



April 7, 2022

To: City of Culver City
c/o Christine Byers, Cultural Affairs Manager

From: Sehnita Joshua Mattison, Vice-Chair, Culver City Arts Foundation

Subj: **Loan Reconciliation**

Dear Ms. Byers,

I am writing to you on behalf of the Culver City Arts Foundation to ask that Council recognize that our loan from the City has been reconciled as we have paid in the form of direct payments to the City of Culver City at their request for City programs. City Arts Foundation is proud to have provided **\$67,600 in direct payments to the City of Culver City** for its Performing Arts Grant (\$50,000) and Artist Laureate Programs (\$17,600). These funds should be applied directly towards our \$35,000 loan as repayment.

The Culver City Arts Foundation has come before the Council numerous times regarding this issue. Because the City Council has some newer members who may not have a clear understanding of the background, I am providing some history on this matter.

Culver City Arts Foundation was established as a separate entity in 2018 from the City of Culver City, but maintains an MOU with the City. A separate entity would allow the organization to raise funds more effectively since Brown Act and City rules had hampered the ability of the original Foundation to reach full fundraising potential. Through the process of separating the Foundation from the City, the Council rightly considered there would be costs associated with starting any non-profit endeavor and agreed to loan our nascent organization \$35,000, as seed money.

Culver City Arts Foundation wasted no time in establishing itself as an arts leader in the city. In our first full fiscal year, we raised almost \$100,000. So when the City came to us and asked us to fund the Artist Laureate Program, we said "Yes!", and provided \$13,600 in funds to the City. Then when the City came to us again to fund the Performing Arts Grant Program, we said "Yes!", and provided \$25,000! All told, Culver Arts paid the City \$38,600 in its first years, exceeding the initial \$35,000 investment! We also provided free administration of donations for the City's Summer Concert Series for a number of years.

We were grateful for the funding from the City to help launch the Foundation and extremely proud that we could return the funds so quickly. But we were a bit taken aback to hear from Council that despite providing \$38,600 in funds, our loan repayment was not considered fulfilled and it was expected that we still pay an additional \$35,000.

Despite our repeated requests to have our payments to the City recognized and our loan repayment fulfilled, we have still continued to contribute to City programs, in good faith, because

they align with our mission to help the arts thrive in Culver City. We provided funds to extend the Artist Laureate Program for another year for Alexey Steele's considerable efforts during Covid (\$4000), and to support the Performing Arts Grant (\$15,000 in 2021 and \$10,000 in 2022), for an **additional \$29,000 from the Foundation to support City programs at the City's request.**

In the past, the Council has made two arguments as to why they wanted us to still pay the loan, which we would like to address directly.

1. This would set a bad precedent for other organizations that receive a loan from the City. They would assume they do not need to pay their loan back.
 - a. There is no other organization that has received funds from the City that have paid the City funds at their direct request in amounts that far exceed the initial loan.
2. The City could use the funds from the loan to pay for programs they choose, like the Performing Arts Grant Program.
 - a. We met with City staff to discuss the City of Culver City's Cultural Affairs Work Plan. The City chose the programs they wanted funded and directly requested the funds from Culver City Arts Foundation.
 - b. We have met with City staff on numerous occasions to determine how we can work in conjunction to meet City needs. We have delayed launching our own grant program so we can support the City in their efforts for the Performing Arts Grant and the Artist Laureate Programs. We have also already secured funds to support the City's search for the next Artist Laureate when the current term ends.

Culver Arts is committed to working in partnership with the City to support our thriving arts community. We are a board of engaged **volunteers**, giving copious amounts of our time, efforts, and resources freely to raise funds for a common goal of supporting our creative community. We have limited overhead that only supports the Foundation. Our funds go directly to our thriving economy that helps Culver City as a sought-after city.

To be clear, we fully appreciate the integrity of paying back an agreed upon loan and are not asking you to waive or forgive this loan. We ask the Council to recognize the **\$67,600** that the Culver City Arts Foundation has paid directly to the City of Culver City, at the City's request, as a full repayment, exceeding the initial \$35,000 loan to mark the loan as paid in full.

Sincerely,

Sehnita Joshua Mattison
Vice-Chair

Copy to:
Members of the City Council
Members of the Cultural Affairs Commission
Shelly Wolfberg, Assistant to the City Manager

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PO Box 4521
Culver City, CA 90231
www.culverarts.org
culverarts@gmail.com