

AGENDA
JENSEN-OLSON ARBORETUM ADVISORY BOARD
Valley Library
Wednesday, February 8th, 2017
5:15 P.M.

- I. Call to Order
- II. Approval of Agenda
- III. Public Participation on Non-Agenda Items
- IV. Approval of Minutes - Wednesday, November 11th, 2016
- V. New Business
 - a. JOA Endowment
 - b. 2016 Annual Report
- VI. Unfinished Business
- VII. Committee, Liaison, and/or Staff Reports
 - a. Chair Report – E. Buyarski
 - b. Manager Report – M. Jensen
 - c. Friends of JOA Report – P. Harris
 - d. Other Business
- VIII. Adjournment

DRAFT MINUTES
JENSEN-OLSON ARBORETUM ADVISORY BOARD
Mendenhall Library, Small Conference Room

Wednesday, November 9, 2016

5:15 P.M.

I. Call to Order at 5:17 by Chair, Ed Buyarski

Present: Kristin Bartlett, Shawn Eisele, Peter Froehlich, Kim Garner, Patricia Harris, Nell McConahey

Absent: Steve Moseley, Deborah Rudis

Staff Present: Brent Fischer, Facilities, Parks, & Landscape Superintendent; Lauren Verrelli, P&R Administrative Assistant II

II. Agenda Changes –

- Add the Master Plan Process under New Business

III. Public Participation on Non-Agenda Items – None.

IV. Approval of Minutes – August 17th, 2016:

August 17th, 2016: P. Froehlich makes edit to the spelling of David Hass' name. P. Froehlich moves to approve the minutes, no objection. ***Minutes adopted.***

V. Unfinished Business –

A. Update on legal language regarding tourism operations:

B. Fischer: As far as tourism goes, it's very restricted. If an Arboretum docent or volunteer wants to run a tour out at the Arboretum, there's no permit required. If you want to charge for it, you'll need to seek Seal Trust permission.

E. Buyarski: The people have to get out there somehow. The taxi service can drop people off there and pick them up, but they cannot be a docent.

B. Fischer: If a taxi service drops people off at the Arboretum and they're not providing a tour of the grounds, which would be okay.

S. Eisele: You can provide educational classes to locals at the Arboretum and you can charge for them correct?

B. Fischer: Yes.

S. Eisele: Does the line change when there are people not from town that you're charging for the class?

B. Fischer: Parks & Rec requires any commercial activity on P&R property to have a permit. If Merrill puts on a class and revenue is exchanged which goes back into the Arboretum, it is the facility that is putting on the event which would not require a permit. We can't have someone come in, charge for their services and benefit from the class that would require a permit.

E. Buyarski: Next year, the Juneau Garden Club is planning on having garden tours with the Arboretum being one of the featured gardens. Then in 2018, there will be the National Primrose Show in Juneau which would bring people out to the Arboretum. The Garden Club does benefit, since they sell tickets for these tours. Will that be an issue?

B. Fischer: The Garden Club is a non-profit, and the purpose of the tours is education, correct? Do they charge for the participation in the conference?

E. Buyarski: Yes, it is an educational tour. The money they take in goes back to the community, in the form of scholarships and they also donate money to the Arboretum. They haven't charged for participation in the conference in the past, if anything they would charge for the transportation out to the Arboretum.

P. Froehlich: If the Garden Club is charging for this, on the ticket, it can include donation in some form.

S. Eisele: For Discovery Southeast's purpose, we frequently work with the Forest Service and we charge a fee for our summer camps, we generally would need a permit for that but since this is educational and the Forest Service wants kids to get educated on the Tongass, we have a partnership with the Forest Service to offer these camps. You would think the City would, have a partnership with whoever is offering the services.

B. Fischer: The board needs to come up with scenarios that we will be run by Seal Trust and then the Law Department. The easement is the guideline, all we're doing is checking with them to see if what we want to do it okay.

P. Harris: Docents are volunteers at the Arboretum, will the policy be, that they can charge visitors and the money would go to the Arboretum or will it be donations only?

B. Fischer: Merrill needs to be a part of this conversation; he has said he doesn't want to handle money.

P. Froehlich: The Friends of the Arboretum will be providing the docents, we had about half a dozen people signed up to volunteer for it. The idea is that the Friends would be handling the money and organizing it, Merrill would just train the docents but besides that the City would not be involved.

VI. New Business –

A. Master Plan Process:

B. Fischer: We're currently in the process of updating the Master Plan for Parks & Rec, the attached form gives a quick overview of our timeline. We're looking for feedback on what you want to see for the future of the Arboretum.

P. Harris: We need to send Alix the survey we have been conducting through FJOA.

VII. Committee Liaison and Staff Reports

A. Chair Report: None.

B. Manager's Report: Included in packet.

C. Friends of JOA - P. Harris: We had a good turnout for the wine tasting event but didn't make a much as we did in the past, but only by a little. We have had several board members who have had to resign so we're looking for more board members. We had 34 donors for our Pick, Click, Give.

VIII. Other business— None

Adjournment – 6:19 p.m. *Having no further business before the Board.*

Next Meeting: Wednesday, February 8th at 5:15 p.m. in the Mendenhall Library.

Respectfully submitted, Lauren Verrelli, Administrative Assistant II, 12.8.16

Meeting with CBJ on JOA financial matters

December 5, 2016

Attendees: Bob Bartholomew, Jean Hodges, Kathleen Jorgensen – CBJ Finance

Kirk Duncan, Brent Fischer, Lindsey Foster, Merrill Jensen – Parks & Rec

Kelly Jensen – JOA resident and stakeholder

Kim Garner – JOA Advisory Board

Lindsay scheduled meeting with a goal of getting her questions answered so she can work more effectively with the CBJ budget for the arboretum.

Bob opened meeting with observation that some of us have met on the arboretum endowment every couple years, and the hope that this meeting would address all questions and concerns. This outcome was generally confirmed by attendees at the conclusion of the meeting.

Finance distributed JOA Background Information document prepared July 21, 2016 and a Fund Balance Analysis for the JOA Permanent Fund as of June 30, 2016. The analysis reflects FY 16 unaudited fund balance of \$239,856 at Vanguard and \$141,829 available in general fund. It also shows the house rental since 2007 as an inflow to fund balance.

Bob said they have been withdrawing 4% of rolling 5-year average earnings from endowment to fund a portion of the arboretum operating budget. This matches the "Investment and Spending Policy" approved by the JOA Advisory Board on October 26, 2011.

Given the long-term goal of growing the endowment to a level that wholly supports the arboretum operations, he said the annual draw should not increase beyond the current \$89,300 for the time being. Kirk did a quick calculation showing at this rate it would take over 20 years for the arboretum to become self-funded by endowment earnings.

Budget documents reflect \$418,400 available at end of FY 15, which is the excess of assets in the permanent fund over the original amount of the endowment. Concern was expressed that this presentation does not communicate the fact that inflation-proofing is required to simply maintain the purchasing power of the endowment. Finance staff said they have flexibility in budget document presentation.

Parking lot project addresses a safety issue. It is ready to go from a funding standpoint. There is no match requirement on the \$75,000 project budget, but it is likely insufficient. Project approval is still being worked through between state DOT and Federal Highway Administration. Merrill is tracking progress.

Meeting with CBJ on JOA finances 16-12-5

December 5, 2016

After the parking lot, the next highest priority is the sunroom repair/rebuild. It is attached to the residence and it is crumbling.

The possibility of using the \$142,000 in the general fund for these two purposes was discussed. If stakeholders (SE Alaska Land Trust, JOA Advisory Board, Friends of Jensen-Olson Arboretum) support this idea, make recommendation to Parks and Rec and they will make the request through Finance to the Assembly.

The option of having the Juneau Community Foundation manage the endowment was discussed briefly. Their investment strategies may be a better fit for assets with a permanent timeframe. This possibility is also something stakeholders should consider and communicate their preference to CBJ Finance.

Subsequent to the meeting, Lindsay researched a previous CIP project P42-075 that reflected \$88,240 spent on arboretum and determined it was repairs to roof funded by endowment. Likely the \$91,000 in Capital Project Funds transfers shown on the Fund Balance Analysis as of June 30, 2016.

Action Items:

1. Kim – make stakeholder groups aware of two issues for consideration.
 - Evaluating option of JCF investing endowment may take a meeting with JCF, CBJ Finance, and stakeholder representatives.
 - Propose recommendation from JOA Advisory Board for rent receipts to regularly transfer to endowment investment going forward – perhaps annually.
2. Brent and Merrill – request CBJ Finance staff to return the balance in P42-075 back to endowment investment.

Jensen-Olson Arboretum Background Information Prepared July 21, 2016

The original Jensen-Olson Arboretum donation consists of two parts: 1) the real property on which the arboretum exists and 2) the funds to support the property. The support fund is segregated between the original endowment of \$2,097,200 and earnings. The earnings include investment income and commercial revenues earned on the property (via rentals, gift shop proceeds, plant sales, etc.).

The original \$2,097,200 is inviolate and cannot be used or reduced. The commercial revenues and some investment earnings can be used for the following purposes:

- To preserve, protect, and maintain the horticultural areas including the residence and other structures (excluding the railway or the boathouse)
- For the financial administration of the arboretum funds and maintenance of related records
- For capital improvements of benefit to the property including
 - Improvement for greater public enjoyment (hiking trails, nature walks, and compatible activities.
 - To expand the horticultural areas (additional acreage, variety of species, greenhouses)
- To support educational and scientific programs and activities, especially those in conjunction with UAS

In addition to the allowable expenditures, the original intent was to accumulate some of the investment earnings to protect against inflation and grow the support fund to a sufficient size to insure the survival and perpetual maintenance of the arboretum property.

The Jensen-Olson Arboretum Advisory Board has interpreted the endowment language. According to the original endowment agreement, the fund was expected to be allowed to grow AND the income was allowed to be spent. Therefore a policy decision was made on October 26, 2011 clarifying the amount to be made available each year from the investment earnings. With the assumption of a 7% return on investments, it was agreed that 3% of the fund value at the end of each year would be reinvested and the remaining 4% would be spendable in the next fiscal year. This is the Support to General Fund line in the Jensen-Olson Arboretum's budget.

Funds retained in the Vanguard investment account should be considered restricted (not liquid or available beyond the 4% draw on earnings each year). Any fund balance other than the original principal and the restricted accumulation of earnings (i.e. the balance in the Vanguard investment account) would be available for uses described above. At June 30, 2015, the most recent audited financial statements, this available amount is \$154,000.

There is currently an approved CIP (P47-076) for \$75,000, funded by sales tax, in the FY17 budget which is intended for the Arboretum parking lot and conservatory improvements.

CBS Finance wrote

Still an account in general ledger Arboretum account

\$416,400 available includes all -- not all available

Jensen-Olson Arboretum
Permanent Fund
Fund Balance Analysis
As of June 30, 2016

	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>
Endowment	(Unaudited)	79,638	311,993	200,086	86,618	261,408	184,650	(79,185)	(71,824)	77,876
House Rental	65,334	10,866	10,866	10,866	10,866	10,448	10,866	10,866	10,448	2,014
Events/fundraisers/Auction proceeds	10,866	1,200	(315)	300	1,318	300	187	400	1,562	4,332
Transfers from:										
General Fund								98,900		
Transfers to:										
General Fund		(87,500)	(85,800)	(311,800)	(138,000)			(10,900)	(80,500)	(23,600)
Capital Projects Funds									(20,000)	(71,000)
Net change in fund balance		(12,800)	4,204	236,744	(100,549)	272,156	195,704	20,081	(160,314)	(10,378)
Ending Fund Balance										
Unspendable	2,097,159	2,097,159	2,097,159	2,097,159	2,097,159	2,097,159	2,097,159	2,097,159	2,097,159	2,097,159
Restricted	239,856	263,822	271,684	45,491	157,205	208,588	-	-	-	-
Available	141,829	154,629	142,563	132,012	120,846	108,661	45,093	(150,611)	(170,692)	(10,378)
Total Ending Fund Balance	2,478,844	2,515,610	2,511,406	2,274,662	2,375,210	2,414,408	2,142,252	1,946,548	1,926,467	2,086,781

4% of availability 5 year average

Restricted - earnings that haven't been allocated spent

Following 4% of 5-year average of endowment

Shouldn't grow beyond \$89,300 for the year

parking lot project is ready to go.

No money on \$75,000

Parks & rec & arboretum discussion of which to do w/ \$142 in GF

Friends of Jensen-Olson Arboretum makes the following recommendation to the Jensen-Olson Arboretum Advisory Board for submitting on to the CBJ Finance department:

#1: The Advisory Board requests that all rent receipts from the manager's residence beginning with March 2017 be transferred to the endowment investment fund on a regularly-recurring quarterly basis.

#2: The Advisory Board requests that of the \$142,000 in the general fund account available for expenditure (outside the endowment investment fund), expenditures be made in the following priority during Spring 2017: Priority 1: currently, CBJ has budgeted from the 1% sales tax revenue an amount of \$75,000 toward construction of a parking lot at JOA; please allocate funds from the \$142,000 to cover parking lot construction costs not covered by the already-allocated \$75,000. Priority 2: please allocate additional funds from the \$142,000 to cover full costs for repair and re-building the sunroom on the residential property.

#3: The Advisory Board requests that any funds remaining from the \$142,000 available to spend after completing Priority 1 and 2, be returned as soon as possible to the endowment investment fund.

Jensen-Olson Arboretum

Manager's Report to the Advisory Board

February 8, 2017

- IrisBG plant data base work – caught up 2016 accessions and beginning to import photos into the data base. Also correcting inaccurate information (misidentified plants)
- Seed orders compiled and sent out to 4 different seed exchanges (American Primrose Society, Scottish Rock Garden Club, North American Rock Garden Society and the Meconopsis Group) and one private collector who was working in China
- Weather damage – wind and snow breakage.
- Mower taken into CBJ Fleet for repairs/maintenance *Completed*
- Parking Lot meetings - we now have DOT's blessing to proceed! Construction is scheduled to start later this year and should be completed before fall.
- Planting of tulip bulbs in containers and placed in cold storage. Put off planting for a month to see if early spring emergence can be avoided.
- Work on FY18 budget – new procedures is streamlining the process
- A Garden in Words - Stanly Smith Horticultural Trust Grant not awarded. Stiff competition and less than third of the proposals submitted were funded. FJOA decided to fund this project.
- Sourcing and ordering plant material and engraved stones for A Garden in Words. Will pick up plant material in March.
- Winter pruning of trees and shrub started
- Residence maintenance issues – water pump switch burned out, water softener overflowed (plugged internal valve) phone service out twice due to ACS hardware problems. Replaced mail box due to being flattened from DOT snow plow operations
- January thaw has spring bulbs coming up early again. 2nd earliest bloom record of January 30th *snowdrops opened, month early*
- Sowing seed from Exchanges as it arrives from around the world

Attending the NW Garden Show

** QR code to link the plants to the Cbj website*