



## Minutes of the Regular Meeting of the Board of Trustees

Tuesday, October 13, 2009, 10:00 am

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A Regular Meeting of the Cuyahoga Arts and Culture (CAC) Board of Trustees was called to order at 10:04 a.m. in the 2<sup>nd</sup> floor Board Room in the Idea Center at Playhouse Square, 1375 Euclid Avenue, Cleveland, Ohio.

The roll call showed Trustees David Bergholz, Chris Coburn, Sari Feldman, and Steven Minter to be present. It was determined that there was a quorum. Vickie Johnson was absent.

Also in attendance were: CAC Staff: Meg Harris, Interim Executive Director; Achala Wali, Director of Grant Programs; Donnie Gill, Grant Program Coordinator; and Stacey Hoffman, Grant Program Coordinator.

### **1. APPROVAL OF MINUTES**

It was moved by Trustee David Bergholz and seconded by Trustee Chris Coburn that the minutes of the September 15, 2009 Regular Meeting of the Board of Trustees, which were previously submitted and read by the Board, be approved.

**Resolution: Be it resolved that the minutes of the September 15, 2009 Regular Meeting of the Board of Trustees are approved.**

Ayes: Bergholz, Coburn, Feldman and Minter.

Nays: None.

It was moved by Trustee David Bergholz and seconded by Trustee Sari Feldman that the minutes of the September 23<sup>rd</sup> and 27<sup>th</sup>, 2009 Special Meetings of the Board of Trustees, which were previously submitted and read by the Board, be approved.

**Resolution: Be it resolved that the minutes of the September 23<sup>rd</sup> and 27<sup>th</sup>, 2009 Special Meetings of the Board of Trustees are approved.**

Ayes: Bergholz, Coburn, Feldman and Minter.

Nays: None.

### **2. GRANT PROGRAMS**

#### **General Operating Support (GOS)**

Trustee Steven Minter stated that he would like to address the matters of GOS eligibility and the proposed programmatic changes to the GOS grant for the next cycle. Mr. Minter stated that at the September 15<sup>th</sup>, 2009 Board meeting, the matter of eligibility of colleges and universities in the GOS program was discussed, as noted in the minutes of that meeting. Mr. Minter, referring to the

September meeting, said that the two specific schools would be impacted by this decision. The two schools, Cleveland Institute of Art and Cleveland Institute of Music, were invited to attend this meeting to address the Board in order to represent their organizations in regards to the General Operating Support Program. He first invited David Deming, President of the Cleveland Institute of Art to address the Board.

Mr. Deming stated that the Cleveland Institute of Art plays a vital role in the artistic community of Cleveland. He stated that CIA's mission is greater than that of the education of artists, emphasizing that the institution plays an important role in the community in the following ways:

- Expanded community outreach which has grown over the last 10 years
- Engagement of CIA faculty in the community through programs with John Hay High School and the creation of the Design District
- 50% of CIA graduates remain in the region, strengthening the artistic community
- Presentation of alternative films through the Art Cinematheque
- Ongoing gallery shows at the Reinberger Gallery of CIA

Mr. Minter then asked Joel Smirnoff, President of the Cleveland Institute of Music, to address the Board.

Mr. Smirnoff agreed that the Cleveland Institute of Music, like the art institute, is more than an educational facility. He stated that CIM is the only independent music conservatory in the mid-West and that in order for a student to gain entrance to CIM, they must demonstrate that they are already accomplished musicians. He added that with his tenure, which began in 2008, CIM has increasingly become a performance oriented school. Mr. Smirnoff provided the following accomplishments of CIM over the past year:

- Introduction of a new outreach program in which over 100 concerts were performed in nursing homes and schools at no charge
- The performance of more than 500 concerts with a total attendance of 53,000 individuals. 30,000 of those individuals attended concerts free of charge
- 1300 children enrolled in music and musicianship classes through CIM's five locations in the region
- Education, through distance learning, of 11,000 K-12 students in 20 states
- 38 faculty members of CIM are in The Cleveland Orchestra
- Engagement of visiting faculty that also perform in the CIM music series
- 90% of CIM vocal students perform at local venues
- An enrollment high of 458 students
- A balanced budget for the 14<sup>th</sup> straight year

Mr. Minter thanked the representatives of CIA and CIM for taking the time to address the Board.

Mr. Coburn asked representatives from CIA and CIM what their total budgets were and what portion of that came from tuition.

Mr. Deming, CIA, stated that they had a budget of \$15 million.

Mr. Smirnoff, CIM, stated that they had a budget of \$23 million.

Mr. Minter asked what portion of their budgets was tuition.

Mr. Deming responded that half of their budget was tuition after financial aid.

Mr. Smirnoff stated that it was 75% of the gross revenue and further clarified that the \$23 million figure included financial aid and that cash revenue was less.

Mr. Coburn asked how far a reach it would be for a school such as Baldwin Wallace College to come in for GOS. He stated that he wanted the intent to be clear.

Mr. Bergholz pointed out that they would need to have a primary mission of arts education, which pretty much leaves all colleges and universities aside from CIA and CIM out.

Mr. Minter stated that other organizations would have to make the case for funding.

Mr. Minter stated that there were additional changes to consider in regards to the GOS program. He requested that Achala Wali, Director of Grant Programs, review the recommended programmatic changes for the Board.

Ms. Wali stated that there were four programmatic changes being proposed:

1. Length of the next GOS cycle: should the next cycle be for two years or three years?

Ms. Wali stated that a two-year cycle would allow new organizations to apply for a GOS grant more frequently. She added that the public panel process assists in the evaluation of an organization with respect to its operating environment. As seen from recent experience, significant organizational changes may occur rapidly due to the bumpy economic conditions. Additionally, a two-year cycle allows CAC to evaluate and modify the program, if needed, more frequently.

2. Calculation of the grant award annually rather than once at the beginning of the grant cycle.

This would allow CAC to incorporate changes to organizations' annual operating budgets, changes in the number of organizations in the pool, and other factors that are used in the formula calculation. An organization's annual award would change from year to year and would be more relevant to their current financial situation.

3. Increase the maximum possible grant award amount for the smallest organization up to 35% rather than 25%.

Increasing the maximum grant amount percentage would give CAC flexibility when computing the GOS formula and would help to accommodate a wide range of organizational budgets.

4. Increase the minimum panel score required to receive funding from 75 out of 100 to 80 out of 100 points.

GOS is the primary grant program of CAC and organizations qualifying for GOS should be able to demonstrate a higher level of capacity and management than organizations qualifying for PS (70/100 to qualify).

The Board proceeded to discuss the programmatic changes.

Mr. Bergholz stated his preference for a two-year cycle with the grant award amount being set for the two year period. He said he felt strongly that the organizations need to be able to rely on a steady flow of funds. He also noted that moving to a two-year rather than three-year grant cycle helps to mitigate dramatically changed budgets because of the shorter cycle.

It was moved by Trustee Steven Minter and seconded by Trustee David Bergholz to approve colleges and universities as eligible entities for GOS funding, a change from the 2007 guidelines where colleges and universities were not eligible to apply for GOS funding.

**Resolution: Be it resolved that colleges and universities are not listed as ineligible to apply for General Operating Support funding.**

Ayes: Bergholz, Coburn, Feldman and Minter.  
Nays: None.

It was moved by Trustee Chris Coburn and seconded by Trustee Sari Feldman that the 2011 GOS Program be a two-year grant cycle.

**Resolution: Be it resolved that the 2011 GOS Program be a two-year grant cycle**

Ayes: Bergholz, Coburn, Feldman and Minter.  
Nays: None.

It was determined by the Board of Trustees to calculate the grant award amount once in the two year cycle. The funding amount for each organization would be the same in years one and two of the grant cycle.

It was determined by the Board of Trustees to not to change the minimum scoring criteria for the General Operating Support program. All organizations receiving 75 points or higher in the GOS panel review will be recommended for funding.

It was moved by Trustee Chris Coburn and seconded by Trustee David Bergholz to approve increasing the maximum possible grant award amount for the smallest organization up to 35% rather than 25%.

**Resolution: Be it resolved that the maximum possible grant award amount for the smallest organization be “up to 35%” rather than 25% in relation to the General Operating Support funding formula.**

Ayes: Bergholz, Coburn, Feldman and Minter.  
Nays: None.

### **3. CPAC - CREATIVE WORKFORCE FELLOWSHIP**

Tom Schorgl, President of Community Partnership for Arts and Culture, presented an update on the second cycle of the Creative Workforce Fellowship. Mr. Schorgl stated that CPAC had received 168 applications for the second cycle of the Creative Workforce Fellowship program. Mr. Schorgl distributed a summary of the applicants by discipline to the Board. Mr. Schorgl stated that the all but one panelist had been secured for the November 22-24<sup>th</sup> adjudication of CWF.

#### **Public Comment**

Mr. Minter asked if there was any public comment. There was no public comment.

At 10:42 a.m. Trustee Chris Coburn moved to go into Executive Session to consider the employment of an executive director. Trustee David Bergholz seconded the motion.

Vote on Motion was as follows:

Ayes: Bergholz, Coburn, Feldman, and Minter.  
Nays: None.

The Board returned to Public Session at 11:04 a.m.

Trustee David Bergholz moved to adjourn the Executive Session and resume the public meeting. Trustee Steven Minter seconded the motion.

Vote on Motion was as follows:

Ayes: Bergholz, Coburn, Feldman, and Minter.  
Nays: None.

*Trustee Sari Feldman excused herself and left the meeting.*

### **4. INTERIM EXECUTIVE DIRECTOR'S REPORT**

Ms. Harris stated that there were several items that needed Board approval as noted on the Board's agenda.

Ms. Harris stated she would like to have the 2010 Board meeting schedule approved. She said that the Board had previously agreed to move the meetings to the second Wednesday of each month starting at 9 a.m. with the exception of the months of January and August where there will be no meeting.

It was moved by Trustee David Bergholz and seconded by Trustee Steven Minter to approve the 2010 Board meeting schedule.

**Resolution: Be it resolved to approve the 2010 Board meeting schedule.**

Ayes: Bergholz, Coburn, and Minter.  
Nays: None.

Ms. Harris stated that she would like approval to sign a letter of engagement with the Local Government Services division of the Auditor of State for compilation service for FY2009 and FY2010 in an amount estimated not to exceed \$6,000 per year. Trustee Coburn asked if the Audit Committee had seen the engagement letter. Ms. Harris stated that they had not. Trustee Coburn asked that a copy of the engagement letter be forwarded to the Audit Committee.

It was moved by Trustee David Bergholz and seconded by Trustee Steven Minter to approve the contract with the Local Government Services division of the Auditor of State for compilation services for FY2009 and FY2010 in an amount estimated not to exceed \$6,000 per year.

**Resolution: Be it resolved to approve the contract with the Local Government Services division of the Auditor of State for compilation services for FY2009 and FY2010 in an amount estimated not to exceed \$6,000 per year.**

Ayes: Bergholz, Coburn, and Minter.  
Nays: None.

Ms. Harris informed the Board that staff had revoked a grant based on the policy adopted at the last meeting regarding PS08 grantees with outstanding final reports. Since the grantee received a 60% advance payment, no further funds will be disbursed and the organization will not be in “good standing” until a PS08 Final Report is submitted. At this time, staff is seeking the ratification of the revoking of a 2008 Project Support grant made to North Cuyahoga Valley Corridor for failure to comply with reporting requirements.

It was moved by Trustee David Bergholz and seconded by Trustee Chris Coburn to ratify the revoking of a 2008 Project Support grant made to North Cuyahoga Valley Corridor for failure to comply with reporting requirements.

**Resolution: Be it resolved to ratify the revoking of a 2008 Project Support grant made to North Cuyahoga Valley Corridor.**

Ayes: Bergholz, Coburn, and Minter.  
Nays: None.

### **Finances and Operations**

Ms. Harris stated that the cigarette excise tax revenue received in September was 20% lower than that of last September. She added that she now expects cigarette receipts to be slightly lower than forecast for the year but still in the area of \$18 million.

Ms. Harris stated that expenditures through September were within budgeted figures.


**Next Meeting**

The next regular meeting of the CAC Board of Trustees is November 10, 2009 at 10:00 a.m. in the Second Floor Conference Room of Idea Center.

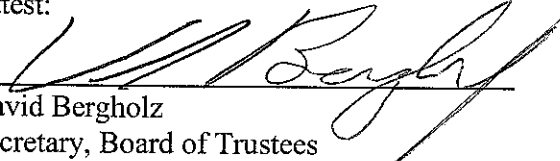
There being no further matters to come before the Board, Trustee Steven Minter moved to adjourn the meeting at 11:20 a.m. Trustee David Bergholz seconded the motion.

Vote on Motion was as follows:

Ayes: Bergholz, Coburn and Minter.  
Nays: None.

  
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Steven Minter  
President, Board of Trustees

Attest:

  
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David Bergholz  
Secretary, Board of Trustees