CORVALLIS
ENHANCING COMMUNITY LIVABILITY

HUMAN SERVICES COMMITTEE

Agenda

Tuesday, March 20, 2012
12:00 pm

Madison Avenue Meeting Room
500 SW Madison

Discussion/**Possible Action**	I. Public Art Selection Commission Annual Report (Attachment)
Discussion/**Possible Action**	II. The Arts Center Annual Report (Attachment)
Discussion/**Possible Action**	III. Council Policy Review and Recommendation: 91-1.02, "Liquor License Approval Procedures" (Attachment)
Information	IV. Other Business

Next Scheduled Meeting
Tuesday, April 3, 2012 at 12:00 pm
Madison Avenue Meeting Room, 500 SW Madison Ave

Agenda
None at this time.

MEMORANDUM

To: Human Services Committee
From: Karen Emery, Director KB
Stephen DeGhetto, Assistant Director SD
Date: January 20, 2012
Subject: Public Arts Selection Commission Annual Report

Issue: The Public Arts Selection Commission (PASC) is scheduled for its annual report to the Human Services Committee.

Background: The Public Arts Selection Commission was established by Council in 1998 to oversee the selection, acceptance and placement of public art in the City of Corvallis consistent with Council policy. The Commission is comprised of 7 citizen voting members and a City Council liaison. In Fiscal Year 11-12 the Parks and Recreation Department administered PASC for the City's public artwork projects.

Discussion: The Commission met three (3) times between July 2011 and January 20, 2012. Shelly Curtis is the current chair of the Commission. Shelly Moon represents the Arts and Cultural Commission and City Councilor Joel Hirsch is the current Council liaison.

The Commission has one vacancy and has held the election of Chair and Vice Chair. During this transition the commission has been involved with the review of the selection criteria and a tour of Downtown public art. The commission members are reaffirming the purpose of their role and the process for recommending art work for the City.

Citizen volunteers on the Commission continue to provide invaluable expertise and oversight to forward the community's values supporting public art. Cooperatively, citizen volunteers, The Arts Center and the Arts and Cultural Commission advocate the importance of public art.

Recommendation: Staff recommends the Human Services Committee recommend to City Council to accept the Public Arts Selection Commission's annual report.

Review and Concur:

James A. Patterson, City Manager

Nancy Brewer, Finance Director

Attachments:
PASC Annual Report
PASC Minutes

- July 28, 2011
- October 20,2011
- January 19,2012

CITY OF CORVALLIS
MINUTES OF THE PUBLIC ART SELECTION COMMISSION
JULY 28, 2011

Attendance
Shelley Curtis
Chi Meredith
Shelley Moon
Ross Parkerson

Absent/Excused
Sara Krainik
Paul Rickey, Jr.
Sidney Snell
Joel Hirsch, Council Liaison

Staff
Karen Emery, Director
Steven DeGhetto, Assistant Director
Mark Lindgren, Recorder

Visitors

SUMMARY OF DISCUSSION

Agenda Item	Information Only	Held for Further Review	Recommendations
II. Review of Minutes-December 22, 2010	X		
III. Visitor Propositions	X		
IV. Introductions	X		
V. Election of Officers			Shelley Curtis was elected Chair and Ross Parkerson Vice Chair.
VI. New Approach to the Commission's Work	X		
VII. Adjournment	X		The next regular Public Art Selection Commission meeting is scheduled for 4:00 p.m., October 20, 2011 at the Parks and Recreation Conference Room.

CONTENT OF DISCUSSION

I. CALL TO ORDER: Assistant Director Steve DeGhetto called the meeting to order at 4:03 p.m.

II. APPROVAL OF MINUTES.
Moon moved and Curtis seconded to approve the December 22, 2010 minutes as presented.

DeGhetto distributed tote bags to commission members as a token of recognition for their service. He announced that City Manager candidates will be at the Library on August 4th. The department is holding a fundraiser, Arts in the Park; Moon suggested there also be consideration of performing artists; DeGhetto suggested contacting Deb Curtis.

Parkerson suggested calendaring out the next meetings. DeGhetto noted that the commission historically met at this time, 4 p.m. on fourth Thursdays. He suggested meeting at this time in the future, as well; he will poll other commissioners.

III. VISITOR PROPOSITIONS. None.

IV. INTRODUCTIONS.

Curtis related she was an art curator at OSU. Shelley Moon is a poet and conducts artists in residence programs for school children. Ross Parkerson is a professional artist. Chi Meredith is a print maker and painter. DeGhetto stated there were at large positions for two artists. He said the commission may ask an art historian to sit with the commission in an advisory capacity. DeGhetto asked if members had seen copies of the selection criteria.

V. ELECTION OF OFFICERS.

DeGhetto said the full complement of the commission was seven; four is a quorum. Meredith suggested making the next meeting a tour. The group agreed the next meeting should be October 20, 2011. DeGhetto will send out a list of public art.

DeGhetto clarified that he was simply the staff liaison; he is not a commission member. Emery said the Chair's role is to run meetings.

Meredith nominated and Parkerson seconded Shelley Curtis as Chair; motion passed. Meredith nominated Parkerson as Vice Chair; Moon seconded; motion passed.

VI. NEW APPROACH TO THE COMMISSION'S WORK.

DeGhetto said the change in administering PASC meetings was budget driven for the department, which previously had contracted with the Art Center to do so. However, the department couldn't afford to contract it out any longer, and so was bringing contracts in-house. He related that Art Center Curator Hester Coucke had offered to lend her advice if needed.

Parkerson asked if there were any projects on the horizon; DeGhetto replied that there was nothing pending. He said meetings had been on an as-needed basis; however, he hoped to hold meetings on a quarterly basis or more frequently as needed. He said the commission was a venue for running proposals through; also, people donate art all the time. He said the commission could consider its work plan in upcoming meetings.

DeGhetto stated the quarterly meetings could be adjusted according to members' needs. Parkerson said the group was new and was still finding its way. He suggested outlining what the group had done in the past and clarifying the process by which projects were approved. He suggested setting aside one of the meetings for a field trip of public art; DeGhetto said that could be done.

Parkerson noted the Arts and Culture Commission was still working on the Graffiti Wall. Moon said she only recently joined the PASC and would like to get a handle on the group. Emery said staff could provide an inventory of public art and arrange a tour of public art and public venues. DeGhetto said in most cases the art is permanent. He said his background led him to help encourage artists to recognize the mechanics of art in a public setting.

Curtis highlighted a fountain formerly in Central Park and then put in storage; Parkerson said it was now displayed in the small park just south of the north First Alternative Co-op. DeGhetto added the former fountain's internal works had been all underground, so it was hard to service, and parts kept getting stolen; he said it illustrated how intended use sometimes evolves.

Parkerson asked whether it was the job of the commission to point out locations that could use public art; DeGhetto said that was not currently in the commission's policy. Emery said when the commission reviews itself after three years, it could make a recommendation to the City Council regarding its charge.

Meredith asked about the art donation procedure; Emery replied that art comes in a variety of ways. The last one was at the public Library. DeGhetto said art can be designated for a specific site or a general area. He suggested reviewing the donation procedure next year (the last review was in 2010). Emery said staff would distribute the policy to members. Emery said another task of the commission is at areas like the Riverfront, where a percentage of funding is designated for art. Parkerson said it would be helpful to see the choices that the commission had previously made; Moon concurred.

Merdith asked if all the City's art was on display; Emery replied that no art was in storage. Parkerson highlighted the metal sculpture with a crank on 7th Street at the side of the Art Center; he said it was an interesting piece. Emery clarified that it was not public art and had not been donated to the City. DeGhetto said he hoped to develop a clean recommendation process, with Council approval.

He sought input on next steps. Given that there was not currently anything to select, he suggested the commission do housekeeping. Parkerson suggested tackling criteria selection methodology. DeGhetto will find out when commission policies are up for review. Parkerson suggested consideration of choosing locations. DeGhetto highlighted issues of placement in right of way and publicly owned areas like parks. The Parks and Rec Department has internal policy on memorial placement; he suggested reviewing to ensure that there is no conflict between memorial policy and placement of public art.

Parkerson asked whether the Arts and Culture Commission (ACC) was intertwined with PASC; Moon said she thought they were. Emery said a primary charge of ACC (formed last July) is to be advocates for artists; communicate to Council and respond to any policy regarding City policy regarding arts or culture. The Council decided that PASC should have a clear, separate identity from the ACC. Parkerson said sometimes the roles of the two groups may overlap; Emery replied that that's why the ACC has a permanent seat on the PASC, to keep communication going. Moon added that the ACC is also just finding its way, as well.

Emery said the next sunset review of the commission will be in July 2013.

Meredith highlighted spray painting adjacent to a piece of art in an alley off Madison; she asked whether it was the commission's charge was to let the City know about the condition of public art; Emery said that was the responsibility of all citizens.

VII. ADJOURNMENT: Meeting adjourned at 4:55 p.m

CITY OF CORVALLIS
MINUTES OF THE PUBLIC ART SELECTION COMMISSION
OCTOBER 20, 2011

Attendance
Shelley Curtis
Chi Meredith
Shelley Moon
Ross Parkerson
Paul Rickey, Jr.

Absent/Excused
Sara Krainik
Sidney Snell
Joel Hirsch, Council Liaison

Staff
Steven DeGhetto, Assistant Director

Visitors

SUMMARY OF DISCUSSION

Agenda Item	Information Only	Held for Further Review	Recommendations
II. Tour of outdoor art installations	X		
III. Adjournment	X		The next regular Public Art Selection Commission meeting is scheduled for 4:00 p.m., January 19, 2012 at the Parks and Recreation Conference Room.

CONTENT OF DISCUSSION

I. **CALL TO ORDER:** Assistant Director Steve DeGhetto called the meeting to order at 4:03 p.m.

II. **TOUR:** The group took a field trip, looking at art installations at Riverfront Park and at several of the Alley Art installations.

III. **ADJOURNMENT:** Meeting adjourned at 5:30 p.m.

DRAFT

CITY OF CORVALLIS
MINUTES OF THE PUBLIC ART SELECTION COMMISSION
JANUARY 19, 2012

Attendance
Shelley Curtis, Chair
Chi Meredith
Ross Parkerson
Paul Rickey, Jr.
Sidnee Snell

Staff
Steve DeGhetto, Assistant Director
Terry Nix, Recorder

Absent
Shelley Moon

SUMMARY OF DISCUSSION

Agenda Item	Information Only	Held for Further Review	Recommendations/Actions
Call to Order			Called to order at 4:00 p.m.
Review of Minutes			October 20, 2011, minutes were approved as transcribed.
Visitors' Propositions	X		
Introductions	X		
Potential Locations for Art	X		
Adjournment			Adjourned at 5:10 p.m.

CONTENT OF DISCUSSION

I. CALL TO ORDER: Chair Shelley Curtis called the meeting of the Corvallis Public Art Selection Commission to order at 4:00 p.m.

II. REVIEW OF MINUTES:

MOTION: Ross Parkerson moved to approve the minutes of October 20, 2011, as transcribed. Chi Meredith seconded the motion and it **passed** unanimously with Sidnee Snell abstaining.

III. VISITORS' PROPOSITIONS: None.

IV. INTRODUCTIONS

V. POTENTIAL LOCATIONS FOR PUBLIC ART

Assistant Director Steve DeGhetto said that the Department is working on a master plan process which involves a number of public meetings, and that it would be nice to have representation by this Commission at some of those meetings. As part of the master plan process, he has requested an insurance inventory of the City's public art and assigned values. The inventory will include capital assets of more than $5,000 in value and can be combined with lists of amenities and art memorials into a comprehensive list of public art. Mr. Parkerson suggested that it would be good to also have photographs of the art as part of the inventory.

Mr. Parkerson asked if the portable graffiti wall would be considered public art. Ms. Snell said she thinks the wall could be considered more of a cultural event or activity. Mr. Parkerson asked about the possibility of having members of the Commission visit the Arts and Culture Commission (A&CC) to share information. Mr. DeGhetto said he will give an update at the next meeting about the activities of the A&CC including the graffiti wall and the café program. It was noted that A&CC meetings are public meetings, open to any citizen.

Chair Curtis shared an offer she received from an out-of-town artist to purchase bicycle art; she asked if this is something the Commission is interested in pursuing. Brief discussion followed regarding safety concerns associated with the piece. Mr. DeGhetto said that he has seen bicycle art that was elevated and attached to a building. Ms. Curtis said that, if the Commission was interested in bicycle art, it might want to go through a deliberate process.

MOTION: Ms. Snell moved to not pursue the offer to purchase bicycle art. Mr. Parkerson seconded the motion and it **passed** unanimously.

Chair Curtis will write a letter to the artist.

Mr. DeGhetto suggested a process to identify potential sites for public art and ideas of what might fit into those sites. This could help with the evaluation process as proposals come forward, and could be used as a tool to work with artists who might want to make a proposal. Ms. Meredith said that identifying a site and then having a contest to choose the art is another approach. Discussion followed regarding whether the list should include rotating gallery spaces; it was generally agreed that need is well addressed in the community including exhibits at Birkenstocks, New Morning Bakery, Sam's Station, and an upcoming exhibit at the Majestic Theater.

Ms. Meredith asked how to proceed with identifying potential sites. Mr. DeGhetto suggested that the commission or a subcommittee could brainstorm ideas and work with staff on this project. Things to think about in identifying potential locations include ADA compliancy, safety concerns (i.e., lighting), and the historical use of a particular park or area. Ms. Meredith suggested that each Commissioner bring an idea of one location that would be appropriate for public art to the next meeting.

Mr. Rickey briefly reviewed the history of public art. Discussion followed regarding the lifespan of art, and the need to eventually retire some pieces in order to make room for new art.

VI. ADJOURNMENT

The meeting was adjourned at 5:10 p.m.

MEMORANDUM

CORVALLIS
ENHANCING COMMUNITY LIVABILITY
PARKS & RECREATION

To: Human Services Committee
From: Karen Emery, Director
Steve DeGhetto, Assistant Director
Date: February 24, 2012
Subject: *The Arts Center Annual Report*

Issue: The Arts Center is scheduled for its annual review before the Human Services Committee.

Background: The City Council allocates funds to The Arts Center for its operations through the annual appropriation of tax revenues ($44,960 in FY10-11). As per the current agreement between the City and The Arts Center, dated July 1, 2009, a report describing The Arts Center's effectiveness in organization and promotion is to be submitted on an annual basis.

Discussion: The Arts Center's fourteen (14) member Board of Directors hired David Huff as the new Executive Director in May 2011.

The Arts Center continues to provide art programming and cultural events for the community.

The Arts Center has continued to maintain diverse revenue streams which include funding from the City of Corvallis, the Oregon Arts Commission, Oregon Community Foundation, The Collins Foundation, Samaritan Health Services, Cascadia Foundation, Franklin Conklin Foundation, Corvallis Kiwanis, grants, endowment funds, memberships, sponsorships, donations, class fees, ArtShop and gallery sales.

The following highlights demonstrate the Arts Centers diversity in revenues and partnerships.

- The Art Center received $131,494 in grants from private foundations and state agencies.
- School Districts--The Arts in Education program funded through grants and private donations, serving over 5,000 *students annually.*
- Corvallis Parks and Recreation Department, Corvallis School District, Corvallis-Benton County Public Library, Oregon State University, the Corvallis Environmental Center, Leadership Corvallis, Corvallis Fall Festival and daVinci Days all offered a variety of art-focused programs.

- Samaritan Health Services--continued the ArtsCare program which brings art and artists into the health-care and hospice environment.
- The Multicultural Literacy Center, the Corvallis-Benton County Public Library, and the Corvallis Environmental Center offered Globetrotters Arts and Culture Camp.
- The Arts Center Exhibition Program offered fourteen (14) local, regional and national exhibitions in the Main Gallery and eleven (11) exhibitions featuring the work of community art guilds and guest artists in the Corrine Woodman gallery.

Recommendation: Staff recommends that the Human Services Committee recommend to City Council to accept The Arts Center Annual Report.

Review and Concur:

James A. Patterson, City Manager

Nancy Brewer, Finance Director

Attachments:
1. The Arts Center Annual Report
2. The Arts Center/City of Corvallis Agreement
3. Finance Department Financial Review Memo

The Arts Center Annual Report to the City of Corvallis 2010-2011
Submitted by David Huff, Executive Director

This annual report provides highlights from The Arts Center's fiscal year, July 1, 2010 through June 30, 2011. The arts play a vital role in the character and culture of Corvallis. By bringing transformative arts experiences to a broad spectrum of the community, The Arts Center continues to have a significant positive impact on the city's economic vitality, livability, and resident well being.

Despite an unfavorable economy and an announced reduction in city funding, The Arts Center has sustained and expanded its offsite programs targeting underserved populations in regional schools and hospitals. The organization has also continued its role as an engine for the creative economy, paying more than $110,000 to local artists through teacher fees and sales commissions. The Arts Center has served this community for nearly 50 years and it continues to provide engaging programs that further its mission to integrate the arts into daily life.

In May 2011, The Arts Center's Board of Directors hired David Huff as the organization's new Executive Director. Huff succeeds Sara Swanberg, who has retired.

FISCAL

City Funding and Grants
Financial support from the City of Corvallis has been an essential part of The Arts Center's success as an organization. City funding is consistently leveraged to secure large donations and grant funding. By using city funding to support the organization's staff and facility, The Arts Center continues to be one of the most highly competitive mid-sized arts organizations in the state for grant funding.

In FY10/11 The Arts Center received $131,494 in grants from private foundations and state agencies. Awarded grants include $15,000 from the Spirit Mountain Community Fund, $15,000 from the James F. and Marion L. Miller Foundation, $20,000 from the Collins Foundation, $14,000 from the Meyer Memorial Trust, and over $30,000 in grants from the Oregon Arts Commission. These grants helped support The Arts Center's essential programs and services, including artist residencies in local schools, training for artists who participate in the ArtsCare hospital program, and much needed renovations to The Arts Center's public gallery space.

Endowment
The Endowment Board of Directors oversees five funds: a General Fund; the Howland Fund to support public art in Corvallis and awards for the Howland Community Open exhibition; the Elizabeth Starker Cameron Arts Education Fund; the Bob & Kitty Bunn Fund for the ArtsCare Program; and the Steele Family Fund designated for the Exhibits Program. Given the ongoing turbulence of the market, The Arts Center has continued to be extremely conservative in its use of Endowment funds.

Volunteers/In Kind
Over 4,000 volunteer hours were donated to The Arts Center with services ranging from daily front desk receptionist hours to educational support and exhibition installation.

Memberships / Donations
Support from individuals continues to be a strong area for The Arts Center. Memberships (the majority of which are of under $100) brought in a total of $33,650 in FY10/11. This represents a 25% increase over the previous year. Donations have gone down slightly in comparison to previous years, but include a generous $40,000 one-time gift from an anonymous benefactor.

End of the Year Balance
The Arts Center ended FY10/11 with $63,631 in total net assets (including temporarily restricted assets). This total represents a net loss of $3,135 for the year. The Arts Center has made strategic changes to its business plan to address this deficit and is expected to end FY11/12 with a surplus.

PROGRAMS & SERVICES

Public Programs
The Arts Center welcomed over 11,000 visitors to our ArtShop and Exhibitions in FY10/11 at no charge. The exhibition program coordinated a total of 14 major exhibitions that offered a variety of work from local, regional, and international artists. Each exhibition featured an opening event to meet the artists as well as a complementary cultural event such as a related Brown Bag Gallery Talk. An additional 11 exhibitions in the Corrine Woodman galleries featured the work of local art guilds and guest artists.

Now in its second year, the Between the Cracks performance series featured seven annual avante guard music concerts and literary events in a partnership with the OSU Music Department.

ArtsCare
Funded, in part, through an ongoing partnership with Samaritan Health Services, The ArtsCare program continues to provide over 1,400 hours of free art experiences to patients in area hospitals. In FY10/11, eighteen local artists worked with patient groups in cancer, dialysis treatment areas and mental health units. Artists also worked with patients' families staying short term at the Pastega House.

Education
The Arts Center provides educational opportunities to over 1,500 children annually through its in-house educational programs. In FY10/11, The Arts Center offered: on-site classes in ceramics, textiles, dance, painting and drawing; all-day programs on no-school days; and an 8 week children's summer camp (Globetrotters Arts & Culture Camp); and a popular arts and culture enrichment program for home-school youth

The Arts Center also continues its Arts In Education program, which brings arts education to schools sites in Linn and Benton Counties at no cost to the student. The program, which is funded through grants and private donations, serves over 5,000 students annually and focuses on serving at-risk youth.

Collaborations

In an effort to serve the needs of our community and to effectively maximize community resources, The Arts Center collaborates with many individuals and organizations. This year The Arts Center partnered with the Corvallis School District, Parks & Recreation, the Corvallis-Benton County Public Library, Leadership Corvallis, the Multicultural Literacy Center, the Environmental Center, a regional home-school group, Corvallis Fall Festival and daVinci Days Festival.

The Arts Center is fortunate to have a hard-working and supportive Board of Directors: 14 individuals who offer the organization a diversified perspective.

For any questions concerning this report, please contact David Huff, Executive Director, at The Arts Center, 754-1551.

CITY OF CORVALLIS AND ART CENTER AGREEMENT

THIS AGREEMENT, is entered into this 22nd day of June, 2009, by and between the CITY OF CORVALLIS, a municipal corporation of the State of Oregon, hereinafter referred to as the "CITY" and the ART CENTER, a non-profit corporation, formerly known as ArtCentric, hereinafter referred to as "THE ART CENTER."

All notifications necessary under this Agreement shall be addressed to:

City of Corvallis Parks & Recreation	The Art Center
Attention: Steve Deghetto	Attention: Sara Swanberg
1310 SW Avery Park Dr.	700 SW Madison
Corvallis, OR 97333	Corvallis, OR 97333
541-766-6918	541-754-1551

1. Term

1.1 This Agreement shall be effective from July 1, 2009 through June 30, 2012.

1.2 If this Agreement crosses fiscal years, funding for future years is contingent upon the City Council adopting appropriations.

2. ART CENTER agrees to:

2.1 Offer cultural arts programs including art exhibits, art classes, and other related art activities at the Art Center, located at 700 SW Madison, Corvallis, Benton County, OR.

2.2 Maintain a listing of art organizations in the community.

2.3 Conduct an Arts-in-Education Program in the community.

2.4 Inform the public about the arts in the community.

2.5 Cooperate with CITY in putting on events and activities which promote the use of the Art Center facility and CITY facilities.

2.6 Publish a quarterly newsletter and calendar distributed to members of THE ART CENTER, media, and citizens, informing them about the activities at the Art Center facility and CITY facilities.

2.7 All accounting records and evidence pertaining to all costs of THE ART CENTER and all documents related to this agreement shall be kept available at the ART CENTER office or place of business for the duration of the agreement and thereafter for three (3) years after completion of any audit. Records which relate to (a) complaints, claims, administrative proceedings or litigation arising out of the performance of this Agreement, or (b) costs and

expenses of this Agreement to which the CITY or any other governmental agency takes exception, shall be retained beyond the three (3) years until resolution of disposition of such appeals, litigation, claims, or exceptions.

2.8 THE ART CENTER shall provide for an independent financial and compliance audit or financial review annually for any fiscal year in which CITY funds are received under this Agreement. The results of the independent audit or financial review must be submitted to CITY within thirty (30) days of completion. Within thirty (30) days of the submittal of such audit report, THE ART CENTER shall provide a written response to all conditions or findings reported in such audit report. The response must discuss each condition or finding and set forth a proposed resolution, including a schedule for correcting any deficiency. All conditions or corrective actions shall take place within six (6) months after receipt of the audit report unless the City Manager or his/her designee authorizes an extension of time to complete such actions. Two copies of this review shall be forwarded to the CITY'S Parks and Recreation Director as part of the annual report.

In the event THE ART CENTER does not make the above-referenced documents available to the CITY, THE ART CENTER agrees to pay all necessary and reasonable expenses incurred by the CITY in conducting any audit at the location where said records and books of account are maintained.

2.9 THE ART CENTER shall submit a report annually by October 31st, to the City, documenting the revenues and expenditures, activities, problems, and achievements of THE ART CENTER's programs for the previous fiscal year ending June 30th. THE ART CENTER annual report shall include, but not be limited to, a description of its effectiveness in the following program areas:

2.9.1 Organization: Progress THE ART CENTER has made to involve the arts and the public in its activities.

2.9.2 Promotion: Progress of THE ART CENTER in promoting the Center as a community arts facility.

3. CITY agrees to:

3.1 Budget the City Council approved proportion of the CITY's property tax levy to be paid to THE ART CENTER each fiscal year that this Agreement is in effect. CITY will levy property taxes in compliance with Constitutional and statutory requirements each fiscal year during this Agreement. The City Council determines, by policy, the proportion of the CITY'S total levy to be allocated to THE ART CENTER each year. In the event that a reduction or the elimination of the appropriation for this Agreement is being considered by the CITY's Budget Commission or City Council during annual budget deliberations, CITY shall provide notice to THE ART CENTER on or before May 15th of such contemplated action. If the appropriation is eliminated THE ART CENTER shall

be relieved of all obligations described in this Agreement effective the beginning of the fiscal year in which the funds are not appropriated.

3.2 The CITY's Finance Department will notify THE ART CENTER's Director by April 1st each year of THE ART CENTER's portion of the CITY's estimated property tax levy for the following fiscal year, beginning July 1st.

3.3 The CITY's Finance Department will provide THE ART CENTER's Director with the actual revenue figure when the actual amount of taxes levied for the year is known (around mid-November).

3.4 Payments will be made to THE ART CENTER in the amount of $32,000 by July 31st of each year. The payment made in December of each year will be the net amount of total THE ART CENTER property taxes as identified in section 3.3, less the $32,000 paid to THE ART CENTER in July of each year.

All appropriations are subject to recommendation by the City Budget Commission and approval by the City Council as a part of annual CITY budget process.

3.5 Include THE ART CENTER facility under the CITY's property and general liability policies.

4. Liability

4.1 THE ART CENTER shall indemnify, protect, defend, and hold City, its officers, agents, volunteers, and employees harmless against any actions, claim for injury or damage and all loss, liability, cost or expense, including court costs and attorneys fees, growing out of or resulting directly or indirectly from the performance of this contract, except for that resulting from the sole negligence of CITY.

4.2 THE ART CENTER shall purchase and maintain fire damage insurance to property owned by THE ART CENTER of $135,000 and General Liability insurance with a combined single limit, or the equivalent, of not less than $500,000 each claim, incident, or occurrence for Bodily Injury and Property Damage. It shall include contractual liability coverage for the indemnity provided under this Agreement, and shall be in a form at least as broad as Commercial General Liability ISO form CG 0001. It shall provide that CITY and its officers and employees are Additional Insureds, but only with respect to THE ART CENTER's services to be provided under this Agreement.

Each insurance endorsement shall state that coverage shall not be suspended, voided, or canceled by either party, reduced in coverage or in material limits except after thirty (30) days prior written notice by certified mail, return receipt requested, has been given to CITY.

THE ART CENTER shall furnish acceptable insurance certificates to CITY with original endorsements for each insurance policy signed by a person authorized by that insurer to bind coverage on its behalf. Certificates will be received and approved by CITY upon execution of this Agreement. The certificate shall specify the CITY and its officers, agents, employees and volunteers are Additional Insured as respects to the work under the Agreement. Insuring companies or entities are subject to CITY acceptance. THE ART CENTER shall be financially responsible for all pertinent deductibles, self-insured retention and/or self-insurance. All such deductibles, retention, or self-insurance must be declared to, and approved by, CITY.

5. Termination

5.1 CITY may terminate this Agreement upon sixty (60) days written notice to THE ART CENTER for failure of THE ART CENTER to fulfill its obligations under this Agreement, if such violation remains uncured after sixty (60) days from THE ART CENTER's receipt of such written notice.

5.2 In the event that THE ART CENTER, by majority vote of its members, decides to discontinue this Agreement, then its action, and this Agreement shall be deemed canceled sixty (60) days after the date of the notice is received by CITY and each party shall be relieved of its obligations described herein. In no event shall THE ART CENTER be obligated by this Agreement for any period of time for which the funds outlined in 3.1 and 3.2 above have not been disbursed to its account.

6. Independence

THE ART CENTER is an independent organization and entity pursuant to this Agreement and shall not, in any way, be considered to be an affiliate, subsidiary, officer, agent or employee of CITY. THE ART CENTER agrees that CITY shall not be liable or responsible for any benefits, including, but not limited to, worker's compensation, disability insurance, retirement benefits, life insurance, unemployment insurance, health insurance or any other benefits which THE ART CENTER may be required by law or contract to provide to its employees, officers, agents, or contractors. THE ART CENTER agrees that it shall not sue or file a claim, petition or application therefore against CITY or any of their officers, employees, agents, representatives or sureties with respect to such benefits. THE ART CENTER shall not have any authority to bind CITY or to make any representations or warranties to accept service of process, to receive notice, or to perform any act or thing on behalf of CITY except as authorized in writing by CITY.

7. Authority of Signatories

THE ART CENTER and THE ART CENTER's signatories represent that the signatories hold the positions set forth below their signatures and that the signatories are authorized to execute this Agreement on behalf of THE ART CENTER and to bind THE ART CENTER hereto.

8. Attorney's Fees

In the event either party shall initiate any suit, action or appeal on any matter related to this Agreement, then the court before whom such suit, action or appeal is taken shall award to the prevailing party such attorney's fees as the Court shall deem reasonable, considering the complexity, effort and result against the party who shall not prevail, and such award and all allowable costs of the event may be either added to or deducted from the balance due under this Agreement, or be a separate obligation as appropriate.

9. Assignability

This Agreement is for the exclusive benefits of THE ART CENTER and City. Any attempt to assign, transfer, or pledge by either party without the prior written consent of the remaining party shall void the Agreement.

10. Prevailing Law

This Agreement is to be governed by, and construed in accordance with, the laws of the State of Oregon.

11. Venue

Any disputes about the terms of this Agreement will be brought before the Benton County Circuit Court.

12. Waiver

Waiver of any breach of any provision of this Agreement by either party shall not operate as a waiver of any subsequent breach of the same or any other provision of this Agreement. If any portion of this Agreement is held to be invalid under any applicable statute or rule of law, then such portion only shall be deemed invalid.

13. Compliance with federal and state laws

THE ART CENTER shall have sole responsibility to comply with all applicable federal and state laws, rules and regulations concerning environmental issues in carrying out activities funded under this Agreement. If any acts or omissions of THE ART CENTER should lead to liability or government enforcement action against CITY, THE ART CENTER shall be required to defend such action and to indemnify CITY for all costs incurred including without limitation any costs of required response actions and attorney fees. CITY will not assume responsibility for compliance with federal or state environmental requirements relating to THE ART CENTER performance under this Agreement, but will cooperate to the extent practical and consistent with City Council Policy.

14. Discrimination

The parties agree not to discriminate on the basis of age, citizenship status, color, familial status, gender identity or expression, marital status, mental disability, national origin, physical disability, race, religion, religious observance, sex, sexual orientation, and source or level of income in the performance of this contract.

15. Extent of Contract

This contract supersedes any prior or contemporaneous oral or written agreements or understandings entered into by the parties. No modification of this Agreement shall be valid unless set forth in writing and signed and dated by both of the parties to this Agreement.

IN WITNESS WHEREOF, the parties have herewith executed their signatures.

CITY OF CORVALLISTHE ART CENTER

Jon S. Nelson, City Manger

Sara Swanberg, Executive Director

APPROVED AS TO FORM:

City Attorney

Finance Department
500 SW Madison Avenue
Corvallis, OR 97333
541-766-6990
541-754-1729

MEMORANDUM

February 22, 2012

TO: Steve Deghetto, Parks and Recreation Assistant Director

FROM: Jeanna Yeager, Accountant

SUBJECT: The Corvallis Arts Center, Inc. Annual Financial Review, Fiscal Year 2011

This review consists of inquiries and analytical procedures and is limited in its nature. The Statement of Financial Position, Statement of Activities, Statement of Cash Flows, and the related Notes to the Financial Statements are unaudited financial reports that are the representation of the management of Corvallis Arts Center, Inc. (CAC).

The June 30, 2011 financial reports were reviewed by Stover Neyhart & Co., PC, a certified public accounting firm. Stover Neyhart & Co. has not audited the financial statements and does not express an opinion or any form of assurance on the financial statements.

This review is based on CAC's fiscal year, July 1, 2010 through June 30, 2011. CAC records transactions using the accrual basis of accounting.

During the year ended June 30, 2011 CAC reported revenues of $500,725, substantively the same as the previous fiscal year. Expenses equaled $503,860, resulting in a net ordinary loss of $3,135. CAC received $88,780, 17.7% of its total revenues, from the City of Corvallis. CAC has properly accounted for all revenue received from the City.

The Corvallis Arts Center reported total assets of $92,160 and total liabilities of $28,529, resulting in net assets of $63,631. Of this, $33,813 is reported as restricted.

Based on this review, acceptance of the Corvallis Arts Center's annual report is recommended.

CORVALLIS ARTS CENTER, INC.

REVIEWED FINANCIAL STATEMENTS

JUNE 30, 2011

Corvallis Arts Center, Inc.
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Stover Neyhart & Co., PC
Certified Public Accountants
777 NW 9th St., #408 Corvallis, OR 97330-6169
PHONE 541-754-1144 • FAX 541-757-8787

To the Board of Directors
Corvallis Arts Center, Inc.
Corvallis, Oregon

We have reviewed the accompanying statement of financial position of Corvallis Arts Center, Inc. (a nonprofit organization) as of June 30, 2011, and the related statements of activities, change in net assets and cash flows for the year then ended, in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. All information included in these financial statements is the representation of the management of Corvallis Arts Center, Inc.

A review includes primarily applying analytical procedures to management's financial data and making inquiries of Organization management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, we do not express such an opinion.

Based on our review, we are not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in conformity with accounting principles generally accepted in the United States of America.

Stover Neyhart & Co., PC

September 27, 2011
Corvallis, Oregon

Corvallis Arts Center, Inc.
Statement of Financial Position
June 30, 2011

See accompanying notes and accountant's report

Assets	
Current Assets	
Cash	$ 53,889
Accounts receivable	13,127
Other receivables	2,861
Inventory	1,988
Total current assets	71,865
Property and Equipment	
Equipment	74,764
Leasehold improvements	35,178
Accumulated depreciation	(89,647)
Net property and equipment	20,295
Total assets	$ 92,160
Liabilities	
Accounts payable	3,149
Accrued vacation	5,166
Unearned revenue-camp tuition	19,736
Unearned revenue-gift cards	478
Total liabilities	28,529
Net assets	
Unrestricted	29,818
Restricted	33,813
Total net assets	63,631
Total liabilities and net assets	$ 92,160

Corvallis Arts Center, Inc.
Statement of Activities and Change in Net Assets
For the Year ended June 30, 2011

See accompanying notes and accountant's report

	Unrestricted	Temporarily Restricted	Total
Support and Revenues			
Program Fees			
ArtSpirit	850		850
Education	63,484		63,484
Storytellers		4,130	4,130
Satisfaction of program restrictions	4,045	(4,045)	-
Total Program Fees	68,379	85	68,464
Artshop/Gallery/Exhibit			
Gift shop and gallery sales	46,846		46,846
Total Artshop/Gallery/Exhibit	46,846	-	46,846
Grants			
Foundation Grants	62,994	38,000	100,994
Government Grants	23,500	7,000	30,500
City of Corvallis	88,780		88,780
Endowment	8,300		8,300
Satisfaction of program restrictions	22,765	(22,765)	-
Total Grants	206,339	22,235	228,574
Memberships and Contributions			
Donations/Contributions	64,303		64,303
Membership fees	33,650		33,650
Satisfaction of support restrictions	21,446	(21,446)	-
Total Memberships and Contributior	119,399	(21,446)	97,953
Fundraising/Special Events			
Chocolate Fantasy	43,655		43,655
Winter Show	800		800
Other events	2,664		2,664
Total Fundraising/Special Events	47,119	-	47,119
Other Revenues			
Facility rental	1,904		1,904
Interest income	61		61
Donated building space	6,530		6,530
Other revenues	3,274		3,274
Total Other Revenues	11,769	-	11,769
Total Support and Revenues	499,851	874	500,725

Corvallis Arts Center, Inc.
Statement of Activities and Change in Net Assets
For the Year ended June 30, 2011

See accompanying notes and accountant's report

	Unrestricted	Temporarily Restricted	Total
Expenses			
Programs			
Education	169,905		169,905
ArtsCare	52,098		52,098
Artshop	51,277		51,277
Exhibits	86,861		86,861
Storytellers	5,190		5,190
Total Programs	365,331	-	365,331
General and Administrative	80,331		80,331
Fundraising	58,198		58,198
Total Expenses	503,860	-	503,860
Increase (Decrease) in Net Assets	(4,009)	874	(3,135)
Net Assets at Beginning of Year	33,827	32,939	66,766
Net Assets at End of Year	$ 29,818	$ 33,813	$ 63,631

Corvallis Arts Center, Inc.
Statement of Cash Flow
For the Year Ended June 30, 2011

See accompanying notes and accountant's report

Cash flow from operating activities	
Decrease in net assets	$ (3,135)
Adjustments to reconcile changes in assets to net cash used by operating activities:	
Depreciation and amortization	2,238
Decrease in accounts receivable	1,818
Increase in other receivables	(2,861)
Decrease in inventories	47
Decrease in accounts payable	(3,842)
Decrease in accrued expenses	(1,614)
Decrease in unearned revenue	(1,336)
Net cash used by operating activities	(8,685)
Cash flow from investing activities	
Payments for purchase of equipment and leasehold improvements	(15,077)
Net cash used in investing activities	(15,077)
Net decrease in cash	(23,762)
Cash, beginning of year	77,651
Cash, end of year	$ 53,889

Corvallis Arts Center, Inc.
Notes to Financial Statements
For the Year Ended June 30, 2011

Note 1 - Nature of Activities and Significant Accounting Policies

Nature of Activities
Corvallis Arts Center, Inc. (the Organization) is a non-profit organization with a mission to nurture artistic expression and to enhance the creative life of the community. This mission is carried out through such programs as exhibitions, performances, extensive on-site arts and culture programming for children, an ArtsCare program serving health care facilities, and the promotion and sale of artists' work through exhibitions and the ArtShop. Sources of income include grants, memberships, sponsorships, class and event fees, and artwork sales commissions.

Basis of Accounting
The Organization uses the accrual method of accounting, which recognizes revenues in the period in which the related expenses are incurred.

Accounts Receivable
Management considers accounts receivable to be fully collectible; accordingly no allowance for doubtful accounts has been established.

Property and Equipment
Property and equipment acquisitions are capitalized at purchase price or estimated fair value if donated. Depreciation is computed using the straight-line method over the assets' useful lives.

Inventory
Inventory consists of items purchased and held for resale and is valued at cost. A physical inventory is taken annually. Consigned goods are not included in inventory.

Advertising Costs
Advertising costs are expensed as incurred.

Income Taxes
Corvallis Arts Center, Inc. is a not-for-profit organization exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code.

Financial Statement Presentation
Under Statement of Financial Accounting Standards (SFAS) No. 117, Financial Statements of Not-for-Profit Organizations, the Organization is required to report information regarding its financial position and activities according to three classes of of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets.

Note 1 - Nature of Activities and Significant Accounting Policies (cont.)

Contributions

Under SFAS No. 116, Accounting for Contributions Received and Contributions Made, contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted net assets depending on the absence or existence and nature of any donor restrictions. Contributions received with donor-imposed restrictions that are met in the same year in which the contributions are received are classified as unrestricted contributions.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Note 2 - Temporarily Restricted Funds

The activity in the Temporarily Restricted Net Assets funds for the year ended June 30, 2011 was as follows:

	Education	ArtsCare	Artshop	Storytellers	Other	Total
Beginning Balance	$ 30,221	$ -	$ -	$ 2,190	$ 528	$ 32,939
Income:						
Foundations	15,000		3,000		20,000	38,000
Government		7,000				7,000
Other				4,130		4,130
	15,000	7,000	3,000	4,130	20,000	49,130
Expenses:						
Payroll related	6,801	1,001			4,278	12,080
Contract Labor	3,030	800		3,632		7,462
Materials	11,615					11,615
Artist Expenses		2,900				2,900
Equip/Improve.					13,722	13,722
Other		64		413		477
	21,446	4,765	-	4,045	18,000	48,256
Ending Balance	$ 23,775	$ 2,235	$ 3,000	$ 2,275	$ 2,528	$ 33,813

Corvallis Arts Center, Inc.
Notes to Financial Statements
For the Year Ended June 30, 2011

Note 3 - Economic Dependence

The Organization has a three-year agreement with the City of Corvallis under which the City will provide support to the Organization based upon a designated percentage of the City's property tax levies. The agreement expires on June 30, 2012. Total support provided under the contract for the year ended June 30, 2011 was $83,780.

Note 4 - Endowment Fund

In February 2001 a separate supporting organization known as The Arts Center Endowment, Inc. (formerly known as ArtCentric Endowment, Inc.) was formed to manage the endowed funds. Net transfers of $136,593 were made from the Corvallis Arts Center, Inc. to The Arts Center Endowment, Inc. at the time of separation. The Arts Center Endowment, Inc. provides fiscal support to the Organization. During the fiscal year ended June 30, 2011, the Organization received $8,300 from the Endowment.

Note 5 - Lease Agreement

In 2010 the Organization entered into a 5-year operating lease agreement for a copier. Minimum payments due under the lease agreement are as follows:

Amounts due for the year ended June 30:	
2012	$ 633
2013	633
2014	633
2015	422
Total	$ 2,321

Note 6 - Donated Building Space

The Organization operates in a building owned by the City of Corvallis, which the City makes available free of charge. The estimated fair market rental value of the building is reflected as Donated Building Space and Rental Expense in the financial statements. The amount so included in the statements for the year ended June 30, 2011 was $6,530.

*****MEMORANDUM*****

TO: Human Services Committee

FROM: Nancy Brewer, Finance Director NB

DATE: Feb 27, 2012

SUBJECT: **Revision to Council Policy 91-1.02 Liquor License Approval Procedures**

I. ISSUE

Staff is proposing a revision to CP 91-1.02, Liquor License Approval Procedures to eliminate the requirement to publicize a legal notice for an initial liquor license application.

II. BACKGROUND

Currently, each time the City receives an initial liquor license application, staff is required by Council policy to publicize the application with a legal notice in the local newspaper at least five days prior to the next regularly scheduled City Council meeting. The advertisement is to allow for public notice and comment on the proposed application.

III. DISCUSSION

In the last five years of publicizing initial liquor license applications, the City has not received a single comment as a result of the public notice. In FY 09/10 and FY 10/11, the City spent about $600 each year on legal advertisements/public notices for liquor license applications; much more in previous years. Although this is not a significant amount of money, this service does not appear to be used by members of the public.

Staff is proposing to eliminate the requirement of a public notice for initial liquor license applications and begin posting these applications on the City's website. The posting would appear at least five days before the City Council meeting taking action on the application similar to the current requirement of a public notice. Any public comment received prior to the meeting would be forwarded to City Council.

IV. REQUESTED ACTION

Staff requests HSC recommend City Council approve revisions to CP 91-1.02, Liquor License Approval Procedures and allow staff to post initial liquor license applications to the City's website. Since this policy is also scheduled for review in October 2012, staff went ahead and reviewed the policy for any other issues. Staff has no other amendments to recommend.

Review and Concur:

City Manager

Gary D. Boldrison

Chief of Police

CITY OF CORVALLIS

COUNCIL POLICY MANUAL

POLICY AREA 1 - GENERAL

CP 91-1.02 Liquor Licenses Approval Procedures

Adopted February 4, 1980
Revised October 7, 1991
Affirmed 1993
Affirmed October 16, 1995
Revised December 1, 1997
Revised October 6, 1998
Revised October 18, 1999
Revised December 18, 2000
Revised November 4, 2002
Revised December 1, 2003
Revised November 20, 2006
Affirmed October 20, 2008
Affirmed October 18, 2010

1.02.010 Purpose and Policy

The City shall employ a consistent, uniform process for the receipt, review, and Council action upon all applications for liquor licenses. The process will provide to citizens due opportunity for comment/input regarding each liquor license application, prior to Council action.

1.02.020 Procedures for New Licenses

1.02.021 Council Endorsement

Applications for a new license must be read at a regular Council meeting. The City Council normally meets on the first and third Monday of each month (unless there is a Monday holiday and then it would be on the following Tuesday). The application must be filed with the Finance Department twelve working days prior to a scheduled Council meeting. Applications filed less than twelve working days of a scheduled Council meeting will be processed for the next Council meeting.

1.02.022 Application

a. Application for a new license must be made on the prescribed City application form, and must be accompanied by the applicant's endorsed Oregon Liquor Control Commission (OLCC) application and payment of the application processing fee. The application and payment must be submitted to the Finance Director, or her/his designee, at 500 SW Madison, Corvallis, Oregon 97333. The Finance Director, or her/his designee, will forward the application to the Chief of Police, the Fire Chief, and the Community Development Director. The Police Department will investigate the applicant's background and criminal record. The Fire Department will inspect the applicant's business site to ensure Fire Code compliance. The Community Development Director will ascertain the site's suitability as a liquor dispensing/sales site, with regard to land use regulations.

b. ~~The legal advertisement~~A summary of the application shall be published ~~by the City~~ on the City's website at least five days prior to the first reading of the liquor license application by the Council.

c. Staff shall report to the Council, as part of the Consent Agenda, the results of the Police, Fire, and Planning investigations and the nature and extent of citizen input/comments received, unless the investigation results and/or citizen input/comments are unfavorable. In the event that unfavorable investigation results or citizen input/comments are received, staff shall present the report to Council as part of the New Business agenda, refer to section 1.02.022.d. Citizens may comment on a liquor license during Visitor's Propositions. If the Council so desires, a public hearing may be scheduled to hear further comments from citizens and/or interested parties. If this process will take more than forty days, the Finance Director or her/his designee will file for an extension of the application review deadline with the OLCC. The City has forty-five days in which to provide a recommendation to the OLCC, if no recommendation is given to the OLCC, the OLCC shall proceed as if the City has made a favorable recommendation.

d. If, at any time prior to approval of the application, City staff investigations of the application result in an adverse recommendation by staff, staff making the adverse recommendation shall contact the applicant and endeavor to resolve the issue. If staff's contact does not address the issue, the matter of the application shall be scheduled for hearing at the next available Human Services Committee. The City Manager's designee

shall notify the applicant of that event and request that the applicant attend the meeting. The Finance Director or her/his designee will file for an extension of the application review deadline with the OLCC. The Committee hearing shall include a report regarding the basis for the adverse recommendation; applicant shall have the opportunity to respond to the adverse recommendation and/or present rebuttal or other comments. After hearing all comments and receiving all information, the Committee shall, at the next regularly scheduled Council meeting, make its recommendation to the Council under "New Business" on the agenda. The Council shall read the application a second time and act upon it, either to approve, approve with conditions, or deny it. The applicant and the State (OLCC) shall be notified of Council's recommendation regarding the liquor license application.

1.02.023 Procedures for Existing Licenses; changes or renewals

The procedures specified in Section 1.02.020 of this Policy will pertain to City processing of changes to existing liquor licenses, except that no publication to the City's website ~~legal notice advertisement~~ is required.

The procedures specified in Section 1.02.020 of this Policy will also pertain to City processing of renewals of existing licenses except that the initiation of the license renewal process shall be done automatically by OLCC and City staff on an annual basis, only one reading of the application before the City Council is required.~~, and no legal notice advertisement is required.~~ Applicants will be notified by the OLCC annually to pay for the renewal of their license. Any applicant not approved by the City Council and the OLCC will have their renewal fee returned.

1.02.030 Review and Update

a. This General Policy shall be reviewed biennially in October by the Finance Director and Chief of Police and updated as appropriate.

b. A copy of this policy is on file with the OLCC Portland office. All revisions need to be filed with the License Process OLCC, PO Box 22297, Portland, Oregon in strikeout/redline format.