



City of Culver City

Staff Report Details (With Text)

File #: 21-62 **Version:** 1 **Name:** CAC - Cultural Affairs Foundation Outstanding Loan from City
Type: Minute Order **Status:** Action Item
File created: 7/14/2020 **In control:** CULTURAL AFFAIRS COMMISSION
On agenda: 7/21/2020 **Final action:**
Title: CAC - (1) Discussion Regarding the Outstanding Loan Provided to Culver City Arts Foundation; and (2) Make a Recommendation to the City Council

Sponsors:

Indexes:

Code sections:

Attachments: 1. 20-07-21_ATT No. 1_Memorandum of Understanding Between the City of Culver City and Culver City Arts Foundation.pdf, 2. 20-06-08_ATT No. 2_Letter from Culver City Arts Foundation.pdf, 3. 20-07-21_ATT No. 3_Culver City Arts Foundation July 14, 2020 Treasurer's Report.pdf

Date	Ver.	Action By	Action	Result
7/21/2020	1	CULTURAL AFFAIRS COMMISSION		

CAC - (1) Discussion Regarding the Outstanding Loan Provided to Culver City Arts Foundation; and (2) Make a Recommendation to the City Council

Meeting Date: July 21, 2020

Contact Person/Dept: Serena Wright-Black / Administrative Services

Phone Number: (310) 253-5640

Fiscal Impact: Yes No

General Fund: Yes No

Public Hearing:

Action Item:

Attachments: Yes No

Public Notification: (E-Mail) Meetings and Agendas - Cultural Affairs (07/17/20)

Department Approval: N/A

RECOMMENDATION

Staff recommends that the Cultural Affairs Commission (1) discuss the outstanding loan provided to Culver City Arts Foundation; and (2) as appropriate, make a recommendation to City Council.

BACKGROUND

The Culver City Arts Foundation (CCAF) was established in 2006 as a 501 (c) (3) nonprofit public benefit corporation. The Articles of Incorporation were filed with the Secretary of State on September 26, 2006.

In 2016 City Council formed an Ad Hoc Subcommittee for the purpose of revising the structure of the CCAF with the goal of allowing it to function independently from the City. In March 2018, City Council took action to separate the CCAF from the City. The Bylaws were amended and a new Memorandum of Understanding (MOU) between the City and the CCAF was adopted. A revised MOU was subsequently adopted on June 24, 2019.

DISCUSSION

The MOU adopted by City Council in March 2018 included a provision in which City Council authorized \$35,000 seed money be loaned to CCAF and repaid on or before June 30, 2019. On June 24, 2019 City Council extended the repayment terms. Specifically, Section 3.A. of the MOU was revised as follows,

“SECTION 3. PAYMENT.

A. For Fiscal Year 2017-18, City granted a loan to CCAF in the amount of \$35,000 to be used as “seed money” to commence its activities (“Loan”). At the end of the fiscal year (June 30, 2020), the CCAF shall report on the status of its funding and ability to repay the Loan to the City. If there are insufficient funds to repay the Loan, the City Council may decide to extend the term of the Loan or forgive its repayment.”

On April 13, 2020 CCAF submitted a letter to City Council outlining its fundraising efforts and other new program initiatives and activities (Attachment 2). In the letter, CCAF also discussed the impacts COVID-19 has had on its ability to raise funds.

The City Council considered the CCAF’s request to waive repayment at its meeting on June 8, 2020. After some discussion, Council directed staff to work with the CCAF in developing a repayment schedule and return to Council for approval. At the June 16, 2020 CAC meeting, Kathy Sue Holtorf, Chair of the Culver Arts Foundation addressed the Commission under PUBLIC COMMENT - Items NOT on the Agenda. Ms. Holtorf stated that \$35,000 was a considerable portion of the CCAF’s available funds but a very small fraction of the City’s current FY 2021 adopted budget. She asked that the City consider deferring repayment until next year and requested input from the CAC. Chair Wisnosky Stehlin and Commissioner Dickter requested that the Culver City Cultural Affairs Foundation Liaison Subcommittee (Subcommittee) meet prior to bringing this item back to City Council. The Subcommittee met subsequent to the June CAC meeting. At the meeting, there was agreement to support CCAF’s request for City Council to defer decision on repayment of the loan for one additional year. Further, the Subcommittee is supportive of CCAF’s request that City Council, in June 2021, reconsider a waiver of repayment at that time or approve a repayment plan spread over a number of years.

The Subcommittee is bringing this item forward for further discussion and consideration of CAC support.

FISCAL ANALYSIS

There is no fiscal impact with the discussion of this item.

ATTACHMENTS

1. 20-07-21_ATT No. 1_Memorandum of Understanding Between the City of Culver City and Culver City Arts Foundation
2. 20-07-21_ATT No. 2_Letter from Culver City Arts Foundation
3. 20-07-21_ATT No. 3_Culver City Arts Foundation July 14, 2020 Treasurer's Report

MOTION(S)

That the Cultural Affairs Commission:

1. Discuss the outstanding loan provided to Culver Arts Foundation; and
2. Provide a recommendation to the City Council as appropriate.