



Madison Parks Division

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Date: October 5, 2023

To: Board of Park Commissioners

From: Eric Knepp, Parks Superintendent *EMK*

Subject: Update to Cooperative Agreement with Madison Parks Foundation

Private support has been an integral part of building what we know as Madison Parks today, which started in the 1890's, when local philanthropists founded the Madison Park and Pleasure Drive Association (MPPDA). The MPPDA transitioned to the City of Madison Parks Division's purview in the 1930s. In 2002, the Madison Parks Foundation was created as an independent non-profit for the sole purpose of benefitting the park system. It wasn't until 2013 that there was a formal Cooperative Agreement between the City and Foundation. The purpose of the 2013 agreement was to formally declare and establish the Foundation as the City's official non-profit fund raising collaborator as it relates to the City's park system. The 2013 Agreement also addressed the transfer and use of certain City funds, and to outline the Parties' roles and responsibilities regarding the creation and eventual transfer of the Foundation's Executive Director position from the City to the Foundation.

Upon the request of the Foundation, staff have worked with the City Attorney's Office and representatives from the Foundation to negotiate an updated Cooperative Agreement. The updated Cooperative Agreement is intended to reflect the current relationship between the Parties, which includes the following key differences:

- Executive Director Position. Per the 2013 agreement the Executive Director position was transferred entirely to the Foundation in 2018. The updated Cooperative Agreement references this transfer in the preamble.
- Transferred Funds (Section 5, part b). The proposed Cooperative Agreement anticipates there may be times when the City directly receives private donations. The proposed Cooperative Agreement allows for the Park Superintendent and Finance Director to approve transfers under \$10,000 from the City to the Parks Foundation. An example of this would be if donations were received through the Golf Point of Sale System to support programming at The Glen, these funds would be transferred to the Madison Parks Foundation.
- City's In-Kind Contribution to Foundation (Section 7). This new section defines the office and storage space provided to the Foundation, and reflects the value of the City's In-Kind Contribution.
- Foundation Workspace within City Facility (Section 8). This section defines the Foundation's responsibility for items not included in the City's In-Kind Contribution.

- Special Events, Fees & Charges (Section 9). At the request of the Foundation, a provision has been added as follows: *"Foundation shall be exempt from all park-related fees, including application fees, reservations, temporary structure, amplification, vending and rental of Madison Parks' equipment, for up to ten (10) events per year."*
- Project/Program Approval Process (Section 10). This section reflects current attempts to standardize how Madison Parks and the Foundation work together on specific programs and projects. Madison Parks staff continue to work with the Foundation to develop and refine standardized processes that allow for more efficient processing and implementation of requests from both parties.
- Term (Section 13). The 2013 Cooperative Agreement had no end date, and the updated Cooperative agreement specifies a 10 year-term with options for automatic renewal for successive 10-year periods unless either party provides written notice of intent to allow the agreement to expire.

On July 12, 2023, the Commission expressed concerns regarding the Cooperative Agreement and referred the item to a future meeting to allow an opportunity for questions to be addressed. Staff received feedback from the majority of Commissioners, with concerns regarding transparency, accountability and alignment being the key areas of focus. The following proposed revisions have been suggested in response to the feedback received:

- Relationship of Parties (Section 3). Commissioners expressed a desire to include BPC President appointees within the Cooperative agreement. As such, the following language has been added: *"Persuant the Rules of Procedure and Basic Policies of the City of Madison Board of Park Commissioners, the Park Commissioners, acting through the President, shall appoint two Trustees for one-year term(s) to the Madison Parks Foundation Board."*
- Transferred Funds (Section 5, part e). Proposed revisions define expectations should the partnership be terminated, in a manner consistent with 2002 Articles of Incorporation.
- Special Events, Fees & Charges (Section 9). Due to concern regarding seemingly unlimited exemption for specific fees, the proposed revisions limit the number of free events to "up to 10 events per year."
- Project/Program Approval Process (Section 10). Commissioners expressed a desire to better understand processes that are currently being put in place to standardize project requests from both parties. Further, there was a desire for Commissioners to be engaged in these processes to ensure all parties' objectives are in alignment. To some extent, Commissioners will be informed and involved as part of the proposed formal reporting process described below. Commissioners will be further involved by ensuring that requests for new initiatives from Commissioners be directed through BPC Trustees serving on the Foundation board. In addition, staff will prepare an annual report of active MOUs for Projects/Programs that will be reviewed by the BPC.

- Reporting Requirement (Section 12). Commissioners expressed concern that the Annual Initiatives Summary is not being provided as specified within the existing Cooperative Agreement and that the lack of reporting has created a gap in the ability of the BPC to understand the Foundation Initiatives. As such, the following revisions have been made:
 - The update includes language from the original draft specifying financial reporting required by the Foundation (Section 12, part a).
 - Annual Business Plan: The proposed revisions specify that the Foundation will be required to provide an Annual Business Plan, which will include information that is helpful for BPC to understand current and previous year initiatives (Section 12, part c).
 - Year-End Review Report: The proposed revisions specify that the Foundation will be required to provide an update to the Commission on the Annual Initiatives (Section 12, part d).
- Term (Section 13). Commissioners expressed a desire for the ability to evaluate the relationship sooner than 10 years. The proposed revisions reduce the term to five years, with the ability to renew every five years.

The approach and response outlined attempts to balance the needs of both parties to continue to grow upon a successful partnership and address concerns expressed by Commissioners. I welcome further discussion of the Cooperative Agreement and am confident that the version before you will provide a path forward for the best possible parks system.