission cannot provide.

In considering this request, staff reviewed the Board's purposes in establishing the Foundation. It was clear that the Board believed that the broad role of "promoting and advancing the acquisition, protection, use, and development of park land," as stated in the articles of incorporation, was the primary purpose and role of the Foundation.

The Board provided clarity on this issue when it defined the role of the Foundation in their adopted November 13, 2003 Policy and Guidelines on Donations and Public / Private Partnerships.

The Board defined the Foundation's role in development projects as follows:

"The Commission envisions the public private partnership team (rather than the Parks Foundation) playing the primary role of managing major restricted donations and public/private partnerships. However, the Parks Foundation plays an important role of reaching out and interacting with a wide variety of community groups on behalf of park interests. In this way the Parks Foundation may act as a gateway to initially bring forth donation and partnership proposals from individual, corporate or community organizations. When such proposals are limited in their size and scope, the Commission team may request that the Parks Foundation manage all aspects of the donation. This could include direct procurement, liaison with appropriate Commission staff, assistance with permitting and other actions needed to fulfill the request."

Staff believed then, as it does now, that the primary efforts of the Foundation should directly relate to that basic purpose. Although not originally envisioned as part of its role, it is clear after several years of experience in working with various groups and individuals, proposing to develop projects or carry out programs in the parks, that the Foundation can continue to play an important role on behalf of the Commission in that process.

Staff envisions the Foundation's role in the donor development process to be limited primarily to that of a "gateway" donations administrator as indicated above in which the Foundation would coordinate and assist prospective partners through the initial steps of the process, including making a recommendation to the Commission regarding the particular proposal.

Staff does not, however, envision that this work would provide a significant or steady revenue stream for the Foundation, as it is likely that there will not be an on-going number of projects needed to provide a consistent funding source.

Staff believes that it is appropriate for the Commission to assist the Foundation in covering some of its operational costs for providing those services and would recommend that the Board continue providing an annual stipend in an amount appropriate to cover some of the Foundation's administrative costs.

Staff also concurs with prior Board statements that any consideration for a stipend from the Commission must be **performance based** and predicated upon mutually agreed upon formula for fundraising and/or park development related objectives during any given fiscal year. In order to provide the Board with guidance in this matter, staff made an inquiry about how to determine a level of foundation fundraising. Staff has been informed that the typical foundation ratio of donations received to administrative expenses is 5:1.

Staff believes the establishment of more clearly defined transparent roles between the Board, the Foundation, and the Department, including the utilization of each entity's members or staff, resources, and management practices in the form of a formal MOU, to be an appropriate and important tool in achieving the mission of the Commission.

Donations and Partnerships:

Since the inception of the Foundation, both the Foundation and the Board have been working on:

(a) a priorities for donations, and (b) and partnerships list as the overall work program for donations and partnerships.

(a) Priorities for Donations:

Staff believes that inherent in the Board's goals and objectives to bring additional financial resources into the park system should be an aggressive and on-going fundraising campaign, which would provide resources not only for the Park System but also for the Foundation's operating expenses. Staff recommends that the basis for the Foundation's fundraising should be the "*Gifts Registry*" (**Attachment # 9**) which highlights the Board's donations priorities for the parks system.

Staff believes this registry will provide a clearer and more explicit list of the types of approved donations the park system can accept through the Foundation with an immediate approval.

(b) Partnerships:

The following partnerships have been identified by the Board and are jointly being managed by either the Department and/or the Foundation:

Cabin John Train

Description: Cabin John Train is a small-scale train operating in Cabin John Regional Park (CJRP). The train is operated on a seasonal basis providing rides for children. In general, the admission covers the cost of operations for the train, but does not generate sufficient revenue to provide for long-term capital improvements for the facility. In addition to the train, train shed, tracks, and ticket booth, there is a building that has been used as a snack bar in the past. MNCPPC is interested in a partnership with a not-for-profit entity interested in operating the train in Cabin John Regional Park. Included in this opportunity would be the potential to utilize the attached former snack bar area for the development of a model train layout and/or a children's party room. The partner would be able to generate revenue through charges for rides on the train (which have ranged from \$103,000 to \$77,000 over the past five years) and admission to the model train exhibit. The partner would be expected to be responsible for maintenance of the facility and for any future capital improvements.

Joseph White House

Description: The Joseph White House is located in Boyds and was built around 1820. It is a fine example of Federal architecture. The site is designated as historic on the Montgomery County Master Plan for Historic Preservation, as is the site on which it is located.

Extensive structure repairs and rough-in of plumbing, electrical, and HVAC systems have recently been completed at this historic property. Significant interior renovation and reconstruction of the front porch is still necessary.

The Joseph White House is adjacent to the Rickman Horse Farm Park, which is being operated as a therapeutic riding facility.

Opportunity: MNCPPC is interested in a partnership with an individual or organization that may be interested in operating or utilizing the Joseph White House. The facility could be used for any number of possible programs from a Bed & Breakfast to a small meeting facility or a headquarters for an organization to a residential use.

The building is being stabilized by the MNCPPC but is still in need of extensive modernization and construction. The partner would be expected to be responsible for completing the renovation, maintenance of the facility and for any future capital improvements.

Any and all changes to the exterior of historic buildings and/or to the environmental setting of the manor house must be reviewed and approved by the Montgomery County Historic Preservation Commission.

Holland Store (aka Red Door Store)

Description: The Holland Store was built in the mid-1800s and is a fine example of an early country store. It is located in Sandy Spring across the road from Woodlawn. The site is designated as historic on the Montgomery County Master Plan for Historic Preservation, as is the site on which it is located.

The building is zoned commercially and is currently leased as a small store, with adjacent parking. Extensive repairs, upgrades of utilities, and both interior and exterior renovation are needed.

The property was purchased as part of the Legacy Open Space program and the adjacent land will remain open in perpetuity.

Opportunity: MNCPPC is interested in a partnership with an individual or organization that may be interested in operating or utilizing the Holland Store (aka Red Door Store). The facility should be used commercially with numerous possible functions: general store, antique store, coffee shop, etc.

Minor stabilization work has been done to the building by the MNCPPC but is still in need of extensive modernization and construction. The partner would be expected to be responsible for completing the renovation, maintenance of the facility and for any future capital improvements.

Any and all changes to the exterior of historic buildings and/or to the environmental setting of the manor house must be reviewed and approved by the Montgomery County Historic Preservation Commission.

Darby House and Store

Description: The Darby House and Store are located in the Beallsville Historic District; both buildings were constructed in the early 20th century and are important as an early general store with the associated storeowner's residence. The structures are designated as historic on the Montgomery County Master Plan for Historic Preservation, as part of the Beallsville Historic District. The store is zoned commercially, but has been vacant for many years. The house is in the RDT zone and was occupied until recently. The store will need extensive structural repairs, utility upgrades, and both interior and exterior renovation. The house needs limited renovation.

The Darby House and Store property is contiguous with Woodstock Equestrian Facility. The property was purchased as part of the Legacy Open Space program and the adjacent land will remain open in perpetuity.

Opportunity: MNCPPC is interested in a partnership with an individual or organization that may be interested in operating or utilizing the Darby House and Store. The house could be used for any number of possible programs from a

Bed & Breakfast to a small meeting facility or a headquarters for an organization to a residential use. The commercially zoned store could house a general store, an antique shop, a coffeehouse, etc.

The building is being stabilized by the MNCPPC but is still in need of extensive modernization and construction. The partner would be expected to be responsible for completing the renovation, maintenance of the facility and for any future capital improvements.

Any and all changes to the exterior of historic buildings and/or to the environmental setting of the manor house must be reviewed and approved by the Montgomery County Historic Preservation Commission.

Muncaster Recreational Park

Description: Muncaster Recreational Park is located in the Rock Creek Planning Area, east of Gaithersburg, northeast of Route 124 and Muncaster Mill Road. The park is undeveloped, and the Pope Farm temporarily uses a portion. It has 105 acres of existing parkland including gently rolling, wooded and open areas, and small tributary streams. The vision for this park includes both active and passive areas and trails. The Implementation Study states that a development plan will be prepared to provide for the future construction of this park. The area of the park located adjacent to Route 124 may be suitable for high intensity recreation (e.g. indoor tennis, roller hockey, etc.)

Opportunity: MNCPPC is interested in proposals for partnerships with a for-profit or a not-for-profit entity that would develop the Muncaster Recreational Park in partnership with the Commission. The partner would prepare a master plan for the park that would incorporate their concept for a significant indoor recreation facility and several outdoor facilities that P&P staff would designate as preferred facilities.

Ridge Road Recreational Park

Description: Land for this 56.16-acre park located at 21155 Frederick Road in Germantown, was acquired by M-NCPCC in 1991. The park features two softball fields, a baseball field and a soccer field. All fields are lighted and irrigated. Three picnic shelters surround a colorful playground. An in-line skating rink can be reserved for street hockey games or is available on a first-come, first-served basis. There is a half-acre, fenced dog exercise area. Other park amenities include: a network of hard and natural surface trails, tennis courts, five water fountains, four lighted parking areas, and two restrooms.

When the park was developed, a site for future development was prepared. At the time, it was anticipated that the site would be used for a three-sheet indoor ice skating facility. The facility has not been built and is not anticipated to be built in the near future, if at all. The pad is finished with structural fill and has utilities to the pad. In addition, infrastructure in terms of storm water management and parking has been provided in the park.

Opportunity: MNCPPC is interested in proposals for partnerships with a for-profit or a not-for-profit entity that would develop the existing pad site in the Ridge Road Recreational Park in partnership with the Commission. The partner would propose a major indoor (or outdoor) recreational facility that would be responsive to the needs and market of the Germantown and surrounding communities.

Conclusion:

In the staff's opinion, the Foundation has played and continues to play a critical role in supporting, protecting, and enhancing the Montgomery County Park system.

Staff believes the Foundation can and should provide ongoing support the park system through fund raising and activities initiated in support of friends groups.

We believe that it is in the best interest of that system, and the citizens it serves, for the Foundation to continue to be a strong and vibrant organization. We should make every effort to ensure that goal is met.

Staff believes that one of the many strengths of the Parks Foundation is contained in the individual and collective leadership of its Board members and Trustees, and in its ability to promote and support the Park System and its many facilities and programs

Recommendations:

1. **The Board and Foundation should enter into an MOU which sets forth the roles and responsibilities, processes and procedures to be followed by each organization for the following areas:**
 - a. **Fundraising and Grants Management;**
 - b. **Board Approved Park Development Projects;**
 - c. **Friends Group Coordination, Management, and Support;**
 - d. **Promotions & Special Events;**
 - e. **Gift Registry Coordination & Management;**
 - f. **Project Management & Procurement;**
 - g. **General Staff Coordination; and**

h. Annual Activity Reports.

- 2. As a basis for the MOU the Board and Foundation should obtain a legal opinion on the definition of the terms “independent” and “control” as defined in the IRS Tax code for 501(C)(3) non-profit organizations in order to insure the integrity of the tax deduction status of donors;**
- 3. The Board should request the Foundation to expand its role and organizational structure to give top priority to fundraising, as it's first charge. The staffing structure of the Foundation should be properly aligned to achieve this objective; and**
- 4. The Board's future subsidies for the Foundation's operations should be proportional to their fund raising success.**

Note:

Staff recognizes the fact that this subject is very complicated and has several factors requiring study in order to give full consideration to the aforementioned recommendations.

In an attempt to illustrate the model relationship recommended between the Board and Foundation, staff has provided a summary illustrative chart for your review and consideration. The chart may be found on page ___ at the end of this report.