

GROWING MONEY ON TREES:
THE SEARCH FOR FISCAL
SUSTAINABILITY AND LEADERSHIP
AMONG WESTERN ARBORETA

Interim Sabbatical Report

By

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August 15, 2014

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August 15, 2014

Lane Community College
Professional Development Department
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Dear FPD Committee and VP Instruction:

As required by the faculty professional development policies for sabbatical leaves, I have prepared a report summarizing my research project.

At this point, this is an interim report. The project required an adjustment to the initial research plan, which combined with time constraints have not allowed for the finalization of the project. Recently, I have found the needed direction to move the project forward and anticipate completion by fall of 2015.

Addendums will be added to this report as the subsequent research pieces are completed. A more thorough understanding of these component pieces and the work completed thus far will be evident upon reading the report.

Thank you for the opportunity to share this information. If you have any further questions, please feel free to contact me directly.

Sincerely,

Chris Culver, MBA, CPA
Instructor

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Section 1

INTRODUCTION

Purpose

The primary purpose of this research project was to evaluate financial models of western arboretums and to determine overall financial best practices. Additionally, information and resources were to be obtained that could be of benefit to Mount Pisgah Arboretum. Potential ancillary benefits of the project also included the possibility of related topics or subject matter that could be used in future Business Department nonprofit courses.

Goals

The intention was to visit arboretums and to find a small handful of arboretums that would be worthy of comparison. Once the arboretums were identified, financial analysis using audited annual financial statements and Internal Revenue Service Form 990s would allow for evaluation of identified arboretums. From this data various averages and performance metrics could be proposed and evaluations could be made to identify successful arboretums. Once quantitative identification occurred, qualitative drilling down could be done to determine the potential causal agents. These best practices would then be available for wider dissemination.

Objectives

The objectives of the project included a series of steps: developing the sabbatical proposal, visiting arboretums, identifying comparables, obtaining financials, determining metrics, and analyzing and sharing the data.

Section 2

METHODS AND PROCESS

Formulation

Mount Pisgah Arboretum (MPA) is a 209 acre native arboretum a few miles east of Lane Community College. I have enjoyed the privilege of serving on the Board of Directors of MPA for the last six years. For several of these years, I served as Treasurer.

In 2012 MPA changed its mission to focus exclusively on native plants, trees, and ecosystems. Native-focused land management is a trend that is growing within the greater conservation and ecology-oriented communities. This mission change was a significant undertaking and had the potential to impact the financial resources of the organization. This project was proposed as a way to better understand the financial models of arboretums.

A list of arboretums was developed with a focus on both traditional and native arboretums. Please see the Appendix for a list of initially considered visitation sites.

Visitations

During the spring of 2014, I had the opportunity to visit a variety of arboretums around the northwest. These arboretums represented an incredible diversity of organizations. Some were entirely public sector endeavors; others were entirely public nonprofits. Many represented some kind of an organizational hybrid that was a symbiotic partnership between public and nonprofit entities.

Please see Table 1 for a summary of the sites visited. During these visits I had the opportunity to tour sites, visit with staff, and discuss the uniqueness of each location. Not every site was staffed, so some internet searching and long distance conversations supported the visitation efforts.

Table 1 Summary of Visitations	
Arboretum	Location
Peavey Arboretum	Corvallis, Oregon
Delbert Hunter Arboretum	Dallas, Oregon
Oregon Gardens	Silverton, Oregon
Hoyt Arboretum	Portland, Oregon
Crescent Valley HS Arboretum	Corvallis, Oregon
Cheldin Middle School Arboretum	Corvallis, Oregon
Beekman Native Plant Arboretum	Jacksonville, Oregon
Claire Hanley Arboretum	Medford, Oregon
Pacific Union Arboretum	Arcata, California
Humbolt Botanical Gardens	Eureka , California

Data Collection

The initial data collected included information on location, size, funding sources, organizational models, and a variety of other components. In addition to data, observation and photographic inventory from visited sites were collected. A particular emphasis was placed on capital infrastructure and memorial policy observations. Additionally, the major goals of the visitations were to try and identify appropriate, comparable entities for analysis.

Some information was collected on programs and services, but this information is superficial at this time. Further data collection will occur now that a comparison process has been determined.

Analysis

A fundamental flaw exists within this project plan and scope. The process of obtaining comparable entities was much more difficult than anticipated. It was not as simple as comparing Ford to Toyota and General Motors or comparing Coke to Pepsi. The first challenge is the public ownership

of many of the arboretums. These entities do not produce independent audited financial statements or Form 990s. Often the function and operation of the arboretum support larger entities' endeavors and are thus not a focus of information reporting.

A handful of examples:

- Peavey Arboretum in Corvallis, which on a size basis is a nice comparison to MPA, is a resource of the OSU Forestry Department. Peavey is a line item in the OSU budget, and the program and mission goals of the entity make it a poor comparison.
- Beekman Arboretum, which is an attractive comparison because of its native focus, lacks the complexity of MPA due to its small size. This impressive historical native arboretum is a nice attraction in Jacksonville, Oregon, but is only a handful of acres and lacks the program diversity of MPA.
- Humboldt Botanical Gardens is more garden than arboretum, and it enjoys a relationship with College of the Redwoods campus in Eureka, California. This garden is nonnative in focus, much smaller in scale, and draws its volunteer resources largely from the college partnership. Capital resources are from donations, volunteers from the college, and operating funds are supported by admission fees. Typically, gardens can support admission fees, but arboretums have a more difficult time with entrance fees.

This lack of directly comparable entities has stymied the progress of this project and has necessitated a reevaluation of how to proceed.

Uniqueness of Mount Pisgah Arboretum

Sometimes when you are close to an entity, you fail to recognize the uniqueness and special attributes of that entity. MPA is a 209-acre native arboretum. Although native arboretums are on the rise, none visited came close to the size and overall scope of MPA. MPA has a vibrant education program, festivals and events, membership, and other specialized endeavors. A few arboretums would

represent a few of the characteristics of MPA, but none could be held up as a reasonable peer for pure comparison purposes. The totality of programs and resources delivered by MPA as a result of the volunteer contribution of time and money from community members is a real testament to the nature of our local community.

Section 3

RESULTS AND OUTCOMES

Funding Models

Table 2 provides a summary of the various funding models observed during the evaluation visitations. Entities that are not primarily nonprofit in nature make comparisons difficult. Public sector entities are more than happy to provide and share data, but the nature of their information systems makes it difficult to find the data necessary for comparisons. Often the data is rolled up into a much larger information system and getting the granularity necessary for comparative analysis is difficult. Ideally, it would be nice to compare MPA to arboretums that were significant in size, native, had capital and operation activities that were funded by donations, and had at least 5 FTE in employment staffing. You can see from just the funding models that significant diversity exists in the basic financial structures of arboretums.

Table 2
Summary of Funding Models

Arboretum	Capital Funding	Operational Funding	Staffing
Peavey Arboretum	Government	Government	Student/Faculty
Delbert Hunter Arboretum	Donation	Donation	Volunteers
Oregon Gardens	Donation	Revenue	Employees
Hoyt Arboretum	Donation	Donation	Staff/Volunteers
Crescent Valley HS Arboretum	Government	Donation	None
Cheldin Middle School Arboretum	Government	Donation	None
Beekman Native Plant Arboretum	Donation/Government	Donation	Volunteers
Claire Hanley Arboretum	Government	Government	Program Staff
Pacific Union Arboretum	Government	Government	None
Humbolt Botanical Gardens	Donation	Donation/Revenue	Staff/Student Volunteers
McKenzie River Trust	Donation/Grant	Donation	Staff/Volunteers
Glide Wildflower Festival	Donation	Donation/Revenue	Volunteers
Yakima Arboretum	Donation		
The Arboretum at Flagstaff			
Stribling Arboretum	Donation	Donation/Revenue	Staff/Volunteers
North Idaho Native Plant Arboretum	Donation	Donation	Volunteers
May Arboretum	Donation	Donation/?	Staff/Volunteers

Infrastructure

The challenges of data analysis did not impact the value of the visitations. Many useful infrastructure observations were possible. Some of the items observed included: memorial benches, memorial plaques, capital project acknowledgements, interpretive signage, way-finding signage, environmental



education displays, retaining walls, crowd control mechanisms, drainage management, integrated art projects, and landscape design schemes. The photo on the left is one of the more

attractive capital project acknowledgements. Many an organization will acknowledge capital donors with an inscribed brick in a public area of a project. This inscribed leaf is part of a series within a pathway at Oregon Gardens. They acknowledge capital project donors but also significantly add to the walkway while simultaneously supporting the organization's mission.

A variety of way-finding signage was observed. My personal favorite was from the Delbert Hunter Arboretum in Dallas, Oregon. This signage method was moderate in cost, effective, and consistent with the feel of their landscape. An example of the signage is available in the frame to the right. Both capital project acknowledgement and way-finding signage are two areas that MPA could improve its existing infrastructure efforts. Two other important infrastructure observations relate to interpretive signage and crowd/access control. A variety of methods could potentially work. The simplest and least obtrusive signage for identification was the plaque topped pressure treated 4 x 6. The plaques were sized to only cover the angled, cut post and were stationed low to the ground. This made the signage consistent with the environment and relatively unobtrusive. Some of the signs at



educational institutions were enhanced with QR codes that would allow participants to gain additional knowledge through online resources.

Twenty or more specific infrastructure design alternatives were captured in pictures. These will be made available in a slide show for entities or individuals that have an interest in these potential solutions.

Events

Another opportunity for comparative analysis is to look specifically at the role, vitality, and financial implication of special events. MPA has a fall Mushroom Festival and spring Wildflower Festival. During the spring visitations, I had the opportunity to visit the Daffodil Festival at the Long Tom Grange in Junction City, Oregon. This event, along with the wildflower festival in Glide, Oregon, could provide for meaningful analysis. Initially, these specialized comparisons were overlooked because they were not arboretums and didn't provide for holistic comparisons.

Section 4

REFLECTION

Unanswered Questions

Until recently this project has been a disappointment. Although it was enjoyable to visit arboretums and significant learning did occur, I could see early on that a significant design flaw existed within the research proposal. The inability to locate satisfactory comparisons made the more detailed analysis and financial metric development a fruitless endeavor. It wasn't until recently that I was able to come to grips with a strategy for overcoming this fundamental design flaw. I anticipate that with a reconfiguration of the approach that meaningful financial comparisons can now be developed.

Personal Growth

One of the interesting things that developed out of the process was a significant appreciation for the uniqueness of MPA and my significant sense of loss from not being in the classroom. I'm certainly more of a secondary research assimilator and sharer of information. Although the visitations were enjoyable and meaningful, I often found myself wishing I was teaching.

With a background in the professions, as opposed to research, I suspect my project design suffered from a lack of significant background in research methods. A more seasoned researcher might have foreseen the potential for poor comparisons and could have anticipated viable alternatives that could have quickly redirected the approach. Through this process I have gained a greater appreciation for the efforts of our research focused colleagues who are consistently engaged in primary research projects.

Ancillary Benefits

Recognizing the initial goals of financial metrics and best practices were temporarily sidelined, I sought alternative ways to create value through the project. As previously mentioned, I gained significant amount of exposure to ideas on how infrastructure solutions are being deployed at a variety of entities.

In addition to the primary goal of identifying financial best practice, one of the other goals of the project was to help advance the Business Department's offerings within the nonprofit subject areas. As part of this project, I've become a member of the Nonprofit Association of Oregon and BoardSource. Additionally, I've renewed my subscription to Nonprofit Quarterly and have read numerous publications related to nonprofits. (Please see the bibliography)

The Business Department and the LCC Curriculum Committee approved the creation of a course titled Intro to the Nonprofit Sector. (PPPM 281) This course is a transfer course to the University of

Oregon's Planning, Public Policy, and Management Department. I'm currently working on wrapping up the curriculum development for this course. The department, in conjunction with feedback from the advisory committee, has initiated the process of applying for a new AAS degree that will contain an option for a concentration area in nonprofit management. I have recently completed the course proposal, course outline, and unit planning initiative for the Managing Nonprofit Entities course. (BT 284) This course will serve as the capstone course in the nonprofit management concentration. The pursuit of this project has contributed to the advancement of these various endeavors and the information gleaned from this study will certainly add to the richness of the courses we offer.

Section 5

FUTURE STUDIES

Future Visitations

To realize the financial analysis goals of this project, the associated arboretums will need to be better screened and some entities outside of arboretums will need to be added to the group to be analyzed. Based on the information obtained thus far, the following entities in Table 5 will need to be visited and included within the analysis. These visitations will likely occur in the winter of this year or the summer of 2015.

Table 5 Future Visits	
Entity	Location
Mckenzie River Trust	Eugene, Oregon
Glide Wildflower Festival	Glide, Oregon
Yakima Arboretum	Yakima, Washington
The Arboretum at Flagstaff	Flagstaff, Arizona
Stribling Arboretum	San Fransico, California
North Idaho Native Plant Arboretum	Sandpoint, Idaho
May Arboretum	Reno, Nevada

Future Studies

To come up with meaning and useful metrics, a change of approach is necessary. After a period of not knowing how to proceed, I've come across the idea of disaggregating the entities to perform analysis at specific program and unit levels. This approach is borrowed from the techniques of business valuation in the for profit disciplines. When attempting to value conglomerate entities without fair comparables, a business valuation expert will disaggregate the pieces of the entity, apply separate valuation techniques by utilizing pure comparisons, and then re-aggregate the data using a weighted approach to estimate the fair value. Although we do not need to determine values, this approach seems adaptable to this endeavor. By broadening the scope of entities outside of arboretums, a handful of good comparisons can be made for each significant program service or unit area within MPA. Once completed, the independent components can be aggregated to look at the entire entity. The table below identifies the comparable entities and the specific comparables that will be sought from each entity. An effort was made to have at least three reasonably matched comparables for each of the identified areas of potential analysis.

Table 6 Comparison Plan							
	Membership	Festival & Events	Retail Sales	Education Programs	Donations	Camps	Financial Policies
Delbert Hunter Arboretum	X				X		X
Hoyt Arboretum	X		X	X	X		X
Mckenzie River Trust	X	X					X
Glide Wildflower Festival		X					X
Yakima Arboretum	X			X	X	X	X
The Arboretum at Flagstaff	X				X	X	X
Stribling Arboretum			X	X			X
North Idaho Native Plant Arboretum	X				X		X
May Arboretum	X		X	X	X	X	X
Daffodil Festival		X					X
Beekman Arboretum	X				X		X
Nearby Nature				X		X	X

With the recently identified path forward, the work can begin to bring the ultimate goals of this project to fruition. The process of completing the analysis components will proceed concurrently with the future site visits. As each comparative area (Membership, Festivals and Events, etc.) is completed, an addendum will be added to this report to reflect the insights gained from the analysis. It is anticipated that the remainder of this work can be completed by the fall of 2015.

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APPENDIX – Initial Project Proposal Summary

Chris Culver			
Sabbatical Proposed Timeline			
Spring 2014			
Date/Week	Destination/Project	Location	Purpose
Pre-Sabbatical			
	Read Non-Profit Nation	Self Study	PPPM 280 Text
	Collect Form 990s	Eugene	Collect financial Data
	Review Form 990s	Eugene	Development Interview Questions
	Attend Non Profit Workshop	Portland, OR.	Background
	Complete Non Profit CPE	Self Study	Background
	View problem from natural resource mgmt. discipline	Eugene	Background
	View problem from recreation mgmt. discipline	Eugene	Background
	View problem from environmental economics discipline	Eugene	Background
Proposed Site Visits			
	Type		
A	Peavey Arboretum	Corvallis, OR	Data Collection and Context
NA	Delbert Hunter Arboretum & Botanic Garden	Dallas, OR	Data Collection and Context
G	Oregon Gardens	Silverton, OR	Data Collection and Context
A	Hoyt Arboretum	Portland, OR	Data Collection and Context
A	City of Gresham Arboretum	Gresham, OR	Data Collection and Context
	Benton Soil & Water Conservation District	Benton Co, OR	
NA	Crescent Valley High School	Corvallis, OR	Data Collection and Context
NA	Cheldin Middle School	Corvallis, OR	Data Collection and Context
NA	Corvallis Waldorf School	Corvallis, OR	Data Collection and Context
NA	Garfield Elementary School	Corvallis, OR	Data Collection and Context
NA	Beekman Native Plant Arboretum	Jacksonville, OR	Data Collection and Context
A	Claire Hanley Arboretum	Medford, OR	Data Collection and Context
A	Palmerton Arboretum	Rogue River, OR	Data Collection and Context
NA	Markham Native Park & Arboretum	Concord, CA	Data Collection and Context
A	Sierra College Arboretum	Rocklin, CA	Data Collection and Context
A	Siskyou Arboretum	Yreka, CA	Data Collection and Context
G	Turtle Bay	Redding, CA	Data Collection and Context
A	Stribling Arboretum	San Francisco, CA	Data Collection and Context
NA	Shadow Cliffs Native Plants Arboetum	Shadow Cliffs, CA	Data Collection and Context
A	UC Davis Arboretum	Davis, CA	Data Collection and Context
G	Regional Parks Botanical Gardens	Berkely, CA	Data Collection and Context
A	May Arboretum Society	Reno, NV	Data Collection and Context
A	Washington Park Arboertum	Seattle, WA	Data Collection and Context
A	Sehome Hill Arboretum	Bellingham, WA	Data Collection and Context
A	Evergreen Arboretum	Everett, WA	Data Collection and Context
A	Yakima Aroboretum	Yakima, WA	Data Collection and Context
A	John A. Finch Arboretum	Spokane, WA	Data Collection and Context
NA	N. Idaho Native Plant Arboretum	Sandpoint, ID	Data Collection and Context
A	Oregon Trail Arboretum	Echo, OR.	Data Collection and Context
A	Washington State Arboretum	Pullman, WA	Data Collection and Context
A	University of Idaho Arboretum	Moscow, ID	Data Collection and Context
	Redwoods National Park	N. CA Coast	Data Collection and Context
G	Humbolt Botanical Gardens	Eureka, CA	Data Collection and Context
A	Pacific Union Arboretum	Arcata, CA	Data Collection and Context
G	Boise Botanical Garden	Boise, ID	Data Collection and Context
NA	Red Butte Garden	Salt Lake City, UT	Data Collection and Context
NA	The Arboretum at Flagstaff	Flagstaff, AZ	Data Collection and Context
G	Desert Botanical Garden	Phoenix, AZ	Data Collection and Context
NA	Santa Barbara Botanic Garden	Santa Barbara, CA	Data Collection and Context
NA	Rancho Santa Ana Botanic Garden	Claremont, CA	Data Collection and Context
A	University of Montana Arboretum	Missoula, MT	Data Collection and Context
A	Lyons Arboretum	Hawaii	Data Collection and Context
	Consider Findings	Eugene, OR	Analysis
	Prepare Presentations	Eugene, OR	Analysis & Presentation
	Consider PPPM 280 to Curriculum	On Campus	New Course
	Further Develop BA 247 - Gov/Non Profit Acct.	On Campus	New Course
	Consider multi-discipline Non Profit Cert or AAS	On Campus	New Cert/Degree
Post Sabbatical			
	Planning, Public Policy, & Mgmt Presentation	University of Oregon	
	Mount Pisgah Arboretum Presentation	Eugene, OR	
	A = Traditional Arboretum		
	NA = Native Arboretum		
	G = Botanical or Other Garden		