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# **Evaluation of Financial Management Task Force Menu of Options Sponsorship Program Enhancement**

Presentation to Budget and Fiscal  
Affairs Committee

October 30, 2012



# Agenda

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- Background
- Evaluation Results
- Representative Sponsorships
- Recommendations



# Background

- The Financial Management Task Force, formed by a budget amendment in 2011, issued its Menu of Options for addressing the City's long-range fiscal issues.
- In June of 2012, the administration responded to a request from Budget and Fiscal Affairs Committee to evaluate the feasibility of a number of items on the Financial Management Task Force's Menu of Options.
  - A number of these items were underway, already done on a regular basis, or had been completed.
  - Other items, including increasing sponsorship of City programs, needed further, in-depth analysis.
  - The exact text of the FMTF sponsorship option was "Increase program sponsorship with the private sector. For example, local professional sports teams could subsidize city recreational sports."



# Background

(Continued)

- Inventoried the existing sponsorships in the City
- Reviewed the programs of other cities to understand implementation options
- Legal research:
  - State statutes
  - City ordinances
  - Court cases
  - Attorney General opinions
  - Past City Attorney opinions



# Evaluation Results

- Sponsorships fund programs in fifteen departments today.
- Sponsorships range in value from \$100 to \$300,000 cash value and up to \$3 million in in-kind value (KTRK TV/ABC-13 Freedom Over Texas coverage).
- Sponsors include commercial and not-for-profit entities
- Sponsorships cover both special events and City programs and services. Limited donations directly to City for facility construction or maintenance.
- Sponsorships are largely coordinated by staff that have other operational job duties.



# Evaluation Results

(Continued)

- No central clearinghouse for sponsors or sponsorships
  - What opportunities there are citywide
  - Prioritization of needs citywide
  - Who has been solicited
- No guidelines or standards for sponsorships
  - Acquiring
  - Valuing: cash, in-kind, volunteers
  - Recognizing sponsors or level of donation
    - Signage
    - Media
    - Website
    - Mayoral or Council Recognition



# Evaluation Results

(Continued)

- Companies sponsor programs in multiple departments. There is little or no coordination between departments that could enhance sponsorship value.
- Lack of coordination across City foundations on recruiting and recognizing sponsors; sponsorships/donations that come through foundations not consistently recognized by the City.
- Possible issues created by sponsorships may implicate free speech rights, the Sign Code, and ordinances or laws regarding conflicts of interest.



# Representative Sponsorships

- Operations, Programming, and Facilities
  - Parks and Recreation
    - Community Leaders Program – Baseball Field Renovations, Houston Astros – Program Lead and Lead Fundraiser, \$18 Million Goal Over Five Years
  - Housing and Community Development
    - Homebuyers Assistance Program, Wells Fargo, \$100,000
- Special Events
  - Mayor’s Office of Homeland Security
    - Annual Hurricane Workshop, CenterPoint Energy, \$100,000 Annual Cash and In-Kind Donations
  - Mayor’s Office of Special Events
    - Tour de Houston, Apache, \$100,000 Cash, \$20,000 In-Kind Donations, 100 Volunteers
  - Department of Neighborhoods
    - Back to School Fest, Shell – Lead Sponsor, \$50,000





# Recommendations

- Create new Administrative Policy that provide standards for acquiring, implementing, and monitoring sponsorship opportunities and programs.
- Recognize distinction between special events sponsorship and underwriting of City operations, programming, and facilities.
- Provide central, citywide coordination of sponsorships to enhance program for City and sponsors alike
- Add value to sponsors by recognizing total donations to the City in our sponsorship programs
- Prioritize sponsorship opportunities citywide
- Add dedicated staff to sell sponsorships
- Expand recognition of sponsors, but avoid permanent outdoor signage as part of the sponsorship program



# Next Steps

- Administratively require that special events fundraising overseen by all City departments now be coordinated through Mayor's Office of Special Events
- Conduct further, in-depth research into top five fundraising cities and how their programs were created and are managed
- Issue request for qualifications (RFQ) on fundraising program creation and implementation
- Design and implement City of Houston program and policies