



Santa Clara Valley Water District

File No.: 18-0085

Agenda Date: 2/27/2018

Item No.: 4.4.

BOARD AGENDA MEMORANDUM

SUBJECT:

District Sponsorship Policy Discussion.

RECOMMENDATION:

Discuss and consider two proposed Sponsorship Policy recommendations from the Board Policy and Planning Committee:

- A. Discuss and consider revising the sponsorship limit set forth in Executive Limitation 5.4 from \$2,500 to \$5,000, and
- B. Discuss and consider authorizing staff to approve sponsorships at any amount provided that the approved sponsorship budget is not exceeded.

SUMMARY:

Executive Limitations set by the Board limit the amount of funding that can be approved for sponsorships without authorization from the Board. At the December 12, 2017 Board of Directors meeting, the Board referred a discussion of that policy to the Board Policy and Planning Committee (Committee), so that they could review and discuss the existing funding limitation, as well as potential revisions to it. On January 22, 2017, the Committee discussed this policy and recommended that the full Board consider and discuss two options, outlined above. This memorandum includes background on the sponsorship policy and a brief discussion of each option.

BACKGROUND

The District's Community Partnering Sponsorship program was developed in the late 1990s to 1) carry out the District's vision, mission, and goals in collaboration with local and regional organizations, including academia, civic, diversity, nonprofits, and other groups, and 2) strengthen the relationship between the District and the community we serve.

Accordingly, in 1999 the Board established two Executive Limitation policies under the procurement chapter (EL-5) that govern the Community Partnering Sponsorship program. These policies currently state that a Board Appointed Officer (BAO) shall:

- EL-5.4: Not allow any sponsorship greater than \$2,500, unless authorized by the Board.
- EL-5.5: Not allow for any sponsorships, contributions, or memberships that do not have a

nexus to the District's mission, vision, or Board governance policies.

The Board last revised EL-5.4 in April 2001, when it established the \$2,500 limit that stands in existing policy today. Consequently, and for the last 17 years, if a sponsorship request from an organization exceeds \$2,500 and staff recommends funding the amount in full, staff must bring the item to the Board for review and a decision.

As the Board noted at the December 12, 2017 Board meeting, there has been a noted uptick in the number of sponsorship requests submitted to the District-in Fiscal Year 16, there were a total of 41 approved sponsorships, and in Fiscal Year 17, there were 61. In addition, most of the sponsorships' minimum sponsorship levels now exceed the \$2,500 that staff is authorized to approve without Board action. The practical effect of this is that once staff informs the sponsor that their minimum request must go to the Board for approval, almost every single sponsor declines to do so and instead confers far fewer benefits to the District to meet the \$2,500 threshold. Other organizations pull the sponsorship request from consideration entirely when informed of the sponsorship dollar threshold, thereby denying the District the opportunity to engage in the event and with the organization and its attendees.

Consequently, the \$2,500 limit, which has been in effect for almost two decades, has resulted in an overall reduction in the benefits that our community partners have conferred to the District over time, which runs contrary to the goals of the District's Community Partnering Sponsorship Program. Given this, the Committee recommends that the Board discuss and consider two options:

1. Increase the limitation set forth in EL-5.4 from \$2,500 to \$5,000, and
2. Authorize staff to approve sponsorships in any amount above the \$2,500 limit, provided that the total amount budgeted for sponsorships in any given fiscal year is not exceeded.

For Option 1, the Committee noted that such an increase would be more reflective of current minimum sponsorship levels, and would restore historic levels of benefit and critical community engagement to the District. For Option 2, the Committee noted it could provide staff with more flexibility as they consider sponsorship requests, but also noted that that option would benefit from additional discussion by the full Board.

Given that the existing sponsorship limit of \$2,500 set forth in EL-5.4 has been in existence for the last 17 years without modification, given that minimum sponsorship levels exceed the current limit, and given the Community Partnering Sponsorship Program's commitment to 1) carry out the District's vision, mission, and goals in collaboration with local and regional organizations, including academia, civic, diversity, nonprofits, and other groups, and 2) strengthen the relationship between the District and the community we serve, the Committee recommended that the Board discuss and consider both options outlined above.

FINANCIAL IMPACT:

If the Board approves either of the Committee's recommendations, it could result in fewer overall sponsorships approved by the District, because each sponsorship would reduce the overall level of funding budgeted for that purpose at a faster rate, if the amount of funding remains unchanged year to year.

CEQA:

The recommended action is a ministerial action and thus is not subject to the requirements of CEQA.

ATTACHMENTS:

None.

UNCLASSIFIED MANAGER:

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