

City of Fort Worth
Parks and Community Services Advisory Board

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SUBJECT: ENDORSE MANAGEMENT AND OPERATIONAL REVIEW OF THE FORT WORTH NATURE CENTER & REFUGE AND THE RECOMMENDATION THAT MANAGEMENT OF THE FORT WORTH NATURE CENTER & REFUGE REMAIN WITH THE CITY OF FORT WORTH

RECOMMENDATION:

It is recommended that the Parks and Community Services Advisory Board endorse the comprehensive management and operational review conducted to determine the feasibility of contract management of the Nature Center & Refuge (Nature Center) by the non profit 501(c)(3) Friends of the FWNC&R, and to also recommend, based on the outcome of the review process, that management of the Fort Worth Nature Center & Refuge remain with the City of Fort Worth at this time.

DISCUSSION:

During the budget development process for FY2011, the City Council was faced with difficult economic choices as a result of a projected gap in the FY2011 General Fund Operating Budget. As part of that discussion, the City Manager challenged departments to think about delivering services in new ways to create efficiencies and reduce costs where possible. An investigation into possible overlapping services within the City and existing and potential partnerships with other agencies was considered worthy of review. This resulted in the creation of the City Manager's Review Committee for the Library and Parks & Community Services Departments to find ways of improving the efficiency and delivery of Parks and Library services in light of ongoing budget constraints.

The fifteen (15) member citizens' review committee conducted a comprehensive assessment of the Library and PACS Departments and adopted its final recommendations on May 19, 2011 and the final report was forwarded to City Manager on May 25, 2011. One of the twenty four (24) recommendations made by the Committee related to the management and operation of cultural, historic and educational venues and service programs. Specifically the Committee recommended that the City Manager:

Consider risks and benefits of shifting management of the Botanic Garden, Nature Center, Log Cabin Village and the Cowboy Santas program from the City to their respective non-profit support groups.

For each of the above named facilities and programs, the following is recommended:

1. Review the current role of all support groups.
2. Study any possible changes that would enhance the operation for the benefit of the public.

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3. In conducting the review/study for each facility the following criteria should be considered:
 - a. Evaluate the financial benefit potential including increased revenue from fundraising, private foundations, corporations, trusts, memberships and fees for programs, special events, rentals, admissions and parking while maintaining accessibility across diverse social and economic levels.
 - b. If the City decides to engage in any contracts, ensure that development of the facilities is consistent with a publicly adopted master plan.
 - c. Conduct appropriate market studies to understand origin of patrons and willingness to pay for services.
 - d. Ensure a mechanism for accessibility to students and low-income citizens.

Non Profit Agency Investigation Process and Conclusions

Prior to the formation of the City Manager's Citizens Review Committee the two non-profit support groups for the Nature Center, the Friends of the Fort Worth Nature Center & Refuge, Inc. (Friends) and the Fort Worth Nature Center & Refuge Conservancy (Conservancy) had already begun to explore the possibility of contracting with the City to manage the facility. The Conservancy, which formed in 2004 to facilitate the implementation of the Nature Center's 2003 Strategic Master Plan initiated the process in November 2010 in collaboration with the Friends and Park staff. Contract management for the facility was explored for the following reasons:

- The Nature Center would no longer have to compete for funding with City services that had been assigned a higher priority.
- Few of the recommendations set forth in the 2003 Master Plan had been completed due to funding uncertainties through the City of Fort Worth's (CFW) General Fund budget.
- Management by a non-profit entity would enable a simpler process to be put in place for accepting donations and outside funding for capital improvements.

A series of meetings and independent discovery studies began on December 9, 2010, and subsequently an Informal Report (I.R. No. 9337) was issued to the City Council on December 14, 2010. The meetings included representatives from the Conservancy, the Friends, Parks and Community Services, the Budget Office, the City Attorney's Office, the City Manager's Office and an independent consultant hired by the Conservancy to guide them through the process. Between meetings staff conducted research, gathering information from other City Departments, other Nature Centers and other non-profit agencies similar in scope in an effort to respond to questions and provide evaluative data to the study committee.

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It was during this period of discovery and regular meetings that the City staff, Friends and Conservancy agreed that the City would only enter into a contractual agreement with a single entity. After a year-long process of meetings and negotiations conducted separately from the contract management discussion with the City, the Friends and Conservancy merged their operations on December 31, 2011. (The newly merged group is continuing as the Friends and continues to employ the independent consultant hired by the Conservancy.)

The Friends then formed a Finance sub-committee to further examine the Nature Center's budget in greater detail. Together, City staff and the sub-committee scrutinized each line item of the budget in order to provide the Friends a comprehensive and realistic understanding of what is actually involved in the operation of the Nature Center. A total of seven meetings were held during the period from December 2010 to May 2012. Further, staff met individually with the Friends' consultant a number of times during this period. At a final meeting with City representatives on May 31, 2012 the Friends presented the results of their investigation and analysis.

Upon completing their investigation the Friends voted to decline assuming the management of the Nature Center at this time as communicated in the attached June 27, 2012 letter to the Parks and Community Services Advisory Board. Highlighted in the Friends letter are the following points that had a major influence on their decision:

- The administrative infrastructure and support services that currently exist under the City's umbrella are of critical importance as they subsidize indirect administrative costs of the Nature Center's operations.
- This is a crucial element of ongoing operational success because even if the City guaranteed the current Nature Center budget allocation to the Friends in perpetuity, the current Nature Center operations would have to be drastically reduced in order to absorb the greater cost of operating without the City's administrative and operational support.
- Due to the assumed contract management fee obligation the benefit to the City's General Fund budget would be minimal to none.
- The current climate for natural gas leasing is poor with no guarantee of substantial revenue in the near future to assist in implementing recommendations of the 2003 Master Plan. Therefore the Friends believe that their time is better spent fundraising to supplement the Nature Center's City budget allocation.

While contract management is not being pursued at this time a number of benefits came

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out of this process, including the following:

- Merger of Friends and Conservancy
- Better understanding by support groups of operations
- Comparable research of other facilities to identify best practices
- Comprehensive recording of all revenues and expenditures sources and programs/operations

Staff recommends that the Parks and Community Services Advisory Board endorse this review and recommendation that management of the Fort Worth Nature Center & Refuge remain with the City of Fort Worth at this time. Pending action by the Park Board, an Informal Report from the City Manager to the City Council will be issued in October 2012.

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