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Date: November 3, 2014
To: City Council
From: Karen M. Kurt
Re: Donations, Sponsorships and Advertising Policy

Attached you will find three background documents for this work session:

- 1) A proposed rewrite of the City's Donation, Sponsorship and Advertising Policy prepared by City staff based on the concepts identified by the Park Board working group, City Council feedback at two work sessions, and staff recommendations;
- 2) The current Donations, Sponsorship and Advertising Policy approved June 5, 1995; and
- 3) The last draft of the Donations Policy prepared by a working group of the Park Board and shared with City Council in February 18, 2014.



DONATIONS, SPONSORSHIPS AND ADVERTISING POLICY

1. General Statement

This policy is intended to apply uniform criteria and guidelines for donations, sponsorships and advertising across City departments and functions. The objectives of the policy are to:

- Establish and guide relationships with donors, sponsors and advertising organizations who share the City's commitment to provide a high-quality civic environment;
- To enrich our community by responsibly and efficiently managing such activities; and
- To generate revenue to fund new and existing facilities, projects, programs and activities for the benefit of the City and its residents.

2. Donations

Introduction

The City of Edina encourages and welcomes donations from civic groups, organizations, individuals, businesses or churches for a variety of community programs, projects or events. The City appreciates the generosity of donors who wish to make Edina a better community for all.

Types of Donations

Donations are defined as a monetary (cash) contribution, financial securities, real or personal property the City has accepted and for which the donor has received no compensation, goods or services in return. Donations may be restricted or unrestricted.

Donations fall into three categories:

Restricted donations are given for a specified purpose or with conditions attached. Restricted donations require a written agreement be accepted by the City Council. The written agreement should outline responsibility for purchasing, installation, repair and replacement costs. Unless the written agreement provides for long-term repair and replacement costs, the City has the right to remove, relocate or dispose of a donation when it has been vandalized, damaged or reached the end of their useful life. The City also reserves the right to relocate a donation when its current location interferes with site safety, maintenance, facility use, aesthetics or construction activities.

Unrestricted donations do not have a condition specified for use or recognition. Donated items are assumed to be unrestricted unless a written agreement to restrict the donation is accepted by the City Council.

Donation programs are documented programs written by City departments for donations. Examples could include purchasing brick pavers, park benches or trees. The written program should cover the key elements of a written agreement for restricted gifts, including how donors will be recognized and what happens when the item is damaged or reaches the end of its life span. Donations programs will be

reviewed and approved by the City Council. When an approved program exists, gifts will be treated as unrestricted donations under the Donation Acceptance Process.

Donation Acceptance Criteria

Donations to the City often involve considerations of aesthetics, compatibility and cost. As a result, donations do not become the property of the City until accepted by the City Council. City leadership will evaluate donations for acceptance by the City Council based on the following criteria:

- The item is made of durable, high-quality materials and/or in good condition and there is an appropriate and safe place for location. The items should be free of inherent hazards or other characteristics that could potentially cause harm or injury.
- The donation doesn't conflict with future site plans, including improvements, renovations, conversions or potential changes in use. Donated items must compliment the character of the specific site or facility with respect to scale, materials, subject and style in relation to the physical site, its uses and its users.
- The donation doesn't include commercial advertising or solicitation. Corporate donations are encouraged, but will not constitute an endorsement of the organization, product or service by the City.

Donation Acceptance Process

City staff will evaluate all donations for approval by the City Council. If staff recommends approval of an unrestricted donation, he or she will forward the item to the City Clerk for inclusion on a resolution accepting donations for Council approval. If staff recommends approval of a restricted donation, a separate report and recommendation will be prepared for Council that includes the written agreement for the donation.

Donations given through a donation program do not typically require staff approval. These donations will also be forwarded to the City Clerk for inclusion on a resolution accepting donations for Council approval.

Recognition

Upon approval of this policy, recognition of unrestricted donations will follow the standards outlined below:

Donation Amount	Type of Recognition
\$500 to \$4,999	<ul style="list-style-type: none"> • Letter of appreciation from Department • Donation listed in annual <i>About Town</i> report
\$5,000 to \$24,999 (Bronze)	<ul style="list-style-type: none"> • Letter of appreciation from Mayor • Donation listed in annual <i>About Town</i> Report • Listed as bronze sponsor on publically displayed board at City Hall or appropriate City facility
\$25,000 to \$49,999 (Silver)	<ul style="list-style-type: none"> • Letter of appreciation from Mayor • Donation listed in annual <i>About Town</i> Report • Listed as silver sponsor on publically displayed donor board at City Hall or appropriate City facility • Engraved plaque of appreciation presented by Mayor, City Manager or other City official at an appropriate event (ribbon-cutting ceremony, facility or event opening, or City Council meeting)

\$50,000-\$99,999 (Gold)	<ul style="list-style-type: none"> • Letter of appreciation from Mayor • Donation listed in annual <i>About Town</i> Report • Listed as gold sponsor on publically displayed donor board at City Hall or appropriate City facility • Engraved plaque of appreciation presented by Mayor, City Manager or other City official at an appropriate event (ribbon-cutting ceremony, facility or event opening, or City Council meeting)
\$100,000 or more (Platinum)	<ul style="list-style-type: none"> • Letter of appreciation from Mayor • Donation listed in annual <i>About Town</i> Report • Listed as platinum sponsor on publically displayed donor board at City Hall or appropriate City facility • Engraved plaque of appreciation presented by Mayor, City Manager or other City official at an appropriate event (ribbon-cutting ceremony, facility or event opening, or City Council meeting)

Donations of less than \$500 will be acknowledged with a thank you letter from the facility/program manager or department director.

Recognition of restricted donations or donations through a donation program should generally follow the principles summarized in the table above. In some cases, a physical plaque at the site or similar item may be warranted to recognize the donation. Provisions for physical recognition should be covered in the written agreement for a restricted donation or in the donation program guidelines. Physical recognition should generally be discreet in nature, uniformly applied and consistent with City branding standards.

Edina Community Foundation

This policy also applies to donations (grants) from the Edina Community Foundation. Most donations can be made directly to the City. However, the Edina Community Foundation can be an important partner when soliciting donations. Partnership opportunities include those times when:

- Large-scale fundraising is necessary,
- Donations are being collected at an event hosted by an outside party to support a community goal, and/or
- Donors wish to remain anonymous.

Both the Foundation and donor (if applicable) will be recognized unless the donor requests to remain anonymous.

3. Sponsorships and Advertising

Definitions

A *sponsorship* is payment to support an event, program or facility with the expectation that the sponsor will be publically acknowledged for their contribution. To qualify for a tax deduction under IRS rules, sponsors can only be acknowledged by mentioning or displaying the following: company name, company logo, slogan, product lines or value-neutral descriptions of a sponsor's goods or services, and contact information (address, phone number and web address). It is also permissible to distribute or display a sponsor's products to the general public at the sponsored activity or event.

An *advertisement* is payment for the opportunity to market products or services through a City communication platform, program or event. Advertisements include a call to purchase, sell or use the advertiser's products or services. Advertisements may also include coupons, endorsements, pricing or indications of savings or value, or comparisons to competitors. Fees for advertisements are set by Communications & Technology Services Department.

Guidelines

The City of Edina will not accept sponsorships or advertisements in the following cases:

- The organization's product or service conflicts with a City's policy or goal. For example, the City does not accept sponsorships or advertisements from organizations promoting tobacco use or gambling.
- The organization's product or service competes with a City enterprise facility.
- The sponsorship or advertisement supersedes or interferes with the primary objective of a program or service provided by the City of Edina.
- The sponsorship or advertisement interferes with the City's political neutrality.
- The sponsorship or advertisement supersedes or interferes with the aesthetic quality of public lands and facilities.

The City Manager or his or her delegate will determine the appropriateness of advertising and sponsorship requests. Generally, advertising will not be considered for City fixed assets (e.g. buildings, signs and equipment) with the exception of enterprise facilities. Advertising may be considered on fixed assets at enterprise facilities, which are expected to generate enough revenue to substantially cover operating expenses, as long as the criteria above are met.

Edina Liquor may advertise on fixed assets at enterprise facilities, but only to recognize the role Edina Liquor plays in funding City programs or facilities and not to promote product use.

Sponsorship Benefits

Sponsorships are payments to support a specific event or program(s) that have defined dates and venues. Sponsorship benefits are summarized in the table below. It is important to note that some benefits will not apply to all events.

Event Sponsorship Amount	Event Sponsorship Benefits (as applicable)
Under \$500	<ul style="list-style-type: none"> • Letter of appreciation from department • Sponsor's name on event website or page • Sponsor's name on event program
\$500-\$999	Benefits listed above, plus: <ul style="list-style-type: none"> • Verbal recognition of sponsorship at event
\$1000-\$2,499	Benefits listed above, plus: <ul style="list-style-type: none"> • Sponsor allowed to place a reasonably sized sign or banner at the event • Posters, ads or similar marketing materials include the logos of the sponsors • Free tickets (2 tickets for every \$1,000 given)
\$2,500-\$4,999	Benefits listed above, plus: <ul style="list-style-type: none"> • Sponsor allowed to have table or some other presence at event

	<ul style="list-style-type: none"> • Sponsor may purchase one deeply discounted ad in <i>About Town</i> or <i>Parks & Recreation Activities Directory</i> or commercial to run during Movies in the Park for every \$2,500 given.
\$5000 and \$9999	<p>Benefits listed above, plus:</p> <ul style="list-style-type: none"> • Sponsor given opportunity to speak at the event for up to two minutes • Sponsor is recognized as a “presenting sponsor” in press release • Sponsor is recognized as a “presenting sponsor” in marketing materials and advertisements.
\$10,000 and above	Benefits listed above, plus possible additional items negotiated as part of an agreement.

Additional sponsorship benefits - unique to the facility or program - may be approved by the City Manager, or his or her delegate, as long as the value is commensurate with the benefits outlined on the schedule above.



CITY OF EDINA DONATIONS, SPONSORSHIPS AND ADVERTISING POLICY

OVERALL POLICY

The City of Edina encourages and welcomes sponsorships and donations from civic groups, organizations, individuals, businesses or churches for a variety of community programs, projects or events. As a rule, sponsorships and donations will be sought after on a pro-active basis with the intent to enhance (or start new) programs or projects, as opposed to, seeking sponsorships and donations for the purpose of reducing tax funding for routine and/or essential goods and services provided by the City. The City encourages joint sponsorships, but, discourages exclusivity. In addition, the City will seek and rely on advertising for selected programs as a regular source of operating income when and where it is appropriate.

PHILOSOPHY/BACKGROUND

It has always been the philosophy of the Edina City Council to work together with the community in providing programs or events, such as Minnesota Splash, Golf Tournaments, Softball Tournaments, Edina Centennial Celebration and other special events which benefit the residents of Edina. The City of Edina and its various Departments work cooperatively with many civic groups, neighborhood associations and businesses to encourage a partnership with the city. Community residents take a great deal of ownership and develop a deeper commitment to the community when they can contribute with either financial resources or with volunteers working on community projects. It is important, however, that all donations and sponsorships be in keeping with the mission, ordinances, philosophy and policies of the City of Edina.

SPONSORSHIP/DONATION PLAN AND PROCEDURES

Sponsorships and donations have benefited the City of Edina for many years and have come in many different forms and have come from many different sources. Examples of some of the City of Edina programs that currently receive funding in the form of sponsorships or donations include:

1. Minnesota Splash.
2. Edina Art Center fund raising events, such as The Juried Show, Bunnies And Baskets, etc.
3. Edina Adaptive Recreation bowling.
4. Edina Cup Championship Golf Tournament.
5. Wally McCarthy Pro-Am Golf Tournament.
6. Edina Firearms Safety Training Program.
7. Edina Team Tennis Program.
8. Edina Family Jamboree Event.

Examples of some City of Edina programs that currently do not receive any alternative funding in the form of donations or sponsorships include:

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| 1. Fourth of July fireworks display. | 9. Adult broomball program. |
| 2. Tennis lessons. | 10. Adult hockey program. |
| 3. Tennis tournament. | 11. Swimming lessons. |
| 4. Coach pitch program. | 12. Ice skating lessons. |
| 5. Playground program. | 13. In-line skating lessons. |
| 6. Adult bandy program. | 14. In- line hockey program. |
| 7. Adult volleyball program. | 15. Traveling puppet show. |
| 8. Adult softball program. | |

As a matter of policy, the City of Edina will seek donations or sponsorships for the above programs only in the event that the sponsorship or donation will further enhance the activity. As a matter of procedure, the City Manager will have the authority to coordinate the formal process of seeking and accepting donations and sponsorships to supplement and enhance City provided goods and services. Supplemental donations and/or sponsorships that exceed \$5,000 (or commitments exceeding 12 months) will require prior City Council approval. Prior to seeking donations or sponsorships for goods or services, the City Manager will define the terms of sponsorship and, when appropriate, will seek bids for each opportunity.

PROCEDURES TO ACKNOWLEDGE APPRECIATION OF DONATIONS

In addition, the City Manager will coordinate official acknowledgment of donations and sponsorships, which will include letters of acknowledgment and appreciation from the Edina City Council. For every donation that is equal to or greater than \$5,000, the City Manager's office prepares a Council resolution that expresses thanks and appreciation to the donor(s). The Department then writes a thank you letter, signed by the Department Head, and is sent along with a copy of City Council resolution to the donor(s). A copy of the Department Head's letter is forwarded to the City Manager's office. Each Department is responsible for coordinating their own fund-raising and donations campaigns and record keeping of those donations.

DONATIONS/SPONSORSHIPS DEFINITION

Sponsorships are typically acts of financial support of a program, good or service where the sponsor receives advertising in return for their sponsorship. Donations are considered gifts that typically demand no commercial advertising in return for their gift. Donations are usually recognized and acknowledged in the form of a plaque. There is fine line between a donation and a sponsorship, however, most sponsorships are driven by a desire to receive commercial advertising that will further benefit the sponsor's trade or business. Donations are those gifts given with no intent for commercial gain. Nonetheless, donations are often offered with specific personal demands.

DONATIONS/SPONSORSHIPS GUIDELINES

As a matter of policy, the City of Edina will not accept donations or sponsorships from the private sector or civic groups in the following cases:

1. When the donor's or sponsor's conditions demand that the City advertise alcohol, tobacco or gambling. The City of Edina will not accept donations or sponsorships from individuals, groups or businesses who demand that, in return for their donation, the City advertise alcohol, tobacco or gambling.
2. When the donation or sponsorship advertising or recognition supersedes and/or interferes with the primary objective of the program or service provided by the City of Edina. The City of Edina will not accept sponsorships under conditions where sponsorship advertising detracts from, disrupts and/or adversely affects the experience and/or value of the recreation service being provided by the City of Edina. Each sponsorship demand must be judged individually as to whether or not the advertising or recognition supersedes and/or interferes with the recreation experience. Prior approval of advertising signs or banners is required. In no case should the sponsor's advertising disrupt or cheapen the recreation experience of the program or service provided by the City of Edina.
3. When the donated product or service poses an unacceptable level of liability to the City. For example, the City of Edina would not accept a donation of used playground equipment that did not comply with ADA requirements and/or appeared to be unsafe. In addition, the City of Edina would not accept donated services that expose the volunteer and/or others to unacceptable risks.

ADVERTISING PLAN AND PROCEDURES

The City will pro-actively seek and rely on advertising for selected programs as a regular source of operating income when and where it is appropriate. In the past, the City of Edina has seldom relied on advertising as a routine source of funding. One form of advertising that is currently sold as a routine source of operating income is the advertising space sold in the City of Edina's quarterly "About Town Newsletter." Another form of advertising space that is routinely sold is the sides of the ice-resurfacers used at Braemar Arena. As a matter of policy, the City of Edina will not sell advertising on permanent fixed assets that are not considered rolling stock

.For example, the City of Edina will not display commercial advertisements on baseball field fencing, backstops, tee signs at the golf courses, hockey boards etc. Advertising will, however, be considered on rolling stock, such as, a Zamboni. The City Manager shall determine the appropriateness of each advertising request.



CITY OF EDINA DONATIONS POLICY

Edina welcomes and encourages donations to the City.

DEFINITIONS

“Gift” and **“Donation”** shall be synonymous: They may be monetary contributions, securities, material items, real estate, intellectual property, or services, which the City Council has accepted and for which no goods or services were provided in exchange for the contribution.

City Facility: Includes parks, buildings, major features, streets and amenities owned by the City of Edina.

Existing Donation: Donations accepted prior to the adoption of this policy.

New Donation: Donations made after the adoption of this policy.

AUTHORITY

The acceptance of donations must comply with Minnesota Statute 465.03: Gifts To Municipalities. The City Council must approve a donation before it can be accepted.

TYPES OF DONATIONS

Unrestricted Donations: Donations of items described in “Gifts to Edina” and any donation to the city without a condition specified for use or recognition.

Restricted Donations: A donation given for a specified purpose or with conditions for use or recognition attached.

Real Property: Real Property donations shall be reviewed and a legal opinion rendered thereto by the City Attorney before acceptance by the City Council.

Grants from the Edina Community Foundation: A grant to the city from the Edina Community Foundation shall be considered as a donation and shall comply with this policy. Recognition and acknowledgement of ECF donors will be consistent with this policy.

Gifts of Professional Services: Professional services and waivers of fees shall be considered as donations and shall comply with this policy.

ACCEPTANCE OF DONATIONS

“Gifts to Edina” brochures for unrestricted donations shall be available at all staffed city buildings that offer resident services. A web page will also be created for accepting donations.

The City Manager or appropriate Department Director shall recommend to the City Council the approval or rejection of each gift and determination of its intended location.

Donations become city property upon acceptance by council and are irrevocable.

This policy does not consider donation pledges as donations until the donation has been received.

EDITED DRAFT DONATIONS POLICY Responding to Council Worksession

A donation shall:

- be in the best interest of the city
- cover all costs associated with the gift including but not limited to the full cost for the purchase, installation and recognition and, if required, repair and maintenance during the expected life span of the item
- comply with Minnesota Statute 465.03, "Nothing herein shall authorize such acceptance or use for religious or sectarian purposes"

A donation shall not:

- present a real or perceived conflict of interest for the city or its employees
- be a plaque resembling a gravestone or upright monument resembling those typically found in cemeteries, or other symbol or structure negatively affecting the nature of the site
- contain visible brands, symbols, trademarks and logos of non-City of Edina entities

The Department Director shall ensure that the products, construction materials and design meet city standards for maintenance, aesthetics and longevity. For trees and plants, the size at planting and specie shall be limited to those determined or approved by the city.

A specific life span shall be specified for all large-scale material donations and stated at the time of acceptance. The city does not guarantee the life span of a donation.

All terms of restricted donations shall be clearly stated and defined at the time of acceptance.

SIGNIFICANT DONATIONS

For campaigns that involve donations from multiple donors toward a large-scale project, the city shall not contract for services or purchase materials for any part of the project until donations cover the cost of those services and materials.

The city shall not contract for services or purchase material toward large-scale capital campaign projects until donations have been received for 100% of the donation goal for the entire project. To make exceptions to this policy requires formal approval from City Council with the amount needed to complete the project clearly stated and available in the budget.

MAINTENANCE OF NEW AND EXISTING DONATIONS

The city reserves the right to remove, relocate or dispose of donations and their acknowledgments when they have been vandalized or damaged by a natural act beyond reasonable repair, when it reaches the end of the life span, or when the donation and acknowledgment interferes with site safety, maintenance, facility use, aesthetics or construction activities.

The city does not guarantee survival of trees, plants or gardens.

The city shall attempt to notify the donor in writing, of any action related to the disposition of a large-scale donation. In certain situations, such as safety or emergency situations, the notification may be made after the action has already taken place.

The city reserves the right to seek a new donor for an existing gift at the end of the established life span should the original donor choose not to renew the donation, or if the city has not been able to contact the original donor.

EDITED DRAFT DONATIONS POLICY Responding to Council Worksession

RECOGNITION OF DONATIONS

The city shall send a letter of appreciation for all donations when contact information is available and when the cost of this acknowledgement does not overwhelm the donation received.

A ceremony or gathering for recognition shall be permitted but is not required, and shall be arranged in coordination with city staff and the donor(s).

Donors of city amenities such as artwork, benches, trees, picnic tables, gardens, fountains and park shelters may be discreetly recognized. This recognition may not necessarily be at the location of the donated item. Standardized recognition plaques shall be used to promote consistency in city branding. The size, type and plaque language will be approved by city staff. These plaques should be discreetly sized. For example, bench plaques shall be a maximum of 8 square inches. Recognition of amenities shall be clearly stated in "Gifts to Edina."

The donation shall cover all costs associated with recognition including materials, installation and maintenance for a defined period.

Donors requesting the naming or dedication of a City Facility shall comply with the City of Edina Naming and Dedication of City Facilities Policy.

The city shall recognize donors who have made significant contributions. This recognition is at the discretion of the Parks & Recreation Director and specified in the Donation Procedure. When appropriate and desired by the donor, recognition of a donation shall be displayed. This recognition shall be discreet both in size and placement. The recognition may not necessarily be displayed at the location of the donation. The recognition shall be displayed for a fixed, defined period which will be stated at the time of acceptance.

City Facilities shall not be overwhelmed by donor recognition.