



SIMI VALLEY CULTURAL ARTS CENTER

3050 East Los Angeles Avenue Simi Valley, California 93065

SIMI VALLEY ARTS COMMISSION SPECIAL MEETING LOCATION

Wednesday, February 20, 2019, 3:30 p.m.
Simi Valley Cultural Arts Center Multipurpose Room
3050 Los Angeles Avenue, Simi Valley, CA 93065

AGENDA

1. Call to Order/Welcome/Roll Call
2. Agenda Review
3. Approval of Minutes: September 19, 2018
4. Public Statements
This is the time allotted for statements or comments on matters within the subject matter and jurisdiction of the Arts Commission.
5. New Business
 - a. Receipt of Cultural Arts Center Fiscal Year 2018-19 Mid-Year Budget
 - b. Mid-Year Review of the Cultural Arts Center Capital Improvement Program for Fiscal Year 2018-19 and Review of the Fiscal Year 2019-20 Capital Improvement Program
 - c. Discussion of Arts Commission Meeting Schedule
 - d. Discussion of Cultural Arts Center Audit Findings and Implementation Strategies
 - e. Discussion of Questions Received from Commissioner Lorencz and Responses
 - f. Tour of the Simi Valley Cultural Arts Center
6. Reports
 - a. Simi Valley Cultural Arts Center Programming Update
 - b. Simi Valley Cultural Arts Center Statistics
 - c. Update on Simi Valley Cultural Arts Center Foundation Activities and Revenues
 - d. General Manager's Report/Tour of the Facility
7. Commissioner Comments
This is the time allotted for statements or comments from Arts Commissioners on matters within the subject matter and jurisdiction of the Arts Commission.

8. Adjournment - Next Arts Commission meeting Wednesday, April 17, 2019,
3:30 p.m. City Manager's Conference Room

/s/

Anna M. Medina
Deputy Community Services Director

If any interested individual has a disability that may require accommodation to participate in this meeting, please contact the Deputy Community Services Director, Anna Medina, at (805) 583-6811. Upon advance notification of the need for accommodation, reasonable arrangements will be made to provide accessibility to the meeting.

DRAFT MINUTES

1. Call to Order/Welcome/Roll Call

Deputy Community Services Director Anna Medina called the meeting to order at approximately 3:35 p.m., welcomed Arts Commissioners, and verified that a quorum was present.

Present: Commissioners Harrell, Kunicki, Lorencz, Walker and Palky; and, Cultural Arts Center Foundation Representatives McCarty and Cruz.

Absent: Mayor Huber and Council Member Judge

Staff Members: Anna Medina, David Ralphe, David Yoshitomi, and Fred Helsel.

2. Agenda Review

No changes were recommended.

3. Approval of Minutes: April 18, 2018

A motion was made by Commissioner Kunicki and seconded by Commissioner Walker to accept the minutes as drafted. The motion was unanimously approved.

4. Public Statements

None

5. New Business

a. Receipt of the Simi Valley Cultural Arts Center Fiscal Year 2017-18 Operating Budget Report

Ms. Medina presented an overview of the Cultural Arts Center's (CAC) year-end Profit and Loss Statement and Budget Report for Fiscal Year (FY) 2017-18 (July 1, 2017 to June 30, 2018). Total revenues are reported at \$500,023. The Cost of Goods sold was \$311,171 and Other Expenses were \$178,364. As a result, the CAC is reporting a positive balance in the amount of \$10,488 in the FY 2017-18 operating account.

The proposed FY 2018-19 budget projects gross revenue of \$484,050 and gross expenses of \$478,400. This is an increase over FY 2017-18 due to a projected increase of attendance and additional programming opportunities. These figures further project a net income of \$5,650 for the CAC, after returning \$142,500 to the City in personnel costs reimbursement and percentage of earned income.

Commissioner Kunicki commented that the Budget Advisory Committee is conducting financial assessments of all City operations, which includes

examining CAC costs which are not included in this budget report. These costs include utilities, maintenance and cleaning costs, and staffing.

- b. Receipt of Simi Valley Cultural Arts Center Fiscal Year 2017-18 Year-End City Reimbursement Report

Mr. Ralphe presented an overview of the FY 2017-18 Cultural Arts Center year-end City Reimbursement, which included quarterly subsidized Activity Reports for the year that are utilized in calculating the city reimbursement. In 2002, the City Council approved a reimbursement program for the Center that requires that the City be reimbursed 10% of earned income (total income less grants, donations, interest, and reimbursed technical costs) minus subsidized activity (providing rental space for non-profits and public entities). For FY 2017-18, 10% of earned income totaled \$42,141 and subsidies totaled \$11,208 resulting in a total of \$30,933 due the City.

Commissioner Palky noted an error on the reimbursement report. The incorrect amount of \$409,444, instead of the correct amount of \$421,407, was placed on the fourth line of the report. The correct amount was used all calculations, so this error did not impact the other figures in the report.

Commissioner Lorencz inquired as to how the financial reports are compiled and the format of the reports is determined. A specific concern was the accuracy of the term "cost of goods sold". Mr. Ralphe stated that the City determined the reporting format and terminology when the CAC's accounting system was initially set-up. Mr. Ralphe also stated that a financial review was currently in progress and that an update would be provided to the Arts Commission at a future meeting.

- c. Review and Approve Simi Valley Cultural Arts Center Individual/Special Case Subsidy Rental Policy

Mr. Yoshitomi presented a draft of the Individual/Special Case Subsidy Policy. The policy is designed to formalize and enhance the current practices of the CAC by establishing consistent application criteria, clear reporting requirements, and establish time limits for all subsidy authorizations.

A motion to approve the Simi Valley Cultural Arts Center Individual/Special Case Subsidy Policy as proposed was made by Commissioner Lorencz and seconded by Commissioner Harrell. The motion passed unanimously.

- d. Review and Approve Ventura County Star Storytellers Project Subsidy Request

Mr. Ralphe stated that CAC staff had been approached by the Ventura County Star (VC Star) regarding the Storytellers Project. According to the VC Star, the project's goal is to "create a platform for authentic, first-

person storytelling that connects community and encourages residents to relate to one another and foster empathy." The VC Star is interested in renting the CAC at no charge for the program in exchange for a promotional partnership. This partnership would allow for the inclusion of the CAC branding on digital and print marketing materials for the program.

Mr. Ralphe continued that staff has estimated the value of the one-time only subsidy request to be approximately \$1000 when considering facility and equipment rental, staffing, and technical charges. Staff believes that that the Storytellers Project aligns with the CAC's mission to support and encourage cultural activities in the community. Staff also estimates that the value of the promotional partnership outweighs the cost of the subsidy due to the reach of the VC Star and the success of prior Storytellers Project events.

Commissioner Lorencz inquired as to how the value of the promotional partnership was determined. Mr. Ralphe stated that the value was determined in part from an institutional marketing perspective, where events that increase the presence of the CAC in the community can be leveraged into greater interest in future programs. This is in addition to the value of CAC branding in event marketing materials.

A motion to approve the Ventura County Star Storytellers Project subsidy request as proposed was made by Commissioner Lorencz and seconded by Commissioner Harrell. The motion passed unanimously.

- e. Information on the Trellis Located at the Intersection of Los Angeles Avenue and Church Street

Mr. Yoshitomi provided information on the trellis located across the street from the CAC. The trellis was built as part of the 2002 Metrolink Railroad Right-of-Way Landscape Enhancement Project, which installed upgraded landscaping and irrigation for a 3.3 mile stretch along Los Angeles Avenue, running parallel to the Metrolink right-of-way. The blueprints dedicate about a 3' X 3' section for a "future art feature to be determined by the City," providing enough room for a sculpture or similar object.

Any modifications to the trellis structure would require approvals from Metrolink, Union Pacific and utility companies. These would be in addition to any permits and review required by the City.

The Arts Commission requested that staff continue to research the process and approvals necessary from railroad and utility companies and report findings at a future arts commission meeting.

6. Reports

a. Simi Valley Cultural Arts Center Programming Update

Mr. Helsel provided an update on the upcoming programming at the CAC for the months of September, October, November and December. Programs include: Studio C Performing Arts' production of *Thoroughly Modern Millie*; two DownStage Cabaret Series performances featuring *The High Street Broadcast*; four Tributes Unplugged concerts featuring the music of Neil Diamond, Fleetwood Mac, Elton John, The Eagles, and Pink Floyd; Actors' Repertory Theatre of Simi's production of *Guys and Dolls*; the CAC's holiday production of *Plaid Tidings*; and the annual Blue Christmas With Elvis Concert featuring Raymond Michael.

b. Simi Valley Cultural Arts Center Statistics

Mr. Ralphe provided the attendance and usage statistics of the CAC for the first six months of the calendar year, through June 30, 2018. Compared to 2017, attendance and usage of the CAC is up 14% for the year, primarily due to an increase in Main Stage attendance. The CAC's production of *Sister Act* and ARTS' production of *West Side Story* both received positive reviews and performed well at the box office. The CAC's production of *Next to Normal* garnered critical acclaim and managed to 'break even' financially. There has also been an increase in attendance in Gallery events, which have included cooperative exhibits with the Ventura County Arts Council, the Ronald Regan Presidential Library and Museum, and the Simi Valley Youth Council.

Mr. Ralphe noted that this would be the last report in the calendar year format. Future statistics and usage reports will move to a fiscal year format to be consistent with the financial reports.

c. General Manager's Report

Mr. Ralphe reported that the CAC is continuing efforts to maximize the availability of the facility for community use. One of the challenges has been renting the facility for meetings and other business use due to the limited breakout group space.

The Arts Commission suggested that staff explore recurring advertisements in local media outlets that market the CAC as a meeting and event facility.

d. Update on Simi Valley Cultural Arts Center Foundation Activities

Ms. McCarty introduced Raymond Cruz, the Simi Valley Cultural Arts Center Foundation's (Foundation) executive director, who delivered the update to the Arts Commission.

Mr. Cruz reported on the Foundation's development and fundraising activities. The Foundation is presently working on a development plan

which includes fundraising events and grant writing campaigns. Fundraising events that are being planned are the Spotlight Awards, Vino Jazz Festival, and Sabor De Mexico. Grant opportunities are currently being explored with the California Endowment, the Ventura County Arts Council, and the California Arts Council.

7. Commissioner Comments

Ms. Medina read a statement to inform the Arts Commission of the upcoming district election process for the City of Simi Valley. An informational community meeting is to be held on Tuesday, September 25, 2018 at 6:00 p.m. inside the City Council Chambers.

Commissioner Palky stated it was a pleasure to be at the meeting and a member of the Arts Commission.

Commissioner Lorencz stated that he would like to explore the CAC following period budgeting that provides more frequent updates on revenue and expenses.

Commissioner Kunicki asked that staff agendaize an item for the Arts Commission to discuss increasing the frequency of meetings. Mr. Kunicki then asked if there was any feedback from the three members of the public in attendance. There being no objections, the members of the public made the following statements:

Ms. Jan Schofield stated that she was in attendance to observe as she was interested in applying to the Arts Commission. She stated that she is currently a volunteer at the CAC.

Mr. Steven Hayes, a previous member of the Arts Commission, stated that he had been interviewed by a consultant regarding the CAC and inquired if a report had been completed. Mr. Kunicki stated the report was completed but that it had not yet been made available.

Mr. Joe Drago, also a previous member of the Arts Commission, thanked the City for the opportunity to serve and welcomed the new commissioners.

8. Adjournment – the meeting was adjourned at approximately 5:34 p.m.

CITY OF SIMI VALLEY • MEMORANDUM

DATE: February 20, 2019

TO: Simi Valley Arts Commission

FROM: Ronald K. Fuchiwaki, Interim Community Services Director

SUBJECT: RECEIPT OF CULTURAL ARTS CENTER FISCAL YEAR 2018-19 MID-YEAR BUDGET

Attached for your review is the Cultural Arts Center's (CAC) Mid-Year Budget Report, reflecting the first half of the Fiscal Year 2018-19 (July 1, 2018 to December 31, 2018). Income for this period is reported at \$300,987. The Expense/Cost of Goods Sold is reported at \$208,348 and Fixed Operational Expenses are at \$105,424, for a total expense of \$313,772.

An analysis of Total Income indicates that revenue is 12% above mid-year budget projections due, in part, to Box Office, Rental, and Reimbursed Technical Cost revenues exceeding projections by 13%, 8%, and 24% respectively. Contribution and Concession income were also both moderately higher than anticipated. Grant income came in 8% lower than projected.

In the Expense/Costs of Goods Sold, spending in all categories was 24% above the budgeted amount caused primarily by a 49% above budget reimbursement for Provider Payments (Total Box Office Receipts) due to the box office success of *Oklahoma!* The CAC benefits financially from a renter's success with an increase in ticket surcharge and concessions. The Operational Expense line is 4% over budget which can be attributed to the FY 2017-18 City Reimbursement of \$30,933 being paid in full at the beginning of FY 2018-19. Also, Credit Card Service fees exceeded budget projections by 33% due to positive box office performance.

At mid-year, the CAC revenues were below expenditures by \$12,785. In the past years, the first six months of the fiscal year have operated at a deficit, but have ended the year with a positive bottom line. This is due to some categories, such as the city reimbursements and licensing agreements, being paid at the beginning of the fiscal year for the entire year. Although expenses have exceeded budget projections at mid-year, a positive balance is expected in the second half of the year.

The CAC continues to operate on a sound fiscal foundation with a restricted Contingency and Performance Account of just under a combined total of \$39,000 held in a restricted money market account and an operational reserve money market account of \$71,840 as of December 31, 2018.

Should you have any questions regarding the above information, staff will be happy to respond at the February 20, 2019 Commission meeting.

Attachment

**SIMI VALLEY CULTURAL ARTS CENTER OPERATING BUDGET
FY 2018-2019 MID-YEAR REPORT**

ORDINARY THEATER INCOME/EXPENSE	ANNUAL BUDGET	MID-YEAR ACTUAL	% BUDGET
INCOME			
Advertising Income	\$500	\$0	0.00%
Box Office	\$326,600	\$205,731	62.99%
Concessions	\$10,700	\$5,947	55.58%
Contributions	\$31,650	\$16,811	53.12%
Grants	\$1,500	\$626	41.73%
Reimbursed Technical Costs	\$39,950	\$29,539	73.94%
Rental	\$72,700	\$42,328	58.22%
Interest Income	\$0	\$5	
TOTAL INCOME	\$483,600	\$300,987	62.24%
EXPENSE COST OF GOODS SOLD (COGS)			
Advertising/Marketing	\$14,600	\$5,779	39.58%
Booking/Artist Fees	\$25,000	\$14,150	56.60%
Concessions	\$5,300	\$2,200	41.51%
Contract Labor	\$20,000	\$2,218	11.09%
Special Events (Rotary, NYE.)	\$33,000	\$15,076	45.68%
Provider Payments - Total Box Rec	\$170,000	\$167,531	98.55%
Supplies	\$14,500	\$1,394	9.61%
TOTAL COST OF GOODS SOLD	\$282,400	\$208,348	73.78%
TOTAL GROSS PROFIT	\$201,200	\$92,639	46.04%
FIXED OPERATIONAL EXPENSES			
Capital Replacement	\$20,000	\$1,961	9.81%
Contract Services - Staff	\$121,500	\$57,479	47.31%
City Reimbursement - 10%	\$21,000	\$30,933	147.30%
Credit Card Service Fees	\$8,700	\$7,287	83.76%
Dues/Licenses/Permits	\$18,800	\$5,774	30.71%
Office Expenses	\$2,500	\$290	11.60%
Professional/Special Services	\$3,500	\$1,700	48.57%
TOTAL FIXED OPERATIONAL EXPENSES	\$196,000	\$105,424	53.79%
NET PROFIT/LOSS	\$5,200	(\$12,785)	-245.87%
	As of July 1, 2018	Credits/(Debits)	As of December 31, 2018
CONTINGENCY ACCOUNT BALANCE	\$19,470	\$8	\$19,478
PERFORMANCE ACCOUNT BALANCE	\$19,278	\$8	\$19,286

SIMI VALLEY CULTURAL ARTS CENTER MEMORANDUM

DATE: February 20, 2019

TO: Simi Valley Arts Commission

FROM: Fred Helsel, Acting Community Services Manager

SUBJECT: MID-YEAR REVIEW OF THE CULTURAL ARTS CENTER CAPITAL IMPROVEMENT PROGRAM FOR FISCAL YEAR 2018-19 AND REVIEW OF THE FISCAL YEAR 2019-20 CAPITAL IMPROVEMENT PROGRAM

The Capital Replacement Program for the Cultural Arts Center (CAC) is designed to be reviewed by the Commission annually during the budget process. It serves as a management tool to identify, in advance, and plan for the purchase of the CAC's future equipment and capital needs, as well as on-going maintenance. The following is an updated list of capital equipment items that the CAC has purchased out of the approved operations budget as identified in the financial operating structure approved by the City Council. The CAC will continue to track and report on these expenditures. The following list represents purchases made in the first two quarters of FY 2018-19.

Capital Equipment Items Purchased by the Cultural Arts Center

Mic replacements	1,499.00
Fog Machine replacement	145.00
Amplifier replacement for DownStage	301.75

Capital Expenditures 7/1/2018-12/31/2019 \$1,945.75

Capital Projects Approved and in progress

Augment Existing Projection System

A 6000-10000 lumen projector with a 0.3:1 specialty lens would increase scenic capability by allowing projections on cyclorama making it available for film, animation, and special effects projections.

Estimated Cost \$13,000

Upgrade sound package with (2) Shotgun microphones

Non-musical productions need some sound support, for the audiences comfort, but not the full lavalier support that musicals demand. The Sennheiser 416 Shotgun microphone will help solve the non-musical sound projection difficulty.

Estimated Cost \$ 2,200

Rolling metal storage cabinets for tools and hardware (4)

Our current rolling wooden cabinets are breaking down and need to be replaced with lighter weight metal cabinets that are stronger, have greater capacity and are more mobile.

Estimated Cost \$ 800

Proposed Capital Projects

Microphone Replacement

Microphone replacement is an ongoing capital expense for the Center considering the heavy use our equipment endures throughout a season. A typical production uses between 16-20 mics, not including mic swaps during the performance. Currently we are in need of replacing six (6) of our Countrymen headsets as well as six replacement wires for a total estimated cost of \$3,000. In addition, two body packs are in need of replacement at a cost of \$750. This will restore the inventory and add 2 spare mic packs with headsets.

Estimated Cost \$3,750

Electronic Keyboard Replacement

Our main electronic keyboard that has been used in all Center produced musicals for the past 10+ years is in need of replacement. Repairs were made to it last year, but the electronics of the keyboard has deteriorated extensively to the point that repairs will not solve the issue.

Estimated Cost \$4,000

Mac Mini replacement with Hard Drive Storage

The Macintosh Mini used for running Q Lab for projections, sound and lighting cues for productions and concerts is in need of replacement. In addition, the purchase of an external Hard Drive for storage will help the Mac Mini and our Macbook Pro eliminate large files being stored on their drives, thus optimizing their speed and maximizing their capabilities.

Estimated Cost \$3,800

Short Throw Projector for MPR/DownStage

Currently the Center makes use of an outdated projector provided by Rotary Club for all business and theatrical needs in the MPR/DownStage. This projector is limited in its capabilities and compatibility for current day technology presented by guest speakers, business meetings, or theatrical productions for the DownStage. A 3000 lumen short throw projector would allow the CAC to display bright, rich, colorful, crystal clear images and video for both business and theatrical use of the MPR/DownStage Theater.

Estimated Cost \$ 600

RECOMMENDATION

Staff recommends that the Simi Valley Arts Commission authorize staff to include the proposed capital projects in the amount of \$12,150 in the Fiscal Year 2019-20 budget for approval by the City Council.

CITY OF SIMI VALLEY • MEMORANDUM

DATE: February 20, 2019

TO: Simi Valley Arts Commission

FROM: Ronald K. Fuchiwaki, Interim Director of Community Services

SUBJECT: DISCUSSION OF ARTS COMMISSION MEETING SCHEDULE

At the September 19, 2018 meeting, it was requested that staff place on the agenda a discussion of the meeting schedule for the Arts Commission. The Arts Commission is currently scheduled to meet on the third Wednesdays of September, February, April, and June every fiscal year.

This quarterly meeting schedule corresponds to the duties and responsibilities of the Arts Commission as directed by City Council and Cultural Arts Center (CAC) policy. These include: a review of the annual operating budget prior to approval by City Council; receipt of the mid-year and year end budget reports; and review of annual capital improvement expenditures from the CAC Operations fund. The Arts Commission also reviews recommendations for expenditures from the Performance and Contingency accounts, as well as subsidy requests, on an as needed basis.

Accordingly, the following items are regularly scheduled to go before the Arts Commission during each respective quarterly meeting:

September:

- Receipt of Previous Fiscal Year Operating Budget Report
- Receipt of Previous Fiscal Year Year-End City Reimbursement Report

February:

- Receipt of the CAC Current Fiscal Year Mid-Year Budget
- Review of the Previous Year's CAC Capital Improvement Program and Review of the Upcoming Fiscal Year Capital Improvement Plan prior to City Council approval

April:

- Receipt of the CAC Previous Fiscal Year Operating Budget and Review of the Upcoming Fiscal Year Operating Budget prior to City Council approval
- Review of the Upcoming Fiscal Year Operating Plan

June:

- Any continued business

All Meetings:

- Programming Update Report
- Simi Valley Cultural Arts Center Statistics Report
- General Manager's Report
- Foundation Update

Analysis:

The quarterly meeting schedule allows the Arts Commission to fulfill the duties and responsibilities assigned by the City Council. Increasing the frequency of meetings will require the development of new agenda items that are within the purview of the Arts Commission. Any change in the duties or responsibilities of the Arts Commission would require updates in policy, legislation, or both. The demand on staff resources would increase based on the specifics of agenda items and amount of meetings.

Prepared by: David Yoshitomi, Community Services Manager

CITY OF SIMI VALLEY • MEMORANDUM

DATE: February 20, 2019

TO: Simi Valley Arts Commission

FROM: Ron Fuchiwaki, Interim Director of Community Services

SUBJECT: DISCUSSION OF CULTURAL ARTS CENTER AUDIT FINDINGS AND IMPLEMENTATION STRATEGIES

Background

In early 2018, the City Manager initiated a management review of the Cultural Arts Center based in part on concerns that had come forward by City Council members and based on the Cultural Arts Center being in operation for over 20 years to evaluate what was going well and what areas needed improvement. In July 2018, Management Partners completed the Management Review and a Draft Implementation Action Plan (Attachment A) for the Cultural Arts Center (CAC). This plan provides several sound recommendations that can have an immediate positive impact on CAC operations and policy. They help to lay a framework for which effective policy can be improved, developed, or enhanced. This will update many of the existing procedures to best meet the needs of the community and the CAC's responsibilities as a public facility.

Also, based on some of the recommendations, the City Manager believed it would be appropriate to get a better understanding of how the former Manager of the Cultural Arts Center viewed the recommendations, and to provide opinions on how he saw the operations of the Cultural Arts Center. (Attachment B)

Finally, staff also initiated the services of Vasquez & Company LLP to assist the City in evaluating the CAC cash handling and accounting procedures and provide a specific audit as part of the overall City audit in the Fall of 2018. (Attachment C)

Implementation Actions

Approximately 90% of the recommendations contained in both reports to improve financial policy, financial reporting, staff training, and overall transparency of all operations of the CAC have been addressed. Additionally, the Management Partners report calls for the development of a strategic plan which will provide direction for the CAC to meet long term goals and objectives. The strategic planning process will take staff 12-24 months to complete. Some of the items addressed include:

Financial:

- Check signing protocol was modified beginning October 2018.

- Installed a web based version of QuickBooks (facilitates City Hall staff's ability to review data on a periodic and ad hoc basis and enhances internal auditing capability).
- The QuickBooks chart of accounts has been updated to reflect numeric codes to enhance tracking and increase transparency.
- Cloud QuickBooks permissions and access transferred to AS/Fiscal Services staff as of December 2018 discontinued use of in-house CAC QuickBooks System.
- QuickBooks reconciliation now completed by AS/Fiscal Services on a monthly basis; discontinued services of outside bookkeeper.
- Renamed the term "Provider Payments" to "Provider Payments - Total Box Office Receipts" for increased clarity in reporting.
- CAC Budget is to be approved by City Council with the annual operating budget for the City.
- CAC Budget will be included with the FY 2019-20 annual City Budget and posted on the City's website. The CAC continues to be included in the annual audit and CAFR.
- Internal audit complete and eight point action plan has been implemented (including bullet point #4, #5, and #7 above)
 - This also includes: improved reconciliation/deposit verification systems; expanded 1099 reporting with CS/City Hall review (to include production groups as well as contract employees); scanning requirements (attach invoices, payment requests, cash receipts reports, W-9, production agreement/contract terms to vendor file); monthly financial review by CS/City Hall; updating presentations and reports to reflect total CAC activity.

Policies and Procedures:

- Draft policy manual is being revised to include new financial reporting and procedures and scheduling policy. Initial review completed January 2019. Draft will be ready for review by Deputy Director by mid-February 2019.
- Scheduling procedure is in development and will be ready for Deputy Director review by mid-February 2019 with a target distribution date of March 2019 to schedule the 2020 season. Procedure will model other municipal theaters in the state. Distribution strategy includes website posting, social media shares, email blasts and direct outreach to arts groups. Policy will be drafted and included in policy manual.
- Cultural Arts Center page on City Website has been drafted with CAC, Arts Commission, and Foundation information. It also has a rental inquiry form.
- The CAC is continuing to follow all City policies regarding the hiring process, purchasing cards, and outside employment requests. All employees are informed of the policies by the City's Human Resources Division.

Training:

- Ongoing- Staff is being trained on new policies as they are implemented. Staff has been trained on all new financial entry, recording, and reporting procedures.
- Training on revised policy manual will occur once complete.

Research and Analysis:

- Marketing Plan is in development that includes both print and digital advertising. A season preview flyer that provides an overview of the season has been distributed. Campaigns for performances will follow show specific marketing calendar; PR campaign includes media blast (monthly or more often if warranted) to over 40 media outlets from Orange County to Santa Barbara County plus regional/national publications including: VC Star, VC Reporter, Los Angeles Times, Simi Valley Acorn and sister Acorn publications and theater publications like Backstage.
- Staff has placed on the February 2019 meeting agenda, discussion of the Arts Commission meeting schedule; conducted Arts Commission orientation in October 2018 to review responsibilities and duties.
- Strategic planning process has been outlined.

Partnerships:

- A season ticket package is currently in the works, pending the confirmation of the April/May show.

**City of Simi Valley, CA
Management Review of Cultural Arts Center**

July 2018



Management Partners



July 3, 2018

Mr. Eric Levitt
City Manager
City of Simi Valley
2929 Tapo Canyon Road
Simi Valley, CA 93063

Dear Mr. Levitt:

Management Partners is pleased to transmit this final report of our management review of the Cultural Arts Center. We were engaged assess management practices and policies of the center and make recommendations for improvement.

Through our interviews with 18 people and our review of numerous documents provided by staff, we learned about many of the Cultural Arts Center's accomplishments during the 23 years that it has been in existence. We also learned about concerns expressed by stakeholders regarding scheduling of the Mainstage theater, financial management practices at the center, lack of transparency, and potential conflicts of interest.

This report contains 26 recommendations for improvement that reflect best management practices. The recommendations are intended to offer practical steps that can be taken to ensure the Cultural Arts Center operates with appropriate management practices consistent with a public enterprise.

We appreciate the assistance of City staff and community members who provided information as part of our assessment. Please let us know if Management Partners can assist the City in any way in the future.

Sincerely,

A handwritten signature in black ink, appearing to read "Gerald E. Newfarmer". The signature is fluid and cursive, with a prominent loop at the end.

Gerald E. Newfarmer
President and CEO

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Executive Summary

City of Simi Valley leaders identified a need to conduct a comprehensive management review of the Cultural Arts Center (CAC). A periodic review of operations is a sound practice that offers an opportunity to assess operations and identify opportunities for improvement.

Recent concerns were raised by some stakeholders about specific practices regarding allocation of space at the Cultural Arts Center, as well as questions about financial management practices and whether the City should play a more active role in establishing policies and providing oversight of CAC finances.

The CAC is a City operation under the supervision of the Community Services Department and has significant general fund resources allocated to it each year. The FY 2017-18 general fund budget for the CAC was \$427,000, net of other revenues, and not including facility maintenance costs. Five City employees staff the CAC.

Management Partners conducted 18 interviews with staff, arts commissioners, and stakeholders. These interviews were important in informing our understanding of CAC operations, culture and concerns.

Summary of Observations and Recommendations

Management Partners' observations and recommendations as described further in this report are in the following categories:

Use of Mainstage theater. The City does not have written policies pertaining to decisions about programming for the Mainstage theater. For a publicly owned facility, especially one in high demand, written policies and procedures are expected so employees, facility users and the public have a clear understanding of how decisions are made. The interviews and research revealed three overarching concerns:

- The Community Services manager exercises complete discretion and control over programming decisions. This problem is compounded by the Community Services manager's relationship

with the Actors' Repertory Theater of Simi (ARTS), which receives the majority allocation of space on the Mainstage.

- There is no formal process in place to solicit or evaluate proposals to use the Mainstage, and no written policies that inform an interested party as to how, when or why programming decisions are made.
- Most productions routinely run six to seven weeks, reducing the number of shows and providers who have access to the Mainstage.

Key recommendations

- Establish criteria for making decisions about the use of the Mainstage theater.
- Solicit proposals for use of the theater from a wide variety of local producers and interested parties.
- Remove any employees who are part of groups competing for space from making decisions about use of the Mainstage.

Stakeholder relationships. Stakeholder relationships have suffered as a result of the way space is allocated at the Mainstage. A number of interviewees reported they believe allocation decisions are pre-determined, leaving potential users to feel excluded. In addition, several stakeholders would like to see additional outreach by the CAC to increase attendance at performances, classes and events. They suggested more marketing and collaboration with neighboring theaters to help expand the patron base.

Key recommendations

- Invite stakeholders to participate in the development of criteria for use of the Mainstage.
- Establish a request for proposals (RFP) process for use of the Mainstage and ensure the proposals are available for public review and evaluated according to established written criteria.
- Assess the benefits and feasibility of offering season passes or other ticket options to increase attendance.

Financial management practices. The budgeting process and financial reporting at the CAC lacks transparency. As mentioned previously, the Cultural Arts Center is a City of Simi Valley operation, even though historically it has not been viewed as such according to the individuals we interviewed.

The arrangement over the past approximately 20 years has been one of maintaining separate financial records for the CAC. This leads to confusion about the budget and inconsistency between this operation and

the City's accounting and budget protocols. Internal controls for expenditures and receipts of revenues within the CAC are in need of review and the City's auditor has not examined the CAC financials since 2014. The CAC budget is not approved by the City Council, nor is it included with other budget documents on the City's website. Funds held "in trust" are not identified as such in the CAC financial statements.

Key recommendations

- Discontinue use of QuickBooks and incorporate CAC financial activity into the City's accounting system.
- Clarify the status of provider payments held in trust.
- Incorporate City Council approval of the CAC budget each year with the City's budget process and include it with other budget documents on the City's website.
- Develop appropriate financial policies and procedures that provide necessary internal controls and safeguard City funds.
- Request the City's auditor to conduct a special audit of CAC financial activity and internal controls.

Organizational issues and personnel practices. The Cultural Arts Center is appropriately placed within the Community Services Department of the City. The deputy director of the department supervises the CAC, which is appropriate.

However, two problems were identified in the CAC pertaining to personnel issues. One is that three of the five City employees at the CAC are related to one another, and while the current supervisor/subordinate relationships do not technically violate the City's policy regarding employment of family members, the practice should be avoided in a work group of this size. Second, outside employment authorizations for CAC employees have not been updated in many years. The authorizations should be reexamined to ensure the outside employment does not conflict with their City of Simi Valley employment.

Key recommendations

- In the future, do not appoint family members to staff positions at the CAC.
- Request that employees update the City of Simi Valley outside employment forms (and annually thereafter), providing detail about the work performed, compensation provided, hours of work, and how potential conflicts with the interests of the City of Simi Valley theater would be addressed.

Strategic planning. The CAC operates in an environment much different in 2018 than when it was established following the completion of the

Final Operational Plan in 1995. It is time to prepare a new strategic plan for the CAC that considers the current market conditions, City's budget expectations for the CAC, stakeholder interests, and other factors that would position the CAC to be successful over the next decade.

The CAC would benefit from a collaborative strategic planning approach. Outside expertise may be beneficial to provide advice on best practices regarding marketing and opportunities for capitalizing on the uniqueness of Simi Valley theater. Stakeholders, City executives, commissioners and others should be involved in the strategic planning process.

The strategic planning process should also engage the question of the role of the Cultural Arts Center staff, whether they should be managing the operation only or should be producing theater. The process should consider financial viability of the CAC and identify the City's target for subsidy in the future, so that the strategic plan will identify methods of achieving the City's financial goals for the center.

Key recommendations

- Initiate a strategic planning process.
- Identify City financial goals for the Cultural Arts Center.
- Engage a strategic planning team comprised of City staff and community stakeholders in a collaborative process.

Implementation of Recommendations

The Cultural Arts Center is a valuable resource for the community. It has the opportunity to improve its operational effectiveness and stakeholder relationships by implementing the recommendations in this report. Some will require a commitment of time to create policies and procedures and provide training for staff. Others will require a shift in workload and changes to City Council processes, such as including the CAC budget as part of the overall adoption of the City's budget.

Community outreach will be necessary to engage stakeholders in the development of programming criteria and a strategic planning process. And the CAC audience and patron base will need to be receptive to a wider variety of programming that allows interested residents and community groups to share the benefits of the Cultural Arts Center.

Project Approach and Background

This section describes the project approach to the management review and background information about the Cultural Arts Center. It also contains a summary of the interview themes regarding accomplishments of the CAC as well as weaknesses and concerns related to the CAC.

Project Approach

Management Partners conducted interviews with managers and line staff, members of the City's Art's Commission, members of the Simi Valley Cultural Arts Center Foundation, and community stakeholders. In addition, we reviewed a variety of documents and data pertaining to CAC operations. As we conducted our analysis, we relied on our municipal management experience and knowledge of best practices to inform the recommendations.

Document Review

We obtained a variety of information and data from the City of Simi Valley including documents detailing the history and current operations of the CAC, budgets and financial statements, financial policies, job descriptions, marketing materials, contracts for use of the CAC, and administrative records from the Arts Commission and the Simi Valley Cultural Arts Center Foundation. We reviewed

- Organization charts and job descriptions;
- City of Simi Valley code of ethics and conduct for elected officials and members of appointed boards, commissions and committees;
- 1995 Final Operational Plan for the Simi Valley Cultural Arts Center;
- Bylaws of the Simi Valley Cultural Arts Center Foundation;
- FY 2017-18 General Fund Cultural Arts Center operating budget;
- FY 2017-18 Cultural Arts Center operating budget;
- Minutes of the Simi Valley Arts Commission, for FY 2016-17 and FY 2017-18;
- List of people receiving 1099s for 2017;
- Calendar of events scheduled for the Cultural Arts Center in 2018;
- Various financial documents;

- Memorandum to City Council from City Manager regarding consideration of bylaws for a Simi Valley Cultural Arts Center Commission and Simi Valley Cultural Arts Foundation, February 28, 1994;
- Marketing materials: History brochure, Rental and Event brochure, "Share the Arts" brochure; and
- Policies and procedures governing Cultural Arts Center:
 - CAC Facility Rental Rates – 2017 Revised
 - City Purchasing Card Procedures for Cultural Arts Center
 - A brief summary of CAC bookkeeping and financial reporting procedures
 - Cultural Arts Center Theater/Multipurpose Room License Agreement
 - Contingency Account Policy
 - Performance Fund Policy/Procedures.

Interviews

Management Partners conducted 18 separate interviews. These included the following categories of individuals:

- City executive staff;
- All Cultural Arts Center staff;
- Members of the Arts Commission;
- Current and former members of the Simi Valley Cultural Arts Foundation board; and
- Stakeholders representing independent producers and community groups, including Actors' Repertory Theater of Simi (ARTS) representative.

Themes from Interviews

The themes from interviews are summarized below. They include accomplishments and attributes of the CAC, as well as weaknesses and concerns.

Accomplishments and Attributes

Key accomplishments of the center cited by interviewees are:

- Producers like using the facility because it is easy to rent, is a beautiful, well-maintained building, the services are tailored and the customer service is good.
- CAC has earned a reputation of quality productions at affordable ticket prices.

- High caliber performers and technicians are willing to work in Simi Valley for little or no pay.
- CAC is a source of pride for the City and community.
- CAC is a stepping stone for talented youth to gain experience in theater.
- Good volunteer base.
- Consistent artistic quality.
- Technically strong staff.
- Stimulus for arts in Simi Valley.

Weaknesses and Concerns

A summary of the weaknesses and concerns about the Cultural Arts Center is provided below.

- Only a few groups and producers have access to the Mainstage theater.
- The current practice of booking six-week productions may not allow for adaptability to the variety of providers in the Simi Valley market and should be reviewed as part of a strategic planning process.
- There is no formal process for seeking input from people who would like to use the CAC.
- People are not surveyed about what types of plays they want to see; not proactive in seeking customer input in planning future productions.
- Using outdated business model from 20 years ago.
- There is no incentive for the center to make money since the City subsidizes it.
- The website lacks information about facility availability.
- Lack of a clear criteria and transparent process to determine who is allowed to use the CAC, particularly the Mainstage.
- Concern was expressed about perceived favoritism between center staff and producers.
- Concern was expressed about potential conflicts of interest between center staff and producers.
- Internal controls and a clear separation of duties are lacking, which would ensure proper cash handling and reporting.

Staffing and Organizational Placement

The Cultural Arts Center is located within an historic building, designated as a Ventura County Historical Landmark in 1981 and purchased by the City in 1991. The center operates as a venue for a variety of types of performing and visual arts, as well as a space available to the community for meetings, seminars and special events. The facility includes the 220-seat Mainstage Theater with dressing rooms, a secondary stage in a community meeting room with seating for 70 to 90, two art galleries and a catering kitchen.

Staffing

The CAC is staffed by five full-time City of Simi Valley employees, as shown in Table 1.

Table 1. Cultural Arts Center Staffing

Positions	Labor Representation
Community Services Manager ¹	Unrepresented
Assistant Community Services Manager ²	Unrepresented
Two Office Assistant II	Service Employees International Union (SEIU)
Theater Technician	Service Employees International Union (SEIU)

¹This individual is referred to on the CAC website as "General Manager" but the city classification is Community Services Manager

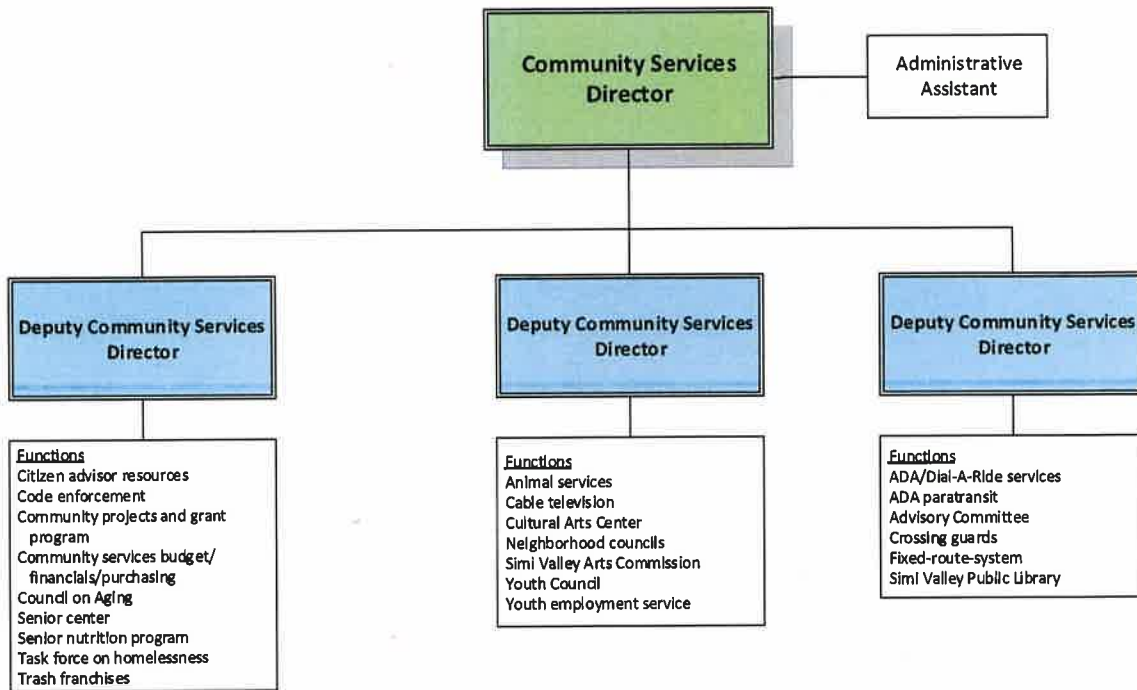
²This individual is referred to on the CAC website as "Assistant Manager" but the city classification is Assistant Community Services Manager.

Organizational Placement

The CAC is one of several operations within the Community Services Department. The CAC community services manager reports to a deputy community services director.

Figure 1 shows the organizational placement of the CAC within the City of Simi Valley structure.

Figure 1. Organizational Placement of CAC in the City Organization



Arts Commission and Cultural Arts Center Foundation

The Simi Valley Arts Commission is a seven-member body appointed by the City Council. The Commission meets quarterly to oversee the operations, budget, capital improvements, and programming of the CAC and is advisory to the City Council.

The Simi Valley Cultural Arts Center Foundation raises funds for the Cultural Arts Center. The foundation is in the process of growing an endowment with the goal of providing ongoing support for CAC programming and long-term maintenance of the facility.

Budget

The budget for the Cultural Arts Center is divided into several separate budgets. There is no single combined budget for the Cultural Arts Center as would be expected for a city operation. As a result, the full cost of the operation to the City of Simi Valley is not readily available to interested parties. The separate budgets are:

- City's General Fund budget for personnel,
- Public Works maintenance of the facility, and
- CAC non-personnel operating budget.

City's General Fund Personnel Budget

The City allocates funds each year in the General Fund budget to pay for salaries and benefits for the five CAC employees listed above. In the FY 2017-18 budget, this \$554,000 expense is shown as being offset in part by a \$127,000 "reimbursement" from the CAC, included in the budget as a General Fund revenue line item. The reimbursement accounts for an annual loan payment to the City, as well as reimbursement for salary and benefit expense for one Office Assistant and a portion of the Theater Technician.

Table 2. General Fund Budget for Cultural Arts Center for FY 2017-18

Category	FY 2017-18 Budget
Expenditures	
Salaries	372,600
Benefits	181,400
Total Expenditures	554,000
Revenue	
Cultural Arts Reimbursement	127,000
Total Revenue	127,000
TOTAL	427,000

Public Works Maintenance for the Facility

The Public Works Department's building maintenance section performs routine maintenance and repair at the CAC and provides system upgrades as needed. Maintenance costs for the building are not separately identified in the City's budget, but the CAC is included on a list of City-maintained facilities.

In FY 2016-17, public works upgraded the air conditioning. In FY 2017-18, public works is in the process of installing motorized chandeliers. In FY 2018/19, the budget anticipates a project to replace the carpet.

CAC Non-Personnel Operating Budget

The Cultural Arts Center maintains its own non-personnel operating budget. It uses a profit and loss statement, which is appropriate for assessing the success of an individual performance, but is not a budget format typically used for city government funds. As a profit and loss statement, the CAC budget recognizes the cost of goods sold as an expense against income, resulting in a gross profit figure. Other CAC expenses reduce the gross profit to a net income (or loss) for the year.

Some key notes about this budget follow.

- Funds generated by the theater (box office receipts, concession sales, rental revenue) and expenses that support its programming are managed by CAC personnel. This activity is not included in the City's budget nor are the transactions recorded in the City's accounting system. The Arts Commission approves the CAC budget each year.
- City Finance Department staff are not involved in approving the operating budget for the CAC. This is discussed in this report in the section labelled "Financial Management Practices".

The CAC operating budget is shown in Table 3 below. The FY 2016-17, the CAC ended the year with a loss of \$18,029. In FY 2017-18, they expect to realize net income of \$7,350. The data in Table 3 are from documents provided by the City.

Table 3. Cultural Arts Center Operating Budget for FY 2017-18

Category	Actual FY 2016-17	FY 2017-18 Budget
Income	Actuals	Estimates
Advertising	\$638	\$500
Box office	\$272,957	\$295,450
Concessions	\$9,901	\$9,450
Contributions ¹	\$35,508	\$31,100
Grants	\$3,636	\$1,000
Reimbursed technical costs ²	\$41,825	\$37,000
Rental fee income	\$77,439	\$79,700
Total Income	\$441,094	\$454,200
Cost of Goods Sold		
Advertising/Marketing	12,433	15,300
Booking/Artists Fees	25,600	22,000
Concession supplies	6,659	4,150
Contract labor	49,257	18,000
Special events	32,877	32,000
Provider payments ³	171,056	158,000
Supplies	13,139	15,500
Total Cost of Goods Sold	311,021	264,950
Gross Profit	130,073	189,250
Expense		
Capital replacement	14,209	20,000
Technical staff	65,387	103,000
City reimbursement (10% of earned income) ⁴	26,273	23,000
Credit card service fees	19,998	9,900
Dues/licenses/permits	17,527	20,500
Office expenses	1,708	2,500

Category	Actual FY 2016-17	FY 2017-18 Budget
Professional/special services	3,000	3,000
Total expense	148,102	181,900
Net Income	(18,029)	7,350

¹The Arts Foundation contributes approximately \$30,000 per year to CAC operations to repay the loan received from the City. The loan balance reported in FY 2016-17 was \$161,384.

²This represents payments by users of the CAC for technical equipment and assistance.

³City reports these are ticket sales held in trust for the producer/provider and paid after the show concludes, net of expenses.

⁴Pursuant to the operating agreement, the Cultural Arts Center operating fund pays the City 10% of earned income annually, minus the value of discounts given to nonprofit users of the theater.

Net General Fund Support of the Cultural Arts Center

Based on the FY 2017-18 General Fund personnel budget and the CAC's non-personnel operating budget, this fiscal year the expected net General Fund support of the Cultural Arts Center will be \$427,000 plus facility maintenance costs. In addition, the City's Building Improvement Fund is expected to spend \$440,000 over the next five years on facility upgrades.

Observations and Recommendations

This section summarizes the results of Management Partners' assessment. Observations and recommendations are provided in the following categories:

- Policies and Procedures Regarding Mainstage Theater,
- Stakeholder Relationships,
- Financial Management Practices,
- Organizational Issues and Personnel Practices, and
- Strategic Planning.

Policies and Procedures Regarding Mainstage Theater

Management Partners reviewed all written policies and procedures pertaining to the Cultural Arts Center provided to us as part of this review (as listed in previously in the section on project approach). One of the major issues cited in interviews was the way space at the Mainstage Theater is assigned. There is no written policy pertaining to this, as is discussed below.

Use of Mainstage Theater

In 1995, after the Arts Foundation secured a loan from the City to renovate the CAC, the City contracted with theater professional David Ralphe to prepare an Operational Plan and, along with Fred Heisel, to operate the CAC. In 2000, Mr. Ralphe and Mr. Heisel were hired by the City to continue in that role.

Management Partners was told that the 1995 Final Operational Plan (Plan) continues to be the document that guides policy and procedures of the CAC. This 23-year old document outlines a marketing strategy, operating policies and procedures, staffing and governance structure and rental information.

The 1995 Plan stated that events on the Mainstage would be drawn from the following sources:

- Local arts groups,
- Professional touring individuals and groups,
- Independent producers, and

- In-house presentations.

The Plan goes on to list several potential “programming resources” including 14 local organizations, another eight from Ventura County and Los Angeles, and five more that were active statewide. The groups represented a variety of disciplines that could fulfill the mission of the CAC to provide a venue for live performances of all kinds, suggesting intent to cast a wide net to fully program the facility.

For many years, the majority of performances on the Mainstage have been produced by one provider: Actors’ Repertory Theater of Simi (ARTS). Several additional shows on the Mainstage are produced in-house each year by CAC staff. Because of the number and length of these productions, there is little opportunity for other stakeholders to rent the Mainstage and produce large-scale theatrical productions, leading to the frustration and concern voiced by various stakeholders.

Our interviews and research revealed three overarching concerns:

- The community services manager exercises complete discretion and control over programming decisions.
- There is no formal process in place to solicit or evaluate proposals to use the Mainstage, and no written policies that inform an interested party as to how, when, or why programming decisions are made.
- Both ARTS productions and those produced in-house routinely run six weeks (plus one “tech week”), further reducing the number of shows and providers that have access to the Mainstage.

Table 4 lists the major shows scheduled for the Mainstage in 2018 and the number of weekends reserved for each.

Table 4. Schedule at Mainstage Theater for 2018

Shows	Weekends Reserved	Producer
Sister Act	7	Cultural Arts Center
West Side Story	7	ARTS
Next to Normal	7	Cultural Arts Center
Big River	7	ARTS
Oklahoma	7	ARTS
Thoroughly Modern Millie	6	Studio C Performing Arts
Guys and Dolls	7	ARTS
TOTAL	48	

As a result of this operational structure, local performing arts groups and organizations (other than ARTS) are effectively excluded from using this

facility. As with any allocation of limited public resources, it is essential that there be an open and transparent method of decision making to determine who uses the Mainstage.

Recommendation 1. Establish written priorities for using the Mainstage Theater that invite diversity and provide opportunities for multiple producers to develop and present programming. Limit providers to no more than three shows in one year and determine a schedule that includes both short- and long-run productions.

The CAC enjoys a reputation for quality performances and a loyal patron base, something that is important to retain. However, as a publicly owned and operated center (as opposed to one owned by a private company or nonprofit organization) the CAC has an obligation to serve a variety of constituents.

Programming should vary in length, subject matter, level of talent, and type of performance. The facility should allow for fledgling production companies to build their skills and reputation, even if it means some productions are not as professionally produced or as well attended as others. As a city owned and operated facility, the CAC needs to balance the schedule of productions to serve all the needs and audiences in the community.

Recommendation 2. Ensure each request for proposals is made widely available to all interested parties of various status and levels of experience.

The decision making process for selecting proposals for use of the Mainstage needs to be transparent. There should be written policies, developed with input of stakeholders. The community services director should have a role in developing the policies, and the policies should be posted on the City's website and included in request for proposals processes so that all interested parties understand the expectations.

Recommendation 3. Create written policies for making decisions about use of the Mainstage Theater and establishment of production selections. Final approval authority should be vested in the community services director or his/her designee.

It should be noted that the CAC does not suffer financially when outside productions are not well attended. For those productions, revenue from facility rental and technical fees flow to the CAC, but nearly all box office revenue is passed through to the production company. (On occasion,

renters share event revenue with the CAC.) Conversely, in-house productions generate box office revenue that is retained by the CAC, but pay no facility rental or technical fees. This circumstance supports the idea offered by some interviewees that less experienced, perhaps less well known producers can be allowed to rent the Mainstage without significant loss of revenue to the CAC. Management Partners cannot verify if this would be the case.

Stakeholder Relationships

As a result of stakeholder interviews, it was clear that while the community holds the community services manager and staff in high regard, they do not believe the manager should have unilateral authority when it comes to programming decisions. Rather, as a City-operated center, programming decisions should be based on criteria that is consistent with the center's strategic plan and approved in a public forum by the Arts Commission or designated by City Council. As with other community theaters, some stakeholders would like to see a process where all interested parties can submit proposals for use of the theater and decisions are made according to established criteria.

Written criteria for decision making is needed so interested parties understand what sort of productions the CAC is looking for and what criteria will be considered when proposals are evaluated. Given the current sense by some outside stakeholders that the process has been "closed" in the past, all interested parties should be given an opportunity to participate in developing the programming criteria and decision making procedures.

Recommendation 4. Invite stakeholders to participate in the process to develop criteria for evaluating proposals for use of the Mainstage.

Recommendation 5. Ensure submittals for use of the Mainstage are available for public review and are evaluated in an open forum.

Stakeholders who were interviewed indicated that it may benefit the CAC to collaborate with surrounding theaters to ensure the public has access to a variety of theater experiences and reduce the chance of duplication and redundancy.

Recommendation 6. Have the CAC join other local theaters such as Thousand Oaks, Santa Paula, and Moorpark to work together in providing performances for the surrounding area.

Finally, stakeholders suggested the CAC should offer season tickets or ticket packages with other theaters in the region to enhance attendance. This would need to be separately evaluated by the City to determine its benefits, administrative requirements, and feasibility.

Recommendation 7. Assess the feasibility and benefits of a season pass ticket program or types of regional ticket packages to increase attendance.

Financial Management Practices

Financial management, expenditures, and collection of income at the theater was delegated many years ago to CAC staff. As mentioned previously, while the CAC is a City operation, its operating budget is not maintained as part of the City's accounting system. Management Partners believes this is a priority issue that needs to be addressed.

Incorporate into City's Accounting System

An outside bookkeeper, who is not a City employee, is engaged by the Cultural Arts Center to handle the accounting for the CAC. The bookkeeper uses a simple QuickBooks system of accounting, generating monthly reports that are sent to the deputy director of community services.

CAC gross revenue, gross expenditures and net cash are recorded in the City's financial system on a quarterly basis from statements provided by the contract bookkeeper, but transactional detail is not logged. Checks generated by CAC staff must be co-signed by the director or deputy director of the Community Services Department and City staff members have online access to the CAC bank statements, but it is not clear how much attention is paid to the accuracy of the disbursements. Year-end financial statements are prepared by a local firm but are lacking in detail.

It is incumbent on City staff to provide sufficient fiduciary oversight and control to safeguard public funds and ensure they are managed with integrity and transparency. The current system that allows CAC finances to be held and accounted for separate from all other City funds suggests it is a separate, independent entity, rather than part of an established municipal operation.

Incorporating all financial activity of the CAC into the City's accounting system is consistent with Generally Accepted Accounting Principles (GAAP) for public agencies and would allow for appropriate oversight and uniformity of financial reporting.

Recommendation 8. Discontinue use of QuickBooks and incorporate all CAC financial activity into the City's accounting system.

City's Annual Audit. Although financial activity from the CAC is included in the General Fund audit presentation, the City's annual audit does not include detail of the CAC's non-personnel operating budget. It should since this is a City operation.

Recommendation 9. Include the Cultural Arts Center's entire budget in the annual City audit.

Budget Approval and Transparency

As previously noted, the CAC operating budget is not included in the City's annual budget. Rather, it is considered and approved separately by the Simi Valley Arts Commission. It does not appear on the City's website with other budget documents. Members of the public who wish to review the financial history and status of the CAC must conduct additional research to locate the information. This practice is inconsistent with expected transparency and accountability in local government operations.

Moreover, it is not clear by what authority the Arts Commission appropriates funds for use by the CAC. Typically, that can only be accomplished by an action of the City Council.

Recommendation 10. Include the CAC budget on the City's website alongside the annual City budget.

Recommendation 11. Present the annual CAC budget to the City Council for approval as part of the annual operating budget for the City.

Clarify Provider Payments

Review of available documentation provided little insight into the purpose of certain CAC expenditures and raised questions as to the proper way to account for and report the use of City funds. Of interest are the "provider payments" made to production companies that use the CAC. These payments represent box office receipts minus CAC charges (rental fee, tech support, etc.) incurred during the production. City staff described the payments as funds "held in trust" for the producer/provider. The funds are accounted for as both income and cost of goods sold with no mention in the financial statements of the trust relationship. This methodology causes confusion for the public and should be clarified.

Recommendation 12. Clarify in CAC financial statements that provider payments are funds held in trust for recipients.

Inadequate Financial Policies

With only a few exceptions, written financial policies and protocols for managing CAC operating funds are lacking. Having clear procedures in place is particularly important given the independent nature of CAC operations.

For example, during interviews, we learned that financial transactions at the CAC are reconciled each day by the box office manager and then turned over to the office manager who prepares the bank deposits. Either the office manager or assistant manager inputs the activity into QuickBooks.

Cash handling functions (receipt and deposit) should be separated from recordkeeping functions (recording transactions and reconciling accounts). If cash and receipts are turned over to the office manager who also inputs the transactions into QuickBooks, this important internal control is compromised.

Recommendation 13. Develop appropriate financial policies and procedures that provide necessary internal controls and safeguard City funds.

Recommendation 14. Train CAC employees in relevant procedures.

Recommendation 15. Evaluate adherence to financial policies as part of employees' annual performance evaluations.

Need for Special Audit

As a result of practices in place regarding treating the CAC as relatively independent, the lack of written financial policies and procedures, and the lack of detail in the annual financial statements, Management Partners found it difficult to assess the overall effectiveness and accuracy of CAC financial management and accounting practices. An independent audit of CAC finances and procedures is necessary to confirm that the resources devoted to operating this important community asset are being accounted for properly.

Recommendation 16. Request the City's outside auditor perform a special audit of CAC finances and internal controls.

Organizational Issues and Personnel Practices

This section includes Management Partners' observations and recommendations pertaining to the Arts Commission, role of the CAC, and several personnel practices.

Simi Valley Arts Commission Role

The Simi Valley Arts Commission was formed to oversee the budget, operations and programming of the CAC. Over time, the specific role of the Arts Commission has evolved, yet changes to the enabling legislation, rules, and procedures that govern the commission have been slow to come to fruition. The commission meets quarterly and unlike most city art commissions, does not have jurisdiction or responsibility for the arts in general but rather, only the CAC. By virtue of their limited meeting schedule, decisions are often made by CAC staff and brought to the commission for ratification later, or not at all.

The role should be reviewed because it has been many years since the Arts Commission was first assigned some oversight role, and because the CAC is now part of the Community Services Department and staff are directly supervised by the Community Services Department's deputy director. If the CAC budget is changed to be part of the City's budget, the role of the Arts Commission would move from one of approving the budget to that of reviewing and commenting.

Recommendation 17. Review and update the role, responsibilities, meeting schedule, and enabling legislation for the Arts Commission.

Role of CAC Staff

The City recently completed a classification study and reclassified the general manager of the CAC to community services manager, one of five managers in the Community Services Department. His job duties, and those of the assistant community services manager, are wide ranging and include supervision of staff, budget development and monitoring, facility management and program oversight. In addition, both incumbents direct and produce performances at the CAC, reportedly devoting significant time to that effort.

The City may wish to consider amending the organizational model of the CAC to separate the role of facility manager from that of director or

producer. The manager and his assistant would provide professional oversight of the facility, ensuring it is well maintained, efficiently staffed, effectively marketed, and operated in a manner that meets the City's strategic goals. The productions would all come from independent producers, allowing additional opportunity for local organizations, production companies and other stakeholders to use the facility.

Recommendation 18. Assess separating the role of facilities manager from that of director or producer.

Outside Employment

Management Partners notes that it can be beneficial for staff from various theaters to work together. However, it needs to be clearly understood if they are doing so in their official capacity representing their employer or are doing so to pursue their interests in theater and to supplement their income.

City policy requires employees engaged in outside employment to seek approval of the department head or city manager to ensure the work does not interfere in the employee's performance of their city duties or constitute a conflict of interest. It is important that outside employment be reviewed annually and with sufficient detail so that City of Simi Valley executive managers fully understand what outside employment is being pursued and that it is being authorized with full knowledge of all relevant details that could affect the City of Simi Valley's interests.

Recommendation 19. Require all City employees who have other employment to annually complete an Outside Employment Authorization Request. Evaluate the requests to determine whether such outside employment may conflict with the mission of the Simi Valley Cultural Arts Center and/or hours paid by the City of Simi Valley.

Future Hiring

Several individuals interviewed noted that the CAC operates "like a family," and indeed three of the five CAC staff members are related. Management Partners was told that the current reporting relationships do not technically violate City policy, but in a workgroup as small as the CAC, the opportunity exists for an actual or perceived conflict that can damage the reputation of the CAC and expose the city to criticism or liability.

Recommendation 20. Do not appoint family members of staff to positions at the CAC.

Training on City Policies

Although the CAC is a division of the Community Services Department, the general manager and his staff operate fairly autonomously from the rest of the City organization. While the CAC has a business model quite different than other services, it remains a public facility staffed by City employees. The policies of the CAC as well as its culture and operating norms should reflect those of the larger city organization.

Recommendation 21. Ensure CAC employees are well trained to properly implement City policies and adhere to the City's operating norms.

Marketing

The CAC appears to do little marketing of its programs and facility, relying on social media and a subscriber database to communicate with the public. Information about upcoming shows is available on the website, but there were not any printed materials on display at the CAC or at city hall advertising upcoming performances, classes and events. Typically, cities market their recreation programs and services quite broadly, to ensure they are accessible to all residents.

Recommendation 22. Develop a marketing program to increase visibility of the CAC and increase attendance at performances, classes and events.

Strategic Planning

As noted above, prior to opening the Cultural Arts Center in 1995, a *Final Operational Plan* was prepared that established programming objectives and guidelines for the CAC. This was an important beginning for the center but since that time, there has not been a comprehensive update of the Plan.

It is appropriate at this juncture to develop a new strategic plan for the CAC that sets clear goals for the next five to ten years. Strategic planning is best done with an open process involving all stakeholders. This is particularly important given the intense interest in the current operations of the CAC.

While all interested parties should feel welcome to participate, it will be necessary to gain a clear understanding of stakeholders' interests in the outcome. Individuals or organizations with a financial interest in productions at the CAC should not drive the strategic planning effort.

Elements of a strategic plan include:

- Vision, mission and values;
- Stakeholder analysis (characteristics and needs);
- Environmental scan (market analysis, trends, best practices, marketing strategies, innovations, opportunities for collaboration);
- Financial analysis (projections, City's expectations regarding general fund support in the future);
- Multi-year goals (desired outcomes over a period of years);
- Strategies for reaching each of the goals (including policies and procedures for how productions are considered, evaluated, and selected);
- Implementation action plan (including a timeline, responsible parties and costs); and
- Reporting and accountability processes on the strategic plan, including stakeholder and theater user feedback.

Recommendation 23. Initiate a strategic planning process.

Recommendation 24. Conduct a market analysis to inform the strategic planning process.

Recommendation 25. Prepare a five-year financial projection of the CAC to inform the strategic planning process.

Recommendation 26. Engage a strategic planning team comprised of City staff and community stakeholders in a collaborative strategic planning process.

Strategic planning resources can be found in a variety of areas, including the following:

- California Arts Council Strategic Plan (arts.ca.gov);
- Davis, California Art Center Strategic Plan (davisartscenter.org);
- International Society for the Performing Arts: A Strategic View (ispa.org); and
- The Americans for the Arts 2018-2020 Strategic Plan (americansforthearts.org).

Conclusion

Management Partners' review of the Cultural Arts Center revealed it to be a valuable and well-loved jewel in Simi Valley. Those involved with the CAC have great appreciation and respect for the staff and for the quality of CAC productions.

However, operating policies and procedures governing use of the CAC are out of date or lacking altogether. Financial management practices do not conform to City standards and financial records lack clarity. And the potential for conflicts of interest and favoritism have led to community concerns and discontent.

Implementing the recommendations contained in this report, including undertaking a community-driven strategic planning process, will restore the public's confidence and transform the Cultural Arts Center into a more transparent, responsive and fiscally responsible organization.

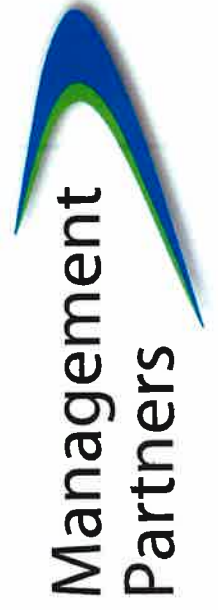
Attachment A – List of Recommendations

- Recommendation 1. Establish written priorities for using the Mainstage Theater that invite diversity and provide opportunities for multiple producers to develop and present programming.
- Recommendation 2. Ensure each request for proposals is made widely available to all interested parties of various status and levels of experience.
- Recommendation 3. Create written policies for making decisions about use of the Mainstage Theater and establishment of production selections.
- Recommendation 4. Invite stakeholders to participate in the process to develop criteria for evaluating proposals for use of the Mainstage.
- Recommendation 5. Ensure submittals for use of the Mainstage are available for public review and are evaluated in an open forum.
- Recommendation 6. Have the CAC join other local theaters such as Thousand Oaks, Santa Paula, and Moorpark to work together in providing performances for the surrounding area.
- Recommendation 7. Assess the feasibility and benefits of a season pass ticket program or types of regional ticket packages to increase attendance.
- Recommendation 8. Discontinue use of QuickBooks and incorporate all CAC financial activity into the City's accounting system.
- Recommendation 9. Include the Cultural Arts Center's entire budget in the annual City audit.
- Recommendation 10. Include the CAC budget on the City's website alongside the annual City budget.
- Recommendation 11. Present the annual CAC budget to the City Council for approval as part of the annual operating budget for the City.
- Recommendation 12. Clarify in CAC financial statements that provider payments are funds held in trust for recipients.
- Recommendation 13. Develop appropriate financial policies and procedures that provide necessary internal controls and safeguard City funds.
- Recommendation 14. Train CAC employees in relevant procedures.
- Recommendation 15. Evaluate adherence to financial policies as part of employees' annual performance evaluations.
- Recommendation 16. Request the City's outside auditor perform a special audit of CAC finances and internal controls.
- Recommendation 17. Review and update the role, responsibilities, meeting schedule, and enabling legislation for the Arts Commission.
- Recommendation 18. Assess separating the role of facilities manager from that of director or producer.

- Recommendation 19. Require all City employees who have other employment to annually complete an Outside Employment Authorization Request.
- Recommendation 20. Do not appoint family members of staff to positions at the CAC.
- Recommendation 21. Ensure CAC employees are well trained to properly implement City policies and adhere to the City's operating norms.
- Recommendation 22. Develop a marketing program to increase visibility of the CAC and increase attendance at performances, classes and events.
- Recommendation 23. Initiate a strategic planning process.
- Recommendation 24. Conduct a market analysis to inform the strategic planning process.
- Recommendation 25. Prepare a five-year financial projection of the CAC to inform the strategic planning process.
- Recommendation 26. Engage a strategic planning team comprised of City staff and community stakeholders in a collaborative strategic planning process.

**City of Simi Valley
Draft Implementation Action Plan**

July 2018



Making the Most of the Draft Implementation Action Plan

Management Partners has developed this draft Implementation Action Plan to assist the City of Simi Valley with the phasing and scheduling of 26 recommendations. The work involved in implementing the recommendations must be integrated into the other work of the departments and divisions tasked with their completion, along with appropriate assignments of responsibility and with identification of specific planned completion dates. The draft Action Plan begins that process with guidance about a recommended priority assignment. Priority 1 recommendations are those that we believe are the most important to accomplish without delay or are easy to accomplish. Priority 2 have less importance in the near term or are have an added element of complication to complete, or require a significant amount of resources (perhaps internal and external) to assist with completion. Priority 3 are the least urgent to complete, either because they require action by a third party over which the City has no direct control, or due to complexity, or their relative importance to City goals.

We suggest that you use this document to prepare a final Action Plan for the City of Simi Valley. In doing so, the City Manager's Office will need to identify specific target dates for completing implementation. Additionally, you may want to modify the described activities for implementing an individual recommendation based on internal knowledge of what will be required for completion, or to adjust the assignment of responsibility based on pending or future workload or other considerations. Prudent implementation of most recommendations requires "circling back" after the work of completing strategies has begun and fine-tuning the results based on experience. The step to do that is not spelled out for each recommendation in this document on the assumption that it would be part of your normal management system.

To turn this draft into the Action Plan you can use to manage implementation, replace the column entitled "Priority" with the dates for planned completion. A target date can be specific (e.g., September 1) or by month or quarter (e.g., 3Q 2020), as appropriate to the individual action.

Management Partners remains available to consult with you in this process in whatever way we can be helpful. All of the work to implement the recommendations is in addition to the normal work of involved city staff. Management Partners can provide extra capacity to expedite completion of many of the recommendations. Please Jan Perkins if we can be of assistance. She may be reached at jperkins@managementpartners.com.

The discipline of successful project planning is basic to successful execution of the work ahead. We hope that you find the draft Action Plan useful in that regard.

Rec No.	Recommendation	Implementation Steps	Priority ¹	Person Responsible ²	Comments
1	Establish written priorities for using the Mainstage Theater that invite diversity and provide opportunities for multiple producers to develop and present programming.	<ul style="list-style-type: none"> • Draft priorities that encourage diversity in programming and attract multiple producers • Limit individual providers to no more than three productions per year • Determine an annual schedule that allows for both short- and long-term productions • Review priorities with stakeholders, Arts Commission and CAC staff • Adopt and publicize priorities to enhance openness and transparency 	1	Community Services Director	
2	Ensure each request for proposals is made widely available to all interested parties of various status and levels of experience.	<ul style="list-style-type: none"> • Determine a distribution method for RFPs that will help ensure all interested parties are aware of the process for gaining access to the Mainstage Theater 	1	Community Services Director	
3	Create written policies for making decisions about use of the Mainstage Theater and establishment of production selections.	<ul style="list-style-type: none"> • Obtain stakeholder and staff input • Draft policies, with final approval authority vested in the Community Services Director or his/her designee • Adopt and publicize policies to enhance openness and transparency • Include policies in each RFP 	1	Community Services Director	
4	Invite stakeholders to participate in the process to develop criteria for evaluating proposals for use of the Mainstage.	<ul style="list-style-type: none"> • Once new policies for use of the Mainstage Theater are established, hold a public forum to develop criteria for evaluating proposals that reflect those policies • Encourage interested parties to understand 	1	Community Services Director	

¹ Priority 1: Important to accomplish without delay and/or easy to accomplish.

Priority 2: Second tier of importance to accomplish and/or may involve some complexity or time to complete

Priority 3: Least urgent to complete and/or may take longer to set-up or to execute

² To establish clear accountability there should be a single manager assigned responsibility for completing implementation of each recommendation. Where more than one manager is identified in this column, responsibility should be clarified when the Final Action Plan is prepared.

Rec No.	Recommendation	Implementation Steps	Priority ¹	Person Responsible ²	Comments
		the kinds of productions the CAC is looking for and what criteria will be considered			
5	Ensure submittals for use of the Mainstage are available for public review and are evaluated in an open forum.	<ul style="list-style-type: none"> Make submittals for use of the Mainstage available on the City's website Set a schedule to review submittals in a public forum 	1	Deputy Community Services Director	
6	Have the CAC join other local theaters such as Thousand Oaks, Santa Paula, and Moorpark to work together in providing performances for the surrounding area.	<ul style="list-style-type: none"> Collaborate with surrounding theaters to review performance schedules and ensure the public has access to a variety of theater experiences 	2	Deputy Community Services Director	
7	Assess the feasibility and benefits of a season pass ticket program or types of regional ticket packages to increase attendance.	<ul style="list-style-type: none"> Conduct a study to evaluate the benefits, costs/requirements, and feasibility of a season ticket program Reach out to surrounding theaters to assess interest and feasibility of ticket packages among local theaters 	2	Deputy Community Services Director	
8	Discontinue use of QuickBooks and incorporate all CAC financial activity into the City's accounting system.	<ul style="list-style-type: none"> Ensure City's accounting system can be accessed by CAC staff Train CAC staff in City accounting processes Migrate CAC financial activity to the City's accounting system 	1	Administrative Services Director	
9	Include the Cultural Arts Center's entire budget in the annual City audit.	<ul style="list-style-type: none"> Provide the CAC's entire operating budget to the Finance Department, for inclusion in the annual audit and CAFR 	1	Administrative Services Director	
10	Include the CAC budget on the City's website alongside the annual City budget.	<ul style="list-style-type: none"> Have the CAC annual budget posted on the City's website in the same location as the City's annual budget 	1	Administrative Services Director	
11	Present the annual CAC budget to	<ul style="list-style-type: none"> Include the CAC budget in the annual budget 	1	City Manager	

Rec No.	Recommendation	Implementation Steps	Priority ¹	Person Responsible ²	Comments
	the City Council for approval as part of the annual operating budget for the City.	presentation and in the City Council resolution appropriating funds			
12	Clarify in CAC financial statements that provider payments are funds held in trust for recipients.	<ul style="list-style-type: none"> Define the term "provider payments" in all CAC financial statements 	1	Administrative Services Director	
13	Develop appropriate financial policies and procedures that provide necessary internal controls and safeguard City funds.	<ul style="list-style-type: none"> Draft financial policies and procedures for CAC staff Review policies and procedures with the Community Services Director 	1	Administrative Services Director	
14	Train CAC employees in relevant procedures.	<ul style="list-style-type: none"> Train CAC staff on financial policies and procedures 	1	Administrative Services Director	
15	Evaluate adherence to financial policies as part of employees' annual performance evaluations.	<ul style="list-style-type: none"> Insure performance evaluations of CAC employees include a section about adherence to financial policies 	1	Deputy Community Services Director	
16	Request the City's outside auditor perform a special audit of CAC finances and internal controls.	<ul style="list-style-type: none"> Schedule an audit of the CAC with the City's outside auditor 	1	Administrative Services Director	
17	Review and update the role, responsibilities, meeting schedule, and enabling legislation for the Arts Commission.	<ul style="list-style-type: none"> Determine whether the documented roles, responsibilities, meeting schedule, and enabling legislation are meeting the needs of the CAC Update as needed 	3	Community Services Director	
18	Assess separating the role of facilities manager from that of director or producer.	<ul style="list-style-type: none"> Conduct a study of other publicly owned and operated theaters to understand the pros and cons of separating the facilities manager's role from that of director/producer Report results to the Community Services Director 	3	Community Services Director	

Rec No.	Recommendation	Implementation Steps	Priority ¹	Person Responsible ²	Comments
19	Require all City employees who have other employment to annually complete an Outside Employment Authorization Request.	<ul style="list-style-type: none"> Inform all employees of the City's policy requiring completion of the authorization form (through a meeting or memorandum) Set an annual deadline for staff with outside employment to complete the authorization form Review requests, and determine whether there are any conflicts of interest 	1	City Manager	
20	Do not appoint family members of staff to positions at the CAC.	<ul style="list-style-type: none"> Train CAC employees on City policy regarding employment of relatives Avoid appointing family members if potential for conflict exists 	1	Community Services Director	
21	Ensure CAC employees are well trained to properly implement City policies and adhere to the City's operating norms.	<ul style="list-style-type: none"> Distribute City's operating and administrative policies and procedures to CAC staff Hold a training session to review policies and address any inconsistencies in business models and operating norms 	1	Deputy Community Services Director	
22	Develop a marketing program to increase visibility of the CAC and increase attendance at performances, classes and events.	<ul style="list-style-type: none"> Review marketing programs of peer agencies Expand the existing marketing program for the CAC, to include additional online contacts, direct mail and display advertising and other methods of communicating upcoming events, rental and fundraising opportunities to the general public 	2	Deputy Community Services Director	
23	Initiate a strategic planning process.	<ul style="list-style-type: none"> Review the 1995 Operational Plan and any current documented strategic planning elements (including vision, mission, values, goals, etc.) Distribute notification of the strategic planning effort to CAC staff and 	2	Community Services Director	

Rec No.	Recommendation	Implementation Steps	Priority ¹	Person Responsible ²	Comments
24	Conduct a market analysis to inform the strategic planning process.	<ul style="list-style-type: none"> stakeholders, including purpose and objectives Create scope of work for the analysis Hire outside firm to conduct the analysis 	2	Community Services Director	
25	Prepare a five-year financial projection of the CAC to inform the strategic planning process.	<ul style="list-style-type: none"> Establish economic and operational assumptions to use in the forecast Prepare forecast and present to Community Services Director 	2	Administrative Services Director	
26	Engage a strategic planning team comprised of City staff and community stakeholders in a collaborative strategic planning process.	<ul style="list-style-type: none"> Set a date for a strategic planning workshop Determine which City staff and community stakeholders will attend Prepare and distribute an agenda Hold workshop 	2	Community Services Director	

CITY OF SIMI VALLEY • MEMORANDUM

DATE: September 2, 2018
TO: Eric Levitt, City Manager
FROM: David Ralphe, Community Services Manager, Cultural Arts Center
SUBJECT: Management Report for the Cultural Arts Center

Thank you for the opportunity to respond to the Management Review of the Simi Valley Cultural Arts Center (CAC) compiled by the Management Partners Consulting firm in July 2018. This report helps to identify elements in the CAC's operations and programming that, if strategically addressed, will help the CAC to evolve to meet the dynamic needs of residents of Simi Valley. This will allow the CAC and the City of Simi Valley to continue to provide residents a place to meet, gather, and be exposed to the arts.

The Management Review provides several sound recommendations that can have an immediate positive impact on CAC operations and policy. They help to lay a framework for which effective policy can be improved, developed, or enhanced. This will update many of our existing procedures to best meet the needs of our community and our responsibilities as a public facility. Additionally, it calls for the development of a strategic plan which will provide a direction for the CAC to meet long term goals and objectives. CAC staff is highly in support of beginning this process.

In the near-term, a proposed action plan (attached) has been developed to immediately address 15 of the recommendations contained in the report. This action plan provides for expeditious improvements in the financial policy, financial reporting, staff training, and overall transparency of all operations of the CAC. It is anticipated that these improvements will help achieve the desired outcomes of the report recommendations.

A majority of the recommendations are covered in the first three steps of the action plan. This includes immediately examining financial operations of the CAC to bring them in-line with all City requirements and including CAC budget reports with the entire city organization. Also included is a communication and outreach strategy to improve transparency regarding the rental process of the CAC. This is a near-term solution to implement while better policy is explored. This will help to avoid an abrupt disruption to the existing business model which would present a financial risk to both the CAC and the City.

The remainder of the recommendations is best addressed through a strategic planning process. Drafting this policy requires well-informed decisions regarding the future community need of the CAC measured to that of anticipated resources. This level of policy development necessitates a substantial amount, research, stakeholder feedback, and the engagement of high-level city staff. Policy in this area has the potential to either support or impede the strategic direction of the CAC. Policy creation without strong supporting information could potentially reinforce existing systems and inhibit the ability for the CAC to adapt to meet public need in the future.

The candor and overall depth of the report is very much appreciated. However, it does not consider several layers of context which are important to understanding the organizational structure of the CAC. The operations of the CAC are much more nuanced than the report allows for. Furthermore, the current operating structure is supported by business practices required in theater management. The business model was approved by City Council, and any future developments have been subject to oversight by Community Services Department, the Arts Commission, and City Council. An understanding of these layers is important to establishing a path forward and underscores the importance of strategic decision making at this juncture.

Business Model:

The CAC's business model is that of a producing, presenting, and rental house. This is represented through in-house productions, the presentation of outside works, and productions presented by groups who rent the theater. This allows the theater to adapt to the changing needs of the community while maintaining a steady stream of curated productions on the Mainstage. This business model was approved by City Council in 1995, which granted authority to the CAC General Manager (Community Services Manager) over the final programming mix with review by the Arts Commission.

This business model is similar to several very successful publicly run theaters, including La Mirada Center for the Performing Arts and Torrance's Armstrong Theatre. This model allows for a diverse revenue stream that includes opportunities for both box office and rental income, while still maintaining artistic and administrative oversight of the mainstage programming, content, and marketing. Generally, these types of theaters have a producing artistic director who has decision making authority in selecting and approving programs and rentals.

Theater also requires certain considerations regarding scheduling and performance duration to meet business need. Theater seasons are typically planned at least 18 months in advance to secure licensing and adequately market performances to compete with other venues. The typical mainstage performance is six weeks, which allows for adequate time for shows to build an audience and amortize production costs. Performance runs of shorter duration are typically found in theaters that present performances, with booking fees paid upfront by the venue, who generally assumes all box office risk as well.

As recognized in the Management Review, under this business model for the past 23 years, the Cultural Arts Center has earned recognition as a regional performing arts venue, regularly receiving top awards from Los Angeles drama critics and was recently recognized for outstanding work by California State Assemblyman Dante Acosta. Such recognition and reputation, as well as a growing loyal audience base have allowed the Cultural Arts Center to establish a positive brand statement that allows the public to interact with the City of Simi Valley on a very positive basis.

2019 Programming

Procurement of rights and securing a contract from theatrical licensing companies is both venue and date dependent and can take up to six months for final approval or

rejection. By opening up programming slots previously committed to Actors' Repertory Theatre of Simi (ARTS) who have already been in process of securing rights and contracts, it most likely will not be possible to launch a season ticket campaign for 2019 (one of the recommendations from the report) and jeopardizes losing the additional two committed programming slots by ARTS. This could leave 24 weeks of programming blank with less than six months to find and secure alternate programming. Such an action could greatly jeopardize the Center's fiscal stability and invite negative publicity in local print and social media that would damage positive branding of the Center and City.

The CAC recognizes there can be greater demand for the facility than business requirements allow us to accommodate for. Additionally, we always want to remain supportive of the regional artistic community. For Season 2018, we eliminated one in house production and began exploring five week performance runs to help increase availability for other groups. This has the potential to open up an estimated 10 weeks per year. It should be noted that this creates additional financial risk for both the CAC and the theater companies. Also, this condensed schedule places an increased strain on the performers, almost all of whom are volunteers.

Conflict of Interest/Favoritism

The City's concerns regarding conflict of interest and favoritism are necessary and understandable. Yet the recurring presence of the Actors' Repertory Theatre of Simi (ARTS) on the mainstage is justifiable. ARTS has demonstrated the ability to deliver consistent programming that meets the entertainment needs of the community while upholding artistic quality of the CAC. Their programming assists the CAC in meeting our educational programming goals. The consistency of ARTS performances and programs has contributed greatly to overall reputation of the CAC in the community.

They are also one of the few theater companies in the region that can assume the financial risk of presenting major productions on a recurring basis. ARTS' own commitment to the community is demonstrated in its relationships with the Simi Valley Historical Society and the Simi Valley Unified School District, as well as their relationships with theaters outside of Simi Valley.

Program Diversity and Mainstage Calendar

In the 23 years of operation, the mainstage has been home to a broad representation of arts groups from not only the surrounding community but also regional and international artists. We have hosted local theatre troupes such as Actors Repertory Theater of Simi, It's A New Day, Studio C Performing Arts Conservatory, Lit Live Theatre Company, Santa Paula Theater Center, Soapbox Players, Comedy Tonight Productions, and the California Shakespeare Company as well as community dance companies including Rosalie's School of Dance, Inspire Dance Studio, Dance Creations, Pam Rossi Dance Studio, Aspire Dance Company, Dance 10, Serendipity Dance School, and Claddagh Irish Dance School. Regional arts companies that have utilized the Cultural Arts Center include California Theater Center, CSUN Music Department, New West Symphony, the Intimate Opera Company, Los Angeles Philharmonic, North Hollywood Jazz Ensemble, and many more. Regional, national and international collaborations include the Gvanim Dance Company of Israeli, renowned sitar virtuoso Alope das Gupta, Concert for Peace Concerts with the Israeli Consulate and the Center for Jewish Culture and Creativity,

India Earthquake Benefit Concert in cooperation with Rotary International, Festivo Nuevo, Nataraja School of Fine Arts, Festival of New American Musicals, and many others.

In addition, the Cultural Arts Center has a longstanding rental relationship with local educational organizations including, among others, the Simi Valley Unified School District, Royal High School, Pinecrest Elementary, Leaps and Bounds Academy, Simi Valley Adult School, Apollo High School, Phoenix Ranch School, Turpin Vocal Academy, JK Vocal Studios, Mastrotonardo Piano School, Stage 1 Music Academy, Catrina Q Vocal and Dance Studio, Ventura County School District, and Conejo Valley Homeschoolers.

Community organization collaborations include Coalition to End Domestic Violence, Simi Valley Samaritan Center, Domestic Violence Recovery Center, Simi Valley Foodbank, Free Clinic of Simi Valley, Habitat for Humanity, Simi Valley Hospital Foundation, Simi Valley Rotary Club, Simi Valley Kiwanis, the YMCA, Simi Valley Federation of Republican Women, Simi Valley Police Foundation, Women's Council of Realtors, and Troop Real Estate.

Expanding the diversity of programming and rental opportunities at the Center are the Multipurpose Room (MPR)/DownStage Theater and the Main Gallery. The MPR is regularly utilized by the Simi Valley community for business meetings, luncheons, receptions, private celebrations, craft fairs, holiday parties, funeral receptions, and more. Recently, the space was equipped to convert to the DownStage Theater and has been host to Literature in Action performances, senior projects from local students, cabaret performances, smaller intimate theater productions, and Shakespearean performances. The Center's gallery has been host to visual art showings by both regional and internationally recognized artists and provides an opportunity for cultural partnerships such as the annual Reflections Program with the Simi Valley Unified School District and the recent Butterfly Project about the Holocaust presented in association with the Ronald Reagan Museum, Ventura County Arts Council, and the Museum of Ventura County.

The depth of organizations represented on the main stage, MPR/DownStage, and Gallery is testament to not only the diversity of CAC programming, but also staff's efforts to provide programs that appeal to a wide variety of audiences. The ability to either rent the facility, produce, and present performances have contributed to the diversity of its mainstage offerings. The information in the Management Review does not mention efforts and accomplishments in these areas. It also seems to want to limit decision making authority when it comes to programing.

Scheduling conflicts and limited availability of the Mainstage is not a problem unique to the CAC. Nor is the regular rental of the facility by the same arts group who has established a history of artistic excellence, box office performance, and responsible use of the facility.

In comparison, many theaters go as far to only allow resident groups to perform on their mainstage, substantially limiting access to any outside groups. Conejo Players Theater and High Street Theater (a City owned facility), other nearby theaters of a similar size to

the CAC, only have one group responsible for mainstage theatrical productions at their respective venues, with little or no rental opportunities available for any outside groups.

Marketing and Cooperative Partnerships

SVCAC currently makes use of online advertising and promotion through social media, reviews and articles in both print and online media, paid advertising both online and print in the Acorn, Ventura County Star, Valley Scene Magazine, Happenings Magazine, various playbills or other advertising for other theater companies (Panic Productions, Santa Paula Theater Center, Pasadena Playhouse, Studio C Performing Arts, LA Stage, and more). Printed marketing materials are available at the SVCAC box office and in our lobbies, distributed at Rotary and other business rentals, available at the Senior Center and Simi Valley Library, and select businesses throughout Simi Valley and greater Los Angeles area as well as at participating local theaters. In addition, our new LED marquee is a significant source of marketing to the Simi Valley community. Due to the increasing costs of printing and mailing house services, SVCAC infrequently sends out marketing materials through the postal service.

The Cultural Arts Center has participated in joint marketing efforts with other theaters in the area in the past with limited success. A joint marketing effort to bring the East and West Ventura County Arts together launched in 2010 – 2011 with cef Consulting Services and Santa Paula Theater Center and Elite Theatre Company resulted in minimal purchasing of “Hopper Passes” (Flex Passes good for tickets to any of the three theaters) with a substantial investment of \$14,000 from SVCAC. It was determined that the costs involved outweighed the marketing benefits received. In addition, only two of the ten local theaters approached agreed to participate in the program.

The High Street Theater in Moorpark and SVCAC did a very successful combined marketing campaign (with SVCAC doing most of the leg work) during our original production of HAIRSPRAY. We secured a cover story in the Ventura County Star about the “dueling productions of Hairspray” and as a result of our cooperative efforts, both productions sold out every performance. But this type of campaign is very limited in opportunity.

SVCAC currently utilizes Goldstar Events, LA Stage Tix (LA Stage Alliance) and Today Tix (all discount ticketing services) to expand targeted marketing outreach to theater friendly patrons throughout the Ventura, Los Angeles and Orange County regions.

Hiring:

All CAC staff have been hired and appointed in methods that are consistent to the City's recruitment process. All were required to: submit applications through public job postings; have their applications screened and interviewed for qualifications; and interview for the position prior to selection. This was done in coordination with the Human Resources department with full disclosure of relationships during the process.

Stakeholder Input

The stakeholder feedback provides candid insight into some community sentiment regarding CAC operations and performances. While it is important and needs to be

acknowledged and heard, it is also not complete and seems very limited in scope of reach. This list of stakeholders needs to be expanded to include representatives of the music, dance, poetry, and visual arts communities and include both organizations who have rented the Center and those in the community that have not yet utilized the Cultural Arts Center. It also should include multicultural organizations, educational institutions, past and present donors, and elected officials. As a public facility, we are obligated to consider the needs of all stakeholders, and only minimal representation is included in the report.

Next Steps

After 23 years in the community, the Cultural Arts Center stands at a crossroads. Though the years, we estimate that over half a million patrons have entered our doors for community meetings, arts education programs, arts exhibits, and, of course, arts performances. We are home to over 380 events a year, 168 of which take place on the mainstage. The others take place throughout the facility and represent a wide swath of representatives from the artistic, business, entertainment, non-profit, and education communities. It is precisely this diversity of who we serve that helps to solidify the CAC reputation as a respected and leading community arts facility.

It is also logical to assume that the cultural landscape of Simi Valley has also changed since the CAC first opened its doors. The population has increased, along with shifts in the ethnic composition in the City. Community participation in the arts has evolved from spectator to active participant, increasing the demand for arts education and exposure, especially due to fluctuations of the availability of programs in public schools. Cultural arts centers are becoming a "third space" in the community, spurring initiatives in areas such as economic development, civic engagement, and social interaction.

A carefully crafted strategic plan will identify the best way the CAC can serve the needs of today's and tomorrow's residents. It will also determine the best path forward in addressing all recommendations contained in the management review. More responsive and supportive policy will be created as a result. More specifically, the planning process will:

- Identify the best use of the facility to meet community needs, based on a current assessment of the cultural landscape of the City.
- Determine an optimal mix of in-house productions, presenting performances, and rentals to achieve artistic and financial objectives.
- Allow for improvements in the role and relationships of the Simi Valley Arts Commission and the Simi Valley Cultural Arts Center Foundation
- Provide complete and accurate information to be used in the creation of effective policy.
- Determine the strategic direction of the CAC and the best tactics (including programming, marketing, outreach) to achieve our goals.

The content and recommendations found in this report can serve as catalyst to create positive change in CAC operations and policy. The recent engagement in the CAC from both the City Manager's office and other City Hall leadership is very much welcomed and appreciated. We look forward to your review of this response and intended action plan.

Activities	Participants	Completion Date:	Outcomes	Report Recommendation Association:	Notes:
<ol style="list-style-type: none"> 1. Add a rental information page or link on the CAC and/or City website that includes rental application and process description. 2. Incorporate rental information in marketing materials and social media content. 	<p>Deputy Community Services Director/Assistant Community Services Manager/Community Services Manager (DY)</p>	<p>09/30/2018</p>	<ul style="list-style-type: none"> • Immediate increase of transparency to the CAC rental process. • Continued diversification of Mainstage and DownStage programming. • Overall awareness of the CAC and its presence in the community. 	<p>1, 2</p>	<p>These are near-term solutions. The Strategic Planning process will identify: stakeholders, community needs, resources, challenges/problems, strategies and goals. This information is important to drafting the best policy to support the goals and objectives of the CAC to meet desired outcomes of 1-4.</p>
<ol style="list-style-type: none"> 1. Evaluate existing financial policies and 2018 audit findings, identifying any gaps with City policy 2. Determine accounting and reporting needs of the CAC and evaluate Munis capabilities compared to current system 3. Draft financial policies and procedures for CAC staff 4. Define the term "provider payments" in all CAC financial statements 5. Review policies and procedures with the Community Services Director 6. Train staff on new policies and communicate performance evaluation criteria 	<p>Administrative Services Director/Deputy Community Services Director/Community Services Manager (DR)/Assistant Community Services Manager</p>	<p>10/31/2018</p>	<ul style="list-style-type: none"> • Consistency between CAC and City financial policy. • Improved staff knowledge and execution of financial controls. • Updated safeguards for City funds. 	<p>8, 12, 13, 14, 15, 16, 21</p>	<p>Audit completed 8/2018; final report is pending</p>

<p>1. Provide the CAC's entire operating budget to the Finance Department, for inclusion in the annual audit and CAFR</p> <p>2. Have the CAC annual budget posted on the City's website in the same location as the City's annual budget</p> <p>3. Include the CAC budget in the annual budget presentation and in the City Council resolution appropriating funds</p>	<p>Administrative Services Director/Deputy Community Services Director</p>	<p>2019/2020 Budget</p>	<ul style="list-style-type: none"> • Consistency in CAC and City financial reporting. • Increased transparency of CAC financial activity. 	<p>9, 10, 11, 12,</p>	
<p>1. Train CAC employees on City policy regarding employment of relatives</p> <p>2. Avoid appointing family members if potential for conflict exists</p> <p>3. Distribute City's operating and administrative policies and procedures to CAC staff</p> <p>4. Hold a training session to review policies and address any inconsistencies in business models and operating norms</p>	<p>Community Services Director/Deputy Community Services Director/Community Services Manager (DR)/Human Resources</p>	<p>10/31/2018</p>	<ul style="list-style-type: none"> • Awareness of and adherence to City Policy. • Opportunity to develop new hire/refresh training modules. 	<p>20, 21</p>	

<p>Initiate Strategic planning process:</p> <ol style="list-style-type: none"> 1. Identify key decision makers and participants in the planning process 2. Complete an internal assessment of available/relevant information 3. Identify stakeholder groups (Theater Groups, patrons, Other Arts Organizations, City officials, staff, etc.) 4. Determine and agree to the purpose of the plan. 5. Set planning calendar. 	<p>City Manager/Community Services Director/Deputy Community Services Director/Community Services Manager (DR + DY)/Assistant Community Services Manager</p>	<p>02/28/2019</p>	<ul style="list-style-type: none"> • A candid and complete analysis of the strengths, weaknesses, opportunities, and threats (SWOT) of the CAC. • Determination of a strategic direction (mission, vision, strategies, and goals) for the CAC. • Effective policy creation to best support strategic direction based on findings. • Identification of: stakeholder groups including new/emerging organizations; opportunities for cooperative/collaborative efforts; community needs from the CAC; new business. • Understanding of the modern cultural and artistic landscape of Simi Valley. • An assessment of current and future challenges and develop strategies to meet them (based on resources). 	<p>1, 2, 3, 4, 5, 6, 17, 18, 22, 23, 24, 25, 26</p>	<p>Engagement from high-level City leadership is necessary to drive and legitimize the plan.</p>
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**Letter of Comments in Relation to Financial Operations Review
of the Simi Valley Cultural Arts Center
City of Simi Valley, California**

For the Year Ended June 30, 2018



**To the Management of the City of Simi Valley and Simi Valley Cultural Arts Center
To the Members of the City Council
Simi Valley, California**

This letter includes comments and suggestions with respect to matters that came to our attention in connection with the agreed-upon procedures performed on the Simi Valley Cultural Arts Center's (SVCAC) financial reporting processes as of and for the year ended June 30, 2018.

These items are offered as constructive suggestions to be considered part of the ongoing process of modifying and improving the City of Simi Valley and the SVCAC's financial reporting practices and procedures.

Overall Comment on SVCAC's Financial Reporting and Management

Condition

SVCAC is part of the City of Simi Valley and its operation is funded by the City's General Fund. However, currently, SVCAC's budget is not incorporated in the City's budget approval process.

Moreover, for financial reporting purposes, while SVCAC has been maintaining separate financial records over the past years, the net financial results of its operations are also recorded in the City's accounting records and incorporated in the City's General Fund. SVCAC maintains an outside bookkeeper to generate reports in QuickBooks and reconcile bank accounts. SVCAC also hires another accountant to compile SVCAC's annual financial statements. The monthly reports generated from QuickBooks along with the bank statements and reconciliation are submitted to the City's Fiscal Services Department for recording in the City's accounting records. SVCAC's net financial activity are recorded in the City's accounting records quarterly.

This resulted in duplicative efforts in financial reporting process and yet, lacking in transparency around the area of budgeting, monitoring and reporting the financial activities of SVCAC.

Recommendation

The City of Simi Valley may want to consider incorporating SVCAC's financial reporting process with the City, discontinue the use of QuickBooks and use the City's accounting system in recording SVCAC's financial activity.



Management's Response

Goal:

Determine how to implement enhanced internal controls and data review for tracking financial activity at SVCAC, using the existing QB model. Note: the City Manager has approved the following Action Plan, to be revisited 7/1/2019.

Action Plan:

1. Install a web based version of QB
 - a. Facilitate City Hall staff's ability to review data on a periodic and random basis
 - b. Enhance internal auditing capability
2. Confirm the annually approved SVCAC budget is set up in QB
3. AS/Fiscal Services staff to reconcile SVCAC QuickBooks monthly
 - a. Staff Accountant (in lieu of outside bookkeeper) to maintain integrity of the books
 - b. Include audit/verification of cash receipt/box office reconciliations to bank deposits
 - c. Ensure ability to post prior-period adjustments is limited and trackable
4. Expand 1099 reporting to include more vendors
 - a. Include Production groups (provider payments) as well as contract employees
 - b. Detail to be reviewed by CS/City Hall staff before 1099 forms are issued
5. Monthly financial reporting and review – Community Services staff
 - a. Balance Sheet
 - b. Profit/Loss
 - c. Cash Disbursements
 - d. Budget to Actual
 - e. Review individual productions' P&L prior to disbursing funds after production close
 - f. Review new vendor setups
6. Implement a scanning requirement for all QB postings
 - a. Attach invoices, payment requests, cash receipts reports, etc. to QB documents
 - b. Attach W-9 to vendor file
 - c. Attach Production agreement/contract terms to vendor file
7. Update presentations & reports to reflect total SVCAC activity / net costs
 - a. Annual Budget to be approved by Council (not Simi Arts Commission)
 - i. Combined General Fund (100) and Special Revenue Fund (295)
 - b. Qtrly reports to be prepared for Simi Arts Commission and City Manager review
 - i. Combine Org Units 1002310 & 2952395 financial activity (Munis + QB)
8. Change check signing protocol starting 10/1/2018
 - a. City Manager & Administrative Services Director to sign checks in lieu of CAC Manager/Assistant Manager & CS Deputy Director



The following comments and suggestions were noted based on the results of interviews and walk-through of each of the key areas of SVCAC's financial reporting process:

Cash Receipts Processes

1. Box Office Receipting

Condition:

The Box Office Manager is primarily responsible for receiving payments in the Box Office. The Office Administrative Manager and the Assistant Community Services Manager are also authorized to receive payments in the absence of the Box Office Manager.

When the Office Administrative Manager is assigned in the Box Office to receive payments from customers, she is also responsible for recording and summarizing the collections, reconciling them and recording them in QuickBooks. There is a risk of improper segregation of duties with the Office Administrative Manager having both custody of cash and recordkeeping functions in SVCAC.

Recommendation:

We recommend that in the absence of the Box Office Manager, the Assistant Community Services Manager should take on the role of receiving payments in order to limit the risk of the Office Administrative Manager having both custody and recordkeeping functions of cash collections, two critical roles that should not be assigned to one person.

Management Response:

The Office Assistant II/Box Office Manager (Linda) is responsible for receiving payments 98% of the time. On rare occasions to limit overtime or cover illness/vacation, Office Assistant II/Office Administrative Manager (Bets) or the Assistant Community Services Manager (Fred) will fill in. The recommendation of having the Assistant Community Services Manager take on this role is functional most of the time. If the Assistant Community Services Manager is not available and the Office Assistant II (Bets) would have to receive payments, the Assistant Community Services Manager would enter those payments to clearly delineate a separation of duties.

2. Box Office Receipts Reconciliations

Condition:

Box office collections are counted and reconciled daily, or more often if there are multiple performances in one day. Per SVCAC's procedures, an initial cash count and a second count are performed by two different individuals. However, during our walk-through process, we noted that there was no evidence of review or sign off by the personnel who reviewed the Box Office Reconciliation worksheet to ensure that a second count was done and to ensure accuracy and completeness of the cash receipts reported.

Recommendation:

While a second count may have been conducted to ensure accuracy of the count of cash and check on hand, there is no sign off that will determine who conducted the review, the date it was conducted, and whether a second individual conducted the review.

We recommend that all cash counts occur under the supervision and in full view of two persons, each of whom documents their cash count independently, ensuring that cash matches with that recorded in the daily box office reconciliation worksheet. Proper sign-offs should be made to indicate evidence of second count and review performed.



Management Response:

By the time cash or checks are deposited into the bank, it has been counted and verified at least twice, more often three times by three different staff members: Office Assistant II/Box Office Manager upon receipt, Office Assistant II/Office Administrative Manager when preparing deposits, and Assistant Community Services Manager or Community Services Manager (David) when verifying deposits go to the bank. Currently our forms do not provide a space to initial the multiple counting, however they will be amended to show the proper sign-offs. It should be noted that cash amounts that flow through the CAC are extremely low since we have moved to prepaid online ticketing.

3. Review and Reconciliation of Deposits

Condition:

Deposits of collections are made weekly. The Office Administrative Manager gathers the previous weeks' daily box office reconciliation, cash and checks collected and prepares the deposit slip. While the Community Services Manager or the Assistant Community Services Manager reviews the deposit slip before bringing them to the bank, there was no monitoring whether the cash deposited per deposit slip matches with the bank statement.

Recommendation:

Monitoring of deposits should be promptly made in order to ensure that the funds deposited, actually reflects the correct amount in the bank statement. Read-only access to the daily banking transactions can be given to the Community Services Manager so he can compare deposit slip amounts to the daily bank transactions on a timely basis.

Management Response:

Prior to the audit, SVCAC was not officially verifying bank branch deposits online versus the deposit slips provided by the bank at time of deposit. Procedures have been updated to include verification that online deposits match the deposit slip amounts and initialed as such on the printed deposit slips provided by the bank. If there is a discrepancy, the bank is called immediately.

Cash Disbursement Processes

4. Allowable Business Expenses and Use of Purchasing Cards

Condition:

SVCAC's expenses are paid through issuance of checks and the use of purchasing cards or P-Cards. Both the Community Services Manager and the Assistant Community Services Manager have P-Cards under their name. P-Cards were issued so that SVCAC may not have to rely on significant petty cash fund reimbursements or have SVCAC employees put purchases on their personal cards for reimbursement.

While the P-Cards are used only to pay for SVCAC's expenses, SVCAC's policy does not explicitly specify what disbursements are allowed, valid and in accordance with the normal business operations of SVCAC. There is a risk that invalid and inappropriate expenses may be included among the payments made.



Recommendation:

Since SVCAC does not apply the voucher system being a small organization, the types of authorized P-Card payments and spending limits should be identified and defined in order to prevent inappropriate and invalid use of the P-Cards. Management should ensure that the policy explicitly states the common valid expenses incurred by SVCAC including the appropriate approval process on the review of the disbursements and their back up. For one-time or non-recurring purchases, an exception should be established, and the approval process specified. Direct debits should also be identified to ensure that usage is approved properly and is limited to the specified companies. The necessary disciplinary action should be mentioned in the policies and procedures for any non-compliance to the policy.

Management Response:

The City's PCard Administrator has the authority to pre-define card holder limits as well as the ability to prohibit/restrict types of purchases. When the PCards were approved for the Community Services Director and the Assistant Community Services Director, the types of authorized PCard payments and spending limits were identified and defined. However, CAC staff will ensure that a policy is created and added to the CAC policies and procedures. The policy will include the necessary disciplinary action for any non-compliance.

5. Check Signatories

Condition:

All checks issued from the SVCAC checking account require two signatures (regardless of the amount) as well as backup documentation to be approved for payment. Authorized signatories include two (2) management personnel from SVCAC and 4 management personnel from the City. From the walk-through conducted, we noted few instances during the year where checks were cut without a check signatory from the City for as long as there were two signatories in the check. Under current practice, the 2 signatures required on the check may be both from the City or from SVCAC management personnel. We also noted that the personnel authorized to enter and process invoices in QuickBooks are the same personnel authorized to cut and sign the checks. This is because of the small size of the organization and the limited resources that handle the operations of SVCAC.

This exposes SVCAC to possible risk of misappropriation of assets, wherein two individuals from SVCAC could connive and issue unauthorized checks to themselves or to a fictitious vendor.

Recommendation:

We recommend that required signatories in the check should be one from SVCAC and one from the City in order to establish oversight on the City's side that the expense and payment is proper and reasonable.

Moreover, additional review should be made to ensure that purchases are not split to stay within the single purchase limit or to circumvent purchasing regulations.

Management Response:

Check signatories have been changed and no longer include a CAC staff member. However, the CAC Community Services Manager and Assistant Community Services Manager MUST remain on the banks records as signatories as the bank now requires any deposit containing cash must be made by a signatory accompanied by photo identification. The signatories on the checks are the Administrative Services Director and the City Manager. In their absence the Deputy Community Services Director or the Community Services Manager (City Hall) can sign.



Also, if purchases are to exceed the single purchase limit, the Administrative Services Director is able to authorize a limit increase (with appropriate documentation) so that the purchase can be made. This procedure will be added to the policies and procedures for the CAC.

The Fiscal Services Division of the Department of Administrative Services and the Assistant Community Services Manager are working together to create new safeguards in setting up vendors and invoices in QuickBooks online (with Fiscal Services staff acting as the bookkeeper and having full access to QuickBooks for oversight and monthly reconciliations).

6. Account Coding/Chart of Accounts

Condition:

P-Cards charges are entered in QuickBooks by the Assistant Community Services Manager. While the statement is supported by receipts and list of expenses paid, the account coding for which the expenses were classified in QuickBooks is not shown in the print out showing the breakdown of expenses. There may be a risk of misclassification of expenses in SVCAC's financial statements.

Recommendation:

We recommend that SVCAC should include the account coding classification in QuickBooks in the print out of detailed expenses to determine and ensure the appropriateness of classification of expenses.

Management Response:

CAC's QuickBooks chart of accounts has been revised and fully coded before data transfer to QuickBooks Online. These numeric codes will be included on the spreadsheet for the purchasing card payments for more transparency.

Bank Reconciliation and Financial Reporting

7. Fund Transfers

Condition:

SVCAC maintains three bank accounts; two accounts with Union Bank and one with US Bank. The account with US Bank (Performance Fund Account) is used to set aside funds for emergency. The two accounts with the Union Bank are used to pay expenses (Checking) and used to receive online sales (Money Market Account). During our review of the existing policies and procedures, we noted that SVCAC's policy did not include authorization of transfers from one account to another. This condition exposes SVCAC to risk of unauthorized transfers and misappropriation of cash.

Recommendation:

We recommend that the authorization of transfers from one account to another should be included in the policy to ensure that only authorized transfers are permitted and limited to valid business purposes.



Management Response:

Transfers from the "Money Market" account to the "Checking Account" are only made by the Community Services Manager or Assistant Community Services Manager. Currently all credit card transactions occur in the "Money Market" account and these funds are used to fund operations as needed. A policy statement outlining the procedures will be documented and added to the policies and procedures for the CAC fiscal management. The account currently listed as "Money Market" should be renamed as it is actually a second checking account (with no checks being written from that account). CAC management will work with Fiscal Services staff to determine the proper terminology.

8. Vendor Maintenance

Condition:

New vendors are set up in QuickBooks when the first invoice from a vendor is presented for payment. The Community Services Manager or the Assistant Community Services Manager, the personnel authorized to cut checks, set them up and create the vendor's account in QuickBooks. Current procedures do not include approval process when creating/modifying vendor information in QuickBooks. This condition exposes SVCAC to a risk that fictitious vendors may be created and paid.

Recommendation:

For any creation and modification of masterdata information in QuickBooks, sufficient back up should be in place in order to establish existence of vendors such as W9's. There should also be appropriate approval process in place where SVCAC will route the create/modify request to the City's Deputy of Community Services Director for approval to ensure that only valid vendors are set up in QuickBooks and are properly paid.

Management Response:

Currently vendors are often created the first time a check is written to them, based on the backup paperwork provided. CAC management will work with Fiscal Services staff to determine a proper policy on setting up new vendors in QuickBooks Online. CAC staff will be attaching W-9 information for all vendors in their profile in QuickBooks for easier access and verification.

This letter is intended solely for the information and use of management of the City and SVCAC and the City Council Members and is not intended to be, and should not be, used by anyone other than these specified parties. We appreciate serving the City and would be happy to assist you in addressing and implementing any of the suggestions in this letter.

A handwritten signature in black ink that reads "Vasquez & Company LLP". The signature is fluid and cursive.

Los Angeles, California
October 30, 2018

CITY OF SIMI VALLEY • MEMORANDUM

DATE: February 20, 2019

TO: Simi Valley Arts Commission

FROM: Jody Kershberg, Administrative Services Director
Anna M. Medina, Deputy Community Services Director

SUBJECT: DISCUSSION OF QUESTIONS RECEIVED FROM COMMISSIONER LORENCZ AND RESPONSES

Correspondence was received regarding concerns related to the Cultural Arts Center. To remain transparent and avoid any Brown Act violations, it is being shared with all Arts Commissioners.

Question: Why can't the Cultural Arts Center attract other production companies to rent the theater?

Response: *The Cultural Arts Center (CAC) has included new production companies and producers over the years and is always open to rental inquiries. To further efforts, staff will be launching a revised rental application process for calendar year 2020 and all production companies are encouraged to apply. As stated in previous Arts Commission meetings, if anyone is aware of production companies wanting to rent the theater please forward their information to staff.*

Question: The Cultural Arts Center provides basic accounting functions and can leave the door open for error and potential dishonesty. This was also found in many key accounting areas with the Vasquez Auditing Company report.

Response: *While the Vasquez assessment provided recommendations for improved practices, it nowhere indicated evidence of fraud or malfeasance. To address contents of that report, an Action Plan was initiated to implement improvements. Please be aware that over time, similar reviews (Agreed Upon Procedures) have been performed throughout City departments to ensure services and processes are following protocol and standards.*

Question: The P and L statement for the production of Oklahoma (37 days - July 28 to September 2) presented by the Actors' Repertory Theatre (ARTS) specifically reflects a charge of \$6,454 for rent. Based on the Non-Profit rent schedule for multiple performance events in 2018 (M-Th \$277 per day and F-Sun \$353 per day) rent for multiple performance productions, should have been \$11,845. Additionally, there were no rehearsal stage fees (M-Th \$126 per day and F- Sun \$176 per day). On any production there would be at least two weeks rent for pre-production stage set-up, lighting, sound and orchestra and actor rehearsals.

If the Commission could have seen the budget for this production prior to awarding the contract the error (or gratuity as the case might be) would have been detected.

Response: *There were 18 performances of Oklahoma. The breakdown is as follows:*

17 performances at the \$353 rate (non-profit, weekend, multi-performance) + one performance at the \$227 rate (non-profit matinee w/evening performance)

(17 X \$353) + \$227 = \$6,228

There was one dress rehearsal charged at the rate of \$176.

\$6,228 + \$176 = \$6,404

+ \$50 nonrefundable cleaning deposit = \$6,454

Many of ARTS rehearsals take place at a different facility (old Simi Valley Elementary School). Also, the City does not have oversight of individual production companies' budgets. In the end, the CAC facility is used by such outside entities for essentially rental purposes. As long as there is adherence to the established fee schedule or revenue sharing agreement, it is not within the City's scope of influence to ensure profitability levels of such productions.

In the 23 years of existence, the Cultural Arts Center's policy has been to charge rental fees for performance days only (not during the week between performance weekends when the group is not utilizing the Center) with a discounted rate for multiple performances on the same day. In addition, the CAC routinely charges for one dress rehearsal. All of these fees are reflected on the City Council approved fee schedule/rate sheet. Outside production companies do not rehearse at the Center. They load-in to the Center approximately one week prior to the production opening. During the time of load in and tech week (where all the technical elements are added), renters are charged for all hours they are in the building for the Technical Director's time. To charge rental (even at the discounted rehearsal rate) for the additional 5-7 days of load in/tech week would be cost prohibitive for local non-profit arts organizations to be able to rent the facility especially given that they are charged for all the Technical Director's time.

Question: The Cultural Arts Center production of Sister Act (Jan 13 - Feb 18) had no expenses listed for theater or rehearsal fees. Should a plugged number (even though the City owns the theater) be used determine the profitability of the production?

Response: *The budget of a CAC production has never included a fee for rental costs unless the production was being produced at another venue. Rehearsal costs have occurred occasionally when a CAC production has had to rehearse off site due to a rental conflict at the Center. Outside, revenue-producing rentals have always taken precedence over CAC production rehearsals (other than during tech week). Including a "plugged number" to determine profitability would skew the reportage of actual costs incurred for a production. This is analogous to the methodology applied at the Senior*

Center, which does not plug in a number for rental of their facility for Senior Center (City) sponsored classes, workshops, and events. In this discussion, it must also be considered that the Cultural Arts Center reuses and repurposes costumes, sets, and props for different productions in an effort to reduce production costs. It would be an unsound and administratively burdensome practice to adjust production budgets to include the original purchase price of all those items to determine “profitability” of the production when no costs were actually incurred for that subsequent production utilizing repurposed items. A production budget only considers actual costs incurred.

Question: In addition to the yearly (best guess budget) new production plan budgets should be presented to the Commission for approval for EACH production. The requested budget should be on the Profit and Loss Detail format.

This needs to be done well in advance of entering into an agreement with the production company whether in house CAC or external production companies. This budget could be information only and kept separately from the yearly budget.

Response: *To reiterate, it is not within the City’s purview to retain oversight of individual production companies’ budgets and/or ultimate profitability.*

Question: After approval and after completion of the production performance the Commission should see a follow-up Profit and Loss Detail for the actual income and expenses in comparison to the Budget. To do this a Variance column should be added to the Profit and Loss Detail. We would then see a column with the approved budget, a column with the actual results and a column with the variance. This is needed for EACH production. This will clearly show where we hit or missed projections by production and allow both the Commission and the Cultural Arts Center to form a much more accurate budget.

At the end of the Fiscal year, the Commission should have a roll up Budget of the actual results and see how close this comes to the projected yearly budget.

Response: *Budget to Actual and comparative year financials can be provided in the future for CAC produced, in-house productions.*

Question: By instituting these two requests the Commission will be able to make sense of what is an acceptable budgeted number thus making well-educated approvals (rather than a rubber stamp) and allows the Commission and the Cultural Arts Center to see where potential savings could be incurred. The budgets presented are comfortably overstated and can be pared down, in other words, some expenses could be reduced to improve profits. This format would also allow the Commission to immediately see errors such as the theatre mischarges represented in my examples.

Response: *The Cultural Arts Center is not, and never was intended to be a profit-making enterprise. Much like the Senior Center (which also charges some rental fees) operational revenue is not intended to make the facility self-sustaining. The recommended cost recovery rate is 5% per the 2015 Cost Services Study. A*

preliminary estimate, based on the FY 17-18 CAC reimbursement to the City and the actuals indicate that the Cultural Arts Center cost recovery rate is at 4.7%.

Question: Cultural Arts Center Commission meetings should be increased from quarterly meetings to having approval and review meetings for each production. There are roughly 10 productions a year so perhaps ten meetings instead of four. Again, the main purpose is approval before production and follow-up financial review post-production.

Response: *It is understood that over an annual period, some productions will perhaps result in greater returns to the Cultural Arts Center than others. The Center's stated focus-is not simply to generate revenue but to expand exposure and access to the arts in multiple forms and formats as a cultural benefit to the community as outlined in the CAC's mission statement. From that perspective, it is more effective not to focus simply on individual shows, but to absorb certain costs while ensuring the community is provided with opportunities for varied experiences in the Arts. Additionally, please keep in mind that the meetings are currently designed to cover those items the Arts Commission has oversight.*

Question: It should be noted that there is an opportunity to save labor at the theater by replacing a full-time position with two part-timers in the box office. What would it take to institute a part-time position and follow through on that request?

Response: *The City's Human Resources Division and the Community Services Department determine staffing requirements for the City based on a complete understanding of total operational needs, skill set requirements, negotiated employee benefits by bargaining unit, PERS retirement principles, and regulations, etc. Therefore staffing requirements at the Cultural Arts Center or any other City facility or location need to be handled equally and fairly and should follow all the requirements set by the City and the City Council.*

CITY OF SIMI VALLEY • MEMORANDUM

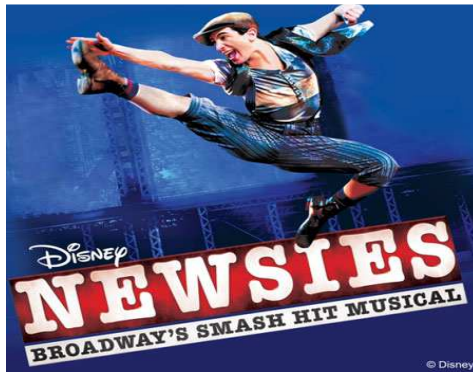
DATE: February 20, 2019

TO: Simi Valley Arts Commission

FROM: Fred Helsel, Acting Community Services Manager

SUBJECT: SIMI VALLEY CULTURAL ARTS CENTER PROGRAMMING UPDATE

Attached for the Simi Valley Arts Commission's review is the current calendar of major programming for the 2019 season. Reflected below are programming descriptions of Disney's *Newsies*, the ever popular Mother's Day with Elvis featuring Raymond Michael, *A Gentleman's Guide to Love & Murder*, *The Drowsy Chaperone*, *Mamma Mia! the Musical*, *Matilda*, and the annual Blue Christmas With Elvis Concert featuring Raymond Michael. Staff will be available at the February 20, 2019 Simi Valley Arts Commission meeting to address any questions. Also, the updated Calendar for the months of February, March, and April are attached.



NEWSIES
March 2 – April 14, 2019

Set in turn-of-the century New York City, Disney's *Newsies!* is the rousing tale of Jack Kelly, a charismatic newsboy and leader of a band of teenaged "newsies." When titans of publishing raise distribution prices at the newsboys' expense, Jack rallies newsies from across the city to strike against the unfair conditions and fight for what's right. Featuring the now classic songs "Carrying the Banner," "Seize the Day" and "Santa Fe." *Newsies!* is packed with non-stop thrills and a timeless message, perfect for the whole family. Get this special delivery at The Simi Valley Cultural Arts Center. Presented by Actors' Repertory Theatre of Simi. Tickets: \$28 Adults, \$24 Seniors & Students, and \$20 Children 12 & Under.



**Mothers'
Day with**
Elvis

**featuring
Raymond
Michael**

**Raymond Michael as ELVIS
Mother's Day
May 12, 2019**

Treat your mom to a special night out this year featuring Raymond Michael's Mother's Day! Hailed as one of the top Elvis Presley tribute artists in the U.S., Raymond Michael is a sure fire crowd pleaser. Featuring an evening of all the King's greatest hits including Love Me Tender, Blue Suede Shoes, Heartbreak Hotel and more! Don't miss this fabulous evening of fun for the entire family! Tickets sell out fast, so get yours today! Tickets are \$29 Adults, \$27 Seniors & Students, \$22 Children 12 & Under.



**GENTLEMAN'S GUIDE TO LOVE & MURDER
June 8 – July 14, 2019**

A Gentleman's Guide to Love and Murder is the knock-'em-dead, uproarious hit and the most-nominated show of the 2014 season with ten Tony nominations and four wins, including Best Musical. A distant heir to a family fortune sets out to speed up the line of succession by using a great deal of charm and a dash of murder. This Broadway hit is filled with unforgettable music, nonstop comedy, and a scene-stealing role for one actor who plays all eight of the doomed heirs. Can Monty Navarro juggle his fiancé and his mistress, knock off all eight of the heirs without being caught and become the ninth Earl of Highhurst? See this knock-'em-dead TONY AWARD WINNER FOR BEST MUSICAL to find the answers. A Gentleman's Guide to Love and Murder with book and lyrics by Robert L. Freedman and with music and lyrics by Steven Lutvak is presented by Actors' Repertory Theatre of Simi and will play June 8 – July 14, 2019. Tickets are \$28 Adults, \$24 Seniors & Students, and \$20 Children 12 & Under.



THE DROWSY CHAPERONE
July 27 – September 1, 2019

When a diehard theatre fan plays his favorite cast album, the characters come to life in this hilarious musical farce. Winner of five Tony Awards, including Best Book and Best Original Score, the Drowsy Chaperone is a living send-up of the Jazz Age musical, featuring one show-stopping song and dance number after another. Hailed by New York Magazine as “The Perfect Broadway Musical,” The Drowsy Chaperone is a masterful meta-musical, poking fun at all the tropes that characterize the musical theatre genre. Because of its many featured roles and accessible script, The Drowsy Chaperone will fit perfectly into any company’s season or school’s calendar. The Drowsy Chaperone is presented by Actors’ Repertory Theatre of Simi and will play July 27 – September 1, 2019. Tickets are \$28 Adults, \$24 Seniors & Students, and \$20 Children 12 & Under.



MAMMA MIA!
September 14 – October 20, 2019

The worldwide hit that’s so far spawned two movies and a Cher album, Mamma Mia! tells the story of a mother, a daughter, three possible dads and one unforgettable trip down the aisle. Young bride-to-be Sophie wants nothing more than to have her father at her wedding. But there’s a small problem: She has no idea which of mom’s three former boyfriends might be the guy. So Sophie invites them all to the festivities at her mother’s Greek isle tavern, and mayhem ensues. The show’s tale of enduring love and friendship features all the beloved hit songs by ABBA, including “Dancing Queen,” “S.O.S.,” “The Winner Takes It All,” “Take a Chance on Me,” and of course the title tune. Experience all the fun and excitement of Mamma Mia! At the Simi Valley Cultural Arts Center. Tickets are \$28 Adults, \$24 Seniors & Students, and \$20 Children 12 & Under.



MATILDA
November 2 – December 8, 2019

The Inspiring story of an extraordinary girl comes to life in Matilda, the Musical. Based on the beloved Roald Dahl novel, Matilda is the story of the courageous little girl with an unbounded imagination who proves that despite the odds, you can do anything you put your mind to and change your destiny. Children and adults alike will be thrilled and delighted by this Broadway hit and winner of 16 Best Musical awards! Presented by Actors' Repertory Theatre of Simi, Matilda, the Musical runs November 2 – December 8, 2019. Tickets are \$28 Adults, \$24 Seniors and Students, and \$20 Children 12 & Under.



Raymond Michael as ELVIS
BLUE CHRISTMAS
December 15, 2019

Ring in the holiday season with our annual Raymond Michael's Blue Christmas With Elvis Concert! Hailed as one of the top Elvis Presley tribute artists in the US, Raymond Michael is a sure fire crowd pleaser. Featuring an evening of great holiday tunes as well as all the King's greatest hits including Love Me Tender, Blue Suede Shoes, Heartbreak Hotel and more! Don't miss this fabulous evening of fun for the entire family! Tickets sell out fast, so get yours today! Tickets are \$29 Adults, \$27 Seniors & Students, \$22 Children 12 & Under.

Attachment

February 2019

February 2019						
Su	Mo	Tu	We	Th	Fr	Sa
3	4	5	6	7	8	9
10	11	12	13	14	15	16
17	18	19	20	21	22	23
24	25	26	27	28		

March 2019						
Su	Mo	Tu	We	Th	Fr	Sa
3	4	5	6	7	8	9
10	11	12	13	14	15	16
17	18	19	20	21	22	23
24	25	26	27	28	29	30
31						

	Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
Jan 27 - Feb 2	Jan 27	28	29	30	31	Feb 1	2
						CARPETING (MPR/Main Stage)	
Feb 3 - 9	3	4	5	6	7	8	9
	CARPETING (MPR/Main Stage)						
Feb 10 - 16	10	11	12	13	14	15	16
	CARPETING (MPR/Main Stage)						
			11:30am 2:30pm Rotary Luncheon (MPR)	6:00pm 8:00pm Foundation Meeting (Upper Lobby)	Valentine's Day		6:00pm 12:00am Kershberg Retirement Party (MPR)
Feb 17 - 23	17	18	19	20	21	22	23
	CARPETING (MPR/Main Stage)			11:30am 2:30pm Rotary Luncheon (MPR)	3:30pm 5:30pm Arts Commission Meeting and Tour (MS/MPR)		
		President's Day					
Feb 24 - Mar 2	24	25	26	27	28	Mar 1	2
	Newsies TECH WEEK (MPR)	Newsies TECH WEEK (Main Stage and MPR)					
			11:30am 2:30pm Rotary Luncheon (MPR)				

March 2019

March 2019							April 2019						
Su	Mo	Tu	We	Th	Fr	Sa	Su	Mo	Tu	We	Th	Fr	Sa
3	4	5	6	7	8	9	7	8	9	10	11	12	13
10	11	12	13	14	15	16	14	15	16	17	18	19	20
17	18	19	20	21	22	23	21	22	23	24	25	26	27
24	25	26	27	28	29	30	28	29	30				
31													

	Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
	Feb 24	25	26	27	28	Mar 1	2
2/24 - 3/1						7:00pm 11:00pm Newsies Dress Rehearsal (Main Stage)	7:00pm 11:00pm Newsies (Main Stage)
3/3 - 8	3	4	5	6	7	8	9
	1:00pm 5:00pm Newsies (Main Stage)		11:30am 2:30pm Rotary Luncheon (MPR)	Ash Wednesday		7:00pm 11:00pm Newsies (Main Stage)	7:00pm 11:00pm Newsies (Main Stage)
3/10 - 15	10	11	12	13	14	15	16
	1:00pm 5:00pm Newsies (Main Stage)		11:30am 2:30pm Rotary Luncheon (MPR)	6:00pm 8:00pm Foundation Meeting (Upper Lobby)		11:00am 3:00pm Republican Women Luncheon (MPR) 7:00pm 11:00pm Newsies (Main Stage)	7:00pm 11:00pm Newsies (Main Stage)
3/17 - 22	17	18	19	20	21	22	23
	Saint Patrick's Day 1:00pm 5:00pm Newsies (Main Stage)		11:30am 2:30pm Rotary Luncheon (MPR)			7:00pm 11:00pm Newsies (Main Stage)	7:00pm 11:00pm Newsies (Main Stage)
3/24 - 29	24	25	26	27	28	29	30
	1:00pm 5:00pm Newsies (Main Stage)		11:30am 2:30pm Rotary Luncheon (MPR)			7:00pm 11:00pm Newsies (Main Stage)	7:00pm 11:00pm Newsies (Main Stage)
3/31 - 4/5	31	Apr 1	2	3	4	5	6
	1:00pm 5:00pm Newsies (Main Stage)						

April 2019

April 2019							May 2019						
Su	Mo	Tu	We	Th	Fr	Sa	Su	Mo	Tu	We	Th	Fr	Sa
7	1	2	3	4	5	6	5	6	7	1	2	3	4
14	8	9	10	11	12	13	12	13	14	8	9	10	11
21	15	16	17	18	19	20	19	20	21	15	16	17	18
28	22	23	24	25	26	27	26	27	28	22	23	24	25
	29	30								29	30	31	

	Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
Mar 31 - Apr 6	Mar 31	Apr 1	2 11:30am 2:30pm Rotary Luncheon (MPR)	3	4	5 7:00pm 11:00pm Newsies (Main Stage)	6 1:00pm 5:00pm Newsies (MS) 7:00pm 11:00pm Newsies (Main Stage)
	7 1:00pm 5:00pm Newsies (Main Stage)	8	9 11:30am 2:30pm Rotary Luncheon (MPR)	10 6:00pm 8:00pm Foundation Meeting (Upper Lobby)	11	12 7:00pm 11:00pm Newsies (MS)	13 1:00pm 5:00pm Newsies (MS) 7:00pm 11:00pm Newsies (MS)
Apr 7 - 13	14 Palm Sunday 1:00pm 5:00pm Newsies (MS) 5:00pm 9:00pm Newsies STRIKE (MS/MPR)	15	16 11:30am 2:30pm Rotary Luncheon (MPR)	17	18	19 CONCERT HOLD	20 Passover Begins TBA Tech Week (Main)
	21 Easter TBA Tech Week (Main)	22 TBA Tech Week (Main)	23 TBA Tech Week (Main) 11:30am 2:30pm Rotary Luncheon (MPR)	24 TBA Tech Week (Main)	25 7:00pm 11:00pm TBA Dress Rehearsal (Main Stage)	26 7:00pm 11:00pm TBA Opening (Main Stage)	27 Passover Ends 7:00pm 11:00pm TBA (Main Stage)
Apr 14 - 20	28 1:00pm 5:00pm TBA (Main Stage)	29	30	May 1	2	3	4

SIMI VALLEY CULTURAL ARTS CENTER MEMORANDUM

DATE: February 20, 2019
TO: Simi Valley Arts Commission
FROM: Fred Helsel, Acting Community Services Manager
SUBJECT: SIMI VALLEY CULTURAL ARTS CENTER STATISTICS

Attached for review are the Simi Valley Cultural Arts Center (CAC) attendance and usage statistics for 2018. Compared to 2017, main stage events showed a 7% increase with a 5% increase in attendance. The Multi-Purpose Room/DownStage events decreased 20% with a 10% decrease in attendance, due mainly to ARTS weekly conservatory dance classes moving to its new home at the old Simi Valley Elementary School early in the year as well as one less multi-week theatrical rental on the DownStage in 2018. This resulted in a decrease of 6% in overall usage of the Center; however, overall Center attendance showed a 1% increase with an estimated 37,170 patrons served in 2018.

Attachment

Prepared by: Fred Helsel, Acting Community Services Manager

SIMI VALLEY CULTURAL ARTS CENTER STATISTICS

	Main Stage Events	Main Stage Attendance	MPR Events	MPR Attendance	Gallery Events	Gallery Attendance	Total Events	Total Attendance	Hrs Open to the Public (per week)
Annual Total 2015	169	26,761	142	7,513	51	4,123	362	38,397	70
Annual Total 2016	168	25,096	176	8,171	50	4,008	394	37,275	70
Jan-17	9	1,099	10	325	5	250	24	1,674	61
Feb-17	7	1,159	10	302	4	325	21	1,786	71
Mar-17	15	2,603	14	641	5	324	34	3,568	72
Apr-17	13	1,929	11	310	4	215	28	2,454	68
May-17	11	1,256	19	1,246	5	140	35	2,642	74
Jun-17	18	2,083	20	711	4	208	42	3,002	72
Jul-17	17	2,678	17	616	4	267	38	3,561	71
Aug-17	21	3,533	19	715	5	410	45	4,658	72
Sep-17	14	2,043	9	304	4	260	27	2,607	68
Oct-17	14	1,938	9	574	5	275	28	2,787	71
Nov-17	12	1,952	13	661	4	350	29	2,963	69
Dec-17	17	3,467	14	1,030	4	532	35	5,029	74
Annual Total 2017	168	25,740	165	7,435	53	3,556	386	36,731	70
% Change From 2016	0%	3%	-6%	-9%	6%	-11%	-2%	-1%	0%
Jan-18	6	1,043	6	110	4	92	16	1,245	60
Feb-18	12	2,156	9	496	4	225	25	2,877	72
Mar-18	15	2,763	11	574	4	376	30	3,713	74
Apr-18	11	1,581	10	400	4	223	25	2,204	69
May-18	21	2,956	16	917	5	326	42	4,199	72
Jun-18	18	2,186	6	275	5	499	29	2,960	70
Jul-18	14	2,175	14	693	5	297	33	3,165	66
Aug-18	14	2,353	10	396	4	275	28	3,024	68
Sep-18	14	2,070	10	447	5	240	29	2,757	66
Oct-18	11	1,783	15	815	4	193	30	2,791	67
Nov-18	17	2,479	10	625	4	248	31	3,352	70
Dec-18	26	3,424	15	924	5	535	46	4,883	72
Annual Total 2018	179	26,969	132	6,672	53	3,529	364	37,170	69
% Change From 2017	7%	5%	-20%	-10%	0%	-1%	-6%	1%	-2%