



Minutes of the Regular Meeting of the Board of Trustees
Monday, September 10, 2012

A meeting of the Cuyahoga Arts & Culture (CAC) Board of Trustees was called to order at 4:14 p.m. at Arts Collinwood, at 15605 Waterloo Road, Cleveland, Ohio.

The roll call showed that Trustees Matt Charboneau, Vickie Eaton Johnson, and Sari Feldman were present. It was determined that there was a quorum.

Also present were: CAC Staff: Karen Gahl-Mills, executive director; Jill Paulsen, director of grant programs; Stacey Hoffman, program manager; Meg Harris, director of administration; Jesse Hernandez, program manager; Jennifer Schlosser, communications manager; and Jake Sinatra, program associate.

1. APPROVAL OF MINUTES

There was a motion by Trustee Johnson, seconded by Trustee Charboneau, to approve the minutes of the June 18, 2012, Regular Meeting of the Board of Trustees. Discussion: None. Vote: all ayes. The motion carried.

2. EXECUTIVE DIRECTOR'S REPORT

Ms. Gahl-Mills gave a report to the board. She stated that Maureen Robinson, who will facilitate the board retreat in October, will be calling each Trustee to speak with them in advance of the board meeting. She invited each board member to make time to attend one of the CAC panel dates in October. She stated that the 2013 Creative Workforce Fellowship deadline for applications was August 31. CPAC received about 400 applications, 306 of applicants were eligible, and about half of that group were new applicants. CPAC continues the application process. She stated that CAC's staff is working hard with the recent and upcoming deadlines for General Operating Support in 2013-14 and Project Support in 2013.

3. FINANCE REPORT

Ms. Harris delivered a brief finance report, stating that year-to-date tax revenues were \$11,137,000, which is approximately \$426,000 over CAC's forecast revenue receipts for the year to date. While this is better than projected, it is still less than the amount collected last year through the same period. The excise tax continues to decline year over year. CAC has earned \$17,000 in interest income. Expenses to-date are approximately \$13 million, which is about \$100,000 under budget.

4. CONNECT WITH CULTURE: ARTS COLLINWOOD

Ms. Hoffman introduced Amy Callahan, director of Arts Collinwood. Arts Collinwood has received more than \$65,000 in funding from CAC over the past several years, including for the mural project on the building. Ms. Callahan welcomed the audience to Arts Collinwood, and expressed her

appreciation to the board. She gave a brief history of Arts Collinwood, stating that it grew out of a community development initiative by neighborhood merchants and residents, which include many artists. The organization operates several programs, including the art gallery, an annual arts festival, and educational arts programs in neighborhood schools. In 2012, CAC funded Arts Collinwood's program teaching students at Collinwood High School about printmaking. In 2013, the organization is applying for funding for the Waterloo Arts Fest, their annual arts festival which takes place on the last Saturday in June.

5. DISCUSSION

a) Allocating funds into 2013 grant programs

Ms. Gahl-Mills asked the board to broadly consider how funds should be allocated into CAC's programs in 2013. How do we decide how much money goes into each program?

(Trustee Coburn arrived at 4:26 p.m.)

Ms. Gahl-Mills asked the board to consider the objectives of each grant program, and their history as they consider how much to allocate to each program. She asked board members for their feedback so that staff could incorporate it into their recommendations.

Ms. Feldman stated that she is interested in learning more about the outcomes and reach of each program. Do we learn where attendees come from? What do we know about the impact throughout the county?

Ms. Gahl-Mills stated that CAC's Project Support program is about breadth. CAC is finding that through this program, we are funding more organizations that are located in more areas of the county. CAC has found that south of I-480, there is a lower concentration of arts and cultural organizations with 501(c)3 status, but that often the city government provides significant arts or cultural programming. Those cities are applying for CAC funding for those programs. Ms. Gahl-Mills encouraged the board to consider ways to expand funding for city governments offering arts and cultural programs. She stated that the Project Support program is about breadth, and the goal is to make stronger arts and cultural organizations.

Ms. Gahl-Mills stated that CAC has worked with CSU to create more accurate financial modeling, and that these models show that we will have more money to spend than we thought. CAC has run significant surpluses over the last three years.

Ms. Gahl-Mills stated that CAC may only fund units of government through interest from investments, but that the number of units of government who are applying for CAC funding is increasing. Last year, CAC allocated \$150,000 to fund units of government. She asked the board to consider funding the program differently this year, and then plan to revamp the program for units of government for 2014, to perhaps create a separate program for units of government.

She stated that the objectives of the Project Support program are to allocate support for the program's growth. Current requests are about \$1.8 million. For General Operating Support, she stated that CAC should allocate as much as we think is sustainable. She stated that CAC may recommend an allocation to the General Operating Support 2013-14 program that is equal to the allocation for 2011-12. Ms. Gahl-Mills paused to state to the audience that this doesn't mean that organizations currently receiving funding from CAC will necessarily or automatically receive the same amount of or more funding that they received last year.

Ms. Gahl-Mills asked the board to consider her comments, and asked for their feedback.

Trustee Feldman asked Ms. Gahl-Mills to remind the board of the different Project Support programs. Ms. Gahl-Mills stated that there are two components of the Project Support program, Project Support I and Project Support II. Project Support I grants are for up to \$50,000, and Project Support II grants are for up to \$5,000. Units of government may only apply for Project Support I grants, and they may only request up to \$35,000.

Ms. Feldman asked which programs public colleges may apply for. Ms. Gahl-Mills stated that they are units of government, and they may apply for Project Support I grants of up to \$35,000. She stated that Cleveland State has not yet applied because of Trustee Minter's involvement in CAC's board. Tri-C has applied in the past and received funding for the Tri-C Jazz Fest. The Cleveland Metropolitan School District has applied and received funding for the All-City Musical. The City of Cleveland Heights has received funding for the past several years for the Cain Park Arts Festival. And, the Metroparks could apply for funding from this pool as well.

Ms. Gahl-Mills stated that since it's a small pool of funding, and there are more applicants, the pool is very limited.

Trustee Feldman stated that the board would like to see some of the models. She wants to make sure that the board understands that we're not just talking about community events.

Trustee Johnson asked how CAC knows what events would not happen without CAC's support. How do we know where we're making the most difference?

Ms. Gahl-Mills stated that larger organizations have better capacity to hold and promote events, and that CAC is planning to do more work internally to define outcomes. Through its applications and reporting processes, CAC is working to encourage organizations to define their community and how they are reaching and serving it. It may make sense to increase the allocation but be thoughtful about it.

Trustee Johnson stated that many programs that require just a small amount of funding may have a huge impact on a community. She gave an example of Fairfax, which hosts outdoor community movie nights three times a year. (She noted that her organization has not applied for or received CAC funding because of her service on CAC's board.) This type of event requires minimal funding but truly brings neighbors together in a positive way. She asked how CAC can create more opportunities to gather people together to create community events that bring people together. She feels that there are many communities who would like to create events like this, but that they need funding or support. Trustee Feldman stated that the Project Support II program is a great opportunity for small programs like that.

Ms. Gahl-Mills stated that right now, units of government may not apply to the Project Support II program, and that this may be something that the board wishes to change. Another possibility would be to create a separate program specifically to fund units of government.

Trustee Feldman asked where community development corporations may apply for funding. Ms. Gahl-Mills stated that CDCs are generally separate non-profit organizations, and they may apply to either Project Support program.

Trustee Charboneau asked whether funding for units of government may only come from investments, and Ms. Gahl-Mills stated that this is the case, and that this pool is fixed.

Trustee Coburn asked the board to consider whether it feels that the programs that units of government deliver are equivalent to programs that arts or cultural organizations deliver. Do they

have the same fiscal stresses? If so, then it would make sense to align the funding with the programs. He stated that, to the public, it doesn't matter how the program is delivered, just that it is delivered.

Ms. Gahl-Mills thanked the board for their feedback, and stated that CAC would use their comments and suggestions to inform their recommendations at a later date.

6. BOARD ACTION

a) Approval of Community Venture Grants guidelines

Jill Paulsen, Director of Grant Programs, invited the board to consider CAC's evolving Special Initiative Grants program. She stated that the conversation about it began in late 2011 at the board retreat, when the board encouraged CAC staff to think differently about this program, and present new options. At the board's meeting in April 2012, CAC staff presented three options: a fairs and festivals fund; an arts and cultural week; and what was then called a Blue Sky project, a risk capital pool for CAC-funded organizations to fund new ideas. The board encouraged staff to be bold and fund large-scale events that wouldn't happen otherwise. Also, the board encouraged a program that could take a calculated risk and encourage organizations to think creatively, but also to be mindful of costs. Another goal is to increase CAC's visibility in the community. This program would fund new projects or past projects that have been fully reimaged.

Ms. Paulsen stated that, since April, CAC staff has gathered information and feedback in order to inform its recommendations to the board today. Staff have gathered feedback from the community, including participating organizations who can create large-scale events, and also sought feedback from other organizations who have held public voting for community projects.

Ms. Paulsen stated that today, staff is recommending that the Board approve a new program, tentatively titled Community Venture Grants, whose goal is to encourage CAC-funded organizations to dream big and propose large-scale projects that reach thousands. The program would be adjudicated by a panel process that would be fully open to the public and inclusive. CAC would ultimately make two grant awards of up to \$150,000 each for large-scale projects that would take place within 18 months of being approved. The application process would be simple and would build on the strength of the General Operating Support program. The program would encourage collaboration, so to include as many organizations as possible. CAC proposes a modest budget, including a marketing and communications piece.

Ms. Gahl-Mills stated that this program would leverage the strength of the General Operating Support program. She stated that CAC wants to ensure that this doesn't seem like an award for GOS recipients, and she asked for the board's feedback. She stated that this is the first time that CAC has encouraged collaboration.

Trustee Charboneau stated that it seems like there is a built-in bias toward organizations with a larger capacity, and that this might exclude smaller organizations that don't have the capacity to hold an event with such a large budget. How can CAC be clear that they're not unimportant?

Ms. Gahl-Mills stated that organizations may apply for up to \$150,000, but this is based on a percentage of their budget. She asked the board to consider how smaller organizations might see themselves in this program.

Trustee Johnson stated that a small organization could approach a large organization to partner with, and the larger organization could be the lead applicant. She asked whether CAC could make it

mandatory for organizations to collaborate with other organizations. Ms. Gahl-Mills stated that, if the board decided to vote on whether or not to fund this program, the board could vote on adding that amendment to the guidelines. She stated that the reasoning behind not making collaboration mandatory was to make sure CAC left room for projects that may not be particularly collaborative.

Trustee Charboneau asked how CAC would weight adjudication scores with the public vote. Ms. Paulsen stated that staff recommends that all applications be adjudicated by an independent panel. Then, the top-scoring organizations would go to a public vote. The projects would be fully vetted by the panel before going to public vote.

Trustee Coburn asked the members of the audience whether they had any comments pertaining to this discussion, and the board opened the discussion to public comment.

Greg Harris, Vice President of Development at the Rock & Roll Hall of Fame and Museum, stated that the Rock Hall is thrilled that this project has advanced, and the thought that is going into the concept of collaboration and the program's impact. He stated that he thinks this program would fill a gap – it would be an opportunity for organizations to think creatively and take chances. He stated that the Rock Hall likes where this program is headed, and that it solves something that isn't part of the General Operating Support program. He stated his support for the direction of this program.

Trustee Feldman asked whether the board had any concerns about how the public voting process would work, and asked for more detail.

Ms. Gahl-Mills stated that CAC staff had gathered information from staff at the Civic Commons, who ran the online voting process for the EfficientGovNow project a few years ago.

Ms. Paulsen asked the board to consider whether they had any reservations about whether an online vote would be inclusive enough? She stated that the Civic Commons shared with CAC that they had 17,000 people vote on their projects, with 90 percent online, as well as some by telephone and some in person.

Trustee Feldman stated that it would be important to ensure that it's just the quality of the project that's being considered in the public vote.

Trustee Coburn stated that sometimes we create behavior by measuring it – it's in how the system is designed.

Christopher Lynn, executive director of SPACES, stated his support for the idea behind the program, and that the public voting process is a clever part of the marketing of the program. He stated that it might be a challenge to create a level playing field in which a large and small organization could both be successful. How do you ensure the votes are fair?

Ms. Gahl-Mills stated that CAC would take these comments into consideration.

A motion was made by Trustee Johnson to approve the guidelines for the program, and Trustee Coburn seconded. Trustee Johnson moved to amend the guidelines by adding collaboration as a requirement to the program. Trustee Charboneau seconded the motion. There was further discussion: Trustee Coburn stated that it seems like CAC promotes and endorses collaboration, but that he would rather do the program once and see how it goes, and then perhaps add collaboration as a requirement later. Trustee Feldman stated that collaboration is underlying in CAC's other programs, but it's not required. She stated that it's something that CAC ought to foster, and so this is a good place to require it. Trustee Coburn stated that he feels that collaboration is important, but that it is a different objective from the objective of this program. He asked the board to consider

whether collaboration is required to plan and execute a large-scale community event. Trustees voted as follows: Trustees Charboneau, Feldman and Johnson voted in favor of adding the amendment to require collaboration; Trustee Coburn abstained from voting. The motion carried. Trustee Charboneau moved to approve the guidelines for the Community Venture Grants program with the amendment, Trustee Coburn seconded the motion, and that motion passed unanimously.

b) Approval of additional panelist roster

Ms. Paulsen gave a brief overview of the panelist roster and asked the board to approve six additional panelists for CAC's grant panels in October. Trustee Coburn made a motion to approve the additional panelist roster, and Trustee Johnson seconded the motion. There was discussion, as follows. Trustee Coburn asked how panelists are compensated. Ms. Paulsen stated that panelists are compensated with a daily honorarium of \$250. However, they do the bulk of their work in advance: they are expected to spend at least one hour on each application and are expected to review at least 65 proposals each. Trustees voted, and the motion passed unanimously.

Ms. Paulsen stated the need to appoint a Panel Chair and asked that the board appoint her as Panel Chair. Trustee Coburn moved to appoint Ms. Paulsen as Panel Chair, Trustee Charboneau seconded the motion, the board voted, and the motion passed unanimously.

c) Approval of Contracts and Administrative Matters

Contracts

Ms. Harris asked that the board approve a contract to retain Helicon Collaborative to conduct an educational workshop for CAC cultural partners in Cleveland in 2013. Trustee Coburn moved to approve the contract in the amount of \$13,600. Trustee Charboneau seconded the motion, the board voted, and the motion passed unanimously.

Investment Policy revision

Ms. Harris asked that the board approve CAC's revised Investment Policy. She stated that CAC's Audit and Finance committee met in June, and made a recommendation to add a sentence to the Investment Policy: "Securities may be redeemed or sold prior to maturity to meet additional liquidity needs, to enhance the yield of the portfolio, to re-structure the portfolio, or to realize capital gains." Trustee Coburn moved to approve the revised version of the Investment Policy, Trustee Johnson seconded the motion, the board voted, and the motion passed unanimously.

CAC 2013 Board meeting schedule

Ms. Harris read a tentative schedule for CAC's board to meet in 2013 and asked that the board approve it. Trustee Charboneau moved to approve the schedule, Trustee Johnson seconded the motion, the board voted, and the motion passed unanimously.

Personnel Report

Ms. Harris stated the Board had received a personnel report to review and approve today. Trustee Charboneau moved to approve the personnel report, Trustee Johnson seconded the motion, the board voted, and the motion passed unanimously.

7. PUBLIC COMMENT

Kevin Richards, executive director of Roots of American Music, asked a question regarding the Community Venture Grants program: how might CAC govern the collaborations that might arise in a successful CVG project? Ms. Gahl-Mills stated that the lead applicant would be responsible for managing the execution of the project, and therefore managing other partners in the process. She stated that the message is to choose your partners wisely.

8. ADJOURNMENT

Trustee Coburn moved that the meeting be adjourned, Trustee Johnson seconded the motion, the board voted, and the motion carried; the meeting was adjourned at 5:22 p.m.

Next meeting: **Working Session and Board Retreat, October 15, 2012, 4-9 p.m., Global Cardiovascular Innovation Center, 10000 Cedar Avenue, Cleveland 44106.**

Sari Feldman, President, Board of Trustees

Attest:

Matthew Charboneau, Secretary, Board of Trustees