

**Statement from Mayor Carty Finkbeiner
Regarding CitiFest Financial Audit
December 13, 2007**

I have received the financial analysis of CitiFest and its management of the Erie Street Market. While there is no evidence of wrongdoing or misappropriation, it is clear that CitiFest did not meet their managerial or fiduciary responsibility to the City of Toledo in managing the Erie Street Market.

CitiFest was paid \$2,500 a month to manage the Erie Street Market. At this same time, they were paying the Downtown Toledo Improvement District \$4,000 a month to “market” the Erie Street Market over a period of three months. Both expenses were charged against the Market.

Due to the commingling of funds, it was impossible to determine if overdraft fees were charged to the Erie Street Market for expenses incurred by the Market or by CitiFest.

Finally, as managers of the Market, CitiFest leadership had an obligation to report operating losses so that staffing or other expenses could be adjusted. They made no such effort despite the fact that members of my administration and I met with CitiFest leadership regularly through 2007. CitiFest officials never indicated that there were financial difficulties until they ran out of funding in November, and had incurred in excess of \$40,000 in bad check fees.

The City of Toledo has assumed management of the Erie Street Market and is in the process of developing a business plan.

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