



Legislation Text

File #: 18-0060 CRA, **Version:** 1

TO: CRA Board of Commissioners
FROM: Lori Hayward, Finance and Operations Director
THROUGH: Jeff Costello, CRA Executive Director
DATE: August 15, 2018

FY 2018-19 CRA A-GUIDE FUNDING REQUEST CREATIVE CITY COLLABORATIVE (CCC)

Recommended Action:

Direct staff to include funding for the Creative City Collaborative in the CRA's FY 18-19 Budget in the amount of \$275,000 with stipulations recommended by the A-GUIDE Evaluation Committee.

Background:

The Creative City Collaborative applied for CRA A-GUIDE Funding for FY 18-19 under the categories of Economic Development and Recreation and Cultural Facilities. Funding is requested for two programs: (Program "A"), Music Programs and (Program "B") Discover Diversity Concert Series. The specifics of the CCC's request are summarized below.

Funding Request for FY 18-19: \$275,000
Organization's Projected Total Budget: \$1,285,000
CRA Funds - Percentage of Budget: 21%
Amount of A-GUIDE funding established: \$275,000
Amount Funded in FY 17-18: \$275,000

Program: "A" Musical Programing

Requested Amount: \$265,000
Program Budget: \$1,224,500
Percentage of Program Budget: 22%

Funding Evaluation Committee FY 18-19 Funding Recommendation: \$265,000

(with stipulations listed on page 2)

Program: "B" Discover Diversity Concert Series

Requested Amount: \$10,000
Program Budget: \$61,000
Percentage of Program Budget: 16%

Funding Evaluation Committee FY 18-19 Funding Recommendation: \$10,000

(with stipulations listed on page 2)

This year's Funding Evaluation Committee consisted of CRA Executive Director Jeff Costello, CRA Finance and Operations Director Lori Hayward, Assistant City Manager Caryn Gardner-Young. The Committee rated the application package based on the established A-GUIDE criteria. Criteria used in review of the application were grouped into six categories weighted to total 100% as follows:

The specifics of the CCC's request are summarized below.

Organization Capacity	20%
Need for Project/Program	20%
Project/Program Description	10%
Logic Model	20%
Evaluation Plan	10%
Budget & Sustainability	20%

The Application Evaluation Form has six categories and the majority of the items are rated on a scale of 1 to 5 (worst to best possible response) with an exception of two items. The two items are scored as follows:

1. **Organizational Capacity- *Demonstrated experience/success with similar programs/project*** is rated on a scale of 1 to 15 (worst to best possible response). The importance of the success of the organizations prior year goals that were established for the programs/projects funded by the CRA A-GUIDE grant funding was emphasized with additional points.
2. **Logic Model/Projected Results- *Stated program/project goal clear and relevant to CRA Overall Need*** is rated on a scale of 1 to 10 (worst to best possible response). The importance of the program/project goal being relevant to CRA Overall Need was emphasized with additional points.

The outcome of the committee's review is as follows:

Total Average Evaluation Score: 65%

Program: "A": **Musical Programing** Evaluation Score: 65%

Program: "B" **Discover Diversity Concert Series** Evaluation Score: 65%

A-GUIDE Evaluation Committee Comments & Suggestions:

In the CCC's FY 2016-2017 Audit, deficiencies were identified in internal controls that they consider to be material weaknesses such that there is a reasonable possibility that a material misstatement of the Organization's financial statements will not be prevented, or detected and corrected, on a timely basis. The deficiencies are related to segregation of duties and reconciliation procedures. In addition, significant deficiencies in internal controls were identified which are less severe but need to be addressed.

Stipulations:

If the CRA enters into an FY 2018-2019 A-GUIDE funding agreement with the CCC, A-GUIDE Evaluation Committee recommends the following stipulation be included in the funding agreement:

1. To receive FY 2018-2019 A-GUIDE funding for the third quarter the following must be addressed:

The Organization must take action on the deficiencies identified in the audit with the approval of their auditors that the issues are resolved.

An additional concern included in the audit (NOTE I-GOING CONCERN, page 11) was the financial sustainability of the Organization. It was necessary for the CCC to obtain interest free loans of \$134,000 from its Board members during 2017 in order to meet its working capital needs along with the dependency of the CRA's funding for the Arts Garage Programs. Please see the attached document prepared by the CCC which addresses these issues moving forward. The A-GUIDE evaluation committee commends the efforts of the CCC staff and board to reduce costs in an effort to achieve financial stability; however, it is recommended that it is achieved by a reduction of

administrative/operating costs in a manner that would not compromise its core programming.

In addition to the attached Application Evaluation Form and budget forms, the following documents are available upon request:

- A-GUIDE Application
- FY 2015-2016 Audit
- FY 2015-2016 Management Letter
- IRS Form 990 for the period ending September 30, 2016
- FY 2016-2017 Audit
- IRS Form 990 for the period ending September 30, 2017
- FY 2016-2017 Management Letter

The Creative City Collaborative President & CEO Marjorie Waldo will be at the meeting to make a presentation.

Attachments: Exhibit A-Application Evaluation Form; Program/Project Logic Model; Funding Evaluation Plan; CRA Combined Budget Form; CRA Program/Project A Budget Narrative Form; Program/Project B Budget Narrative Form; Exhibit "A" FY 18-19 Goals & Outcomes Report; Letter from CCC.