

COUNCIL ACTION FORM

SUBJECT: MODIFICATIONS TO FY 2019/20 COTA CONTRACTS DUE TO COVID-19 OUTBREAK

BACKGROUND:

The City enters into contracts with performing arts agencies as recommended by the Commission on the Arts (COTA). COTA contracts are currently in place for FY 2019/20 Annual Grants and for FY 2019/20 Spring Special Project Grants. The activities under these grants must be completed by June 30.

The outbreak of COVID-19 has affected several of the activities planned to be held as part of these contracts. Depending on the duration of social distancing and other public health requirements, disruption of activities may continue through the end of the fiscal year.

FY 2019/20 ANNUAL GRANTS:

The City has entered into contracts with 16 arts organizations for FY 2019/20 COTA Annual Grants. The activities required to be completed under the contracts vary from agency to agency. Some COTA contracts require specific performances to take place, while others provide payment to offset general operating costs.

As of April 1, seven of the 16 COTA organizations have drawn down their full annual grant allocation. Of the remaining nine organizations, three have contracts that do not specify that particular performances or events must be held (ACAC, CoMotion Dance, KHOI). Therefore, City staff believes that according to the contracts, these three agencies can still draw down their full allocation this year without further Council action. A fourth organization (Kids CoMotion) has already completed its required performance and is eligible to request payment for the full contract amount.

The remaining five organizations have been impacted by the COVID-19 outbreak because they have yet to draw down all their funds and their contracts specify either 1) particular performances that must take place, or 2) they must be open to the public for certain operating hours. The funds remaining to be drawn for these organizations are as follows:

	Contract	Paid	Remaining
AIOFA	\$ 9,760.00	\$ -	\$ 9,760.00
Ames Children's Choirs	13,770.00	7,608.57	6,161.43
Ames Town and Gown	18,140.00	880.00	17,260.00
Good Company	1,950.00	-	1,950.00
Octagon Center for the Arts	47,220.00	33,500.00	13,720.00
TOTAL	\$ 90,840.00	\$ 41,988.57	\$ 48,851.43

The following is a list of contracted activities that have been impacted or will be impacted in the coming weeks:

AIOFA – The contract calls for two performances to be held (April 28 and April 30), in addition to educational activities. The concerts have been rescheduled for September 28 and 29, which are outside the contract period. Under the terms of the contract, these performances would therefore not be eligible to receive the allocated funding.

Ames Childrens' Choirs – The contract specifies that a festival on April 24 and a spring concert on May 16 will be held. The festival has been cancelled and the Spring concert will be held online. Therefore, a portion of the funds for the April 24 performance would not be eligible to be drawn down under the current contract.

Ames Town and Gown – The contract indicates five events will be held. The fifth and final concert is to be held on May 1. If not held this fiscal year, the full contract amount would be ineligible to be drawn down.

Good Company – The contract calls for two concerts to be held. One was held in December; the other was the May 3 spring concert, which has been canceled. Therefore, the full contract amount is not eligible for drawdown.

Octagon Center for the Arts – The contract does not specify particular events to take place; however, it calls for the Octagon facility to be used for galleries, the shop, classes, and other programming. The Octagon has announced closures from March 15 through May 18.

FY 2019/20 SPRING SPECIAL PROJECT GRANTS:

The City awarded seven Spring Special Project Grants for FY 2019/20. Of these, one agency has drawn its funding. Two agencies have held their performances and are eligible to draw funds down. The remaining organizations, with contracts totaling \$2,729, are:

Central Iowa Touring Ensemble (\$877.40) – The planned performances have been canceled.

Ames Children's Choirs (\$759.60) – The performance was scheduled for May 16. It has been postponed until May 2021.

India Cultural Association (\$757.40) – The performance has been postponed at least until after the grant period expiration.

Story Theater Company (\$334.60) – The show is scheduled for June 28.

COTA RECOMMENDATION:

COTA met on April 6 and reviewed the list of contracts potentially impacted by COVID-19. **It was the recommendation of COTA that funds for all agencies be paid to the agencies even if the COVID-19 outbreak means the agencies will not be able to hold their performances.** COTA noted that many of the organizations have expended funds in preparation for the performances, even if the performances are not held.

It was expressed during the meeting that this was an unusual circumstance, and that in this situation it made sense to the commissioners to be more lenient with funding requirements, with an understanding that after the start of the next fiscal year, the organizations would be held to the contract requirements.

ALTERNATIVES:

1. Direct staff to issue reimbursements to the agencies for the full FY 2019/20 contract amounts, even if the activities are not all completed.

In this alternative, agencies would receive the entire funding amount allocated for their annual grants and special project grants, but would not be obligated to provide all the deliverables outlined in the contract. Performances delayed into the next grant period would not be eligible for future COTA funding, since the funds already granted would be put towards them.

2. Direct staff to issue reimbursement based on contracted activities actually provided through June 30, 2020. **If there are remaining funds:**
 - a. Allow agencies to request a re-allocation of funding to an activity area that demonstrates a need for additional funds and those activities can be provided through June 30, 2020.
 - b. If funds still remain as of June 30, 2020, allow agencies to carry FY 2019/20 funds over into FY 2020/21 if they are not drawn down due to COVID-19.

- c. The City Council should authorize staff to review and approve re-allocations and/or rollover requests.

In this alternative, staff would work with the organizers to identify appropriate alternative uses for the funds. If activities Funds for events that are canceled outright in FY 2019/20 could be put towards alternative events in FY 2020/21.

3. Do nothing.

If no action is taken by the City Council, the agencies would be able to draw down funds only for completed tasks and deliverables. Any tasks not completed in FY 2019/20 would be ineligible for drawdown at the conclusion of the contract, and unspent funds would return to the Local Option Sales Tax Fund balance.

CITY MANAGER’S RECOMMENDED ACTION:

These COTA contracts include activities that involve generating large crowds of people. Due to the public health emergency, these large public gatherings cannot take place in the near future.

The Commission on the Arts has reviewed the situation and notes that many organizations have already expended funds in preparing for their performances, even if the performances will not be held. COTA recommends allowing agencies to draw down their full contract amount, even if the event has been cancelled due to COVID-19.

Therefore, in accordance with the direction discussed by the Commission on the Arts, it is the recommendation of the City Manager that the City Council adopt Alternative No. 1 as described above.