

Cuyahoga Arts and Culture

Minutes of Meeting of Board of Trustees

Wednesday April 25, 2007, 10:00 am

A special meeting of the Cuyahoga Arts and Culture (CAC) Board of Trustees was called to order at 10:00 a.m. in the Second Floor Conference Room of the Ideastream Building at 1375 Euclid Avenue, Cleveland, Ohio. The three Trustees of the CAC Board were in attendance: Steven Minter, Santina Protopapa and David Bergholz.

1. Approval of Minutes

Trustee David Bergholz moved to approve the Minutes from April 11, 2007 Special Meeting. President Minter seconded the motion. On roll call vote, Trustees Bergholz, Minter and Protopapa each voted yes.

2. Approval of GOS guidelines with glossary, timeline and Intent to Apply form

Executive Director Boyle asked for approval of the proposed GOS guidelines. Tom Schorgl, President of Community Partnership for Arts and Culture explained the formula for computing the GOS allocations to those organizations adjudicated into the GOS pool for potential funding. (see attached for examples of the formula). The proposed CAC formula is based on the formula used by the Ohio Arts Council. There is a funding ceiling that would allow a grant to an organization with the smallest budgets up to 25% of that organization's most recently completed operating budget. CAC grants to larger organizations will be based on a smaller percentage of their most recently completed operating budget.

President Minter commented that through extensive research he has not been able to find a better definition for "permanent and viable base of operations" than the one delineated in the glossary.

Trustee Protopapa asked about organizations need to prove charitable status. Mr. Schorgl stated that the need to do so would be contained in the application. Executive Director Boyle also stated that the Intent to Apply form is not mandatory. However, it is recommended that all organizations complete the form. The Intent to Apply form is there for a sense of scope so the CAC can start planning for the peer review panel.

Trustee Bergholz moved that, with the exception of two pages (pgs. 7-8 up to "Evaluation" section) the GOS Guidelines with glossary, the Intent to Apply form, and the guideline be approved. Trustee Protopapa seconded the motion. On roll call vote, Trustees Bergholz, Minter and Protopapa each voted yes.

3. Approval of Community Partnership for Arts and Culture (CPAC) Contract

Executive Director Boyle explained that this would be a Three (3) year contract with CPAC, and this would allow CAC to get through the initial 3 years of GOS with CPAC's collaboration, consultancy, and guidance. Barbara Hawley, legal counsel for CAC, has assembled and reviewed the contract and has found it to be sufficient. Tom Schorgl mentioned a 90-day termination clause for both parties (CAC and CPAC) and that all work done to the actual date of the termination would be prorated. Barbara Hawley stated that this provision could be added. President Minter asked if the expenses related to bringing in out-of-county, out-of-state Panelists is a one-time expense? Tom Schorgl stated that panelists could be used for other grants panel review. President Minter noted that there seemed to be no figure in contract proposal for contingency. Tom Schorgl stated that this contract is for consulting not for direct expenses incurred by CPAC. However, other fees associated with the adjudication process should be picked up by CAC. In this contract, CPAC would provide recommendations for the panelists, but will not select the panel, that would be the role of the CAC. Trustee Bergholz stated that the point of conversation from the last Board meeting established this. Tom Schorgl also acknowledged that this contract is for consulting and training and that he feels comfortable that all costs are captured within the proposed contract. However, CPAC would like the opportunity to renegotiate as the situation calls for it, or if CAC feels the need to renegotiate. President Minter acknowledged that Executive Director Boyle is recommending to the Board of Trustees that the CPAC contract be approved.

Trustee Bergholz moved to approve CPAC contract with added provisions aforementioned. Trustee Protopapa seconded the motion. On roll call vote, Trustees Bergholz, Minter and Protopapa each voted yes.

4. M+R Strategic Consultants contract

Executive Director Boyle asked the Board for authority to negotiate a contract with M+R Strategic Services through the end of October 2007. Trustee Bergholz moved to approve contract negotiation and execution with M+R Strategic Consultants. Trustee Protopapa seconded the motion. On roll call vote, Trustees Bergholz, Minter and Protopapa each voted yes.

5. Other Business

Executive Director Boyle commented on various spaces available for use as CAC office. ED Boyle is asking for approval from the Board for space in the Bulkley Building at Playhouse Square. She referred to its adequate dimensions, space to grow, easy build out, and the added bonus of working with the county for a possible free rental arrangement. Trustee Bergholz commented that he, too, along with Executive Director Boyle looked at several spaces, including locations closer to the CPAC offices in the Tower Press Building. He concluded that none of those were as adequate as the one located in the Buckley Building. Also, it would be wonderful if CAC can work out a

parking deal. Additionally, Trustee Bergholz added that the prospect of a working relationship with the county for the next ten years is desirable and would be welcomed and that the proposed build out cost is quite reasonable. Trustee Bergholz recommends that CAC further pursues the Bulkley Building lease and that he will work with Executive Director Boyle to that end. Trustee Bergholz moved to pursue Bulkley Building office space and rental agreement with the County. President Minter seconded the motion. On roll call vote, Trustees Bergholz, Minter and Protopapa each voted yes.

President Minter opened up the floor for any comments, questions, or suggestions.

Tom Schorgl from CPAC, on reviewing the GOS timeline, recommended that panelists need a full 4 weeks to review, and that it should be noted on the timeline. Trustee Bergholz expressed that he sees this timeline as flexible, so it should be no problem to make that accommodation.

Trustee Protopapa asked where CAC is in regards to its logo. Executive Director Boyle stated that there is a designer working on the logo, and that Trustee Bergholz is involved with the process, as well. Trustee Bergholz added that it is basically a general design and font issue, and that this process shouldn't be too complex. Trustee Bergholz added that a simple logo should suffice.

President Minter commented regarding CAC Board's previous meeting minutes about the Cleveland Orchestra contract, and if any advancement has been made. Executive Director Boyle stated that the contract is almost complete and ready for final approval.

Trustee Bergholz asked where CAC is in regards to Grants Manager position. Executive Director Boyle stated that she is in the process of interviewing for the position. Barbara Hawley further stated that CAC employees are not subject to civil service laws.

President Minter asked if approved minutes will be posted on CAC website and the date for the next CAC Board meeting, which will be May 8, 2007 at 10:00 am. Executive Director Boyle confirmed that the approved minutes for the April 11, 2007 CAC Board meeting will be posted on CAC's website.

There being no further business, the special meeting of the CAC Board of Trustees was adjourned at 10:40 am, April 25, 2007.

President

Attest:

Secretary

Attachment

Here are examples of how the equity formula works:

Under the proposition that a group of organizations has been recommended for funding by the Grants Review Panel through the Grant Application Review Process, the following formula would provide a level of equity for allocating funds to all organizations recommended for grants funding:

Grant Amount = “X^y” times “Constant” divided by 100 times “Total Pool of Dollars Available for General Operating Support Distribution”, where

- X is the percentage of the organization’s operating revenue to the aggregate of all recommended organizations’ operating revenues.
- y is an exponential power. The exponential power creates the equity within the funding formula. Raising or lowering the exponent adjusts the distribution of dollars amongst recommended organizations. Note: The exponent is selected based upon the final number of recommended organizations at various budget sizes. Initial selection of the exponent will be made under the guidance of a statistician. Subsequent changes to the exponent will also be made under the guidance of a statistician.
- Constant is a normalizing factor used to insure that all funds available are expended. The formula for the constant is 100 divided by the sum of all recommended organization’s X’s raised to the power used.

Example 1:

Organization X has operating revenue of \$1 million. The total operating revenues for the group that were recommended for funding through the Grant Application Review Process is approximately \$235,436,000. Organization X’s operating revenues represent 0.425% of all operating revenues. For this example, we assume that the exponent is .7 and the constant is 38.790. The constant was arrived at by dividing 100 by the sum of all recommended organizations percentages raised to the exponent, in this case that sum equaled 257.801%. To compute organization X’s recommended grant award amount the following values are substituted into the formula:

$$X = 0.425\%$$

$$y = .7$$

$$\text{Constant} = 38.790$$

$$\text{Amount Available for GOS grants} = \$7,000,000$$

$$(0.425\%^{.7} \times 38.790) / 100 \times \$7,000,000 = \$59,361$$

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