

Portland, Oregon

FINANCIAL IMPACT and PUBLIC INVOLVEMENT STATEMENT For Council Action Items

(Deliver original to Financial Planning Division. Retain copy.)

1. Name of Initiator Jack Graham, Chief Administrative Officer		2. Telephone No. 823.6953	3. Bureau/Office/Dept. Office of Management and Finance
4a. To be filed (date): September 14, 2011	4b. Calendar (Check One) Regular Consent 4/5ths X <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>		5. Date Submitted to Commissioner's office and FPD Budget Analyst: September 7, 2011
6a. Financial Impact Section: X <input type="checkbox"/> Financial impact section completed		6b. Public Involvement Section: <input type="checkbox"/> Public involvement section completed	

1) Legislation Title:

*Authorize Portland Parks Foundation to participate in the City's 2012 annual Combined Charitable Campaign with a 5-year exemption from umbrella organization requirement and 1-year exemption from fund raising and administrative expense ratio requirement, and submit financial reports for remaining four years of the 5-year exemption from umbrella organization requirement. (Ordinance)

2) Purpose of the Proposed Legislation:

Portland Parks Foundation does not comply with a requirement for campaign participation as defined by City Code and the ordinance grants them a five year exemption.

3) Which area(s) of the city are affected by this Council item? (Check all that apply—areas are based on formal neighborhood coalition boundaries)?

- | | | | |
|--|------------------------------------|------------------------------------|--------------------------------|
| <input checked="" type="checkbox"/> City-wide/Regional | <input type="checkbox"/> Northeast | <input type="checkbox"/> Northwest | <input type="checkbox"/> North |
| <input type="checkbox"/> Central Northeast | <input type="checkbox"/> Southeast | <input type="checkbox"/> Southwest | <input type="checkbox"/> East |
| <input type="checkbox"/> Central City | | | |
| <input type="checkbox"/> Internal City Government Services | | | |

FINANCIAL IMPACT

4) Revenue: Will this legislation generate or reduce current or future revenue coming to the City? If so, by how much? If so, please identify the source. No.

5) **Expense:** What are the costs to the City related to this legislation? What is the source of funding for the expense? *(Please include costs in the current fiscal year as well as costs in future years. If the action is related to a grant or contract please include the local contribution or match required. If there is a project estimate, please identify the **level of confidence**.)* None.

6) **Staffing Requirements:**

- Will any positions be created, eliminated or re-classified in the current year as a result of this legislation? *(If new positions are created please include whether they will be part-time, full-time, limited term, or permanent positions. If the position is limited term please indicate the end of the term.)* No.
- Will positions be created or eliminated in *future years* as a result of this legislation? No.

(Complete the following section only if an amendment to the budget is proposed.)

7) **Change in Appropriations** *(If the accompanying ordinance amends the budget please reflect the dollar amount to be appropriated by this legislation. Include the appropriate cost elements that are to be loaded by accounting. Indicate "new" in Fund Center column if new center needs to be created. Use additional space if needed.)*

Fund	Fund Center	Commitment Item	Functional Area	Funded Program	Grant	Sponsored Program	Amount

[Proceed to Public Involvement Section — REQUIRED as of July 1, 2011]



CITY OF PORTLAND

OFFICE OF MANAGEMENT AND FINANCE

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TO: Mayor Sam Adams
Commissioner Nick Fish
Commissioner Amanda Fritz
Commissioner Randy Leonard
Commissioner Dan Saltzman
City Auditor Lavonne Griffin-Valade

FROM: Jack D. Graham, Chief Administrative Officer

SUBJECT: Amendment to Ordinance 1031 on Council Agenda for September 28, 2011

DATE: September 26, 2011

184900

This memo and the attached ordinance with markups propose an Amendment to Ordinance 1031 on the Council Agenda for September 28, 2011.

The Ordinance as filed is titled:

Authorize Portland Parks Foundation to participate in the City's 2012 annual Combined Charitable Campaign with a 5-year exemption from umbrella organization requirement and 1-year exemption from fund raising and administrative expense ratio requirement, and submit financial reports for remaining four years of the 5-year exemption from umbrella organization requirement (Ordinance)

The proposed Amendment is titled:

Authorize Portland Parks Foundation to participate in the City's 2012 annual Combined Charitable Campaign with a 1-year exemption from umbrella organization requirement and 1-year exemption from fund raising and administrative expense ratio requirement. (Ordinance)

City Code requires that participant organizations in the City's Charitable Campaign serve as umbrella organizations, granting funds or products to at least nine charitable organizations (Section 5.10.050). The Portland Parks Foundation does not disburse funds or products to nine other charitable organizations and thus does not conform to this requirement. Additionally, Section 5.10.050C of City Code states that an umbrella's fund raising and administrative expenses shall not exceed 25 percent of its unrestricted income. The Portland Parks Foundation does not meet this criteria for the year ending December 31, 2010.

Previously, the proposed ordinance requested that Council approve a 5-year exemption from the umbrella requirement and a 1-year exemption from the fund raising and administrative expense requirement. The proposed Amendment requests Council approval of a 1-year exemption from both requirements.

Thank you for your consideration and please contact me with any questions.

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To help ensure equal access to programs, services and activities, the Office of Management & Finance will reasonably modify policies/procedures and provide auxiliary aids/services to persons with disabilities upon request.

PUBLIC INVOLVEMENT

8) Was public involvement included in the development of this Council item (e.g. ordinance, resolution, or report)? Please check the appropriate box below:

☐ **YES:** Please proceed to Question #9.

☒ **NO:** Please, explain why below; and proceed to Question #10.

9) If "YES," please answer the following questions:

a) What impacts are anticipated in the community from this proposed Council item?

b) Which community and business groups, under-represented groups, organizations, external government entities, and other interested parties were involved in this effort, and when and how were they involved?

c) How did public involvement shape the outcome of this Council item?

d) Who designed and implemented the public involvement related to this Council item?

e) Primary contact for more information on this public involvement process (name, title, phone, email):

10) Is any future public involvement anticipated or necessary for this Council item? Please describe why or why not. No. The Charitable Campaign is a means for city employees only to donate to Portland Parks Foundation and is not open to the public for contributions.

Jack Graham, Chief Administrative Officer

BUREAU DIRECTOR (Typed name and signature)

ORDINANCE No.

*Authorize Portland Parks Foundation to participate in the City's 2012 annual Combined Charitable Campaign with a 51-year exemption from umbrella organization requirement and 1-year exemption from fund raising and administrative expense ratio requirement, and submit financial reports for remaining four years of the 5-year exemption from umbrella organization requirement. (Ordinance)

The City of Portland ordains:

Section 1. The Council finds:

1. City Code Chapter 5.10 defines the eligibility requirements for charitable umbrella organizations applying to participate in the City's annual charitable campaign.
2. Section 5.10.010B defines umbrella organizations as entities that serve as the agent of a group of member organizations or that grant funds or products to charitable organizations. The eligibility requirement in 5.10.050 states that umbrella organizations must disburse or grant funds or products to at least nine charitable organizations.
3. The Portland Parks Foundation has participated in past City annual charitable campaigns but does not disburse funds or products to nine other charitable organizations and thus does not conform with Sections 5.10.010B. This ordinance seeks a 51-year exemption to this requirement.
4. Section 5.10.050C states that an umbrella's fund raising and administrative expenses shall not exceed 25 percent of its unrestricted income.
5. The Portland Parks Foundation fund raising and administrative expenses exceeded 25 percent of its unrestricted income in the year ending December 31, 2010. The Portland Parks Foundation has had unusual occurrences in its recent past which have led them to exceed 25 percent. A majority of the Foundation's revenue is generated by fundraising for capital projects. As these projects do not occur every year, spikes in revenues and expenses can result. In 2010, major projects were in the research and development stage. In addition, the Foundation's director stepped down after eight years and the new leadership resigned within eight months. The Foundation has provided information regarding their four-year and five-year functional expense ratios. Over these longer time periods, the Foundation does meet the 25 percent requirement. Due to these factors, this ordinance seeks a 1-year exemption in 2012 from the 25 percent requirement.

6. The Portland Parks Foundation has a long and commendable history of providing charitable works for the citizens of the City of Portland and has participated in the annual charitable campaign for a number of years. City of Portland employees have donated a total of \$19,633.56 to Portland Parks Foundation in the last two campaigns.
7. The City's Charitable Campaign Committee recommends to the City Council that the Portland Parks Foundation be allowed to continue to participate in the City's annual charitable campaign, notwithstanding the requirements of City Code Sections 5.10.010B, 5.10.050A, and 5.10.050C.

NOW, THEREFORE, The Council directs:

- a. For the reasons set forth above, the Portland Parks Foundation shall not be required to disburse or grant funds or products to nine other charitable organizations to qualify as an umbrella organization as set forth in sections 5.10.010B and 5.10.050A in order to be eligible to participate in the City's annual charitable campaign. This exemption shall expire after completion of the City's 2016² charitable campaign.
- b. For the reasons set forth above, the Portland Parks Foundation shall have a one-year exemption for 2012 from the requirement that an organization's fund raising and administrative expenses shall not exceed 25 percent of its unrestricted income as demonstrated by its annual financial reports, as set forth in section 5.10.050C in order to be eligible to participate in the City's 2012 annual charitable campaign. This exemption shall expire after completion of the City's 2012 charitable campaign.
- ~~e. For each of the remaining four years (2013, 2014, 2015 and 2016) of the exemption from the umbrella organization requirement, the Portland Parks Foundation will be required to demonstrate by its annual financial reports that its fund raising and administrative expenses have not exceeded 25 percent of its unrestricted income. Failure in any year to demonstrate this requirement may result in the Portland Parks Foundation being ineligible to participate in the City's charitable campaign.~~
- d.c. The Portland Parks Foundation will be required to demonstrate that it does satisfy all other requirements of City Code Chapter 5.10.

Section 2. The Council declares that an emergency exists in order that there be no delay in authorizing this organization to participate in the City's 2012-2016 Combined Charitable Campaign; therefore, this Ordinance shall be in full force and effect from and after its passage by the Council.

Passed by the Council:

Mayor Sam Adams
Jack Graham/klw
September 14, 2011

LAVONNE GRIFFIN-VALADE
Auditor of the City of Portland

By

Deputy