

R-16-21

RESOLUTION NO. _____

A RESOLUTION AUTHORIZING THE MAYOR AND CITY CLERK TO ENTER INTO AN AGREEMENT WITH ARKANSAS ARTS CENTER; AND FOR OTHER PURPOSES.

WHEREAS, the Arkansas Arts Center (“AAC”) serves a substantial public interest in offering a place where creativity, individual expression and arts education can flourish for the citizens and residents of the City of North Little Rock (“the City”); and

WHEREAS, the City of North Little Rock (“the City”) entered into an agreement with Arkansas Arts Center (authorized by Resolution No. 8737 adopted January 26, 2015), and pursuant to the 2015 agreement Arkansas Arts Center has performed its duties and met reporting requirements; and

WHEREAS, the City desires to promote all aspects of the arts that would benefit its citizens and residents; and

WHEREAS, AAC’s programs help to bring positive cultural experiences and education, and the City desires to enter into an agreement with AAC for the benefit of people of all ages.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF NORTH LITTLE ROCK, ARKANSAS:

SECTION 1: That the Mayor and City Clerk are hereby authorized to enter into an agreement with the Arkansas Arts Center (substantially similar to Exhibit “A” attached hereto) whereby programs which help bring about positive cultural experiences and education to the citizens and residents of the City will be offered.

SECTION 2: That the City will make a lump sum payment to the Arkansas Arts Center in the amount of Forty Thousand & 00/100 Dollars (\$40,000.00) to be used to fund programs to ensure that learning, inspiration and creative expression in the arts flourish in North Little Rock for people of all ages, said amount having been included in the Arts and Cultural Education line item of Special Appropriations in the 2015 Budget.

SECTION 3: That this Resolution shall be in full force and effect from and after its passage and approval.

PASSED:

APPROVED:

Mayor Joe A. Smith

SPONSOR:

Joe A. Smith
Mayor Joe A. Smith

ATTEST:

Diane Whitbey, City Clerk

APPROVED AS TO FORM:

C. Jason Carter
C. Jason Carter, City Attorney

PREPARED BY THE OFFICE OF THE CITY ATTORNEY/b

FILED	<u>11:59</u>	A.M.	_____	P.M.
By	<u>City Atty Carter</u>			
DATE	<u>2/2/16</u>			
Diane Whitbey, City Clerk and Collector North Little Rock, Arkansas				
RECEIVED BY	<u>D.M. G.../b</u>			



AGREEMENT
Between
THE CITY OF NORTH LITTLE ROCK, ARKANSAS
And
ARKANSAS ARTS CENTER

This Agreement made and entered into this 25 day of January, 2016, by and between the **CITY OF NORTH LITTLE ROCK** (hereinafter referred to as "the City") and **ARKANSAS ARTS CENTER** (hereinafter referred to as "AAC").

W-I-T-N-E-S-S-E-T-H:

WHEREAS, the City desires to promote all aspects of the arts that would benefit its citizens and residents; and

WHEREAS, AAC's mission is to ensure that learning, inspiration and creative expression in the arts flourish in North Little Rock for people of all ages and backgrounds by developing, preserving and exhibiting outstanding permanent collections, offering a rich variety of art from other collections and presenting programs for the education and cultural benefit of the general public; and

WHEREAS, AAC has requested funding from the City for the 2016 calendar year and has properly submitted its application in accordance with North Little Rock Department of Commerce ("NLR Commerce") procedures and guidelines; and

WHEREAS, NLR Commerce has reviewed and verified that AAC has properly filed its quarterly and final performance reports for 2015 and has provided all requested documentation to the City; and

WHEREAS, the City supports AAC and its programs which help to bring positive cultural experiences to our citizens and residents.

NOW, THEREFORE, in consideration of the mutual covenants and promises set forth herein, and other good and valuable consideration, it is agreed by and between the parties as follows:

1. **Provision of services.** AAC will use the funds provided by the City for the programs more fully described in Exhibit "A" attached hereto and incorporated by reference.

2. **Term.** The term of this Agreement shall begin January 1, 2016 and end December 31, 2016.

3. **Consideration by the City of North Little Rock, Arkansas.** As consideration for the services provided by AAC pursuant to this Agreement, the City will make a lump sum annual payment to AAC in the amount of Forty Thousand & 00/100 Dollars (\$40,000.00). AAC and the City intend for, and estimate that, the amount of the annual

payment is approximately equal to the cost of the services provided to or for the benefit of the City by AAC. In the event that either AAC or the City gives a notice of termination of this Agreement pursuant to Section 9 below, the parties agree to negotiate in good faith a reinstatement of this Agreement with adjustments to the amount of the annual contribution and/or the services provided by AAC to equalize such cost and benefit.

4. **Assignment.** This Agreement shall not be assigned in whole or in part by any of the parties to this Agreement *unless* prior written approval has been given by the non-assigning party.

5. **Authority.** The City represents and warrants to AAC that it has the authority to enter into this Agreement, and the party signing for the City has been duly authorized. AAC represents and warrants to the City that it has the authority to enter into this Agreement, and the party signing for AAC has been duly authorized. This Agreement shall not be effective until approved by official public action of the North Little Rock City Council.

6. **AAC agrees:**

- (a) To comply with Ark. Code Ann. § 21-13-101, et seq. if it uses volunteers to accomplish its contractual obligations of a public nature, as expressed in this Agreement.
- (b) That it will not discriminate against any person on the basis of race, color, religion, natural origin, age, gender or any other constitutionally-protected basis.
- (c) That it will not mingle City funds with funds obtained from other sources and shall document the expenditure of all City funds in a manner consistent with generally accepted accounting principles and provide the same to the City upon request.
- (d) Acknowledges that certain procedural restrictions apply to the expenditure of City funds in excess of \$20,000 and the employment of professionals, as that term has been defined by the City. (For procedural guidance in the expenditure of City funds, AAC may contact a city purchasing officer at (501) 975-8881.)
- (e) Acknowledges that the expenditure of government funds for a governmental purpose is a matter of public interest and subject to disclosure under the Arkansas Freedom of Information Act ("FOIA").
- (f) That it will submit an annual report to NLR Commerce that accurately reflects all performance under this Agreement, said report to be submitted no later than January 15, 2017. A representative of AAC will be available, at the request of the City, to appear before a specified City Council meeting to answer any questions concerning the report.
- (g) To attach to this agreement a document identifying each member of the

governing board of the nonprofit entity.

- (h) To attach to this agreement evidence of nonprofit status, and if designated a nontaxable entity, attach a copy of an IRS opinion letter affirming the designation. If tax returns have been submitted, AAC will also attach a copy of the most recent tax return.
- (i) To submit a budget to demonstrate the projected use of City funds.

7. **Governing Law.** The parties hereto agree that this Agreement shall be construed under Arkansas law. The parties further agree that proper jurisdiction and venue for any cause of action arising from this Agreement shall be vested in the state courts of Arkansas.

8. The headings used in this Agreement are inserted for convenience or reference only and are not intended to define, limit or affect the interpretation of any term or provision hereof.

9. This Agreement may be terminated by either party without cause upon ninety (90) days' written notice. The fee described in Section 3 shall be prorated based upon the date of termination.

10. Time is of the essence in regard to the terms and conditions of this Agreement.

11. This Agreement may be executed in two or more counterparts, each of which is deemed as original but all constitute one and the same instrument.

IN WITNESS WHEREOF, the parties hereto have set their hands on the day and year first above written.

ARKANSAS ARTS CENTER
9th & Commerce Streets
P. O. Box 2137
Little Rock, AR 22203-2137

By: *Laine Hark*
Title: Deputy Director / CFO

CITY OF NORTH LITTLE ROCK,
ARKANSAS
300 Main Street – City Hall
North Little Rock, AR 72114

By _____
Joe A. Smith, Mayor

ATTEST:

Diane Whitbey, City Clerk



**Arkansas Arts Center
2015-2016 Board of Trustees**

Chair

Mary Ellen Irons
JPMS Cox, PLLC
11300 Cantrell Road
Little Rock, AR 72212-1824

President

J. Shepherd (Shep) Russell
Friday, Eldredge and Clark
400 W. Capitol, Suite 2000
Little Rock, AR 72201-3493

Vice-President

Merritt Dyke
455 East Paces Ferry Road, NE, Ste 344
Atlanta, GA 30305

Secretary

Dale G. Ronnel
41 Huntington Road
Little Rock, AR 72227-2320

Treasurer

Robert Burnett
Bank of America, N.A.
AR1-101-03-02
200 W. Capitol Avenue
Little Rock, AR 72201-3609

Mrs. Isabel Anthony
9 Sunset Drive
Little Rock, AR 72207

Sara Hendricks Batcheller
66 Sologne Circle
Little Rock, AR 72223-8914

Del Boyette
Boyette Strategic Advisors
225 E. Markham, Suite 400
Little Rock, AR 72201

Chucki Bradbury
#4 Edgehill Rd
Little Rock, AR 72207-5444

Albert Braunfisch
1 Edgehill Road
Little Rock, AR 72207

Charlotte B. Brown
10314 Cantrell Road
Little Rock, AR 72227-1512

Diane Gilleland
3901 Cedar Hill Road, Apt. 4
Little Rock, AR 72202-1948

Deborah (Debi) Havner
311 NE 2nd Street
Bentonville, AR 72712

Kaki Hockersmith
Kaki Hockersmith Interiors
1408 Rebsamen Park Road
Little Rock, AR 72202-1854

Craig Lair
Rose Law Firm
120 E. Fourth Street
Little Rock, AR 72201

Mike Maulden
Entergy Corp.
PO Box 551
Little Rock, AR 72203-0551

Brenda Mize
13812 Belle Pointe Drive
Little Rock, AR 72212

Mimi San Pedro
35 Flag Rd
Little Rock, AR 72205-5055

Kyle Stroud
Centennial Bank
305 E. Broadway
North Little Rock, AR 72114

Patricia (Pat) A. Wilson
1610 Beechwood
Little Rock, AR 72207-5430

Ashley Merriman
5 Bretagne Circle
Little Rock, AR 72223

Patrick O'Sullivan
Arkansas Blue Cross Blue Shield
320 W. Capitol Avenue, Suite 200
Little Rock, AR 72201

Terri H. Snowden
20 Longfellow Lane
Little Rock, AR 72207-3750

Van Tilbury, LEED AP
East Harding, Inc.
2230 Cottdale Lane, Suite 3
Little Rock, AR 72202-2048

EX-OFFICIO TRUSTEES

The Honorable Mark Stodola
Mayor, City of Little Rock
500 W. Markham, Room 203
Little Rock, AR 72201-1496

Rachael Reid (Volkan Kurtbogan)
Fine Arts Club of Arkansas
4209 Sam Peck Road
Little Rock, AR 72223-2152

Jamie Huffman Jones
Junior League Little Rock
4 Ridgefield Court
Little Rock, AR 72223

The Honorable Joe Smith
Mayor, City of North Little Rock
P. O. Box 159
North Little Rock, AR 72114-0159

Julie Tabor
Fine Arts Club of Arkansas
12401 Cherry Laurel Drive
Little Rock, AR 72211-5421

Kelly Phillips
Junior League North Little Rock
7216 Glenn Hills Drive
Sherwood, AR 72120

HONORARY TRUSTEE

Mrs. Jeane Hamilton
#6 Sand Bar Lane
Little Rock, AR 72202-1421

Internal Revenue Service
District Director

Date: JUN 05 1992

Arkansas Arts Center Foundation
MacArthur Park
Little Rock, AR 72202

Department of the Treasury
Returns Program Management
Staff - Taxpayer Assistance
P.O. Box 1055 - Room 1109
101 West Peachtree St., NW
Atlanta, GA 30370

Date of Inquiry:
05/27/92

Refer Reply To:
RPM:EQ:TFA:1109

EIX: 23-7337495

FFX1

Dear Taxpayer:

This is in response to your request for confirmation of your exemption from Federal income tax.

You were recognized as an organization exempt from Federal income tax under section 501(c)(3) of the Internal Revenue Code by our letter of January, 1974. You were further determined not to be a private foundation within the meaning of section 509(a) of the Code because you are an organization described in section 170(b)(1)(A)(vi) and 509(a)(1).

Contributions to you are deductible as provided in section 170 of the Code.

The tax exempt status recognized by our letter referred to above is currently in effect and will remain in effect until terminated, modified or revoked by the Internal Revenue Service. Any change in your purposes, character, or method of operation must be reported to us so we may consider the effect of the change on your exempt status. You must also report any change in your name and address.

Thank you for your cooperation.

Sincerely,



Exempts Organizations
Coordinator

Attachment for 6. (h)

We anticipate our most recent tax return to be completed by February 15, 2016. As soon as it is received, we will submit a copy to City of North Little Rock.

Projected Use of City Funds

As the funding from North Little Rock is for General Operating Support of the Arkansas Arts Center, please refer to the attached financial statement. The \$40,000 from North Little Rock is reflected in the Donor Contributions line item that goes to support all Arts Center exhibitions and programs.

Sources of Revenue	2016 Budgeted
City of NLR Funds	40,000
Federal/State Funds or Grants	26,790
Fees for Services	1,271,876
Fundraising/Dues *	435,000
Foundations	584,500
Investments	0
Endowments	1,749,100
Personal Donations	1,028,525
Other Sources	887,000
TOTAL REVENUES	6,022,791

*Our fiscal year ends June 30, 2016 so we included \$20,000 from 2015 and \$20,000 from 2016.