



MONTGOMERY COUNTY DEPARTMENT OF PARKS
THE MARYLAND-NATIONAL CAPITAL PARK AND PLANNING COMMISSION

MCPB
Agenda Item 3
12/17/09

December 10, 2009

MEMORANDUM

TO: Montgomery County Planning Board

VIA: Mary Bradford, Director of Parks *mev for MB*
Mike Riley, Deputy Director of Parks *mev for MR*

FROM: David Tobin *DT*

SUBJECT: Recommendation for Approval: "Strategic Development Fundraising Plan for Montgomery County Department of Parks - Restructuring the Montgomery County Parks Foundation"

Staff Recommendation

Planning Board approval of: "Strategic Development Fundraising Plan for Montgomery County Department of Parks - Restructuring the Montgomery County Parks Foundation"

Background

During the period January 2009 to present, the Department of Parks, under the direction of a transitional Foundation Board of Trustees consisting of five PB members plus two previous Foundation trustees, commissioned an outside audit of the Foundation by Raffa PC and assigned Parks staff (D. Tobin) to oversee the audit, secure Foundation records and equipment, and effectively liquidate Foundation assets and disburse funds owed to various friends groups and projects identified in the audit. Two MOUs between the Foundation and M-NCPPC facilitated payment from the Department of Parks to Raffa PC for audit and related services and the assignment of Parks staff to do the work described related to audit oversight and disbursement of funds. The Foundation Trustees met twice during the period on February 9, 2009, and August 19, 2009.

Concurrently with the above, in June 2009 the Department of Parks contracted with Bill Koegler, the Director of Development for the Oglebay Foundation and President of the Koegler Consulting Group, which specializes in foundation development and alternative funding master plan to 1) Tour, research, evaluate, and prepare recommendations for fundraising to support

Montgomery Parks; and 2) Prepare and present to Montgomery Parks staff and PB a strategic development fundraising plan. On September 21, 2009, Koegler provided to the PB for discussion a presentation on how to successfully establish a foundation that will generate funds for Montgomery Parks, including his recommendations for an MOU and a naming policy that will maximize naming opportunities as a means of raising unrestricted funds.

The purpose of the attached report is to provide a comprehensive strategy for the Montgomery County Department of Parks to raise funds to support Parks operations, maintenance, and in some case park development or the renovation or improvements of existing facilities, presumably through a restructured and revitalized Montgomery Parks Foundation. It provides comprehensive recommendations for the restructuring including governance, legal linkage via a MOU, revised naming policies, foundation staff structure, a three-year projected budget, and a proposed implementation timeline. Additionally, the report provides a template and recommendations for the development of a “customized” fund development plan that will be the cornerstone of the foundation operations and fundraising philosophy and policies.

The recommendations contained in the attachments were developed in partnership between Parks staff, David Tobin, and reviewed and approved for distribution to the PB by the Director and Deputy Director of the Department of Parks. The report and its recommendations are based upon an analysis of Montgomery Parks’ resources, M-NCPPC structure, Montgomery County demographics, research and analysis of parks foundations across the country, and lessons learned from the experiences of the Montgomery County Parks Foundation from 1992 to 2008.

DT:dt

Attachments

IMPLEMENTATION CALENDAR AND TIMELINE
MNCPPC / MCP / MPF
2009 / 2010

QUARTER 3
JANUARY 1 – MARCH 31

- Appoint a MCP staff member to the position of Foundation Liaison Officer.
- Assure start up funding for the 3rd and 4th quarter of FY 2010 and a philosophical commitment for FY 2011.
- Appoint a trustee selection committee charged with profiling, recruiting, and selecting a new board of trustees for the MCF.
- Revise the draft operating MOU and present for adoption to MNCPPC
- Revise the naming rights policy to include recommendations made in the strategic fundraising plan and present for adoption to MNCPPC.
- Secure office space and equipment for foundation operations.
- Start the process of staff recruitment and selection.
- Pursue inter-agency agreements, as recommended, for support in marketing, HR, payroll, and benefits.
- Begin the process of building a MPF database for donor development and the development of the “Friends of Montgomery Parks.”
- Collaborate with MPC staff and develop a template for the asset inventory.
- Develop a foundation case statement to be presented as a draft for review, revision, and approval by the trustees when the new board is seated.

QUARTER 4
APRIL 1 – JUNE 30

- Quarter three unaccomplished tasks reviewed and continued
- Appoint and seat the new board of trustees for the MPF
- Review and revise bylaws as necessary
- Review and approve foundation case statement
- Secure funding from MNCPPC for FY 2011
- Complete staffing process
- Complete the asset inventory and present to the MCPPC for approval
- Begin identification of donor prospects with the Board of Trustees.
- Start the process of developing a comprehensive marketing plan including website and collateral materials, i.e., newsletters and brochures
- Develop and launch the “Friends of Montgomery Parks.”
- Develop a promotional marketing DVD
- Develop plans for an informational reception to be scheduled in the summer of 2010. Contact and invite all present and former donors and key donor prospects identified by the trustees and staff.
- Develop FY 2011 implementation timeline based on completed tasks through June 30, 2010.

FY 2010/2011 Timeline to be developed by MPF staff based on tasks completed during quarters 3 and 4 of FY 2009/2010

Strategic Development Fundraising Plan
For
Montgomery County Department of Parks

***Restructuring the Montgomery County
Parks Foundation***

Prepared by

WKC Group
William Koegler, President

December 2009

Overview

The purpose of this report is to provide a comprehensive strategy for the Montgomery County Department of Parks to raise funds to support Parks operations, maintenance, and in some case park development or the renovation or improvements of existing facilities, presumably through a restructured and revitalized Montgomery Parks Foundation. It provides comprehensive recommendations for the restructuring including governance, legal linkage via a MOU, revised naming policies, foundation staff structure, a three-year projected budget and a proposed implementation timeline.

Additionally, the report provides a template and recommendations for the development of a “customized” fund development plan that will be the cornerstone of the foundation operations and fundraising philosophy and policies.

Summary of Conclusions and Recommendations

Focus

The general focus of the strategic development plan is the restructuring of the Montgomery Parks Foundation in order to have it function as a fundraising organization to support the maintenance and improvements of the parks physical facilities, open spaces, forests, wetlands, meadows, and historic buildings and areas via a comprehensive fundraising strategy with emphasis on long-term legacy endowments, generally acquired through benevolent gifts with donors receiving recognition with a naming opportunity. Additional opportunities for the endowment and/or sponsorship of new and existing programs will be developed and marketed by the staff of the MPF in support of the MCP.

Foundation Purpose

The purpose of the Foundation as set forth in the Articles of Incorporation: *“to preserve, promote and advance the acquisition, protection, use and development of park land located in Montgomery County, Maryland and owned and/or operated by the Maryland-National Capital Park and Planning Commission (hereinafter referred to as the “Commission”) pursuant to applicable Park Master Plans and /or other Park Planning documents adopted 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.”*

In addition, it is recommended that the MPF:

- ❖ Be a champion for Montgomery County Parks promoting the values and benefits of the park system to the Montgomery County residents.
- ❖ Develop, manage and structure a park-wide Friends of Montgomery donor based group that will provide unrestricted revenues to the foundation, legacy donor base, community advocacy and champion the parks programs, master plans, values and benefits.

General Operational Recommendations

A number of the recommendations are based on conclusions drawn from the review of the MPF operations from its inception in the early 90s through this past year – 2008. The recommendations include the following significant operational changes:

Legacy Giving

The foundation should concentrate its efforts on legacy gifts supporting the MNCPPC master plans for Montgomery Parks.

Grant Writing

The Foundation should not be involved in the identification, research, development and application process of state, regional, and federal government grant programs. This is an important fundraising process, but is best served when managed and facilitated by the governmental department of the parks. Foundations that have taken on this task normally are successful in raising the funds from the government, but to the detriment of their true mission of development of major legacy endowment gifts. However, many grant making foundations will only consider grants to 501c3 organizations and specifically exclude government agencies. Therefore, approaches to grant making foundations for project and program funding that fits the mission of the foundation and MCP may be undertaken by foundation staff in collaboration with MCP staff.

Friends & Special Interest Groups

MCP is supported by numerous friends, special interest and volunteer groups. It is recommended that each of these groups be managed and nurtured by the park, facility, or program staff (Park Manager) most closely aligned with the purpose of each individual group. Each of these groups is very important in their own right and deserves the attention of the staff that they are supporting. It should not be the function of the foundation staff to be the liaison to these organizations. Additionally, the Park Foundation should not be the repository of the operating funds for these organizations. At certain times and for certain projects these groups may wish to donate funds to the MPF and request they be held for future donor directed projects and programs that are identified and agreed upon by both groups. An example would be the “tennis club” might present the MPF with a gift of \$10,000 that could be used toward a tennis facility project from the master plan at some point in the future. Examples might include improved indoor lighting, a restroom project, or the like. In cooperation with MCP staff accounts will be established within MCP for the defined purpose. The Foundation will not hold donated funds but rather will transfer those funds to the appropriate MCP accounts.

Prospective Donor Database/Friends of MC Parks

The MPF staff should work collaboratively with the staff liaisons of the special interest groups, the staff department of volunteer services, and the marketing department to establish a park-wide database of members of friends and special interest groups and all seasonal members of park facilities, i.e., golf, skating clubs, tennis season members, etc. This database will become a “key” factor in nurturing future donors and will need to be communicated with four to six times a year via a “friends newsletter” collaboratively produced by the staff marketing department with input from the staff of the MPF. Utilizing this broad based group, the MPF should establish a countywide, non-specific, friends of the MC Parks. It should also include all past contributors as well as any identified potential donors. The MPF should manage and nurture this broad based friends group and work cooperatively with MCP (Volunteer Services and Marketing) staff on a communications and marketing plan to solicit new donors/friends/volunteers.

Special Projects

The MPF should not be in the project identification or management business. The identification, development, and planning of facilities, programs and acquisitions should be the purview of the professional staff and planners of the MNCPPC.

Restructuring Recommendations - Governance

The MPF is a legally established, independent organization, 501 (c)(3), that exists for the sole purpose of “preserving, promoting, acquiring, protecting and developing park land in Montgomery County owned by the MNCPPC” as detailed in the Articles of Incorporation “to lessen the burden of government” to provide these parks and facilities. One of the most critical dimensions in the success of MPF is the careful selection of a board of trustees.

➤ **Trustee Structure**

Currently the Board consists of six trustees with the Chairman of MNCPPC serving as President of the MPF. It is important to maintain linkage among MNCPPC, MPC, and the MPF, through trustee membership. Additionally, the board should be as apolitical as possible with strong representation from the community.

To accomplish these goals it is recommended that the MPF Board of Trustees:

- ❖ Consist of a minimum of seven (7) trustees and a maximum of eleven (11) trustees, with nine (9) being the goal in 2010
- ❖ The chair of the MNCPPC be a permanent trustee and one of the nine trustees, but not eligible for the position of Foundation Chair. It is important that the board be apolitical and not appear to be a division of the MNCPPC.
- ❖ The makeup of the trustee board can consist of MNCPPC and MCP members as appropriate, but should be “capped”. Assuming a board of nine trustees, the maximum number of positions available for MNCPPC and MCP members should be five. Assuming a board of eleven trustees, it is recommended that the maximum number from MNCPPC and MCP be six.
- ❖ Ex-Officio members of the board consist of the Director of Montgomery Parks and the senior foundation staff.

➤ **Trustee Recruitment and Selection**

The chair of the MNCPPC Board should appoint an ad-hoc committee consisting of persons selected from the current foundation board, the MNCPPC Board, MCP staff as appropriate, and the Foundation Development Liaison. The chair should chose the committee based on the persons current and potential involvement in the reorganization process and any expressed personal interest in the process. The committee should be chaired by the Chair of the MNCPPC.

- ❖ The first duty of the committee would be to develop a trustee “duties and responsibilities” outline that can be presented to potential trustees. Included with the duties and responsibilities would be a “MPF case statement” outlining the foundation’s vision, mission, and objectives. The case statement is an integral part of the fund development plan and addressed later in that section of this report and is based on the Vision and Mission.

Vision

“preserving, promoting, acquiring, protecting and developing park land in Montgomery County owned by the MNCPPC for everyone, forever through endowment funds”

Mission

“To support Montgomery County Parks, securing monies and resources, building partnerships, and developing long-term relationships with community members.

Duties and Responsibilities

- A trustee will secure monies to support MCP programs and MCP master plan through various fundraising vehicles with strong emphasis on legacy and estate funds.
- A trustee actively supports and promotes the organization’s vision and mission.
- A trustee is knowledgeable about the organization’s vision, mission and goals as well as current operations and issues.
- A trustee attends meetings well prepared and participates fully in all matters.
- The board is a fundraising board. An individual trustee does not become involved in specific management or personnel issues.
- A trustee accepts and supports board decisions and respects board confidentiality.
- A trustee guards against conflict of interest, whether business-related or personal.
- A trustee has the responsibility to support the organization and to demonstrate that support within the community.
- Each trustee, as well as the treasurer and finance committee, has fiduciary responsibility to the organization for sound financial management. Directors and Officers Liability Insurance is provided.

- There is no required trustee contribution. Any contribution by a trustee is solely dependent on that individual's interest and ability to contribute. When talking to potential donors to the foundation the trustee may be asked what commitment they have made. There is no expectation as to a response.
- A trustee does contribute active involvement to the development program of the organization.
- Foundation trustees are expected to raise funds for ongoing Parks priorities as outlined in support materials such as an asset inventory outlining projects, programs, and master plans available as naming opportunities for specified endowment gifts.

Trustee Profile

The committee should agree on the primary attributes of the trustees they are seeking. The committee should seek trustees who are respected by the community, understand the organization, and are committed to the philosophy of MNCPPC and its management of the MCPs, and can open doors and access wealth in the community at the highest levels. Their ability and commitment to raising funds should be a primary consideration.

Trustee Selection

It is recommended that the committee establish a protocol for developing a "pool" of potential trustees to fill the available positions. Each member might submit two potential candidates and then the entire committee work toward presenting a "recommended slate."

Once a slate is agreed upon, each potential trustee should be interviewed by the chair of the MNCPPC to assess their interest and ability to serve, to outline the duties and responsibilities of trustees, and present the foundation case statement.

The list should be revised after all interviews and fact finding and a suggested slate presented to the MCPPC for approval and appointment.

Recommendations

It is recommended that once the foundation trustees are appointed, a "joint" meeting of the MNCPPC and the MPF be held to establish and outline the working philosophy and linkage between the two organizations.

It is recommended within the first 3 months of the reorganization the trustees and foundation staff attend a "fundraising training retreat" that will assist in the development of skills and tools necessary for success in the fundraising business.

➤ **Foundation – MNCPPC – Legal Linkage**

Memorandum of Understanding

A current MOU does not exist between the MNCPPC and the MPF; however, a “draft MOU” developed in 2006 addresses many of the current concerns, and with modifications, can become a strong working document.

Recommendations for modifications and development:

- ❖ To assure continuity and insure that the culture and philosophy of fundraising in the private sector is included in the agreement and that it is not structured to impede legacy giving, it is recommended that David Tobin be assigned as the coordinator of the MOU changes and that he work closely with MCP staff responsible for the specific sections of the document. When the document is complete it should be presented to both MNCPPC and the MPF board for approval. This document is key to the process and success of the foundation and should be a top priority in the first quarter of 2010.

Specific Areas to be addressed:

- ❖ Inclusion of naming provisions in the MOU such as:

The MNCPPC has a naming policy and has in the future intends to authorize the “naming” of certain facilities, buildings, landscape areas, programs, and other related MNCPPC assets, in return for private sector monies donated to the Parks Foundation and managed by the Foundation in accordance with this MOU

The MNCPPC establishes the terms of the naming agreements, including necessary gifting amounts, length of memorialization, management of funds, plaque locations and size. Additionally, MNCPPC philosophically and by policy will not name any asset without the necessary monetary gift as detailed in the fund development plan of the MNCPPC and reserve the right of final approval of all naming agreements.

- ❖ Sections 4 and 5 of the 2006 “draft MOU” need rewritten to reflect the current philosophy of the fund development plan, with a major focus on legacy donations to fund long-term facility maintenance endowment and program endowment as well as other areas of specification in the fund development plan.
- ❖ All additional sections of the “2006 template” should be reviewed and updated as necessary to reflect current policies and philosophies.

Naming Rights Policy

Montgomery County Parks currently has a naming policy that was approved in September 1998. The policy has been reviewed and revised with recommendations for changes and improvements by staff, led by Division Chief, Terry Brooks. The latest proposal is well done and is very comprehensive and has been developed using current policies of similar size organizations – the last draft is current, September 2009.

Additionally, it should be noted that there have been over thirty named facilities in the MCP system since 1983. The majority of the approved naming and plaques received little or no funding and none established maintenance endowments for the named facilities.

An effective naming policy is a key element of the MOU and a key element in the success of the foundation legacy fundraising program. Utilizing the “draft” as an excellent template and recognizing the need for government controls of publicly supported lands and funds, and the need for transparency.

WKC recommends the following:

- ❖ To assure continuity and insure that the culture and philosophy of fundraising in the private sector is included in the agreement and that it is not structured to impede legacy giving, it is recommended that David Tobin be assigned as the coordinator of the naming rights policy changes, and that he work closely with MCP staff responsible for the specific sections of the document. When the document is complete it should be presented to both MNCPPC and the MPF board for approval. This document is key to the process and success of the foundation and should be a top priority in the first quarter of 2010.
- ❖ The policy for individual and legacy gifts be modified to include a process where MCP would pre-approve an inventory of individual naming opportunities, with guidelines, for necessary financial considerations. The inventory is not projected to be all inclusive, but to represent a cross-section of facilities and programs in each of the Montgomery County Parks. This asset inventory, approved by MCP and MNCPPC, should be revised and updated annually and is included as an addendum of the Naming Rights Policy. When approved, it should be presented to the MPF to be used in seeking legacy endowment gifts. This will be the “key” tool in developing a comprehensive marketing tool for the MPF.
- ❖ The controls and processes recommended concerning corporate naming and sponsorships seem all inclusive and provide the transparency necessary as well as the opportunity for community input. However, it is a cumbersome process and is not expected to be a major priority of the fund development plan.
- ❖ Include a section in the policy that addresses all lease agreements and reserves the naming rights of facilities and programs for the Montgomery County Parks.
- ❖ Establish a policy and system to honor park supporters, volunteers, and others deserving recognition by establishing “Wall of Fame” areas in prominent designated park and facilities. This will allow the department to honor those individuals and organizations that have had a major commitment and impact on the parks and organization without an actual monetary gift.

MPF Operating Structure

The MPF as a separate operating entity will need to establish an operating structure that includes:

- Funding
- Staffing
- Reciprocal Operating Agreements
 - Office Space
 - Accounting
 - Marketing Support
 - Administrative Support
- Budget

Funding

The long-term overall success of the foundation fundraising will be directly related to its ability to fund an operating budget. It is anticipated that the foundation board and MNCPPC will desire the foundation to become self-sustaining through both revenue derived from gifts, an established percentage in the range of 12%, and possibly through a broad based “friends of the parks” membership dues allocation for overhead and administration.

However, in the short-term, defined as three fiscal years, ½ 2010, 2011, 2012, and ½ 2013 it will be necessary for the MCP and the MNCPPC to financially fund the operating budget of the foundation, support the foundation with a paid employee of the MCP staff, and support the foundation with non-monetary reciprocal working agreements such as accounting services, marketing services, and office space.

To accomplish this it is recommended:

- ❖ A philosophical commitment of \$1 million dollars, over a three year period, be made by MNCPPC with \$166,500 appropriated for FY ½ 2010 with funding for 2011, 2012, and ½ 2013 subject to annual funding appropriations.

The ROI on this investment should be significant. It is anticipated that in a three year period the foundation could raise as much as \$8 million dollars for endowment and if a policy were developed to escrow 12% of all gifts, notwithstanding additional “friends” revenue, the foundation would have nearly \$1 million dollars for future operating budget at the conclusion of the three year period and MC Parks would have over \$7 million in maintenance endowment funds. These funds could produce nearly \$300,000 in maintenance money annually at 4% for the MCP budget

OPERATIONAL FUNDING SCENERIO

MNCPPC Appropriation over 3-year period \$1,000,000

3-year legacy and estate gift goal of MPF - \$8 Million

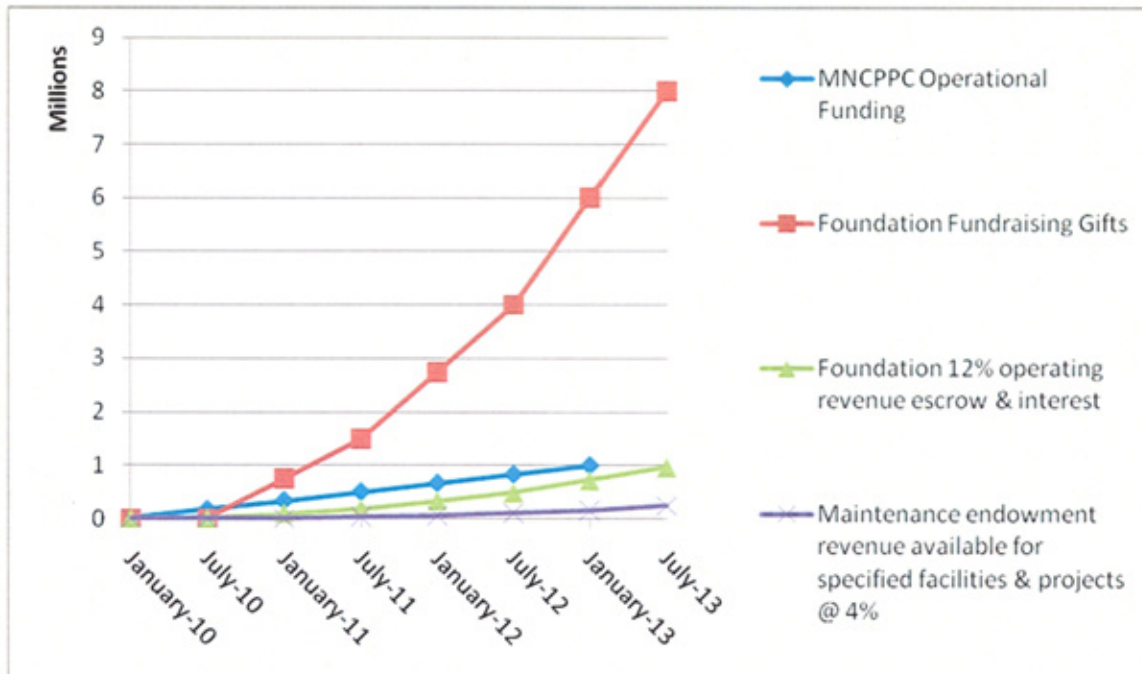
12% foundation gifting fee to be escrowed for future operations of the foundation based on \$8 Million \$960,000

Income earned on the gifting fee at 4% and compounded, beginning with year 2 and assuming gifting average of \$4 Million for years 2 and 3. Approximately \$ 40,000

TOTAL ESCROW \$1,000,000

Based on this scenario and assuming the foundation meets its goals at the end of the 3-year initial funding period, the foundation will have funding in escrow of \$1,000,000 that can be used for future operating expenses. Should the fundraising be in excess of \$8,000,000, the fund would grow at 12% of all additional gifts.

In addition to the self-funding of the foundation in excess of \$7,000,000 would be producing nearly \$300,000 per year in perpetuity for designated parks, facilities, and programs.



To insure strong collaboration between MCP and the MPF a number of reciprocal agreements should be developed and detailed in a comprehensive MOU. It is noted that an MOU on February 9, 2009, between MNCPPC and the MPF was passed that specifically addresses commission staff and administration support for the MPF.

Additional agreements, in general, would include MCP staff assisting the foundation staff in specific areas of expertise such as marketing, for little or no monetary remuneration, other than out of pocket expenses. An example would be website and brochure development. In return, the foundation will dedicate its time and staff to raising funds for the enhancement and improvement of MCP facilities and programs. Reciprocal agreements provide cooperative branding opportunities, assure coordination and show the public a strong relationship, and joint mission of the MCP and the MPF.

- ❖ Recommended disciplines for inter-agency agreements include:
 - Marketing
 - Accounting/Financial/HR/Payroll & Benefits
 - Administrative / Office Space
 - Volunteer Program / Database Development

Agreements shall be in the form of a MOU between the commission and the foundation and contain any conditions of the commission's approval in granting the agreement and shall be to the satisfaction of the commission's general counsel.

Staffing

The staffing of the foundation will be a top priority of the trustees and the MNCPPC. Based on on-site meetings, document reviews, and extensive e-mail and phone conversations, WKC Group makes the following recommendations:

- ❖ To facilitate a smooth transition in a timely manner, name a Foundation Liaison Officer. This position would be a full time position, funded by the Montgomery County Park Department. They would report directly to Mary Bradford, Director of Parks.

The job description and duties should be fully developed but would include:

- Coordination of the development and approval of an MOU
- Coordination of the development and approval of the Naming Rights Policy
- Development and management of reciprocal agreements between MCP staff, foundation trustees, and foundation staff
- Establish a strong collaborative, working relationship between MCP and MPF
- Develop an "asset inventory" as outlined in the fund development plan template with appropriate donor gifts necessary for naming
- Assist the foundation in the initial staffing of the foundation office as required.

The foundation staffing should occur as soon as possible preferably within FY 2010. Actual number of staff will be interdependent on reciprocal working agreements with MCP and the delineation of work tasks and duties. For the purposes of this report and the projected budget, it

is assumed that agreements of support and office space will be contracted for marketing, finance, computer and IT support, office space, and HR support.

It is recommended that the foundation staffing level for 2010, during transition, include:

Foundation Liaison Officer – The Foundation Liaison Officer should be an existing career employee (Grade H/I) of the Commission with demonstrated knowledge of MCP and with considerable experience in foundation development, management of non-profit organizations, board development, major donor cultivation, capital campaign, and fundraising generally.

Executive Director (contract)– The foundation may or may not need to fill this position. Initially, it is recommended that the Liaison Officer, with support of the development officer, will perform the normal duties of an executive director until it is clear that an Executive Director is necessary and the foundation can not only afford an Executive Director but can show a ROI based on filling the position. This should be reviewed by the trustees and Foundation Liaison Officer at the conclusion of full transition and for fiscal year 2011. For the purposes of this report and budget, the position will be considered a contract position comparable to Grade J (pay range of 80 – 100K.)

Development Officer (contract) – To manage all aspects of the foundation, foundation office, the fund development plan, and to work closely with the MCP Foundation Liaison Officer in the full development of the foundation. This position requires non-profit experience, significant major donor fundraising experience, and educational training. When the MNCPPC approves and initiates sections of this report, a full job description should be developed. For the purposes of this report and budget, the position will be considered a contract position comparable to Grade J (pay range of 80 – 100K).

Assistant Development Officer (contract) – This entry level, technical, contract position will report to the Development Officer and support all functions of the Development Officer and the Foundation Office and Trustees and could be combined with financial responsibilities if a reciprocal or contractual arrangement for finances is not implemented. The salary range with all inclusions would be 40 – 50K (comparable to Grade E) with a job description and duties developed after transition. This position is considered an entry level staff position.

Clerical (contract)– This is a receptionist, clerical, full time position. Salary range 25 – 35K based on technical experience. Job description and duties developed after transition.

A review of staffing based on the level of activity during the first transitional year, 2010, should occur in the third and fourth quarter of 2010 to determine the staffing needs for 2011 and 2012.

FUND DEVELOPMENT PLAN *A Collaborative Initiative*

Overview

The following is presented by WKC Group as a “template” to be developed throughout calendar year 2010 as key decisions are made and implemented by Montgomery County Parks and the reorganized Montgomery Park Foundation.

This plan is to be a “living document” reviewed, revised, and reaffirmed annually. It is a collaborative plan of MCPs and MPF. Initially, this plan will need extensive development and be dependent on implementation of specific directives, as approved and accomplished, of the overall foundation strategic development plan of December 2009.

When complete, the MPF Fundraising fund development plan will be the operating philosophy and strategic guide for the foundation.

Philosophy

The trustees reaffirm the foundation purpose:

“to preserve, promote and advance the acquisition, protection, use and development of park land located in Montgomery County, Maryland and owned and/or operated by the Maryland-National Capital Park and Planning Commission (hereinafter referred to as the “Commission”) pursuant to applicable Park Master Plans and /or other Park Planning documents adopted 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.”

It is recommended that additional philosophical guidelines be adopted:

- ❖ The Foundation priority will be to pursue endowment funds for maintenance and improvements of current facilities and programs. Additionally, funding for new facilities, projects, and programs will be sought as identified in the MCP asset inventory. The trustees and foundation staff will work closely with the MCP Foundation Liaison Officer to assure proper coordination of all fundraising efforts and campaigns.
- ❖ The Foundation affirms their priority funding categories for endowments will be individual legacy gifts and estates.
- ❖ The Foundation will pursue funding options within the contractual guidelines of the MOU between MCP and MPF.
- ❖ The Foundation will develop a naming rights policy based on the MCP policy and as agreed to in the contractual MOU.

- ❖ The Foundation will develop a support fundraising group “Friends of Montgomery County Parks.” The group will be a countywide, broad based, dues paying, support and advisory group. All members of current organizations, volunteer groups, facility season permit holders, youth sports groups, current and former donors, known area philanthropists, and others will be encouraged to join in the development stages. Dues may be used as unrestricted foundation operating funds.

Operational Strategy

Key areas and fundraising tools of an operational strategy for the foundation include:

- Foundation case statement
- Asset inventory
- Comprehensive marketing plan
- Fundraising goals

Foundation Case Statement

It is important to understand the significance of a “Case Statement for Support” of any organization seeking charitable gift dollars. Competition for gift dollars is severe which further emphasizes the need to clearly represent the need for contributions.

Preparing the Statement:

The case statement is the central, definitive document that presents the purpose, scope and justification of a fundraising foundation. The statement should anticipate and answer the questions of the prospective donor: What is the purpose of the foundation? What are the goals, and how are they justified? Why does the institution deserve my support? Why now? How can I give, and how will my gift be used? What assurance do I have that my participation is really important to the success of the undertaking? The answers to these questions should relate to the stated mission and the plans of the institution.

Beyond presenting a compelling case to prospective donors, the case statement should clarify issues and strategy for the people who will execute the fund raising effort, the statement sharpens internal understanding. It forces clear organizational structure. It is the basic training document for all participants, professional or volunteer. It is the bible of the effort.

A case statement should be prepared for the foundation in general as well as for specific capital campaigns. The statement for the foundation should be brief and will require innovation. For MPF it should emphasize the foundation priority of supporting MNCPPC and MCPs through major endowments that will produce annual income for renovation and maintenance of facilities and support of community programs.

The case statement usually is prepared by a professional staff member or consultant. The final document should be discussed and approved by the board to ensure full understanding and to prepare trustees as they assume their own role in the fundraising effort.

Asset Inventory

The MPC asset inventory and the full development of the initial inventory with pricing guidelines for legacy naming is the key component of the new MPF strategy. This task will be the responsibility of the Foundation Liaison Officer and linked to the naming policy guidelines and MOU. Initially, the document should have a number of facilities, areas, trails, open spaces, and programs from each park but by no means all inclusive.

Recommendations for the development and pricing of the inventory include:

- ❖ Establish a minimum amount necessary for naming facilities of any type. It is suggested that the minimum be a commemorative/memorial bench at \$5,000. Facilities should then be reviewed individually based on a number of criteria including but not limited to:
 - Size
 - Demographic Area
 - Visitor Use
 - Visibility
 - Historical Significance
 - Like Facility and Program Endowments
 - Historical “Namings” and Gift Amounts
 - Necessary annual Maintenance Dollars

All of the above criteria may influence the actual endowment necessary for naming. It is noted that the MCP has established a naming precedent recently at Tacoma-Piney Branch Park in reaction to a donor request for naming that fits in the overall development of the asset inventory and essentially sets the “bar” for like facilities throughout the park department. An endowment amount of \$100,000 for “naming rights” has been established for the basketball court and a \$100,000 endowment for the naming rights to the picnic shelter has been established as well. The donor has been assured of an appropriate memorial plaque and of annual maintenance of the facilities. Assuming the endowment corpus is maintained in perpetuity, and the annual income is approximately 4% from investments, each will contribute \$4,000 per year into a maintenance fund for each facility, forever.

There is no nationally accepted formula for establishing endowment and awarding naming rights for the donation. It should be noted, that the optimum amount would produce enough income at 4% to cover “all” annual maintenance costs. This is obviously not obtainable in most instances.

Some existing examples of facility “naming” prices in parks include:

Playgrounds	100K – 150K
Individual Play pieces	5K – 50K
18-Hole Golf Course	2 - 5 million
Individual Golf Holes	100K
Golf Course Pond	50K
Meeting Rooms	25K – 300K
Offices	25K
Gardens	25K – 1 million
Parks	1 – 5 million
Pavilions	50K – 500K
Lobby	25K – 50K
Open Space Areas	50K – 250K
Groves of Trees	50K – 250K
Recreation Centers	100K – 500K
Tennis Courts	25K – 50K
Benches	1K – 20K
Trails	25K – 1 million
Historic Rail Car Restoration	200K
Information Kiosk	25K
Environmental Center	3 million
Trail Segments/based on length & location	100K – 500K

Comprehensive Marketing Plan

The Foundation needs to develop a comprehensive marketing strategy:

- ❖ Collaboration with the marketing department of the MCP department to assure that current “branding” and park department profiles are maintained.
- ❖ Produce a “friends” newsletter at least four times annually with emphasis on legacy giving and legacy giving opportunities.
- ❖ Produce a marketing DVD of 8–10 minutes that details the relationship between the MCP and the MPF, the Foundation philosophy, and examples of existing legacy endowments and future opportunities. This will be utilized to support collateral marketing materials.
- ❖ Conduct an educational campaign to “recreate the image” of the Foundation and its goal to endow and support the facilities and programs of MCP. The campaign should include trust officers, CPAs, estate planners, and community social groups, as well as all identifiable users of MCP facilities.
- ❖ Produce a dedicated website for the Foundation that outlines history, philosophy, inter-connection and collaboration with MCP, specific and prioritized legacy endowment opportunities, archived “Friends” newsletters, and other pertinent information cross-linked to the MCP website.

The MCP Foundation Liaison Officer will coordinate the development of the plan.

Fundraising Goals

The process of identifying prospects, research, and relationship building is time consuming and requires patience of staff and trustees. Many times major gifts require a number of years to cultivate and bring to fruition. However, the ROI is significant and sometimes beyond belief. It is noted that MPF, MCP, and MNCPPC does have a strong community reputation and has built a number of long-term relationships with members of the community. This is evident with the number of major gifts received over the years without a plan in place. It would not be unusual to see major gifts committed to the foundation in years 2011 and 2012.

It will be important for the foundation to establish funding goals for the 2010 – 2012 reorganization period. The goals should include the process as well as the funding amounts:

- ❖ Database development of prospective donors as identified in this report, collaborating with MCP and MNCPPC to create the database.
- ❖ Establishment and cultivation of the “Friends of MCPs”. This will be a donor database and an important unrestricted operating revenue source of the foundation.
- ❖ Donor research program to identify and profile prospective candidates. There are a number of research and development tools available to the foundation staff that will assist in identifying and profiling significant wealth with philanthropic interests that match the MCPPC programs, projections, and philosophies. This is a time consuming process but necessary to major legacy and estate gifts for the foundation.

Recommended Fundraising Goals

- **Major Gift Goals**

Major gifts and estates do take time, but many gifts with “naming” can be significant. It is recommended that the goal projections for the foundation be aggressive:

- ❖ FY ½ 2010 – research
- ❖ FY 2011 - \$1.5 M
- ❖ FY 2012 - \$2.5M
- ❖ FY ½ 2013 - \$4M

Three year projections total \$8M. These goals should be reviewed, revised, and re-projected annually and increased as significant gifts are committed.

- **“Friends” Revenue Goals**

- ❖ FY ½ 2010 - \$10,000 – Approximately 300 members
- ❖ FY 2011 - \$70,000 – Approximately 1,500 members
- ❖ FY 2012 - \$120,000 – Approximately 3,000 members
- ❖ FY ½ 2012 - \$70,000 – Approximately 3,500 members

These are very realistic projections; an aggressive goal would be twice the projections in year three of the process.

Final Conclusions

The Montgomery County Parks Department and the Montgomery Park Foundation have a tremendous private sector funding potential via legacy endowment and estate gifts. These monies can assist in the development of new facilities and programs and more importantly, provide additional, annual maintenance funds for existing facilities and programs....forever. The naming rights asset inventory is extensive and nearly limitless. It is apparent that both staff and MNCPPC board members are very supportive of moving forward with a comprehensive reorganization plan for the MPF that provides autonomy for the foundation, yet insures that the policies and philosophy of the board are followed via legal linkage.

It will take an initial financial commitment and staff support, but the ROI for the Park Department is in the multiple millions of dollars.

The reorganization can begin as recommendations made in the report are adopted and implemented.

The launch date is projected to be January 2010.

**Montgomery County Foundation
Projected Operating Budget**

36 Months	FY 2010- 6 mos	FY 2011	FY 2012	FY 2013- 6 mos	TOTAL
Income for Operating					
Annual MPF Expenses from Parks Operating Budge	166,500	333,500	333,500	166,500	1,000,000
Operating Income from fundraising	10,000	70,000	120,000	70,000	270,000
Total Income	176,500	403,500	453,500	236,500	1,270,000
EXPENSES					
Personnel Expenses					
Foundation Liaison Officer	50,000	100,000	100,000	50,000	
Executive Director			100,000	50,000	
Development Officer	20,000	90,000	90,000	45,000	
Asst. Development Officer	10,000	50,000	50,000	25,000	
	80,000	240,000	340,000	170,000	830,000
Office Expenses					
Development	na	na	na	na	
Printing / Marketing	22,500	60,000	45,000	22,500	
Contract/Consulting Services	6,000	12,000	12,000	6,000	
Postage	2,500	10,000	10,000	5,000	
Administrative Expenses	5,000	10,000	10,000	5,000	
Discretionary Expenses	10,000	15,000	15,000	10,000	
	66,000	157,000	142,000	73,500	438,500
TOTAL OPERATING EXPENSES	146,000	397,000	482,000	243,500	1,268,500
Notes: This budget is based on recommendations contained in the strategic development plan and is meant only as a "guide".					
BUDGET EXPENSE DETAIL					

**Montgomery County Foundation
Projected Operating Budget**

DEVELOPMENT						
Promotion & Public Relations	15,000	45,000	45,000	20,000		
Travel	5,000	5,000	5,000	5,000		
TOTAL	20,000	50,000	50,000	25,000		
PRINTING / MARKETING						
Brochures / Envelopes	10,000	15,000	15,000	10,000		
Gifting Catalog	5,000	5,000	5,000	5,000		
DVD Production	0	20,000	0	0		
Friends Newsletters	5,000	15,000	20,000	5,000		
Letterhead / Envelopes	2,500	5,000	5,000	2,500		
TOTAL	22,500	60,000	45,000	22,500		
POSTAGE						
General Postage						
Annual Fund Appeal						
Friends Newsletter						
TOTAL	2,500	10,000	10,000	5,000		
ADMINISTRATIVE EXPENSES						
Bank Fees						
Legal Fees						
Audit Fees						
TOTAL	5,000	10,000	10,000	5,000		