

CITY OF BEAVERTON, OREGON
FISCAL YEAR 2018-19 BUDGET

**BCA GIFT & CONTRIBUTION FUND
SUMMARY OF REVENUES AND EXPENDITURES
AND OTHER FINANCING SOURCES & USES**

	<u>FY 2015-16</u> <u>Actual</u>	<u>FY 2016-17</u> <u>Actual</u>	<u>FY 2017-18</u> <u>Budgeted</u>	<u>FY 2017-18</u> <u>Estimated</u>	<u>FY 2018-19</u> <u>Adopted</u>
Revenues:					
Contributions and Donations	\$0	\$0	\$1,000,000	\$100,000	\$1,000,000
Sub Total Revenues	<u>\$0</u>	<u>\$0</u>	<u>\$1,000,000</u>	<u>\$100,000</u>	<u>\$1,000,000</u>
Expenditures:					
Materials & services	\$0	\$0	\$0	\$0	\$0
Sub Total Expenditures	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
Revenues Over/Under Expenditures	\$0	\$0	\$1,000,000	\$100,000	\$1,000,000
Other financing sources (uses):					
Transfers in	\$0	\$0	\$0	\$0	\$0
Transfers out	0	0	0	0	0
Total Other Financing Sources (Uses):	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Net Change in Fund Balance	\$0	\$0	\$1,000,000	\$100,000	\$1,000,000
Fund Balance/Working Capital Beginning of Year	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>100,000</u>
Fund Balance (Reserves)/Working Capital End of Year	<u>\$0</u>	<u>\$0</u>	<u>\$1,000,000</u>	<u>\$100,000</u>	<u>\$1,100,000</u>

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FUND: 108 BCA GIFT & CONTRIBUTION FUND	DEPARTMENT: FINANCE
PROGRAM: 0802 BCA FACILITY DEVELOPMENT PROGRAM	PROGRAM MANAGER: PATRICK O'CLAIRE

Program Goal: For a limited period of time, provide a means whereby gifts and contributions for the Center for the Arts can be received, acknowledged and managed with integrity and stewardship. This responsibility will shift to the Beaverton Arts and Culture Foundation as they develop their capacity.

REQUIREMENTS	FY 2015-16 ACTUAL	FY 2016-17 ACTUAL	FY 2017-18 BUDGETED	FY 2018-19 PROPOSED	FY 2018-19 ADOPTED
MATERIALS & SERVICES					
CAPITAL OUTLAY					
TRANSFERS					
CONTINGENCY	0	0	1,000,000	1,100,000	1,100,000
TOTAL	\$0	\$0	\$1,000,000	\$1,100,000	\$1,100,000

Funding Sources:	FY 2015-16	FY 2016-17	FY 2017-18	FY 2018-19	FY 2018-19
Beginning Working Capital	\$0	\$0	\$0	\$100,000	\$100,000
Contributions and Donations	\$0	\$0	\$1,000,000	\$1,000,000	\$1,000,000

Program Objective:

The overall objective is to create a structure and process to raise \$11.1 million over three years entirely from private sources in a Capital Campaign. This amount complements a lead donation of \$13 million from an anonymous source, conditionally pledged to the completion of the Center for the Arts (BCA) facility. The third major portion of the funding for the project is a Special Revenue Bond repaid by Lodging Tax funds of the City. The construction budget is tentatively estimated at \$46 million.

Progress on FY 2017-18 Action Plan:

As envisioned there was no activity in this fund. The city chose to provide grants to the Beaverton Arts and Culture Foundation (BACF) as an investment in capital campaign capacity. That has proven fruitful. See below.

FY 2018-19 Action Plan:

A capital campaign is a relatively rare task for a local unit of government. While the organization has received tax exempt donations from individual and organizations from time to time, it is important for the city to partner with the Beaverton Arts and Culture Foundation (BACF) to accomplish this task. These tasks begin in spring 2017, planning continues in the early months of the 2017-18 fiscal year and then fund raising with targeted individuals and organizations commences. A later phase will involve appeals to the general public for donations and contributions.

Specific tasks include:

- Form a Capital Campaign Committee with visible and capable leadership
- Create a structure that is recognizable to donors as a nonprofit as well as confidence-inspiring with the appropriate tax status
- Use the Campaign Readiness Inventory to develop internal campaign staff capacity both within the city and within BACF
- Develop the Case for Support based upon feedback gained during the "Capital Campaign Readiness Assessment" study
- Develop appropriate policies and procedures to accept gifts and the capacity to oversee asset transfer, liquidation (if necessary) and donor acknowledgement for tax and stewardship purposes
- Establish appropriate controls and processes to receive, document and receipt donors for their gifts
- Establish systems for handling fund raising expense, track and monitor related expenditures and generate reports as necessary by leadership, stakeholders and management for accountability and transparency

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- Develop a coordination agreement between the BACF and the City outlining the division of roles and responsibilities
- Obtain the services of qualified Campaign Counsel to monitor overall campaign activity, assist with donor requests and coaches staff and volunteer leadership of the campaign
- Develop fiscal oversight capabilities and expectations
- Create a program for on-going programmatic support for the Center for the Arts

Performance Measures:	FY 2017-18 Budgeted/Revised	FY 2018-19 Adopted
Create Capital Campaign Committee	August 2017	Active
Acquire the services of Campaign Counsel	July 2017	Active
Solicit and receive pledges of gifts and contributions	\$5,100,000	\$1,000,000

Performance Outcomes and Program Trends:

The Campaign Readiness Assessment and Strategic Resources Study provided an overview of the atmosphere for capital campaigns in the Portland metropolitan area with a focus on the arts. The conclusions were that, "...with enough time and care and sense of investment, the city can put in place the (experienced) staff and other resources to conduct a capital campaign." Since that time the city hired a General Manager for the Center for the Arts, thoroughly experienced in event and facility management as well as intimately familiar with the current state of arts, music and theatre. In addition, a Director of Philanthropy was brought on board who is well versed in the capital development field and is familiar with the city. These staff resources are described in the Lodging Tax Fund portion of this budget. Information about plans for the construction of the BCA appear in the Capital Development Fund – Program 3521.