

Cuyahoga Arts and Culture

Minutes of Meeting of Board of Trustees

Wednesday April 11, 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 recently appointed by the Board of County Commissioners of Cuyahoga County were in attendance: David Bergholz, Steven Minter, and Santana Protopapa.

1. Oath of Office

County Commissioner Peter Lawson Jones administered the oath of office. Each Trustee affirmed that he or she would honestly, faithfully and impartially perform the duties of the office.

Commissioner Jones stated that this was a great day for arts and culture in Cuyahoga County. He briefly summarized the efforts in the County to establish public funding for the arts, culminating in the passage of Issue 18 at the November 7, 2006 election providing for the tax on the sale of cigarettes in the County at the rate of 1.5 cents per cigarette for 10 years. He expressed his confidence in the new Trustees and thanked them for their service to the citizens of the County.

2. Election of Officers

As required by Ohio Revised Code Section 3381.05.1 the Trustees elected officers to serve one-year terms. David Bergholz made a motion that Steven Minter be elected to serve as President, Santana Protopapa be elected to serve as Vice President and David Bergholz be elected to serve as Secretary. Santana Protopapa seconded the motion. On roll call vote, Trustees Bergholz, Minter and Protopapa each voted yes.

3. Regular Meeting Dates for Board of Trustees

Regular meetings of the CAC Board of Trustees were proposed to be held on the second Tuesday of each month through the end of 2007, except there will be no meeting in August. Two meetings will be held in April and May so that the Board can accomplish the many tasks before it in getting CAC operational. These will be special meetings and will be held on April 25 and May 27. All meetings will be held at 10:00 a.m. and will be held in the Second Floor Conference Room of the Ideacenter Building at Playhouse Square, 1375 Euclid Avenue, Cleveland, Ohio, unless otherwise noted. The CAC Board Meeting schedule is posted on the CAC website.

President Steven Minter moved that the Trustees go into executive session to discuss the appointment of a person to serve as executive director of CAC. Trustee Protopapa seconded the motion. On roll call vote, Trustees Bergholz, Minter and Protopapa each voted yes. The executive session began at 10:20 a.m. and ended at 10:45 a.m. The Trustees then returned and reconvened the public meeting.

4. Appointment of Executive Director

President Minter moved that Catherine Boyle be appointed as Executive Director. President Minter commented on the excellent work Cathy has done with the County Commissioners and with the Advisory Board appointed by the County Commissioners to assist the County in its grants program for arts and cultural organizations. He reported that each of the persons contacted as references had the highest praise for Cathy. President Minter referred to a draft contract containing the proposed terms and conditions of Ms. Boyle's appointment. Trustee Bergholz seconded the motion. On roll call vote, Trustees Bergholz, Minter and Protopapa each voted yes.

5. Cuyahoga Arts and Culture Bylaws

President Minter explained that drafts Bylaws were prepared with direction from the former Cuyahoga Arts and Culture Advisory Council. Given the thoughtful review of the Bylaws by the Advisory Council, he recommended that the Bylaws be approved as they stand. He noted that the Bylaws state that they can be amended by majority vote of the Trustees, so there is flexibility to make changes in the future.

Executive Director Boyle commented on various provisions in the Bylaws. She called the Trustees' attention to Section 9.2 which expresses CAC's commitment to use the collections from the cigarette tax to provide operating support to arts and cultural organizations using the guidelines of the Investment Models adopted by the Board of County Commissioners of Cuyahoga County on February 24, 2004, with such modifications as are necessary to conform to the requirements of ORC Chapter 3381. For example, ORC Chapter 3381 requires grants be made to "arts or cultural organizations," not individual artists, and that at least 90% of the grants made from the cigarette tax collections be made to "qualifying arts or cultural organizations" located in Cuyahoga County. A "qualifying arts or cultural organization" is defined in ORC Chapter 3381 to be a nonprofit, federally tax-exempt organization that has been in existence for three years (or is a successor to an arts or cultural organization that had been in existence for at least five years) and that has a "permanent and viable base of operations" in Cuyahoga County.

Trustee Bergholz seconded President Minter's motion that the Bylaws be approved in the form submitted to the Board. On roll call vote, Trustees Bergholz, Minter and Protopapa each voted yes.

6. General Operating Support (GOS) Guidelines

Executive Director Boyle explained that CAC, the former CAC Advisory Council and Community Partnership for Arts and Culture (CPAC) have been in discussions concerning the

administration of CAC's program to provide grants to arts and cultural organizations for operating support. The County Commissioners, as the former CAC Trustees, and the former Advisory Council requested CPAC to propose a continuation of the grants administration services CPAC had provided to the County for the grants made from the County's General Fund under the ACE program.

Executive Director Boyle asked Tom Schorgl from CPAC to report on the status of CPAC's proposal. Tom Schorgl commented that CPAC initially contemplated hiring a grants manager and an assistant to carry out services to CAC. However, on further reflection and discussion, CPAC concluded that the grants administration should be done by CAC staff and that CPAC should serve in a consultative role. Megan Van Voorhis of CPAC was also in attendance and also expressed the view that it was advisable for CAC to be the entity that administered the grants. CPAC will propose to provide consulting services to CAC for three years.

Tom Schorgl then reported on the work done to date with respect to eligibility guidelines for general operating support (GOS) grants. Among the issues being considered are whether organizations must submit a financial audit or independent financial review and where the cut-off should be. President Minter asked for the views of others in attendance at the meeting. Deena Epstein of the Gund Foundation and Kathleen Cerveney of the Cleveland Foundation shared with the Trustees the practices of their respective foundations on this matter. It was suggested that if an organization has a budget under \$500,000, only a financial review be required, but if an organization has a budget over \$1 million, an audit be required. Organizations in between could have the option of submitting either an independent financial review or an audit. Other issues under consideration include: whether an organization must submit a strategic plan in order to be eligible for funding and what it means for an applicant organization to have a "permanent and viable base of operations in Cuyahoga County".

Trustee Bergholz stated that he believes CPAC's expertise is important to the success of CAC's grants program, that CAC and CPAC should continue their close working relationship, and that the agreement between CAC and CPAC should provide sufficient consulting capacity to assist CAC in building programs, training staff and providing on-going support to CAC.

Executive Director Boyle suggested that further discussion of the General Operating Support grant models and the CPAC contract be on the agenda of the next CAC Board meeting on April 25, 2007. CPAC will develop a FAQ (Frequently Asked Questions) document and a final version of the proposed Guidelines. Executive Director Boyle will develop job description for a Grants Manager position with CAC.

7. Contract for Legal Counsel

President Minter noted that he had before him a contract for legal services with Barbara Hawley from Squire Sanders and Dempsey, LLP. Barbara Hawley pointed out that she had originally given the contract to Jamie Ireland, then the President of the CAC Advisory Council. Jamie Ireland was present and explained the history of Barbara Hawley's involvement with CAC.

In December 2006, the CAC Advisory Council identified a need for legal counsel, on the advice of the County Prosecutor. Barbara Hawley was recognized as an excellent candidate as she had years of experience in working with governmental entities as well as a great appreciation for arts and culture. She agreed to provide services at a reduced rate for CAC.

Trustee Bergholz moved to approve the engagement by CAC of Squire, Sanders & Dempsey, L.L.P. to provide legal services on the terms previously approved by the former CAC Advisory Council. Trustee Protopapa seconded the motion. On roll call vote, Trustees Bergholz, Minter and Protopapa each voted yes.

8. Other contracts

Executive Director Boyle presented for discussion a proposed three-year agreement with the Cleveland Orchestra for the annual downtown concert. The County Commissioners asked CAC to fund this event indefinitely. President Minter asked Executive Director Boyle to work out details with the Musical Arts Association and to present a contract to the Trustees for approval as soon as possible.

9. Other Business

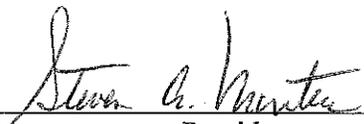
Executive Director Boyle presented a preliminary budget to the Trustees. Given the need for immediate action to move the organization forward, Trustee Bergholz moved that the preliminary budget be approved, with the understanding that further review and refinement will be done. Trustee Minter seconded the motion. On roll call vote, Trustees Bergholz, Minter and Protopapa each voted yes.

Executive Director Boyle introduced Jeff Rusnak from M+R Strategic Communications. Mr. Rusnak has been assisting CAC to date on a good faith basis with marketing and communications, and he seeks to be formally retained by CAC for these services. President Minter expressed the view that CAC should first carry out a request for proposals process. He welcomed Mr. Rusnak's proposal. Executive Director Boyle explained that there are immediate service needs relating to the website and other communications. Trustee Bergholz expressed the view that Mr. Rusnak should be compensated for the services he has provided to date and that CAC should continue to use Mr. Rusnak's services as a consultant until a selection can be completed following an RFP process.

Executive Director Boyle raised with the Trustees the need to address financial management matters. She had just learned that the State recently sent cigarette tax collections to the County that included taxes levied for CAC in addition to the taxes that have been levied for the Cleveland Browns stadium project. She has contacted the County Auditor's office about a reconciliation of those collections. Trustees then discussed whether CAC could enter into agreements with the County for various fiscal services, such as day-to-day bookkeeping, investment of funds and administration of payroll and benefits services relating to CAC staff. The Trustees requested Cathy Boyle to pursue this subject with County administrators and seek to obtain proposals on these matters from the County.

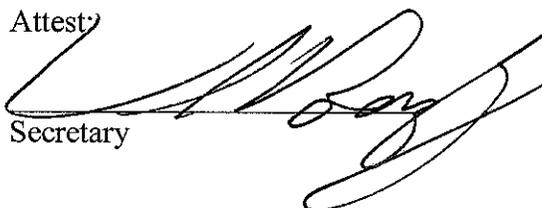
President Minter brought up "Destination Cleveland" grants. He suggested CAC consider ideas for funding some of these types of events as the County has done in prior years. It was agreed that the CAC Board would continue to discuss this subject.

There being no further business, the special meeting of the CAC Board of Trustees was adjourned at 12:07 pm, April 11, 2007.



President

Attest:


Secretary