



AGENDA REPORT

Meeting Date: March 4, 2014
Item Number: D-6
To: Honorable Mayor & City Council
From: Gisele Grable, Community Services Administrator
Subject: THE COUNCIL OF THE CITY OF BEVERLY HILLS ACCEPTING CITY OF BEVERLY HILLS COMMUNITY CHARITABLE FOUNDATION DONATIONS FOR THE BEVERLY GARDENS PARK RENOVATION PROJECT IN THE TOTAL AMOUNT OF \$100,000; RELEASING \$100,000 OF MATCHING FUNDS AND APPROPRIATING FUNDS THEREFOR

Attachments:

1. Funding & Donations for Beverly Gardens Park Renovation Project
2. Letters from CBHCCF Chief Executive Officer Accepting Donations
3. Detail from December 17, 2013 Agenda Report

RECOMMENDATION

Staff recommends that the City Council accept donations from the City of Beverly Hills Community Charitable Foundation (CBHCCF) in the amount of \$100,000 received in support of the Beverly Gardens Park Renovation Project. These funds are requested to be appropriated to the Beverly Gardens Park Renovation Project.

INTRODUCTION

At the City Council's February 4, 2014 meeting, the City Council approved and accepted \$18,745 in donations from the CBHCCF and approved the appropriation for the final amount to Phase I of the Beverly Gardens Capital Project (CIP) account.

This report provides information in regards to additional CBHCCF cash donations that were received specifically for the Beverly Gardens Park Renovation. *(As a reminder, the CBHCCF amended its by-laws in order for the Chief Executive Officer to "accept gifts restricted to the renovation of Beverly Gardens Park in an unlimited amount." In this case, Jeff Kolin, as the Executive Director of the CBHCCF accepted the gifts on its behalf.)* Staff recommends the City Council accept the \$100,000 donation from the CBHCCF and appropriate the \$100,000 to the Beverly Gardens Capital Improvement Project (CIP) Account.

In addition, staff is seeking the release of \$100,000 of the \$750,000 in Matching Funds (from the General Fund balance) that the City Council approved at its December 17, 2013 meeting.

DISCUSSION

To date, the City has received donations (\$131,255) through the Friends of Beverly Gardens Park prior to the final formation of The City of Beverly Hills Community Charitable Foundation (CBHCCF). Once the CBHCCF received its final designation as a non-profit, 501(c)3 from the State and IRS, donations for the Beverly Gardens Park Project were given directly to the CBHCCF instead of the City. In addition to the \$131,255 received directly by the City, the CBHCCF has received \$726,396, for a final total of \$857,651 for the project to date (\$750,000 of which has already been appropriated to the project costs).

FISCAL IMPACT

The receipt and approval (and appropriation) of this \$100,000 donation and the \$100,000 matching funds will assist to defray costs associated with the CIP project for the Beverly Gardens Park Renovation.

	<u>FROM</u>		<u>TO</u>
\$100,000	40C10485-49308 Beverly Gardens Park CBHCCF Restricted Contribution	\$200,000	35060485-85040 Beverly Gardens Park Public Works Dept. CIP Construction
\$100,000	General Fund Balance <i>(from \$750k Matching Funds)</i>		

Don Rhoads 
Finance Approval

Gisele Grable 

Steve Zoet 
Approved By

Attachment 1

Funding & Donations for Beverly Gardens Park Renovation Project

Donations to City for BGPark from CBHCCF Charitable Foundation		\$	517,546.00
Donations to City for BGPark from CBHCCF (approved by CEO)		\$	82,454.00
		\$	<u>600,000.00</u>
Amount above \$600K (appropriated & accepted by Council on 2/4/14)		\$	18,745.00
Donations directly to the City for BGPark		\$	131,255.00
	<i>Donations Total</i>	\$	<u>750,000.00</u>
City's Matching Funds for BGPark		\$	750,000.00
City's Additional Appropriation for BGPark		\$	100,000.00
	Grand Total for Phase I	\$	<u>1,600,000.00</u>

Proposed Update

Donations to City for BGPark from CBHCCF (approved by CEO)	3/4/2014		\$100,000.00
Release of \$100K of Matching Funds (\$750K total)	3/4/2014		\$100,000.00
			<u>\$200,000.00</u>

Attachment 2

CITY OF BEVERLY HILLS COMMUNITY CHARITABLE FOUNDATION

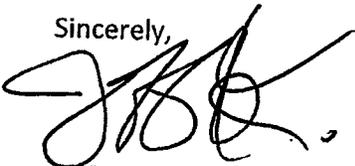
January 23, 2014

City of Beverly Hills
Don Rhoads, Chief Financial Officer
Administrative Services
455 North Rexford Drive
Beverly Hills, CA 90210

Regarding: Acceptance of \$183,350 in CBHCCF Donations for the
Beverly Gardens Park Renovation Project

On behalf of the City of Beverly Hills Community Charitable Foundation (CBHCCF), and as the CBHCCF's Chief Executive Officer, I am accepting \$183,350 in cash donations received to date to be transferred to the City of Beverly Hills and restricted for the renovation of Beverly Gardens Park project. Pursuant to the CBHCCF's by-laws (Article VII: Section 1), I have the authority to accept cash donations in an unlimited amount for this project.

Sincerely,



Jeff Kolin

Chief Executive Officer for the Board of Directors of the
City of Beverly Hills Community Charitable Foundation

CITY OF BEVERLY HILLS COMMUNITY CHARITABLE FOUNDATION

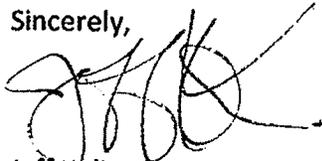
February 11, 2014

City of Beverly Hills
Don Rhoads, Chief Financial Officer
Administrative Services
455 North Rexford Drive
Beverly Hills, CA 90210

Regarding: Acceptance of \$25,500 in CBHCCF Donations for the
Beverly Gardens Park Renovation Project

On behalf of the City of Beverly Hills Community Charitable Foundation (CBHCCF), and as the CBHCCF's Chief Executive Officer, I am accepting \$25,500 in cash donations received to date to be transferred to the City of Beverly Hills and restricted for the renovation of Beverly Gardens Park project. Pursuant to the CBHCCF's by-laws (Article VII: Section 1), I have the authority to accept cash donations in an unlimited amount for this project.

Sincerely,



Jeff Kolin
Chief Executive Officer for the Board of Directors of the
City of Beverly Hills Community Charitable Foundation

Attachment 3

Unallocated

After proposing the above uses for the available General Fund balance, there remains \$772,394 of available funds unallocated. These funds could be allocated for other uses, however, staff recommends retaining this amount in the General Fund as additional reserve funding.

As addressed above, it is a good financial practice to utilize available one-time funds for the reduction of current or future expenses or the generation of additional future revenues. Use of surplus or one-time funds for ongoing expenses is not considered good policy as such practice will likely lead to ongoing deficits as the ongoing revenues may not provide for the ongoing expenditures. The recommendations above, substantially reduce future expenses through reduction of liability claims, prevention of theft, reduction of future payments and interest on unfunded liabilities, or provide for potential increases in revenue through increased economic development, or provide for needed investment in City facilities on a one-time or limited basis. Below is an itemization of the recommendations and amounts recommended herein.

Recommendations for Available General Fund Balance

Stormwater Loan Repayment	\$ 1,800,000
Acceleration of Sidewalk Repairs	1,500,000
PERS Unfunded Liability Reduction	1,000,000
Southeast Projects	1,000,000
336 Foothill Building Demolition	500,000
Beverly Gardens Renewal Matching Funds	750,000
Secure Backflow Devices Against Theft	30,000
Accelerate Ficus Tree Trimming on Burton Way	60,000
Repairs at Greystone	250,000
Beverly Gardens Appropriation 9/10/13	100,000
General Fund Reserve Contribution	238,200
Unallocated	772,394
	<u>\$ 8,000,594</u>

There are many advantages to addressing the needs which staff proposes with the one-time funds available. Maintenance and repairs to sidewalks, Greystone, securing backflow devices and repaying an interfund loan will protect the City against loss from liability claims, casualty loss, or legal action. Investments in 336 Foothill, Southeast Projects, Greystone improvements, Beverly Gardens Park and tree trimming on Burton Way may have positive revenue impacts if they induce new development which will be long-term revenue producing, tourist attracting or business enhancing. Investments in reducing the City's unfunded PERS liability will result in savings of interest expense on these unfunded portions. The disadvantages of following the recommendations contained in this report are substantially opportunity costs. If the funds are spent for these proposed uses, they will not be available for other unidentified projects which might be of greater value or in much greater need of funding. Use of City funds usually involves a balancing act in that the choices for use of the City's scarce resources inevitably preclude the use of those funds for other worthy uses. As reasonable people can disagree on what may be the best use for a scarce resource, there are nearly always opportunity costs when City resources are allocated.